



SOCIAL SECURITY

Office of the Chief Actuary

August 5, 2025

The Honorable Ron Wyden
United States Senate
Washington, DC 20510

Dear Senator Wyden:

I am writing in response to your request for our estimate of the financial effects on the Social Security trust funds of Public Law 119-21, the “One Big Beautiful Bill Act” (OBBBA), which the President signed into law on July 4, 2025. Among many other provisions, this law makes permanent the lower ordinary income tax rates and adjusted tax brackets originally enacted under the 2017 Tax Cuts and Jobs Act (TCJA) and temporarily changes certain standard and itemized deduction amounts. Because the revenue from income taxation of Social Security benefits is directed to the Social Security and Medicare trust funds, implementation of the OBBBA will have material effects on the financial status of the Social Security trust funds.

The balance of this letter provides our understanding of the provisions of the OBBBA with material effects on Social Security program cost, followed by estimates of the program cost effects of the law change. All estimates reflect the intermediate assumptions of the 2025 Trustees Report. Effects of the OBBBA are determined by comparing to the law in effect prior to its passage (i.e., a current law baseline).

Specification for and Effects of the Law Change

Before the OBBBA was signed into law, the marginal tax rates and tax bracket amounts were set as specified in the 2017 TCJA; those values were scheduled to revert to pre-TCJA levels in 2026. However, implementation of the OBBBA makes permanent the rates and bracket amounts specified in the TCJA. The OBBBA also increases the standard deduction amounts for those age 65 and older for years 2025 through 2028 and includes other tax changes with relatively smaller effects on Social Security beneficiaries.

The combined net effect of these income tax provisions results in less overall tax liability for Social Security beneficiaries. In turn, the trust funds will receive lower levels of projected revenue from income taxation of Social Security benefits for all years beginning in 2025. Note that our estimates of revenue levels from taxation of benefits depend on estimates of the effects of income tax changes provided by the Office of Tax Analysis at the Department of Treasury.

Given the uncertainty about possible future effects on Social Security due to other provisions included in the OBBBA, we have limited our analysis to the effects of the income tax changes and their resulting effects on taxation of benefits revenue to the trust funds. We will continue to monitor incoming experience and modify our projections as appropriate.

OASDI Program Cost Effects

We estimate that implementation of the OBBBA will result in net increased program cost starting in 2025. Over calendar years 2025 through 2034, the total net increase in OASDI program cost is estimated to be \$168.6 billion. In addition, the timing of combined OASI and DI Trust Fund reserve depletion is accelerated from the third quarter of 2034 under the 2025 Trustees Report baseline to the first quarter of 2034 following implementation of the law. Considered alone, the reserve depletion date for the OASI Trust Fund is accelerated from the first quarter of 2033 to the fourth quarter of 2032. DI Trust Fund reserves are not projected to become depleted during the 75-year projection period.

Over the long-range projection period, implementation of the OBBBA will decrease (worsen) the 75-year OASDI actuarial balance by 0.16 percent of taxable payroll, from -3.82 percent under the 2025 Trustees Report baseline to -3.98 percent following implementation of the law. Table 1, attached, indicates that the net effect of the changes in the law will decrease annual balances for the OASDI program from 2025 through the end of the 75-year projection period, decreasing the annual balance for the 75th projection year (2099) by 0.17 percent of taxable payroll. Tables 1b and 1b.n show the effects of enacting the OBBBA in present value dollar and nominal dollar amounts, respectively.

Finally, note that we will be using the results provided in this letter as an updated baseline for evaluating the effects of proposals that affect the OASI and DI Trust Funds, and particularly proposals intended to extend solvency, starting now and until the issuance of the 2026 Trustees Report next year. The 2026 Trustees Report will incorporate the latest data, assumptions, and methods available at the time of its development, in addition to possible refinements in our understanding of the effects of the OBBBA.

We hope these estimates are helpful. Please let me know if we can provide further assistance.

