



Social Security

Memorandum

Date: September 26, 2003

To: Representative Jim DeMint

From: Stephen C. Goss, Chief Actuary

Subject: Estimated Financial Effects of H.R. 3177, the "Social Security Savings Act of 2003"--INFORMATION

This memorandum presents estimates for the bill that you introduced on September 25, 2003. Our understanding of the intent of this plan comes as a result of working with Chris Socha and Matt Hoskins of your staff.

This plan would establish voluntary, progressive individual accounts for workers who are under age 55 on January 1, 2005 and provide for an offset against their Social Security retirement and aged survivor benefits. Individual account (IA) assets would be invested by individual workers through the Personal Savings Board (PSB) with a default allocation 65 percent in broad indexed equity funds and 35 percent in bonds issued by the Federal government. Other investment options would be allowed after the IA has accumulated to a specified level. At least partial annuitization of the IA accumulation would be required at retirement.

All individuals over age 18 but under 55 on January 1, 2005 would be automatically enrolled in the plan but would have 18 months to voluntarily disenroll. Individuals attaining age 18 after January 1, 2005 would be automatically enrolled on their eighteenth birthday, but would have 18 months thereafter to voluntarily disenroll. Any individual who voluntarily disenrolls after their initial enrollment will be allowed to reenroll one time in the future. Such reenrollment will be permanent, as will be an initial enrollment after 18 months.

The benefit offset would be based on the amount of the full life annuity that would be available through the PSB at retirement assuming that the IA had always been invested with the default portfolio allocation (65 percent in equity). The offset would initially (for those attaining age 55 in 2005) be at a level of 90 percent of the available full annuity, providing an incentive for early participation. The offset rate would rise gradually to 100 percent over roughly 40 years as the program matures. As the program matures and workers are able to make IA contributions throughout their careers, the likelihood that the full IA annuity would exceed the scheduled OASI benefit would increase, thus maintaining an incentive to participate. The ability of the Social Security trust funds to meet benefit obligations would be maintained through a combination of transfers from

the General Fund of the Treasury and special Social Security Transition (SST) Bonds issued to individual accounts.

Under the plan specifications described below the Social Security program would be expected to meet its benefit obligations throughout the long-range period 2003 through 2077 and beyond. All estimates are based on the intermediate assumptions of the 2003 Trustees Report plus additional assumptions described below.

Plan Specification

Individual Accounts

Starting in 2005, workers at least age 18 who have not yet reached their 55th birthday as of January 1, 2005 will be automatically enrolled in the plan. Individuals attaining age 18 after January 1, 2005 will be automatically enrolled on their eighteenth birthday. Enrollees with earnings in OASDI (Social Security) covered employment will have a portion of their payroll tax contribution (12.4 percent of taxable earnings in total) redirected from the OASDI Trust Funds to an individual account. The percentage of taxable earnings to be redirected will vary based on a linear, progressive scale, with 8 percentage points redirected for a worker with \$1 of earnings, and 3 percentage points redirected for a worker with maximum taxable earnings (\$87,000 for 2003). See Table A attached. The progressive scale for IA contributions redirected from the OASDI Trust Funds is estimated to amount to about 5.1 percentage points of the 12.4 percent payroll tax rate on average. The total amount redirected from the OASDI contribution rate indicated in Table 1 is less than 5.1 percent of payroll for years through 2028, because workers age 55 and older at the beginning of 2005 have no IA contributions.

All individuals will be eligible to voluntarily disenroll from the plan within 18 months after initial enrollment. If this option is not exercised then enrollment will be permanent. For individuals who disenroll, all accumulated assets in their IAs will be immediately and permanently liquidated with the proceeds being contributed to the OASDI trust funds. Any individual who voluntarily disenrolls after their initial enrollment will be allowed to reenroll one time in the future. Such reenrollment will be permanent.

While the plan would offer the opportunity for disenrollment from the IA, initial enrollment will be automatic for all, the nature of the plan will provide a high likelihood that available retirement benefits will be more if enrollment is maintained than if disenrollment is selected. Total potential retirement benefits for each worker who maintains enrollment, retains the default portfolio allocation, and selects full annuitization at retirement would be guaranteed to be at least as large as benefits scheduled under current law for Social Security. Thus, participation is assumed to be universal for estimates presented in this memorandum. Individuals who disenroll would receive benefits scheduled under current law.

IA contributions directed to the IA of a worker based on a year's earnings are not determinable until earnings are reported to and tabulated by the Social Security Administration. Because this reporting is made by employers on an annual basis after the

end of the calendar year, amounts for individual workers are not determinable for somewhat over a year, on average, after the date on which earnings are paid. Under the proposal, IA contributions would be credited to the individual accounts as soon as current reporting permits, with amounts increased by the actual yield on the default portfolio from June 30 of the year of earnings to the point of crediting to the workers account.

Under the plan, individual account (IA) assets, once credited, would be automatically invested by workers through the Personal Savings Board (PSB). IA balances would be maintained in the default portfolio with 65 percent in a specified broad index fund consisting of private equities for corporations based in the United States (such as the Wilshire 5000) and 35 percent in long-term bonds issued by the Federal government. Initially the bond portion of assets would be invested in special Social Security Transition (SST) Bonds. Due to the nature of the accounts, an ultimate administrative cost of 0.25 percent of assets is assumed to be reasonable.

Once the IA balance of a worker reaches a specified threshold level, two additional investments are available -- a broad index of small-capitalization equities, and a broad index of mid-capitalization equities. IA holders who have reached the threshold will be able to specify any desired allocation among the four available funds. Annual changes in allocation would be allowed. The specified threshold level would be \$5,000 for 2005, and would be increased using the SSA average wage indexing series thereafter (in the same manner by which the PIA formula bend points are indexed.) Because the benefit offset reflects the default option, we assume that the vast majority of account holders will retain the default portfolio, thus taking no risk that the total potential plan benefits will end up being less than if the IA enrollment had been terminated.

IA Disbursements and Annuitization

At retirement, the worker would have two annuitization options for IA balances. The first option would provide for full annuitization of all IA assets in a CPI-indexed life annuity administered by the PSB. The annuity would be computed at retirement based on an assumption of investment of 65 percent in a broad equity index and 35 percent in long-term Federal bonds, with an assumed administrative expense of 0.25 percent of assets each year. Assets held by the PSB would, in fact, be invested 65 percent in equities and 35 percent in Federal bonds. The annuity would be computed using the assumed long-term future returns on equities and long-term Federal bonds as determined by the PSB at the time of annuitization. This PSB would assume all risk associated with guaranteeing this yield on life annuities, regardless of what actual investment returns turn out to be. The PSB would be backed by the Treasury of the United States government. Thus, the General Fund of the Treasury would provide the "insurance" that the full amount of the annuity will be paid for life regardless of actual investment returns.

Under the second option available at retirement, 35 percent of accumulated IA assets would be required to be used to purchase special CPI-indexed life annuities administered by the PSB that would have a yield based on having all assets invested in long-term Federal bonds. If this annuity plus the Social Security benefit, reduced by the offset

under this provision, provide a total monthly income that is less than the poverty level, then additional assets in the IA will be required to be annuitized in order to bring the total monthly payment up to the poverty level. If less than the total amount of IA assets is annuitized, the balance of IA assets may be disbursed or held as the retired worker wishes. All disbursements from IAs after retirement are considered to be Social Security benefits for the purpose of Federal income taxation, with revenue directed to the OASI, DI and HI trust funds as under current law.

Upon entitlement to retirement or aged survivor benefits under the current rules of the OASDI program, a monthly CPI-indexed annuity amount based on either full annuitization or at least 35 percent of assets (at the option of the retiree) would be computed by the Personal Savings Board. The annuity would reflect all potential benefits that might be payable under the OASDI program (i.e., retired worker, spouse, child, widow(er), and surviving spouse benefits). Annuity calculations would be made at benefit entitlement based on the then-current expected long-range future yield on invested assets and the then-current expected future death rates for the potential beneficiaries.

For individuals who die before receiving retirement (retired worker or aged spouse) benefits, the IA assets will be transferred to the account of the surviving spouse, if any, but will be allocated as needed to provide annuities for any surviving children of the deceased. If there are no survivors, and the worker dies before retiring, then the account balance goes to the worker's estate, tax free.

Social Security Benefit Offset

OASI retirement and aged survivor benefits will be reduced (offset) based on the amount of the annuity that was available under the full-annuitization option whether this option was selected or not. Benefits payable to disabled workers, to their dependents, and to survivors other than surviving spouse beneficiaries at age 60 or older are not subject to offset.

For workers age 24 and under on January 1, 2005, OASI benefits will be reduced (offset) \$1 for each \$1 of total potential annuity payment (assuming full annuitization had been selected). For workers age 54 on January 1, 2005, OASDI benefits will be reduced by \$0.90 for each \$1 of IA potential annuity. For workers at ages 25, 26, ... , 53 on January 1, 2005, a linear scale of reduction will be applied, equal to \$0.9967, \$0.9933, ..., \$0.9033 for each \$1 of potential IA annuity, respectively.

Social Security Transition Bonds

The Social Security Transition (SST) Bonds would be issued by the OASDI Trust Funds, or on behalf of the Trust Funds (by the Department of the Treasury). Money invested in SST Bonds would be deposited in the OASDI Trust Funds. SST Bonds would be assigned the same interest rate that is applicable to special obligations of the Treasury

newly issued to the OASDI Trust Funds, i.e., the average market yield on all marketable U.S. Treasury securities with a remaining duration to maturity over 4 years.

The proportion of the non-equity assets in IAs and special annuity accounts would be gradually shifted from SST Bonds to marketable long-term U.S. Treasury securities, as quickly as possible (after transfers from the General Fund of the Treasury to the trust funds are no longer expected to be needed) while maintaining a non-negative cash flow from the Trust Funds to the General Fund of the Treasury (see Table 1c). A percentage would be determined annually for the amount of total IA and annuity assets that would be held in SST Bonds. When this percentage is lower than 35 percent, the difference would be invested in marketable Treasury securities. For those selecting the full-annuitization option, assets would be invested as are assets for individual accounts. For those selecting the optional partial annuitization, all assets would be initially held in SST Bonds. As the percentage of IA assets and full-annuity assets required to be held in SST Bonds is reduced below 35 percent, the percentage of assets for the partial annuity that would be held in SST Bonds would be reduced below 100 percent, on a proportionate basis (i.e., by 100/35 percentage points below 100 percent for each 1-percentage-point reduction below 35 percent).

If tax revenue for the OASDI program is expected to be insufficient to pay program benefits for any year after the percentage of IA assets held in SST Bonds has been reduced below 35 percent, then this percentage will be increased for the following year in order to provide sufficient revenue for full payment of benefits, but to no higher than 35 percent of IA assets.

Personal Savings Board

The IA assets and special annuity assets (at least 35 percent of accumulated IA assets being required to have been annuitized) of all workers will be managed with a single entity, the Personal Savings Board (PSB), maintaining records and issuing periodic statements to account holders. The IA management would be based on the design of the government employee Thrift Savings Plan (TSP), with limited reporting requirements. Assets would be invested in bulk with large financial institutions. Through this approach it is assumed that IA administrative costs can be expected to be modest, ultimately around 0.25 percent of IA assets for each account holder. This might require some Federal subsidy in early years for the IA, when account balances are low and start-up costs are incurred.

General Fund Transfers to the Trust Funds

The OASDI Trust Funds will receive transfers from the General Fund of the Treasury as needed in any future year sufficient to maintain Trust Fund cash holdings at a minimum level equal to about one year's estimated net OASDI cost (net of benefit reductions under the plan). Trust Fund cash holdings include revenue "invested" in the Trust Funds by IAs in the form of SST Bonds. The amount of General Fund transfer for each calendar year would be determined by the end of the preceding year by the Social Security

Administration based on the intermediate estimates included in the Trustees most recent Annual Report. General Fund transfers will be required only after the portion of IA assets held in SST Bonds has been set at 35 percent.

Assumptions

The guarantee that would be available for all individual-account participants who maintain the default portfolio allocation would assure that their total benefits will be no lower than if they do not exercise the option, but may well be higher. As a result, universal participation for eligible workers has been assumed for estimates presented in this memorandum.

