



# AUDITED FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

Our financial statements and additional information for fiscal year (FY) 2025 consist of the following:

- The **Consolidated Balance Sheet** presents, as of September 30, 2025, 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 Other Financial Information.
- The **Consolidated Statement of Net Cost** presents the net cost of operations for the year ended September 30, 2025. 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 Other Financial Information.
- The **Consolidated Statement of Changes in Net Position** presents the change in net position for the year ended September 30, 2025. 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 Other Financial Information.
- The **Combined Statement of Budgetary Resources** presents the budgetary resources available to us, the status of these resources, and the outlay of budgetary resources for the year ended September 30, 2025. 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) programs (referred to as OASDI when discussing them in combination) 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, 2024 to the period



beginning on January 1, 2025; and (2) change from the period beginning on January 1, 2023 to the period beginning on January 1, 2024. 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 Sheet as of  
September 30, 2025  
(Dollars in Millions)**

	<b>2025</b>
<b>Assets</b>	
Intragovernmental Assets:	
Fund Balance with Treasury (Notes 3 and 4)	\$ 6,045
Investments (Note 5)	2,632,335
Accounts Receivable, Net (Note 6)	968
Advances and Prepayments	59
Other Assets (Note 8)	113
Total Intragovernmental Assets	<b>2,639,520</b>
Assets with the Public:	
Accounts Receivable, Net (Notes 3 and 6)	11,012
Property, Plant, and Equipment, Net (Note 7)	5,172
Total Assets with the Public	<b>16,184</b>
<b>Total Assets</b>	<b>\$ 2,655,704</b>
<b>Liabilities (Note 9)</b>	
Intragovernmental Liabilities:	
Accounts Payable	\$ 5,845
Other Liabilities	5,221
Total Intragovernmental Liabilities	<b>11,066</b>
Liabilities with the Public:	
Accounts Payable	386
Federal Employee Salary, Leave, and Benefits Payable	547
Post-Employment Benefits Payable	243
Benefits Due and Payable	169,618
Advances from Others and Deferred Revenue	290
Other Liabilities	39
Total Liabilities with the Public	<b>171,123</b>
Total Liabilities	<b>\$ 182,189</b>
Commitments and Contingencies (Note 9)	
<b>Net Position</b>	
Unexpended Appropriations - Funds from other than Dedicated Collections	\$ 612
Cumulative Results of Operations - Funds from Dedicated Collections (Note 10)	2,468,387
Cumulative Results of Operations - Funds from other than Dedicated Collections	4,516
Total Cumulative Results of Operations	<b>2,472,903</b>
Total Net Position	<b>\$ 2,473,515</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 2,655,704</b>

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



**Consolidated Statement of Net Cost for the Year Ended  
September 30, 2025**  
(Dollars in Millions)

	<b>2025</b>
<b>OASI Program</b>	
Benefit Payment Expense	\$ 1,423,041
Operating Expenses (Note 11)	4,408
Total Cost of OASI Program	<u>1,427,449</u>
Less: Exchange Revenues (Note 12)	(23)
<b>Net Cost of OASI Program</b>	<b>\$ 1,427,426</b>
<b>DI Program</b>	
Benefit Payment Expense	\$ 156,332
Operating Expenses (Note 11)	3,168
Total Cost of DI Program	<u>159,500</u>
Less: Exchange Revenues (Note 12)	(44)
<b>Net Cost of DI Program</b>	<b>\$ 159,456</b>
<b>SSI Program</b>	
Benefit Payment Expense	\$ 60,268
Operating Expenses (Note 11)	5,153
Total Cost of SSI Program	<u>65,421</u>
Less: Exchange Revenues (Note 12)	(283)
<b>Net Cost of SSI Program</b>	<b>\$ 65,138</b>
<b>Other</b>	
Operating Expenses (Note 11)	\$ 3,820
Less: Exchange Revenues (Note 12)	(23)
<b>Net Cost of Other Program</b>	<b>\$ 3,797</b>
<b>Total Net Cost</b>	
Benefit Payment Expense	\$ 1,639,641
Operating Expenses (Note 11)	16,549
Total Cost	<u>1,656,190</u>
Less: Exchange Revenues (Note 12)	(373)
<b>Total Net Cost</b>	<b>\$ 1,655,817</b>

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



**Consolidated Statement of Changes in Net Position for the Year Ended  
September 30, 2025  
(Dollars in Millions)**

	2025		
	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Total
<b>Unexpended Appropriations:</b>			
<b>Beginning Balances</b>	\$ 0	\$ 1,865	\$ 1,865
Appropriations Received	59,748	68,872	128,620
Other Adjustments	0	(1,305)	(1,305)
Appropriations Used	(59,748)	(68,820)	(128,568)
<b>Net Change in Unexpended Appropriations</b>	0	(1,253)	(1,253)
<b>Total Unexpended Appropriations - Ending</b>	0	612	612
<b>Cumulative Results of Operations:</b>			
<b>Beginning Balances</b>	\$ 2,624,095	\$ 4,333	\$ 2,628,428
Adjustments	0	126	126
Changes in Accounting Principles	0	126	126
<b>Beginning Balance, as Adjusted</b>	\$ 2,624,095	\$ 4,459	\$ 2,628,554
Appropriations Used	59,748	68,820	128,568
Non-Exchange Revenue			
Tax Revenues (Note 13)	1,308,139	0	1,308,139
Interest Revenues	69,307	0	69,307
Other	37	0	37
Total Non-Exchange Revenue	1,377,483	0	1,377,483
Transfers-In/Out - Without Reimbursement	(12,737)	9,767	(2,970)
Imputed Financing Sources (Note 14)	0	1,034	1,034
Other	0	(3,949)	(3,949)
<b>Net Cost of Operations</b>	1,580,202	75,615	1,655,817
<b>Net Change in Cumulative Results of Operations</b>	(155,708)	57	(155,651)
<b>Cumulative Results of Operations - Ending</b>	\$ 2,468,387	\$ 4,516	\$ 2,472,903
<b>Net Position</b>	\$ 2,468,387	\$ 5,128	\$ 2,473,515

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



**Combined Statement of Budgetary Resources for the Year Ended  
September 30, 2025  
(Dollars in Millions)**

	<b>2025</b>
<b>Budgetary Resources (Note 15)</b>	
Unobligated balance from prior year budget authority, net	\$ 3,336
Appropriations (discretionary and mandatory)	1,720,904
Spending authority from offsetting collections (discretionary and mandatory)	17,897
<b>Total Budgetary Resources</b>	<b>\$ 1,742,137</b>
<b>Status of Budgetary Resources</b>	
<b>New obligations and upward adjustments</b>	
Direct	\$ 1,736,883
Reimbursable	3,516
New obligations and upward adjustments (total)	1,740,399
Unobligated balance, End of Year	
Apportioned, unexpired accounts	1,199
Unapportioned, unexpired accounts	7
Unexpired unobligated balance, end of year	1,206
Expired unobligated balance, end of year	532
Unobligated balance, end of year (total)	1,738
<b>Total Budgetary Resources</b>	<b>\$ 1,742,137</b>
<b>Outlays, Net</b>	
Outlays, net (discretionary and mandatory)	\$ 1,710,421
Distributed offsetting receipts	(63,906)
<b>Agency Outlays, Net (Discretionary and Mandatory)</b>	<b>\$ 1,646,515</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, 2025<sup>1, 2</sup>**  
**(Dollars in Billions)**