Sincerely,

A handwritten signature in black ink that reads "Karen P. Glenn". The signature is fluid and cursive, with a long horizontal stroke at the end.

Karen P. Glenn, FSA, EA, MAAA
Chief Actuary

Enclosures

Table 1 - OASDI Cost Rate, Income Rate, Annual Balance, and Trust Fund Ratio
"One Big Beautiful Bill Act", signed into law on July 4, 2025 as Public Law 119-21

Proposal					Change from Trustees Report Baseline				
Expressed as a percentage of current-law taxable payroll					Expressed as a percentage of current-law taxable payroll				
	Income		Annual	Ratio	Income		Annual		
Year	Cost Rate	Rate	Balance	1-1-year	Cost Rate	Rate	Balance		
2025	15.15	12.76	-2.38	169	0.00	-0.03	-0.03		
2026	15.29	12.88	-2.40	149	0.00	-0.15	-0.15		
2027	15.48	12.93	-2.55	130	0.00	-0.16	-0.16		
2028	15.59	12.95	-2.63	111	0.00	-0.16	-0.16		
2029	15.69	13.01	-2.68	92	0.00	-0.12	-0.12		
2030	15.80	13.03	-2.77	74	0.00	-0.13	-0.13		
2031	15.91	13.06	-2.86	56	0.00	-0.13	-0.13		
2032	16.00	13.07	-2.93	38	0.00	-0.13	-0.13		
2033	16.07	13.11	-2.96	20	0.00	-0.14	-0.14		
2034	16.15	13.13	-3.02	2	0.00	-0.14	-0.14		
2035	16.23	13.14	-3.10	—	0.00	-0.14	-0.14		
2036	16.32	13.14	-3.18	—	0.00	-0.14	-0.14		
2037	16.41	13.15	-3.26	—	0.00	-0.14	-0.14		
2038	16.49	13.16	-3.33	—	0.00	-0.14	-0.14		
2039	16.55	13.16	-3.39	—	0.00	-0.15	-0.15		
2040	16.60	13.17	-3.44	—	0.00	-0.15	-0.15		
2041	16.65	13.17	-3.47	—	0.00	-0.15	-0.15		
2042	16.68	13.18	-3.50	—	0.00	-0.15	-0.15		
2043	16.71	13.18	-3.53	—	0.00	-0.15	-0.15		
2044	16.74	13.18	-3.56	—	0.00	-0.15	-0.15		
2045	16.77	13.19	-3.59	—	0.00	-0.15	-0.15		
2046	16.80	13.19	-3.61	—	0.00	-0.15	-0.15		
2047	16.84	13.19	-3.64	—	0.00	-0.15	-0.15		
2048	16.88	13.20	-3.68	—	0.00	-0.15	-0.15		
2049	16.92	13.20	-3.72	—	0.00	-0.15	-0.15		
2050	16.97	13.20	-3.77	—	0.00	-0.15	-0.15		
2051	17.02	13.21	-3.81	—	0.00	-0.15	-0.15		
2052	17.08	13.21	-3.87	—	0.00	-0.15	-0.15		
2053	17.15	13.22	-3.93	—	0.00	-0.15	-0.16		
2054	17.22	13.22	-4.00	—	0.00	-0.16	-0.16		