As indicated above, estimates provided in this memorandum are based on the intermediate assumptions of the 2003 Trustees Report. In addition, the long-term ultimate average annual real yield assumed for equities is 6.5 percent. This is somewhat lower than the historical real equity yield over the last several decades.

A consensus is forming among economists that equity pricing as indicated by price-to-earnings ratios may average somewhat higher in the long-term future than in the long-term past. This is consistent with broader access to equity markets and the belief that equities may be viewed as somewhat less “risky” in the future than in the past. Equity pricing will vary in the future as in the past. Price-to-earnings ratios were very high through 1999, and are now lower. The average ultimate real equity yield assumed for estimates in this memorandum is consistent with an average ultimate level of equity pricing somewhat above the average level of the past.

The assumption for an ultimate real equity yield of 7 percent that was used by the Office of the Chief Actuary until 2001 was developed in 1995 with the 1994-6 Advisory Council. At the time, the Trustees assumption for the ultimate average real yield on long-term Treasury bonds was 2.3 percent at the time. Real yields on corporate bonds are believed to bear a close relationship to Treasury bond yields of similar duration. The 2003 Trustees Report includes the assumption that the ultimate real yield on long-term Treasury bonds will average 3 percent, or 0.7 percentage point higher than in 1995. This increase in the assumed bond yield is consistent with a reduction in the perceived risk associated with equity investments.

Financial Effects of the Plan

Table 1 indicates that under intermediate assumptions for the future, General-Fund transfers specified under the plan would be needed to keep the trust fund ratio from falling below 100 percent of annual expenditures starting 2021 and continuing through 2054. While the “cash position” of the Trust Funds would be positive throughout the long-range period, meaning that benefits would be payable in all years, the “net assets” of the Trust Funds would be negative after 2015 (see Table 1a column 5) because of SST Bonds issued to the IAs are effectively loans to the Trust Funds. As a result, the OASDI actuarial balance is projected to be –1.13 percent of taxable payroll. However, the

proportion of IA and annuity assets that would be held in SST bonds would be expected to start declining around 2061, declining from 35 percent in the initial years of the plan and reaching about 34.4 percent by 2077. This proportion would be expected to continue declining under the intermediate assumptions for some time after 2077, thus moving toward repaying the debt financing provided through SST bonds. Regardless of the eventual trend, the ability of the trust funds to pay benefits in full would be assured under the plan through the use of SST bonds up to 35 percent of IA assets, and through General Fund transfers when needed (as described above).

Table 1a provides an analysis of the cash position of Trust Fund reserves, and of net OASDI Trust Fund assets. For purpose of comparison, the net OASDI Trust Fund assets are also shown for a theoretical Social Security program where borrowing authority is assumed for the Trust Funds. (The theoretical Social Security program with borrowing authority is presented both with and without the General Fund transfers expected under this plan, as shown in table 1.)

If the individual accounts are considered as a part of a “total system”, along with the OASDI program, then it is reasonable to consider “total system assets”. These would be the sum of net OASDI trust fund assets and IA assets (columns 5 and 6 on Table 1a). Under the expected assumptions and assuming full annuitization of IA assets, total system assets are expected to be large and growing in real terms at the end of the 75-year projection period.

Table 1b provides estimates of the effect on federal unified budget cash flows and balances under this plan and these assumptions. The effect on unified budget cash flow would be expected to be negative initially, but positive starting 2040. It is important to note that these estimates are based on the intermediate assumptions of the 2003 Trustees Report and thus are not consistent with estimates made by the OMB or the CBO based of their assumptions.

Table 1c provides estimates of the net cash flow from the OASDI Trust Funds to the General Fund of the Treasury. Revenue transferred from the Treasury to the Trust Funds for the redemption of the special-issue Treasury obligations held by the Trust Funds is included here as a negative cash flow to the General Fund. Values in Table 1c are shown as a percent of taxable payroll, in current dollars, in present value dollars as of 1/1/2003, and in constant 2003 dollars (discounted to 2003 with the projected growth in the CPI). For comparison purposes, net cash flow is also shown for a theoretical Social Security program where transfers from the General Fund of the Treasury to the OASDI Trust Funds are assumed to occur as needed to assure full payment of scheduled benefits in 2042 and later.

Table 1d provides estimates of the percentage of potential aggregate retirement benefits (OASI benefits plus IA annuities assuming all participate in the IA and all select full annuitization) that would be provided by the IA annuities. Under the assumptions stated

above, this percentage would be expected to rise throughout the period, reaching 80 percent of total benefits in 2072. As suggested by the values in tables 5 and 6, many beneficiaries in 2072 would be expected to be receiving all of their retirement benefits from the IA annuity.

Table 1e provides a comparison of total expected benefits from: (1) OASDI under current-law scheduled benefit formulas, (2) OASDI with benefits limited to the amount that is expected to be payable under current law after the trust funds are exhausted in 2042, (3) OASDI benefits under the DeMint proposal, reflecting benefit offsets assuming all participate in the IA, and (4) total OASDI and IA potential benefits under the DeMint proposal assuming all participate and select full annuitization. Amounts for the latter three are also shown as a percentage of scheduled OASDI benefits under current law.

Sensitivity Analysis

Tables 2, 3, and 4 provide analyses of the implications of realizing actual real yields on accounts that are one percent higher than expected (Table 2), one percent lower than expected (Table 3), and the same level as assumed for long-term Treasury bonds (Table 4). Table 4 illustrates the case where either the average real yield on equities is no higher than on bonds, or the illustration of a risk-adjusted return on equities. In each case, the “expected” yield on annuitized assets is assumed to match the actual yield, on average. It should be noted that while average real yields for equities below average bond yields have occurred for periods of a decade or so, the likelihood of having such a low average yield for a period of several decades seems extremely low. The sensitivity analysis with a 1-percent lower average yield for the total portfolio would be consistent with a bond yield as expected plus an equity yield that is about 1 1/2 percent lower than expected, or about 5 percent above price inflation. A rate this low should be expected to be very unlikely over a longer range period, like 50 to 75 years, based on historical experience. Thus, the likelihood that the financing of the OASDI program over the next 75 years would differ by as much as indicated in these sensitivity analyses is fairly low. Similarly, long-term average real equity yields well above 6.5 percent are also possible, but unlikely. Universal participation in the IA and full annuitization by all are assumed for these sensitivity analyses.

Table 2 indicates the possibility of substantially smaller General Fund transfers for fewer years (2022 through 2040) under the plan if IA yields are above expectations. Tables 3 and 4 indicate substantially higher transfers would be needed from the General Fund of the Treasury, starting 2020 and 2019, respectively, and lasting indefinitely. The percentage of IA and annuity assets held in SST Bonds would be expected to drop below 21 percent by 2077 with the higher yields in Table 2, but would not be expected to be reduced below 35 percent for the lower yields in Tables 3 and 4.

It must be noted that the uncertainties associated with equity investments, bond yields, and mortality improvement, as well as with a number of additional variables means that actual experience could vary from the illustrations provided in Tables 1, 2, 3, and 4. In any case, the DeMint plan would provide for adequate financing for the OASDI program through the provisions described above.

Expected IA Annuity Payments Relative to OASDI Benefit Levels

Methodology

For the purpose of this analysis, individuals are assumed to have taken the full-annuitization option. Values in the “Monthly Annuity” Tables 5 and 6 provide the expected level of a CPI-indexed, monthly life annuity from an individual account accumulation, expressed as a percentage of the scheduled monthly Social Security benefit under present law for several hypothetical cases. These estimates are indicated as preliminary because they may tend to overstate the level of monthly payment that can be provided from individual account asset accumulations somewhat. (See discussion of mortality below).

For these hypothetical cases, earnings and IA contributions are assumed to begin at age 21 (22 for steady maximum workers), or in the year 2005 if later. Contributions are assumed to be at the formula rate based on each worker’s earnings that are taxable under the OASDI program. IA contributions apply only for individuals 54 or younger at the beginning of 2005, so those reaching age 65 in 2015 and later are all assumed to participate. Individuals reaching age 65 in 2014 would not participate, but theoretical values for them are included in the tables in order to illustrate the limit of IA annuities at the oldest ages. All annuities for married couples are assumed to be joint, with the survivor receiving two thirds of the monthly payment that is provided while both spouses are alive.

Four illustrative earnings levels are included. The “scaled” low, medium, and high earners have earnings patterns that reflect the relative probability of work and relative level of earnings by age during the period 1990-99. The absolute level of earnings in each case was set so that the highest 35 years of wage-indexed earnings would average to 45 percent, 100 percent, and 160 percent of the SSA average wage indexing series for the year prior to assumed benefit entitlement (year before age 65) for the low, medium, and high earnings cases, respectively. The steady maximum worker is assumed to have earnings equal to the SSA taxable maximum each year prior to retirement. While these cases are hypothetical, the PIA for the medium earner is close to the median PIA for retired worker beneficiaries. See Social Security Administration Actuarial Note Number 144 for a full description of these hypothetical cases.

These two tables provide projected ratios of potential monthly life annuity from the IA (assuming full annuitization) to the scheduled OASDI benefit under present law, for single and married workers, respectively. IA assets for individuals are assumed to be

invested 65 percent in stock and 35 percent in Federal long-term bonds, and account balances are assumed to be used to purchase a life annuity at retirement (assumed at age 65). Four cases are illustrated in four columns of values.

Values in the first column reflect the expected returns under the intermediate assumptions. These assume the expected ultimate average real yield on equities at 6.5 percent with a net real yield on IA assets of 5.025 percent (with 65 percent in equities, 35 percent in Federal bonds, and an administrative expense of 0.25 percent). Life annuities are assumed to reflect the same real yield (valuation interest rate).

The second column in these illustrations, is a case where total annual real returns on IA assets and annuities are assumed to be 1 percentage point higher than under the intermediate assumptions. This is consistent with the sensitivity analysis shown in Table 2. To achieve this higher yield within the model, a higher percentage of the portfolio was indicated as being in equities, but the case is intended to illustrate the effect of a higher yield for any reason.

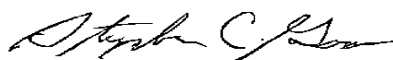
The third and fourth columns in these illustrations illustrate the implications of lower yields, consistent with the assumptions in Tables 3 and 4, respectively.

Table A3 provides estimated accumulated IA assets at age 65, just prior to annuitization for the cases described above. Estimates are provided in both current dollars and constant 2003 dollars.

Mortality Assumption

Mortality for the individual account annuities calculated here is assumed to be the average for the total U.S. population, for all income levels. In fact, if individual account annuities were to be provided at retirement for individual account accumulations, the expected mortality experience of annuitants, weighted by amount of assets to be annuitized, would be better (lower death rates) than for the general population. Individuals with lower accumulated assets due to lower lifetime earnings, or disability prior to retirement, tend to have higher mortality, all else being equal. Thus, the use of general-population mortality in these illustrations tends to understate the weighted life expectancy of annuitants, and overstate the size of the monthly annuity from individual account accumulations.

The tendency to overstate the size of payments from annuities is much greater if these illustrations are used in the analysis of a voluntary plan where higher-income and healthier individuals would be expected to be more likely to participate in annuitization.



Stephen C. Goss

Attachments

Table A. Individual Account Contributions for Workers in 2003

DeMint *8 % Contrib Rt: for \$1,* *3 % for Max*

Level of Annual OASDI Taxable Earnings	IA Contribution as a Percentage of Earnings	IA Contribution in Dollar Amount
\$1,000	7.94%	\$79.43
5,000	7.71%	385.63
10,000	7.43%	742.53
20,000	6.85%	1,370.11
30,000	6.28%	1,882.76
40,000	5.70%	2,280.46
50,000	5.13%	2,563.22
60,000	4.55%	2,731.03
70,000	3.98%	2,783.91
80,000	3.40%	2,721.84
87,000 (taxable maximum)	3.00%	2,610.00
15,629 (Low* = 45% of AWI)	7.10%	1,109.92
34,731 (Medium* = AWI)	6.00%	2,085.22
43,500 (1/2 taxable maximum)	5.50%	2,392.50
55,569 (High* = 160% of AWI)	4.81%	2,670.86
69,600 (MaxContrib=0.8xTMax)	4.00%	2,784.00

* Earnings levels for scaled low, medium, and high workers are average of best 35 years wage indexed earnings.

