

CBO Estimate of S. 1963, A bill to repeal section 403 of the Bipartisan Budget Act of 2013

As introduced in the Senate on January 27, 2014

(by fiscal year, in millions of dollars)

02/10/2014

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014- 2019	2014- 2024
CHANGES IN DIRECT SPENDING													
Estimated Budget Authority	0	0	143	332	507	670	819	952	1,070	1,169	1,255	1,652	6,917
Estimated Outlays	0	0	141	332	467	657	807	941	1,148	1,169	1,151	1,597	6,813
CHANGES IN SPENDING SUBJECT TO APPROPRIATION													
Estimated Authorization Level	0	700	700	700	700	750	800	850	850	900	900	3,550	7,850
Estimated Outlays	0	700	700	700	700	750	800	850	850	900	900	3,550	7,850

NOTES:

Section 403 of the Bipartisan Budget Act of 2013 (Public Law 113-67) reduced the annual cost-of-living adjustment for annuities paid to certain military retirees and survivors by up to 1 percent. CBO estimated that section 403 would reduce direct spending by \$6,235 million over the 2014-2023 period. The Consolidated Appropriations Act, 2014 exempted disability retirees and certain survivors from this reduction of one percent, which reduced the savings associated with that provision to \$5,662 million over that same period. S. 1963 would repeal section 403 of P.L. 113-67. Relative to CBO's February 2014 baseline, we estimate that enacting S. 1963 would increase direct spending by \$6,813 million; \$5,662 million through 2023, plus \$1,151 million in 2024.

For this proposal, the increase in spending subject to appropriation represents an increase in discretionary accrual payments to the Military Retirement Trust Fund. While those payments count against discretionary budget caps, they are intragovernmental transactions, and the exact amounts would be determined by the Department of Defense Office of the Actuary.

Pursuant to section 604 of H. Con. Res. 25, the Concurrent Resolution on the Budget for Fiscal Year 2014, and section 311 of S. Con. Res. 70, the Concurrent Resolution on the Budget for Fiscal Year 2009, CBO estimates that S. 1963 would increase direct spending by more than \$5 billion in at least one of the four consecutive 10-year periods beginning in 2024.