families that may have lived here for years.

So let me be clear. The political—I really believe they are political—riders weighing down this appropriations bill are not designed to fix our immigration system but rather to weaken it—and with the goal of embarrassing the President. We should not do that on any bill—let alone a bill as important as this one.

It is not just Senate Democrats who think these riders are bad policy. Sixty-two percent of Americans in last month's January poll supported ''an Executive Order that would allow some illegal immigrants already in the United States to stay here temporarily and apply for a work permit if certain requirements are met.'' So 62 percent of the people said yes to that question. That is precisely what the President has done.

A combined 69 percent of Americans supported an immigration policy that lets unauthorized immigrants remain in the United States, 54 percent supported a path to citizenship, and another 15 percent supported legal status but no path to citizenship.

So to the extent we get our guidance from the American people rather than from this or that political party, we can see what the view of Americans are on this. I think it is because we have had this issue debated in this forum several times. This isn't the first big immigration bill. It is the second in about the last 6 or 8 years that has come out of committee, come to the floor with an agreement, and fallen apart. And it had been negotiated in a bipartisan manner.

So then to have this bill that we passed go to the House, and the House would have a legitimate chance to make any amendments they might want to make—rather than put this rider on this bill—and pass over to us a bill which could then go to conference and we could work on around a table—the way business should be done—to come together to present what we can agree upon in both Houses to pass into law.

That is the process here, and that is one of the really big changes in this body over recent history. We always tried to follow regular order. Appropriations bills in regular order now are really nonexistent. It is really too bad because it weakens the committee structure, it weakens the institution as a whole, it makes us beholden to a few, and it doesn't do the people's business. And, as I said yesterday, it is one of the reasons why our favorability rating as a Congress is something near 16 percent favorable.

So I say, please, let's take these policy riders off. Let's learn from the experience. Let's pass this bill. It is a new Congress. I recognize the bill has to be reintroduced, but the immigration bill certainly can be reintroduced. We have had a lot of experience in working it, and we can do it once again. Then perhaps the House would be willing to look at it, to debate it, and maybe even then to give us the respect of voting on it.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SASSE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. FISCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mrs. FISCHER, Ms. MURKOWSKI, Mr. RISCH, and Mr. MANCHIN pertaining to the introduction of S. 405 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Vermont.

Mr. SANDERS. Mr. President, I ask unanimous consent to address the Senate for up to 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY

Mr. SANDERS. Mr. President, as ranking member of the Budget Committee, this afternoon I would like to discuss an issue of very serious concern to tens of millions of Americans; that is, the Republican effort to cut Social Security disability insurance benefits and perhaps benefits for Social Security retirees. In my view and in the view of seniors throughout the State of Vermont, this is a very bad idea.

As you know, on the very first day of the new Congress, House Republicans passed a rule—later adopted by the full House—which would prevent the common practice of rebalancing funds from the Social Security retirement program to the Social Security disability program. This rule adopted by the Republicans in the House would lay the groundwork for a 19-percent cut in disability benefits next year.

President Obama, in his budget, did exactly what has been done on 11 separate occasions in the past, always—and here is the point I want to make time and time again and why this is a manufactured crisis—this has been done 11 times in the past, always in a noncontroversial way, and that is to rebalance the funds between the two programs. This is not a big deal. The Republicans are manufacturing a crisis where none exists. Time and time again, Democratic Presidents and Republican Presidents, with absolutely no controversy, have done what President Obama has proposed. This was done in 1968 under President Johnson; in 1970 under President Nixon; in 1978, 1979, and 1980 under President Carter; in 1982, 1983, 1984, and 1987 under President Ronald Reagan; in 1994, 1996, 1997, 2000, and beyond under President Bill Clinton. In other words, this is a totally noncontroversial process that has been done time and time again under Republican Presidents and Democratic Presidents.

What the President is suggesting today is that we reallocate funds from the senior retirement fund to the disability fund. But interestingly enough, of the 11 times the funds were reallocated, it turns out that on five occasions it was money going from the disability fund to temporarily help out the retirement fund.

There are some people who sadly are trying to divide the senior population from the disability population. What they are saying in a way that is untruthful and unfair is that by reallocating money into the disability fund, we are taking funding away from seniors and the retirement fund. This is absolutely untrue because, as I have indicated, on 11 occasions we have seen this reallocation, and sometimes, in fact, it comes from the disability fund to help the retirement fund.

