

# FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

Our financial statements and additional information for fiscal years (FY) 2022 and 2021 consist of the following:

- The **CONSOLIDATED BALANCE SHEETS** present, as of September 30, 2022 and 2021, amounts of economic benefits we owned or managed (assets), amounts we owed (liabilities), and residual amounts we retained, comprising the difference (net position). We provide a Balance Sheet by major program as additional information.
- The **CONSOLIDATED STATEMENTS OF NET COST** present the net cost of operations for the years ended September 30, 2022 and 2021. Our net cost of operations includes the gross costs incurred less any exchange revenue earned from activities presented by our major programs. By disclosing the gross cost and net cost of the entity's programs, the Consolidated Statements of Net Cost provide information that can be related to the outputs and outcomes of programs and activities. We provide a Schedule of Net Cost to show the components of net cost activity as additional information.
- The **CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION** present the change in net position for the years ended September 30, 2022 and 2021. Changes to the two components of net position, Unexpended Appropriations and Cumulative Results of Operations, affect its balance. The Statement format is designed to display both components of net position separately to enable the user to better understand the nature of changes to net position as a whole. We provide a Schedule of Changes in Net Position to present the change in net position by major program as additional information.
- The **COMBINED STATEMENTS OF BUDGETARY RESOURCES** present the budgetary resources available to us, the status of these resources, and the outlay of budgetary resources for the years ended September 30, 2022 and 2021. We provide an additional Schedule of Budgetary Resources as Required Supplementary Information to present budgetary resources by major program.
- The **STATEMENTS OF SOCIAL INSURANCE** present the present value for the 75-year projection period of the estimated Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) future noninterest income and cost expected to arise from the formulas specified in current law for current and future program participants. We present the difference between these values on both an open group and a closed group basis, both including and excluding the value of the combined OASI and DI Trust Fund reserves at the beginning of the period. We present this information for the current year and for each of the four preceding years.
- The **STATEMENTS OF CHANGES IN SOCIAL INSURANCE AMOUNTS** reconcile the changes, from one 75-year valuation period to the next, in the present value for the 75-year projection period of the estimated OASI and DI future noninterest income less estimated future cost for current and future participants (the open group measure). The Statements show two reconciliations: (1) change from the period beginning on January 1, 2021 to the period beginning on January 1, 2022; and (2) change from the period beginning on January 1, 2020 to the period beginning on January 1, 2021. The Statements identify several categories of changes and provide reasons for significant changes in the accompanying notes.
- The **REQUIRED SUPPLEMENTARY INFORMATION: SOCIAL INSURANCE** presents required long-range cash flow projections, the long-range projections of the ratio of contributors to beneficiaries, and the sensitivity analysis illustrating the effect of the changes in the most significant assumptions on the actuarial projections and present values for the 75-year projection period of the OASI and DI programs. The financial and actuarial disclosures include a narrative describing the program. This narrative includes a description of program financing, details about how benefits are calculated, and an analysis of relevant trends.

**CONSOLIDATED BALANCE SHEETS AS OF  
SEPTEMBER 30, 2022 AND 2021  
(DOLLARS IN MILLIONS)**

<b>Assets</b>	<b>2022</b>	<b>2021</b>
Intragovernmental:		
Fund Balance with Treasury (Notes 3 and 4)	\$ 7,944	\$ 8,211
Investments (Note 5)	2,854,202	2,870,625
Accounts Receivable, Net (Note 6)	1,226	1,365
Advances and Prepayments (Note 8)	119	108
Total Intragovernmental	<b>2,863,491</b>	2,880,309
With the Public		
Accounts Receivable, Net (Notes 3 and 6)	8,682	8,636
General Property, Plant, and Equipment, Net (Note 7)	4,830	4,372
Total with the Public	<b>13,512</b>	13,008
<b>Total Assets</b>	<b>\$ 2,877,003</b>	<b>\$ 2,893,317</b>
<b>Liabilities (Note 9)</b>		
Intragovernmental:		
Accounts Payable	\$ 5,486	\$ 5,314
Advances from Others and Deferred Revenue	0	1
Other Liabilities	4,073	3,812
Total Intragovernmental	<b>9,559</b>	9,127
With the Public		
Accounts Payable	267	305
Federal Employee and Veteran Benefits Payable	675	715
Benefits Due and Payable	126,202	110,850
Advances from Others and Deferred Revenue	13	203
Other Liabilities	124	326
Total with the Public	<b>127,281</b>	112,399
Total Liabilities	<b>\$ 136,840</b>	<b>\$ 121,526</b>
Commitments and Contingencies (Note 9)		
<b>Net Position</b>		
Unexpended Appropriations - Funds from other than Dedicated Collections	\$ 4,862	\$ 4,889
Cumulative Results of Operations - Funds from Dedicated Collections (Note 10)	2,729,650	2,761,448
Cumulative Results of Operations - Funds from other than Dedicated Collections	5,651	5,454
Total Cumulative Results of Operations	<b>2,735,301</b>	2,766,902
Total Net Position	<b>\$ 2,740,163</b>	<b>\$ 2,771,791</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 2,877,003</b>	<b>\$ 2,893,317</b>

The accompanying notes are an integral part of these financial statements.

**CONSOLIDATED STATEMENTS OF NET COST FOR THE YEARS ENDED  
SEPTEMBER 30, 2022 AND 2021  
(DOLLARS IN MILLIONS)**

	2022	2021
<b>OASI Program</b>		
Benefit Payment Expense	\$ 1,075,126	\$ 986,398
Operating Expenses (Note 11)	4,209	3,958
Total Cost of OASI Program	1,079,335	990,356
Less: Exchange Revenues (Note 12)	(16)	(20)
<b>Net Cost of OASI Program</b>	<b>\$ 1,079,319</b>	<b>\$ 990,336</b>
<b>DI Program</b>		
Benefit Payment Expense	\$ 146,259	\$ 139,818
Operating Expenses (Note 11)	2,923	2,846
Total Cost of DI Program	149,182	142,664
Less: Exchange Revenues (Note 12)	(31)	(34)
<b>Net Cost of DI Program</b>	<b>\$ 149,151</b>	<b>\$ 142,630</b>
<b>SSI Program</b>		
Benefit Payment Expense	\$ 58,581	\$ 53,918
Operating Expenses (Note 11)	4,758	4,704
Total Cost of SSI Program	63,339	58,622
Less: Exchange Revenues (Note 12)	(261)	(243)
<b>Net Cost of SSI Program</b>	<b>\$ 63,078</b>	<b>\$ 58,379</b>
<b>Other</b>		
Benefit Payment Expense	\$ 0	\$ 1
Operating Expenses (Note 11)	2,911	2,841
Total Cost of Other Program	2,911	2,842
Less: Exchange Revenues (Note 12)	(12)	(15)
<b>Net Cost of Other Program</b>	<b>\$ 2,899</b>	<b>\$ 2,827</b>
<b>Total Net Cost</b>		
Benefit Payment Expense	\$ 1,279,966	\$ 1,180,135
Operating Expenses (Note 11)	14,801	14,349
Total Cost	1,294,767	1,194,484
Less: Exchange Revenues (Note 12)	(320)	(312)
<b>Total Net Cost</b>	<b>\$ 1,294,447</b>	<b>\$ 1,194,172</b>

The accompanying notes are an integral part of these financial statements.



**CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION FOR THE YEARS ENDED  
SEPTEMBER 30, 2022 AND 2021  
(DOLLARS IN MILLIONS)**

	2022			2021		
	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Total	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Total
<b>Unexpended Appropriations:</b>						
<b>Beginning Balances</b>	\$ 0	\$ 4,889	\$ 4,889	\$ 0	\$ 5,048	\$ 5,048
Appropriations Received	48,502	65,580	114,082	34,801	60,145	94,946
Other Adjustments	0	(11)	(11)	0	(8)	(8)
Appropriations Used	(48,502)	(65,596)	(114,098)	(34,801)	(60,296)	(95,097)
<b>Net Change in Unexpended Appropriations</b>	<b>0</b>	<b>(27)</b>	<b>(27)</b>	<b>0</b>	<b>(159)</b>	<b>(159)</b>
<b>Total Unexpended Appropriations - Ending</b>	<b>0</b>	<b>4,862</b>	<b>4,862</b>	<b>0</b>	<b>4,889</b>	<b>4,889</b>
<b>Cumulative Results of Operations:</b>						
<b>Beginning Balances</b>	\$ 2,761,448	\$ 5,454	\$ 2,766,902	\$ 2,819,572	\$ 4,953	\$ 2,824,525
Appropriations Used	48,502	65,596	114,098	34,801	60,296	95,097
Non-Exchange Revenue						
Tax Revenues (Note 13)	1,086,858	0	1,086,858	972,319	0	972,319
Interest Revenues	66,853	0	66,853	71,650	0	71,650
Other	1	0	1	7	0	7
Total Non-Exchange Revenue	1,153,712	0	1,153,712	1,043,976	0	1,043,976
Transfers-In/Out - Without Reimbursement	(11,857)	8,969	(2,888)	(10,014)	8,656	(1,358)
Imputed Financing Sources (Note 14)	0	609	609	0	595	595
Other	0	(2,685)	(2,685)	0	(1,761)	(1,761)
<b>Net Cost of Operations</b>	<b>1,222,155</b>	<b>72,292</b>	<b>1,294,447</b>	<b>1,126,887</b>	<b>67,285</b>	<b>1,194,172</b>
<b>Net Change in Cumulative Results of Operations</b>	<b>(31,798)</b>	<b>197</b>	<b>(31,601)</b>	<b>(58,124)</b>	<b>501</b>	<b>(57,623)</b>
<b>Cumulative Results of Operations - Ending</b>	<b>\$ 2,729,650</b>	<b>\$ 5,651</b>	<b>\$ 2,735,301</b>	<b>\$ 2,761,448</b>	<b>\$ 5,454</b>	<b>\$ 2,766,902</b>
<b>Net Position</b>	<b>\$ 2,729,650</b>	<b>\$ 10,513</b>	<b>\$ 2,740,163</b>	<b>\$ 2,761,448</b>	<b>\$ 10,343</b>	<b>\$ 2,771,791</b>

The accompanying notes are an integral part of these financial statements.



**COMBINED STATEMENTS OF BUDGETARY RESOURCES FOR THE YEARS ENDED  
SEPTEMBER 30, 2022 AND 2021  
(DOLLARS IN MILLIONS)**

	2022	2021
<b>Budgetary Resources (Note 15)</b>		
Unobligated Balance From Prior Year Budget Authority, Net	\$ 6,420	\$ 6,556
Appropriations (Discretionary and Mandatory)	1,347,799	1,232,394
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	16,313	15,536
<b>Total Budgetary Resources</b>	<b>\$ 1,370,532</b>	<b>\$ 1,254,486</b>
<b>Status of Budgetary Resources</b>		
<b>New obligations and upward adjustments</b>		
Direct	\$ 1,361,894	\$ 1,246,124
Reimbursable	3,093	2,529
New obligations and upward adjustments (total)	1,364,987	1,248,653
Unobligated Balance, End of Year		
Apportioned, unexpired accounts	4,986	5,368
Unapportioned, unexpired accounts	133	27
Unexpired unobligated balance, end of year	5,119	5,395
Expired unobligated balance, end of year	426	438
Unobligated balance, end of year (total)	5,545	5,833
<b>Total Budgetary Resources</b>	<b>\$ 1,370,532</b>	<b>\$ 1,254,486</b>
<b>Outlays, Net</b>		
Outlays, Net (Discretionary and Mandatory)	\$ 1,333,079	\$ 1,229,745
Distributed Offsetting Receipts	(51,024)	(37,293)
<b>Agency Outlays, Net (Discretionary and Mandatory)</b>	<b>\$ 1,282,055</b>	<b>\$ 1,192,452</b>

The accompanying notes are an integral part of these financial statements.

**STATEMENTS OF SOCIAL INSURANCE  
OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE  
AS OF JANUARY 1, 2022  
(DOLLARS IN BILLIONS)**

	Estimates Reported in Prior Years				
	2022	2021	2020	2019	2018
<b>Present value for the 75-year projection period from or on behalf of: (Note 17)</b>					
<i>Participants who, in the starting year of the projection period, have attained eligibility age (age 62 and over):</i>					
Noninterest income	\$ 1,998	\$ 1,766	\$ 1,720	\$ 1,552	\$ 1,451
Cost for scheduled future benefits	21,591	19,785	18,269	16,895	15,862
Future noninterest income less future cost	<b>(19,593)</b>	(18,019)	(16,549)	(15,344)	(14,411)
<i>Participants who have not yet attained retirement eligibility age (ages 15–61):</i>					
Noninterest income	40,365	37,465	35,215	33,602	31,849
Cost for scheduled future benefits	68,471	64,932	59,784	55,826	52,248
Future noninterest income less future cost	<b>(28,105)</b>	(27,467)	(24,569)	(22,224)	(20,399)
<b>Present value of future noninterest income less future cost for current participants (closed group measure)</b>	<b>(47,699)</b>	(45,486)	(41,118)	(37,568)	(34,810)
<b>Combined OASI and DI Trust Fund reserves at start of period</b>	<b>2,852</b>	2,908	2,897	2,895	2,892
<b>Closed group - Present value of future noninterest income less future cost for current participants plus combined OASI and DI Trust Fund reserves at start of period</b>	<b>\$ (44,847)</b>	\$ (42,578)	\$ (38,220)	\$ (34,673)	\$ (31,918)
<b>Present value for the 75-year projection period from or on behalf of: (Note 17)</b>					
<i>Future participants (those under age 15, and to be born during period):</i>					
Noninterest income	\$ 41,808	\$ 39,349	\$ 36,964	\$ 35,311	\$ 31,788
Cost for scheduled future benefits	17,411	16,604	15,542	14,508	13,035
Future noninterest income less future cost	<b>24,397</b>	22,745	21,421	20,804	18,753
<b>Present value of future noninterest income less future cost for current and future participants (open group measure)</b>	<b>(23,301)</b>	(22,742)	(19,696)	(16,764)	(16,057)
<b>Combined OASI and DI Trust Fund reserves at start of period</b>	<b>2,852</b>	2,908	2,897	2,895	2,892
<b>Open group - Present value of future noninterest income less future cost for current and future participants plus combined OASI and DI Trust Fund reserves at start of period</b>	<b>\$ (20,449)</b>	\$ (19,833)	\$ (16,799)	\$ (13,869)	\$ (13,166)

Notes:

Components may not sum to totals because of rounding. The accompanying notes are an integral part of these financial statements.

Present values used in this presentation are based on the full amounts of estimated noninterest income and the cost of providing benefits at the levels scheduled under current law, even after the OASI and DI Trust Fund reserves are depleted.

Future noninterest income and future cost are estimated over the appropriate 75-year period.

**STATEMENTS OF CHANGES IN SOCIAL INSURANCE AMOUNTS  
OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE  
FOR CHANGE FROM THE 75-YEAR VALUATION PERIOD**

<b>January 1, 2021 to January 1, 2022 (Dollars in Billions)</b>			
	<b>Present value of future noninterest income less future cost for current and future participants (open group measure) over the next 75 years</b>	<b>Combined OASI and DI Trust Fund reserves</b>	<b>Present value of future noninterest income less future cost for current and future participants plus combined OASI and DI Trust Fund reserves at start of period</b>
As of January 1, 2021	\$ (22,742)	\$ 2,908	\$ (19,833)
Reasons for changes between January 1, 2021 and January 1, 2022 (Note 17)			
Change in the valuation period	(676)	(77)	(753)
Changes in demographic data, assumptions, and methods	(335)	0	(335)
Changes in economic data, assumptions, and methods	(190)	0	(190)
Changes in programmatic data and methods	641	21	663
Changes in law or policy	0	0	0
Net change between January 1, 2021 and January 1, 2022	\$ (560)	\$ (56)	\$ (616)
<b>As of January 1, 2022</b>	<b>\$ (23,301)</b>	<b>\$ 2,852</b>	<b>\$ (20,449)</b>

<b>January 1, 2020 to January 1, 2021 (Dollars in Billions)</b>			
	<b>Present value of future noninterest income less future cost for current and future participants (open group measure) over the next 75 years</b>	<b>Combined OASI and DI Trust Fund reserves</b>	<b>Present value of future noninterest income less future cost for current and future participants plus combined OASI and DI Trust Fund reserves at start of period</b>
As of January 1, 2020	\$ (19,696)	\$ 2,897	\$ (16,799)
Reasons for changes between January 1, 2020 and January 1, 2021 (Note 17)			
Change in the valuation period	(713)	4	(709)
Changes in demographic data, assumptions, and methods	154	0	154
Changes in economic data, assumptions, and methods	(1,228)	0	(1,228)
Changes in programmatic data and methods	(1,182)	7	(1,176)
Changes in law or policy	(76)	0	(76)
Net change between January 1, 2020 and January 1, 2021	\$ (3,045)	\$ 11	\$ (3,035)
<b>As of January 1, 2021</b>	<b>\$ (22,742)</b>	<b>\$ 2,908</b>	<b>\$ (19,833)</b>

Notes:

Components may not sum to totals because of rounding. The accompanying notes are an integral part of these financial statements.

