



## Social Security

### Memorandum

**Date:** December 1, 2003

**To:** Peter Ferrara

**From:** Steve Goss, Chief Actuary

**Subject:** Estimated Financial Effects of "The Progressive Personal Account Plan" --INFORMATION

This memorandum provides estimates of the financial effects of the plan you have developed on Social Security financing. Also included is a description of the plan as I understand it based on our discussions of your specifications and intent. Certain aspects of the plan that do not directly affect Social Security financing but would alter Budget scoring rules are not addressed in this memorandum.

This plan would establish voluntary, progressive individual accounts for workers who are under age 55 on January 1, 2005 and would provide for a reduction in the Social Security retirement and aged survivor benefits for those who participate. All participating workers would be guaranteed that the total benefits available from the combination of the OASDI program and their personal account would be at least equal to OASDI benefits scheduled under current law if they choose the default investment option. Those who never participate in the personal account option would be provided present-law scheduled benefits.

Individual account (IA) assets would be invested by individual workers through a central administrative authority with a default allocation 65 percent in broad indexed equity funds and 35 percent in broad indexed corporate bond funds. Annuitization of a portion of the IA accumulation sufficient to assure total payments equal scheduled current-law benefits would be required at retirement. Individual account contributions would be redirected from the OASDI Trust Funds. The ability of the Social Security Trust Funds to meet benefit obligations would be maintained through transfers from the General Fund of the Treasury that would be specified in the law.

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

## Plan Specification

### Individual Accounts

Starting in 2005, all workers who will reach their 55<sup>th</sup> birthday on January 1, 2005 or later will have the option to enroll in the personal account plan. Enrollees with earnings in OASDI (Social Security) covered employment will have a portion of their payroll tax contribution (12.4 percent of taxable earnings in total) redirected from the OASDI Trust Funds to an individual account. The percentage of taxable earnings to be redirected in 2005 will be 10 percent of the first \$10,000 of covered earnings for the year, plus 5 percent of earnings in excess of \$10,000 up to the OASDI taxable maximum amount (which is \$87,000 for 2003). The \$10,000 threshold would be indexed by increases in the SSA national Average Wage Index (AWI) for years after 2005. The progressive scale for IA contributions redirected from the OASDI Trust Funds is estimated to amount to about 6.4 percentage points of the 12.4 percent payroll tax rate on average. The total amount redirected from the OASDI contribution rate indicated in Table 1 is less than 6.4 percent of payroll for years through 2029, because workers age 55 and older at the beginning of 2005 have no IA contributions.

All individuals will apparently be allowed to voluntarily enroll or disenroll from the individual account plan at any time during their working years. However, any amounts redirected to the account in earlier years would remain in the account until distribution as described below.

While participation in the individual account plan would be optional, and disenrollment allowed, the nature of the plan would provide a high likelihood that available retirement benefits will be more if enrollment is maintained. Total monthly retirement benefits for each worker who maintains enrollment throughout the period of eligibility and retains the default portfolio allocation would be guaranteed to be at least as large as benefits scheduled under current law for Social Security. In addition, personal account distributions are tax free, unlike Social Security benefits. Thus, participation is assumed to be universal for estimates presented in this memorandum. Individuals who never enroll would receive benefits scheduled under current law.

IA contributions directed to the IA of a worker based on a year's earnings are not determinable until earnings are reported to and tabulated by the Social Security Administration. Because this reporting is made by employers on an annual basis after the end of the calendar year, amounts for individual workers are not determinable for somewhat over a year, on average, after the date on which earnings are paid. Under the proposal, IA contributions would be credited to the individual accounts as soon as current reporting permits, with amounts increased by the actual yield on the default portfolio from June 30 of the year of earnings to the point of crediting to the workers account.

Under the plan, individual account (IA) assets, once credited, would be automatically invested by workers through a central administrative authority that would maintain all records of individual transactions and balances. Participants would be offered a range of investment options provided by qualified private investment companies. The central administrative authority would group the assets of individuals for the purpose of transactions with private firms. Unless otherwise specified, IA balances would be maintained in a default portfolio with 65 percent in a specified broad index fund consisting of private equities for corporations based in the United States (such as the Wilshire 5000) and 35 percent in a broad index of corporate bonds issued by companies based in the United States. Due to the nature of the accounts, an ultimate administrative cost of 0.25 percent of assets is assumed to be reasonable.

Annual changes in investment allocation would be allowed. However, because the guaranteed benefit level requires investment in the default option throughout the worker's lifetime, we assume that the vast majority of account holders will retain the default portfolio, thus taking no risk that the total monthly plan benefits will end up being less than if IA enrollment had not been selected.

#### IA Disbursements and Annuitization

At retirement, the participating worker would be required to purchase a life annuity with CPI-indexed payments using the portion of IA accumulated assets necessary to provide a total monthly payment (including any OASDI monthly benefit under the plan) that is at least equal to the benefits specified under current law from the OASDI program. The annuity would be administered by the central administrative authority, with private investment firms handling the investment of assets on an aggregated (group) basis. In order to qualify for the guarantee, the annuity would need to be computed at retirement based on an assumption of investment of 65 percent in a broad equity index and 35 percent in a broad corporate-bond index, with an assumed administrative expense of 0.25 percent of assets each year. Assets supporting the annuity would, in fact, be invested 65 percent in equities and 35 percent in corporate bonds. The annuity would be computed using the assumed long-term future returns on equities and corporate bonds as determined by the central administrative authority at the time of annuitization. This central administrative authority would assume all risk associated with guaranteeing this yield on life annuities, regardless of what actual investment returns turn out to be. The central administrative authority would be backed by the Treasury of the United States government. Thus, the General Fund of the Treasury would provide the "insurance" that the full amount of the annuity will be paid for life regardless of actual investment returns.

If less than the total amount of IA assets is annuitized, the balance of IA assets may be disbursed or held as the retired worker wishes. All accumulations in and disbursements from individual accounts, including annuity payments, would be exempt from Federal personal income tax.

Upon entitlement to retirement or aged survivor benefits under the current rules of the OASDI program, a monthly CPI-indexed annuity amount based on the specifications described above would be computed by the central administrative authority. The annuity would reflect all potential benefits that might be payable under the OASDI program (i.e., retired worker, spouse, child, widow(er), and surviving spouse benefits). Annuity calculations would be made at benefit entitlement based on the then-current expected long-range future yield on invested assets and the then-current expected future death rates for the potential beneficiaries.

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

#### Social Security Benefit Reduction

OASI retirement and aged survivor benefits will be reduced based on the participation by the worker in the personal account option. Benefits payable to disabled worker beneficiaries (prior to conversion to retired worker status at the normal retirement age), to their dependents, and to survivors other than surviving spouse beneficiaries at age 60 or older are not subject to the reduction.

Reductions in affected OASI benefits would be made based on the proportion of potential lifetime contributions that was realized. Specifically, the benefit reduction would be equal to the present law scheduled OASI benefits multiplied by the ratio of (a) the present value of all contributions redirected to the worker's account, to (b) the present value of all potential contributions that might have been made if the plan had been in existence throughout the working lifetime of the worker. Present values would be computed using the realized OASDI annual Trust Fund yields. Potential contributions for years before 2005 would be computed by indexing the \$10,000 threshold back to earlier years using the AWI.

Based on the reduction described above, workers who first enter the workforce in 2005 or later, and who choose to participate fully in the personal account through their working lifetime would have their affected OASI benefits reduced to zero. However, as noted above, the OASI program might still pay some benefits in cases where the individual account was invested in the default portfolio throughout their career and the annuity from fully annuitizing the IA accumulation would be less than the present law scheduled OASI benefit.

### Central Administrative Authority

The personal accounts and special annuities (annuity required to make the total benefit at least equal to the present law scheduled OASI benefit) for all workers will be administered by a single entity, the central administrative authority, maintaining records and issuing periodic statements to account holders. The IA management would be based on the design of the government employee Thrift Savings Plan (TSP), with limited reporting requirements. Aggregated assets would be invested by privately managed investment firms. Through this approach it is assumed that IA administrative costs can be expected to be modest, ultimately around 0.25 percent of IA assets for each account holder. This might require some Federal subsidy in early years for the IA, when account balances are low and start-up costs are incurred.

### General Fund Transfers to the Trust Funds

The OASDI Trust Funds will receive transfers from the General Fund of the Treasury through three mechanisms. The first two mechanisms are designed to provide revenue in keeping with potential revenue gains associated with the provisions of the proposal. The transfers from these three mechanisms would eventually be offset by a fourth mechanism for a "reverse" transfer from the Trust Funds to the General Fund.

The first transfer mechanism would provide for amounts to be transferred to the OASDI Trust Funds equal to the potential corporate taxes that might result from investment of IA accumulations and annuities. The transfer amount would be computed assuming that all IA assets are invested in the default portfolio and that all IA accumulations available at retirement would be fully annuitized in the special life annuity offered by the central administrative authority. The computation of potential corporate tax revenue transfer would be specified in the law to follow the parameters adopted by former Senator Phil Gramm in his proposal. The parameters were laid out in the OCACT memorandum to Senator Gramm of April 16, 1999.

"The "recapture of corporate tax" on individual account yield would be directed to the OASDI trust funds. This recapture would be specified in law, intending to reflect the additional corporate taxes resulting from the additional domestic corporate investment from account assets. The plan would specify that the recapture would be assumed to equal 23.9 percent of the real, before tax, corporate return on investments. Because reported real yield on accounts would be after corporate tax, and the 23.9 percent rate is intended to apply to corporate income before tax, the actual rate applied to after tax income would be  $31.4\% = 23.9\% / (1-.239)$ . This

provision would provide a substantial and growing source of income to the OASDI program.”

The value of 23.9 percent was derived from the assumption of an ultimate average 35 percent rate applied to 68.4 percent of invested IA assets. Thus, the General Fund transfer based on potential corporate tax resulting from IA and annuity investments would equal 31.4 percent of the yield on combined IA accumulation and annuity assets.

The second transfer mechanism would specify transfers from the General Fund of the Treasury to the Trust Funds equal to the amount by which Federal Government spending would be reduced from a specific baseline, if growth in spending were reduced by 1 percent each year starting 2005 and lasting for at least 8 years (through 2012). The specified transfer amounts would assume that “baseline” Federal spending would equal 20 percent of GDP, and that the continuing 1-percent growth-rate reductions would continue as long as needed so that transfers to the OASDI program would result in combined Trust Fund ratios that would not be projected to fall below 100 percent under the provisions of the plan. Transfers would continue after the last year in which spending growth is assumed to be reduced, assuming that the cumulative percentage reduction in the level of Federal spending would continue indefinitely.

The plan would provide direction to the Congress and the President that the growth rate in total actual Federal Government spending should be diminished as specified above for the computation of transfers. Specified transfers to the Trust Funds would, however, not be contingent on achieving these reductions in actual Federal spending.

The third transfer mechanism would provide for the Treasury to issue additional bonds to the public in order to generate revenue to transfer to the Trust Funds if, at any time, the combined OASDI Trust Fund ratio is projected to fall below 100 percent under the provisions of the plan, including the first two transfer mechanisms. This provision would guarantee solvency for the Trust Funds in any circumstance.

The fourth transfer mechanism would provide for a “reverse” transfer from the Trust Funds to the Treasury. This transfer would become effective when it is determined that in order to maintain a TFR of at least 100 percent and OASDI annual balances of zero or greater (1) the third transfer above is not projected to be needed in the future and (2) the full amount of transfers from the first two mechanisms is not projected to be needed for any future year, under the Trustees intermediate assumptions.

## Cuts in OASDI Contribution Rate

If for any year net transfers described above are set at zero and are not projected to be needed in any future year, then any positive cash flow projected for the OASDI program will be eliminated by a reduction in the combined payroll tax rate (12.4 percent under current law). However, this reduction will apply only to the extent that it does not result in projections of declining Trust Fund assets expressed as a percent of annual program cost for future years.

### **Assumptions**

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

The cost of providing the guarantee for individual account participants is estimated assuming variation in realized account yields across years, generations, and individuals within generations. For individuals or generations with account yields substantially below the average expected return, the guarantee may result in additional payments from the Trust Funds. For individuals and generations that experience higher than expected returns, little if any cost for the guarantee will be incurred.

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

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

The assumption for an ultimate real equity yield of 7 percent that was used by the Office of the Chief Actuary until 2001 was developed in 1995 with the 1994-6 Advisory Council. At that time, the Trustees assumption for the ultimate average

real yield on long-term Treasury bonds was 2.3 percent. Real yields on corporate bonds are believed to bear a close relationship to Treasury bond yields of similar duration. The 2003 Trustees Report includes the assumption that the ultimate real yield on long-term Treasury bonds will average 3 percent, or 0.7 percentage point higher than assumed in 1995. This increase in the assumed bond yield is consistent with a reduction in the perceived risk associated with equity investments.

It should be noted that the precise effects on implementing a plan that would result in a large demand for equities and corporate bonds on the yields of these securities is not clear. This demand would likely be at least partially offset by reductions in demand for other investment mechanisms. For the purpose of these estimates, it is assumed that there will be no net dynamic feedback effects on the economy or on the financial markets. Moreover, the intended effects on growth in Federal spending are not reflected in these estimates.

## **Financial Effects of the Plan**

### Trust Fund Operations

Table 1 indicates that under the intermediate assumptions of the 2003 Trustees Report and the assumed average yields for equities and corporate bonds described above, the OASDI program is projected to solvent throughout the 75-year projection period and beyond. The trust fund ratio is projected to be large, twelve times annual program cost at the end of 75 years and to be increasing.

Net General Fund transfers expressed as a percent of taxable payroll are projected to rise to a peak of 7.25 percent for 2029 and decline thereafter, reaching zero 2055 and later. The effective OASDI contribution rate is reduced from the nominal level of 12.4 percent by (1) the amount redirected to personal accounts, which reaches 6.4 percent of payroll for 2030 and later, and (2) the cut in the contribution rate that is projected to be possible starting in 2055, while maintaining a zero annual cash-flow balance for the OASDI program with a rising trust fund ratio.

The actuarial deficit for the OASDI program over the 75-year projection period would be improved by an estimated 2.21 percent of taxable payroll, from an actuarial deficit of 1.92 percent of payroll projected under current law to a positive actuarial balance of 0.29 percent of payroll under the plan.

Table 1' provides the same presentation as table 1, but omitting all specified transfers and cuts in the payroll tax contribution rate under the plan. This table provides an illustration of the net effect of the specific elements of the plan directly related to the individual account option. These are the redirection of



payroll taxes to the individual accounts and reduction in OASI benefit levels for those who participate in the individual account option.

### Program Transfers and Assets

Table 1a provides an analysis of General Fund net transfers under the plan and of net OASDI Trust Fund assets. Columns 1 through 3 provide the estimated amounts of annual transfers under the first, second, and fourth transfer mechanisms described above. The reverse transfer (column 3) reaches the level of the other two transfers combined for 2055. Note that the additional transfers permitted under the third mechanism are not projected to be needed under these assumptions. Column 4 provides the cumulative total amount of net transfers from the General Fund of the Treasury under the plan through the end of each year.

Total projected OASDI Trust Fund assets are shown in column 5. For purpose of comparison, the net OASDI Trust Fund assets are also shown for a theoretical Social Security program where borrowing authority is assumed for the Trust Funds. The theoretical Social Security program with borrowing authority is presented both without and with the net General Fund transfers expected under this plan, in columns 7 and 8, respectively.

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

### Effect on the Federal Unified Budget

Table 1b provides estimates of the effect on federal unified budget cash flows and balances under this plan and these assumptions. All values in this table represent the amount of the change that would be expected as a result of implementing the proposal, from the level that would be projected under current law. The effect of the plan on unified budget cash flow (column 6) would be expected to be negative initially, but positive starting 2042. It is important to note that these estimates are based on the intermediate assumptions of the 2003 Trustees Report and thus are not consistent with estimates made by the OMB or the CBO based of their assumptions.

Column 7 provides the projected effect of implementing the plan on the Federal debt held by the public. Column 8 provides the projected effect on the annual unified budget balances, including both the cash flow effect in column 6 and the additional interest on the accumulated debt indicated in column 8.

As noted above, these projections do not reflect any potential change from reductions in the growth of Federal spending or from possible net increases in corporate taxes due to the individual account investments that are intended to occur as a result of implementation of this plan. The cumulative amounts of transfers to the Trust Funds associated with these intended effects are presented in columns 9 and 10. If these transfers were fully offset by corresponding increases in corporate tax revenue or reductions in Federal spending, then the projected change in the debt held by the public under this plan (column 7) would be reduced by these amounts.

#### Cash Flow to the General Fund of the Treasury

Table 1c provides estimates of the net cash flow from the OASDI Trust Funds to the General Fund of the Treasury. Revenue paid by the Treasury to the Trust Funds for the redemption of the special-issue Treasury obligations held by the Trust Funds is included here as a negative cash flow to the General Fund. Specified transfers from the General Fund under the plan also are shown as negative cash flow.

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

#### Development of Transfers under the Plan

Table 1d provides estimates of the amounts of the specified transfers under the plan in present value discounted to January 1, 2003. Columns 1, 2, and 3 develop the specified transfer based on the intended reduction in the growth in Federal spending. Column 1 provides the projected GDP under the Trustees intermediate assumptions. Column 2 provides what GDP would be if it grew 1 percent slower in each of the years 2005 through 2012. Column 3 provides 20 percent of the difference between columns 1 and 2, or the specified amount of transfer. Column 4 provides the estimated amount of annual transfers related to corporate tax on Individual Account investments. Column 5 provides the estimated reverse transfers, which are determined to offset the transfers in columns 3 and 4 when they are no longer needed. Column 6 provides the cumulative amount of net transfers from columns 3, 4, and 5 through the end of the year. Finally, the values in columns 7, 8, and 9 provide the annual net transfer amounts for the three mechanisms combined.

## Sensitivity Analysis

Tables 2, 2a, 2b, 2c, and 2d provide an analysis of the implications of realizing actual real yields on individual account assets that are equal to the assumed average real yield on long-term Treasury bonds, or 3 percent. This may be viewed as either illustrating the case where the average real yield on equities and corporate bonds is no higher than on government bonds, or illustrating the effect of assuming risk-adjusted returns on equities and corporate bonds. In each case, the “expected” yield on annuitized assets is assumed to match the actual yield, on average. It should be noted that while average real yields for equities have been at or below average bond yields for periods of a decade or so, the likelihood of having such a low average yield for a period of several decades seems extremely low.