I am very happy to tell you that virtually every senior organization in America—organizations representing tens of millions of senior citizens—has made it clear that we must reallocate funds, we must prevent a cut in disability benefits, and we must do what has been done time and time again.

Let me briefly read a letter from the AARP. The AARP is the largest senior organization in America. This letter was written on July 22, 2014. It went to chairman RON WYDEN and ranking member ORRIN HATCH of the Finance Committee. What the letter says:

As the largest nonprofit, nonpartisan organization representing the interests of Americans age 50 and older and their families, we write in advance of the Committee's legislative hearing on the Social Security Disability Insurance program (SSDI) to express our support for Social Security, including its disability insurance functions, and our support of rebalancing payroll taxes to ensure the earned benefits of 11 million disabled Americans and their families are not reduced or put at risk.

Once again, AARP: We ''support the rebalancing of payroll taxes to ensure the earned benefits of 11 million disabled Americans and their families are not reduced or put at risk.''

I ask unanimous consent that letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AARP,
Washington, DC, July 22, 2014.

Hon. RON WYDEN,
Chairman, Committee on Finance,
U.S. Senate, Washington, DC.

Hon. ORRIN HATCH,
Ranking Member, Committee on Finance,
U.S. Senate, Washington, DC.

DEAR CHAIRMAN WYDEN AND SENATOR HATCH: As the largest nonprofit, nonpartisan organization representing the interests of Americans age 50 and older and their families, we write in advance of the Committee's legislative hearing on the Social Security Disability Insurance program (SSDI) to express our support for Social Security, including its disability insurance functions, and our support of rebalancing payroll taxes to ensure the earned benefits of 11 million disabled Americans and their families are not reduced or put at risk. AARP recognizes the need to address the overall funding shortfall

facing Social Security in the next 20 years, and we stand ready to engage with Congress, our members and other Americans on ways to strengthen Social Security, now and in the future. But, we also recognize that without rebalancing in the near-term, SSDI beneficiaries are at risk of significant benefit cuts. This is of particular concern to older workers who are most likely to rely heavily on SSDI in part because of higher rates of chronic illness and disability at older ages.

Income support in the event of a disability is a critical lifeline for millions of American families. Congress wisely added disability insurance protection to the Social Security system in 1956, under President Eisenhower, and has since then modified and improved the program many times. It should be noted that since the creation of the SSDI program in 1956, the United States workforce has more than doubled from 62 million to over 140 million workers, and women today represent half of the workforce and almost half of the SSDI beneficiaries.

By law, Social Security maintains two trust funds—the Old-Age and Survivors Insurance (OASI) and the Disability Insurance (DI) trust funds—and they operate independently. Congress has faced shortfalls in both the OASI and DI trust funds many times in the past. Most recently, in 1994, Congress rebalanced the allocation of Social Security payroll taxes between the OASI trust and the DI trust, estimating the rebalancing would adequately fund SSDI benefits for approximately 20 years. Congress forecast accurately, as the Social Security Trustees estimate that the payroll taxes allocated to the Disability Insurance trust fund will cease being adequate to pay full benefits in late 2016. After that, according to the Social Security Actuaries as of 2013, ''[p]rojected revenue from non-interest income specified for the DI program is sufficient to support 80 percent of program cost after trust fund depletion in 2016, increasing slightly to 81% of program cost in 2087.'' CBO maintains similar projections.

Many experts, including the Congressional Budget Office, have estimated the shortfall is largely due to: 1) general population growth, 2) women's entrance into the labor force and consequent eligibility for SSDI benefits, 3) the increase in the Social Security normal retirement age from 65 to 67, and 4) the aging of the Baby Boom population leading to a higher percentage of older people vulnerable to illness and disability. All of these factors also contribute to other challenges in the SSDI program.

One of the most significant challenges facing the SSDI program is the unacceptably long delay in processing applications of disabled workers who have earned the right to their benefits. A large and growing backlog both at the initial claims and appeals level has caused lengthy delays and imposes severe hardships on disabled workers and their families. AARP has long urged an increase in funding to meet the increase in the administrative workload. We also recognize that the SSDI program needs greater program integrity efforts both over initial eligibility approvals and continuing disability reviews. AARP has been among the staunchest advocates requesting program integrity funding; we regret that in recent years this funding has been cut, reducing the Social Security Administration's ability to maximize integrity efforts.

