APPENDIX C.—DETERMINATION AND ANNOUNCEMENT OF SOCIAL SECURITY CONTRIBUTION AND BENEFIT BASE, QUARTER OF COVERAGE AMOUNT, RETIREMENT TEST EXEMPT AMOUNTS, AVERAGE OF THE TOTAL WAGES, FORMULAS FOR COMPUTING BENEFITS AND EXTENDED TABLE OF BENEFIT AMOUNTS FOR 1980 [1]

Summary

The Secretary has determined—

(1) The social security contribution and benefit base to be $25,900 for remuneration paid in 1980 and self-employment income earned in taxable years beginning in 1980;

(2) The amount of earnings a person must have to be credited with a quarter of coverage in 1980 to be $290;

(3) The monthly exempt amount under the social security retirement test for taxable years ending in calendar year 1980 to be $416.66⅔ for beneficiaries aged 65 and over and $310 for beneficiaries under age 65; and

(4) The average of the total wages for 1978 to be $10,556.03.

The formulas we use to compute the benefits for a worker and his or her family who first becomes eligible for benefits in 1980 are also described below.

Finally, a table reflecting the new higher average monthly wage and related benefit amounts made possible by the higher average contribution and benefit base is also published. The table will be used primarily to compute the retirement benefits of workers who reached age 62 before 1979.

Supplementary information

Sections 203(f)(8), 213(d) and 230(a) of the Social Security Act (42 U.S.C. 403(f)(8), 413(d) and 430(a)) require the Secretary of Health, Education and Welfare to publish in the Federal Register on or before November 1, 1979, the contribution and benefit base, the amount of earnings required for a quarter of coverage and the retirement test exempt amount for calendar year 1980. In addition, section 215(a)(1)(D) requires that we publish the formula for computing a primary insurance amount for 1980, and section 203(a)(2)(c) requires that we publish the formula for computing a family's maximum benefits for 1980, by November 1, 1979.

CONTRIBUTION AND BENEFIT BASE

The contribution and benefit base serves two purposes:

(1) It is the maximum annual amount of earnings on which social security taxes are paid.

(2) It is the maximum annual amount used in figuring a person's social security benefits.

Section 230(c) of the Social Security Act specifies that the amount of the contribution and benefit base for 1980 is $25,900.

[1] This statement, edited for presentation here, was published in the Federal Register for November 1, 1979 (Vol. 44, No. 213, pp. 62956–60).

AVERAGE OF THE TOTAL WAGES FOR 1978

The determination of the average wage figure for 1978 is based on the 1977 average wage figure of $9,779.44 announced in the Federal Register on December 29, 1978 (43 FR 61016) along with the percentage increase in average wages from 1977 to 1978 measured by annual wage data tabulated by the Internal Revenue Service (IRS). This was done because beginning in 1978, wages are reported to the Social Security Administration on an annual basis. Section 232 of the Social Security Act authorizes the Social Security Administration to obtain this information from the Internal Revenue Service. The average amounts of wages calculated directly from IRS data were $10,043.15 and $10,840.68 for 1977 and 1978, respectively. To determine an average wage figure for 1978 at a level that is consistent with the series of average wages for 1951–1977 (published December 29, 1978 at 43 FR 61016), we multiplied the 1977 average wage figure of $9,779.44 by the percentage increase in average wages from 1977 to 1978 (based on IRS data) as follows (with the result rounded to the nearest cent):

Average wage for 1978 = $9,779.44 × ($10,840.68/$10,043.15) =$10,556.03.

Therefore, the average wage for 1978 is determined to be $10,556.03.