2055	17.30	13.23	-4.07	—	0.00	-0.16	-0.16		
2056	17.39	13.24	-4.15	—	0.00	-0.16	-0.16		
2057	17.48	13.24	-4.24	—	0.00	-0.16	-0.16		
2058	17.57	13.25	-4.32	—	0.00	-0.16	-0.16		
2059	17.66	13.25	-4.41	—	0.00	-0.16	-0.16		
2060	17.74	13.26	-4.48	—	0.00	-0.16	-0.16		
2061	17.82	13.27	-4.55	—	0.00	-0.16	-0.16		
2062	17.89	13.27	-4.62	—	0.00	-0.16	-0.16		
2063	17.96	13.28	-4.69	—	0.00	-0.17	-0.17		
2064	18.03	13.28	-4.75	—	0.00	-0.17	-0.17		
2065	18.10	13.29	-4.81	—	0.00	-0.17	-0.17		
2066	18.17	13.29	-4.88	—	0.00	-0.17	-0.17		
2067	18.24	13.30	-4.94	—	0.00	-0.17	-0.17		
2068	18.31	13.30	-5.01	—	0.00	-0.17	-0.17		
2069	18.38	13.31	-5.07	—	0.00	-0.17	-0.17		
2070	18.46	13.31	-5.14	—	0.00	-0.17	-0.17		
2071	18.53	13.32	-5.21	—	0.00	-0.17	-0.17		
2072	18.60	13.32	-5.28	—	0.00	-0.17	-0.17		
2073	18.67	13.33	-5.35	—	0.00	-0.17	-0.17		
2074	18.74	13.33	-5.41	—	0.00	-0.18	-0.18		
2075	18.80	13.34	-5.47	—	0.00	-0.18	-0.18		
2076	18.85	13.34	-5.51	—	0.00	-0.18	-0.18		
2077	18.89	13.34	-5.55	—	0.00	-0.18	-0.18		
2078	18.93	13.35	-5.58	—	0.00	-0.18	-0.18		
2079	18.95	13.35	-5.60	—	0.00	-0.18	-0.18		
2080	18.96	13.35	-5.61	—	0.00	-0.18	-0.18		
2081	18.96	13.35	-5.61	—	0.00	-0.18	-0.18		
2082	18.95	13.35	-5.60	—	0.00	-0.18	-0.18		
2083	18.93	13.35	-5.58	—	0.00	-0.18	-0.18		
2084	18.91	13.35	-5.56	—	0.00	-0.18	-0.18		
2085	18.87	13.35	-5.52	—	0.00	-0.18	-0.18		
2086	18.82	13.35	-5.48	—	0.00	-0.18	-0.18		
2087	18.77	13.34	-5.42	—	0.00	-0.18	-0.18		
2088	18.70	13.34	-5.36	—	0.00	-0.18	-0.18		
2089	18.64	13.34	-5.30	—	0.00	-0.18	-0.18		
2090	18.58	13.33	-5.24	—	0.00	-0.18	-0.18		
2091	18.52	13.33	-5.19	—	0.00	-0.17	-0.18		
2092	18.47	13.33	-5.14	—	0.00	-0.17	-0.17		
2093	18.42	13.33	-5.10	—	0.00	-0.17	-0.17		
2094	18.39	13.32	-5.06	—	0.00	-0.17	-0.17		
2095	18.36	13.32	-5.04	—	0.00	-0.17	-0.17		
2096	18.34	13.32	-5.02	—	0.00	-0.17	-0.17		
2097	18.33	13.32	-5.01	—	0.00	-0.17	-0.17		
2098	18.33	13.32	-5.01	—	0.00	-0.17	-0.17		
2099	18.34	13.32	-5.02	—	0.00	-0.17	-0.17		
2100	18.35	13.32	-5.03	—	0.00	-0.17	-0.17		

