SOCIAL SECURITY

Office of the Chief Actuary

January 3, 2025

The Honorable Steny H. Hoyer
United States House of Representatives
Washington, DC 20515

Dr. Wendell Primus
The Brookings Institution
1775 Massachusetts Ave., NW
Washington, DC 20036

Dear Representative Hoyer and Dr. Primus:

I am writing in response to your request (see enclosed letter) for our estimates of the financial effects on Social Security of enacting a proposal intended to improve the solvency of the Social Security trust funds. The estimates provided here reflect the baseline intermediate projections of the 2024 Trustees Report and assumptions related to the proposal.

This proposal includes 17 provisions with effects on the Social Security trust funds. The estimates and analysis provided here reflect our understanding of the intent of these provisions and the combined effort of many in the Office of the Chief Actuary, but most particularly Karen Glenn, Daniel Nickerson, Chris Chaplain, Kyle Burkhalter, Anna Kirjusina, Mike Li, Michael Morris, Kent Morgan, Michael Stephens, Alayna Meekins, Katie Sutton, and Tiffany Bosley.

The enclosed tables provide estimates of the effects of the 17 provisions on the cost, income, and combined trust fund reserves for the Old Age, Survivors, and Disability Insurance (OASDI) program, as well as estimated effects on retired worker benefit levels for selected hypothetical workers and effects on payroll tax levels. In addition, tables 1b and 1b.n provide estimates of the federal budget implications of the direct effects of these 17 provisions on the OASDI program.

Assuming enactment of the proposal, we estimate that the combined Social Security Trust Fund would be fully solvent (able to pay all scheduled benefits in full on a timely basis) throughout the 75-year projection period, under the baseline intermediate assumptions of the 2024 Trustees Report plus effects of the proposal. In addition, under this proposal the OASDI program would meet the further conditions for sustainable solvency, because projected combined trust fund reserves would be growing as a percentage of the annual cost of the program at the end of the long-range period.

The proposal includes 17 provisions with effects on the OASDI program. The following list briefly describes these provisions:

Section 1. Increase the OASDI taxable maximum earnings level by 6 percent faster than current law beginning in 2027, until the taxable ratio reaches 90 percent of covered earnings. Maintain a 90 percent taxable ratio thereafter.

Section 2. Increase the OASDI payroll tax rate from 12.4 percent to 12.6 percent, beginning in 2027.

Section 3. Beginning in 2027, make all distributions to all pass-through business owners up to the earnings cap subject to the SECA tax, provided those owners meet the material participation standard. This provision would ensure that all workers who materially participate in a business are subject to payroll taxes on their earnings. The earnings cap would equal the taxable maximum in that year.

Section 4. Place all proceeds from taxation of Social Security benefits, including retrospective benefits, into the OASI and DI Trust Funds beginning on January 1, 2027. The HI Trust Fund would be held harmless using other sources of revenue.

Section 5. Change immigration policies: (1) add immigration pathways for direct care workers; (2) provide general increases in temporary and permanent immigration caps; (3) implement key provisions of the Dignity Act of 2023.

Section 6. Cover all newly hired state and local government employees, beginning in 2032.

Section 7. Apply Federal income tax to all Social Security benefits for all beneficiaries with incomes above $100,000 for individual filers and $125,000 for joint filers, effective in 2027. These thresholds increase by CPI for years after 2027.

Section 8. Increase the number of benefit computation years from 35 to 36, starting for individuals becoming newly eligible or dying at age 62 or older in 2032. Thereafter, increase computation years by 1 every 2 years with an ultimate change to 40 computation years for those becoming newly eligible in 2040 and later. Disabled workers would be held harmless.

Section 9. End child benefits for children of retirees and the associated caregiver (father or mother) benefit prospectively beginning in January 2027. The benefit would continue for disabled children, adopted children, and grandchildren.

Section 10. Increase the normal retirement age (NRA) for the top 40 percent of the all-career average earnings distribution. Only the top 20 percent of the earnings distribution would realize an increase in the retirement age to 70, phased in starting in 2036 by two months each year between 2037 and 2054 to age 70. The top 40 percent of the earnings distribution would be defined on the basis of each individual’s highest 40 years of indexed total earnings.

Section 11. Reduce the dependent spouse benefit by 5 percentage points per year beginning on January 1, 2027, so that it is completely eliminated by 2036. In addition, completely eliminate the dependent spouse benefit on January 1, 2030 for any dependent spouse of a spouse in the top quartile of career average earnings (AIME).

Section 12. Replace the Windfall Elimination Provision and the Government Pension Offset with a revised reduction for most OASDI benefits based upon all earnings (both covered and non-covered earnings) beginning with beneficiaries newly eligible in 2027. No reductions from WEP or GPO would apply to workers with fewer than ten years of non-covered work.

Section 13. Restore the student benefit to all child dependents of disabled or deceased parents and extend the benefit to legitimate training or trade schools. This benefit would be available through age 25 and apply to all children, regardless of marital status, effective January 1, 2027, and would be prorated for less than full-time school attendance.

Section 14. Establish an alternative benefit for surviving spouses, effective in 2027. For the surviving spouse, the alternative benefit would equal 75 percent of the sum of the survivor's own worker benefit and the deceased worker's PIA (including any actuarial reductions or delayed retirement credits).

Section 15. Establish an Early Retirement Disability (ERD) benefit at age 58 for workers who do not qualify for DI but meet most current DI criteria. The ERD benefit would be the average of the retirement benefit the worker would be eligible for at the NRA and the earliest eligibility age (EEA) for workers who apply at age 58. Workers applying at age 59 would receive the average of the NRA and age 59 benefit and similarly for any age up to the NRA.

Section 16. Provide benefits for children who are in the custody of a grandparent or other eligible relative for at least 12 months and are receiving at least one-half of their financial support from the relative. Effective for all eligible children with benefit entitlement beginning on January 1, 2027.

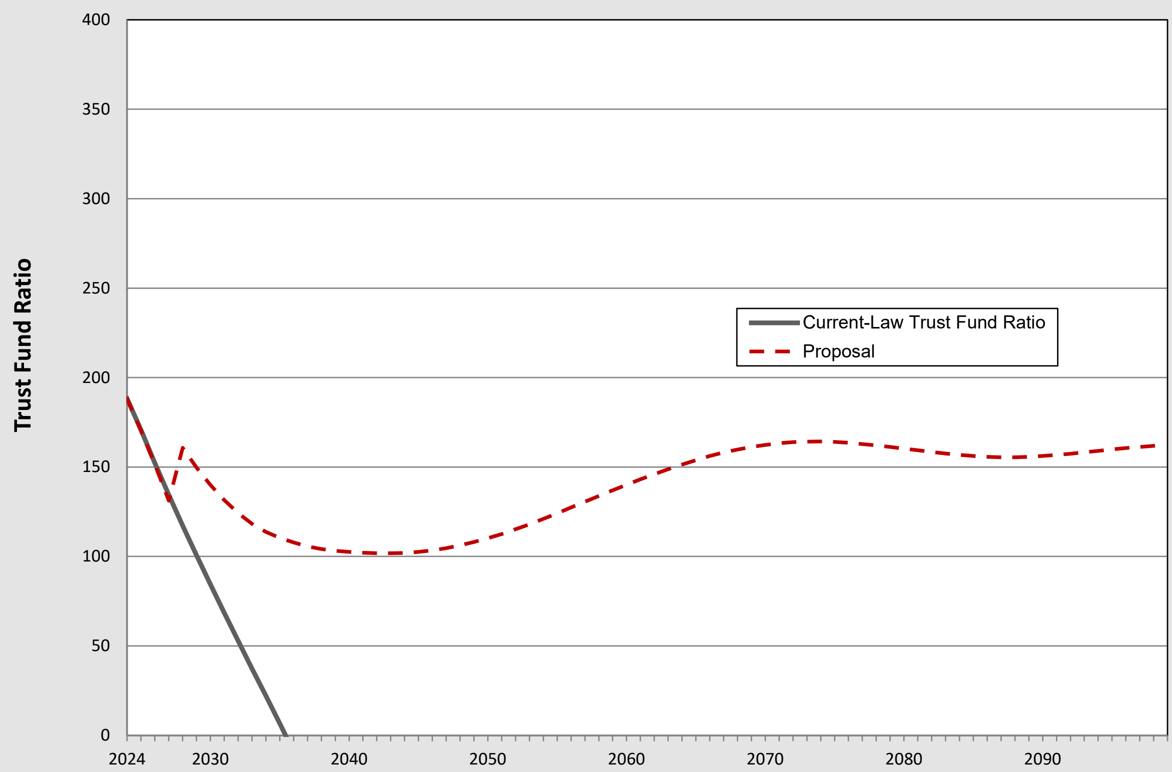
Section 17. Eliminate the requirement that a disabled adult child (DAC) beneficiary be unmarried for starting or restoring receipt of benefits and remove marriage as a terminating event for existing DAC beneficiaries, effective in 2027.

The balance of this letter provides a summary of the effects of the 17 provisions on the actuarial status of the OASDI program, our understanding of the specifications and intent of each of the 17 provisions, and descriptions of our detailed financial estimates for trust fund operations, benefit levels, and implications for the federal budget. See the "Specification for Provisions of the Proposal" section of this letter for a more detailed description of these 17 provisions.

Summary of Effects of the Proposal on OASDI Actuarial Status

Figure 1 illustrates the projected OASDI trust fund ratio through 2098 under current law and assuming enactment of the proposal. The trust fund ratio is defined here as the combined OASI and DI Trust Fund reserves expressed as a percent of annual program cost. Assuming enactment of the proposal, the combined OASI and DI Trust Funds would be fully solvent throughout the 75-year projection period, under the baseline intermediate assumptions of the 2024 Trustees Report plus effects of the proposal. In addition, because the projected trust fund ratio is increasing at the end of the period, the proposal meets the conditions for sustainable solvency.

Figure 1. Current-Law and Proposal OASDI Trust Fund Reserves as Percent of Annual Cost: 2024 TR Intermediate Assumptions



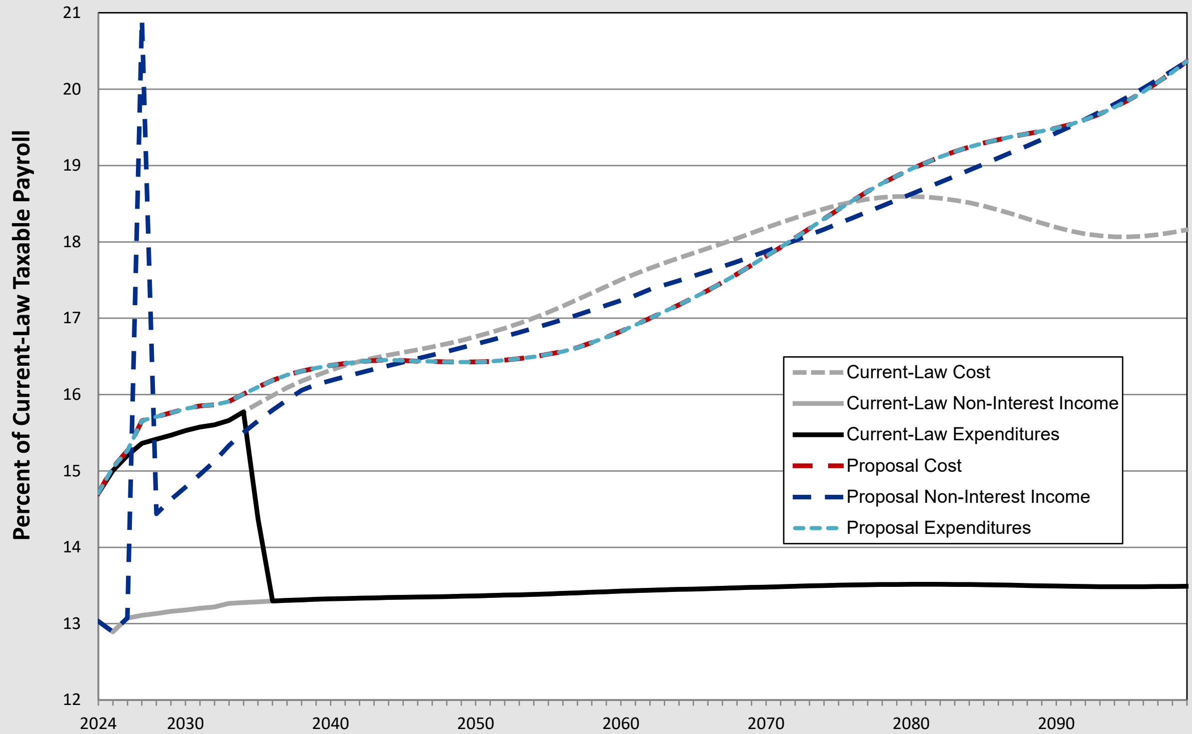
Note: *Trust Fund Ratio* for a given year is the ratio of reserves in the combined OASI and DI Trust Funds at the beginning of the year to the cost of the program for the year.

Under current law, 83 percent of scheduled benefits are projected to be payable on a timely basis in 2035 after depletion of the combined trust fund reserves, with the percentage payable declining to 73 percent for 2098. Under the proposal, the OASDI program would be solvent throughout the 75-year projection period, and would have the ability to pay 100 percent of scheduled benefits on a timely basis for the foreseeable future.

Enactment of the 17 provisions of this proposal would improve the long-range OASDI actuarial balance by 3.63 percent of taxable payroll, from an actuarial deficit of 3.50 percent of payroll under current law to a positive actuarial balance of 0.13 percent of payroll under the proposal.

