SOCIAL SECURITY

Office of the Chief Actuary

December 2, 2011

The Honorable Jeffrey M. Landry
House of Representatives
Washington, D.C. 20515

Dear Mr. Landry:

I am writing in response to your request on November 30, 2011 for estimates of the financial effects on Social Security of the "Social Security Preservation through Individual Choice Enhancement Act" which you are introducing today. We have worked closely with Michael Stwarka of your staff in the development of the proposal. The estimates provided here reflect our understanding of the intent of this bill. All estimates are based on the intermediate assumptions of the 2011 Trustees Report. The estimates presented reflect the combined efforts of many in our office, but particularly Alice Wade, Chris Chaplain, and Dan Nickerson.

The bill includes the following two provisions:

- Allow all workers to choose, for each calendar year starting with 2012, whether to have their payroll tax rate reduced by 2 percentage points. The payroll tax rate applies to all earnings covered by the OASDI program up to the taxable maximum amount. The tax rate reduction would apply for both the employee payroll tax paid by wage and salary workers, and the tax paid on earnings by self-employer workers.

- For each calendar year for which a worker chose to have their payroll tax rate reduced, the normal retirement age (NRA) applicable for benefits paid based on the worker's earnings record will be increased by 1 month.

The bill would amend the provision in current law that provided a "payroll tax holiday" for all workers with OASDI covered earnings in 2011. The provision for reimbursement to the OASI and DI Trust Funds from the General Fund of the Treasury for any reduction in payroll tax revenue in 2011 would continue to apply for payroll tax reductions under this bill in 2012 and later. As a result, the OASI and DI Trust Funds would not have any direct reduction in revenue due to the lower payroll tax rates.

The actuarial status of the OASI and combined OASDI Trust Funds would be improved under this bill to the extent that workers choose lower payroll taxes and thus a higher NRA. We assume that roughly two-thirds of all workers in each year would choose to have their payroll tax reduced, understanding that their NRA will be increased by 1 month as a result. We assume that high-paid and low-paid workers would be about equally likely to exercise this option in any year. Increased NRA for most workers in the future would reduce the 75-year long-range OASDI actuarial deficit by 0.66 percent of payroll, from a deficit of 2.22 percent of payroll under current

law to a deficit of 1.57 percent of payroll under the bill. However, because increases in NRA would accumulate gradually for workers, and would only affect benefits in the future, the year that the combined OASI and DI Trust Fund would become exhausted would remain at 2036 under the bill.

The balance of this letter provides detailed estimates of the effects of enactment of the bill. All estimates reflect the intermediate assumptions of the 2011 Trustees Report.

Detailed Financial Results

Benefit Effects

Under current law, the NRA is 66 for individuals reaching age 62 in 2005 through 2016, increases by 2 additional months for those reaching age 62 in years 2017 through 2022, and remains at 67 for individuals reaching age 62 after 2022. Under this bill, beneficiaries' NRA would be increased by one month for each prior calendar year, starting with 2012, for which they opted to have their payroll tax rate reduced by 2 percent. The number of additional months added to the NRA would vary by individual, ranging from zero to 48 months or more. For workers who opted to have the tax rate reduced in 24 years, their NRA would be increased by 24 months, or 2 years. If such individuals choose to start receiving Social Security retirement benefits at the same age they would have chosen under current law, monthly benefits would be reduced by roughly 13 percent. If such individuals choose to delay the starting date of their retirement benefits by 2 years, they will have the same monthly benefit level, but will receive on average 13 percent less in benefits over their lifetime, because benefits start 2 years later.

Trust Fund Operations

Table 1 shows the annual cost and income rates, annual balances, and trust fund ratios for OASDI assuming enactment of the proposal. This table also shows the change from present law in these cost rates, income rates, and balances. Included at the bottom of this table are summarized rates for the 75-year long-range period and the expected year of trust fund exhaustion under this proposal.

Table 1 indicates that the OASDI program annual cost would be reduced gradually under the bill with the reduction reaching 1.00 percent of payroll in 2051 and 1.61 percent of payroll in 2085. The reduced level of benefit cost would be partly offset by a small reduction in income to the trust funds from personal income taxes on benefits. The net effect would improve the annual deficit for the 75th year of the projection period by 1.53 percent of payroll, reducing the annual deficit projected under current law by about one-third. However, because of the very gradual effect on benefits in the projection period, the combined OASI and DI Trust Funds would still be projected to become exhausted in 2036.

Program Transfers and Assets

Column 5 of **table 1a** provides a projection of asset level for the combined OASI and DI Trust Funds under the proposal, expressed in present value January 1, 2011 dollars, using projected Trust Fund interest rates. For purpose of comparison, the net OASDI Trust Fund assets, expressed in present-value dollars, are also shown for a theoretical Social Security program where borrowing authority is assumed for the Trust Funds. Column 7 shows projected trust fund assets where positive and the unfunded obligation where negative, under current law. Column 8 provides the projection for current law modified to provide the same General Fund transfers expected under this bill, but without the other provisions of the bill. Columns 1 through 3 provide estimates of the amount of General Fund transfers that would result from reimbursing the Trust Funds for the reductions in payroll tax revenue under this bill. Gross Domestic Product, expressed in present value dollars, is shown in column 6 for comparison with other values in the table.

Effect on the Federal Budget and Debt

Table 1b shows the projected effects of enactment of this proposal, in present value discounted dollars, on (1) the Federal unified budget and on-budget annual balances, and (2) the levels of publicly held debt and total Federal debt. Table 1b.n provides the estimated nominal-dollar effects of enactment of the proposal for years 2011 through 2021. All values in these tables represent the amount of the *change* that would be expected due to enactment of the proposal, from the level that would be projected under current law.