The Committee's upcoming hearing is a welcome opportunity to examine the resources that will be needed to ensure the continuing success of the SSDI program. We believe SSDI program reforms and improvements can be identified that would both improve the fairness of the process for disabled claimants and encourage greater work participation for those who have limited ability to work. We support and will continue to urge that Congress provide adequate resources for the Social Security Administration to conduct timely initial and continuing disability reviews. But, the highest priority in the near term is to ensure that SSDI beneficiaries—most of whom are older Americans—are not at risk of a 20% benefit cut in the very near future. To prevent any imminent reductions in SSDI benefits, we urge you to rebalance the allocation of Social Security payroll taxes between the OASI trust and the DI trust, as Congress has done with success in the past.

Because of SSDI, millions of disabled Americans are able to live their lives with dignity and support their families. We look forward to continuing to work with you and the other members of the Committee to ensure that all aspects of the Social Security program remain strong for future generations of American workers and their families. If you have any questions, please feel free to call me, or have your staff contact Michele Varnhagen on our Government Affairs staff.

Sincerely,

JOYCE ROGERS,
Senior Vice President,
Government Affairs.

Mr. SANDERS. Mr. President, it is not just the AARP that holds that view. It is dozens and dozens of senior organizations all across the country. Let me read very briefly from a letter written by the Leadership Council of Aging Organizations, dated October 9, 2014. It is a letter that goes to the President—to President Obama. What it says is:

We urge you to include a non-controversial, commonsense legislative adjustment in your 2016 budget for Congress to temporarily reallocate the Social Security payroll contributions to address the anticipated shortfall in the Social Security Disability Insurance (DI) program. We also strongly urge you to reject proposals to cut Social Security benefits, coverage, or eligibility.

That is the Leadership Council of Aging Organizations.

I ask unanimous consent that letter also be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LEADERSHIP COUNCIL OF AGING ORGANIZATIONS, DEBRA B. WHITMAN, CHAIR,

Washington, DC, October 9, 2014.

THE WHITE HOUSE,
Washington, DC.

DEAR PRESIDENT OBAMA: On behalf of the Leadership Council of Aging Organizations (LCAO), a coalition of national not-for-profit organizations representing over 60 million older Americans, we write to ask you to maintain a vital part of our Social Security system in your 2016 budget proposal. We urge you to include a non-controversial, commonsense legislative adjustment in your 2016 budget for Congress to temporarily reallocate the Social Security payroll contributions to address the anticipated shortfall in the Social Security Disability Insurance (DI) program. We also strongly urge you to reject proposals to cut Social Security benefits, coverage, or eligibility.

Social Security's Disability Insurance (DI) fund reserves are projected to be depleted in 2016, at which point revenue coming into the system would cover only 80% of benefits. This projected shortfall is not a surprise and Congress should rebalance income across the Social Security Trust Funds, as it has done 11 times before, to cover the anticipated shortfall. As Treasury Secretary Lew stated in July, ''it's going to be important for there to be legislation that does reallocate the payroll tax to support the disability fund.''

A modest, temporary reallocation of part of Social Security's 6.2% tax rate from the Old-Age and Survivors Insurance (OASI) fund to the DI fund would put both funds on an equal footing. Congress has rebalanced tax rates between the two funds 11 times since the DI trust fund was established in 1956. About half the time Congress increased the share going to the OASI fund and about half the time it increased the share for DI. Congress has never failed to act when it was necessary to rebalance the two funds, and it has consistently done so in a bipartisan basis. It is time to do so again, and can be done today without compromising the ability of the overall Social Security program to pay full benefits from both trust funds for the next 20 years.

When Congress acted to rebalance the two funds in 1994, it was clear it would have to take action again in 2016. The 1995 Social Security Trustees Report showed that the DI reserves would be depleted in 2016, primarily due to a rapid, but temporary, increase in the number of DI beneficiaries as baby boomers passed through their 50s and early 60s when the risk of disability is greatest.

The typical DI beneficiary is in his or her late 50s. Seventy percent are over age 50, and 30 percent are 60 or older. These beneficiaries depend on Social Security for a significant portion of their income. Without benefits, fifty-five percent of families with a disabled worker would have incomes below the poverty line. And, since the benefits they receive continue as they grow older, the DI program helps to ensure that these disabled workers don't fall into poverty as they age.