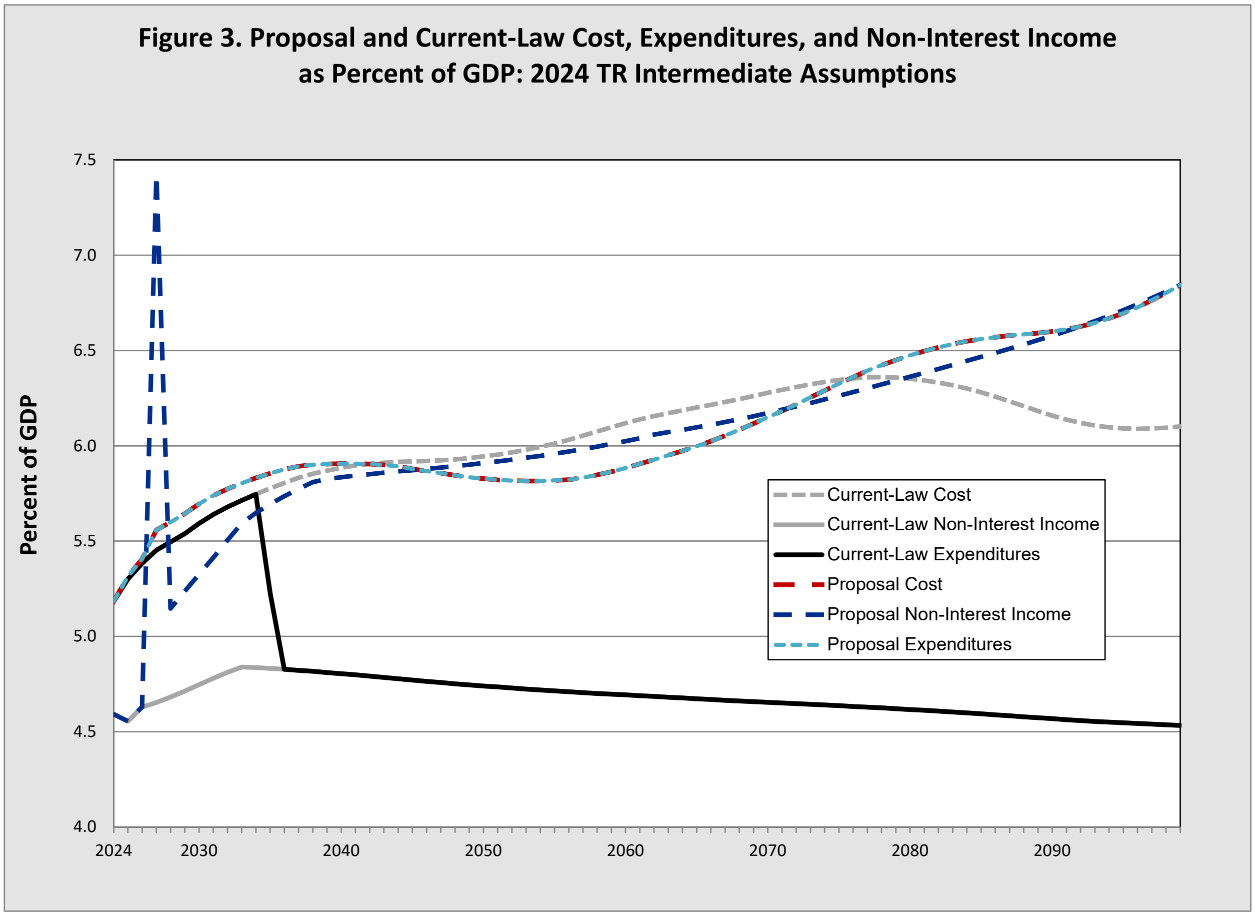
Figure 2 illustrates annual projected levels of cost, expenditures, and non-interest income as a percentage of the current-law taxable payroll. The projected level of cost reflects the full cost of scheduled benefits under both current law and the proposal. Under the proposal, projected expenditures equal the full cost of scheduled benefits throughout the long-range period.

Figure 2. Proposal and Current-Law Cost, Expenditures, and Non-Interest Income as Percent of Taxable Payroll: 2024 TR Intermediate Assumptions



OASDI program annual cost under the proposal is higher than under current law from 2024 through 2041, lower than under current law from 2042 through 2075, and higher (with the difference from current law increasing) from 2076 through the end of the long-range period, to about 2.1 percent of current-law payroll for 2098. Non-interest income under the proposal is projected to be slightly lower than under current law in 2024 and 2025, slightly higher in 2026, and then significantly higher than under current law from 2027 through the end of the long-range period. This difference between proposal and current-law income is 7.8 percent of current-law payroll in 2027, drops to 1.3 percent of current-law payroll in 2028, and then increases consistently to 6.8 percent of current-law payroll by 2098. For 2027 and later, the proposal improves the annual balance (non-interest income minus program cost).

It is also useful to consider the projected cost, expenditures, and income for the OASDI program expressed as a percentage of Gross Domestic Product (GDP). Figure 3 illustrates these levels under both current law and the proposal.



Specification for Provisions of the Proposal

Section 1. Increase the OASDI taxable maximum earnings level by 6 percent faster than current law beginning in 2027, until the taxable ratio reaches 90 percent of covered earnings. Maintain a 90 percent taxable ratio thereafter.

In 2024, the 12.4 percentage point payroll tax is applied to a worker's first $168,600 (the "taxable maximum") of wages or self-employment income. Each year, the taxable maximum increases by the average increase in wages. Currently, the percent of covered earnings that falls below the taxable maximum and is therefore taxed (the "taxable ratio") is approximately 82.5 percent. This provision would increase the taxable maximum by six percentage points faster than current law until the taxable ratio reaches 90 percent of earnings. Once the taxable ratio reaches 90 percent, further increases above the average increase in wages are authorized to maintain the taxable ratio at 90 percent. These higher levels of taxed earnings would be included in calculating a worker's AIME.

We estimate that enactment of this provision alone would reduce the long-range OASDI actuarial deficit by 0.66 percent of taxable payroll and would reduce the annual deficit for the 75th projection year (2098) by 0.37 percent of payroll.

Section 2. Increase the OASDI payroll tax rate from 12.4 percent to 12.6 percent, beginning in 2027.

Increase the payroll tax from 12.4 percent to 12.6 percent, split evenly between employers and employees as under current law. The increase will take effect in 2027. The SECA tax on self-employment income will be raised to the same level.

We estimate that enactment of this provision alone would reduce the long-range OASDI actuarial deficit by 0.19 percent of taxable payroll and would reduce the annual deficit for the 75th projection year (2098) by 0.20 percent of payroll.

Section 3. Beginning in 2027, make all distributions to all pass-through business owners up to the earnings cap subject to the SECA tax, provided those owners meet the material participation standard.

Make all distributions to all pass-through business owners up to the earnings cap subject to the SECA tax, provided those owners meet the material participation standard. Under current law, the definition of self-employment income for the purposes of SECA tax varies depending on the form of the business. This provision would ensure that all workers who materially participate in a business are subject to payroll taxes on their earnings. The earnings cap will equal the taxable maximum in that year. For example, if the owner earned $100,000 in wages and $500,000 in distributions, and the earnings cap was set to $300,000, the owner would pay payroll tax on the first $200,000 of those distributions.

We estimate that enactment of this provision alone would reduce the long-range OASDI actuarial deficit by 0.19 percent of taxable payroll and would reduce the annual deficit for the 75th projection year (2098) by 0.21 percent of payroll.

Section 4. Place all proceeds from taxation of Social Security benefits, including retrospective benefits, into the OASI and DI Trust Funds beginning on January 1, 2027.

This provision would move all taxation of benefits proceeds, including retrospective proceeds and accrued interest, into the OASI and DI Trust Funds. The HI Trust Fund would be held harmless using other sources of revenue.

We estimate that enactment of this provision alone would reduce the long-range OASDI actuarial deficit by 0.87 percent of taxable payroll and would reduce the annual deficit for the 75th projection year (2098) by 0.91 percent of payroll.

Section 5. Change immigration policies: (1) add immigration pathways for direct care workers; (2) provide general increases in temporary and permanent immigration caps; (3) implement key provisions of the Dignity Act of 2023.

This provision has three segments, as described below.

1: Immigration pathways for direct care workers:

A. Add direct care workers (including occupations such as certified nursing assistants, home health aides, and personal care aides) to Department of Labor Schedule A "shortage occupation" list.
B. A new H-1D visa. This would be a dual intent visa for direct care workers. The cap would be 10,000 workers per year upon passage in Fiscal Year (FY) 2025, then increasing by 3 percent per year starting in FY 2026. Like the H-1B program, workers would be sponsored by an employer for three years with the potential for a one-time renewal and the possibility of applying for a green card. H-4 derivatives (spouses and children) would be approved for these workers without caps.

2: General increases in temporary and permanent immigration caps:

A. Increase permanent employment-based migration caps (EB-1 through EB-5) by 50 percent (i.e. increase cap from 140,000 to 210,000) in FY 2026. Then increase by 3 percent per year from there, starting in FY 2027 and continuing to raise the cap by 3 percent annually.
B. Increase other major permanent migration caps by 1.5 percent per year starting in FY 2026 (1.5 percent increase in F-1 through F-4 family preference visas as well as current 226K minimum for family preference combined, 1.5 percent increase in diversity visas).
C. Increase major temporary employment-based caps by 50 percent in FY 2026 (H-1B, H-2B). From there, increase by 3 percent per year starting in FY 2027 and continuing to increase. Increase new H-1D direct care workers by 3 percent per year starting in FY 2026, as noted above.

3: Implement key provisions of the Dignity Act of 2023, introduced by Representative Maria Elvira Salazar:

A. Status adjustments for "Dreamers"/Temporary Protected Status holders as described in Dignity Act, and Dignity program for other undocumented immigrants with pathway to conditional permanent resident status.
B. Visa backlog for selected categories maxes out at 10 years, at which time green card is granted and not applied to caps. This applies to F1, F2A, and F2B family preference categories, as well as all EB permanent employment visa categories.
C. Do not count derivatives (spouses and children) against employment-based visa caps.

We estimate that enactment of this provision alone would reduce the long-range OASDI actuarial deficit by 0.30 percent of taxable payroll and would reduce the annual deficit for the 75th projection year (2098) by 0.64 percent of payroll.

Section 6. Cover all newly hired state and local government employees, beginning in 2032.

Currently, about one quarter of state and local employees are not covered by Social Security. This represents about 4 percent of the total U.S. workforce. Effective on January 1, 2032, all newly hired state and local employees would become part of the Social Security system.

We estimate that enactment of this provision alone would reduce the long-range OASDI actuarial deficit by 0.15 percent of taxable payroll and would *increase* the annual deficit for the 75th projection year (2098) by 0.14 percent of payroll.

Section 7. Apply Federal income tax to all Social Security benefits for all beneficiaries with incomes above $100,000 for individual filers and $125,000 for joint filers, effective in 2027.

Tax all Social Security benefits for all beneficiaries with incomes above $100,000 for single filers and $125,000 for joint filers and place proceeds into the OASI and DI Trust Fund starting in 2027. These thresholds will be adjusted annually by CPI after 2027.

We estimate that enactment of this provision alone would reduce the long-range OASDI actuarial deficit by 0.17 percent of taxable payroll and would reduce the annual deficit for the 75th projection year (2098) by 0.25 percent of payroll.

Section 8. Increase the number of benefit computation years from 35 to 36, starting for individuals becoming newly eligible or dying at age 62 or older in 2032. Thereafter, increase computation years by 1 every 2 years with an ultimate change to 40 computation years for those becoming newly eligible in 2040 and later.

Under current law, AIME is calculated using a worker's highest 35 years of earnings. This provision changes this formula to use the highest 40 years of earnings. The highest 36 years would be used in 2032, the highest 37 years would be used in 2034, and this increase would be continued by one computation year every two years so that the highest 40 years would be used in 2040 and later. Disabled workers would be held harmless.

We estimate that enactment of this provision alone would reduce the long-range OASDI actuarial deficit by 0.39 percent of taxable payroll and would reduce the annual deficit for the 75th projection year (2098) by 0.66 percent of payroll.

Section 9. End child benefits for children of retirees and the associated caregiver (father or mother) benefit prospectively beginning in January 2027.

This provision would end these benefits to children of retirees and the associated caregiver (father or mother) benefit prospectively. The benefit would continue for disabled children, adopted children, and grandchildren. This provision grandfathers in everyone who as of January 2027 could have received retirement benefits and thus a child retiree benefit.

We estimate that enactment of this provision alone would reduce the long-range OASDI actuarial deficit by 0.03 percent of taxable payroll and would reduce the annual deficit for the 75th projection year (2098) by 0.03 percent of payroll.

Section 10. Increase the NRA for the top 40 percent of the career-average earnings distribution.

This provision would increase the NRA for the top 40 percent of the career-average earnings distribution. This earnings distribution would be determined by calculating a secondary Average Indexed Monthly Earnings (AIME) amount for each individual, including both covered and non-covered earnings, and considering the highest 40 years of earnings. Only the top 20 percent of this earnings distribution would realize an increase in the retirement age to 70, phased in starting in 2036 by two months each year between 2037 and 2054 to age 70. For a given cohort age, the 61st percentile and 80th percentile would be established. For those individuals below the 61st percentile, the NRA would remain as under current law. Those individuals at the 80th percentile and above would receive the full impact of the NRA change. The impact of the NRA change would be scaled proportionately between the 61st and 79th percentiles. Disability and survivor benefits would be held harmless.

We estimate that enactment of this provision alone would reduce the long-range OASDI actuarial deficit by 0.55 percent of taxable payroll and would reduce the annual deficit for the 75th projection year (2098) by 1.04 percent of payroll.

> *Section 11. Reduce the dependent spouse benefit by 5 percentage points per year beginning on January 1, 2027, so that it is completely eliminated by 2036. In addition, completely eliminate the dependent spouse benefit on January 1, 2030 for any dependent spouse of a spouse in the top quartile of career average earnings (AIME).*

This provision would eliminate the dependent spouse benefit for newly eligible beneficiaries, phased in over 10 years. The dependent spouse benefit would be reduced by 5 percentage points every year beginning on January 1, 2027, so that it is completely eliminated by 2037. Additionally, the dependent spouse benefit would be completely eliminated on January 1, 2030, for any dependent spouse of any earner in the top earnings quartile. This elimination would not apply to any person currently receiving the benefit or who would receive this benefit prior to January 2027. This provision would not apply to disabled spouses or widow(er)s.

We estimate that enactment of this provision alone would reduce the long-range OASDI actuarial deficit by 0.17 percent of taxable payroll and would reduce the annual deficit for the 75th projection year (2098) by 0.23 percent of payroll.

> *Section 12. Replace the Windfall Elimination Provision and the Government Pension Offset with a revised reduction for most OASDI benefits based upon all earnings (both covered and non-covered earnings) beginning with beneficiaries newly eligible in 2027.*

Replace WEP and GPO provisions with a revised reduction for most OASDI benefits based upon all earnings (both covered and non-covered) beginning with new beneficiaries in 2027. Use a "proportional" formula that first calculates a worker's benefit based on all of that worker's earnings (covered and non-covered) and then adjusts that benefit amount based on the share of the worker's earnings that comes from covered employment. For example, if 75 percent of an individual's earnings come from covered employment, then they would receive a benefit equal to 75 percent of what they would have received if all their earnings had been in covered employment. No reductions from WEP or GPO would apply to workers with fewer than ten years of non-covered work.

We estimate that enactment of this provision alone would reduce the long-range OASDI actuarial deficit by 0.05 percent of taxable payroll and would reduce the annual deficit for the 75th projection year (2098) by 0.07 percent of payroll.

Section 13. Restore the student benefit to all child dependents of disabled or deceased parents and extend the benefit to legitimate training or trade schools.

This benefit would be available through age 25 and apply to all children, regardless of marital status, effective January 1, 2027. Prorate the benefit for less than full-time school attendance.

We estimate that enactment of this provision alone would *increase* the long-range OASDI actuarial deficit by 0.07 percent of taxable payroll and would *increase* the annual deficit for the 75th projection year (2098) by 0.07 percent of payroll.

