Agency Financial Report

Fiscal Year 2025

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A MESSAGE FROM THE COMMISSIONER

I am pleased to present the Social Security Administration's (SSA), Fiscal Year (FY) 2025 *Agency Financial Report*, which details how we managed our resources and delivered services to the public in the past fiscal year. Leading SSA is a mission that resonates with me on a deeply personal level. My father, who was orphaned as a child and benefitted from Social Security programs, went on to serve his country in uniform and then devoted his 46-year career to public service. His journey is a reminder of how our work not only helps people through difficult times but also supports our fellow Americans.

For more than 90 years, we have provided critical financial security to retirees, people with disabilities, and survivors, serving as a cornerstone of American life. Today, we serve more than 330 million people with active Social Security numbers, and over 74 million people received over $1.6 trillion in payments last year, making us the largest service provider in the country.

Since being confirmed as Commissioner, I have reviewed SSA's operating model, technology capabilities and systems infrastructure, workforce, and most importantly, overarching mission and goals. During that time, I assembled a strong leadership team, combining the knowledge and experience of long-term career employees with new perspectives and talent from private industry. Together, we made strategic and data-driven changes to improve the efficiency and accuracy of our operations and customer service, across each program and service channel.

As customer needs evolve, we remain committed to delivering exceptional service. In July, we completed sending over 3.1 million payments totaling $17 billion to *Social Security Fairness Act* beneficiaries, five months ahead of schedule. After my confirmation in May, we moved quickly to provide Americans with 24/7 access to their Social Security information online, resulting in a nearly 20 percent increase in online transactions in FY 2025.

By leveraging technology and reallocating resources, we reduced the average speed of answer on the National 800 Number from 30 minutes in January 2025 to 7 minutes in September 2025. The SSA Office of the Inspector General recently completed an independent review of our performance on the National 800 Number and confirmed this historic progress, further noting that we served 65 percent more callers than in the previous year. At the same time, we reduced in-office wait times by 27 percent to 22 minutes, with visitors with appointments waiting only 6 minutes on average. We also reduced the initial disability claims backlog by 30 percent, from an all-time high of 1.3 million in FY 2024 to nearly 885,000 cases and cut initial claim processing time by 13 percent. With these improvements, we are advancing toward establishing ourselves as the leading government service organization for our customers and employees.

I am pleased to share that for the 32nd consecutive year, we received an unmodified audit opinion on our financial statements. Based on the results of our internal evaluations, the financial and performance information contained in this report is complete, reliable, and accurate. There are no material weaknesses in our internal controls.

Respectfully,

Frank J. Bisignano
Commissioner

Baltimore, Maryland
January 15, 2026

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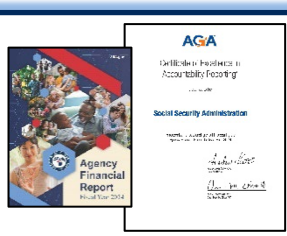
Our *Agency Financial Report* is available at:
SSA.gov/finance



Did You Know? SSA Produces Award-Winning Reports

For the 27th year in a row, we received AGA's Certificate of Excellence in Accountability Reporting (CEAR) award. Receiving the CEAR award for our FY 2024 AFR is a significant and unprecedented accomplishment for a Federal agency.

INTRODUCTION

Our *Agency Financial Report* (AFR) provides financial management and high-level performance information that enables the President, Congress, and the public to assess how well we accomplished our mission, achieved our goals, and managed the financial resources entrusted to us. We organize our AFR into the following major sections:

Management's Discussion and Analysis: The *Management's Discussion and Analysis* section provides an overview of our mission, programs, organization, Strategic Focus Areas (as detailed in our *Fiscal Years* (FY) *2026 Budget Request*), Priority Goals, and FY 2025 performance measures. We highlight our progress in our Strategic Focus Areas and discuss our plans to achieve our mission. We provide a summary of the financial information contained in subsequent sections of the AFR. We also include analysis of our systems, controls, and legal compliance.

Financial Section: The *Financial Section* contains *A Message from the Chief Financial Officer*. We also include our audited financial statements, the accompanying notes to those statements, and required supplementary information, including the Combining Schedule of Budgetary Resources and information on Social Insurance. This section concludes with the *Reports of Independent Auditors* and the *Agency Response to the Reports of Independent Auditors*.

Other Information: The *Other Information* section includes our *Summary of Financial Statement Audit and Management Assurances* tables and *Other Financial Information* as well as *The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2025*. We also provide information on our payment integrity, entitlement reviews and Office of the Inspector General anti-fraud activities, civil monetary penalties, biennial review of user fee charges, grants programs, federal entity trading partners, and debt collection and management activities.

Appendix: The *Appendix* includes a *Glossary of Acronyms*, a list of our agency's top management officials, the members of the Board of Trustees, and the members of the Social Security Advisory Board.

Management's Discussion and Analysis

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MANAGEMENT'S DISCUSSION AND ANALYSIS SUMMARY

The *Management's Discussion and Analysis* (MD&A) section is required supplementary information to the financial statements and provides a high-level overview of the Social Security Administration. The MD&A describes who we are, what we do, and how well we meet our established goals.

The *Overview of the Social Security Administration* highlights our mission, identifies the major programs we administer, and provides a brief explanation of our organization.

The *Overview of Our Fiscal Year 2025 Performance Results* provides a high-level discussion of our Strategic Focus Areas and our key mission results. We display our fiscal year 2025 operating expenses by Strategic Focus Area, discuss our Agency Priority Goals, and highlight how our results under each Strategic Focus Areas.

The MD&A also addresses our financial performance in the *Highlights of Financial Position*. We provide an overview of our financial data and explain the major sources and uses of our funds, as well as the use of these resources in terms of both program and function. We also provide an overview of our Social Insurance data, discuss the solvency of the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds, and indicate the projections for short-term and long-term financing of the OASI and DI Trust Funds.

Finally, *Analysis of Systems, Controls, and Legal Compliance* describes the actions we have taken to address our management control responsibilities. The Management Assurances subsection provides our assurances related to the *Federal Managers' Financial Integrity Act* and the determination of our compliance with the *Federal Financial Management Improvement Act*. We also address the results of the audit of our financial statements and compliance with the *Federal Information Security Management Act*, as amended.

OVERVIEW OF THE SOCIAL SECURITY ADMINISTRATION

Mission

For 90 years, the Social Security Administration (SSA) has helped secure the financial future for millions and safeguarded the identities of our growing clientele—now over 330 million—making us the largest service provider for the American public. We serve every member of the American public at some point in their lives: from birth, when registering for a Social Security number; to their first job, where we verify Social Security numbers and track reported earnings; to providing income support through disability and survivor benefits if the unexpected happens; and helping individuals as they plan for retirement.

Programs

Few government agencies affect the lives of as many people as we do. In accordance with law and regulations, we administer three programs under the *Social Security Act*:

- **Old-Age and Survivors Insurance:** Established in 1935, the Old-Age and Survivors Insurance (OASI) program provides retirement and survivors benefits to qualified workers and their family members. In fiscal year (FY) 2025, we paid OASI benefits to an average of approximately 61 million beneficiaries each month and incurred over $1,423 billion in benefit payment expenses[1] to OASI beneficiaries through the fiscal year. Learn more about retirement benefits on our website at SSA.gov/retirement and about survivors benefits at SSA.gov/survivors.
- **Disability Insurance:** Established in 1956, the Disability Insurance (DI) program provides benefits for workers who become disabled and their families. In FY 2025, we paid DI benefits to an average of over 8 million beneficiaries each month and incurred about $156 billion in benefit payment expenses[1] to DI beneficiaries through the fiscal year. Learn more about DI benefits on our website at SSA.gov/disability.
- **Supplemental Security Income:** Established in 1972, the Supplemental Security Income (SSI) program provides financial support to aged, blind, and disabled adults and children who have limited income and resources. In FY 2025, we paid SSI benefits to a monthly average of 7.4 million recipients (approximately 2.6 million of whom concurrently receive OASI or DI benefits) and incurred about $60 billion in SSI Federal and State supplementary benefit payment expenses[1] through the fiscal year. Learn more about SSI benefits on our website at SSA.gov/ssi.

We also support national programs administered by other Federal and State agencies, as required by law, such as Medicare, Medicaid, the Supplemental Nutrition Assistance Program, State Children's Health Insurance Program, E-Verify, Federal Benefits for Veterans, as well as

[1] Benefit payment expenses consist of benefits paid and the change in benefits accrued during FY 2025.

programs associated with the *Employee Retirement Income Security Act of 1974*, *Coal Industry Retiree Health Benefit Act*, and *Help America Vote Act of 2002*.

How Social Security Benefited America in Fiscal Year 2025

Our programs and services are vital to the public, and the scope of our work is enormous.

- We paid a combined total of over $1.6 trillion in Social Security and SSI benefits.
- This year, about 85 percent of persons aged 65 or older received Social Security and more than 90 percent of those aged 75 and older.
- On average each month, about one million blind or disabled children under age 18 received SSI benefits.

How We Served America in Fiscal Year 2025

- Processed over 528.1 million online transactions.
- Mailed nearly 300 million notices.
- Added 9.3 million new *my* Social Security accounts for a total of 97.3 million accounts. A new account is one where the customer is credentialed and has at least one *my* Social Security log-in.
- Provided *Social Security Statements* (*Statement*) to beneficiaries online via *my* Social Security nearly 50 million times, and by mail with approximately 10 million paper *Statements*.
- Eliminated frequent service downtimes, granting Americans 24/7 access to their personal *my* Social Security account.
- Processed over 17 million applications for new and replacement Social Security Number cards, in office and online through the Internet Social Security Number Replacement Card.
- Posted approximately 295 million annual earnings items to workers' records submitted by both employers and self-employed individuals.
- Reduced in-office wait times by 27 percent to 22 minutes.
- Ensured customers with an appointment only waited around 6 minutes on average to receive assistance.
- Transitioned all field offices to our agency's single telephone platform for consistency and efficiency of service, resulting in 20 percent of all calls to the field offices being handled instantaneously through automation, which gives our teams more time to focus on customers needing help in-person.

- Handled over 25 million calls in our field offices, our National 800 Number agents handled over 33 million calls, and our self-service options handled over 34.8 million calls. We reduced the annual average speed of answer to 15.1 minutes on our National 800 Number from 27.6 minutes in FY 2024.
- Sent over 3.1 million payments totaling $17 billion to eligible beneficiaries five months ahead of schedule under the Social Security Fairness Act.
- Reduced the initial disability claims backlog by 30 percent, from an all-time high of 1.3 million in FY 2024 to nearly 885,000 cases.
- Decreased Disability hearing wait times by nearly 60 days, reaching historic lows.
- Completed over 10.2 million retirement, survivor, disability, and Medicare claims for benefits; conducted over 401,000 full medical continuing disability reviews (CDR); and performed nearly 2.5 million non-medical redeterminations of SSI eligibility.
- Completed nearly 395,000 hearing requests, reviewed nearly 85,000 cases in the Appeals Council, and defended nearly 15,000 disability cases in Federal court.

DID YOU KNOW THAT FOLLOWING THE COMMISSIONER'S CONFIRMATION IN EARLY MAY…

The Initial Disability Claim Average Processing Time decreased by **17** days from May to September, and we decreased our backlog by nearly **89,000** claims

The Reconsideration Disability Claim Average Processing Time decreased by over **9** days from May to September.

The Hearings Average Processing Time decreased by **5** days from May to September

The Retirement, Survivor, and Medicare claims pending decreased by over **146,000** from May to September, and our timeliness increased by over **4** percentage points, achieving **87.1** percent in September.

Visitors who had a scheduled appointment only waited around **6** minutes on average to receive assistance

Organization

Serving the American public requires a vast network of facilities, technology, and skilled staff. Our Commissioner leads approximately 52,000 Federal employees and 13,700 State employees who serve our customers through a network of about 1,500 offices across the country and around the world. We administer our programs and services online, by phone, by video, and in person in our offices. Our customers can access our online services, such as applying for retirement, disability, and Medicare benefits; checking the status of an application or appeal; or requesting a replacement Social Security card.

The 13,700 State employees at disability determination services (DDS) make disability determinations for initial claims, reconsiderations, CDRs, and CDR appeals. We continue to persevere and improve DDS performance despite challenges with hiring and retaining staff. At the Federal level, our Federal Disability Determination Division has jurisdiction in handling disability claims filed by career railroad (RR) employees and certain dependent RR survivor disability annuitants.

Administrative law judges in our hearing offices and administrative appeals judges in our Appeals Council decide appealed cases.

Our processing centers handle the most complex benefit payment decisions, in addition to issuing benefit payments after appeals decisions, determining and collecting debt, correcting records, and performing program integrity work.

Our teleservice centers answer a broad range of Social Security and Medicare questions, schedule appointments for our field offices, provide status updates on current claims or appeals, and ensure the accuracy of our records.

For more information about our organization and its functions, visit our organizational structure webpage.

How Can We Help?

Did you know that Social Security provides financial protection for our nation's people, supporting Americans throughout all of life's journeys. In FY 2025, the agency provided service to more than 330 million Americans. For help finding your local Social Security office, visit our website at www.SSA.gov to use the office locator and to learn more about the online services we offer.

OVERVIEW OF OUR FISCAL YEAR 2025 PERFORMANCE RESULTS

How We Manage Performance

Performance Framework: The *Government Performance and Results Modernization Act of 2010* (GPRMA) describes how agency plans, priorities, and goals align with presidential terms and broader Federal efforts.

Setting goals and measuring our performance are vital to our success. For fiscal year (FY) 2025, in alignment with Presidential Executive Orders and Office of Management and Budget (OMB) guidance, we identified three strategic focus areas further detailed in our *President's FY 2026 Budget Request*:

- Improve Customer Service;
- Fight Fraud and Waste; and
- Optimize and Empower the Workforce.

Planned Performance: In January 2025, we published our *Annual Performance Report (APR) for FY 2024* that provides our actual performance results for achieving the Strategic Goals and Objectives in our *Agency Strategic Plan* from the prior Administration.

In June 2025, we published our *Annual Performance Plan (APP) for FY 2026 and Revised Performance Plan for FY 2025* as part of the *President's FY 2026 Budget Request*. The APP outlines our revised focus and tactical plans to improve the customer experience for all Americans to access their benefits in-person, over the phone, and online. The budgeted workloads published in our APP correspond to the key workload measures in the *FY 2025 Operating Plan*.

Actual Performance and Program Results: We update the APR after the close of the fiscal year to provide performance results for the previous fiscal year. We expect to publish the final APR containing our actual FY 2025 results and FYs 2026–2027 planned performance on our website in March 2026.

This *Agency Financial Report* summarizes our key initiatives, overall performance results, and financial activities we conducted to carry out our mission in FY 2025. The following table shows our operating expenses by strategic focus area:

FY 2025 Operating Expenses by Strategic Focus Area
(Dollars in Millions)

Strategic Focus Area	Operating Expenses
Improve Customer Service	**$12,255**
Fight Fraud and Waste	**$2,499**
Optimize and Empower the Workforce	**$580**

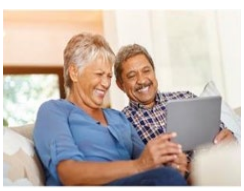
Priorities: In support of the GPRMA, we established three Agency Priority Goals (APG), which are 24-month goals reflecting our top priorities. We routinely review our progress and take actions to improve our outcomes, promote innovation, and deliver favorable results.

For FYs 2024–2025, our APGs were:

1. Improve Initial Disability Claims.
2. Improve the National 800 Number Service.
3. Improve the Supplemental Security Income Program.

These near-term goals improve outcomes, setting the stage for improved customer experience and efficiency. We set ambitious targets to improve service for each of these APGs. We are adjusting procedures, policies, and maximizing the resources we have, to improve services.

Please visit Performance.gov for more information on our APG goals, progress, results, and how we focus leadership priorities to drive progress and change.



Remember! You Can Access Our Services Online

Our online services allow you to request a replacement Social Security card (in most States), print a benefit verification letter, and more—from anywhere and from any of your devices!

Summary of Fiscal Year 2025 Performance

This section provides a high level overview of progress made in our FY 2025 agency-driven performance measures and targets established in our published *APP for FY 2026 and Revised Performance Plan for FY 2025*. We highlight the approaches we used to achieve our FY 2025 performance measure results, outline some of the challenges we faced meeting these targets, and provide an analysis of our performance.

Our budget drives the level of service we can deliver, including systems improvements and staffing to stay current with our workloads. While we face multiple challenges to restore service delivery to the standards both we and the public expect, we are working diligently to do so within our resource levels.

For FY 2025, we used 12 performance measures to track progress toward meeting our revised performance targets. Overall, we met our targets for 9 of the 10 performance measures with available data. Final data for 2 of the remaining performance measure targets were not available at the time we published this report. The unavailable data results are indicated as to be determined (TBD).

For more information on our FY 2025 performance, please see our FY 2025–2027 APR, which we expect to publish in March 2026.

Improve Customer Service

Our customers' needs are evolving, and we are using technology to serve them efficiently in the manner they want to be served. We seek to optimize the experience of our customers by providing timely, accurate, and efficient access to our services, while improving the public's experience with our services and programs. In FY 2025, we have made significant process in the following areas:

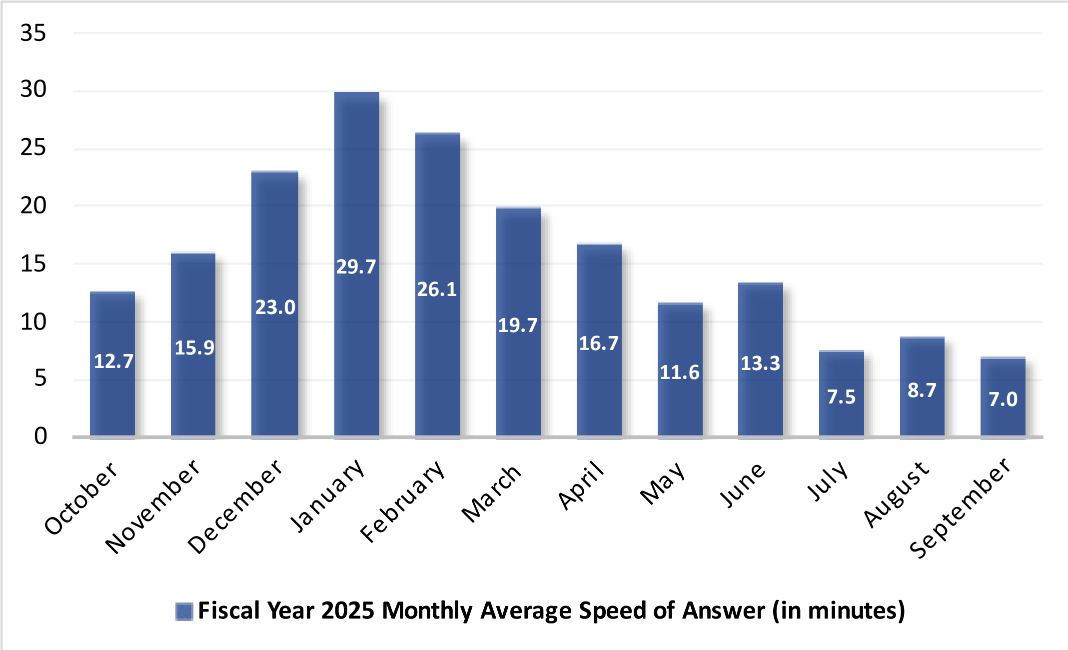
Online Services: We are committed to delivering excellent service to the public by leveraging advanced technology and promptly addressing customer needs at the first point of contact. The most convenient way for customers to access our services is through their *my* Social Security account, which offers immediate access to important information and tools, allowing customers to make the most of their time. To better serve our customers, we upgraded our website to provide uninterrupted, around-the-clock access to *my* Social Security. This enhancement eliminated 29 hours of scheduled downtime each week, ensuring the public has unrestricted access to their information whenever they need it. In FY 2025, we increased the total *my* Social Security accounts to more than 97.3 million. The growth in accounts, combined with our increased engagement on the benefits of doing business online, enabled a nearly 20 percent increase in online transactions this year compared to 2024.

Increase the number of successfully completed online transactions

FY 2025 Target	FY 2025 Results
Estimated target of 451 million	528.1 million

Telephone Service: We have modernized our National 800 Number Network (N8NN) to deliver more reliable, efficient, and accessible telephone service to the public. In FY 2025, we completed the transition to a new cloud-based phone system for all field offices. As a result, our N8NN and field offices are now on the same unified platform, which has improved call handling, reduced wait times, and enhanced customer satisfaction. For our N8NN, we enabled features such as improved callback options, artificial intelligence-powered self-service, multi-language support, and a streamlined interactive voice response system. We reduced the N8NN average speed of answer to a low of 7 minutes in September. Today, answer times on the N8NN are in the single digits while serving twice as many customers on average each day this year compared to the prior year. We also achieved a nearly 0 percent busy rate in September 2025 while handling over 3.5 million calls.

National 800 Number Average Speed to Answer



Disability Processing Times: In FY 2025, we took swift action to implement changes in technology, performance management, and business processes to address this service crisis. We made bold, transformative organizational changes to align all disability functions under one component to improve efficiency. We reduced the initial disability claims backlog to the lowest in three years, bringing it down to about 885,000 people awaiting a decision. We also made significant investments in disability case processing technology, including expanding our network of electronic medical evidence partners and enhancing the use of Intelligent Medical Language Analysis Generation to convert evidence in electronic disability folders into machine-readable text. These advancements increase productivity and generate cost savings. By leveraging advanced technological tools and implementing a portable workload strategy, we are addressing staffing inconsistencies, reducing long customer wait times, and mitigating capacity shortages often faced by our disability determination services partners. Identifying innovative and meaningful ways to support the States enables us to better serve the millions of people who apply for disability benefits each year.

Modernize evidence acquisition systems to drive increased electronic medical evidence volumes through a multi-channel strategy

FY 2025 Target	FY 2025 Results
Acquire 58% of electronic medical evidence	Acquired 60.4% of electronic medical evidence

The following table summarizes our FY 2025 performance measure targets and results that support our customer service efforts:

Improve Customer Service
Performance at a Glance

Performance Measure	FY 2025 Target	FY 2025 Result (Actual)	Performance Status
Improve user experience for SSA's website	Achieve an 80% or greater satisfaction score for customers using SSA's website	Achieved 80.1% satisfaction score for customers using SSA's website	**Met**
Collect customer feedback	Achieve a 2% increase in customer satisfaction based on the baseline customer experience scores for priority service designations established in FY 2024 (Retirement: 93.1%, Disability: 76.3%, iSSNRC: 91.3%)	Retirement: 89.7% Disability: 72.7% iSSNRC: 89.1%	**Not Met**
Increase the number of successfully completed online transactions	Increase the number of successfully completed online transactions by 10 million over the prior year (estimated target of 451 million)	528.1 million	**Met**
Modernize evidence acquisition systems to drive increased electronic medical evidence volumes through a multi-channel strategy	Acquire 58% of electronic medical evidence	Acquired 60.4% of electronic medical evidence	**Met**
Improve Processing Center (PC) Old-Age, Survivors, and Disability Insurance Claims Timeliness[2]	Achieve a PC timeliness rate of 91.3%	Achieved a PC timeliness rate of 92.2%	**Met**
Improve PC Administrative Law Judge[3] (ALJ) Favorable Reversals	Achieve a timely ALJ favorable decision PC processed rate of 97.8%	Achieved a timely ALJ favorable decision PC processed rate of 97.9%	**Met**

[2] Retirement, Survivors, and Health Insurance claims processed in time for initial payment or within 10 days of receipt is considered timely. Disability claims processed in time for initial payment or within 16 days of receipt is considered timely.
[3] ALJ favorable reversals processed by the PCs within 60 days are considered timely.

Fight Fraud and Waste

As public servants, we have the responsibility to carefully safeguard taxpayer dollars. That means making sure that every dollar is spent wisely, and that we are making the right spending decisions today to prepare for the future. We continuously seek ways to do business better by improving payment accuracy, enhancing fraud prevention and detection, and applying sound management principles to everyday work.

Payment Accuracy: Our employees are dedicated to protecting Social Security and ensuring that eligible individuals receive the benefits to which they are entitled. We take seriously our responsibility to increase payment accuracy and reduce errors in both the Old-Age, Survivors, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs. Our most recent payment accuracy report found that OASDI benefit payments were 99.79 percent free of overpayments and 99.93 percent free of underpayments, while 89.97 percent of all SSI payments were free of overpayments and 98.45 percent were free of underpayments.

To further reduce errors and strengthen program integrity, we implemented several key initiatives in FY 2025. Payroll Information Exchange launched in the second half of FY 2025, which automates wage reporting and reduces manual wage entry and reporting delays that can lead to improper payments. We updated disability-related forms to simplify and clarify questions, making it easier for beneficiaries and employers to provide accurate information. Our efforts also included enhanced identity proofing, comprehensive employee training, and targeted anti-fraud initiatives such as cooperative disability investigations and the expansion of Special Assistant United States Attorneys. These actions reflect our ongoing commitment to proper stewardship of taxpayer resources and to ensuring that Social Security benefits are delivered accurately and efficiently.

OMB Circular A-123, Appendix C, *Requirements for Payment Integrity Improvement*, defines "High-Priority" programs as all programs with improper payments resulting in monetary loss that exceed $100,000,000 annually. Our Old-Age and Survivors Insurance, Disability Insurance, and SSI programs meet the definition of High-Priority programs. See the Payment Integrity section of this report or PaymentAccuracy.gov for additional information on our program integrity efforts.

***Social Security Fairness Act* (SSFA):** In July 2025, we announced that we had completed sending over 3.1 million payments, totaling over $17 billion, to beneficiaries eligible under the SSFA, five months ahead of schedule. When the SSFA became law on January 5, 2025, we identified about 2.8 million current Social Security beneficiaries whose benefits were reduced because of the Windfall Elimination Provision or Government Pension Offset, including firefighters, police officers, teachers, and other essential public servants. Through technology automation and prudent resource management, we successfully completed actions on these beneficiaries' records, delivering for the public well ahead of the original year or more estimate.

Promote Efficiency and Reduce Costs in Procurement: As we focused on driving down costs, we reduced our contract and grant spending, as noted in our press release. In FY 2025, we terminated and descoped nearly $286.9 million in unnecessary contracts and grants. We will reinvest those savings into technology to better serve the public.

The following table summarizes our FY 2025 performance measure targets and results that support our stewardship efforts:

Fight Fraud and Waste
Performance at a Glance

Performance Measure	FY 2025 Target	FY 2025 Result (Actual)	Performance Status
Improve the integrity of the Supplemental Security Income Program by focusing our efforts on reducing overpayments	94.00% (OP)	Results available summer 2026	**TBD**
Maintain a high payment accuracy rate by reducing overpayments in the Old-Age, Survivors, and Disability Insurance Program	99.80% (OP)	Results available summer 2026	**TBD**
Ensure the quality of our decisions by achieving the State disability determination services decisional accuracy rate for initial disability decisions	97% decisional accuracy	Achieved 97.8% decisional accuracy	**Met**
Identify and eliminate non-critical contracts and grants	Achieve a cost avoidance of $180 million	Achieved a cost avoidance of $286.9 million[4]	**Met**
Reduce our real property footprint	Achieve a 250,000 USF reduction	Achieved a 316,869 USF reduction	**Met**

Scammers Are Pretending to be Government Employees

The Social Security Administration will never threaten, scare, or pressure you to take an immediate action.

DO NOT BE FOOLED! IF YOU RECEIVE A SUSPICIOUS CALL:
DO NOT give them money or personal information!

Report the scam at OIG.SSA.gov.
For more information, visit our Antifraud Facts website.

[4] Includes cost avoidance obtained in FY 2025 for both FY 2025 and future fiscal years.

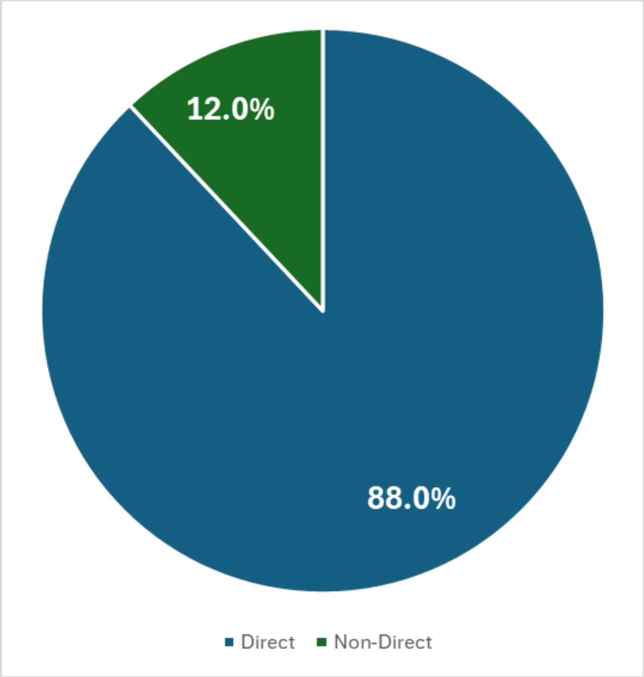
Optimize and Empower the Workforce

To deliver core mission services as our customer base grows, we continue to transform and empower our workforce to deliver outstanding service to every American. We realigned our employees to meet direct service challenges and support our frontline workers with technology and automation that dramatically shift the speed and accuracy with which we process our work.

Workforce and Organizational Realignment: With a renewed focus on our mission-critical service for the American people, we returned employees to the office full time and began reshaping our organization in FY 2025 to increase accountability. With these changes, we right-sized our workforce to fulfill statutorily-defined functions and complete program integrity work to protect taxpayer dollars. We realigned our workforce through large-scale restructuring to increase staff in our direct-service operations, streamlining our headquarters and regional structures, and consolidating similar functions across offices. We placed highly-qualified professionals in direct-service positions and provided them with the necessary tools to serve the public effectively. Many of these employees have years of experience in different types of positions across the agency, making them a tremendous asset in direct-service positions.

In the second half of FY 2025, we deployed approximately four percent of our field office staff (or 1,000 employees total) to assist with calls to the N8NN. Field office managers have the flexibility to rotate these staff members in and out of N8NN call duty, as needed, to support field office operational needs. At the same time, we were able to double the amount of work taken out of the field offices relative to the work added by that N8NN change by re-directing calls and other workloads from field office employees to employees in support units or by handling calls through automation.

FY 2025 Percentage of Employees in Direct vs Non-Direct Service



Employee Support Tools: We are focused on providing our employees with technical training and better electronic tools to assist them with serving our customers more effectively and efficiently. In FY 2025, we rolled out our Agency Support Companion, a generative Artificial Intelligence (AI) chatbot designed to assist with content creation, content summarization, and research tasks. We also completed the nationwide rollout of our Hearing Recording and Transcription system that automates transcripts through generative AI, which enhances business efficiency by allowing employees to dedicate more time to hearings and other priority workloads.

The following table summarizes our FY 2025 performance measure target and result that support our workforce efforts:

Optimize and Empower the Workforce
Performance at a Glance

Performance Measure	FY 2025 Target	FY 2025 Result (Actual)	Performance Status
Optimize our workforce	Increase full-time permanent employees in direct-service components to 88% of total staff	88% of total staff in direct-service components	Met

Looking Forward – Facing Our Challenges

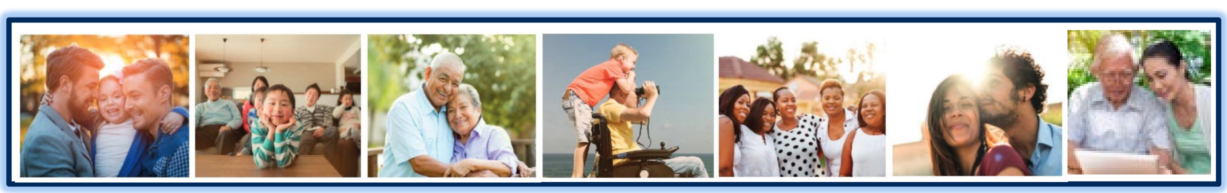
We recognize that outdated technology and business processes present significant challenges and impediments to meeting the needs of both our customers and employees. Addressing these obstacles is essential to delivering the high-quality service the public expects and supporting our dedicated workforce. Our digital-first strategy is designed to overcome these barriers by introducing modern, innovative solutions that will transform how we operate.

By embracing a digital-first approach, we are better positioned to meet the evolving demands of our customers—who increasingly prefer to do business with us online—while also revolutionizing the tools and processes available to our employees. These improvements are already driving measurable gains in productivity and efficiency, ultimately resulting in significant savings for the American taxpayer.

Building on our recent progress, we are modernizing our information technology infrastructure, transforming employee support systems, and rapidly expanding automation and self-service options for our customers. These initiatives are delivering tangible results: lowering unit costs, increasing productivity, and allowing us to reinvest savings into enhanced service delivery and program integrity.

The Administration has challenged us to fulfill our statutory responsibilities in the most cost-effective manner possible. In response, our IT investments are generating substantial savings in areas such as postage, rent, and personnel. We are deploying new technology across our customer contact and case processing systems, leveraging artificial intelligence to streamline workflows, and automating routine tasks. Through technology and innovation, we are not only meeting but exceeding our service and productivity goals, while delivering meaningful savings for the American taxpayer.

We remain steadfast in our commitment to serving our customers how they want to be served—whether in-person, online, or through other channels. Guided by customer preferences and feedback, we are dedicated to providing accessible and responsive service to all. Looking forward, these preferences will continue to guide us as we work to fulfill our mission and deliver high-quality service to the American public.



HIGHLIGHTS OF FINANCIAL POSITION

Overview of Financial Data

We received an unmodified opinion on our financial statements from Ernst & Young LLP. Our financial statements combined the results from the programs we administer, which include the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) programs (referred to as OASDI when discussing them in combination), and the Supplemental Security Income (SSI) program. OASI and DI have separate funds, which are financed by payroll taxes, interest on investments, and income taxes on benefits. General revenues from the U.S. Treasury finance SSI. Our financial statements, notes, and additional information are located in the *Financial Section* of this report. The following table presents key amounts from our basic financial statements for fiscal year (FY) 2025 (excluding key amounts from our Statements of Social Insurance and Statements of Changes in Social Insurance Amounts, which we present in the Table of Key Social Insurance Measures located in the Overview of Social Insurance Data section).

Table of Key Financial Measures[1]
(Dollars in Billions)

Net Position (end of fiscal year)	
	2025
Total Assets	$2,655.7
Less Total Liabilities	$182.2
Net Position (assets net of liabilities)	$2,473.5
Change in Net Position (end of fiscal year)	
	2025
Net Costs	$1,655.8
Total Financing Sources[2]	$1,498.9
Change in Net Position	$(156.8)

Notes:

1. Totals do not necessarily equal the sum of rounded components.
2. Total Financing Sources includes the following line items from the Statements of Changes in Net Position located in the *Financial Section* of this report: Net Change in Unexpended Appropriations, Appropriations Used in Cumulative Results of Operations, Total Non-Exchange Revenue, Transfers-In/Out Without Reimbursement, Imputed Financing Sources, and Other.

