



SOCIAL SECURITY

Office of the Chief Actuary

September 2, 2025

The Honorable Steven Horsford
United States House of Representatives
Washington, DC 20515

Dear Representative Horsford:

I am writing with additional information related to my letter of August 5, 2025, which provided our estimate of the financial effects on the Social Security trust funds of Public Law 119-21, the “One Big Beautiful Bill Act” (OBBBA). It has been four weeks since we provided that estimate, and I wanted to provide an update on our current thinking about the effects of the law.

As noted in my August 5 letter, given the uncertainty about possible future effects on Social Security due to other provisions included in the OBBBA, we limited our analysis to the effects of the income tax changes and their resulting effects on taxation of benefits revenue to the trust funds. The income tax provisions in the OBBBA will lead to lower income tax liability for Social Security beneficiaries, in total. As a result, the trust funds will receive lower levels of projected revenue from income taxation of Social Security benefits.

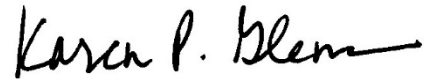
We are continuing to monitor and review estimates by other government agencies about the broader economic effects of the law. The Congressional Budget Office and the Joint Committee on Taxation have released several relevant reports in recent weeks, which indicate their expectation that OBBBA will lead to a modest near-term boost in economic growth.¹ If that boost does occur, then there would be a resulting positive financial impact on the trust funds, offsetting to some extent the negative financial impact described in my August 5 letter.

After reviewing these external estimates and other economic indicators, and consistent with actuarial standards of practice, we continue to believe that it is too early to reflect any potential positive economic effects of the OBBBA in our estimates of Social Security’s financial status. We will, as always, continue to monitor incoming experience and build it into future estimates as appropriate. In particular, as we develop the estimates for the 2026 Trustees Report in conjunction with the Social Security Board of Trustees, we will incorporate the latest data, assumptions, and methods available at the time of its development, in addition to possible refinements in our assessment of the effects of the OBBBA.

¹ See <https://www.cbo.gov/topics/budget/reconciliation> and <https://www.jct.gov/publications/> for details.

We hope this additional information is 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