Present values used in this presentation are based on the full amounts of estimated noninterest income and the cost of providing benefits at the levels scheduled under current law, even after the OASI and DI Trust Fund reserves are depleted.

Future noninterest income and future cost are estimated over the appropriate 75-year period.

We provide high-level descriptions of the reason for the change in present value from year to year in Note 17, Social Insurance Disclosures.



# NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### REPORTING ENTITY

The Social Security Administration (SSA), as an independent agency in the executive branch of the United States (U.S.) Government, is responsible for administering the Nation's Old-Age and Survivors and Disability Insurance (OASDI) programs and the Supplemental Security Income (SSI) program. SSA is considered a separate reporting entity for financial reporting purposes. Our financial statements have been prepared to report the financial position, net cost, changes in net position, budgetary resources, the present value for the 75-year projection period for social insurance, and the changes in the present value between the current valuation period and prior valuation period, as required by the Office of Management and Budget (OMB) in OMB Circular No. A-136, *Financial Reporting Requirements*.

The consolidated and combined financial statements include the accounts of all funds under SSA control, consisting primarily of the OASI and DI Trust Funds, SSA's Limitation on Administrative Expenses (LAE), four general fund appropriations, three receipt accounts, and one special fund. The OASI and DI Trust Funds consist of earmarked receipts used to fund benefit payment and other related expenditures. General fund appropriations represent activities that receive appropriation authority from the Department of the Treasury's (Treasury) General Fund based on law. SSA's receipt accounts contain funds from collections that are not identified by law for another account for a specific purpose; whereas special fund accounts contain funds collected that are identified by law for a specific purpose.

LAE is a mechanism to fund our administrative operations and is considered a subset of the OASI and DI Trust Funds. The four general funds are the Payments to Social Security Trust Funds (PTF), SSI Program, Office of the Inspector General (OIG), and Special Veterans Benefits (Title VIII) Program. The three receipt accounts are SSI Overpayment Collections, the General Fund's portion of the SSI State Supplementation fees, and SSI Attorney fees. The one special fund is SSA's portion of the SSI State Supplementation fees. SSA's financial statements also include OASI and DI investment activities performed by Treasury.

SSA's financial activity has been classified and reported by the following program areas: OASI, DI, SSI, LAE, and Other. Other consists primarily of PTF appropriations activity, but also contains SSI Overpayment Collections and other non-material activities.

### ACCOUNTING PRINCIPLES

The financial statements have been prepared from the accounting records of SSA on an accrual basis, in conformity with generally accepted accounting principles (GAAP) of the United States of America for Federal entities and the form and content for entity financial statements specified by OMB in Circular No. A-136. The Combined Statements of Budgetary Resources and related disclosures provide information about how budgetary resources were made available as well as the status at the end of the period. It is the only Statement predominately derived from an entity's budgetary general ledger in accordance with budgetary accounting rules, which are incorporated into GAAP for the Federal Government. GAAP for Federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB). The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.



## FUND BALANCE WITH TREASURY

SSA's Fund Balance with Treasury, shown on the Consolidated Balance Sheets, is the aggregate amount of funds in SSA's accounts with Treasury for which SSA is authorized to make expenditures and pay liabilities. Refer to Note 3, Non-Entity Assets, and Note 4, Fund Balance with Treasury.

## INVESTMENTS

Daily deposits received by the OASI and DI Trust Funds that are not required to meet current expenditures are invested in interest-bearing obligations of the U.S. Government. The OASI and DI Trust Fund balances may be invested only in interest-bearing obligations of the U.S. or in obligations guaranteed as to both principal and interest by the U.S. as provided by Section 201 (d) of the *Social Security Act*. These investments consist of Treasury special-issue securities. Special-issue securities are special public debt obligations for purchase exclusively by the OASI and DI Trust Funds; therefore, they are non-marketable securities. They are purchased and redeemed at face value, which is the same as their carrying value on the Consolidated Balance Sheets. Refer to Note 5, Investments and Interest Receivable.

## ACCOUNTS RECEIVABLE, NET

SSA accounts receivable represent unpaid amounts due to the agency. Intragovernmental Accounts Receivable, Net primarily represents amounts to be paid from the Hospital Insurance (HI) and Supplemental Medical Insurance (SMI) Trust Funds to the LAE Appropriation. Accounts Receivable, Net With the Public consists mainly of monies due to SSA from OASI, DI, and SSI beneficiaries who received benefits in excess of their entitlement, as well as amounts due from the States to cover underpayments due to the SSI recipients. Intragovernmental Accounts Receivable, Net includes amounts related to Section 4003 of the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), Emergency Relief and Taxpayer Protection, which allows Treasury to make loans, loan guarantees, and other investments of up to \$500 billion to eligible businesses, States, and municipalities impacted by the Coronavirus Disease 2019 (COVID-19) pandemic. This legislation designates the OASI Trust Fund as the recipient of any interest and other proceeds associated with the loans, loan guarantees, and other investments after repayments of any amounts provided are made to Treasury.

SSA has an automated process to evaluate programmatic debt and write-off certain delinquent debts deemed uncollectible. While this debt is being written-off, it remains available for future collection, which we can pursue if the debtor becomes entitled to OASDI or SSI benefits. At that point, we would re-establish the accounts receivable, and pursue collections. In addition, if eligible, we will refer these delinquent debts to the Treasury Offset Program for external collection action. We did not refer any delinquent debts to the Treasury Offset Program during FY 2022.

SSA does not apply an allowance for doubtful accounts to determine the net value of Intragovernmental Accounts Receivable. According to FASAB's Statement of Federal Financial Accounting Standards (SFFAS) No. 1, *Accounting for Selected Assets and Liabilities*, an allowance for estimated uncollectible amounts should be recognized to reduce the gross amount of receivables to its net realizable value; however, no potential losses have been assessed on intragovernmental receivables based on individual account and program analysis. For programmatic accounts receivable with the public, SSA allows for all delinquent debt two years and older. SSA annually recalculates a ratio of allowance for doubtful accounts and applies the allowance ratios against any remaining debt that is not delinquent two years or more. This is calculated by applying a moving five-year average of uncollectible receivable ratios and by comparing each program's collections to new debt while considering turnover rates against outstanding receivables. Our total allowance for doubtful accounts includes the age-specific delinquent debt two years and older plus the uncollectible portion of our remaining accounts receivable, not delinquent two years or more, based on the allowance rates. Refer to Note 6, Accounts Receivable, Net.



## GENERAL PROPERTY, PLANT, AND EQUIPMENT

SSA records property, plant, and equipment (PP&E) in the LAE program, but the PP&E represents the capital assets purchased by its funding sources. SFFAS No. 10, *Accounting for Internal Use Software*, requires the capitalization of internally developed, contractor-developed, and commercial off-the-shelf software. SSA classifies PP&E into several categories. The capitalization threshold for most PP&E categories is \$100 thousand. Deferred Charges, which include fixtures and telephone replacement/upgrade projects, are capitalized with no threshold and \$100 thousand, respectively. Site preparation for Automated Data Processing (ADP) and Telecommunications, Buildings and Other Structures, Internal Use Software, excluding commercial off-the-shelf software, and certain leasehold improvements for Federal leased buildings purchased by the Trust Funds are capitalized with no threshold. Refer to Note 7, General Property, Plant, and Equipment, Net.

## BENEFITS DUE AND PAYABLE

SSA accrues liabilities for OASI and DI benefits due for the current month, which by statute, are not paid until the following month. In addition, SSA accrues liabilities on benefits for past periods that have not completed processing by the close of the period, such as adjudicated and unadjudicated hearings and appeals and civil litigation cases. Refer to Note 9, Liabilities.

## BENEFIT PAYMENTS

SSA recognizes the cost associated with payments in the period the beneficiary or recipient is entitled to receive the payment. OASI and DI benefit disbursements are generally made after the end of each month. SSI disbursements are generally made on the first day of each month. By law, if the monthly disbursement date falls on a weekend or a Federally recognized holiday, SSA is required to make the payment on the preceding business day. In these situations, the beneficiary or recipient is deemed entitled to receive the payment as of the payment date, as they have met all payment and eligibility requirements.

## ADMINISTRATIVE EXPENSES AND OBLIGATIONS

SSA administrative expenses are incurred in the LAE appropriation. Section 201 (g) of the *Social Security Act* requires the Commissioner of Social Security to determine the proper share of costs incurred during the fiscal year to be charged to the appropriate fund. Accordingly, SSA subsequently allocates administrative expenses during each month to the appropriate OASI, DI, HI, and SMI Trust Fund and general fund accounts on the Statements of Net Cost based on percentages developed by SSA's Cost Analysis System (CAS). CAS uses agency workload data to develop annual percentages that are used to allocate the expenses. SSA initially makes all such distributions on an estimated basis and adjusts to actual each year, as provided for in Section 1534 of Title 31, United States Code (U.S.C.).

SSA incurs obligations in the LAE accounts as activity is processed. SSA incurs obligations in each of the financing sources once it records LAE's authority. The Centers for Medicare and Medicaid Services reports obligations that SSA incurred in the HI and SMI Trust Funds. Because SSA reports LAE with our financing sources (other than the HI/SMI Trust Funds) on the Combined Statements of Budgetary Resources and this Statement does not allow eliminations, it records LAE's obligations twice. This presentation is in conformance with OMB Circular No. A-136 to have the Combined Statements of Budgetary Resources in agreement with the required Budget Execution Reports (SF-133).

## RECOGNITION OF FINANCING SOURCES

Tax revenue, which consists of funds transferred from the Treasury to the OASI and DI Trust Funds for employment taxes (*Federal Insurance Contributions Act* (FICA) and *Self-Employment Contributions Act* (SECA)), represents SSA's largest financing source. Additional financing sources consist of interest revenue from the OASI and DI Trust Fund investments, taxation on benefits, drawdown of funds for benefit entitlement payments and

administrative expenses, appropriations, gifts, and other miscellaneous receipts. On an as-needed basis, funds are drawn from the OASI and DI Trust Funds to cover benefit payments. As governed by limitations determined annually by the U.S. Congress, funds are also drawn from the OASI and DI Trust Funds for SSA's operating expenses. To cover SSA's costs to administer a portion of the Medicare program, funds are drawn from the HI/SMI Trust Funds.

Appropriations Used includes payments and accruals for the activities that are funded from Treasury's General Fund.

Employment tax revenues are made available daily based on a quarterly estimate of the amount of FICA taxes payable by employers and SECA taxes payable from the self-employed. Adjustments are made to the estimates for actual taxes payable and refunds made. Employment tax credits (the difference between the combined employee and employer rate and the self-employed rate) are also included in tax revenues. Refer to Note 13, Tax Revenues.

Exchange revenue from sales of goods and services primarily include payments of fees SSA receives from those States choosing to have SSA administer their State Supplementation of Federal SSI benefits. Refer to Note 12, Exchange Revenues. SSA may use exchange revenue financing sources to pay for current operating expenses as specified by law.

## FUNDS FROM DEDICATED COLLECTIONS

SFFAS No. 43, *Funds from Dedicated Collections*, requires separate presentation and disclosure of funds from dedicated collections balances in the financial statements. Generally, funds from dedicated collections are financed by specifically identified revenues, provided to the Government by non-Federal sources, often supplemented by other financing sources, which remain available over time. Funds from dedicated collections must meet the following criteria:

- A statute committing the Federal Government to use specifically identified revenues and/or other financing sources that are originally provided to the Federal Government by a non-Federal source only for designated activities, benefits, or purposes;
- Explicit authority for the fund to retain revenues and/or other financing sources not used in the current period for future use to finance the designated activities, benefits, or purposes; and
- A requirement to account for and report on the receipt, use, and retention of the revenues and/or other financing sources that distinguishes the fund from the Federal Government's general revenues.

SSA's funds from dedicated collections are the OASI and DI Trust Funds, funds collected through the taxation of Social Security benefits, and fees collected to cover a portion of SSA's administrative costs for SSI State Supplementation. Refer to Note 10, Funds from Dedicated Collections, for additional information.

## USE OF ESTIMATES

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## APPLICATION OF CRITICAL ACCOUNTING ESTIMATES

The Statements of Social Insurance and Statements of Changes in Social Insurance Amounts are based on the selection of accounting policies and the application of significant accounting estimates, some of which require management to make significant assumptions. Further, the estimates are based on current conditions and expectations of future conditions. Actual results could differ materially from the estimated amounts. Each Statement includes information to assist in understanding the effect of changes in assumptions to the related information. Refer to Note 17, Social Insurance Disclosures.



## 2. CENTRALIZED FEDERAL FINANCING ACTIVITIES

SSA's financial activities interact with, and are dependent on, the financial activities of the centralized management functions of the Federal Government that are undertaken for the benefit of the whole Federal Government. These activities include public debt, employee retirement, life insurance, and health benefit programs. However, SSA's financial statements do not contain the results of centralized financial decisions and activities performed for the benefit of the entire Government.

Financing for general fund appropriations reported on the Consolidated Statements of Changes in Net Position may be from tax revenue, public borrowing, or both. The source of this funding, whether tax revenue or public borrowing, has not been allocated to SSA.

SSA occupies buildings that the General Services Administration (GSA) leased or have been constructed using Public Building Funds. These financial statements reflect our payments to GSA for their lease, operations maintenance, and depreciation expenses associated with these buildings.

SSA's employees participate in the Office of Personnel Management (OPM)-administered contributory Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). SSA makes matching contributions to FERS. Pursuant to Public Law 99-335, *Federal Employees' Retirement System Act of 1986*, FERS went into effect on January 1, 1987. FERS automatically covers employees hired after December 31, 1983. Employees hired prior to that date could elect to either join FERS or remain in CSRS. Refer to Note 14, Imputed Financing, for additional information.

SSA contributed \$12 and \$15 million for the years ended September 30, 2022 and 2021 to CSRS. SSA contributed \$897 and \$838 million for the years ended September 30, 2022 and 2021 to the basic FERS plan. One of the primary differences between FERS and CSRS is that FERS offers a savings plan to which SSA is required to contribute one percent of pay and match employee contributions up to an additional four percent of basic pay. SSA contributed \$223 and \$220 million for the years ended September 30, 2022 and 2021 to the FERS savings plan. All contributions include amounts paid and due and payable as of the end of the reporting period. These Statements do not reflect CSRS or FERS assets or accumulated plan benefits applicable to SSA employees since this data is only reported in total by OPM.

## 3. NON-ENTITY ASSETS

Non-entity assets are those assets that are held by an entity, but are not available to the entity. SSA displays our Non-Entity Assets in Chart 3a. The Non-Entity Assets are composed of: (1) SSI Federal and State benefit overpayments and underpayments classified as SSI Accounts Receivable, Net; (2) fees collected to administer Title VIII State Supplementation; and (3) deferred payroll taxes owed by SSA employees due to Treasury.

**CHART 3A - NON-ENTITY ASSETS AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022			2021		
	Non-Entity Assets	Intra-agency Elimination	Net Assets	Non-Entity Assets	Intra-agency Elimination	Net Assets
Intragovernmental:						
Title VIII State Supp Fees	\$ 3	\$ 0	\$ 3	\$ 2	\$ 0	\$ 2
With the Public:						
SSI Fed/State Accounts Receivable, Net	4,199	(504)	3,695	3,858	(476)	3,382
Deferred Payroll Taxes	0	0	0	18	0	18
Total With the Public	4,199	(504)	3,695	3,876	(476)	3,400
Total	\$ 4,202	\$ (504)	\$ 3,698	\$ 3,878	\$ (476)	\$ 3,402

SSA has reduced the SSI Accounts Receivable, Net, by intra-agency eliminations (see discussion in Note 6, Accounts Receivable, Net). SSI accounts receivable is recognized as a non-entity asset. Public Law 101-517, *Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1991*, requires that collections from repayment of SSI Federal benefit overpayments be deposited in Treasury’s General Fund. These funds, upon deposit, are assets of Treasury’s General Fund, and will not be used by SSA as an SSI budgetary resource to pay SSI benefits or administrative costs. Prior to their collection, these SSI Federal benefit overpayments are recorded as SSI Accounts Receivable from the beneficiaries. SSA recognizes this receivable due from the beneficiary as a non-entity asset since the amount owed is due to Treasury’s General Fund. When a beneficiary does not receive a full SSI State Supplemental benefit, SSA establishes an underpayment receivable. This receivable reflects the reimbursement due to SSA from the States to cover the unpaid benefit. SSA recognizes this receivable due from the States as a non-entity asset since the amount owed is due to the beneficiary.

SSA collects fees for administering Title VIII Supplementation benefit payments on behalf of the State of California. These funds, upon deposit, are assets of Treasury’s General Fund and are a non-entity asset. Amounts collected during the fiscal year are classified as exchange revenue and are included in the Fund Balance with Treasury as of September 30, 2022 and 2021.

On August 8, 2020, the President issued the Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster. This Memorandum deferred certain payroll taxes owed by employees whose pre-tax bi-weekly payroll payments were less than \$4,000 starting on September 1, 2020 through December 31, 2020. While the payroll tax was initially deferred, Treasury was repaid any deferred taxes through employee payments from January 1, 2021 through December 31, 2021. SSA employees were informed that they would be responsible for repayment of the deferred taxes so a non-budgetary, non-Federal receivable was recorded. SSA recognized the receivable owed by SSA employees due to Treasury as a non-entity asset. As of December 31, 2021, Treasury has been repaid all deferred taxes and all related non-entity assets have been removed.