QUARTER OF COVERAGE AMOUNT

Computation

The 1980 amount of earnings required for a quarter of coverage is $290. A quarter of coverage is the basic unit for determining whether a worker is insured under the social security program. For years before 1978, an individual generally was credited with a quarter of coverage for each quarter in which wages of $50 or more were paid, or for which $100 or more of self-employment income were credited, to the individual. Beginning in 1978, wages generally are no longer reported quarterly; annual reports are made. With the change to annual reporting, section 352(b) of the Social Security Amendments of 1977 (Pub. L. 95–216) amended section 213(d) of the Social Security Act to provide that a quarter of coverage would be credited for each $250 of an individual's total wages and self-employment income for calendar year 1978 (up to a maximum of 4 quarters of coverage for the year). Section 213(d) also provides that this $250 amount shall be redetermined each year and any change published in the Federal Register no later than November 1 of the year preceding the year for which the change is effective. Under the prescribed formula, the quarter of coverage amount for 1980 shall be equal to the 1978 amount of $250 multiplied by the ratio of (1) the average amount, per employee, of total wages for calendar year 1978 to (2) the average amount of those wages reported for calendar year 1976. The section further provides that if the amount so determined is not a multiple of $10, it shall be rounded to the nearest multiple of $10.

Average wages

The average wage for calendar year 1976 was previously determined to be $9,226.48. This was published in the Federal Register on December 29, 1978, at 43 FR 61016. The average wage for calendar year 1978 has been determined to be $10,556.03 as stated in a previous section.

Amount

The ratio of the average wage for 1978, $10,556.03, compared to 1976, $9,226.48, is 1.144102. Multiplying the 1978 quarter of coverage amount of $250 by the ratio of 1.144102 produces the amount of $286.03, which must then be rounded to $290. Accordingly, the quarter of coverage amount for 1980 is $290.

RETIREMENT TEST EXEMPT AMOUNT

Computation

The 1980 amount of $416.66⅔ for the retirement test monthly exempt amount for beneficiaries aged 65 through 71 is stated in the law. The corresponding annual retirement test exempt amount for those individuals is $5,000. Section 301 of the Social Security Amendments of 1977 amended section 203 of the Social Security Act to provide a higher retirement test exempt amount for beneficiaries aged 65 through 71 than for those beneficiaries under age 65.

The monthly exempt amount of $310 for beneficiaries under age 65 is determined according to a formula specified in the law, which automatically produces a mathematical result based upon reported statistics. Section 203(f)(8) of the Social Security Act provides that the retirement test monthly exempt amount for 1980 shall be equal to the 1979 amount of $290 multiplied by the ratio of (1) the average amount, per employee, of the wages of all employees reported under the program for calendar year 1978 to (2) the average amount of those wages reported for calendar year 1977. The section further provides that if the amount so determined is not a multiple of $10, it shall be rounded to the nearest multiple of $10.

There is no limit on the amount an individual aged 72 or over may earn and still receive social security benefits. (Beginning in 1982, the age at which the retirement test no longer applies will be reduced from age 72 to age 70.)

Average wages

Average wages for this purpose are determined in the same way as for a quarter of coverage. Therefore, the ratio of the average wages for 1978, $10,556.03, compared to 1977, $9,779.44, is 1.079410.

Exempt amount for persons under age 65

Multiplying the 1979 retirement test monthly exempt amount of $290 by the ratio of 1.079410 produces the amount of $313.03. This must then be rounded to $310. Accordingly, the retirement test monthly exempt amount for persons under age 65 is determined to be $310 for 1980. The corresponding annual exempt amount for 1980 is $3,720.

COMPUTING BENEFITS AFTER 1978

The Social Security Amendments of 1977 changed the formula for determining an individual's primary insurance amount after 1978. This basic new formula is based on "wage indexing," and was fully explained with interim regulations published in the Federal Register on December 29, 1978 at 43 FR 60877. It generally applies when a worker after 1978 attains age 62, becomes disabled, or dies before age 62. This formula uses the worker's earnings after they have been adjusted, or "indexed," in proportion to the increase in average wages of all workers. Using this method, we determine the worker's "average indexed monthly earnings." We then compute the primary insurance amount, using the worker's "average indexed monthly earnings" and also adjust the computation formula to reflect changes in general wage levels.

Average indexed monthly earnings

To protect a worker's future benefits against inflation we adjust or "index" the worker's past earnings to take into account the change in general wage levels that has occurred during the worker's years of employment. These adjusted earnings are then used to compute the worker's primary insurance amount.

