POSTSCRIPTS

News of the CSU East Bay Hayward Emeritus and Retired Faculty Association
Fall 2011

Board of Directors

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Fall Luncheon

Guest Speaker:
Steve Gutierrez, Professor of the Year, Professor of English, and Director of Creative Writing
Date: **November 3, 2011, Thursday**
Time: Gather starting at **11:30, social hour of 45 minutes, sit down 12:15**
Place: Dino's at 3600 Castro Valley Blvd., Castro Valley

All lunches are $25, in cash or by check, paid when you arrive at Dino’s. Checks are **payable to Helen Sowers**ß ý&4VepcSower

The Baby Boomers, for example, were all born between 1946 and 1964 and we have long known when they would attain retirement age.

Social Security reform proposals usually involve the size of revenue increases and benefit reduction needed to make the system fully funded over the next 75 years. In 2010, the Congressional Budget Office identified and "priced" 30 such potential changes. While there are many ways of packaging them, they amount to a 2.15% increase in payroll taxes (half employee and half employer) or a 13.8% reduction in benefits or some combination thereof. These are not large numbers. Moreover, reforms can be a combination of options implemented over time and targeted to particular groups, such as high earners, in a way that makes for an easy transition. "Saving Social Security" would be relatively easy, especially if Congress acts soon. However, that is not the real problem.

When the Social Security Administration deposits surplus revenues in the trust funds, Treasury gives the SSA special nonnegotiable certificates (IOUs). Interest earned on the accumulated assets is also paid with additional IOUs. Treasury then spends the surplus money in the OASDI (and other) trust funds to pay for other government programs under what is called the Unified Budget. Consequently, there is no money there. None!

The $2.6 trillion in accumulated surpluses that the SSA holds as assets are liabilities to the ties