Chart 3b provides a breakout between Non-Entity and Entity assets.

**CHART 3B - NON-ENTITY/ENTITY ASSET BREAKDOWN AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022	2021
Non-Entity Assets	\$ 3,698	\$ 3,402
Entity Assets	2,873,305	2,889,915
Total Assets	\$ 2,877,003	\$ 2,893,317

## 4. FUND BALANCE WITH TREASURY

The Fund Balance with Treasury, shown on the Consolidated Balance Sheets, represents the total of all of SSA's undisbursed account balances with Treasury. Fund Balance with Treasury is an asset to SSA, but not to the Government as a whole, because SSA’s asset is offset by a liability of the General Fund. When disbursements are made, Treasury finances those disbursements in the same way it finances all other disbursements, which is to borrow from the public if there is a budget deficit (and to use current receipts if there is a budget surplus). Chart 4, Status of Fund Balances, presents SSA’s Fund Balance with Treasury through the status of budgetary resources. The amounts in Chart 4, Status of Funds Unobligated (Available, Unavailable) and Obligated Balance Not Yet Disbursed represent budgetary authority for SSI and Other program general fund budgetary sources. OASI, DI, and LAE Trust Fund budgetary accounts are not used in Chart 4 since OASI and DI Trust Fund cash balances are held in investments until needed and do not directly correspond with the budgetary lines shown in the chart. Therefore, amounts in Chart 4 will not match corresponding activity on the Combined Statements of Budgetary Resources.

**CHART 4 - STATUS OF FUND BALANCES AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022	2021
Unobligated Balance		
Available	\$ 4,554	\$ 4,875
Unavailable	156	47
Obligated Balance Not Yet Disbursed	3,120	3,111
OASI, DI, and LAE	82	138
Non-Budgetary Fund Balance with Treasury	32	40
<b>Total Status of Fund Balances</b>	<b>\$ 7,944</b>	<b>\$ 8,211</b>

The Unobligated Balance, Available in Chart 4 contains Category C funding which is an amount apportioned by OMB, for multi-year or no-year accounts, that is available for use in a future fiscal year. SSA Category C funding is \$132 and \$255 million as of September 30, 2022 and 2021. These funds are related to the SSI State Supplemental advances for the October 1<sup>st</sup> benefit payments, SSI Beneficiary Services, and SSI Research & Demonstration activity.

The fund balance reported in Chart 4 for the total OASI, DI, and LAE Trust Funds as of September 30, 2022 and 2021 can be positive or negative as the result of the policy to protect the OASI and DI Trust Fund investments by not liquidating the investments until the cash is needed. Transfers between the OASI and DI Trust Funds and Treasury are managed to favor the financial position of the OASI and DI Trust Funds. Therefore, investments held by the OASI and DI Trust Funds are liquidated only as needed by Treasury to cover benefit and administrative payments. To maintain consistency with the amounts reported by Treasury for OASI and DI, SSA does not reclassify a negative balance as a liability on the Consolidated Balance Sheets.

## 5. INVESTMENTS AND INTEREST RECEIVABLE

The cash receipts collected from the public for the OASI and DI Trust Funds are invested in interest-bearing securities backed by the full faith and credit of the Federal Government, generally U.S. par-value Treasury special securities. The Secretary of the Treasury directly issues Treasury special securities to the OASI and DI Trust Funds. The securities are non-negotiable and non-transferable in the secondary market. Par-value Treasury special securities are issued with a stated rate of interest applied to its par amount and are purchased and redeemed at par plus accrued interest at or before maturity. Therefore, there are no premiums or discounts associated with the redemption of these securities.

SSA displays investments in Special-Issue U.S. Treasury Securities, and the corresponding interest receivable, reported as Intragovernmental Investments on the Consolidated Balance Sheets, in Chart 5.

**CHART 5 - INVESTMENTS AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022			2021		
	Special Issue Securities	Interest Receivable	Total Investments	Special Issue Securities	Interest Receivable	Total Investments
OASI	\$ 2,723,601	\$ 15,236	\$ 2,738,837	\$ 2,755,785	\$ 16,180	\$ 2,771,965
DI	114,679	686	115,365	98,032	628	98,660
<b>Total</b>	<b>\$ 2,838,280</b>	<b>\$ 15,922</b>	<b>\$ 2,854,202</b>	<b>\$ 2,853,817</b>	<b>\$ 16,808</b>	<b>\$ 2,870,625</b>

The interest rates on these investments range from 0.750 to 4.000 percent. The accrued interest is paid on June 30, December 31, and at maturity or redemption. Investments held for the OASI and DI Trust Funds mature at various dates ranging from the year 2023 to the year 2037.

Treasury special securities are an asset to the OASI and DI Trust Funds and a liability to the Treasury. Because the OASI and DI Trust Funds and the Treasury are both part of the Government, these assets and liabilities offset each other for consolidation purposes in the U.S. government-wide financial statements. For this reason, they do not represent a net asset or a net liability in the U.S. government-wide financial statements.

The Treasury does not set aside financial assets to cover its liabilities associated with the OASI and DI Trust Funds. Treasury uses the cash received from the OASI and DI Trust Funds for investment in these securities for general Government purposes. Treasury special securities provide the OASI and DI Trust Funds with authority to draw upon the Treasury to make future benefit payments or other expenditures. When the OASI and DI Trust Funds require redemption of these securities to make expenditures, the Government finances those expenditures out of accumulated cash balances by raising taxes or other receipts, by borrowing from the public or repaying less debt, or by curtailing other expenditures. This is the same way that the Government finances all other expenditures.

## 6. ACCOUNTS RECEIVABLE, NET

### INTRAGOVERNMENTAL

Intragovernmental Accounts Receivable, Net, reported on the Consolidated Balance Sheets in the amounts of \$1,226 and \$1,365 million as of September 30, 2022 and 2021 primarily represents amounts to be paid from the HI/SMI Trust Funds to the LAE Appropriation. SSA reduced the gross accounts receivable by \$2,955 and \$3,219 million as of September 30, 2022 and 2021 as an intra-agency elimination. This elimination is primarily to offset SSA's LAE receivable to be paid from the appropriate funds with corresponding payables set up for anticipated LAE disbursements. Intragovernmental Accounts Receivable, Net also includes amounts related to the Section 4003 of the CARES Act, Emergency Relief and Taxpayer Protection, which allows Treasury to make loans, loan guarantees, and other investments to eligible businesses, States, and municipalities impacted by the COVID-19 pandemic. This legislation designates the OASI Trust Fund as the recipient of any interest and other proceeds associated with the loans, loan guarantees, and other investments after repayments of any amounts provided are made to Treasury. We have recorded \$371 and \$483 million as of September 30, 2022 and 2021 in Intragovernmental Accounts Receivable, Net for this activity based on Treasury's estimate of their liability owed to OASI.

SSA does not apply an allowance for doubtful accounts to determine the net value of Intragovernmental Accounts Receivable. According to SFFAS No. 1, *Accounting for Selected Assets and Liabilities*, an allowance for estimated uncollectible amounts should be recognized to reduce the gross amount of receivables to its net realizable value; however, no potential losses have been assessed on intragovernmental receivables based on individual account and program analysis.

### WITH THE PUBLIC

Accounts Receivable, Net, reported on the Consolidated Balance Sheets is shown by SSA major program in Chart 6a. Amounts in the OASI and DI programs consist mainly of monies due to SSA from individuals who received benefits in excess of their entitlement. The amount of SSI Accounts Receivable represents Federal and State activity. The SSI Federal and State portions consist of overpayments due from SSI recipients who are no longer eligible to receive benefit payments or received benefits in excess of their eligibility. Additionally, the SSI State portion consists of amounts due from the States to cover underpayments due to the SSI recipients. Refer to Note 3, Non-Entity Assets, for a discussion of the SSI Federal and State overpayments and underpayments. Section 215 of the *Economic Growth, Regulatory Relief, and Consumer Protection Act* (Banking Bill) requires SSA to provide a "permitted entity" a confirmation (or non-confirmation) of fraud protection data (i.e., Social Security number verification) based on the number holder's written consent, including by electronic signature. The Banking Bill requires SSA to fully recover all costs from the users of the verification process by way of advances, reimbursements, user fees, or other recoveries as determined by the Commissioner. To comply with the Banking Bill, SSA used its LAE account to cover non-mission costs with the expectation that these costs will be fully recovered from the users of the verification process as required by law. To account for these costs SSA has recorded



a non-budgetary accounts receivable of \$39 and \$37 million as of September 30, 2022 and 2021, which is included in the LAE Gross and Net Receivable amounts in Chart 6a. Since the agency expects to fully recover these costs, SSA has not applied an allowance for doubtful accounts against this accounts receivable. The FY 2021 LAE accounts receivable includes \$20 million for deferred payroll taxes based on the President’s August 8, 2020 *Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster*.

**CHART 6A - ACCOUNTS RECEIVABLE WITH THE PUBLIC BY MAJOR PROGRAM AS OF  
SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022			2021		
	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable
OASI	\$ 3,137	\$ (1,073)	\$ 2,064	\$ 3,046	\$ (969)	\$ 2,077
DI	5,856	(2,959)	2,897	5,963	(2,831)	3,132
SSI*	12,537	(8,338)	4,199	11,815	(7,957)	3,858
LAE	41	0	41	60	0	60
Subtotal	21,571	(12,370)	9,201	20,884	(11,757)	9,127
Less: Eliminations**	(519)	0	(519)	(491)	0	(491)
Total	\$ 21,052	\$ (12,370)	\$ 8,682	\$ 20,393	\$ (11,757)	\$ 8,636

Notes:

\*See discussion in Note 3, Non-Entity Assets

\*\*Intra-Agency Eliminations

Chart 6a shows that in FY 2022 and FY 2021, SSA reduced gross accounts receivable by \$519 and \$491 million as an intra-agency elimination. This intra-agency activity results primarily from the Windfall Offset and KZ Diary activity. Windfall Offset is the amount of SSI that would not have been paid if retroactive OASI and DI benefits had been paid timely to eligible beneficiaries. The KZ Diary process identifies SSI recipients eligible for prior entitlement of OASI and DI benefits and determines SSA’s liability for retroactive benefits owed to beneficiaries. For each activity, SSA recognizes a receivable in the SSI program with offsetting payables for both the OASI and DI programs.

SSA has an automated process to evaluate programmatic debt and write-off certain delinquent debts deemed uncollectible. While this debt is being written-off, it remains available for future collection, which SSA can pursue if the debtor becomes entitled to OASDI or SSI benefits. At that point, we would re-establish the accounts receivable, and pursue collections. In addition, if eligible, we will refer these delinquent debts to the Treasury Offset Program for external collection action. We did not refer any delinquent debts to the Treasury Offset Program during FY 2022.

As part of our Allowance for Doubtful Accounts methodology, SSA allows all delinquent debt two years and older as we estimate this debt is uncollectible based on the age of the debt. For our remaining debt, SSA annually recalculates a ratio of allowance for doubtful accounts on programmatic accounts receivable with the public. We apply a moving five-year average of uncollectible receivable ratios, based on comparing each program’s collections to new debt while considering turnover rates, against outstanding receivables that are not delinquent two years and older. We add this calculated uncollectible ratio-based value to the allowed delinquent debt two years and older value to compute the total amount of allowance for doubtful accounts.

## 2049 SYSTEM LIMITATION

A Title II system design limitation prevents us from capturing and tracking long-term withholding agreements for debts owed by the public scheduled for collection beyond the year 2049. Current policy allows for repayment



periods based on the ability of beneficiaries to repay on a periodic basis. This allows for the establishment of payment terms, which may exceed the expected life span of the beneficiary.

When the projected collection extends beyond December 31, 2049, we perform a manual action to establish withholding through December 31, 2049, causing the system to delete the remaining debts owed by the public balance from the record. Current policy requires us to post a manual overpayment diary to control for follow-up of the remaining balance in December 2049. However, because our records do not reflect the post 2049 balance, subsequent correspondence to the debtor presents only the pre-2049 balance of the debts owed by the public established for withholding.

We do not include these balances in the Chart 6a gross receivable amounts as they are not material to the consolidated financial statements. We estimate that the total gross value of the post year 2049 amount not captured in our gross receivables, is approximately \$751 and \$731 million as of September 30, 2022 and 2021. The 2049 data limitation in our debt management systems will no longer exist as we update and implement the new Debt Management System.

## 7. GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET

General Property, Plant, and Equipment, Net, as reported on the Consolidated Balance Sheets, is reflected by major class in Chart 7a.

**CHART 7A - GENERAL PROPERTY, PLANT, AND EQUIPMENT AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

Major Classes:	2022			2021		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Buildings and Other Structures	\$ 47	\$ (23)	\$ 24	\$ 47	\$ (22)	\$ 25
Equipment (incl. ADP Hardware)	1,675	(1,262)	413	1,483	(1,117)	366
Internal Use Software	9,735	(6,391)	3,344	8,887	(5,907)	2,980
Leasehold Improvements	1,684	(866)	818	1,589	(786)	803
Deferred Charges*	1,210	(979)	231	1,146	(948)	198
<b>Total</b>	<b>\$ 14,351</b>	<b>\$ (9,521)</b>	<b>\$ 4,830</b>	<b>\$ 13,152</b>	<b>\$ (8,780)</b>	<b>\$ 4,372</b>

Major Classes:	Estimated Useful Life	Method of Depreciation	Capitalization Threshold
Buildings and Other Structures	50 years	Straight Line	\$0
Equipment (incl. ADP Hardware)	5 years	Straight Line	\$100 thousand
Internal Use Software	5-10 years	Straight Line	\$0-100 thousand
Leasehold Improvements	6-33 years	Straight Line	\$0-100 thousand
Deferred Charges*	12 years	Straight Line	\$0-100 thousand

Note:

\*Deferred Charges include fixtures (no threshold) and telephone replacement/upgrade projects (\$100 thousand).

**CHART 7B - RECONCILIATION OF GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET  
AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022	2021
Balance beginning of year	\$ 4,372	\$ 3,765
Capitalized acquisitions	1,199	1,280
Depreciation expense	(741)	(673)
<b>Balance at end of year</b>	<b>\$ 4,830</b>	<b>\$ 4,372</b>



## 8. ADVANCES AND PREPAYMENTS

### INTRAGOVERNMENTAL ADVANCES AND PREPAYMENTS

Intragovernmental Advances and Prepayments amounts include advances provided to Federal agencies for goods and services that will be furnished to SSA. Intragovernmental Advances and Prepayments are \$119 and \$108 million as of September 30, 2022 and 2021.

## 9. LIABILITIES

Liabilities of Federal agencies are classified as liabilities Covered by, Not Covered by, or Not Requiring budgetary resources and are recognized when incurred. Charts 9a and 9b disclose SSA's liabilities Covered by budgetary resources, Not Covered by budgetary resources, and Not Requiring budgetary resources. Liabilities Covered by budgetary resources use available budget authority when SSA incurs the liabilities. Liabilities Not Covered by budgetary resources do not use available budget authority in the current period; these liabilities will be funded in future periods. Liabilities Not Requiring budgetary resources represent cash or receivables due to the General Fund and States, which do not require budgetary authority.

**CHART 9A - LIABILITIES AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022			
	Covered	Not Covered	Not Requiring	Total
Intragovernmental:				
Accounts Payable	\$ 5,486	\$ 0	\$ 0	\$ 5,486
Advances from Others and Deferred Revenue	0	0	0	0
Other	36	48	3,989	4,073
Total Intragovernmental	5,522	48	3,989	9,559
With the Public				
Accounts Payable	54	58	155	267
Federal Employee and Veteran Benefits Payable	5	670	0	675
Benefits Due and Payable	124,026	2,176	0	126,202
Advances from Others and Deferred Revenue	13	0	0	13
Other Liabilities	103	0	21	124
Total with the Public	124,201	2,904	176	127,281
Total Liabilities	\$ 129,723	\$ 2,952	\$ 4,165	\$ 136,840

**CHART 9B - LIABILITIES AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2021			
	Covered	Not Covered	Not Requiring	Total
<b>Intragovernmental:</b>				
Accounts Payable	\$ 5,314	\$ 0	\$ 0	\$ 5,314
Advances from Others and Deferred Revenue	1	0	0	1
Other	96	67	3,649	3,812
<b>Total Intragovernmental</b>	<b>5,411</b>	<b>67</b>	<b>3,649</b>	<b>9,127</b>
<b>With the Public</b>				
Accounts Payable	93	54	158	305
Federal Employee and Veteran Benefits Payable	12	703	0	715
Benefits Due and Payable	108,942	1,908	0	110,850
Advances from Others and Deferred Revenue	203	0	0	203
Other Liabilities	288	0	38	326
<b>Total with the Public</b>	<b>109,538</b>	<b>2,665</b>	<b>196</b>	<b>112,399</b>
<b>Total Liabilities</b>	<b>\$ 114,949</b>	<b>\$ 2,732</b>	<b>\$ 3,845</b>	<b>\$ 121,526</b>

## INTRAGOVERNMENTAL LIABILITIES

### ACCOUNTS PAYABLE

Intragovernmental Accounts Payable Covered by budgetary resources primarily includes an accrued liability for amounts due to the Railroad Retirement Board for the annual interchange from the OASI and DI Trust Funds. This annual interchange is required to place the OASI and DI Trust Funds in the same position they would have been if SSA had covered railroad employment. The *Railroad Retirement Act of 1974* requires the transfer, including interest accrued from the end of the preceding fiscal year, to be made in June. SSA's Railroad Retirement Interchange liability is \$5,464 and \$5,285 as of September 30, 2022 and 2021.