For example, to compute the average wage indexed monthly earnings for a worker attaining age 62, becoming disabled, or dying before attaining age 62, in 1980, we divide the average of the total wages for 1978, $10,556.03, by the average of the total wages for each year prior to 1978 in which the worker had earnings. We then multiply the actual wages and self-employment income credited for those years by this ratio to obtain the worker's adjusted earnings for that year. After determining the number of years we must use to compute the primary insurance amount, we pick those years with highest earnings, total those earnings and divide by the total number of months in those years. This figure is rounded down to the next lower dollar amount, and becomes the average indexed monthly earnings figure to be used in computing the worker's primary insurance amount for 1980.

Computing the primary insurance amount

The primary insurance amount is the sum of three separate percentages of portions of the average indexed monthly earnings. These portions were $180 and $1,085 in 1979. These amounts are adjusted for 1980 by multiplying them by the ratio between the average of the total wages for 1978, $10,556.03, and for 1977, $9,779.44. These amounts are then rounded to the nearer dollar. For 1980 the ratio is 1.079410. Multiplying the amounts of $180 and $1,085 by 1.079410 produces the amounts of $194.29 and $1,171.16. These must then be rounded to $194 and $1,171. Accordingly, the portions of the average indexed monthly earnings to be used in 1980 are determined to be $194 and $1,171.

Consequently, for individuals who first become eligible for old-age insurance benefits or disability insurance benefits in 1980 or who die in 1980 before becoming eligible for benefits, we will compute their primary insurance amount by adding the following:

(a) 90 percent of the first $194 of their average indexed monthly earnings, plus

(b) 32 percent of the average indexed monthly earnings over $194 and through $1,171, plus

(c) 15 percent of the average indexed monthly earnings over $1,171.

This amount is then rounded to the next higher multiple of $.10 if it is not already a multiple of $.10. This formula and the adjustments we have described are contained in section 215(a) of the Social Security Act (42 U.S.C. 415(a)).

MAXIMUM BENEFITS PAYABLE TO A FAMILY

The 1977 Amendments continued the long established policy of limiting the total monthly benefits which a worker's family may receive based on his or her primary insurance amount. Those amendments also continued the then existing relationship between maximum family benefits and primary insurance amounts but did change the method of computing the maximum amount of benefits which may be paid to a worker's family.

Computing the family maximum

The formula used to compute the family maximum is similar to that used to compute the primary insurance amount. It involves computing the sum of four separate percentages of portions of the worker's primary insurance amount. These portions were $230, $332 and $433 in 1979. These amounts are adjusted for 1980 by multiplying them by the ratio between the average of the total wages for 1978, $10,556.03, and for 1977, $9,779.44. This amount is then rounded to the nearer dollar. For 1980, the ratio is 1.079410. Multiplying the amounts of $230, $332 and $433 by 1.079410 produces the amounts of $248.26, $358.36 and $467.38. These amounts are then rounded to $248, $358 and $467. Accordingly, the portions of the primary insurance amounts to be used in 1980 are determined to be $248, $358 and $467.

Consequently, for the family of a worker who becomes age 62, becomes disabled, or dies in 1980, the total amount of benefits payable to them will be computed so that it does not exceed:

(a) 150 percent of the first $248 of the worker's primary insurance amount, plus

(b) 272 percent of the worker's primary insurance amount over $248 through $358, plus

(c) 134 percent of the worker's primary insurance amount over $358 through $467, plus

(d) 175 percent of the worker's primary insurance amount over $467.

This amount is then rounded to the next higher multiple of $.10 if it is not already a multiple of $.10. This formula and the adjustments we have described are contained in section 203(a) of the Social Security Act (42 U.S.C. 403(a)).