The OASDI program is accounted for on an off-budget basis in the Federal Budget and therefore does not directly affect the on-budget expenditures or balances. In addition, the OASDI program has no direct net effect on the total Federal debt liability, which is comprised of publicly held debt plus debt owed to the Federal trust funds. Any accumulated assets in the trust funds, which are liabilities of the U.S. Treasury, would instead be borrowed from and owed to the public if the trust funds had not run net surpluses over past years. Any changes in OASDI cash flow from this or other OASDI legislation do not directly affect total Federal debt, or on-budget annual balances. The exception would be a provision that provides specified transfers from the General Fund of the Treasury to the trust funds. Such transfers would represent a decrease in the on-budget balance and an increase in the total Federal Debt. Values in columns (6) and (7) of tables 1b and 1b.n reflect the expected General Fund transfers that would reimburse the Trust Funds for reduced payroll tax revenue under this proposal.

However, when the on-budget and off-budget operations are considered on a "unified" basis, as is often the case, any changes in OASDI cash flow (non-interest income and cost) generally translate directly into cash-flow effects on the unified budget, and accumulated effects on that portion of total Federal debt that is borrowed from the public. The extent to which OASDI annual cash-flow surpluses and deficits influence other federal spending and tax levels is speculative and is not addressed in this analysis.

The effect of the bill on OASDI program cash flow (column 2) is expected to be positive throughout the long-range period. The effect on the unified budget cash flow (column 3) is the

sum of the effects on the OASDI cash flow (column 2) and on the on-budget cash flow (column 6). Column 4 provides the projected effect of implementing the plan on the Federal debt held by the public. Column 5 provides the projected effect on the annual unified budget balances, including both the cash flow effect in column 3 and the additional interest on the accumulated debt indicated in column 4.

It is important to note that these estimates are based on the intermediate assumptions of the 2011 Trustees Report and thus are not consistent with estimates made by the OMB or the CBO based on their assumptions.

<div align="center">Annual Trust Fund Operations as a Percent of GDP</div>

Table 1c provides annual cost, annual expenditures (on a payable basis), and annual non-interest income, for the OASDI program expressed as a percentage of GDP. These values are shown for both present law and assuming enactment of the proposal. Showing the annual trust fund flows as a percent of GDP provides an additional perspective on these trust fund operations in relation to the total value of goods and services produced in the United States.

<div align="center">Effects on Trust Fund Assets and Unfunded Obligations</div>

Table 1d provides estimates of the changes due to the proposal in the level of projected trust fund assets under present law and, for years after trust fund exhaustion, the level of unfunded obligations under present law. All values in the table are expressed in present-value discounted dollars. For the 75-year long-range period as a whole, the present-law unfunded obligation of $6.5 trillion in present value is reduced to $4.5 trillion in present value. This change is the combination of the following:

- A $0.1 trillion net decrease in income from the proposal (column 2). Revenue from taxation of Social Security benefits is reduced due to diminished benefit levels.
- A $2.1 trillion decrease in cost from the proposal (column 3).

We hope these estimates will be helpful. Please let me know if we may provide further assistance.

Sincerely,

Stephen C. Goss, Chief Actuary