Another factor that has led to an increase in the number of DI beneficiaries is a rise in the full retirement age. When DI beneficiaries reach Social Security's full retirement age, they begin receiving Social Security retirement benefits rather than DI. The increase in the full retirement age to 66 has delayed that conversion. In December 2013, more than 450,000 people between ages 65 and 66—over 5 percent of DI beneficiaries—collected DI benefits. Under the rules in place until 2003, they would have received retirement benefits instead. This is just one example of how closely the retirement and disability components of Social Security are interwoven.

The growth in DI is leveling off as boomers enter retirement and shift to OASI benefits. The need to rebalance by 2016 reflects a long-anticipated, but temporary, shift in the funding requirements of the two funds. Rebalancing would not affect the long-term financing of the combined Social Security system, which would remain solvent through 2033. Rebalancing can and should be done without cutting benefits or narrowing coverage or eligibility. This sensible action will give policymakers ample time to strengthen Social Security for the long-term.

For these reasons, the undersigned organizations urge you to include a legislative proposal to rebalance the Social Security funds in your 2016 budget, and to exclude proposals to cut Social Security benefits, coverage or eligibility.

Sincerely,

AFL-CIO, AFSCME Retirees, Alliance for Retired Americans, American Federation of Government Employees (AFGE), American Foundation for the Blind (AFB), American Postal Workers Union Retirees (APWU) American Society on Aging (ASA), Asociacion Nacional Pro Personas Mayores (ANPPM)/ National Association for Hispanic

Elderly, Association For Gerontology and Human Development in Historically Black Colleges and Universities (AGHDHBCU), Association of Jewish Aging Services (AJAS), B'nai B'rith International, Caring Across Generations, Center for Elder Care and Advanced Illness—Altarum Institute.

Center for Medicare Advocacy, Inc., Easter Seals, Military Officers Association of America (MOAA), National Academy of Elder Law Attorneys (NAELA), National Active and Retired Federal Employees Association (NARFE), National Adult Day Services Association (NADSA), National Adult Protective Services Association (NAPSA), National Alliance for Caregiving, National Association for Home Care & Hospice, National Association of Area Agencies on Aging (n4a), National Association of Retired and Senior Volunteer Program Directors, INC. (NARSVPD), National Association of Social Workers (NASW), National Caucus and Center on Black Aged, Inc. (NCBA), National Committee to Preserve Social Security and Medicare (NCPSSM), National Senior Citizens Law Center (NSCLC), National Senior Corps Association (NSCA), OWL—The Voice for Women 40+, Pension Rights Center, Volunteers of America, Wider Opportunities for Women (WOW).

Mr. SANDERS. Mr. President, let me be very clear and say that this fight—what some of us see on our TV screens and what we hear from some politicians—the simple truth is that Social Security is not going broke. Social Security is not going broke. Today, Social Security has a $2.8 trillion surplus in its trust fund and can pay out all benefits to all beneficiaries, the elderly and the disabled, for the next 18 years.

This is not the opinion of Senator BERNIE SANDERS. This is the opinion of the Social Security Administration in their latest report. There is and can be no debate about these simple facts. If we rebalance funds, as President Obama and many others have proposed, all benefits—retiree benefits for our older Americans and disabled benefits for disabled Americans—would be paid out for the next 18 years—the next 18 years.

So people who come before you and say Social Security is going broke, they are simply not telling the truth. While this 18-year period makes it clear that we do not have an imminent crisis with regard to Social Security, I do agree with those who want to make sure Social Security is solvent for a lot longer than 18 years, for our kids and for our grandchildren.

Frankly, when we talk about the long-term solvency of Social Security, and that of course includes disability insurance as well, there are two basic approaches we can take for those who want to extend Social Security for many decades. One approach is what many of my Republican colleagues are talking about. What they are saying, in essence, is that in order to save Social Security we have to cut Social Security. Some are talking about a so-called chained CPI, which would mean a cut in cost-of-living adjustments, some are talking about raising the retirement age, at which point seniors will be able to get benefits, and some in fact are talking about privatizing Social Security and giving that program over to Wall Street. That is one approach. That is one way we could deal with Social Security and the future of the program. Needless to say that is an approach I very strongly disagree with.

