



# SOCIAL SECURITY

Office of the Chief Actuary

April 14, 2011

The Honorable Kay Bailey Hutchinson  
United States Senate  
Washington, D.C. 20510

Dear Senator Hutchinson:

I am writing in response to your letter of March 31, 2011 requesting estimates of the financial effects on Social Security of three potential proposal options that would improve the actuarial status of the program. The estimates and analysis provided in this letter reflect clarification of the intent of the options based on discussion with Ashley Fingarson and John Stoodly of your staff. All estimates are based on the intermediate assumptions of the 2010 Trustees Report. The estimates reflect the combined efforts of many in our office, but particularly Alice Wade and Christopher Chaplain.

The options would change present law provisions related to the normal retirement age (NRA), the earliest eligibility age (EEA), and the cost of living adjustment (COLA). The COLA increases benefits after initial eligibility based on increases in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

The basic elements of the three options are:

- Option 1: Increase the NRA to 69 and the EEA to 64 by 2025, and  
Reduce the annual COLA by 1.0 percentage point starting December 2011
- Option 2: Increase the NRA to 69 and the EEA to 64 by 2025, and  
Reduce the annual COLA by 0.5 percentage point starting December 2011
- Option 3: Increase the NRA to 69 and the EEA to 64 by 2025, and  
Use a chain-weighted version of the CPI-W for the annual COLA starting  
December 2011

The three enclosed tables provide annual and 75-year summarized estimates of the financial effects of enacting each of these options.

Table 1 shows that Option 1 would eliminate the long-range OASDI actuarial deficit leaving a positive actuarial balance of 0.37 percent of payroll. The combined OASDI Trust Funds would be solvent throughout the 75-year projection period, with assets in the trust funds never below 300 percent of annual program cost. Table 2 shows that Option 2 would reduce the long-range OASDI actuarial deficit from 1.92 percent of payroll under current law to an actuarial deficit of 0.34 percent of payroll. The combined OASDI Trust Funds would be solvent for an additional

32 years, extending the expected year of exhaustion from 2037 to 2069. Table 3 shows that Option 3 would reduce the long-range OASDI actuarial deficit from 1.92 percent of payroll under current law to an actuarial deficit of 0.64 percent of payroll. The combined OASDI Trust Funds would be solvent for an additional 17 years, extending the expected year of exhaustion from 2037 to 2054. The balance of this letter provides a more complete description of the elements of the three proposal options.

### Description of Proposal Options

#### Retirement Age Provision

All three proposal options include a provision to increase the normal retirement age (NRA) to 69 and the earliest eligibility age (EEA) to 64 by 2025.

Under current law, the EEA for retired worker benefits and aged spouse benefits remains at 62. Also under current law, the NRA increases from the present level of 66 at the rate of 2 months per year beginning for those reaching age 62 in 2017, and stops increasing at an NRA of 67 for those reaching age 62 in 2022 and later.

Under these proposal options, the NRA would increase as under current law through 2019, reaching 66 years and 6 months for workers and spouses attaining age 62 in 2019. The EEA would remain at 62 through 2019. For workers and spouses reaching age 62 in 2020 and 2021, the EEA would be raised to 63 and the NRA would be raised to 68. The EEA and NRA would then be increased by 3 months per year starting with those reaching age 62 in 2022 and stopping with those reaching age 65 in 2025. The EEA would then remain at 64 and the NRA at 69 for workers and spouses attaining 62 in 2025 and later.

For a worker who dies, becomes disabled, or becomes eligible for retired worker benefits after age 62, we assume the number of benefit computation years used in determining the primary insurance amount (PIA) would be:

- Increased by 1 year if EEA is at least age 63 and less than age 64 *and* age at benefit eligibility is 63 or higher; and
- Increased by 2 years if EEA is 64 *and* age at benefit eligibility is 64 or higher.

The PIA formula used in each case would be the formula applicable for the year in which initial eligibility occurs, but not beyond the year that EEA is attained. In addition, we assume that the quarters-of-coverage requirements for insured status would remain the same as in present law.

Increasing the NRA and EEA alone, as specified for these options, would reduce the long-range OASDI actuarial deficit by an estimated 0.82 percent of taxable payroll.