	2025	2024	2023	2022	2021
<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	\$ 2,519	\$ 2,414	\$ 2,169	\$ 1,998	\$ 1,766
Cost for scheduled future benefits	<b>26,078</b>	24,641	23,489	21,591	19,785
Future noninterest income less future cost	<b>(23,559)</b>	(22,226)	(21,321)	(19,593)	(18,019)
<i>Participants who have not yet attained retirement eligibility age (ages 15–61):</i>					
Noninterest income	<b>45,252</b>	44,586	42,195	40,365	37,465
Cost for scheduled future benefits	<b>75,706</b>	74,014	71,234	68,471	64,932
Future noninterest income less future cost	<b>(30,454)</b>	(29,428)	(29,039)	(28,105)	(27,467)
<b>Present value of future noninterest income less future cost for current participants (closed group measure)</b>	<b>(54,013)</b>	(51,655)	(50,360)	(47,699)	(45,486)
<b>Combined OASI and DI Trust Fund reserves at start of period</b>	<b>2,721</b>	2,788	2,830	2,852	2,908
<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>\$ (51,292)</b>	\$ (48,866)	\$ (47,530)	\$ (44,847)	\$ (42,578)
<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	<b>\$ 44,582</b>	\$ 44,295	\$ 43,045	\$ 41,808	\$ 39,349
Cost for scheduled future benefits	<b>18,419</b>	18,046	17,937	17,411	16,604
Future noninterest income less future cost	<b>26,162</b>	26,249	25,108	24,397	22,745
<b>Present value of future noninterest income less future cost for current and future participants (open group measure)</b>	<b>(27,851)</b>	(25,406)	(25,252)	(23,301)	(22,742)
<b>Combined OASI and DI Trust Fund reserves at start of period</b>	<b>2,721</b>	2,788	2,830	2,852	2,908
<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>\$ (25,129)</b>	\$ (22,618)	\$ (22,422)	\$ (20,449)	\$ (19,833)

Notes:

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



**Statements of Changes in Social Insurance Amounts**  
**Old-Age, Survivors, and Disability Insurance**  
**For Change from the 75-Year Valuation Period<sup>1, 2</sup>**

<b>January 1, 2024 to January 1, 2025</b> <b>(Dollars in Billions)</b>			
	Present value of future noninterest income less future cost for current and future participants (open group measure) over the next 75 years	Combined OASI and DI Trust Fund reserves	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
As of January 1, 2024	\$ (25,406)	\$ 2,788	\$ (22,618)
Reasons for changes between January 1, 2024 and January 1, 2025 (Note 17)			
Change in the valuation period	(784)	(\$100)	(884)
Changes in demographic data, assumptions, and methods	(127)	\$0	(127)
Changes in economic data, assumptions, and methods	(304)	\$0	(304)
Changes in programmatic data and methods	(181)	\$33	(148)
Changes in law or policy	(1,048)	\$0	(1,048)
Net change between January 1, 2024 and January 1, 2025	\$ (2,444)	\$ (67)	\$ (2,511)
<b>As of January 1, 2025</b>	<b>\$ (27,851)</b>	<b>\$ 2,721</b>	<b>\$ (25,129)</b>

<b>January 1, 2023 to January 1, 2024</b> <b>(Dollars in Billions)</b>			
	Present value of future noninterest income less future cost for current and future participants (open group measure) over the next 75 years	Combined OASI and DI Trust Fund reserves	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
As of January 1, 2023	\$ (25,252)	\$ 2,830	\$ (22,422)
Reasons for changes between January 1, 2023 and January 1, 2024 (Note 17)			
Change in the valuation period	(767)	(53)	(820)
Changes in demographic data, assumptions, and methods	(1,157)	0	(1,157)
Changes in economic data, assumptions, and methods	397	0	397
Changes in programmatic data and methods	1,373	12	1,385
Changes in law or policy	0	0	0
Net change between January 1, 2023 and January 1, 2024	\$ (154)	\$ (41)	\$ (195)
<b>As of January 1, 2024</b>	<b>\$ (25,406)</b>	<b>\$ 2,788</b>	<b>\$ (22,618)</b>

Notes:

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



# Notes to the Basic Financial Statements For the Year Ended September 30, 2025

## 1. Reporting Entity and 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 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 Policies

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 Statement 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. The purpose of Federal budgetary accounting is to control, monitor, and report on funds made available to Federal agencies by law and help ensure compliance with the law. Definitions of commonly used budget terms may be found in OMB Circular No. A-11, Section 20. Budgetary accounting rules 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.

OASDI is accounted for as a social insurance program rather than as a pension program. Accounting for a social insurance program recognizes the expense of benefits when they are actually paid or are due to be paid because benefit payments are nonexchange transactions and are not considered deferred compensation as would be employer-sponsored pension benefits for employees. Accrual accounting for a pension program, by contrast, recognizes as a liability retirement benefit expenses as they are earned so that the full estimated actuarial present value of the worker's expected retirement benefits has been recognized by the time the worker retires.

## Fund Balance with Treasury

SSA's Fund Balance with Treasury, shown on the Consolidated Balance Sheet, 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 Sheet. Refer to Note 5, Investments.



## 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.

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, intragovernmental receivables are estimated to be 100 percent collectible based on individual account and program analysis. For programmatic accounts receivable with the public (OASDI, SSI), 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 which are calculated 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.

## 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. Deferred Charges, which include fixtures and telephone replacement/upgrade projects, are capitalized with no threshold and \$100 thousand, respectively. Buildings and Other Structures, Construction in



Progress, and Internal Use Software, excluding commercial off-the-shelf software are capitalized with no threshold. Equipment and commercial off-the-shelf software have a capitalization threshold of \$100 thousand. Leasehold Improvements have a capitalization threshold of \$1 million. Refer to Note 7, 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. For OASI and DI this occurs in the current month, with benefit disbursements generally being made after the end of each month. For SSI, this occurs on the first day of each month when disbursements are generally made. 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 Operating Expenses and Obligations

SSA administrative operating 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 operating 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 Statement 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 Statement 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.



## Leases

SFFAS No. 54, *Leases*, revised the financial reporting standards for Federal lease accounting and provides a comprehensive set of lease accounting standards to recognize Federal lease activities in a reporting entity's financial reports and note disclosures. The statement requires Federal lessees to recognize a lease liability and a lease asset at the commencement of the lease term for all material non-intragovernmental, non-short-term contracts when the reporting entity has the right to control access to and/or obtain benefits from the use of real property, equipment, or other asset. This standard has minimal impact on SSA's financial reporting as our leases for real property are intragovernmental leases, which do not require the recognition of a lease liability or asset, and we do not explicitly lease equipment or other assets in our normal course of business. We have performed an evaluation of contracts and agreements with multiple components to determine if any contracts have lease and non-lease activity and have not identified any significant embedded lease components that would require reporting. We will continue to evaluate our contract activity to identify any potential embedded leases but will not report on any embedded leases as we have elected to utilize the three-year transitional accommodation provided to entities implementing SFFAS No. 54, *Leases* in SFFAS No. 62, *Transitional Amendment to SFFAS No. 54*.

## 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.

Present values presented in the Statements of Social Insurance and Statements of Changes in Social Insurance Amounts 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 valuation period.



## Changes in Accounting Principles

The FY 2025 Consolidated Statement of Changes in Net Position includes an adjustment to Cumulative Results of Operations, Funds from other than Dedicated Collections Beginning Balances of \$126 million for activity recorded as a Change in Accounting Principles. This activity was recorded in accordance with FASAB Technical Bulletin 2023-1, Intragovernmental Leasehold Reimbursable Work Agreements, and represents an increase in beginning balances for an Intragovernmental Leasehold Reimbursable Work Agreement asset recorded with the General Services Administration (GSA) for economic benefits derived from SSA's occupancy of the National Support Center. SSA also recorded an Intragovernmental Other Asset on the Consolidated Balance Sheet to account for the activity.

## 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 Statement 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 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 \$7 million for the year ended September 30, 2025 to CSRS. SSA contributed \$974 million for the year ended September 30, 2025 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 \$245 million for the year ended September 30, 2025 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; and (2) fees collected to administer Title VIII State Supplementation.

**Chart 3a - Non-Entity Assets as of September 30:**  
(Dollars in Millions)

	2025		
	Non-Entity Assets	Intra-agency Elimination	Net Assets
Intragovernmental:			
Title VIII State Supp Fees	\$ 3	\$ 0	\$ 3
With the Public:			
SSI Fed/State Accounts Receivable, Net	5,397	(816)	4,581
<b>Total</b>	<b>\$ 5,400</b>	<b>\$ (816)</b>	<b>\$ 4,584</b>

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, 2025.

