SOCIAL SECURITY

Date: March 16, 2006   Refer To: TCA

To: Senator Robert Bennett, Vice Chairman
             Joint Economic Committee of Congress

From: Stephen C. Goss, Chief Actuary
             Alice H. Wade, Deputy Chief Actuary

Subject: Estimated Financial Effects of a Proposal to Restore Sustainable Solvency for the
             Social Security Program --INFORMATION

This memorandum presents estimates for the plan discussed with Tom Miller and Jeff
Schlagenhauf of the staff for the Joint Economic Committee. The plan would provide for
progressive indexing of scheduled Old-Age and Survivor's Insurance (OASI) benefits,
accelerate the increase in the normal retirement age to 67, provide for a life-expectancy
adjustment (longevity indexing) for OASI benefits, and provide for transfers from the
General Fund of the Treasury when needed to maintain a contingency trust fund reserve.

All estimates are based on the intermediate assumptions of the 2005 Trustees Report and
reflect our understanding of your intent for this proposal. This plan would eliminate the
long-range OASDI actuarial deficit, which is estimated at 1.92 percent of taxable payroll
under current law, leaving the OASDI program in actuarial balance for the long-range 75-
year projection period. In addition, the OASDI program would meet the criteria for
sustainable solvency under these assumptions because the projected assets in the OASDI
Trust Funds would be projected to be stable as a percentage of annual program cost at the
end of the period. Thus, the program would be expected to be solvent for the foreseeable
future under this proposal.

Plan Specifications

Provision 1. Progressive Indexing of OASI Benefits

The Progressive Indexing PIA Formula

Under this provision, basic benefits for OASI beneficiaries above the 30th percentile of
career-average earners would be modified in the law to provide for slower growth in

benefits across succeeding cohorts of retirees starting in 2012. The largest reductions would be for workers with steady maximum taxable earnings. For these maximum earners reductions would be equivalent to the effect of full CPI-indexing of starting benefits, as included in Model 2 from the President's Commission to Strengthen Social Security of 2001. Reductions in starting benefit levels would be smaller for earners with lower career-average earnings. This progressive indexing provision is modeled after the provision developed for Robert Pozen in 2003, but differs in that it would not reduce benefits for disabled worker beneficiaries or for young survivor beneficiaries.

To accomplish progressive indexing, the PIA formula would be modified in four steps as detailed below.

1. ***Step 1: Establish a new bend point at the 30th percentile:*** A new PIA bend point would be established for those newly eligible in 2012. The new bend point would be set at the level of:
   * The current-law first bend point *plus*
   * 28.6 percent of the difference between the current-law first and second bend points.

   This level has been determined by the Office of the Chief Actuary to be at about the 30th percentile of average indexed monthly earnings (AIME) for workers becoming entitled for retired worker benefits in the years 2001 through 2003. In addition, the specified new bend point is expected to be at about the 30th percentile of career-average earnings for retired workers newly entitled in 2012 based on projections under the intermediate assumptions of the 2005 Trustees Report. This level is equivalent to about $20,000 annual earnings in 2005. The new bend point would be wage indexed in the future, as is done for the other bend points in current law.

2. ***Step 2: Compute PIA for "maximum" earner two ways:*** The PIA would be computed two ways for each of the cohorts of theoretical "maximum" earners retiring at 62 in 2012 and later. The "maximum" earner who retirees at age 62 in 2012 is defined as a worker with a career-average earnings level (AIME) equal to the OASDI taxable maximum amount for 2010. This level of AIME would be wage indexed for subsequent cohorts of theoretical "maximum" earners. The first PIA calculation would be as in current law, and would be referred to as *the wage-indexed PIA*. The second calculation would be computed with each of the three marginal PIA factors (90, 32, and 15) being reduced successively by the annual real increase in the national average wage index (AWI). This would be referred to as *the CPI-indexed PIA*. The annual real increase in the AWI would be calculated as:
   * The ratio of the CPI-W (the index level) for the second year prior to benefit eligibility to the CPI-W for 2009, *divided by*
   * The ratio of the AWI for the second year prior to the year of benefit eligibility to the AWI for 2009.

3. ***Step 3: Calculate the PIA for 30th percentile worker:*** Calculate the PIA for cohorts of workers becoming newly eligible for retirement benefits in 2012 and later and having an AIME equal to the level of the applicable new bend point.

4. ***Step 4: Determine the upper two PIA formula factors:*** For the actual progressive indexed PIA formula, the marginal PIA factors that apply above the new bend point would be reduced at the rate needed so that the PIA computed for the theoretical "maximum" earner would be equal to *the CPI-indexed PIA* for those newly eligible in 2012 and later. The PIA factors (90 and 32) that apply below the new bend point would be unaffected. For each worker attaining age 62 in 2012 and later, the formula factors above the new bend point (32 and 15) would be multiplied by an amount equal to:
   * The difference between *the CPI-indexed PIA* for the theoretical maximum earner retiring at 62 in the year and the PIA for the worker with an AIME equal to the new bend point, *divided by*
   * The difference between *the wage-indexed PIA* for the theoretical maximum earner and the PIA for the worker with an AIME equal to the new bend point.

Benefits Not Subject to Full Progressive Indexing

As stated above, the progressive indexed PIA applies for OASI benefits that are subject to reduction for early-age entitlement: retired worker, aged spouse and aged widow(er) benefits. Benefits payable to young survivors (children and spouses under NRA with a child in care) would be based on the current wage-indexed PIA. All benefits payable from the DI Trust Fund would also be based on the current law wage-indexed PIA formula.

However, upon attainment of the normal retirement age (NRA), disabled worker beneficiaries are converted to retired worker status and are thereafter paid benefits from the OASI Trust Fund. Under this proposal, disabled worker beneficiaries would become subject to a proportional application of the progressive indexed PIA at the time of conversion to retired worker status (or at entitlement to any retired worker benefit if recovered from disability before NRA or for survivor benefits if deceased before NRA). In such cases, the proportion of years between attainment of age 22 (or 2006 if later) and the attainment of 62 (or age at death if earlier) for which the worker was entitled to disabled worker benefits would be determined ($Prop_{DIS}$). The PIA payable to a worker upon conversion to retired worker status (or at entitlement to any retired worker benefit if recovered from disability before NRA or for survivor benefits if deceased before NRA) would be computed as:
   * The product of $Prop_{DIS}$ and the PIA that had been payable from the DI program (with continued COLAs) *plus*
   * The product of ($1 - Prop_{DIS}$) and the PIA that would be payable to a retiree of the same age with full progressive indexing and an AIME equal to that for the worker with the benefit computation years reduced by the years of disabled worker entitlement between ages 22 and 62.

This resulting proportional "weighted average" benefit would, however, be limited in cases where the beneficiary is entitled to disabled worker benefits up to conversion to

retired worker status at NRA. In this case, the PIA would be set no higher than the PIA provided before conversion, and then increased by appropriate COLAs.

Stopping and Restarting Progressive Indexing

Under the complete proposal, it is expected that sustainable solvency will be achieved (solvency through 75 years and a stable or rising ratio of trust fund assets to annual program cost at the end of the period). Under the plan, if projections under the intermediate assumptions for the OASDI program in any future Trustees Report indicate that sustainable solvency is projected and that no transfers from the General Fund of the Treasury are expected to be needed within the next 75 years, then the incremental effects of progressive indexing may be suspended for the succeeding year. The determination of whether to suspend progressive indexing for the following year will be in the affirmative if the OASDI program would still be projected to meet sustainable solvency under the intermediate assumptions of the Trustees Report.

This stabilizing provision may cause the incremental effects of progressive indexing to be added only intermittently after some time in the future. If progressive indexing is suspended in a year, then the potential incremental effects for that year will not be applied in any future year. That is, if the progressive indexing is restarted in any future year, the effect of CPI-indexing the PIA for the theoretical maximum earner in the formulas above will be omitted for the suspension period.

Provision 2. Start Increase for NRA to 67 in 2012

Under current law, the normal retirement age (NRA) is scheduled to increase by 2 months per year for those attaining retirement eligibility age (62) in years 2017 through 2022, reaching the ultimate NRA of 67 for those reaching age 62 in 2022 and later.   This provision would move the transition 5 years earlier, increasing the NRA by 2 months per year for those attaining retirement eligibility age (62) in years 2012 through 2017, reaching the ultimate NRA of 67 for those reaching age 62 in 2017 and later.