### ADVANCES FROM OTHERS AND DEFERRED REVENUE

Intragovernmental Advances from Others and Deferred Revenue Covered by budgetary resources include advances from the Department of Homeland Security for employment verification services to be performed by SSA.

### OTHER LIABILITIES

Intragovernmental Other Liabilities include amounts Covered by budgetary resources for payroll taxes, excluding deferred payroll taxes. Intragovernmental Other Liabilities Covered, shown in Charts 9a and 9b, are current liabilities. Intragovernmental Other Liabilities Not Covered by budgetary resources includes amounts for *Federal Employees' Compensation Act* (FECA), administered by the Department of Labor (DOL). FECA provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related injury or occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. For payment purposes, claims incurred for benefits for SSA employees under FECA are divided into current and non-current portions. The current portion represents SSA's accrued liability due to the DOL's FECA Special Benefits Fund for payments made on SSA's behalf. The funding for the liability will be made from a future appropriation. SSA's current portions of FECA liability are \$48 and \$49 million as of September 30, 2022 and 2021. The FY 2021 Intragovernmental Other Liabilities Not Covered by budgetary resources includes \$18 million for deferred payroll taxes based on the President's August 8, 2020 *Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster* due to Treasury. As of December 31, 2021, Treasury has been repaid all deferred taxes and all related payables have been removed.



Intragovernmental Other Liabilities Not Requiring budgetary resources includes amounts due to Treasury’s General Fund, which primarily consists of a payable for SSI Federal benefit overpayments. SSA records a payable equal to the SSI Federal benefit overpayments receivable when the agency identifies overpayments. Refer to Note 3, Non-Entity Assets, for additional information on the SSI receivables established for the repayment of SSI benefit overpayments. Intragovernmental Other Liabilities Not Requiring budgetary resources are current and non-current depending on when the benefit overpayment collections are received. Chart 9c displays a breakout of Intragovernmental Other Liabilities as of September 30, 2022 and 2021.

**CHART 9C - INTRAGOVERNMENTAL OTHER LIABILITIES AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022	2021
Employer Contributions and Payroll Taxes Payable	\$ 35	\$ 95
Unemployment Compensation Liability	1	1
Unfunded FECA Liability	48	49
Liability to the General Fund for Non-Entity Assets	3,989	3,649
Other Liabilities w/o related budgetary obligations	0	18
<b>Total Other Liabilities</b>	<b>\$ 4,073</b>	<b>\$ 3,812</b>

## LIABILITIES WITH THE PUBLIC

### ACCOUNTS PAYABLE

Accounts Payable Not Requiring budgetary resources consists of SSI State Supplemental overpayments due to States. States are entitled to any overpayment that SSA expects to collect because the States fund the actual payments made to the beneficiaries. Accounts Payable Not Covered by budgetary resources consist of SSI State Supplemental underpayments due to the SSI recipients. These amounts are set up as an accounts payable until payment is made.

### FEDERAL EMPLOYEE AND VETERAN BENEFITS PAYABLE

Federal Employee and Veteran Benefits Payable Not Covered by budgetary resources includes amounts for leave earned but not taken and the non-current portion of FECA, which is an actuarial liability. Leave earned but not taken of \$402 and \$429 million as of September 30, 2022 and 2021 represents annual and compensatory leave earned by SSA employees but not used as of the reporting date. The non-current FECA portion of \$268 and \$274 million as of September 30, 2022 and 2021 represents the expected liability from FECA claims for the next 23-year period. DOL calculated this actuarial liability using historical payment data to project future costs.

### BENEFITS DUE AND PAYABLE

Benefits Due and Payable are amounts owed to program recipients that have not yet been paid as of the balance sheet date. Chart 9d shows the amounts for SSA's major programs as of September 30, 2022 and 2021. These amounts include an estimate for unadjudicated cases that will be payable in the future. Except for the SSI program, budgetary resources cover the unadjudicated cases.

**CHART 9D - BENEFITS DUE AND PAYABLE AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022	2021
OASI	\$ 98,634	\$ 87,397
DI	24,219	20,472
SSI	3,868	3,472
Subtotal	126,721	111,341
Less: Intra-agency eliminations	(519)	(491)
<b>Total Benefits Due and Payable</b>	<b>\$ 126,202</b>	<b>\$ 110,850</b>

Chart 9d also shows that as of FY 2022 and FY 2021, SSA reduced gross Benefits Due and Payable by \$519 and \$491 million as an intra-agency elimination. This intra-agency activity results primarily from the Windfall Offset and KZ Diary activity. Refer to Note 6, Accounts Receivable, Net.

**ADVANCES FROM OTHERS AND DEFERRED REVENUE**

SSA's Advances from Others and Deferred Revenue Covered by budgetary resources is primarily comprised of SSI State Supplemental amounts collected in advance of future SSI benefit payments made by SSA on the State's behalf.

**OTHER LIABILITIES**

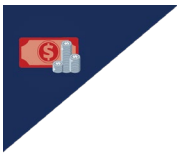
SSA's Other Liabilities consist of liabilities Covered by and Not Requiring budgetary resources. Other Liabilities Covered by budgetary resources is primarily comprised of accrued payroll. Other liabilities Not Requiring budgetary resources consists of unapplied deposit funds. Other Liabilities are current in nature with the exception of \$18 million of Not Requiring unapplied deposit funds as of September 30, 2022 and 2021. Chart 9e displays a breakout of Other Liabilities with the Public as of September 30, 2022 and 2021.

**CHART 9E - OTHER LIABILITIES AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022	2021
Accrued Funded Payroll and Leave	\$ 103	\$ 288
Other Liabilities w/o related budgetary obligations	21	38
<b>Total Other Liabilities</b>	<b>\$ 124</b>	<b>\$ 326</b>

**FEDERAL LEASES**

SSA has Occupancy Agreements (OA) with GSA for each space that we occupy. The OA is a complete, concise statement of the business terms governing the tenancy relationship between SSA and GSA. The OA is not a lease, but rather a formal agreement between the signing parties. For accounting purposes, these OAs are treated as lease activity. GSA charges rental rates for space that approximates commercial rental rates for similar properties. The terms of the OAs vary according to whether the Federal Government directly owns the underlying assets or if GSA rents the underlying asset from third-party commercial property owners, though each OA may have slightly different terms. SSA executes cancellable and non-cancellable OAs with GSA. Periods of occupancy on OAs vary and can generally be cancelled with four months' notice following the first year of occupancy. OAs must be coterminous with the underlying lease term. For non-cancellable OAs, SSA is financially responsible for rental payments on vacated space until the expiration of the OA, the termination of the OA permitted under the lease terms, or the occupancy by a replacement tenant covers the total rent obligation. OAs do not include renewal options that may be in the lease, as GSA makes a determination as to whether such options are fair and reasonable relative to the market when the option matures. Chart 9f shows the future estimated rental payments required under OAs that have initial or remaining non-cancellable terms in excess of one year. SSA does not include the amounts reported in our financial statements. SSA expenses OAs as incurred and does not record liabilities for future years' costs.



**CHART 9F - FUTURE OPERATING LEASE/OCCUPANCY AGREEMENT COMMITMENTS AS OF  
SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

Fiscal Year	GSA OAs	
2023	\$	141
2024		133
2025		117
2026		111
2027		101
2028 and Thereafter (In total)*		382
<b>Total Future Lease Payments</b>	<b>\$</b>	<b>985</b>

Note:

\*OAs go through the year 2037.

## CONTINGENT LIABILITIES

SSA’s Contingent Liabilities include pending claims with estimated potential losses that are deemed reasonably possible of having an adverse outcome. According to SFFAS 5, *Accounting for Liabilities of the Federal Government*, for legal contingencies deemed reasonably possible of having an adverse outcome, no liability is recognized; however, disclosure of the contingency is required. See disclosures of Contingent Liabilities described below:

- A case contests SSA's method of reducing benefits under the family maximum provision for auxiliary children of retired workers whose benefits are reduced due to becoming entitled to such benefits before attaining full retirement age. The amount of potential loss arising out of these cases is estimated, based on the broadest possible scope of application, to be approximately \$6,279 million and \$9 million for the OASI and DI Trust Funds, respectively. There is no contingent liability for the SSI program.
- A case contests the interim final rule related to SSA’s implementation of a streamlined waiver process for certain overpayment debts that accrued during a defined COVID-19 pandemic period. Due to the uncertainty of potential outcomes, the agency does not have an estimate of the contingent liability at this time.

## 10. FUNDS FROM DEDICATED COLLECTIONS

The OASI and DI Trust Funds, Taxation on Social Security Benefits, and SSI State Administrative Fees are classified as funds from dedicated collections. These funds obtain revenues primarily through non-Federal receipts, such as Social Security payroll taxes and, to a lesser extent, offsetting collections.

### OASI AND DI TRUST FUNDS

The OASI Trust Fund provides retirement and survivors benefits to qualified workers and their families. The DI Trust Fund provides disability benefits to individuals who cannot work because they have a medical condition expected to last one year or result in death.

Payroll and self-employment taxes primarily fund the OASI and DI Trust Funds. Interest earnings on Treasury securities, Federal agencies’ payments for the Social Security benefits earned by military and Federal civilian employees, and Treasury payments for a portion of income taxes paid on Social Security benefits provide additional income to the OASI and DI Trust Funds. The law establishing the OASI and DI Trust Funds is set forth in 42 U.S.C. § 401. Refer to Note 13, Tax Revenues, for a discussion on employment taxes credited to the OASI and DI Trust Funds, and Note 5, Investments and Interest Receivable, for a discussion on interest.



Funds not withdrawn for current expenses (benefits, the financial interchange with the Railroad Retirement program, and administrative expenses) are invested in interest-bearing Federal securities, as required by law. See Note 5, Investments and Interest Receivable, for a discussion on Treasury securities.

## **TAXATION ON SOCIAL SECURITY BENEFITS**

Taxation on Social Security Benefits is also classified as funds from dedicated collections. The *Social Security Amendments of 1983* (Public Law 98-21) provides that the OASI and DI Trust Funds receive income related to Federal income taxation of benefits. The taxes are collected as Federal income taxes, and a subsequent payment is then made to the OASI and DI Trust Funds from the General Fund of the Treasury. These collections are warranted from the General Fund and transferred to the OASI and DI Trust Funds via an intragovernmental transfer. These transfers are to be reserved for specific purposes in the future. Thus, Taxation on Social Security Benefits is considered dedicated collections.

## **SSI STATE ADMINISTRATIVE FEES**

Administrative Fees collected from States are also classified as funds from dedicated collections. Section 42 U.S.C. 1616 authorizes the Commissioner of Social Security to assess each State an administrative fee in an amount equal to the number of Supplemental payments made by SSA on behalf of the State for any month in a fiscal year, multiplied by the applicable rate for the fiscal year. See Note 12, Exchange Revenues, for a discussion of SSI State Administrative Fees.

See Charts 10a and 10b for balances of funds from dedicated collections as reported in the Consolidated Financial Statements for the years ended September 30, 2022 and 2021. The Other Dedicated Funds column in Charts 10a and 10b consist of Taxation on Social Security Benefits and SSI State Administrative Fees activity.



**CHART 10A - FUNDS FROM DEDICATED COLLECTIONS AS OF SEPTEMBER 30: CONSOLIDATING  
SCHEDULE  
(DOLLARS IN MILLIONS)**

	2022					
	OASI Trust Fund	DI Trust Fund	Other Dedicated Funds	Total Funds from Dedicated Collections (Combined)	Eliminations Between Dedicated Collections	Total Funds from Dedicated Collections (Consolidated)
<b>Balance Sheet</b>						
<b>Assets</b>						
Intragovernmental:						
Fund Balance with Treasury	\$ 29	\$ 12	\$ 9	\$ 50	\$ 0	\$ 50
Investments	2,738,837	115,365	0	2,854,202	0	2,854,202
Accounts Receivable, Federal	371	0	0	371	0	371
<b>Total Intragovernmental Assets</b>	<b>2,739,237</b>	<b>115,377</b>	<b>9</b>	<b>2,854,623</b>	<b>0</b>	<b>2,854,623</b>
With the Public:						
Accounts Receivable, Non-Federal	2,064	2,897	0	4,961	(4)	4,957
<b>Total Assets</b>	<b>\$ 2,741,301</b>	<b>\$ 118,274</b>	<b>\$ 9</b>	<b>\$ 2,859,584</b>	<b>\$ (4)</b>	<b>\$ 2,859,580</b>
<b>Liabilities and Net Position</b>						
Intragovernmental:						
Accounts Payable, Federal	\$ 6,319	\$ 758	\$ 0	\$ 7,077	\$ 0	\$ 7,077
With the Public:						
Accounts Payable, Non-Federal	0	4	0	4	0	4
Benefits Due and Payable	98,634	24,219	0	122,853	(4)	122,849
<b>Total with the Public</b>	<b>98,634</b>	<b>24,223</b>	<b>0</b>	<b>122,857</b>	<b>(4)</b>	<b>122,853</b>
<b>Total Liabilities</b>	<b>104,953</b>	<b>24,981</b>	<b>0</b>	<b>129,934</b>	<b>(4)</b>	<b>129,930</b>
Cumulative Results of Operations	2,636,348	93,293	9	2,729,650	0	2,729,650
<b>Total Liabilities and Net Position</b>	<b>\$ 2,741,301</b>	<b>\$ 118,274</b>	<b>\$ 9</b>	<b>\$ 2,859,584</b>	<b>\$ (4)</b>	<b>\$ 2,859,580</b>
<b>Statement of Net Cost</b>						
Program Costs	\$ 1,075,126	\$ 146,259	\$ 0	\$ 1,221,385	\$ 0	\$ 1,221,385
Operating Expenses	625	313	0	938	0	938
Less Earned Revenue	(1)	(20)	(147)	(168)	0	(168)
<b>Net Cost of Operations</b>	<b>\$ 1,075,750</b>	<b>\$ 146,552</b>	<b>\$ (147)</b>	<b>\$ 1,222,155</b>	<b>\$ 0</b>	<b>\$ 1,222,155</b>
<b>Statement of Changes in Net Position</b>						
Net Position Beginning of Period	\$ 2,680,969	\$ 80,479	\$ 0	\$ 2,761,448	\$ 0	\$ 2,761,448
Non-Exchange Revenue						
Tax Revenue - Intragovernmental	929,042	157,816	0	1,086,858	0	1,086,858
Interest Revenue - Intragovernmental	64,137	2,716	0	66,853	0	66,853
Other - With the Public	1	0	0	1	0	1
<b>Total Non-Exchange Revenue</b>	<b>993,180</b>	<b>160,532</b>	<b>0</b>	<b>1,153,712</b>	<b>0</b>	<b>1,153,712</b>
Net Transfers In/Out	37,949	(1,166)	(48,640)	(11,857)	0	(11,857)
Other	0	0	48,502	48,502	0	48,502
Net Cost of Operations	1,075,750	146,552	(147)	1,222,155	0	1,222,155
Net Change	(44,621)	12,814	9	(31,798)	0	(31,798)
<b>Net Position End of Period</b>	<b>\$ 2,636,348</b>	<b>\$ 93,293</b>	<b>\$ 9</b>	<b>\$ 2,729,650</b>	<b>\$ 0</b>	<b>\$ 2,729,650</b>

The above Chart 10a for FY 2022 includes eliminations between SSA's funds from dedicated collections, which primarily represent eliminations for activity between the OASI and DI Trust Funds. However, \$2,129 million of





receivables and liabilities in the funds from dedicated collections for the year ended September 30, 2022 must be eliminated against LAE (Accounts Payable, Federal), SSI (Benefits Due and Payable and Accounts Receivables, Non-Federal), and PTF, excluding Taxation on Benefits (Accounts Receivable, Federal), which are not classified as funds from dedicated collections. Therefore, due to the separate presentation of funds from dedicated collections only in this note, SSA does not include eliminations between funds from dedicated collections and LAE, SSI, and PTF, excluding Taxation on Benefits in Chart 10a.