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)

	2025	
Non-Entity Assets	\$ 4,584	
Entity Assets	2,651,120	
<b>Total Assets</b>	<b>\$ 2,655,704</b>	



## 4. Fund Balance with Treasury

The Fund Balance with Treasury, shown on the Consolidated Balance Sheet, 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 Unobligated 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 Statement of Budgetary Resources.

**Chart 4 - Status of Fund Balances as of September 30:  
(Dollars in Millions)**

	2025
Unobligated Balance	\$ 779
Obligated Balance Not Yet Disbursed	3,911
OASI, DI, and LAE	1,304
Non-Budgetary Fund Balance with Treasury	51
Total Status of Fund Balances	\$ 6,045

The Unobligated Balance 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 \$443 million as of September 30, 2025. 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.

## 5. Investments

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 Sheet, in Chart 5.



**Chart 5 - Investments as of September 30:  
(Dollars in Millions)**

2025			
	Special Issue Securities	Interest Receivable	Total Investments
OASI	\$ 2,400,808	\$ 14,314	\$ 2,415,122
DI	215,352	1,861	217,213
Total	\$ 2,616,160	\$ 16,175	\$ 2,632,335

The interest rates on these investments range from 0.750 to 4.625 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 2026 to the year 2040.

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 Sheet in the amount of \$968 million as of September 30, 2025 primarily represents amounts to be paid from the HI/SMI Trust Funds to the LAE Appropriation. SSA reduced the gross accounts receivable by \$2,351 million as of September 30, 2025 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 \$172 million as of September 30, 2025 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, intragovernmental receivables are estimated to be 100 percent collectible based on individual account and program analysis.

## With the Public

Accounts Receivable, Net, reported on the Consolidated Balance Sheet is shown by SSA major program in Chart 6. 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 \$19 million as of September 30, 2025, which is included in the LAE Gross and Net Receivable amounts in Chart 6. Since the agency expects to fully recover these costs, SSA has not applied an allowance for doubtful accounts against this accounts receivable.



**Chart 6 - Accounts Receivable with the Public by Major Program as of  
September 30:  
(Dollars in Millions)**

	2025		
	Allowance for		
	Gross Receivable	Doubtful Accounts	Net Receivable
OASI	\$ 4,954	\$ (1,803)	\$ 3,151
DI	7,417	(4,153)	3,264
SSI <sup>1</sup>	14,483	(9,086)	5,397
LAE	20	0	20
Subtotal	26,874	(15,042)	11,832
Less: Eliminations <sup>2</sup>	(820)	0	(820)
<b>Total</b>	<b>\$ 26,054</b>	<b>\$ (15,042)</b>	<b>\$ 11,012</b>

Notes:

1. See discussion in Note 3, Non-Entity Assets
2. Intra-Agency Eliminations

Chart 6 shows that in FY 2025, SSA reduced gross accounts receivable by \$820 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.

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 and 2073 System Limitation

A design limitation in SSA's Title II system, which is used to support debt management and the reporting of accounts receivable, prevents us from capturing and tracking long-term withholding agreements for debts owed by the public scheduled for collection beyond certain dates. 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 certain dates, we perform a manual action to establish withholding through that date, causing the system to delete the remaining debts owed by the public balance from the record after that date. Until June 2024, this date was December 31, 2049, due to the system limitation. However, in June 2024, systematic updates were made allowing for an extension of this date to October 14, 2073. Therefore, new debts established after this systematic change will be limited by the 2073 date instead of the previous 2049 date. Current policy requires us to post a manual overpayment diary to control for follow-up of the remaining balances. However, because our records do not reflect the post 2049 balance and 2073 balances, subsequent correspondence to the debtor presents only the pre-2049 balance or pre-2073 balances of the debts owed by the public established for withholding.

We do not include these balances in the Chart 6 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 \$710 million as of September 30, 2025. We estimate that the total gross value of the post year 2073 amount not captured in our gross receivables, is approximately \$84 million as of September 30, 2025.



## 7. Property, Plant, and Equipment, Net

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

**Chart 7a - Property, Plant, and Equipment as of September 30:**  
(Dollars in Millions)

Major Classes:	2025			Net Book Value
	Cost	Accumulated Depreciation		
Construction in Progress	\$ 13	\$ 0		\$ 13
Buildings and Other Structures	47	(25)		22
Equipment (incl. ADP Hardware)	1,833	(1,475)		358
Internal Use Software	7,013	(2,872)		4,141
Leasehold Improvements	1,152	(739)		413
Deferred Charges <sup>1</sup>	613	(388)		225
<b>Total</b>	<b>\$ 10,671</b>	<b>\$ (5,499)</b>		<b>\$ 5,172</b>

Major Classes:	Estimated Useful Life	Method of Depreciation	Capitalization Threshold
Construction in Progress	N/A	N/A	\$0
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	5-10 years	Straight Line	\$1 million
Deferred Charges <sup>1</sup>	12 years	Straight Line	\$0-100 thousand

Note:

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

**Chart 7b - Reconciliation of Property, Plant, and Equipment, Net as of September 30:**  
(Dollars in Millions)

	2025
Balance beginning of year	\$ 5,164
Capitalized acquisitions	1,015
Dispositions/Reevaluations	(1)
Depreciation expense	(1,006)
<b>Balance at end of year</b>	<b>\$ 5,172</b>



## 8. Other Assets

### Intragovernmental

Intragovernmental Other Assets represent an Intragovernmental Leasehold Reimbursable Work Agreement asset for amounts recorded with GSA for economic benefits derived from SSA's occupancy of the National Support Center. Intragovernmental Other Assets are \$113 million as of September 30, 2025.

## 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. Chart 9a discloses 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)**

	2025			
	Covered	Not Covered	Not Requiring	Total
Intragovernmental Liabilities:				
Accounts Payable	\$ 5,845	\$ 0	\$ 0	\$ 5,845
Other Liabilities	63	53	5,105	5,221
Total Intragovernmental Liabilities	5,908	53	5,105	11,066
Liabilities with the Public				
Accounts Payable	92	102	192	386
Federal Employee Salary, Leave, and Benefits Payable	160	387	0	547
Post-Employment Benefits Payable	0	243	0	243
Benefits Due and Payable	165,871	3,747	0	169,618
Advances from Others and Deferred Revenue	290	0	0	290
Other Liabilities	0	0	39	39
Total Liabilities with the Public	166,413	4,479	231	171,123
Total Liabilities	\$ 172,321	\$ 4,532	\$ 5,336	\$ 182,189



## 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 \$5,838 million as of September 30, 2025.

### Other Liabilities

Intragovernmental Other Liabilities include amounts Covered by budgetary resources for payroll taxes. Intragovernmental Other Liabilities Covered, shown in Chart 9a, 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 is \$53 million as of September 30, 2025.

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 9b displays a breakout of Intragovernmental Other Liabilities as of September 30, 2025.

**Chart 9b - Intragovernmental Other Liabilities as of September 30:**  
(Dollars in Millions)

	2025
Employer Contributions and Payroll Taxes Payable	\$ 53
Unemployment Compensation Liability	2
Unfunded FECA Liability	53
Liability to the General Fund for Non-Entity Assets	5,105
Other Liabilities w/o related budgetary obligations	8
<b>Total Other Liabilities</b>	<b>\$ 5,221</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 Salary, Leave, and Benefits Payable

Federal Employee Salary, Leave, and Benefits Payable includes liabilities Covered and Not Covered by budgetary resources. Federal Employee Salary, Leave, and Benefits Payable Covered by budgetary resources is primarily comprised of accrued payroll. Federal Employee Salary, Leave, and Benefits Payable Not Covered by budgetary resources includes amounts for leave earned but not taken. Leave earned but not taken of \$387 million as of September 30, 2025 represents annual and compensatory leave earned by SSA employees but not used as of the reporting date.