Summarized Rates: OASDI				
	Cost Rate	Income Rate	Actuarial Balance	Year of Reserve Depletion ¹
2025 - 2099	17.61%	13.63%	-3.98%	2034

Summarized Rates: OASDI		
Change in Cost rate	Change in Income Rate	Change in Actuarial Balance
0.00%	-0.16%	-0.16%

Note: Estimates are based on the intermediate assumptions of the 2025 Trustees Report

¹Under the 2025 Trustees Report baseline, the year of combined Trust Fund reserve depletion is 2034.

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Social Security Administration
August 5, 2025

Table 1b - Changes & Implications for Federal Budget Scoring and Federal Debt of Specified Proposal Effects on OASDI (Present Value Dollars)
"One Big Beautiful Bill Act", signed into law on July 4, 2025 as Public Law 119-21

Billions of Present Value Dollars as of 1-1-2025								
Year	Specified General Fund Transfers	Basic Changes in OASDI Cash Flow	Change in Annual Unified Budget Cash Flow ¹	Change in Debt Held by Public at End of Year ²	Change in Annual Unified Budget Balance	Change in Annual On Budget Cash Flow	Change in Total Federal Debt Subject to Limit End Of Year	Change in Annual On Budget Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2025	0.0	-3.5	-3.5	3.5	3.5	0.0	0.0	0.0
2026	0.0	-16.2	-16.2	19.6	-16.3	0.0	0.0	0.0
2027	0.0	-17.0	-17.0	36.6	-17.6	0.0	0.0	0.0
2028	0.0	-17.6	-17.6	54.2	-18.6	0.0	0.0	0.0
2029	0.0	-14.3	-14.3	68.5	-15.9	0.0	0.0	0.0
2030	0.0	-14.7	-14.7	83.2	-16.8	0.0	0.0	0.0
2031	0.0	-15.4	-15.4	98.6	-18.1	0.0	0.0	0.0
2032	0.0	-15.6	-15.6	114.2	-19.2	0.0	0.0	0.0
2033	0.0	-15.9	-15.9	130.1	-20.4	0.0	0.0	0.0
2034	0.0	-16.3	-16.3	146.4	-21.5	0.0	0.0	0.0
2035	0.0	-16.5	-16.5	162.9	-22.4	0.0	0.0	0.0
2036	0.0	-16.6	-16.6	179.5	-23.3	0.0	0.0	0.0
2037	0.0	-16.6	-16.6	196.1	-24.3	0.0	0.0	0.0
2038	0.0	-16.7	-16.7	212.8	-25.1	0.0	0.0	0.0
2039	0.0	-16.7	-16.7	229.4	-26.0	0.0	0.0	0.0
2040	0.0	-16.6	-16.6	246.1	-26.8	0.0	0.0	0.0
2041	0.0	-16.6	-16.6	262.7	-27.5	0.0	0.0	0.0
2042	0.0	-16.5	-16.5	279.1	-28.4	0.0	0.0	0.0
2043	0.0	-16.4	-16.4	295.5	-29.1	0.0	0.0	0.0
2044	0.0	-16.3	-16.3	311.8	-29.6	0.0	0.0	0.0
2045	0.0	-16.2	-16.2	328.0	-30.3	0.0	0.0	0.0
2046	0.0	-16.1	-16.1	344.0	-30.9	0.0	0.0	0.0
2047	0.0	-16.0	-16.0	360.0	-31.6	0.0	0.0	0.0
2048	0.0	-15.9	-15.9	376.0	-32.2	0.0	0.0	0.0
2049	0.0	-15.8	-15.8	391.8	-32.9	0.0	0.0	0.0