Enclosures

Table 1 - OASDI Cost Rate, Income Rate, Annual Balance, and Trust Fund Ratio
Representative Landry "Social Security Preservation through Individual Choice Enhancement Act"

| | Proposal | | | | | Change in Present Law | | |
| | Expressed as a percentage of present-law taxable payroll | | | Trust Fund | | Expressed as a percentage of present-law taxable payroll | | |
Year	Cost Rate	Income Rate	Annual Balance	Ratio 1-1-year		Cost Rate	Income Rate	Annual Balance
2011	13.35	12.52	-0.82	353		0.00	0.00	0.00
2012	13.23	12.87	-0.36	347		0.00	0.00	0.00
2013	13.18	12.87	-0.31	341		0.00	0.00	0.00
2014	13.18	12.92	-0.27	334		0.00	0.00	0.00
2015	13.24	12.94	-0.30	328		0.00	0.00	0.00
2016	13.32	12.97	-0.35	321		0.00	0.00	0.00
2017	13.46	13.00	-0.46	314		0.00	0.00	0.00
2018	13.61	13.03	-0.58	306		-0.01	0.00	0.01
2019	13.87	13.04	-0.83	296		-0.01	0.00	0.01
2020	14.18	13.06	-1.12	285		-0.01	0.00	0.01
2021	14.49	13.08	-1.41	273		-0.03	0.00	0.03
2022	14.77	13.10	-1.67	260		-0.06	0.00	0.06
2023	15.05	13.11	-1.93	247		-0.08	0.00	0.08
2024	15.30	13.13	-2.17	233		-0.10	0.00	0.10
2025	15.55	13.14	-2.40	218		-0.12	0.00	0.12
2026	15.79	13.16	-2.63	203		-0.14	0.00	0.13
2027	16.00	13.17	-2.83	187		-0.15	-0.01	0.14
2028	16.18	13.18	-3.00	170		-0.17	-0.01	0.16
2029	16.33	13.19	-3.14	152		-0.18	-0.01	0.18
2030	16.45	13.20	-3.25	135		-0.20	-0.01	0.20
2031	16.53	13.21	-3.32	116		-0.23	-0.01	0.22
2032	16.60	13.22	-3.39	97		-0.25	-0.01	0.24
2033	16.65	13.22	-3.43	78		-0.28	-0.01	0.27
2034	16.68	13.23	-3.45	59		-0.30	-0.01	0.29
2035	16.68	13.23	-3.45	39		-0.33	-0.01	0.32
2036	16.67	13.23	-3.44	20		-0.36	-0.02	0.34
2037	16.65	13.23	-3.42	----		-0.39	-0.02	0.37
2038	16.60	13.23	-3.37	----		-0.42	-0.02	0.40
2039	16.53	13.23	-3.30	----		-0.46	-0.02	0.44
2040	16.46	13.23	-3.23	----		-0.49	-0.02	0.47
2041	16.38	13.22	-3.16	----		-0.53	-0.02	0.51
2042	16.30	13.22	-3.08	----		-0.57	-0.02	0.55
2043	16.22	13.22	-3.00	----		-0.62	-0.03	0.59
2044	16.15	13.22	-2.93	----		-0.66	-0.03	0.63
2045	16.08	13.21	-2.86	----		-0.71	-0.03	0.68
2046	16.00	13.21	-2.79	----		-0.76	-0.03	0.72
2047	15.93	13.21	-2.72	----		-0.81	-0.03	0.77
2048	15.86	13.21	-2.66	----		-0.85	-0.04	0.82
2049	15.80	13.21	-2.59	----		-0.90	-0.04	0.86
2050	15.73	13.20	-2.53	----		-0.95	-0.04	0.91
2051	15.68	13.20	-2.48	----		-1.00	-0.04	0.96
2052	15.63	13.20	-2.43	----		-1.05	-0.04	1.00
2053	15.59	13.20	-2.39	----		-1.10	-0.05	1.05
2054	15.56	13.20	-2.36	----		-1.14	-0.05	1.09
2055	15.54	13.20	-2.34	----		-1.18	-0.05	1.13
2056	15.53	13.20	-2.33	----		-1.21	-0.05	1.16
2057	15.52	13.20	-2.32	----		-1.24	-0.05	1.19
2058	15.51	13.20	-2.31	----		-1.27	-0.06	1.22
2059	15.49	13.20	-2.29	----		-1.30	-0.06	1.25
2060	15.48	13.20	-2.28	----		-1.33	-0.06	1.27
2061	15.46	13.20	-2.26	----		-1.35	-0.06	1.29
2062	15.45	13.20	-2.25	----		-1.38	-0.06	1.32
2063	15.44	13.20	-2.24	----		-1.39	-0.06	1.33
2064	15.44	13.20	-2.24	----		-1.41	-0.06	1.35
2065	15.45	13.20	-2.24	----		-1.42	-0.06	1.36
2066	15.46	13.20	-2.25	----		-1.43	-0.06	1.37
2067	15.47	13.20	-2.26	----		-1.45	-0.06	1.38
2068	15.48	13.20	-2.28	----		-1.46	-0.07	1.39
2069	15.50	13.21	-2.30	----		-1.47	-0.07	1.40
2070	15.53	13.21	-2.32	----		-1.48	-0.07	1.41
2071	15.55	13.21	-2.34	----		-1.48	-0.07	1.42
2072	15.57	13.21	-2.36	----		-1.49	-0.07	1.43
2073	15.60	13.21	-2.39	----		-1.50	-0.07	1.43
2074	15.63	13.22	-2.41	----		-1.51	-0.07	1.44
2075	15.66	13.22	-2.44	----		-1.52	-0.07	1.45
2076	15.68	13.22	-2.46	----		-1.53	-0.07	1.46
2077	15.71	13.22	-2.49	----		-1.54	-0.07	1.47
2078	15.74	13.22	-2.51	----		-1.55	-0.07	1.48
2079	15.76	13.22	-2.54	----		-1.56	-0.07	1.49
2080	15.79	13.23	-2.57	----		-1.57	-0.07	1.50
2081	15.82	13.23	-2.59	----		-1.58	-0.07	1.51
2082	15.85	13.23	-2.62	----		-1.59	-0.07	1.51
2083	15.89	13.23	-2.65	----		-1.59	-0.07	1.52
2084	15.92	13.24	-2.68	----		-1.60	-0.07	1.53
2085	15.95	13.24	-2.71	----		-1.61	-0.07	1.53
2086	15.98	13.24	-2.74	----		-1.61	-0.07	1.54