#### Change the Cost of Living Adjustment (COLA)

Under current law, monthly benefits payable for OASDI beneficiaries are automatically adjusted by increases in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in each December for which they are eligible for a benefit. The percentage increase is (in general) computed as the increase in the CPI-W from the third calendar quarter of the prior year

to the third calendar quarter of the current year. Under the intermediate assumptions of the 2010 Trustees Report, the annual COLA is assumed to average about 2.8 percent in the future.

Under Option 1, the annual COLA would be reduced by 1.0 percentage point each year, beginning with the December 2011 COLA. Enactment of this provision alone is estimated to reduce the long-range OASDI actuarial deficit by 1.58 percent of taxable payroll.

Under Option 2, the annual COLA would be reduced by 0.5 percentage point each year, beginning with the December 2011 COLA. Enactment of this provision alone is estimated to reduce the long-range OASDI actuarial deficit by 0.82 percent of taxable payroll.

Under Option 3, the annual COLA would be computed, beginning with the December 2011 COLA, using a “chained” version of the CPI-W, called the C-CPI-W. The C-CPI-W is different from the CPI-W in that it adjusts the measured increase in prices to reflect any redistribution in the overall market basket of goods and services that are purchased, across broad “strata” of goods and services that are different and are not direct substitutes for items in other strata. Historical experience indicates that consumers tend to decrease the share of their purchases for goods and services that have the highest increases in prices. We estimate that use of the C-CPI-W would decrease the average annual future COLA by about 0.3 percentage point. Enactment of this provision alone is estimated to reduce the long-range OASDI actuarial deficit by 0.50 percent of taxable payroll.

It is important to note that use of the C-CPI-W, as indicated in Option 3, would be complicated by the fact that it is only computed on a preliminary basis when first published. The preliminary C-CPI-W is revised twice, once one year later and again two years later. Thus, while the current CPI-W for the third calendar year quarter of each year is final in October of that year, the C-CPI-W is not final until 2 years later. In practice, use of the C-CPI-W would require either:

- Use of final C-CPI-W increases with an additional 2-year lag compared to use of the CPI-W for the current COLA,
- Use of the preliminary C-CPI-W for the year of the COLA with revisions of the C-CPI-W for that period included in the COLAs for the two succeeding years, or
- Use of the preliminary C-CPI-W for the year of the COLA with no application of revisions to the C-CPI-W for that period to subsequent COLAs.

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

Sincerely,



Stephen C. Goss  
Chief Actuary

Enclosures

**Table 1 - OASDI Cost Rate, Income Rate, Annual Balance, and Trust Fund Ratio**

**Hutchinson Option 1: Increase the NRA to 69 and the EEA to 64 by 2025 and reduce the annual COLA by 1.0 percentage point starting December 2011**