OCACT/SSA September 9, 2003

Table 1 Representative DeMint Proposal--100% IA Participation

Year	With Ult Real TF Int Rate 3.0			Cash TFR**	Percent of IA Assets in SST Bonds On 12/31	Effectv OASDI Contrib Rate	Cash Flow to the GF (Tab c)	Net Purchase of SST Bonds by Individual Accounts***	100.0 % Ultimate	
	With Ult Real IA Yld Rate 5.03								Change in OASDI Contrib Rt from--	Transfer from GF
	Cost Rate*	Income Rate	Annual Balance							
2003	10.89	12.70	1.81	288		12.40				
2004	10.82	12.69	1.88	309		12.40				
2005	10.73	8.41	-2.32	330	35	8.11	-39	1.51	4.29	
2006	10.65	8.16	-2.50	326	35	7.85	-44	1.64	4.55	
2007	10.67	8.08	-2.58	320	35	7.77	-48	1.70	4.63	
2008	10.73	8.02	-2.71	313	35	7.69	-54	1.76	4.71	
2009	10.84	7.96	-2.88	304	35	7.62	-64	1.82	4.78	
2010	10.99	7.91	-3.07	294	35	7.55	-75	1.88	4.85	
2011	11.16	7.91	-3.25	283	35	7.51	-87	1.93	4.89	
2012	11.33	7.89	-3.44	271	35	7.47	-101	1.98	4.93	
2013	11.53	7.87	-3.65	257	35	7.43	-119	2.01	4.97	
2014	11.74	7.86	-3.88	242	35	7.40	-139	2.05	5.00	
2015	11.96	7.85	-4.11	226	35	7.37	-161	2.08	5.03	
2016	12.21	7.86	-4.35	209	35	7.36	-186	2.10	5.04	
2017	12.46	7.87	-4.59	190	35	7.35	-214	2.13	5.05	
2018	12.72	7.88	-4.84	170	35	7.34	-244	2.15	5.06	
2019	12.97	7.90	-5.07	148	35	7.33	-275	2.16	5.07	
2020	13.23	7.91	-5.31	126	35	7.33	-310	2.18	5.07	
2021	13.48	10.93	-2.55	103	35	10.32	-347	2.19	5.08	3.00
2022	13.71	11.45	-2.26	100	35	10.82	-384	2.19	5.08	3.50
2023	13.89	11.67	-2.22	100	35	11.02	-419	2.20	5.08	3.70
2024	14.05	11.78	-2.27	100	35	11.11	-454	2.20	5.09	3.80
2025	14.19	11.90	-2.29	100	35	11.21	-490	2.20	5.09	3.90
2026	14.30	11.92	-2.38	100	35	11.21	-524	2.19	5.09	3.90
2027	14.38	12.03	-2.35	100	35	11.31	-558	2.18	5.09	4.00
2028	14.44	12.05	-2.39	100	35	11.31	-590	2.17	5.09	4.00
2029	14.46	12.07	-2.39	100	35	11.30	-619	2.15	5.10	4.00
2030	14.43	11.98	-2.45	100	35	11.20	-645	2.13	5.10	3.90
2031	14.37	11.89	-2.48	100	35	11.10	-666	2.10	5.10	3.80
2032	14.27	11.91	-2.37	100	35	11.10	-683	2.07	5.10	3.80
2033	14.14	11.72	-2.42	100	35	10.90	-695	2.03	5.10	3.60
2034	13.97	11.53	-2.44	100	35	10.70	-701	1.99	5.10	3.40
2035	13.79	11.43	-2.36	100	35	10.60	-706	1.94	5.10	3.30
2036	13.59	11.24	-2.34	100	35	10.40	-705	1.89	5.10	3.10
2037	13.36	11.05	-2.31	100	35	10.20	-699	1.83	5.10	2.90
2038	13.10	10.86	-2.24	100	35	10.00	-687	1.77	5.10	2.70
2039	12.83	10.57	-2.26	100	35	9.70	-670	1.70	5.10	2.40
2040	12.54	10.37	-2.17	100	35	9.50	-648	1.63	5.10	2.20
2041	12.25	10.18	-2.06	100	35	9.30	-621	1.55	5.10	2.00
2042	11.94	9.99	-1.95	100	35	9.10	-589	1.46	5.10	1.80
2043	11.63	9.70	-1.93	100	35	8.80	-554	1.37	5.10	1.50
2044	11.31	9.61	-1.70	100	35	8.70	-515	1.27	5.10	1.40
2045	11.01	9.32	-1.70	100	35	8.40	-479	1.16	5.10	1.10
2046	10.74	9.23	-1.51	100	35	8.30	-445	1.06	5.10	1.00
2047	10.46	9.04	-1.42	100	35	8.10	-408	0.94	5.10	0.80
2048	10.18	8.85	-1.33	100	35	7.90	-368	0.82	5.10	0.60
2049	9.86	8.67	-1.19	100	35	7.70	-318	0.68	5.10	0.40
2050	9.55	8.58	-0.97	100	35	7.60	-269	0.53	5.10	0.30
2051	9.28	8.50	-0.79	100	35	7.50	-227	0.39	5.10	0.20
2052	9.04	8.52	-0.52	100	35	7.50	-189	0.24	5.10	0.20
2053	8.89	8.43	-0.45	100	35	7.40	-173	0.13	5.10	0.10
2054	8.75	8.40	-0.35	100	35	7.35	-162	0.03	5.10	0.05
2055	8.58	8.37	-0.21	100	35	7.30	-130	-0.08	5.10	
2056	8.42	8.38	-0.03	100	35	7.30	-100	-0.18	5.10	
2057	8.27	8.40	0.13	102	35	7.30	-71	-0.28	5.10	
2058	8.12	8.41	0.29	103	35	7.30	-43	-0.37	5.10	
2059	7.99	8.43	0.44	106	35	7.30	-16	-0.47	5.10	
2060	7.87	8.44	0.57	109	35	7.30	10	-0.55	5.10	
2061	7.76	8.46	0.69	113	34.99	7.30	7	-0.68	5.10	
2062	7.68	8.47	0.80	116	34.98	7.30	22	-0.76	5.10	
2063	7.61	8.49	0.88	120	34.96	7.30	1	-0.88	5.10	
2064	7.55	8.51	0.95	123	34.94	7.30	0	-0.95	5.10	
2065	7.44	8.52	1.07	127	34.91	7.30	7	-1.06	5.10	
2066	7.35	8.53	1.18	131	34.87	7.30	7	-1.17	5.10	
2067	7.27	8.54	1.27	135	34.83	7.30	32	-1.22	5.10	
2068	7.21	8.55	1.34	139	34.78	7.30	16	-1.32	5.10	
2069	7.16	8.56	1.40	143	34.73	7.30	29	-1.36	5.10	
2070	7.12	8.56	1.45	147	34.68	7.30	36	-1.40	5.10	
2071	7.10	8.57	1.48	151	34.63	7.30	37	-1.44	5.10	
2072	7.08	8.58	1.50	154	34.58	7.30	32	-1.46	5.10	
2073	7.08	8.59	1.51	158	34.53	7.30	21	-1.49	5.10	
2074	7.09	8.60	1.51	161	34.48	7.30	3	-1.51	5.10	
2075	7.11	8.61	1.50	163	34.44	7.30	29	-1.47	5.10	
2076	7.14	8.62	1.48	166	34.40	7.30	0	-1.48	5.10	
2077	7.17	8.62	1.45	168	34.37	7.30	21	-1.43	5.10	
2078	7.22	8.63	1.42	170	34.35	7.30	40	-1.38	5.10	
Summarized										
2003	CostRt	IncRt	ActBal	Change in ActBal						
-2077	OASDI	OASDI	OASDI	0.78						
	11.33	10.20	-1.13							

Based on Intermediate Assumptions of the 2003 Trustees Report

With Ult TF Real Int Rate of 3.00

* Net of Benefit Offset

**Including borrowing from Ind Accts in Form of SST Bonds

*** Excluding reinvestment of interest in SST Bonds.

Office of the Actuary

Social Security Administration

September 9, 2003

Table 1 a OASDI Trust Fund under Proposal (Cash Reserve and Assets Net of Borrowing from IAs), Individual Account Assets, and Theoretical OASDI Assets

Calendar Year	Total OASDI Trust Fund Cash Reserve* at End of Yr (1)	SST Bonds Invested in the Trust Funds			Net OASDI TF Assets at End of Yr: Net of Borrowing Through SST Bonds (5)	Individual Account Assets *** at End of Yr (6)	Theoretical Social Security**** with Borrowing Authority; Net OASDI TF Assets End of Yr	
		Interest Earned in Year (2)	Purchase (Sale) ** During Year (3)	Accumulated Value at End of Yr (4)			Without GF Transfer (7)	With GF Transfer (amount for DeMint) (8)
<i>Billions of Constant 2003 Dollars</i>								
2003	1,543			0	1,543		1,543	1,543
2004	1,683	0.0	0.0	0	1,683	0	1,683	1,683
2005	1,700	2.2	70.1	72	1,628	207	1,833	1,833
2006	1,710	6.8	77.7	155	1,556	442	1,990	1,990
2007	1,719	12.0	82.5	245	1,474	700	2,154	2,154
2008	1,723	17.7	87.4	343	1,381	980	2,323	2,323
2009	1,721	23.7	92.3	449	1,272	1,282	2,493	2,493
2010	1,710	30.2	97.2	563	1,146	1,609	2,664	2,664
2011	1,690	37.1	101.9	686	1,005	1,959	2,835	2,835
2012	1,661	44.5	105.7	816	845	2,331	3,001	3,001
2013	1,620	52.3	109.5	954	666	2,725	3,161	3,161
2014	1,565	60.5	113.2	1,100	465	3,142	3,312	3,312
2015	1,495	69.1	116.7	1,254	241	3,582	3,452	3,452
2016	1,408	78.2	119.9	1,415	-7	4,043	3,579	3,579
2017	1,303	87.7	123.0	1,585	-281	4,528	3,691	3,691
2018	1,180	97.8	125.9	1,762	-583	5,035	3,786	3,786
2019	1,037	108.4	128.7	1,948	-911	5,566	3,863	3,863
2020	873	119.5	131.4	2,142	-1,269	6,120	3,921	3,921
2021	876	131.1	133.9	2,345	-1,469	6,699	3,956	4,146
2022	898	143.2	136.3	2,556	-1,658	7,303	3,971	4,389
2023	924	155.7	138.5	2,776	-1,852	7,930	3,964	4,635
2024	948	168.8	140.5	3,004	-2,056	8,583	3,936	4,877
2025	970	182.4	142.2	3,241	-2,271	9,261	3,885	5,114
2026	987	196.5	143.8	3,487	-2,500	9,963	3,813	5,342
2027	1,006	211.1	145.1	3,742	-2,736	10,691	3,718	5,568
2028	1,021	226.2	146.2	4,005	-2,984	11,443	3,601	5,783
2029	1,035	241.9	147.0	4,277	-3,242	12,221	3,461	5,991
2030	1,044	258.0	147.5	4,558	-3,515	13,024	3,300	6,185
2031	1,048	274.6	147.7	4,848	-3,800	13,851	3,119	6,365
2032	1,058	291.8	147.5	5,146	-4,088	14,702	2,917	6,540
2033	1,061	309.4	147.0	5,452	-4,392	15,578	2,696	6,697
2034	1,059	327.5	146.0	5,767	-4,709	16,478	2,457	6,835
2035	1,059	346.1	144.7	6,090	-5,031	17,400	2,200	6,962
2036	1,056	365.2	142.8	6,421	-5,365	18,345	1,925	7,071
2037	1,051	384.7	140.5	6,759	-5,708	19,311	1,634	7,163
2038	1,045	404.7	137.7	7,104	-6,059	20,298	1,326	7,237
2039	1,032	425.0	134.3	7,457	-6,425	21,305	1,001	7,285
2040	1,019	445.8	130.3	7,816	-6,796	22,330	661	7,314
2041	1,008	466.9	125.6	8,180	-7,173	23,373	303	7,322
2042	997	488.3	120.3	8,551	-7,553	24,431	-73	7,310
2043	980	510.1	114.2	8,926	-7,946	25,503	-467	7,266
2044	973	532.1	107.3	9,305	-8,333	26,587	-881	7,205
2045	956	554.3	99.7	9,688	-8,732	27,681	-1,316	7,110
2046	945	576.8	91.8	10,075	-9,130	28,785	-1,774	6,994
2047	931	599.4	83.0	10,464	-9,532	29,896	-2,255	6,849
2048	914	622.1	73.3	10,854	-9,940	31,012	-2,761	6,671
2049	895	644.9	61.1	11,244	-10,349	32,126	-3,292	6,460
2050	881	667.5	48.3	11,633	-10,751	33,236	-3,851	6,221
2051	871	690.1	35.7	12,020	-11,149	34,342	-4,440	5,954
2052	871	712.7	22.6	12,405	-11,534	35,442	-5,059	5,667
2053	867	735.2	12.7	12,791	-11,924	36,546	-5,710	5,347
2054	862	757.7	2.6	13,179	-12,317	37,654	-6,394	4,999
2055	860	780.4	-7.5	13,568	-12,708	38,766	-7,113	4,622
2056	865	803.1	-17.7	13,958	-13,093	39,881	-7,867	4,221
2057	877	825.9	-27.8	14,350	-13,473	41,000	-8,657	3,793
2058	896	848.8	-37.9	14,743	-13,847	42,122	-9,485	3,339
2059	921	871.8	-47.9	15,137	-14,216	43,250	-10,350	2,858
2060	952	894.8	-57.7	15,534	-14,582	44,381	-11,255	2,350
2061	983	917.8	-71.9	15,927	-14,944	45,519	-12,199	1,814
2062	1,018	940.8	-81.4	16,323	-15,305	46,663	-13,185	1,248
2063	1,050	963.8	-95.4	16,716	-15,666	47,814	-14,215	651
2064	1,083	986.8	-104.5	17,111	-16,028	48,973	-15,289	23
2065	1,118	1,009.8	-118.1	17,504	-16,387	50,142	-16,411	-640
2066	1,154	1,032.7	-131.5	17,896	-16,742	51,322	-17,581	-1,337
2067	1,195	1,055.6	-139.6	18,291	-17,096	52,514	-18,802	-2,070
2068	1,235	1,078.6	-152.4	18,684	-17,449	53,721	-20,076	-2,842
2069	1,278	1,101.7	-159.6	19,082	-17,804	54,944	-21,404	-3,653
2070	1,323	1,125.1	-166.3	19,485	-18,162	56,185	-22,789	-4,505
2071	1,369	1,148.7	-172.5	19,894	-18,524	57,446	-24,232	-5,400
2072	1,416	1,172.8	-178.1	20,309	-18,893	58,730	-25,736	-6,339
2073	1,463	1,197.2	-183.2	20,731	-19,268	60,038	-27,303	-7,324
2074	1,509	1,222.1	-187.8	21,162	-19,653	61,374	-28,935	-8,357
2075	1,559	1,247.6	-185.7	21,607	-20,048	62,739	-30,634	-9,439
2076	1,608	1,273.9	-189.1	22,063	-20,455	64,136	-32,402	-10,571
2077	1,660	1,301.0	-185.6	22,536	-20,875	65,568	-34,242	-11,756
2078	1,717	1,329.2	-181.4	23,027	-21,310	67,037	-36,156	-12,995