Summarized Rates: OASDI						Summarized Rates: OASDI		
	Cost Rate	Income Rate	Actuarial Balance	Year of Exhaustion[1]		Change in Cost rate	Change in Income Rate	Change in Actuarial Balance
2011 - 2085	15.56%	13.99%	-1.57%	2036		-0.69%	-0.03%	0.66%

Based on Intermediate Assumptions of the 2011 Trustees Report
[1] Under present law the year of exhaustion is 2036

Table 1a - General Fund Transfers, OASDI Trust Fund Assets, and Theoretical OASDI Assets
Representative Landry "Social Security Preservation through Individual Choice Enhancement Act"

	Proposal General Fund Transfers[1]			*Present Value in Billions as of 1-1-2011*			
						Theoretical Social Security[2] with Borrowing Authority	
		Present Value in Billions as of 1-1- 2011		Proposal Total OASDI Trust Fund Assets		Net OASDI Trust Fund Assets at End of Year	
Calendar Year	Percentage of Payroll	Annual Amounts	Accumulated as of End of Year	at End of Year	Gross Domestic Product	Without General Fund Transfers	With Plan General Fund Transfers
	(1)	(2)	(3)	(5)	(6)	(7)	(8)
2011	0.0	0.0	0.0	2,564.6	14,904.1	2,564.6	2,564.6
2012	1.3	68.5	68.5	2,545.0	14,951.5	2,545.0	2,613.5
2013	1.3	73.6	142.1	2,528.0	15,099.9	2,527.9	2,670.1
2014	1.3	74.5	216.7	2,513.5	15,251.0	2,513.4	2,730.1
2015	1.3	75.2	291.9	2,496.8	15,351.9	2,496.7	2,788.5
2016	1.3	75.8	367.7	2,477.1	15,378.4	2,476.9	2,844.6
2017	1.3	76.1	443.8	2,451.6	15,366.5	2,451.1	2,894.9
2018	1.3	76.4	520.2	2,418.7	15,366.9	2,417.9	2,938.1
2019	1.3	76.4	596.6	2,371.7	15,345.6	2,370.3	2,967.0
2020	1.3	76.1	672.7	2,308.0	15,301.1	2,305.9	2,978.6
2021	1.3	75.6	748.3	2,228.7	15,242.3	2,224.7	2,973.0
2022	1.3	75.0	823.3	2,134.8	15,159.1	2,127.6	2,951.0
2023	1.3	74.3	897.7	2,027.4	15,052.7	2,015.9	2,913.6
2024	1.3	73.5	971.2	1,907.8	14,924.4	1,890.9	2,862.1
2025	1.3	72.6	1,043.8	1,777.1	14,765.8	1,753.6	2,797.4
2026	1.3	71.6	1,115.4	1,636.1	14,596.0	1,605.5	2,720.9
2027	1.3	70.7	1,186.1	1,486.4	14,436.0	1,448.1	2,634.2
2028	1.3	69.8	1,255.9	1,329.6	14,276.4	1,282.9	2,538.9
2029	1.3	68.9	1,324.9	1,167.4	14,114.5	1,111.6	2,436.4
2030	1.3	68.1	1,392.9	1,001.6	13,958.1	935.7	2,328.7
2031	1.3	67.3	1,460.2	833.8	13,813.5	757.0	2,217.2
2032	1.3	66.5	1,526.7	665.0	13,670.9	576.1	2,102.8
2033	1.3	65.7	1,592.5	495.9	13,528.0	393.8	1,986.3
2034	1.3	65.0	1,657.5	327.7	13,387.2	211.4	1,868.9
2035	1.3	64.2	1,721.7	161.4	13,245.5	29.8	1,751.5
2036	1.3	63.5	1,785.2	-2.5	13,107.1	-150.6	1,634.6
2037	1.3	62.8	1,847.9	-163.4	12,971.3	-329.1	1,518.8
2038	1.3	62.1	1,910.0	-320.1	12,843.4	-504.7	1,405.3
2039	1.3	61.4	1,971.4	-472.1	12,714.4	-676.9	1,294.5
2040	1.3	60.7	2,032.1	-619.2	12,582.3	-845.5	1,186.6
2041	1.3	60.0	2,092.1	-761.0	12,453.7	-1,010.4	1,081.7
2042	1.3	59.3	2,151.4	-897.7	12,326.2	-1,171.6	979.8
2043	1.3	58.6	2,210.0	-1,029.5	12,197.5	-1,329.5	880.5
2044	1.3	57.9	2,268.0	-1,156.8	12,069.4	-1,484.4	783.6
2045	1.3	57.2	2,325.2	-1,279.5	11,941.2	-1,636.3	688.9
2046	1.3	56.5	2,381.8	-1,397.5	11,813.2	-1,785.2	596.5
2047	1.3	55.8	2,437.6	-1,511.3	11,684.0	-1,931.5	506.1
2048	1.3	55.2	2,492.8	-1,621.0	11,555.8	-2,075.1	417.7
2049	1.3	54.5	2,547.2	-1,726.6	11,428.4	-2,216.1	331.1
2050	1.3	53.8	2,601.0	-1,828.4	11,301.9	-2,354.8	246.3
2051	1.3	53.1	2,654.2	-1,926.8	11,175.5	-2,491.4	162.7
2052	1.3	52.5	2,706.6	-2,022.1	11,049.7	-2,626.4	80.2
2053	1.3	51.8	2,758.4	-2,114.7	10,924.7	-2,759.9	-1.5
2054	1.3	51.1	2,809.6	-2,204.9	10,800.1	-2,892.1	-82.6
2055	1.3	50.5	2,860.1	-2,293.1	10,677.6	-3,023.3	-163.2
2056	1.3	49.8	2,909.9	-2,379.7	10,555.1	-3,153.5	-243.5
2057	1.3	49.2	2,959.1	-2,464.5	10,434.5	-3,282.7	-323.6
2058	1.3	48.6	3,007.7	-2,548.5	10,315.5	-3,410.8	-403.1
2059	1.3	48.0	3,055.7	-2,630.6	10,198.7	-3,537.8	-482.1
2060	1.3	47.4	3,103.0	-2,711.0	10,084.5	-3,663.4	-560.4
2061	1.3	46.8	3,149.8	-2,789.9	9,971.5	-3,787.8	-638.0
2062	1.3	46.2	3,196.0	-2,867.4	9,860.0	-3,911.0	-715.0
2063	1.3	45.6	3,241.5	-2,943.7	9,750.1	-4,032.9	-791.4
2064	1.3	45.0	3,286.6	-3,018.9	9,640.9	-4,153.8	-867.2
2065	1.3	44.4	3,331.0	-3,093.4	9,532.4	-4,273.6	-942.6
2066	1.3	43.9	3,374.9	-3,167.1	9,425.1	-4,392.6	-1,017.7
2067	1.3	43.3	3,418.2	-3,240.3	9,319.2	-4,510.8	-1,092.6
2068	1.3	42.8	3,461.0	-3,313.0	9,214.2	-4,628.3	-1,167.3
2069	1.3	42.2	3,503.2	-3,385.4	9,109.6	-4,745.1	-1,241.9
2070	1.3	41.7	3,544.9	-3,457.6	9,005.9	-4,861.5	-1,316.6
2071	1.3	41.2	3,586.0	-3,529.5	8,903.0	-4,977.2	-1,391.2
2072	1.3	40.6	3,626.7	-3,601.1	8,801.0	-5,092.4	-1,465.7
2073	1.3	40.1	3,666.8	-3,672.7	8,699.7	-5,207.2	-1,540.4
2074	1.3	39.6	3,706.4	-3,744.1	8,599.7	-5,321.6	-1,615.2
2075	1.3	39.1	3,745.5	-3,815.3	8,500.5	-5,435.5	-1,690.0
2076	1.3	38.6	3,784.1	-3,886.3	8,402.2	-5,548.9	-1,764.9
2077	1.3	38.1	3,822.1	-3,957.1	8,304.6	-5,661.8	-1,839.7
2078	1.3	37.6	3,859.8	-4,027.6	8,207.6	-5,774.2	-1,914.5
2079	1.3	37.1	3,896.9	-4,098.1	8,111.3	-5,886.2	-1,989.3
2080	1.3	36.6	3,933.5	-4,168.3	8,015.9	-5,997.7	-2,064.2
2081	1.3	36.2	3,969.7	-4,238.4	7,921.4	-6,108.7	-2,139.0
2082	1.3	35.7	4,005.4	-4,308.4	7,827.9	-6,219.3	-2,213.9
2083	1.3	35.3	4,040.7	-4,378.3	7,734.9	-6,329.5	-2,288.8
2084	1.3	34.8	4,075.5	-4,448.0	7,642.9	-6,439.2	-2,363.7
2085	1.3	34.4	4,109.9	-4,517.6	7,552.1	-6,548.4	-2,438.6

[1] Specified General Fund transfers reimburse the optional 2 percent payroll tax cut to the Trust Funds, so that the Trust Funds are unaffected.
[2] 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.