Table 2 indicates that net General Fund transfers would be needed longer, throughout the 75-year projection period. This is largely due to the fact that, with the assumed low yield on individual account assets, the cost of providing the guarantee is far higher—see table 2b column 3. The low yield in addition results in lower projected transfers based on corporate tax on IA investments—see table 2a column 2. As a result, the transfer based on assumed reductions in growth in total Federal spending are required to reflect greater reductions, extending from 2005 through 2015, or 3 years longer than under the assumptions of tables 1. Thus, with the low yield assumed on individual account assets, reverse transfers do not reach the point of fully offsetting transfers based on slowed growth in Federal spending and corporate tax on account investments (see table 2a) and it is not possible to reduce the payroll tax rate within this period.

Only one sensitivity example is provided because the financial status of the OASDI Trust Funds under the plan is relatively insensitive to individual account returns. Even the very low average returns in tables 2 require only a 3 year extension of the period of assumed Federal spending slowdown for transfer.

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



Stephen C. Goss

Attachments

| Table 1 Ferrara Prop--HighExpAnnYld, Incrs GF Trans for spend cut thr 2012 |           |                |                            |            |                      |             |                |                |                         | IA Cntrb | 6.4 % | Ben Offset | 100.0 % |
|--|-----------|----------------|----------------------------|------------|----------------------|-------------|----------------|----------------|-------------------------|----------|-------|------------|---------|
| With Ult Real TF Int Rate of   |           | 3.0            | Corp Tax to TF as % of Pre |            | Change               |             | Cut in         |                |                         |          |       |            |         |
| With Ult Real IA Yld Rate of   |           | 5.2            | tax IA RealYld             |            | 23.9                 | in OASDI    | Effective      | Contri         | IA Contri               |          |       |            |         |
| With Annuity Net Yld Rate  |           | 5.2            | Net GF Trans               |            |                      | Effective   | OASDI          | Rate for       | Rate--                  |          |       |            |         |
| Year   | Cost Rate | Income Rate 1/ | Annual Balance             | TFR 1-1-yr | to TF 1/ (% of Pysl) | Contri Rate | Contri Rate 2/ | Annual Balance | Redirected from PyslTax |          |       |            |         |
| 2003   | 10.89     | 12.70          | 1.81                       | 288        |                      |             |                | 12.40          | 0                       |          |       |            |         |
| 2004   | 10.82     | 12.69          | 1.88                       | 309        |                      |             |                | 12.40          | 0                       |          |       |            |         |
| 2005   | 10.73     | 7.64           | -3.10                      | 330        | 0.32                 | -5.38       | 7.02           | 6.69           | 5.38                    |          |       |            |         |
| 2006   | 10.65     | 7.92           | -2.74                      | 305        | 0.92                 | -0.32       | 6.69           | 6.59           | 5.71                    |          |       |            |         |
| 2007   | 10.67     | 8.42           | -2.24                      | 282        | 1.52                 | -0.11       | 6.59           | 6.49           | 5.91                    |          |       |            |         |
| 2008   | 10.73     | 8.94           | -1.79                      | 262        | 2.12                 | -0.10       | 6.49           | 6.40           | 5.91                    |          |       |            |         |
| 2009   | 10.84     | 9.47           | -1.37                      | 246        | 2.73                 | -0.09       | 6.40           | 6.32           | 6.00                    |          |       |            |         |
| 2010   | 10.99     | 10.01          | -0.97                      | 233        | 3.33                 | -0.08       | 6.32           | 6.26           | 6.08                    |          |       |            |         |
| 2011   | 11.16     | 10.60          | -0.56                      | 223        | 3.94                 | -0.06       | 6.26           | 6.21           | 6.14                    |          |       |            |         |
| 2012   | 11.37     | 11.18          | -0.19                      | 217        | 4.55                 | -0.05       | 6.21           | 6.16           | 6.19                    |          |       |            |         |
| 2013   | 11.60     | 11.29          | -0.30                      | 214        | 4.69                 | -0.04       | 6.16           | 6.12           | 6.24                    |          |       |            |         |
| 2014   | 11.83     | 11.41          | -0.42                      | 210        | 4.83                 | -0.04       | 6.12           | 6.09           | 6.28                    |          |       |            |         |
| 2015   | 12.07     | 11.54          | -0.53                      | 206        | 4.97                 | -0.03       | 6.09           | 6.07           | 6.31                    |          |       |            |         |
| 2016   | 12.32     | 11.68          | -0.63                      | 200        | 5.12                 | -0.02       | 6.07           | 6.06           | 6.33                    |          |       |            |         |
| 2017   | 12.55     | 11.84          | -0.72                      | 195        | 5.27                 | -0.01       | 6.06           | 6.05           | 6.34                    |          |       |            |         |
| 2018   | 12.79     | 12.00          | -0.79                      | 188        | 5.42                 | -0.01       | 6.05           | 6.04           | 6.35                    |          |       |            |         |
| 2019   | 13.00     | 12.17          | -0.84                      | 182        | 5.59                 | -0.01       | 6.04           | 6.03           | 6.36                    |          |       |            |         |
| 2020   | 13.21     | 12.34          | -0.87                      | 176        | 5.75                 | -0.01       | 6.03           | 6.02           | 6.37                    |          |       |            |         |
| 2021   | 13.41     | 12.51          | -0.90                      | 169        | 5.92                 | -0.01       | 6.03           | 6.02           | 6.37                    |          |       |            |         |
| 2022   | 13.58     | 12.69          | -0.89                      | 163        | 6.09                 | -0.01       | 6.02           | 6.02           | 6.38                    |          |       |            |         |
| 2023   | 13.71     | 12.87          | -0.84                      | 158        | 6.26                 | 0.00        | 6.02           | 6.01           | 6.38                    |          |       |            |         |
| 2024   | 13.81     | 13.05          | -0.76                      | 153        | 6.44                 | 0.00        | 6.02           | 6.01           | 6.38                    |          |       |            |         |
| 2025   | 13.89     | 13.24          | -0.65                      | 149        | 6.62                 | 0.00        | 6.01           | 6.01           | 6.39                    |          |       |            |         |
| 2026   | 13.93     | 13.42          | -0.51                      | 147        | 6.80                 | 0.00        | 6.01           | 6.01           | 6.39                    |          |       |            |         |
| 2027   | 13.95     | 13.61          | -0.34                      | 145        | 6.98                 | 0.00        | 6.01           | 6.01           | 6.39                    |          |       |            |         |
| 2028   | 13.93     | 13.79          | -0.13                      | 145        | 7.17                 | 0.00        | 6.01           | 6.01           | 6.39                    |          |       |            |         |
| 2029   | 13.87     | 13.87          | 0.00                       | 147        | 7.25                 | 0.00        | 6.01           | 6.00           | 6.39                    |          |       |            |         |
| 2030   | 13.78     | 13.78          | 0.00                       | 150        | 7.15                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2031   | 13.65     | 13.65          | 0.00                       | 154        | 7.03                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2032   | 13.49     | 13.50          | 0.00                       | 158        | 6.88                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2033   | 13.31     | 13.31          | 0.00                       | 163        | 6.70                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2034   | 13.09     | 13.09          | 0.00                       | 168        | 6.49                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2035   | 12.86     | 12.86          | 0.00                       | 174        | 6.27                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2036   | 12.61     | 12.61          | 0.00                       | 180        | 6.03                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2037   | 12.34     | 12.34          | 0.00                       | 187        | 5.77                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2038   | 12.05     | 12.05          | 0.00                       | 194        | 5.50                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2039   | 11.74     | 11.75          | 0.00                       | 203        | 5.20                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2040   | 11.42     | 11.43          | 0.00                       | 211        | 4.90                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2041   | 11.09     | 11.10          | 0.00                       | 221        | 4.59                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2042   | 10.75     | 10.75          | 0.00                       | 232        | 4.25                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2043   | 10.40     | 10.40          | 0.00                       | 244        | 3.92                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2044   | 10.03     | 10.04          | 0.00                       | 256        | 3.58                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2045   | 9.68      | 9.67           | 0.00                       | 270        | 3.23                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2046   | 9.31      | 9.31           | 0.00                       | 285        | 2.89                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2047   | 8.94      | 8.94           | 0.00                       | 302        | 2.54                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2048   | 8.57      | 8.57           | 0.00                       | 320        | 2.18                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2049   | 8.20      | 8.20           | 0.00                       | 340        | 1.84                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2050   | 7.84      | 7.84           | 0.00                       | 362        | 1.49                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2051   | 7.48      | 7.48           | 0.00                       | 385        | 1.15                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2052   | 7.13      | 7.13           | 0.00                       | 411        | 0.82                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2053   | 6.80      | 6.80           | 0.00                       | 438        | 0.50                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2054   | 6.48      | 6.48           | 0.00                       | 468        | 0.21                 | 0.00        | 6.00           | 6.00           | 6.40                    |          |       |            |         |
| 2055   | 6.19      | 6.19           | 0.00                       | 497        | 0.00                 | -0.07       | 5.93           | 0.07           | 6.40                    |          |       |            |         |
| 2056   | 5.92      | 5.92           | 0.00                       | 529        | 0.00                 | -0.26       | 5.68           | 0.32           | 6.40                    |          |       |            |         |
| 2057   | 5.67      | 5.67           | 0.00                       | 562        | 0.00                 | -0.24       | 5.43           | 0.57           | 6.40                    |          |       |            |         |
| 2058   | 5.43      | 5.43           | 0.00                       | 596        | 0.00                 | -0.23       | 5.21           | 0.79           | 6.40                    |          |       |            |         |
| 2059   | 5.21      | 5.21           | 0.00                       | 631        | 0.00                 | -0.21       | 5.00           | 1.00           | 6.40                    |          |       |            |         |
| 2060   | 5.01      | 5.01           | 0.00                       | 668        | 0.00                 | -0.19       | 4.81           | 1.19           | 6.40                    |          |       |            |         |
| 2061   | 4.82      | 4.82           | 0.00                       | 705        | 0.00                 | -0.17       | 4.63           | 1.37           | 6.40                    |          |       |            |         |
| 2062   | 4.65      | 4.65           | 0.00                       | 742        | 0.00                 | -0.16       | 4.47           | 1.53           | 6.40                    |          |       |            |         |
| 2063   | 4.50      | 4.50           | 0.00                       | 780        | 0.00                 | -0.14       | 4.33           | 1.67           | 6.40                    |          |       |            |         |
| 2064   | 4.36      | 4.36           | 0.00                       | 818        | 0.00                 | -0.13       | 4.20           | 1.80           | 6.40                    |          |       |            |         |
| 2065   | 4.26      | 4.26           | 0.00                       | 852        | 0.00                 | -0.10       | 4.10           | 1.90           | 6.40                    |          |       |            |         |
| 2066   | 4.16      | 4.16           | 0.00                       | 886        | 0.00                 | -0.09       | 4.01           | 1.99           | 6.40                    |          |       |            |         |
| 2067   | 4.08      | 4.08           | 0.00                       | 920        | 0.00                 | -0.08       | 3.93           | 2.07           | 6.40                    |          |       |            |         |
| 2068   | 4.00      | 4.00           | 0.00                       | 953        | 0.00                 | -0.07       | 3.85           | 2.15           | 6.40                    |          |       |            |         |
| 2069   | 3.93      | 3.93           | 0.00                       | 986        | 0.00                 | -0.06       | 3.79           | 2.21           | 6.40                    |          |       |            |         |
| 2070   | 3.87      | 3.87           | 0.00                       | 1,018      | 0.00                 | -0.06       | 3.74           | 2.26           | 6.40                    |          |       |            |         |
| 2071   | 3.82      | 3.82           | 0.00                       | 1,049      | 0.00                 | -0.05       | 3.69           | 2.31           | 6.40                    |          |       |            |         |
| 2072   | 3.78      | 3.78           | 0.00                       | 1,079      | 0.00                 | -0.04       | 3.65           | 2.35           | 6.40                    |          |       |            |         |
| 2073   | 3.74      | 3.74           | 0.00                       | 1,108      | 0.00                 | -0.03       | 3.61           | 2.39           | 6.40                    |          |       |            |         |
| 2074   | 3.71      | 3.71           | 0.00                       | 1,136      | 0.00                 | -0.03       | 3.58           | 2.42           | 6.40                    |          |       |            |         |
| 2075   | 3.69      | 3.69           | 0.00                       | 1,163      | 0.00                 | -0.02       | 3.56           | 2.44           | 6.40                    |          |       |            |         |
| 2076   | 3.66      | 3.66           | 0.00                       | 1,190      | 0.00                 | -0.02       | 3.54           | 2.46           | 6.40                    |          |       |            |         |
| 2077   | 3.65      | 3.65           | 0.00                       | 1,217      | 0.00                 | -0.02       | 3.52           | 2.48           | 6.40                    |          |       |            |         |
| 2078   | 3.63      | 3.63           | 0.00                       | 1,243      | 0.00                 | -0.01       | 3.51           | 2.50           | 6.40                    |          |       |            |         |
| Summarized   |           |                |                            |            |                      |             |                |                |                         |          |       |            |         |
| CostRt   |           | IncRt          | ActBal                     | Change in  |                      |             |                |                |                         |          |       |            |         |
| OASDI  |           | OASDI          | OASDI                      | ActBal     |                      |             |                |                |                         |          |       |            |         |
| -2077  |           | 10.30          | 10.59                      | 0.29       |                      |             |                |                |                         |          |       |            |         |

Based on Intermediate Assumptions of the 2003 Trustees Report.

With Ult Real Int Rate of 3.00

1/ Includes Specified and Corp Tax-based GF Transfers (see table 1.d).

2/ Net payroll tax rate to the Trust Funds; reduced by amount redirected for IA contribution, and cut for Ann Bal.

Office of the Actuary  
Social Security Administration  
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| Year       | Ferrara Prop--HighExpAnnYld, No GF Transfers or Tax Cuts |                   |                   |               | IA Cntrb | 6.4 %<br>Change<br>in OASDI<br>Effective<br>Contrib<br>Rate | Ben Offset<br>Effective<br>OASDI<br>Contrib<br>Rate 2/ | 100.0 %<br>Cut in<br>Contrib<br>Rate for<br>Annual<br>Balance | IA Contrib<br>Rate---<br>Redirected<br>from PyslTax |
|------------|--|-------------------|-------------------|---------------|----------|---|--|---|---|
|            | Cost<br>Rate   | Income<br>Rate 1/ | Annual<br>Balance | TFR<br>1-1-yr |          |   |  |   |   |
| 2003       | 10.89  | 12.70             | 1.81              | 288           |          |   | 12.40  |   | 0   |
| 2004       | 10.82  | 12.69             | 1.88              | 309           |          |   | 12.40  |   | 0   |
| 2005       | 10.73  | 7.32              | -3.42             | 330           | 0.00     | -5.38   | 7.02   |   | 5.38  |
| 2006       | 10.65  | 7.00              | -3.66             | 302           | 0.00     | -0.32   | 6.69   |   | 5.71  |
| 2007       | 10.67  | 6.90              | -3.76             | 270           | 0.00     | -0.11   | 6.59   |   | 5.81  |
| 2008       | 10.73  | 6.82              | -3.91             | 237           | 0.00     | -0.10   | 6.49   |   | 5.91  |
| 2009       | 10.84  | 6.74              | -4.10             | 201           | 0.00     | -0.09   | 6.40   |   | 6.00  |
| 2010       | 10.99  | 6.68              | -4.31             | 164           | 0.00     | -0.08   | 6.32   |   | 6.08  |
| 2011       | 11.16  | 6.66              | -4.50             | 125           | 0.00     | -0.06   | 6.26   |   | 6.14  |
| 2012       | 11.37  | 6.63              | -4.74             | 86            | 0.00     | -0.05   | 6.21   |   | 6.19  |
| 2013       | 11.60  | 6.61              | -4.99             | 45            | 0.00     | -0.04   | 6.16   |   | 6.24  |
| 2014       | 11.83  | 6.58              | -5.25             | 3             | 0.00     | -0.04   | 6.12   |   | 6.28  |
| 2015       | 12.07  | 6.57              | -5.50             | --            | 0.00     | -0.03   | 6.09   |   | 6.31  |
| 2016       | 12.32  | 6.57              | -5.75             | --            | 0.00     | -0.02   | 6.07   |   | 6.33  |
| 2017       | 12.55  | 6.57              | -5.99             | --            | 0.00     | -0.01   | 6.06   |   | 6.34  |
| 2018       | 12.79  | 6.57              | -6.22             | --            | 0.00     | -0.01   | 6.05   |   | 6.35  |
| 2019       | 13.00  | 6.58              | -6.42             | --            | 0.00     | -0.01   | 6.04   |   | 6.36  |
| 2020       | 13.21  | 6.59              | -6.62             | --            | 0.00     | -0.01   | 6.03   |   | 6.37  |
| 2021       | 13.41  | 6.60              | -6.82             | --            | 0.00     | -0.01   | 6.03   |   | 6.37  |
| 2022       | 13.58  | 6.60              | -6.98             | --            | 0.00     | -0.01   | 6.02   |   | 6.38  |
| 2023       | 13.71  | 6.61              | -7.10             | --            | 0.00     | 0.00  | 6.02   |   | 6.38  |
| 2024       | 13.81  | 6.61              | -7.20             | --            | 0.00     | 0.00  | 6.02   |   | 6.38  |
| 2025       | 13.89  | 6.62              | -7.27             | --            | 0.00     | 0.00  | 6.01   |   | 6.39  |
| 2026       | 13.93  | 6.62              | -7.31             | --            | 0.00     | 0.00  | 6.01   |   | 6.39  |
| 2027       | 13.95  | 6.63              | -7.32             | --            | 0.00     | 0.00  | 6.01   |   | 6.39  |
| 2028       | 13.93  | 6.63              | -7.30             | --            | 0.00     | 0.00  | 6.01   |   | 6.39  |
| 2029       | 13.87  | 6.63              | -7.24             | --            | 0.00     | 0.00  | 6.01   |   | 6.39  |
| 2030       | 13.78  | 6.63              | -7.15             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2031       | 13.65  | 6.62              | -7.03             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2032       | 13.49  | 6.62              | -6.88             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2033       | 13.31  | 6.61              | -6.70             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2034       | 13.09  | 6.60              | -6.49             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2035       | 12.86  | 6.59              | -6.27             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2036       | 12.61  | 6.58              | -6.03             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2037       | 12.34  | 6.57              | -5.77             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2038       | 12.05  | 6.56              | -5.50             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2039       | 11.74  | 6.54              | -5.20             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2040       | 11.42  | 6.53              | -4.90             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2041       | 11.09  | 6.51              | -4.58             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2042       | 10.75  | 6.49              | -4.25             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2043       | 10.40  | 6.48              | -3.92             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2044       | 10.03  | 6.46              | -3.58             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2045       | 9.68   | 6.44              | -3.24             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2046       | 9.31   | 6.42              | -2.89             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2047       | 8.94   | 6.40              | -2.54             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2048       | 8.57   | 6.38              | -2.19             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2049       | 8.20   | 6.36              | -1.84             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2050       | 7.84   | 6.35              | -1.49             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2051       | 7.48   | 6.33              | -1.15             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2052       | 7.13   | 6.31              | -0.83             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2053       | 6.80   | 6.29              | -0.51             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2054       | 6.48   | 6.28              | -0.20             | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2055       | 6.19   | 6.26              | 0.07              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2056       | 5.92   | 6.25              | 0.32              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2057       | 5.67   | 6.23              | 0.57              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2058       | 5.43   | 6.22              | 0.79              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2059       | 5.21   | 6.21              | 1.00              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2060       | 5.01   | 6.20              | 1.19              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2061       | 4.82   | 6.19              | 1.37              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2062       | 4.65   | 6.18              | 1.53              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2063       | 4.50   | 6.17              | 1.67              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2064       | 4.36   | 6.16              | 1.80              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2065       | 4.26   | 6.16              | 1.90              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2066       | 4.16   | 6.15              | 1.99              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2067       | 4.08   | 6.15              | 2.07              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2068       | 4.00   | 6.15              | 2.15              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2069       | 3.93   | 6.14              | 2.21              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2070       | 3.87   | 6.14              | 2.26              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2071       | 3.82   | 6.14              | 2.31              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2072       | 3.78   | 6.13              | 2.35              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2073       | 3.74   | 6.13              | 2.39              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2074       | 3.71   | 6.13              | 2.42              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2075       | 3.69   | 6.13              | 2.44              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2076       | 3.66   | 6.13              | 2.46              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2077       | 3.65   | 6.13              | 2.48              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| 2078       | 3.63   | 6.13              | 2.50              | --            | 0.00     | 0.00  | 6.00   |   | 6.40  |
| Summarized |  |                   |                   |               |          |   |  |   |   |
|            | CostRt   | IncRt             | ActBal            | Change in     |          |   |  |   |   |
| 2003       | OASDI  | OASDI             | OASDI             | ActBal        |          |   |  |   |   |
| -2077      | 10.30  | 7.47              | -2.83             | -0.91         |          |   |  |   |   |

