

106<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2364

To amend the Social Security Act to require Social Security Administration publications to highlight critical information relating to the future financing shortfalls of the social security program.

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IN THE SENATE OF THE UNITED STATES

APRIL 5, 2000

Mr. SANTORUM (for himself and Mr. GREGG) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Social Security Act to require Social Security Administration publications to highlight critical information relating to the future financing shortfalls of the social security program.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Social Security Right  
5       to Know Act”.

1 **SEC. 2. EXPANSION OF SOCIAL SECURITY ACCOUNT STATE-**  
2 **MENT.**

3 (a) IN GENERAL.—Section 1143(a)(2) of the Social  
4 Security Act (42 U.S.C. 1320b–13(a)(2)) is amended by  
5 striking “and” at the end of subparagraph (C), by striking  
6 the period at the end of subparagraph (D) and inserting  
7 a semicolon, and by adding at the end the following:

8 “(E) a statement providing information that—

9 “(i) while the old age, survivors, and dis-  
10 ability insurance program currently collects  
11 more in employer, employee, and self-employ-  
12 ment contributions than such program pays out  
13 in retirement, disability, survivor, and auxiliary  
14 benefits each year, such program will begin to  
15 run cash flow deficits in 2015, thereafter neces-  
16 sitating the allocation of general tax revenues in  
17 order to finance promised benefits; and

18 “(ii) the trust funds for such program con-  
19 tain claims on future Government resources  
20 sufficient to cover the deficit through 2037, but  
21 after that date, the trust funds would collect  
22 sufficient revenues to pay 72 percent of bene-  
23 fits; and

24 “(F) a statement explaining the nature of the  
25 Federal old age, survivors, and disability insurance  
26 trust funds, including the following: ‘Social Security

1 Trust Fund balances are available to finance future  
2 benefit payments and other Trust Fund responsibil-  
3 ities only in a bookkeeping sense. They do not con-  
4 sist of real economic assets that can be drawn down  
5 in the future to fund benefits. Instead, such balances  
6 are claims on the United States Treasury that, when  
7 redeemed, will have to be financed by raising taxes,  
8 borrowing from the public, or reducing benefits or  
9 other expenditures. The existence of large Social Se-  
10 curity Trust Fund balances, therefore, does not, by  
11 itself, have any impact on the Federal Government’s  
12 ability to pay benefits.’.

13 For purposes of subparagraph (E), the dates and percent-  
14 ages described in such subparagraph shall be adjusted an-  
15 nually based on the Alternative II (Intermediate) findings  
16 of the Office of the Chief Actuary contained in the most  
17 recent report of the Board of Trustees.”.

18 (b) EFFECTIVE DATE.—The amendments made by  
19 subsection (a) shall apply with respect to statements pro-  
20 vided after the date of enactment of this Act.

21 **SEC. 3. EXPANSION OF ANNUAL REPORT OF THE TRUSTEES**  
22 **OF THE SOCIAL SECURITY TRUST FUNDS.**

23 (a) IN GENERAL.—Section 201(c) of the Social Secu-  
24 rity Act (42 U.S.C. 401(c)) is amended by inserting before  
25 the penultimate sentence the following: “Based on the Al-

1 ternative II (Intermediate) findings of the Office of the  
2 Chief Actuary, such report, including the report's sum-  
3 mary and any items that accompany the release of such  
4 report, shall include in a clear and simple manner the in-  
5 formation described in subsection (n)(1).

6 (b) ADDITIONAL CONTENTS OF REPORT.—Section  
7 201 of the Social Security Act (42 U.S.C. 401) is amended  
8 by adding at the end the following:

9 “(n)(1) For purposes of subsection (c), the informa-  
10 tion described in this subsection is the following:

11 “(A) An estimate of the year in which an-  
12 nual outlays from the Trust Funds is first pro-  
13 jected, using the Trustees' intermediate esti-  
14 mates, to exceed the annual cash income of the  
15 Trust Funds. For purposes of this paragraph,  
16 annual cash income of the Trust Funds shall be  
17 determined by including payroll and benefit tax  
18 revenues, but not intragovernmental transfers  
19 or interest income.

20 “(B) The annual excess of such projected  
21 annual outlays from the Trust Funds over the  
22 annual cash income of the Trust Funds in each  
23 year, beginning with the first year identified in  
24 subparagraph (A) and extending through the  
25 year of projected program insolvency.

1           “(C) The aggregate amount of the annual  
2           excesses identified in subparagraph (B) for the  
3           75-year projection period included in the report  
4           and the change in such amount from the pre-  
5           vious year’s report.

6           “(D) The amount of deficit or surplus that  
7           the old-age, survivor, and disability insurance  
8           program will run in the last year in the 75-year  
9           projection period included in the report and the  
10          aggregate assets and unfunded obligations con-  
11          tained in the Trust Funds in that final pro-  
12          jected year.

13          “(E) The amount that payroll taxes would  
14          have to be raised or benefits be reduced (both  
15          in percentage terms) in order to keep the old-  
16          age, survivor, and disability insurance program  
17          in annual financial balance after any cumulative  
18          balances in the Trust Funds are exhausted. For  
19          purposes of the preceding sentence, such pro-  
20          gram shall be considered to be in annual finan-  
21          cial balance when the annual cash income of the  
22          Trust Funds and annual outlays from the  
23          Trust Funds are approximately equal for each  
24          year throughout the 75-year projection period  
25          included in the report.

1           “(F) How the annual amounts identified in  
2           subparagraph (B) would change if either rais-  
3           ing payroll taxes or reducing benefits to keep  
4           the program in financial balance is delayed for  
5           5, 10, 25, and 50 years.

6           “(G) A provision explaining the nature of  
7           the Trust Funds, including the following state-  
8           ment: ‘Social Security Trust Fund balances are  
9           available to finance future benefit payments  
10          and other Trust Fund responsibilities only in a  
11          bookkeeping sense. They do not consist of real  
12          economic assets that can be drawn down in the  
13          future to fund benefits. Instead, such balances  
14          are claims on the United States Treasury that,  
15          when redeemed, will have to be financed by  
16          raising taxes, borrowing from the public, or re-  
17          ducing benefits or other expenditures. The ex-  
18          istence of large Social Security Trust Fund bal-  
19          ances, therefore, does not, by itself, have any  
20          impact on the Federal Government’s ability to  
21          pay benefits.’.

22          “(2) The information described in subpara-  
23          graphs (B), (C), and (D) of paragraph (1) shall be  
24          presented in terms of nominal dollars, inflation-ad-  
25          justed dollars, and present discounted value in the

1 report under subsection (c)(2), and in terms of infla-  
2 tion-adjusted dollars in the summary of such report.

3 “(3) The Board of Trustees shall publish the  
4 economic model and all relevant data that are used  
5 to make the financial projections included in the re-  
6 port under subsection (c)(2) and to make it available  
7 on the Social Security Administration Internet web  
8 site. Annually, the Board of Trustees shall also in-  
9 clude in such report any changes made to the model  
10 and data in the preceding 12 months.

11 “(4) The information described in paragraph  
12 (1) shall also be included in a separate report to  
13 Congress to be submitted not later than the first day  
14 of April of each year (beginning with 2000).”.

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply with respect to reports made after  
17 the date of enactment of this Act.

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