EXTENSION OF BENEFIT TABLE EFFECTIVE JANUARY 1980

The following is an extension of the Table for Determining Primary Insurance Amount and Maximum Family Benefits provided in section 215(a)(5) of the Social Security Act. This extension reflects the higher average monthly wage and related benefit amounts now possible under the increased contribution and benefit base published by this Notice effective January 1980 in accordance with section 215(i) of the Social Security Act. The extended portion of the benefit table shown here will apply primarily to benefits based on earnings of workers who reached age 62 before 1979.

(Catalog of Federal Domestic Assistance Programs Nos. 13.802–13.805, and 13.807 Social Security Programs.)

Dated: October 29, 1979.

PATRICIA ROBERTS HARRIS,
Secretary of Health, Education and Welfare.

(The extended benefit table which was published at the end of the above announcement in the Federal Register is not reproduced here because of its length.)

APPENDIX D.—AUTOMATIC ADJUSTMENTS UNDER OLD-AGE, SURVIVORS AND DISABILITY INSURANCE

The Social Security Act specifies that certain program amounts affecting the determination of OASDI benefits are to be adjusted annually to reflect changes in the general economy. Specific formulas are prescribed by the law which, when applied to reported statistics, produce "automatic" revisions in these program amounts and hence in the benefit computation procedures.

In this appendix, values are shown for the program amounts that are subject to automatic adjustment from the time that such adjustments became effective through the present time. Projected values for future years through 1985, based on the intermediate (alternative II) set of assumptions, are also shown. These assumptions are summarized earlier in this report in the section entitled "Economic and Demographic Assumptions" and were shown in tables 10 and 11. The section entitled "Automatic Adjustments," and Appendices B and C, should be referred to for a more complete description of the program amounts affected by the automatic adjustment procedures.

Under section 215(b)(3) of the Social Security Act, the average amount of total wages for each year 1951 and later is used to index the earnings of persons newly eligible for benefits in 1979 or later. This procedure converts a worker's past earnings to approximately their equivalent values near the time of the worker's retirement or other eligibilty, and these values are used to calculate the worker's average indexed monthly earnings (AIME). The average amount of total wages for each year is also used to adjust most of the program amounts that are subject to the automatic provisions. The announcement of the average wage determination for 1978, including a brief description of its derivation, is shown in Appendix C. Appendix C also describes the determinations of other program amounts that are in effect for 1980. Appendix table K below shows the average amount of total wages as announced for 1951 through 1978, together with projected values for 1979 through 1985 based on the intermediate set of assumptions.

APPENDIX TABLE K.—AVERAGE AMOUNT OF TOTAL WAGES, 1951–78, AND PROJECTED FUTURE AMOUNTS FOR 1979–85 UNDER THE INTERMEDIATE SET OF ASSUMPTIONS

Calendar year	Average amount of total wages	Calendar year	Average amount of total wages
Actual amounts:		Actual amounts—Continued	
1951	$2,799.16	1969	$5,893.76
1952	2,973.32	1970	6,186.24
1953	3,139.44	1971	6,497.08
1954	3,155.64	1972	7,133.80
1955	3,301.44	1973	7,580.16
1956	3,532.36	1974	8,030.76
1957	3,641.72	1975	8,630.92
1958	3,673.80	1976	9,226.48
1959	3,855.80	1977	9,779.44
1960	4,007.12	1978	10,556.03
1961	4,086.76	Projected future amounts:	
1962	4,291.40	1979	11,442.00
1963	4,396.64	1980	12,545.00
1964	4,576.32	1981	13,738.00
1965	4,658.72	1982	15,233.00
1966	4,938.36	1983	16,742.00
1967	5,213.44	1984	18,313.00
1968	5,571.76	1985	19,972.00

Note: The assumptions underlying the projections are described in the section entitled "Economic and Demographic Assumptions" and are shown in table 10.

The provisions for automatic cost-of-living increases in OASDI benefits were enacted in 1972 and first became effective with the benefit increase for June 1975. The notice announcing the June 1979 benefit increase is shown in Appendix B. Appendix table L shows the automatic benefit increases determined for each year 1975–80 and the benefit increases for each year 1981–85 projected on the basis of the intermediate set of assumptions.