Section 14. Establish an alternative benefit for surviving spouses, effective in 2027.

For the surviving spouse, the alternative benefit would equal 75 percent of the sum of the survivor's own worker benefit and the deceased worker's PIA (including any actuarial reductions or delayed retirement credits). If the deceased worker died before becoming entitled, use the age 62 actuarial reduction if deceased before age 62, or the applicable actuarial reduction/delayed retired credit for entitlement at the age of death if deceased after 62. The alternative benefit would not exceed the PIA of a hypothetical earner who earns the national average wage index every year, and who becomes eligible for retired-worker benefits in the same year in which the deceased worker became entitled to worker benefits or died (if before entitlement). The alternative benefit would be paid only if more than the current-law benefit.

We estimate that enactment of this provision alone would *increase* the long-range OASDI actuarial deficit by 0.10 percent of taxable payroll and would *increase* the annual deficit for the 75th projection year (2098) by 0.11 percent of payroll.

Section 15. Establish an Early Retirement Disability (ERD) benefit at age 58 for workers who do not qualify for DI but meet most current DI criteria.

The ERD benefit would be the average of the retirement benefit the worker would be eligible for at the NRA and the EEA for workers who apply at age 58. Workers applying at age 59 would receive the average of the NRA and age 59 benefit, and similarly for any age up to the NRA. Any auxiliary benefits related to DI would also apply for those qualifying for the ERD. For this provision, the recent regulation on past relevant work would be reversed. Eligibility for the ERD benefit would be determined using the same criteria as a DI benefit with only step 5 of the sequential determination process and the recency requirement removed. The Social Security Administration would evaluate an applicant's eligibility for both DI and ERD. Applicants who qualify for the ERD and not DI and have a date of onset before age 58 would only receive retroactive payments beginning at age 58.

We estimate that enactment of this provision alone would *increase* the long-range OASDI actuarial deficit by 0.10 percent of taxable payroll and would *increase* the annual deficit for the 75th projection year (2098) by 0.10 percent of payroll.

Section 16. Provide benefits for children who are in the custody of a grandparent or other eligible relative for at least 12 months and are receiving at least one-half of their financial support from the relative. Effective for all eligible children with benefit entitlement beginning on January 1, 2027.

This provision would provide benefits to children who are in the custody of a grandparent or other eligible relative for at least 6 months and are receiving at least one-half of their financial assistance from the grandparents or other eligible relative. This child benefit would be available even if the parent is living in the household. This provision would become effective on January 1, 2027 and would be immediately available to all grandparents and other eligible relatives raising grandchildren. If the child is receiving a survivor benefit (or a disabled child benefit), the benefit under this provision would be the greater of this new benefit or the child benefit already being received.

We estimate that enactment of this provision alone would *increase* the long-range OASDI actuarial deficit by 0.04 percent of taxable payroll and would *increase* the annual deficit for the 75th projection year (2098) by 0.05 percent of payroll.

Section 17. Eliminate the requirement that a disabled adult child (DAC) beneficiary be unmarried for starting or restoring receipt of benefits and remove marriage as a terminating event for existing DAC beneficiaries, effective in 2027.

This provision is the same as the provision included in "The Marriage Equality for Disabled Adult Act," introduced by Representative Panetta, and the "Work Without Worry Act," introduced by Senators Wyden and Cassidy and Representatives Larson and Reed.

We estimate that enactment of this provision alone would *increase* the long-range OASDI actuarial deficit by 0.01 percent of taxable payroll and would *increase* the annual deficit for the 75th projection year (2098) by 0.01 percent of payroll.

We estimate that enactment of these 17 provisions would improve the long-range OASDI actuarial balance by 3.63 percent of taxable payroll, from an actuarial deficit of 3.50 percent of payroll under current law to a positive actuarial balance of 0.13 percent of payroll under the proposal. Enactment of the 17 provisions would also improve the annual balance for the 75th projection year (2098), from an annual deficit of 4.64 percent of payroll under current law to a positive annual balance of 0.02 percent of payroll under the proposal.

<u>Detailed Financial Results for the Provisions of the Proposal</u>

Summary Results by Provision

Table A provides estimates of the effects on the OASDI long-range actuarial balance of the provisions of the proposal separately and on a combined basis. The table also includes estimates of the effect of the provisions on the annual balance (the difference between the income rate and the cost rate, expressed as a percentage of current-law taxable payroll) for the 75th projection year, 2098. Interaction among individual provisions is reflected only in the total estimates for the combined provisions.

Benefit Illustrations

Tables B1 and B2 provide illustrative examples of the projected change in benefit levels under the provisions of the proposal for beneficiaries retiring and starting benefit receipt at age 65 in future years at six selected earnings levels, with selected numbers of years of work. The "Maximum-AIME Steady Earner" is assumed to have earnings at ages 22 through 64 that equal the current-law taxable maximum level (equivalent to $168,600 for 2024) and the "Twice Maximum-AIME Steady Earner" is assumed to have earnings at ages 22 through 64 that equal twice the current-law taxable maximum level (equivalent to $337,200 for 2024). As a result, the provision to tax and credit earnings above the current-law taxable maximum affects only the "Twice Maximum-AIME Steady Earner" benefit level. **Table B3** provides additional important information on characteristics of retired workers represented by these illustrations for the year 2019.

The first several columns of Table B1 compare the initial scheduled benefit levels, assuming retirement at age 65 under the provisions of the proposal, to scheduled current-law benefit levels. Among the examples in the table, the provision to increase the NRA for the top 40 percent of the wage distribution results in a decrease in benefits for medium-AIME, high-AIME, maximum-current-law-AIME, and twice maximum-current-law-AIME workers entitled at age 65 in 2040, 2060, and 2090, and no change in benefits for very-low-AIME and low-AIME workers. The proposed increase in computation years results in a small decrease in benefits for workers entitled at age 65 in 2040, 2060, and 2090. The increase in the taxable maximum and its effects on the benefit computation results in an increase in benefits for twice maximum-current-law AIME workers entitled at age 65 in 2040, 2060, and 2090. The final two columns of this table show the level of scheduled benefits under the proposal as a percentage of current-law scheduled benefits and the level of payable benefits under the proposal as a percentage of current-law payable benefits.

Table B2 provides two comparisons: (1) the percentage change in scheduled benefit levels at ages 65, 75, 85, and 95 under the proposal compared to scheduled benefits under current law; and (2) the percentage change in payable benefit levels at the same four ages under the proposal compared to payable benefits under current law. Each comparison assumes retirement and start of benefit receipt at age 65. Table B2 shows a decrease in projected scheduled benefits under the provisions of this proposal in relation to current-law scheduled benefits for workers entitled at age 65 in 2040, 2060, and 2090 for all workers other than twice maximum-current-law-AIME workers, for whom scheduled benefits are projected to increase under the proposal.

The hypothetical workers represented in these tables reflect average career-earnings patterns of workers who started receiving retirement benefits under the Social Security program in recent years. The tables subdivide workers with very-low, low, and medium career-average earnings levels by their numbers of years of non-zero earnings.

Table B3 provides information helpful in interpreting the benefit illustrations in Tables B1 and B2. Percentages in Table B3 are based on tabulations from a 10-percent sample of newly-entitled retired workers in 2019. Table B3 displays the percentages of these newly-entitled retired workers in 2019 that are closest to each of the illustrative examples and are:

1) "Dually Entitled", meaning they received a higher spouse or widow(er) benefit based on the career earnings of their husband or wife,
2) "WEP" (Windfall Elimination Provision), meaning that they received a reduced benefit due to having a pension based on earnings that were not covered under the OASDI program (primarily certain government workers), and they had less than 30 years of substantial earnings that were taxable under the OASDI program,
3) "Foreign Born", meaning that they entered the Social Security coverage area after birth (and generally after entering working ages), and
4) "All Others", meaning they had none of the three characteristics listed above.

The extent to which retired-worker beneficiaries represented by each of the illustrative examples have any of the characteristics listed above (dually entitled, WEP, foreign born) is important because such individuals are less dependent on the OASDI benefit that relates to their own career-average earnings level. It should be noted that the distributions shown in Table B3 for retirees in 2019 will be changing somewhat for beneficiaries becoming entitled as retired-worker beneficiaries in the future.

Payroll Tax Effects

Table T compares the scheduled payroll tax levels under the provisions of the proposal to scheduled current-law payroll tax levels. Table T shows that all workers other than twice current-law maximum workers would experience a small increase in scheduled payroll tax increases in all stated projection years because of the provision to increase the payroll tax rate from 12.4 percent to 12.6 percent, beginning in 2027. Twice current-law maximum workers would experience a greater increase in scheduled payroll taxes because of the provision to increase the taxable maximum faster than under current law until a 90 percent taxable ratio is achieved, such that these workers would have payroll tax contributions increased by a total of more than 100 percent for 2040, 2060, and 2090.

Detailed Tables Containing Annual and Summary Projections

Enclosed with this letter are **tables 1, 1a, 1b, 1b.n, 1c, and 1d,** which provide annual and summary projections for the proposal.

Trust Fund Operations

Table 1 provides projections of the financial operations of the OASDI program under the proposal and shows that the combined OASI and DI Trust Funds would be fully solvent throughout the 75-year projection period. The OASDI program would also be solvent for the foreseeable future (sustainably solvent), because the trust fund ratio is projected to rise at the end of the period, 2098.

The table shows the annual cost and income rates, annual balances, and trust fund ratios (reserves as a percentage of annual program cost) for OASDI, as well as the change from current law in these cost rates, income rates, and annual balances. Included at the bottom of this table are summarized rates for the 75-year (long-range) period.

For 2027 and later, the proposal improves the annual balance (non-interest income minus program cost). The improvement in the annual balance is 7.5 percent of taxable payroll for 2027, as the proceeds from retrospective taxation of benefits are scheduled to be deposited in the trust funds during that year. The improvement in the annual balance then drops to 1.0 percent in 2028, and thereafter increases to 4.7 percent by 2098. Under the proposal, the annual deficit is about the same as under current law through 2026. In 2027, the annual balance is 5.3 percent, then negative again in 2028, with the annual deficit decreasing until the annual balance turns positive in 2046. Thereafter, the annual balance increases to 0.4 percent for 2057, decreases to an annual deficit of 0.3 in 2081, and then generally increases to a small positive annual balance for 2098. Under current law, the projected annual deficit for 2098 is 4.6 percent of payroll.

The actuarial balance for the OASDI program over the 75-year projection period is improved by 3.63 percent of taxable payroll, from an actuarial deficit of 3.50 percent of payroll under current law to a positive actuarial balance of 0.13 percent of payroll under the proposal.

Program Transfers and Trust Fund Reserves

Column 4 of **Table 1a** provides a projection of the level of reserves for the combined OASI and DI Trust Funds, assuming enactment of the 17 provisions of the proposal. These trust fund reserve amounts are expressed in present value dollars discounted to January 1, 2024. The table indicates that the provisions include no new specified transfers of general revenue to the combined OASI and DI Trust Funds. For purpose of comparison, the combined OASI and DI Trust Fund reserves, expressed in present value dollars, are also shown for the current-law Social Security program both without and with the added proposal general fund transfers (zero in this case) in columns 6 and 7.

Note that negative values in columns 6 and 7 represent the “unfunded obligation” for the program through the year. The unfunded obligation is the present value of the shortfall of revenue needed to pay full scheduled benefits on a timely basis from the date of trust fund reserve depletion through the end of the indicated year. Gross Domestic Product (GDP), expressed in present value dollars, is shown in column 5 for comparison with other values in the table.

Effect of the Provisions on the Federal Budget

Table 1b shows the projected effect, in present value discounted dollars, on the federal budget (unified-budget and on-budget) annual cash flows and balances, assuming enactment of the 17 provisions of the proposal. Our analysis provided in these tables reflects only the direct effects of these provisions on the OASI and DI Trust Funds and does not reflect the effects of these provisions on the General Fund of the Treasury under the on-budget operations of the federal government. Table **1b.n** provides the estimated nominal dollar effect of enactment of the proposal on annual budget balances for years 2024 through 2033. All values in these tables represent the amount of *change* from the level projected under current law. In addition, changes reflect the *budget scoring convention* that presumes benefits, not payable under the law after depletion of trust fund reserves, would still be paid using revenue provided from the General Fund of the Treasury. The reader should be cautioned that this presumption of payment of benefits beyond the resources of the trust funds is prohibited under current law and is also inconsistent with all past experience under the Social Security program.

Column 1 of Table 1b shows the added proposal general fund transfers (zero for this proposal). Column 2 shows the net changes in OASDI cash flow from all provisions of the proposal.

We project the net effect of the proposal on unified budget cash flow (column 3) to be positive in years 2027 and later, primarily due to the taxable maximum increase in provision 1, the taxation of benefits change in provision 4, and the NRA increase in provision 10.

Column 4 of Table 1b indicates that the effect of implementing the proposal would be a reduction of the theoretical federal debt held by the public, reaching about $24.9 trillion in present value at the end of the 75-year projection period. Column 5 provides the projected effect of the proposal on the annual unified budget balances, including both the cash flow effect in column 3 and the additional interest on the accumulated debt in column 4. Columns 6 and 7 indicate that the provisions of this proposal would have no expected direct effects on the on-budget cash flow, or on the total federal debt, in the future, because estimates provided here include only direct effects of the provisions on the OASI and DI Trust Funds.

It is important to note that we base these estimates on the intermediate assumptions of the 2024 Trustees Report, so these estimates are not consistent with estimates made by the Office of Management and Budget or the Congressional Budget Office based on their assumptions. In particular, all present values are discounted using trust fund yield assumptions under the intermediate assumptions of the 2024 Trustees Report.

Annual Trust Fund Operations as a Percentage of GDP

Table 1c provides annual cost, annual expenditures (amount that would be payable), and annual tax income for the OASDI program expressed as a percentage of GDP for both current law and assuming enactment of the 17 provisions of the proposal. Showing the annual trust fund cash flows as a percentage 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. The relationship between income and cost is similar when expressed as a percentage of GDP to that when expressed as a percentage of taxable payroll (Table 1).

Effects on Trust Fund Reserves and Unfunded Obligations

Table 1d provides estimates of the changes in trust fund reserves and unfunded obligations on an annual basis, expressed in present value dollars discounted to January 1, 2024. **Table 1d.n** provides the same estimates, expressed in nominal dollars, for years 2024 through 2033.

For the 75-year (long-range) period as a whole, the current-law unfunded obligation of $22.6 trillion would be replaced by a positive trust fund reserve of $2.3 trillion in present value at the end of 2098, assuming enactment of the proposal. This change of $24.9 trillion results from:

- A $25.7 trillion net increase in revenue (column 2), primarily from the taxable maximum increase, the taxation of benefits change, and the NRA increase, *minus*
- A $0.8 trillion net increase in cost (column 3), from restoring the benefit to all child dependents of disabled or deceased parents, establishing an alternative benefit for surviving spouses, and establishing an Early Retirement Disability (ERD) benefit at age 58 for workers who do not qualify for DI but meet current DI criteria.