Based on Intermediate Assumptions of the 2003 Trustees Report.  
With Ult Real Int Rate of 3.00

1/ Includes Specified and CorpTax-based GF Transfers.

2/ Net payroll tax rate to the Trust Funds; reduced by amount redirected for IA contribution, and cut for Ann Bal.

Office of the Actuary  
Social Security Administration  
December 1, 2003

Table 1 a Proposal GF Transfers, OASDI Trust Fund Assets, Individual Account Assets, and Theoretical OASDI Assets

| Calendar Year | Proposal General Fund Transfers          |                    |                                  |                         | Accumulated GF Transfers at End of Year (4) | Total OASDI Trust Fund Assets at End of Yr (5) | Individual Account Assets 1/ at End of Yr (6) | Theoretical Social Security 2/ with Borrowing Authority; Net OASDI TF Assets End of Yr. |  |
|---------------|--|--------------------|----------------------------------|-------------------------|---|--|---|---|--|
|               | Specified for Slowed FedGov Spending (1) | Corp Tax Recap (2) | Reverse Tran for Ann Balance (3) | Without GF Transfer (7) |   |  |   | With GF Transfer (amount for Ferrara) (8)   |  |
|               | Billions of Constant 2003 Dollars        |                    |                                  |                         |   |  |   | Billions of Constant 2003 Dollars   |  |
| 2003          | 0  | 0                  | 0                                | 0                       | 1,543                                       | 0  | 1,543   | 1,543   |  |
| 2004          | 0  | 0                  | 0                                | 0                       | 1,683                                       | 0  | 1,683   | 1,683   |  |
| 2005          | 12                                       | 3                  | 0                                | 15                      | 1,591                                       | 260  | 1,833   | 1,848   |  |
| 2006          | 36                                       | 8                  | 0                                | 61                      | 1,506                                       | 556  | 1,990   | 2,050   |  |
| 2007          | 61                                       | 13                 | 0                                | 139                     | 1,440                                       | 880  | 2,154   | 2,293   |  |
| 2008          | 87                                       | 19                 | 0                                | 252                     | 1,392                                       | 1,233  | 2,323   | 2,575   |  |
| 2009          | 113                                      | 25                 | 0                                | 402                     | 1,363                                       | 1,616  | 2,493   | 2,896   |  |
| 2010          | 141                                      | 32                 | 0                                | 592                     | 1,352                                       | 2,029  | 2,664   | 3,257   |  |
| 2011          | 169                                      | 39                 | 0                                | 824                     | 1,362                                       | 2,473  | 2,835   | 3,659   |  |
| 2012          | 198                                      | 46                 | 0                                | 1,100                   | 1,393                                       | 2,945  | 3,001   | 4,101   |  |
| 2013          | 201                                      | 54                 | 0                                | 1,397                   | 1,418                                       | 3,446  | 3,161   | 4,557   |  |
| 2014          | 205                                      | 62                 | 0                                | 1,714                   | 1,437                                       | 3,975  | 3,312   | 5,026   |  |
| 2015          | 208                                      | 71                 | 0                                | 2,053                   | 1,449                                       | 4,535  | 3,452   | 5,505   |  |
| 2016          | 212                                      | 80                 | 0                                | 2,416                   | 1,455                                       | 5,122  | 3,579   | 5,995   |  |
| 2017          | 215                                      | 89                 | 0                                | 2,802                   | 1,455                                       | 5,739  | 3,691   | 6,492   |  |
| 2018          | 219                                      | 100                | 0                                | 3,213                   | 1,451                                       | 6,386  | 3,786   | 6,999   |  |
| 2019          | 222                                      | 110                | 0                                | 3,652                   | 1,443                                       | 7,063  | 3,863   | 7,515   |  |
| 2020          | 226                                      | 121                | 0                                | 4,119                   | 1,432                                       | 7,771  | 3,921   | 8,040   |  |
| 2021          | 229                                      | 133                | 0                                | 4,616                   | 1,418                                       | 8,509  | 3,956   | 8,572   |  |
| 2022          | 233                                      | 145                | 0                                | 5,144                   | 1,403                                       | 9,279  | 3,971   | 9,114   |  |
| 2023          | 237                                      | 157                | 0                                | 5,704                   | 1,390                                       | 10,081   | 3,964   | 9,668   |  |
| 2024          | 240                                      | 170                | 0                                | 6,298                   | 1,382                                       | 10,914   | 3,936   | 10,234  |  |
| 2025          | 244                                      | 184                | 0                                | 6,928                   | 1,380                                       | 11,778   | 3,885   | 10,813  |  |
| 2026          | 248                                      | 198                | 0                                | 7,595                   | 1,387                                       | 12,674   | 3,813   | 11,408  |  |
| 2027          | 252                                      | 212                | 0                                | 8,302                   | 1,405                                       | 13,602   | 3,718   | 12,020  |  |
| 2028          | 256                                      | 227                | 0                                | 9,049                   | 1,438                                       | 14,560   | 3,601   | 12,649  |  |
| 2029          | 260                                      | 243                | 7                                | 9,830                   | 1,481                                       | 15,550   | 3,461   | 13,291  |  |
| 2030          | 264                                      | 259                | 27                               | 10,636                  | 1,525                                       | 16,571   | 3,300   | 13,936  |  |
| 2031          | 268                                      | 275                | 49                               | 11,465                  | 1,571                                       | 17,621   | 3,119   | 14,583  |  |
| 2032          | 273                                      | 292                | 74                               | 12,314                  | 1,618                                       | 18,701   | 2,917   | 15,231  |  |
| 2033          | 277                                      | 309                | 101                              | 13,183                  | 1,666                                       | 19,810   | 2,696   | 15,879  |  |
| 2034          | 282                                      | 327                | 131                              | 14,070                  | 1,716                                       | 20,947   | 2,457   | 16,527  |  |
| 2035          | 286                                      | 344                | 164                              | 14,973                  | 1,767                                       | 22,110   | 2,200   | 17,173  |  |
| 2036          | 291                                      | 363                | 198                              | 15,892                  | 1,820                                       | 23,299   | 1,925   | 17,817  |  |
| 2037          | 296                                      | 382                | 235                              | 16,824                  | 1,875                                       | 24,511   | 1,634   | 18,458  |  |
| 2038          | 300                                      | 401                | 274                              | 17,769                  | 1,931                                       | 25,746   | 1,326   | 19,095  |  |
| 2039          | 305                                      | 420                | 315                              | 18,725                  | 1,989                                       | 27,001   | 1,001   | 19,726  |  |
| 2040          | 310                                      | 439                | 358                              | 19,690                  | 2,049                                       | 28,275   | 661   | 20,350  |  |
| 2041          | 315                                      | 459                | 402                              | 20,663                  | 2,110                                       | 29,564   | 303   | 20,966  |  |
| 2042          | 320                                      | 479                | 449                              | 21,643                  | 2,173                                       | 30,867   | -73   | 21,570  |  |
| 2043          | 325                                      | 499                | 497                              | 22,629                  | 2,238                                       | 32,180   | -467  | 22,162  |  |
| 2044          | 330                                      | 519                | 547                              | 23,619                  | 2,305                                       | 33,499   | -881  | 22,738  |  |
| 2045          | 335                                      | 539                | 597                              | 24,613                  | 2,374                                       | 34,823   | -1,316  | 23,296  |  |
| 2046          | 340                                      | 559                | 649                              | 25,609                  | 2,445                                       | 36,148   | -1,774  | 23,835  |  |
| 2047          | 345                                      | 579                | 701                              | 26,607                  | 2,517                                       | 37,473   | -2,255  | 24,352  |  |
| 2048          | 350                                      | 599                | 755                              | 27,605                  | 2,593                                       | 38,791   | -2,761  | 24,845  |  |
| 2049          | 356                                      | 619                | 808                              | 28,604                  | 2,670                                       | 40,091   | -3,292  | 25,312  |  |
| 2050          | 361                                      | 638                | 862                              | 29,603                  | 2,750                                       | 41,371   | -3,851  | 25,751  |  |
| 2051          | 366                                      | 657                | 916                              | 30,601                  | 2,832                                       | 42,631   | -4,440  | 26,161  |  |
| 2052          | 372                                      | 675                | 970                              | 31,598                  | 2,916                                       | 43,866   | -5,059  | 26,539  |  |
| 2053          | 377                                      | 693                | 1,023                            | 32,595                  | 3,003                                       | 45,089   | -5,710  | 26,885  |  |
| 2054          | 383                                      | 711                | 1,074                            | 33,594                  | 3,094                                       | 46,300   | -6,394  | 27,199  |  |
| 2055          | 389                                      | 729                | 1,118                            | 34,601                  | 3,186                                       | 47,498   | -7,113  | 27,488  |  |
| 2056          | 395                                      | 747                | 1,142                            | 35,639                  | 3,282                                       | 48,681   | -7,867  | 27,772  |  |
| 2057          | 401                                      | 764                | 1,165                            | 36,709                  | 3,380                                       | 49,849   | -8,657  | 28,051  |  |
| 2058          | 407                                      | 782                | 1,188                            | 37,810                  | 3,481                                       | 51,002   | -9,485  | 28,325  |  |
| 2059          | 413                                      | 799                | 1,211                            | 38,944                  | 3,585                                       | 52,138   | -10,350                                       | 28,594  |  |
| 2060          | 419                                      | 815                | 1,234                            | 40,112                  | 3,692                                       | 53,258   | -11,255                                       | 28,858  |  |
| 2061          | 425                                      | 832                | 1,257                            | 41,316                  | 3,803                                       | 54,361   | -12,199                                       | 29,117  |  |
| 2062          | 432                                      | 848                | 1,279                            | 42,555                  | 3,917                                       | 55,447   | -13,185                                       | 29,370  |  |
| 2063          | 438                                      | 864                | 1,302                            | 43,832                  | 4,034                                       | 56,517   | -14,215                                       | 29,617  |  |
| 2064          | 445                                      | 879                | 1,324                            | 45,147                  | 4,155                                       | 57,571   | -15,289                                       | 29,858  |  |
| 2065          | 451                                      | 895                | 1,346                            | 46,501                  | 4,279                                       | 58,609   | -16,411                                       | 30,090  |  |
| 2066          | 458                                      | 910                | 1,368                            | 47,896                  | 4,407                                       | 59,632   | -17,581                                       | 30,315  |  |
| 2067          | 465                                      | 925                | 1,390                            | 49,333                  | 4,539                                       | 60,641   | -18,802                                       | 30,531  |  |
| 2068          | 472                                      | 940                | 1,412                            | 50,813                  | 4,675                                       | 61,637   | -20,076                                       | 30,738  |  |
| 2069          | 479                                      | 954                | 1,433                            | 52,338                  | 4,815                                       | 62,620   | -21,404                                       | 30,934  |  |
| 2070          | 486                                      | 969                | 1,455                            | 53,908                  | 4,959                                       | 63,593   | -22,789                                       | 31,119  |  |
| 2071          | 493                                      | 983                | 1,476                            | 55,525                  | 5,108                                       | 64,557   | -24,232                                       | 31,293  |  |
| 2072          | 500                                      | 997                | 1,498                            | 57,191                  | 5,260                                       | 65,513   | -25,736                                       | 31,455  |  |
| 2073          | 508                                      | 1,012              | 1,519                            | 58,906                  | 5,418                                       | 66,462   | -27,303                                       | 31,603  |  |
| 2074          | 515                                      | 1,026              | 1,541                            | 60,674                  | 5,580                                       | 67,406   | -28,935                                       | 31,739  |  |
| 2075          | 523                                      | 1,040              | 1,563                            | 62,494                  | 5,747                                       | 68,346   | -30,634                                       | 31,860  |  |
| 2076          | 530                                      | 1,054              | 1,584                            | 64,369                  | 5,920                                       | 69,284   | -32,402                                       | 31,966  |  |
| 2077          | 538                                      | 1,068              | 1,606                            | 66,300                  | 6,097                                       | 70,221   | -34,242                                       | 32,058  |  |
| 2078          | 546                                      | 1,082              | 1,628                            | 68,289                  | 6,279                                       | 71,158   | -36,156                                       | 32,133  |  |

Based on Intermediate Assumptions of the 2003 Trustees Report.

1/ Including annuity assets, assuming all annuitize fully.

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

Office of the Actuary  
 Social Security Administration  
 Revised -- December 8, 2003

Table 1 b IA Assets & Contributions, OASI Benefit Changes, & Total Unified Budget Effect--Plus Cumulative GF Transfers 1/