2050	0.0	-15.8	-15.8	407.6	-33.6	0.0	0.0	0.0
2051	0.0	-15.7	-15.7	423.3	-34.2	0.0	0.0	0.0
2052	0.0	-15.7	-15.7	438.9	-34.9	0.0	0.0	0.0
2053	0.0	-15.6	-15.6	454.5	-35.5	0.0	0.0	0.0
2054	0.0	-15.6	-15.6	470.1	-36.2	0.0	0.0	0.0
2055	0.0	-15.5	-15.5	485.6	-36.9	0.0	0.0	0.0
2056	0.0	-15.5	-15.5	501.1	-37.5	0.0	0.0	0.0
2057	0.0	-15.5	-15.5	516.6	-38.2	0.0	0.0	0.0
2058	0.0	-15.4	-15.4	532.0	-38.9	0.0	0.0	0.0
2059	0.0	-15.4	-15.4	547.4	-39.6	0.0	0.0	0.0
2060	0.0	-15.4	-15.4	562.8	-40.3	0.0	0.0	0.0
2061	0.0	-15.4	-15.4	578.2	-40.9	0.0	0.0	0.0
2062	0.0	-15.3	-15.3	593.5	-41.6	0.0	0.0	0.0
2063	0.0	-15.3	-15.3	608.8	-42.2	0.0	0.0	0.0
2064	0.0	-15.2	-15.2	624.0	-42.9	0.0	0.0	0.0
2065	0.0	-15.2	-15.2	639.2	-43.5	0.0	0.0	0.0
2066	0.0	-15.1	-15.1	654.3	-44.1	0.0	0.0	0.0
2067	0.0	-15.1	-15.1	669.3	-44.8	0.0	0.0	0.0
2068	0.0	-15.0	-15.0	684.3	-45.4	0.0	0.0	0.0
2069	0.0	-14.9	-14.9	699.3	-46.0	0.0	0.0	0.0
2070	0.0	-14.9	-14.9	714.1	-46.6	0.0	0.0	0.0
2071	0.0	-14.8	-14.8	729.0	-47.2	0.0	0.0	0.0
2072	0.0	-14.8	-14.8	743.7	-47.9	0.0	0.0	0.0
2073	0.0	-14.7	-14.7	758.4	-48.5	0.0	0.0	0.0
2074	0.0	-14.6	-14.6	773.1	-49.1	0.0	0.0	0.0
2075	0.0	-14.6	-14.6	787.6	-49.7	0.0	0.0	0.0
2076	0.0	-14.5	-14.5	802.1	-50.2	0.0	0.0	0.0
2077	0.0	-14.4	-14.4	816.5	-50.8	0.0	0.0	0.0
2078	0.0	-14.3	-14.3	830.8	-51.4	0.0	0.0	0.0
2079	0.0	-14.2	-14.2	845.0	-51.9	0.0	0.0	0.0
2080	0.0	-14.1	-14.1	859.1	-52.5	0.0	0.0	0.0
2081	0.0	-14.0	-14.0	873.1	-53.0	0.0	0.0	0.0
2082	0.0	-13.9	-13.9	887.0	-53.5	0.0	0.0	0.0
2083	0.0	-13.8	-13.8	900.8	-54.0	0.0	0.0	0.0
2084	0.0	-13.6	-13.6	914.4	-54.5	0.0	0.0	0.0
2085	0.0	-13.5	-13.5	927.9	-55.0	0.0	0.0	0.0
2086	0.0	-13.4	-13.4	941.3	-55.5	0.0	0.0	0.0
2087	0.0	-13.2	-13.2	954.5	-56.0	0.0	0.0	0.0
2088	0.0	-13.1	-13.1	967.6	-56.4	0.0	0.0	0.0
2089	0.0	-12.9	-12.9	980.5	-56.9	0.0	0.0	0.0
2090	0.0	-12.8	-12.8	993.3	-57.3	0.0	0.0	0.0
2091	0.0	-12.6	-12.6	1,005.9	-57.7	0.0	0.0	0.0
2092	0.0	-12.5	-12.5	1,018.4	-58.2	0.0	0.0	0.0
2093	0.0	-12.4	-12.4	1,030.8	-58.6	0.0	0.0	0.0
2094	0.0	-12.3	-12.3	1,043.1	-59.0	0.0	0.0	0.0
2095	0.0	-12.1	-12.1	1,055.2	-59.5	0.0	0.0	0.0
2096	0.0	-12.0	-12.0	1,067.2	-59.9	0.0	0.0	0.0
2097	0.0	-11.9	-11.9	1,079.2	-60.4	0.0	0.0	0.0
2098	0.0	-11.8	-11.8	1,091.0	-60.8	0.0	0.0	0.0
2099	0.0	-11.8	-11.8	1,102.8	-61.3	0.0	0.0	0.0
Total 2025-2099	0.0	-1,102.8	-1,102.8					