Balance Sheet: The Balance Sheet, located in the *Financial Section* of this report, presents as of a specific point in time, amounts of economic benefits we own or manage (assets), amounts we owe (liabilities), and residual amounts we retain, comprising the difference (net position).

Total assets for FY 2025 are $2,655.7 billion. Of the total assets, $2,639.4 billion relate to funds from dedicated collections for the OASI and DI programs. By statute, we invest those funds not needed to pay current benefits in interest-bearing Treasury securities. Our Investments line, which includes interest receivable, accounts for approximately 99.1 percent of our assets.

Liabilities grew in FY 2025 to $182.2 billion primarily due to our benefits due and payable of $169.6 billion. This majority of our liabilities (93.1 percent) consists of benefits that have accrued as of the end of the fiscal year, but have not been paid as of September 30, 2025. By statute, payment of OASI and DI program benefits for the month of September does not occur until October. Our net position is $2,473.5 billion in FY 2025.

Statement of Net Cost: The Statement of Net Cost, located in the *Financial Section* of this report, presents the annual cost of operating our three major programs: OASI, DI, and SSI. The Other category on the Statement of Net Cost consists primarily of our administrative costs not related to the OASI, DI, and SSI programs, and contains non-material activities.

Our net cost of operations includes the gross costs we incurred less any exchange revenue earned from activities. In FY 2025, our total net cost of operations is $1,655.8 billion. When evaluating our OASI, DI, and SSI Programs, our operating expenses for these programs are only 0.8 percent of these programs' total benefit expenses.

In FY 2025, our total benefit payment expenses are $1,639.6 billion. The following table provides the benefit payment expense information and the number of beneficiaries. Refer to Note 1, Reporting Entity and Summary of Significant Accounting Policies in the *Financial Section* of this report for additional information on benefit payments.

Benefit Information for Our Major Programs During Fiscal Year 2025

OASI	
	2025
Benefit Payment Expense[1]	$1,423.0
Average Monthly Benefit Payment[2, 3]	$1,920.73
Number of Beneficiaries[3, 4]	62.0
DI	
	2025
Benefit Payment Expense[1]	$156.3
Average Monthly Benefit Payment[2, 3]	$1,447.56
Number of Beneficiaries[3, 4]	8.1
SSI	
	2025
Benefit Payment Expense[1]	$60.3
Average Monthly Benefit Payment[2, 3]	$717.20
Number of Beneficiaries[3, 4]	7.4

Notes:

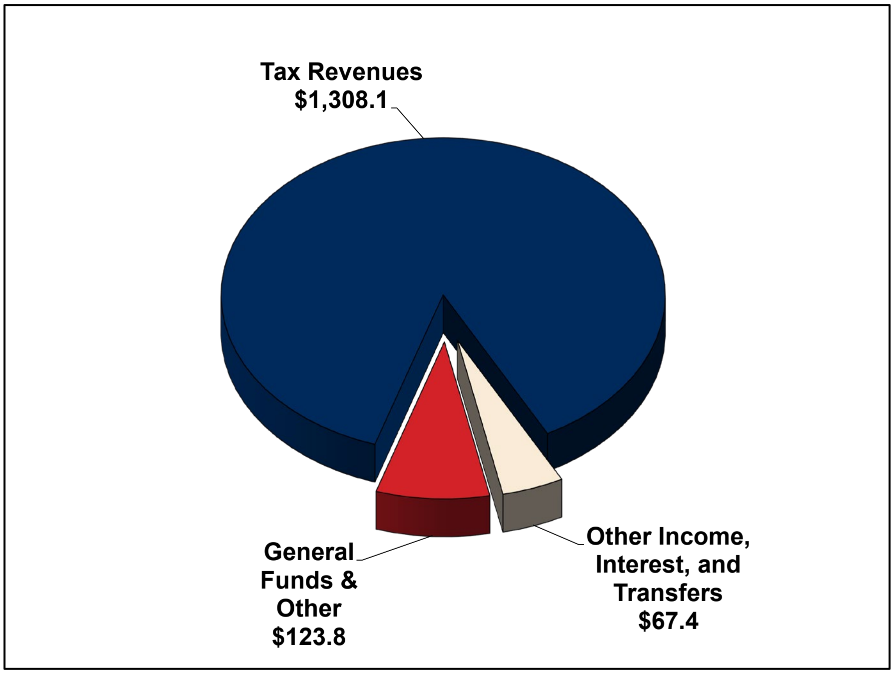
1. Benefit payment expense presented in billions.
2. Average monthly benefit payment for OASI, DI, and SSI programs presented in actual dollars.
3. Average monthly benefit payment and number of beneficiaries for OASI, DI, and SSI as of September 30.
4. Number of beneficiaries presented in millions.

Statement of Changes in Net Position: The Statement of Changes in Net Position, located in the *Financial Section* of this report, presents those accounting items that caused the net position section of the Balance Sheet to change from the beginning to the end of the reporting period. The Statement shows a decrease of $156.8 billion in the net position of our agency, which is attributable to our net cost exceeding our financing sources. OASDI financing sources are primarily made up of tax revenues and interest earned. In addition, OASDI financing sources are affected by transfers-in from our Payments to the Trust Fund accounts and transfers-out to our Limitation on Administrative Expenses accounts and the Railroad Retirement Board. We use most of the resources available to us to finance OASDI benefits and cover administrative expenses. As of September 30, 2025, OASI's FY 2025 net cost exceed financing sources, decreasing its net position. DI's FY 2025 financing sources exceed its net cost, increasing its net position.

In FY 2025, total financing sources, as shown in the Table of Key Financial Measures displayed earlier in this section, are $1,498.9 billion. This is primarily due to the OASI and DI tax revenues received in FY 2025. Tax revenue is $1,308.1 billion in FY 2025. The $1,498.9 billion in total financing sources from the Statement of Changes in Net Position will not match the amounts reported in the following "Where It Comes From…" chart. The activity reported in the chart includes $0.4 billion in exchange revenue. Our exchange revenues primarily include payments of fees we receive from States that have us administer their State Supplementation of Federal SSI benefits. These amounts are reported on the Statement of Net Cost and are not classified as a financing source.

The following charts summarize the activity on our Statement of Net Cost and Statement of Changes in Net Position by showing the sources and uses of funds for FY 2025.

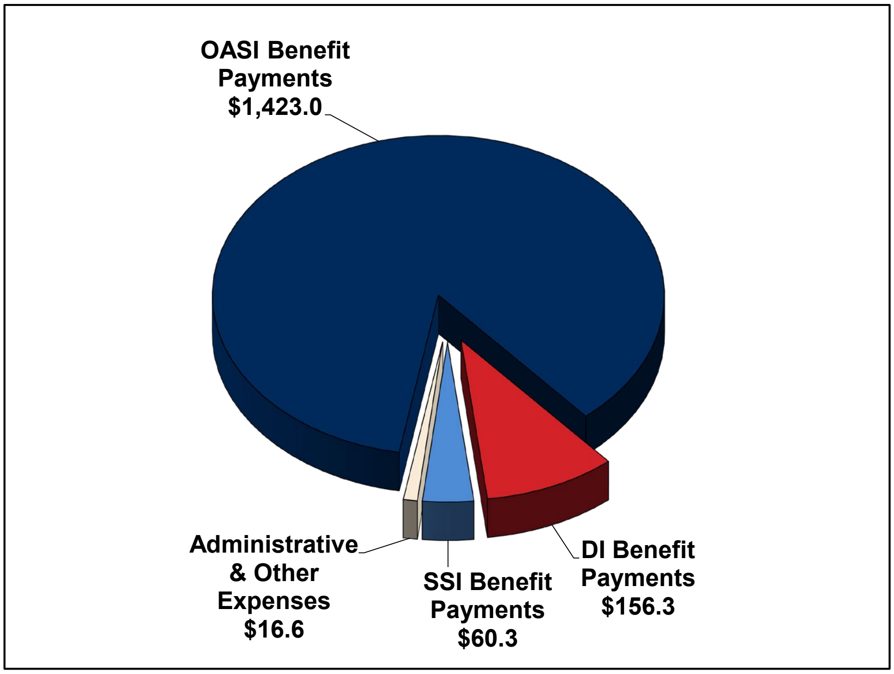
Where It Comes From[1]…
(Dollars in Billions)



Note:

1. The individual items included in the "Where It Comes From…" chart total $1,499.3 billion. Of this total, $0.4 billion relates to exchange revenue, which is not included on the Statement of Changes in Net Position.

…Where It Goes
(Dollars in Billions)



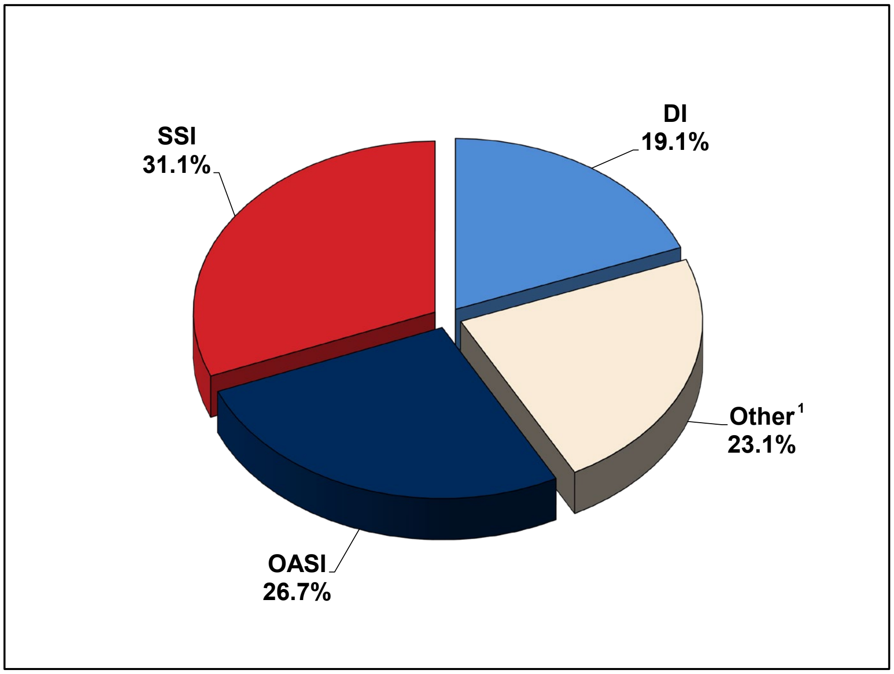
The SSI program's Cumulative Results of Operations are negative due to unfunded Benefits Due and Payable liabilities. Unadjudicated and adjudicated, or pending, claims make up a significant portion of SSI's Benefits Due and Payable activity. SSI will pay for these benefits using future years' resources. While the activity is unfunded, we still record an expense, which creates the negative Cumulative Results of Operations since we do not record an associated financing source.

Statement of Budgetary Resources: The Statement of Budgetary Resources, located in the *Financial Section* of this report, provides information on the budgetary resources available to our agency for the year and shows the status of those resources at the end of FY 2025. The Statement shows that we had $1,742.1 billion in budgetary resources, of which $1.7 billion remained unobligated at year-end. We recorded total net outlays of $1,646.5 billion by the end of the year, which primarily represents OASDI and SSI benefit payments during the fiscal year.

Use of Administrative Resources

The following chart displays the use of all administrative resources (including general operating expenses) for FY 2025 in terms of the programs we administer or support. Although the DI program comprises only 9.5 percent of the total benefit payments we make, it consumes 19.1 percent of annual administrative resources. Likewise, while the SSI program comprises only 3.7 percent of the total benefit payments we make, it consumes 31.1 percent of annual administrative resources. State disability determination services decide whether the claimants for DI and SSI disability benefits are disabled. In addition, disability determination services perform continuing disability reviews of individuals receiving DI and SSI disability payments to ensure continued eligibility for benefits.

Use of Administrative Resources by Program
FY 2025



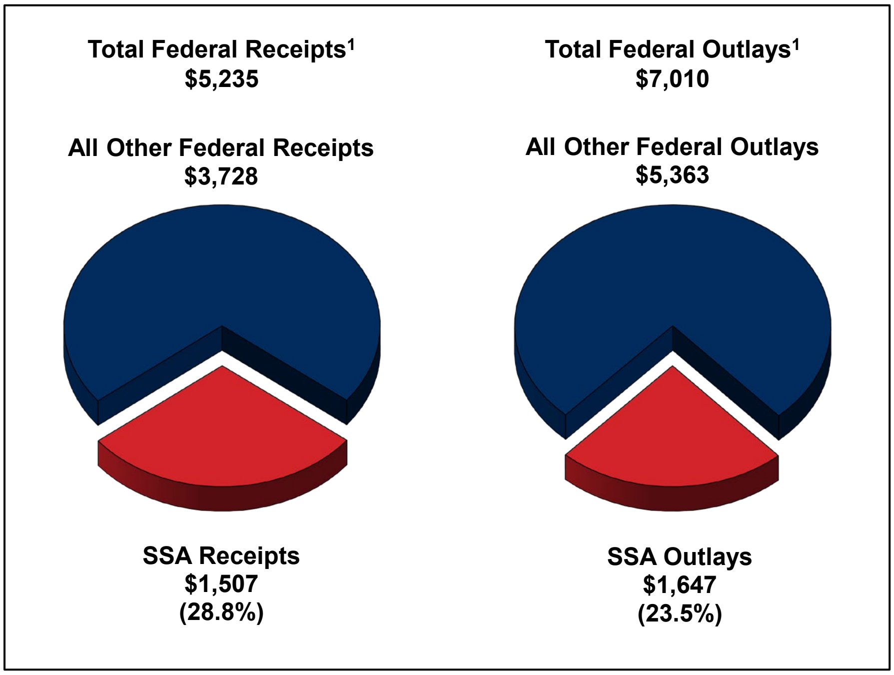
Note:

1. Other primarily consists of Hospital Insurance/Supplemental Medical Insurance.

Share of Federal Operations

The programs we administer constitute a large share of the total receipts and outlays of the Federal Government, as shown in the following chart. Receipts for our programs in FY 2025 represented 28.8 percent of the $5.2 trillion in total Federal receipts, while outlays represented 23.5 percent of the $7.0 trillion in total Federal outlays.

Share of Federal Receipts and Outlays
FY 2025
(Dollars in Billions)



Note:

1. Data Source: Final Monthly Treasury Statement of Receipts and Outlays of the United States Government.

Overview of Social Insurance Data

Table of Key Social Insurance Measures[1]
(Dollars in Billions)

Statements of Social Insurance Old-Age, Survivors, and Disability Insurance (OASDI) (calendar year basis)				
	2025	2024	Increase / (Decrease) [3]	
Present value of future net cash flows[2] for current and future participants over the next 75 years (open group measure)	$(27,851)	$(25,406)	$(2,444)	(9.6)%

Notes:

1. Totals do not necessarily equal the sum of rounded components.
2. Present values used in this presentation are based on the full amounts of estimated noninterest income and the cost of providing benefits at the levels scheduled under current law, even after the combined OASI and DI Trust Fund reserves are depleted. Future net cash flows are defined as future inflows (noninterest income) less future outflows (the cost of providing scheduled benefits) and are estimated over the appropriate 75-year period.
3. We provide high-level descriptions of the reason for the change in present value from year to year in the Statement of Changes in Social Insurance Amounts subsection on the following page.

Statements of Social Insurance: The Statements of Social Insurance, located in the *Financial Section* of this report, present the following estimates:

- The present value of estimated future noninterest income to be received from or on behalf of current participants who have attained retirement eligibility age (i.e., age 62 and over) and the estimated future cost of providing scheduled benefits to those same individuals;
- The present value of estimated future noninterest income to be received from or on behalf of current participants who have not yet attained retirement eligibility age (i.e., ages 15–61) and the estimated future cost of providing scheduled benefits to those same individuals;
- The present value of estimated future noninterest income less estimated future cost for the closed group, which represents all current participants who attain age 15 or older in the first year of the projection period, plus the reserves in the combined OASI and DI Trust Funds as of the beginning of the valuation period;
- The present value of estimated noninterest income to be received from or on behalf of future participants (those under age 15 and to be born during the period) and the cost of providing scheduled benefits to those same individuals; and
- The present value of estimated future noninterest income less estimated future cost for the open group, which represents all current and future participants (including those to be born during the projection period) who are now participating or are expected to eventually participate in the OASDI programs, plus the reserves in the combined OASI and DI Trust Funds as of the beginning of the valuation period.

Estimated future noninterest income shown in the bullets above 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. The estimated future cost shown in the prior bullets includes benefit amounts scheduled under current law, administrative expenses, and net transfers with the Railroad Retirement program.

The present value of estimated future net cash flows (estimated noninterest income less estimated cost for scheduled future benefits) for all current and future participants over the next 75 years (open group measure) decreased from -$25.4 trillion, as of January 1, 2024, to -$27.9 trillion, as of January 1, 2025. The deficit, therefore, increased in magnitude by almost $2.5 trillion. Including the reserves in the combined OASI and DI Trust Funds increases this open group measure by about $2.7 trillion, to -$25.1 trillion, for the 75-year valuation period.

The present value of estimated future net cash flows for all current participants (who attain age 15 or older in the first year of the projection period) over the next 75 years, plus the reserves in the combined OASI and DI Trust Funds as of the beginning of the period, is -$51.3 trillion (closed group measure). Including future participants (those under age 15 and to be born during the projection period) over the next 75 years decreases the projected deficit by $26.2 trillion to the open group measure of -$25.1 trillion.

Statements of Changes in Social Insurance Amounts: The Statements of Changes in Social Insurance Amounts, located in the *Financial Section* of this report, reconcile the changes (between the current valuation period and the prior valuation period) in the 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. This reconciliation identifies significant components of the changes and provides reasons for the changes.

From January 1, 2024 to January 1, 2025: Changes in the present value of estimated future net cash flows for this valuation are due to the following factors:

- Advancing the valuation date by one year and including the additional year, 2099, by itself decreased the present value of estimated future cash flows by $0.8 trillion;
- Changes in demographic data, assumptions, and methods decreased the present value of estimated future net cash flows by $0.1 trillion;
- Changes in economic data, assumptions, and methods decreased the present value of estimated future net cash flows by $0.3 trillion;
- Changes in programmatic data and methods decreased the present value of estimated future net cash flows by $0.2 trillion; and
- Changes in law or policy decreased the present value of estimated future net cash flows by $1.0 trillion.

Significant changes made for this valuation included:

- The implementation of the *Social Security Fairness Act of 2023*, which was enacted on January 5, 2025. This law repealed the Windfall Elimination Provision and Government

Pension Offset. Implementation of this law increased Social Security benefits for certain people who worked in jobs that were not covered by Social Security;

- Reaching the ultimate total fertility rate of 1.9 children per woman 10 years later; and
- Lowering the long-term assumption for the ratio of total labor compensation to gross domestic product.

OASI and DI Trust Fund Solvency

Significant uncertainty surrounds the estimates for the Statements of Social Insurance. In particular, the actual future values of demographic, economic, and programmatic factors are likely to be different from the near-term and ultimate assumptions used in the projections. Some examples of sources of near-term uncertainty include unanticipated changes in inflation, earnings growth, and interest rates. Such near-term effects do not generally have significant effects on the long-term values shown in the Statements of Social Insurance. Some examples of sources of long-term uncertainty include the effects of levels of future government spending and taxation, and possible future global events and technological advances. To illustrate the uncertainty of the projections, we include sensitivity analysis on a range of long-term assumptions in the *Required Supplemental Information: Social Insurance* section of this report.

Pay-As-You-Go Financing

The OASI and DI Trust Funds are deemed solvent as long as reserves are sufficient to finance program obligations in full and on a timely basis. Such solvency is indicated, for any point in time, by the maintenance of positive OASI and DI Trust Fund reserves. Beginning in 2021, program obligations for the OASDI program have exceeded income, including interest income on reserves held in the combined OASI and DI Trust Funds; therefore, the combined OASI and DI Trust Fund reserves have declined. Under the intermediate assumptions in the 2025 Trustees Report, the reserves are projected to continue to decline until reserves become depleted in 2034.

The following table shows that the combined OASI and DI Trust Fund reserves, expressed in terms of the number of months of program obligations that these reserves could finance, has been declining slowly. This measure indicates the ability of the OASI and DI Trust Funds to cover most short-term financial contingencies. According to the intermediate projections in the 2025 Trustees Report, the number of months that the reserves of the combined OASI and DI Trust Funds could finance was 28.1 months at the end of FY 2021, declining to 25.1 months at the end of FY 2022, 23.1 months at the end of FY 2023, and to estimated values of 21.0 months and 18.6 months at the end of FY 2024 and FY 2025, respectively.

Number of Months of Cost Fiscal-Year-End Trust Fund Reserves Can Pay[1,2]

	2025	2024	2023	2022	2021
OASI	19.1	22.0	24.6	27.2	30.8
DI	13.9	12.9	11.0	9.0	8.1
Combined	18.6	21.0	23.1	25.1	28.1

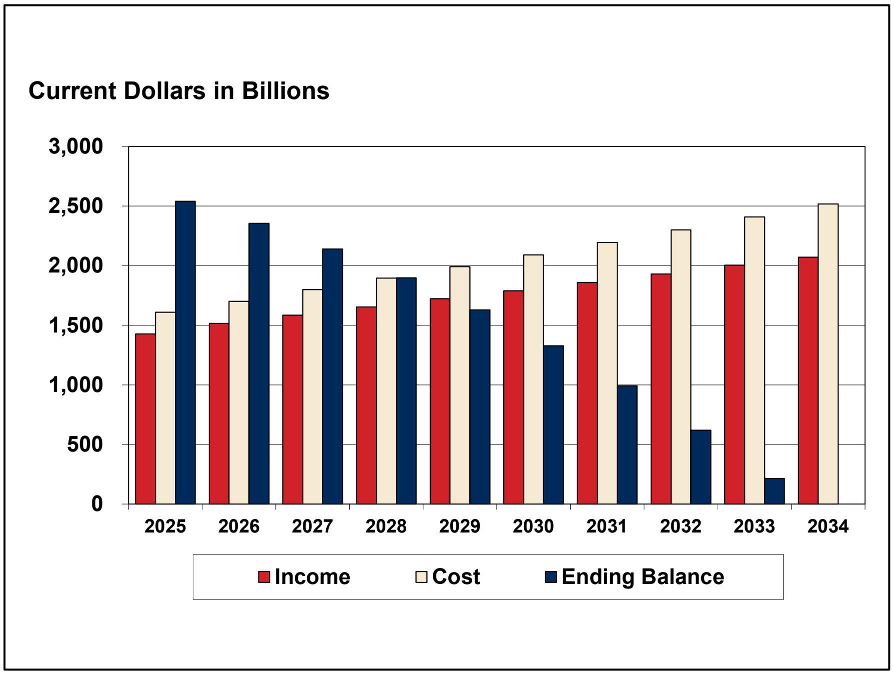
Notes:

1. Computed as 12 times the ratio of end-of-year reserves to cost in the following fiscal year.
2. Values for FY 2024 and FY 2025 are estimates based on the intermediate set of assumptions of the 2025 Trustees Report.

Short-Term Financing

Having trust fund reserves at the beginning of a year at least equal to the projected cost for that year is a good indication that a trust fund can cover most short-term contingencies. Beyond this rough indication, the annual Trustees Reports also include some formal tests to assess financial status. Projections in the 2025 Trustees Report indicate that, on a hypothetical combined basis, the OASI and DI Trust Funds fail the test of short-range financial adequacy, and are therefore not sufficiently financed over the next 10 years. Under the intermediate set of assumptions of the 2025 Trustees Report, OASDI estimated costs of $2,518 billion and income of $2,070 billion for 2034 are 70 percent and 46 percent higher than the corresponding amounts in 2024 ($1,485 billion and $1,418 billion, respectively). From the end of 2024 to the end of 2034, combined OASI and DI Trust Fund reserves are projected to decrease by 100 percent, from $2.7 trillion until the projected reserve depletion in 2034.

OASDI Income, Cost, and Trust Fund Reserve Balances in the Short Term



Long-Term Financing

Social Security's financing is not projected to be sustainable over the long term with the tax rates and benefit levels scheduled in current law. Under the intermediate set of assumptions of the 2025 Trustees Report, program costs will exceed income in all years of the 75-year projection period. The combined OASI and DI Trust Fund reserves are projected to become depleted in 2034. Tax revenues are projected to be sufficient to support expenditures at a level of 81 percent of scheduled benefits after the combined OASI and DI Trust Fund reserves become depleted in 2034, declining to 72 percent of scheduled benefits in 2099.

The primary reasons for the projected long-term inadequacy of financing under current law relate to changes in the demographics of the United States: birth rates dropping substantially after 1965, retirees living longer, and baby boomers continuing to retire. In present value terms, the 75-year shortfall is $25.1 trillion, which is 3.64 percent of taxable payroll and 1.3 percent of gross domestic product over the same period. Some of the possible reform alternatives being discussed–singularly or in combination with each other–are:

- Increasing payroll taxes;
- Slowing the growth in benefits;
- Finding other revenue sources (such as general revenues); or
- Increasing expected returns by investing the OASI and DI Trust Fund reserves, at least in part, in private securities.

Limitations of the Financial Statements

The financial statements beginning on page 47 are prepared to report the financial position, financial condition, and results of operations of the Social Security Administration, consistent with the requirements of 31 United States Code 3515(b). The statements are prepared from records of the Social Security Administration in accordance with Federal generally accepted accounting principles and the formats prescribed by the Office of Management and Budget. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

Management Assurances

Fiscal Year 2025 Commissioner's Assurance Statement

SSA management is responsible for managing risks and maintaining effective internal control and financial management systems (FMS) to meet the objectives of Sections 2 and 4 of the *Federal Managers' Financial Integrity Act* (FMFIA). We conducted our assessment of risk and internal control in accordance with the requirements of Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Our assessment considered the design and operating effectiveness of our data quality controls to ensure they support *Digital Accountability and Transparency Act* reporting objectives as outlined in our *Data Quality Plan*. Based on the assessment results, we can provide reasonable assurance that internal control over operations, reporting, and compliance were operating effectively as of September 30, 2025.

The agency's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with U.S. Generally Accepted Accounting Principles. Management is also responsible for designing, implementing, and maintaining effective internal control over financial reporting. An entity's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. Generally Accepted Accounting Principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction, of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

We conducted our assessment of the effectiveness of internal control over financial reporting, based on criteria established in the *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States. Based on the assessment results, we concluded that, as of September 30, 2025, SSA's internal control over financial reporting is effective.

The *Federal Financial Management Improvement Act of 1996* (FFMIA) requires Federal agencies to implement and maintain FMSs that comply substantially with: 1) Federal FMS requirements; 2) applicable Federal accounting standards; and 3) the U.S. Standard General Ledger at the transaction level. We assessed our FMSs in accordance with the requirements of OMB Circular No. A-123, Appendix D, *Management of Financial Management Systems – Risk and Compliance*. Based on the assessment results, we determined our FMSs substantially comply with FFMIA and conform to the objectives of FMFIA. In making this determination, we considered all available information, including the auditor's opinion on our fiscal year 2025 financial statements, the report on the effectiveness of internal controls over financial reporting, and the report on compliance with laws and regulations. We also considered the results of the FMS reviews and management control reviews conducted by the agency and its independent contractor.

Frank J. Bisignano
Commissioner
January 15, 2026

Agency Federal Managers' Financial Integrity Act Program

We have a well-established, agency-wide management control and financial management systems (FMS) program as required by the *Federal Managers' Financial Integrity Act* (FMFIA). We accomplish the objectives of the program by:

- Integrating management controls into our business processes and FMSs at all organizational levels;
- Reviewing our management controls and FMS controls on a regular basis; and
- Developing corrective action plans for control weaknesses and monitoring those plans until completion.

We incorporate effective internal controls into our business processes and FMSs through the life cycle development process. We incorporate the necessary controls into the user requirements, certify the controls are in place by having management review the new or changed processes and systems, and test the controls prior to full implementation to ensure they are effective.

We identify management control issues and weaknesses through audits, reviews, studies, and observations of daily operations. We conduct internal reviews of management and systems security controls in our administrative and programmatic processes and FMSs. These reviews evaluate the adequacy and efficiency of our operations and systems, and provide overall assurance that our business processes are functioning as intended. The reviews also ensure management controls and FMSs comply with the standards established by FMFIA, the *Federal Financial Management Improvement Act of 1996*, and Office of Management and Budget (OMB) Circular Nos. A-123 and A-130. Throughout the fiscal year, management control issues and weaknesses are reviewed individually and in the aggregate to determine if a reportable condition exists.

Our managers are responsible for ensuring effective internal control in their areas and communicating possible reportable conditions as necessary. We require senior-level executives to submit annual statements to the Commissioner providing reasonable assurance that functions and processes under their areas of responsibility were functioning as intended and that there were no major weaknesses that would require reporting, or a statement indicating they could not provide such assurance. This executive accountability assurance provides an additional basis for the Commissioner's annual assurance statement.

Our Executive Internal Control Committee, consisting of senior managers, ensures our compliance with FMFIA and other related legislative and regulatory requirements. The Executive Internal Control Committee evaluates identified major control weaknesses to determine if they are material, and if the Commissioner must make a final determination on whether to report them.

For more information, please refer to the Summary of Financial Statement Audit and Management Assurances located in the *Other Information* section of this report.

Management Control Review Program

In compliance with OMB Circular No. A-123, we have an agency-wide review program for management controls in our administrative and programmatic processes. The reviews encompass our business processes, such as enumeration, earnings, claims and post-entitlement events, and debt management. We conduct these reviews at our field offices, processing centers, hearings offices, and at the State disability determination services. These reviews indicate our management control review program is effective in meeting management's expectations for compliance with Federal requirements.

Financial Management Systems Review Program

The agency maintains an FMS inventory and conducts reviews of the FMSs to ensure they meet Federal requirements. In addition to our financial systems, we include all major programmatic systems in the FMS inventory. On a three-year cycle, an independent accounting firm performs detailed reviews of our FMSs. During fiscal year (FY) 2025, the results of these reviews did not disclose any significant weaknesses that would indicate noncompliance with laws, Federal regulations, or Federal standards.

Government Accountability Office's, Standards for Internal Control in the Federal Government

In FY 2025, we engaged an independent accounting firm, separate from our independent auditor, to assess our compliance with the Government Accountability Office's (GAO), *Standards for Internal Control in the Federal Government*. The standards provide the internal control framework and criteria that Federal managers should use to design, implement, and operate an effective internal control system that will provide us with reasonable assurance that we will achieve our operations, reporting, and compliance objectives. Based on the procedures performed, the independent accounting firm concluded we have an adequately designed system of internal controls that meets the GAO's standards.

Enterprise Risk Management

We continue to mature our Enterprise Risk Management (ERM) program in accordance with OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. We have implemented a multi-year strategy that will further integrate our existing internal control and risk management frameworks with our strategic planning and review processes. During FY 2025, we continued to expand on our *Risk Evaluation, Assessment, and Considerations Handbook* that provides guidance in incorporating risk assessments and analyses into agency projects, initiatives, and decision memorandums. We incorporated more continuous monitoring into our risk profile process, providing more frequent updates to our risk response and proposed actions sections along with considerations of which risks to include. The risks included in our risk profile align with the Inspector General's report on the agency's "Major Management and Performance Challenges." We updated our risk appetite statement to reflect the changes to our risk posture, aligning with agency leadership. Finally, we are constantly reaching out beyond our Program Partners to integrate ERM with various risk functions throughout the agency.

Financial Statement Audit

The Office of the Inspector General (OIG) contracted with Ernst & Young LLP (EY) for the audit of our FY 2025 financial statements. EY opined that the Consolidated Financial Statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles (GAAP) for Federal entities.

EY also opined that the Sustainability Financial Statements, which comprise the Statement of Social Insurance as of January 1, 2025, and the Statement of Changes in Social Insurance Amounts for the period January 1, 2024 to January 1, 2025, are presented fairly, in all material respects, in accordance with U.S. GAAP.

EY opined that we maintained, in all material respects, effective internal control over financial reporting as of September 30, 2025, based on the criteria established in the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States.

In this year's financial statement audit, EY cited two significant deficiencies identified in prior years. These significant deficiencies concern internal controls over certain financial information systems and internal control over accounts receivable with the public (benefit overpayments). Efforts are underway to rectify deficiencies identified through audits by using risk-based corrective action plans to mitigate risks and strengthen our internal control environment.

For more information on the auditors' findings and our plans to correct the findings, please refer to the *Reports of Independent Auditors* and *Agency Response to the Reports of Independent Auditors* sections of this report.

Federal Information Security Modernization Act

The *Federal Information Security Management Act of 2002* (FISMA), as amended by the *Federal Information Security Modernization Act of 2014*, requires federal agencies to ensure adequate security protections for Federal information systems and data. In accordance with this mandate, agencies must submit annual FISMA reports to OMB. We submitted this year's report on time, providing a comprehensive summary of our security reviews for major information systems and programs, our progress in meeting the Administration's cybersecurity priorities, and the results of other activities conducted during the reporting period, as measured by government-wide cybersecurity performance metrics.

For the FY 2025 FISMA audit, EY identified several recommendations to further mature the agency's cybersecurity posture, including process improvements related to the integration of our enterprise and cybersecurity risk management programs. Based on their assessment, EY issued an overall "Not Effective" rating for our program.

We recognize that strong enterprise cyber governance and effective management of cyber risks are critical to our mission, and we remain committed to continuous improvement across all FISMA domains. To support this, we established an Analytics and Improvements component to centralize authority for data inventory, leveraging existing tools and services such as the Enterprise Data Catalog, with full implementation targeted by January 2026. Additionally, we have continued to mature our Cybersecurity Risk Program Management Office and have developed a cyber risk taxonomy aligned with the agency's ERM Program. These ongoing efforts will enhance our performance in all FISMA domains and support strategic decision-making.

Furthermore, we are transitioning to a new platform to centralize our governance, risk, and compliance (GRC) activities. This transition will streamline operations, improve service delivery, and enable the migration of all asset inventories to a centralized location, supporting seamless integration with the GRC program.

We concur with EY's "Effective" rating for our Incident Response program, which further demonstrates our commitment to robust incident detection and response capabilities in an evolving threat landscape. Our response to emerging threats, including high-profile exploits affecting both corporate and government entities in FY 2025, highlights our ability to safeguard the agency's information technology assets. We have successfully completed the majority of initial onboardings for enterprise logging (EL) Level 1 assets, set forth in OMB Memorandum 21-31, "Improving the Federal Government's Investigative and Remediation Capabilities Related to Cybersecurity Incidents." We are actively onboarding information systems that qualify for EL Level 2.

The agency will continue to prioritize risk-based decision-making in implementing recommended cybersecurity program improvements. It is important to note that many of these initiatives require multi-year investments to fully meet the criteria for an "Effective" program, as defined by the relevant metrics.

Financial Management Systems Strategy

Over the years, we have worked hard to improve our financial management practices. We continue to develop initiatives to enhance the existing financial and management information systems. Our actions demonstrate discipline and accountability in the execution of our fiscal responsibilities as stewards of the Social Security programs. Going forward, our goal is to achieve government-wide and internal financial management milestones established for improvement.

Annually, we review and update our FMS inventory to reflect the status of our systems modernization projects. We categorize our inventory of FMSs under the broad headings of Program Benefits, Debt Management, or Financial/Administrative and continue the long-term development of our FMSs following a defined strategy.