Provision 3. Indexing OASI Benefits for Increases in Life Expectancy

For OASI beneficiaries becoming eligible for aged OASI benefits (as described for progressive indexing above) in 2018 and later, the PIA marginal factors (90, 32, and the modified 32 and 15 from progressive indexing) would all be multiplied by the ratio of:
- Life expectancy at 67 (ultimate NRA) for 2013
    to
- Life expectancy at 67 (ultimate NRA) for the 4th year prior to the year of benefit eligibility.

Unisex life expectancies would be computed using the best available data by the Office of the Chief Actuary of the Social Security Administration. Life expectancies would be

based on period life tables for these years so that final, complete actual data would be available for the calculations. Life expectancies projected under the intermediate assumptions of the 2005 Trustees Report result in an expected average annual reduction in the PIA benefit level under this provision of about 0.3 percent.

While benefits payable from the Disability Insurance Trust Fund would not be affected by the longevity indexing, such benefits would be affected on a proportional basis (as described above for progressive indexing) starting at conversion to retired worker status at NRA (or at entitlement to any retired worker benefit, or at death for aged survivor benefits, if earlier).

<u>Provision 4. Provide Transfers from the General Fund of the Treasury as Needed</u>

If in any future year the assets of the combined OASDI Trust Funds during the following year are projected to fall below a level equal to 100 percent of the cost of the program in the ensuing year, then transfers from the General Fund of the Treasury will be made in sufficient amount and timing to prevent the trust funds from falling below 100 percent of the annual program cost.

Assumptions

All estimates for this proposal provided in this memorandum and in the attached tables reflect the intermediate assumptions and projections from the 2005 Trustees Report

Results

OASDI Trust Fund and Unified Budget Effects

Tables 1 through 1d provide detailed estimates for the expected effects of the complete plan on OASDI financial status and on the unified budget. Table 2 provides OASDI financial status assuming enactment of all but provision 4, thus omitting general fund transfers. Finally, table 3 provides OASDI financial status assuming enactment of only provision 1, progressive indexing of the PIA formula for OASI benefits.

Table 1 indicates that the complete plan would be expected to result in solvency for the OASDI program through the next 75 years. The actuarial deficit is projected to be entirely eliminated. Moreover, the trust fund assets level shown as a ratio to annual program cost (trust fund ratio, or TFR) is projected to be stable at the end of the 75-year period. Thus, the plan would meet the criteria for sustainable solvency under the intermediate assumptions of the 2005 Trustees Report.

Table 1 also indicates that general fund transfers are expected to be needed starting 2046 and lasting through about 2080, in order to maintain a 100 TFR. After 2080, however, additional transfers are not expected to be necessary. The TFR is projected to be stable

through 2080 at a level of 100 percent of annual program cost. In addition, table 1 indicates that annual program cash-flow balances (annual balance) are projected to be improving (getting to be smaller negatives) and are approaching positive annual balances. It is anticipated that before annual balances reach a positive level, the TFR will again start rising, within a few years after 2080. At that point, the incremental effects of progressive indexing (see description above) would be suspended as long as additional general fund transfers are not projected to be needed. If the TFR were to at some point to continue rising even with the continued suspension of progressive indexing, then the program would be somewhat over financed with the specified tax rates.

On the other hand, if the program at any point would not be adequately financed with the application of provisions 1 through 3 of this plan, then provision 4 would provide a failsafe in the form of general fund transfers as needed to maintain a 100 percent TFR.

Table 1 indicates that the OASDI actuarial deficit of 1.92 percent of payroll would be eliminated under the proposal. The effect on the actuarial deficit of the provisions affecting benefits alone (provisions 1 through 3) would be an improvement (reduction) in the actuarial deficit by 1.64 percent of taxable payroll, or more than enough to eliminate the OASI program actuarial deficit of 1.60 percent of payroll projected under current law.

Table 1a provides an analysis of the general fund transfers to the trust funds under the plan, as well as projected levels of OASDI Trust Fund assets. Columns 1 through 3 provide the estimated amounts of general fund transfers to the trust funds for years 2046 through 2080, expressed in constant 2005 dollars, in present value as of January 1, 2005, and as a percentage of annual OASDI taxable payroll. The total amount of transfers in present value through 2079 (the end of the 75-year valuation period) is shown as $627 billion at the bottom of column 1. Column 4 provides the cumulative total amount of these transfers through the end of each year (with interest), in constant 2005 dollars.

The projected OASDI Trust Fund assets under the proposal are shown in column 5 of Table 1a. For the purpose of comparison, the projected OASDI Trust Fund assets are also shown for a theoretical Social Security program with borrowing authority in two separate ways. The theoretical trust fund assets are shown without any general fund transfers in column 7. In addition, the theoretical trust fund assets are shown with the inclusion of general fund transfers for solvency under the proposal in column 8. The projected level of GDP in constant 2005 dollars is shown in column 6 as an additional point of reference.

Tables 1b and 1bc provide estimated effects on the federal government unified budget deficit due to enacting the proposal. These estimates indicate the change from the unified budget projections that would be made under current law (under the standard budget conventions). It should be noted that these estimates are based on the Trustees assumptions and thus are not directly comparable with those made by OMB and CBO under their own assumptions. Annual unified budget cash flow would be improved for years 2012 and later due to the substantial and increasing reductions in benefit obligations under the OASDI program.. The total debt held by the public is reduced to an increasing

degree through 2080. Annual unified budget balances are also improved for all years after 2011.

Table 1c provides estimates of the annual cash flow from the trust funds to the General Fund of the Treasury. Under the proposal, the cash flow to the general fund is unchanged through 2011. After 2011, cash flow to the general fund improves to an increasing degree as the benefit reductions grow. For the period 2005 through 2079 as a whole, the net cash flow from the OASDI Trust Funds to the general fund is increased from a negative $5.7 trillion in present value under current law modified to provide general fund transfers for solvency to negative $2.1 trillion under the proposal.

Table 1d illustrates the effects of the components of the proposal on the annual OASDI Trust Fund levels, and on the projected unfunded obligations through each year after trust fund assets are projected to be exhausted. The estimated OASDI unfunded obligation for the long-range period of $4.0 trillion in present value under current law is eliminated by a net reduction in benefits of $3.6 trillion and general revenue transfers of $0.6 trillion, in present value. The resulting positive trust fund balance at the end of 2079 is estimated at $0.2 trillion under the proposal.

Table 2 provides the projected OASDI Trust Fund status for the plan, but excluding the transfers from the General Fund of the Treasury. Without the transfers, the OASDI Trust Fund exhaustion date would be extended from 2041 until 2056, and the actuarial deficit would be improved by 1.64 percent of taxable payroll, leaving an actuarial deficit of 0.28 percent of payroll. As stated earlier, the reduction in the actuarial deficit excluding the general fund transfers would be greater than the actuarial deficit for the OASI program alone under current law.

Table 3 provides projected OASDI Trust Fund status reflecting only provision 1, progressive indexing of the PIA formula. For this provision alone, the OASDI Trust Fund exhaustion date would be extended from 2041 until 2048, and the actuarial deficit would be improved by 1.21 percent of taxable payroll, leaving an actuarial deficit of 0.71 percent of payroll.

<div align="center">Estimated Effects on Benefit Levels</div>

Table B1 provides projected levels of retired worker benefits for retirement at age 65 for several theoretical worker examples. Benefit levels at age 65 are presented in constant 2005 dollars (discounted for CPI increase back to 2005). Theoretical workers are presented with scaled low, medium, and high career earnings levels, as well as for a career steady maximum earner (earnings at or above the OASDI taxable maximum each year). These four hypothetical workers represent about the 28, 58, 85 and 100 percentiles of the distribution of career earnings levels for recent retired workers. See Actuarial Note 2004.3 at http://www.ssa.gov/OACT/NOTES/ran3/an2004-3.pdf for details on the nature of these worker examples.

Benefit levels are shown only for retired worker beneficiaries. Percentage reductions in benefits would be similar for other affected benefits. Comparison is provided to both present-law scheduled and present-law payable benefits. Comparison to present-law payable benefits is particularly appropriate for this proposal, as the means to achieving solvency for the OASDI program is almost entirely reductions in scheduled benefits.