Year	Proposal			Trust Fund Ratio 1-1-year	Change in Present Law		
	Expressed as a percentage of present-law taxable payroll				Expressed as a percentage of present-law taxable payroll		
	Cost Rate	Income Rate	Annual Balance		Cost Rate	Income Rate	Annual Balance
2010	13.09	12.33	-0.76	355	0.00	0.00	0.00
2011	13.04	12.91	-0.12	353	0.00	0.00	0.00
2012	12.72	12.87	0.15	354	-0.12	0.00	0.12
2013	12.58	12.89	0.31	353	-0.24	-0.01	0.23
2014	12.51	12.90	0.39	353	-0.35	-0.02	0.33
2015	12.52	12.92	0.40	353	-0.46	-0.02	0.44
2016	12.54	12.94	0.39	353	-0.56	-0.03	0.53
2017	12.64	12.96	0.31	353	-0.66	-0.03	0.63
2018	12.79	12.98	0.19	353	-0.76	-0.04	0.72
2019	12.98	12.99	0.01	352	-0.86	-0.04	0.82
2020	13.16	13.00	-0.16	350	-0.99	-0.05	0.94
2021	13.33	13.02	-0.31	349	-1.12	-0.05	1.08
2022	13.48	13.04	-0.44	347	-1.27	-0.05	1.22
2023	13.61	13.05	-0.55	344	-1.42	-0.05	1.37
2024	13.71	13.06	-0.65	342	-1.58	-0.05	1.52
2025	13.81	13.08	-0.73	340	-1.73	-0.06	1.67
2026	13.81	13.09	-0.73	339	-1.94	-0.06	1.88
2027	13.83	13.09	-0.73	338	-2.13	-0.07	2.06
2028	13.85	13.10	-0.74	337	-2.29	-0.07	2.22
2029	13.87	13.11	-0.76	335	-2.42	-0.07	2.34
2030	13.88	13.11	-0.77	334	-2.53	-0.08	2.45
2031	13.91	13.12	-0.79	332	-2.60	-0.08	2.52
2032	13.92	13.12	-0.80	330	-2.67	-0.09	2.58
2033	13.93	13.12	-0.81	328	-2.73	-0.09	2.64
2034	13.92	13.12	-0.80	327	-2.78	-0.10	2.69
2035	13.90	13.12	-0.78	325	-2.83	-0.10	2.73
2036	13.88	13.12	-0.75	324	-2.86	-0.10	2.76
2037	13.84	13.12	-0.72	324	-2.90	-0.11	2.79
2038	13.79	13.12	-0.67	324	-2.93	-0.11	2.82
2039	13.72	13.12	-0.61	324	-2.96	-0.11	2.85
2040	13.66	13.12	-0.54	325	-2.99	-0.11	2.87
2041	13.58	13.11	-0.47	327	-3.02	-0.11	2.90
2042	13.51	13.11	-0.40	329	-3.04	-0.12	2.92
2043	13.45	13.11	-0.34	332	-3.06	-0.12	2.94
2044	13.40	13.11	-0.29	335	-3.08	-0.12	2.96
2045	13.35	13.11	-0.25	338	-3.09	-0.12	2.97
2046	13.32	13.11	-0.22	341	-3.09	-0.12	2.97
2047	13.30	13.10	-0.19	345	-3.10	-0.12	2.98
2048	13.27	13.10	-0.17	349	-3.10	-0.12	2.98
2049	13.24	13.10	-0.14	353	-3.11	-0.12	2.99
2050	13.22	13.10	-0.11	357	-3.12	-0.12	3.00
2051	13.19	13.10	-0.09	361	-3.13	-0.12	3.01
2052	13.19	13.10	-0.08	365	-3.14	-0.12	3.02
2053	13.19	13.11	-0.08	370	-3.14	-0.12	3.02
2054	13.20	13.11	-0.09	374	-3.15	-0.12	3.03
2055	13.22	13.11	-0.11	377	-3.15	-0.12	3.03
2056	13.25	13.11	-0.14	381	-3.14	-0.12	3.02
2057	13.28	13.11	-0.16	384	-3.14	-0.12	3.02
2058	13.30	13.12	-0.18	387	-3.14	-0.12	3.02
2059	13.32	13.12	-0.20	390	-3.14	-0.12	3.02
2060	13.34	13.12	-0.22	393	-3.14	-0.12	3.02
2061	13.36	13.12	-0.24	396	-3.15	-0.12	3.02
2062	13.38	13.12	-0.26	399	-3.15	-0.13	3.03
2063	13.40	13.12	-0.28	402	-3.16	-0.13	3.03
2064	13.42	13.12	-0.29	404	-3.17	-0.13	3.04
2065	13.44	13.13	-0.31	407	-3.18	-0.13	3.05
2066	13.46	13.13	-0.34	409	-3.19	-0.13	3.06
2067	13.49	13.13	-0.36	412	-3.20	-0.13	3.07
2068	13.52	13.13	-0.38	414	-3.21	-0.13	3.08
2069	13.55	13.13	-0.41	415	-3.22	-0.13	3.09
2070	13.57	13.14	-0.44	417	-3.23	-0.13	3.10
2071	13.60	13.14	-0.46	418	-3.25	-0.13	3.12
2072	13.63	13.14	-0.49	420	-3.26	-0.13	3.13
2073	13.66	13.14	-0.52	421	-3.28	-0.13	3.14
2074	13.69	13.15	-0.55	422	-3.29	-0.13	3.16
2075	13.73	13.15	-0.58	422	-3.30	-0.13	3.17
2076	13.76	13.15	-0.61	423	-3.31	-0.14	3.18
2077	13.79	13.15	-0.64	423	-3.32	-0.14	3.19
2078	13.83	13.15	-0.67	423	-3.33	-0.14	3.20
2079	13.86	13.16	-0.71	423	-3.34	-0.14	3.21
2080	13.90	13.16	-0.74	422	-3.35	-0.14	3.22
2081	13.93	13.16	-0.77	422	-3.36	-0.14	3.23
2082	13.96	13.16	-0.80	421	-3.37	-0.14	3.23
2083	14.00	13.17	-0.83	420	-3.38	-0.14	3.24
2084	14.03	13.17	-0.86	419	-3.39	-0.14	3.25
2085	14.06	13.17	-0.89	417	-3.40	-0.14	3.26