**CHART 10B - FUNDS FROM DEDICATED COLLECTIONS AS OF SEPTEMBER 30: CONSOLIDATING SCHEDULE**  
(DOLLARS IN MILLIONS)

	2021					
	OASI Trust Fund	DI Trust Fund	Other Dedicated Funds	Total Funds from Dedicated Collections (Combined)	Eliminations Between Dedicated Collections	Total Funds from Dedicated Collections (Consolidated)
<b>Balance Sheet</b>						
<b>Assets</b>						
Intragovernmental:						
Fund Balance with Treasury	\$ 14	\$ 30	\$ 0	\$ 44	\$ 0	\$ 44
Investments	2,771,965	98,660	0	2,870,625	0	2,870,625
Accounts Receivable, Federal	484	0	0	484	0	484
<b>Total Intragovernmental Assets</b>	<b>2,772,463</b>	<b>98,690</b>	<b>0</b>	<b>2,871,153</b>	<b>0</b>	<b>2,871,153</b>
With the Public:						
Accounts Receivable, Non-Federal	2,077	3,132	0	5,209	(4)	5,205
<b>Total Assets</b>	<b>\$ 2,774,540</b>	<b>\$ 101,822</b>	<b>\$ 0</b>	<b>\$ 2,876,362</b>	<b>\$ (4)</b>	<b>\$ 2,876,358</b>
<b>Liabilities and Net Position</b>						
Intragovernmental:						
Accounts Payable, Federal	\$ 6,173	\$ 867	\$ 0	\$ 7,040	\$ 0	\$ 7,040
With the Public:						
Accounts Payable, Non-Federal	1	4	0	5	0	5
Benefits Due and Payable	87,397	20,472	0	107,869	(4)	107,865
<b>Total with the Public</b>	<b>87,398</b>	<b>20,476</b>	<b>0</b>	<b>107,874</b>	<b>(4)</b>	<b>107,870</b>
<b>Total Liabilities</b>	<b>93,571</b>	<b>21,343</b>	<b>0</b>	<b>114,914</b>	<b>(4)</b>	<b>114,910</b>
Cumulative Results of Operations	2,680,969	80,479	0	2,761,448	0	2,761,448
<b>Total Liabilities and Net Position</b>	<b>\$ 2,774,540</b>	<b>\$ 101,822</b>	<b>\$ 0</b>	<b>\$ 2,876,362</b>	<b>\$ (4)</b>	<b>\$ 2,876,358</b>
<b>Statement of Net Cost</b>						
Program Costs	\$ 986,398	\$ 139,818	\$ 0	\$ 1,126,216	\$ 0	\$ 1,126,216
Operating Expenses	540	278	0	818	0	818
Less Earned Revenue	(1)	(20)	(126)	(147)	0	(147)
<b>Net Cost of Operations</b>	<b>\$ 986,937</b>	<b>\$ 140,076</b>	<b>\$ (126)</b>	<b>\$ 1,126,887</b>	<b>\$ 0</b>	<b>\$ 1,126,887</b>
<b>Statement of Changes in Net Position</b>						
Net Position Beginning of Period	\$ 2,741,021	\$ 78,551	\$ 0	\$ 2,819,572	\$ 0	\$ 2,819,572
Non-Exchange Revenue						
Tax Revenue -Intragovernmental	831,124	141,195	0	972,319	0	972,319
Interest Revenue - Intragovernmental	68,971	2,679	0	71,650	0	71,650
Other - With the Public	7	0	0	7	0	7
<b>Total-Non Exchange Revenue</b>	<b>900,102</b>	<b>143,874</b>	<b>0</b>	<b>1,043,976</b>	<b>0</b>	<b>1,043,976</b>
Net Transfers In/Out	26,783	(1,870)	(34,927)	(10,014)	0	(10,014)
Other	0	0	34,801	34,801	0	34,801
Net Cost of Operations	986,937	140,076	(126)	1,126,887	0	1,126,887
<b>Net Change</b>	<b>(60,052)</b>	<b>1,928</b>	<b>0</b>	<b>(58,124)</b>	<b>0</b>	<b>(58,124)</b>
<b>Net Position End of Period</b>	<b>\$ 2,680,969</b>	<b>\$ 80,479</b>	<b>\$ 0</b>	<b>\$ 2,761,448</b>	<b>\$ 0</b>	<b>\$ 2,761,448</b>



Chart 10b for FY 2021 includes eliminations between SSA’s funds from dedicated collections, which primarily represent eliminations for activity between the OASI and DI Trust Funds. However, \$2,244 million of receivables and liabilities in the funds from dedicated collections for the year ended September 30, 2021 must be eliminated against LAE (Accounts Payable, Federal), SSI (Benefits Due and Payable and Accounts Receivables, Non-Federal), and PTF, excluding Taxation on Benefits (Accounts Receivable, Federal), which are not classified as funds from dedicated collections. Therefore, due to the separate presentation of funds from dedicated collections only in this note, SSA does not include eliminations between funds from dedicated collections and LAE, SSI, and PTF, excluding Taxation on Benefits in Chart 10b.

## 11. OPERATING EXPENSES

### CLASSIFICATION OF OPERATING EXPENSES BY MAJOR PROGRAM

Charts 11a and 11b display SSA’s operating expenses for each major program. LAE SSA operating expenses recorded in Other primarily represent the HI/SMI Trust Funds’ shares of SSA’s operating expenses, including the Medicare Prescription Drug Program. LAE operating expenses related to the *American Recovery and Reinvestment Act of 2009* (ARRA) are recorded in the Other program, and primarily represent expenses associated with the National Support Center. LAE operating expenses related to the CARES Act are recorded in the Other program, and primarily represent expenses to prevent, prepare for, and respond to COVID-19 pandemic, and to assist Treasury with economic impact payments. OASI and DI Trust Fund Operations include expenses of Treasury to assist in managing the OASI and DI Trust Funds. Vocational Rehabilitation includes expenditures of State agencies for vocational rehabilitation of OASI, DI, and SSI beneficiaries.

**CHART 11A - SSA'S OPERATING EXPENSES BY MAJOR PROGRAM AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022						
	LAE				OASI and DI Trust Fund Operations	Vocational Rehabilitation & Other	Total
	SSA	OIG	CARES Act	ARRA			
OASI	\$ 3,537	\$ 47	\$ 0	\$ 0	\$ 604	\$ 21	\$ 4,209
DI	2,576	34	0	0	105	208	2,923
SSI	4,512	0	0	0	0	246	4,758
Other	2,873	32	3	3	0	0	2,911
Total	\$ 13,498	\$ 113	\$ 3	\$ 3	\$ 709	\$ 475	\$ 14,801

**CHART 11B - SSA'S OPERATING EXPENSES BY MAJOR PROGRAM AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

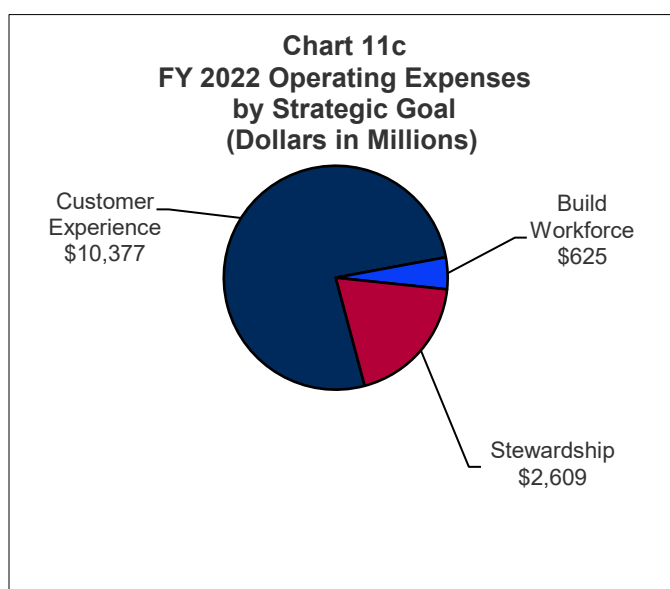
	2021						
	LAE				OASI and DI Trust Fund Operations	Vocational Rehabilitation & Other	Total
	SSA	OIG	CARES Act	ARRA			
OASI	\$ 3,372	\$ 46	\$ 0	\$ 0	\$ 524	\$ 16	\$ 3,958
DI	2,534	34	0	0	94	184	2,846
SSI	4,490	0	0	0	0	214	4,704
Other	2,747	32	55	7	0	0	2,841
Total	\$ 13,143	\$ 112	\$ 55	\$ 7	\$ 618	\$ 414	\$ 14,349

## CLASSIFICATION OF OPERATING EXPENSES BY STRATEGIC GOAL

SSA’s *Annual Performance Plan* (APP) sets forth expected levels of performance the agency is committed to achieving and includes proposed levels of performance for future fiscal years. Our APP is characterized by agency-wide broad-based Strategic Goals. The three Strategic Goals are:

- Optimize the Experience of SSA Customers (Customer Experience);
- Build an Inclusive, Engaged, and Empowered Workforce (Build Workforce); and
- Ensure Stewardship of SSA Programs (Stewardship).

Chart 11c exhibits the distribution of FY 2022 SSA and OIG LAE operating expenses to the three APP Strategic Goals, which agree to the agency’s LAE budget appropriation. As noted earlier in this report, the agency revised its Strategic Goals starting in FY 2022. Therefore, because the Strategic Goals are not comparable between FY 2022 and FY 2021, we did not include a chart showing the distribution of FY 2021 operating expenses by Strategic Goal.



For Chart 11c, we subtracted LAE ARRA and CARES Act expenses from total SSA LAE operating expenses before distributing the operating expenses to the agency’s APP Strategic Goals. We do not include OASI and DI Trust Fund Operations and Vocational Rehabilitation expenses (see Chart 11a) in LAE by Strategic Goal as these amounts are disbursed from the OASI and DI Trust Funds and are not directly linked to the budget authority.

## 12. EXCHANGE REVENUES

SSA recognizes revenue from exchange transactions when goods and services are provided. The goods and services provided are priced so that charges do not exceed the agency’s cost. Total exchange revenue is \$320 and \$312 million for the years ended September 30, 2022 and 2021. SSA’s exchange revenue primarily consists of fees collected to administer SSI State Supplementation. The fees charged to the States are \$13.16 and \$12.49, per payment, for the years ended September 30, 2022 and 2021. SSA has agreements with 20 States and the District of Columbia to administer some or all of the States' supplement to Federal SSI benefits. Additional fees are collected for handling OASI and DI Trust Fund and SSI attorney fees. Other exchange revenue consists of reimbursement for performing non-mission work for Federal and non-Federal entities. Chart 12 discloses SSA’s exchange revenue by activity.



**CHART 12 - EXCHANGE REVENUE AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022	2021
SSI State Supplementation Fees	\$ 236	\$ 211
SSI Attorney Fees	6	7
DI Attorney Fees	20	20
OASI Attorney Fees	1	1
Other Exchange Revenue	57	73
<b>Total Exchange Revenue</b>	<b>\$ 320</b>	<b>\$ 312</b>

SSI administrative fees are split between fees that SSA can use and fees that belong to Treasury’s General Fund. The General Fund’s portion of these administrative fees are \$95 and \$91 million for the years ended September 30, 2022 and 2021. Of these amounts, \$89 and \$84 million were collected to administer SSI State Supplementation for the years ended September 30, 2022 and 2021. SSA maintains the remainder of the SSI administrative fees, which meet the criteria of a fund from dedicated collections, in the amounts of \$147 and \$127 million for the years ended September 30, 2022 and 2021, to defray expenses in carrying out the SSI program.

### **13. TAX REVENUES**

Treasury estimates monthly employment tax revenues based on SSA's quarterly estimate of taxable earnings. Treasury uses these estimates to credit the OASI and DI Trust Funds with tax receipts received during the month. Treasury adjusts the amounts previously credited to the OASI and DI Trust Funds based on actual wage data SSA certified quarterly.

As required by current law, the OASI and DI Trust Funds are due the total amount of employment taxes payable regardless of whether they have been collected. These estimated amounts are subject to adjustments for wages that were previously unreported, employers misunderstanding the wage reporting instructions, businesses terminating operations during the year, or errors made and corrected with either the Internal Revenue Service (IRS) or SSA. Revenues to the OASI and DI Trust Funds are reduced for excess employment taxes, which are refunded by offset against income taxes.

Chart 13 displays SSA’s Tax Revenue, as reported on the Consolidated Statements of Changes in Net Position, by major program.

**CHART 13 - TAX REVENUE AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022	2021
OASI	\$ 929,042	\$ 831,124
DI	157,816	141,195
<b>Total Tax Revenue</b>	<b>\$ 1,086,858</b>	<b>\$ 972,319</b>

### **14. IMPUTED FINANCING**

SSA recognizes the full cost of goods and services it receives from other entities on our Consolidated Statements of Net Cost. In some instances, goods or services provided by one Federal entity to another may not be fully reimbursed by the receiving entity. The unreimbursed portion of these costs is considered an imputed cost, and must be recognized on the receiving entity’s Statement of Net Cost. The funding for these imputed costs is recognized as an imputed financing source on the receiving entity’s Statement of Changes in Net Position. SSA has activities with OPM, Treasury, and the Department of Homeland Security (DHS) that require imputed costs and financing sources to be recognized. While the imputed financing sources are shown on the face of the Consolidated Statements of Changes in Net Position, the imputed costs are included in the operating expense amounts reported on the Consolidated Statements of Net Cost.



OPM administers three earned benefit programs for civilian Federal employees: (1) the Retirement Program, comprised of the CSRS and the FERS; (2) the Federal Employees Health Benefits Program (FEHBP); and (3) the Federal Employee Group Life Insurance Program (FEGLI). The total service costs for SSA employee pensions, life, and health insurance are financed by contributions of SSA, participating employees, and OPM. The Consolidated Statements of Net Cost recognize post-employment benefit expenses of \$1,491 and \$1,428 million for the years ended September 30, 2022 and 2021, as a portion of operating expenses. The expense represents the current and estimated future costs of SSA and OPM for SSA employee pensions, life, and health insurance. SSA is responsible for a portion of the costs of each benefit program during the fiscal year, while OPM covers the remaining costs. SSA recognizes these costs on our financial statements as an imputed cost with a corresponding imputed financing source.

Treasury, on SSA's behalf, processes the payments for SSI benefits. While the majority of the administrative costs associated with processing these payments are recorded as imputed costs with an associated imputed financing source, SSA is responsible for the costs related to postage. In addition, when funds are not legally available to pay monetary awards from SSA's own appropriations, Treasury issues payments from the Judgment Fund on behalf of SSA for court judgments and Department of Justice compromise settlements of actual or imminent lawsuits against SSA. These costs are also recorded as imputed costs with a corresponding imputed financing source.

DHS provides SSA with capabilities and tools that identify cybersecurity risks as part of their Continuous Diagnostics and Mitigation (CDM) program. Specifically, DHS has provided SSA with hardware and internal use software associated with this program.

Chart 14 discloses SSA's imputed financing sources by activity.

**CHART 14 - IMPUTED FINANCING SOURCES AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022	2021
Employee Benefits (OPM)		
CSRS	\$ 52	\$ 58
FERS	10	3
FEHBP	521	514
FEGLI	1	1
Total Employee Benefits	584	576
SSI Benefit Payments (Treasury)	17	17
Judgment Fund (Treasury)	1	2
CDM Program (DHS)	7	0
Total Imputed Financing Sources	\$ 609	\$ 595

## 15. BUDGETARY RESOURCES

### APPROPRIATIONS RECEIVED

The Combined Statements of Budgetary Resources discloses Appropriations Received of \$1,347,799 and \$1,232,394 million for the years ended September 30, 2022 and 2021. Appropriations Received on the Consolidated Statements of Changes in Net Position are \$114,082 and \$94,946 million for the same periods. The differences of \$1,233,717 and \$1,137,448 million primarily represent appropriated OASI and DI Trust Fund receipts. The Consolidated Statements of Changes in Net Position reflect new appropriations received during the year; however, those amounts do not include dedicated receipts in the OASI and DI Trust Funds.

Appropriations Received for PTF are recorded based on warrants received from the General Fund and presented as Other in the financial statements. These amounts are transferred to the Bureau of Fiscal Service where they are also recorded as Appropriations Received in the OASI and DI Trust Funds. Because OASI and DI Trust Fund activity is



combined with Other on SSA’s Combined Statements of Budgetary Resources, Appropriations Received for PTF are duplicated. This is in compliance with OMB’s Circular No. A-136 to have the Combined Statements of Budgetary Resources in agreement with the required SF-133. These amounts are also included on the Consolidated Statements of Changes in Net Position for Other in Appropriations Received.

## PERMANENT INDEFINITE APPROPRIATION

SSA has three Permanent Indefinite Appropriations: OASI and DI Trust Funds and Title VIII. The OASI Trust Fund provides retirement and survivors benefits to qualified workers and their families. The DI Trust Fund provides disability benefits to individuals who cannot work because they have a medical condition expected to last one year or result in death. The authority remains available as long as there are qualified beneficiaries.

The Title VIII Program was established as part of Public Law 106-169, *Foster Care Independence Act of 1999*. It provides special benefits to World War II Philippine veterans receiving SSI, who wanted to spend their remaining years outside the U.S. Prior to the passage of Public Law 106-169, the veterans’ SSI benefits would terminate the month after leaving the U.S. Under the new law, these veterans will receive 75 percent of their benefits. The authority remains available as long as there are qualified recipients.

## LEGAL ARRANGEMENTS AFFECTING USE OF UNOBLIGATED BALANCES

During the year, the OASI and DI Trust Funds collect receipts and incur obligations. The receipts are primarily made up of tax and interest revenues. As beneficiaries pass the various entitlement tests prescribed by the *Social Security Act*, benefit payments and other outlays are obligated against the OASI and DI Trust Funds. During a given year, when receipts collected exceed the amount needed to pay benefits and other valid obligations, the excess authority becomes precluded by law from being available for obligations, as of September 30. While this amount is precluded from obligation at the end of one fiscal year, the excess receipts remain assets of the OASI and DI Trust Funds and can become available in future periods as needed.