### Post-Employment Benefits Payable

Post-Employment Benefits Payable Not Covered by budgetary resources includes the non-current portion of FECA, which is an actuarial liability. The non-current FECA portion of \$243 million as of September 30, 2025 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 9c shows the amounts for SSA's major programs as of September 30, 2025. 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 9c - Benefits Due and Payable as of September 30:  
(Dollars in Millions)**

	2025
OASI	\$ 131,383
DI	32,543
SSI	6,512
Subtotal	170,438
Less: Intra-agency eliminations	(820)
Total Benefits Due and Payable	\$ 169,618



Chart 9c also shows that as of FY 2025, SSA reduced gross Benefits Due and Payable by \$820 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 consists of liabilities Not Requiring budgetary resources for 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, 2025. Chart 9d displays a breakout of Other Liabilities with the Public as of September 30, 2025.

**Chart 9d - Other Liabilities as of September 30:**  
(Dollars in Millions)

	2025
Other Liabilities w/o related budgetary obligations	\$ 39
Total Other Liabilities	\$ 39

## Federal Leases

SSA has Occupancy Agreements (OA) with GSA for each space that we occupy. These real property OAs represent our only significant leasing arrangements. The OA is a complete, concise statement of the business terms governing the tenancy relationship between SSA and GSA. 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 for leased space with GSA and currently has 1,728 OAs for occupied real property. For non-cancellable OAs, SSA is financially responsible for rental payments on vacated space until the expiration of the OA or when 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. SSA expenses OAs as incurred and does not record liabilities for future years' costs.

## Contingent Liabilities

SSA did not have any material contingent liabilities that met disclosure requirements as of September 30, 2025.



## 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, 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, 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 Chart 10 for balances of funds from dedicated collections as reported in the Consolidated Financial Statements for the year ended September 30, 2025. The Other Dedicated Funds



column in Chart 10 consists of Taxation on Social Security Benefits and SSI State Administrative Fees activity.

**Chart 10 - Funds from Dedicated Collections as of September 30: Consolidating Schedule**  
**(Dollars in Millions)**

	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 Assets:						
Fund Balance with Treasury Investments	\$ 341	\$ 86	\$ 9	\$ 436	\$ 0	\$ 436
Accounts Receivable, Net	2,415,122	217,213	0	2,632,335	0	2,632,335
Total Intragovernmental Assets	174	74	0	248	0	248
Assets with the Public:						
Accounts Receivable, Net	3,151	3,264	0	6,415	(4)	6,411
<b>Total Assets</b>	<b>\$ 2,418,788</b>	<b>\$ 220,637</b>	<b>\$ 9</b>	<b>\$ 2,639,434</b>	<b>\$ (4)</b>	<b>\$ 2,639,430</b>
<b>Liabilities and Net Position</b>						
Intragovernmental Liabilities:						
Accounts Payable	\$ 6,582	\$ 538	\$ 0	\$ 7,120	\$ 0	\$ 7,120
Liabilities with the Public:						
Accounts Payable	0	1	0	1	0	1
Benefits Due and Payable	131,383	32,543	0	163,926	(4)	163,922
Total Liabilities with the Public	131,383	32,544	0	163,927	(4)	163,923
<b>Total Liabilities</b>	<b>137,965</b>	<b>33,082</b>	<b>0</b>	<b>171,047</b>	<b>(4)</b>	<b>171,043</b>
Cumulative Results of Operations	2,280,823	187,555	9	2,468,387	0	2,468,387
<b>Total Liabilities and Net Position</b>	<b>\$ 2,418,788</b>	<b>\$ 220,637</b>	<b>\$ 9</b>	<b>\$ 2,639,434</b>	<b>\$ (4)</b>	<b>\$ 2,639,430</b>
<b>Statement of Net Cost</b>						
Program Costs	\$ 1,423,041	\$ 156,332	\$ 0	\$ 1,579,373	\$ 0	\$ 1,579,373
Operating Expenses	738	283	0	1,021	0	1,021
Less Earned Revenue	(1)	(27)	(164)	(192)	0	(192)
<b>Net Cost of Operations</b>	<b>\$ 1,423,778</b>	<b>\$ 156,588</b>	<b>\$ (164)</b>	<b>\$ 1,580,202</b>	<b>\$ 0</b>	<b>\$ 1,580,202</b>
<b>Statement of Changes in Net Position</b>						
Net Position Beginning of Period	\$ 2,475,706	\$ 148,374	\$ 15	\$ 2,624,095	\$ 0	\$ 2,624,095
Appropriations Used	0	0	59,748	59,748	0	59,748
Non-Exchange Revenue						
Tax Revenue - Intragovernmental	1,118,242	189,897	0	1,308,139	0	1,308,139
Interest Revenue - Intragovernmental	62,530	6,777	0	69,307	0	69,307
Other - With the Public	6	31	0	37	0	37
Total Non-Exchange Revenue	1,180,778	196,705	0	1,377,483	0	1,377,483
Net Transfers In/Out	48,117	(936)	(59,918)	(12,737)	0	(12,737)
Net Cost of Operations	1,423,778	156,588	(164)	1,580,202	0	1,580,202
Net Change	(194,883)	39,181	(6)	(155,708)	0	(155,708)
<b>Net Position End of Period</b>	<b>\$ 2,280,823</b>	<b>\$ 187,555</b>	<b>\$ 9</b>	<b>\$ 2,468,387</b>	<b>\$ 0</b>	<b>\$ 2,468,387</b>



The above Chart 10 for FY 2025 includes eliminations between SSA's funds from dedicated collections, which primarily represent eliminations for activity between the OASI and DI Trust Funds. However, \$2,101 million of receivables and liabilities in the funds from dedicated collections for the year ended September 30, 2025 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 10.

## 11. Operating Expenses

### Classification of Operating Expenses by Major Program

Chart 11a displays 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. 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)**

	2025						
	LAE		OASI and DI Trust Fund Operations			Vocational Rehabilitation & Other	
	SSA	OIG					Total
OASI	\$ 3,618	\$ 52	\$ 725	\$ 13	\$ 4,408		
DI	2,845	40	120	163		3,168	
SSI	4,959	0	0	194		5,153	
Other	3,784	36	0	0		3,820	
Total	\$ 15,206	\$ 128	\$ 845	\$ 370		\$ 16,549	

The LAE amounts listed in Chart 11a above include \$716 million in Real Property Intragovernmental Lease expense.

### Classification of LAE Operating Expenses by Strategic Focus Area

SSA sets forth expected levels of performance the agency is committed to achieving. For FY 2025, in alignment with Presidential Executive Orders and OMB guidance, SSA identified strategic areas of focus that align with current Presidential priorities. The three Strategic Focus Areas are:

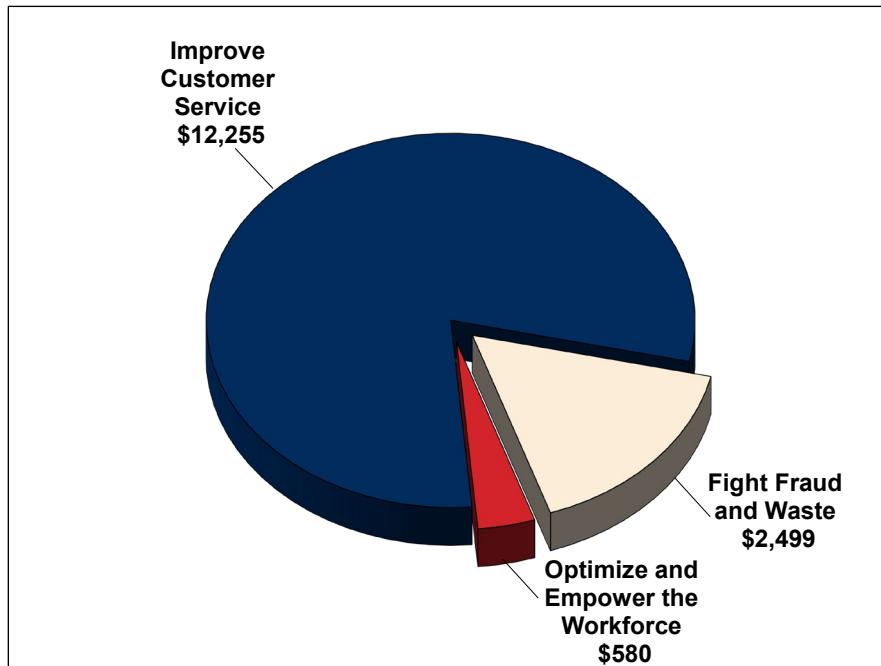
- Improve Customer Service;



- Fight Fraud and Waste; and
- Optimize and Empower the Workforce.