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Table 1 - Bennett Solvency Proposal

Year	Cost Rate	Income Rate[1]	Annual Balance	TFR 1-1-yr	"Effective" Change in OASDI Contribution Rate	Net OASDI Contribution Rate[1]	General Revenue Transfers
2005	11.13	12.72	1.59	320		12.40	
2006	11.00	12.73	1.73	337	0.00	12.40	
2007	10.95	12.74	1.79	355	0.00	12.40	
2008	10.99	12.78	1.80	370	0.00	12.40	
2009	11.13	12.77	1.65	382	0.00	12.40	
2010	11.25	12.79	1.54	394	0.00	12.40	
2011	11.42	12.84	1.42	404	0.00	12.40	
2012	11.66	12.87	1.21	410	0.00	12.40	
2013	11.91	12.90	0.99	415	0.00	12.40	
2014	12.17	12.92	0.75	419	0.00	12.40	
2015	12.41	12.93	0.53	421	0.00	12.40	
2016	12.65	12.95	0.30	421	0.00	12.40	
2017	12.90	12.97	0.07	420	0.00	12.40	
2018	13.15	12.98	-0.17	418	0.00	12.40	
2019	13.40	13.00	-0.40	415	0.00	12.40	
2020	13.66	13.01	-0.64	410	0.00	12.40	
2021	13.92	13.03	-0.89	404	0.00	12.40	
2022	14.18	13.05	-1.14	397	0.00	12.40	
2023	14.44	13.06	-1.37	388	0.00	12.40	
2024	14.68	13.08	-1.61	378	0.00	12.40	
2025	14.92	13.09	-1.83	368	0.00	12.40	
2026	15.16	13.11	-2.05	356	0.00	12.40	
2027	15.36	13.12	-2.24	344	0.00	12.40	
2028	15.53	13.13	-2.40	331	0.00	12.40	
2029	15.67	13.14	-2.53	319	0.00	12.40	
2030	15.79	13.15	-2.64	305	0.00	12.40	
2031	15.88	13.16	-2.72	292	0.00	12.40	
2032	15.95	13.16	-2.78	279	0.00	12.40	
2033	15.98	13.17	-2.81	265	0.00	12.40	
2034	15.98	13.17	-2.81	252	0.00	12.40	
2035	15.97	13.17	-2.80	239	0.00	12.40	
2036	15.94	13.17	-2.76	226	0.00	12.40	
2037	15.89	13.17	-2.72	213	0.00	12.40	
2038	15.82	13.17	-2.65	200	0.00	12.40	
2039	15.74	13.17	-2.58	187	0.00	12.40	
2040	15.66	13.16	-2.50	175	0.00	12.40	
2041	15.58	13.16	-2.42	163	0.00	12.40	
2042	15.50	13.16	-2.34	150	0.00	12.40	
2043	15.42	13.15	-2.26	139	0.00	12.40	
2044	15.33	13.15	-2.18	127	0.00	12.40	
2045	15.25	13.15	-2.10	115	0.00	12.40	
2046	15.17	14.14	-1.03	104	1.00	13.40	1.00
2047	15.09	14.84	-0.25	100	0.70	14.10	1.70
2048	15.01	14.74	-0.27	100	-0.10	14.00	1.60
2049	14.94	14.63	-0.30	100	-0.10	13.90	1.50
2050	14.86	14.53	-0.33	100	-0.10	13.80	1.40
2051	14.79	14.43	-0.37	100	-0.10	13.70	1.30
2052	14.73	14.43	-0.30	100	0.00	13.70	1.30
2053	14.67	14.42	-0.24	100	0.00	13.70	1.30
2054	14.61	14.32	-0.29	100	-0.10	13.60	1.20
2055	14.55	14.22	-0.33	100	-0.10	13.50	1.10
2056	14.49	14.22	-0.28	100	0.00	13.50	1.10
2057	14.44	14.11	-0.33	100	-0.10	13.40	1.00
2058	14.39	14.11	-0.28	100	0.00	13.40	1.00
2059	14.34	14.11	-0.23	100	0.00	13.40	1.00
2060	14.29	14.01	-0.28	100	-0.10	13.30	0.90
2061	14.24	14.00	-0.23	100	0.00	13.30	0.90
2062	14.19	13.90	-0.29	100	-0.10	13.20	0.80
2063	14.15	13.90	-0.25	100	0.00	13.20	0.80
2064	14.11	13.80	-0.31	100	-0.10	13.10	0.70
2065	14.07	13.80	-0.27	100	0.00	13.10	0.70
2066	14.03	13.80	-0.24	100	0.00	13.10	0.70
2067	13.99	13.69	-0.30	100	-0.10	13.00	0.60
2068	13.95	13.69	-0.26	100	0.00	13.00	0.60
2069	13.91	13.69	-0.22	100	0.00	13.00	0.60
2070	13.86	13.59	-0.27	100	-0.10	12.90	0.50
2071	13.82	13.49	-0.33	100	-0.10	12.80	0.40
2072	13.77	13.48	-0.29	100	0.00	12.80	0.40
2073	13.72	13.48	-0.24	100	0.00	12.80	0.40
2074	13.68	13.38	-0.30	100	-0.10	12.70	0.30
2075	13.63	13.38	-0.26	100	0.00	12.70	0.30
2076	13.59	13.37	-0.22	100	0.00	12.70	0.30
2077	13.55	13.27	-0.27	100	-0.10	12.60	0.20
2078	13.50	13.27	-0.23	100	0.00	12.60	0.20
2079	13.46	13.17	-0.29	100	-0.10	12.50	0.10
2080	13.42	13.17	-0.25	100	0.00	12.50	0.10

Summarized OASDI

	Cost Rate	Income Rate	Actuarial Balance	Change in Actuarial Balance
2005 - 2079	14.06	14.06	0.00	1.92

Based on Intermediate Assumptions of the 2005 Trustees Report.
All values are expressed as percents of taxable payroll, except TFR.
Ultimate Real Trust Fund Interest Rate of 3 percent.
[1] Including General Revenue Transfer

Office of the Actuary
Social Security Administration
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Table 1a Proposal General Fund Transfers, OASDI Trust Fund Assets, and Theoretical OASDI Assets

