H.R. 1811 "Protecting and Preserving Social Security Act"

Introduced April 15, 2015 by **Rep. Ted Deutch** (D-FL)

Provisions and their individual impact on the Trust Fund:

- Use CPI-E to calculate COLA beginning in December, 2017 (estimated COLA increase of 0.2% per year).
  - Increases long-range OASDI actuarial deficit by 0.37% of taxable payroll and increases annual deficit in 75th projection year (2088) by 0.54% of payroll.
- Eliminate the OASDI tax max in years 2022 and later, increasing linearly starting at 1.8% (12.4 x 1/7) for 2016 and reaching 100% for 2022 and later.
  - Without increasing benefits, decreases the long-range OASDI actuarial deficit by 2.19% of taxable payroll and decreases annual deficit in 2088 by 2.47%.
- Provide benefit credit on earnings taxed above the current-law tax max with a PIA determined using an "AIME+" method. PIA would be computed using two components, the first component would be the same as under current law. The second component would be equal to the sum of the indexed earnings in excess of the current-law tax max for the 35 years with the highest indexed amounts divided by 420. For years 2016 through 2021, excess earnings would be multiplied by 1/7, 2/7, etc. The second component of PIA would be equal to 3% of the second AIME up to $11,083 and 0.25% above this level for beneficiaries newly eligible in 2016. For beneficiaries newly eligible after 2016, the bend point of $11,083 would be indexed by AWI in the same manner as the other bend points in the first component of the PIA.
  - Increases long-range actuarial deficit by 0.06% of taxable payroll and increases annual deficit in 2088 by 0.12%.
  - When combined with second provision above, decreases long-range OASDI actuarial deficit by 2.14% and decreases annual deficit in 2088 by 2.35% of payroll.

Overall Fiscal Impact: The entire proposal results in a projected reserve depletion date of all Trust Funds in 2051, at which time 89% of scheduled benefits would be payable, declining to 83% in 2088. Reduces the long-range, 75-year actuarial deficit by 1.76% of taxable payroll (from 2.88% to 1.12%). The projected OASDI balance would be positive from 2019-2023 and negative thereafter. Projected annual deficit in 75th projection year (2088) would be 3.09% (compared to 4.9% under current law).