Summarized Rates: OASDI				
	Cost Rate	Income Rate	Actuarial Balance	Year of Exhaustion <sup>1</sup>
2010 - 2084	13.55%	13.92%	0.37%	N/A

Summarized Rates: OASDI			
	Change in Cost rate	Change in Income Rate	Change in Actuarial Balance
	-2.38%	-0.09%	2.29%

Based on Intermediate Assumptions of the 2010 Trustees Report  
<sup>1</sup> Under present law the year of exhaustion is 2037

**Table 2 - OASDI Cost Rate, Income Rate, Annual Balance, and Trust Fund Ratio**

**Hutchinson Option 2: Increase the NRA to 69 and the EEA to 64 by 2025 and reduce the annual COLA by 0.5 percentage point starting December 2011**

Year	Proposal Expressed as a percentage of present-law taxable payroll			Trust Fund Ratio 1-1-year	Change in Present Law Expressed as a percentage of present-law taxable payroll		
	Cost Rate	Income Rate	Annual Balance		Cost Rate	Income Rate	Annual Balance
2010	13.09	12.33	-0.76	355	0.00	0.00	0.00
2011	13.04	12.91	-0.12	353	0.00	0.00	0.00
2012	12.78	12.87	0.09	352	-0.06	0.00	0.06
2013	12.70	12.90	0.19	349	-0.12	-0.01	0.11
2014	12.69	12.91	0.22	347	-0.18	-0.01	0.17
2015	12.75	12.93	0.18	344	-0.23	-0.01	0.22
2016	12.82	12.95	0.13	341	-0.28	-0.01	0.27
2017	12.97	12.97	0.00	338	-0.33	-0.02	0.32
2018	13.16	13.00	-0.16	335	-0.39	-0.02	0.37
2019	13.40	13.01	-0.39	330	-0.44	-0.02	0.41
2020	13.63	13.02	-0.60	325	-0.52	-0.02	0.50
2021	13.84	13.05	-0.80	319	-0.61	-0.02	0.59
2022	14.03	13.06	-0.97	313	-0.72	-0.02	0.70
2023	14.20	13.08	-1.12	306	-0.83	-0.02	0.81
2024	14.34	13.10	-1.24	299	-0.95	-0.02	0.93
2025	14.47	13.11	-1.36	292	-1.07	-0.02	1.05
2026	14.50	13.12	-1.38	286	-1.26	-0.03	1.23
2027	14.54	13.13	-1.41	280	-1.41	-0.03	1.38
2028	14.58	13.14	-1.45	273	-1.55	-0.03	1.51
2029	14.63	13.15	-1.48	266	-1.65	-0.04	1.62
2030	14.67	13.15	-1.51	259	-1.74	-0.04	1.70
2031	14.71	13.16	-1.55	251	-1.79	-0.04	1.75
2032	14.75	13.16	-1.59	243	-1.84	-0.05	1.80
2033	14.77	13.17	-1.61	235	-1.88	-0.05	1.84
2034	14.78	13.17	-1.62	228	-1.92	-0.05	1.87
2035	14.77	13.17	-1.60	220	-1.95	-0.05	1.90
2036	14.76	13.17	-1.59	212	-1.98	-0.06	1.92
2037	14.74	13.17	-1.57	204	-2.00	-0.06	1.94
2038	14.69	13.17	-1.52	197	-2.02	-0.06	1.96
2039	14.63	13.17	-1.47	190	-2.05	-0.06	1.98
2040	14.57	13.16	-1.41	183	-2.07	-0.07	2.00