| Year                          | IA+Annuity Balance at End of Year (1) | Amount Contrib to IA: % by Fed Gov 100 (2) | Cost to guar OASDI +IA benefits at PLSched (3) | OASI Benefit Cut for IA Participation (4) | Ave IA Cntrb 6.4 %, Cut in Contrib Rate for AnnBal (5) | Change in Annual UnifBudg CashFlow (6) | Benefit Offset Change in Debt Held by the Public (EOY) (7) | Change in Ann UnifBudg Balance (8) | Cumulative Transfers     |                                |
|-------------------------------|---------------------------------------|--|--|---|--|--|--|------------------------------------|--------------------------|--------------------------------|
|                               |                                       |  |  |   |  |  |  |                                    | Based on Slowdown 1/ (9) | Based on CorpTax Recap 1/ (10) |
| (Billions of Constant 2003\$) |                                       |  |  |   |  |  |  |                                    |                          |                                |
| 2004                          | 0.0                                   | 0.0  | 0.0  | 0.0                                       | 0.0  | 0.0                                    | 0.0  | 0.0                                | 0                        | 0                              |
| 2005                          | 259.6                                 | 249.3                                      | 0.0  | 0.0                                       | 0.0  | -249.3                                 | 256.9  | -256.9                             | 12                       | 3                              |
| 2006                          | 556.1                                 | 271.3                                      | 0.0  | 0.0                                       | 0.0  | -271.3                                 | 544.6  | -295.0                             | 49                       | 12                             |
| 2007                          | 880.3                                 | 282.8                                      | 0.0  | 0.0                                       | 0.0  | -282.8                                 | 853.0  | -324.3                             | 113                      | 26                             |
| 2008                          | 1,233.3                               | 293.8                                      | 0.0  | 0.0                                       | 0.0  | -293.8                                 | 1,182.7  | -354.4                             | 206                      | 46                             |
| 2009                          | 1,615.9                               | 304.3                                      | 0.0  | 0.0                                       | 0.0  | -304.3                                 | 1,533.1  | -385.0                             | 329                      | 73                             |
| 2010                          | 2,029.3                               | 314.4                                      | 0.0  | 0.0                                       | 0.0  | -314.4                                 | 1,904.9  | -416.3                             | 484                      | 108                            |
| 2011                          | 2,472.9                               | 323.3                                      | 0.0  | 0.0                                       | 0.0  | -323.3                                 | 2,296.8  | -447.4                             | 673                      | 151                            |
| 2012                          | 2,944.8                               | 331.3                                      | 0.6  | 0.7                                       | 0.0  | -331.2                                 | 2,708.5  | -478.6                             | 897                      | 203                            |
| 2013                          | 3,445.6                               | 339.3                                      | 1.2  | 2.5                                       | 0.0  | -338.0                                 | 3,139.5  | -509.9                             | 1,132                    | 265                            |
| 2014                          | 3,975.5                               | 346.9                                      | 2.0  | 5.1                                       | 0.0  | -343.9                                 | 3,589.3  | -541.2                             | 1,377                    | 337                            |
| 2015                          | 4,534.6                               | 354.1                                      | 2.8  | 8.5                                       | 0.0  | -348.4                                 | 4,056.9  | -572.2                             | 1,633                    | 420                            |
| 2016                          | 5,122.4                               | 360.4                                      | 3.7  | 13.7                                      | 0.0  | -350.5                                 | 4,540.2  | -601.5                             | 1,900                    | 515                            |
| 2017                          | 5,739.2                               | 366.5                                      | 4.7  | 20.4                                      | 0.0  | -350.8                                 | 5,037.8  | -629.8                             | 2,179                    | 623                            |
| 2018                          | 6,385.8                               | 372.4                                      | 5.7  | 28.3                                      | 0.0  | -349.8                                 | 5,549.3  | -658.2                             | 2,470                    | 744                            |
| 2019                          | 7,062.9                               | 378.3                                      | 6.8  | 37.6                                      | 0.0  | -347.6                                 | 6,073.7  | -686.1                             | 2,773                    | 879                            |
| 2020                          | 7,770.6                               | 384.2                                      | 8.0  | 48.4                                      | 0.0  | -343.7                                 | 6,610.0  | -713.2                             | 3,088                    | 1,031                          |
| 2021                          | 8,509.3                               | 390.0                                      | 9.2  | 60.5                                      | 0.0  | -338.7                                 | 7,157.1  | -739.7                             | 3,417                    | 1,198                          |
| 2022                          | 9,279.2                               | 395.8                                      | 10.5   | 73.8                                      | 0.0  | -332.5                                 | 7,714.3  | -765.7                             | 3,760                    | 1,384                          |
| 2023                          | 10,080.6                              | 401.6                                      | 11.9   | 88.1                                      | 0.0  | -325.4                                 | 8,280.9  | -791.2                             | 4,117                    | 1,587                          |
| 2024                          | 10,913.6                              | 407.5                                      | 13.3   | 103.8                                     | 0.0  | -317.0                                 | 8,855.8  | -816.1                             | 4,488                    | 1,811                          |
| 2025                          | 11,778.1                              | 413.3                                      | 14.9   | 120.7                                     | 0.0  | -307.5                                 | 9,438.3  | -840.4                             | 4,874                    | 2,054                          |
| 2026                          | 12,674.2                              | 419.1                                      | 16.5   | 138.8                                     | 0.0  | -296.9                                 | 10,027.3   | -863.9                             | 5,276                    | 2,320                          |
| 2027                          | 13,601.7                              | 425.1                                      | 18.2   | 158.6                                     | 0.0  | -284.7                                 | 10,621.3   | -886.1                             | 5,693                    | 2,608                          |
| 2028                          | 14,560.4                              | 431.1                                      | 19.8   | 180.1                                     | 0.0  | -270.8                                 | 11,218.9   | -906.9                             | 6,128                    | 2,921                          |
| 2029                          | 15,550.2                              | 437.3                                      | 21.4   | 202.7                                     | 0.0  | -256.0                                 | 11,819.1   | -927.0                             | 6,579                    | 3,259                          |
| 2030                          | 16,570.6                              | 443.6                                      | 23.0   | 226.5                                     | 0.0  | -240.1                                 | 12,420.9   | -946.1                             | 7,049                    | 3,623                          |
| 2031                          | 17,621.2                              | 450.0                                      | 24.5   | 251.2                                     | 0.0  | -223.3                                 | 13,023.6   | -964.4                             | 7,537                    | 4,015                          |
| 2032                          | 18,701.3                              | 456.6                                      | 26.0   | 277.0                                     | 0.0  | -205.5                                 | 13,626.0   | -981.7                             | 8,044                    | 4,436                          |
| 2033                          | 19,810.1                              | 463.2                                      | 27.4   | 303.8                                     | 0.0  | -186.9                                 | 14,227.2   | -998.1                             | 8,571                    | 4,887                          |
| 2034                          | 20,946.7                              | 469.9                                      | 28.8   | 331.4                                     | 0.0  | -167.3                                 | 14,826.3   | -1,013.5                           | 9,118                    | 5,370                          |
| 2035                          | 22,110.0                              | 476.7                                      | 30.8   | 360.0                                     | 0.0  | -147.5                                 | 15,423.0   | -1,028.6                           | 9,687                    | 5,886                          |
| 2036                          | 23,298.7                              | 483.5                                      | 32.7   | 389.5                                     | 0.0  | -126.8                                 | 16,016.3   | -1,042.5                           | 10,277                   | 6,436                          |
| 2037                          | 24,511.2                              | 490.5                                      | 34.6   | 420.0                                     | 0.0  | -105.1                                 | 16,605.1   | -1,055.2                           | 10,890                   | 7,022                          |
| 2038                          | 25,746.1                              | 497.4                                      | 36.4   | 451.4                                     | 0.0  | -82.4                                  | 17,188.1   | -1,066.7                           | 11,526                   | 7,645                          |
| 2039                          | 27,001.3                              | 504.5                                      | 38.1   | 484.0                                     | 0.0  | -58.6                                  | 17,764.2   | -1,076.7                           | 12,186                   | 8,307                          |
| 2040                          | 28,274.8                              | 511.6                                      | 39.7   | 517.8                                     | 0.0  | -33.5                                  | 18,331.6   | -1,084.8                           | 12,871                   | 9,009                          |
| 2041                          | 29,564.1                              | 518.7                                      | 41.2   | 553.1                                     | 0.0  | -6.8                                   | 18,888.5   | -1,090.9                           | 13,581                   | 9,752                          |
| 2042                          | 30,866.7                              | 525.9                                      | 42.5   | 590.1                                     | 0.0  | 21.6                                   | 19,432.9   | -1,094.5                           | 14,318                   | 10,538                         |
| 2043                          | 32,179.5                              | 533.1                                      | 43.8   | 628.7                                     | 0.0  | 51.8                                   | 19,962.5   | -1,095.6                           | 15,082                   | 11,368                         |
| 2044                          | 33,499.4                              | 540.4                                      | 44.8   | 669.3                                     | 0.0  | 84.0                                   | 20,474.8   | -1,093.7                           | 15,874                   | 12,243                         |
| 2045                          | 34,822.6                              | 547.7                                      | 46.7   | 711.6                                     | 0.0  | 117.2                                  | 20,968.4   | -1,089.9                           | 16,695                   | 13,166                         |
| 2046                          | 36,148.3                              | 555.1                                      | 48.4   | 755.9                                     | 0.0  | 152.4                                  | 21,440.4   | -1,082.8                           | 17,546                   | 14,137                         |
| 2047                          | 37,472.5                              | 562.4                                      | 50.0   | 801.9                                     | 0.0  | 189.5                                  | 21,888.4   | -1,072.5                           | 18,428                   | 15,158                         |
| 2048                          | 38,790.5                              | 569.9                                      | 51.4   | 849.1                                     | 0.0  | 227.8                                  | 22,310.5   | -1,059.5                           | 19,342                   | 16,230                         |
| 2049                          | 40,091.3                              | 577.4                                      | 52.9   | 897.4                                     | 0.0  | 267.1                                  | 22,704.7   | -1,044.1                           | 20,288                   | 17,354                         |
| 2050                          | 41,371.4                              | 585.0                                      | 54.2   | 946.6                                     | 0.0  | 307.5                                  | 23,069.2   | -1,025.8                           | 21,269                   | 18,531                         |
| 2051                          | 42,630.5                              | 592.6                                      | 55.0   | 996.7                                     | 0.0  | 349.1                                  | 23,401.7   | -1,004.5                           | 22,284                   | 19,763                         |
| 2052                          | 43,865.5                              | 600.4                                      | 55.6   | 1,047.1                                   | 0.0  | 391.2                                  | 23,700.8   | -980.7                             | 23,336                   | 21,051                         |
| 2053                          | 45,089.1                              | 608.2                                      | 55.2   | 1,096.9                                   | 0.0  | 433.5                                  | 23,965.4   | -954.8                             | 24,424                   | 22,397                         |
| 2054                          | 46,300.2                              | 616.2                                      | 54.5   | 1,146.1                                   | 0.0  | 475.4                                  | 24,194.6   | -927.3                             | 25,552                   | 23,802                         |
| 2055                          | 47,497.8                              | 624.2                                      | 55.5   | 1,194.5                                   | 6.6  | 508.2                                  | 24,397.0   | -907.1                             | 26,719                   | 25,267                         |
| 2056                          | 48,681.0                              | 632.4                                      | 56.2   | 1,242.3                                   | 32.1   | 521.5                                  | 24,591.7   | -905.3                             | 27,927                   | 26,794                         |
| 2057                          | 49,849.2                              | 640.8                                      | 56.9   | 1,289.3                                   | 56.8   | 534.8                                  | 24,778.6   | -903.2                             | 29,177                   | 28,386                         |
| 2058                          | 51,001.6                              | 649.2                                      | 57.3   | 1,334.8                                   | 80.5   | 547.7                                  | 24,957.8   | -900.9                             | 30,471                   | 30,042                         |
| 2059                          | 52,137.9                              | 657.8                                      | 57.6   | 1,378.7                                   | 103.0  | 560.4                                  | 25,129.4   | -898.5                             | 31,810                   | 31,766                         |
| 2060                          | 53,257.7                              | 666.5                                      | 57.6   | 1,421.2                                   | 124.2  | 572.9                                  | 25,293.2   | -895.7                             | 33,196                   | 33,559                         |
| 2061                          | 54,360.8                              | 675.3                                      | 57.5   | 1,462.4                                   | 144.2  | 585.4                                  | 25,449.0   | -892.5                             | 34,630                   | 35,422                         |
| 2062                          | 55,447.2                              | 684.2                                      | 57.2   | 1,502.9                                   | 163.2  | 598.3                                  | 25,596.2   | -888.4                             | 36,113                   | 37,358                         |
| 2063                          | 56,517.0                              | 693.1                                      | 56.7   | 1,542.7                                   | 181.0  | 611.9                                  | 25,733.9   | -883.2                             | 37,648                   | 39,368                         |
| 2064                          | 57,570.7                              | 702.2                                      | 56.0   | 1,581.4                                   | 197.5  | 625.6                                  | 25,861.5   | -877.1                             | 39,235                   | 41,455                         |
| 2065                          | 58,608.8                              | 711.4                                      | 57.0   | 1,619.4                                   | 211.3  | 639.7                                  | 25,978.5   | -870.2                             | 40,877                   | 43,620                         |
| 2066                          | 59,631.8                              | 720.7                                      | 57.9   | 1,656.9                                   | 224.2  | 654.1                                  | 26,084.1   | -862.3                             | 42,576                   | 45,865                         |
| 2067                          | 60,640.7                              | 730.0                                      | 58.7   | 1,694.2                                   | 236.3  | 669.1                                  | 26,177.4   | -853.1                             | 44,332                   | 48,194                         |
| 2068                          | 61,636.5                              | 739.5                                      | 59.4   | 1,731.5                                   | 247.9  | 684.6                                  | 26,257.6   | -842.6                             | 46,148                   | 50,608                         |
| 2069                          | 62,620.4                              | 749.1                                      | 60.1   | 1,768.1                                   | 258.6  | 700.4                                  | 26,323.9   | -831.1                             | 48,025                   | 53,109                         |
| 2070                          | 63,593.4                              | 758.7                                      | 60.7   | 1,804.4                                   | 268.5  | 716.6                                  | 26,375.6   | -818.4                             | 49,967                   | 55,700                         |
| 2071                          | 64,557.1                              | 768.5                                      | 61.2   | 1,840.3                                   | 277.6  | 733.1                                  | 26,411.8   | -804.4                             | 51,974                   | 58,384                         |
| 2072                          | 65,512.8                              | 778.3                                      | 61.6   | 1,875.9                                   | 286.1  | 749.8                                  | 26,431.9   | -789.3                             | 54,048                   | 61,163                         |
| 2073                          | 66,461.9                              | 788.3                                      | 61.9   | 1,911.2                                   | 294.1  | 766.9                                  | 26,434.9   | -772.9                             | 56,193                   | 64,039                         |
| 2074                          | 67,405.9                              | 798.3                                      | 62.2   | 1,946.2                                   | 301.5  | 784.2                                  | 26,420.3   | -755.3                             | 58,409                   | 67,017                         |
| 2075                          | 68,346.2                              | 808.5                                      | 62.4   | 1,981.1                                   | 308.5  | 801.7                                  | 26,387.1   | -736.3                             | 60,700                   | 70,099                         |
| 2076                          | 69,284.2                              | 818.8                                      | 62.6   | 2,015.9                                   | 315.1  | 819.5                                  | 26,334.7   | -716.1                             | 63,067                   | 73,287                         |
| 2077                          | 70,221.1                              | 829.2                                      | 62.6   | 2,050.6                                   | 321.4  | 837.3                                  | 26,262.2   | -694.6                             | 65,513                   | 76,586                         |
| 2078                          | 71,158.2                              | 839.7                                      | 62.7   | 2,085.2                                   | 327.4  | 855.5                                  | 26,169.0   | -671.7                             | 68,041                   | 79,988                         |

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

Ultimate Real Yield Rate of IA  
Annuity Yield

5.2  
5.2

1/ General Fund Transfers to the Trust Funds have no effect on  
the Unified Budget. See memorandum for discussion.

Office of the Actuary  
Social Security Administration  
Revised -- December 8, 2003

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

|      | <u>Ferrara Proposal</u> |   |              |              | <u>Theoretical Social Security with PAYGO Transfers</u> |   |              |              |
|------|-------------------------|---|--------------|--------------|---|---|--------------|--------------|
|      |                         | Net Amount of Cash-Flow from the OASDI Trust Funds to the General Fund of the Treasury During the Year 1/ |              |              |   | Net Amount of Cash-Flow from the OASDI Trust Funds to the General Fund of the Treasury During the Year 1/ |              |              |
|      | % of Pysl               | Billions of Dollars ---   |              |              | % of Pysl   | Billions of Dollars ---   |              |              |
|      |                         | Current \$  | PV Jan 1, 03 | Const 2003\$ |   | Current \$  | PV Jan 1, 03 | Const 2003\$ |
| 2003 | 1.8                     | 78  | 76           | 78           | 1.8   | 78  | 76           | 78           |
| 2004 | 1.8                     | 84  | 77           | 82           | 1.8   | 84  | 77           | 82           |
| 2005 | -3.4                    | -167  | -144         | -159         | 2.0   | 95  | 82           | 91           |
| 2006 | -3.7                    | -189  | -154         | -175         | 2.0   | 104   | 84           | 96           |
| 2007 | -3.8                    | -204  | -156         | -183         | 2.0   | 111   | 85           | 100          |
| 2008 | -3.9                    | -224  | -161         | -195         | 2.0   | 113   | 82           | 99           |
| 2009 | -4.1                    | -247  | -167         | -209         | 1.9   | 113   | 77           | 96           |
| 2010 | -4.3                    | -272  | -173         | -223         | 1.8   | 111   | 71           | 91           |
| 2011 | -4.5                    | -298  | -179         | -237         | 1.6   | 108   | 65           | 86           |
| 2012 | -4.7                    | -328  | -185         | -254         | 1.4   | 100   | 56           | 77           |
| 2013 | -5.0                    | -362  | -193         | -272         | 1.2   | 88  | 47           | 66           |
| 2014 | -5.3                    | -398  | -200         | -290         | 1.0   | 73  | 37           | 53           |
| 2015 | -5.5                    | -436  | -206         | -309         | 0.7   | 55  | 26           | 39           |
| 2016 | -5.8                    | -477  | -212         | -328         | 0.4   | 33  | 15           | 23           |
| 2017 | -6.0                    | -519  | -218         | -346         | 0.1   | 7   | 3            | 4            |
| 2018 | -6.2                    | -563  | -223         | -365         | -0.3  | -23   | -9           | -15          |
| 2019 | -6.4                    | -608  | -227         | -382         | -0.6  | -56   | -21          | -35          |
| 2020 | -6.6                    | -655  | -230         | -400         | -0.9  | -92   | -33          | -56          |
| 2021 | -6.8                    | -704  | -233         | -417         | -1.3  | -133  | -44          | -79          |
| 2022 | -7.0                    | -753  | -235         | -434         | -1.6  | -176  | -55          | -101         |
| 2023 | -7.1                    | -800  | -235         | -447         | -1.9  | -218  | -64          | -122         |
| 2024 | -7.2                    | -846  | -235         | -459         | -2.2  | -263  | -73          | -143         |
| 2025 | -7.3                    | -893  | -234         | -470         | -2.5  | -310  | -81          | -163         |
| 2026 | -7.3                    | -937  | -231         | -480         | -2.8  | -358  | -88          | -183         |
| 2027 | -7.3                    | -980  | -228         | -487         | -3.1  | -409  | -95          | -203         |
| 2028 | -7.3                    | -1,021  | -224         | -492         | -3.3  | -461  | -101         | -222         |
| 2029 | -7.2                    | -1,058  | -219         | -495         | -3.5  | -513  | -106         | -240         |
| 2030 | -7.2                    | -1,092  | -213         | -496         | -3.7  | -565  | -110         | -257         |
| 2031 | -7.0                    | -1,121  | -206         | -495         | -3.9  | -617  | -113         | -272         |
| 2032 | -6.9                    | -1,146  | -198         | -491         | -4.0  | -669  | -116         | -286         |
| 2033 | -6.7                    | -1,166  | -190         | -485         | -4.1  | -719  | -117         | -299         |
| 2034 | -6.5                    | -1,181  | -182         | -477         | -4.2  | -770  | -118         | -311         |
| 2035 | -6.3                    | -1,192  | -173         | -467         | -4.3  | -819  | -119         | -321         |
| 2036 | -6.0                    | -1,198  | -164         | -456         | -4.4  | -869  | -119         | -331         |
| 2037 | -5.8                    | -1,198  | -154         | -443         | -4.4  | -917  | -118         | -339         |
| 2038 | -5.5                    | -1,191  | -145         | -427         | -4.5  | -966  | -117         | -347         |
| 2039 | -5.2                    | -1,178  | -135         | -410         | -4.5  | -1,015  | -116         | -353         |
| 2040 | -4.9                    | -1,158  | -125         | -392         | -4.5  | -1,065  | -115         | -360         |
| 2041 | -4.6                    | -1,131  | -115         | -372         | -4.5  | -1,117  | -113         | -367         |
| 2042 | -4.3                    | -1,097  | -105         | -350         | -4.5  | -1,171  | -112         | -373         |
| 2043 | -3.9                    | -1,056  | -95          | -327         | -4.6  | -1,230  | -111         | -381         |
| 2044 | -3.6                    | -1,006  | -86          | -302         | -4.6  | -1,292  | -110         | -388         |
| 2045 | -3.2                    | -950  | -76          | -277         | -4.6  | -1,360  | -109         | -397         |
| 2046 | -2.9                    | -886  | -67          | -251         | -4.7  | -1,433  | -108         | -406         |
| 2047 | -2.5                    | -812  | -58          | -223         | -4.7  | -1,510  | -108         | -415         |
| 2048 | -2.2                    | -730  | -49          | -195         | -4.8  | -1,593  | -107         | -425         |
| 2049 | -1.8                    | -640  | -41          | -166         | -4.8  | -1,681  | -106         | -436         |
| 2050 | -1.5                    | -543  | -32          | -137         | -4.9  | -1,776  | -106         | -447         |
| 2051 | -1.2                    | -438  | -25          | -107         | -5.0  | -1,878  | -106         | -459         |
| 2052 | -0.8                    | -327  | -17          | -78          | -5.0  | -1,989  | -105         | -472         |
| 2053 | -0.5                    | -210  | -10          | -48          | -5.1  | -2,105  | -105         | -485         |
| 2054 | -0.2                    | -88   | -4           | -20          | -5.2  | -2,227  | -105         | -498         |
| 2055 | 0.0                     | -1  | 0            | 0            | -5.2  | -2,356  | -105         | -511         |
| 2056 | 0.0                     | -1  | 0            | 0            | -5.3  | -2,490  | -104         | -525         |
| 2057 | 0.0                     | -1  | 0            | 0            | -5.4  | -2,630  | -104         | -538         |
| 2058 | 0.0                     | -1  | 0            | 0            | -5.4  | -2,775  | -103         | -551         |
| 2059 | 0.0                     | -1  | 0            | 0            | -5.5  | -2,924  | -103         | -564         |
| 2060 | 0.0                     | -1  | 0            | 0            | -5.5  | -3,079  | -102         | -577         |
| 2061 | 0.0                     | -1  | 0            | 0            | -5.6  | -3,240  | -101         | -589         |
| 2062 | 0.0                     | -1  | 0            | 0            | -5.6  | -3,411  | -100         | -602         |
| 2063 | 0.0                     | -2  | 0            | 0            | -5.7  | -3,592  | -99          | -616         |
| 2064 | 0.0                     | -2  | 0            | 0            | -5.7  | -3,782  | -99          | -629         |
| 2065 | 0.0                     | -2  | 0            | 0            | -5.8  | -3,984  | -98          | -644         |
| 2066 | 0.0                     | -2  | 0            | 0            | -5.8  | -4,196  | -97          | -658         |
| 2067 | 0.0                     | -2  | 0            | 0            | -5.9  | -4,422  | -97          | -673         |
| 2068 | 0.0                     | -2  | 0            | 0            | -6.0  | -4,660  | -96          | -689         |
| 2069 | 0.0                     | -2  | 0            | 0            | -6.0  | -4,910  | -95          | -705         |
| 2070 | 0.0                     | -2  | 0            | 0            | -6.1  | -5,175  | -95          | -721         |
| 2071 | 0.0                     | -2  | 0            | 0            | -6.1  | -5,453  | -94          | -738         |
| 2072 | 0.0                     | -2  | 0            | 0            | -6.2  | -5,745  | -93          | -755         |
| 2073 | 0.0                     | -2  | 0            | 0            | -6.3  | -6,051  | -93          | -772         |
| 2074 | 0.0                     | -2  | 0            | 0            | -6.3  | -6,373  | -92          | -789         |
| 2075 | 0.0                     | -2  | 0            | 0            | -6.4  | -6,711  | -91          | -807         |
| 2076 | 0.0                     | -2  | 0            | 0            | -6.4  | -7,065  | -91          | -825         |
| 2077 | 0.0                     | -3  | 0            | 0            | -6.5  | -7,435  | -90          | -842         |
| 2078 | 0.0                     | -3  | 0            | 0            | -6.6  | -7,825  | -89          | -861         |