Chart 11b exhibits the distribution of FY 2025 SSA and OIG LAE operating expenses to the three Strategic Focus Areas, which agree with the agency's LAE budget appropriation.

**Chart 11b – FY 2025 LAE Operating Expenses by Strategic Focus Area  
(Dollars in Millions)**



For Chart 11b, we do not include OASI and DI Trust Fund Operations and Vocational Rehabilitation expenses (see Chart 11a) in LAE by Strategic Focus Area as these amounts are disbursed from the OASI and DI Trust Funds and SSI 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 \$373 million for the year ended September 30, 2025. SSA's exchange revenue primarily consists of fees collected to administer SSI State Supplementation. The fee charged to the States is \$15.22, per payment, for the year ended September 30, 2025. 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)

	2025
SSI State Supplementation Fees	\$ 244
SSI Attorney Fees	9
DI Attorney Fees	27
OASI Attorney Fees	1
Other Exchange Revenue	92
<b>Total Exchange Revenue</b>	<b>\$ 373</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 is \$89 million for the year ended September 30, 2025. Of this amount, \$80 million was collected to administer SSI State Supplementation for the year ended September 30, 2025. SSA maintains the remainder of the SSI administrative fees, which meet the criteria of a fund from dedicated collections, in the amount of \$164 million for the year ended September 30, 2025, 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 Statement of Changes in Net Position, by major program.

**Chart 13 - Tax Revenue as of September 30:**  
(Dollars in Millions)

	2025
OASI	\$ 1,118,242
DI	189,897
<b>Total Tax Revenue</b>	<b>\$ 1,308,139</b>

## 14. Imputed Financing

SSA recognizes the full cost of goods and services it receives from other entities on our Consolidated Statement 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 and Treasury that require imputed costs and financing sources to be recognized. While the imputed financing sources are shown on the face of the Consolidated Statement of Changes in Net Position, the imputed costs are included in the operating expense amounts reported on the Consolidated Statement 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 Statement of Net Cost recognize post-employment benefit expenses of \$1,990 million for the year ended September 30, 2025, 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 most 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.

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

**Chart 14 - Imputed Financing Sources as of September 30:  
(Dollars in Millions)**

	2025	
Employee Benefits (OPM)		
CSRS	\$	34
FERS		361
FEHBP		615
FEGLI		1
Total Employee Benefits		1,011
SSI Benefit Payments (Treasury)		22
Judgment Fund (Treasury)		1
Total Imputed Financing Sources	\$	1,034



## 15. Budgetary Resources

### Reconciliation of Unobligated Balance from Prior Year Budget Authority, Net

SSA conducted a reconciliation of prior year's unobligated balance, end of year for the year ended September 30, 2024, to the current year's unobligated balance from prior year budget authority, net for the year ended September 30, 2025. The adjustments shown in the following chart include recoveries, cancelled authority, and CAS percentage adjustments. Recoveries represent downward adjustments to prior year obligations that result in increased unobligated balances from prior year budget authority. Any expired authority remaining at the end of an appropriation's budget life (6 years) becomes cancelled and is returned to any funding sources that originally provided the authority. Each year SSA's Office of Budget determines the obligations for the Trust Funds in relation to LAE's New Budget Authority. In the following year, the CAS percentages are used to determine if the obligations established using the New Budget Authority were under or overstated and adjustments are made accordingly.

Chart 15a presents a reconciliation of prior year's unobligated balance, end of year for the year ended September 30, 2024, to the current year's unobligated balance from prior year budget authority, net for the year ended September 30, 2025.

**Chart 15a - Reconciliation of Unobligated Balance from Prior Year Budget Authority, Net as of September 30:  
(Dollars in Millions)**

	2025
PY Unobligated balance, end of year	\$ 2,582
Recoveries	747
Cancelled Authority	(19)
CAS % Adjustments	26
<b>CY Unobligated balance from PY budget authority, net</b>	<b>\$ 3,336</b>

### Appropriations Received

The Combined Statement of Budgetary Resources discloses Appropriations Received of \$1,720,904 million for the year ended September 30, 2025. Appropriations Received on the Consolidated Statement of Changes in Net Position are \$128,620 million for the same year. The differences of \$1,592,284 million primarily represent appropriated OASI and DI Trust Fund receipts. The Consolidated Statement of Changes in Net Position reflects 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 Statement of Budgetary Resources, Appropriations Received for PTF are



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

## Permanent Indefinite Appropriations

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 15b 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 15b - OASI and DI Trust Fund Activities as of September 30:  
(Dollars in Millions)**

	2025		
	OASI	DI	Total
Receipts	\$1,240,453	\$197,783	\$1,438,236
Less: Obligations	1,433,956	159,532	1,593,488
Excess of Receipts Over Obligations	\$(193,503)	\$ 38,251	\$(155,252)

The overall Net Position of the OASI and DI Trust Funds included in Net Position, on the Consolidated Statement of Changes in Net Position, are \$2,280,823 and \$187,555 million for the year ended September 30, 2025.



## 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 15c provides the undelivered orders amount by Federal, non-Federal, paid, and unpaid.

**Chart 15c - Undelivered Orders as of September 30:  
(Dollars in Millions)**

	2025		
	Non-		Total
	Federal	Federal	
Unpaid Undelivered Orders	\$ 645	\$ 1,964	\$ 2,609
Paid Undelivered Orders	59	0	59
Total Undelivered Orders	\$ 704	\$ 1,964	\$ 2,668

## 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, 2024. All differences shown in the following chart 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 15d 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, 2024.

**Chart 15d - Explanation of Differences Between Combined Statement of Budgetary Resources and the Budget of the U.S. Government for FY 2024:  
(Dollars in Millions)**

	Total Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$1,610,536	\$ 1,607,954	\$ 57,062	\$1,519,733
Expired activity not in President's Budget	(549)	0	0	0
Offsetting Receipts activity not in President's Budget	0	0	0	57,062
Other	0	1	1	0
Budget of the U.S. Government	\$1,609,987	\$ 1,607,955	\$ 57,063	\$1,576,795



A reconciliation has not been conducted for the year ended September 30, 2025 since the actual budget data for FY 2025 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 (unaudited).

## 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 Statement of Budgetary Resources, and net costs, presented on an accrual basis and derived from the Consolidated Statement 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 Year Ended  
September 30, 2025  
(Dollars in Millions)**

	2025		
	Intra-governmental	With the Public	Total
Net Cost	\$ 5,537	\$ 1,650,280	\$ 1,655,817
<b>Components of Net Cost That Are Not Part of Net Outlays:</b>			
Property, plant, and equipment depreciation	(13)	(1,006)	(1,019)
Property, plant, and equipment disposal and reevaluation	0	(1)	(1)
<b>Increase/(decrease) in assets:</b>			
Accounts receivable	13	1,012	1,025
Other assets	(24)	0	(24)
<b>(Increase)/decrease in liabilities:</b>			
Accounts payable	(5)	63	58
Benefits Due and Payable	0	(11,330)	(11,330)
Federal Employee Salary, Leave, and Benefits Payable	0	28	28
Post-Employment Benefits Payable	0	20	20
Other liabilities	(263)	(1)	(264)
<b>Financing sources</b>			
Imputed Costs	(1,034)	0	(1,034)
<b>Total Components of Net Cost That Are Not Part of Net Outlays</b>	<b>\$ (1,326)</b>	<b>\$ (11,215)</b>	<b>\$ (12,541)</b>
<b>Components of Net Outlays That Are Not Part of Net Cost:</b>			
Acquisition of capital assets	0	1,015	1,015
<b>Financing Sources</b>			
Transfers out(in) without reimbursement	(232)	0	(232)
Expenditure Transfers Collected/Disbursed	2,274	0	2,274
<b>Total Components of Net Outlays That Are Not Part of Net Cost</b>	<b>\$ 2,042</b>	<b>\$ 1,015</b>	<b>\$ 3,057</b>
<b>Miscellaneous Items</b>			
Custodial/Non-Exchange Revenue	(35)	(126)	(161)
Non-Entity Activity	343	0	343
<b>Total Other Reconciling Items</b>	<b>308</b>	<b>(126)</b>	<b>182</b>
<b>Net Outlays</b>	<b>\$ 6,561</b>	<b>\$ 1,639,954</b>	<b>\$ 1,646,515</b>

The \$11,330 million increase in Benefits Due and Payable for the year ended September 30, 2025, 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 is due primarily to a 2.5 percent Cost of Living Adjustment beneficiaries received in 2025 and an increase in the number of OASI beneficiaries during FY 2025. The \$2,274 million in Expenditure Transfers Disbursed for the year ended September 30, 2025, is primarily related to disbursements from the OASI Trust Fund 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.



