

Immigration Reform and Social Security

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The Senate-passed bill would improve the program's finances

I am an unabashed supporter of immigration reform. The status quo doesn't work; we need a better system. My view is that the case stands on its own merits. But for those looking for additional rationales, the **recent analysis from the Social Security Actuaries** of Senate Bill S.744, which was passed by the Senate on June 27, might help.

The analysis shows that the proposed legislation would have a beneficial effect on the Social Security program's finances – extending the date of exhaustion of trust fund reserves from 2033 to 2035; increasing the percent of benefits payable after exhaustion to 79 percent; and reducing the actuarial deficit from 2.72 percent to 2.51 percent of taxable payrolls.

The Senate bill would do the following:

- Enhance border security and establish a mandatory system of employment verification for all persons newly hired. Social Security estimates that this provision will result in almost 500,000 fewer undocumented immigrants entering the country each year.

- Establish a new Registered Provisional Immigrant status permitting undocumented individuals residing in the United States since December 31, 2011 to gain immediate legal work status, with an opportunity to become legal permanent residents after 5 to 10 years. Social Security estimates nearly 8 million individuals will apply for and receive this status.
- Expand and establish several categories of temporary visas, ultimately increasing the annual number of such visas granted by nearly 400,000.
- Eliminate backlogs of applicants for permanent legal immigration in limited categories, adding about 5 million legal permanent residents over the next 10 years.
- Expand limits for future legal permanent immigration, ultimately by about 400,000 per year.

Overall, the Social Security Actuaries estimate that the legislation would ultimately increase net annual total immigration by about 200,000. Net legal immigration would be increased by about 300,000 per year, net undocumented immigration would be reduced by over 150,000, and net immigration through temporary visas would be increased by over 50,000 per year.

The legislation through about 2060 would substantially reduce Social Security costs expressed as a percent of taxable payroll as a result of increased taxable earnings. Between 2061 and 2075, it would increase costs very slightly as the millions of individuals granted Registered Provisional Immigrant status and Legal Permanent Resident status from the reduction of backlogs over the next several years move from working age to retirement age. After 2074, the legislation would again reduce costs as increased new legal immigration, and the added births to additional immigrants, expand

the labor force and shift the age distribution of the population to somewhat younger ages.

So if people – more specifically, members of the House of Representatives – need an additional reason to support the Senate immigration reform bill, here it is. Immigration reform will help Social Security.