The other approach, an approach which is widely supported in poll after poll by the American people, extends Social Security and protects Social Security in a very different way than many Republicans are proposing; that is, it addresses the issue that right now, as most Americans know, there is a cap on the income that is subject to the Social Security payroll tax.

That cap is now at $118,500; in other words, one individual makes $11.8 million a year but only pays 6.2 percent on the first $118,500 he earns. The second individual makes $118,500 and pays Social Security taxes on all of that income. That, I think most Americans believe, is patently unfair.

I have introduced legislation in the past, and I am now working with other Senators who have introduced similar types of legislation which eliminates the cap on income subject to the Social Security payroll tax. My own view is we should apply the Social Security payroll tax to income above $250,000.

If we do that, if we go down that very simple and fair route of asking very wealthy individuals—the top 1 percent, the top 1½ percent—to contribute more into the Social Security trust fund, the fact is we could extend Social Security for decades, disability benefits for decades, and in fact we would have enough money to expand benefits, not cut them.

On March 19, 2013, in response to a letter I wrote to the Social Security Chief Actuary, he wrote back and he told us that taking the approach my legislation lays out, raising the cap on taxable income starting at $250,000, would extend the life of Social Security past the year 2060.

So for anybody to come on this floor and say in order to save Social Security we have to cut benefits, at a time when millions of senior citizens in this country are struggling to pay for the medicine they need, to keep warm in the winter, to buy the food they need, people out there living on $13,000, $14,000 a year—and there are some who say we have to cut Social Security—let me go on record and say I strongly disagree.

The far better and far fairer approach is to lift the cap on taxable income and start at $250,000. So if we are serious about extending the life of Social Security, if we are serious about not cutting disability benefits, there is a path forward. Yes, it does ask the people on top to contribute a little bit more. I know that with all of the lobbyists and all the campaign contributions coming in here that sometimes becomes tough, but it is the right thing to do.

Let's stand with the millions of seniors who are struggling to stay alive economically in these tough times, rather than wealthy campaign contributors.

I ask unanimous consent that the March 19, 2013, letter from the Chief Actuary of the Social Security Administration be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY ADMINISTRATION,
OFFICE OF THE CHIEF ACTUARY,
Baltimore, MD, March 19, 2013.

Hon. BERNIE SANDERS,
U.S. Senate,
Washington, DC.

DEAR SENATOR SANDERS: I am writing in response to your request for estimates of the financial effects on Social Security of a proposal to apply the Social Security payroll tax to earned income over $250,000 beginning in 2014. The estimates and analysis provided in this letter reflect the intent, as discussed with Warren Gunnels of your staff, of S. 500, ''Keeping Our Social Security Promises Act,'' which you introduced on March 7, 2013.

We estimate that enactment of this Bill would extend full solvency of the OASDI program for an additional 28 years, with the projected depletion of combined OASI and DI Trust Fund reserves moving from 2033 under current law to 2061 under the proposal. All estimates are based on the intermediate assumptions of the 2012 Trustees Report. The estimates presented reflect the combined efforts of many in our office, but particularly Alice Wade, Christopher Chaplain, Dan Nickerson, Kyle Burkhalter, Katie Sutton, and William Piet. A detailed description of our understanding of the intent of the Bill is included immediately below.

The intent of this proposal is identical to the Bill you introduced in September 2011 and H.R. 797 introduced in the House of Representatives in February 2011 by Mr. DeFazio. Our earlier estimates for both of these Bills, reflecting baseline assumptions from the 2011 and 2010 Trustees Reports, respectively, are available at http://www.ssa.gov/OACT/solvency/index.html.

S. 500 would modify the Internal Revenue Code of 1986 to subject a worker's OASDI covered earnings in excess of $250,000 in any calendar year after 2013 to the combined OASDI payroll tax rate of 12.4 percent. This is the same tax rate that is applied, under current law, to OASDI covered earnings up to the contribution and benefit base ($113,700 for 2013). Under present law, the contribution and benefit base is scheduled to increase in the future based on increases in the average wage in the U.S. economy. However, the threshold of $250,000 would be constant after 2014 until the contribution and benefit base exceeds this level (in the year 2033), at which point the threshold would be set equal to the contribution and benefit base for that and all subsequent years. Earnings subject to tax above the threshold would not be included in earnings credited for the purpose of OASDI benefit computation.

