



News Release

SOCIAL SECURITY

Social Security Board of Trustees: Projected Trust Fund Exhaustion Three Years Sooner Than Last Year

The Social Security Board of Trustees today released its annual report on the financial health of the Social Security Trust Funds. The combined assets of the Old-Age and Survivors Insurance, and Disability Insurance (OASDI) Trust Funds will be exhausted in 2033, three years sooner than projected last year. The DI Trust Fund will be exhausted in 2016, two years earlier than last year's estimate. The Trustees also project that OASDI program costs will exceed non-interest income in 2012 and will remain higher throughout the remainder of the 75-year period.

In the 2012 Annual Report to Congress, the Trustees announced:

- The projected point at which the combined Trust Funds will be exhausted comes in 2033 – three years sooner than projected last year. At that time, there will be sufficient non-interest income coming in to pay about 75 percent of scheduled benefits.
- The projected actuarial deficit over the 75-year long-range period is 2.67 percent of taxable payroll -- 0.44 percentage point larger than in last year's report.
- Over the 75-year period, the Trust Funds would require additional revenue equivalent to \$8.6 trillion in present value dollars to pay all scheduled benefits.

“This year's Trustees Report contains troubling, but not unexpected, projections about Social Security's finances. It once again emphasizes that Congress needs to act to ensure the long-term solvency of this important program, and needs to act within four years to avoid automatic cuts to people receiving disability benefits,” said Michael J. Astrue, Commissioner of Social Security.

Other highlights of the Trustees Report include:

- Income including interest to the combined OASDI Trust Funds amounted to \$805 billion in 2011. (\$564 billion in net contributions, \$24 billion from taxation of benefits, \$114 billion in interest, and \$103 billion in reimbursements from the General Fund of the Treasury—almost exclusively resulting from the 2011 payroll tax legislation)
- Total expenditures from the combined OASDI Trust Funds amounted to \$736 billion in 2011.

- Non-interest income fell below program costs in 2010 for the first time since 1983. Program costs are projected to exceed non-interest income throughout the remainder of the 75-year period.
- The assets of the combined OASDI Trust Funds increased by \$69 billion in 2011 to a total of \$2.7 trillion.
- During 2011, an estimated 158 million people had earnings covered by Social Security and paid payroll taxes.
- Social Security paid benefits of \$725 billion in calendar year 2011. There were about 55 million beneficiaries at the end of the calendar year.
- The cost of \$6.4 billion to administer the program in 2011 was a very low 0.9 percent of total expenditures.
- The combined Trust Fund assets earned interest at an effective annual rate of 4.4 percent in 2011.

The Board of Trustees is comprised of six members. Four serve by virtue of their positions with the federal government: Timothy F. Geithner, Secretary of the Treasury and Managing Trustee; Michael J. Astrue, Commissioner of Social Security; Kathleen Sebelius, Secretary of Health and Human Services; and Hilda L. Solis, Secretary of Labor. The two public trustees are Charles P. Blahous, III and Robert D. Reischauer.

The 2012 Trustees Report will be posted at www.socialsecurity.gov/OACT/TR/2012/ on Monday afternoon.

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