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Sommario/riassunto	As many countries consider the privatization of existing pay-as-you-go Social Security systems, the option to make participation in the new system voluntary may appeal to policy makers who need to obtain the political support of their workers. A critical issue in evaluating such a reform and its economic consequences is the unobserved heterogeneity in households' preferences for consumption. This paper estimates the distribution of rates of time preference from the wealth data in the Survey of Consumer Finances 1992 and a flexible life-cycle model of consumption under income uncertainty. The estimated distribution is then applied to a variety of reform proposals that incorporate a voluntary choice of how much to contribute to a dedicated retirement account and a rebate of the existing payroll tax that increases with the magnitude of the contribution. The main finding is that an appropriate menu of reform plans can induce the voluntary buy out of 84 percent of existing payroll taxes at an immediate cost to national saving of less than 0.25 percentage point.