APPENDIX TABLE L.—BENEFIT INCREASE AND OTHER OASDI PROGRAM AMOUNTS DETERMINED UNDER THE AUTOMATIC PROVISIONS, 1975–80, AND ESTIMATED FUTURE AMOUNTS FOR 1981–85, UNDER THE INTERMEDIATE SET OF ASSUMPTIONS

Calendar year	Benefit increase [1] (percent)	Contribution and benefit base	"Old-law" contribution and benefit base [2]	Retirement test exempt amount: Under age 65	Retirement test exempt amount: Age 65 and over	Amount of earnings required for quarter of coverage [3]	AIME "bend points" in PIA formula: First	AIME "bend points" in PIA formula: Second	PIA "bend points" in maximum family benefit formula: First	PIA "bend points" in maximum family benefit formula: Second	PIA "bend points" in maximum family benefit formula: Third
Actual experience:											
1975	8.0	$14,100	(4)	$2,520	$2,520	(5)	(4)	(4)	(4)	(4)	(4)
1976	6.4	15,300	(4)	2,760	2,760	(5)	(4)	(4)	(4)	(4)	(4)
1977	5.9	16,500	(4)	3,000	3,000	(5)	(4)	(4)	(4)	(4)	(4)
1978	6.4	17,700	(4)	3,240	[6] 4,000	[7] $250	(4)	(4)	(4)	(4)	(4)
1979	9.9	[6] 22,900	$18,900	3,480	[6] 4,500	260	[7] $180	[7] $1,085	[7] $230	[7] $332	[7] $433
1980	14.3	[6] 25,900	20,400	3,720	[6] 5,000	290	194	1,171	248	358	467
Projected future experience:											
1981	11.3	[6] 29,700	22,200	4,080	[6] 5,500	310	211	1,269	269	388	507
1982	9.0	32,700	24,300	4,440	[6] 6,000	340	231	1,392	295	426	555
1983	8.8	35,700	26,700	4,920	6,600	370	253	1,524	323	466	608
1984	8.3	39,600	29,700	5,400	7,320	410	280	1,690	358	517	674
1985	7.9	43,500	32,700	5,880	8,040	450	308	1,857	394	568	741

[1] Effective with benefits payable for the month of June in each year shown.
[2] Contribution and benefit base that would have been determined automatically under the law in effect prior to the Social Security Amendments of 1977.
[3] See Appendix C for a description of quarter-of-coverage requirements prior to 1978.
[4] No provision in law for this amount in this year.
[5] Amount not subject to automatic provisions in this year.
[6] Amount represents ad hoc increase specified by Social Security Amendments of 1977.
[7] Amount specified for first year by Social Security Amendments of 1977; amounts for subsequent years subject to automatic provisions.

Note: The assumptions underlying the projections are described in the section entitled "Economic and Demographic Assumptions" and are shown in table 10.

The law provides for an automatic increase in the contribution and benefit base for the year following a year in which an automatic benefit increase became effective. The base for 1975 was the first one determined on this basis. (Amendments enacted in December 1973 provided that the 11-percent general benefit increase that became effective in 1974 be considered an automatic cost-of-living benefit increase for purposes of the automatic provisions.) The bases for 1979–81 were set by the 1977 amendments at levels above those that would have occurred under the automatic provisions. Starting again in 1982, the bases will be determined automatically on the basis of increases in average wages. Appendix table L shows past and projected future amounts for the contribution and benefit base.

As mentioned in the section entitled "Automatic Adjustments," the Social Security Act also provides for the determination of the contribution and benefit base that would have been in effect in each year after 1978 under the law as in effect prior to the enactment of the 1977 amendments. Appendix table L presents such amounts as determined for 1979 and 1980, together with projections for 1981–85 under the intermediate assumptions.

The 1972 amendments also specified that the amount of earnings exempted from the withholding of benefits under the retirement test would increase automatically in the year following a year in which an automatic cost-of-living benefit increase became effective. The 1977 amendments modified this procedure by establishing different exempt amounts for those under age 65 and those aged 65 and over. The former amounts continue to increase automatically while the latter amounts are set at specific levels for each year 1978–82, after which time they will revert to increasing automatically. The announcement of the exempt amounts for 1980 is shown in Appendix C, and Appendix table L shows both sets for 1975–85.