## 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 2025 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds* (2025 Trustees Report) for the 75-year projection period beginning January 1, 2025. 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, 2025 totaled \$2,721 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 (2025) 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 2025

	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>	Annual Percentage Change In:					Average Annual Interest Rate <sup>9</sup>
			Male	Female		Average Annual Wage in Covered Employment (nominal) <sup>5</sup>	Average Annual Wage in Covered Employment (real) <sup>5</sup>	CPI <sup>6</sup>	Total Employment <sup>7</sup>	Real GDP <sup>8</sup>	
2025	1.64	764.4	76.7	81.6	2,102,000	3.97	1.47	2.47	0.9	2.3	4.2%
2030	1.72	734.3	77.2	82.1	1,323,000	3.88	1.45	2.40	0.5	2.0	4.1%
2040	1.87	676.1	78.3	83.0	1,289,000	3.65	1.22	2.40	0.3	1.9	4.6%
2050	1.90	623.8	79.3	83.8	1,260,000	3.51	1.08	2.40	0.3	1.8	4.7%
2060	1.90	577.6	80.3	84.6	1,251,000	3.53	1.10	2.40	0.3	1.9	4.7%
2070	1.90	536.6	81.2	85.4	1,244,000	3.56	1.13	2.40	0.2	1.8	4.7%
2080	1.90	500.1	82.1	86.1	1,240,000	3.55	1.13	2.40	0.3	1.8	4.7%
2090	1.90	467.6	82.9	86.7	1,237,000	3.56	1.13	2.40	0.4	1.9	4.7%
2100 <sup>10</sup>	1.90	438.5	83.7	87.4	1,235,000	3.55	1.12	2.40	0.3	1.9	4.7%

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.
2. 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.
3. 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.
4. 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.
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. The nominal percentage change values reflect the dollar levels of wages and salaries projected for each year in that year's dollars; the real percentage change values do not include the effect of price inflation (Consumer Price Index (CPI)). The nominal percentage change in the average annual wage in covered employment is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived.
6. The CPI is the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).
7. Total employment is the sum of average weekly U.S. civilian employment and U.S. Armed Forces. It is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived.
8. Real GDP is the value of the total output of goods and services in 2017 dollars. It is a summary measure and not a basic assumption; it summarizes the effects of the basic assumptions from which it is derived.
9. 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 reserve 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.
10. The valuation period used for the 2025 Statement of Social Insurance extends to 2099.



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>	Real Wage Growth <sup>4</sup>	Average Annual Percentage Change In:			Average Annual Real Interest Rate <sup>8</sup>
					Average Annual Wage in Covered Employment (nominal) <sup>5</sup>	CPI <sup>6</sup>	Total Employment <sup>7</sup>	
FY 2025	1.90	0.73	1,253,000	1.13	3.56	2.40	0.3	2.3
FY 2024	1.90	0.73	1,244,000	1.14	3.56	2.40	0.3	2.3
FY 2023	1.99	0.74	1,245,000	1.14	3.56	2.40	0.4	2.3
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

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 2024 and 2025 Statements, the value presented is the ultimate total fertility rate. For the 2021 through 2023 Statements, the value presented 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. The value presented 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. The value presented is the average net immigration level for the last 65 years of the 75-year projection period.
4. For the Statements prior to 2023, the value presented is the average annual real wage differential (in percentage points) for the last 65 years of the 75-year projection period; the annual real wage differential is the annual percentage change in the average annual wage in covered employment less the annual percentage change in CPI. For the 2023 through 2025 Statements, the value presented is the average annual real (i.e., inflation adjusted) percentage change in the average annual wage in covered employment for the last 65 years of the 75-year projection period; 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.
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 for the last 65 years of the 75-year projection period.
6. The CPI is the CPI-W. The value presented is the ultimate assumption, which is reached within the first 10 years of the projection period.
7. Total employment is the sum of average weekly U.S. civilian employment and U.S. Armed Forces. 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 2023, the value presented is the average annual percentage change for the entire 75-year projection period. For the 2023 through 2025 Statements, the value presented is the average annual percentage change for the last 65 years of the 75-year projection period.
8. The average annual real interest rate reflects the expected annual real yield for each year on securities issuable in the prior year. The value presented is the ultimate assumption, which is reached within the first 20 years of the projection period.



These assumptions and the other values on which Chart 17b is based reflect the intermediate assumptions of the 2021–2025 Trustees Reports. The values shown in the FY 2025 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.

*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, 2024 to the period beginning on January 1, 2025; and (2) change from the period beginning on January 1, 2023 to the period beginning on January 1, 2024. 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, 2024 to the period beginning on January 1, 2025

The effect on the 75-year present values of changing the valuation period from the prior valuation period (2024–2098) to the current valuation period (2025–2099) 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 2024, replaces it with a much larger negative estimated net cash flow for 2099, and measures the present values as of January 1, 2025, 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 2024–2098 to 2025–2099. 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 2024 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 \$0.9 trillion.

### From the period beginning on January 1, 2023 to the period beginning on January 1, 2024

The effect on the 75-year present values of changing the valuation period from the prior valuation period (2023–2097) to the current valuation period (2024–2098) 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 2023, replaces it with a much larger negative estimated net cash flow for 2098, and measures the present values as of January 1, 2024, 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 2023–2097 to 2024–2098. 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 2023 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 \$0.8 trillion.

## Changes in Demographic Data, Assumptions, and Methods

### From the period beginning on January 1, 2024 to the period beginning on January 1, 2025

The ultimate demographic assumptions for the current valuation (beginning on January 1, 2025) 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. The most significant changes are identified below.

- The ultimate total fertility rate of 1.9 children per woman is reached in 2050, which is 10 years later than assumed in the prior valuation.



- Final birth rate data for calendar year 2023 and preliminary data for 2024 indicated slightly lower birth rates than were assumed in the prior valuation, leading to slightly lower assumed birth rates during the period of transition to the ultimate level.
- Assumed levels of immigrant entrants in the period 2022-2025 are higher than under the prior valuation.
- Mortality data, historical population data, immigration data, marriage data, and divorce data were updated since the prior valuation.

The longer path to the ultimate total fertility rate, along with the updated birth rate data and transition assumptions, decreased the present value of the estimated future net cash flows. Updates to mortality data, historical population data, immigration assumptions and data, marriage data, and divorce data increased the present value of the estimated future net cash flows. There were two notable changes in demographic methodology.

- The method used for projecting death rates now incorporates Medicare data for deaths at ages 95 through 99, rather than using data only for ages up to 94 as in the prior valuation.
- The method used for projecting immigration was improved to better reflect recent data on the composition of the entrant population by age and sex.

The death rate method change increased the present value of the estimated future net cash flows, while the change in the method for projecting immigration 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 \$0.1 trillion.

### **From the period beginning on January 1, 2023 to the period beginning on January 1, 2024**

For the current valuation (beginning on January 1, 2024), there was one change to the ultimate demographic assumptions. The ultimate total fertility rate was lowered from 2.0 children per woman to 1.9 children per woman, and at the same time, the year the ultimate total fertility rate is reached was changed from 2056 to 2040. This change decreased the present value of estimated future net cash flows.