For the Financial/Administrative systems category, the Social Security Online Accounting and Reporting System (SSOARS) has been our accounting system of record since its implementation in 2003. Every agency financial transaction is recorded in SSOARS. SSOARS is subject to extensive audit testing procedures by the independent auditors contracted by OIG in accordance with the *Chief Financial Officer's Act of 1990*.

SSOARS is a federally certified accounting system based on Oracle Federal Financials and consists of general ledger, payables, purchasing, receivables, iStore, Service Oriented Architecture Suite, and Single Sign-on (SSO) services. SSOARS produces management information reports and provides real-time integration with administrative and programmatic systems for purchasing, payables, and receivables, which significantly improves reporting accuracy and timeliness.

In FY 2025, we migrated SSOARS to new hardware. The move to the new hardware entailed a change from Solaris to LINUX operating systems. This hardware migration supported improved cadence of monthly hardware and operating system patching. This also achieved more compliance with the agency's Chief Information Officer (CIO)-recommended technologies upon retirement of the Oracle hardware in December.

We achieved significant results with Executive Order (E.O.) 14168 compliance by applying two different patches. We reimplemented Multi-Factor Authentication (MFA)-compliant SSO for invoice approval system users which achieves compliance with the agency's CIO MFA requirements. We monitored and resolved multiple Known Exploited Vulnerabilities (KEV), which are risks identified by the Cybersecurity and Infrastructure Security Agency (CISA). This achieves compliance with the CISA rules for Federal agencies to speedily patch KEV as published by CISA. We replaced de-supported commercial off-the-shelf Preventive Controls Governor software with agency-developed custom configurations achieving form and field changes and validations. We addressed prior year financial audit findings related to timely user removal and system scan result remediation. We implemented a General Ledger upload solution to replace Oracle technology reliant on ActiveX. We improved System Life Cycle environments with the addition of a development environment and made all environments more production-like.

Throughout FY 2026, we plan to continue execution of G-Invoicing releases and patches, with the intention to support G-Invoicing 7600EZ functionality ahead of its use by Go.gov. We will implement multiple new real-time interfaces with the new Federal Travel System, Go.gov. We will analyze and compare Financial Management Quality Service Management Office (FM QSMO) offerors to determine the best offering for the agency. Based on that analysis, and in compliance with E.O. 14249, our goal is to procure an FM QSMO core financial system and related implementation services in FY 2026. If that procurement timeframe is met, FM QSMO system implementation tasks will run through FY 2027 and FY 2028 with tentative cutover at the beginning of FY 2029. We will continue working on E.O. 14222, for payment justifications, and E.O. 14247, working to reduce administrative check payments. We will continue to monitor and resolve issues as CISA identifies risks and vulnerabilities and apply patching for the associated KEV. We will continue to conduct major infrastructure patching of SSOARS.

Digital Accountability and Transparency Act

We submitted and certified the required reports for the *Digital Accountability and Transparency Act* (DATA Act) for the fourth quarter of FY 2024 and the first, second, and third quarters of FY 2025. These reports were submitted monthly as required by OMB Memorandum M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*. Additionally, we have submitted the required reports for July, August, and September 2025.

We are continuing to engage with the DATA Act community to develop improvements to the Governmentwide Spending Data Model (GSDM) formerly known as the DATA Act Information

Model Schema (DAIMS). We participate in workgroups to develop policy, guidance, and new reporting requirements. The DATA Act effort will continue to enhance our transparency through improved consistency. In addition, we are providing more detailed data to USASpending.gov and additional data to Treasury.

In compliance with OMB Memorandum M-18-16, *Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk,* we have developed a *Data Quality Plan* to ensure we have effective internal controls over the input and validation of data submitted to USAspending.gov. We leverage our existing FMFIA program activities to identify critical risk points and corresponding mitigating controls and assess the design and operating effectiveness of our data quality controls to ensure they support DATA Act reporting objectives. We also consider the results of our assessment in our FMFIA annual assurance statement process.

The DATA Act has provided the agency a tool to remove the silos for the various lines of business that are impacted by the DATA Act. There is a coordinated effort between finance, budget, acquisition, and financial assistance to make sure our spending data links between the various systems. This allows a link from budget formulation to award issuance to funds disbursement.

USAspending.gov displays the number of unlinked awards submitted for each period for both contracts and financial assistance. In FY 2025, we had 2,512 unlinked awards and 98 percent of these awards were either zero dollar or micro-purchase. These unlinked awards link internally, but due to reporting requirements, do not link externally on USAspending.gov. The unlinked awards on USAspending are dynamic and can change from submission to submission as new data is submitted.

Since the first DATA Act reporting period, second quarter of FY 2017, we have reported on every Treasury Account Symbol and have not had a reporting difference in obligations.

Financial Section

SSA.gov

A MESSAGE FROM THE CHIEF FINANCIAL OFFICER

I am pleased to join Commissioner Bisignano in issuing our fiscal year (FY) 2025 *Agency Financial Report* (AFR). The AFR highlights our financial position, results of operations, and use of budgetary resources for FY 2025. We discuss our progress towards meeting these goals in the *Overview of Our Fiscal Year 2025 Performance Results* section.

I am proud that for the 32nd consecutive year, we received an unmodified audit opinion on our financial statements from our independent auditors. An unmodified audit opinion confirms that our statements present our financial position fairly and are free of material misstatement. Our independent auditors also issued an unmodified opinion on the effectiveness of our internal control over financial reporting. The auditors determined that we had no material weaknesses and cited two significant deficiencies identified in prior years. The significant deficiencies concern internal controls over certain financial information systems and internal control over accounts receivable with the public (i.e., benefit overpayments).

Efforts are underway to rectify deficiencies identified through audits by using risk-based corrective action plans to mitigate risks and strengthen our control environment. The independent auditors noted areas of progress we made in remediating elements of these significant deficiencies; though we continue to face challenges, such as the evolving cybersecurity landscape. Because of these challenges, many elements of our remediation plans will take time to implement. However, we are committed to continuous improvement. We provide additional information on the auditors' findings and our corrective actions in the *Analysis of Systems, Controls, and Legal Compliance* and *Agency Response to the Reports of Independent Auditors* sections of this report.

As the Chief Financial Officer, I am working with our leadership team to drive change across the agency to significantly improve agency performance while reducing costs and providing our customers the highest quality of service. I am working closely with Commissioner Bisignano to aggressively transform the agency into a premier service organization with best-in-class technology and digital service options. Under the Commissioner's leadership, we are ensuring we effectively use the resources entrusted to us by the American taxpayers. This involves streamlining processes, modernizing outdated systems, and making strategic investments to safeguard and preserve the future of the programs we administer, which serve all citizens of this country.

During FY 2025, we successfully completed the following key financial management initiatives that advanced the agency's mission, strategic goals, and objectives:

- **Procurement Savings:** We achieved significant cost savings in FY 2025. Based on a combination of terminated contracts, canceled grants, and other discontinued obligations in compliance with recent Executive Orders, the General Services Administration's Defend the Spend initiative, and more, we reduced costs by $286.9 million in cost avoidance—both for FY 2025 and beyond. We eliminated technical debt, consolidated duplicative technology efforts, and decreased overall Information Technology (IT) spending. This includes decreasing spending by $78 million on our largest IT support services contract. By implementing a rigorous contract approval process and leveraging the financial expertise of current agency leadership, we prevented waste and increased efficiency, further maximizing savings to the agency.
- **Treasury Offset Program (TOP):** TOP is a fully-automated, centralized offset program that intercepts federal and state payments to collect delinquent debts owed to federal and state agencies. TOP allows us to collect delinquent debt by tax refund offset, administrative offset, and Federal salary offset. In March 2025, we resumed use of TOP after suspending it because of the COVID-19 pandemic in March 2020. From March to September 2025, we collected approximately $60 million from debtors who were notified of TOP debt referral prior to program suspension. Beginning in August 2025, we resumed pre-offset notifications to debtors on all delinquent debts incurred after March 2020.
- **Reduce Paper Checks:** In support of Executive Order 14247, *Modernizing Payments To And From America's Bank Account*, we initiated efforts to reduce and eliminate paper check disbursements and receipts. From June through September 2025, we developed and implemented a direct outreach campaign to over 692,000 individuals receiving their monthly benefit via paper check. As of September 30, approximately 50 percent of this group converted to an electronic payment method. Additionally, we successfully expanded our electronic remittance options, Pay.gov and Online Bill Pay, to our TOP pre-offset notices.
- **Payment Window:** We partnered with the Department of the Treasury to reduce improper payments by providing an additional day to update beneficiaries' payment and eligibility information (e.g., death, suspension, bank account, mailing address). We estimate this change will prevent improper payments of more than $65 million annually.
- **Real Property Reduction:** We reduced our real property footprint by over 316,800 useable square feet (USF), exceeding our target of 250,000 USF, saving the agency $11.9 million annually in lease avoidance costs.
- **Print and Postage Savings:** We completed several critical milestones in support of the Central Print initiative to modernize communications and comply with U.S. Code Title 44, which requires all printing to go through the Government Publishing Office. This initiative reduces costs associated with mailing notices and eliminates the need for field office staff to print and mail notices, thus reducing task time for technicians and enabling them to focus on serving the public. The notice workloads released in FY 2025 will result in future estimated annual administrative cost savings of $7.0 million.
- **Mail Centralization and Digitization (MCD):** We continue to transform how the agency processes mail by expanding use of MCD across the country. MCD digitizes

incoming mail and electronically assigns mail to field offices, alleviating the need for front line staff to manually process mail. Centralizing digitization allows field office technicians more time to focus on mission critical workloads and servicing the public. Throughout FY 2025, we project that MCD has saved the agency $6.7 million in labor costs.

For our FY 2024 AFR, we were awarded the Certificate of Excellence in Accountability Reporting (CEAR) award from AGA. This was the 27th consecutive year we were honored with this award, which is unparalleled in the Federal financial reporting community. In addition, we received a CEAR Best-in-Class Award for integrating responses to challenges identified by our Inspector General throughout our report. These acknowledgments reflect our enduring commitment to uphold the highest standards of transparency, accountability, and excellence in financial reporting.

The achievements we have accomplished this year reflect our dedication to sound financial management and our stewardship of the resources entrusted to us by the public we serve. We look forward to building on this record of excellence in the years ahead.

Respectfully,

Thomas Holland

Baltimore, Maryland
January 15, 2026

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)

Assets	**2025**
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	**2,639,520**
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	**16,184**
Total Assets	**$ 2,655,704**
Liabilities (Note 9)	
Intragovernmental Liabilities:	
Accounts Payable	**$ 5,845**
Other Liabilities	**5,221**
Total Intragovernmental Liabilities	**11,066**
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	**171,123**
Total Liabilities	**$ 182,189**
Commitments and Contingencies (Note 9)	
Net Position	
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	**2,472,903**
Total Net Position	**$ 2,473,515**
Total Liabilities and Net Position	**$ 2,655,704**

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)

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

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
Unexpended Appropriations:			
Beginning Balances	$ 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)
Net Change in Unexpended Appropriations	0	(1,253)	(1,253)
Total Unexpended Appropriations - Ending	0	612	612
Cumulative Results of Operations:			
Beginning Balances	$ 2,624,095	$ 4,333	$ 2,628,428
Adjustments			
Changes in Accounting Principles	0	126	126
Beginning Balance, as Adjusted	$ 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)
Net Cost of Operations	1,580,202	75,615	1,655,817
Net Change in Cumulative Results of Operations	(155,708)	57	(155,651)
Cumulative Results of Operations - Ending	$ 2,468,387	$ 4,516	$ 2,472,903
Net Position	$ 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)

	2025
Budgetary Resources (Note 15)	
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**
Total Budgetary Resources	**$ 1,742,137**
Status of Budgetary Resources	
New obligations and upward adjustments	
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**
Total Budgetary Resources	**$ 1,742,137**
Outlays, Net	
Outlays, net (discretionary and mandatory)	**$ 1,710,421**
Distributed offsetting receipts	**(63,906)**
Agency Outlays, Net (Discretionary and Mandatory)	**$ 1,646,515**

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[1, 2]
(Dollars in Billions)

	2025	2024	2023	2022	2021
Present value for the 75-year projection period from or on behalf of: (Note 17)					
Participants who, in the starting year of the projection period, have attained eligibility age (age 62 and over):					
Noninterest income	**$ 2,519**	$ 2,414	$ 2,169	$ 1,998	$ 1,766
Cost for scheduled future benefits	**26,078**	24,641	23,489	21,591	19,785
Future noninterest income less future cost	**(23,559)**	(22,226)	(21,321)	(19,593)	(18,019)
Participants who have not yet attained retirement eligibility age (ages 15–61):					
Noninterest income	**45,252**	44,586	42,195	40,365	37,465
Cost for scheduled future benefits	**75,706**	74,014	71,234	68,471	64,932
Future noninterest income less future cost	**(30,454)**	(29,428)	(29,039)	(28,105)	(27,467)
Present value of future noninterest income less future cost for current participants (closed group measure)	**(54,013)**	(51,655)	(50,360)	(47,699)	(45,486)
Combined OASI and DI Trust Fund reserves at start of period	**2,721**	2,788	2,830	2,852	2,908
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	**$ (51,292)**	$ (48,866)	$ (47,530)	$ (44,847)	$ (42,578)
Present value for the 75-year projection period from or on behalf of: (Note 17)					
Future participants (those under age 15, and to be born during period):					
Noninterest income	**$ 44,582**	$ 44,295	$ 43,045	$ 41,808	$ 39,349
Cost for scheduled future benefits	**18,419**	18,046	17,937	17,411	16,604
Future noninterest income less future cost	**26,162**	26,249	25,108	24,397	22,745
Present value of future noninterest income less future cost for current and future participants (open group measure)	**(27,851)**	(25,406)	(25,252)	(23,301)	(22,742)
Combined OASI and DI Trust Fund reserves at start of period	**2,721**	2,788	2,830	2,852	2,908
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	**$ (25,129)**	$ (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[1, 2]

January 1, 2024 to January 1, 2025
(Dollars in Billions)

	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)
As of January 1, 2025	**$ (27,851)**	**$ 2,721**	**$ (25,129)**

January 1, 2023 to January 1, 2024
(Dollars in Billions)

	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)
As of January 1, 2024	**$ (25,406)**	**$ 2,788**	**$ (22,618)**

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
Total	$ 5,400	$ (816)	$ 4,584

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
Total Assets	$ 2,655,704

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

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)

	2025		
Major Classes:	Cost	Accumulated Depreciation	Net Book Value
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[1]	613	(388)	225
Total	$ 10,671	$ (5,499)	$ 5,172

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[1]	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)
Balance at end of year	$ 5,172

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
Total Other Liabilities	$ 5,221

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)

	2025					
	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)
Balance Sheet						
Assets						
Intragovernmental Assets:						
Fund Balance with Treasury	$ 341	$ 86	$ 9	$ 436	$ 0	$ 436
Investments	2,415,122	217,213	0	2,632,335	0	2,632,335
Accounts Receivable, Net	174	74	0	248	0	248
Total Intragovernmental Assets	2,415,637	217,373	9	2,633,019	0	2,633,019
Assets with the Public:						
Accounts Receivable, Net	3,151	3,264	0	6,415	(4)	6,411
Total Assets	$ 2,418,788	$ 220,637	$ 9	$ 2,639,434	$ (4)	$ 2,639,430
Liabilities and Net Position						
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
Total Liabilities	137,965	33,082	0	171,047	(4)	171,043
Cumulative Results of Operations	2,280,823	187,555	9	2,468,387	0	2,468,387
Total Liabilities and Net Position	$ 2,418,788	$ 220,637	$ 9	$ 2,639,434	$ (4)	$ 2,639,430
Statement of Net Cost						
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)
Net Cost of Operations	$ 1,423,778	$ 156,588	$ (164)	$ 1,580,202	$ 0	$ 1,580,202
Statement of Changes in Net Position						
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)
Net Position End of Period	$ 2,280,823	$ 187,555	$ 9	$ 2,468,387	$ 0	$ 2,468,387

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	Total
	SSA	OIG			
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

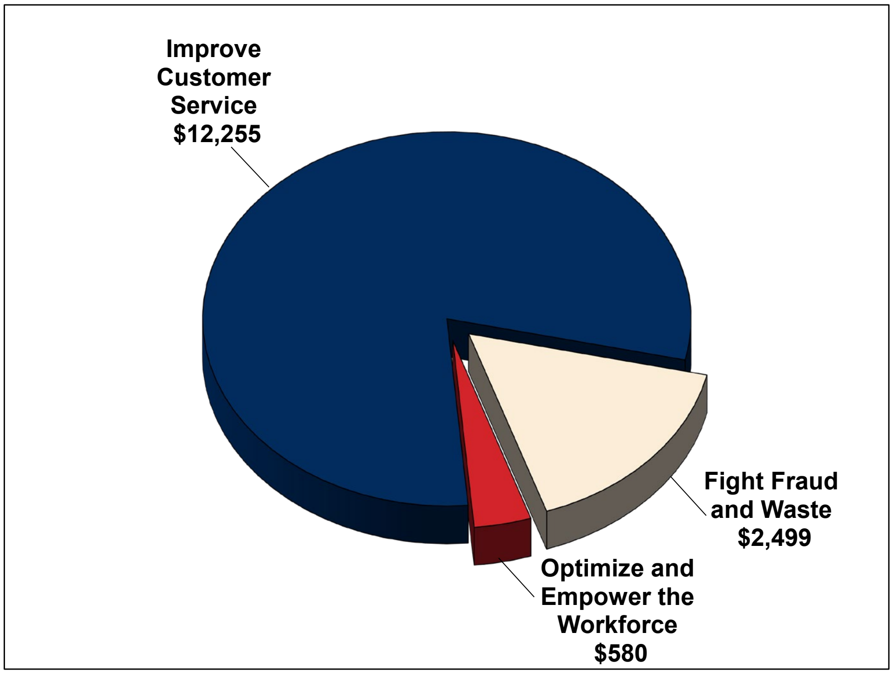
SSA sets forth expected levels of performance the agency is committed to achieving. For FY 2025, in alignment with Presidential Executive Orders and OMB guidance, SSA identified strategic areas of focus that align with current Presidential priorities. The three Strategic Focus Areas are:

- 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
Total Exchange Revenue	$ 373

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
Total Tax Revenue	$ 1,308,139

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
CY Unobligated balance from PY budget authority, net	$ 3,336

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		
	Federal	Non-Federal	Total
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
Components of Net Cost That Are Not Part of Net Outlays:			
Property, plant, and equipment depreciation	(13)	(1,006)	(1,019)
Property, plant, and equipment disposal and reevaluation	0	(1)	(1)
Increase/(decrease) in assets:			
Accounts receivable	13	1,012	1,025
Other assets	(24)	0	(24)
(Increase)/decrease in liabilities:			
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)
Financing sources			
Imputed Costs	(1,034)	0	(1,034)
Total Components of Net Cost That Are Not Part of Net Outlays	$ (1,326)	$ (11,215)	$ (12,541)
Components of Net Outlays That Are Not Part of Net Cost:			
Acquisition of capital assets	0	1,015	1,015
Financing Sources			
Transfers out(in) without reimbursement	(232)	0	(232)
Expenditure Transfers Collected/Disbursed	2,274	0	2,274
Total Components of Net Outlays That Are Not Part of Net Cost	$ 2,042	$ 1,015	$ 3,057
Miscellaneous Items			
Custodial/Non-Exchange Revenue	(35)	(126)	(161)
Non-Entity Activity	343	0	343
Total Other Reconciling Items	308	(126)	182
Net Outlays	$ 6,561	$ 1,639,954	$ 1,646,515

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[1]	Age-Sex-Adjusted Death Rate[2] (per 100,000)	Period Life Expectancy At Birth[3]		Net Annual Immigration (persons per year)[4]	Annual Percentage Change In:					Average Annual Interest Rate[9]
			Male	Female		Average Annual Wage in Covered Employment (nominal)[5]	Average Annual Wage in Covered Employment (real)[5]	CPI[6]	Total Employment[7]	Real GDP[8]	
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[10]	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[1]	Average Annual Percentage Reduction in the Age-Sex-Adjusted Death Rates[2]	Average Annual Net Immigration (persons per year)[3]	Real Wage Growth[4]	Average Annual Percentage Change In: Average Annual Wage in Covered Employment (nominal)[5]	CPI[6]	Total Employment[7]	Average Annual Real Interest Rate[8]
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" (OBBBA) 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
					Intragovernmental Costs
		0	1,613	1,613	Benefit Program Costs
		0	1,034	1,034	Imputed Costs
		846	1,686	2,532	Buy/Sell Costs
		0	415	415	Other Expenses (without Reciprocals)
		846	4,748	5,594	Total Intragovernmental Costs
Total Cost	1,656,190	1,580,394	75,796	1,656,190	Total Reclassified Gross Costs
		(192)	(124)	(316)	Non-Federal Earned Revenue
		0	(57)	(57)	Buy/Sell Revenue
Less: Exchange Revenues (Note 12)	(373)	(192)	(181)	(373)	Total Reclassified Earned Revenue
Total Net Cost	**$ 1,655,817**	**$ 1,580,202**	**$ 75,615**	**$ 1,655,817**	**Net Cost**

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**
Unexpended Appropriations:							**Unexpended Appropriations:**
Beginning Balances	**$ 1,865**	**$ 0**	**$ 0**	**$ 1,865**	**$ 0**	**$ 1,865**	Net Position, Beginning of Period - Adjusted
							Financing Sources
Appropriations Received	**128,620**	**59,748**		**68,872**		**128,620**	Appropriations Received as Adjusted (Recissions and Other Adjustments)
Other Adjustments	**(1,305)**	**-**		**(1,305)**		**(1,305)**	Appropriations Received as Adjusted (Recissions and Other Adjustments)
Appropriations Used	**(128,568)**	**(59,748)**		**(68,820)**		**(128,568)**	Appropriations Used
Net Change in Unexpended Appropriations	**(1,253)**	**0**	**0**	**(1,253)**	**0**	**(1,253)**	**Total Financing Sources**
Total Unexpended Appropriations - Ending	**612**	**0**	**0**	**612**	**0**	**612**	**Total Unexpended Appropriations - Ending**
Cumulative Results of Operations:							**Cumulative Results:**
Beginning Balances	**$ 2,628,428**	**$ 2,624,095**	**$ 0**	**$ 4,333**	**$ 0**	**$ 2,628,428**	Net Position, Beginning Balance
Adjustments							
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
							Financing Sources
Appropriations Used	**128,568**	**59,748**		**68,820**		**128,568**	Appropriations Expended
Non-Exchange Revenue							**Federal Non-Exchange Revenue**
Tax Revenues (Note 13)	**1,308,139**	**1,308,139**				**1,308,139**	Other Taxes and Receipts
Interest Revenues	**69,307**	**69,307**				**69,307**	Federal Securities Interest Revenue Including Associated Gains and Losses (Non-Exchange)
							Non-Federal Non-Exchange Revenue
Other	**37**	**37**				**37**	Other Taxes and Receipts
Total Non-Exchange Revenue	**1,377.483**	**1,377,483**	**0**	**0**	**0**	**1,377,483**	**Total Non-Exchange Revenue**
Transfers-In/Out - Without Reimbursement	**(2.970)**						**Transfers-In and Out Without Reimbursement**
				170	**(170)**	**0**	Appropriation of Unavailable Special or Trust Fund Receipt Transfers-In
		(170)			**170**	**0**	Appropriation of Unavailable Special or Trust Fund Receipts Transfers-Out
		1,580,314	**(1,580,314)**			**0**	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources
		(1,580,314)	**1,580,314**			**0**	Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing Sources
		59,827	**(59,748)**	**9,611**	**(6,047)**	**3,643**	Expenditure Transfers-In of Financing Sources
		(71,952)	**59,748**	**(14)**	**6,047**	**(6,171)**	Expenditure Transfers-Out of Financing Sources
				27	**(27)**	**0**	Non-Expenditure Transfers-In of Financing Sources – Capital Transfers
				(27)	**27**	**0**	Non-Expenditure Transfers-Out of Financing Sources – Capital Transfers
		(442)		**(3)**		**(445)**	Transfers-In Without Reimbursement
				3		**3**	Transfers-Out Without Reimbursement
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)**						**Non-Entity Financing Sources**
				(3,698)		**(3,698)**	Non-entity collections transferred to the General Fund of the U.S. Government
				(254)		**(254)**	Accrual for non-entity amounts to be collected/transferred to the General Fund of the U.S. Government
							Non-Federal Non-Exchange Revenue
				3		**3**	Other Taxes and Receipts
Total Other	**(3,949)**		**0**	**(3,949)**	**0**	**(3,949)**	**Total Reclassified Non-Entity Financing Sources and Non-Federal Non-Exchange Revenue**
Net Cost of Operations	**1,655,817**	**1,580,202**	**0**	**75,615**	**0**	**1,655,817**	**Net Cost of Operations**
Net Change in Cumulative Results of Operations	**(155,651)**	**(155,708)**	**0**	**57**	**0**	**(155,651)**	**Net Change**
Cumulative Results of Operations - Ending	**$ 2,472,903**	**$ 2,468,387**	**$ 0**	**$ 4,516**	**$ 0**	**$ 2,472,903**	**Reclassified Cumulative Results of Operations - Ending**
Net Position	**$ 2,473,515**	**$ 2,468,387**	**$ 0**	**$ 5,128**	**$ 0**	**$ 2,473,515**	**Total Reclassified Net Position**

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.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information: Combining Schedule of Budgetary Resources for the Year Ended September 30, 2025

(Dollars in Millions)

	OASI	DI	SSI	Other	LAE	Combined
Budgetary Resources (Note 15)						
Unobligated balance from prior year budget authority, net	$ 28	$ 50	$ 1,944	$ 50	$ 1,264	$ 3,336
Appropriations (discretionary and mandatory)	1,433,928	159,482	67,689	59,773	32	1,720,904
Spending authority from offsetting collections (discretionary and mandatory)	0	0	3,420	0	14,477	17,897
Total Budgetary Resources	$ 1,433,956	$ 159,532	$ 73,053	$ 59,823	$ 15,773	$ 1,742,137
Status of Budgetary Resources						
New obligations and upward adjustments						
Direct	$ 1,433,956	$ 159,532	$ 69,063	$ 59,767	$ 14,565	$ 1,736,883
Reimbursable	0	0	3,415	0	101	3,516
New obligations and upward adjustments (total)	1,433,956	159,532	72,478	59,767	14,666	1,740,399
Unobligated Balance, End of Year						
Apportioned, unexpired accounts	0	0	572	35	592	1,199
Unapportioned, unexpired accounts	0	0	0	0	7	7
Unexpired unobligated balance, end of year	0	0	572	35	599	1,206
Expired unobligated balance, end of year	0	0	3	21	508	532
Unobligated balance, end of year (total)	0	0	575	56	1,107	1,738
Total Budgetary Resources	$ 1,433,956	$ 159,532	$ 73,053	$ 59,823	$ 15,773	$ 1,742,137
Outlays, Net						
Outlays, net (discretionary and mandatory)	$ 1,421,592	$ 160,199	$ 69,642	$ 59,767	$ (779)	$ 1,710,421
Distributed offsetting receipts	(58,506)	(1,566)	(253)	(3,581)	0	(63,906)
Agency Outlays, Net (Discretionary and Mandatory)	$ 1,363,086	$ 158,633	$ 69,389	$ 56,186	$ (779)	$ 1,646,515

Required Supplementary Information: Social Insurance

Program Description

The Old-Age, Survivors, and Disability Insurance (OASDI) program, collectively referred to as "Social Security," provides cash benefits for eligible U.S. citizens and residents. At the end of calendar year 2024, the Social Security Administration paid OASDI benefits to about 68 million beneficiaries. The laws applicable for the period determine eligibility and benefit amounts. Current law provides that monthly benefit payments for workers and their eligible dependents or survivors are based on workers' lifetime earnings histories.

The OASDI program is financed largely on a pay-as-you-go basis--that is, OASDI payroll taxes paid each year by current workers are primarily used to pay the benefits provided during that year to current beneficiaries. The retired worker benefits it pays replace a larger proportion of earned income for lower earners than for higher earners. Changes in laws governing the program may alter the amount of OASDI income (e.g., payroll taxes) and benefits.

Program Finances and Sustainability

As discussed in Note 9 to the Consolidated Financial Statements, "Benefits Due and Payable" on the balance sheet for unpaid amounts of OASDI benefits due to recipients on or before that date includes a liability of approximately $163 billion as of September 30, 2025. We paid virtually all of this amount in October 2025. Also, the "investments in Treasury securities" recognizes an asset of $2,616 billion as of September 30, 2025. These investments are the combined Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Fund reserves, and represent the accumulated excess for the OASDI program of all past income, including interest, over all past expenditures. They are invested only in securities backed by the full faith and credit of the Federal Government (see Investments, Note 5).

No liability has been recognized on the balance sheet for future payments to be made to current and future program participants beyond the unpaid amounts as of September 30, 2025 because 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.

Required Supplementary Information - While there is no liability on the balance sheet for future obligations beyond those due at the reporting date, we present actuarial estimates of the long-range financial status of the OASDI program. Throughout this section, the following terms will generally be used as indicated:

- **Income**: payroll taxes from employers, employees, and self-employed persons; revenue from Federal income tax on scheduled OASDI benefits; interest income from Treasury securities held as reserves of the OASI and DI Trust Funds; and miscellaneous reimbursements from the General Fund of the Treasury;
- **Income excluding interest (Noninterest income)**: income, as defined above, excluding the interest income from Treasury securities held as reserves of the OASI and DI Trust Funds;
- **Cost**: scheduled benefit payments, administrative expenses, net transfers with the Railroad Retirement program, and vocational rehabilitation expenses for disabled beneficiaries;
- **Cash flow**: depending on the context, either income, noninterest income, or cost;
- **Net cash flow**: noninterest income less cost; and
- **Present value**: the equivalent value, as of a specified point in time and adjusted using a specified interest rate, of a future stream of payments (either income or cost). The present value of a future stream of payments may be thought of as the lump-sum amount that, if invested at the specified interest rate as of the specified point in time, together with interest earnings would be just enough to meet each of the obligations as they fall due.

All estimates in this section are based on the 75-year projections under the intermediate assumptions 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) (see Note 17 to the Statements of Social Insurance). The Statements of Social Insurance, the Statements of Changes in Social Insurance Amounts, and the required supplementary information below are derived from estimates of future income and cost based on these assumptions and on the current *Social Security Act*, including future changes previously enacted. The information provided in this section includes:

(1) Present values of future estimated cost for, and estimated income (excluding interest) from, or on behalf of, current and future program participants;

(2) Estimated annual income, income (excluding interest), and cost as percentages of taxable payroll and gross domestic product (GDP);

(3) The ratio of estimated covered workers to estimated beneficiaries; and

(4) An analysis of the sensitivity of the projections to changes in selected assumptions.

Since the release of the 2025 Trustees Report, the Social Security Administration (SSA) Actuarial Services evaluated the 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 (see Note 18, Subsequent Events, in the *Audited Financial Statements and Additional Information* section for more information.

Sustainable Solvency - Based on the estimates of income and cost presented in the Statements of Social Insurance, the OASDI program does not meet the criteria for sustainable solvency. To meet the criteria for sustainable solvency, the program must be able to pay all scheduled benefits in full on a timely basis and maintain reserves in the combined OASI and DI Trust Funds at all times within the 75-year projection period. In addition, the reserves in the combined OASI and DI Trust Funds must be stable or rising as a percentage of annual program cost at the end of the period.

Cash Flow Projections - OASDI noninterest income and cost are estimated for each year from 2025 through 2099. Charts 1 through 4 show annual cash flow projections for the OASDI program. However, income including interest is only estimated through 2034, the year that the reserves in the combined OASI and DI Trust Funds are projected to become depleted. After the point of reserve depletion, no interest earnings would be available. Moreover, because the program lacks the authority to borrow to continue paying benefits, benefit payments would be limited to the available tax income (noninterest income). Therefore, displaying annual income levels (including interest) beyond the point of combined OASI and DI Trust Fund reserve depletion would be inappropriate unless the cost of scheduled benefits was replaced by the amount of benefits that would be payable.

Estimates are for the open-group population (i.e., all persons projected to participate in the OASDI program as covered workers or beneficiaries, or both during that period). Therefore, the estimates include payments from, and on behalf of, workers who will enter covered employment during the period as well as those already in covered employment at the beginning of that period. They also include the cost of scheduled benefits for such workers and their dependents during that period.

Amounts as a Percentage of Taxable Payroll - Chart 1 shows estimated annual income, noninterest income, and cost through 2034 expressed as percentages of taxable payroll. Chart 2 is an extension of Chart 1, showing estimated annual noninterest income and cost through 2099 expressed as percentages of taxable payroll.