* Including cumulative amount invested by IAs in the form of SST Bonds.

** Excluding reinvestment of interest on SST Bonds.

*** Including annuity assets, assuming all annuitize fully in the 65/35 option

**** Theoretical Social Security is the current Social Security program with the assumption that the law is modified to permit forrowing from the General Fund of the Treasury.

Table 1 b IA Contributions, OASDI Benefit Offset from IA, & Unified Budget Effect

Year	IA/Annuity Balance at End of Year	Amount Contrib to IA: % from UB 100	Benefit Offset to OASDI Ben Due to IA	Ave IA Cntrb Other Changes in OASDI CashFlow	5.1 %, Change in Annual UnifBudg CashFlow	Benefit Offset Change in Debt Held by Public 1/ (EOY)	100.0 %, BenCut% Change in Annual UnifBudg Balance
(Billions of Constant 2003\$)							
2004	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2005	206.7	198.7	0.0	0.0	-198.7	204.7	-204.7
2006	442.4	216.2	0.0	0.0	-216.2	434.0	-235.1
2007	699.7	225.3	0.0	0.0	-225.3	679.8	-258.5
2008	979.5	234.1	0.0	0.0	-234.1	942.4	-282.4
2009	1,282.3	242.5	0.0	0.0	-242.5	1,221.7	-306.8
2010	1,609.0	250.6	0.0	0.0	-250.6	1,518.0	-331.7
2011	1,959.1	257.6	0.2	0.0	-257.4	1,830.1	-356.3
2012	2,331.0	264.0	2.5	0.0	-261.6	2,155.7	-379.0
2013	2,725.4	270.4	5.2	0.0	-265.2	2,494.8	-401.9
2014	3,142.2	276.4	8.5	0.0	-267.9	2,846.7	-424.6
2015	3,581.7	282.2	12.4	0.0	-269.8	3,210.9	-447.1
2016	4,043.4	287.2	16.8	0.0	-270.4	3,586.2	-468.8
2017	4,527.5	292.1	22.0	0.0	-270.1	3,972.0	-490.3
2018	5,034.8	296.8	27.8	0.0	-269.0	4,368.2	-511.9
2019	5,565.7	301.5	34.3	0.0	-267.2	4,774.4	-533.4
2020	6,120.4	306.2	41.7	0.0	-264.5	5,190.0	-554.7
2021	6,699.3	310.8	49.9	0.0	-260.9	5,614.4	-575.6
2022	7,302.5	315.4	59.1	0.0	-256.3	6,046.9	-596.0
2023	7,930.4	320.1	69.2	0.0	-250.9	6,486.7	-615.9
2024	8,583.1	324.7	80.3	0.0	-244.4	6,933.0	-635.2
2025	9,260.6	329.3	92.3	0.0	-237.1	7,385.2	-654.1
2026	9,963.2	334.0	105.3	0.0	-228.7	7,842.3	-672.2
2027	10,690.8	338.7	119.5	0.0	-219.3	8,303.4	-689.5
2028	11,443.4	343.6	134.9	0.0	-208.7	8,767.5	-705.9
2029	12,221.0	348.5	151.6	0.0	-196.9	9,233.3	-721.2
2030	13,023.5	353.5	169.5	0.0	-183.9	9,699.8	-735.4
2031	13,850.8	358.6	188.9	0.0	-169.7	10,165.6	-748.3
2032	14,702.4	363.8	209.7	0.0	-154.1	10,629.3	-759.8
2033	15,578.2	369.1	231.9	0.0	-137.2	11,089.5	-769.7
2034	16,477.6	374.5	255.7	0.0	-118.7	11,544.4	-777.9
2035	17,400.0	379.9	279.1	0.0	-100.7	11,994.5	-786.3
2036	18,344.8	385.3	303.9	0.0	-81.4	12,438.2	-793.1
2037	19,311.2	390.8	330.0	0.0	-60.9	12,874.0	-798.1
2038	20,298.3	396.4	357.4	0.0	-39.0	13,300.4	-801.3
2039	21,305.1	402.0	386.4	0.0	-15.7	13,715.5	-802.5
2040	22,330.4	407.7	416.7	0.0	9.1	14,117.7	-801.6
2041	23,372.8	413.3	448.6	0.0	35.3	14,504.9	-798.4
2042	24,430.9	419.1	482.0	0.0	62.9	14,875.2	-792.8
2043	25,502.9	424.8	517.0	0.0	92.2	15,226.5	-784.6
2044	26,587.0	430.6	553.6	0.0	123.0	15,556.7	-773.6
2045	27,681.2	436.5	590.0	0.0	153.5	15,865.3	-761.7
2046	28,785.0	442.3	625.9	0.0	183.6	16,152.1	-748.9
2047	29,896.3	448.2	663.2	0.0	215.0	16,415.3	-733.6
2048	31,012.4	454.1	701.8	0.0	247.7	16,652.6	-715.4
2049	32,126.1	460.1	745.4	0.0	285.3	16,858.3	-690.8
2050	33,235.8	466.2	789.0	0.0	322.8	17,031.6	-664.3
2051	34,341.6	472.2	830.8	0.0	358.6	17,173.2	-637.7
2052	35,442.1	478.4	872.4	0.0	394.0	17,282.6	-609.6
2053	36,546.5	484.7	905.3	0.0	420.6	17,367.8	-588.6
2054	37,654.4	491.0	937.4	0.0	446.4	17,429.0	-567.1
2055	38,765.9	497.4	974.1	0.0	476.7	17,460.9	-539.5
2056	39,881.0	504.0	1,010.2	0.0	506.2	17,463.4	-511.0
2057	40,999.7	510.6	1,045.6	0.0	535.0	17,436.3	-481.5
2058	42,122.5	517.4	1,080.2	0.0	562.8	17,379.6	-451.2
2059	43,249.5	524.2	1,113.9	0.0	589.7	17,293.6	-420.2
2060	44,381.5	531.1	1,146.7	0.0	615.6	17,178.4	-388.5
2061	45,518.9	538.1	1,178.4	0.0	640.3	17,034.3	-356.2
2062	46,662.6	545.2	1,209.0	0.0	663.8	16,861.5	-323.4
2063	47,813.5	552.3	1,238.4	0.0	686.1	16,660.7	-290.3
2064	48,972.8	559.6	1,266.6	0.0	707.0	16,432.3	-256.8
2065	50,141.7	566.9	1,301.8	0.0	734.9	16,168.3	-214.6
2066	51,321.6	574.3	1,336.2	0.0	761.9	15,868.6	-171.2
2067	52,514.0	581.7	1,369.6	0.0	787.8	15,533.2	-126.8
2068	53,720.8	589.3	1,402.0	0.0	812.7	15,162.1	-81.3
2069	54,943.8	596.9	1,433.5	0.0	836.6	14,755.2	-34.8
2070	56,184.9	604.6	1,464.0	0.0	859.4	14,312.7	12.7
2071	57,446.2	612.4	1,493.5	0.0	881.1	13,834.6	61.3
2072	58,729.9	620.2	1,522.0	0.0	901.7	13,320.8	110.8
2073	60,038.5	628.2	1,549.5	0.0	921.3	12,771.5	161.4
2074	61,374.1	636.2	1,576.1	0.0	939.9	12,186.5	213.0
2075	62,739.2	644.3	1,601.8	0.0	957.5	11,565.8	265.7
2076	64,136.4	652.5	1,626.7	0.0	974.2	10,909.3	319.6
2077	65,568.1	660.7	1,650.9	0.0	990.1	10,216.8	374.8
2078	67,036.8	669.2	1,674.4	0.0	1,005.3	9,487.8	431.4

1/ Including SST Bonds

Based on Intermediate Assumptions of the 2003 Trustees Report
With Ult TF Real Int Rate of 3.0