Total 2003-77 -7,613  
1/ Equals net investment in special Treasury Bonds by the Trust Funds less the Amount of General Fund transfers included in the proposal (Ferrara) or in the theoretical plan (PAYGO Transfers).

Office of the Actuary  
Social Security Administration  
December 1, 2003



Table 1 d Ferrara Proposal --Specified and Total General Fund Transfers to the OASDI Trust Funds

| Year           | Projected GDP (1) | Proj GDP with 1% less growth for 2005-2012 (2) | Specified GF Trans:                                      |   | Specified Reverse Transfer TF to GF, for AnnBal 1/ (5) | Cumulative Net Transfer from the GF (3)+(4)-(5) cum (6) | Proposal Net Annual Transfers from the GF to the TF |                    |                    |
|----------------|-------------------|--|--|---|--|---|---|--------------------|--------------------|
|                |                   |  | Cut in Fed Govt spend assumed= 20% of diff {(1)-(2)} (3) | Transfer from GF to TF for Corp Tax Recapture (4) |  |   | Billions of PVS 1-1-03 = (3)+(4)-(5) (7)            | Percent of GDP (8) | Percent of Pyl (9) |
| 2004           | 10,531            | 10,531   | 0  | 0   |  | 0   | 0.0   | 0.0                |                    |
| 2005           | 10,494            | 10,441   | 11   | 3   |  | 14  | 0.1   | 0.3                |                    |
| 2006           | 10,456            | 10,299   | 31   | 7   |  | 52  | 0.4   | 0.9                |                    |
| 2007           | 10,407            | 10,149   | 52   | 11  |  | 115   | 0.6   | 1.5                |                    |
| 2008           | 10,334            | 9,977  | 71   | 16  |  | 202   | 0.8   | 2.1                |                    |
| 2009           | 10,247            | 9,794  | 91   | 20  |  | 313   | 1.1   | 2.7                |                    |
| 2010           | 10,150            | 9,604  | 109  | 25  |  | 446   | 1.3   | 3.3                |                    |
| 2011           | 10,047            | 9,412  | 127  | 29  |  | 602   | 1.6   | 3.9                |                    |
| 2012           | 9,935             | 9,214  | 144  | 34  |  | 780   | 1.8   | 4.6                |                    |
| 2013           | 9,818             | 9,105  | 143  | 38  |  | 961   | 1.8   | 4.7                |                    |
| 2014           | 9,696             | 8,992  | 141  | 43  |  | 1,144   | 1.9   | 4.8                |                    |
| 2015           | 9,571             | 8,876  | 139  | 47  |  | 1,331   | 1.9   | 5.0                |                    |
| 2016           | 9,443             | 8,757  | 137  | 52  |  | 1,520   | 2.0   | 5.1                |                    |
| 2017           | 9,319             | 8,643  | 135  | 56  |  | 1,711   | 2.1   | 5.3                |                    |
| 2018           | 9,195             | 8,527  | 134  | 61  |  | 1,905   | 2.1   | 5.4                |                    |
| 2019           | 9,074             | 8,415  | 132  | 65  |  | 2,102   | 2.2   | 5.6                |                    |
| 2020           | 8,951             | 8,301  | 130  | 70  |  | 2,302   | 2.2   | 5.7                |                    |
| 2021           | 8,830             | 8,189  | 128  | 74  |  | 2,505   | 2.3   | 5.9                |                    |
| 2022           | 8,709             | 8,077  | 126  | 79  |  | 2,710   | 2.4   | 6.1                |                    |
| 2023           | 8,589             | 7,965  | 125  | 83  |  | 2,917   | 2.4   | 6.3                |                    |
| 2024           | 8,469             | 7,854  | 123  | 87  |  | 3,128   | 2.5   | 6.4                |                    |
| 2025           | 8,350             | 7,744  | 121  | 91  |  | 3,340   | 2.5   | 6.6                |                    |
| 2026           | 8,234             | 7,636  | 120  | 95  |  | 3,555   | 2.6   | 6.8                |                    |
| 2027           | 8,120             | 7,531  | 118  | 99  |  | 3,773   | 2.7   | 7.0                |                    |
| 2028           | 8,009             | 7,428  | 116  | 103   |  | 3,992   | 2.7   | 7.2                |                    |
| 2029           | 7,900             | 7,327  | 115  | 107   | 3.2  | 4,211   | 2.8   | 7.2                |                    |
| 2030           | 7,793             | 7,228  | 113  | 111   | 11.5   | 4,423   | 2.7   | 7.2                |                    |
| 2031           | 7,689             | 7,131  | 112  | 114   | 20.4   | 4,629   | 2.7   | 7.0                |                    |
| 2032           | 7,586             | 7,035  | 110  | 118   | 29.7   | 4,827   | 2.6   | 6.9                |                    |
| 2033           | 7,484             | 6,941  | 109  | 121   | 39.7   | 5,017   | 2.5   | 6.7                |                    |
| 2034           | 7,384             | 6,848  | 107  | 124   | 50.0   | 5,199   | 2.5   | 6.5                |                    |
| 2035           | 7,285             | 6,756  | 106  | 127   | 60.5   | 5,371   | 2.4   | 6.3                |                    |
| 2036           | 7,187             | 6,665  | 104  | 130   | 71.0   | 5,535   | 2.3   | 6.0                |                    |
| 2037           | 7,090             | 6,575  | 103  | 133   | 81.7   | 5,689   | 2.2   | 5.8                |                    |
| 2038           | 6,994             | 6,486  | 102  | 135   | 92.5   | 5,833   | 2.1   | 5.5                |                    |
| 2039           | 6,899             | 6,398  | 100  | 138   | 103.3  | 5,968   | 2.0   | 5.2                |                    |
| 2040           | 6,804             | 6,310  | 99   | 140   | 114.0  | 6,093   | 1.8   | 4.9                |                    |
| 2041           | 6,710             | 6,223  | 97   | 142   | 124.5  | 6,208   | 1.7   | 4.6                |                    |
| 2042           | 6,617             | 6,136  | 96   | 144   | 135.0  | 6,313   | 1.6   | 4.3                |                    |
| 2043           | 6,524             | 6,050  | 95   | 146   | 145.0  | 6,408   | 1.5   | 3.9                |                    |
| 2044           | 6,432             | 5,965  | 93   | 147   | 154.8  | 6,494   | 1.3   | 3.6                |                    |
| 2045           | 6,340             | 5,880  | 92   | 148   | 164.2  | 6,570   | 1.2   | 3.2                |                    |
| 2046           | 6,249             | 5,796  | 91   | 149   | 173.2  | 6,637   | 1.1   | 2.9                |                    |
| 2047           | 6,159             | 5,712  | 89   | 150   | 181.8  | 6,695   | 0.9   | 2.5                |                    |
| 2048           | 6,070             | 5,629  | 88   | 151   | 190.0  | 6,743   | 0.8   | 2.2                |                    |
| 2049           | 5,982             | 5,548  | 87   | 151   | 197.5  | 6,784   | 0.7   | 1.8                |                    |
| 2050           | 5,895             | 5,467  | 86   | 151   | 204.5  | 6,816   | 0.5   | 1.5                |                    |
| 2051           | 5,809             | 5,387  | 84   | 151   | 211.0  | 6,841   | 0.4   | 1.2                |                    |
| 2052           | 5,724             | 5,308  | 83   | 151   | 216.8  | 6,858   | 0.3   | 0.8                |                    |
| 2053           | 5,640             | 5,230  | 82   | 150   | 222.0  | 6,868   | 0.2   | 0.5                |                    |
| 2054           | 5,558             | 5,154  | 81   | 150   | 226.4  | 6,873   | 0.1   | 0.2                |                    |
| 2055           | 5,476             | 5,079  | 80   | 149   | 228.7  | 6,873   | 0.0   | 0.0                |                    |
| 2056           | 5,397             | 5,005  | 78   | 148   | 226.7  | 6,873   | 0.0   | 0.0                |                    |
| 2057           | 5,319             | 4,932  | 77   | 147   | 224.6  | 6,873   | 0.0   | 0.0                |                    |
| 2058           | 5,242             | 4,861  | 76   | 146   | 222.4  | 6,873   | 0.0   | 0.0                |                    |
| 2059           | 5,166             | 4,791  | 75   | 145   | 220.2  | 6,873   | 0.0   | 0.0                |                    |
| 2060           | 5,091             | 4,721  | 74   | 144   | 217.8  | 6,873   | 0.0   | 0.0                |                    |
| 2061           | 5,017             | 4,653  | 73   | 142   | 215.3  | 6,873   | 0.0   | 0.0                |                    |
| 2062           | 4,944             | 4,585  | 72   | 141   | 212.8  | 6,873   | 0.0   | 0.0                |                    |
| 2063           | 4,873             | 4,519  | 71   | 139   | 210.2  | 6,873   | 0.0   | 0.0                |                    |
| 2064           | 4,802             | 4,453  | 70   | 138   | 207.6  | 6,873   | 0.0   | 0.0                |                    |
| 2065           | 4,732             | 4,388  | 69   | 136   | 204.9  | 6,873   | 0.0   | 0.0                |                    |
| 2066           | 4,663             | 4,324  | 68   | 134   | 202.2  | 6,873   | 0.0   | 0.0                |                    |
| 2067           | 4,594             | 4,261  | 67   | 133   | 199.4  | 6,873   | 0.0   | 0.0                |                    |
| 2068           | 4,527             | 4,198  | 66   | 131   | 196.6  | 6,873   | 0.0   | 0.0                |                    |
| 2069           | 4,460             | 4,136  | 65   | 129   | 193.8  | 6,873   | 0.0   | 0.0                |                    |
| 2070           | 4,394             | 4,075  | 64   | 127   | 191.0  | 6,873   | 0.0   | 0.0                |                    |
| 2071           | 4,329             | 4,015  | 63   | 125   | 188.2  | 6,873   | 0.0   | 0.0                |                    |
| 2072           | 4,265             | 3,955  | 62   | 123   | 185.4  | 6,873   | 0.0   | 0.0                |                    |
| 2073           | 4,202             | 3,897  | 61   | 122   | 182.6  | 6,873   | 0.0   | 0.0                |                    |
| 2074           | 4,139             | 3,839  | 60   | 120   | 179.8  | 6,873   | 0.0   | 0.0                |                    |
| 2075           | 4,078             | 3,782  | 59   | 118   | 177.0  | 6,873   | 0.0   | 0.0                |                    |
| 2076           | 4,017             | 3,725  | 58   | 116   | 174.2  | 6,873   | 0.0   | 0.0                |                    |
| 2077           | 3,957             | 3,670  | 57   | 114   | 171.5  | 6,873   | 0.0   | 0.0                |                    |
| 2078           | 3,898             | 3,615  | 57   | 112   | 168.8  | 6,873   | 0.0   | 0.0                |                    |
| Total: 2003-77 |                   |  | 6,791  | 7,939   | 7,857.4  |   |   |                    |                    |

Based on Intermediate Assumptions of the 2003 Trustees Report.  
1/ Limit reverse transfer to total of specified and recapture transfers.

