

CHARTER

2011 Technical Panel on Assumptions and Methods

The Panel of expert actuaries, economists and demographers appointed by the Social Security Advisory Board is charged with providing technical assistance to the Board by reviewing the assumptions specified by the Board of Trustees of the Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund and the methods used by the Social Security actuaries to project the future financial status of the programs.. The Panel shall deliver a written report to the Advisory Board within nine months of the Panel's first meeting.

Specifically the Panel is asked to:

- Review the assumptions regarding key demographic and economic factors--including mortality, fertility, immigration and disability incidence and termination, productivity, real wage growth, interest rates, price increases, labor force participation, and rates of employment and unemployment.
- Review and assess current projection methodologies.
- Review in particular:
 - The factors that affect trends in the taxable wage base such as trends in non-wage compensation and the growth rate of wages above and below the taxable maximum wage.
 - Methods of projecting prevalence of disability and labor force participation of older workers.
 - Evidence of structural economic changes as a result of the recent financial crisis that would affect key economic assumptions and frameworks, both in the short- and long-terms.
 - Ways to improve the presentation of key concepts in the Trustees report, including the interaction of the funds with the federal budget, so as to make them more accessible and informative to the public.
- Review and assess the status of the recommendations of previous Technical Panels appointed by the Advisory Board.