Office of the Actuary
Social Security Administration
September 9, 2003

Ultimate Real Yield Rate of IA
Offset Annuity Yield Rate

5.025
5.025

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

	<u>DeMint Proposal</u>				<u>Theoretical Social Security with PAYGO Transfers</u>			
	Net Amount of Cash-Flow from the OASDI				Net Amount of Cash-Flow from the OASDI			
	Trust Funds to the General Fund of the Treasury During the Year 1/				Trust Funds to the General Fund of the Treasury During the Year 1/			
	% of Pysl	Current \$	PV Jan 1, 03	Const 2003\$	% of Pysl	Current \$	PV Jan 1, 03	Const 2003\$
2003	1.8	78	76	78	1.8	78	76	78
2004	1.8	84	77	82	1.8	84	77	82
2005	-0.8	-40	-34	-38	2.0	95	82	91
2006	-0.9	-46	-37	-42	2.0	104	84	96
2007	-0.9	-48	-37	-43	2.0	111	85	100
2008	-1.0	-55	-40	-48	2.0	113	82	99
2009	-1.1	-65	-44	-55	1.9	113	77	96
2010	-1.2	-76	-48	-62	1.8	111	71	91
2011	-1.3	-87	-52	-70	1.6	108	65	86
2012	-1.5	-102	-57	-79	1.4	100	56	77
2013	-1.6	-119	-63	-89	1.2	88	47	66
2014	-1.8	-139	-70	-101	1.0	73	37	53
2015	-2.0	-161	-76	-114	0.7	55	26	39
2016	-2.2	-186	-83	-128	0.4	33	15	23
2017	-2.5	-214	-90	-143	0.1	7	3	4
2018	-2.7	-244	-97	-158	-0.3	-23	-9	-15
2019	-2.9	-276	-103	-173	-0.6	-56	-21	-35
2020	-3.1	-310	-109	-190	-0.9	-92	-33	-56
2021	-3.4	-348	-115	-206	-1.3	-133	-44	-79
2022	-3.6	-385	-120	-221	-1.6	-176	-55	-101
2023	-3.7	-419	-124	-235	-1.9	-218	-64	-122
2024	-3.9	-455	-126	-247	-2.2	-263	-73	-143
2025	-4.0	-490	-128	-258	-2.5	-310	-81	-163
2026	-4.1	-524	-129	-268	-2.8	-358	-88	-183
2027	-4.2	-558	-130	-277	-3.1	-409	-95	-203
2028	-4.2	-591	-129	-285	-3.3	-461	-101	-222
2029	-4.2	-620	-128	-290	-3.5	-513	-106	-240
2030	-4.2	-645	-126	-293	-3.7	-565	-110	-257
2031	-4.2	-667	-122	-294	-3.9	-617	-113	-272
2032	-4.1	-684	-118	-293	-4.0	-669	-116	-286
2033	-4.0	-695	-113	-289	-4.1	-719	-117	-299
2034	-3.9	-701	-108	-283	-4.2	-770	-118	-311
2035	-3.7	-706	-102	-277	-4.3	-819	-119	-321
2036	-3.6	-706	-96	-269	-4.4	-869	-119	-331
2037	-3.4	-700	-90	-259	-4.4	-917	-118	-339
2038	-3.2	-688	-83	-247	-4.5	-966	-117	-347
2039	-3.0	-671	-77	-234	-4.5	-1,015	-116	-353
2040	-2.7	-648	-70	-219	-4.5	-1,065	-115	-360
2041	-2.5	-621	-63	-204	-4.5	-1,117	-113	-367
2042	-2.3	-590	-57	-188	-4.5	-1,171	-112	-373
2043	-2.1	-555	-50	-172	-4.6	-1,230	-111	-381
2044	-1.8	-516	-44	-155	-4.6	-1,292	-110	-388
2045	-1.6	-480	-38	-140	-4.6	-1,360	-109	-397
2046	-1.5	-445	-34	-126	-4.7	-1,433	-108	-406
2047	-1.3	-408	-29	-112	-4.7	-1,510	-108	-415
2048	-1.1	-369	-25	-98	-4.8	-1,593	-107	-425
2049	-0.9	-319	-20	-83	-4.8	-1,681	-106	-436
2050	-0.7	-270	-16	-68	-4.9	-1,776	-106	-447
2051	-0.6	-228	-13	-56	-5.0	-1,878	-106	-459
2052	-0.5	-190	-10	-45	-5.0	-1,989	-105	-472
2053	-0.4	-174	-9	-40	-5.1	-2,105	-105	-485
2054	-0.4	-163	-8	-36	-5.2	-2,227	-105	-498
2055	-0.3	-131	-6	-28	-5.2	-2,356	-105	-511
2056	-0.2	-101	-4	-21	-5.3	-2,490	-104	-525
2057	-0.1	-73	-3	-15	-5.4	-2,630	-104	-538
2058	-0.1	-44	-2	-9	-5.4	-2,775	-103	-551
2059	0.0	-17	-1	-3	-5.5	-2,924	-103	-564
2060	0.0	8	0	2	-5.5	-3,079	-102	-577
2061	0.0	6	0	1	-5.6	-3,240	-101	-589
2062	0.0	20	1	4	-5.6	-3,411	-100	-602
2063	0.0	0	0	0	-5.7	-3,592	-99	-616
2064	0.0	-2	0	0	-5.7	-3,782	-99	-629
2065	0.0	5	0	1	-5.8	-3,984	-98	-644
2066	0.0	6	0	1	-5.8	-4,196	-97	-658
2067	0.0	30	1	5	-5.9	-4,422	-97	-673
2068	0.0	14	0	2	-6.0	-4,660	-96	-689
2069	0.0	27	1	4	-6.0	-4,910	-95	-705
2070	0.0	34	1	5	-6.1	-5,175	-95	-721
2071	0.0	35	1	5	-6.1	-5,453	-94	-738
2072	0.0	30	0	4	-6.2	-5,745	-93	-755
2073	0.0	18	0	2	-6.3	-6,051	-93	-772
2074	0.0	0	0	0	-6.3	-6,373	-92	-789
2075	0.0	26	0	3	-6.4	-6,711	-91	-807
2076	0.0	-3	0	0	-6.4	-7,065	-91	-825
2077	0.0	19	0	2	-6.5	-7,435	-90	-842
2078	0.0	38	0	4	-6.6	-7,825	-89	-861
Total 2003-77			-3,549				-4,922	

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

Office of the Actuary
Social Security Administration
September 9, 2003

Table 1 d Percent of Potential Retirement Benefits from Potential IA Annuity (Full Annuitization)

Year	Net Benefits from OASI Trust Fund	Expected Total Payments from IA	Expected Total Retirement Payments	Percentage of Total from IA
<i>Billions of Constant 2003 Dollars</i>				
2004	403.7	0.0	403.7	0.0
2005	409.5	0.0	409.5	0.0
2006	416.8	0.0	416.8	0.0
2007	426.0	0.0	426.0	0.0
2008	437.4	0.0	437.4	0.0
2009	450.2	0.0	450.2	0.0
2010	464.8	0.0	464.8	0.0
2011	481.0	0.2	481.1	0.0
2012	496.3	2.5	498.7	0.5
2013	514.7	5.2	519.9	1.0
2014	533.8	8.5	542.3	1.6
2015	553.5	12.4	565.9	2.2
2016	574.6	16.8	591.5	2.8
2017	596.7	22.0	618.6	3.5
2018	619.4	27.8	647.2	4.3
2019	642.0	34.3	676.3	5.1
2020	665.5	41.7	707.2	5.9
2021	689.0	49.9	738.9	6.8
2022	710.3	59.1	769.4	7.7
2023	728.9	69.2	798.1	8.7
2024	746.6	80.3	826.9	9.7
2025	763.4	92.6	856.0	10.8
2026	778.8	105.9	884.7	12.0
2027	794.1	120.6	914.7	13.2
2028	809.0	136.5	945.4	14.4
2029	821.8	153.7	975.4	15.8
2030	832.1	172.3	1,004.5	17.2
2031	840.0	192.5	1,032.4	18.6
2032	845.2	214.1	1,059.3	20.2
2033	847.5	237.4	1,084.9	21.9
2034	846.9	262.4	1,109.2	23.7
2035	845.5	289.1	1,134.5	25.5
2036	841.6	317.6	1,159.1	27.4
2037	835.3	348.0	1,183.2	29.4
2038	826.6	380.3	1,207.0	31.5
2039	815.9	414.7	1,230.6	33.7
2040	803.3	451.2	1,254.5	36.0
2041	789.0	490.0	1,279.0	38.3
2042	773.5	531.0	1,304.5	40.7
2043	756.7	574.5	1,331.1	43.2
2044	738.8	620.4	1,359.2	45.6
2045	721.9	669.0	1,390.9	48.1
2046	706.4	718.4	1,424.7	50.4
2047	690.4	770.4	1,460.8	52.7
2048	673.7	825.5	1,499.2	55.1
2049	653.1	887.6	1,540.8	57.6
2050	633.5	951.4	1,584.9	60.0
2051	616.7	1,014.8	1,631.5	62.2
2052	601.2	1,079.4	1,680.6	64.2
2053	594.6	1,135.2	1,729.8	65.6
2054	589.4	1,191.4	1,780.8	66.9
2055	580.2	1,248.0	1,828.2	68.3
2056	572.2	1,304.8	1,877.0	69.5
2057	565.4	1,361.8	1,927.2	70.7
2058	559.2	1,418.7	1,978.0	71.7
2059	553.6	1,475.6	2,029.2	72.7
2060	548.8	1,532.3	2,081.1	73.6
2061	544.8	1,588.7	2,133.5	74.5
2062	542.4	1,644.7	2,187.1	75.2
2063	541.6	1,700.2	2,241.8	75.8
2064	542.1	1,755.0	2,297.2	76.4
2065	536.1	1,809.1	2,345.2	77.1
2066	531.5	1,862.4	2,393.9	77.8
2067	528.8	1,914.8	2,443.6	78.4
2068	528.0	1,966.2	2,494.2	78.8
2069	528.6	2,016.6	2,545.2	79.2
2070	530.8	2,065.9	2,596.6	79.6
2071	534.4	2,114.2	2,648.5	79.8
2072	539.4	2,161.4	2,700.8	80.0
2073	545.9	2,207.5	2,753.4	80.2
2074	553.7	2,252.7	2,806.4	80.3
2075	562.9	2,296.9	2,859.8	80.3
2076	573.3	2,340.3	2,913.6	80.3
2077	584.9	2,382.9	2,967.8	80.3
2078	597.6	2,424.9	3,022.5	80.2

Table 1 e Comparison of Total Expected Plan Payments under Present Law and DeMint Proposal

Calendar Year	Scheduled* Total OASDI Benefits under Present Law	PL OASDI Benefits Expected to Be Payable**	Expected Benefits Payable under DeMint Proposal***		Expected Payments As % of Scheduled PL OASDI Benefits		
			from OASDI Trust Funds	total with IA annuity****	PL OASDI Benefits Expected to Be Payable**	Expected Benefits Payable from OASDI Trust Funds	total with IA annuity****
<i>Billions of Constant 2003 Dollars</i>					<i>Percent</i>		
2003	471	471	471	471	100	100	100
2004	480	480	480	480	100	100	100
2005	489	489	489	489	100	100	100
2006	499	499	499	499	100	100	100
2007	511	511	511	511	100	100	100
2008	526	526	526	526	100	100	100
2009	543	543	543	543	100	100	100
2010	561	561	561	561	100	100	100
2011	580	580	580	580	100	100	100
2012	601	601	599	601	100	100	100
2013	625	625	620	625	100	99	100
2014	650	650	641	650	100	99	100
2015	676	676	664	677	100	98	100
2016	704	704	688	705	100	98	100
2017	734	734	713	736	100	97	100
2018	766	766	738	768	100	96	100
2019	798	798	764	800	100	96	100
2020	832	832	790	834	100	95	100
2021	867	867	817	870	100	94	100
2022	902	902	843	905	100	93	100
2023	935	935	866	939	100	93	100
2024	969	969	888	973	100	92	100
2025	1,002	1,002	910	1,007	100	91	100
2026	1,035	1,035	929	1,040	100	90	101
2027	1,068	1,068	948	1,075	100	89	101
2028	1,100	1,100	965	1,108	100	88	101
2029	1,132	1,132	980	1,141	100	87	101
2030	1,162	1,162	993	1,173	100	85	101
2031	1,192	1,192	1,003	1,204	100	84	101
2032	1,220	1,220	1,010	1,235	100	83	101
2033	1,247	1,247	1,015	1,264	100	81	101
2034	1,273	1,273	1,018	1,292	100	80	101
2035	1,298	1,298	1,019	1,321	100	79	102
2036	1,322	1,322	1,019	1,350	100	77	102
2037	1,346	1,346	1,016	1,379	100	75	102
2038	1,368	1,368	1,011	1,408	100	74	103
2039	1,390	1,390	1,004	1,436	100	72	103
2040	1,412	1,412	995	1,465	100	70	104
2041	1,433	1,433	985	1,495	100	69	104
2042	1,456	1,371	973	1,527	94	67	105
2043	1,478	1,078	961	1,559	73	65	105
2044	1,501	1,093	948	1,593	73	63	106
2045	1,525	1,108	935	1,631	73	61	107
2046	1,550	1,124	924	1,671	72	60	108
2047	1,575	1,139	912	1,713	72	58	109
2048	1,601	1,154	899	1,756	72	56	110
2049	1,628	1,170	882	1,804	72	54	111
2050	1,655	1,185	866	1,853	72	52	112
2051	1,684	1,201	853	1,905	71	51	113
2052	1,713	1,217	841	1,960	71	49	114
2053	1,743	1,233	838	2,014	71	48	116
2054	1,774	1,250	836	2,069	70	47	117
2055	1,804	1,266	830	2,121	70	46	118
2056	1,836	1,283	825	2,174	70	45	118
2057	1,867	1,300	821	2,228	70	44	119
2058	1,898	1,318	818	2,282	69	43	120
2059	1,929	1,335	815	2,337	69	42	121
2060	1,961	1,353	814	2,392	69	42	122
2061	1,992	1,371	813	2,449	69	41	123
2062	2,024	1,390	815	2,506	69	40	124
2063	2,057	1,408	818	2,565	68	40	125
2064	2,090	1,427	823	2,625	68	39	126
2065	2,124	1,446	822	2,677	68	39	126
2066	2,158	1,465	822	2,730	68	38	127
2067	2,193	1,484	824	2,784	68	38	127
2068	2,229	1,503	827	2,838	67	37	127
2069	2,266	1,523	832	2,893	67	37	128
2070	2,303	1,543	839	2,948	67	36	128
2071	2,340	1,563	847	3,003	67	36	128
2072	2,378	1,583	856	3,059	67	36	129
2073	2,417	1,603	867	3,115	66	36	129
2074	2,456	1,624	880	3,171	66	36	129
2075	2,495	1,645	894	3,227	66	36	129
2076	2,535	1,666	909	3,284	66	36	130
2077	2,576	1,687	925	3,341	65	36	130
2078	2,616	1,709	942	3,399	65	36	130