Estimates of Life Expectancy at Age 62 by Lifetime Earnings Quintile

Life expectancy at age 62, the initial age of eligibility for Social Security retired worker benefits, is helpful in understanding the value of lifetime benefits from the program. While the Social Security benefit formula provides a higher benefit replacement rate to workers with lower career average earnings by design, it is also understood that such workers tend to have higher mortality and lower life expectancy.

The table below shows estimated life expectancy at age 62 for fully insured workers born in 1930 and in 1960 by their level of average indexed monthly earnings (AIME) in OASDI covered employment. The AIME calculation reflects workers' 35 highest years of wage-indexed earnings. This analysis is based on the analysis presented in Actuarial Study 129,[1] modified to reflect life expectancy by quintile of AIME at age 62 among all insured workers alive at age 62 who are not disabled, whose initial worker benefit entitlement is for retired worker benefits, and who are not subject to the Windfall Elimination Provision. These restrictions are necessary to include only workers whose entire earnings history (starting at age 21) is available in Social Security records[2] for those born in both 1930 and 1960.

The values in the table show a substantial gradient in life expectancy, with life expectancy generally increasing for higher quintiles of lifetime earnings for both men and women born in 1930 and in 1960. (There is one exception—the life expectancy for the 4th (next-to-highest) quintile for women born in 1930 is slightly higher than for the highest quintile.) The table also shows that life expectancy at age 62 is higher overall and at all quintiles for men and women born in 1960 than for men and women born in 1930.

[1] See https://www.ssa.gov/OACT/NOTES/pdf_studies/study129.pdf.
[2] For years prior to 1982, earnings not covered by Social Security are not available in Social Security records.

Estimated Life Expectancy at age 62 by AIME Quintile at Age 62 with Relative Mortality Factors for 2015 Experience
Actuarial Study 129 https://www.ssa.gov/OACT/NOTES/pdf_studies/study129.pdf

LE at 62 for Men by AIME Quintile at age 62: 1960 Cohort						LE at 62 for Women by AIME Quintile at age 62: 1960 Cohort					
Lowest	2nd	3rd	4th	Highest	Total	Lowest	2nd	3rd	4th	Highest	Total
15.3	18.8	21.3	23.5	25.6	20.9	19.7	23.2	24.5	25.1	26.1	23.7

Estimated Life Expectancy at age 62 by AIME Quintile at Age 62 with Relative Mortality Factors for 1995 Experience
Actuarial Study 129 https://www.ssa.gov/OACT/NOTES/pdf_studies/study129.pdf

LE at 62 for Men by AIME Quintile at age 62: 1930 Cohort						LE at 62 for Women by AIME Quintile at age 62: 1930 Cohort					
Lowest	2nd	3rd	4th	Highest	Total	Lowest	2nd	3rd	4th	Highest	Total
13.6	16.8	18.4	19.9	22.0	18.1	18.3	20.6	22.1	23.2	22.9	21.4

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

Sincerely,

Stephen C. Goss

Stephen C. Goss, ASA, MAAA
Chief Actuary

Enclosures

Table A—Estimated Long-Range OASDI Financial Effects of the Legislative Proposal Developed by Dr. Wendell Primus		
Provision	Estimated Change in Long-Range OASDI Actuarial Balance [1] (as a percent of payroll)	Estimated Change in Annual Balance for 75th year [2] (as a percent of payroll)
1) Increase the OASDI taxable maximum earnings level by 6 percent faster than current law beginning in 2027, until the taxable ratio reaches 90 percent of covered earnings. Maintain the 90 percent ratio thereafter	0.66	0.37
2) Increase the OASDI payroll tax rate from 12.4 percent to 12.6 percent, beginning in 2027	0.19	0.20
3) Beginning in 2027, make all distributions to all pass-through business owners up to the earnings cap subject to the SECA tax, provided those owners meet the material participation standard. The earnings cap will equal the taxable maximum in that year	0.19	0.21
4) Place all proceeds from taxation of Social Security benefits, including retrospective benefits, into the OASI and DI Trust Funds beginning on January 1, 2027. The HI Trust Fund will be held harmless with other measures.	0.87	0.91
5) Change immigration policies: (1) add immigration pathways for direct care workers; (2) provide general increases in temporary and permanent immigration caps; (3) implement key provisions of the Dignity Act of 2023	0.30	0.64
6) Cover all newly hired state and local government employees, beginning in 2032	0.15	-0.14
7) Apply Federal income tax to all Social Security benefits for all beneficiaries with incomes above $100,000 for individual filers and $125,000 for joint filers, effective in 2027. These thresholds increase by CPI for years after 2027	0.17	0.25
8) Increase the number of benefit computation years from 35 to 36, starting for individuals becoming newly eligible or dying at age 62 or older in 2032. Thereafter, increase computation years by 1 every 2 years with an ultimate change to 40 computation years for those becoming newly eligible in 2040 and later. No effect on disabled workers	0.39	0.66

Table A—Estimated Long-Range OASDI Financial Effects of the Legislative Proposal Developed by Dr. Wendell Primus

Provision	Estimated Change in Long-Range OASDI Actuarial Balance [1] (as a percent of payroll)	Estimated Change in Annual Balance for 75th year [2] (as a percent of payroll)
9) End child benefits for children of retirees and the associated caregiver (father or mother) benefit prospectively beginning in January 2027. The benefit would continue for disabled children and for grandchildren	0.03	0.03
10) Increase the normal retirement age (NRA) for the top 40 percent of the all-career average earnings distribution. Only the top 20 percent of the earnings distribution would realize an increase in the retirement age to 70, phased in starting in 2036 by two months each year between 2037 and 2054 to age 70. The top 40 percent of the earnings distribution would be defined on the basis of each individual's highest 40 years of indexed total earnings. For a given cohort age, the 61st percentile and 80th percentile would be established. For those individuals below the 61st percentile, the NRA would remain as under current law. Those individuals at the 80th percentile and above would receive the full impact of the NRA change. The impact of the NRA change would be scaled proportionately between the 61st and 79th percentiles. Disability and survivor benefits would be held harmless...........	0.55	1.04
11) Reduce the dependent spouse benefit by 5 percentage points per year beginning on January 1, 2027, so that it is completely eliminated by 2036. In addition, completely eliminate the dependent spouse benefit on January 1, 2030 for any dependent spouse of a spouse in the top quartile of career average earnings (AIME)	0.17	0.23
12) Replace the Windfall Elimination Provision and the Government Pension Offset with a revised reduction for most OASDI benefits based upon all earnings (both covered and non-covered earnings) beginning with beneficiaries newly eligible in 2027. No reductions from WEP or GPO would apply to workers with fewer than ten years of non-covered work	0.05	0.07
13) Restore the student benefit to all child dependents of disabled or deceased parents and extend the benefit to legitimate training or trade schools. This benefit would be available through age 25 and apply to all children, regardless of marital status, effective January 1, 2027. Prorate the benefit for less than full-time school attendance....................................	-0.07	-0.07

Table A—Estimated Long-Range OASDI Financial Effects of the Legislative Proposal Developed by Dr. Wendell Primus		
Provision	Estimated Change in Long-Range OASDI Actuarial Balance [1] (as a percent of payroll)	Estimated Change in Annual Balance for 75th year [2] (as a percent of payroll)
14) Establish an alternative benefit for surviving spouses. For the surviving spouse, the alternative benefit would equal 75 percent of the sum of the survivor's own worker benefit and the deceased worker's PIA (including any actuarial reductions or delayed retirement credits). If the deceased worker died before becoming entitled, use the age 62 actuarial reduction if deceased before age 62, or the applicable actuarial reduction/delayed retired credit for entitlement at the age of death if deceased after 62. The alternative benefit would not exceed the PIA of a hypothetical earner who earns the SSA average wage index (AWI) every year, and who becomes eligible for retired-worker benefits in the same year in which the deceased worker became entitled to worker benefits or died (if before entitlement). The alternative benefit would be paid only if more than the current-law benefit. Effective in 2027..	-0.10	-0.11
15) Establish an Early Retirement Disability (ERD) benefit at age 58 for workers who do not qualify for DI but meet most current DI criteria. The ERD benefit would be the average of the retirement benefit the worker would be eligible for at the NRA and the earliest eligibility age for workers who apply at age 58. Workers applying at age 59 would receive the average of the NRA and age 59 benefit, and similarly for any age up to the NRA. Any auxiliary benefits related to DI would also apply for those qualifying for the ERD. For this provision, the recent regulation on past relevant work would be reversed. Eligibility for the ERD benefit would be determined using the same criteria as a DI benefit with only step 5 of the sequential determination process and the recency requirement removed. The Social Security Administration would evaluate an applicant's eligibility for both DI and ERD. Applicants who qualify for the ERD and not DI and have a date of onset before age 58 would only receive retroactive payments beginning at age 58..	-0.10	-0.10
16) Provide benefits for children who are in the custody of a grandparent or other eligible relative for at least 12 months and are receiving at least one-half of their financial support from the relative. Effective for all eligible children with benefit entitlement beginning on January 1, 2027.....................	-0.04	-0.05

Table A—Estimated Long-Range OASDI Financial Effects of the Legislative Proposal Developed by Dr. Wendell Primus

Provision	Estimated Change in Long-Range OASDI Actuarial Balance [1] (as a percent of payroll)	Estimated Change in Annual Balance for 75th year [2] (as a percent of payroll)
17) Eliminate the requirement that a disabled adult child (DAC) beneficiary be unmarried for starting or restoring receipt of benefits and remove marriage as a terminating event for existing DAC beneficiaries, effective in 2027......................	-0.01	-0.01
Total for all provisions, including interaction.......................	**3.63**	**4.66**

[1]Under current law, the estimated long-range OASDI actuarial balance is -3.50 percent of taxable payroll.
[2]Under current law, the estimated 75th year annual balance is -4.64 percent of taxable payroll.
[3]Negligible; that is, between -0.005 and 0.005 percent of taxable payroll.

Notes: All estimates are based on the intermediate assumptions of the 2024 OASDI Trustees Report.
Estimates of individual provisions appear on a stand-alone basis relative to current law, unless otherwise stated.

Social Security Administration
Office of the Chief Actuary
January 3, 2025

Table 1 - OASDI Cost Rate, Income Rate, Annual Balance, and Trust Fund Ratio
Legislative Proposal Developed by Dr. Wendell Primus

	Proposal — Expressed as a percentage of current-law taxable payroll				Change from Current Law — Expressed as a percentage of current-law taxable payroll		
Year	Cost Rate	Income Rate	Annual Balance	Trust Fund Ratio 1-1-year	Cost Rate	Income Rate	Annual Balance
2024	14.71	13.03	-1.68	188	0.00	0.00	0.00
2025	15.04	12.89	-2.15	170	0.04	0.00	-0.04
2026	15.27	13.07	-2.19	151	0.06	0.00	-0.06
2027	15.66	20.91	5.25	131	0.30	7.80	7.51
2028	15.71	14.44	-1.27	161	0.29	1.31	1.01
2029	15.76	14.63	-1.14	150	0.29	1.46	1.17
2030	15.81	14.79	-1.03	140	0.29	1.61	1.32
2031	15.85	14.95	-0.90	131	0.28	1.75	1.47
2032	15.87	15.13	-0.74	124	0.26	1.91	1.64
2033	15.91	15.33	-0.58	118	0.25	2.07	1.82
2034	16.01	15.50	-0.50	114	0.23	2.23	1.99
2035	16.10	15.65	-0.45	110	0.22	2.37	2.15
2036	16.19	15.80	-0.39	108	0.20	2.50	2.30
2037	16.26	15.93	-0.33	106	0.17	2.63	2.46
2038	16.31	16.06	-0.25	104	0.13	2.75	2.61
2039	16.35	16.13	-0.22	103	0.10	2.81	2.71
2040	16.38	16.18	-0.20	103	0.06	2.86	2.80
2041	16.41	16.24	-0.17	102	0.03	2.91	2.88
2042	16.43	16.28	-0.15	102	0.00	2.95	2.96
2043	16.45	16.33	-0.11	102	-0.03	3.00	3.03
2044	16.45	16.38	-0.07	102	-0.07	3.04	3.10
2045	16.44	16.42	-0.02	103	-0.11	3.08	3.19
2046	16.44	16.47	0.03	103	-0.15	3.12	3.27
2047	16.43	16.52	0.08	105	-0.19	3.17	3.36
2048	16.43	16.56	0.14	106	-0.24	3.21	3.44
2049	16.43	16.61	0.19	108	-0.28	3.25	3.53
2050	16.43	16.66	0.23	110	-0.33	3.30	3.63
2051	16.44	16.71	0.28	113	-0.38	3.34	3.72
2052	16.45	16.76	0.31	115	-0.42	3.39	3.81
2053	16.47	16.82	0.34	118	-0.46	3.44	3.90
2054	16.50	16.87	0.37	121	-0.51	3.49	3.99
2055	16.53	16.93	0.39	124	-0.55	3.54	4.08
2056	16.56	16.98	0.42	127	-0.59	3.59	4.18
2057	16.62	17.04	0.43	131	-0.63	3.64	4.27
2058	16.68	17.11	0.42	134	-0.65	3.69	4.34
2059	16.75	17.17	0.42	137	-0.66	3.75	4.42
2060	16.83	17.23	0.40	140	-0.67	3.81	4.48
2061	16.91	17.30	0.39	143	-0.67	3.87	4.54
2062	17.00	17.38	0.38	146	-0.66	3.94	4.60
2063	17.09	17.44	0.35	149	-0.64	3.99	4.63
2064	17.18	17.49	0.32	151	-0.61	4.05	4.66
2065	17.27	17.55	0.29	154	-0.59	4.10	4.69
2066	17.37	17.61	0.25	156	-0.55	4.15	4.71
2067	17.47	17.68	0.21	158	-0.51	4.21	4.72
2068	17.58	17.74	0.16	160	-0.47	4.27	4.74
2069	17.70	17.81	0.11	161	-0.42	4.33	4.75
2070	17.81	17.88	0.06	162	-0.37	4.40	4.77
2071	17.93	17.95	0.02	163	-0.32	4.46	4.79
2072	18.05	18.02	-0.03	164	-0.26	4.53	4.79
2073	18.18	18.09	-0.09	164	-0.20	4.60	4.80
2074	18.30	18.17	-0.14	164	-0.13	4.67	4.80
2075	18.43	18.24	-0.18	164	-0.06	4.74	4.80
2076	18.55	18.32	-0.23	164	0.02	4.81	4.79
2077	18.66	18.39	-0.27	163	0.10	4.88	4.78
2078	18.77	18.47	-0.30	162	0.18	4.96	4.77
2079	18.86	18.55	-0.32	161	0.27	5.03	4.77
2080	18.95	18.63	-0.33	160	0.36	5.11	4.75
2081	19.04	18.70	-0.33	159	0.45	5.19	4.74
2082	19.11	18.78	-0.33	158	0.54	5.27	4.73
2083	19.18	18.86	-0.32	158	0.64	5.35	4.71
2084	19.24	18.94	-0.30	157	0.73	5.43	4.70
2085	19.29	19.02	-0.28	156	0.82	5.51	4.69
2086	19.34	19.10	-0.24	156	0.92	5.59	4.67
2087	19.38	19.18	-0.20	155	1.02	5.68	4.66
2088	19.42	19.26	-0.16	155	1.11	5.76	4.65
2089	19.45	19.34	-0.11	156	1.21	5.85	4.64
2090	19.49	19.43	-0.06	156	1.30	5.94	4.63
2091	19.54	19.51	-0.03	157	1.40	6.03	4.63
2092	19.60	19.61	0.00	157	1.50	6.12	4.62
2093	19.68	19.70	0.03	158	1.60	6.22	4.62
2094	19.76	19.80	0.04	159	1.69	6.32	4.62
2095	19.86	19.91	0.05	160	1.79	6.42	4.63
2096	19.97	20.01	0.05	161	1.89	6.53	4.64
2097	20.09	20.13	0.03	161	2.00	6.64	4.64
2098	20.23	20.25	0.02	162	2.10	6.76	4.66
2099	20.37	20.37	0.00	162	2.21	6.88	4.67

Summarized Rates: OASDI

	Cost Rate	Income Rate	Actuarial Balance	Year of reserve depletion[1]
2024 - 2098	17.44%	17.57%	0.13%	N/A

Summarized Rates: OASDI

Change in Cost rate	Change in Income Rate	Change in Actuarial Balance
0.14%	3.77%	3.63%

Note: Based on Intermediate Assumptions of the 2024 Trustees Report.
[1]Under current law the year of combined Trust Fund reserve depletion is 2035.