Chart 1: Estimated OASDI Income, Noninterest Income, and Cost, as a Percent of Taxable Payroll, 2025–2034

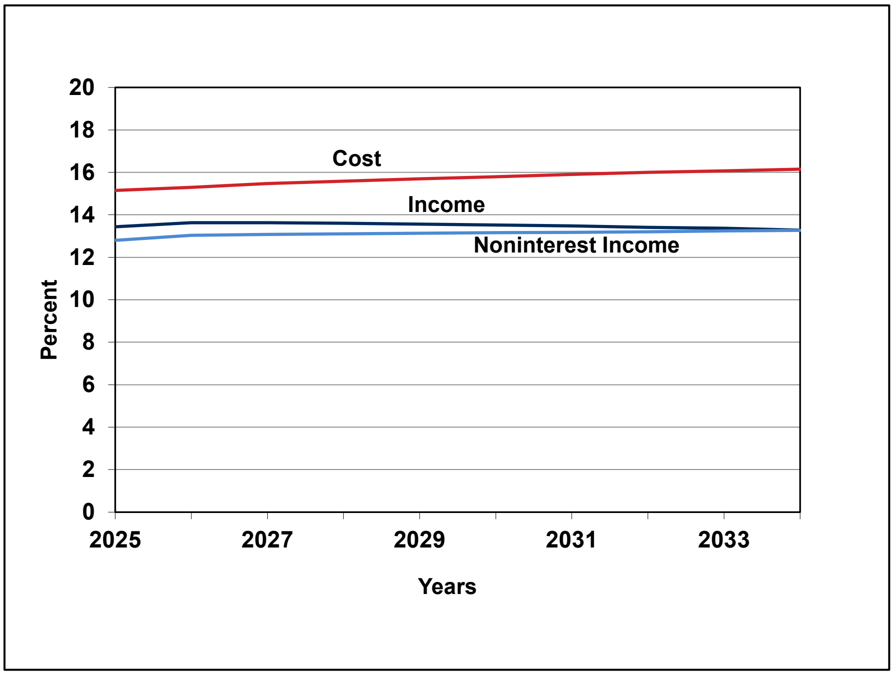
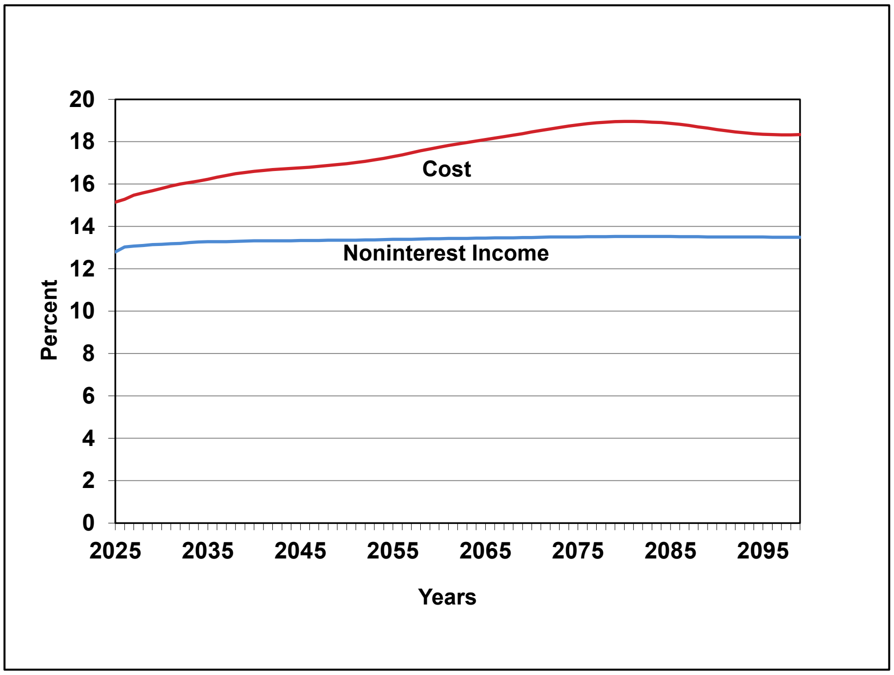


Chart 2: Estimated OASDI Noninterest Income, and Cost, as a Percent of Taxable Payroll, 2025–2099



As presently constructed, the program receives most of its income from the 6.2 percent payroll tax that employees and employers each pay on taxable wages and salaries (for a combined payroll tax rate of 12.4 percent) and the 12.4 percent that is paid on taxable self-employment income. Prior to 2021, income including interest exceeded cost in every year since 1983. Beginning in 2021, cost exceeded income including interest. As Chart 1 shows, estimated cost continues to exceed estimated income excluding interest in 2025 through 2034. As Chart 2 shows, estimated cost, expressed as a percentage of taxable payroll, rises rapidly through about 2040, then continues to rise through 2081 before mostly decreasing through 2099 (the last year of the 75-year projection period). The estimated income at the end of the 75-year period is sufficient to cover 72 percent of the estimated cost.

The increase in estimated cost through 2081 occurs because of a variety of factors, including the ongoing retirement of the baby boom generation, the relatively small number of people born during the subsequent period of lower birth rates, and the projected increases in life expectancy, which increase the average number of years of receiving benefits relative to the average number of years of paying taxes. The decrease in estimated cost after 2081 occurs as the relatively smaller generations born during the period of reduced birth rates following the recession of 2007–2009 increasingly begin to retire.

Estimated annual cost is projected to exceed income in all years of the projection period. In any year, to meet all OASDI cost on a timely basis, the combined OASI and DI Trust Funds will need to redeem Treasury securities. This redemption differs from the situation of some prior years when the combined OASI and DI Trust Funds had been net lenders to the General Fund of the Treasury. The Government could finance this redemption by increasing its borrowing from the public, raising taxes (other than OASDI payroll taxes), and/or reducing expenditures (other than OASDI cost). Alternatively, the Government could make this redemption unnecessary by changing the law to increase OASDI taxes and/or reduce OASDI scheduled benefits as needed.

Actuarial Balance - The Statements of Social Insurance show that the present value of the excess of income (excluding interest) over cost for the 75-year period is -$27,851 billion. If augmented by the combined OASI and DI Trust Fund reserves at the start of the period (January 1, 2025), it is -$25,129 billion. This excess does not correspond to the actuarial balance in the 2025 Trustees Report of -3.82 percent of taxable payroll because the actuarial balance includes the cost of attaining a target combined OASI and DI Trust Fund level at the end of the period equal to total projected cost for the 76th year of the period.

For the combined OASI and DI Trust Funds to remain solvent throughout the 75-year projection period, revenues would have to increase by an amount equivalent to an immediate and permanent payroll tax increase of 3.65 percentage points (from its current level of 12.40 percent to 16.05 percent). One interpretation of the actuarial balance is that its magnitude, 3.82 percent, should equal the necessary increase. However, the increase is different primarily because the necessary tax rate is the rate required to maintain solvency throughout the period that results in no reserves in the OASI and DI Trust Funds at the end of the period, whereas the actuarial balance incorporates an ending reserve in the OASI and DI Trust Funds equal to one year's cost. While such an increase in the payroll tax rate would cause some behavioral changes in earnings and ensuing changes in benefit levels, such changes are not included in this calculation because they are assumed to have roughly offsetting effects on OASDI actuarial status over the 75-year long-range period as a whole.

Alternatively, solvency could be achieved by reducing scheduled benefits by an amount equivalent to an immediate and permanent reduction of about 22 percent applied to all current and future beneficiaries, or about 27 percent if the reductions were applied only to newly entitled beneficiaries. Finally, some combination of tax increases and benefit reductions could be adopted.

Amounts as a Percentage of Gross Domestic Product - Chart 3 shows estimated annual income, noninterest income, and cost through 2034 expressed as percentages of GDP. Chart 4 is an extension of Chart 3, showing estimated annual noninterest income and cost through 2099 expressed as percentages of GDP. Analyzing these cash flows in terms of percentage of the estimated GDP, which represents the total value of goods and services produced in the United States, provides a measure of the cost of the OASDI program in relation to the size of the national economy that must finance it.

Chart 3: Estimated OASDI Income, Noninterest Income, and Cost, as a Percent of GDP, 2025–2034

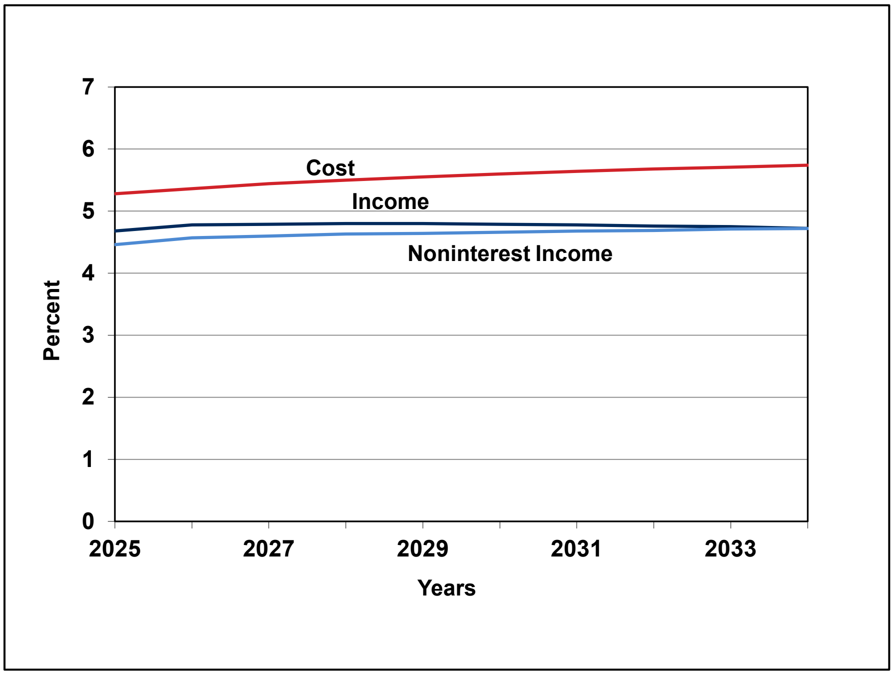
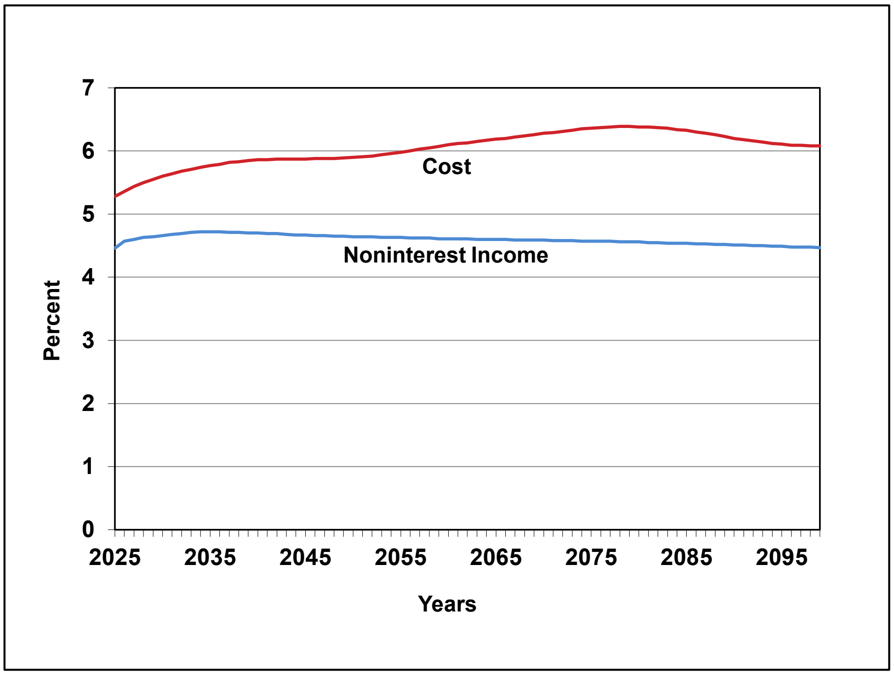


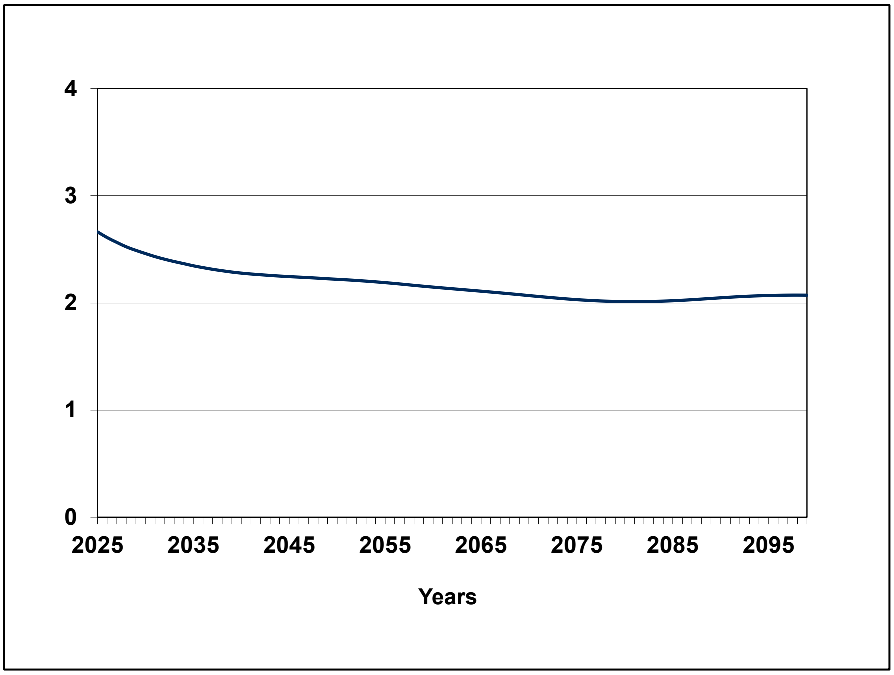
Chart 4: Estimated OASDI Noninterest Income, and Cost, as a Percent of GDP, 2025–2099



In calendar year 2024, OASDI cost was about $1,485 billion, which was about 5.1 percent of GDP. The cost of the program rises to a peak of 6.4 percent of GDP in 2079, then declines to 6.1 percent by 2099. The increase from 2024 to about 2040 will occur as baby boomers continue to become eligible for OASDI benefits, lower birth rates result in fewer workers per beneficiary, and beneficiaries continue to live longer. The decrease near the end of the 75-year projection period occurs as the relatively smaller generations born during the period of reduced birth rates following the recession of 2007–2009 increasingly begin to retire.

Ratio of Workers to Beneficiaries - Chart 5 shows the estimated number of covered workers per OASDI beneficiary using the Trustees' intermediate assumptions. As defined by the Trustees, covered workers are persons having earnings creditable for OASDI purposes based on services for wages in covered employment and/or income from covered self-employment. The estimated number of workers per beneficiary declines from 2.7 in 2024 to 2.1 in 2099.

Chart 5: Number of Covered Workers Per OASDI Beneficiary 2025–2099



Sensitivity Analysis

Projections of the future financial status of the OASDI program depend on many demographic and economic assumptions, including fertility, mortality, net immigration, average wages, inflation, and interest rates on Treasury securities. The income will depend on how these factors affect the size and composition of the working population and the level and distribution of wages and earnings. Similarly, the cost will depend on how these factors affect the size and composition of the beneficiary population and the general level of benefits. Because actual experience is likely to differ from the estimated or assumed values of these factors, we include this section to illustrate the sensitivity of the long-range projections to changes in assumptions by analyzing six key assumptions: total fertility rate, mortality, net immigration, real wage growth, Consumer Price Index (CPI), and real interest rate. The range of values chosen for the sensitivity analysis presents a reasonable range within which we expect future experience to fall, on average, over long time periods. We do not intend the range of values to represent any particular probability interval around the intermediate assumptions, nor are the endpoints of the range intended to represent the absolute best or worst scenario.

For this analysis, we use the intermediate assumptions in the 2025 Trustees Report as the reference point. Each selected assumption is varied individually. We note that due to the interactions between assumptions, changes in any single assumption may have additional effects on other assumptions. We calculate all present values as of January 1, 2025 and base them on estimates of income and cost during the 75-year projection period 2025–2099. In this section, for brevity, "income" means "noninterest income."

We present one table and one chart for each assumption we analyzed. The table shows the present value of the estimated excess of OASDI income over cost based on each of three selected values of the assumption being analyzed. If the excess is negative, we refer to it as a shortfall. The middle values provided correspond to the intermediate assumption of the Trustees. The other two values correspond to the low-cost and high-cost alternative values for that individual assumption. The chart shows the present value of each annual net cash flow.

Sensitivity of program cost to changes in multiple assumptions is also useful. The 2025 Trustees Report presents high-cost and low-cost alternative assumption sets, which combine the variations shown individually in this report. It should be noted that due to interactions, the combined effect of two or more assumption changes may not be equal to the sum of the effects shown separately. The Trustees, in their annual report, also include estimates using a stochastic model developed by SSA Actuarial Services. These estimates provide an additional way of analyzing the uncertainty and variability in assumptions, income, and cost.

Total Fertility Rate - Table 1 shows the present values of the estimated excess of OASDI income over cost for the 75-year period, using various assumptions about the total fertility rate. The ultimate total fertility rates are 1.6, 1.9, and 2.1 children per woman, where 1.9 is the intermediate summary value for the 2025 Trustees Report. The total fertility rate under all three sets of total fertility rate assumptions changes gradually from its current low level and will reach the ultimate value of 1.6, 1.9, and 2.1, respectively in 2050.

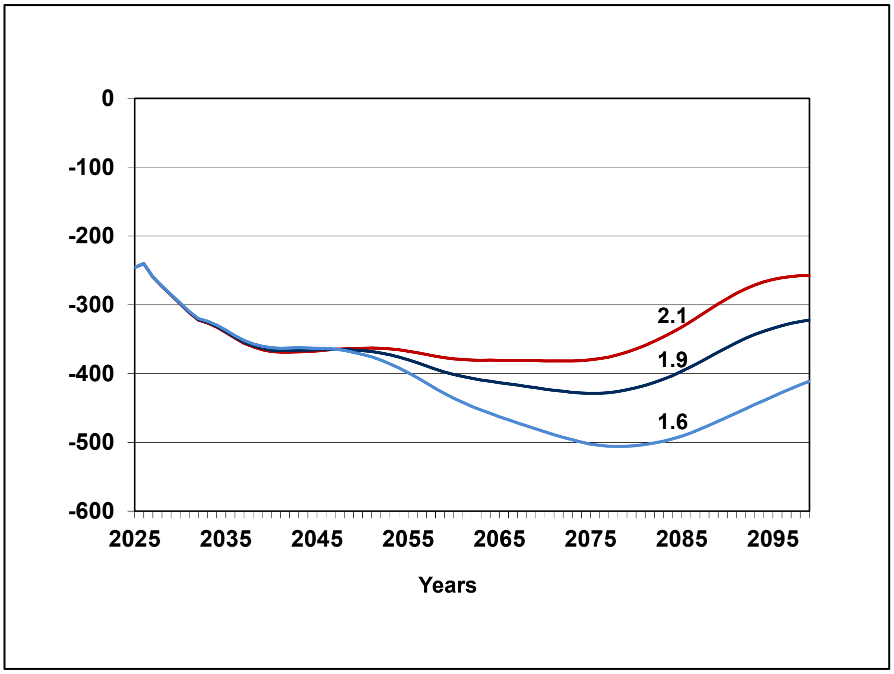
Table 1 demonstrates that if the ultimate total fertility rate were changed from 1.9 children per woman, consistent with the Trustees' intermediate assumption, to 1.6, the shortfall for the period of estimated OASDI income relative to cost would increase to $31,099 billion from $27,851 billion; if the ultimate total fertility rate changed to 2.1, the shortfall would decrease to $25,628 billion.

Table 1: Present Value of Estimated Excess of OASDI Income over Cost With Various Total Fertility Rate Assumptions Valuation Period: 2025–2099

Ultimate Total Fertility Rate	1.6	1.9	2.1
Present Value of Estimated Excess (Dollars in Billions)	$(31,099)	$(27,851)	$(25,628)

Using the same total fertility rates used for the estimates in Table 1, Chart 6 shows the present value of the estimated annual OASDI net cash flows.

Chart 6: Present Value of Estimated Annual OASDI Net Cash Flow with Various Total Fertility Rate Assumptions 2025–2099
(Dollars in Billions)



The three patterns of the present values shown in Chart 6 are similar. Under all three sets of assumptions, the net cash flow estimates are negative in all years of the 75-year projection period and are slightly higher (less negative) in 2026 than in 2025. Thereafter, the net cash flow estimates corresponding to all three sets of fertility rate assumptions decrease rapidly into the 2030s but eventually level out and begin to increase (become less negative). The net cash flow estimates corresponding to the ultimate total fertility rate of 1.6 decrease through 2041, increase for years 2042 and 2043, then decrease again for years 2044 through 2078, and then increase in 2079 through 2099. Therefore, in terms of today's investment dollar, annual OASDI net cash flow, although still negative, begins to increase in 2079. The net cash flow estimates corresponding to the ultimate total fertility rate of 1.9 decrease through 2041, increase for years 2042 through 2047, decrease in years 2048 through 2075, and then increase through 2099. The net cash flow estimates corresponding to the ultimate total fertility rate of 2.1 decrease through 2041, increase in 2042 through 2051, then generally decrease in 2052 through 2071, and then increase in 2072 through 2099.

Mortality - Table 2 shows the present values of the estimated excess of OASDI income over cost for the 75-year period, using various assumptions about future reductions in death rates. We developed the analysis by varying the reduction assumed to occur in future death rates by age, sex, and cause of death. The reductions assumed for this period, summarized as average annual reductions in the age-sex-adjusted death rate from 2034 to 2099, are 0.28, 0.73, and 1.21 percent per year. The intermediate assumption in the 2025 Trustees Report is 0.73 percent. The life expectancy at birth, on a unisex period life table basis, is projected to rise from 79.0 in 2024 to 81.1, 85.4, and 89.8 in 2099 for average annual reductions in the age-sex-adjusted death rate of 0.28, 0.73, and 1.21 percent, respectively.

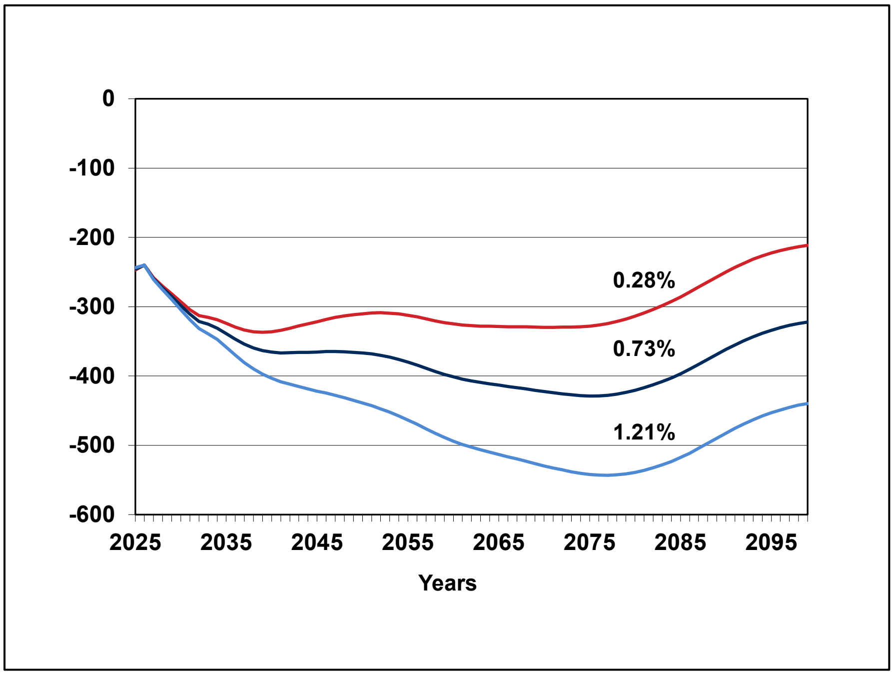
Table 2 demonstrates that if the annual reduction in death rates were changed from 0.73 percent, the Trustees' intermediate assumption, to 0.28 percent, meaning that people die younger, the shortfall for the period of estimated OASDI income relative to cost would decrease to $22,564 billion from $27,851 billion; if the annual reduction were changed to 1.21 percent, meaning that people live longer, the shortfall would increase to $33,922 billion.

Table 2: Present Value of Estimated Excess of OASDI Income over Cost With Various Death Rate Assumptions Valuation Period: 2025–2099

Average Annual Reduction in Death Rates (from 2034 to 2099)	0.28 Percent	0.73 Percent	1.21 Percent
Present Value of Estimated Excess (Dollars in Billions)	$(22,564)	$(27,851)	$(33,922)

Using the same assumptions about future reductions in death rates used for the estimates in Table 2, Chart 7 shows the present value of the estimated annual OASDI net cash flows.

Chart 7: Present Value of Estimated Annual OASDI Net Cash Flow with Various Death Rate Assumptions 2025–2099
(Dollars in Billions)



The three patterns of the present values shown in Chart 7 are similar. Under all three sets of assumptions, the net cash flow estimates are negative in all years of the 75-year projection period and are slightly higher (less negative) in 2026 than in 2025. Thereafter, the net cash flow estimates corresponding to all three sets of assumptions decrease rapidly into the 2030s but eventually level out and begin to increase (become less negative). The net cash flow estimates corresponding to 1.21 percent average annual reduction in the age-sex-adjusted death rate decrease through 2077 and then increase through 2099. Therefore, in terms of today's investment dollar, annual OASDI net cash flow, although still negative, begins to increase in 2078. The net cash flow estimates corresponding to a 0.73 percent average annual reduction decrease through 2041, increase for years 2042 through 2047, decrease in years 2048 through 2075, and then increase in 2076 through 2099. The net cash flow estimates corresponding a 0.28 percent average annual reduction decrease through 2039, increase in 2040 through 2052, decrease in 2053 through 2071, and then increase through 2099.

Net Annual Immigration - Table 3 shows the present values of the estimated excess of OASDI income over cost for the 75-year period, using various assumptions about the magnitude of annual immigration. Based on these assumptions, projected net annual immigration (immigration less emigration) will average 833,000 persons, 1,253,000 persons, and 1,696,000 persons for the period 2035 through 2099. The average value based on the intermediate assumptions in the 2025 Trustees Report is 1,253,000 persons.

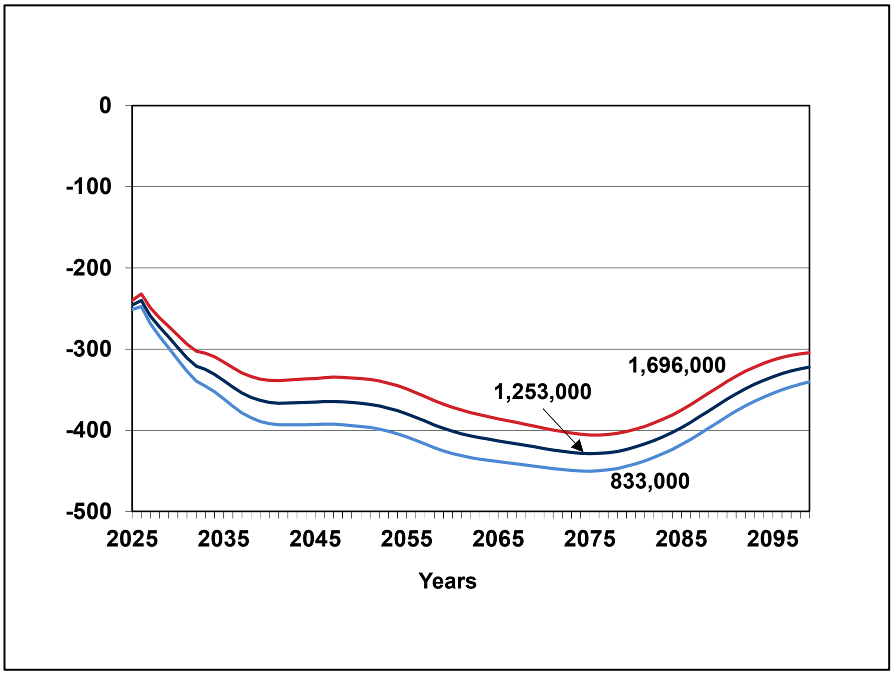
Table 3 demonstrates that if the Trustees' intermediate immigration assumptions were changed so that the average level for the period 2035 through 2099 decreased from 1,253,000 persons to 833,000 persons, the present value of the shortfall for the period of estimated OASDI income relative to cost would increase to $29,556 billion from $27,851 billion. If, instead, the immigration assumptions were changed so that net annual immigration would be expected to average 1,696,000 persons, the present value of the shortfall would decrease to $26,063 billion.

Table 3: Present Value of Estimated Excess of OASDI Income over Cost With Various 75-Year Average Net Annual Immigration Assumptions Valuation Period: 2025–2099

Average Net Annual Immigration (for 2035 through 2099)	833,000 Persons	1,253,000 Persons	1,696,000 Persons
Present Value of Estimated Excess (Dollars in Billions)	$(29,556)	$(27,851)	$(26,063)

Using the same assumptions about net annual immigration used for the estimates in Table 3, Chart 8 shows the present value of the estimated annual OASDI net cash flows.

Chart 8: Present Value of Estimated Annual OASDI Net Cash Flow with Various Net Annual Immigration Assumptions 2025–2099
(Dollars in Billions)



The three patterns of the present values shown in Chart 8 are similar. Under all three sets of assumptions, the net cash flow estimates are negative in all years of the 75-year projection period and are slightly higher (less negative) in 2026 than in 2025. Thereafter, the net cash flow estimates corresponding to all three sets of assumptions decrease rapidly through about 2041, increase through part of the 2040s, decrease again through 2075, and then increase (become less negative) in 2076 through 2099. Therefore, in terms of today's investment dollar, annual OASDI net cash flow, although still negative, begins to increase in 2076.

Immigration generally occurs at relatively young adult ages, so there is no significant effect on the numbers of beneficiaries who are legally entitled to benefits (and, therefore, on benefits paid) in the early years of the projection period, but the effect on the numbers of workers (and, therefore, on payroll tax income) is immediate. Therefore, even in the early years of the projection period, the present values, year by year, are generally higher (i.e., less negative in later years) for higher net annual immigration. However, benefits paid in a given year to earlier immigrant cohorts of the projection period eventually offset the increased payroll taxes for that year. Therefore, the present values based on the three assumptions about net annual immigration become more similar at the end of the projection period.

Real Wage Growth - Table 4 shows the present values of the estimated excess of OASDI income over cost for the 75-year period, using various assumptions about real wage growth. These real wage growth assumptions of 0.53, 1.13, and 1.73 percent are the average annual real growth rate in the average wage in OASDI covered employment from 2034 to 2099. The intermediate assumption in the 2025 Trustees Report is 1.13 percent.

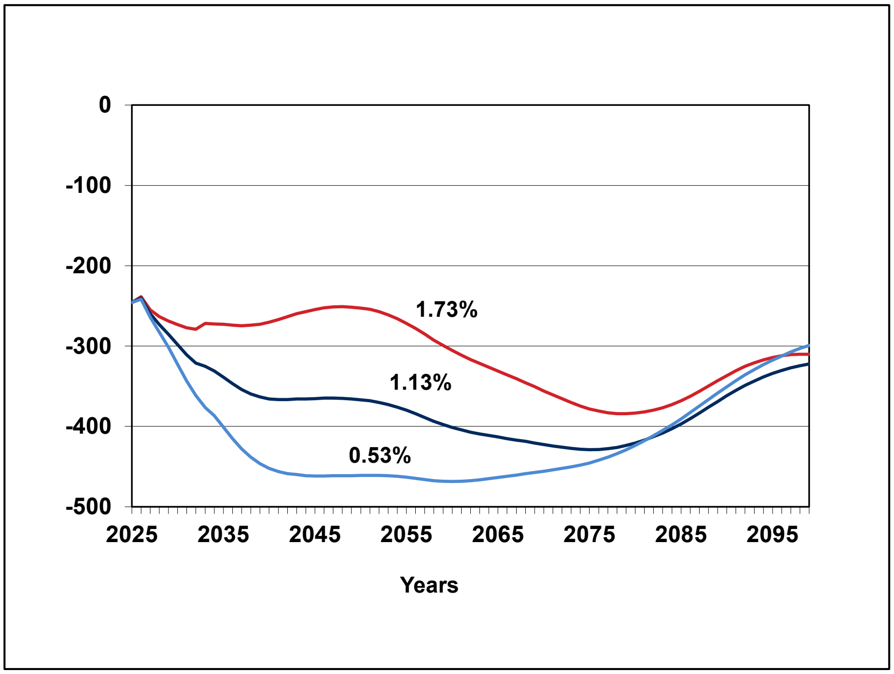
Table 4 demonstrates that if the average real wage growth were changed from 1.13 percent, the Trustees' intermediate assumption, to 0.53 percent, the shortfall for the period of estimated OASDI income relative to cost would increase to $30,723 billion from $27,851 billion; if the average real wage growth were changed from 1.13 to 1.73 percent, the shortfall would decrease to $23,194 billion.

Table 4: Present Value of Estimated Excess of OASDI Income over Cost With Various Real Wage Growth Assumptions Valuation Period: 2025–2099

Average Annual Real Wage Growth (from 2034 to 2099)	0.53 Percent	1.13 Percent	1.73 Percent
Present Value of Estimated Excess (Dollars in Billions)	$(30,723)	$(27,851)	$(23,194)

Using the same assumptions about the real growth rate in the average wage in OASDI covered employment used for the estimates in Table 4, Chart 9 shows the present value of the estimated annual OASDI net cash flows.

Chart 9: Present Value of Estimated Annual OASDI Net Cash Flow with Various Real-Wage Growth Assumptions 2025–2099
(Dollars in Billions)



The net cash flow estimates corresponding to all three sets of assumptions are negative in all years of the 75-year projection period and are slightly higher (less negative) in 2026 than in 2025. For the assumed real growth rate of 0.53 percent, the present values generally decrease through 2060 and increase (become less negative) thereafter. Therefore, in terms of today's investment dollar, annual OASDI net cash flow, although still negative, begins to increase in 2061. The net cash flow estimates corresponding to an assumed real growth rate of 1.13 percent decrease through 2041, increase for years 2042 through 2047, decrease again for years 2048 through 2075, and then increase in 2076 through 2099. The net cash flow estimates corresponding to an assumed real growth rate of 1.73 percent generally decrease through 2037, increase in 2038 through 2048, decrease in 2049 through 2079, and generally increase through 2099.

Differences among the estimates of annual net cash flow based on the three assumptions about the real wage growth become apparent early in the projection period. Higher real growth rates increase both wages and initial benefit levels. Because the effects on wages and, therefore, on payroll taxes are immediate, while the effects on benefits occur with a substantial lag, annual net cash flow is higher for higher assumed real wage growth. In the early years, when the effects on benefits are quite small and the effects on wages are compounding, the patterns of the estimates of annual net cash flow based on the three assumptions diverge fairly rapidly. However, toward the end of the projection period, annual net cash flow becomes more similar for all assumed real growth rates. This occurs because benefits would then be more fully realized at a time when the projected cost substantially exceeds noninterest income. These effects are depicted by the patterns in Chart 9 coming together at the end of the projection period.

Consumer Price Index - Table 5 shows the present values of the estimated excess of OASDI income over cost for the 75-year period, using various assumptions about the rate of change in the CPI. These assumptions are that the ultimate annual increase in the CPI will be 1.80, 2.40, and 3.00 percent. All three ultimate assumptions are reached by year 2027. The intermediate assumption in the 2025 Trustees Report is 2.40 percent.

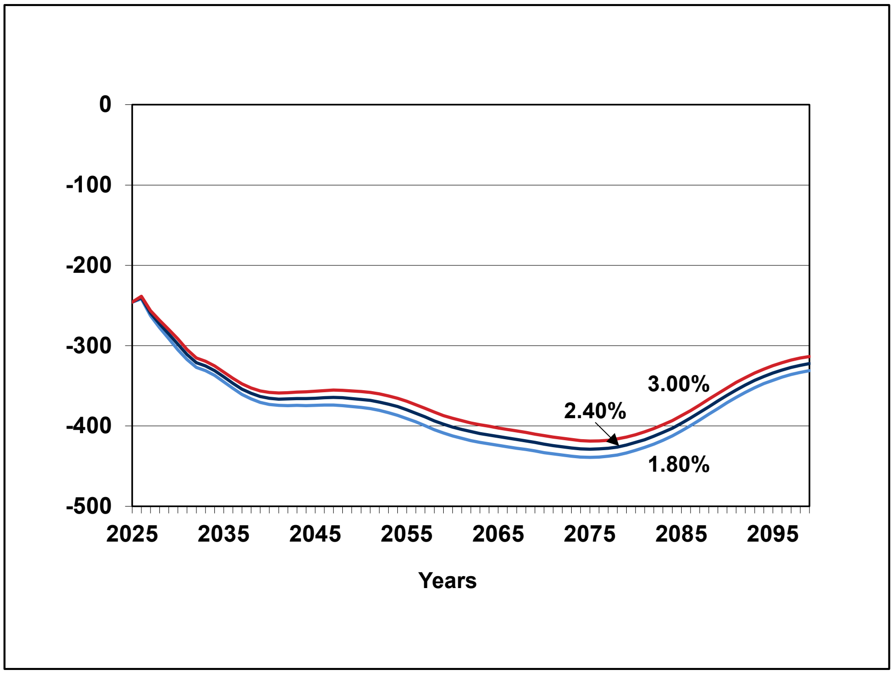
Table 5 demonstrates that if the ultimate annual increase in the CPI were changed from 2.40 percent, the Trustees' intermediate assumption, to 1.80 percent, the shortfall for the period of estimated OASDI income relative to cost would increase to $28,519 billion from $27,851 billion; if the ultimate annual increase in the CPI were changed to 3.00 percent, the shortfall would decrease to $27,189 billion. The seemingly counterintuitive result that higher CPI increases result in decreased shortfalls (and vice versa) is explained by the time lag between the effects of the CPI changes on taxable payroll and on benefit payments. The effect on taxable payroll due to a greater increase in average wages is experienced immediately, while the effect on benefits is experienced with a lag of about one year. For this reason, larger increases in the CPI cause earnings and income to increase sooner and, therefore, by more each year, than benefits and cost.