Chart 15a provides an overview of fiscal year budgetary receipt and obligation information for the OASI and DI Trust Funds. SSA compares the current year receipts to the current year obligations incurred to determine the excess or shortfall for a fiscal year.

**CHART 15A - OASI AND DI TRUST FUND ACTIVITIES AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022			2021		
	OASI	DI	Total	OASI	DI	Total
Receipts	\$ 1,041,099	\$ 162,029	\$ 1,203,128	\$ 935,997	\$ 144,413	\$ 1,080,410
Less: Obligations	1,084,655	149,087	1,233,742	994,976	142,452	1,137,428
Excess/(Shortfall) of Receipts Over Obligations	\$ (43,556)	\$ 12,942	\$ (30,614)	\$ (58,979)	\$ 1,961	\$ (57,018)

The overall Net Position of the OASI and DI Trust Funds included in Net Position, on the Consolidated Statements of Changes in Net Position, are \$2,636,348 and \$93,293 million for the year ended September 30, 2022, compared to \$2,680,969 and \$80,479 million for the year ended September 30, 2021.

## UNDELIVERED ORDERS AT THE END OF THE PERIOD

Undelivered orders consist of orders of goods and services that SSA has not actually or constructively received. The total undelivered orders contain unpaid undelivered orders and advances, with unpaid orders making up the majority of the total. Chart 15b provides the undelivered orders amount by Federal, non-Federal, paid, and unpaid.

**CHART 15B - UNDELIVERED ORDERS AS OF SEPTEMBER 30:  
(DOLLARS IN MILLIONS)**

	2022			2021		
	Federal	Non-Federal	Total	Federal	Non-Federal	Total
Unpaid Undelivered Orders	\$ 728	\$ 2,164	\$ 2,892	\$ 777	\$ 2,085	\$ 2,862
Paid Undelivered Orders	119	0	119	108	0	108
Total Undelivered Orders	\$ 847	\$ 2,164	\$ 3,011	\$ 885	\$ 2,085	\$ 2,970

**EXPLANATION OF DIFFERENCES BETWEEN THE COMBINED STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE U.S. GOVERNMENT**

SSA conducted a reconciliation of budgetary resources, new obligations and upward adjustments, distributed offsetting receipts, and net outlays as presented in the Combined Statements of Budgetary Resources, to amounts included in the Budget of the U.S. Government for the year ended September 30, 2021. All differences shown in the chart below are recognized as accepted differences. Expired activity is not included in the Budget of the U.S. Government. Distributed offsetting receipts are not included in the net outlay calculation within the Budget of the U.S. Government.

Chart 15c presents a reconciliation of budgetary resources, new obligations and upward adjustments, distributed offsetting receipts, and outlays as presented in the Combined Statements of Budgetary Resources, to amounts included in the Budget of the U.S. Government for the year ended September 30, 2021.

**CHART 15C - EXPLANATION OF DIFFERENCES BETWEEN COMBINED STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE U.S. GOVERNMENT FOR FY 2021:  
(DOLLARS IN MILLIONS)**

	Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 1,254,486	\$1,248,653	\$ 37,293	\$ 1,192,452
Expired activity not in President's Budget	(542)	0	0	0
Offsetting Receipts activity not in President's Budget	0	0	0	37,293
Other	(1)	(2)	(1)	1
Budget of the U.S. Government	\$ 1,253,943	\$1,248,651	\$ 37,292	\$ 1,229,746

A reconciliation has not been conducted for the year ended September 30, 2022 since the actual budget data for FY 2022 will not be available until the President's Budget is published. Once available, the actual budget data will be located on OMB's Appendix [website](#).



## 16. RECONCILIATION OF NET COST TO NET OUTLAYS

Chart 16 presents a reconciliation between SSA's budgetary and financial accounting. Budgetary accounting is used for planning and spending control purposes. The net outlays portion of budgetary accounting focuses on the receipt and use of cash. Financial accounting is intended to provide a picture of the Government's financial operations and financial position, so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The net costs portion of financial accounting focuses on expenses and revenue.

The reconciliation below shows the relationship between SSA's net outlays, presented on a budgetary cash basis and derived from the Combined Statements of Budgetary Resources, and net costs, presented on an accrual basis and derived from the Consolidated Statements of Net Cost, by identifying and explaining key items that affect one statement but not the other. Examples of this include transfers of authority, which affect net outlays but not net cost, or depreciation of capitalized assets that affect net cost, but not net outlays.

**CHART 16 - RECONCILIATION OF NET COST TO NET OUTLAYS FOR THE YEARS ENDED  
SEPTEMBER 30, 2022 AND 2021  
(DOLLARS IN MILLIONS)**

	2022			2021		
	Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total
<b>Net Cost</b>	\$ 4,726	\$ 1,289,721	\$ 1,294,447	\$ 4,652	\$ 1,189,520	\$ 1,194,172
<b>Components of Net Cost That Are Not Part of Net Outlays:</b>						
Property, plant, and equipment depreciation	0	(741)	(741)	0	(673)	(673)
<b>Increase/(decrease) in assets:</b>						
Accounts receivable	(110)	75	(35)	482	(820)	(338)
Other assets	10	0	10	33	0	33
<b>(Increase)/decrease in liabilities:</b>						
Accounts payable	25	37	62	15	27	42
Benefits Due and Payable	0	(15,379)	(15,379)	0	(2,789)	(2,789)
Federal Employee and Veteran Benefits Payable	0	40	40	0	(11)	(11)
Other liabilities	(278)	375	97	561	(7)	554
<b>Financing sources</b>						
Imputed Costs	(609)	0	(609)	(594)	0	(594)
<b>Total Components of Net Cost That Are Not Part of Net Outlays</b>	\$ (962)	\$ (15,593)	\$ (16,555)	\$ 497	\$ (4,273)	\$ (3,776)
<b>Components of Net Outlays That Are Not Part of Net Cost:</b>						
Acquisition of capital assets	0	1,199	1,199	0	1,280	1,280
<b>Financing Sources</b>						
Transfers out(in) without reimbursement	123	0	123	(484)	0	(484)
Expenditure Transfers Collected/Disbursed	2,557	0	2,557	1,940	0	1,940
<b>Total Components of Net Outlays That Are Not Part of Net Cost</b>	\$ 2,680	\$ 1,199	\$ 3,879	\$ 1,456	\$ 1,280	\$ 2,736
<b>Miscellaneous Items</b>						
Custodial/Non-Exchange Revenue	(54)	(96)	(150)	(106)	(98)	(204)
Non-Entity Activity	434	0	434	(476)	0	(476)
<b>Total Other Reconciling Items</b>	380	(96)	284	(582)	(98)	(680)
<b>Net Outlays</b>	\$ 6,824	\$ 1,275,231	\$ 1,282,055	\$ 6,023	\$ 1,186,429	\$ 1,192,452

The \$15,379 million increase in Benefits Due and Payable for the year ended September 30, 2022, is primarily related to amounts owed to program recipients that have not yet been paid as of the balance sheet date. The increased Benefits Due and Payable when comparing FY 2022 to FY 2021 is due primarily to a 5.9 percent Cost of Living Adjustment beneficiaries received in 2022 and an increase in the number of beneficiaries during FY 2022.





The \$1,199 million in Acquisition of Capital Assets for the year ended September 30, 2022, primarily consists of capitalized costs associated with Internal Use Software. The purchases of assets are part of net outlays, but not part of net cost. For additional information, refer to Note 7, General Property, Plant, and Equipment, Net. The \$2,557 million in Expenditure Transfers Disbursed for the year ended September 2022, is primarily related to disbursements from the OASI/DI Trust Funds to cover SSA's costs of the Railroad Retirement Interchange. The disbursements are part of net outlays, but not part of net cost. Refer to Note 9, Liabilities, for additional information on the Railroad Retirement Interchange.

For FY 2021, the \$2,789 million increase in Benefits Due and Payable is primarily related to amounts owed to program recipients that have not yet been paid as of the balance sheet date. This accrued payable is included in net cost, but not included in net outlays. The \$1,280 million in Acquisition of Capital Assets primarily consists of capitalized costs associated with Internal Use Software. The purchases of assets are part of net outlays, but not part of net cost. The \$1,940 million in Expenditure Transfers Disbursed is primarily related to disbursements from the OASI/DI Trust Funds to cover SSA's costs of the Railroad Retirement Interchange. The disbursements are part of net outlays, but not part of net cost.



## 17. SOCIAL INSURANCE DISCLOSURES

### STATEMENTS OF SOCIAL INSURANCE

The Statements of Social Insurance show the present value for the 75-year projection period of the estimated future noninterest income, estimated future cost, and the excess of income over cost for both the “open group” and “closed group” of participants. The open group of participants includes all current and future participants (including those born during the projection period) who are now participating or are expected to eventually participate in the OASDI social insurance program. The closed group of participants includes only current participants (i.e., those who attain age 15 or older in the first year of the projection period). The closed group disclosure is not relevant to the financial status because the program is financed largely on a pay-as-you-go basis.

Present values are computed based on the intermediate economic and demographic assumptions described in [\*The 2022 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds\*](#) (2022 Trustees Report) for the 75-year projection period beginning January 1, 2022. These assumptions represent the Trustees’ reasonable estimate of likely future economic and demographic conditions. Similar present values are shown in the Statements of Social Insurance based on the prior four Trustees Reports reflecting present values on January 1 of the applicable year.

Estimated future noninterest income consists of payroll taxes from employers, employees, and self-employed persons; revenue from Federal income-taxation of scheduled OASDI benefits; and miscellaneous reimbursements from the General Fund of the Treasury. It does not include interest income on reserves held in the combined OASI and DI Trust Funds, because the present value calculation discounts all cash flows at the effective yield on OASI and DI Trust Fund reserves. The estimated future cost includes benefit amounts scheduled under current law, administrative expenses, and net transfers with the Railroad Retirement program.

The present value of the estimated future excess of noninterest income over cost is shown in the Statements of Social Insurance, not only for the open group of participants, but also for the closed group of participants. The closed group of participants consists of those who, have attained age 15 or older in the starting year of the projection period. This closed group is further divided into those who have attained retirement eligibility age (i.e., age 62 and over) in the starting year of the projection period and those who attained age 15 through 61 in the starting year of the projection period. The Statements of Social Insurance also present the present value of estimated future noninterest income less estimated future cost *plus* the combined OASI and DI Trust Fund reserves at the start of the period on both an open and closed group basis.

Combined OASI and DI Trust Fund reserves represent the accumulated excess of all past income, including interest on prior combined OASI and DI Trust Fund reserves, over all past expenditures for the OASDI program. The combined OASI and DI Trust Fund reserves as of January 1, 2022 totaled \$2,852 billion and were comprised entirely of investment securities that are backed by the full faith and credit of the Federal Government.

The present value for a 75-year projection period of estimated future excess of noninterest income over cost, plus the combined OASI and DI Trust Fund reserves at the start of the period, is shown as a negative value. Its magnitude is commonly referred to as the “open group unfunded obligation” of the OASDI program over the 75-year projection period. This value is included in the applicable Trustees Report and is shown in the Report as a percentage of taxable payroll and as a percentage of gross domestic product (GDP) over the period.

Because the OASDI program lacks borrowing authority, the open group unfunded obligation represents the amount of benefits scheduled in the law that would not be payable in the years after the reserves in the combined OASI and DI Trust Funds become depleted. Thus, if the reserves in the combined OASI and DI Trust Funds become depleted, the amount of money available to pay benefits and other expenses would be limited to continuing noninterest income. Therefore, barring legislative action, this unfunded obligation represents a financial shortfall that would be accommodated by either paying benefits that are less than the amount scheduled or by delaying the payment of scheduled benefits.

## ASSUMPTIONS USED FOR THE STATEMENTS OF SOCIAL INSURANCE

The present values used in this presentation for the current year (2022) are based on the full amounts of estimated noninterest income and the cost of providing benefits at the levels scheduled under current law, even after the OASI and DI Trust Fund reserves are depleted. Estimates are also based on various economic and demographic assumptions, including those in the following chart:

**CHART 17A: SIGNIFICANT ASSUMPTIONS AND SUMMARY MEASURES USED FOR THE STATEMENT OF SOCIAL INSURANCE 2022**

	Total Fertility Rate <sup>1</sup>	Age-Sex-Adjusted Death Rate <sup>2</sup> (per 100,000)	Period Life Expectancy At Birth <sup>3</sup>		Net Annual Immigration (persons per year) <sup>4</sup>	Real Wage Differential <sup>5</sup> (percentage points)	Annual Percentage Change In:				Average Annual Interest Rate <sup>10</sup>
			Male	Female			Average Annual Wage in Covered Employment <sup>6</sup>	CPI <sup>7</sup>	Total Employment <sup>8</sup>	Real GDP <sup>9</sup>	
2022	1.68	824.8	75.7	80.9	1,440,000	1.98	6.52	4.54	3.1	3.9	1.8%
2030	1.87	738.4	77.1	82.1	1,341,000	1.25	3.65	2.40	0.4	2.0	4.6%
2040	1.98	679.8	78.2	83.0	1,288,000	1.17	3.57	2.40	0.3	1.9	4.7%
2050	2.00	627.2	79.2	83.9	1,256,000	1.11	3.51	2.40	0.4	2.0	4.7%
2060	2.00	580.6	80.2	84.7	1,240,000	1.16	3.56	2.40	0.4	2.0	4.7%
2070	2.00	539.3	81.2	85.4	1,228,000	1.16	3.56	2.40	0.3	1.9	4.7%
2080	2.00	502.6	82.0	86.2	1,221,000	1.13	3.53	2.40	0.4	2.0	4.7%
2090	2.00	469.9	82.9	86.8	1,217,000	1.14	3.54	2.40	0.5	2.1	4.7%
2100 <sup>11</sup>	2.00	440.6	83.7	87.5	1,215,000	1.15	3.55	2.40	0.4	2.0	4.7%

Notes:

- The total fertility rate for any year is the average number of children that would be born to a woman if she were to experience, at each age of her life, the birth rate observed in, or assumed for, the selected year, and if she were to survive the entire childbearing period.
- The age-sex-adjusted death rate is based on the enumerated total population as of April 1, 2010, if that population were to experience the death rates by age and sex observed in, or assumed for, the selected year. It is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived.
- The period life expectancy at birth for a given year is the average number of years expected prior to death for a person born on January 1 in that year, using the mortality rates for that year over the course of his or her remaining life. It is a summary measure and not a basic assumption; it summarizes the effects of the basic assumptions from which it is derived.
- Net annual immigration is the number of persons who enter during the year (both as lawful permanent residents and otherwise) minus the number of persons who leave during the year. It is a summary measure and not a basic assumption; it summarizes the effects of the basic assumptions from which it is derived.
- The real wage differential is the annual percentage change in the average annual wage in covered employment less the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Values are rounded after all computations.
- The average annual wage in covered employment is the total amount of wages and salaries for all employment covered by the OASDI program in a year, divided by the number of employees with any such earnings during the year. It is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived.
- The CPI is CPI-W.
- Total employment is total U.S. military and civilian employment. It is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived.
- The real GDP is the value of the total output of goods and services in 2012 dollars. It is a summary measure and not a basic assumption; it summarizes the effects of the basic assumptions from which it is derived.
- The average annual interest rate is the average of the nominal interest rates, compounded semiannually, for special public-debt obligations issuable to the OASI and DI Trust Funds in each of the 12 months of the year. After trust fund depletion, there would continue to be immediate investments of income in short-term certificates of indebtedness. The average annual interest rate is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived.
- The valuation period used for the 2022 Statement of Social Insurance extends to 2096.



The present values used in the Statement of Social Insurance for the current year and in corresponding Statements in prior years are based on various economic and demographic assumptions. The values for each of these assumptions move from recently experienced levels or trends toward long-range ultimate values. These ultimate values are summarized in Chart 17b. Detailed information, similar to that denoted within Chart 17a, is available on our *Agency Financial Report* (AFR) [website](#) for the prior four years.