Table 1b - OASDI Changes & Implications for Federal Budget and Debt of Specified Plan Provision Effects on OASDI[1] (Present Value Dollars
Representative Landry "Social Security Preservation through Individual Choice Enhancement Act"

Billions of Present Value Dollars as of 1-1-2011

Year	Specified General Fund Transfers [2] (1)	Basic Changes in OASDI Cash Flow (2)	Change in Annual Unified Budget Cash Flow (3)	Change in Debt Held by Public at End of Year (4)	Change in Annual Unified Budget Balance (5)	Change in Annual On Budget Cash Flow (6)	Change in Total Federal Debt End Of Year (7)	Change in Annual On Budget Balance (8)
2011	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2012	68.5	0.0	-68.5	68.5	-68.5	-68.5	68.5	-68.5
2013	73.6	0.0	-73.6	142.1	-76.5	-73.6	142.1	-76.5
2014	74.5	0.0	-74.5	216.6	-80.5	-74.5	216.7	-80.5
2015	75.2	0.1	-75.1	291.8	-84.4	-75.2	291.9	-84.5
2016	75.8	0.1	-75.7	367.5	-88.3	-75.8	367.7	-88.4
2017	76.1	0.2	-75.9	443.3	-92.0	-76.1	443.8	-92.2
2018	76.4	0.3	-76.1	519.4	-96.0	-76.4	520.2	-96.4
2019	76.4	0.5	-75.9	595.3	-99.8	-76.4	596.6	-100.3
2020	76.1	0.8	-75.3	670.6	-103.2	-76.1	672.7	-104.1
2021	75.6	1.9	-73.7	744.3	-106.2	-75.6	748.3	-108.2
2022	75.0	3.1	-71.9	816.2	-109.1	-75.0	823.3	-112.4
2023	74.3	4.3	-70.0	886.2	-112.0	-74.3	897.7	-116.7
2024	73.5	5.5	-68.0	954.2	-115.0	-73.5	971.2	-121.1
2025	72.6	6.6	-66.0	1,020.1	-118.2	-72.6	1043.8	-125.7
2026	71.6	7.1	-64.5	1,084.8	-120.3	-71.6	1115.4	-128.7
2027	70.7	7.7	-63.0	1,147.8	-122.3	-70.7	1186.1	-131.7
2028	69.8	8.4	-61.4	1,209.3	-124.2	-69.8	1255.9	-134.6
2029	68.9	9.1	-59.8	1,269.1	-125.9	-68.9	1324.9	-137.6
2030	68.1	10.0	-58.1	1,327.1	-127.4	-68.1	1392.9	-140.5
2031	67.3	11.0	-56.3	1,383.4	-128.8	-67.3	1460.2	-143.4
2032	66.5	12.1	-54.4	1,437.8	-130.1	-66.5	1526.7	-146.3
2033	65.7	13.1	-52.6	1,490.4	-131.2	-65.7	1592.5	-149.2
2034	65.0	14.2	-50.8	1,541.2	-132.2	-65.0	1657.5	-152.0
2035	64.2	15.3	-48.9	1,590.1	-133.1	-64.2	1721.7	-154.8
2036	63.5	16.5	-47.0	1,637.1	-133.9	-63.5	1785.2	-157.6
2037	62.8	17.6	-45.1	1,682.3	-134.6	-62.8	1847.9	-160.3
2038	62.1	18.9	-43.2	1,725.5	-135.1	-62.1	1910.0	-163.1
2039	61.4	20.2	-41.2	1,766.7	-135.5	-61.4	1971.4	-165.8
2040	60.7	21.6	-39.1	1,805.8	-135.7	-60.7	2032.1	-168.4
2041	60.0	23.0	-37.0	1,842.7	-135.6	-60.0	2092.1	-171.1
2042	59.3	24.5	-34.8	1,877.5	-135.5	-59.3	2151.4	-173.7
2043	58.6	26.1	-32.5	1,910.0	-135.2	-58.6	2210.0	-176.2
2044	57.9	27.6	-30.3	1,940.3	-134.7	-57.9	2268.0	-178.7
2045	57.2	29.2	-28.0	1,968.3	-134.1	-57.2	2325.2	-181.2
2046	56.5	30.8	-25.7	1,994.0	-133.3	-56.5	2381.8	-183.6
2047	55.8	32.4	-23.4	2,017.5	-132.4	-55.8	2437.6	-186.0
2048	55.2	33.9	-21.2	2,038.7	-131.5	-55.2	2492.8	-188.4
2049	54.5	35.4	-19.0	2,057.7	-130.5	-54.5	2547.2	-190.7
2050	53.8	36.9	-16.9	2,074.7	-129.4	-53.8	2601.0	-193.0
2051	53.1	38.3	-14.8	2,089.5	-128.2	-53.1	2654.2	-195.3
2052	52.5	39.6	-12.8	2,102.3	-127.0	-52.5	2706.6	-197.5
2053	51.8	40.9	-10.9	2,113.2	-125.8	-51.8	2758.4	-199.7
2054	51.1	42.0	-9.1	2,122.4	-124.6	-51.1	2809.6	-201.9
2055	50.5	43.0	-7.5	2,129.9	-123.5	-50.5	2860.1	-204.0
2056	49.8	43.5	-6.3	2,136.2	-122.7	-49.8	2909.9	-206.2
2057	49.2	44.1	-5.1	2,141.3	-121.9	-49.2	2959.1	-208.2
2058	48.6	44.5	-4.1	2,145.4	-121.1	-48.6	3007.7	-210.3
2059	48.0	44.9	-3.1	2,148.5	-120.3	-48.0	3055.7	-212.3
2060	47.4	45.2	-2.1	2,150.6	-119.6	-47.4	3103.0	-214.4
2061	46.8	45.5	-1.3	2,151.9	-118.8	-46.8	3149.8	-216.3
2062	46.2	45.7	-0.5	2,152.4	-118.1	-46.2	3196.0	-218.3
2063	45.6	45.7	0.1	2,152.3	-117.5	-45.6	3241.5	-220.3
2064	45.0	45.6	0.6	2,151.7	-117.1	-45.0	3286.6	-222.2
2065	44.4	45.4	1.0	2,150.8	-116.6	-44.4	3331.0	-224.1
2066	43.9	45.2	1.3	2,149.4	-116.2	-43.9	3374.9	-225.9
2067	43.3	45.0	1.7	2,147.7	-115.8	-43.3	3418.2	-227.8
2068	42.8	44.8	2.0	2,145.7	-115.4	-42.8	3461.0	-229.6
2069	42.2	44.5	2.3	2,143.5	-115.0	-42.2	3503.2	-231.4
2070	41.7	44.2	2.5	2,141.0	-114.7	-41.7	3544.9	-233.1
2071	41.2	43.8	2.7	2,138.3	-114.3	-41.2	3586.0	-234.9
2072	40.6	43.5	2.9	2,135.4	-114.0	-40.6	3626.7	-236.6
2073	40.1	43.3	3.1	2,132.3	-113.6	-40.1	3666.8	-238.3
2074	39.6	43.0	3.4	2,128.9	-113.1	-39.6	3706.4	-240.0
2075	39.1	42.7	3.6	2,125.3	-112.7	-39.1	3745.5	-241.7
2076	38.6	42.4	3.8	2,121.4	-112.3	-38.6	3784.1	-243.3
2077	38.1	42.1	4.0	2,117.4	-111.9	-38.1	3822.1	-244.9
2078	37.6	41.8	4.2	2,113.2	-111.5	-37.6	3859.8	-246.5
2079	37.1	41.5	4.4	2,108.7	-111.1	-37.1	3896.9	-248.1
2080	36.6	41.2	4.6	2,104.1	-110.7	-36.6	3933.5	-249.6
2081	36.2	40.9	4.8	2,099.4	-110.2	-36.2	3969.7	-251.2
2082	35.7	40.6	4.9	2,094.5	-109.8	-35.7	4005.4	-252.7
2083	35.3	40.3	5.0	2,089.5	-109.4	-35.3	4040.7	-254.2
2084	34.8	40.0	5.1	2,084.3	-109.0	-34.8	4075.5	-255.6
2085	34.4	39.6	5.2	2,079.1	-108.7	-34.4	4109.9	-257.1
Total 2011-85	4,109.9	2,030.8	-2,079.1			-4109.9		