Office of the Chief Actuary
Social Security Administration
January 3, 2025

Table 1a - General Fund Transfers, OASDI Trust Fund Reserves, and Theoretical OASDI Reserves
Legislative Proposal Developed by Dr. Wendell Primus

	Proposal General Fund Transfers			*Billions of Present Value Dollars as of 1-1-2024*			
		Billions of Present Value Dollars as of		Proposal Total OASDI Trust Fund		Theoretical Social Security[1] with Borrowing Authority Net OASDI Trust Fund Reserves at End of Year	
Calendar Year	Percentage of Payroll	Annual Amounts	Accumulated as of End of Year	Reserves at End of Year	Gross Domestic Product	Without General Fund Transfers	With Plan General Fund Transfers
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2024	0.0	0.0	0.0	2,622.1	28,246.4	2,622.2	2,622.2
2025	0.0	0.0	0.0	2,405.4	28,615.0	2,409.4	2,409.4
2026	0.0	0.0	0.0	2,180.6	29,036.9	2,191.1	2,191.1
2027	0.0	0.0	0.0	2,731.6	29,471.6	1,956.2	1,956.2
2028	0.0	0.0	0.0	2,597.1	29,918.8	1,713.7	1,713.7
2029	0.0	0.0	0.0	2,475.2	30,275.0	1,464.6	1,464.6
2030	0.0	0.0	0.0	2,363.5	30,552.9	1,207.3	1,207.3
2031	0.0	0.0	0.0	2,264.3	30,782.6	944.0	944.0
2032	0.0	0.0	0.0	2,182.5	30,960.5	676.8	676.8
2033	0.0	0.0	0.0	2,119.0	31,060.9	406.7	406.7
2034	0.0	0.0	0.0	2,063.9	31,074.4	125.6	125.6
2035	0.0	0.0	0.0	2,015.4	31,024.3	-166.0	-166.0
2036	0.0	0.0	0.0	1,973.6	30,929.4	-466.8	-466.8
2037	0.0	0.0	0.0	1,939.2	30,794.7	-776.2	-776.2
2038	0.0	0.0	0.0	1,913.5	30,647.6	-1,092.3	-1,092.3
2039	0.0	0.0	0.0	1,891.6	30,474.4	-1,413.3	-1,413.3
2040	0.0	0.0	0.0	1,872.0	30,286.0	-1,738.8	-1,738.8
2041	0.0	0.0	0.0	1,855.3	30,083.2	-2,067.9	-2,067.9
2042	0.0	0.0	0.0	1,841.8	29,876.0	-2,399.1	-2,399.1
2043	0.0	0.0	0.0	1,831.9	29,668.7	-2,731.8	-2,731.8
2044	0.0	0.0	0.0	1,826.3	29,459.5	-3,065.4	-3,065.4
2045	0.0	0.0	0.0	1,826.3	29,247.4	-3,399.1	-3,399.1
2046	0.0	0.0	0.0	1,831.7	29,036.6	-3,733.1	-3,733.1
2047	0.0	0.0	0.0	1,842.3	28,831.3	-4,067.8	-4,067.8
2048	0.0	0.0	0.0	1,858.2	28,628.5	-4,403.2	-4,403.2
2049	0.0	0.0	0.0	1,878.9	28,428.7	-4,739.8	-4,739.8
2050	0.0	0.0	0.0	1,904.0	28,232.5	-5,078.2	-5,078.2
2051	0.0	0.0	0.0	1,933.4	28,037.8	-5,418.5	-5,418.5
2052	0.0	0.0	0.0	1,966.1	27,845.6	-5,761.3	-5,761.3
2053	0.0	0.0	0.0	2,001.7	27,655.5	-6,106.9	-6,106.9
2054	0.0	0.0	0.0	2,039.7	27,465.0	-6,455.7	-6,455.7
2055	0.0	0.0	0.0	2,079.6	27,275.4	-6,808.2	-6,808.2
2056	0.0	0.0	0.0	2,121.4	27,086.7	-7,164.8	-7,164.8
2057	0.0	0.0	0.0	2,163.6	26,897.4	-7,525.9	-7,525.9
2058	0.0	0.0	0.0	2,205.2	26,709.9	-7,891.4	-7,891.4
2059	0.0	0.0	0.0	2,245.8	26,522.7	-8,261.3	-8,261.3
2060	0.0	0.0	0.0	2,284.9	26,333.1	-8,635.2	-8,635.2
2061	0.0	0.0	0.0	2,322.0	26,142.5	-9,012.6	-9,012.6
2062	0.0	0.0	0.0	2,358.1	25,953.5	-9,392.9	-9,392.9
2063	0.0	0.0	0.0	2,391.2	25,762.9	-9,775.5	-9,775.5
2064	0.0	0.0	0.0	2,421.3	25,571.4	-10,160.1	-10,160.1
2065	0.0	0.0	0.0	2,448.4	25,379.4	-10,546.5	-10,546.5
2066	0.0	0.0	0.0	2,471.8	25,186.0	-10,934.7	-10,934.7
2067	0.0	0.0	0.0	2,491.5	24,992.6	-11,324.5	-11,324.5
2068	0.0	0.0	0.0	2,507.1	24,797.5	-11,716.0	-11,716.0
2069	0.0	0.0	0.0	2,518.5	24,600.6	-12,109.2	-12,109.2
2070	0.0	0.0	0.0	2,525.7	24,404.6	-12,504.2	-12,504.2
2071	0.0	0.0	0.0	2,529.1	24,210.0	-12,900.8	-12,900.8
2072	0.0	0.0	0.0	2,528.2	24,015.6	-13,298.5	-13,298.5
2073	0.0	0.0	0.0	2,523.0	23,823.0	-13,697.2	-13,697.2
2074	0.0	0.0	0.0	2,513.8	23,634.7	-14,096.6	-14,096.6
2075	0.0	0.0	0.0	2,500.7	23,448.7	-14,496.2	-14,496.2
2076	0.0	0.0	0.0	2,484.3	23,264.9	-14,895.4	-14,895.4
2077	0.0	0.0	0.0	2,465.0	23,084.2	-15,293.5	-15,293.5
2078	0.0	0.0	0.0	2,443.5	22,906.9	-15,689.8	-15,689.8
2079	0.0	0.0	0.0	2,420.7	22,733.3	-16,083.4	-16,083.4
2080	0.0	0.0	0.0	2,397.2	22,563.5	-16,473.8	-16,473.8
2081	0.0	0.0	0.0	2,373.5	22,397.4	-16,860.3	-16,860.3
2082	0.0	0.0	0.0	2,350.1	22,236.2	-17,242.5	-17,242.5
2083	0.0	0.0	0.0	2,327.6	22,078.0	-17,619.8	-17,619.8
2084	0.0	0.0	0.0	2,306.8	21,922.8	-17,991.7	-17,991.7
2085	0.0	0.0	0.0	2,288.0	21,770.8	-18,357.7	-18,357.7
2086	0.0	0.0	0.0	2,272.0	21,621.8	-18,717.4	-18,717.4
2087	0.0	0.0	0.0	2,259.0	21,474.2	-19,070.5	-19,070.5
2088	0.0	0.0	0.0	2,249.4	21,328.8	-19,416.9	-19,416.9
2089	0.0	0.0	0.0	2,243.2	21,184.6	-19,756.7	-19,756.7
2090	0.0	0.0	0.0	2,240.3	21,040.9	-20,090.3	-20,090.3
2091	0.0	0.0	0.0	2,240.1	20,897.7	-20,418.1	-20,418.1
2092	0.0	0.0	0.0	2,241.8	20,754.0	-20,741.0	-20,741.0
2093	0.0	0.0	0.0	2,245.3	20,609.7	-21,059.8	-21,059.8
2094	0.0	0.0	0.0	2,249.8	20,464.9	-21,375.3	-21,375.3
2095	0.0	0.0	0.0	2,254.6	20,319.3	-21,688.2	-21,688.2
2096	0.0	0.0	0.0	2,259.4	20,172.5	-21,999.1	-21,999.1
2097	0.0	0.0	0.0	2,263.4	20,025.3	-22,308.7	-22,308.7
2098	0.0	0.0	0.0	2,266.4	19,876.9	-22,617.6	-22,617.6
2099	0.0	0.0	0.0	2,268.0	19,728.7	-22,926.0	-22,926.0
Total 2024-2098		0.0					

Notes: Based on the Intermediate Assumptions of the 2024 Trustees Report.
Ultimate Real Trust Fund Yield of 2.3%.
1 Theoretical Social Security is the current Social Security program with the assumption that the law is modified to permit borrowing from the General Fund of the Treasury.

Office of the Chief Actuary
Social Security Administration
January 3, 2025

Table 1b - OASDI Changes & Implications for Federal Budget Scoring[1] and Federal Debt of Specified Plan Provision Effects on OASDI (Present Value Dollars)
Legislative Proposal Developed by Dr. Wendell Primus

	Billions of Present Value Dollars as of 1-1-2024							
Year	Specified General Fund Transfers	Basic Changes in OASDI Cash Flow	Change in Annual Unified Budget Cash Flow[2]	Change in Debt Held by Public at End of Year[3]	Change in Annual Unified Budget Balance	Change in Annual On Budget Cash Flow	Change in Total Federal Debt Subject to Limit End Of Year	Change in Annual On Budget Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2024	0.0	-0.1	-0.1	0.1	0.1	0.0	0.0	0.0
2025	0.0	-3.9	-3.9	4.0	-3.9	0.0	0.0	0.0
2026	0.0	-6.5	-6.5	10.5	-6.6	0.0	0.0	0.0
2027	0.0	785.8	785.8	-775.3	785.5	0.0	0.0	0.0
2028	0.0	108.2	108.2	-883.5	130.5	0.0	0.0	0.0
2029	0.0	127.1	127.1	-1,010.6	153.6	0.0	0.0	0.0
2030	0.0	145.6	145.6	-1,156.2	177.4	0.0	0.0	0.0
2031	0.0	164.2	164.2	-1,320.4	202.5	0.0	0.0	0.0
2032	0.0	185.3	185.3	-1,505.7	231.5	0.0	0.0	0.0
2033	0.0	206.6	206.6	-1,712.3	262.8	0.0	0.0	0.0
2034	0.0	225.9	225.9	-1,938.2	294.5	0.0	0.0	0.0
2035	0.0	243.2	243.2	-2,181.4	323.1	0.0	0.0	0.0
2036	0.0	259.0	259.0	-2,440.4	351.5	0.0	0.0	0.0
2037	0.0	275.0	275.0	-2,715.4	380.3	0.0	0.0	0.0
2038	0.0	290.3	290.3	-3,005.7	409.2	0.0	0.0	0.0
2039	0.0	299.2	299.2	-3,304.9	432.8	0.0	0.0	0.0
2040	0.0	305.9	305.9	-3,610.9	453.2	0.0	0.0	0.0
2041	0.0	312.3	312.3	-3,923.2	474.6	0.0	0.0	0.0
2042	0.0	317.7	317.7	-4,240.8	494.5	0.0	0.0	0.0
2043	0.0	322.9	322.9	-4,563.7	514.2	0.0	0.0	0.0
2044	0.0	327.9	327.9	-4,891.6	534.2	0.0	0.0	0.0
2045	0.0	333.7	333.7	-5,225.3	555.0	0.0	0.0	0.0
2046	0.0	339.5	339.5	-5,564.8	576.1	0.0	0.0	0.0
2047	0.0	345.3	345.3	-5,910.1	597.5	0.0	0.0	0.0
2048	0.0	351.2	351.2	-6,261.4	619.2	0.0	0.0	0.0
2049	0.0	357.4	357.4	-6,618.7	641.4	0.0	0.0	0.0
2050	0.0	363.5	363.5	-6,982.2	663.9	0.0	0.0	0.0
2051	0.0	369.7	369.7	-7,351.9	686.5	0.0	0.0	0.0
2052	0.0	375.5	375.5	-7,727.3	709.1	0.0	0.0	0.0
2053	0.0	381.2	381.2	-8,108.6	732.0	0.0	0.0	0.0
2054	0.0	386.8	386.8	-8,495.4	754.9	0.0	0.0	0.0
2055	0.0	392.4	392.4	-8,887.8	778.0	0.0	0.0	0.0
2056	0.0	398.4	398.4	-9,286.2	801.9	0.0	0.0	0.0
2057	0.0	403.3	403.3	-9,689.5	824.8	0.0	0.0	0.0
2058	0.0	407.2	407.2	-10,096.7	847.0	0.0	0.0	0.0
2059	0.0	410.4	410.4	-10,507.1	868.7	0.0	0.0	0.0
2060	0.0	413.0	413.0	-10,920.0	889.9	0.0	0.0	0.0
2061	0.0	414.6	414.6	-11,334.6	910.3	0.0	0.0	0.0
2062	0.0	416.3	416.3	-11,750.9	930.8	0.0	0.0	0.0
2063	0.0	415.7	415.7	-12,166.6	949.1	0.0	0.0	0.0
2064	0.0	414.8	414.8	-12,581.4	967.0	0.0	0.0	0.0
2065	0.0	413.5	413.5	-12,994.9	984.6	0.0	0.0	0.0
2066	0.0	411.6	411.6	-13,406.5	1,001.5	0.0	0.0	0.0
2067	0.0	409.5	409.5	-13,816.0	1,018.0	0.0	0.0	0.0
2068	0.0	407.1	407.1	-14,223.1	1,034.3	0.0	0.0	0.0
2069	0.0	404.6	404.6	-14,627.7	1,050.3	0.0	0.0	0.0
2070	0.0	402.2	402.2	-15,029.9	1,066.2	0.0	0.0	0.0
2071	0.0	400.0	400.0	-15,429.9	1,082.2	0.0	0.0	0.0
2072	0.0	396.9	396.9	-15,826.7	1,097.3	0.0	0.0	0.0
2073	0.0	393.5	393.5	-16,220.2	1,112.0	0.0	0.0	0.0
2074	0.0	390.2	390.2	-16,610.4	1,126.5	0.0	0.0	0.0
2075	0.0	386.6	386.6	-16,997.0	1,140.6	0.0	0.0	0.0
2076	0.0	382.8	382.8	-17,379.7	1,154.3	0.0	0.0	0.0
2077	0.0	378.7	378.7	-17,758.5	1,167.6	0.0	0.0	0.0
2078	0.0	374.8	374.8	-18,133.3	1,180.9	0.0	0.0	0.0
2079	0.0	370.9	370.9	-18,504.1	1,194.0	0.0	0.0	0.0
2080	0.0	366.9	366.9	-18,871.0	1,206.8	0.0	0.0	0.0
2081	0.0	362.8	362.8	-19,233.8	1,219.5	0.0	0.0	0.0
2082	0.0	358.7	358.7	-19,592.6	1,231.8	0.0	0.0	0.0
2083	0.0	354.8	354.8	-19,947.4	1,244.2	0.0	0.0	0.0
2084	0.0	351.0	351.0	-20,298.4	1,256.5	0.0	0.0	0.0
2085	0.0	347.3	347.3	-20,645.8	1,268.7	0.0	0.0	0.0
2086	0.0	343.7	343.7	-20,989.5	1,280.9	0.0	0.0	0.0
2087	0.0	340.0	340.0	-21,329.5	1,292.8	0.0	0.0	0.0
2088	0.0	336.7	336.7	-21,666.3	1,305.0	0.0	0.0	0.0
2089	0.0	333.7	333.7	-21,999.9	1,317.2	0.0	0.0	0.0
2090	0.0	330.7	330.7	-22,330.6	1,329.3	0.0	0.0	0.0
2091	0.0	327.6	327.6	-22,658.2	1,341.3	0.0	0.0	0.0
2092	0.0	324.7	324.7	-22,982.9	1,353.2	0.0	0.0	0.0
2093	0.0	322.2	322.2	-23,305.1	1,365.5	0.0	0.0	0.0
2094	0.0	319.9	319.9	-23,625.1	1,377.8	0.0	0.0	0.0
2095	0.0	317.7	317.7	-23,942.8	1,390.2	0.0	0.0	0.0
2096	0.0	315.8	315.8	-24,258.6	1,402.6	0.0	0.0	0.0
2097	0.0	313.6	313.6	-24,572.1	1,414.8	0.0	0.0	0.0
2098	0.0	311.8	311.8	-24,883.9	1,427.2	0.0	0.0	0.0
Total 2024-2098	0.0	24,883.9	24,883.9					