Table 5: Present Value of Estimated Excess of OASDI Income over Cost With Various CPI-Increase Assumptions Valuation Period: 2025–2099

Ultimate Annual Increase in CPI	1.80 Percent	2.40 Percent	3.00 Percent
Present Value of Estimated Excess (Dollars in Billions)	$(28,519)	$(27,851)	$(27,189)

Using the same assumptions about the annual increase in the CPI used for the estimates in Table 5, Chart 10 shows the present value of the estimated annual OASDI net cash flows.

Chart 10: Present Value of Estimated Annual OASDI Net Cash Flow with Various Ultimate CPI-Increase Assumptions 2025–2099
(Dollars in Billions)



The three patterns of the present values shown in Chart 10 are similar. The net cash flow estimates corresponding to all three sets of assumptions are negative in all years of the 75-year projection period and are slightly higher (less negative) in 2026 than in 2025. Thereafter, the net cash flow estimates corresponding to all three CPI-increase assumptions decrease rapidly into the 2040s, then generally slightly increase in years 2042 through 2047, continue to generally decrease until 2075, and then increase (become less negative) in 2076 through 2099. Therefore, in terms of today's investment dollar, annual OASDI net cash flow, although still negative, begins to increase in 2076.

Real Interest Rate - Table 6 shows the present values of the estimated excess of OASDI income over cost for the 75-year period, using various assumptions about the annual real interest rate for special-issue Treasury obligations sold to the OASI and DI Trust Funds. These assumptions are that the ultimate annual real interest rate will be 1.8, 2.3, and 2.8 percent. All three ultimate rates are reached by 2042. The intermediate assumption in the 2025 Trustees Report is 2.3 percent. Changes in real interest rates change the present value of cash flows, even though the cash flows do not change.

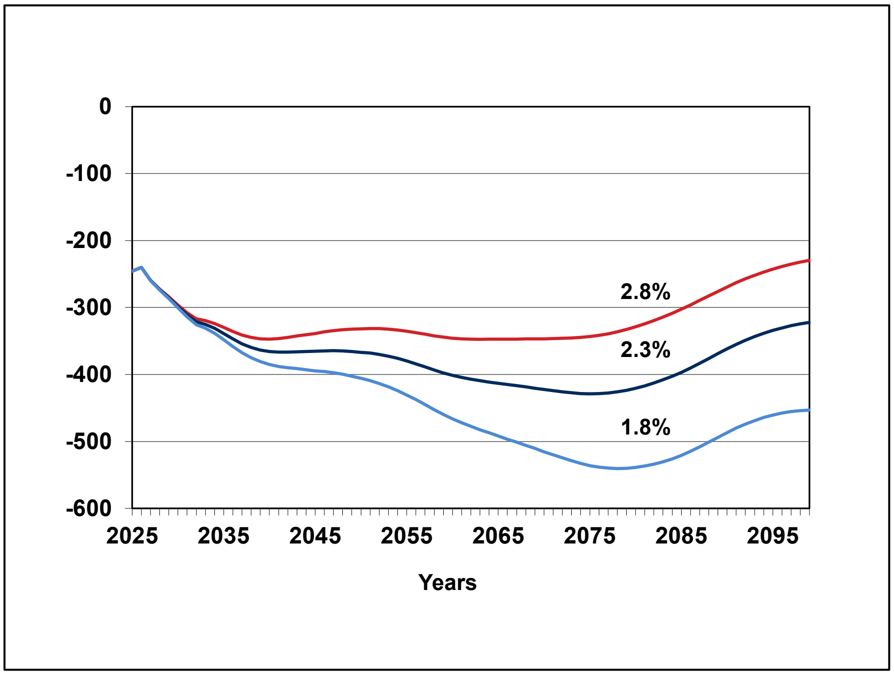
Table 6 demonstrates that if the ultimate real interest rate were changed from 2.3 percent, the Trustees' intermediate assumption, to 1.8 percent, the shortfall for the period of estimated OASDI income relative to cost, when measured in present-value terms would increase to $33,049 billion from $27,851 billion; if the ultimate annual real interest rate were changed to 2.8 percent, the present-value shortfall would decrease to $23,721 billion.

Table 6: Present Value of Estimated Excess of OASDI Income over Cost With Various Real Interest Assumptions Valuation Period: 2025–2099

Ultimate Annual Real Interest Rate	1.8 Percent	2.3 Percent	2.8 Percent
Present Value of Estimated Excess (Dollars in Billions)	$(33,049)	$(27,851)	$(23,721)

Using the same assumptions about the annual real interest rate used for the estimates in Table 6, Chart 11 shows the present value of the estimated annual OASDI net cash flows.

Chart 11: Present Value of Estimated Annual OASDI Net Cash Flow with Various Real Interest Rate Assumptions 2025–2099
(Dollars in Billions)



The three patterns of the present values shown in Chart 11 are similar. The net cash flow estimates corresponding to all three sets of assumptions are negative in all years of the 75-year projection period, are slightly higher (less negative) in 2026 than in 2025, but then decrease rapidly into the 2040s. The net cash flow estimates corresponding to an ultimate real interest rate of 1.8 decrease through 2078 and then increase through 2099. Therefore, in terms of today's investment dollar, annual OASDI net cash flow, although still negative, begins to increase in 2079. The net cash flow estimates corresponding to an ultimate real interest rate of 2.3 decrease through 2041, increase in 2042 through 2047, decrease in 2048 through 2075, and then increase in 2076 through 2099. The net cash flow estimates corresponding to an ultimate real interest rate of 2.8 decrease through 2040, increase in 2041 through 2051, decrease in 2052 through 2063, and then increase through 2099.

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REPORTS OF INDEPENDENT AUDITORS

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

January 15, 2026

The Honorable Frank Bisignano
Commissioner of Social Security

The Office of the Inspector General (OIG) contracted with the independent certified public accounting firm Ernst & Young LLP to audit the financial statements of the Social Security Administration, which comprise the consolidated balance sheet as of September 30, 2025, the related consolidated statements of net cost and changes in net position and combined statement of budgetary resources for the year then ended, the statements of social insurance as of January 1, 2025, 2024 and 2023, and the related statements of changes in social insurance amounts for the periods January 1, 2024 to January 1, 2025 and January 1, 2023 to January 1, 2024, and the related notes (collectively referred to as the "financial statements"). We also contracted with Ernst & Young to provide an opinion on internal control over financial reporting and report on compliance and other matters.

The contract requires that the audit be conducted in accordance with auditing standards generally accepted in the United States; *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Those Standards and Bulletin require that Ernst & Young plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement, issue an opinion on internal control over financial reporting, and a report on compliance and other matters.

This letter transmits Ernst & Young's three reports as follows.

- **Report on the Audit of the Financial Statements.** The financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

- **Report on Internal Control Over Financial Reporting.** SSA maintained, in all material respects, effective internal control over financial reporting as of September 30, 2025, based on criteria established under the *Federal Managers' Financial Integrity Act*; OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*; and in *Standards for Internal Control in the Federal Government* (Green Book), issued by the Comptroller General of the United States. However, Ernst & Young identified two significant deficiencies in internal control over financial reporting related to (1) Internal Controls over Certain Financial Information Systems and (2) Internal Control over Accounts Receivable with the Public (Benefit Overpayments).
- **Report on Compliance and Other Matters.** Ernst & Young identified no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the provisions of OMB Bulletin No. 24-02 and disclosed no instances in which the Agency's financial management systems did not substantially comply with the Section 803(a) requirements of *Federal Financial Management Improvement Act* (FFMIA) requirements.

The statement of social insurance as of January 1, 2022 and 2021 were audited by Grant Thornton LLP who expressed an unmodified opinion on the statements of social insurance on November 10, 2022. Grant Thornton LLP's Report of Independent Certified Public Accountants dated November 10, 2022, included an Emphasis of Matter paragraph regarding the sustainability financial statements.

Office of the Inspector General Evaluation of Ernst & Young's Audit Performance

To fulfill our responsibilities under the *Chief Financial Officers Act of 1990* and related legislation for ensuring the quality of the audit work performed, we monitored Ernst & Young's audit of SSA's financial statements by:

- evaluating the auditors' and specialists' independence, objectivity, and qualifications;
- reviewing Ernst & Young's audit approach and planning;
- monitoring the audit's progress at key points;
- examining Ernst & Young's documentation related to planning the audit, assessing SSA's internal control, and substantive testing;
- reviewing Ernst & Young's audit reports to ensure compliance with *Government Auditing Standards* and OMB Bulletin No. 24-02;
- coordinating the issuance of the audit reports; and
- performing other procedures we deemed necessary.

Ernst & Young is responsible for the attached auditor's reports, dated January 15, 2026, and the opinions and conclusions expressed therein. The OIG is responsible for technical and administrative oversight regarding Ernst & Young's performance under the contract terms. Our review, as differentiated from an audit in accordance with applicable auditing standards, was not intended to enable us to express, and, accordingly, we do not express, an opinion on SSA's financial statements, internal control over financial reporting, or conclusions on whether SSA's financial management systems complied substantially with FFMIA or with provisions of certain laws, regulations, contracts and grant agreements. However, our monitoring review, as qualified above, disclosed no instances where Ernst & Young did not comply, in all material respects, with applicable auditing standards.

Consistent with our responsibility under the *Inspector General Act*, we are providing copies of the reports to congressional committees with oversight and appropriation responsibilities over SSA. In addition, we will post a copy of the reports on our public website.

Michelle L. Anderson
Assistant Inspector General for Audit
as First Assistant

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Report of Independent Auditors

Frank Bisignano, Commissioner
Social Security Administration

Michelle L. Anderson, Assistant Inspector General for Audit as First Assistant
Social Security Administration

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Social Security Administration (the Agency), which comprise the consolidated balance sheet as of September 30, 2025, the related consolidated statements of net cost and changes in net position and combined statement of budgetary resources for the year then ended, the statements of social insurance as of January 1, 2025, 2024 and 2023, and the related statements of changes in social insurance amounts for the periods January 1, 2024 to January 1, 2025 and January 1, 2023 to January 1, 2024, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency at September 30, 2025, the results of its net cost of operations, its changes in net position and its budgetary resources for the year then ended, the Agency's social insurance information as of January 1, 2025, 2024 and 2023, and its changes in social insurance amounts from January 1, 2024 to January 1, 2025 and January 1, 2023 to January 1, 2024, in accordance with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS), the Agency's internal control over financial reporting as of September 30, 2025, based on criteria established under 31 U.S.C. § 3512(c) and (d), commonly known as the Federal Managers' Financial Integrity Act of 1982 (FMFIA) as implemented by Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control and in Standards for Internal Control in the Federal Government*, issued by the United States Government Accountability Office (the Green Book) and our report dated January 15, 2026 expressed an unmodified opinion thereon.

Basis for Opinion

We conducted our audits in accordance with GAAS, in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and in accordance with the provisions of OMB Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and the provisions of OMB Bulletin No. 24-02 are further

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described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Social Insurance Disclosures

As discussed in Note 17 to the financial statements, the statements of social insurance and the statements of changes in social insurance amounts (collectively referred to as the "sustainability financial statements") are based on management's assumptions. These sustainability financial statements present the actuarial present value of the Agency's estimated future income to be received and future expenditures to be paid using a projection period sufficient to illustrate long-term sustainability. The sustainability financial statements are intended to aid users in assessing whether future resources will likely be sufficient to sustain public services and to meet obligations as they come due. The statements of social insurance and changes in social insurance amounts are based on income and benefit formulas in current law and assume that scheduled benefits will continue after any related trust fund reserves become depleted. The sustainability financial statements are not forecasts or predictions. The sustainability financial statements are not intended to imply that current policy or law is sustainable. In preparing the sustainability financial statements, management considers and selects assumptions and data that it believes provide a reasonable basis to illustrate whether current policy or law is sustainable. Assumptions underlying such sustainability information do not consider changes in policy or all potential future events that could affect future income, future expenditures, and sustainability, for example, implementation of policy changes to avoid trust fund reserve depletion. Because of the large number of factors that affect the sustainability financial statements and the fact that future events and circumstances cannot be estimated with certainty, even if current policy is continued, there will be differences between the estimates in the sustainability financial statements and the actual results, and those differences may be material. Our opinion is not modified with respect to this matter.

Report of Other Auditors on the Agency's Statements of Social Insurance

The statements of social insurance as of January 1, 2022 and 2021 were audited by Grant Thornton LLP who expressed an unmodified opinion on the statements of social insurance on November 10, 2022, including an Emphasis of Matter paragraph regarding the sustainability financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and

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fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards and the provisions of OMB Bulletin No. 24-02 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* and the provisions of OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information in Management's Discussion and Analysis from pages 7 to 42 and the combining schedule of budgetary resources and the required supplementary social insurance information from pages 100 to 117 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Federal Accounting Standards Advisory Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the Agency Financial Report. The other information comprises the following sections: A Message from the Commissioner (pages 1-2); Table of Contents & Introduction (pages 4-6); A Message from the Chief Financial Officer (pages 44-46); Audited Financial Statements and Additional Information (pages 47-48); and Other Information (pages 139-203). Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our reports dated January 15, 2026 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance, the results of that testing, and provide an opinion on the effectiveness of the Agency's internal control over financial reporting as described in the Opinion section, but not to provide an opinion on compliance. Those reports are an integral part

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of an audit performed in accordance with Government Auditing Standards in considering the Agency's internal control over financial reporting and compliance.

Ernst & Young LLP

January 15, 2026

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Report of Independent Auditors

Frank Bisignano, Commissioner
Social Security Administration

Michelle L. Anderson, Assistant Inspector General for Audit as First Assistant
Social Security Administration

Report on Internal Control Over Financial Reporting

Opinion on Internal Control Over Financial Reporting

We have audited the Social Security Administration's (the Agency) internal control over financial reporting as of September 30, 2025, based on criteria established under 31 U.S.C. § 3512(c) and (d), commonly known as the Federal Managers' Financial Integrity Act of 1982 (FMFIA) as implemented by Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control and in Standards for Internal Control in the Federal Government*, issued by the United States Government Accountability Office (the Green Book). In our opinion, the Agency maintained, in all material respects, effective internal control over financial reporting at September 30, 2025, based on the criteria established under FMFIA, OMB Circular No. A-123 and the Green Book.

We also have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS), in accordance with the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (*Government Auditing Standards*), and in accordance with the provisions of OMB Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements* the financial statements of the Agency, which comprise the consolidated balance sheet as of September 30, 2025, and the related consolidated statements of net cost and changes in net position and combined statement of budgetary resources for the year then ended, the statements of social insurance as of January 1, 2025, 2024 and 2023, and the related statements of changes in social insurance amounts for the periods January 1, 2024 to January 1, 2025 and January 1, 2023 to January 1, 2024, and the related notes (collectively referred to as the "financial statements"), and our report dated January 15, 2026 expressed an unmodified opinion thereon.

Basis for Opinion

We conducted our audit in accordance with GAAS. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting* section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Responsibilities of Management for Internal Control Over Financial Reporting

Management is responsible for designing, implementing, and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting included in the accompanying Commissioner's Assurance Statements.

Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting

Our objectives are to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects and to issue an auditor's report that includes our opinion on internal control over financial reporting. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material weakness when it exists.

In performing an audit of internal control over financial reporting in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Obtain an understanding of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

Definition and Inherent Limitations of Internal Control Over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction, of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Reporting Significant Deficiencies in Internal Control Over Financial Reporting as Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we are required to report findings of significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the deficiencies in the Agency's internal control over Certain Financial Information Systems and Accounts Receivable with the Public (Benefit Overpayments), described in Appendix A *Significant Deficiencies in Internal Control Over Financial Reporting*, to be significant deficiencies.

The Agency's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Agency's response to the findings identified in our audit of the financial statements and audit of internal control and described on page 138 of this Agency Financial Report. The Agency's response was not subjected to either the other auditing procedures applied in the audit of the financial statements or the audit procedures applied in the audit of internal control and accordingly, we express no opinion on the response.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2026 on our tests of the Agency's compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's compliance.

Ernst + Young LLP

January 15, 2026

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Appendix A– Significant Deficiencies in Internal Control Over Financial Reporting

Significant Deficiency in Internal Controls over Certain Financial Information Systems

Information systems controls are a critical component of the Federal government's operations to manage the integrity, confidentiality and reliability of its programs and activities and assist with reducing the risk of errors, fraud, or other illegal acts. SSA has a complex set of technology, systems, and Information Technology (IT) infrastructure in place to administer its programs and activities. As SSA continues its efforts to enhance its information system internal controls over financial reporting, the items identified in the current year audit merit continued focus on their information systems controls and processes.

Due to the complex nature of the IT environment, SSA continues to have pervasive deficiencies in its implementation of controls. While SSA has made improvements in the remediation of IT deficiencies, we noted that some control deficiencies identified this year have been recurring issues in previous financial statement audits as well as new control deficiencies. Therefore, we deemed the aggregation of these control deficiencies to be a significant deficiency in information system internal controls over financial reporting.

Access Controls and Segregation of Duties

SSA has a large number of users requiring access to these IT systems in order to administer its programs in a timely and effective manner. Accordingly, properly implemented system access controls, including user and system account management, segregation of duties, and monitoring of system access, are critical to preventing and detecting unauthorized usage of SSA information resources, program, and data files. Without maintaining an appropriate level of access controls within SSA systems, the integrity, confidentiality, and availability of SSA's information resources could be compromised.

The following control deficiencies were identified:

- The accounts of terminated users were not disabled or deprovisioned in accordance with the SSA defined timeframe.
- User account recertifications were not completed in accordance with SSA defined policy.
- For one financially significant application, the users' account history for provisioning and deprovisioning of access was not available.
- For one financially significant application, provisioning and/or deprovisioning to include logical and/or physical controls, were not performed in accordance with SSA defined policy and procedures.

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Configuration Management Controls

Configuration management involves the identification and management of security features for all hardware and software components of an information system at a given point and systematically controls changes to that configuration during the system's life cycle. By implementing configuration management controls, SSA can ensure that only authorized software programs and infrastructure configurations are placed into production through establishing and maintaining baseline configurations and monitoring changes to these configurations. Weaknesses in such controls can compromise the integrity and availability of sensitive data and increase the risk that such data may be inappropriately used and disclosed.

The following control deficiencies were identified:

- SSA has not yet completed its review of use cases to establish a monitoring and remediation process using an automated tool for additional monitoring of its security configuration settings.
- For a selection of IT infrastructure components that support the financially relevant applications, not all security settings were in compliance with the SSA defined security configuration settings or the SSA approval waiver process for non-compliance was not followed.
- The monitoring and review of audit logs were not consistently followed in accordance with SSA procedures.

IT Operations Controls

Effective IT operations controls support the reliability of various aspects of operating the IT environment related to the complete and accurate processing of transactions and the protection of information used in that processing. IT operations involves computer job management tasks related to scheduling and running jobs (programs), monitoring the successful completion of those jobs, and detecting and addressing job failures timely. In addition, it includes the effective identification and timely remediation of vulnerabilities and weaknesses identified by SSA through its risk management process. Ineffective controls around IT operations increases the risk that issues with programs that are not scheduled correctly or do not process to completion, may not be addressed, or may be addressed inappropriately, and hardware or software issues will result in the loss of financially relevant data or the ability to accurately process that data. Further, not timely remediating known vulnerabilities or weaknesses may impact the integrity and security of the data.

The following control deficiencies were identified:

- Vulnerability management processes had not been fully implemented to validate that identified vulnerabilities were remediated within the timeframe or had an approved risk response on file based on SSA Policy.

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- For one financially significant system, SSA did not perform the annual security control assessment defined within policy.

Recommendations

SSA should continue to improve the operating effectiveness of information security controls to address deficiencies in access controls and segregation of duties, configuration management, and IT operations to include:

Access Controls and Segregation of Duties Controls

1. Follow defined guidance for account management processes related to execution of access controls.
2. Restrict access for key applications and the underlying IT infrastructure in accordance with the principle of least privilege, monitored to detect and correct unauthorized access or activities. Additionally, evidence of such monitoring activities should be retained.
3. Routinely monitor and revalidate access needs for business users, privileged users, and terminated and inactive users.

Configuration Management Controls

1. Define the process to fully integrate the automated tool to monitor security baselines.
2. Monitor security configuration processes to validate compliance with defined configuration requirements and retain remediation documentation in support of SSA identified non-compliance with defined security configuration settings.

IT Operations Controls

1. Document risks and controls in place, identify gaps, and complete corrective actions to strengthen the internal control environment. Improve documentation, test and validate controls, and remediate findings. Additionally, monitor vulnerabilities for non-compliance with policy requirements and track remediation actions appropriately. Complete security assessment reports according to defined SSA frequency.

Significant Deficiency in Internal Control over Accounts Receivable with the Public (Benefit Overpayments)

Overview

A benefit overpayment exists when beneficiaries receive payments beyond their entitled amount. When SSA detects a benefit overpayment, it records an account receivable with the public to reflect the amount due SSA from the beneficiary. Because of the nature of the benefit-payment programs, SSA has extensive operations geographically dispersed nationwide. Overpayment detection, calculation, and documentation occur in various places throughout SSA, including approximately

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1,200 field offices, 8 processing centers, and various functional areas within SSA's central office. Therefore, SSA has specific policies, procedures, and internal controls in place to detect, calculate, and document overpayments and the related accounts receivable balances. Since the benefit overpayment process can be complex for some cases and relies on manual input, lack of adherence to its internal controls could lead to inaccuracies in recording, documenting, and tracking overpayment balances. Management also relies on its IT infrastructure, interfaces, and controls to record and prevent erroneous payments.

Deficiencies in Benefit Overpayment Documentation and Calculations

During prior audits, Ernst & Young identified errors affecting the accuracy of the overpayment amounts reported in the subsidiary ledger's records for Title II Recovery of Overpayments, Accounting, and Reporting (ROAR) System and Title XVI Modernized Overpayment and Underpayment Reporting System (MOURS). The identified errors in the Title II and Title XVI overpayment recalculations were due to (1) Actions being made to records in error, (2) Actions not being made by a technician to correct the underlying information within SSA's system, or (3) Discrepancies between the Master Beneficiary Record (MBR) and ROAR, for Title II, or Supplemental Security Record (SSR) and MOURS, for Title XVI.

During FY 2025, SSA Management implemented a number of initiatives and IT systems enhancements to further address the Title II and Title XVI Overpayment finding and implement the recommendations from prior audits. These initiatives have primarily focused on overpayment transactions detected in the current year and prevention of future overpayments; however, the majority of the Accounts Receivable with the Public balance is comprised of overpayments identified in previous years. Ernst & Young determined that the remediation efforts made-to-date either: (1) were only applied to newly detected overpayments and an inconsequential number of historical overpayments, (2) would not be fully implemented in the current year, or (3) would not be implemented for a long enough period in the current year for Ernst & Young to evaluate its impact on the Accounts Receivable control environment. Accordingly, the Agency confirmed that its remedial actions have not overcome the deficiencies and had Ernst & Young substantively tested overpayments in the current year, the path of findings would be consistent with prior year results.

Professional standards dictate that, when an auditor deems a control to have been ineffective in the prior year, and management indicates there has been no improvement, the auditor need not test it in the current year.

Reconciliation of the Supplemental Security Income Accounts Receivable Ledger

OMB Circular A-123, Appendix D, Management of Financial Management Systems – Risk and Compliance (OMB Circular A-123), requires that the United States Government Standard General Ledger be applied at the transaction level. For its Old-Age and Survivors and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs, SSA tracks individual debtor

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overpayment transactions and accounts receivable balances in subsidiary ledger systems and adjusts the general ledger according to the balances reported from the subsidiary ledgers.

During prior audits, Ernst & Young identified differences between the detailed records in MOURS to summary MOURS files used by SSA to adjust the general ledger. SSA relies on these summary-level reports to update the general ledger; therefore, the SSI accounts receivable program balances reported in the general ledger and subsequently the financial statements, differ from the supporting detail-level beneficiary data in the SSI subsidiary ledger system. The unreconciled difference is immaterial to the financial statements and the accounts receivable with the public balance.

Limitations in SSA IT systems, and the structure of the MOURS databases have resulted in the agency's inability to implement certain controls over accounts receivable to substantiate the balances posted to the financial reporting system from summary reports and MOURS detailed records.

Deficiencies in Overpayment Records and Tracking of Long-term Installment Payments

As disclosed in Note 6 of the 2025 SSA financial statements, SSA identified a Title II system design limitation concerning long-term withholding agreements that extend past the year 2049 and 2073, where the ROAR system cannot capture, and track debt scheduled for collection beyond the years 2049 and 2073. In FY 2024, SSA determined that the latest date to track the future collection of overpayments within the system needed to extend beyond 2049. Accordingly, the date within the system was changed to 2073. This date was determined by similar constraints within the system that dictated the 2049 date; it was the latest date to which the system could be set.

These system limitations have led to an understatement of the accounts receivable with the public balance on the Agency's financial statements. The limitations have hindered SSA's ability to effectively track and collect these overpayments. The projected understatements are immaterial to the financial statements and the accounts receivable with the public balance. While the Agency is enhancing system capabilities to properly account for these receivables and updating policies to avoid longer-term repayment programs, failure to resolve the system design process limitation will continue to result in an understated accounts receivable balance.

Recommendations

To mitigate the risks of the issues noted in the significant deficiency, management should consider the following:

Deficiencies in Benefit Overpayment Documentation and Calculations

1. Continue exploring opportunities to improve overpayment accuracy and document retention through engaging field office and processing center employees in trainings related to common weaknesses and more complex overpayment cases.

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2. Enhance overpayment processing management information to consider risk-based factors such as current overpayment balances, manual intervention required, and age.
3. Complete the implementation of new overpayment documentation tools to ensure overpayments are documented completely, accurately, and timely by field offices or processing centers within the appropriate systems of record.
4. Continue performing a secondary review of manually posted Title II overpayments. Consider implementing a similar secondary review of manually posted Title XVI overpayments.
5. Implement a retroactive review control on historical overpayments that would not have been subject to any reviews performed by SSA Management.
6. Evaluate the impact to the accounts receivable balance through an analysis of those transactions (e.g. historical overpayment data) that have not been previously subject to review as part of the Agency's initiatives.
7. Consider enhancing the Agency's OMB Circular A-123 internal control program to incorporate additional oversight over Accounts Receivable controls.

Reconciliation of the Supplemental Security Income Accounts Receivable Ledger

1. Continue implementing and executing SSI reconciliation internal controls between subsidiary ledgers at the detail level and the general ledger through summary reports. Investigate and document reconciling differences on a periodic and timely manner.
2. Investigate potential system reporting enhancements to reduce unreconciled differences between summary and detail level data produced by subsidiary ledgers.

Deficiencies in Overpayment Records and Tracking of Long-term Installment Payments

1. Continue working toward updated debt management systems without the technical limitations over the length of time repayment installments can be recorded.
2. Continue pursuing changes in repayment policy to minimize future extended repayment plans.
3. Continue analyzing and tracking the impact of the 2049 and 2073 system design process limitations on the financial statements.

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Report of Independent Auditors on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Frank Bisignano, Commissioner
Social Security Administration

Michelle L. Anderson, Assistant Inspector General for Audit as First Assistant
Social Security Administration

We have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards) and with the provisions of Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*, the financial statements of the Social Security Administration (the Agency), which comprise the consolidated balance sheet as of September 30, 2025, the related consolidated statements of net cost and changes in net position and combined statement of budgetary resources for the year then ended, the statement of social insurance as of January 1, 2025, and the related statement of changes in social insurance amounts for the period January 1, 2024 to January 1, 2025, and the related notes (collectively referred to as the "financial statements"), and our report dated January 15, 2026 expressed an unmodified opinion thereon.

We also have audited, in accordance with GAAS, the Agency's internal control over financial reporting as of September 30, 2025, based on criteria established under 31 U.S.C. § 3512(c) and (d), commonly known as the Federal Managers' Financial Integrity Act of 1982 (FMFIA) as implemented by Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control and in Standards for Internal Control in the Federal Government*, issued by the United States Government Accountability Office (the Green Book) and our report dated January 15, 2026 expressed an unmodified opinion thereon.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements as well as the requirements referred to in the Federal Financial Management Improvement Act of 1996 (FFMIA), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not

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express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the provisions of OMB Bulletin No. 24-02 and disclosed no instances in which the Agency's financial management systems did not substantially comply with the Section 803(a) requirements of FFMIA.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on the entity's compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2026 on our consideration of the Agency's internal control over financial reporting. The purpose of that report is to describe the scope of our testing of internal control over financial reporting, the results of that testing, and provide an opinion on the effectiveness of the Agency's internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting.

Ernst + Young LLP

January 15, 2026

SOCIAL SECURITY

Frank J. Bisignano, Commissioner

January 15, 2026

Ernst & Young LLP
1775 Tysons Blvd
Tysons, VA 22102

Dear Sir or Madam:

We have reviewed the Reports of Independent Auditors concerning our fiscal year (FY) 2025 financial statements, internal control over financial reporting, and compliance and other matters. We are pleased that we received our 32nd consecutive unmodified opinion on our financial statements, an unmodified opinion confirming the effective operation of our internal control over financial reporting, and no reportable instances of noncompliance with applicable laws, regulations, or other matters tested.

The independent audit process helps reinforce the trust that the American people have in Social Security. I appreciate the ongoing partnership with you, our independent auditors, and the Office of the Inspector General.

In this year's financial statement audit, you cited two significant deficiencies identified in prior years. The significant deficiencies involve internal control over certain financial information systems and internal control over accounts receivable with the public (benefit overpayments). We will work diligently to address these deficiencies.

We are committed to transforming Social Security into a premier government service organization. As part of this commitment, we prioritize responsible stewardship of our programs and uphold a robust and effective internal control environment. We remain focused on enhancing payment accuracy by driving continuous improvement across the organization.

Sincerely,

Frank J. Bisignano
Commissioner

SOCIAL SECURITY ADMINISTRATION BALTIMORE, MD 21235-0001

Other Information

SSA.gov

OTHER INFORMATION SUMMARY

The *Other Information* section provides information to satisfy additional statutory and Office of Management and Budget reporting requirements.

First, we provide a summary of our financial statement audit and management assurances, and other financial information.

Next, in accordance with the *Reports Consolidation Act of 2000*, *The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2025* provides a summary and assessment of the most serious management and performance challenges we face as determined by the Office of the Inspector General (OIG). This section also describes the steps we have taken to address each of these challenges.

Finally, in *Other Reporting Requirements*, we provide information on our payment integrity, entitlement reviews and OIG anti-fraud activities, civil monetary penalties, biennial review of user fee charges, grants programs, federal entity trading partners, and debt collection and management activities.

SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

Summary of Financial Statement Audit

Financial Statement Audit					
Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Ending Balance**
Total Material Weaknesses	0	0	0	0	0

Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA Section 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
Total Material Weaknesses	0	0	0	0	0	0
Effectiveness of Internal Control over Operations (FMFIA Section 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
Total Material Weaknesses	0	0	0	0	0	0
Conformance with Federal Financial Management System Requirements (FMFIA Section 4)						
Statement of Assurance	Federal Systems conform to financial management system requirements					
Non-Conformances	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
Total Non-Conformances	0	0	0	0	0	0

Compliance with Section 803(a) of the Federal Financial Management Improvement Act		
	Agency	**Auditor**
1. Federal Financial Management System Requirements	No lack of substantial compliance noted	No lack of substantial compliance noted
2. Applicable Federal Accounting Standards	No lack of substantial compliance noted	No lack of substantial compliance noted
3. United States Standard General Ledger at Transaction Level	No lack of substantial compliance noted	No lack of substantial compliance noted

OTHER FINANCIAL INFORMATION

Other Financial Information: Balance Sheet by Major Program as of September 30, 2025
(Dollars in Millions)

Assets	OASI	DI	SSI	Other	LAE	Intra-Agency Eliminations	Consolidated
Intragovernmental Assets:							
Fund Balance with Treasury	$ 341	$ 86	$ 4,647	$ 94	$ 877	$ 0	$ 6,045
Investments	2,415,122	217,213	0	0	0	0	2,632,335
Accounts Receivable, Net	174	74	0	0	3,071	(2,351)	968
Advances and Prepayments	0	0	10	0	49	0	59
Other Assets	0	0	0	0	113	0	113
Total Intragovernmental Assets	2,415,637	217,373	4,657	94	4,110	(2,351)	2,639,520
Assets with the Public:							
Accounts Receivable, Net	3,151	3,264	5,397	0	20	(820)	11,012
Property, Plant, and Equipment, Net	0	0	0	0	5,172	0	5,172
Total Assets with the Public	3,151	3,264	5,397	0	5,192	(820)	16,184
Total Assets	$2,418,788	$220,637	$10,054	$ 94	$ 9,302	$ (3,171)	$ 2,655,704
Liabilities							
Intragovernmental Liabilities:							
Accounts Payable	$ 6,582	$ 538	$ 1,035	$ 35	$ 6	$ (2,351)	$ 5,845
Other Liabilities	0	0	5,102	3	116	0	5,221
Total Intragovernmental Liabilities	6,582	538	6,137	38	122	(2,351)	11,066
Liabilities with the Public:							
Accounts Payable	0	1	295	0	90	0	386
Federal Employee Salary, Leave, and Benefits Payable	0	0	0	0	547	0	547
Post-Employment Benefits Payable	0	0	0	0	243	0	243
Benefits Due and Payable	131,383	32,543	6,512	0	0	(820)	169,618
Advances from Others and Deferred Revenue	0	0	286	0	4	0	290
Other Liabilities	0	0	38	1	0	0	39
Total Liabilities with the Public	131,383	32,544	7,131	1	884	(820)	171,123
Total Liabilities	$ 137,965	$ 33,082	$13,268	$ 39	$ 1,006	$ (3,171)	$ 182,189
Commitments and Contingencies (Note 9)							
Net Position							
Unexpended Appropriations - Funds from other than Dedicated Collections	$ 0	$ 0	$ 551	$ 55	$ 6	$ 0	$ 612
Cumulative Results of Operations - Funds from Dedicated Collections	2,280,823	187,555	9	0	0	0	2,468,387
Cumulative Results of Operations - Funds from other than Dedicated Collections	0	0	(3,774)	0	8,290	0	4,516
Total Cumulative Results of Operations	2,280,823	187,555	(3,765)	0	8,290	0	2,472,903
Total Net Position	$2,280,823	$187,555	$(3,214)	$ 55	$ 8,296	$ 0	$ 2,473,515
Total Liabilities and Net Position	$2,418,788	$220,637	$10,054	$ 94	$ 9,302	$ (3,171)	$ 2,655,704

Other Financial Information: Schedule of Net Cost for the Year Ended September 30, 2025
(Dollars in Millions)

	Program	LAE	Total
OASI Program			
Benefit Payment Expense	$ 1,423,041	$ 0	$ 1,423,041
Operating Expenses	738	3,670	4,408
Total Cost of OASI Program	1,423,779	3,670	1,427,449
Less: Exchange Revenues	(1)	(22)	(23)
Net Cost of OASI Program	$ 1,423,778	$ 3,648	$ 1,427,426
DI Program			
Benefit Payment Expense	$ 156,332	$ 0	$ 156,332
Operating Expenses	283	2,885	3,168
Total Cost of DI Program	156,615	2,885	159,500
Less: Exchange Revenues	(27)	(17)	(44)
Net Cost of DI Program	$ 156,588	$ 2,868	$ 159,456
SSI Program			
Benefit Payment Expense	$ 60,268	$ 0	$ 60,268
Operating Expenses	194	4,959	5,153
Total Cost of SSI Program	60,462	4,959	65,421
Less: Exchange Revenues	(253)	(30)	(283)
Net Cost of SSI Program	$ 60,209	$ 4,929	$ 65,138
Other			
Operating Expenses	$ 0	$ 3,820	$ 3,820
Less: Exchange Revenues	0	(23)	(23)
Net Cost of Other Program	$ 0	$ 3,797	$ 3,797
Total Net Cost			
Benefit Payment Expense	$ 1,639,641	$ 0	$ 1,639,641
Operating Expenses	1,215	15,334	16,549
Total Cost	1,640,856	15,334	1,656,190
Less: Exchange Revenues	(281)	(92)	(373)
Total Net Cost	$ 1,640,575	$ 15,242	$ 1,655,817

Other Financial Information: Schedule of Changes in Net Position for the Year Ended September 30, 2025

(Dollars in Millions)

	OASI	DI	SSI		Other	
	Funds from Dedicated Collections	Funds from Dedicated Collections	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Funds from Dedicated Collections	Funds from other than Dedicated Collections
Unexpended Appropriations:						
Beginning Balances	$ 0	$ 0	$ 0	$ 1,803	$ 0	$ 57
Appropriations Received	0	0	0	68,815	59,748	25
Other Adjustments	0	0	0	(1,297)	0	(8)
Appropriations Used	0	0	0	(68,770)	(59,748)	(19)
Net Change in Unexpended Appropriations	0	0	0	(1,252)	0	(2)
Total Unexpended Appropriations - Ending	0	0	0	551	0	55
Cumulative Results of Operations:						
Beginning Balances	$ 2,475,706	$ 148,374	$ 15	$ (3,667)	$ 0	$ 0
Adjustments						
Changes in Accounting Principle	0	0	0	0	0	0
Beginning Balances, As Adjusted	$ 2,475,706	$ 148,374	$ 15	$ (3,667)	$ 0	$ 0
Appropriations Used	0	0	0	68,770	59,748	19
Non-Exchange Revenue						
Tax Revenues	1,118,242	189,897	0	0	0	0
Interest Revenues	62,530	6,777	0	0	0	0
Other	6	31	0	0	0	0
Total Non-Exchange Revenue	1,180,778	196,705	0	0	0	0
Transfers In/Out - Without Reimbursement	48,117	(936)	(170)	(8,183)	(59,748)	3,587
Imputed Financing Sources	0	0	0	22	0	0
Other	0	0	0	(343)	0	(3,606)
Net Cost of Operations	1,423,778	156,588	(164)	60,373	0	0
Net Change in Cumulative Results of Operations	(194,883)	39,181	(6)	(107)	0	0
Total Cumulative Results of Operations - Ending	$ 2,280,823	$ 187,555	$ 9	$ (3,774)	$ 0	$ 0
Net Position	$ 2,280,823	$ 187,555	$ 9	$ (3,223)	$ 0	$ 55

Other Financial Information: Schedule of Changes in Net Position for the Year Ended September 30, 2025 (Continued)
(Dollars in Millions)

	LAE	Consolidated		Consolidated
	Funds from other than Dedicated Collections	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Total
Unexpended Appropriations:				
Beginning Balances	$ 5	$ 0	$ 1,865	$ 1,865
Appropriations Received	32	59,748	68,872	128,620
Other Adjustments	0	0	(1,305)	(1,305)
Appropriations Used	(31)	(59,748)	(68,820)	(128,568)
Net Change in Unexpended Appropriations	1	0	(1,253)	(1,253)
Total Unexpended Appropriations - Ending	6	0	612	612
Cumulative Results of Operations:				
Beginning Balances	$ 8,000	$ 2,624,095	$ 4,333	$ 2,628,428
Adjustments				
Changes in Accounting Principle	126	0	126	126
Beginning Balances, As Adjusted	$ 8,126	$ 2,624,095	$ 4,459	$ 2,628,554
Appropriations Used	31	59,748	68,820	128,568
Non-Exchange Revenue				
Tax Revenues	0	1,308,139	0	1,308,139
Interest Revenues	0	69,307	0	69,307
Other	0	37	0	37
Total Non-Exchange Revenue	0	1,377,483	0	1,377,483
Transfers In/Out Without Reimbursement	14,363	(12,737)	9,767	(2,970)
Imputed Financing Sources	1,012	0	1,034	1,034
Other	0	0	(3,949)	(3,949)
Net Cost of Operations	15,242	1,580,202	75,615	1,655,817
Net Change in Cumulative Results of Operations	164	(155,708)	57	(155,651)
Total Cumulative Results of Operations - Ending	$ 8,290	$ 2,468,387	$ 4,516	$ 2,472,903
Net Position	$ 8,296	$ 2,468,387	$ 5,128	$ 2,473,515

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THE SOCIAL SECURITY ADMINISTRATION'S MAJOR MANAGEMENT AND PERFORMANCE CHALLENGES DURING FISCAL YEAR 2025

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

January 6, 2026

Frank Bisignano
Commissioner

Dear Mr. Bisignano:

The *Reports Consolidation Act of 2000* (Pub. L. No. 106-531) requires that Federal Inspectors General summarize and assess the most serious management and performance challenges facing Federal agencies and the agencies' progress in addressing them. The *Reports Consolidation Act* also requires that the Social Security Administration (SSA) place the final version of this Statement in its annual *Agency Financial Report*.

Management and Performance Challenges

In our report on *The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2024*, we identified the following challenges.

- Manage Human Capital
- Improve Service Delivery
- Protect the Confidentiality, Integrity, and Availability of SSA's Information Systems and Data
- Modernize Information Technology
- Improve the Administration of Disability Programs
- Improve the Prevention, Detection, and Recovery of Improper Payments

In Fiscal Year 2025, SSA restructured its workforce and increased its focus on technology advancements. Given its impact on customer service and technology innovation, we removed Manage Human Capital as a stand-alone challenge. Instead, we discuss Human Capital-related issues in each.

In the enclosed document, we define each challenge, outline steps SSA has taken to address each challenge, and detail the actions SSA needs to take to fully mitigate each challenge. As some of the challenges are interrelated, progress made in one area could lead to progress in another. For example, further modernization of SSA's information technology would likely affect both service delivery and prevention of improper payments.

In Fiscal Year 2026, we will continue focusing on these issues and assessing the environment in which SSA operates. I look forward to working with you to continue improving SSA's ability to address these challenges and meet its mission efficiently and effectively.

Sincerely,

Michelle L. Anderson

Michelle L. Anderson
Assistant Inspector General for Audit
as First Assistant

Enclosure

The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2025

January 2026

Improve Service Delivery

The Social Security Administration (SSA) needs to enhance telephone, online, and frontline office services to improve the customer experience and deliver quality service. To do so, SSA must optimize staffing and address attrition to ensure it can provide the high level of customer service the public expects and deserves and support its efforts to become a digital-first organization.

Why This is a Challenge

SSA needs to continue improving, expanding, and ensuring the continuity of its telephone and online service methods to meet its customers' demand. SSA also needs to manage the flow of in-person traffic, minimize in-person wait times, promote online and automated services, and ensure employees deliver quality service to its customers.

In his June 25, 2025 testimony before the House Committee on Ways and Means and Subcommittee on Work and Welfare, the Commissioner of Social Security recognized employee morale and engagement as well as "having the right staffing" presented challenges as SSA restructured its workforce to increase staffing for frontline operations. While this restructuring may help with immediate needs, SSA should update its human capital and strategic plans to ensure it has a clear vision on how it will balance staffing and technology to address service delays and backlogged workloads.

Telephone Service

Millions of customers contact SSA through its National 800-Number. Average wait times on SSA's National 800-Number decreased by approximately 25 percent from 20 minutes in Fiscal Year (FY) 2019 to 15 minutes in FY 2025. On November 9, 2023, SSA's contractor completed transitioning SSA's National 800-Number Network to the Next Generation Telephony Project platform. In our April 2025 audit of *The Social Security Administration's Administration of the Next Generation Telephony Project Contract,* we found SSA's contract did not have robust quality performance standards or incentives tied to performance. Without adequate performance standards tied to incentives and disincentives, SSA could not enforce contract requirements and hold the contractor accountable for performance deficiencies. According to SSA, unmet system requirements hindered its ability to serve the public, which resulted in increased call wait times and disconnected or unanswered calls. In the fourth quarter of FY 2024, the Agency transitioned the National 800-Number to a new service provider. By the end of FY 2024, SSA's average answering time had dropped from about 36.7 minutes to 11.5 minutes.

In June 2025 testimony before the House Committee on Ways and Means and the Subcommittee on Work and Welfare, the Commissioner acknowledged SSA's customers were waiting too long for services. In FY 2025, SSA handled about 35 million calls to its National 800-Number. According to SSA, as of September 2025, customers were waiting an average of 7 minutes to be connected to an agent—approximately 4.5 minutes shorter than at the end of FY 2024. This does not include the time customers wait for a callback.

Online Services

In support of the Commissioner's commitment to making SSA a digital-first organization, SSA acknowledges it needs to expand its digital landscape to deliver better service to its customers. SSA is evaluating its online services, fixing the issues that persist, and offering its customers new online services. Many customers access SSA services through their *my* Social Security accounts; however, before July 2025, hours of access were limited. Through September 2025, SSA had registered approximately 97.2 million *my* Social Security users.

SSA's online services allow applicants to submit Social Security number (SSN) card requests via its Internet Social Security Number Replacement Card (iSSNRC). This saves individuals time and effort because they do not have to visit a local field office or call the National 800-Number.

According to SSA, in FY 2025, it issued customers in 21 states approximately 70,000 iSSNRC name-changes due to marriage. SSA is working with its vendors to identify states that are interested in iSSNRC and have the technological capabilities and available resources to support the service. SSA should continue expanding iSSNRC to non-participating states and continue incorporating the name-change due to marriage initiative in iSSNRC, allowing eligible customers to request a replacement SSN card.

Frontline Office Services

Despite the focus on digital services, some customers prefer to visit an SSA field office for in-person support. Our May 2024 audit of *Customer Wait Times in the Social Security Administration's Field Offices and Card Centers* found SSA did not set wait-time goals for field office customers or the time customers must wait for scheduled appointments. Additionally, our September 2025 audit of *Staffing Public-facing Offices*, found SSA's process for allocating staff to public-facing offices may not account for individual offices' unique service demands, which could result in staffing levels that do not reflect the specific needs. This, in turn, could affect customer wait times.

In addition, our September 2025 audit of *Workload Management for Field Offices* found, though SSA management generally provided consistent oversight of field office workloads, it should strive to improve the support it provides field office managers to ensure they have the necessary knowledge and tools to continuously improve Agency performance. SSA provided managers standardized, Agency-wide training on workload management via video-on-demand, but it included broken links to reports, systems, and tools and some outdated information. Not all regions offered the same training so not all managers received recurring training. The managers also stated the training materials did not always explain how to manage the workloads. Additionally, SSA had over 60 reports, systems, and tools to help managers oversee their field offices' workloads, but they were not centrally located, and many were redundant or outdated. As a result, managers we interviewed and surveyed indicated they did not have time to access all reports, systems, and tools that were available to them.

SSA could also improve services its processing centers deliver. In our March 2025 review of *The Social Security Administration's International Workloads in Processing Center 8*, we found SSA could reduce improper payments and enhance customer service if Processing Center 8, which processes claims from all claimants who reside outside the United States, improved case processing accuracy. For 130 (66.3 percent) of the 196 sample cases we reviewed, Processing Center 8 staff did not always comply with SSA policies and screening guide. At least 12 of these cases had approximately $211,418 in improper payments. Inaccurate case processing caused hardship to international beneficiaries because of the burden of improper payments and delays in processing cases.

Challenges with coordination between field offices and processing centers, or teleservice centers also affect SSA's ability to effectively serve beneficiaries. When a field office, processing center, or teleservice center employee identifies a critical issue for a beneficiary that requires another office's action (such as a beneficiary who has a terminal illness or is in a dire-need situation), managers can expedite action for the beneficiary by initiating a Manager-to-Manager request. In our March 2025 audit of SSA's *Manager-to-Manager Application for Critical Case Processing*, we found field office and processing center employees did not process 57 of 100 sampled requests according to policy. Of the 57 requests, employees did not process 48 within 10 business days. This resulted in delays in employees addressing critical issues and beneficiaries waiting weeks or months to receive the benefits they were due. Processing center employees placed the remaining nine requests in a "resolved" status in the Manager-to-Manager application before they completed all necessary actions to address the requests. The errors demonstrate SSA did not have adequate controls to address complex cases, ensure communications regarding critical issues, and prevent premature request closings. As a result, the Agency had limited assurance that employees properly processed the majority of the nearly 105,000 requests in our population. This resulted in delays in employees addressing critical issues and beneficiaries having an unnecessary wait to receive the benefits they were due— potentially thousands of beneficiaries waiting weeks or months.

Staffing

To the extent offices have staff shortages, it can affect their ability to meet customer demand. Our May 2024 audit of *Customer Wait Times in the Social Security Administration's Field Offices and Card Centers* found 70 percent of SSA managers interviewed reported staffing levels were insufficient to meet the volume of customers visiting field offices. During the audit, SSA acknowledged that staff attrition resulted in a significant loss of institutional knowledge, particularly in mission-critical roles. The Agency also noted the absence of a formal knowledge transfer process limits its ability to retain technical expertise when experienced staff leave. This lack of continuity may result in increased staff turnover and loss of institutional knowledge.

As of September 30, 2025, SSA was employing 52,100 staff. This reflects a decrease of approximately 6,500 employees compared to FY 2024. This included about 196 employees who accepted deferred retirements and, although not working, will remain counted until their final separation, which SSA stated would be no later than the end of Calendar Year 2025. The staffing reduction was primarily driven by attrition that resulted from the Agency's restructuring initiative that offered voluntary separation incentives to all employees. Although front-line positions critical to operating SSA programs are exempt from the Government-wide hiring freeze (in effect since January 20, 2025 and extended through October 15, 2025), regional executives reported they have been unable to hire. As a result, the Agency has not backfilled for employees who separated.

SSA has not updated its *Agency Strategic Plan for FYs 2022-2026, Human Capital Operating Plan for FYs 2024-2026*, or *SSA's Long-Term Human Capital Management Improvement Plan for FYs 2024-2034* to align with the Commissioner's priorities or recent Executive Orders or to address how it will adequately provide services to the public with reduced staffing levels.

Progress the Social Security Administration Has Made

Telephone Service

On August 22, 2024, SSA transitioned its National 800-Number to a new service provider that allows for scheduled callbacks, provides estimated wait times, and increases self-service. As of September 2025, SSA had approximately 3,900 staff for the National 800-Number. In FY 2025, SSA began expanding the use of the new telecommunication platform to their field offices and completed a proof-of-concept implementation in two state disability determination services (DDS) offices. In FY 2026, SSA began to roll out the platform to the remaining DDS offices and plans to introduce the platform to processing centers and hearing offices.

SSA also reassigned field office staff to call centers to help manage rising call volumes and improve response times. Although this reassignment alleviated pressure on call centers, according to SSA regional executives, it also affected service levels in the originating field offices. For example, one regional executive stated average wait times in some field offices increased from 30 minutes to several hours.

Online Service

In FY 2024, SSA introduced Upload Documents to all field offices and workload support units. This functionality connects to *my* Social Security and gives customers another way to upload forms and evidence. SSA also added text messaging as an additional option for customers to receive a notification and link to upload forms. In April 2025, SSA implemented a new functionality in *my* Social Security for customers to view an unmasked SSN, full name, and date of birth on a simple page view, which allows customers to review or display the information on mobile devices or desktop computers. In July 2025, the Agency upgraded *my* Social Security to provide customers with 24/7 access.

In FY 2025, SSA released the no-change replacement card functionality online to Oklahoma and New Hampshire. This service is offered in 49 states and the District of Columbia—Alaska is the only state that is not participating because of legislative issues. While most states provide no-change replacement SSN cards, not all provide replacement SSN cards for last-name change because of marriage. In FY 2025, SSA issued 2.9 million no-change replacement cards.

Frontline Office Services

In November 2024, SSA began transitioning to an Appointment Focused Service (AFS) in field offices. The Agency expects AFS will enhance its service delivery, improve the customer service experience, and expand appointments for in-person field office and Social Security Card Center services thereby reducing customer wait times and increasing satisfaction. Scheduled appointments allow field office managers to effectively allocate resources and better anticipate workload demands. SSA uses AFS for office workloads, including initial claims, post-entitlement, and enumeration services. AFS encourages customers to use online, self-service options first and allows customers to schedule appointments. As of January 2025, SSA had fully implemented AFS. SSA also updated its policy to ensure employees are aware of their responsibility when customers use AFS to schedule appointments and visit field offices without a scheduled appointment.

According to SSA, overall AFS wait times had decreased from an average of 29.6 minutes in October 2024 to an average of 22.0 minutes in September 2025. Additionally, AFS had increased the number of appointments for in-person field office visits from an average of 9.6 percent in October 2024 to an average of 38.6 percent in September 2025. SSA's customer satisfaction score at local Social Security Offices and Card Centers has improved—increasing from 84 and 89 in December 2024 to 89 and 90 as of September 2025.

In September 2025, SSA stated it requested feedback from managers and employees on the Manager-to Manager application. It plans to use the feedback to identify potential updates to the business process and enhancements to the application.

Staffing

The Agency reshaped its organization and restructured its workforce to increase staffing for frontline operations, consolidate functions across offices, and streamline its Headquarters and regional organization. As part of this restructure, SSA reduced the number of regions from 10 to 4 to streamline management layers and allocate resources to frontline operations. The Agency also transitioned approximately 2,000 employees into direct-service positions and planned to provide them the necessary training and tools to serve customers effectively. According to regional executives, while this shift strengthened frontline capacity, it reduced regional support for policy, facilities management, and budget oversight for field offices.

To address ongoing challenges related to employee morale and engagement, the Commissioner identified key priorities for the Agency, including upgrading aging systems, modernizing field offices, reducing administrative burdens, and enhancing staff training. To optimize staffing and address attrition, SSA plans to focus its hiring efforts on highly skilled information technology (IT) staff and field offices with staffing gaps that affect service delivery.

What the Social Security Administration Needs to Do

- Continue developing and implementing strategies that will provide quality services to the public now and in the future.
- Monitor National 800-Number wait times and determine whether the Agency has sufficient staff to meet its customer-service goals.
- Expand the online services available through *my* Social Security, where appropriate.

- Continue automating workflows and updating policies to better connect employees with customers and their evidence via digital services.
- Ensure employees have the right training and tools to help them provide quality service.
- Create updated plans to address both immediate and future workforce needs.
  - Align workforce skills with future technology needs.
  - Ensure staffing models support a high level of customer service for each field office.

Key Related Links

Office of Audit Publications

- *Informing Applicants Who Would Be Subject to Government Pension Offset of Their Options to Delay Filing Benefit Applications* (052404), September 2025.
- *Workload Management for Field Offices* (042316), September 2025.
- *Staffing Public-facing Offices* (022327), September 2025.
- *Individuals Who Elect to Receive Retirement Benefits After Age 70* (012306), June 2025.
- *The Social Security Administration's Agreement with the Department of Agriculture on Supplemental Nutrition Assistance Program-related Services* (012316), June 2025.
- *The Social Security Administration's Administration of the Next Generation Telephony Project Contract* (022324), April 2025.
- *Manager-to-Manager Application for Critical Case Processing* (072305), March 2025.
- *The Social Security Administration's International Workloads in Processing Center 8* (012305), March 2025.
- *Customer Wait times in the Social Security Administration's Field Offices and Card Centers* (152307), May 2024.

Social Security Administration Publications

- *Agency Strategic Plan, FYs 2022-2026*
- *Annual Performance Plan for Fiscal Year 2026 and Revised Performance Plan for Fiscal Year 2025*
- *FY 2026 President's Budget for the Social Security Administration*
- *Social Security Administration Human Capital Operating Plan, Fiscal Years 2024-2026*

Protect the Confidentiality, Integrity, and Availability of Information Systems and Data

SSA must ensure it secures its information systems and protects its sensitive data.

Why This is a Challenge

IT supports every aspect of SSA's mission, whether it is serving the public in-person or online, routing millions of telephone calls to its National 800-Number, or posting millions of wage reports to individuals' records. Disruptions to the integrity or availability of SSA's information systems would potentially impact its ability to serve the public and meet its mission. SSA's systems contain personally identifiable information, such as SSNs. If this information is not protected, identity thieves could misuse it. Since 2023, SSA has had nine Chief Information Officers, which has created challenges in guiding the Agency through changing cyber-security requirements. In addition, in FY 2025, SSA reduced and re-organized its IT workforce. In July 2025, the Chief Information Officer noted SSA had lost some skilled employees whose positions the Agency was filling with contractors until it could replace with the right hires.

Information and Cyber-security

To improve customer service and ensure the confidentiality and integrity of personal and Agency data, SSA must have a robust information security program. However, in our September 2025 audit of *The Social Security Administration's Information Security Program and Practices for Fiscal Year 2025,* the contract auditor assessed SSA's Information Security program as "not effective" based on the FY 2025 metric results for the *Federal Information Security Modernization Act of 2014* (Pub. L. No. 113-283). The contractor continued to assess SSA's cyber-security framework functions for identification, protection, detection, and recovery as "not effective." In addition, the contractor rated metrics for security training and contingency planning lower than the previous year and found SSA was not effective in new metrics regarding cyber-security governance and data inventory. The contractor recommended SSA continue refining its enterprise architecture system inventory, software, and hardware asset inventories; implementing its cyber-security risk management strategy; and improving its process for integrating and formalizing risk-based decisions into cyber-security program monitoring activities.

To correct information security weaknesses identified by audits or vulnerability assessments done by, for, or on behalf of, the Agency, SSA uses plans of action and milestones. Plans of action and milestones identify the tasks required to address a security weakness. However, our September 2025 review of SSA's *Plans of Action and Milestones* found, although SSA had some policies, procedures, and practices to manage its plans of action and milestones, it did not manage them in compliance with Federal and Agency requirements. Adherence to these requirements could help ensure SSA takes appropriate and timely action to resolve the security issue.

SSA also faces the challenges of implementing new cyber-security requirements and is still implementing the newest security domain—cyber-security governance. Office of Management and Budget (OMB) Memorandum M-25-04, *Fiscal Year 2025 Guidance on Federal Information Security and Privacy Management Requirements*, built on previous guidance to advance cyber-security. For example, the Memorandum requires that Federal agencies continue maturing their zero-trust posture, which moves defenses from network-based boundaries to more granular levels like data, users, and devices. OMB's guidance also discusses improving such additional cyber-security areas as secure cloud adoption, the software supply chain, incident response, and Internet-of-Things security (which includes sensors, controllers, and smart devices). However, SSA is tasked with improving its information security posture while addressing the attrition of skilled employees in SSA's Office of the Chief Information Officer.

Social Security Number Protection and Earnings Accuracy

The SSN was created to identify and accurately track numberholders' earnings over their lifetimes to administer benefits under SSA programs. However, the SSN is also valuable as an illegal commodity. Accordingly, the information SSA houses on every numberholder is desirable to would-be hackers and identity thieves. Protecting SSNs and properly posting the earnings reported under them are critical to ensuring SSN integrity and eligible individuals receive the full benefits due them.

Personally identifiable information is any information SSA maintains about an individual that can be used to distinguish or trace their identity, such as name, SSN, date and place of birth, mother's maiden name, or biometric records. Federal laws and regulations require that SSA protect this information and report when it is stored, how it is protected, and when it is breached. Our September 2025 audit of *Personally Identifiable Information Loss Reporting* found SSA employees reported 23,954 of the personally identifiable information losses from Calendar Years 2019 to 2023 in the legacy loss reporting tool with an assessed risk level, as required. However, employees did not properly record 658 personally identifiable information losses in the legacy loss reporting tool or assign a risk level to another 2,568 open loss reports. On average, these open loss reports remained pending for 657 days. Additionally, of the 120 open loss reports we reviewed, SSA did not refer 32 (27 percent) to the Office of the Inspector General, as required. Until SSA updates its guidance and evaluates the effectiveness of its updated processes and controls, employees may continue responding to personally identifiable information losses improperly.

Accuracy in recording numberholder information is critical because SSA and other agencies rely on that information to verify employment eligibility, ensure wage reports are processed, and terminate payments to deceased beneficiaries. Accuracy in recording workers' earnings is critical because SSA calculates benefit payments based on an individual's earnings over their lifetime. As such, properly assigning SSNs to only those individuals authorized to obtain them, protecting SSN information once the SSNs are assigned, ensuring numberholder information is complete in its systems, and accurately posting earnings reported under SSNs are critical. In FY 2024, potential suspicious activity cases increased from approximately 300 to over 12,000. As of July 2025, SSA had investigated more than 6,000 suspicious activity items. SSA's nine-member Employer Reporting Specialist team manages this workload. The substantial and sustained increase in cases is creating considerable challenges for the team in terms of capacity and resource allocation.

SSA maintains suspended earnings (earnings that do not match the numberholder's information) in the Earnings Suspense File because missing earnings can affect an individual's eligibility for, and/or the amount of, retirement, disability, or survivor's benefits. Retaining suspended earnings allows numberholders whose legitimate earnings are missing from their earnings record to obtain proper credit when they provide SSA additional information that substantiates their earnings. SSA also employs software routines that match earnings to the correct individuals' records. As of FY 2025, the Earnings Suspense File had accumulated over $2.4 trillion in wages and over 424 million wage items for Tax Years 1937 through 2024.

Progress the Social Security Administration Has Made

Information Security

In FY 2025, SSA continued its efforts to document and communicate cyber-security objectives. For example, the Agency continued developing cyber-risk taxonomy, risk appetite, and risk tolerance statements. SSA also continued implementing its enterprise architecture inventory tool and worked to expand its use of the tool to improve risk management and system security. The Agency also continued maturing its software inventory process. In FY 2025, SSA was developing policies and procedures for IT governance as well as data and metadata inventories.

Social Security Number Protection and Earnings Accuracy

In response to the *Economic Growth, Regulatory Relief, and Consumer Protection Act* (Pub. L. No. 115-174 sec. 215), SSA developed a fee-based electronic SSN verification service known as Consent Based SSN Verification Service. The Service seeks to reduce synthetic identity fraud, which combines fictitious and real information to fabricate an identity. This Service allows permitted entities to verify an individual's SSN, name, and date of birth combination matches Social Security records. Typical electronic Consent Based SSN Verification Service users are companies that provide banking and mortgage services, process credit checks, provide background checks, or satisfy licensing requirements. SSA requires that the numberholder provide written consent with a wet or electronic signature to disclose the SSN verification. As of FY 2025, the electronic Consent Based SSN Verification Service had processed approximately 87.4 million verifications.

SSA has taken steps to reduce the Earnings Suspense File's size and growth. The Agency allows employers to use its SSN Verification Service to verify their employees' names and SSNs before they report wages to SSA. Of the 407,129 registered SSN Verification Service users, 104,171 had been active in the past 2 years, and 80,429 had been active in the past year. As of FY 2025, these employers used the SSN Verification Service to verify SSNs almost 240 million times.

What the Social Security Administration Needs to Do

- Address the deficiencies the contractor identified and ensure adherence to Federal guidelines to improve SSA's ability to protect the confidentiality, integrity, and availability of SSA's information systems and data.

- Continue to be vigilant in protecting SSNs and personally identifiable information, including ensuring employees properly respond to losses of information.
- Continue efforts to improve wage reporting by informing employers about potential SSN misuse cases, identifying and resolving reporting problems; re-examining the validity and integrity checks used to prevent suspicious Forms W-2, *Wage and Tax Statement*, from being posted; encouraging greater use of SSA's verification programs; and reviewing how best to remove more wage items from the Earnings Suspense File.

Key Related Links

Office of Audit Publications

- *The Social Security Administration's Information Security Program and Practices for Fiscal Year 2025* (142501), September 2025.
- *Plans of Action and Milestones* (142320), September 2025.
- *Contractor Labor Qualifications and Government Furnished Equipment* (152411), September 2025.
- *Personally Identifiable Information Loss Reporting* (042401), September 2025.
- *Direct Deposit Changes by Social Security Administration 800-number Staff* (012401), September 2025.
- *Firewall Administration* (142315), August 2025.
- *Role-based Training* (142317), August 2025.
- *The Social Security Administration's Information Security Program and Practices for Fiscal Year 2024* (142401), September 2024.
- *Security Assessment and Authorization Process* (A-14-21-51093), September 2024.
- *Security of Common Control Providers* (142319), August 2024.
- *Security of the Business Services Online* (022329), August 2024.

Other Related Links

- National Institute of Standards and Technology - *Zero Trust Architecture*
- OMB - M-25-04 - *Fiscal Year 2025 Guidance on Federal Information Security and Privacy Management Requirements*

Modernize Information Technology

SSA must continue modernizing its IT to accomplish its mission as efficiently and effectively as possible.

Why This is a Challenge

SSA relies on its IT to serve the public and safeguard SSA programs. Rapid, continuous technology advancements and the continuing shift to virtual services and communications reinforce the pressing need to modernize SSA's programs and service delivery. SSA must fundamentally rethink how it delivers services, the processes and infrastructure that support that delivery, and the policies that enable delivery. If SSA does not complete and timely modernize its legacy systems, it runs the risk of increased maintenance costs and decreased capacity to support business and processing needs.

SSA continues relying on outdated applications and technologies to process its core workloads, including retirement and disability claims, and knowledge of its dated applications and legacy infrastructure will diminish as developers retire. The Agency's 2025 workforce optimization resulted in a smaller workforce, and SSA faces the challenges of using new technology, such as Artificial Intelligence (AI) tools, to bridge the gap to creating customer experience improvements.

Finally, since 2023, SSA has had six Commissioners and nine Chief Information Officers, including those serving in an acting role. As contractors found in the September 2024 audit *Legacy Systems Modernization and Movement to Cloud Services*, changes in leadership can result in changes in modernization priorities, which can lead to discontinued and incomplete IT projects.

Information Technology Modernization and Investment Management

IT modernization is a multi-faceted and ongoing challenge. SSA must maintain its legacy systems while developing modern systems to keep pace with increasing workloads and increased demand for additional service delivery options, such as online appointments and self-service. To support its IT modernization, SSA used Agile development, which took an iterative approach to incrementally deliver new software solutions. While SSA took steps to address findings and observations in our August 2022 review of *Agile Software Development at the Social Security Administration*, our September 2024 review of SSA's *Development and Implementation of the Debt Management Product* found SSA did not apply the key Agile practice of incrementally delivering usable segments to users. In our September 2025 review of SSA's *Consolidated Claims Experience for Supplemental Security Income*, we found SSA used an Agile approach and released the claims-taking system in increments but did not request feedback from target users, as the Agile methodology recommends. Specifically, SSA neither (1) consistently obtained direct, ongoing feedback from frontline employees during the development of the system nor (2) conducted baseline testing with frontline employees to evaluate how releases impacted Supplemental Security Income (SSI) processing. Without feedback and insights from frontline employees, SSA limited its ability to fully understand user needs and implement productivity-enhancing improvements for SSI claims processing.

Further, in 2024, our contract auditor found SSA did not have a comprehensive plan to modernize its legacy systems. It neither assessed the risk imposed by these legacy systems nor maintained sufficient inventory and cost information for its legacy systems. Finally, SSA is still developing its enterprise architecture that should guide its modernization strategy.

Federal laws and guidance require that agencies properly manage IT Investments and facilitate the rapid adoption of changing technologies in a way that enhances the security, privacy, and management of information resources. However, our September 2024 audit of *Legacy Systems Modernization and Movement to Cloud Services* identified various issues. SSA did not maintain an *Information Resources Management Strategic Plan* and review that Plan annually with the *Agency Performance Plan*. In addition, the Agency did not maintain cost documents for modernization projects and lacked critical management information for its legacy systems for making strategic and investment decisions. Finally, SSA did not review its investments according to its policy to confirm delivery of planned benefits in estimated costs and provide valuable feedback for continuously improve its capital planning and investment control process.

As detailed in our September 2024 review of SSA's *Development and Implementation of the Debt Management Product,* at the end of FY 2023, the Agency paused the major IT investment without delivering the debt management software to production for users, stating the investment was no longer considered a priority. Although the Agency had invested $69 million in the project over 6 years, SSA is no longer pursuing the Debt Management Product. As of August 2025, SSA had paused all system modernization efforts due to higher priorities and resource limitations. However, SSA is working with the Department of the Treasury's Bureau of the Fiscal Service to implement the Centralized Receivables Service for debtors in non-pay status. This government-wide shared service for debt collection will take on billing and collection services and systems currently managed by SSA's Chief Information Officer and Operations technicians.

Artificial Intelligence

AI is pivotal technology that can benefit nearly every Federal agency. In April 2025, OMB rescinded and replaced prior AI guidance and directed agencies to prioritize the use of AI that is safe, secure, and resilient. The new guidance established several timelines for agencies to meet key milestones, including developing agency strategy for removing barriers to the use of AI; developing a generative AI policy; implementing the minimum risk management practices for high-impact uses of AI; and annually and publicly releasing an AI use case inventory. SSA has been expanding its use of AI technologies to bridge the gap to creating customer experience improvements with a smaller workforce and budget uncertainty. However, using AI carries the potential for harm and must be monitored for adverse impacts.

Progress the Social Security Administration Has Made

Information Technology Modernization

SSA has committed to becoming a digital-first, technology-driven organization. The Agency plans to work quickly to create an actionable IT modernization plan to improve systems for employees and the public. In April 2025, SSA expanded its online disability application to include a streamlined version of the initial SSI application. The Agency also upgraded its *my* Social Security online portal to eliminate maintenance windows and provide customers with uninterrupted, 24/7 access. However, SSA has no immediate plan to replace its legacy systems.

Artificial Intelligence

SSA established AI policy and guidance and revised its guidance earlier this year. For example, SSA updated its AI Implementation Framework and risk assessment guidance. The Agency conducts AI Impact Assessments every time AI is used and is updating its investment process.