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

- Final birth rate data for calendar year 2022 and preliminary data for 2023 indicated slightly lower birth rates than were assumed in the prior valuation, leading to slightly lower assumed birth rates during the period of transition to the ultimate level.
- Updates to near-term mortality assumptions to better reflect the effects of the COVID-19 pandemic led to an increase in death rates through 2024 compared to the prior valuation.
- Mortality data, historical population data, immigration data, and divorce data were updated since the prior valuation.



The revised birth rate data and transition assumptions, along with the updates to mortality data, historical population data, immigration data, and divorce data, decreased the present value of the estimated future net cash flows. The increase in assumed near-term mortality assumptions increased the present value of the estimated future net cash flows.

There was one notable change in demographic methodology. The method for projecting fertility rates during the transition period to the ultimate rate was modified to produce more reasonable paths to the ultimate assumed rates by age group than had been previously used. 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 \$1.2 trillion.

## **Changes in Economic Data, Assumptions, and Methods**

### **From the period beginning on January 1, 2024 to the period beginning on January 1, 2025**

For the current valuation (beginning on January 1, 2025), there was one change to the ultimate economic assumptions. The ratio of total labor compensation to GDP is assumed to increase gradually to 61.2 percent in 2034, and to remain approximately constant thereafter. In the prior valuation, this ratio was assumed to be about 62.8 percent for 2033 and later. This assumption change, considered by itself, implies somewhat slower average earnings growth over the first ten projection years and a level shift in average earnings in the longer term. This change decreased the present value of estimated future net cash flows.

In addition to this change to the ultimate economic assumptions, the starting economic values and the way these values transition to the ultimate assumptions were changed. The one significant change is that historical OASDI covered employment for 2022 was slightly higher and its age distribution was different than assumed under the prior valuation. This change increased the present value of the estimated future net cash flows.

Additionally, there were several notable changes in economic methodology.

- The model to project the civilian noninstitutional (CNI) population was updated to make the CNI projections more consistent with the projections of the Social Security area population.
- The method used for projecting average weeks worked during a calendar year, a key component of projections of OASDI covered employment, was updated. The updated approach uses historical data through 2021 and a more directly relevant data source.
- The process used to calculate and apply adjustments that smooth the age profile of labor force participation rates was improved, resulting in a decrease in projected labor force participation rates of workers age 75 and older relative to the prior valuation.

The updates to the CNI model and the average weeks worked methodology increased the present value of the estimated future net cash flows. The change to the labor force participation rate methodology decreased the estimated future net cash flows.



Overall, changes to economic 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, 2023 to the period beginning on January 1, 2024**

The ultimate economic assumptions for the current valuation (beginning on January 1, 2024) 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.

- An update to educational attainment data caused a change in labor force participation rates at ages 55 and older for men and 50 and older for women.
- Historical OASDI covered employment for 2021 was higher than assumed under the prior valuation. Specifically, covered employment for 2021 was significantly higher than previously estimated at the youngest and oldest working ages, and lower for men at early prime working ages.
- Economic growth through 2023 was higher than assumed under the prior valuation, which led to a higher assumed level of labor productivity over the projection period.

All three of these changes increased the present value of the estimated future net cash flows. Overall, changes to economic data, assumptions, and methods caused the present value of the estimated future net cash flows to increase by \$0.4 trillion.

### **Changes in Programmatic Data and Methods**

#### **From the period beginning on January 1, 2024 to the period beginning on January 1, 2025**

Several methodological improvements and updates of program-specific data are included in the current valuation (beginning on January 1, 2025). The most significant are identified below.

- Recent data and estimates provided by the Office of Tax Analysis in the Department of the Treasury indicate lower near-term levels of revenue from income taxation of OASDI benefits relative to the prior valuation.
- 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. Updates were made to better reflect the distribution of taxable earnings levels observed through 2019.

The lower revenue from income taxation of OASDI benefits and the updates to the average benefits model 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 \$0.1 trillion.



## From the period beginning on January 1, 2023 to the period beginning on January 1, 2024

Several methodological improvements and updates of program-specific data are included in the current valuation (beginning on January 1, 2024). The most significant are identified below.

- The ultimate disability incidence rate was lowered from 4.8 per thousand exposed to 4.5 per thousand exposed.
- The long-range model used to project the number of insured workers was modified to improve the alignment of simulated fully insured rates with historical fully insured rates.
- Recent data and estimates provided by the Office of Tax Analysis at the Department of the Treasury indicate higher near-term and ultimate levels of revenue from income taxation of OASDI benefits than projected in the prior valuation.
- 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. Updates were made to data and the methodology for projecting average benefit levels for women was improved.
- 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.

The reduction in the ultimate disability incidence rate, the increase in revenue from income taxation of OASDI benefits, the modified insured simulation model, and the updates to the average benefits model 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 \$1.4 trillion.

## Changes in Law or Policy

## From the period beginning on January 1, 2024 to the period beginning on January 1, 2025

Between the prior valuation (the period beginning on January 1, 2024) and the current valuation (the period beginning on January 1, 2025), there were two notable changes in law or policy affecting the OASDI program.

- On April 18, 2024, we published a final rule on past relevant work. This regulation reduces the time period, from 15 to 5 years, that we consider when determining whether an individual's past work is relevant for the purposes of making disability determinations and decisions. Implementation of the past relevant work regulation is expected to increase disability awards and incidence rates to a small degree and, in turn, reduce labor force participation slightly.
- The *Social Security Fairness Act of 2023* was enacted on January 5, 2025. This law repeals the Windfall Elimination Provision and Government Pension Offset, which



reduced or eliminated the Social Security benefits of individuals receiving a pension based on work that was not covered by Social Security. Therefore, implementation of this law increases Social Security benefits for certain people who worked in jobs that were not covered by Social Security.

These law and policy changes caused the present value of the estimated future net cash flows to decrease by \$1.0 trillion.

### **From the period beginning on January 1, 2023 to the period beginning on January 1, 2024**

Between the prior valuation (the period beginning on January 1, 2023) and the current valuation (the period beginning on January 1, 2024), no notable changes in law or policy are expected to have a significant effect on the long-range cost of the OASDI program.

## **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, 2024 and Ending January 1, 2025**

Present values as of January 1, 2024 are calculated using interest rates from the intermediate assumptions of the 2024 Trustees Report. All other present values in this part of the Statement are calculated as a present value as of January 1, 2025. 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 2024 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 2025 Trustees Report.

### **Period Beginning on January 1, 2023 and Ending January 1, 2024**

Present values as of January 1, 2023 are calculated using interest rates from the intermediate assumptions of the 2023 Trustees Report. All other present values in this part of the Statement are calculated as a present value as of January 1, 2024. 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 2023 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 2024 Trustees Report.

## 18. Subsequent Events

### Potential Impact on the Social Insurance Statements of Public Law 119-21, the “One Big Beautiful Bill Act”, Signed into Law on July 4, 2025

On July 4, 2025, the President signed the “One Big Beautiful Bill Act” (OBBA) into law. Among many other provisions, this law makes permanent the lower ordinary income tax rates and adjusted tax brackets originally enacted under the 2017 *Tax Cuts and Jobs Act* and temporarily changes certain standard and itemized deduction amounts. The income tax provisions in the OBBBA will lead to lower income tax liability for Social Security beneficiaries. As a result, the OASI and DI Trust Funds will receive lower levels of projected revenue from income taxation of Social Security benefits.

SSA Actuarial Services has concluded based on their estimates that implementation of the OBBBA has an effect on the actuarial estimates presented in the Statements of Social Insurance and the Statements of Changes in Social Insurance Amounts. We estimate that implementation of OBBBA will decrease (that is, make more negative) the present value of future noninterest income less future cost for current and future participants (open group measure) presented in the Statements of Social Insurance and Statements of Changes in Social Insurance Amounts by about \$1,103 billion. We consider these effects to be material.