| Year       | Cost Rate | Income Rate 1/ | Annual Balance | TFR 1-1-yr | Net GF Trans to TF 1/ (%ofPyr1) | Change in OASDI Effective Contrib Rate | Effective OASDI Contrib Rate 2/ | Ben Offset | 100.0 % Cut in Contrib Rate for Annual Balance | IA Contrib Rate--- Redirected from Pyr1Tax |
|------------|-----------|----------------|----------------|------------|---------------------------------|--|---------------------------------|------------|--|--|
| 2003       | 10.89     | 12.70          | 1.81           | 288        |                                 |  |                                 |            |  | 0  |
| 2004       | 10.82     | 12.69          | 1.88           | 309        |                                 |  |                                 |            |  | 0  |
| 2005       | 10.73     | 7.62           | -3.11          | 330        | 0.30                            | -5.38                                  | 7.02                            |            |  | 5.38                                       |
| 2006       | 10.65     | 7.85           | -2.80          | 305        | 0.86                            | -0.32                                  | 6.69                            |            |  | 5.71                                       |
| 2007       | 10.67     | 8.31           | -2.35          | 281        | 1.41                            | -0.11                                  | 6.59                            |            |  | 5.81                                       |
| 2008       | 10.73     | 8.78           | -1.95          | 260        | 1.96                            | -0.10                                  | 6.49                            |            |  | 5.91                                       |
| 2009       | 10.84     | 9.26           | -1.59          | 243        | 2.51                            | -0.09                                  | 6.40                            |            |  | 6.00                                       |
| 2010       | 10.99     | 9.74           | -1.25          | 228        | 3.06                            | -0.08                                  | 6.32                            |            |  | 6.08                                       |
| 2011       | 11.16     | 10.27          | -0.90          | 216        | 3.60                            | -0.06                                  | 6.26                            |            |  | 6.14                                       |
| 2012       | 11.38     | 10.78          | -0.60          | 207        | 4.15                            | -0.05                                  | 6.21                            |            |  | 6.19                                       |
| 2013       | 11.62     | 11.29          | -0.32          | 200        | 4.69                            | -0.04                                  | 6.16                            |            |  | 6.24                                       |
| 2014       | 11.86     | 11.81          | -0.06          | 196        | 5.22                            | -0.04                                  | 6.12                            |            |  | 6.28                                       |
| 2015       | 12.12     | 12.32          | 0.21           | 194        | 5.75                            | -0.03                                  | 6.09                            |            |  | 6.31                                       |
| 2016       | 12.38     | 12.39          | 0.01           | 195        | 5.82                            | -0.02                                  | 6.07                            |            |  | 6.33                                       |
| 2017       | 12.63     | 12.46          | -0.17          | 194        | 5.89                            | -0.01                                  | 6.06                            |            |  | 6.34                                       |
| 2018       | 12.89     | 12.54          | -0.35          | 192        | 5.96                            | -0.01                                  | 6.05                            |            |  | 6.35                                       |
| 2019       | 13.12     | 12.62          | -0.50          | 188        | 6.03                            | -0.01                                  | 6.04                            |            |  | 6.36                                       |
| 2020       | 13.35     | 12.70          | -0.65          | 184        | 6.10                            | -0.01                                  | 6.03                            |            |  | 6.37                                       |
| 2021       | 13.58     | 12.78          | -0.80          | 179        | 6.17                            | -0.01                                  | 6.03                            |            |  | 6.37                                       |
| 2022       | 13.78     | 12.86          | -0.92          | 173        | 6.24                            | -0.01                                  | 6.02                            |            |  | 6.38                                       |
| 2023       | 13.93     | 12.93          | -1.00          | 168        | 6.31                            | 0.00                                   | 6.02                            |            |  | 6.38                                       |
| 2024       | 14.06     | 13.01          | -1.05          | 162        | 6.38                            | 0.00                                   | 6.02                            |            |  | 6.38                                       |
| 2025       | 14.17     | 13.08          | -1.09          | 156        | 6.45                            | 0.00                                   | 6.01                            |            |  | 6.39                                       |
| 2026       | 14.25     | 13.16          | -1.09          | 150        | 6.52                            | 0.00                                   | 6.01                            |            |  | 6.39                                       |
| 2027       | 14.30     | 13.23          | -1.07          | 144        | 6.59                            | 0.00                                   | 6.01                            |            |  | 6.39                                       |
| 2028       | 14.32     | 13.30          | -1.02          | 139        | 6.65                            | 0.00                                   | 6.01                            |            |  | 6.39                                       |
| 2029       | 14.31     | 13.37          | -0.94          | 134        | 6.72                            | 0.00                                   | 6.01                            |            |  | 6.39                                       |
| 2030       | 14.26     | 13.43          | -0.83          | 130        | 6.78                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2031       | 14.18     | 13.49          | -0.69          | 127        | 6.84                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2032       | 14.08     | 13.55          | -0.52          | 125        | 6.91                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2033       | 13.94     | 13.61          | -0.33          | 125        | 6.97                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2034       | 13.79     | 13.66          | -0.13          | 125        | 7.02                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2035       | 13.62     | 13.62          | 0.00           | 128        | 6.99                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2036       | 13.43     | 13.43          | 0.00           | 132        | 6.80                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2037       | 13.22     | 13.22          | 0.00           | 136        | 6.60                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2038       | 13.00     | 12.99          | 0.00           | 140        | 6.39                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2039       | 12.76     | 12.76          | 0.00           | 145        | 6.16                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2040       | 12.52     | 12.51          | 0.00           | 150        | 5.93                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2041       | 12.26     | 12.27          | 0.00           | 156        | 5.70                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2042       | 12.00     | 12.00          | 0.00           | 162        | 5.44                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2043       | 11.74     | 11.74          | 0.00           | 168        | 5.19                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2044       | 11.47     | 11.46          | 0.00           | 175        | 4.93                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2045       | 11.19     | 11.19          | 0.00           | 182        | 4.67                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2046       | 10.92     | 10.91          | 0.00           | 190        | 4.41                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2047       | 10.63     | 10.63          | 0.00           | 198        | 4.14                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2048       | 10.36     | 10.36          | 0.00           | 206        | 3.88                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2049       | 10.09     | 10.09          | 0.00           | 215        | 3.62                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2050       | 9.84      | 9.83           | 0.00           | 224        | 3.38                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2051       | 9.58      | 9.59           | 0.00           | 234        | 3.15                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2052       | 9.34      | 9.34           | 0.00           | 244        | 2.92                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2053       | 9.10      | 9.10           | 0.00           | 255        | 2.68                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2054       | 8.88      | 8.88           | 0.00           | 266        | 2.47                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2055       | 8.66      | 8.66           | 0.00           | 277        | 2.27                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2056       | 8.45      | 8.45           | 0.00           | 288        | 2.07                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2057       | 8.26      | 8.27           | 0.00           | 300        | 1.90                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2058       | 8.09      | 8.09           | 0.00           | 311        | 1.72                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2059       | 7.93      | 7.93           | 0.00           | 323        | 1.57                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2060       | 7.79      | 7.79           | 0.00           | 334        | 1.44                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2061       | 7.67      | 7.67           | 0.00           | 345        | 1.33                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2062       | 7.56      | 7.56           | 0.00           | 355        | 1.22                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2063       | 7.47      | 7.46           | 0.00           | 366        | 1.13                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2064       | 7.39      | 7.39           | 0.00           | 376        | 1.06                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2065       | 7.31      | 7.31           | 0.00           | 386        | 0.99                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2066       | 7.25      | 7.25           | 0.00           | 396        | 0.93                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2067       | 7.20      | 7.20           | 0.00           | 405        | 0.88                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2068       | 7.15      | 7.15           | 0.00           | 415        | 0.84                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2069       | 7.11      | 7.10           | 0.00           | 424        | 0.79                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2070       | 7.07      | 7.07           | 0.00           | 434        | 0.76                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2071       | 7.05      | 7.05           | 0.00           | 443        | 0.73                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2072       | 7.03      | 7.02           | 0.00           | 451        | 0.71                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2073       | 7.01      | 7.01           | 0.00           | 460        | 0.70                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2074       | 7.00      | 7.00           | 0.00           | 469        | 0.69                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2075       | 6.99      | 6.99           | 0.00           | 477        | 0.68                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2076       | 6.99      | 6.98           | 0.00           | 486        | 0.68                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2077       | 6.98      | 6.98           | 0.00           | 494        | 0.67                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| 2078       | 6.98      | 6.98           | 0.00           | 502        | 0.68                            | 0.00                                   | 6.00                            |            |  | 6.40                                       |
| Summarized |           |                |                |            |                                 |  |                                 |            |  |  |
|            | CostRt    | IncRt          | ActBal         | Change in  |                                 |  |                                 |            |  |  |
| 2003       | OASDI     | OASDI          | OASDI          | ActBal     |                                 |  |                                 |            |  |  |
| -2077      | 11.34     | 11.54          | 0.20           | 2.11       |                                 |  |                                 |            |  |  |

Based on Intermediate Assumptions of the 2003 Trustees Report  
With Ult Real Int Rate of 3.00

1/ Includes Specified and CorpTax-based GF Transfers (see table 2.d)

2/ Net payroll tax rate to the Trust Funds; reduced by amount redirected for IA contribution, and cut for 100% TFR

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Table 2 a OASDI Trust Fund under Proposal (Cash Reserve and Assets Net of Borrowing from IAs), Individual Account Assets, and Theoretical OASDI Assets

| Calendar Year | Proposal General Fund Transfers          |                    |                                  |                         | Accumulated GF Transfers at End of Year (4) | Total OASDI Trust Fund Assets at End of Yr (5) | Individual Account Assets 1/ at End of Yr (6) | Theoretical Social Security 2/ with Borrowing Authority; Net OASDI TF Assets End of Yr. |  |
|---------------|--|--------------------|----------------------------------|-------------------------|---|--|---|---|--|
|               | Specified for Slowed FedGov Spending (1) | Corp Tax Recap (2) | Reverse Tran for Ann Balance (3) | Without GF Transfer (7) |   |  |   | With GF Transfer (amount for Ferrara) (8)   |  |
|               | <i>Billions of Constant 2003 Dollars</i> |                    |                                  |                         |   |  |   | <i>Billions of Constant 2003 Dollars</i>  |  |
| 2003          | 0  | 0                  | 0                                | 0                       | 1,543                                       | 0  | 1,543   | 1,543   |  |
| 2004          | 0  | 0                  | 0                                | 0                       | 1,683                                       | 0  | 1,683   | 1,683   |  |
| 2005          | 12                                       | 2                  | 0                                | 14                      | 1,590                                       | 257  | 1,833   | 1,847   |  |
| 2006          | 36                                       | 5                  | 0                                | 57                      | 1,502                                       | 543  | 1,990   | 2,046   |  |
| 2007          | 61                                       | 8                  | 0                                | 129                     | 1,430                                       | 850  | 2,154   | 2,283   |  |
| 2008          | 87                                       | 11                 | 0                                | 234                     | 1,374                                       | 1,177  | 2,323   | 2,557   |  |
| 2009          | 113                                      | 14                 | 0                                | 373                     | 1,333                                       | 1,524  | 2,493   | 2,866   |  |
| 2010          | 141                                      | 18                 | 0                                | 547                     | 1,307                                       | 1,891  | 2,664   | 3,212   |  |
| 2011          | 169                                      | 21                 | 0                                | 760                     | 1,298                                       | 2,277  | 2,835   | 3,595   |  |
| 2012          | 198                                      | 25                 | 0                                | 1,012                   | 1,304                                       | 2,679  | 3,001   | 4,013   |  |
| 2013          | 227                                      | 28                 | 0                                | 1,306                   | 1,325                                       | 3,097  | 3,161   | 4,466   |  |
| 2014          | 257                                      | 32                 | 0                                | 1,643                   | 1,362                                       | 3,530  | 3,312   | 4,954   |  |
| 2015          | 287                                      | 36                 | 0                                | 2,025                   | 1,415                                       | 3,978  | 3,452   | 5,477   |  |
| 2016          | 292                                      | 40                 | 0                                | 2,428                   | 1,458                                       | 4,439  | 3,579   | 6,007   |  |
| 2017          | 297                                      | 44                 | 0                                | 2,851                   | 1,491                                       | 4,912  | 3,691   | 6,542   |  |
| 2018          | 302                                      | 48                 | 0                                | 3,297                   | 1,514                                       | 5,399  | 3,786   | 7,083   |  |
| 2019          | 307                                      | 52                 | 0                                | 3,765                   | 1,529                                       | 5,898  | 3,863   | 7,628   |  |
| 2020          | 311                                      | 57                 | 0                                | 4,258                   | 1,533                                       | 6,409  | 3,921   | 8,178   |  |
| 2021          | 316                                      | 61                 | 0                                | 4,775                   | 1,529                                       | 6,931  | 3,956   | 8,731   |  |
| 2022          | 321                                      | 66                 | 0                                | 5,317                   | 1,515                                       | 7,465  | 3,971   | 9,288   |  |
| 2023          | 327                                      | 71                 | 0                                | 5,886                   | 1,496                                       | 8,010  | 3,964   | 9,850   |  |
| 2024          | 332                                      | 76                 | 0                                | 6,482                   | 1,471                                       | 8,565  | 3,936   | 10,418  |  |
| 2025          | 337                                      | 81                 | 0                                | 7,107                   | 1,443                                       | 9,130  | 3,885   | 10,992  |  |
| 2026          | 342                                      | 86                 | 0                                | 7,760                   | 1,412                                       | 9,704  | 3,813   | 11,573  |  |
| 2027          | 348                                      | 91                 | 0                                | 8,444                   | 1,380                                       | 10,287   | 3,718   | 12,162  |  |
| 2028          | 353                                      | 96                 | 0                                | 9,160                   | 1,351                                       | 10,879   | 3,601   | 12,760  |  |
| 2029          | 359                                      | 101                | 0                                | 9,908                   | 1,325                                       | 11,478   | 3,461   | 13,369  |  |
| 2030          | 364                                      | 106                | 0                                | 10,690                  | 1,305                                       | 12,085   | 3,300   | 13,990  |  |
| 2031          | 370                                      | 111                | 0                                | 11,506                  | 1,294                                       | 12,698   | 3,119   | 14,625  |  |
| 2032          | 376                                      | 117                | 0                                | 12,359                  | 1,294                                       | 13,317   | 2,917   | 15,276  |  |
| 2033          | 382                                      | 122                | 0                                | 13,249                  | 1,308                                       | 13,942   | 2,696   | 15,946  |  |
| 2034          | 389                                      | 127                | 0                                | 14,178                  | 1,338                                       | 14,572   | 2,457   | 16,635  |  |
| 2035          | 395                                      | 133                | 7                                | 15,140                  | 1,378                                       | 15,205   | 2,200   | 17,340  |  |
| 2036          | 401                                      | 138                | 25                               | 16,124                  | 1,419                                       | 15,842   | 1,925   | 18,049  |  |
| 2037          | 408                                      | 143                | 45                               | 17,128                  | 1,461                                       | 16,481   | 1,634   | 18,762  |  |
| 2038          | 414                                      | 149                | 66                               | 18,154                  | 1,505                                       | 17,122   | 1,326   | 19,480  |  |
| 2039          | 421                                      | 154                | 89                               | 19,199                  | 1,549                                       | 17,764   | 1,001   | 20,200  |  |
| 2040          | 428                                      | 159                | 113                              | 20,263                  | 1,595                                       | 18,405   | 661   | 20,924  |  |
| 2041          | 434                                      | 165                | 137                              | 21,347                  | 1,643                                       | 19,045   | 303   | 21,649  |  |
| 2042          | 441                                      | 170                | 164                              | 22,447                  | 1,692                                       | 19,683   | -73   | 22,374  |  |
| 2043          | 448                                      | 175                | 191                              | 23,566                  | 1,743                                       | 20,318   | -467  | 23,099  |  |
| 2044          | 455                                      | 180                | 219                              | 24,702                  | 1,795                                       | 20,948   | -881  | 23,820  |  |
| 2045          | 462                                      | 185                | 247                              | 25,855                  | 1,848                                       | 21,573   | -1,316  | 24,538  |  |
| 2046          | 469                                      | 190                | 277                              | 27,024                  | 1,903                                       | 22,192   | -1,774  | 25,250  |  |
| 2047          | 476                                      | 195                | 308                              | 28,210                  | 1,960                                       | 22,805   | -2,255  | 25,954  |  |
| 2048          | 483                                      | 200                | 338                              | 29,412                  | 2,018                                       | 23,409   | -2,761  | 26,651  |  |
| 2049          | 491                                      | 205                | 368                              | 30,631                  | 2,078                                       | 24,002   | -3,292  | 27,339  |  |
| 2050          | 498                                      | 210                | 398                              | 31,868                  | 2,140                                       | 24,582   | -3,851  | 28,017  |  |
| 2051          | 505                                      | 214                | 428                              | 33,124                  | 2,205                                       | 25,151   | -4,440  | 28,685  |  |
| 2052          | 513                                      | 218                | 458                              | 34,400                  | 2,271                                       | 25,709   | -5,059  | 29,341  |  |
| 2053          | 520                                      | 223                | 488                              | 35,695                  | 2,338                                       | 26,259   | -5,710  | 29,985  |  |
| 2054          | 528                                      | 227                | 517                              | 37,011                  | 2,409                                       | 26,804   | -6,394  | 30,616  |  |
| 2055          | 536                                      | 231                | 546                              | 38,349                  | 2,481                                       | 27,341   | -7,113  | 31,236  |  |
| 2056          | 544                                      | 236                | 575                              | 39,710                  | 2,555                                       | 27,873   | -7,863  | 31,843  |  |
| 2057          | 552                                      | 240                | 603                              | 41,097                  | 2,632                                       | 28,398   | -8,657  | 32,439  |  |
| 2058          | 561                                      | 244                | 630                              | 42,509                  | 2,710                                       | 28,918   | -9,485  | 33,025  |  |
| 2059          | 569                                      | 248                | 656                              | 43,951                  | 2,790                                       | 29,433   | -10,350                                       | 33,601  |  |
| 2060          | 578                                      | 252                | 680                              | 45,424                  | 2,873                                       | 29,943   | -11,255                                       | 34,170  |  |
| 2061          | 587                                      | 256                | 703                              | 46,932                  | 2,959                                       | 30,448   | -12,199                                       | 34,732  |  |
| 2062          | 595                                      | 260                | 725                              | 48,474                  | 3,048                                       | 30,949   | -13,185                                       | 35,289  |  |
| 2063          | 604                                      | 264                | 746                              | 50,054                  | 3,139                                       | 31,447   | -14,215                                       | 35,840  |  |
| 2064          | 613                                      | 268                | 765                              | 51,676                  | 3,233                                       | 31,941   | -15,289                                       | 36,387  |  |
| 2065          | 623                                      | 272                | 785                              | 53,339                  | 3,329                                       | 32,433   | -16,411                                       | 36,928  |  |
| 2066          | 632                                      | 276                | 804                              | 55,047                  | 3,428                                       | 32,922   | -17,581                                       | 37,466  |  |
| 2067          | 641                                      | 280                | 821                              | 56,802                  | 3,531                                       | 33,410   | -18,802                                       | 38,000  |  |
| 2068          | 651                                      | 284                | 838                              | 58,605                  | 3,637                                       | 33,896   | -20,076                                       | 38,530  |  |
| 2069          | 661                                      | 288                | 856                              | 60,458                  | 3,745                                       | 34,382   | -21,404                                       | 39,055  |  |
| 2070          | 670                                      | 292                | 872                              | 62,365                  | 3,858                                       | 34,868   | -22,789                                       | 39,577  |  |
| 2071          | 680                                      | 296                | 888                              | 64,327                  | 3,973                                       | 35,354   | -24,232                                       | 40,095  |  |
| 2072          | 690                                      | 300                | 903                              | 66,346                  | 4,091                                       | 35,841   | -25,736                                       | 40,610  |  |
| 2073          | 700                                      | 304                | 918                              | 68,425                  | 4,214                                       | 36,329   | -27,303                                       | 41,122  |  |
| 2074          | 711                                      | 308                | 933                              | 70,567                  | 4,340                                       | 36,820   | -28,935                                       | 41,632  |  |
| 2075          | 721                                      | 312                | 947                              | 72,772                  | 4,470                                       | 37,312   | -30,634                                       | 42,138  |  |
| 2076          | 732                                      | 316                | 961                              | 75,044                  | 4,603                                       | 37,808   | -32,402                                       | 42,642  |  |
| 2077          | 742                                      | 320                | 975                              | 77,386                  | 4,741                                       | 38,306   | -34,242                                       | 43,144  |  |
| 2078          | 753                                      | 324                | 989                              | 79,798                  | 4,883                                       | 38,808   | -36,156                                       | 43,643  |  |

Based on Intermediate Assumptions of the 2003 Trustees Report.

1/ Including annuity assets, assuming all annuitize fully.