Notes: Estimates are based on the intermediate assumptions of the 2025 Trustees Report.

Present values are discounted at the current-law Treasury bond yield; the ultimate annual real trust fund yield is 2.3%.

Changes reflect the budget scoring convention that presumes benefits not payable after reserve depletion would nonetheless be paid, based on transfers from the General Fund of the Treasury resulting in additional borrowing from the public.

Changes do not reflect effects of the proposal on other Federal programs, such as the Medicare Hospital Insurance Trust Fund.

¹ Positive (negative) changes in unified budget cash flows reflect excess (a deficit of) revenues to the Federal Government arising from the proposal.

² Positive (negative) changes indicate an increase (decrease) in theoretical debt held by the public due to the provisions of the proposal.

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August 5, 2025

Table 1b.n - Changes & Implications for Federal Budget Scoring and Federal Debt of Specified Proposal Effects on OASDI (Nominal Dollars)
"One Big Beautiful Bill Act", signed into law on July 4, 2025 as Public Law 119-21

<i>Billions of Nominal Dollars</i>								
<u>Year</u>	Specified General Fund Transfers	Basic Changes in OASDI Cash Flow	Change in Annual Unified Budget Cash Flow ¹	Change in Debt Held by Public at End of Year ^{2 3}	Change in Annual Unified Budget Balance ³	Change in Annual On Budget Cash Flow	Change in Total Federal Debt Subject to Limit End of Year ³	Change in Annual On Budget Balance ³
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2025	0.0	-3.5	-3.5	3.6	-3.6	0.0	0.0	0.0
2026	0.0	-16.7	-16.7	20.9	-17.3	0.0	0.0	0.0
2027	0.0	-18.1	-18.1	40.3	-19.4	0.0	0.0	0.0
2028	0.0	-19.1	-19.1	61.5	-21.3	0.0	0.0	0.0
2029	0.0	-15.8	-15.8	80.2	-18.7	0.0	0.0	0.0
2030	0.0	-16.7	-16.7	100.4	-20.2	0.0	0.0	0.0
2031	0.0	-17.9	-17.9	122.1	-21.7	0.0	0.0	0.0
2032	0.0	-19.0	-19.0	145.4	-23.3	0.0	0.0	0.0
2033	0.0	-20.3	-20.3	172.2	-26.8	0.0	0.0	0.0
2034	<u>0.0</u>	<u>-21.6</u>	<u>-21.6</u>	201.5	-29.4	<u>0.0</u>	0.0	0.0
Total 2025-2034	0.0	-168.6	-168.6			0.0		

Notes: Estimates are based on the intermediate assumptions of the 2025 Trustees Report.

Changes reflect the budget scoring convention that presumes benefits not payable after reserve depletion would nonetheless be paid, based on transfers from the General Fund of the Treasury resulting in additional borrowing from the public.

Changes do not reflect effects of the proposal on other Federal programs, such as the Medicare Hospital Insurance Trust Fund.

¹ Positive (negative) changes in unified budget cash flows reflect excess (a deficit of) revenues to the Federal Government arising from the proposal.

² Positive (negative) changes indicate an increase (decrease) in theoretical debt held by the public due to the provisions of the proposal.

³ Includes the accumulated effect of interest income.

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Social Security Administration
August 5, 2025

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July 30, 2025

Karen Glenn
Chief Actuary
Social Security Administration
6401 Security Boulevard
Baltimore, MD 21235

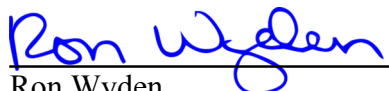
Dear Ms. Glenn:

I am writing to request your analysis on H.R. 1, a bill to provide for reconciliation pursuant to title II of H. Con. Res. 14, as enacted (P.L. 119-21).

As you may know, the legislation enacted several tax and health care changes, many of which directly and indirectly impacted projected revenue and benefit outlays in the Social Security programs. While I was not supportive of this legislation, I would like to be aware of its implications on the Social Security Trust Funds.

Thank you for your analysis into these questions, and I look forward to your reply. If you have any questions, please contact Sam Conchuratt on my staff.

Sincerely,



Ron Wyden
United States Senator
Ranking Member, Committee
on Finance