**CHART 17B: SIGNIFICANT LONG-RANGE ASSUMPTIONS AND SUMMARY MEASURES USED FOR THE STATEMENTS OF SOCIAL INSURANCE FOR CURRENT AND PRIOR YEARS**

Year of Statement	Total Fertility Rate <sup>1</sup>	Average Annual Percentage Reduction in the Age-Sex-Adjusted Death Rates <sup>2</sup>	Average Annual Net Immigration (persons per year) <sup>3</sup>	Average Annual Real Wage Differential <sup>4</sup> (percentage points)	Average Annual Percentage Change In:			Average Annual Real Interest Rate <sup>8</sup>
					Average Annual Wage in Covered Employment <sup>5</sup>	CPI <sup>6</sup>	Total Employment <sup>7</sup>	
FY 2022	1.99	0.74	1,246,000	1.15	3.55	2.40	0.5	2.3
FY 2021	1.99	0.74	1,248,000	1.15	3.55	2.40	0.5	2.3
FY 2020	1.95	0.76	1,261,000	1.14	3.54	2.40	0.4	2.3
FY 2019	2.00	0.77	1,265,000	1.21	3.81	2.60	0.5	2.5
FY 2018	2.00	0.77	1,272,000	1.20	3.80	2.60	0.5	2.7

Notes:

1. The total fertility rate for any year is the average number of children that would be born to a woman if she were to experience, at each age of her life, the birth rate observed in, or assumed for, the selected year, and if she were to survive the entire childbearing period. For the Statements prior to 2021, the value presented is the ultimate total fertility rate. For the 2021 and 2022 Statements, the value shown is the average annual total fertility rate for the last 65 years of the 75-year projection period.
2. The age-sex-adjusted death rate is based on the enumerated total population as of a standard date if that population were to experience the death rates by age and sex observed in, or assumed for, the selected year. For each of the listed Statements, the standard date was April 1, 2010. It is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived. For the Statements prior to FY 2021, the value presented is the average annual percentage reduction for each 75-year projection period. For the 2021 and 2022 Statements, the value shown is the average annual percentage reduction for the last 65 years of the 75-year projection period.
3. Net annual immigration is the number of persons who enter during the year (both as lawful permanent residents and otherwise) minus the number of persons who leave during the year. The value in the chart is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived. For the Statements prior to FY 2021, the value shown is the average net immigration level projected for the 75-year projection period. For the 2021 and 2022 Statements, the value presented is the average net immigration level projected for the last 65 years of the 75-year projection period.
4. The annual real wage differential is the annual percentage change in the average annual wage in covered employment less the annual percentage change in the CPI-W. The value presented is the average of annual real wage differentials for the last 65 years of the 75-year projection period.
5. The average annual wage in covered employment is the total amount of wages and salaries for all employment covered by the OASDI program in a year divided by the number of employees with any such earnings during the year. It is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived. The value presented is the average annual percentage change from the 10<sup>th</sup> year of the 75-year projection period to the 75<sup>th</sup> year.
6. The CPI is the CPI-W. The ultimate assumption is reached within the first 10 years of the projection period.
7. Total employment is total U.S. military and civilian employment. It is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived. The average annual percentage change in total employment is for the entire 75-year projection period. The annual rate of increase tends to decline through the period reflecting the slowing growth rate of the working-age population. Thus, no ultimate rate of change is achieved.
8. The average annual real interest rate reflects the expected annual real yield for each year on securities issuable in the prior year. The ultimate rate is reached within the first 11 years of the projection period.

These assumptions and the other values on which Chart 17b is based reflect the intermediate assumptions of the 2018–2022 Trustees Reports. The values shown in the FY 2022 row of Chart 17b are consistent with the data shown in Chart 17a. Estimates made prior to this year may differ substantially because of revisions to the assumptions based on changes in conditions or experience, and to changes in actuarial methodology. It is reasonable to expect changes to actuarial assumptions and methodology in future reports. At this time, given the unprecedented level of uncertainty about the lasting effects of the COVID-19 pandemic, the individual long-range ultimate assumptions do not reflect any net effects due to the pandemic.

The *Required Supplementary Information: Social Insurance* section of this report contains additional information on social insurance.

## STATEMENTS OF CHANGES IN SOCIAL INSURANCE AMOUNTS

The Statements of Changes in Social Insurance Amounts reconcile changes, from the beginning of one 75-year valuation period to the next, in the: (1) present value of estimated future noninterest income less estimated future cost for current and future participants (the open group measure) over the next 75 years; (2) starting reserves of the combined OASI and DI Trust Funds; and (3) present value of estimated future noninterest income less estimated future cost for current and future participants over the next 75 years plus the reserves of the combined OASI and DI Trust Funds. These values are included in the Statements of Social Insurance. The Statements of Changes in Social Insurance Amounts show two reconciliations: (1) change from the period beginning on January 1, 2021 to the period beginning on January 1, 2022; and (2) change from the period beginning on January 1, 2020 to the period beginning on January 1, 2021. The reconciliation identifies several changes that are significant and provides reasons for the changes.

The five changes considered in the Statements of Changes in Social Insurance Amounts are, in order:

- Change in the valuation period;
- Changes in demographic data, assumptions, and methods;
- Changes in economic data, assumptions, and methods;
- Changes in programmatic data and methods; and
- Changes in law or policy.

All estimates in the Statements of Changes in Social Insurance Amounts represent values that are incremental to the prior change. As an example, the present values shown for economic data, assumptions, and methods represent the additional effect of these new data, assumptions, and methods after considering the effects from demography and the change in the valuation period. In general, an increase in the present value of net cash flows represents a positive change (improving financing), while a decrease in the present value of net cash flows represents a negative change (worsening financing).

### CHANGE IN THE VALUATION PERIOD

#### From the period beginning on January 1, 2021 to the period beginning on January 1, 2022

The effect on the 75-year present values of changing the valuation period from the prior valuation period (2021–2095) to the current valuation period (2022–2096) is measured by using the assumptions for the prior valuation and extending them to cover the current valuation. Changing the valuation period removes a small negative estimated net cash flow for 2021, replaces it with a much larger negative estimated net cash flow for 2096, and measures the present values as of January 1, 2022, one year later. Thus, the present value of estimated future net cash flows (excluding the combined OASI and DI Trust Fund reserves at the start of the period) decreased (i.e., became more negative) when the 75-year valuation period changed from 2021–2095 to 2022–2096. In addition, the effect on the level of reserves in the combined OASI and DI Trust Funds of changing the valuation period is measured by assuming all values projected in the prior valuation for the year 2021 are realized. The change in



valuation period decreased the starting level of reserves in the combined OASI and DI Trust Funds. As a result, the present value of the estimated future net cash flows decreased by \$0.7 trillion.

### **From the period beginning on January 1, 2020 to the period beginning on January 1, 2021**

The effect on the 75-year present values of changing the valuation period from the prior valuation period (2020–2094) to the current valuation period (2021–2095) is measured by using the assumptions for the prior valuation and extending them to cover the current valuation. Changing the valuation period removes a small negative estimated net cash flow for 2020, replaces it with a much larger negative estimated net cash flow for 2095, and measures the present values as of January 1, 2021, one year later. Thus, the present value of estimated future net cash flows (excluding the combined OASI and DI Trust Fund reserves at the start of the period) decreased (i.e., became more negative) when the 75-year valuation period changed from 2020–2094 to 2021–2095. In addition, the effect on the level of reserves in the combined OASI and DI Trust Funds of changing the valuation period is measured by assuming all values projected in the prior valuation for the year 2020 are realized. The change in valuation period decreased the starting level of reserves in the combined OASI and DI Trust Funds. As a result, the present value of the estimated future net cash flows decreased by \$0.7 trillion.

## **CHANGES IN DEMOGRAPHIC DATA, ASSUMPTIONS, AND METHODS**

### **From the period beginning on January 1, 2021 to the period beginning on January 1, 2022**

The ultimate demographic assumptions for the current valuation (beginning on January 1, 2022) are the same as those for the prior valuation. However, the starting demographic values and the way these values transition to the ultimate assumptions were changed.

- Final birth rate data for calendar year 2020 indicated slightly lower birth rates than were assumed in the prior valuation.
- Near-term lawful permanent resident (LPR) immigration data were updated since the prior valuation; near-term LPR immigration assumptions were also updated to better reflect the expected effects of the recovery from the pandemic.
- Historical population data and other-than-LPR immigration data were updated since the prior valuation.

Incorporating new birth rate data, changes to near-term LPR immigration data and assumptions, and changes to historical population and other-than-LPR immigration assumptions all decreased the present value of the estimated future net cash flows.

There was one notable change in demographic methodology. An improvement was made to put more emphasis on recent mortality data by increasing the weights for the most recent years in the regressions used to calculate the starting rates of improvement and starting death rates. This change decreased the present value of the estimated future net cash flows.

Overall, changes in demographic data, assumptions, and methods caused the present value of the estimated future net cash flows to decrease by \$0.3 trillion.

### **From the period beginning on January 1, 2020 to the period beginning on January 1, 2021**

For the current valuation (beginning on January 1, 2021), there were two changes to the ultimate demographic assumptions and an associated change in methodology.

- The ultimate total fertility rate was increased from 1.95 to 2.00 children per woman. At the same time, the projection method was improved to project future birth rates using a cohort-based model, rather than a period-based model as used in the prior valuation.

- A cause of death category was added, by separating dementia out from the all-other-causes category, and ultimate mortality improvement rates were updated for cardiovascular disease for all age groups and for the all-other-causes category at ages 85 and over.

The combined effect of the change in the ultimate total fertility rate and the new cohort-based fertility model decreased the present value of estimated future net cash flows. The changes to ultimate mortality improvement rates increased the present value of estimated future net cash flows.

In addition to these changes in ultimate demographic assumptions and the associated methodology change, the starting demographic values and the way these values transition to the ultimate assumptions were changed. The most significant changes are identified below.

- Birth rate data through the third quarter of 2020 indicated somewhat lower birth rates than were assumed in the prior valuation.
- Death rates were increased significantly for 2020 and 2021, and to a lesser extent for 2022 and 2023, to account for the elevated deaths during the COVID-19 pandemic period.

Incorporating new birth rate data decreased the present value of the estimated future net cash flows. Higher historical and near-term death rates due to the COVID-19 pandemic increased the present value of the estimated future net cash flows.

There were no additional notable changes in demographic methodology. Overall, changes in demographic data, assumptions, and methods caused the present value of the estimated future net cash flows to increase by \$0.2 trillion.

## **CHANGES IN ECONOMIC DATA, ASSUMPTIONS, AND METHODS**

### **From the period beginning on January 1, 2021 to the period beginning on January 1, 2022**

The ultimate economic assumptions for the current valuation (beginning on January 1, 2022) are the same as those for the prior valuation. However, the starting economic values and the way these values transition to the ultimate assumptions were changed. The most significant changes are identified below.

- Near-term real interest rates are assumed to be slightly higher on average than those for the prior valuation reflecting the strong recovery from the pandemic-induced recession.
- Economic starting values and near-term growth assumptions were updated to reflect the stronger-than-expected recovery from the pandemic-induced recession.
- The level of potential GDP for years 2021 and later is assumed to be about 1.1 percent higher than the level in the prior valuation, reflecting the strong recovery and the expectation of a permanent level shift in total economy labor productivity.

The changes to near-term real interest rates and the resulting effects on present value calculations decreased the present value of the estimated future net cash flows, while changes to starting values and near-term economic growth assumptions and the level shift in the assumptions for potential GDP increased the present value of the estimated future net cash flows.

There were no additional notable changes in economic methodology. Overall, changes to economic data, assumptions, and methods caused the present value of the estimated future net cash flows to decrease by \$0.2 trillion.

### **From the period beginning on January 1, 2020 to the period beginning on January 1, 2021**

For the current valuation (beginning on January 1, 2021), there were two changes to the ultimate economic assumptions and an associated change in methodology.



- The ultimate average real wage differential was slightly increased from 1.14 percentage points in the prior valuation to 1.15 percentage points in the current valuation. Additionally, the real wage differential assumptions for the first ten years of the projection period were also increased.
- The ultimate age-sex-adjusted unemployment rate was reduced from 5.0 percent for the prior valuation to 4.5 percent in the current valuation. At the same time, the labor force participation model was updated to incorporate data from the latest complete economic cycle, thereby putting more weight on the recent relationships among the various factors affecting labor force participation.

The higher real wage differential and the combined changes to the unemployment assumption and the labor force methodology both increased the present value of estimated future net cash flows.

In addition to these changes in ultimate economic assumptions and the associated methodology change, the starting economic values and the way these values transition to the ultimate assumptions were changed. The most significant changes are identified below.

- Near-term real interest rates were adjusted downward significantly. Real interest rates are now assumed to be negative for calendar years 2021 through 2024, with a gradual rise to the ultimate real interest rate after the economy has fully recovered from the recession.
- There were several changes in starting values and near-term economic growth assumptions primarily related to the COVID-19 pandemic and ensuing recession. In particular, the level of potential GDP is assumed to be roughly 1 percent lower than the level in the prior valuation beginning with the second quarter of 2020.

The changes to near-term real interest rates and the starting values and near-term economic growth assumptions decreased the present value of the estimated future net cash flows. The change to near-term real interest rates alone decreased the present value of the estimated future net cash flows by \$0.8 trillion.

There were no additional notable changes in economic methodology. Overall, changes to economic data, assumptions, and methods caused the present value of the estimated future net cash flows to decrease by \$1.2 trillion.

## **CHANGES IN PROGRAMMATIC DATA AND METHODS**

### **From the period beginning on January 1, 2021 to the period beginning on January 1, 2022**

Several methodological improvements and updates of program-specific data are included in the current valuation (beginning on January 1, 2022). The most significant are identified below.

- The ultimate disability incidence rate was lowered from 5.0 per thousand exposed in the prior valuation to 4.8 in the current valuation. In addition, recent disability data and changes to the near-term disability incidence assumptions were incorporated.
- As in the prior valuation, the current valuation uses a 10 percent sample of all newly entitled worker beneficiaries in a recent year to project average benefit levels of retired-worker and disabled-worker beneficiaries. The sample used for the current valuation is for worker beneficiaries newly entitled in 2018, one year later than the 2017 sample used for the prior valuation.
- Recent data and estimates provided by the Office of Tax Analysis at Treasury indicate higher near-term and ultimate levels of revenue from taxation of OASDI benefits than projected in the prior valuation.
- Updates were made to the post-entitlement benefit adjustment factors. These factors are used to account for changes in benefit levels, primarily due to differential mortality by benefit level and earnings after benefit entitlement.



Lowering the disability incidence rate, the updated sample year, and the higher revenue from taxation of benefits increased the present value of estimated cash flows, while the updated post-entitlement factors decreased the present value of estimated cash flows. Overall, changes to programmatic data and methods caused the present value of the estimated future net cash flows to increase by \$0.6 trillion.

### **From the period beginning on January 1, 2020 to the period beginning on January 1, 2021**

The current valuation (beginning on January 1, 2021) includes several methodological improvements and updates of program-specific data. The most significant improvements and updates are identified below.

- As in the prior valuation, the current valuation uses a 10 percent sample of all newly entitled worker beneficiaries in a recent year to project average benefit levels of retired-worker and disabled-worker beneficiaries. The sample used for the current valuation is for worker beneficiaries newly entitled in 2017, one year later than the 2016 sample used for the prior valuation. There was also an improvement made to the average benefits model to assign projected earnings by age of initial entitlement, better reflecting the change between historical and projected retired worker distributions by entitlement age.
- Recent data and estimates provided by the Office of Tax Analysis at Treasury indicate lower near-term and ultimate levels of revenue from taxation of OASDI benefits than projected in the prior valuation.
- The methodology for projecting retroactive benefits for retired workers was improved to better capture the different rules for workers who become newly entitled prior to normal retirement age versus those who become entitled at or after normal retirement age.

All three of these methodological improvements decreased the present value of estimated cash flows. Overall, changes to programmatic data and methods caused the present value of the estimated future net cash flows to decrease by \$1.2 trillion.

## **CHANGES IN LAW OR POLICY**

### **From the period beginning on January 1, 2021 to the period beginning on January 1, 2022**

Between the prior valuation (the period beginning on January 1, 2021) and the current valuation (the period beginning on January 1, 2022), no notable changes in law or policy are expected to have a significant effect on the long-range cost of the OASDI program.

### **From the period beginning on January 1, 2020 to the period beginning on January 1, 2021**

Between the prior valuation (the period beginning on January 1, 2020) and the current valuation (the period beginning on January 1, 2021), one change in policy is expected to have a significant effect on the long-range cost of the OASDI program.

On January 20, 2021, President Biden issued a memorandum directing the Secretary of Homeland Security to take appropriate action, in consultation with the Attorney General, to preserve and fortify the Deferred Action for Childhood Arrivals (DACA) policy consistent with applicable law. This change to preserve DACA extends indefinitely the ability of those qualifying to remain in the country and work lawfully. The effect over the next 75 years is to increase future benefits slightly more than future payroll tax revenue because: (1) a significant portion of the payroll taxes from this group has already been credited to the OASI and DI Trust Funds, while the vast majority of the OASDI benefits they will earn will be in the future, dependent on their preserving DACA status; and (2) currently scheduled payroll tax rates are not sufficient to fully finance future benefits for this group and in general.

The change to preserve DACA indefinitely decreased the present value of estimated future net cash flows by less than \$0.1 trillion.



## ASSUMPTIONS USED FOR THE STATEMENTS OF CHANGES IN SOCIAL INSURANCE AMOUNTS

The present values included in the Statements of Changes in Social Insurance Amounts are for the current and prior years and are based on various economic and demographic assumptions used for the intermediate assumptions in the Trustees Reports for those years. Chart 17a summarizes these assumptions for the current year. Our AFR [website](#) provides tabulated assumptions for the prior year in a similar manner.

### PERIOD BEGINNING ON JANUARY 1, 2021 AND ENDING JANUARY 1, 2022

Present values as of January 1, 2021 are calculated using interest rates from the intermediate assumptions of the 2021 Trustees Report. All other present values in this part of the Statement are calculated as a present value as of January 1, 2022. Estimates of the present value of changes in social insurance amounts due to changing the valuation period and changing demographic data, assumptions, and methods are presented using the interest rates under the intermediate assumptions of the 2021 Trustees Report. Because interest rates are an economic estimate and all estimates in the chart are incremental to the prior change, all other present values in this part of the Statement are calculated using the interest rates under the intermediate assumptions of the 2022 Trustees Report.

