



## Legislative Bulletin.....February 13, 2001

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#### H.R. 2 -- Social Security and Medicare Lockbox

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**Summary:** Creates a point of order in the House and Senate against consideration of any budget resolution, spending legislation, or tax bill that would cause the on-budget (non-Social Security) surplus to fall below the level of surplus attributable to the Medicare Part A Trust Fund. The point of order is waived, however, for legislation that reforms Medicare or Social Security or for any Budget Resolutions that assume the enactment of Medicare or Social Security reform.

**Cost to the Taxpayer:** By ensuring that Medicare and Social Security surpluses are used only to either reform the underlying programs or reduce publicly held debt, the bill likely will reduce the level of publicly held debt and result in lower future interest payments. Assuming the surpluses are used only to pay down the debt, this bill will result in the retirement of all available publicly held debt by the year 2010. At that time publicly held debt will total \$878 billion and be comprised of 30-year treasury notes, savings bonds, and other debt that is not available for redemption. Currently, publicly held debt totals \$3.4 trillion (FY 2000).

**Does the Bill Create New Federal Programs or Regulations:** No, the bill changes procedural rules applicable to the House and Senate only.

**Constitutional Authority:** None cited.

**RSC Staff Contact:** Neil Bradley, 6-9717