The 1977 amendments provided for an annual measure of the amount of earnings to be used in 1978 to credit "quarters of coverage," and for automatic adjustment of this amount for future years. Appendix C describes the determination of the amount for 1980, and Appendix table L shows the amounts for 1978–85.

As mentioned previously, the 1977 amendments substantially revised the method of computing benefits for people first becoming eligible for benefits in 1979 and later. The formula used to compute an individual's primary insurance amount (PIA) for persons newly eligible in 1979 is:

> 90 percent of the first $180 of AIME, plus
> 32 percent of AIME in excess of $180
>   but not in excess of $1,085, plus
> 15 percent of AIME in excess of $1,085.

The amounts separating the individual's AIME into intervals are generally called "bend points" and are adjusted automatically by the changes in average wages as specified in section 215(a)(1)(B) of the Social Security Act. (A minimum benefit of $122, and a "special minimum benefit" varying by years of participation, are also provided for.) The determination of the bend points for the 1980 PIA formula is described in Appendix C, and the bend points for 1979 and 1980, and the amounts projected for 1981–85, are listed in Appendix table L.

A similar formula is used to compute the maximum amount of total monthly benefits payable on the basis of the earnings of an individual. This formula is a function of the individual's PIA, and is shown below for persons newly eligible in 1979:

150 percent of the first $230 of PIA, plus
272 percent of the PIA in excess of $230
but not in excess of $332, plus
134 percent of the PIA in excess of $332
but not in excess of $433, plus
175 percent of the PIA in excess of $433.

These PIA interval bend points are also adjusted automatically under section 203(a)(2) of the law. Appendix C contains the announcement of the 1980 family maximum formula bend points. The past and projected amounts are shown in Appendix table L.

Appendix E.—Projections of the Combined OASI, DI and HI Trust Funds, 1980–1990

In this appendix, projected operations of the old-age and survivors insurance (OASI), disability insurance (DI) and hospital insurance (HI) trust funds are summarized to facilitate analysis of the Administration's proposal for interfund borrowing. These projections represent the combination of projections shown in the 1980 annual report of the Board of Trustees of the OASI and DI trust funds, and the similar annual report for the HI trust fund. Estimated assets of the combined funds as a percentage of combined annual expenditures are shown, based on the optimistic, intermediate and pessimistic sets of assumptions, for calendar years 1980–1990.

As shown in column 1 of Appendix table M, the assets of the OASI trust fund are projected to be insufficient to pay benefits when due within about one and one-half years under all three sets of assumptions. Column 2 indicates that the DI trust fund is expected to experience rapid growth for the remainder of this decade under all three sets of assumptions. Combined OASI and DI assets (shown in column 3) would still be insufficient to pay combined benefits when due within a few years under alternatives II and III, and the problem is only narrowly avoided under alternative I. Column 4 shows that the assets of the HI trust fund are projected to increase steadily only under the optimistic assumptions; under the intermediate and pessimistic sets, projected assets increase during the early part of the decade but begin to decline rapidly by the end of the decade. As described in the HI annual report, the HI trust fund is exhausted in 1994 under the intermediate assumptions and in 1990 under the pessimistic assumptions.

Assets of the combined OASI, DI and HI trust funds as a percentage of combined annual expenditures (shown in the last column) are projected under the optimistic assumptions to decline somewhat in 1980, and to remain level at about 24 percent for several years before beginning to increase. Based on the intermediate assumptions, combined assets continue to decline, reaching a minimum level of 16 percent of annual expenditures at the start of 1985 before beginning to increase. Under the pessimistic assumptions, the assets of the three trust funds, if combined, would be insufficient to pay combined benefits when due beginning late in 1983.

