



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 22, 1998

H.R. 4578

An Act to Establish the Protect Social Security Account

*As ordered reported by the House Committee on Ways and Means
on September 17, 1998*

H.R. 4578 would establish an account within the Treasury called the “Protect Social Security Account.” The bill would require the Secretary of the Treasury to make annual payments into the account during the fiscal year 1998-2008 period that in aggregate equal 90 percent of the projected total budget surplus for that period. Those amounts would be invested in federal securities, and interest on those securities would be credited to the account. These securities presumably would be included in federal debt subject to the statutory limit.

The transactions authorized by H.R. 4578 would be purely intragovernmental and would not affect aggregate federal outlays or revenues. They also would not affect outlays or income of the Social Security trust funds. Therefore, pay-as-you-go procedures would not apply to the legislation. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact is James Horney. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.