## 19. Reclassification of the Statement of Net Cost and Statement of Changes in Net Position 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 Sheet, 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. This note includes the Statement of Net Cost and Statement of Changes in Net Position 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 2024 FR is available on Treasury's [website](#) (unaudited) and a copy of the FY 2025 FR will be posted to this site as soon as it is released.

SSA's FY 2025 reconciliation of agency Statement of Net Cost and Statement of Changes in Net Position amounts to Treasury's reclassified statements are included in Charts 19a and 19b. The Reclassified Net Position in Chart 19b includes intradepartmental eliminations processed by Treasury to present the Net Position at a consolidated level. The Net Position is presented at a combined level in Agency Financial Reports.

**Chart 19a - Reclassification of Statement of Net Cost to Line Items Used for the Government-wide Statement of Net Cost for the Year Ended September 30, 2025  
(Dollars in Millions)**

FY 2025 Statement of Net Cost		Line Items Used to Prepare FY 2025 Government-wide Statement of Net Cost			
Financial Statement Line	Amount	Dedicated Collections	Other than Dedicated Collections	Total	Reclassified Financial Statement Line
Benefit Payment Expense	\$ 1,639,641				
Operating Expenses (Note 11)	16,549	\$ 1,579,548	\$ 71,048	\$ 1,650,596	Non-Federal Costs
		0	1,613	1,613	Intragovernmental Costs
		0	1,034	1,034	Benefit Program Costs
		846	1,686	2,532	Imputed Costs
		0	415	415	Buy/Sell Costs
		846	4,748	5,594	Other Expenses (without Reciprocals)
Total Cost	1,656,190	1,580,394	75,796	1,656,190	Total Intragovernmental Costs
		(192)	(124)	(316)	Total Reclassified Gross Costs
		0	(57)	(57)	Non-Federal Earned Revenue
Less: Exchange Revenues (Note 12)	(373)	(192)	(181)	(373)	Buy/Sell Revenue
<b>Total Net Cost</b>	<b>\$ 1,655,817</b>	<b>\$ 1,580,202</b>	<b>\$ 75,615</b>	<b>\$ 1,655,817</b>	<b>Total Reclassified Earned Revenue</b>
					<b>Net Cost</b>

Note:

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



**Chart 19b - Reclassification of Statement of Changes in Net Position to Line Items  
Used for the Government-wide Statement of Changes in Net Position  
for the Year Ended September 30, 2025  
(Dollars in Millions)**

FY 2025 Statement of Changes in Net Position		Line Items Used to Prepare FY 2025 Government-wide Statement of Changes in Net Position						
Financial Statement Line	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations between Dedicated and All Other	Total	Reclassified Financial Statement Line	
<b>Unexpended Appropriations:</b>							<b>Unexpended Appropriations:</b>	
Beginning Balances	\$ 1,865	\$ 0	\$ 0	\$ 1,865	\$ 0	\$ 1,865	Net Position, Beginning of Period - Adjusted	
Appropriations Received	128,620	59,748		68,872		128,620	Financing Sources	
Other Adjustments	(1,305)	-		(1,305)		(1,305)	Appropriations Received as Adjusted (Recessions and Other Adjustments)	
Appropriations Used	(128,568)	(59,748)		(68,820)		(128,568)	Appropriations Received as Adjusted (Recessions and Other Adjustments)	
Net Change in Unexpended Appropriations	(1,253)	0	0	(1,253)	0	(1,253)	Appropriations Used	
<b>Total Unexpended Appropriations - Ending</b>	<b>612</b>	<b>0</b>	<b>0</b>	<b>612</b>	<b>0</b>	<b>612</b>	<b>Total Financing Sources</b>	
<b>Cumulative Results of Operations:</b>							<b>Cumulative Results:</b>	
Beginning Balances	\$ 2,628,428	\$ 2,624,095	\$ 0	\$ 4,333	\$ 0	\$ 2,628,428	Net Position, Beginning Balance	
Adjustments							Changes in Accounting Principles	
Changes in Accounting Principles	126			126		126	Changes in Accounting Principles	
Beginning Balances, as Adjusted	\$ 2,628,554	\$ 2,624,095	\$ 0	\$ 4,459	\$ 0	\$ 2,628,554	Net Position, Beginning of Period - Adjusted	
Appropriations Used	128,568	59,748		68,820		128,568	Financing Sources	
Non-Exchange Revenue							Appropriations Expended	
Tax Revenues (Note 13)	1,308,139	1,308,139				1,308,139	<b>Federal Non-Exchange Revenue</b>	
Interest Revenues	69,307	69,307				69,307	Other Taxes and Receipts	
Federal Securities Interest Revenue Including Associated Gains and Losses (Non-Exchange)							Federal Securities Interest Revenue Including Associated Gains and Losses (Non-Exchange)	
Other	37	37				37	<b>Non-Federal Non-Exchange Revenue</b>	
Total Non-Exchange Revenue	1,377,483	1,377,483	0	0	0	1,377,483	Other Taxes and Receipts	
Transfers-In/Out - Without Reimbursement	(2,970)						<b>Total Non-Exchange Revenue</b>	
				170	(170)	0	<b>Transfers-In and Out Without Reimbursement</b>	
			(170)			170	Appropriation of Unavailable Special or Trust Fund Receipt	
							Transfers-In	
							Appropriation of Unavailable Special or Trust Fund Receipts	
							Transfers-Out	
							Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources	
							Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing Sources	
							Expenditure Transfers-In of Financing Sources	
							Expenditure Transfers-Out of Financing Sources	
							Non-Expenditure Transfers-In of Financing Sources – Capital Transfers	
							Non-Expenditure Transfers-Out of Financing Sources – Capital Transfers	
							Transfers-In Without Reimbursement	
							Transfers-Out Without Reimbursement	
							<b>Total Reclassified Transfers In/Out - Without Reimbursement</b>	
Total Transfers-In/Out – Without Reimbursement	(2,970)	(12,737)	0	9,767	0	(2,970)	Total Reclassified Transfers In/Out - Without Reimbursement	
Imputed Financing (Note 14)	1,034			1,034		1,034	Imputed Financing Sources	
Other	(3,949)			(3,698)		(3,698)	<b>Non-Entity Financing Sources</b>	
				(254)		(254)	Non-entity collections transferred to the General Fund of the U.S. Government	
							Accrual for non-entity amounts to be collected/ transferred to the General Fund of the U.S. Government	
							<b>Non-Federal Non-Exchange Revenue</b>	
							Other Taxes and Receipts	
							<b>Total Reclassified Non-Entity Financing Sources and Non-Federal Non-Exchange Revenue</b>	
Total Other	(3,949)		0	(3,949)	0	(3,949)		
<b>Net Cost of Operations</b>	<b>1,655,817</b>	<b>1,580,202</b>	<b>0</b>	<b>75,615</b>	<b>0</b>	<b>1,655,817</b>	<b>Net Cost of Operations</b>	
<b>Net Change in Cumulative Results of Operations</b>	<b>(155,651)</b>	<b>(155,708)</b>	<b>0</b>	<b>57</b>	<b>0</b>	<b>(155,651)</b>	<b>Net Change</b>	
<b>Cumulative Results of Operations - Ending</b>	<b>\$ 2,472,903</b>	<b>\$ 2,468,387</b>	<b>\$ 0</b>	<b>\$ 4,516</b>	<b>\$ 0</b>	<b>\$ 2,472,903</b>	<b>Reclassified Cumulative Results of Operations - Ending</b>	
<b>Net Position</b>	<b>\$ 2,473,515</b>	<b>\$ 2,468,387</b>	<b>\$ 0</b>	<b>\$ 5,128</b>	<b>\$ 0</b>	<b>\$ 2,473,515</b>	<b>Total Reclassified Net Position</b>	



## 20. Incidental Custodial Collections

SSA's custodial collections primarily consists of refunds related to cancelled LAE appropriations and interest and penalties associated with LAE administrative debt. While these collections are considered custodial, they are not primary to the mission of SSA or material to the overall financial statements. SSA's total custodial revenues are \$3 million for the year ended September 30, 2025.