	Proposal General Fund Transfers				Total OASDI Trust Fund		Theoretical Social Security [1] with Borrowing Authority Net OASDI Trust Fund Assets at EOY	
	Annual Transfers			Accumulated				
	Present Value as of 1-1-2005	Percent of Taxable Payroll	Annual Transfers	as of End of Year	Assets at End of Year	GDP	Without General Fund Transfers	With Plan General Fund Transfers
Calendar Year	(1) Billions	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Billions of Constant 2005 $				Billions of Constant 2005 Dollars	
2005	0.0	0.0	0.0	0	1,850	12,359	1,850	1,850
2006	0.0	0.0	0.0	0	1,995	12,746	1,995	1,995
2007	0.0	0.0	0.0	0	2,139	13,080	2,139	2,139
2008	0.0	0.0	0.0	0	2,285	13,389	2,285	2,285
2009	0.0	0.0	0.0	0	2,429	13,690	2,429	2,429
2010	0.0	0.0	0.0	0	2,574	13,989	2,574	2,574
2011	0.0	0.0	0.0	0	2,719	14,286	2,719	2,719
2012	0.0	0.0	0.0	0	2,858	14,573	2,858	2,858
2013	0.0	0.0	0.0	0	2,991	14,850	2,989	2,989
2014	0.0	0.0	0.0	0	3,114	15,125	3,110	3,110
2015	0.0	0.0	0.0	0	3,230	15,398	3,222	3,222
2016	0.0	0.0	0.0	0	3,339	15,669	3,322	3,322
2017	0.0	0.0	0.0	0	3,438	15,942	3,409	3,409
2018	0.0	0.0	0.0	0	3,528	16,214	3,483	3,483
2019	0.0	0.0	0.0	0	3,607	16,489	3,543	3,543
2020	0.0	0.0	0.0	0	3,673	16,759	3,584	3,584
2021	0.0	0.0	0.0	0	3,724	17,032	3,606	3,606
2022	0.0	0.0	0.0	0	3,760	17,302	3,609	3,609
2023	0.0	0.0	0.0	0	3,779	17,574	3,591	3,591
2024	0.0	0.0	0.0	0	3,782	17,843	3,551	3,551
2025	0.0	0.0	0.0	0	3,768	18,111	3,490	3,490
2026	0.0	0.0	0.0	0	3,737	18,383	3,405	3,405
2027	0.0	0.0	0.0	0	3,690	18,665	3,298	3,298
2028	0.0	0.0	0.0	0	3,628	18,955	3,169	3,169
2029	0.0	0.0	0.0	0	3,552	19,245	3,019	3,019
2030	0.0	0.0	0.0	0	3,463	19,537	2,847	2,847
2031	0.0	0.0	0.0	0	3,362	19,836	2,654	2,654
2032	0.0	0.0	0.0	0	3,251	20,147	2,441	2,441
2033	0.0	0.0	0.0	0	3,132	20,468	2,208	2,208
2034	0.0	0.0	0.0	0	3,006	20,792	1,957	1,957
2035	0.0	0.0	0.0	0	2,874	21,116	1,689	1,689
2036	0.0	0.0	0.0	0	2,738	21,446	1,404	1,404
2037	0.0	0.0	0.0	0	2,599	21,785	1,102	1,102
2038	0.0	0.0	0.0	0	2,457	22,132	785	785
2039	0.0	0.0	0.0	0	2,315	22,486	452	452
2040	0.0	0.0	0.0	0	2,172	22,842	105	105
2041	0.0	0.0	0.0	0	2,028	23,204	-259	-259
2042	0.0	0.0	0.0	0	1,884	23,573	-639	-639
2043	0.0	0.0	0.0	0	1,740	23,948	-1,036	-1,036
2044	0.0	0.0	0.0	0	1,595	24,325	-1,451	-1,451
2045	0.0	0.0	0.0	0	1,451	24,702	-1,884	-1,884
2046	26.9	1.0	89.4	89	1,399	25,081	-2,336	-2,247
2047	45.0	1.7	154.0	246	1,417	25,466	-2,809	-2,563
2048	41.7	1.6	146.9	400	1,432	25,857	-3,302	-2,902
2049	38.5	1.5	139.5	552	1,445	26,248	-3,818	-3,266
2050	35.3	1.4	132.0	700	1,455	26,640	-4,357	-3,656
2051	32.3	1.3	124.1	846	1,462	27,040	-4,920	-4,075
2052	31.7	1.3	125.8	997	1,474	27,447	-5,510	-4,513
2053	31.2	1.3	127.4	1,154	1,493	27,860	-6,127	-4,973
2054	28.3	1.2	119.2	1,308	1,507	28,281	-6,772	-5,464
2055	25.6	1.1	110.7	1,458	1,517	28,705	-7,448	-5,990
2056	25.1	1.1	112.1	1,614	1,532	29,132	-8,154	-6,541
2057	22.5	1.0	103.3	1,765	1,542	29,567	-8,894	-7,128
2058	22.1	1.0	104.6	1,923	1,557	30,008	-9,667	-7,744
2059	21.7	1.0	106.0	2,087	1,577	30,455	-10,476	-8,389
2060	19.2	0.9	96.6	2,246	1,592	30,907	-11,321	-9,075
2061	18.9	0.9	97.9	2,411	1,613	31,364	-12,203	-9,792
2062	16.5	0.8	88.1	2,571	1,627	31,831	-13,126	-10,554
2063	16.3	0.8	89.3	2,738	1,645	32,308	-14,089	-11,352
2064	14.0	0.7	79.1	2,899	1,657	32,790	-15,096	-12,197
2065	13.8	0.7	80.2	3,066	1,673	33,279	-16,147	-13,081
2066	13.5	0.7	81.2	3,239	1,693	33,765	-17,244	-14,005
2067	11.4	0.6	70.5	3,407	1,706	34,259	-18,389	-14,982
2068	11.2	0.6	71.4	3,581	1,724	34,772	-19,582	-16,002
2069	11.0	0.6	72.3	3,760	1,747	35,294	-20,826	-17,066
2070	9.0	0.5	61.1	3,934	1,764	35,822	-22,121	-18,187
2071	7.1	0.4	49.5	4,102	1,773	36,355	-23,470	-19,368
2072	7.0	0.4	50.1	4,275	1,788	36,895	-24,873	-20,598
2073	6.9	0.4	50.8	4,454	1,808	37,445	-26,333	-21,879
2074	5.1	0.3	38.6	4,626	1,821	38,003	-27,851	-23,225
2075	5.0	0.3	39.1	4,804	1,840	38,566	-29,430	-24,626
2076	4.9	0.3	39.6	4,988	1,864	39,137	-31,072	-26,084
2077	3.2	0.2	26.7	5,164	1,881	39,714	-32,778	-27,614
2078	3.2	0.2	27.1	5,346	1,903	40,300	-34,551	-29,205
2079	1.6	0.1	13.7	5,520	1,917	40,894	-36,394	-30,873
2080	1.5	0.1	13.9	5,700	1,937	41,496	-38,308	-32,608
Total 2005-2079	627.0							

Based on Intermediate Assumptions of the 2005 Trustees Report

[1] Theoretical Social Security is the current Social Security program with the assumption
  that the law is modified to permit borrowing from the General Fund of the Treasury.

Office of the Chief Actuary
Social Security Administration
March 14, 2006

Table 1b Bennett Solvency Proposal - Unified Budget Effect

Year	OASDI Cash Flow (1)	Change in Annual Unified Budget Cash Flow (2)	Debt Held by Public (EOY) (3)	Annual Unified Budget Balance (4)
	Billions of present value dollars as of 1-1-2005			
2006	0.0	0.0	0.0	0.0
2007	0.0	0.0	0.0	0.0
2008	0.0	0.0	0.0	0.0
2009	0.0	0.0	0.0	0.0
2010	0.0	0.0	0.0	0.0
2011	0.0	0.0	0.0	0.0
2012	0.3	0.3	-0.3	0.3
2013	0.9	0.9	-1.2	0.9
2014	1.9	1.9	-3.1	2.0
2015	3.4	3.4	-6.5	3.5
2016	5.5	5.5	-11.9	5.8
2017	7.8	7.8	-19.7	8.4
2018	10.0	10.0	-29.7	11.1
2019	12.2	12.2	-41.8	13.8
2020	14.3	14.3	-56.1	16.6
2021	16.2	16.2	-72.3	19.3
2022	17.6	17.6	-89.9	21.6
2023	19.0	19.0	-109.0	24.0
2024	20.6	20.6	-129.5	26.6
2025	22.2	22.2	-151.7	29.4
2026	23.8	23.8	-175.5	32.2
2027	25.5	25.5	-201.1	35.3
2028	27.4	27.4	-228.5	38.6
2029	29.3	29.3	-257.8	42.0
2030	31.4	31.4	-289.1	45.7
2031	33.7	33.7	-322.8	49.7
2032	36.0	36.0	-358.8	54.0
2033	38.3	38.3	-397.1	58.2
2034	40.5	40.5	-437.6	62.5
2035	42.6	42.6	-480.2	66.9
2036	44.7	44.7	-524.9	71.4
2037	46.7	46.7	-571.7	75.9
2038	48.6	48.6	-620.3	80.4
2039	50.4	50.4	-670.7	84.8
2040	52.0	52.0	-722.7	89.3
2041	53.6	53.6	-776.3	93.8
2042	55.1	55.1	-831.5	98.3
2043	56.6	56.6	-888.1	102.8
2044	58.1	58.1	-946.2	107.5
2045	59.5	59.5	-1,005.7	112.1
2046	61.0	61.0	-1,066.7	116.9
2047	62.4	62.4	-1,129.1	121.7
2048	63.7	63.7	-1,192.8	126.5
2049	65.1	65.1	-1,257.9	131.4
2050	66.4	66.4	-1,324.3	136.3
2051	67.7	67.7	-1,392.0	141.3
2052	68.9	68.9	-1,460.9	146.3
2053	70.1	70.1	-1,531.0	151.3
2054	71.3	71.3	-1,602.4	156.4
2055	72.4	72.4	-1,674.8	161.5
2056	73.5	73.5	-1,748.3	166.6
2057	74.6	74.6	-1,822.9	171.7
2058	75.5	75.5	-1,898.4	176.8
2059	76.4	76.4	-1,974.8	181.9
2060	77.2	77.2	-2,052.0	186.9
2061	77.9	77.9	-2,129.9	192.0
2062	78.7	78.7	-2,208.6	197.0
2063	79.3	79.3	-2,287.9	202.1
2064	79.9	79.9	-2,367.9	207.1
2065	80.5	80.5	-2,448.3	212.0
2066	80.9	80.9	-2,529.3	217.0
2067	81.4	81.4	-2,610.6	221.9
2068	81.8	81.8	-2,692.4	226.8
2069	82.1	82.1	-2,774.5	231.7
2070	82.4	82.4	-2,856.8	236.5
2071	82.5	82.5	-2,939.4	241.3
2072	82.7	82.7	-3,022.1	246.0
2073	82.8	82.8	-3,104.8	250.7
2074	82.8	82.8	-3,187.7	255.4
2075	82.9	82.9	-3,270.6	260.0
2076	82.9	82.9	-3,353.4	264.6
2077	82.8	82.8	-3,436.2	269.2
2078	82.8	82.8	-3,519.0	273.7
2079	82.7	82.7	-3,601.6	278.2
2080	<u>82.5</u>	82.5	-3,684.2	282.7
Total 2005-79	3,601.6			