Based on Intermediate Assumptions of the 2011 Trustees Report
Ultimate Real Trust Fund Yield of 2.9%

[1] Specified General Fund transfers reimburse the optional 2 percent payroll tax cut to the Trust Funds, so that the Trust Funds are unaffected.

Table 1b.n - OASDI Changes & Implications for Federal Budget and Debt of Specified Plan Provision Effects on OASDI (Nominal Dollars)
Representative Landry "Social Security Preservation through Individual Choice Enhancement Act"

Year	Specified General Fund Transfers [1] (1)	Basic Changes in OASDI Cash Flow (2)	Change in Annual Unified Budget Cash Flow (3)	Change in Debt Held by Public at End of Year (4)	Change in Annual Unified Budget Balance (5)	Change in Annual On Budget Cash Flow (6)	Change in Total Federal Debt End of Year (7)	Change in Annual On Budget Balance (8)
2011	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2012	73.1	0.0	-73.1	74.6	-74.6	-73.1	74.6	-74.6
2013	81.9	0.0	-81.9	161.6	-86.9	-81.9	161.6	-86.9
2014	86.6	0.0	-86.5	257.0	-95.5	-86.6	257.1	-95.5
2015	91.2	0.1	-91.2	361.5	-104.5	-91.2	361.6	-104.6
2016	96.1	0.2	-95.9	475.7	-114.2	-96.1	476.0	-114.3
2017	100.8	0.3	-100.6	600.0	-124.3	-100.8	600.6	-124.6
2018	106.0	0.5	-105.5	735.4	-135.4	-106.0	736.5	-136.0
2019	111.0	0.8	-110.2	882.8	-147.4	-111.0	884.8	-148.3
2020	115.9	1.2	-114.7	1,042.9	-160.1	-115.9	1046.2	-161.4
2021	120.9	3.0	-117.9	1,215.1	-172.2	-120.9	1221.7	-175.5

Based on Intermediate Assumptions of the 2011 Trustees Report.

[1] Specified General Fund transfers reimburse the optional 2 percent payroll tax cut to the Trust Funds, so that the Trust Funds are unaffected.

Table 1c - Present Law and Proposal Cost, Expenditures, and Income: As Percent of Gross Domestic Product
Representative Landry "Social Security Preservation through Individual Choice Enhancement Act"