The Agency plans to use AI to help staff work more efficiently and effectively. SSA has already developed over 30 use cases to implement AI for various purposes, including increased productivity, program integrity, and security. For example, the Agency released its Agency Support Companion, an AI assistant designed to help employees with business-related tasks and inquiries. Further, SSA has AI tools for disability decision support and identification of high-risk claims. The Agency also plans to use AI to help the public apply for benefits, understand the Agency's programs, and answer their questions. As SSA seeks to expand its AI capabilities, it has committed to ensuring strong guardrails are in place.

What the Social Security Administration Needs to Do

- Expand digital modernization to eliminate outdated technology and provide electronic and automated customer service options to reduce the burden on customers and optimize internal business processes for employees based on user needs.
- Expand the use of AI to improve operations and public service while protecting the Agency's sensitive information.
- Establish proper oversight and identify primary areas where AI can help the Agency, such as program administration and fraud prevention and detection.

Key Related Links

Office of Audit Publication

- *Consolidated Claims Experience for Supplemental Security Income* (062324), September 2025.
- *Legacy Systems Modernization and Movement to Cloud Services* (142312), September 2024.
- *Development and Implementation of the Debt Management Product* (142313), September 2024.

Improve the Administration of Disability Programs

SSA needs to improve how timely and accurately its processes disability-related workloads and improve its support for state DDSs. Additionally, to prevent improper payments, SSA needs to ensure beneficiaries continue meeting disability eligibility factors.

Why This is a Challenge

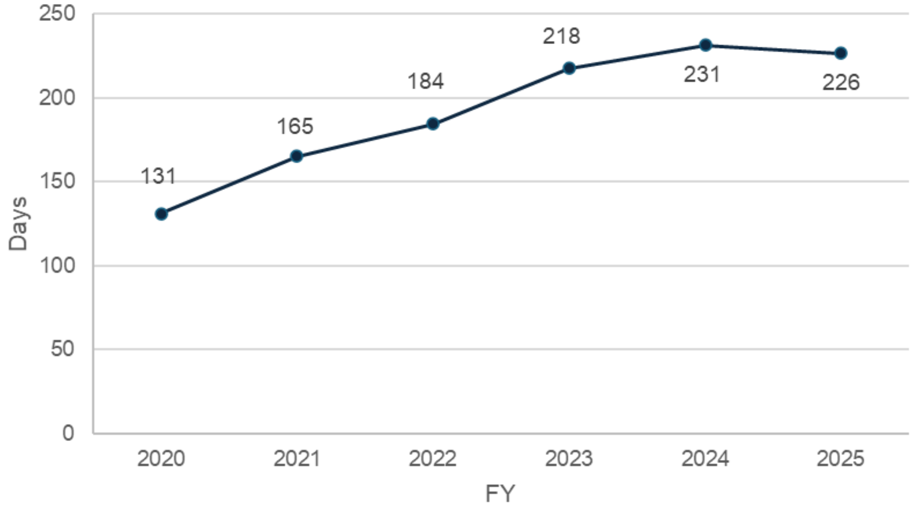
SSA's *FY 2024 Agency Financial Report* stated SSA disability programs consumed over 50 percent of its administration resources for FY 2024 and comprised only 14 percent of the total benefit payments made. To ensure proper stewardship of public financial resources, it is imperative that SSA stay proactive to improve its administration of the disability programs.

Disability claimants rely on SSA to process initial disability claims and appeals quickly and accurately for vital income support and access to essential healthcare. Processing times for initial disability claims and pending levels for reconsiderations continue to increase. As a result, disability claimants are waiting longer for determinations and decisions. Additionally, state DDSs continue to face significant challenges in attracting, hiring, training, and retaining staff, which contributes to increased wait times for claimants' disability claims to be processed.

Disability Claims Processing

SSA's *FY 2025 Operating Plan* focuses on completing 2.39 million initial disability claims and achieving an average processing time of 215 days. In May 2025, after SSA implemented an Agency-wide organizational restructuring that included significant workforce reductions, SSA released a revised performance plan for FY 2025. In the revised plan, SSA adjusted its performance goals to complete 2.35 million initial disability claims and achieve an average processing time of 225 days. As of September 2025, SSA had processed 2.34 million initial disability claims and achieved an average processing time of 226 days (see Figure 1), which was a decrease from FY 2024 but an increase over FY 2023 and not at SSA's goal. Thus, SSA should prioritize reducing processing times.

Figure 1: Initial Overall Average Processing Time



SSA could improve its controls over disability claims processing. Our August 2025 review of *Denied Disability Claims that Required Manual Notifications to Claimants* found SSA did not consistently close out denied disability claims that required manually generated notifications be issued to claimants. For 21 of 175 sampled claimants who refiled for disability benefits after an initial denial, SSA did not properly close out their original denied claims. In these instances, SSA did not correctly notify the claimants of its original denial decision or properly develop their original claims before it denied them. When the claimants later refiled for disability benefits, SSA owed them additional months of retroactive payments (underpayments). We estimate SSA owed 9,532 claimants approximately $56 million in additional benefits. These issues occurred because SSA employees did not follow established policies and procedures for processing disability claims. In these instances, employees did not properly issue manually generated notifications or fully develop the claims. Proper development requires that key elements of documentation, such as obtaining evidence, evaluating work activity, and assessing other eligibility factors necessary to make an informed determination, be completed.

Claimants who disagree with the initial disability determination may appeal. Reconsiderations are generally the first step of the appeals process and involve a re-examination of evidence. From the end of FY 2024 to September 2025, SSA's pending reconsiderations increased approximately 12 percent, from 331,574 to 370,278, respectively.

Hearings before an administrative law judge are generally the next level of appeal if a claimant is dissatisfied with a reconsideration determination. Effective May 2025, SSA revised its FY 2025 hearings processing time goal from 270 to 280 days. While SSA successfully reduced the average processing time for hearings from 342 days in FY 2024 to 284 days in FY 2025, it still has not achieved its revised goal. Additionally, the number of pending hearings as of September 2025 was down 33 percent from 418,313 in FY 2020 but exceeded the number pending for FY 2024 (see Table 1).

Table 1: Hearing Counts

FY	Receipts	Dispositions	Pending	Average Processing Time
2020	429,357	585,918	418,313	386
2021	383,650	451,046	350,137	326
2022	349,892	352,899	346,567	333
2023	356,114	377,685	321,819	450
2024	363,191	422,797	261,574	342
2025	377,915	359,081	279,857	284
Change FY 2020 Through August 2025	**-12%**	**-39%**	**-33%**	**-26%**

Throughout the hearings process, SSA reviews administrative law judge decisions and uses a variety of reports and data to monitor administrative law judges and hearing office workloads. In our September 2025 review of *Administrative Law Judges with the Highest and Lowest Allowance Rates*, we reported the FY 2023 allowance rates for 24 administrative law judges in our review were outliers because they were significantly higher or lower than the FY 2023 average. Despite being outliers, SSA's Appeals Council concluded the administrative law judges' decisions were generally accurate. As such, high or low allowance rates—in and of themselves—do not indicate erroneous decisions, as many factors can contribute to wide variances in allowance rates. Consistent with observations from prior reviews, and based on our interviews with employees, we attributed the variances in allowance rates to many factors, most notably the administrative law judges' interpretation of evidence, claimants' accessibility to healthcare, the volume of medical evidence, and the service area's demographics. Oversight mechanisms, such as Appeals Council reviews and ongoing monitoring, can help ensure decisions remain accurate and policy-compliant, regardless of individual allowance rates.

Disability Determination Services' Operations

State DDSs play a significant role in SSA's disability claim process. Once an SSA field office employee determines a claimant meets the non-disability criteria for benefits, they typically forward the claim to the DDS with jurisdiction. DDS employees develop medical evidence and determine whether a claimant is disabled or blind under the law. There are DDSs in each of the 50 states, the District of Columbia, and Puerto Rico.

Our July 2025 review of *Staffing, Productivity, and Processing Times at State Disability Determination Services* stated that, during FYs 2019 through 2023, DDSs lost key technical staff, including disability examiners, who developed medical evidence and made disability determinations. The attrition rate for DDS full-time disability examiners each FY ranged from 13 to 25 percent (an average of 19 percent). The overall average attrition rate for total DDS staff during this time was 13 percent. DDS staff losses coincided with a 15-percent reduction in disability determinations, from 2.2 to 1.9 million, and an 81-percent increase in processing times, from 121 to 219 days. Though there are unique challenges for each region and DDS, SSA and DDS management we interviewed identified two common issues they attribute to the loss of key technical staff: (1) outdated classification for disability examiners and (2) increased job complexity. Furthermore, inconsistent hiring authority resulted in DDS' inability to replace staff who separated.

SSA's ability to address DDS staffing levels and productivity issues is limited by the complexities of the Federal-state relationship and historical budget constraints. SSA and DDS management have attempted to work within these limitations to develop such initiatives as offering workload assistance, streamlining procedures, and creating a recruitment and retention workgroup to share best practices across all DDSs. However, despite these efforts, DDSs struggled with achieving staffing levels needed to prevent reduced productivity and increased processing times.

Ensuring Individuals' Continued Eligibility for Benefits

Our February 2025 audit of *Overpayments Assessed in Fiscal Years 2020 Through 2023* found SSA attributed 51 percent of SSI overpayments to beneficiaries who did not timely report wages, self-employment, or other income and 36 percent of Old-Age, Survivors, and Disability Insurance (OASDI) overpayments related to cessation of beneficiaries' disabilities or performance of substantial gainful activity. SSI recipients are required to promptly report to SSA such events as changes in income, resources and living arrangements, and marital status as this information can affect their eligibility or payment amount. Similarly, OASDI beneficiaries must inform SSA of changes in their work status, income, or medical condition for the same reasons.

To determine whether beneficiaries continue to be eligible for benefits, SSA periodically conducts continuing disability reviews (CDR) to evaluate any changes in medical condition or work activity. SSA conducts medical CDRs based on the likelihood of medical improvement—categorized as expected, possible, or not expected each with a different timeline for review. For FY 2025, SSA set a stewardship goal to complete 100 percent of targeted full medical CDRs, totaling 375,000. As of September 2025, SSA had completed 449,078 full medical CDRs and exceeded its goal before the end of the FY. This accomplishment is an improvement from the 423,126 CDRs SSA cleared in FY 2024; however, SSA's full medical CDRs cleared were still down from the 600,879 cleared in FY 2023.

Progress the Social Security Administration Has Made

Disability Processing

SSA has made policy and procedural changes to help streamline the disability process. In June 2024, SSA reduced the past relevant work period a claimant must document from 15 to 5 years, which in turn reduces the number of past work years the employee must consider during review. This change lessens the claimant and employee's burden while providing enough information to make appropriate disability decisions.

Additionally, in January 2025, the Agency implemented the Disability Examiner Decisional Authority Initiative, which allowed experienced disability examiners to independently make medical assessments for fully favorable disability determinations in specific cases. This authority applies to initial adult claims with physical impairments and is granted once a state has made every reasonable effort to recruit qualified and sufficient medical consultants. This initiative was designed to reduce the claims backlog and improve processing times.

In July 2020, SSA contracted with a research center to identify opportunities for policy improvement and increase efficiency and accuracy in administering the disability programs. Our April 2025 audit of the *Contract with Johns Hopkins University Applied Physics Laboratory for Analysis of the Social Security Administration's Disability Process* found only 2 of the 10 contracted deliverables were implemented: improving SSA's front-end processes and implementing a peer review program. SSA agreed to establish a plan of when and how it will implement the remaining deliverables provided under the contract as well as how SSA will track the implementation's progress to determine whether the analyses, prototypes, and recommendations provided in those deliverables improve SSA's disability programs.

In response to the Agency-wide organizational restructuring that included significant workforce reductions from February through April 2025, SSA stated, "Improving the national average processing time for initial disability claims and reducing the number of older cases remains a priority for the [A]gency." According to SSA, the new structure positions it to better manage workloads to improve public service, enhance quality, and ensure timely and consistent adjudication of disability claims.

Disability Determination Services' Operations

SSA has worked with DDSs to understand the underlying reasons for attrition. For example, in 2022, SSA started a recruitment and retention workgroup that comprised a representative from each DDS region and other SSA subject-matter experts in relevant components. The workgroup shared best practices for pay, bonus, recruitment, and retention and provided other helpful resources for DDSs to use related to attrition prevention. However, the workgroup paused its efforts in June 2024 because of a hiring freeze. As of April 2025, the workgroup was still inactive. SSA has neither control over congressional budget decisions nor a direct role in DDS' workforce planning or retention. Therefore, to support DDSs, SSA plans to explore alternate ways to transfer cases to disability processing sites, continue to develop workload assistance partnerships between the state DDSs, and enhance Federal capacity of claims processing.

Ensuring Eligibility

Effective April 7, 2025, SSA initiated a nation-wide phased roll out of the Payroll Information Exchange (PIE). PIE is an automated system that obtains wage and employment information directly from payroll data providers to improve program administration and prevent improper payments in SSA's disability programs. By implementing this system, SSA aims to reduce the wage reporting burden on the public and decrease manual wage-related workloads for its employees. SSA completed the roll out in September 2025. Additionally, SSA plans to process approximately 200,000 more full medical CDRs by the end of FY 2026 than in FY 2024.

Achieving both goals will help ensure beneficiaries receive the benefits to which they are entitled while safeguarding the integrity of SSA's benefit programs.

What the Social Security Administration Needs to Do

- Continue identifying process improvements that will improve processing times and accuracy for initial disability claims.
- Continue partnering with DDSs to address staff shortages caused by attrition and hiring challenges.
- Continue identifying process improvements that ensure disability eligibility factors are met to prevent improper payments.

Key Related Links

Office of Audit Publications

- *Administrative Law Judges with the Highest and Lowest Allowance Rates* (032404), September 2025.
- *Denied Disability Claims that Required Manual Notifications to Claimants* (062317), August 2025.
- *Staffing, Productivity, and Processing Times at State Disability Determination Services* (072309), July 2025.
- *Contract with Johns Hopkins University Applied Physics Laboratory for Analysis of the Social Security Administration's Disability Process* (062325), April 2025.
- *Overpayments Assessed in Fiscal Years 2020 Through 2023* (062405), February 2025.
- *State Workers' Compensation Offset (Colorado and Minnesota)* (022403), January 2025.

Social Security Administration Publications

- *The Social Security Administration's Agency Financial Report for Fiscal Year 2024*
- *Agency Strategic Plan, FYs 2022-2026*
- *Annual Performance Plan for Fiscal Year 2025, Revised Performance Plan for Fiscal Year 2024, and Annual Performance Report for Fiscal Year 2023*
- *Annual Performance Plan for Fiscal Year 2026 and Revised Performance Plan for Fiscal Year 2025*
- *FY 2025 President's Budget Overview*

Improve the Prevention, Detection, and Recovery of Improper Payments

SSA must be a responsible steward of the funds entrusted to its care by minimizing the risk of making improper payments and recovering overpayments when they occur.

Why This is a Challenge

SSA issues over $1.5 trillion in benefit payments, annually. Even the slightest error in the overall payment process can result in millions of dollars in improper payments. Improper payments can be overpayments, when SSA pays someone more than they are due, or underpayments, when SSA pays someone less than they are due. SSA estimates, as of FY 2024, it made almost $11.3 billion in improper payments in FY 2025: approximately $9.3 billion in overpayments and almost $2 billion in underpayments.

Our February 2025 review of *Overpayments Assessed in Fiscal Years 2020 Through 2023* found SSA had limited access to automated real-time information required to determine beneficiaries' eligibility and payment amounts. Instead, SSA depended on beneficiaries, representative payees, and family members to timely provide this information or to receive this information, after the fact, from other sources. On March 3, 2025, SSA's final rule, *Use of Electronic Payroll Data to Improve Program Administration*, became effective. This rule supports the use of information exchanges with payroll data providers to prevent wage-related improper payments that can otherwise occur when SSA does not receive accurate wage and employment information timely. Without more automated data feeds like PIE, SSA will continue requiring resources for assessing and pursuing the recovery of billions of dollars in overpayments. This places a burden on SSA by requiring that SSA employees spend valuable time on these processes versus focusing on other workloads as well as on beneficiaries who must determine how to pay back the overpayments. Obtaining data that assist with making eligibility and payment determinations from external sources, such as other Federal and state agencies, is critical to preventing and detecting improper payments.

Causes of Improper Payments

Unreported disability cessation, performance of substantial gainful activity, and the application of early retirement annual earnings tests were the leading causes of OASDI overpayments whereas unreported earnings or income and other information affecting eligibility—including beneficiaries' disability cessation, unreported excess resources, incarceration, and residence outside the United States—were leading causes of SSI improper payments. SSI recipients are required to report to SSA (within 10 calendar days after the end of the month in which the event or change occurred) such events as changes in work status, medical condition, income, resources and living arrangements, or marital status. Beneficiaries' "failure to report" this information can affect their eligibility or payment amount and may also include a penalty deduction. In its *Fiscal Year 2024 Title XVI Payment Accuracy Report,* SSA noted its reliance on individuals' self-reporting information to SSA underscores the need for the Agency to develop alternate sources of the information to administer the SSI program. This included automated solutions where feasible.

Additionally, although SSA's systems automatically process many transactions, there are still workloads that require employees' manual actions. These workloads could contain errors that could lead to improper payments. For example, our March 2025 report on the *Rejection of State Death Reports* estimated SSA rejected approximately 702,000 state reports with valid death information, which resulted in over $327 million in improper payments issued to approximately 16,000 beneficiaries after they died. SSA's Death Information Processing System rejected most of these state reports because it did not allow processing of death reports with Online Verification system discrepancies. The Death Information Processing System rejected other reports that had valid death information because the reports contained minor SSN discrepancies. The rejection of state death reports with valid death information also created additional work for SSA employees as they had to manually add some individuals' death information to the Death Information Processing System because it did not automatically process their death reports. We worked with SSA to determine that employees spent, or will spend, approximately 199,000 hours manually processing actions to correct records for the individuals we identified. This cost SSA approximately $12 million in administrative expenses.

In another example, our September 2025 review of *Denied Child's Insurance Benefit Claims* estimated SSA employees incorrectly denied 24,555 claims for child's insurance benefits for reasons unrelated to disability. As a result of employee errors, SSA did not pay these beneficiaries approximately $92.2 million in benefits and delayed paying these beneficiaries approximately $87.7 million in benefits to which they were entitled. SSA employees denied an additional estimated 28,661 claims before they appropriately completed all required actions; therefore, there was not enough information in SSA's records to determine whether Agency employees appropriately denied the claims. To prevent future errors, SSA should establish controls to ensure employees request all relevant evidence and document all required actions in its systems before denying a claim for child's insurance benefits, when required. Without improvements, employees will continue incorrectly denying claims, and the Agency will not pay thousands of child beneficiaries the benefits to which they are entitled.

Recovering Overpayments

Preventing overpayments is more advantageous than recovering them since SSA must expend additional resources to recover the overpayments or process additional payments to rectify underpayments. In our September 2025 review of *Processing Old-Age, Survivors, and Disability Insurance Overpayments*, based on our sample results, we estimated SSA generally followed policy and used available tools when it processed 806,580 overpayments (81.5 percent). However, we estimated SSA incorrectly processed, or could have processed sooner, approximately 183,100 overpayments (18.5 percent) totaling almost $612 million. Erroneously established and incorrectly calculated overpayments result in an undue burden on both the Agency and the public. Individuals assessed an overpayment incorrectly or for an incorrect amount may either (1) pay more than they owe or (2) have to request a reconsideration or use additional methods of overpayment relief that may be available, such as a waiver. In fact, overpaid individuals who request a waiver or reconsideration may prompt SSA to correct errors Agency systems or employees make in establishing or calculating overpayments. However, SSA employees must then process these requests, and the Agency does not have timeliness standards for processing them. Prolonged decisions on these requests or under-calculated overpayments can delay or prevent recovery, resulting in a negative effect on SSA's trust funds.

In addition, we estimate SSA overstated by approximately $904 million the overpayments the Agency recovered during FYs 2022 and 2023 because the Agency's systems reflected overpayments as recovered by benefit withholding when they were not. SSA's overstatement of recovered overpayment amounts may lead to misunderstandings about the Agency's performance. If SSA does not address the issues that contribute to this misreporting, it risks continuing to provide inaccurate information to the Administration, Congress, and public. It is important that SSA calculate and process overpayments effectively and accurately reports overpayment information to stakeholders.

Progress the Social Security Administration Has Made

Causes of Improper Payments

In its *Agency Strategic Plan for FYs 2022-2026,* SSA noted it continued addressing the root causes of improper payments and improve payment accuracy (including over- and underpayments). Additionally, SSA has developed a vision for addressing improper payments (see Figure 2).

Figure 2: SSA's Vision of the Future State of the Payment Experience

Note: IP = improper payment. Source: SSA, *Improper Payment, Package of Reduction Initiatives*, FY 2025, 2nd Quarter, last updated April 30, 2025.

In FY 2025, SSA continued monitoring the progress of mitigation strategies and corrective actions to address improper payments. For example, since FY 2019, SSA's Improper Payments Team has developed Improper Payment Alignment Strategies to determine and document the underlying causes of payment errors and track corrective action plans. As of FY 2025, the Team has published 11 Improper Payment Alignment Strategies, the latest being on OASDI Computations and OASDI Relationship and Dependency.

Our May 2025 audit of *The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2024* concluded SSA did not comply with two reporting requirements for the SSI program because it did not (1) demonstrate improvements in payment integrity or reach a tolerable improper payment and unknown payment rate and (2) did not report an improper payment and unknown payment estimate of less than 10 percent. Our February 2025 audit of *Overpayments Assessed in Fiscal Years 2020 Through 2023* found SSA attributed 51 percent of SSI overpayments to recipients who did not timely report earnings or income. However, SSA noted in its *FYs 2025-2026 Annual Performance Plan* that it was implementing PIE to automate the timely receipt of wages so SSA can make more accurate benefit payments, which will reduce improper payments. PIE reduces the public's burden to report wages and manual work for employees who process reported wages. SSA completed the roll out of PIE in September 2025 and plans to continue raising public awareness of the exchange.

Recovering Overpayments

To address the inherent challenges to recovery of overpayments and other funds owed to the Agency, SSA initiated several projects in FY 2025 to increase collections.

- In March 2025, SSA resumed collections via the Treasury Offset Program for those debtors who received a notice of referral before March 2020. As of FY 2025, SSA had collected about $61 million. In August 2025, SSA began the notice process for those not yet referred.
- Effective with overpayments established on or after April 25, 2025, SSA increased the overpayment withholding rate from 10 to 50 percent for OASDI overpayments. This included updates to overpayment benefit withholding notices to inform the public about the increased default withholding rate applied to monthly benefit payments for new overpayments.
- Began a pilot a program that will explore the feasibility of using the Department of the Treasury's Centralized Receivables Services for collections. Centralized Receivables Services is a shared service provider that could perform the Agency's collection work. SSA plans to refer a small set of simple OASDI overpayments to Centralized Receivables Services for collection in December 2025. If this proves successful, SSA will expand the pilot to include other debt categories.
- Started a project to modernize all payment stubs to include the option to repay a debt by electronic options, including using a bank's Online Bill Pay service or Treasury's pay.gov portal. SSA expects these electronic options will make it easier for debtors to repay and increase recoveries. This project will also help support the Administration's efforts to increase electronic payments to the Government, as required by Executive Orders 14247 and 14249.

What the Social Security Administration Needs to Do

- Identify and prevent improper payments through automation and data analytics. SSA needs to use available data to better identify changes that affect beneficiaries' and recipients' benefit payments.

- Continue expanding efforts to collect data from reliable third-party sources that would aid SSA in mitigating discrepancies that can occur when beneficiaries or recipients' self-report information.
- Continue addressing the root causes of improper payments to prevent their occurrence.

Key Related Links

Office of Audit Publications

- *Benefits Withheld Pending the Selection of a Representative Payee* (052405), September 2025.
- *Processing Old-Age, Survivors, and Disability Insurance Overpayments* (072301), September 2025.
- *Denied Child's Insurance Benefit Claims* (032317), September 2025.
- *Follow-up on Dually Entitled Beneficiaries and Family Maximum Provisions* (052301), September 2025.
- *Match of New York State Death Information Against Social Security Administration Records* (022402), September 2025.
- *The Social Security Administration's Methodology for Estimating Improper Payments* (152507), September 2025.
- *Remittance Processing* (072311), July 2025.
- *Individuals Who Elect to Receive Retirement Benefits After Age 70* (012306), June 2025.
- *The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2024* (152415), May 2025.
- *Rejection of State Death Reports* (042304), March 2025.
- *Match of Idaho Death Information Against Social Security Administration Records* (062410), March 2025.
- *Overpayments Assessed in Fiscal Years 2020 through 2023* (062405), February 2025.
- *State Workers' Compensation Offset (Colorado and Minnesota)* (022403), January 2025.
- *Match of New York City Death Information Against Social Security Administration Records* (022333), December 2024.

Social Security Administration Publications

- *Repay overpaid benefits*
- *Overpayments Fact Sheet*

Other Sources

- *PaymentAccuracy.gov*

OTHER REPORTING REQUIREMENTS

Payment Integrity

Background

We take seriously our responsibility to ensure eligible individuals receive the benefits to which they are entitled, and to safeguard the integrity of benefit programs to better serve our customers. Our employees work hard to pay the right person the right amount at the right time. For fiscal year (FY) 2025, in alignment with Presidential Executive Orders and Office of Management and Budget (OMB) guidance, we identified "Stewardship" as a strategic area of focus.

Our program integrity workloads are critical to ensuring efficient programs and accurate payments in our Old-Age and Survivors Insurance (OASI), Disability Insurance (DI) (referred to as OASDI when discussing them in combination), Supplemental Security Income (SSI), and Administrative Payments programs. As good stewards of our resources and taxpayer funds, these workloads help ensure eligible individuals timely receive the benefits to which they are entitled and safeguard the integrity of benefit programs by confirming eligibility and preventing fraud. We remain focused on the integrity of our programs, including minimizing improper payments. Each year, we report improper payment findings, both overpayments and underpayments, from our stewardship reviews of the nonmedical aspects of the OASDI and SSI programs. We conduct Medical Continuing Disability Reviews (CDR) to determine whether disability beneficiaries meet the programs' medical criteria. Terminating disability benefits after a CDR does not necessarily mean that the original determination was incorrect; it means the beneficiary's medical condition has improved and the beneficiary no longer meets our definition of disability. Therefore, we consider the benefits received before medical improvement to be proper.

On March 2, 2020, S. 375, the *Payment Integrity Information Act of 2019* (PIIA) was signed into law. This law changed government-wide improper payment reporting requirements by repealing and replacing the *Improper Payments Information Act of 2002*, the *Improper Payments Elimination and Recovery Act of 2010*, the *Improper Payments Elimination and Recovery Improvement Act of 2012*, and the *Fraud Reduction and Data Analytics Act of 2015*. On March 5, 2021, OMB published a revised version of OMB Circular No. A-123, Appendix C, *Requirements for Payment Integrity Improvement*, to implement the provisions of PIIA. The goal of the revised version of OMB Circular A-123, Appendix C is to transform the payment integrity compliance framework and create a more comprehensive and meaningful set of requirements to allow agencies to spend less time complying with low-value activities and more time researching the underlying causes of improper payments, balancing payment integrity risks and controls, and building the capacity to help prevent improper payments.

In accordance with OMB guidelines, we report as improper those payments that resulted from:

- Our mistake in computing the payment;
- Our failure to obtain or act on available information affecting the payment;
- A beneficiary's failure to report an event; or
- A beneficiary's incorrect report.

PIIA requires agencies to review and assess all programs with annual outlays greater than $10,000,000 for improper payment risk at least once every three years to identify those susceptible to significant improper payments. Programs that are not likely to have an annual amount of improper payments plus annual unknown payments above the statutory threshold (which is either (a) both 1.5 percent of program outlays and $10,000,000 of all program payments made during the fiscal year, or (b) $100,000,000) are in Phase 1. If a program in Phase 1 determines that it is likely to annually make improper payments plus unknown payments above the statutory threshold then the program will move into Phase 2 the following year. Once in Phase 2 a program will have a different set of requirements such as reporting an annual improper payment and unknown payment estimate. Our OASI, DI, and SSI programs are in Phase 2.

A Phase 2 program that reports improper payments resulting in monetary loss in excess of $100,000,000 annually is considered a High-Priority program. Our OASI, DI, and SSI programs meet the definition of High-Priority programs.

Beginning in FY 2025, OMB instructed agencies to align improper payment reporting under PIIA one-to-one with programs listed in the Federal Program Inventory. Therefore, we are reporting improper payments for OASI and DI separately. We are unable to report OASI improper payments separately by retirement and survivors. Other than this change, there were no changes in payment integrity methodology for the reporting period.

The information presented in this report complies with the guidance provided in OMB Circular No. A-123, Appendix C, *Requirements for Payment Integrity Improvement*, and OMB Circular No. A-136, *Financial Reporting Requirements*.

Additional information about the improper payments in our programs, root causes, and corrective actions can be found on PaymentAccuracy.gov.

Overview

We are committed to ensuring we issue accurate payments to eligible individuals at the right time. Based on our FY 2024 stewardship reviews (FY 2025 data will be available in the summer of FY 2026), we estimate that we paid about:

- $1.29 trillion to OASI beneficiaries;
- $143.44 billion to DI beneficiaries; and
- $63.29 billion to SSI recipients.

Our FY 2024 stewardship reviews indicate that:

- 99.91 percent of OASI benefit payments were free of overpayments and 99.96 percent were free of underpayments;
- 98.72 percent of DI benefit payments were free of overpayments and 99.65 percent were free of underpayments; and
- 89.97 percent of all SSI payments were free of overpayments and 98.45 percent were free of underpayments.

Our improper payments (combined overpayments and underpayments) totaled approximately:

- $1.62 billion for OASI;
- $2.34 billion for DI; and
- $7.33 billion for SSI.

As good stewards, we seek ways to do business better by addressing the root causes of improper payments and improving payment accuracy. We are focused on combatting the leading causes of improper payments and improving program integrity to protect taxpayer dollars.

The most recent Office of the Inspector General (OIG) PIIA annual compliance audit was for FY 2024. In FY 2024, we had two programs reporting estimates above the statutory threshold, our OASDI and SSI programs. In the FY 2024 compliance audit, OIG concluded the agency was compliant with 8 of 10 PIIA reporting requirements, but did not comply with 2 PIIA reporting requirements for the SSI program because it did not (1) demonstrate improvements to payment integrity or reach a tolerable improper payment and unknown payment rate and (2) did not report an improper payment and unknown payment estimate of less than 10 percent. The FY 2024 compliance audit report stated, "While SSA has made progress implementing corrective actions for both programs, it still has work to do to address improper payments." Our plans to come into compliance with PIIA are available on PaymentAccuracy.gov.

OASDI Improper Payments

OASDI Improper Payment Experience

Based on our stewardship reviews, we estimate that we paid approximately $1.43 trillion to OASDI beneficiaries in FY 2024. Of that total, we estimate $2.98 billion were overpayments, representing approximately 0.21 percent of outlays. We estimate that underpayments during this same period were $975.46 million, the equivalent of approximately 0.07 percent of outlays.

We estimate that we paid approximately $1.29 trillion to OASI beneficiaries in FY 2024. Of that total, we estimate $1.15 billion were overpayments, representing approximately 0.09 percent of outlays. We estimate that underpayments during this same period were $470.18 million, the equivalent of approximately 0.04 percent of outlays.

We estimate that we paid approximately $143.44 billion to DI beneficiaries in FY 2024. Of that total, we estimate $1.83 billion were overpayments, representing approximately 1.28 percent of outlays. We estimate that underpayments during this same period were $505.29 million, the equivalent of approximately 0.35 percent of outlays.

The following table shows our estimated improper payments in the OASI, DI, and combined OASDI programs.

OASDI Improper Payments[1, 2, 3]
FY 2024
(Dollars in Millions)

	OASI		DI		Combined OASDI	
	Dollars	Percent of Outlays	Dollars	Percent of Outlays	Dollars	Percent of Outlays
Outlays	$1,287,478.75		$143,442.52		$1,430,921.27	
Proper Payments	$1,285,861.65	99.87%	$141,104.77	98.37%	$1,426,966.42	99.72%
Improper Payments	$1,617.10	0.13%	$2,337.75	1.63%	$3,954.85	0.28%
Overpayments	$1,146.92	0.09%	$1,832.47	1.28%	$2,979.38	0.21%
Within the Agency’s Control	$1,079.75	0.08%	$927.25	0.65%	$2,007.00	0.14%
Outside the Agency’s Control	$67.17	0.01%	$905.22	0.63%	$972.39	0.07%
Non-Monetary Loss Improper Payments	$470.18	0.04%	$505.29	0.35%	$975.46	0.07%
Underpayments	$470.18	0.04%	$505.29	0.35%	$975.46	0.07%
Technically Improper Payments	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%
Unknown Payments	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%
Improper Payments + Unknown Payments	$1,617.10	0.13%	$2,337.75	1.63%	$3,954.85	0.28%

Notes:

1. Amounts are estimated amounts from the FY 2024 annual stewardship reviews and may vary from actual amounts. FY 2025 data will be available in the summer of FY 2026.
2. There may be slight variances in the dollar amounts and percentages reported on PaymentAccuracy.gov due to rounding of source data. We derive percentages from unrounded source data.
3. Totals may not equal the sum of amounts due to rounding.

OASDI Improper Payment Causes and Corrective Actions

Our stewardship review findings over the last 5 years show the major causes of improper payments in the OASDI program are errors in computations, relationship and dependency, and beneficiaries' employment activity (referred to as substantial gainful activity (SGA)).

The major causes of improper payments in the OASI program are errors in computations, relationship and dependency, and errors in earnings history.

The major causes of improper payments in the DI program are SGA, workers' compensation (WC) and public disability benefit (PDB), and errors in computations.

These improper payments occur due to beneficiaries' failure to report changes that may affect benefits, or our failure to update benefit amounts in a timely manner.

The following table shows the major causes of improper payments in the OASI, DI, and combined OASDI programs over the last 5 years.

OASDI Improper Payment Causes
FY 2020-2024
(Dollars in Millions)

	OASI		DI		Combined OASDI		
	Over-payments	Under-payments	Over-payments	Under-payments	Total Improper Payments	Annual Average	Percent of OASDI Improper Payments
Computations	$2,113.61	$2,966.74	$532.15	$347.28	$5,959.77	$1,191.96	27.36%
Relationship and Dependency	$4,992.22	$0.00	$52.24	$0.00	$5,044.46	$1,008.89	23.16%
SGA	$204.14	$0.00	$4,582.96	$0.00	$4,787.09	$957.42	21.98%
Earnings History	$654.64	$333.69	$457.86	$82.84	$1,529.03	$305.81	7.02%
WC and PDB	$0.00	$116.72	$303.19	$661.78	$1,081.69	$216.34	4.97%

Next, we discuss corrective actions for OASDI improper payments.