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

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Table 2 b IA Assets & Contributions, OASI Benefit Changes, & Total Unified Budget Effect--Plus Cumulative GF Transfers 1/

| Year                          | IA+Annuity Balance at End of Year (1) | Amount Contrib to IA: % by Fed Gov 100 (2) | Cost to guar OASDI +IA benefits at PLSched (3) | Ave IA Cntrb OASI Benefit Cut for IA Participation (4) | 6.4 % Cut in Contrib Rate for AnnBal (5) | Change in Annual UnifBudg CashFlow (6) | Benefit Offset Change in Debt Held by the Public (EOY) (7) | 100.0 % Change in Ann UnifBudg Balance (8) | Cumulative Transfers                  |                                |
|-------------------------------|---------------------------------------|--|--|--|--|--|--|--|---------------------------------------|--------------------------------|
|                               |                                       |  |  |  |  |  |  |  | Based on Fed Spending Slowdown 1/ (9) | Based on CorpTax Recap 1/ (10) |
| (Billions of Constant 2003\$) |                                       |  |  |  |  |  |  |  |                                       |                                |
| 2004                          | 0.0                                   | 0.0  | 0.0  | 0.0  | 0.0                                      | 0.0                                    | 0.0  | 0.0  | 0                                     | 0                              |
| 2005                          | 256.6                                 | 249.3                                      | 0.0  | 0.0  | 0.0                                      | -249.3                                 | 256.9  | -256.9                                     | 12                                    | 2                              |
| 2006                          | 543.3                                 | 271.3                                      | 0.0  | 0.0  | 0.0                                      | -271.3                                 | 544.6  | -295.0                                     | 49                                    | 8                              |
| 2007                          | 850.0                                 | 282.8                                      | 0.0  | 0.0  | 0.0                                      | -282.8                                 | 853.0  | -324.3                                     | 113                                   | 16                             |
| 2008                          | 1,177.0                               | 293.8                                      | 0.0  | 0.0  | 0.0                                      | -293.8                                 | 1,182.7  | -354.4                                     | 206                                   | 28                             |
| 2009                          | 1,524.0                               | 304.3                                      | 0.0  | 0.0  | 0.0                                      | -304.3                                 | 1,533.1  | -385.0                                     | 329                                   | 44                             |
| 2010                          | 1,891.3                               | 314.4                                      | 0.0  | 0.0  | 0.0                                      | -314.4                                 | 1,904.9  | -416.3                                     | 484                                   | 63                             |
| 2011                          | 2,277.3                               | 323.3                                      | 0.1  | 0.0  | 0.0                                      | -323.3                                 | 2,296.8  | -447.4                                     | 673                                   | 87                             |
| 2012                          | 2,679.4                               | 331.3                                      | 1.1  | 0.7  | 0.0                                      | -331.7                                 | 2,709.1  | -479.2                                     | 897                                   | 115                            |
| 2013                          | 3,097.3                               | 339.3                                      | 2.4  | 2.5  | 0.0                                      | -339.2                                 | 3,141.4  | -511.2                                     | 1,158                                 | 147                            |
| 2014                          | 3,530.4                               | 346.9                                      | 3.8  | 5.0  | 0.0                                      | -345.7                                 | 3,593.1  | -543.2                                     | 1,458                                 | 185                            |
| 2015                          | 3,977.9                               | 354.1                                      | 5.4  | 8.4  | 0.0                                      | -351.1                                 | 4,063.6  | -575.1                                     | 1,798                                 | 227                            |
| 2016                          | 4,438.8                               | 360.4                                      | 7.1  | 13.5   | 0.0                                      | -354.0                                 | 4,550.7  | -605.5                                     | 2,153                                 | 275                            |
| 2017                          | 4,912.3                               | 366.5                                      | 9.1  | 20.2   | 0.0                                      | -355.5                                 | 5,053.4  | -635.2                                     | 2,523                                 | 328                            |
| 2018                          | 5,398.7                               | 372.4                                      | 11.3   | 28.0   | 0.0                                      | -355.7                                 | 5,571.3  | -665.1                                     | 2,909                                 | 388                            |
| 2019                          | 5,897.5                               | 378.3                                      | 13.7   | 37.2   | 0.0                                      | -354.8                                 | 6,104.0  | -694.9                                     | 3,312                                 | 453                            |
| 2020                          | 6,408.5                               | 384.2                                      | 16.4   | 48.0   | 0.0                                      | -352.6                                 | 6,650.2  | -724.1                                     | 3,733                                 | 525                            |
| 2021                          | 6,931.1                               | 390.0                                      | 19.3   | 60.1   | 0.0                                      | -349.3                                 | 7,209.5  | -753.0                                     | 4,171                                 | 604                            |
| 2022                          | 7,465.1                               | 395.8                                      | 22.5   | 73.2   | 0.0                                      | -345.1                                 | 7,781.2  | -781.7                                     | 4,627                                 | 690                            |
| 2023                          | 8,009.8                               | 401.6                                      | 25.9   | 87.5   | 0.0                                      | -340.0                                 | 8,364.8  | -810.3                                     | 5,102                                 | 784                            |
| 2024                          | 8,564.9                               | 407.5                                      | 29.5   | 103.0  | 0.0                                      | -333.9                                 | 8,959.7  | -838.5                                     | 5,597                                 | 886                            |
| 2025                          | 9,129.9                               | 413.3                                      | 33.4   | 119.8  | 0.0                                      | -326.9                                 | 9,565.2  | -866.4                                     | 6,111                                 | 995                            |
| 2026                          | 9,704.2                               | 419.1                                      | 37.5   | 137.8  | 0.0                                      | -318.9                                 | 10,180.6   | -894.0                                     | 6,647                                 | 1,113                          |
| 2027                          | 10,287.4                              | 425.1                                      | 41.9   | 157.4  | 0.0                                      | -309.5                                 | 10,804.9   | -920.8                                     | 7,204                                 | 1,240                          |
| 2028                          | 10,878.9                              | 431.1                                      | 46.5   | 178.8  | 0.0                                      | -298.9                                 | 11,436.8   | -946.7                                     | 7,784                                 | 1,376                          |
| 2029                          | 11,478.2                              | 437.3                                      | 51.4   | 201.2  | 0.0                                      | -287.5                                 | 12,076.0   | -972.3                                     | 8,387                                 | 1,521                          |
| 2030                          | 12,084.8                              | 443.6                                      | 56.5   | 224.8  | 0.0                                      | -275.3                                 | 12,721.9   | -997.6                                     | 9,014                                 | 1,675                          |
| 2031                          | 12,698.0                              | 450.0                                      | 62.0   | 249.4  | 0.0                                      | -262.6                                 | 13,374.0   | -1,022.7                                   | 9,666                                 | 1,840                          |
| 2032                          | 13,317.4                              | 456.6                                      | 67.6   | 274.9  | 0.0                                      | -249.2                                 | 14,032.0   | -1,047.5                                   | 10,344                                | 2,016                          |
| 2033                          | 13,942.2                              | 463.2                                      | 73.6   | 301.4  | 0.0                                      | -235.3                                 | 14,695.3   | -1,072.0                                   | 11,048                                | 2,202                          |
| 2034                          | 14,571.8                              | 469.9                                      | 79.8   | 328.8  | 0.0                                      | -220.8                                 | 15,363.6   | -1,096.3                                   | 11,780                                | 2,399                          |
| 2035                          | 15,205.4                              | 476.7                                      | 86.8   | 357.1  | 0.0                                      | -206.3                                 | 16,037.0   | -1,120.9                                   | 12,540                                | 2,607                          |
| 2036                          | 15,842.1                              | 483.5                                      | 94.1   | 386.4  | 0.0                                      | -191.3                                 | 16,715.2   | -1,145.2                                   | 13,329                                | 2,827                          |
| 2037                          | 16,481.3                              | 490.5                                      | 101.8  | 416.5  | 0.0                                      | -175.8                                 | 17,397.6   | -1,169.3                                   | 14,149                                | 3,060                          |
| 2038                          | 17,122.1                              | 497.4                                      | 109.9  | 447.6  | 0.0                                      | -159.7                                 | 18,084.0   | -1,193.1                                   | 15,000                                | 3,305                          |
| 2039                          | 17,763.7                              | 504.5                                      | 118.3  | 479.9  | 0.0                                      | -142.9                                 | 18,773.8   | -1,216.4                                   | 15,884                                | 3,562                          |
| 2040                          | 18,405.0                              | 511.6                                      | 127.0  | 513.3  | 0.0                                      | -125.3                                 | 19,466.0   | -1,239.1                                   | 16,801                                | 3,833                          |
| 2041                          | 19,045.1                              | 518.7                                      | 136.1  | 548.2  | 0.0                                      | -106.6                                 | 20,159.9   | -1,260.8                                   | 17,752                                | 4,118                          |
| 2042                          | 19,683.0                              | 525.9                                      | 145.6  | 584.7  | 0.0                                      | -86.8                                  | 20,854.1   | -1,281.4                                   | 18,739                                | 4,416                          |
| 2043                          | 20,317.7                              | 533.1                                      | 155.4  | 622.9  | 0.0                                      | -65.7                                  | 21,547.4   | -1,300.7                                   | 19,763                                | 4,729                          |
| 2044                          | 20,948.0                              | 540.4                                      | 165.7  | 662.9  | 0.0                                      | -43.2                                  | 22,238.2   | -1,318.5                                   | 20,824                                | 5,057                          |
| 2045                          | 21,572.9                              | 547.7                                      | 176.5  | 704.8  | 0.0                                      | -19.5                                  | 22,925.4   | -1,334.9                                   | 21,925                                | 5,400                          |
| 2046                          | 22,192.1                              | 555.1                                      | 187.4  | 748.6  | 0.0                                      | 6.1                                    | 23,606.9   | -1,349.2                                   | 23,065                                | 5,758                          |
| 2047                          | 22,804.5                              | 562.4                                      | 198.7  | 794.0  | 0.0                                      | 32.8                                   | 24,281.3   | -1,362.0                                   | 24,248                                | 6,132                          |
| 2048                          | 23,408.9                              | 569.9                                      | 210.5  | 840.6  | 0.0                                      | 60.2                                   | 24,947.8   | -1,373.6                                   | 25,473                                | 6,522                          |
| 2049                          | 24,001.6                              | 577.4                                      | 223.6  | 888.3  | 0.0                                      | 87.3                                   | 25,606.2   | -1,385.1                                   | 26,742                                | 6,928                          |
| 2050                          | 24,582.2                              | 585.0                                      | 236.8  | 936.9  | 0.0                                      | 115.1                                  | 26,255.8   | -1,395.4                                   | 28,057                                | 7,352                          |
| 2051                          | 25,151.3                              | 592.6                                      | 249.7  | 986.3  | 0.0                                      | 144.0                                  | 26,895.2   | -1,404.1                                   | 29,419                                | 7,793                          |
| 2052                          | 25,708.7                              | 600.4                                      | 262.7  | 1,036.0  | 0.0                                      | 172.9                                  | 27,523.9   | -1,412.1                                   | 30,830                                | 8,252                          |
| 2053                          | 26,259.4                              | 608.2                                      | 274.0  | 1,085.2  | 0.0                                      | 203.0                                  | 28,140.6   | -1,418.3                                   | 32,291                                | 8,729                          |
| 2054                          | 26,803.5                              | 616.2                                      | 285.3  | 1,133.7  | 0.0                                      | 232.3                                  | 28,745.6   | -1,424.6                                   | 33,804                                | 9,225                          |
| 2055                          | 27,341.2                              | 624.2                                      | 295.9  | 1,181.6  | 0.0                                      | 261.5                                  | 29,338.6   | -1,430.3                                   | 35,371                                | 9,740                          |
| 2056                          | 27,872.7                              | 632.4                                      | 306.5  | 1,228.9  | 0.0                                      | 289.9                                  | 29,920.2   | -1,436.1                                   | 36,992                                | 10,275                         |
| 2057                          | 28,398.4                              | 640.8                                      | 317.0  | 1,275.3  | 0.0                                      | 317.5                                  | 30,490.8   | -1,442.1                                   | 38,671                                | 10,830                         |
| 2058                          | 28,918.4                              | 649.2                                      | 327.5  | 1,320.2  | 0.0                                      | 343.5                                  | 31,051.7   | -1,449.0                                   | 40,409                                | 11,406                         |
| 2059                          | 29,433.1                              | 657.8                                      | 337.8  | 1,363.6  | 0.0                                      | 368.0                                  | 31,604.2   | -1,457.0                                   | 42,207                                | 12,004                         |
| 2060                          | 29,942.9                              | 666.5                                      | 348.0  | 1,405.5  | 0.0                                      | 391.1                                  | 32,149.6   | -1,465.9                                   | 44,069                                | 12,624                         |
| 2061                          | 30,448.2                              | 675.3                                      | 358.1  | 1,446.1  | 0.0                                      | 412.8                                  | 32,688.9   | -1,475.7                                   | 45,995                                | 13,267                         |
| 2062                          | 30,949.4                              | 684.2                                      | 368.1  | 1,486.0  | 0.0                                      | 433.8                                  | 33,222.8   | -1,486.0                                   | 47,988                                | 13,933                         |
| 2063                          | 31,446.8                              | 693.1                                      | 377.9  | 1,525.3  | 0.0                                      | 454.2                                  | 33,751.6   | -1,496.5                                   | 50,050                                | 14,623                         |
| 2064                          | 31,941.1                              | 702.2                                      | 387.6  | 1,563.4  | 0.0                                      | 473.5                                  | 34,276.5   | -1,507.9                                   | 52,183                                | 15,338                         |
| 2065                          | 32,432.7                              | 711.4                                      | 396.8  | 1,600.9  | 0.0                                      | 492.8                                  | 34,797.2   | -1,519.1                                   | 54,390                                | 16,079                         |
| 2066                          | 32,922.0                              | 720.7                                      | 405.8  | 1,638.0  | 0.0                                      | 511.5                                  | 35,314.3   | -1,530.6                                   | 56,673                                | 16,846                         |
| 2067                          | 33,409.6                              | 730.0                                      | 414.6  | 1,674.9  | 0.0                                      | 530.2                                  | 35,827.6   | -1,541.8                                   | 59,034                                | 17,640                         |
| 2068                          | 33,896.1                              | 739.5                                      | 423.2  | 1,711.7  | 0.0                                      | 548.9                                  | 36,337.0   | -1,553.0                                   | 61,475                                | 18,461                         |
| 2069                          | 34,381.9                              | 749.1                                      | 431.7  | 1,747.9  | 0.0                                      | 567.1                                  | 36,843.0   | -1,564.4                                   | 64,000                                | 19,312                         |
| 2070                          | 34,867.7                              | 758.7                                      | 440.1  | 1,783.8  | 0.0                                      | 585.0                                  | 37,345.8   | -1,575.9                                   | 66,610                                | 20,192                         |
| 2071                          | 35,353.8                              | 768.5                                      | 448.3  | 1,819.2  | 0.0                                      | 602.5                                  | 37,845.6   | -1,587.5                                   | 69,309                                | 21,102                         |
| 2072                          | 35,840.8                              | 778.3                                      | 456.3  | 1,854.4  | 0.0                                      | 619.7                                  | 38,342.6   | -1,599.3                                   | 72,099                                | 22,044                         |
| 2073                          | 36,329.3                              | 788.3                                      | 464.3  | 1,889.2  | 0.0                                      | 636.7                                  | 38,837.2   | -1,611.3                                   | 74,983                                | 23,018                         |
| 2074                          | 36,819.6                              | 798.3                                      | 472.1  | 1,923.8  | 0.0                                      | 653.4                                  | 39,329.2   | -1,623.3                                   | 77,965                                | 24,026                         |
| 2075                          | 37,312.2                              | 808.5                                      | 479.8  | 1,958.3  | 0.0                                      | 670.0                                  | 39,819.0   | -1,635.3                                   | 81,047                                | 25,068                         |
| 2076                          | 37,807.6                              | 818.8                                      | 487.5  | 1,992.7  | 0.0                                      | 686.4                                  | 40,306.6   | -1,647.4                                   | 84,231                                | 26,146                         |
| 2077                          | 38,306.0                              | 829.2                                      | 495.1  | 2,026.9  | 0.0                                      | 702.7                                  | 40,792.0   | -1,659.4                                   | 87,523                                | 27,260                         |
| 2078                          | 38,808.0                              | 839.7                                      | 502.7  | 2,061.2  | 0.0                                      | 718.8                                  | 41,275.4   | -1,671.5                                   | 90,924                                | 28,411                         |

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

Ultimate Real Yield Rate of IA  
Annuity Yield

2.75  
2.75

1/ General Fund Transfers to the Trust Funds have no effect on the Unified Budget. See memorandum for discussion.