All wages and self-employment earnings in OASDI covered employment during a given year would be reflected in the determination of earnings above the threshold. For workers with more than one employer (including self employment) for a given year, total tax liability for the year would be computed as if all earnings had been received from a single employer for the year, but in no case would any employee or employer pay less tax than they would under current law. To the extent adjustments of payroll tax liability are needed for a given year, employees would make such adjustments on their income tax filing forms. SSA would contact employers regarding any additional tax liability due to multiple jobs for employees during the year.

The balance of this letter provides summary and detailed estimates of the effects of enactment of the proposal.

SUMMARY OF EFFECTS ON ACTUARIAL STATUS

Figure 1 illustrates the expected change in the combined Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Fund reserves, expressed as a percent of annual program cost, assuming enactment of this Bill. Assuming enactment, the OASDI program would be expected to be fully solvent for an additional 28 years, under the intermediate assumptions of the 2012 Trustees Report.

The level of reserves for the theoretical combined OASI and DI Trust Funds would decline from 340 percent of annual program cost at the beginning of 2012 until these reserves would become depleted in 2061 (28 years later than projected depletion under current law). At the time of reserve depletion in 2061, the program would be able to pay about 91 percent of then scheduled benefits with continuing taxes (under current law, 75 percent of scheduled benefits are projected to be payable in 2033 after depletion). By 2086, 88 percent of benefits scheduled under the proposal would be payable compared to 73 percent of scheduled benefits payable under present law.

Enactment of this Bill would eliminate about 80 percent of the long-range OASDI actuarial deficit of 2.67 percent of taxable payroll under current law, lowering the OASDI actuarial deficit to 0.55 percent of payroll for the long-range period.

Figure 2 illustrates annual projected levels of cost, expenditures, and non-interest income as a percent of the current-law taxable payroll. The projected levels of cost reflect the full cost of scheduled benefits under both present law and the proposal. After trust fund reserve depletion, projected expenditures under current law and under the proposal include only amounts payable from projected tax revenues (non-interest income), which are less than projected cost.

Figure 2 shows that the estimated cost of the OASDI program would be very slightly reduced under this proposal. A slight decrease in benefits is projected to follow from a small decrease in the proportion of employee compensation that would be paid in the form of wages under the current-law contribution and benefit base. This small reduction in wages as a percentage of employee compensation reflects the assumed behavioral response of employees and employers to the additional payroll taxes under the proposal.

It is also useful to consider the projected cost and income for the OASDI program expressed as a percentage of Gross Domestic Product (GDP). The graph illustrates these levels under both present law and this proposal.

DETAILED FINANCIAL RESULTS

Benefit Illustrations

Benefit illustrations are not provided for the proposal because benefit levels would not be materially changed from the scheduled benefit levels under current law.

Trust Fund Operations

Table 1 shows the annual cost and income rates, annual balances, and trust fund ratios (reserves as percent of annual program cost) for OASDI assuming enactment of the proposal. This table also shows the change from present law in these cost rates, income rates, and balances. Included at the bottom of this table are summarized rates for the 75-year (long-range) period.

Table 1 indicates that the OASDI program is projected to be solvent for an additional 28 years assuming enactment of the proposal. The year in which the combined reserves of the OASI and DI Trust Funds are projected to deplete would change from 2033 under current law to 2061 under the proposal. Even after depletion of the trust fund reserves, however, the actuarial status of the program is improved as continuing income would be sufficient to pay a higher percentage of scheduled benefits than under current law. Under current law, 75 percent of benefits are projected to be payable at trust fund reserve depletion in 2033, declining to 73 percent payable by 2086. Under this proposal, 100 percent of the scheduled benefits would be fully payable through 2060, and 91 percent would be payable at trust fund reserve depletion in 2061, declining to 88 percent payable by 2086.

The actuarial deficit for the OASDI program over the 75-year projection period is reduced by 2.12 percent of taxable payroll, from an actuarial deficit of 2.67 percent of payroll under current law to an actuarial deficit estimated at 0.55 percent of taxable payroll under the proposal.

We project annual balances (annual income rate minus annual cost rate) to become positive for years 2014 through 2021 under the proposal and to be negative thereafter. Annual deficits (negative annual balances) after 2028 are projected to be smaller than the deficits projected under current law by more than 2 percentage points through 2086.