Notes: Based on Intermediate Assumptions of the 2024 Trustees Report.
Ultimate Real Trust Fund Yield of 2.3%.

[1] Changes reflect the budget scoring convention that presumes benefits not payable after reserve depletion would nonetheless be paid, based on transfers from the General Fund of the Treasury resulting in additional borrowing from the public.

[2] On-budget cash flows reflect reimbursement from the General Fund of the Treasury to the OASI and DI Trust Funds making up for the elimination of taxation of Social Security benefits. Effects for the Hospital Insurance Trust Fund are not reflected in this table.

[3] New revenues from the proposal reduce theoretical debt held by the public.

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Social Security Administration
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Table 1b.n - OASDI Changes & Implications for Federal Budget Scoring[1] and Federal Debt of Specified Plan Provision Effects on OASDI (Nominal Dollars)
Legislative Proposal Developed by Dr. Wendell Primus

	Billions of Nominal Dollars							
Year	Specified General Fund Transfers	Basic Changes in OASDI Cash Flow	Change in Annual Unified Budget Cash Flow[2]	Change in Debt Held by Public at End of Year[3 4]	Change in Annual Unified Budget Balance[1]	Change in Annual On Budget Cash Flow	Change in Total Federal Debt Subject to Limit End of Year[1]	Change in Annual On Budget Balance[1]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2024	0.0	-0.1	-0.1	0.1	-0.1	0.0	0.0	0.0
2025	0.0	-4.1	-4.1	4.2	-4.1	0.0	0.0	0.0
2026	0.0	-6.9	-6.9	11.4	-7.2	0.0	0.0	0.0
2027	0.0	859.9	859.9	-860.8	872.2	0.0	0.0	0.0
2028	0.0	121.7	121.7	-1,009.8	149.0	0.0	0.0	0.0
2029	0.0	147.4	147.4	-1,190.1	180.3	0.0	0.0	0.0
2030	0.0	174.2	174.2	-1,404.4	214.3	0.0	0.0	0.0
2031	0.0	202.9	202.9	-1,656.5	252.1	0.0	0.0	0.0
2032	0.0	237.2	237.2	-1,953.5	297.0	0.0	0.0	0.0
2033	0.0	274.3	274.3	-2,299.1	345.5	0.0	0.0	0.0
2034	0.0	312.0	312.0	-2,716.4	417.4	0.0	0.0	0.0
Total 2023-2032	0.0	2,006.5	2006.5			0.0		

Notes: Based on Intermediate Assumptions of the 2024 Trustees Report.

[1] Changes reflect the budget scoring convention that presumes benefits not payable after reserve depletion would nonetheless be paid, based on transfers from the General Fund of the Treasury resulting in additional borrowing from the public.

[2] On-budget cash flows reflect reimbursement from the General Fund of the Treasury to the OASI and DI Trust Funds making up for the elimination of taxation of Social Security benefits. Effects for the Hospital Insurance Trust Fund are not reflected in this table.

[3] New revenues from the proposal reduce theoretical debt held by the public.

[4] Includes the accumulated effect of interest income.

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Table 1c - Current Law and Proposal Cost, Expenditures, and Income: As Percent of Gross Domestic Product
Legislative Proposal Developed by Dr. Wendell Primus

	Current Law OASDI			Proposal OASDI		
Calendar Year	Cost (1)	Expenditures (Payable) (2)	Non-Interest Income (3)	Cost (4)	Expenditures (Payable) (5)	Non-Interest Income (6)
2024	5.18	5.18	4.59	5.18	5.18	4.59
2025	5.30	5.30	4.56	5.31	5.31	4.56
2026	5.38	5.38	4.63	5.41	5.41	4.63
2027	5.45	5.45	4.65	5.56	5.56	7.42
2028	5.50	5.50	4.68	5.60	5.60	5.15
2029	5.54	5.54	4.71	5.64	5.64	5.24
2030	5.59	5.59	4.75	5.70	5.70	5.33
2031	5.64	5.64	4.78	5.74	5.74	5.41
2032	5.68	5.68	4.81	5.77	5.77	5.50
2033	5.71	5.71	4.84	5.80	5.80	5.59
2034	5.75	5.75	4.84	5.83	5.83	5.65
2035	5.78	5.23	4.83	5.86	5.86	5.69
2036	5.81	4.83	4.83	5.88	5.88	5.74
2037	5.83	4.82	4.82	5.89	5.89	5.77
2038	5.85	4.82	4.82	5.90	5.90	5.81
2039	5.87	4.81	4.81	5.90	5.90	5.83
2040	5.88	4.80	4.80	5.91	5.91	5.84
2041	5.90	4.80	4.80	5.91	5.91	5.84
2042	5.91	4.79	4.79	5.90	5.90	5.85
2043	5.91	4.78	4.78	5.90	5.90	5.86
2044	5.92	4.78	4.78	5.89	5.89	5.87
2045	5.92	4.77	4.77	5.88	5.88	5.87
2046	5.92	4.76	4.76	5.87	5.87	5.88
2047	5.92	4.76	4.76	5.86	5.86	5.89
2048	5.93	4.75	4.75	5.85	5.85	5.89
2049	5.94	4.75	4.75	5.84	5.84	5.90
2050	5.94	4.74	4.74	5.83	5.83	5.91
2051	5.95	4.73	4.73	5.82	5.82	5.92
2052	5.97	4.73	4.73	5.82	5.82	5.93
2053	5.98	4.72	4.72	5.82	5.82	5.94
2054	5.99	4.72	4.72	5.82	5.82	5.95
2055	6.01	4.71	4.71	5.82	5.82	5.96
2056	6.03	4.71	4.71	5.82	5.82	5.97
2057	6.05	4.70	4.70	5.83	5.83	5.98
2058	6.08	4.70	4.70	5.85	5.85	6.00
2059	6.10	4.70	4.70	5.86	5.86	6.01
2060	6.12	4.69	4.69	5.88	5.88	6.02
2061	6.14	4.69	4.69	5.90	5.90	6.04
2062	6.16	4.68	4.68	5.93	5.93	6.06
2063	6.17	4.68	4.68	5.95	5.95	6.07
2064	6.19	4.68	4.68	5.97	5.97	6.08
2065	6.20	4.67	4.67	6.00	6.00	6.10
2066	6.22	4.67	4.67	6.02	6.02	6.11
2067	6.23	4.66	4.66	6.05	6.05	6.12
2068	6.25	4.66	4.66	6.08	6.08	6.14
2069	6.26	4.66	4.66	6.12	6.12	6.16
2070	6.28	4.65	4.65	6.15	6.15	6.17
2071	6.29	4.65	4.65	6.18	6.18	6.19
2072	6.31	4.65	4.65	6.22	6.22	6.21
2073	6.32	4.64	4.64	6.25	6.25	6.22
2074	6.34	4.64	4.64	6.29	6.29	6.24
2075	6.35	4.64	4.64	6.33	6.33	6.26
2076	6.35	4.63	4.63	6.36	6.36	6.28
2077	6.36	4.63	4.63	6.39	6.39	6.30
2078	6.36	4.62	4.62	6.42	6.42	6.32
2079	6.36	4.62	4.62	6.45	6.45	6.34
2080	6.35	4.62	4.62	6.47	6.47	6.36
2081	6.34	4.61	4.61	6.50	6.50	6.38
2082	6.33	4.61	4.61	6.52	6.52	6.40
2083	6.32	4.60	4.60	6.53	6.53	6.42
2084	6.30	4.60	4.60	6.55	6.55	6.45
2085	6.28	4.59	4.59	6.56	6.56	6.47
2086	6.26	4.59	4.59	6.57	6.57	6.49
2087	6.23	4.58	4.58	6.58	6.58	6.51
2088	6.21	4.58	4.58	6.58	6.58	6.53
2089	6.18	4.57	4.57	6.59	6.59	6.55
2090	6.16	4.57	4.57	6.60	6.60	6.58
2091	6.14	4.56	4.56	6.61	6.61	6.60
2092	6.12	4.56	4.56	6.63	6.63	6.63
2093	6.11	4.55	4.55	6.65	6.65	6.65
2094	6.10	4.55	4.55	6.67	6.67	6.68
2095	6.09	4.55	4.55	6.70	6.70	6.71
2096	6.09	4.54	4.54	6.73	6.73	6.74
2097	6.09	4.54	4.54	6.76	6.76	6.78
2098	6.10	4.54	4.54	6.80	6.80	6.81

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Note: Based on Intermediate Assumptions of the 2024 Trustees Report.

Table 1d - Change in Long-Range Trust Fund Reserves / Unfunded Obligation (Present Value Dollars)
Legislative Proposal Developed by Dr. Wendell Primus