Office of the Actuary  
Social Security Administration  
Revised -- December 8, 2003

Table 2 c. OASDI Cash Flow to General Fund of the Treasury---Ferrara Proposal vs. Theoretical OASDI  
In Billions of Dollars

|      | <u>Ferrara Proposal</u>   |                         |              |      | <u>Theoretical Social Security with PAYGO Transfers</u>   |                         |              |      |
|------|---|-------------------------|--------------|------|---|-------------------------|--------------|------|
|      | Net Amount of Cash-Flow from the OASDI Trust Funds to the General Fund of the Treasury During the Year 1/ |                         |              |      | Net Amount of Cash-Flow from the OASDI Trust Funds to the General Fund of the Treasury During the Year 1/ |                         |              |      |
|      | % of Pysl   | Billions of Dollars --- |              |      | % of Pysl   | Billions of Dollars --- |              |      |
|      | Current \$  | PV Jan 1, 03            | Const 2003\$ |      | Current \$  | PV Jan 1, 03            | Const 2003\$ |      |
| 2003 | 1.8   | 78                      | 76           | 78   | 1.8   | 78                      | 76           | 78   |
| 2004 | 1.8   | 84                      | 77           | 82   | 1.8   | 84                      | 77           | 82   |
| 2005 | -3.4  | -167                    | -144         | -159 | 2.0   | 95                      | 82           | 91   |
| 2006 | -3.7  | -189                    | -154         | -175 | 2.0   | 104                     | 84           | 96   |
| 2007 | -3.8  | -204                    | -156         | -183 | 2.0   | 111                     | 85           | 100  |
| 2008 | -3.9  | -224                    | -161         | -195 | 2.0   | 113                     | 82           | 99   |
| 2009 | -4.1  | -247                    | -167         | -209 | 1.9   | 113                     | 77           | 96   |
| 2010 | -4.3  | -272                    | -173         | -223 | 1.8   | 111                     | 71           | 91   |
| 2011 | -4.5  | -298                    | -179         | -237 | 1.6   | 108                     | 65           | 86   |
| 2012 | -4.8  | -329                    | -186         | -254 | 1.4   | 100                     | 56           | 77   |
| 2013 | -5.0  | -363                    | -193         | -273 | 1.2   | 88                      | 47           | 66   |
| 2014 | -5.3  | -400                    | -201         | -292 | 1.0   | 73                      | 37           | 53   |
| 2015 | -5.5  | -440                    | -208         | -312 | 0.7   | 55                      | 26           | 39   |
| 2016 | -5.8  | -481                    | -215         | -331 | 0.4   | 33                      | 15           | 23   |
| 2017 | -6.1  | -525                    | -220         | -350 | 0.1   | 7                       | 3            | 4    |
| 2018 | -6.3  | -571                    | -226         | -370 | -0.3  | -23                     | -9           | -15  |
| 2019 | -6.5  | -618                    | -231         | -389 | -0.6  | -56                     | -21          | -35  |
| 2020 | -6.8  | -668                    | -235         | -408 | -0.9  | -92                     | -33          | -56  |
| 2021 | -7.0  | -720                    | -239         | -427 | -1.3  | -133                    | -44          | -79  |
| 2022 | -7.2  | -773                    | -241         | -445 | -1.6  | -176                    | -55          | -101 |
| 2023 | -7.3  | -823                    | -243         | -460 | -1.9  | -218                    | -64          | -122 |
| 2024 | -7.4  | -875                    | -243         | -475 | -2.2  | -263                    | -73          | -143 |
| 2025 | -7.5  | -926                    | -242         | -488 | -2.5  | -310                    | -81          | -163 |
| 2026 | -7.6  | -976                    | -241         | -500 | -2.8  | -358                    | -88          | -183 |
| 2027 | -7.7  | -1,026                  | -239         | -510 | -3.1  | -409                    | -95          | -203 |
| 2028 | -7.7  | -1,074                  | -235         | -518 | -3.3  | -461                    | -101         | -222 |
| 2029 | -7.7  | -1,119                  | -231         | -524 | -3.5  | -513                    | -106         | -240 |
| 2030 | -7.6  | -1,162                  | -226         | -528 | -3.7  | -565                    | -110         | -257 |
| 2031 | -7.5  | -1,201                  | -220         | -530 | -3.9  | -617                    | -113         | -272 |
| 2032 | -7.4  | -1,238                  | -214         | -530 | -4.0  | -669                    | -116         | -286 |
| 2033 | -7.3  | -1,271                  | -207         | -529 | -4.1  | -719                    | -117         | -299 |
| 2034 | -7.2  | -1,301                  | -200         | -525 | -4.2  | -770                    | -118         | -311 |
| 2035 | -7.0  | -1,328                  | -192         | -521 | -4.3  | -819                    | -119         | -321 |
| 2036 | -6.8  | -1,351                  | -184         | -514 | -4.4  | -869                    | -119         | -331 |
| 2037 | -6.6  | -1,370                  | -176         | -506 | -4.4  | -917                    | -118         | -339 |
| 2038 | -6.4  | -1,385                  | -168         | -497 | -4.5  | -966                    | -117         | -347 |
| 2039 | -6.2  | -1,396                  | -160         | -486 | -4.5  | -1,015                  | -116         | -353 |
| 2040 | -5.9  | -1,403                  | -151         | -474 | -4.5  | -1,065                  | -115         | -360 |
| 2041 | -5.7  | -1,405                  | -143         | -461 | -4.5  | -1,117                  | -113         | -367 |
| 2042 | -5.4  | -1,404                  | -134         | -447 | -4.5  | -1,171                  | -112         | -373 |
| 2043 | -5.2  | -1,397                  | -126         | -433 | -4.6  | -1,230                  | -111         | -381 |
| 2044 | -4.9  | -1,387                  | -118         | -417 | -4.6  | -1,292                  | -110         | -388 |
| 2045 | -4.7  | -1,372                  | -110         | -400 | -4.6  | -1,360                  | -109         | -397 |
| 2046 | -4.4  | -1,351                  | -102         | -383 | -4.7  | -1,433                  | -108         | -406 |
| 2047 | -4.1  | -1,325                  | -94          | -364 | -4.7  | -1,510                  | -108         | -415 |
| 2048 | -3.9  | -1,294                  | -87          | -346 | -4.8  | -1,593                  | -107         | -425 |
| 2049 | -3.6  | -1,263                  | -80          | -328 | -4.8  | -1,681                  | -106         | -436 |
| 2050 | -3.4  | -1,230                  | -73          | -309 | -4.9  | -1,776                  | -106         | -447 |
| 2051 | -3.1  | -1,192                  | -67          | -291 | -5.0  | -1,878                  | -106         | -459 |
| 2052 | -2.9  | -1,154                  | -61          | -274 | -5.0  | -1,989                  | -105         | -472 |
| 2053 | -2.7  | -1,109                  | -55          | -255 | -5.1  | -2,105                  | -105         | -485 |
| 2054 | -2.5  | -1,065                  | -50          | -238 | -5.2  | -2,227                  | -105         | -498 |
| 2055 | -2.3  | -1,019                  | -45          | -221 | -5.2  | -2,356                  | -105         | -511 |
| 2056 | -2.1  | -972                    | -41          | -205 | -5.3  | -2,490                  | -104         | -525 |
| 2057 | -1.9  | -926                    | -37          | -190 | -5.4  | -2,630                  | -104         | -538 |
| 2058 | -1.7  | -883                    | -33          | -175 | -5.4  | -2,775                  | -103         | -551 |
| 2059 | -1.6  | -842                    | -30          | -162 | -5.5  | -2,924                  | -103         | -564 |
| 2060 | -1.4  | -805                    | -27          | -151 | -5.5  | -3,079                  | -102         | -577 |
| 2061 | -1.3  | -772                    | -24          | -140 | -5.6  | -3,240                  | -101         | -589 |
| 2062 | -1.2  | -743                    | -22          | -131 | -5.6  | -3,411                  | -100         | -602 |
| 2063 | -1.1  | -718                    | -20          | -123 | -5.7  | -3,592                  | -99          | -616 |
| 2064 | -1.1  | -699                    | -18          | -116 | -5.7  | -3,782                  | -99          | -629 |
| 2065 | -1.0  | -683                    | -17          | -110 | -5.8  | -3,984                  | -98          | -644 |
| 2066 | -0.9  | -670                    | -16          | -105 | -5.8  | -4,196                  | -97          | -658 |
| 2067 | -0.9  | -660                    | -14          | -100 | -5.9  | -4,422                  | -97          | -673 |
| 2068 | -0.8  | -652                    | -13          | -96  | -6.0  | -4,660                  | -96          | -689 |
| 2069 | -0.8  | -648                    | -13          | -93  | -6.0  | -4,910                  | -95          | -705 |
| 2070 | -0.8  | -650                    | -12          | -91  | -6.1  | -5,175                  | -95          | -721 |
| 2071 | -0.7  | -655                    | -11          | -89  | -6.1  | -5,453                  | -94          | -738 |
| 2072 | -0.7  | -665                    | -11          | -87  | -6.2  | -5,745                  | -93          | -755 |
| 2073 | -0.7  | -679                    | -10          | -87  | -6.3  | -6,051                  | -93          | -772 |
| 2074 | -0.7  | -697                    | -10          | -86  | -6.3  | -6,373                  | -92          | -789 |
| 2075 | -0.7  | -719                    | -10          | -86  | -6.4  | -6,711                  | -91          | -807 |
| 2076 | -0.7  | -745                    | -10          | -87  | -6.4  | -7,065                  | -91          | -825 |
| 2077 | -0.7  | -774                    | -9           | -88  | -6.5  | -7,435                  | -90          | -842 |
| 2078 | -0.7  | -808                    | -9           | -89  | -6.6  | -7,825                  | -89          | -861 |

Total 2003-77 -8,903  
1/ Equals net investment in special Treasury Bonds by the Trust Funds less the Amount of General Fund transfers included in the proposal (Ferrara) or in the theoretical plan (PAYGO Transfers).

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Table 2 d Ferrara Proposal --Specified and Total General Fund Transfers to the OASDI Trust Funds

| Year           | Projected GDP<br>(1) | Proj GDP<br>with 1% less<br>growth for 2005-<br>2015<br>(2) | Specified GF Trans:  |   | Specified<br>Reverse<br>Transfer<br>TF to GF, for<br>AnnBal 1/<br>=(3)+(4)-(5)<br>(5) | Cumulative<br>Net Transfer<br>from the GF<br>(3)+(4)-(5)<br>cum<br>(6) | Proposal Net Annual Transfers<br>from the GF to the TF |                          |                          |
|----------------|----------------------|---|--|---|---|--|--|--------------------------|--------------------------|
|                |                      |   | Cut in Fed Govt<br>spend assumed=<br>20%<br>of diff {(1)-(2)}<br>(3)<br><i>(billions of PV\$ 1/1/2003)</i> | Transfer from<br>GF to TF for<br>Corp Tax<br>Recapture<br>(4) |   |  | Billions of<br>PV\$ 1-1-03<br>= (3)+(4)-(5)<br>(7)     | Percent<br>of GDP<br>(8) | Percent<br>of Pyl<br>(9) |
| 2004           | 10,531               | 10,531  | 0  | 0   |   | 0  | 0.0  | 0.0                      |                          |
| 2005           | 10,494               | 10,441  | 11   | 2   |   | 13   | 0.1  | 0.3                      |                          |
| 2006           | 10,456               | 10,299  | 31   | 5   |   | 49   | 0.3  | 0.9                      |                          |
| 2007           | 10,407               | 10,149  | 52   | 7   |   | 107  | 0.6  | 1.4                      |                          |
| 2008           | 10,334               | 9,977   | 71   | 9   |   | 188  | 0.8  | 2.0                      |                          |
| 2009           | 10,247               | 9,794   | 91   | 11  |   | 290  | 1.0  | 2.5                      |                          |
| 2010           | 10,150               | 9,604   | 109  | 14  |   | 412  | 1.2  | 3.1                      |                          |
| 2011           | 10,047               | 9,412   | 127  | 16  |   | 555  | 1.4  | 3.6                      |                          |
| 2012           | 9,935                | 9,214   | 144  | 18  |   | 717  | 1.6  | 4.1                      |                          |
| 2013           | 9,818                | 9,014   | 161  | 20  |   | 898  | 1.8  | 4.7                      |                          |
| 2014           | 9,696                | 8,813   | 177  | 22  |   | 1,097  | 2.0  | 5.2                      |                          |
| 2015           | 9,571                | 8,612   | 192  | 24  |   | 1,312  | 2.3  | 5.8                      |                          |
| 2016           | 9,443                | 8,497   | 189  | 26  |   | 1,527  | 2.3  | 5.8                      |                          |
| 2017           | 9,319                | 8,386   | 187  | 28  |   | 1,741  | 2.3  | 5.9                      |                          |
| 2018           | 9,195                | 8,274   | 184  | 29  |   | 1,955  | 2.3  | 6.0                      |                          |
| 2019           | 9,074                | 8,165   | 182  | 31  |   | 2,168  | 2.3  | 6.0                      |                          |
| 2020           | 8,951                | 8,055   | 179  | 33  |   | 2,380  | 2.4  | 6.1                      |                          |
| 2021           | 8,830                | 7,946   | 177  | 34  |   | 2,591  | 2.4  | 6.2                      |                          |
| 2022           | 8,709                | 7,837   | 174  | 36  |   | 2,801  | 2.4  | 6.2                      |                          |
| 2023           | 8,589                | 7,729   | 172  | 37  |   | 3,011  | 2.4  | 6.3                      |                          |
| 2024           | 8,469                | 7,621   | 170  | 39  |   | 3,219  | 2.5  | 6.4                      |                          |
| 2025           | 8,350                | 7,514   | 167  | 40  |   | 3,426  | 2.5  | 6.5                      |                          |
| 2026           | 8,234                | 7,409   | 165  | 41  |   | 3,632  | 2.5  | 6.5                      |                          |
| 2027           | 8,120                | 7,307   | 163  | 42  |   | 3,837  | 2.5  | 6.6                      |                          |
| 2028           | 8,009                | 7,207   | 160  | 43  |   | 4,041  | 2.5  | 6.7                      |                          |
| 2029           | 7,900                | 7,109   | 158  | 44  |   | 4,244  | 2.6  | 6.7                      |                          |
| 2030           | 7,793                | 7,013   | 156  | 45  |   | 4,446  | 2.6  | 6.8                      |                          |
| 2031           | 7,689                | 6,919   | 154  | 46  |   | 4,646  | 2.6  | 6.8                      |                          |
| 2032           | 7,586                | 6,826   | 152  | 47  |   | 4,845  | 2.6  | 6.9                      |                          |
| 2033           | 7,484                | 6,735   | 150  | 48  |   | 5,043  | 2.6  | 7.0                      |                          |
| 2034           | 7,384                | 6,645   | 148  | 48  |   | 5,239  | 2.7  | 7.0                      |                          |
| 2035           | 7,285                | 6,555   | 146  | 49  | 2.5   | 5,431  | 2.6  | 7.0                      |                          |
| 2036           | 7,187                | 6,467   | 144  | 49  | 9.0   | 5,616  | 2.6  | 6.8                      |                          |
| 2037           | 7,090                | 6,380   | 142  | 50  | 15.7  | 5,792  | 2.5  | 6.6                      |                          |
| 2038           | 6,994                | 6,294   | 140  | 50  | 22.4  | 5,960  | 2.4  | 6.4                      |                          |
| 2039           | 6,899                | 6,208   | 138  | 51  | 29.2  | 6,119  | 2.3  | 6.2                      |                          |
| 2040           | 6,804                | 6,123   | 136  | 51  | 36.0  | 6,270  | 2.2  | 5.9                      |                          |
| 2041           | 6,710                | 6,038   | 134  | 51  | 42.5  | 6,413  | 2.1  | 5.7                      |                          |
| 2042           | 6,617                | 5,954   | 133  | 51  | 49.3  | 6,548  | 2.0  | 5.4                      |                          |
| 2043           | 6,524                | 5,870   | 131  | 51  | 55.6  | 6,674  | 1.9  | 5.2                      |                          |
| 2044           | 6,432                | 5,788   | 129  | 51  | 62.0  | 6,792  | 1.8  | 4.9                      |                          |
| 2045           | 6,340                | 5,705   | 127  | 51  | 68.0  | 6,902  | 1.7  | 4.7                      |                          |
| 2046           | 6,249                | 5,623   | 125  | 51  | 74.0  | 7,004  | 1.6  | 4.4                      |                          |
| 2047           | 6,159                | 5,542   | 123  | 51  | 79.7  | 7,098  | 1.5  | 4.1                      |                          |
| 2048           | 6,070                | 5,462   | 122  | 50  | 85.0  | 7,185  | 1.4  | 3.9                      |                          |
| 2049           | 5,982                | 5,383   | 120  | 50  | 90.0  | 7,265  | 1.3  | 3.6                      |                          |
| 2050           | 5,895                | 5,305   | 118  | 50  | 94.5  | 7,338  | 1.2  | 3.4                      |                          |
| 2051           | 5,809                | 5,227   | 116  | 49  | 98.5  | 7,405  | 1.2  | 3.1                      |                          |
| 2052           | 5,724                | 5,150   | 115  | 49  | 102.3   | 7,466  | 1.1  | 2.9                      |                          |
| 2053           | 5,640                | 5,075   | 113  | 48  | 106.0   | 7,522  | 1.0  | 2.7                      |                          |
| 2054           | 5,558                | 5,001   | 111  | 48  | 109.0   | 7,572  | 0.9  | 2.5                      |                          |
| 2055           | 5,476                | 4,928   | 110  | 47  | 111.8   | 7,617  | 0.8  | 2.3                      |                          |
| 2056           | 5,397                | 4,856   | 108  | 47  | 114.3   | 7,658  | 0.8  | 2.1                      |                          |
| 2057           | 5,319                | 4,786   | 107  | 46  | 116.2   | 7,694  | 0.7  | 1.9                      |                          |
| 2058           | 5,242                | 4,717   | 105  | 46  | 118.0   | 7,727  | 0.6  | 1.7                      |                          |
| 2059           | 5,166                | 4,648   | 103  | 45  | 119.2   | 7,756  | 0.6  | 1.6                      |                          |
| 2060           | 5,091                | 4,581   | 102  | 45  | 120.0   | 7,783  | 0.5  | 1.4                      |                          |
| 2061           | 5,017                | 4,515   | 100  | 44  | 120.4   | 7,807  | 0.5  | 1.3                      |                          |
| 2062           | 4,944                | 4,449   | 99   | 43  | 120.6   | 7,829  | 0.4  | 1.2                      |                          |
| 2063           | 4,873                | 4,385   | 98   | 43  | 120.5   | 7,848  | 0.4  | 1.1                      |                          |
| 2064           | 4,802                | 4,321   | 96   | 42  | 120.0   | 7,867  | 0.4  | 1.1                      |                          |
| 2065           | 4,732                | 4,258   | 95   | 41  | 119.5   | 7,883  | 0.4  | 1.0                      |                          |
| 2066           | 4,663                | 4,196   | 93   | 41  | 118.8   | 7,899  | 0.3  | 0.9                      |                          |
| 2067           | 4,594                | 4,134   | 92   | 40  | 117.8   | 7,913  | 0.3  | 0.9                      |                          |
| 2068           | 4,527                | 4,073   | 91   | 40  | 116.8   | 7,927  | 0.3  | 0.8                      |                          |
| 2069           | 4,460                | 4,014   | 89   | 39  | 115.8   | 7,939  | 0.3  | 0.8                      |                          |
| 2070           | 4,394                | 3,954   | 88   | 38  | 114.5   | 7,951  | 0.3  | 0.8                      |                          |
| 2071           | 4,329                | 3,896   | 87   | 38  | 113.2   | 7,962  | 0.3  | 0.7                      |                          |
| 2072           | 4,265                | 3,838   | 85   | 37  | 111.8   | 7,973  | 0.3  | 0.7                      |                          |
| 2073           | 4,202                | 3,781   | 84   | 37  | 110.3   | 7,983  | 0.2  | 0.7                      |                          |
| 2074           | 4,139                | 3,725   | 83   | 36  | 108.8   | 7,993  | 0.2  | 0.7                      |                          |
| 2075           | 4,078                | 3,669   | 82   | 35  | 107.3   | 8,003  | 0.2  | 0.7                      |                          |
| 2076           | 4,017                | 3,615   | 80   | 35  | 105.7   | 8,012  | 0.2  | 0.7                      |                          |
| 2077           | 3,957                | 3,561   | 79   | 34  | 104.1   | 8,022  | 0.2  | 0.7                      |                          |
| 2078           | 3,898                | 3,508   | 78   | 34  | 102.5   | 8,031  | 0.2  | 0.7                      |                          |
| Total: 2003-77 |                      |   | 9,073  | 2,826   | 3,979.1   |  |  |                          |                          |

Based on Intermediate Assumptions of the 2003 Trustees Report.  
1/ Limit reverse transfer to total of specified and recapture transfers.

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