Calendar Year	Present Law OASDI			Proposal OASDI		
	Cost	Expenditures (Payable)	Non-Interest Income	Cost	Expenditures (Payable)	Non-Interest Income
	(1)	(2)	(3)	(4)	(5)	(6)
2011	4.85	4.85	4.55	4.85	4.85	4.55
2012	4.84	4.84	4.71	4.84	4.84	4.71
2013	4.84	4.84	4.73	4.84	4.84	4.73
2014	4.86	4.86	4.76	4.86	4.86	4.76
2015	4.89	4.89	4.78	4.89	4.89	4.78
2016	4.95	4.95	4.82	4.95	4.95	4.82
2017	5.02	5.02	4.85	5.02	5.02	4.85
2018	5.10	5.10	4.88	5.10	5.10	4.88
2019	5.21	5.21	4.89	5.20	5.20	4.89
2020	5.32	5.32	4.89	5.32	5.32	4.89
2021	5.43	5.43	4.89	5.42	5.42	4.89
2022	5.53	5.53	4.88	5.51	5.51	4.88
2023	5.63	5.63	4.88	5.60	5.60	4.88
2024	5.72	5.72	4.87	5.68	5.68	4.87
2025	5.81	5.81	4.87	5.76	5.76	4.87
2026	5.89	5.89	4.87	5.84	5.84	4.86
2027	5.96	5.96	4.86	5.90	5.90	4.86
2028	6.02	6.02	4.86	5.96	5.96	4.86
2029	6.08	6.08	4.86	6.01	6.01	4.85
2030	6.12	6.12	4.85	6.05	6.05	4.85
2031	6.15	6.15	4.85	6.07	6.07	4.85
2032	6.18	6.18	4.85	6.09	6.09	4.84
2033	6.20	6.20	4.85	6.10	6.10	4.84
2034	6.21	6.21	4.84	6.10	6.10	4.84
2035	6.22	6.22	4.84	6.09	6.09	4.83
2036	6.22	5.05	4.83	6.08	4.83	4.83
2037	6.21	4.83	4.83	6.07	4.82	4.82
2038	6.20	4.82	4.82	6.04	4.82	4.82
2039	6.18	4.82	4.82	6.01	4.81	4.81
2040	6.16	4.81	4.81	5.98	4.81	4.81
2041	6.14	4.81	4.81	5.94	4.80	4.80
2042	6.11	4.80	4.80	5.91	4.79	4.79
2043	6.09	4.79	4.79	5.87	4.78	4.78
2044	6.08	4.79	4.79	5.84	4.78	4.78
2045	6.06	4.78	4.78	5.80	4.77	4.77
2046	6.04	4.77	4.77	5.77	4.76	4.76
2047	6.02	4.77	4.77	5.73	4.75	4.75
2048	6.01	4.76	4.76	5.70	4.75	4.75
2049	5.99	4.75	4.75	5.67	4.74	4.74
2050	5.98	4.74	4.74	5.64	4.73	4.73
2051	5.97	4.74	4.74	5.61	4.72	4.72
2052	5.96	4.73	4.73	5.58	4.72	4.72
2053	5.95	4.73	4.73	5.56	4.71	4.71
2054	5.95	4.72	4.72	5.54	4.70	4.70
2055	5.95	4.71	4.71	5.53	4.70	4.70
2056	5.95	4.71	4.71	5.51	4.69	4.69
2057	5.94	4.70	4.70	5.50	4.68	4.68
2058	5.94	4.69	4.69	5.49	4.67	4.67
2059	5.94	4.69	4.69	5.48	4.67	4.67
2060	5.93	4.68	4.68	5.47	4.66	4.66
2061	5.93	4.68	4.68	5.45	4.66	4.66
2062	5.93	4.67	4.67	5.44	4.65	4.65
2063	5.92	4.66	4.66	5.43	4.64	4.64
2064	5.92	4.66	4.66	5.42	4.64	4.64
2065	5.91	4.65	4.65	5.42	4.63	4.63
2066	5.91	4.64	4.64	5.41	4.62	4.62
2067	5.91	4.64	4.64	5.41	4.62	4.62
2068	5.91	4.63	4.63	5.40	4.61	4.61
2069	5.92	4.63	4.63	5.40	4.60	4.60
2070	5.92	4.62	4.62	5.40	4.60	4.60
2071	5.92	4.62	4.62	5.41	4.59	4.59
2072	5.92	4.61	4.61	5.41	4.59	4.59
2073	5.93	4.60	4.60	5.41	4.58	4.58
2074	5.94	4.60	4.60	5.41	4.58	4.58
2075	5.94	4.59	4.59	5.41	4.57	4.57
2076	5.94	4.59	4.59	5.42	4.57	4.57
2077	5.95	4.58	4.58	5.42	4.56	4.56
2078	5.96	4.58	4.58	5.42	4.56	4.56
2079	5.96	4.58	4.58	5.43	4.55	4.55
2080	5.97	4.57	4.57	5.43	4.55	4.55
2081	5.98	4.57	4.57	5.43	4.54	4.54
2082	5.98	4.56	4.56	5.44	4.54	4.54
2083	5.99	4.56	4.56	5.44	4.54	4.54
2084	6.00	4.56	4.56	5.45	4.53	4.53
2085	6.01	4.55	4.55	5.46	4.53	4.53

Based on Intermediate Assumptions of the 2011 Trustees Report.

Table 1d - Change in Long-Range Trust Fund Assets / Unfunded Obligation
Representative Landry "Social Security Preservation through Individual Choice Enhancement Act"