Table 1b.c Bennett Solvency Proposal - Unified Budget Effect

	OASDI Cash Flow (1)	Change in Annual Unified Budget Cash Flow (2)	Debt Held by Public (EOY) (3)	Annual Unified Budget Balance (4)
Year		(Billions of Constant 2005 $)		
2006	0.0	0.0	0.0	0.0
2007	0.0	0.0	0.0	0.0
2008	0.0	0.0	0.0	0.0
2009	0.0	0.0	0.0	0.0
2010	0.0	0.0	0.0	0.0
2011	0.0	0.0	0.0	0.0
2012	0.3	0.3	-0.3	0.3
2013	1.1	1.1	-1.5	1.2
2014	2.5	2.5	-4.1	2.7
2015	4.5	4.5	-8.9	4.9
2016	7.5	7.5	-16.8	8.2
2017	11.0	11.0	-28.6	12.2
2018	14.5	14.5	-44.3	16.5
2019	18.2	18.2	-64.3	21.2
2020	22.0	22.0	-88.9	26.3
2021	25.7	25.7	-118.0	31.5
2022	28.7	28.7	-151.1	36.3
2023	32.0	32.0	-188.6	41.6
2024	35.7	35.7	-230.9	47.5
2025	39.6	39.6	-278.6	54.0
2026	43.7	43.7	-332.0	60.9
2027	48.3	48.3	-391.7	68.8
2028	53.4	53.4	-458.4	77.4
2029	58.9	58.9	-532.8	86.8
2030	64.9	64.9	-615.5	97.2
2031	71.8	71.8	-707.8	109.1
2032	79.1	79.1	-810.4	121.9
2033	86.6	86.6	-923.7	135.4
2034	94.2	94.2	-1,048.4	149.9
2035	102.2	102.2	-1,185.0	165.2
2036	110.5	110.5	-1,334.3	181.5
2037	118.9	118.9	-1,496.6	198.7
2038	127.4	127.4	-1,672.6	216.8
2039	135.9	135.9	-1,862.7	235.6
2040	144.6	144.6	-2,067.4	255.5
2041	153.5	153.5	-2,287.4	276.3
2042	162.6	162.6	-2,523.4	298.3
2043	172.1	172.1	-2,776.2	321.5
2044	181.8	181.8	-3,046.5	346.0
2045	191.9	191.9	-3,335.4	371.9
2046	202.4	202.4	-3,643.7	399.2
2047	213.3	213.3	-3,972.5	428.0
2048	224.5	224.5	-4,322.7	458.4
2049	236.1	236.1	-4,695.3	490.3
2050	248.0	248.0	-5,091.3	524.0
2051	260.4	260.4	-5,512.0	559.4
2052	273.2	273.2	-5,958.5	596.6
2053	286.4	286.4	-6,432.0	635.7
2054	299.9	299.9	-6,933.5	676.7
2055	313.7	313.7	-7,464.4	719.7
2056	328.0	328.0	-8,025.8	764.8
2057	342.6	342.6	-8,619.1	811.9
2058	357.4	357.4	-9,245.5	861.1
2059	372.4	372.4	-9,906.1	912.4
2060	387.6	387.6	-10,602.2	965.9
2061	403.1	403.1	-11,335.0	1,021.6
2062	419.0	419.0	-12,106.2	1,079.9
2063	435.3	435.3	-12,917.3	1,140.8
2064	451.8	451.8	-13,769.7	1,204.2
2065	468.4	468.4	-14,664.8	1,270.1
2066	485.2	485.2	-15,604.0	1,338.6
2067	502.4	502.4	-16,589.1	1,410.1
2068	520.0	520.0	-17,621.8	1,484.6
2069	537.9	537.9	-18,704.0	1,562.1
2070	555.8	555.8	-19,837.0	1,642.4
2071	573.7	573.7	-21,022.4	1,725.8
2072	592.0	592.0	-22,262.2	1,812.4
2073	610.5	610.5	-23,558.2	1,902.4
2074	629.2	629.2	-24,912.4	1,995.9
2075	648.3	648.3	-26,326.9	2,093.0
2076	667.6	667.6	-27,803.7	2,193.9
2077	687.3	687.3	-29,345.0	2,298.7
2078	707.4	707.4	-30,953.3	2,407.5
2079	727.8	727.8	-32,630.7	2,520.6
2080	748.5	748.5	-34,379.9	2,637.9

Table 1c OASDI Cash Flow to General Fund of the Treasury--- Proposal vs. Theoretical OASDI