* Based on benefit formulas in the law, without regard to adequacy of financing.

** Assuming that benefits would be reduced as needed starting in 2042.

*** Amount from Trust funds is net of benefit offset under the proposal.

****IA annuity includes value of lump-sum distribution at retirement

Table 2 DeMint: Sensitivity Analysis -- IA/Annuity Yields 1% Above Expected

IA Cntrb 5.1 %, Ben Offset 100.0 % Ultimate

Year	With Ult Real TF Int Rate 3.0			Cash TFR**	Percent of IA Assets in SST Bonds On 12/31	Effectv OASDI Contrib Rate	Cash Flow to the GF (Tab c)	Net Purchase of SST Bonds by Individual Accounts***	Change in OASDI		Transfer from GF
	Cost Rate*	Income Rate	Annual Balance						Contrib	IA	
2003	10.89	12.70	1.81	288		12.40					
2004	10.82	12.69	1.88	309		12.40					
2005	10.73	8.41	-2.32	330	35	8.11	-39	1.52	4.29		
2006	10.65	8.16	-2.50	326	35	7.85	-43	1.66	4.55		
2007	10.67	8.08	-2.58	320	35	7.77	-46	1.74	4.63		
2008	10.73	8.02	-2.71	314	35	7.69	-51	1.82	4.71		
2009	10.84	7.96	-2.88	305	35	7.62	-59	1.90	4.78		
2010	10.99	7.91	-3.07	296	35	7.55	-69	1.98	4.85		
2011	11.16	7.91	-3.25	285	35	7.51	-79	2.06	4.89		
2012	11.33	7.89	-3.44	275	35	7.47	-91	2.12	4.93		
2013	11.52	7.87	-3.65	262	35	7.43	-106	2.18	4.97		
2014	11.73	7.86	-3.87	249	35	7.40	-123	2.24	5.00		
2015	11.95	7.85	-4.09	235	35	7.37	-142	2.30	5.03		
2016	12.19	7.86	-4.33	219	35	7.36	-163	2.35	5.04		
2017	12.43	7.87	-4.56	202	35	7.35	-187	2.41	5.05		
2018	12.68	7.88	-4.80	185	35	7.34	-212	2.45	5.06		
2019	12.92	7.90	-5.02	166	35	7.33	-238	2.50	5.07		
2020	13.16	7.91	-5.24	147	35	7.33	-267	2.55	5.07		
2021	13.40	7.93	-5.46	126	35	7.32	-297	2.59	5.08		
2022	13.60	10.05	-3.55	106	35	9.42	-326	2.63	5.08	2.10	
2023	13.75	11.07	-2.69	100	35	10.42	-351	2.66	5.08	3.10	
2024	13.88	11.08	-2.80	100	35	10.41	-376	2.70	5.09	3.10	
2025	14.00	11.10	-2.90	100	35	10.41	-401	2.73	5.09	3.10	
2026	14.08	11.12	-2.96	100	35	10.41	-423	2.76	5.09	3.10	
2027	14.13	11.13	-3.00	100	35	10.41	-444	2.78	5.09	3.10	
2028	14.15	11.15	-3.00	100	35	10.41	-462	2.80	5.09	3.10	
2029	14.13	10.97	-3.16	100	35	10.20	-475	2.81	5.10	2.90	
2030	14.07	10.88	-3.18	100	35	10.10	-483	2.82	5.10	2.80	
2031	13.96	10.80	-3.16	100	35	10.00	-485	2.82	5.10	2.70	
2032	13.81	10.61	-3.20	100	35	9.80	-480	2.82	5.10	2.50	
2033	13.62	10.32	-3.30	100	35	9.50	-468	2.81	5.10	2.20	
2034	13.40	10.13	-3.26	100	35	9.30	-448	2.80	5.10	2.00	
2035	13.17	9.94	-3.23	100	35	9.10	-428	2.77	5.10	1.80	
2036	12.92	9.66	-3.26	100	35	8.80	-400	2.75	5.10	1.50	
2037	12.63	9.47	-3.17	100	35	8.60	-364	2.71	5.10	1.30	
2038	12.33	9.08	-3.25	100	35	8.20	-321	2.67	5.10	0.90	
2039	12.00	8.89	-3.11	100	35	8.00	-270	2.61	5.10	0.70	
2040	11.65	8.50	-3.15	100	35	7.60	-213	2.55	5.10	0.30	
2041	11.30	8.21	-3.08	100	35	7.30	-148	2.48	5.10		
2042	10.93	8.22	-2.71	100	35	7.30	-78	2.40	5.10		
2043	10.56	8.24	-2.32	102	35	7.30	-1	2.31	5.10		
2044	10.18	8.25	-1.93	108	34.93	7.30	7	1.95	5.10		
2045	9.82	8.27	-1.54	114	34.79	7.30	3	1.55	5.10		
2046	9.48	8.29	-1.19	120	34.60	7.30	8	1.21	5.10		
2047	9.14	8.31	-0.83	127	34.36	7.30	6	0.85	5.10		
2048	8.80	8.33	-0.46	135	34.08	7.30	12	0.50	5.10		
2049	8.41	8.36	-0.05	144	33.75	7.30	5	0.06	5.10		
2050	8.04	8.39	0.35	153	33.38	7.30	1	-0.35	5.10		
2051	7.72	8.42	0.70	163	32.99	7.30	13	-0.67	5.10		
2052	7.42	8.45	1.03	172	32.58	7.30	14	-0.99	5.10		
2053	7.26	8.48	1.21	180	32.17	7.30	19	-1.17	5.10		
2054	7.13	8.51	1.38	187	31.76	7.30	15	-1.34	5.10		
2055	6.91	8.53	1.63	197	31.33	7.30	8	-1.61	5.10		
2056	6.70	8.56	1.86	207	30.89	7.30	16	-1.83	5.10		
2057	6.51	8.59	2.08	217	30.44	7.30	19	-2.04	5.10		
2058	6.34	8.62	2.28	227	30.00	7.30	71	-2.14	5.10		
2059	6.18	8.65	2.46	239	29.53	7.30	9	-2.45	5.10		
2060	6.04	8.67	2.63	249	29.06	7.30	23	-2.59	5.10		
2061	5.93	8.70	2.78	259	28.59	7.30	32	-2.72	5.10		
2062	5.84	8.73	2.90	269	28.12	7.30	31	-2.85	5.10		
2063	5.77	8.76	2.99	278	27.65	7.30	19	-2.96	5.10		
2064	5.73	8.79	3.06	285	27.19	7.30	34	-3.01	5.10		
2065	5.57	8.81	3.24	299	26.71	7.30	11	-3.23	5.10		
2066	5.43	8.83	3.40	313	26.22	7.30	18	-3.38	5.10		
2067	5.31	8.85	3.54	326	25.72	7.30	16	-3.52	5.10		
2068	5.20	8.86	3.66	338	25.21	7.30	3	-3.66	5.10		
2069	5.12	8.88	3.76	350	24.70	7.30	30	-3.72	5.10		
2070	5.06	8.90	3.84	361	24.19	7.30	50	-3.78	5.10		
2071	5.01	8.91	3.90	372	23.67	7.30	6	-3.89	5.10		
2072	4.99	8.93	3.94	380	23.15	7.30	6	-3.94	5.10		
2073	4.97	8.95	3.97	388	22.64	7.30	60	-3.91	5.10		
2074	4.98	8.96	3.98	396	22.13	7.30	44	-3.94	5.10		
2075	4.99	8.97	3.98	402	21.62	7.30	16	-3.97	5.10		
2076	5.02	8.99	3.96	407	21.12	7.30	51	-3.92	5.10		
2077	5.06	9.00	3.94	412	20.62	7.30	4	-3.93	5.10		
2078	5.11	9.01	3.90	415	20.13	7.30	25	-3.88	5.10		
Summarized											
	CostRt	IncRt	ActBal	Change in							
2003	OASDI	OASDI	OASDI	ActBal							
-2077	10.61	9.74	-0.87	1.04							

Based on Intermediate Assumptions of the 2003 Trustees Report

With Ult TF Real Int Rate of 3.00

* Net of Benefit Offset

**Including borrowing from Ind Accts in Form of SST Bonds

*** Excluding reinvestment of interest in SST Bonds.

Office of the Actuary

Social Security Administration

September 9, 2003

Table 3 DeMint: Sensitivity Analysis -- IA/Annuity Yields 1% Below Expected
 With Ult Real TF Int Rate 3.0
 With Ult Real IA Yld Rate 4.03
 With Offset Annuity Net Yld Rate 4.03