	Present Law OASDI Trust Fund Assets / Unfunded Obligation Through End of Year (1)	Changes in OASDI Income (2)	Changes in OASDI Cost (3)	Basic Changes in OASDI Cash Flow (4) = (2)-(3)	Total Change Through End of Year (5) = cumulative sum(4)	Proposal OASDI Trust Fund Assets / Unfunded Obligation Through End of Year (6) = (1)+(5)
Year						
2011	2,564.6	0.0	0.0	0.0	0.0	2,564.6
2012	2,545.0	0.0	0.0	0.0	0.0	2,545.0
2013	2,527.9	0.0	0.0	0.0	0.0	2,528.0
2014	2,513.4	0.0	0.0	0.0	0.0	2,513.5
2015	2,496.7	0.0	-0.1	0.1	0.1	2,496.8
2016	2,476.9	0.0	-0.1	0.1	0.2	2,477.1
2017	2,451.1	0.0	-0.2	0.2	0.4	2,451.6
2018	2,417.9	0.0	-0.4	0.3	0.8	2,418.7
2019	2,370.3	0.0	-0.5	0.5	1.3	2,371.7
2020	2,305.9	0.0	-0.8	0.8	2.1	2,308.0
2021	2,224.7	0.0	-1.9	1.9	4.0	2,228.7
2022	2,127.6	-0.1	-3.2	3.1	7.1	2,134.8
2023	2,015.9	-0.1	-4.5	4.3	11.5	2,027.4
2024	1,890.9	-0.2	-5.7	5.5	17.0	1,907.8
2025	1,753.6	-0.2	-6.8	6.6	23.5	1,777.1
2026	1,605.5	-0.3	-7.3	7.1	30.6	1,636.1
2027	1,448.1	-0.3	-8.0	7.7	38.3	1,486.4
2028	1,282.9	-0.3	-8.7	8.4	46.7	1,329.6
2029	1,111.6	-0.4	-9.5	9.1	55.8	1,167.4
2030	935.7	-0.4	-10.4	10.0	65.8	1,001.6
2031	757.0	-0.5	-11.5	11.0	76.8	833.8
2032	576.1	-0.5	-12.6	12.1	88.9	665.0
2033	393.8	-0.6	-13.7	13.1	102.0	495.9
2034	211.4	-0.6	-14.9	14.2	116.3	327.7
2035	29.8	-0.7	-16.0	15.3	131.6	161.4
2036	-150.6	-0.7	-17.2	16.5	148.1	-2.5
2037	-329.1	-0.8	-18.4	17.6	165.7	-163.4
2038	-504.7	-0.9	-19.7	18.9	184.6	-320.1
2039	-676.9	-0.9	-21.1	20.2	204.8	-472.1
2040	-845.5	-1.0	-22.6	21.6	226.3	-619.2
2041	-1,010.4	-1.0	-24.1	23.0	249.4	-761.0
2042	-1,171.6	-1.1	-25.7	24.5	273.9	-897.7
2043	-1,329.5	-1.2	-27.3	26.1	300.0	-1,029.5
2044	-1,484.4	-1.3	-28.9	27.6	327.7	-1,156.8
2045	-1,636.3	-1.3	-30.5	29.2	356.9	-1,279.5
2046	-1,785.2	-1.4	-32.2	30.8	387.7	-1,397.5
2047	-1,931.5	-1.5	-33.9	32.4	420.1	-1,511.3
2048	-2,075.1	-1.5	-35.5	33.9	454.1	-1,621.0
2049	-2,216.1	-1.6	-37.0	35.4	489.5	-1,726.6
2050	-2,354.8	-1.7	-38.5	36.9	526.4	-1,828.4
2051	-2,491.4	-1.7	-40.0	38.3	564.7	-1,926.8
2052	-2,626.4	-1.8	-41.4	39.6	604.3	-2,022.1
2053	-2,759.9	-1.8	-42.7	40.9	645.2	-2,114.7
2054	-2,892.1	-1.9	-43.9	42.0	687.2	-2,204.9
2055	-3,023.3	-1.9	-44.9	43.0	730.2	-2,293.1
2056	-3,153.5	-2.0	-45.5	43.5	773.7	-2,379.7
2057	-3,282.7	-2.0	-46.1	44.1	817.8	-2,464.9
2058	-3,410.8	-2.0	-46.6	44.5	862.3	-2,548.5
2059	-3,537.8	-2.1	-47.0	44.9	907.2	-2,630.6
2060	-3,663.4	-2.1	-47.3	45.2	952.4	-2,711.0
2061	-3,787.8	-2.1	-47.6	45.5	997.9	-2,789.9
2062	-3,911.0	-2.1	-47.8	45.7	1,043.6	-2,867.4
2063	-4,032.9	-2.1	-47.8	45.7	1,089.3	-2,943.7
2064	-4,153.8	-2.1	-47.7	45.6	1,134.8	-3,018.9
2065	-4,273.6	-2.1	-47.6	45.4	1,180.2	-3,093.4
2066	-4,392.6	-2.1	-47.3	45.2	1,225.5	-3,167.1
2067	-4,510.8	-2.1	-47.1	45.0	1,270.5	-3,240.3
2068	-4,628.3	-2.1	-46.9	44.8	1,315.2	-3,313.0
2069	-4,745.1	-2.1	-46.6	44.5	1,359.7	-3,385.4
2070	-4,861.5	-2.1	-46.3	44.2	1,403.9	-3,457.6
2071	-4,977.2	-2.1	-45.9	43.8	1,447.7	-3,529.5
2072	-5,092.4	-2.1	-45.6	43.5	1,491.3	-3,601.1
2073	-5,207.2	-2.1	-45.3	43.3	1,534.5	-3,672.7
2074	-5,321.6	-2.1	-45.0	43.0	1,577.5	-3,744.1
2075	-5,435.5	-2.0	-44.8	42.7	1,620.2	-3,815.3
2076	-5,548.9	-2.0	-44.5	42.4	1,662.6	-3,886.3
2077	-5,661.8	-2.0	-44.2	42.1	1,704.8	-3,957.1
2078	-5,774.2	-2.0	-43.9	41.8	1,746.6	-4,027.6
2079	-5,886.2	-2.0	-43.6	41.5	1,788.1	-4,098.1
2080	-5,997.7	-2.0	-43.2	41.2	1,829.4	-4,168.3
2081	-6,108.7	-2.0	-42.9	40.9	1,870.3	-4,238.4
2082	-6,219.3	-2.0	-42.6	40.6	1,910.9	-4,308.4
2083	-6,329.5	-2.0	-42.2	40.3	1,951.2	-4,378.3
2084	-6,439.2	-1.9	-41.9	40.0	1,991.2	-4,448.0
2085	-6,548.4	<u>-1.9</u>	<u>-41.5</u>	<u>39.6</u>	2,030.8	-4,517.6
Total 2011-2085		-94.1	-2124.9	2030.8		

Based on Intermediate Assumptions of the 2011 Trustees Report.

Ultimate Real Trust Fund Yield of 2.9%.

JEFFREY M. LANDRY
3RD DISTRICT, LOUISIANA

206 CANNON HOUSE OFFICE BUILDING
(202) 225–4031

Congress of the United States
House of Representatives
Washington, DC 20515–1803

November 30, 2011

Mr. Steve Goss
Chief Actuary
Social Security Administration
Altmeyer Building Room 700
6401 Security Blvd.
Baltimore, MD 21235

Dear Mr. Goss:

I am respectfully requesting the Chief Actuary's office of the Social Security Administration provide a score for the attached proposal. I understand the pressures your office is constantly under; however, I hope that the immediacy of the issue this legislation addresses can ensure a prompt response.

In short, the attached proposal provides individuals the opportunity to choose if they want to accept the payroll tax holiday. If they make this choice, their Social Security payments are delayed by a time period which equals the amount of payroll tax they have saved as a result of the holiday.

Under the legislation, individuals would have the opportunity to opt-in to the holiday once a year.

I thank you in advance for your timely and thoughtful consideration of this request. Michael Stwarka of my staff and I stand ready to answer any questions you may have. We can be reached at 202.225.4031.

Respectfully,

Jeff Landry
Member of Congress