2041	14.50	13.16	-1.34	176	-2.10	-0.07	2.03
2042	14.43	13.16	-1.27	170	-2.12	-0.07	2.05
2043	14.37	13.16	-1.21	164	-2.14	-0.07	2.07
2044	14.32	13.16	-1.16	159	-2.16	-0.07	2.09
2045	14.27	13.15	-1.12	153	-2.17	-0.07	2.10
2046	14.24	13.15	-1.09	148	-2.18	-0.07	2.10
2047	14.22	13.15	-1.06	143	-2.18	-0.07	2.11
2048	14.19	13.15	-1.03	137	-2.19	-0.07	2.12
2049	14.16	13.15	-1.01	132	-2.20	-0.07	2.12
2050	14.13	13.15	-0.98	127	-2.20	-0.07	2.13
2051	14.11	13.15	-0.95	123	-2.22	-0.07	2.15
2052	14.10	13.15	-0.94	118	-2.23	-0.07	2.16
2053	14.10	13.15	-0.94	113	-2.23	-0.07	2.16
2054	14.11	13.16	-0.95	108	-2.24	-0.07	2.16
2055	14.13	13.16	-0.97	102	-2.24	-0.07	2.16
2056	14.16	13.16	-1.00	97	-2.23	-0.07	2.16
2057	14.19	13.16	-1.03	91	-2.23	-0.07	2.15
2058	14.22	13.16	-1.05	85	-2.22	-0.07	2.15
2059	14.24	13.17	-1.07	79	-2.22	-0.07	2.15
2060	14.26	13.17	-1.09	72	-2.22	-0.07	2.15
2061	14.28	13.17	-1.11	66	-2.22	-0.07	2.15
2062	14.31	13.17	-1.14	59	-2.23	-0.08	2.15
2063	14.33	13.17	-1.16	52	-2.23	-0.08	2.15
2064	14.35	13.18	-1.18	45	-2.23	-0.08	2.16
2065	14.38	13.18	-1.20	37	-2.24	-0.08	2.16
2066	14.40	13.18	-1.23	30	-2.25	-0.08	2.17
2067	14.43	13.18	-1.25	22	-2.25	-0.08	2.17
2068	14.46	13.18	-1.28	13	-2.26	-0.08	2.18
2069	14.50	13.19	-1.31	5	-2.27	-0.08	2.19
2070	14.53	13.19	-1.34	----	-2.28	-0.08	2.20
2071	14.56	13.19	-1.37	----	-2.29	-0.08	2.21
2072	14.59	13.19	-1.40	----	-2.30	-0.08	2.22
2073	14.63	13.20	-1.43	----	-2.31	-0.08	2.23
2074	14.66	13.20	-1.47	----	-2.32	-0.08	2.24
2075	14.70	13.20	-1.50	----	-2.33	-0.08	2.24
2076	14.74	13.20	-1.54	----	-2.33	-0.08	2.25
2077	14.78	13.21	-1.57	----	-2.34	-0.08	2.26
2078	14.82	13.21	-1.61	----	-2.35	-0.08	2.26
2079	14.85	13.21	-1.64	----	-2.35	-0.08	2.27
2080	14.89	13.21	-1.68	----	-2.36	-0.08	2.27
2081	14.93	13.22	-1.71	----	-2.37	-0.08	2.28
2082	14.97	13.22	-1.75	----	-2.37	-0.08	2.29
2083	15.00	13.22	-1.78	----	-2.38	-0.08	2.29
2084	15.04	13.22	-1.82	----	-2.38	-0.09	2.30
2085	15.08	13.23	-1.85	----	-2.39	-0.09	2.31

Summarized Rates: OASDI			
	Cost Rate	Income Rate	Actuarial Balance
2010 - 2084	14.29%	13.96%	-0.34%
			Year of Exhaustion <sup>1</sup> 2069

Summarized Rates: OASDI		
Change in Cost rate	Change in Income Rate	Change in Actuarial Balance
-1.63%	-0.05%	1.58%