Year	Cost Rate*	Income Rate	Annual Balance	Cash TFR** 1-1-yr	Percent of IA Assets in SST Bonds On 12/31	Effectv OASDI Contrib Rate	Cash Flow to the GF (Tab c) (bill cur\$)	Net Purchase of SST Bonds by Individual Accounts***	Change in OASDI Contrib Rt from-- IA	Transfer from GF
2003	10.89	12.70	1.81	288		12.40				
2004	10.82	12.69	1.88	309		12.40				
2005	10.73	8.41	-2.32	330	35	8.11	-40	1.51	4.29	
2006	10.65	8.16	-2.50	326	35	7.85	-46	1.61	4.55	
2007	10.67	8.08	-2.58	320	35	7.77	-50	1.66	4.63	
2008	10.73	8.02	-2.71	312	35	7.69	-57	1.70	4.71	
2009	10.84	7.96	-2.88	303	35	7.62	-68	1.74	4.78	
2010	10.99	7.91	-3.07	292	35	7.55	-81	1.79	4.85	
2011	11.16	7.91	-3.25	280	35	7.51	-94	1.82	4.89	
2012	11.33	7.89	-3.44	267	35	7.47	-111	1.84	4.93	
2013	11.53	7.87	-3.66	252	35	7.43	-131	1.86	4.97	
2014	11.75	7.86	-3.88	236	35	7.40	-153	1.87	5.00	
2015	11.97	7.85	-4.12	218	35	7.37	-178	1.88	5.03	
2016	12.23	7.86	-4.37	199	35	7.36	-206	1.88	5.04	
2017	12.49	7.87	-4.62	178	35	7.35	-238	1.88	5.05	
2018	12.76	7.88	-4.88	156	35	7.34	-272	1.87	5.06	
2019	13.02	7.90	-5.12	132	35	7.33	-308	1.87	5.07	
2020	13.29	10.51	-2.78	107	35	9.93	-348	1.86	5.07	2.60
2021	13.56	11.73	-1.83	100	35	11.12	-391	1.84	5.08	3.80
2022	13.81	11.95	-1.86	100	35	11.32	-435	1.83	5.08	4.00
2023	14.01	12.17	-1.84	100	35	11.52	-477	1.81	5.08	4.20
2024	14.19	12.38	-1.81	100	35	11.71	-520	1.79	5.09	4.40
2025	14.36	12.50	-1.86	100	35	11.81	-565	1.76	5.09	4.50
2026	14.49	12.62	-1.88	100	35	11.91	-608	1.73	5.09	4.60
2027	14.61	12.73	-1.88	100	35	12.01	-653	1.70	5.09	4.70
2028	14.70	12.85	-1.85	100	35	12.11	-697	1.66	5.09	4.80
2029	14.76	12.97	-1.79	100	35	12.20	-740	1.63	5.10	4.90
2030	14.77	12.98	-1.79	100	35	12.20	-780	1.58	5.10	4.90
2031	14.76	12.89	-1.86	100	35	12.10	-817	1.54	5.10	4.80
2032	14.71	12.80	-1.90	100	35	12.00	-851	1.49	5.10	4.70
2033	14.62	12.91	-1.71	100	35	12.10	-882	1.44	5.10	4.80
2034	14.51	12.72	-1.79	100	35	11.90	-909	1.38	5.10	4.60
2035	14.38	12.63	-1.75	100	35	11.80	-935	1.33	5.10	4.50
2036	14.22	12.54	-1.68	100	35	11.70	-956	1.27	5.10	4.40
2037	14.04	12.44	-1.60	100	35	11.60	-974	1.20	5.10	4.30
2038	13.84	12.35	-1.49	100	35	11.50	-987	1.13	5.10	4.20
2039	13.62	12.06	-1.57	100	35	11.20	-997	1.06	5.10	3.90
2040	13.39	11.86	-1.53	100	35	11.00	-1,003	0.99	5.10	3.70
2041	13.15	11.86	-1.29	100	35	11.00	-1,007	0.91	5.10	3.70
2042	12.91	11.57	-1.34	100	35	10.70	-1,008	0.83	5.10	3.40
2043	12.66	11.47	-1.18	100	35	10.60	-1,007	0.74	5.10	3.30
2044	12.41	11.28	-1.13	100	35	10.40	-1,005	0.65	5.10	3.10
2045	12.17	11.19	-0.98	100	35	10.30	-1,005	0.56	5.10	3.00
2046	11.95	11.09	-0.86	100	35	10.20	-1,008	0.47	5.10	2.90
2047	11.73	10.90	-0.83	100	35	10.00	-1,009	0.37	5.10	2.70
2048	11.50	10.81	-0.70	100	35	9.90	-1,009	0.27	5.10	2.60
2049	11.25	10.62	-0.63	100	35	9.70	-1,001	0.15	5.10	2.40
2050	11.01	10.52	-0.48	100	35	9.60	-995	0.04	5.10	2.30
2051	10.79	10.53	-0.26	100	35	9.60	-995	-0.07	5.10	2.30
2052	10.59	10.44	-0.15	100	35	9.50	-999	-0.18	5.10	2.20
2053	10.46	10.35	-0.11	100	35	9.40	-1,019	-0.26	5.10	2.10
2054	10.34	10.36	0.02	100	35	9.40	-1,043	-0.34	5.10	2.10
2055	10.22	10.37	0.15	100	35	9.40	-1,063	-0.42	5.10	2.10
2056	10.10	10.28	0.18	100	35	9.30	-1,084	-0.50	5.10	2.00
2057	9.98	10.29	0.31	100	35	9.30	-1,107	-0.57	5.10	2.00
2058	9.87	10.20	0.32	100	35	9.20	-1,132	-0.64	5.10	1.90
2059	9.77	10.21	0.44	100	35	9.20	-1,157	-0.71	5.10	1.90
2060	9.67	10.21	0.54	100	35	9.20	-1,185	-0.77	5.10	1.90
2061	9.59	10.22	0.64	100	35	9.20	-1,216	-0.83	5.10	1.90
2062	9.51	10.13	0.62	100	35	9.10	-1,253	-0.89	5.10	1.80
2063	9.45	10.14	0.69	100	35	9.10	-1,298	-0.94	5.10	1.80
2064	9.40	10.15	0.75	100	35	9.10	-1,349	-1.00	5.10	1.80
2065	9.33	10.15	0.82	100	35	9.10	-1,390	-1.04	5.10	1.80
2066	9.27	10.16	0.89	100	35	9.10	-1,437	-1.09	5.10	1.80
2067	9.23	10.16	0.94	100	35	9.10	-1,492	-1.13	5.10	1.80
2068	9.19	10.17	0.97	100	35	9.10	-1,556	-1.17	5.10	1.80
2069	9.17	10.28	1.10	100	35	9.20	-1,627	-1.20	5.10	1.90
2070	9.16	10.18	1.02	101	35	9.10	-1,707	-1.23	5.10	1.80
2071	9.15	10.19	1.03	100	35	9.10	-1,795	-1.26	5.10	1.80
2072	9.16	10.29	1.14	100	35	9.20	-1,893	-1.28	5.10	1.90
2073	9.17	10.40	1.23	100	35	9.30	-2,000	-1.30	5.10	2.00
2074	9.18	10.30	1.12	101	35	9.20	-2,117	-1.32	5.10	1.90
2075	9.21	10.41	1.20	100	35	9.30	-2,244	-1.34	5.10	2.00
2076	9.23	10.42	1.18	100	35	9.30	-2,381	-1.35	5.10	2.00
2077	9.27	10.52	1.25	100	35	9.40	-2,527	-1.36	5.10	2.10
2078	9.30	10.53	1.22	100	35	9.40	-2,686	-1.37	5.10	2.10
Summarized										
2003	CostRt	IncRt	ActBal	Change in						
-2077	OASDI	OASDI	OASDI	ActBal						
	12.03	11.15	-0.88	1.04						

Based on Intermediate Assumptions of the 2003 Trustees Report
 With Ult TF Real Int Rate of 3.00
 * Net of Benefit Offset
 **Including borrowing from Ind Accts in Form of SST Bonds
 *** Excluding reinvestment of interest in SST Bonds.

Table 4 DeMint: Sensitivity -- IA/Annuity Yields at Expected Treasury Bond Yield

IA Cntrb 5.1 %, Ben Offset 100.0 % Ultimate

Year	With Ult Real TF Int Rate 3.0			Cash TFR**	Percent of IA Assets in SST Bonds On 12/31	Effectv OASDI Contrib Rate	Cash Flow to the GF (Tab c)	Net Purchase of SST Bonds by Individual Accounts***	Change in OASDI		Transfer from GF
	Cost Rate*	Income Rate	Annual Balance						Contrib IA	ContriB Rt from--	
	With Offset Annuity Net Yld Rate 2.75										
2003	10.89	12.70	1.81	288		12.40					
2004	10.82	12.69	1.88	309		12.40					
2005	10.73	8.41	-2.32	330	35	8.11	-40	1.50	4.29		
2006	10.65	8.16	-2.50	326	35	7.85	-47	1.58	4.55		
2007	10.67	8.08	-2.58	320	35	7.77	-53	1.61	4.63		
2008	10.73	8.02	-2.71	312	35	7.69	-61	1.63	4.71		
2009	10.84	7.96	-2.88	302	35	7.62	-74	1.65	4.78		
2010	10.99	7.91	-3.07	290	35	7.55	-88	1.67	4.85		
2011	11.16	7.91	-3.25	277	35	7.51	-104	1.68	4.89		
2012	11.33	7.89	-3.44	263	35	7.47	-122	1.68	4.93		
2013	11.54	7.87	-3.66	246	35	7.43	-144	1.67	4.97		
2014	11.76	7.86	-3.89	228	35	7.40	-169	1.66	5.00		
2015	11.99	7.85	-4.13	209	35	7.37	-197	1.64	5.03		
2016	12.25	7.86	-4.39	187	35	7.36	-229	1.62	5.04		
2017	12.52	7.87	-4.65	164	35	7.35	-265	1.60	5.05		
2018	12.81	7.88	-4.92	140	35	7.34	-303	1.57	5.06		
2019	13.08	9.80	-3.28	114	35	9.23	-344	1.54	5.07	1.90	
2020	13.36	11.91	-1.45	100	35	11.33	-389	1.51	5.07	4.00	
2021	13.65	12.23	-1.42	100	35	11.62	-439	1.47	5.08	4.30	
2022	13.92	12.45	-1.47	100	35	11.82	-489	1.44	5.08	4.50	
2023	14.14	12.77	-1.38	100	35	12.12	-538	1.40	5.08	4.80	
2024	14.36	12.98	-1.37	100	35	12.31	-590	1.36	5.09	5.00	
2025	14.55	13.20	-1.35	100	35	12.51	-643	1.31	5.09	5.20	
2026	14.72	13.42	-1.30	100	35	12.71	-697	1.27	5.09	5.40	
2027	14.87	13.53	-1.34	100	35	12.81	-752	1.22	5.09	5.50	
2028	15.00	13.65	-1.35	100	35	12.91	-809	1.17	5.09	5.60	
2029	15.10	13.77	-1.33	100	35	13.00	-864	1.12	5.10	5.70	
2030	15.16	13.88	-1.28	100	35	13.10	-919	1.06	5.10	5.80	
2031	15.20	13.99	-1.21	100	35	13.20	-972	1.01	5.10	5.90	
2032	15.20	14.00	-1.20	100	35	13.20	-1,024	0.95	5.10	5.90	
2033	15.18	14.01	-1.17	100	35	13.20	-1,074	0.89	5.10	5.90	
2034	15.13	13.92	-1.21	100	35	13.10	-1,122	0.83	5.10	5.80	
2035	15.06	13.93	-1.13	100	35	13.10	-1,169	0.77	5.10	5.80	
2036	14.96	13.94	-1.02	100	35	13.10	-1,213	0.71	5.10	5.80	
2037	14.84	13.84	-1.00	100	35	13.00	-1,256	0.65	5.10	5.70	
2038	14.71	13.75	-0.96	100	35	12.90	-1,296	0.58	5.10	5.60	
2039	14.56	13.65	-0.91	100	35	12.80	-1,334	0.52	5.10	5.50	
2040	14.41	13.56	-0.85	100	35	12.70	-1,371	0.45	5.10	5.40	
2041	14.25	13.46	-0.79	100	35	12.60	-1,409	0.38	5.10	5.30	
2042	14.08	13.36	-0.72	100	35	12.50	-1,446	0.31	5.10	5.20	
2043	13.92	13.27	-0.65	100	35	12.40	-1,484	0.24	5.10	5.10	
2044	13.76	13.17	-0.59	100	35	12.30	-1,523	0.17	5.10	5.00	
2045	13.60	13.17	-0.43	100	35	12.30	-1,564	0.09	5.10	5.00	
2046	13.46	13.08	-0.38	100	35	12.20	-1,610	0.02	5.10	4.90	
2047	13.31	12.98	-0.33	100	35	12.10	-1,656	-0.05	5.10	4.80	
2048	13.17	12.89	-0.28	100	35	12.00	-1,703	-0.12	5.10	4.70	
2049	13.01	12.79	-0.22	100	35	11.90	-1,748	-0.21	5.10	4.60	
2050	12.86	12.80	-0.06	100	35	11.90	-1,797	-0.29	5.10	4.60	
2051	12.73	12.81	0.07	100	35	11.90	-1,852	-0.36	5.10	4.60	
2052	12.62	12.71	0.10	100	35	11.80	-1,913	-0.43	5.10	4.50	
2053	12.54	12.82	0.28	100	35	11.90	-1,987	-0.49	5.10	4.60	
2054	12.47	12.72	0.25	100	35	11.80	-2,065	-0.55	5.10	4.50	
2055	12.41	12.73	0.32	100	35	11.80	-2,147	-0.60	5.10	4.50	
2056	12.35	12.73	0.38	100	35	11.80	-2,234	-0.65	5.10	4.50	
2057	12.29	12.74	0.45	100	35	11.80	-2,324	-0.70	5.10	4.50	
2058	12.24	12.65	0.41	100	35	11.70	-2,417	-0.74	5.10	4.40	
2059	12.18	12.75	0.57	100	35	11.80	-2,513	-0.78	5.10	4.50	
2060	12.13	12.65	0.53	100	35	11.70	-2,613	-0.82	5.10	4.40	
2061	12.08	12.66	0.58	100	35	11.70	-2,718	-0.86	5.10	4.40	
2062	12.04	12.76	0.72	100	35	11.80	-2,830	-0.90	5.10	4.50	
2063	12.01	12.67	0.66	100	35	11.70	-2,952	-0.93	5.10	4.40	
2064	11.98	12.77	0.79	100	35	11.80	-3,082	-0.96	5.10	4.50	
2065	11.96	12.67	0.72	100	35	11.70	-3,219	-0.99	5.10	4.40	
2066	11.95	12.78	0.83	100	35	11.80	-3,366	-1.02	5.10	4.50	
2067	11.94	12.78	0.84	100	35	11.80	-3,524	-1.05	5.10	4.50	
2068	11.94	12.79	0.84	100	35	11.80	-3,694	-1.07	5.10	4.50	
2069	11.95	12.89	0.94	100	35	11.90	-3,874	-1.09	5.10	4.60	
2070	11.97	12.90	0.93	100	35	11.90	-4,067	-1.11	5.10	4.60	
2071	11.98	12.90	0.92	100	35	11.90	-4,271	-1.13	5.10	4.60	
2072	12.01	12.90	0.90	100	35	11.90	-4,488	-1.15	5.10	4.60	
2073	12.03	13.11	1.08	100	35	12.10	-4,718	-1.16	5.10	4.80	
2074	12.06	13.01	0.95	100	35	12.00	-4,962	-1.17	5.10	4.70	
2075	12.10	13.12	1.02	100	35	12.10	-5,219	-1.19	5.10	4.80	
2076	12.13	13.12	0.99	100	35	12.10	-5,491	-1.20	5.10	4.80	
2077	12.17	13.22	1.06	100	35	12.20	-5,777	-1.21	5.10	4.90	
2078	12.21	13.23	1.02	100	35	12.20	-6,079	-1.22	5.10	4.90	
Summarized											
	CostRt	IncRt	ActBal	Change in							
2003	OASDI	OASDI	OASDI	ActBal							
-2077	12.95	12.33	-0.62	1.30							