To ameliorate the OASI trust fund's imminent financing problems, the Administration has recommended that authority be granted to allow loans from one trust fund to another. A fund with assets nearing depletion could borrow from the assets of another, better endowed, trust fund with the loan to be repaid with interest when the deficient fund's assets recover sufficiently. Interest would be determined at the rate the lending fund would have received if it had invested the loan amount in the normal manner. The Administration's proposal encompasses the OASI, DI and HI trust funds, these being the three funds financed by the social security payroll tax.

As indicated by the projections in Appendix table M, under the optimistic and intermediate sets of assumptions, projected OASDI and HI tax income under present law would be sufficient to allow timely payment of projected OASDI and HI benefits in the aggregate for the remainder of this decade. Interfund borrowing would permit funds to be allocated as necessary to ensure that each program's commitments could be met. The OASI trust fund would need to borrow heavily from the DI and HI trust funds initially, but would subsequently pay back the amount borrowed with interest. It should be noted that, under the intermediate assumptions, for the next few years a wide margin of safety would not exist. In other words, if actual future economic and demographic conditions are somewhat more adverse than those assumed in alternative II, scheduled OASDI and HI tax income could be insufficient and interfund borrowing could only postpone temporarily the need for additional income. In particular, under the pessimistic assumptions, the assets of the combined funds are insufficient to pay benefits when due beginning in 1983.

APPENDIX TABLE M.—PROJECTED ASSETS OF THE OASI, DI AND HI TRUST FUNDS (SEPARATE AND COMBINED) AS A PERCENTAGE OF ANNUAL EXPENDITURES UNDER ALTERNATIVES I, II AND III, CALENDAR YEARS 1980–1990

	Assets at the beginning of the year as a percentage of expenditures during year				
Calendar year	OASI	DI	OASDI	HI	Total OASDI and HI
Alternative I:					
1980	23	36	24	53	29
1981	15	45	19	53	24
1982	[1] 8	65	15	69	24
1983	[1] 2	92	12	84	24
1984	[1] −4	126	11	95	26
1985	[1] −8	169	11	104	29
1986	[1] −7	239	19	113	37
1987	[1] −4	320	30	127	49
1988	[1] 0	406	42	138	61
1989	[1] 5	498	55	147	75
1990	11	594	70	152	88
Alternative II:					
1980	23	35	24	53	29
1981	[1] 15	44	18	52	24
1982	[1] 6	61	12	65	21
1983	[1] −2	84	[2] 8	76	19
1984	[1] −10	111	[2] 4	82	18
1985	[1] −17	142	[2] 0	84	16
1986	[1] −21	196	[2] 3	85	19
1987	[1] −23	254	[2] 7	88	23
1988	[1] −26	315	11	87	27
1989	[1] −27	378	16	82	31
1990	[1] −28	442	23	73	35
Alternative III:					
1980	23	35	24	53	29
1981	[1] 14	43	18	51	23
1982	[1] 3	55	[2] 9	60	18
1983	(4)	70	[2] 0	65	[2] 11
1984	(4)	88	[2] −8	65	[2] 5
1985	(4)	109	[2] −17	61	(4)
1986	(4)	149	[2] −21	54	(4)
1987	(4)	192	[2] −25	48	(4)
1988	(4)	236	[2] −30	37	(4)
1989	(4)	283	[2] −34	22	(4)
1990	(4)	332	[2] −38	[3] 3	(4)

[1] Assets of OASI fund projected to be insufficient to pay benefits when due.
[2] Assets of combined trust funds projected to be insufficient to pay combined benefits when due.
[3] Assets of HI fund projected to be insufficient to pay benefits when due.
[4] Assets at end of year are projected to be negative, and are projected not to recover before the end of the projection period.

Note: The assumptions underlying the projections are described in the section entitled "Economic and Demographic Assumptions" of this report and in Appendix A of the HI annual report. The OASI, OASDI and combined OASDI and HI trust fund ratios in 1982 and later under alternative I, and 1981 and later under alternatives II and III, are theoretical since the OASI trust fund is projected to be depleted and no provision for additional income exists in present law. See text of this report for details.