	Proposal				Theoretical Social Security with PAYGO Transfers			
	Net Amount of Cash-Flow from the OASDI Trust Funds to the General Fund of the Treasury During the Year[1]				Net Amount of Cash-Flow from the OASDI Trust Funds to the General Fund of the Treasury During the Year[1]			
	Percent	Billions of Dollars			Percent	Billions of Dollars		
Year	of Payroll	Current $	1/1/2005 PV	Const 2005 $	of Payroll	Current $	1/1/2005 PV	Const 2005 $
2005	1.5	70	68	70	1.5	70	68	70
2006	1.8	88	81	86	1.8	88	81	86
2007	1.8	94	82	89	1.8	94	82	89
2008	1.8	98	82	91	1.8	98	82	91
2009	1.6	94	74	85	1.6	94	74	85
2010	1.5	92	69	81	1.5	92	69	81
2011	1.4	90	64	77	1.4	90	64	77
2012	1.2	80	54	67	1.2	80	54	66
2013	1.0	68	43	55	1.0	67	43	54
2014	0.7	53	32	42	0.7	50	30	40
2015	0.5	39	22	30	0.4	33	19	25
2016	0.3	23	12	17	0.2	12	7	9
2017	0.1	4	2	3	-0.1	-11	-5	-8
2018	-0.2	-15	-8	-11	-0.4	-36	-17	-25
2019	-0.4	-37	-17	-25	-0.7	-64	-29	-44
2020	-0.7	-62	-27	-41	-1.0	-95	-41	-63
2021	-0.9	-88	-36	-57	-1.3	-128	-52	-83
2022	-1.1	-117	-45	-74	-1.6	-163	-63	-103
2023	-1.4	-148	-54	-91	-1.9	-200	-73	-123
2024	-1.6	-180	-62	-107	-2.2	-239	-82	-143
2025	-1.8	-213	-69	-124	-2.4	-281	-91	-163
2026	-2.1	-248	-76	-140	-2.7	-325	-100	-184
2027	-2.3	-282	-82	-155	-3.0	-370	-107	-203
2028	-2.4	-315	-86	-168	-3.2	-415	-114	-222
2029	-2.5	-346	-89	-180	-3.4	-459	-119	-239
2030	-2.7	-376	-92	-190	-3.6	-504	-123	-255
2031	-2.7	-404	-93	-199	-3.7	-550	-127	-270
2032	-2.8	-430	-94	-206	-3.9	-595	-130	-285
2033	-2.8	-453	-93	-211	-4.0	-639	-132	-297
2034	-2.8	-472	-92	-214	-4.1	-681	-132	-308
2035	-2.8	-489	-90	-216	-4.1	-722	-132	-318
2036	-2.8	-504	-87	-216	-4.2	-762	-132	-326
2037	-2.7	-517	-85	-215	-4.2	-802	-131	-334
2038	-2.7	-526	-81	-213	-4.3	-840	-130	-341
2039	-2.6	-533	-78	-210	-4.3	-877	-128	-346
2040	-2.5	-538	-74	-207	-4.3	-916	-126	-351
2041	-2.4	-544	-71	-203	-4.3	-955	-124	-356
2042	-2.4	-549	-68	-199	-4.3	-997	-123	-362
2043	-2.3	-553	-64	-195	-4.3	-1,040	-121	-367
2044	-2.2	-556	-61	-191	-4.3	-1,085	-119	-373
2045	-2.1	-558	-58	-187	-4.3	-1,133	-117	-378
2046	-2.0	-561	-55	-182	-4.3	-1,183	-116	-385
2047	-2.0	-563	-52	-178	-4.3	-1,237	-114	-391
2048	-1.9	-563	-49	-173	-4.3	-1,293	-113	-398
2049	-1.8	-564	-46	-169	-4.4	-1,353	-112	-405
2050	-1.7	-565	-44	-164	-4.4	-1,417	-110	-412
2051	-1.7	-566	-42	-160	-4.4	-1,486	-109	-421
2052	-1.6	-568	-39	-156	-4.4	-1,560	-108	-430
2053	-1.6	-569	-37	-153	-4.5	-1,639	-108	-439
2054	-1.5	-571	-35	-149	-4.5	-1,722	-107	-449
2055	-1.4	-572	-34	-145	-4.6	-1,810	-106	-459
2056	-1.4	-575	-32	-142	-4.6	-1,905	-105	-470
2057	-1.3	-577	-30	-138	-4.7	-2,005	-105	-481
2058	-1.3	-578	-29	-135	-4.7	-2,110	-104	-492
2059	-1.2	-579	-27	-131	-4.8	-2,220	-103	-504
2060	-1.2	-579	-25	-128	-4.8	-2,335	-103	-516
2061	-1.1	-580	-24	-125	-4.9	-2,457	-102	-528
2062	-1.1	-582	-23	-122	-4.9	-2,587	-101	-541
2063	-1.1	-584	-22	-119	-5.0	-2,726	-101	-554
2064	-1.0	-587	-21	-116	-5.0	-2,872	-100	-568
2065	-1.0	-587	-19	-113	-5.1	-3,023	-100	-581
2066	-0.9	-589	-18	-110	-5.1	-3,182	-99	-595
2067	-0.9	-589	-17	-107	-5.2	-3,350	-99	-610
2068	-0.9	-586	-16	-104	-5.2	-3,523	-98	-624
2069	-0.8	-580	-15	-100	-5.3	-3,704	-97	-638
2070	-0.8	-572	-14	-96	-5.3	-3,890	-97	-652
2071	-0.7	-563	-13	-92	-5.4	-4,084	-96	-665
2072	-0.7	-552	-12	-88	-5.4	-4,287	-95	-680
2073	-0.7	-539	-11	-83	-5.5	-4,498	-94	-694
2074	-0.6	-524	-10	-79	-5.5	-4,719	-93	-708
2075	-0.6	-508	-9	-74	-5.5	-4,951	-92	-722
2076	-0.5	-490	-9	-70	-5.6	-5,194	-91	-737
2077	-0.5	-470	-8	-65	-5.6	-5,448	-91	-752
2078	-0.4	-449	-7	-60	-5.7	-5,715	-90	-768
2079	-0.4	-425	-6	-56	-5.7	-5,996	-89	-783
2080	-0.4	-400	-6	-51	-5.8	-6,290	-88	-799
Total 2005-79			-2,098				-5,699	

[1] Equals net investment in special Treasury Bonds by the Trust Funds less the Amount of General Fund transfers specified in the proposal or in the theoretical plan (PAYGO Transfers)

Office of the Chief Actuary
Social Security Administration
March 14, 2006

Table 1d   Change in Long-Range Trust Fund Assets / Unfunded Obligation

Year	Present Law OASDI Trust Fund Assets or if Negative, Unfunded Obligation Through EOY (1)	Basic Changes in OASDI Cash Flow (2)	General Fund Transfers (3)	Total Change Through EOY[1] (4)	Proposal OASDI Trust Fund Assets/ Unfunded Obligation Through EOY (5) = (1) + (4)
		(Billions of $, Present Value on 1-1-2005)			
2006	1,835.2	0.0	0.0	0.0	1,835.2
2007	1,917.1	0.0	0.0	0.0	1,917.1
2008	1,998.4	0.0	0.0	0.0	1,998.4
2009	2,072.5	0.0	0.0	0.0	2,072.5
2010	2,141.5	0.0	0.0	0.0	2,141.5
2011	2,204.9	0.0	0.0	0.0	2,204.9
2012	2,258.4	0.3	0.0	0.3	2,258.7
2013	2,300.8	0.9	0.0	1.2	2,301.9
2014	2,331.0	1.9	0.0	3.1	2,334.1
2015	2,349.7	3.4	0.0	6.5	2,356.2
2016	2,356.4	5.5	0.0	11.9	2,368.3
2017	2,350.7	7.8	0.0	19.7	2,370.5
2018	2,333.1	10.0	0.0	29.7	2,362.8
2019	2,303.8	12.2	0.0	41.8	2,345.7
2020	2,262.7	14.3	0.0	56.1	2,318.9
2021	2,210.4	16.2	0.0	72.3	2,282.8
2022	2,147.5	17.6	0.0	89.9	2,237.4
2023	2,074.6	19.0	0.0	109.0	2,183.5
2024	1,992.1	20.6	0.0	129.5	2,121.6
2025	1,900.6	22.2	0.0	151.7	2,052.3
2026	1,800.6	23.8	0.0	175.5	1,976.1
2027	1,693.2	25.5	0.0	201.1	1,894.2
2028	1,579.5	27.4	0.0	228.5	1,808.0
2029	1,460.7	29.3	0.0	257.8	1,718.5
2030	1,337.6	31.4	0.0	289.1	1,626.7
2031	1,210.7	33.7	0.0	322.8	1,533.5
2032	1,080.9	36.0	0.0	358.8	1,439.8
2033	949.4	38.3	0.0	397.1	1,346.5
2034	817.0	40.5	0.0	437.6	1,254.7
2035	684.5	42.6	0.0	480.2	1,164.8
2036	552.4	44.7	0.0	524.9	1,077.3
2037	421.0	46.7	0.0	571.7	992.7
2038	291.1	48.6	0.0	620.3	911.4
2039	162.9	50.4	0.0	670.7	833.5
2040	36.6	52.0	0.0	722.7	759.3
2041	-87.9	53.6	0.0	776.3	688.4
2042	-210.7	55.1	0.0	831.5	620.8
2043	-331.6	56.6	0.0	888.1	556.5
2044	-450.7	58.1	0.0	946.2	495.5
2045	-568.1	59.5	0.0	1,005.7	437.6
2046	-684.0	61.0	26.9	1,093.6	409.7
2047	-798.4	62.4	45.0	1,201.1	402.7
2048	-911.3	63.7	41.7	1,306.5	395.2
2049	-1,022.9	65.1	38.5	1,410.1	387.2
2050	-1,133.2	66.4	35.3	1,511.8	378.5
2051	-1,242.5	67.7	32.3	1,611.7	369.2
2052	-1,350.9	68.9	31.7	1,712.4	361.5
2053	-1,458.4	70.1	31.2	1,813.7	355.3
2054	-1,565.1	71.3	28.3	1,913.4	348.3
2055	-1,671.0	72.4	25.6	2,011.4	340.3
2056	-1,776.3	73.5	25.1	2,110.0	333.7
2057	-1,881.0	74.6	22.5	2,207.0	326.1
2058	-1,985.0	75.5	22.1	2,304.7	319.7
2059	-2,088.4	76.4	21.7	2,402.8	314.5
2060	-2,191.0	77.2	19.2	2,499.3	308.2
2061	-2,293.1	77.9	18.9	2,596.1	303.0
2062	-2,394.6	78.7	16.5	2,691.3	296.8
2063	-2,495.5	79.3	16.3	2,786.9	291.4
2064	-2,596.0	79.9	14.0	2,880.9	284.9
2065	-2,695.9	80.5	13.8	2,975.1	279.2
2066	-2,795.2	80.9	13.5	3,069.6	274.4
2067	-2,893.9	81.4	11.4	3,162.3	268.5
2068	-2,991.9	81.8	11.2	3,255.3	263.4
2069	-3,089.3	82.1	11.0	3,348.4	259.2
2070	-3,185.8	82.4	9.0	3,439.9	254.0
2071	-3,281.6	82.5	7.1	3,529.5	248.0
2072	-3,376.5	82.7	7.0	3,619.2	242.7
2073	-3,470.6	82.8	6.9	3,708.9	238.3
2074	-3,563.7	82.8	5.1	3,796.8	233.1
2075	-3,656.1	82.9	5.0	3,884.7	228.6
2076	-3,747.6	82.9	4.9	3,972.4	224.9
2077	-3,838.2	82.8	3.2	4,058.5	220.3
2078	-3,928.0	82.8	3.2	4,144.4	216.4
2079	-4,017.0	82.7	1.6	4,228.6	211.6
Total 2005-2079		3,601.6	627.0		