Program Transfers and Asset Reserves

Column 4 of Table 1a provides a projection of the level of reserves for the theoretical combined OASI and DI Trust Funds under the proposal, expressed in present value dollars discounted to January 1, 2012. The table indicates that the proposal includes no new specified transfers of general revenue to the trust funds. For purpose of comparison, the OASDI Trust Fund reserves, expressed in present value dollars, are also shown for the current-law Social Security program both without the added general fund transfers (if any) provided under the proposal (column 6) and with the proposal added transfers (column 7). Note that negative values in columns 4, 6, and 7 represent the ''unfunded obligation'' for the program through the year. The unfunded obligation is the present value of the shortfall of revenue needed to pay full scheduled benefits on a timely basis from the date of trust fund reserve depletion to the end of the indicated year. Gross Domestic Product (GDP), expressed in present value dollars, is shown in column 5 for comparison with other values in the table.

Effect on the Federal Budget

Table 1b shows the projected effect, in present value discounted dollars, on the Federal budget (unified-budget and on-budget) cash flows and balances, assuming enactment of proposal. Table 1b.n provides the estimated nominal dollar effect of enactment of the proposal on the annual budget balances for years 2012 through 2022. All values in these tables represent the amount of the change from the level projected under current law.

The effect of the proposal on unified budget cash flow (column 3) is expected to be positive starting for 2014, reflecting the application of the payroll tax to earnings above the current-law taxable maximum amount.

Column 4 of Table 1b indicates that the projected effect of implementing this Bill is a reduction, starting in 2014, of the Federal debt held by the public, reaching about $7.2 trillion in present value by 2086. Column 5 provides the projected effect of the proposal on the annual unified budget balances, including both the cash flow effect in column 3 and the additional interest on the accumulated debt indicated in column 4. Columns 6 and 7 indicate that the proposal would have no expected direct effects on the on-budget cash flow, or on the total Federal debt, in the future.

It is important to note that these estimates are based on the intermediate assumptions of the 2012 Trustees Report and thus are not consistent with estimates made by the Office of Budget and Management or the Congressional Budget Office based on their assumptions.

Annual Trust Fund Operations as a Percentage of GDP

Table 1c provides annual cost, annual expenditures (on a payable basis), and annual tax income for the OASDI program expressed as a percentage of GDP. These values are shown for both present law and assuming enactment of the Bill. Showing the annual trust fund flows as a percent of GDP provides an additional perspective on these trust fund operations in relation to the total value of goods and services produced in the United States. The relationship between income and cost is similar when expressed as a percent of GDP to that when expressed as a percent of taxable payroll (see Table 1).

Effects on Trust Fund Reserves and Unfunded Obligations

Table 1d provides estimates of the changes due to the proposal in the level of projected trust fund reserves under present law and, for years after trust fund exhaustion, the level of unfunded obligations under present law. All values in the table are expressed in present-value discounted dollars. For the 75-year long-range period as a whole, the present-law unfunded obligation of $8.6 trillion in present value is reduced to an unfunded obligation of $1.4 trillion in present value. This change is the combination of the following:

A $7.1 trillion increase in revenue from applying the payroll tax to covered earnings above the present-law contribution and benefit base (column 2), less

A $0.1 trillion reduction in cost from the behavioral response to additional payroll tax, causing a small decrease in the share of employee compensation that is received in wages, and thus a small decrease in total benefits (column 3).

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

Sincerely,

STEPHEN C. GOSS,
Chief Actuary.

Mr. SANDERS. I yield the floor.

The PRESIDING OFFICER (Mr. HOEVEN). The Senator from North Carolina.

UNANIMOUS CONSENT REQUEST—S. 338

Mr. BURR. Mr. President, I rise to tell my colleagues that shortly I intend to ask unanimous consent to call up S. 338, but prior to that I would like to say a few things about it. S. 338 was introduced by myself, Senator BENNET, and Senator AYOTTE. What it would do is permanently authorize the Land and Water Conservation Fund. It would also guarantee that a small portion of any appropriated money goes toward maintaining access for those who use our public lands, the American people.

The Land and Water Conservation Fund is essential to making public lands public, by securing recreational areas, particularly where opportunities for sportsmen and others to access existing public lands are limited or precluded. As I am sure the Presiding Officer is aware, this program expires on September 30 and we can no longer