### PERIOD BEGINNING ON JANUARY 1, 2020 AND ENDING JANUARY 1, 2021

Present values as of January 1, 2020 are calculated using interest rates from the intermediate assumptions of the 2020 Trustees Report. All other present values in this part of the Statement are calculated as a present value as of January 1, 2021. Estimates of the present value of changes in social insurance amounts due to changing the valuation period and changing demographic data, assumptions, and methods are presented using the interest rates under the intermediate assumptions of the 2020 Trustees Report. Because interest rates are an economic estimate and all estimates in the chart are incremental to the prior change, all other present values in this part of the Statement are calculated using the interest rates under the intermediate assumptions of the 2021 Trustees Report.

## 18. RECLASSIFICATION OF THE STATEMENT OF NET COST FOR THE FEDERAL FINANCIAL REPORT COMPILATION PROCESS

To prepare the *Financial Report of the U.S. Government* (FR), Treasury requires agencies to submit in the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) an adjusted trial balance, which lists the amounts by U.S. Standard General Ledger accounts that appear in the agency financial statements. Treasury uses the trial balance reported in GTAS to develop a reclassified Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position for each agency. Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to compile to the FR statements. SSA presents the Consolidated Balance Sheets, Statements of Changes in Net Position, and Note 10, Funds from Dedicated Collections in compliance with the required format in OMB's Circular No. A-136. Therefore, per OMB's guidance, SSA is not required to compile a reclassified Balance Sheet and Statement of Changes in Net Position. This note includes the Statement of Net Cost line items and the reclassified statement line items prior to Treasury's elimination of intragovernmental differences and aggregation of FR lines. The term "intragovernmental" is used in this note to refer to amounts that result from other components of the Federal Government. The term "non-Federal" is used in this note to refer to Federal Government amounts that result from transactions with non-Federal entities. These include transactions with individuals, businesses, non-profit entities, and State, local, and foreign governments. A copy of the FY 2021 FR is available on Treasury's [website](#) and a copy of the FY 2022 FR will be posted to this site as soon as it is released.

SSA's FY 2022 reconciliation of agency Statement of Net Cost amounts to Treasury's reclassified statement is included in Chart 18.

**CHART 18 - RECLASSIFICATION OF STATEMENT OF NET COST TO LINE ITEMS USED FOR THE GOVERNMENT-WIDE STATEMENT OF NET COST FOR THE YEAR ENDED SEPTEMBER 30, 2022 (DOLLARS IN MILLIONS)**

FY 2022 Statement of Net Cost		Line Items Used to Prepare FY 2022 Government-wide Statement of Net Cost				
Financial Statement Line	Amount	Dedicated Collections	Other than Dedicated Collections	Total	Reclassified Financial Statement Line	
Benefit Payment Expense	\$ 1,279,966	\$ 1,221,614	\$ 68,382	\$ 1,289,996	Non-Federal Costs	
Operating Expenses (Note 11)	14,801				Intragovernmental Costs	
				1,474	1,474	Benefit Program Costs
				609	609	Imputed Costs
			709	1,617	2,326	Buy/Sell Costs
			362	362	Other Expenses (without Reciprocals)	
		709	4,062	4,771	Total Intragovernmental Costs	
Total Cost	1,294,767	1,222,323	72,444	1,294,767	Total Reclassified Gross Costs	
		(168)	(107)	(275)	Non-Federal Earned Revenue	
			(45)	(45)	Buy/Sell Revenue	
Less: Exchange Revenues (Note 12)	(320)	(168)	(152)	(320)	Total Reclassified Earned Revenue	
<b>Total Net Cost</b>	<b>\$ 1,294,447</b>	<b>\$ 1,222,155</b>	<b>\$ 72,292</b>	<b>\$ 1,294,447</b>	<b>Net Cost</b>	

Note:

\* The chart above does not contain any columns for eliminations as SSA does not have eliminations within our Statement of Net Cost.



**OTHER INFORMATION: BALANCE SHEET BY MAJOR PROGRAM  
AS OF SEPTEMBER 30, 2022  
(DOLLARS IN MILLIONS)**

Assets	OASI	DI	SSI	Other	LAE	Intra-Agency Eliminations	Consolidated
<b>Intragovernmental:</b>							
Fund Balance with Treasury	\$ 29	\$ 12	\$ 7,758	\$ 104	\$ 41	\$ 0	\$ 7,944
Investments	2,738,837	115,365	0	0	0	0	2,854,202
Accounts Receivable, Net	371	0	0	0	3,810	(2,955)	1,226
Advances and Prepayments	0	0	73	0	46	0	119
<b>Total Intragovernmental</b>	<b>2,739,237</b>	<b>115,377</b>	<b>7,831</b>	<b>104</b>	<b>3,897</b>	<b>(2,955)</b>	<b>2,863,491</b>
<b>With the Public</b>							
Accounts Receivable, Net	2,064	2,897	4,199	0	41	(519)	8,682
General Property, Plant, and Equipment, Net	0	0	0	0	4,830	0	4,830
<b>Total with the Public</b>	<b>2,064</b>	<b>2,897</b>	<b>4,199</b>	<b>0</b>	<b>4,871</b>	<b>(519)</b>	<b>13,512</b>
<b>Total Assets</b>	<b>\$2,741,301</b>	<b>\$ 118,274</b>	<b>\$ 12,030</b>	<b>\$ 104</b>	<b>\$ 8,768</b>	<b>\$ (3,474)</b>	<b>\$ 2,877,003</b>
<b>Liabilities</b>							
<b>Intragovernmental:</b>							
Accounts Payable	\$ 6,319	\$ 758	\$ 1,306	\$ 34	\$ 24	\$ (2,955)	\$ 5,486
Other Liabilities	0	0	3,986	3	84	0	4,073
<b>Total Intragovernmental</b>	<b>6,319</b>	<b>758</b>	<b>5,292</b>	<b>37</b>	<b>108</b>	<b>(2,955)</b>	<b>9,559</b>
<b>With the Public</b>							
Accounts Payable	0	4	216	0	47	0	267
Federal Employee and Veteran Benefits Payable	0	0	0	0	675	0	675
Benefits Due and Payable	98,634	24,219	3,868	0	0	(519)	126,202
Advances from Others and Deferred Revenue	0	0	11	0	2	0	13
Other Liabilities	0	0	19	1	104	0	124
<b>Total with the Public</b>	<b>98,634</b>	<b>24,223</b>	<b>4,114</b>	<b>1</b>	<b>828</b>	<b>(519)</b>	<b>127,281</b>
<b>Total Liabilities</b>	<b>\$ 104,953</b>	<b>\$ 24,981</b>	<b>\$ 9,406</b>	<b>\$ 38</b>	<b>\$ 936</b>	<b>\$ (3,474)</b>	<b>\$ 136,840</b>
Commitments and Contingencies (Note 9)							
<b>Net Position</b>							
Unexpended Appropriations - Funds from other than Dedicated Collections	\$ 0	\$ 0	\$ 4,791	\$ 66	\$ 5	\$ 0	\$ 4,862
Cumulative Results of Operations - Funds from Dedicated Collections	2,636,348	93,293	9	0	0	0	2,729,650
Cumulative Results of Operations - Funds from other than Dedicated Collections	0	0	(2,176)	0	7,827	0	5,651
<b>Total Cumulative Results of Operations</b>	<b>2,636,348</b>	<b>93,293</b>	<b>(2,167)</b>	<b>0</b>	<b>7,827</b>	<b>0</b>	<b>2,735,301</b>
<b>Total Net Position</b>	<b>\$2,636,348</b>	<b>\$ 93,293</b>	<b>\$ 2,624</b>	<b>\$ 66</b>	<b>\$ 7,832</b>	<b>\$ 0</b>	<b>\$ 2,740,163</b>
<b>Total Liabilities and Net Position</b>	<b>\$2,741,301</b>	<b>\$ 118,274</b>	<b>\$ 12,030</b>	<b>\$ 104</b>	<b>\$ 8,768</b>	<b>\$ (3,474)</b>	<b>\$ 2,877,003</b>



**OTHER INFORMATION: SCHEDULE OF NET COST  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
(DOLLARS IN MILLIONS)**

	Program	LAE	Total
<b>OASI Program</b>			
Benefit Payment Expense	\$ 1,075,126	\$ 0	\$ 1,075,126
Operating Expenses	625	3,584	4,209
Total Cost of OASI Program	1,075,751	3,584	1,079,335
Less: Exchange Revenues	(1)	(15)	(16)
<b>Net Cost of OASI Program</b>	<b>\$ 1,075,750</b>	<b>\$ 3,569</b>	<b>\$ 1,079,319</b>
<b>DI Program</b>			
Benefit Payment Expense	\$ 146,259	\$ 0	\$ 146,259
Operating Expenses	313	2,610	2,923
Total Cost of DI Program	146,572	2,610	149,182
Less: Exchange Revenues	(20)	(11)	(31)
<b>Net Cost of DI Program</b>	<b>\$ 146,552</b>	<b>\$ 2,599</b>	<b>\$ 149,151</b>
<b>SSI Program</b>			
Benefit Payment Expense	\$ 58,581	\$ 0	\$ 58,581
Operating Expenses	246	4,512	4,758
Total Cost of SSI Program	58,827	4,512	63,339
Less: Exchange Revenues	(242)	(19)	(261)
<b>Net Cost of SSI Program</b>	<b>\$ 58,585</b>	<b>\$ 4,493</b>	<b>\$ 63,078</b>
<b>Other</b>			
Operating Expenses	\$ 0	\$ 2,911	\$ 2,911
Less: Exchange Revenues	0	(12)	(12)
<b>Net Cost of Other Program</b>	<b>\$ 0</b>	<b>\$ 2,899</b>	<b>\$ 2,899</b>
<b>Total Net Cost</b>			
Benefit Payment Expense	\$ 1,279,966	\$ 0	\$ 1,279,966
Operating Expenses	1,184	13,617	14,801
Total Cost	1,281,150	13,617	1,294,767
Less: Exchange Revenues	(263)	(57)	(320)
<b>Total Net Cost</b>	<b>\$ 1,280,887</b>	<b>\$ 13,560</b>	<b>\$ 1,294,447</b>



**OTHER INFORMATION: SCHEDULE OF CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**  
(DOLLARS IN MILLIONS)

	OASI		DI		SSI		Other	
	Funds from Dedicated Collections	Funds from Dedicated Collections	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Funds from Dedicated Collections	Funds from other than Dedicated Collections		
<b>Unexpended Appropriations:</b>								
Beginning Balances	\$ 0	\$ 0	\$ 0	\$ 4,818	\$ 0	\$ 0	\$ 67	
Appropriations Received	0	0	0	65,514	48,502	35		
Other Adjustments	0	0	0	(2)	0	(8)		
Appropriations Used	0	0	0	(65,539)	(48,502)	(28)		
<b>Net Change in Unexpended Appropriations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(27)</b>	<b>0</b>	<b>(1)</b>		
<b>Total Unexpended Appropriations - Ending</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,791</b>	<b>0</b>	<b>66</b>		
<b>Cumulative Results of Operations:</b>								
Beginning Balances	\$ 2,680,969	\$ 80,479	\$ 0	\$ (1,908)	\$ 0	\$ 0	\$ 0	
Appropriations Used	0	0	0	65,539	48,502	28		
Non-Exchange Revenue								
Tax Revenues	929,042	157,816	0	0	0	0		
Interest Revenues	64,137	2,716	0	0	0	0		
Other	1	0	0	0	0	0		
Total Non-Exchange Revenue	993,180	160,532	0	0	0	0		
Transfers In/Out - Without Reimbursement	37,949	(1,166)	(138)	(6,657)	(48,502)	2,222		
Imputed Financing Sources	0	0	0	17	0	0		
Other	0	0	0	(435)	0	(2,250)		
<b>Net Cost of Operations</b>	<b>1,075,750</b>	<b>146,552</b>	<b>(147)</b>	<b>58,732</b>	<b>0</b>	<b>0</b>		
<b>Net Change</b>	<b>(44,621)</b>	<b>12,814</b>	<b>9</b>	<b>(268)</b>	<b>0</b>	<b>0</b>		
<b>Cumulative Results of Operations - Ending</b>	<b>\$ 2,636,348</b>	<b>\$ 93,293</b>	<b>\$ 9</b>	<b>\$ (2,176)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	
<b>Net Position</b>	<b>\$ 2,636,348</b>	<b>\$ 93,293</b>	<b>\$ 9</b>	<b>\$ 2,615</b>	<b>\$ 0</b>	<b>\$ 66</b>		

**OTHER INFORMATION: SCHEDULE OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2022 (CONTINUED)  
(DOLLARS IN MILLIONS)**

	LAE			Consolidated		Consolidated
	Funds from other than Dedicated Collections	Funds from Dedicated Collections	Funds from other than Dedicated Collections			Total
<b>Unexpended Appropriations:</b>						
Beginning Balances	\$ 4	\$ 0	\$ 4,889	\$		4,889
Appropriations Received	31	48,502	65,580			114,082
Other Adjustments	(1)	0	(11)			(11)
Appropriations Used	(29)	(48,502)	(65,596)			(114,098)
<b>Net Change in Unexpended Appropriations</b>	<b>1</b>	<b>0</b>	<b>(27)</b>			<b>(27)</b>
<b>Total Unexpended Appropriations - Ending</b>	<b>5</b>	<b>0</b>	<b>4,862</b>			<b>4,862</b>
<b>Cumulative Results of Operations:</b>						
Beginning Balances	\$ 7,362	\$ 2,761,448	\$ 5,454	\$		2,766,902
Appropriations Used	29	48,502	65,596			114,098
Non-Exchange Revenue						
Tax Revenues	0	1,086,858	0			1,086,858
Interest Revenues	0	66,853	0			66,853
Other	0	1	0			1
Total Non-Exchange Revenue	0	1,153,712	0			1,153,712
Transfers In/Out Without Reimbursement	13,404	(11,857)	8,969			(2,888)
Imputed Financing Sources	592	0	609			609
Other	0	0	(2,685)			(2,685)
<b>Net Cost of Operations</b>	<b>13,560</b>	<b>1,222,155</b>	<b>72,292</b>			<b>1,294,447</b>
<b>Net Change</b>	<b>465</b>	<b>(31,798)</b>	<b>197</b>			<b>(31,601)</b>
<b>Cumulative Results of Operations - Ending</b>	<b>\$ 7,827</b>	<b>\$ 2,729,650</b>	<b>\$ 5,651</b>	<b>\$</b>		<b>2,735,301</b>
<b>Net Position</b>	<b>\$ 7,832</b>	<b>\$ 2,729,650</b>	<b>\$ 10,513</b>	<b>\$</b>		<b>2,740,163</b>



**REQUIRED SUPPLEMENTARY INFORMATION: COMBINING SCHEDULE OF BUDGETARY  
RESOURCES FOR THE YEAR ENDED SEPTEMBER 30, 2022  
(DOLLARS IN MILLIONS)**

	OASI	DI	SSI	Other	LAE	Combined
<b>Budgetary Resources (Note 15)</b>						
Unobligated Balance From Prior Year Budget Authority, Net	\$ 154	\$ 9	\$ 4,978	\$ 59	\$ 1,220	\$ 6,420
Appropriations (Discretionary and Mandatory)	1,084,501	149,078	65,652	48,537	31	1,347,799
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	0	0	2,835	0	13,478	16,313
<b>Total Budgetary Resources</b>	<b>\$ 1,084,655</b>	<b>\$ 149,087</b>	<b>\$ 73,465</b>	<b>\$ 48,596</b>	<b>\$ 14,729</b>	<b>\$ 1,370,532</b>
<b>Status of Budgetary Resources</b>						
<b>New obligations and upward adjustments</b>						
Direct	\$ 1,084,655	\$ 149,087	\$ 65,796	\$ 48,530	\$ 13,826	\$ 1,361,894
Reimbursable	0	0	3,025	0	68	3,093
New obligations and upward adjustments (total)	1,084,655	149,087	68,821	48,530	13,894	1,364,987
<b>Unobligated Balance, End of Year</b>						
Apportioned, unexpired accounts	0	0	4,517	37	432	4,986
Unapportioned, unexpired accounts	0	0	124	0	9	133
Unexpired unobligated balance, end of year	0	0	4,641	37	441	5,119
Expired unobligated balance, end of year	0	0	3	29	394	426
Unobligated balance, end of year (total)	0	0	4,644	66	835	5,545
<b>Total Budgetary Resources</b>	<b>\$ 1,084,655</b>	<b>\$ 149,087</b>	<b>\$ 73,465</b>	<b>\$ 48,596</b>	<b>\$ 14,729</b>	<b>\$ 1,370,532</b>
<b>Outlays, Net</b>						
Outlays, Net (Discretionary and Mandatory)	\$ 1,073,223	\$ 145,392	\$ 65,846	\$ 48,535	\$ 83	\$ 1,333,079
Distributed Offsetting Receipts	(46,977)	(1,555)	(242)	(2,250)	0	(51,024)
<b>Agency Outlays, Net (Discretionary and Mandatory)</b>	<b>\$ 1,026,246</b>	<b>\$ 143,837</b>	<b>\$ 65,604</b>	<b>\$ 46,285</b>	<b>\$ 83</b>	<b>\$ 1,282,055</b>