Based on the Intermediate Assumptions of the 2005 Trustees Report
Ultimate Real Trust Fund Interest Rate of 3.0 percent.
[1]Total change through the year is the accumulation of changes in columns 2 and 3

Table 2   Bennett Solvency Proposal: Without General Fund Transfers for Solvency

Year	Cost Rate	Income Rate[1]	Annual Balance	TFR 1-1-yr	"Effective" Change in OASDI Contribution Rate	Net OASDI Contribution Rate[1]	General Revenue Transfers
2005	11.13	12.72	1.59	320		12.40	
2006	11.00	12.73	1.73	337	0.00	12.40	
2007	10.95	12.74	1.79	355	0.00	12.40	
2008	10.99	12.78	1.80	370	0.00	12.40	
2009	11.13	12.77	1.65	382	0.00	12.40	
2010	11.25	12.79	1.54	394	0.00	12.40	
2011	11.42	12.84	1.42	404	0.00	12.40	
2012	11.66	12.87	1.21	410	0.00	12.40	
2013	11.91	12.90	0.99	415	0.00	12.40	
2014	12.17	12.92	0.75	419	0.00	12.40	
2015	12.41	12.93	0.53	421	0.00	12.40	
2016	12.65	12.95	0.30	421	0.00	12.40	
2017	12.90	12.97	0.07	420	0.00	12.40	
2018	13.15	12.98	-0.17	418	0.00	12.40	
2019	13.40	13.00	-0.40	415	0.00	12.40	
2020	13.66	13.01	-0.64	410	0.00	12.40	
2021	13.92	13.03	-0.89	404	0.00	12.40	
2022	14.18	13.05	-1.14	397	0.00	12.40	
2023	14.44	13.06	-1.37	388	0.00	12.40	
2024	14.68	13.08	-1.61	378	0.00	12.40	
2025	14.92	13.09	-1.83	368	0.00	12.40	
2026	15.16	13.11	-2.05	356	0.00	12.40	
2027	15.36	13.12	-2.24	344	0.00	12.40	
2028	15.53	13.13	-2.40	331	0.00	12.40	
2029	15.67	13.14	-2.53	319	0.00	12.40	
2030	15.79	13.15	-2.64	305	0.00	12.40	
2031	15.88	13.16	-2.72	292	0.00	12.40	
2032	15.95	13.16	-2.78	279	0.00	12.40	
2033	15.98	13.17	-2.81	265	0.00	12.40	
2034	15.98	13.17	-2.81	252	0.00	12.40	
2035	15.97	13.17	-2.80	239	0.00	12.40	
2036	15.94	13.17	-2.76	226	0.00	12.40	
2037	15.89	13.17	-2.72	213	0.00	12.40	
2038	15.82	13.17	-2.65	200	0.00	12.40	
2039	15.74	13.17	-2.58	187	0.00	12.40	
2040	15.66	13.16	-2.50	175	0.00	12.40	
2041	15.58	13.16	-2.42	163	0.00	12.40	
2042	15.50	13.16	-2.34	150	0.00	12.40	
2043	15.42	13.15	-2.26	139	0.00	12.40	
2044	15.33	13.15	-2.18	127	0.00	12.40	
2045	15.25	13.15	-2.10	115	0.00	12.40	
2046	15.17	13.14	-2.03	104	0.00	12.40	
2047	15.09	13.14	-1.95	93	0.00	12.40	
2048	15.01	13.14	-1.87	82	0.00	12.40	
2049	14.94	13.13	-1.80	71	0.00	12.40	
2050	14.86	13.13	-1.73	61	0.00	12.40	
2051	14.79	13.13	-1.67	51	0.00	12.40	
2052	14.73	13.13	-1.60	40	0.00	12.40	
2053	14.67	13.12	-1.54	30	0.00	12.40	
2054	14.61	13.12	-1.49	20	0.00	12.40	
2055	14.55	13.12	-1.43	11	0.00	12.40	
2056	14.49	13.12	-1.38	1	0.00	12.40	
2057	14.44	13.11	-1.33	--	0.00	12.40	
2058	14.39	13.11	-1.28	--	0.00	12.40	
2059	14.34	13.11	-1.23	--	0.00	12.40	
2060	14.29	13.11	-1.18	--	0.00	12.40	
2061	14.24	13.10	-1.13	--	0.00	12.40	
2062	14.19	13.10	-1.09	--	0.00	12.40	
2063	14.15	13.10	-1.05	--	0.00	12.40	
2064	14.11	13.10	-1.01	--	0.00	12.40	
2065	14.07	13.10	-0.97	--	0.00	12.40	
2066	14.03	13.10	-0.94	--	0.00	12.40	
2067	13.99	13.09	-0.90	--	0.00	12.40	
2068	13.95	13.09	-0.86	--	0.00	12.40	
2069	13.91	13.09	-0.82	--	0.00	12.40	
2070	13.86	13.09	-0.77	--	0.00	12.40	
2071	13.82	13.09	-0.73	--	0.00	12.40	
2072	13.77	13.08	-0.69	--	0.00	12.40	
2073	13.72	13.08	-0.64	--	0.00	12.40	
2074	13.68	13.08	-0.60	--	0.00	12.40	
2075	13.63	13.08	-0.56	--	0.00	12.40	
2076	13.59	13.07	-0.52	--	0.00	12.40	
2077	13.55	13.07	-0.47	--	0.00	12.40	
2078	13.50	13.07	-0.43	--	0.00	12.40	
2079	13.46	13.07	-0.39	--	0.00	12.40	
2080	13.42	13.07	-0.35	--	0.00	12.40	

Summarized OASDI

	Cost Rate	Income Rate	Actuarial Balance	Change in Actuarial Balance
2005 - 2079	14.06	13.78	-0.28	1.64

Based on Intermediate Assumptions of the 2005 Trustees Report.
All values are expressed as percents of taxable payroll, except TFR.
Ultimate Real Trust Fund Interest Rate of 3 percent.
[1] Including General Revenue Transfer

Office of the Chief Actuary
Social Security Administration
March 14, 2006

Table 3   Bennett Proposal: *Progressive Indexing of OASI Benefits* Provision Only