Based on Intermediate Assumptions of the 2010 Trustees Report  
<sup>1</sup> Under present law the year of exhaustion is 2037

**Table 3 - OASDI Cost Rate, Income Rate, Annual Balance, and Trust Fund Ratio**  
**Hutchinson Option 3: Increase the NRA to 69 and the EEA to 64 by 2025, and use the chained CPI-W for annual COLA starting December 2011**

Year	Proposal			Trust Fund Ratio	Change in Present Law		
	Expressed as a percentage of present-law taxable payroll				Expressed as a percentage of present-law taxable payroll		
	Cost Rate	Income Rate	Annual Balance	1-1-year	Cost Rate	Income Rate	Annual Balance
2010	13.09	12.33	-0.76	355	0.00	0.00	0.00
2011	13.04	12.91	-0.12	353	0.00	0.00	0.00
2012	12.81	12.87	0.06	351	-0.04	0.00	0.04
2013	12.75	12.90	0.15	348	-0.07	0.00	0.07
2014	12.76	12.91	0.16	344	-0.11	0.00	0.10
2015	12.84	12.93	0.09	341	-0.14	-0.01	0.13
2016	12.93	12.95	0.02	337	-0.17	-0.01	0.16
2017	13.10	12.98	-0.12	332	-0.20	-0.01	0.19
2018	13.31	13.00	-0.31	327	-0.23	-0.01	0.22
2019	13.57	13.01	-0.56	321	-0.26	-0.01	0.25
2020	13.82	13.03	-0.79	315	-0.33	-0.01	0.31
2021	14.05	13.06	-1.00	307	-0.40	-0.01	0.39
2022	14.26	13.08	-1.18	300	-0.49	-0.01	0.48
2023	14.44	13.09	-1.35	292	-0.59	-0.01	0.58
2024	14.60	13.11	-1.49	283	-0.69	-0.01	0.68
2025	14.74	13.12	-1.62	274	-0.80	-0.01	0.79
2026	14.79	13.13	-1.65	266	-0.97	-0.01	0.96
2027	14.84	13.14	-1.69	258	-1.12	-0.01	1.10
2028	14.89	13.15	-1.74	249	-1.24	-0.02	1.22
2029	14.95	13.16	-1.79	240	-1.34	-0.02	1.32
2030	14.99	13.17	-1.82	230	-1.41	-0.02	1.39
2031	15.05	13.18	-1.88	221	-1.45	-0.03	1.43
2032	15.10	13.18	-1.92	210	-1.49	-0.03	1.47
2033	15.13	13.18	-1.95	200	-1.53	-0.03	1.50
2034	15.15	13.19	-1.96	190	-1.56	-0.03	1.52
2035	15.14	13.19	-1.95	179	-1.58	-0.04	1.55
2036	15.14	13.19	-1.95	169	-1.60	-0.04	1.56
2037	15.12	13.19	-1.93	158	-1.62	-0.04	1.58
2038	15.07	13.19	-1.89	148	-1.64	-0.04	1.60
2039	15.02	13.19	-1.83	138	-1.66	-0.04	1.62
2040	14.96	13.18	-1.78	128	-1.68	-0.04	1.64
2041	14.89	13.18	-1.71	119	-1.71	-0.05	1.66
2042	14.82	13.18	-1.64	110	-1.73	-0.05	1.68
2043	14.76	13.18	-1.58	101	-1.75	-0.05	1.70
2044	14.71	13.18	-1.53	92	-1.77	-0.05	1.72
2045	14.66	13.18	-1.49	83	-1.78	-0.05	1.73
2046	14.63	13.17	-1.46	74	-1.78	-0.05	1.73
2047	14.61	13.17	-1.43	66	-1.79	-0.05	1.74
2048	14.58	13.17	-1.40	57	-1.80	-0.05	1.75
2049	14.55	13.17	-1.37	48	-1.81	-0.05	1.75
2050	14.52	13.17	-1.35	40	-1.81	-0.05	1.76
2051	14.49	13.17	-1.32	31	-1.83	-0.05	1.78
2052	14.48	13.17	-1.31	23	-1.84	-0.05	1.79
2053	14.48	13.18	-1.31	14	-1.85	-0.05	1.79
2054	14.50	13.18	-1.32	6	-1.85	-0.05	1.80
2055	14.52	13.18	-1.34	----	-1.85	-0.05	1.80
2056	14.55	13.18	-1.37	----	-1.84	-0.05	1.79
2057	14.58	13.18	-1.40	----	-1.84	-0.05	1.79
2058	14.61	13.19	-1.42	----	-1.83	-0.05	1.78
2059	14.63	13.19	-1.44	----	-1.83	-0.05	1.78
2060	14.65	13.19	-1.46	----	-1.83	-0.05	1.78
2061	14.68	13.19	-1.49	----	-1.83	-0.05	1.78
2062	14.70	13.19	-1.51	----	-1.83	-0.05	1.78
2063	14.73	13.19	-1.53	----	-1.83	-0.05	1.78
2064	14.75	13.20	-1.55	----	-1.84	-0.05	1.78
2065	14.77	13.20	-1.58	----	-1.84	-0.06	1.79
2066	14.81	13.20	-1.60	----	-1.85	-0.06	1.79
2067	14.84	13.20	-1.63	----	-1.85	-0.06	1.79
2068	14.87	13.20	-1.66	----	-1.86	-0.06	1.80
2069	14.90	13.21	-1.70	----	-1.86	-0.06	1.80
2070	14.94	13.21	-1.73	----	-1.87	-0.06	1.81
2071	14.97	13.21	-1.76	----	-1.88	-0.06	1.82
2072	15.00	13.21	-1.79	----	-1.89	-0.06	1.83
2073	15.04	13.22	-1.82	----	-1.90	-0.06	1.84
2074	15.08	13.22	-1.86	----	-1.90	-0.06	1.84
2075	15.12	13.22	-1.89	----	-1.91	-0.06	1.85
2076	15.16	13.23	-1.93	----	-1.91	-0.06	1.85
2077	15.20	13.23	-1.97	----	-1.92	-0.06	1.86
2078	15.24	13.23	-2.01	----	-1.92	-0.06	1.86
2079	15.28	13.23	-2.04	----	-1.93	-0.06	1.87
2080	15.32	13.24	-2.08	----	-1.93	-0.06	1.87
2081	15.36	13.24	-2.12	----	-1.94	-0.06	1.88
2082	15.39	13.24	-2.15	----	-1.94	-0.06	1.88
2083	15.43	13.24	-2.19	----	-1.95	-0.06	1.89
2084	15.47	13.25	-2.23	----	-1.95	-0.06	1.89
2085	15.51	13.25	-2.26	----	-1.96	-0.06	1.90