Based on Intermediate Assumptions of the 2003 Trustees Report

With Ult TF Real Int Rate of 3.00

* Net of Benefit Offset

**Including borrowing from Ind Accts in Form of SST Bonds

*** Excluding reinvestment of interest in SST Bonds.

Office of the Actuary

Social Security Administration

September 9, 2003

Table 5. Monthly Annuity as Percent of Social Security Benefit -- Single, UNISEX
Retire at 65 PRELIMINARY* Contrib Rt: 8 % for \$1, 3 % for Max
Percent of Present Law OASDI Retirement Benefit Provided with Annuity from Spec% IA
Contributions Start 2005, or Age 21, If Later, Through Age 64
DeMint Contrib Rts Based on Formula

	Percent of Assets Invested in Equities				IA Annual Admin =	0.25	% of
	65.0%	93.6%	36.4%	0.0%			Assets
	Percent of Assets in Corporate Bonds						
	0.0%	0.0%	0.0%	0.0%	--Balance in LT U.S. Govt Bonds		
	Real Net Yield on Assets During Accumulation						
	5.025	6.025	4.025	2.75			
Year Attain	Annuity Real Return Rate -- Net of IA Administrative Expenses						
Age 65	5.025	6.025	4.025	2.75			

Scaled Low Earner

2014	11.0	12.5	9.6	8.0
2024	34.6	41.9	28.5	22.0
2034	67.5	87.1	52.3	37.5
2044	106.3	145.9	77.5	51.9
2054	119.9	168.5	85.5	55.8

Scaled Medium Earner

2014	12.9	14.6	11.3	9.4
2024	39.1	47.3	32.2	25.0
2034	75.9	97.8	58.8	42.3
2044	120.9	166.2	88.2	59.0
2054	138.1	194.6	98.3	64.0

Scaled High Earner

2014	12.9	14.7	11.3	9.4
2024	37.2	44.9	30.7	23.9
2034	71.6	92.2	55.6	40.0
2044	116.5	160.3	84.8	56.7
2054	135.6	191.9	96.2	62.3

Steady Maximum Earner

2014	11.2	12.7	9.8	8.2
2024	30.1	36.2	24.9	19.4
2034	56.8	73.0	44.2	32.0
2044	94.7	130.4	68.8	46.0
2054	113.0	160.5	79.9	51.5

Note: "Self Annuitization" presumes that retirees would continue to invest their assets in the same manner as before retirement, and make monthly withdrawals that, on average, roughly match the pattern of a CPI-indexed life annuity.

* Note: Values may be somewhat overstated due to use of general population mortality for annuity calculations.

Earnings Scale
Factors #2: using cross section
data of all fully insured for
1990-99

Based on the intermediate assumptions of the 2003 Trustees Report
 OCACT/SSA September 9, 2003

Table 6. Monthly Annuity as Percent of Social Security Benefit -- Joint & 2/3 Survivor

Retire at 65 PRELIMINARY* Contrib Rt: 8 % for \$1, 3 % for Max

Percent of Present Law OASDI Retirement Benefit Provided with Annuity from Spec% IA

Contributions Start 2005, or Age 21, If Later, Through Age 64

DeMint Contrib Rts Based on Formula

Percent of Assets Invested in Equities				IA Annual Admin =	0.25	% of
65.0%	93.6%	36.4%	0.0%			Assets
Percent of Assets in Corporate Bonds				--Balance in LT U.S. Govt Bonds		
0.0%	0.0%	0.0%	0.0%			

Real Net Yield on Assets During Accumulation

	5.025	6.025	4.025	2.75	5.025	6.025	4.025	2.75
Year	Annuity Real Return Rate -- Net of IA Administrative Expenses							
Attain	5.025	6.025	4.025	2.75	5.025	6.025	4.025	2.75
Age 65								

	2-earner couple		Scaled Low Earner		1-earner couple			
2014	10.4	11.8	9.0	7.5	6.9	7.9	6.0	5.0
2024	32.6	39.6	26.7	20.5	22.0	26.7	18.0	13.8
2034	63.6	82.4	49.0	35.0	43.0	55.6	33.1	23.6
2044	100.2	138.1	72.8	48.4	67.7	93.3	49.2	32.7
2054	113.2	159.8	80.4	52.1	76.5	107.9	54.3	35.2

	2-earner couple		Scaled Medium Earner		1-earner couple			
2014	12.1	13.8	10.5	8.7	8.1	9.3	7.1	5.9
2024	36.8	44.7	30.2	23.2	24.8	30.1	20.4	15.7
2034	71.5	92.5	55.1	39.4	48.3	62.5	37.2	26.6
2044	114.1	157.4	82.8	55.0	77.0	106.3	55.9	37.2
2054	130.5	184.6	92.5	59.8	88.1	124.6	62.4	40.4

	2-earner couple		Scaled High Earner		1-earner couple			
2014	12.1	13.8	10.6	8.8	8.1	9.3	7.1	5.9
2024	35.0	42.4	28.8	22.2	23.6	28.6	19.4	15.0
2034	67.5	87.2	52.1	37.3	45.6	58.9	35.2	25.2
2044	109.9	151.8	79.7	52.9	74.2	102.5	53.8	35.7
2054	128.1	181.9	90.4	58.2	86.5	122.9	61.1	39.3

	2-earner couple		Steady Maximum Earner		1-earner couple			
2014	10.5	12.0	9.2	7.6	7.0	8.0	6.1	5.1
2024	28.3	34.2	23.3	18.0	19.1	23.0	15.7	12.2
2034	53.5	69.0	41.4	29.8	36.1	46.6	28.0	20.1
2044	89.3	123.5	64.7	42.9	60.3	83.4	43.7	29.0
2054	106.7	152.2	75.1	48.2	72.1	102.8	50.7	32.5

Note: "Self Annuitization" presumes that retirees would continue to invest their assets in the same manner as before retirement, and make monthly withdrawals that, on average, roughly match the pattern of a CPI-indexed life annuity.

* Note: Values may be somewhat overstated due to use of general population mortality for annuity calculations.

**Earnings Scale
Factors #2: using cross section
data of all fully insured for
1990-99**

Based on the intermediate assumptions of the 2003 Trustees Report

OCACT/SSA September 9, 2003

Table A3. Accumulated Assets in Individual Account at Retirement **Earnings Scale 2**
Retire at 65 *Contrib Rts: 8 % for \$1, 3 % for Max* **Factors #2: using cross section**
DeMint Accumulated IA at Spec Percent of OASDI Taxable Earnings **data of all fully insured for**
Contributions Start 2005, or Age 21, If Later, Through Age 64 **1990-99**
Accumulated Assets at Age 65

Year	DeMint Contrib Rts Based on Formula				IA Annual Admin = 0.25 % of Assets	Real Net Yield on Assets During Accumulation			
	65.0%	93.6%	36.4%	0.0%		5.025	6.025	4.025	2.75
Attain Age 65	0.0%	0.0%	0.0%	0.0%	5.025	6.025	4.025	2.75	
	<i>(current dollars)</i>				<i>(constant 2003 dollars)</i>				
	Scaled Low Earner								
2014	15,700	16,471	14,967	14,086	11,452	12,014	10,918	10,275	
2024	70,633	78,703	63,481	55,525	38,338	42,718	34,456	30,137	
2034	206,774	245,064	175,133	142,563	83,511	98,975	70,732	57,578	
2044	495,989	624,634	396,703	301,829	149,055	187,716	119,218	90,706	
2054	851,126	1,096,003	666,915	495,633	190,325	245,084	149,133	110,831	
	<i>(current dollars)</i>				<i>(constant 2003 dollars)</i>				
	Scaled Medium Earner								
2014	30,227	31,696	28,830	27,149	22,049	23,120	21,030	19,804	
2024	131,513	146,351	118,354	103,705	71,382	79,436	64,239	56,288	
2034	382,952	453,474	324,674	264,679	154,665	183,147	131,128	106,897	
2044	930,233	1,172,556	743,484	565,325	279,555	352,378	223,433	169,892	
2054	1,615,392	2,085,471	1,262,823	936,102	361,227	466,345	282,387	209,327	
	<i>(current dollars)</i>				<i>(constant 2003 dollars)</i>				
	Scaled High Earner								
2014	40,226	42,151	38,395	36,190	29,343	30,747	28,007	26,398	
2024	166,001	184,340	149,719	131,571	90,101	100,055	81,264	71,413	
2034	479,118	566,525	406,880	332,498	193,504	228,806	164,329	134,288	
2044	1,188,214	1,499,910	948,564	720,540	357,083	450,755	285,064	216,537	
2054	2,102,882	2,725,686	1,637,896	1,209,231	470,238	609,507	366,260	270,403	
	<i>(current dollars)</i>				<i>(constant 2003 dollars)</i>				
	Steady Maximum Earner								
2014	41,989	43,938	40,134	37,897	30,629	32,050	29,275	27,643	
2024	163,240	180,804	147,631	130,211	88,603	98,136	80,131	70,675	
2034	464,182	547,675	395,155	324,045	187,471	221,193	159,593	130,874	
2044	1,177,089	1,488,006	938,710	712,603	353,740	447,177	282,102	214,152	
2054	2,135,122	2,778,601	1,656,802	1,218,133	477,447	621,339	370,487	272,394	

Average Annual Earnings level (high 35 wage-indxd) in 2003 is assumed at:
 Low 15,629
 Average 34,731 (=SSA AWI)
 High 55,569

Ultimate Assumed Growth Rates and Real Yields

- 4.10 percent annual increase in Average Earnings
- 3.00 percent annual CPI increase
- 3.00 percent annual real yield on LT U.S. Government Bonds
- 3.50 percent annual real yield on Corporate Bonds
- 6.50 percent annual real yield on Equities
- 0.25 percent annual Administrative Expense
- 3.398 percent equity premium over LT Govt Bonds

Based on the intermediate assumptions of the 2003 Trustees Report