H.R. 3551 "Social Security Preservation through Individual Choice Enhancement Act"

Introduced December 2, 2011 by **Rep. Jeffrey Landry** (R-LA)

Provisions and their individual impact on the Trust Fund: Allows all workers to choose, for each calendar year starting with 2012, whether or not to have their payroll tax rate reduced by 2%, which applies to all earnings covered by the OASDI program up to the tax max. The reduction would apply to both wage/salary workers and self-employed workers. For each year in which a worker chooses to have their payroll tax reduced, their NRA increases by 1 month.

Overall Fiscal Impact: Projections are based on an assumption that roughly 2/3 of all workers in each year would choose this option and both high and low-paid workers are equally likely to choose this option. The increased NRA for such workers would reduce the 75-year long-range OASDI actuarial deficit by 0.66% of payroll to 1.57%. OASDI annual program cost would be gradually reduced reaching 1% of payroll in 2051 and 1.61% in 2085. The net effect would improve the annual deficit for the 75th projection year (2085) by 1.53% of payroll, reducing the annual deficit under current law by about one-third. However, because of the very gradual effect on benefits in the projection period, the combined OASI and DI Trust Funds would still be projected to become exhausted in 2036.