Billions of Present Value Dollars as of 1-1-2023

Year	Current Law OASDI Trust Fund Reserves / 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 Reserves / Unfunded Obligation Through End of Year (6) = (1)+(5)
2024	2,622.2	0.0	0.1	-0.1	-0.1	2,622.1
2025	2,409.4	0.0	3.9	-3.9	-4.0	2,405.4
2026	2,191.1	0.1	6.6	-6.5	-10.5	2,180.6
2027	1,956.2	817.0	31.2	785.8	775.3	2,731.6
2028	1,713.7	139.4	31.2	108.2	883.5	2,597.1
2029	1,464.6	158.9	31.8	127.1	1,010.6	2,475.2
2030	1,207.3	177.2	31.6	145.6	1,156.2	2,363.5
2031	944.0	195.1	30.9	164.2	1,320.4	2,264.3
2032	676.8	215.0	29.6	185.3	1,505.7	2,182.5
2033	406.7	234.7	28.1	206.6	1,712.3	2,119.0
2034	125.6	252.4	26.5	225.9	1,938.2	2,063.9
2035	-166.0	267.6	24.4	243.2	2,181.4	2,015.4
2036	-466.8	281.2	22.2	259.0	2,440.4	1,973.6
2037	-776.2	293.6	18.5	275.0	2,715.4	1,939.2
2038	-1,092.3	304.9	14.6	290.3	3,005.7	1,913.5
2039	-1,413.3	309.9	10.7	299.2	3,304.9	1,891.6
2040	-1,738.8	312.7	6.7	305.9	3,610.9	1,872.0
2041	-2,067.9	315.2	2.9	312.3	3,923.2	1,855.3
2042	-2,399.1	317.2	-0.5	317.7	4,240.8	1,841.8
2043	-2,731.8	319.2	-3.7	322.9	4,563.7	1,831.9
2044	-3,065.4	321.1	-6.9	327.9	4,891.6	1,826.3
2045	-3,399.1	322.5	-11.2	333.7	5,225.3	1,826.3
2046	-3,733.1	324.2	-15.3	339.5	5,564.8	1,831.7
2047	-4,067.8	325.8	-19.5	345.3	5,910.1	1,842.3
2048	-4,403.2	327.3	-23.9	351.2	6,261.4	1,858.2
2049	-4,739.8	328.9	-28.4	357.4	6,618.7	1,878.9
2050	-5,078.2	330.6	-32.9	363.5	6,982.2	1,904.0
2051	-5,418.5	332.4	-37.3	369.7	7,351.9	1,933.4
2052	-5,761.3	334.2	-41.3	375.5	7,727.3	1,966.1
2053	-6,106.9	336.0	-45.2	381.2	8,108.6	2,001.7
2054	-6,455.7	337.9	-48.9	386.8	8,495.4	2,039.7
2055	-6,808.2	339.9	-52.5	392.4	8,887.8	2,079.6
2056	-7,164.8	341.9	-56.5	398.4	9,286.2	2,121.4
2057	-7,525.9	344.1	-59.2	403.3	9,689.5	2,163.6
2058	-7,891.4	346.3	-60.8	407.2	10,096.7	2,205.2
2059	-8,261.3	348.7	-61.7	410.4	10,507.1	2,245.8
2060	-8,635.2	351.1	-61.9	413.0	10,920.0	2,284.9
2061	-9,012.6	353.5	-61.0	414.6	11,334.6	2,322.0
2062	-9,392.9	357.0	-59.3	416.3	11,750.9	2,358.1
2063	-9,775.5	358.6	-57.1	415.7	12,166.6	2,391.2
2064	-10,160.1	360.2	-54.5	414.8	12,581.4	2,421.3
2065	-10,546.5	361.8	-51.7	413.5	12,994.9	2,448.4
2066	-10,934.7	363.4	-48.2	411.6	13,406.5	2,471.8
2067	-11,324.5	365.3	-44.2	409.5	13,816.0	2,491.5
2068	-11,716.0	367.1	-40.0	407.1	14,223.1	2,507.1
2069	-12,109.2	369.0	-35.6	404.6	14,627.7	2,518.5
2070	-12,504.2	371.0	-31.2	402.2	15,029.9	2,525.7
2071	-12,900.8	373.1	-26.9	400.0	15,429.9	2,529.1
2072	-13,298.5	375.1	-21.7	396.9	15,826.7	2,528.2
2073	-13,697.2	377.3	-16.2	393.5	16,220.2	2,523.0
2074	-14,096.6	379.6	-10.6	390.2	16,610.4	2,513.8
2075	-14,496.2	382.0	-4.6	386.6	16,997.0	2,500.7
2076	-14,895.4	384.3	1.6	382.8	17,379.7	2,484.3
2077	-15,293.5	386.8	8.1	378.7	17,758.5	2,465.0
2078	-15,689.8	389.3	14.5	374.8	18,133.3	2,443.5
2079	-16,083.4	391.9	21.0	370.9	18,504.1	2,420.7
2080	-16,473.8	394.5	27.7	366.9	18,871.0	2,397.2
2081	-16,860.3	397.1	34.3	362.8	19,233.8	2,373.5
2082	-17,242.5	399.9	41.1	358.7	19,592.6	2,350.1
2083	-17,619.8	402.7	47.8	354.8	19,947.4	2,327.6
2084	-17,991.7	405.5	54.5	351.0	20,298.4	2,306.8
2085	-18,357.7	408.4	61.1	347.3	20,645.8	2,288.0
2086	-18,717.4	411.3	67.6	343.7	20,989.5	2,272.0
2087	-19,070.5	414.3	74.2	340.0	21,329.5	2,259.0
2088	-19,416.9	417.3	80.5	336.7	21,666.3	2,249.4
2089	-19,756.7	420.3	86.6	333.7	21,999.9	2,243.2
2090	-20,090.3	423.4	92.7	330.7	22,330.6	2,240.3
2091	-20,418.1	426.6	99.0	327.6	22,658.2	2,240.1
2092	-20,741.0	429.9	105.3	324.7	22,982.9	2,241.8
2093	-21,059.8	433.4	111.1	322.2	23,305.1	2,245.3
2094	-21,375.3	437.0	117.0	319.9	23,625.1	2,249.8
2095	-21,688.2	440.6	122.9	317.7	23,942.8	2,254.6
2096	-21,999.1	444.4	128.7	315.8	24,258.6	2,259.4
2097	-22,308.7	448.3	134.8	313.6	24,572.1	2,263.4
2098	-22,617.6	452.4	140.6	311.8	24,883.9	2,266.4
Total 2024-2098		25,678.0	794.0	24,883.9		

Notes: Based on Intermediate Assumptions of the 2024 Trustees Report.
Ultimate Real Trust Fund Yield of 2.3%.

Office of the Chief Actuary
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Table 1d.n - Change in Long-Range Trust Fund Reserves / Unfunded Obligation (Nominal Dollars)
Legislative Proposal Developed by Dr. Wendell Primus

(Billions of Nominal Dollars)

Year	Current Law OASDI Trust Fund Reserves / Unfunded Obligation Through End of Year	Changes in OASDI Income	Changes in OASDI Cost	Basic Changes in OASDI Cash Flow	Total Change Through End of Year[1]	Proposal OASDI Trust Fund Reserves / Unfunded Obligation Through End of Year
	(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6) = (1)+(5)
2024	2,688.0	0.0	0.1	-0.1	-0.1	2,688.0
2025	2,533.7	-0.1	4.0	-4.1	-4.2	2,529.4
2026	2,366.0	-0.1	7.0	-7.2	-11.4	2,354.6
2027	2,172.2	906.4	34.2	872.2	860.8	3,032.9
2028	1,959.2	184.2	35.2	149.0	1,009.8	2,968.9
2029	1,726.2	217.3	36.9	180.3	1,190.1	2,916.3
2030	1,469.1	252.2	37.9	214.3	1,404.4	2,873.6
2031	1,188.1	290.4	38.2	252.1	1,656.6	2,844.6
2032	882.7	334.9	38.0	297.0	1,953.5	2,836.2
2033	551.0	382.9	37.3	345.5	2,299.1	2,850.1

Notes: Based on Intermediate Assumptions of the 2024 Trustees Report.
Ultimate Real Trust Fund Yield of 2.3%.

[1] Includes the effect of accumulated interest income.

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Table B1. Changes in Benefits for Hypothetical Workers Becoming Newly Entitled at age 65
Legislative Proposal Developed by Dr. Wendell Primus

Year Attain Age 65	Current Law Scheduled Monthly Benefits[4] (Wage-Indexed 2024 Dollars)	(CPI-Indexed 2024 Dollars)	Scheduled Benefit Level Percent Change at age 65: Increase NRA[5]	Payroll Tax and Benefit Formula[6]	Total	Benefit Ratios: Proposal Scheduled to Current Law Scheduled	Proposal Payable to Current Law Payable
			(Percent change)			(Percents)	
Very-Low-AIME ($17,198 for 2024[1]) 40-Year Scaled Earner (5.1% of Retirees[2])							
2028	910	973	0.0	0.0	0.0	100	100
2040	929	1,188	0.0	-1.1	-1.1	99	123
2060	934	1,492	0.0	-1.8	-1.8	98	131
2090	934	2,095	0.0	-1.8	-1.8	98	135
Very-Low-AIME ($17,198 for 2024[1]) 30-Year Scaled Earner (6.0% of Retirees[2])							
2028	910	973	0.0	0.0	0.0	100	100
2040	929	1,188	0.0	-3.4	-3.4	97	120
2060	934	1,492	0.0	-5.1	-5.1	95	126
2090	934	2,095	0.0	-5.1	-5.1	95	131
Very-Low-AIME ($17,198 for 2024[1]) 20-Year Scaled Earner (5.2% of Retirees[2])							
2028	910	973	0.0	0.0	0.0	100	100
2040	929	1,188	0.0	-3.4	-3.4	97	120
2060	934	1,492	0.0	-5.1	-5.1	95	126
2090	934	2,095	0.0	-5.1	-5.1	95	131
Very-Low-AIME ($17,198 for 2024[1]) 14-Year Scaled Earner (3.7% of Retirees[2])							
2028	910	973	0.0	0.0	0.0	100	100
2040	929	1,188	0.0	-3.4	-3.4	97	120
2060	934	1,492	0.0	-5.1	-5.1	95	126
2090	934	2,095	0.0	-5.1	-5.1	95	131
Low-AIME ($30,957 for 2024[1]) 44-Year Scaled Earner (18.6% of Retirees[2])							
2028	1,192	1,275	0.0	0.0	0.0	100	100
2040	1,217	1,555	0.0	-1.4	-1.4	99	122
2060	1,223	1,953	0.0	-2.3	-2.3	98	130
2090	1,223	2,743	0.0	-2.3	-2.3	98	135
Low-AIME ($30,957 for 2024[1]) 30-Year Scaled Earner (4.0% of Retirees[2])							
2028	1,192	1,275	0.0	0.0	0.0	100	100
2040	1,217	1,555	0.0	-4.5	-4.5	95	119
2060	1,223	1,953	0.0	-6.9	-6.9	93	124
2090	1,223	2,743	0.0	-6.9	-6.9	93	128
Low-AIME ($30,957 for 2024[1]) 20-Year Scaled Earner (1.4% of Retirees[2])							
2028	1,192	1,275	0.0	0.0	0.0	100	100
2040	1,217	1,555	0.0	-4.5	-4.5	95	119
2060	1,223	1,953	0.0	-6.9	-6.9	93	124
2090	1,223	2,743	0.0	-6.9	-6.9	93	128
Medium-AIME ($68,793 for 2024[1]) 44-Year Scaled Earner (27.3% of Retirees[2])							
2028	1,967	2,103	0.0	0.0	0.0	100	100
2040	2,008	2,565	-0.6	-1.8	-2.4	98	121
2060	2,018	3,222	-8.7	-3.0	-11.4	89	118
2090	2,017	4,524	-8.7	-2.9	-11.3	89	122
Medium-AIME ($68,793 for 2024[1]) 30-Year Scaled Earner (1.9% of Retirees[2])							
2028	1,967	2,103	0.0	0.0	0.0	100	100
2040	2,008	2,565	-0.6	-5.9	-6.6	93	116
2060	2,018	3,222	-8.7	-9.2	-17.0	83	110
2090	2,017	4,524	-8.7	-9.1	-17.0	83	115
High-AIME ($110,069 for 2024[1]) 44-Year Scaled Earner (19.2% of Retirees[2])							
2028	2,603	2,783	0.0	0.0	0.0	100	100
2040	2,657	3,395	-1.3	-1.2	-2.4	98	121
2060	2,671	4,264	-19.2	-1.9	-20.8	79	105
2090	2,670	5,987	-19.2	-1.9	-20.7	79	109
Maximum-Current-Law-AIME ($168,600 for 2024[1]) 43-Year Steady Earner (7.5% of Retirees[2])							
2028	3,182	3,402	0.0	0.0	0.0	100	100
2040	3,248	4,150	-1.3	-0.5	-1.8	98	122
2060	3,259	5,203	-19.2	-0.5	-19.6	80	107
2090	3,259	7,307	-19.2	-0.3	-19.5	81	111
Twice Maximum-Current-Law-AIME ($337,200 for 2024[1]) 43-Year Steady Earner[3]							
2028	3,182	3,402	0.0	0.1	0.1	100	100
2040	3,248	4,150	-1.3	9.1	7.7	108	134
2060	3,259	5,203	-19.2	33.4	7.8	108	143
2090	3,259	7,307	-19.2	49.8	21.0	121	167

[1] Average of highest 35 years of taxable earnings wage indexed to 2024. For the Maximum and Twice Maximum-Current-Law-AIME workers, we show one times and two times the 2024 taxable maximum, respectively.

[2] Projected percent of newly entitled retired worker beneficiaries in 2050 with current-law AIME levels and years of covered earnings closest to AIME levels and close to years of covered earnings shown. See details in Note 1 on table B3.

[3] Of the 7.5 percent of retirees with current-law AIME closest to the Maximum-Current-Law level, about 33 percent (or 2.5 percent of all retirees) would have an AIME closer to the Twice Maximum-Current-Law level if their earnings were not limited by annual taxable maximums.

[4] After the trust fund reserves deplete under current law continuing taxes are expected to be enough to pay about three fourths of scheduled benefits.

[5] Starting in 2036, increase the NRA for the top 40 percent of the all-career average earnings distribution based on the highest 40 years of indexed earnings, with the increase phased in between 2037 and 2054. For a given cohort age, the 61st percentile and 80th percentile would be established. For those individuals below the 61st percentile, the NRA would remain as under current law. Those individuals at the 80th percentile and above, would receive the full impact of the NRA change. The impact of the NRA change would be scaled proportionately between the 61st and 79th percentiles. There would be no increase in NRA for those below the 61st percentile. The scaled very low and low earners are assumed to meet the requirements for no NRA increase; the scaled medium earner is assumed to meet the requirements for an increase in NRA to age 68 and 2 months; the scaled high, maximum and twice maximum earners are assumed to meet the requirements for the full NRA increase to age 70.

[6] Increase the number of computation years from 35 to 36 for new eligibles in 2032. Then increase computation years by 1 every 2 years until reaching 40 years for new eligibles in 2040 and later. Beginning in 2027, increase the payroll tax rate from 12.4% to 12.6%, and increase the taxable maximum by 6% faster than current law until 90% taxable ratio is achieved. The assumed behavioral response to the increased payroll tax lowers reported wages and thus the level of the AWI starting in 2027.

This analysis reflects only the provisions of the proposal identified in this table and described in the footnotes above.

All estimates based on the intermediate assumptions of the 2024 Trustees Report.