Year	Cost Rate	Income Rate[1]	Annual Balance	TFR 1-1-yr	"Effective" Change in OASDI Contribution Rate	Net OASDI Contribution Rate[1]	General Revenue Transfers
2005	11.13	12.72	1.59	320		12.40	
2006	11.00	12.73	1.73	337	0.00	12.40	
2007	10.95	12.74	1.79	355	0.00	12.40	
2008	10.99	12.78	1.80	370	0.00	12.40	
2009	11.13	12.77	1.65	382	0.00	12.40	
2010	11.25	12.79	1.54	394	0.00	12.40	
2011	11.42	12.84	1.42	404	0.00	12.40	
2012	11.67	12.87	1.21	410	0.00	12.40	
2013	11.93	12.90	0.98	415	0.00	12.40	
2014	12.20	12.92	0.72	417	0.00	12.40	
2015	12.47	12.94	0.47	418	0.00	12.40	
2016	12.74	12.96	0.21	417	0.00	12.40	
2017	13.03	12.97	-0.06	415	0.00	12.40	
2018	13.31	12.99	-0.32	411	0.00	12.40	
2019	13.59	13.01	-0.58	406	0.00	12.40	
2020	13.87	13.03	-0.84	399	0.00	12.40	
2021	14.14	13.04	-1.10	392	0.00	12.40	
2022	14.40	13.06	-1.35	383	0.00	12.40	
2023	14.66	13.07	-1.58	373	0.00	12.40	
2024	14.90	13.09	-1.81	363	0.00	12.40	
2025	15.14	13.10	-2.04	351	0.00	12.40	
2026	15.37	13.12	-2.26	338	0.00	12.40	
2027	15.58	13.13	-2.45	325	0.00	12.40	
2028	15.75	13.14	-2.61	311	0.00	12.40	
2029	15.90	13.15	-2.75	297	0.00	12.40	
2030	16.03	13.16	-2.87	282	0.00	12.40	
2031	16.14	13.17	-2.97	267	0.00	12.40	
2032	16.23	13.18	-3.05	252	0.00	12.40	
2033	16.29	13.18	-3.10	236	0.00	12.40	
2034	16.31	13.19	-3.13	221	0.00	12.40	
2035	16.32	13.19	-3.13	205	0.00	12.40	
2036	16.32	13.19	-3.12	190	0.00	12.40	
2037	16.29	13.19	-3.10	174	0.00	12.40	
2038	16.25	13.19	-3.06	158	0.00	12.40	
2039	16.19	13.19	-3.00	142	0.00	12.40	
2040	16.13	13.19	-2.94	127	0.00	12.40	
2041	16.07	13.19	-2.88	111	0.00	12.40	
2042	16.00	13.18	-2.82	96	0.00	12.40	
2043	15.94	13.18	-2.76	80	0.00	12.40	
2044	15.87	13.18	-2.69	64	0.00	12.40	
2045	15.81	13.18	-2.63	49	0.00	12.40	
2046	15.75	13.18	-2.58	33	0.00	12.40	
2047	15.70	13.17	-2.52	17	0.00	12.40	
2048	15.64	13.17	-2.47	2	0.00	12.40	
2049	15.59	13.17	-2.42	--	0.00	12.40	
2050	15.54	13.17	-2.38	--	0.00	12.40	
2051	15.50	13.17	-2.33	--	0.00	12.40	
2052	15.46	13.16	-2.30	--	0.00	12.40	
2053	15.43	13.16	-2.27	--	0.00	12.40	
2054	15.40	13.16	-2.23	--	0.00	12.40	
2055	15.37	13.16	-2.20	--	0.00	12.40	
2056	15.34	13.16	-2.18	--	0.00	12.40	
2057	15.32	13.16	-2.16	--	0.00	12.40	
2058	15.29	13.16	-2.13	--	0.00	12.40	
2059	15.27	13.16	-2.11	--	0.00	12.40	
2060	15.25	13.16	-2.09	--	0.00	12.40	
2061	15.23	13.16	-2.07	--	0.00	12.40	
2062	15.21	13.16	-2.05	--	0.00	12.40	
2063	15.20	13.16	-2.04	--	0.00	12.40	
2064	15.18	13.16	-2.03	--	0.00	12.40	
2065	15.17	13.16	-2.01	--	0.00	12.40	
2066	15.15	13.16	-2.00	--	0.00	12.40	
2067	15.14	13.16	-1.99	--	0.00	12.40	
2068	15.12	13.16	-1.97	--	0.00	12.40	
2069	15.10	13.16	-1.95	--	0.00	12.40	
2070	15.08	13.15	-1.93	--	0.00	12.40	
2071	15.06	13.15	-1.91	--	0.00	12.40	
2072	15.04	13.15	-1.88	--	0.00	12.40	
2073	15.01	13.15	-1.86	--	0.00	12.40	
2074	14.99	13.15	-1.84	--	0.00	12.40	
2075	14.96	13.15	-1.82	--	0.00	12.40	
2076	14.94	13.15	-1.79	--	0.00	12.40	
2077	14.92	13.15	-1.77	--	0.00	12.40	
2078	14.90	13.15	-1.75	--	0.00	12.40	
2079	14.88	13.15	-1.73	--	0.00	12.40	
2080	14.86	13.14	-1.71	--	0.00	12.40	

Summarized OASDI

	Cost Rate	Income Rate	Actuarial Balance	Change in Actuarial Balance
2005 - 2079	14.51	13.80	-0.71	1.21

Based on Intermediate Assumptions of the 2005 Trustees Report.
All values are expressed as percents of taxable payroll, except TFR.
Ultimate Real Trust Fund Interest Rate of 3 percent.
[1] Including General Revenue Transfer

Office of the Chief Actuary
Social Security Administration
March 14, 2006

Table B1.   Projected Retired Worker Benefits at Age 65 under Bennett Plan for OASDI Sustainable Solvency

For retired worker retiring at age 65 in indicated years at indicated career-average earnings levels

Year Attain Age 65	Present Law Benefit Scheduled *(constant 2005$)*	Present Law Benefit Payable at 65	Progressive PIA Indexing	NRA 67 start 2012	Life Expectancy Indexing	Total	Benefit Amount *(constant 2005$)*	Proposal Scheduled Benefit Percent of Present Law Scheduled	Payable
Scaled Low Earner									
2016	799	799	0.0	2.2	0.0	2.2	782	98	98
2026	825	825	0.0	0.0	2.0	2.0	808	98	98
2036	916	916	0.0	0.0	5.2	5.2	869	95	95
2046	1,022	758	0.0	0.0	8.1	8.1	940	92	124
2056	1,139	829	0.0	0.0	10.7	10.7	1,017	89	123
2075	1,396	963	0.0	0.0	15.0	15.0	1,186	85	123
Scaled Medium Earner									
2016	1,318	1,318	1.3	2.2	0.0	3.5	1,272	97	97
2026	1,359	1,359	6.9	0.0	2.0	8.7	1,240	91	91
2036	1,510	1,510	12.0	0.0	5.2	16.6	1,259	83	83
2046	1,684	1,248	16.8	0.0	8.1	23.5	1,288	76	103
2056	1,877	1,366	21.0	0.0	10.7	29.5	1,324	71	97
2075	2,300	1,586	27.9	0.0	15.0	38.7	1,410	61	89
Scaled High Earner									
2016	1,747	1,747	1.9	2.2	0.0	4.1	1,675	96	96
2026	1,802	1,802	10.3	0.0	2.0	12.1	1,584	88	88
2036	2,002	2,002	18.0	0.0	5.2	22.3	1,556	78	78
2046	2,233	1,655	25.2	0.0	8.1	31.2	1,536	69	93
2056	2,489	1,812	31.5	0.0	10.7	38.9	1,521	61	84
2075	3,049	2,103	41.8	0.0	15.0	50.5	1,508	49	72
Steady Maximum Earner									
2016	2,118	2,118	2.3	2.2	0.0	4.5	2,023	96	96
2026	2,201	2,201	12.2	0.0	2.0	13.9	1,894	86	86
2036	2,449	2,449	21.3	0.0	5.2	25.4	1,828	75	75
2046	2,728	2,022	29.7	0.0	8.1	35.4	1,763	65	87
2056	3,037	2,211	37.2	0.0	10.7	44.0	1,702	56	77
2075	3,721	2,567	49.3	0.0	15.0	56.9	1,603	43	62

Scaled low, medium and high earners have career-average earnings levels equivalent to $16,470, $36,600, and $58,560 in 2005. These scaled earners represent the 28, 58, and 85 percentile of newly entitled retired workers.

The steady maximum earner is assumed to have earnings at the taxable maximum ($90,000 in 2005) starting at age 22.

All estimates based on the intermediate assumptions of the 2005 Trustees Report.

Office of the Chief Actuary
Social Security Administration
March 14, 2006