Summarized Rates: OASDI			
	Cost Rate	Income Rate	Actuarial Balance
2010 - 2084	14.61%	13.97%	-0.64%
			Year of Exhaustion <sup>1</sup> 2054

Summarized Rates: OASDI		
Change in Cost rate	Change in Income Rate	Change in Actuarial Balance
-1.32%	-0.04%	1.28%

Based on Intermediate Assumptions of the 2010 Trustees Report  
<sup>1</sup> Under present law the year of exhaustion is 2037

# United States Senate

WASHINGTON, DC 20510-4304

March 31, 2011

Mr. Stephen C. Goss  
Chief Actuary  
Office of the Chief Actuary  
Social Security Administration  
Altmeyer Building  
6401 Security Boulevard, Room 700  
Baltimore, MD 21235

Dear Mr. Goss:

Please provide a formal estimate of the impact on the Social Security trust fund 75-year deficit and exhaustion date from the following program changes:

Retirement Age Changes:

Normal Retirement Age (NRA):	68 years old in 2020; 69 in 2025
Early Eligibility Age (EEA):	63 years old in 2020; 64 in 2025

Combined with each of the following cost of living adjustment (COLA) changes:

- Reducing the annual COLA by 1 percent;
- Reducing the annual COLA by 0.5 percent; and
- Using a chained version of the Consumer Price Index for Wage and Salary Workers (CPI-W).

Thank you for your attention to this request.

Sincerely,

  
Kay Bailey Hutchison