Office of the Chief Actuary, Social Security Administration — January 3, 2025

Table B2. Changes in Benefits for Hypothetical Workers Becoming Newly Entitled age 65
Legislative Proposal Developed by Dr. Wendell Primus

Year Attain Age 65	Proposal Scheduled Benefit as Percent of Current Law Scheduled Benefit (Percent) Age 65	Age 75	Age 85	Age 95	Proposal Payable Benefit as Percent of Current Law Payable Benefit (Percent) Age 65	Age 75	Age 85	Age 95
Very-Low-AIME ($17,198 for 2024[1]) 40-Year Scaled Earner (5.1% of Retirees[2])								
2028	100.0	100.0	100.0	100.0	100.0	123.1	126.7	131.7
2040	98.9	98.9	98.9	98.9	122.8	126.0	131.4	136.5
2060	98.2	98.2	98.2	98.2	130.5	135.5	138.5	135.4
2090	98.2	98.2	98.2	98.2	135.5	135.5	[4]	[4]
Very-Low-AIME ($17,198 for 2024[1]) 30-Year Scaled Earner (6.0% of Retirees[2])								
2028	100.0	100.0	100.0	100.0	100.0	123.1	126.7	131.7
2040	96.6	96.6	96.6	96.6	120.0	123.1	128.4	133.3
2060	94.9	94.9	94.9	94.9	126.1	130.9	133.8	130.8
2090	94.9	94.9	94.9	94.9	130.9	130.9	[4]	[4]
Very-Low-AIME ($17,198 for 2024[1]) 20-Year Scaled Earner (5.2% of Retirees[2])								
2028	100.0	100.0	100.0	100.0	100.0	123.1	126.7	131.7
2040	96.6	96.6	96.6	96.6	120.0	123.1	128.4	133.3
2060	94.9	94.9	94.9	94.9	126.1	130.9	133.8	130.8
2090	94.9	94.9	94.9	94.9	130.9	130.9	[4]	[4]
Very-Low-AIME ($17,198 for 2024[1]) 14-Year Scaled Earner (3.7% of Retirees[2])								
2028	100.0	100.0	100.0	100.0	100.0	123.1	126.7	131.7
2040	96.6	96.6	96.6	96.6	120.0	123.1	128.4	133.3
2060	94.9	94.9	94.9	94.9	126.1	130.9	133.8	130.8
2090	94.9	94.9	94.9	94.9	130.9	130.9	[4]	[4]
Low-AIME ($30,957 for 2024[1]) 44-Year Scaled Earner (18.6% of Retirees[2])								
2028	100.0	100.0	100.0	100.0	100.0	123.1	126.7	131.7
2040	98.6	98.6	98.6	98.6	122.5	125.6	131.1	136.1
2060	97.7	97.7	97.7	97.7	129.8	134.8	137.7	134.7
2090	97.7	97.7	97.7	97.7	134.8	134.9	[4]	[4]
Low-AIME ($30,957 for 2024[1]) 30-Year Scaled Earner (4.0% of Retirees[2])								
2028	100.0	100.0	100.0	100.0	100.0	123.1	126.7	131.7
2040	95.5	95.5	95.5	95.5	118.6	121.7	126.9	131.8
2060	93.1	93.1	93.1	93.1	123.7	128.4	131.3	128.4
2090	93.1	93.1	93.1	93.1	128.5	128.5	[4]	[4]
Low-AIME ($30,957 for 2024[1]) 20-Year Scaled Earner (1.4% of Retirees[2])								
2028	100.0	100.0	100.0	100.0	100.0	123.1	126.7	131.7
2040	95.5	95.5	95.5	95.5	118.6	121.7	126.9	131.8
2060	93.1	93.1	93.1	93.1	123.7	128.4	131.3	128.4
2090	93.1	93.1	93.1	93.1	128.5	128.5	[4]	[4]
Medium-AIME ($68,793 for 2024[1]) 44-Year Scaled Earner (27.3% of Retirees[2])								
2028	100.0	100.0	100.0	100.0	100.0	123.1	126.7	131.7
2040	97.6	97.6	97.6	97.6	121.2	124.4	129.8	134.7
2060	88.6	88.6	88.6	88.6	117.8	122.3	125.0	122.2
2090	88.7	88.7	88.7	88.7	122.3	122.4	[4]	[4]
Medium-AIME ($68,793 for 2024[1]) 30-Year Scaled Earner (1.9% of Retirees[2])								
2028	100.0	100.0	100.0	100.0	100.0	123.1	126.7	131.7
2040	93.4	93.4	93.4	93.4	116.1	119.1	124.2	128.9
2060	83.0	83.0	83.0	83.0	110.3	114.5	117.0	114.5
2090	83.0	83.0	83.0	83.0	114.5	114.6	[4]	[4]
High-AIME ($110,069 for 2024[1]) 44-Year Scaled Earner (19.2% of Retirees[2])								
2028	100.0	100.0	100.0	100.0	100.0	123.1	126.7	131.7
2040	97.6	97.6	97.6	97.6	121.2	124.3	129.7	134.6
2060	79.2	79.2	79.2	79.2	105.3	109.3	111.7	109.3
2090	79.3	79.3	79.3	79.3	109.3	109.4	[4]	[4]
Maximum-Current-Law-AIME ($168,600 for 2024[1]) 43-Year Steady Earner (7.5% of Retirees[2])								
2028	100.0	100.0	100.0	100.0	100.0	123.1	126.7	131.7
2040	98.2	98.2	98.2	98.2	122.0	125.2	130.6	135.6
2060	80.4	80.4	80.4	80.4	106.9	110.9	113.4	110.9
2090	80.5	80.5	80.5	80.5	111.1	111.1	[4]	[4]
Twice Maximum-Current-Law-AIME ($337,200 for 2024[1]) 43-Year Steady Earner[3]								
2028	100.1	100.1	100.1	100.1	100.1	123.3	126.8	131.8
2040	107.7	107.7	107.7	107.7	133.7	137.2	143.1	148.6
2060	107.8	107.8	107.8	107.8	143.3	148.7	152.0	148.7
2090	121.0	121.0	121.0	121.0	166.9	167.0	[4]	[4]

[1] Average of highest 35 years of taxable earnings wage indexed to 2024. For the Maximum and Twice Maximum-Current-Law-AIME workers, we show one times and two times the 2024 taxable maximum, respectively.

[2] Projected percent of newly entitled retired worker beneficiaries in 2050 with current-law AIME levels and years of covered earnings closest to AIME levels and close to years of covered earnings shown. See details in Note 1 on table B3.

[3] Of the 7.5 percent of retirees with current-law AIME closest to the Maximum-Current-Law level, about 33 percent (or 2.5 percent of all retirees) would have an AIME closer to the Twice Maximum-Current-Law level if their earnings were not limited by annual taxable maximums.

[4] The proposal payable benefit as percent of current law payable benefit is not presented for years of payment beyond the 75-year projection period.

Note:

- Starting in 2036, increase the NRA for the top 40 percent of the all-career average earnings distribution based on the highest 40 years of indexed earnings, with the increase phased in between 2037 and 2054. For a given cohort age, the 61st percentile and 80th percentile would be established. For those individuals below the 61st percentile, the NRA would remain as under current law. Those individuals at the 80th percentile and above, would receive the full impact of the NRA change. The impact of the NRA change would be scaled proportionately between the 61st and 79th percentiles. There would be no increase in NRA for those below the 61st percentile. The scaled very low and low earners are assumed to meet the requirements for no NRA increase; the scaled medium earner is assumed to meet the requirements for an increase in NRA to age 68 and 2 months; the scaled high, maximum and twice maximum earners are assumed to meet the requirements for the full NRA increase to age 70.
- Increase the number of computation years from 35 to 36 for new eligibles in 2032. Then increase computation years by 1 every 2 years until reaching 40 years for new eligibles in 2040 and later. Beginning in 2027, increase the payroll tax rate from 12.4% to 12.6%, and increase the taxable maximum by 6% faster than current law until 90% taxable ratio is achieved. The assumed behavioral response to the increased payroll tax lowers reported wages and thus the level of the AWI starting in 2027.
- This analysis reflects only the provisions of the proposal identified in Table B1 and described in the notes above.

All estimates based on the intermediate assumptions of the 2024 Trustees Report.

Office of the Chief Actuary, Social Security Administration January 3, 2025

Table B3. Characteristics of Retired Worker Beneficiaries Becoming Newly Entitled in 2019

Category (AIME and Years of Covered Earnings Close to)	Percent of Beneficiaries Within Each Category That Are: Dually Entitled[2]	WEP[3]	Foreign Born	All Others[4]
Very-Low-AIME ($12,528 for 2019[1]):				
40-Year Scaled Earner (2.2% of Retirees)	25	6	7	64
30-Year Scaled Earner (5.9% of Retirees)	26	8	18	51
20-Year Scaled Earner (5.6% of Retirees)	26	14	30	37
14-Year Scaled Earner (4.6% of Retirees)	22	18	52	20
Low-AIME ($22,548 for 2019[1]):				
44-Year Scaled Earner (13.9% of Retirees)	8	2	7	83
30-Year Scaled Earner (6.3% of Retirees)	10	8	29	54
20-Year Scaled Earner (2.1% of Retirees)	9	19	49	29
Medium-AIME ($50,112 for 2019[1]):				
44-Year Scaled Earner (26.5% of Retirees)	1	1	7	92
30-Year Scaled Earner (3.1% of Retirees)	1	12	42	49
High-AIME ($80,184 for 2019[1]):				
44-Year Scaled Earner (20.4% of Retirees)	0	1	9	91
Maximum-AIME ($132,900 for 2019[1]):				
Steady Earner (9.4% of Retirees)	0	0	9	91

Note 1: Table B3 displays certain characteristics of newly-entitled retired worker beneficiaries in 2019 who are similar to the illustrative hypothetical workers shown in tables B1 and B2. The categories shown here include those workers with AIME closest to the earnings level shown, and with years of covered earnings close to the number shown. In particular:

- For the Very-Low-AIME category,
  - workers included in the "40-Year Scaled Earner" subcategory have 35+ years of covered earnings;
  - workers included in the "30-Year Scaled Earner" subcategory have 25-34 years of covered earnings;
  - workers included in the "20-Year Scaled Earner" subcategory have 18-24 years of covered earnings;
  - workers included in the "14-Year Scaled Earner" subcategory have less than 18 years of covered earnings.
- For the Low-AIME category,
  - workers included in the "44-Year Scaled Earner" subcategory have 35+ years of covered earnings;
  - workers included in the "30-Year Scaled Earner" subcategory have 25-34 years of covered earnings;
  - workers included in the "20-Year Scaled Earner" subcategory have less than 25 years of covered earnings.
- For the Medium-AIME category,
  - workers included in the "44-Year Scaled Earner" subcategory have 35+ years of covered earnings;
  - workers included in the "30-Year Scaled Earner" subcategory have less than 35 years of covered earnings.
- Workers included in the High-AIME "44-Year Scaled Earner" category have all numbers of years of covered earnings.
- Workers included in the Maximum-Current-Law-AIME "Steady Earner" category have all numbers of years of covered earnings.

Note 2: The percentages in each category are based on tabulations of a 10-percent sample of newly entitled retired-worker beneficiaries in 2019 (308,569 records). We can be 95 percent confident that each of the values shown above is within 1.4 percentage points of the value we would find using 100 percent of the retirees in 2019.

Note 3: The sum of the percentages for each category (sum across rows) could be greater than 100 percent because some beneficiaries can be classified in more than one of the following groups: dually entitled, WEP, and foreign born.

[1] Average of highest 35 years of taxable earnings wage indexed to 2019.

[2] Values in this column are percentages of retired workers newly entitled in 2019 who were also entitled to a higher benefit based on someone else's account by the end of 2021. The percentage that will ever become dually entitled is higher for most categories, because some retired workers newly entitled in 2019 will first become dually entitled after 2021.

[3] Values in this column are percentages of retired workers newly entitled in 2019 who had their benefit reduced based on receipt of a pension from government employment under the windfall elimination provision (WEP) by the end of 2021. The percentage that will ever be reduced by WEP is higher for each category, because some retired workers newly entitled in 2019 will first receive a government pension after 2018.

[4] Not foreign born, not dually entitled by the end of 2021, and not reduced by WEP by the end of 2021.

Table T. Changes in Payroll Tax Contributions (Employee + Employer) for Workers with OASDI Covered Earnings in the Year
Legislative Proposal Developed by Dr. Wendell Primus

Earnings in Year	Current Law Scheduled Monthly Total Payroll Taxes (Wage-Indexed 2024 Dollars)	(CPI-Indexed 2024 Dollars)	Scheduled Payroll Taxes Percent Change: Payroll Tax Rate[2]	Taxable Maximum[3] (Percent change)	Total	Proposal Scheduled Payroll Taxes Percent of Current Law (Percents)
26th Percentile Earner[1] in Year ($17,198 in 2024)						
2028	178	190	1.6	0.0	1.6	102
2040	178	227	1.6	0.0	1.6	102
2060	178	284	1.6	0.0	1.6	102
2090	178	399	1.6	0.0	1.6	102
40th Percentile Earner[1] in Year ($30,957 in 2024)						
2028	320	342	1.6	0.0	1.6	102
2040	320	409	1.6	0.0	1.6	102
2060	320	511	1.6	0.0	1.6	102
2090	320	718	1.6	0.0	1.6	102
69th Percentile Earner[1] in Year ($68,793 in 2024)						
2028	711	760	1.6	0.0	1.6	102
2040	711	909	1.6	0.0	1.6	102
2060	711	1,136	1.6	0.0	1.6	102
2090	711	1,594	1.6	0.0	1.6	102
86th Percentile Earner[1] in Year ($110,069 in 2024)						
2028	1,137	1,216	1.6	0.0	1.6	102
2040	1,137	1,454	1.6	0.0	1.6	102
2060	1,137	1,817	1.6	0.0	1.6	102
2090	1,137	2,551	1.6	0.0	1.6	102
94th Percentile Earner[1] in Year ($168,600 in 2024) Current-Law Maximum Earnings Level						
2028	1,742	1,863	1.6	0.0	1.6	102
2040	1,742	2,228	1.6	0.0	1.6	102
2060	1,742	2,783	1.6	0.0	1.6	102
2090	1,742	3,908	1.6	0.0	1.6	102
99th Percentile Earner[1] in Year ($337,200 in 2024) Twice Current-Law Maximum Earnings Level						
2028	1,742	1,863	1.6	12.4	14.2	114
2040	1,742	2,228	1.6	100.0	103.2	203
2060	1,742	2,783	1.6	100.0	103.2	203
2090	1,742	3,908	1.6	100.0	103.2	203

[1] Percentile among all workers with any covered earnings in 2024 (including earnings both above and below the current-law taxable maximum earnings level). We include those who will die or become disabled before reaching retirement age, and those who will not earn enough in their career to become fully insured for retired worker benefits. Thus, these percentiles are not directly comparable to the percentages in the B tables, which are based on lifetime earnings, and include only those who survive and become eligible for retirement benefits.

[2] Increase the payroll tax rate from 12.4% to 12.6% beginning in 2027.

[3] Increase the taxable maximum by 6% faster than current law beginning 2027 until a 90% taxable ratio is achieved. In addition, there would be effects on earnings (and therefore payroll taxes paid) due to the assumed behavioral response.

This analysis reflects only the provisions of the proposal identified in this table and described in the footnotes above.

All estimates based on the intermediate assumptions of the 2024 Trustees Report.

Office of the Chief Actuary, Social Security Administration January 3, 2025

STENY H. HOYER
5TH DISTRICT, MARYLAND

CHAIR, REGIONAL LEADERSHIP COUNCIL

MAJORITY LEADER
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DEMOCRATIC WHIP
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EDUCATION AND RELATED AGENCIES

Congress of the United States
House of Representatives
Washington, DC 20515–6502

December 20, 2024

Steve Goss
Chief Actuary
Social Security Administration
6401 Security Boulevard
2253 Altmeyer Building
Baltimore, MD 21235

Dear Mr. Goss,

I am writing to request that you provide actuarial analysis and cost estimates for the specifications that have been provided to you by Dr. Wendell Primus of the Brookings Institution. I understand he and others at Brookings expect to release a paper in January illustrating a plan that that is intended to restore solvency to the Social Security Trust Funds over the next 75 years and also stable or rising trust fund reserves at the end of that period. In addition, it would be very helpful to decision-makers to understand the change in life expectancy at age 62 for men and women by lifetime earnings quintiles from those born in 1930 to those born in 1960.

While I am making this request for work being done at Brookings, this paper and analysis will be extremely important to Congress should we grapple with restoring solvency to Social Security and ensuring that the intended benefits of our Social Security system are fulfilled.

Thank you and I look forward to your response.

Respectfully,

STENY H. HOYER