Computations

Description:

Over the last 5 years, computation errors account for 27.36 percent of OASDI improper payments. We determine a person's benefit amount based on several factors, including age, earnings history, and the type of benefit awarded. Inaccurate information and administrative mistakes can cause errors in calculating benefits. Windfall Elimination Provision (WEP) computations also resulted in improper payments.

Corrective Actions:

The findings from our stewardship reviews inform the agency's corrective action plans to reduce improper payments. Through the Improper Payment Alignment Strategy (IPAS) process, we determine the most cost-effective strategies to remediate the underlying causes of the improper payment, and we monitor, measure, and revise the strategies, as needed. In FY 2025, we completed an IPAS on Computations. Additionally, we are taking the following actions to address improper payments related to computations:

- **Windfall Elimination Provision and Government Pension Offset Repeal:** WEP applied when the wage earner receives Social Security retirement or disability benefits and is entitled to a pension based on non-covered work. Non-covered pensions are paid by employers that do not withhold Social Security taxes and may be based on earnings from employment in the United States or another country. The Government Pension Offset (GPO) adjusts Social Security spouse's or widow(er)'s benefits for those who receive a non-covered pension from a Federal, State, or local government in the United States. When GPO applies, the Social Security monthly benefit amount is reduced by two-thirds of the amount of the non-covered pension.

  On January 5, 2025, the *Social Security Fairness Act of 2023* was signed into law, thereby repealing WEP and GPO. December 2023 is the last month that WEP and GPO applied. This means that those rules no longer apply to benefits payable for January 2024 and later. The agency worked quickly and successfully to implement these changes. We began releasing higher monthly benefit payments in April 2025. As of July 7, 2025, we completed sending over 3.1 million payments, totaling $17 billion, to eligible beneficiaries. The average retroactive payment was $7,208. As of September 30, 2025, we have taken over 387,000 new initial claims. We anticipate the WEP and GPO repeal will significantly reduce and eventually eliminate WEP and GPO improper payments in future years.

- **Robotic Processing Automation:** We developed processes using UiPath software to create automated "robotic" programs that perform routine or repetitive tasks and increase the speed and accuracy of manual processing. Robotic Processing Automation (RPA), or "BOTs," are available to Processing Center (PC) technicians to assist with processing manual awards or post-entitlement actions. Since January 2021, several BOTs have been created and placed into production. In FY 2025, we provided general reminders and guidance for PC technicians on BOT usage. We completed the final testing stages of the UiPath Assistant software and rolled out the new platform to PC users in August 2025. We are making a long-term investment in robotics technology via UiPath software to improve business processes and eliminate manual actions.

- **Computation Tools:** When automated systems cannot compute benefit amounts in certain situations, there are a variety of computations tools that technicians should use to ensure accuracy. We released a reminder to frontline technicians on the various computation tools available for their use. We also relayed that some programs rely on manual inputs that must be keyed correctly. If the information is keyed incorrectly, the program will provide incorrect computations.

Relationship and Dependency

Description:

Over the last 5 years, relationship and dependency errors account for 23.16 percent of OASDI improper payments. Marital standing and child relationship factors are material when determining entitlement to certain auxiliary and survivor benefits. Technicians must establish the existence, duration, and validity of a marriage when the present or former marriage to the insured worker is a factor of entitlement. These errors occur when a beneficiary does not report a marriage, divorce, or remarriage timely.

Corrective Actions:

Since marital status and relationship became a leading cause of OASDI overpayments, we developed an IPAS on this subject matter in FY 2025. To address the lack of self-reporting of marital and dependency changes impacting benefit payments, we displayed Social Security TV slides in field office waiting areas on the importance of reporting relationship changes to us. We also released a reminder to frontline technicians on checking for program entitlement when an individual changes their name due to marriage or divorce and verifying that all child-in-care information is entered in the system correctly. In FY 2026, we will explore options to expand the Internet Social Security Number Replacement Card's current process and incorporate downstream application alerts to reduce instances of improper payments.

Substantial Gainful Activity

Description:

SGA is continuously a leading cause of overpayments in the OASDI program, accounting for 21.98 percent of OASDI improper payments over the last 5 years. When disability beneficiaries work, several factors determine whether they remain eligible for monthly benefits.

Corrective Actions:

We are exploring ways that will make it easier for beneficiaries and employers to report wages, as well as ways to we can obtain real time wages to reduce improper payments. We are taking the following actions to address IPs related to SGA:

- **Payroll Information Exchange:** To reduce our reliance on beneficiary and representative payee reporting of employment and wage information, we published the Use of Electronic Payroll Data To Improve Program Administration final rule in December 2024. Through the process known as the payroll information exchange (PIE), we obtain wage and employment information from a commercial payroll data provider for individuals who have provided authorization. On April 7, 2025, we began the phased implementation of PIE with an initial exchange of 1 million Social Security numbers (SSN). We gradually increased the exchanges each month until reaching full implementation of 10.7 million SSNs in September 2025. We continued monthly exchanges with the full authorized population after September. PIE will improve payment accuracy, reduce improper payments, and reduce the reporting burden on individuals when they authorize us to obtain this information through an information exchange, and we receive it. We also anticipate that implementation will result in more efficient use of our limited administrative resources because our technicians would reduce the amount of time they spend manually requesting this information from payroll data providers and employers, manually entering data into our systems from an individual's pay records, contacting individuals, and assisting individuals with the results of incomplete or untimely reporting. In FY 2026 and beyond, we will explore multiple enhancements to the PIE process.

- **Reporting Responsibilities:** Section 826 of the Bipartisan Budget Act of 2015 required the Commissioner to establish and implement a system permitting DI beneficiaries to report their earnings electronically. Our myWageReport (myWR) online application allows DI beneficiaries, SSI recipients, concurrent beneficiaries, and representative payees to report wages, and view, print, or save a receipt. From April-May 2025, we released social media posts on Facebook and X sharing a link to our YouTube video to help beneficiaries learn why it is important to report wages and the automated electronic options for wage reporting. This included instructional videos with step-by-step instructions on how to use the agency's self-reporting wage applications. In FY 2026, we will continue to use our social media channels to post reminders for our beneficiaries about the importance of promptly reporting changes that impact their eligibility and payment amounts. These posts will inform beneficiaries how we are required by law to adjust payments or recover debts when people receive payments they are not entitled to.
- **Targeted Work Review Process:** In July 2025, we started a national Targeted Work Review Process (TWRP) that leverages the expertise of a cadre of technicians to use readily available earnings data to formulate a proposed work CDR decision prior to requesting work activity report. Technicians will send both the work activity report and due process notice simultaneously. The TWRP aims to reduce work CDR processing time by allowing one technician to process the case from start to finish and reducing delays in sending/receiving evidence. TWRP continued into early FY 2026, and we plan to evaluate its outcomes later in FY 2026.
- **Electronic Work Continuing Disability Review:** We are developing a new Electronic Work CDR application to replace and modernize the system technicians use to process CDRs based on work activity. The new system will enforce policy and best practices with an intuitive user interface and will eliminate current system limitations that lead to large improper payments through delays and processing errors. The application will streamline the disability review process and will have a positive impact in reducing SGA improper payments. We plan to release the minimum viable product to technicians by the end of FY 2026.
- **WorkSmart:** WorkSmart is a tool that identifies DI beneficiaries whose earnings may place them at risk of being overpaid. We created WorkSmart to reduce improper payments by alerting cases quickly after the beneficiary starts to work. In FY 2025, WorkSmart continued to alert cases for work CDRs based on available earnings data. In addition, with the appropriate authorization, WorkSmart will utilize PIE data to identify and alert cases that may require a work CDR.

- **Simplify Forms:** To improve understanding and reduce the burden on our customers and their employers, we are updating several disability-related forms. In February 2025, we published a revised SSA-3033, Employee Work Questionnaire, and clarified policy and procedures for technicians developing subsidy for DI and SSI initial claims, and DI work continuing disability reviews. We published a revised SSA-821 Work Activity Report in September 2025. A revised SSA-820 Self-Employment Work Activity Report is currently pending OMB approval.

Earnings History

Description:

Over the last 5 years, errors in earnings history account for 7.02 percent of OASDI improper payments. We compute benefits using up to 35 years of the worker's "average indexed monthly earnings." The agency applies a formula to this average to compute the primary insurance amount (PIA). The PIA is the basis for the benefits paid to the beneficiary. Inaccurate information can cause errors in calculating benefits.

Corrective Actions:

In FY 2025, we released instructions to field office technicians to review earning records for identified pending retirement and disability claims. Validating earnings records associated with pending claims ensures accurate eligibility and payment amounts. We also updated policy instructions associated with temporary and ongoing earnings inaccuracies and coding used to trigger an alert for technicians to review and ensure the accuracy of earnings records and PIA before automatic benefit increases.

Workers' Compensation and Public Disability Benefit

Description:

Over the last 5 years, WC and PDB errors accounted for 4.97 percent of OASDI improper payments. States administer these programs and provide widely different coverage based on state-specific rules, and because of these complexities, this workload is particularly error prone.

Corrective Actions:

The *Federal Employee Compensation Act (FECA)* WC program, which is administered by the Department of Labor (DOL), provides coverage to three million Federal and Postal workers. Receipt of FECA benefits can offset OASDI benefits. In December 2023, we established a Memorandum of Understanding with DOL for use of an employee compensation portal. Technicians can submit individual real-time queries in the portal to obtain FECA data and complete computations. We are working to complete the computer matching agreement.

SSI Improper Payments

SSI Improper Payment Experience

Based on our stewardship reviews, we estimate that we paid approximately $63.29 billion to SSI recipients in FY 2024. Of that total, we estimate $6.35 billion were overpayments, representing approximately 10.03 percent of outlays. We estimate that underpayments during this same period were $0.982 billion, the equivalent of approximately 1.55 percent of outlays.

The following table shows our estimated improper payments in the SSI program.

SSI Improper Payments[1, 2, 3]
FY 2024
(Dollars in Millions)

	Dollars	Percent of Outlays
Outlays	$63,290.88	
Proper Payments	$55,961.87	88.42%
Improper Payments	$7,329.01	11.58%
Overpayments	$6,346.61	10.03%
Within the Agency's Control	$599.11	0.95%
Outside the Agency's Control	$5,747.50	9.08%
Non-Monetary Loss Improper Payments	$982.41	1.55%
Underpayments	$982.41	1.55%
Technically Improper Payments	$0.00	0.00%
Unknown Payments	$0.00	0.00%
Improper Payments + Unknown Payments	$7,329.01	11.58%

Notes:

1. Amounts are estimated amounts from the FY 2024 annual stewardship reviews and may vary from actual amounts. FY 2025 data will be available in the summer of FY 2026.
2. There may be slight variances in the dollar amounts and percentages reported on PaymentAccuracy.gov due to rounding of source data. We derive percentages from unrounded source data.
3. Totals may not equal the sum of amounts due to rounding.

SSI Improper Payment Causes and Corrective Actions

Our stewardship review findings over the last 5 years show the major causes of improper payments in the SSI program are changes in financial accounts, wages, and in-kind support and maintenance (ISM).

These improper payments occur due to recipients' failure to report or our failure to update payments in a timely manner.

The following table shows the major causes of improper payments in the SSI program over the last 5 years.

SSI Improper Payment Causes
FY 2020-2024
(Dollars in Millions)

	Overpayments	Underpayments	Total Improper Payments	Annual Average	Percent of SSI Improper Payments
Financial Accounts	$9,797.15	$0.00	$9,797.15	$1,959.43	29.60%
Wages	$6,724.88	$1,096.20	$7,821.07	$1,564.21	23.63%
ISM	$1,527.29	$1,315.12	$2,842.41	$568.48	8.59%

Next, we discuss corrective actions for SSI improper payments.

Financial Accounts

Description:

The leading cause of SSI improper payments is financial accounts with countable resources over the allowable resource limits, accounting for 29.60 percent of SSI improper payments over the last five years. When an applicant, recipient, or deemor has financial accounts with values exceeding the allowable resource limits, these accounts may result in periods of SSI ineligibility.

Corrective Actions:

We are taking the following actions to address improper payments related to financial accounts:

- **Non-Medical Redeterminations/Limited Issues:** A non-medical SSI redetermination (RZ) is a complete review of a recipient's or couple's non-medical eligibility factors (resources, income, and living arrangements) to determine whether the recipient or couple has remained eligible since the time of the previous decision, is still eligible for SSI, and has been receiving or will continue to receive the correct SSI payment amount. To ensure the most effective investment of agency resources, we use a predictive model to estimate the likelihood and magnitude of overpayments to select cases for discretionary RZs. Other cases are selected for RZs outside of our modeling process based on selected case characteristics, such as manual deeming of income. The RZ process also selects limited issues (LI) reviews, which are reviews of a specific issue or event related to a recipient's or couple's non-medical eligibility factors to determine whether the recipient or couple is still eligible for and receiving the correct SSI payment. In FY 2025, we completed more than 2.4 million SSI RZs and LIs. We issued guidance and reminders to technicians to assist with RZ/LI processing throughout the fiscal year. We plan to process about 2.6 million SSI RZs and LIs in FY 2026.

- **Access to Financial Institutions:** The purpose of Access to Financial Institutions (AFI) is to identify resources in financial accounts; excess resources are a leading cause of SSI payment errors. The AFI program uses an electronic process with participating financial institutions to verify bank accounts and detect undisclosed accounts in up to 10 nearby banks based on the residential address. In August 2025, we implemented a zero-dollar AFI tolerance for SSI 65+ aged claim allowances before adjudicating to payment. In FY 2026, we intend to implement a zero-dollar AFI tolerance to all SSI initial claim allowances contingent upon updating the AFI contract and funding the additional volume of AFI requests. This strategy mandates that AFI verification is fully completed prior to adjudication and before payments are issued, thereby eliminating improper payments at the source rather than pursuing recovery after the fact. We will continue to explore expanding AFI usage in post entitlement situations and develop a systems enhancement to ensure that technicians run AFI in all instances required by policy.
- **ABLE Accounts:** An ABLE account is a special tax-advantaged savings account used by eligible individuals to pay for qualified disability expenses. The account is owned by the person with the disability, and they must have become disabled before age 26. Effective January 1, 2026, eligibility for ABLE accounts will expand to include individuals with a disability that began before age 46. Proper reporting and accounting of ABLE accounts are essential to ensure exclusions are applied correctly and that SSI payments are accurate. In March 2025, we also issued a reminder to technicians to avoid multiple postings of the same ABLE account and to ensure proper accounting of resources in ABLE accounts owned by recipients.
- **Reporting Responsibilities:** To influence understanding of ABLE accounts and encourage reporting of financial account information, in FY 2025, we aired educational content on televisions in field office reception areas. We also inform recipients and representative payees about their reporting responsibilities through various methods: during interviews, with application and RZ forms, in some award and post-eligibility notices, in check envelope enclosures, and in a booklet that accompanies award notices. Our annual Cost of Living Adjustment notices include reminders about reporting changes that could affect payments and eligibility.

Wages

Description:

For more than a decade, wage discrepancies have been one of the leading causes of SSI improper payments, accounting for 23.63 percent of SSI improper payments over the last 5 years. Wage discrepancies occur when the recipient or their deemor has actual wages that differ from the wage amount we used to calculate the SSI payment, either because the recipient failed to report a change, or we failed to make changes to payments in a timely manner.

Corrective Actions:

We are taking the following actions to address improper payments related to wages:

- **Wage Reporting Tools:** For individuals or employers not participating in PIE, we continue to offer multiple reporting options such as the myWR online tool, SSA Mobile Wage Reporting, SSI Telephone Wage Reporting, by mail or in-office visit. We also offer automated SSI wage reporting reminders for individuals who sign up to receive a monthly email or text message to report wages for the prior month.
- **Reporting Responsibilities:** In FY 2025, we released social media posts on Facebook and X sharing a link to our YouTube video to help recipients learn why it is important to report wages and the automated electronic options for wage reporting. This included instructional videos with step-by-step instructions on how to use the agency's self-reporting wage applications. In FY 2026, we will continue to use our social media channels to post reminders for our recipients about the importance of promptly reporting changes that impact their eligibility and payment amounts. These posts will inform recipients how we are required by law to adjust payments or recover debts when people receive payments they are not entitled to.
- **Payroll Information Exchange:** Please see our discussion of PIE under Corrective Actions for Substantial Gainful Activity in the OASDI Improper Payments Causes and Corrective Actions section.
- **Simplify Forms:** Please see our discussion of Simplify Forms under Corrective Actions for Substantial Gainful Activity in the OASDI Improper Payments Causes and Corrective Actions section.
- **Non-medical Redeterminations/Limited Issues:** Please see our discussion of Non-Medical RZs/LIs under Corrective Actions for Financial Accounts in the SSI Improper Payments Causes and Corrective Actions section.

In-Kind Support and Maintenance

Description:

ISM has been the third-leading cause of overpayments and one of the leading cause of underpayments, accounting for 8.59 percent of SSI improper payments over the last 5 years. When processing initial claims and post-entitlement reviews, we ask questions to help us determine if recipients are paying their share of household expenses. If recipients are not paying their *pro rata* share, we generally count the difference between the *pro rata* share amount and the actual contribution as income to the recipient in the form of ISM. SSI recipients and their representative payees are required to notify the agency when a change occurs in household expenses, contributions, or composition. Failure to report or delays in reporting household changes are the primary causes of overpayments and underpayments related to ISM. Recipients and representative payees must report ISM changes (e.g., living arrangements) by phone, mail, or in person within ten days after the end of the month when the event happened. Self-reporting is the primary tool we use to obtain information on changes that affect ISM.

Corrective Actions:

We are taking the following actions to address improper payments related to ISM:

- **Regulation Simplification:** In FY 2025, we fully implemented three updates as part of SSI regulation simplification related to ISM. These changes include: (1) eliminating the requirement to provide detailed information about the value of food assistance received; (2) expanding the definition of a "public assistance household" by adding SNAP benefits to the list of public income-maintenance (PIM) programs and by requiring the receipt of a PIM payment for only one additional household member (other than the SSI applicant or recipient) instead of requiring the receipt of a PIM payment for every other member of the household; and (3) expanding the rental subsidy exception nationwide to simplify our ISM rules and ensure uniform application of the policy.
- **National Change of Address:** We have a National Change of Address (NCOA) contract and data exchange agreement with the U.S. Postal Service (USPS) for the OASDI program. We are electronically notified when an OASDI beneficiary reports an address change to the USPS and in most cases, the new address information automatically posts to our records. In November 2024, we updated a notice to add a reminder informing concurrent OASDI and SSI recipients to contact us because we need additional information regarding living arrangement changes that may have occurred with the address change received through the NCOA process.
- **Living Arrangement Change Processing:** In August 2025, we transitioned field office phone systems to the same telephone platform used by the teleservice centers. By using the same telephone platform, field office representatives are able to update the SSI recipients' record with the change of address and develop living arrangement or ISM updates that could impact their payment amounts. Previously, teleservice center representatives had to refer these reports to a field office for development at a later date and in some instances, the field office would have to recontact the claimant. This prior business process could result in delays in processing the report and potentially create an improper payment.

Entitlement Reviews and Office of the Inspector General Anti-Fraud Activities

We are committed to improving financial management by preventing fraudulent and IPs (see the Payment Integrity section for more information). Section 206 (g) of the *Social Security Independence and Program Improvements Act*, Public Law 103-296, requires us to report annually on the extent to which we reviewed cases of entitlement to monthly OASI and DI benefits (referred to as OASDI when discussing them in combination) and SSI payments; and the extent to which the cases we reviewed were those that involved a high likelihood or probability of fraud.

Entitlement Reviews

Entitlement reviews help ensure that continued monthly payments are correct. We select cases and undertake reviews, both prior to and after effectuation of payment, to ensure that development procedures and benefit awards are correct.

We conduct the following major entitlement reviews:

Disability Quality Assurance Reviews

We perform quality assurance reviews of random samples of Disability Determination Services (DDS) determinations to measure our level of accuracy against standards mandated by the regulations. We review initial claims, requests for reconsideration, and determinations of continuing eligibility prior to the effectuation of the DDS determinations. The following table shows the quality assurance accuracy rates for FY 2025.

Quality Assurance Reviews

	FY 2025
Percent of State DDS decisions to allow or continue not returned to the DDS offices for correction	97.51%
Number of cases reviewed	31,013
Number of cases returned to the DDS offices due to error or inadequate documentation	771

DI Pre-Effectuation Reviews

We perform pre-effectuation reviews of favorable DI and concurrent DI/SSI initial and reconsideration determinations using a risk-profiling system to select cases for review. This profiling system helps ensure the cost-effectiveness of pre-effectuation reviews, and it satisfies the legislative requirement that the cases we review are those that are most likely to be incorrect. We also review a sufficient number of CDR continuance determinations to ensure a high level of accuracy in those cases. The following table shows the DI pre-effectuation accuracy rates for FY 2025.

DI Pre-Effectuation Reviews

	FY 2025
Percent of State DDS decisions to allow or continue not returned to the DDS offices for correction	95.78%
Number of cases reviewed	278,520
Number of cases returned to the DDS offices due to error or inadequate documentation	11,752

SSI Pre-Effectuation Reviews

We conduct pre-effectuation reviews of favorable SSI initial and reconsideration adult determinations. As in DI cases, we use a profiling system to select cases for review. The following table shows the SSI pre-effectuation accuracy rates for FY 2025.

SSI Pre-Effectuation Reviews

	FY 2025
Percent of State DDS decisions to allow not returned to the DDS offices for correction	96.74%
Number of cases reviewed	101,528
Number of cases returned to the DDS offices due to error or inadequate documentation	3,314

Continuing Disability Reviews

We use periodic CDRs to determine whether beneficiaries continue to meet our medical standards for disability. We also conduct a quality review of those decisions. The following table shows the CDR accuracy rates for FY 2025.

CDR Accuracy

	FY 2025
Overall accuracy	96.8%
Continuance accuracy	98.3%
Cessation accuracy	92.1%

OASDI and SSI Stewardship Reviews

Stewardship reviews assess the accuracy of benefit payments. Data for FY 2025 are not yet available. See the Payment Integrity section of this report or PaymentAccuracy.gov for additional information on the accuracy of benefit payments.

SSI Redeterminations

SSI redeterminations are periodic reviews of non-medical factors to ensure that a recipient remains eligible for SSI payments and that we have paid and will continue to pay the recipient the correct amount. The following table shows the number of SSI redeterminations we completed for FY 2025.

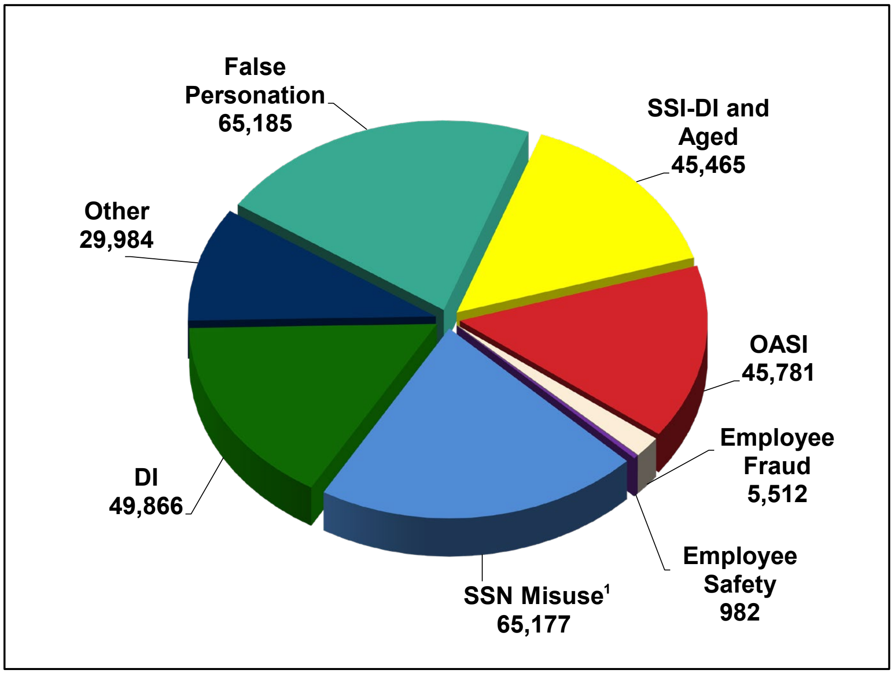
SSI Redeterminations
(In Millions)

	FY 2025
Number of redeterminations completed	2.48

The Office of the Inspector General's Anti-Fraud Activities

In FY 2025, we worked with our OIG, the U.S. Department of Justice, and other government agencies on cases involving fraud, waste, and abuse as part of our fraud detection and prevention program for safeguarding our assets. In FY 2025, as in prior years, OIG received a significant number of imposter scam allegations. The following chart provides information from our OIG concerning fraud and other allegations by category in FY 2025.[2]

Total Allegations by Category FY 2025



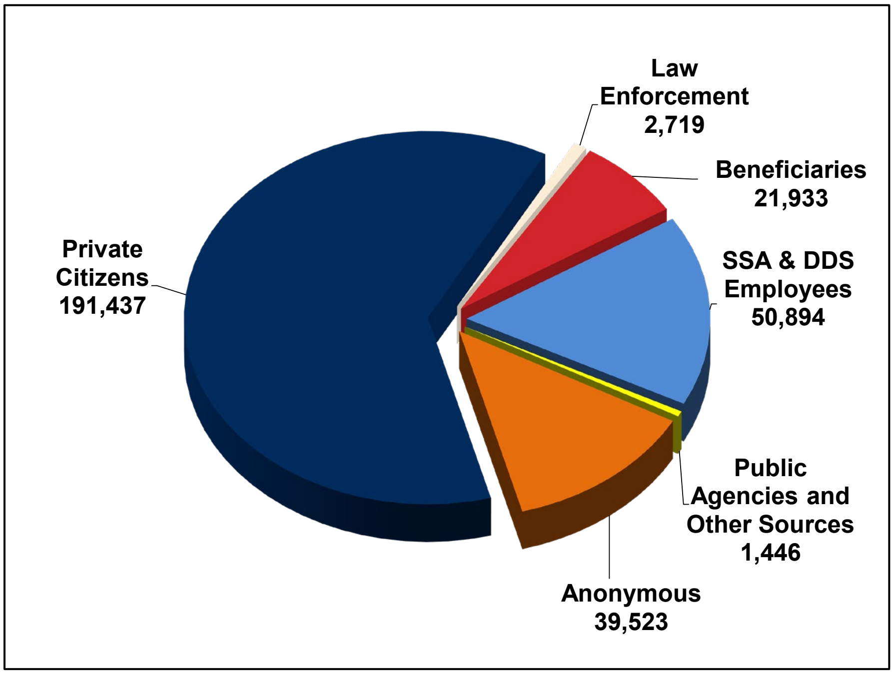
Note:

1. Social Security Number

[2] The category of an allegation may change in limited cases during an investigation. Therefore, the numbers reported in the charts may vary slightly from other Agency reporting such as Semiannual Reports to Congress.

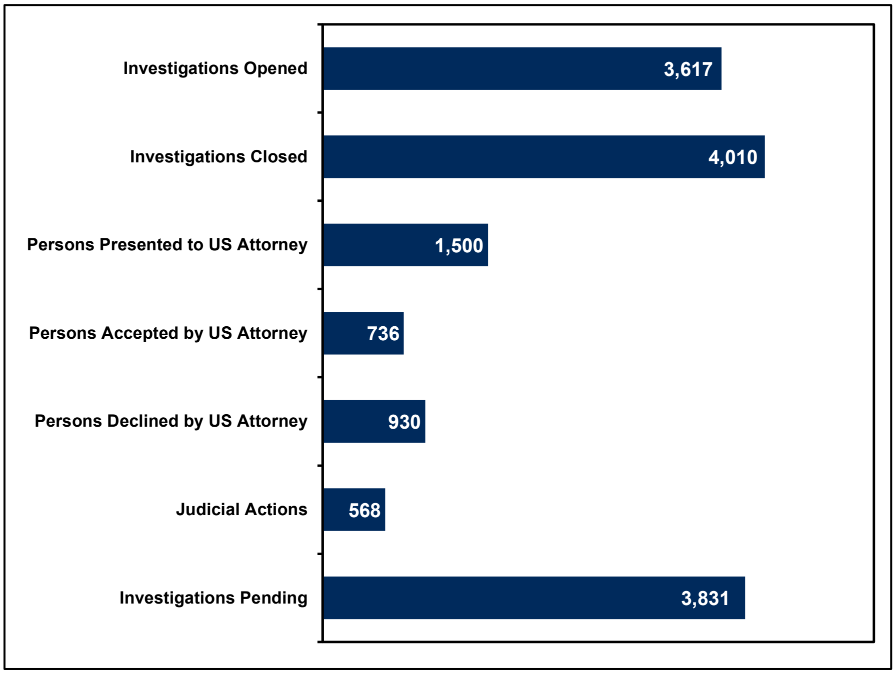
The following chart provides information from our OIG concerning sources of all fraud and other allegations in FY 2025.

Sources of All Allegations
FY 2025



The metrics in the following chart include the total number of individual subjects or entities referred, accepted, and declined for prosecution by the DOJ where the investigative findings were not subject to pre-established prosecution declination guidelines. Additionally, these metrics are independent. Therefore, persons recorded as declined or accepted during the reporting year may have been presented during a prior year. Similarly, persons presented during the reporting year may not yet have been recorded as declined or accepted.

Disposition of All Investigations
FY 2025



Civil Monetary Penalty Adjustment for Inflation

The *Social Security Act* authorizes the Commissioner of Social Security (COSS) to impose a civil monetary penalty (CMP) for certain specific violations. Section 1129 of the *Social Security Act* authorizes a CMP against anyone who makes any material false statements or representations to the agency or knowingly withholds a material fact from the agency, to obtain or retain benefits or payments under Titles II, VIII, or XVI of the *Social Security Act*. A CMP may also be imposed against representative payees for the wrongful conversion of Social Security payments entrusted to their care.

Section 1140 of the *Social Security Act* (Section 1140) authorizes a CMP to protect the public from advertisements, solicitations, and other communications (including Internet websites, social media activities, and scam telephone calls) that may convey the false impression that we approved, endorsed, or authorized the communication. Section 1140 also prohibits the reproduction and sale of Social Security publications and forms without our authorization and places restrictions on the charging for services that we provide to the public without charge.

The COSS delegated authority to enforce the agency's CMP programs to the Inspector General.

The *Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015* expanded the categories of penalties that require adjustment for inflation to include CMPs under the *Social Security Act* and requires agencies to: (1) use an interim final rulemaking to adjust the level of CMPs in 2016 with an initial "catch-up" adjustment; (2) continue to make annual adjustments in future years; and (3) report on these adjustments annually. As required, we are providing information on our current CMPs; these amounts include the initial "catch-up" and annual adjustments. We will continue to make annual adjustments in future years and report on these adjustments annually.

Civil Monetary Penalty Adjustments

Statutory Authority	Penalty	Year Enacted	Latest Year of Adjustment (via statute or regulation)	Current Penalty Date of Adjustment	Current Penalty Level	Sub-Agency/ Bureau/Unit	Location for Penalty Update Details
Section 206 (b), *Social Security Independence and Program Improvements Act of 1994*, P. L. 103-296, 108 Stat. 1509	Flagrant Violation (Section 1129 of the *Social Security Act*, 42 U.S.C. 1320a-8(a)(1))	1994	2025	01/15/2025	$0-$10,556	SSA/OIG	89 Federal Register 105674 (Dec. 2024)
Section 813 (c), *Bipartisan Budget Act of 2015*, P. L. 114-74, 129 Stat. 603	Flagrant Violation (Section 1129 of the *Social Security Act*, 42 U.S.C. 1320a-8(a)(1))	2015	2025	01/15/2025	$0-$9,956	SSA/OIG	89 Federal Register 105674 (Dec. 2024)
Section 428 (a), *Medicare Catastrophic Coverage Act of 1988*, P. L. 100-360, 102 Stat. 815	Flagrant Violation (Section 1140 of the *Social Security Act*, 42 U.S.C. 1320b-10(b)(1))	1988	2025	01/15/2025	$0-$13,132	SSA/OIG	89 Federal Register 105674 (Dec. 2024)
Section 428 (a), *Medicare Catastrophic Coverage Act of 1988*, P. L. 100-360, 102 Stat. 815	Flagrant Violation (Section 1140 of the *Social Security Act*, 42 U.S.C. 1320b-10(b)(2))	1988	2025	01/15/2025	$0-$65,653	SSA/OIG	89 Federal Register 105674 (Dec. 2024)

Biennial Review of User Fee Charges

Summary of Fees

In FY 2025, we earned $373 million in user fees. This revenue accounted for less than one percent of our total financing sources. We derived over 66 percent of user fee revenues from agreements with 20 States and the District of Columbia to administer some or all of the States' supplemental SSI benefits in FY 2025. During FY 2025, we charged a fee of $15.22 per payment for the cost of administering State supplemental SSI payments. This fee will increase to $15.63 per payment for FY 2026. We also charge the full cost for other reimbursable activities, such as processing earnings record requests from pension funds and individuals.

Biennial Review

The *Chief Financial Officers Act of 1990* requires federal agencies to conduct biennial reviews of agency fees and other charges imposed for services rendered to individuals, as opposed to the general public. The objective of these reviews is to identify such activities, charge fees as permitted by law, and periodically adjust these fees to reflect current costs or market value.

For our review of fees, we annually evaluate the following: 1) States' supplemental SSI benefit payment processing; 2) Consent Based Social Security Number (SSN) Verification (CBSV); 3) electronic Consent Based SSN Verification (eCBSV); and 4) Direct payment to representatives' fees. In addition, we review and evaluate our uniform standard fee structure for non-programmatic work every two years.

- **States' Supplemental SSI Benefit Payment Processing:** States are required to pay a fee for federal administration of State Supplementary Payments (supplemental to Federal SSI payments). In accordance with Section 5102 of the *Balanced Budget Act of 1997*, we adjust the fee annually based on the percentage increase, if any, in the Consumer Price Index (CPI), unless the COSS determines a different rate is appropriate. As noted above, we updated the State SSI administrative fee from $15.22 to $15.63 for FY 2026 based on the change in the CPI. This information was communicated to the applicable States.
- **Consent Based Social Security Number Verification:** The CBSV program provides the business community and other government entities with a consent-based SSN verification. Based on our evaluation this year of CBSV projected costs, revenues, and other relevant information, we decided to continue using the current rate of $2.25 per transaction for FY 2026.
- **Electronic Consent Based Social Security Number Verification:** The eCBSV program allows permitted entities to submit, with the number holder's consent, the SSN, name, and date of birth of the number holder in connection with a credit transaction or a circumstance described in Section 604 of the *Fair Credit Reporting Act.* This information is submitted to the agency for SSN verification via an application programming interface. During FY 2025, we analyzed our fee structure and other relevant data, including customer requests, ongoing costs, prior unrecovered cost, and current fee pricing. Based on this analysis, we determined that the user fee tier pricing

structure could be reduced. The basis for this was to attract additional transaction volume for the program, while still meeting our collection and breakeven goals. In addition, we have continued to see a decrease in ongoing operating expenses from prior years, which helped support the ability to reduce the fees. While we still have unrecovered costs, we believed that the reduced fees would increase volume and support the long-term viability of the program. We are still on track to breakeven in FY 2027. For the status of our unrecovered costs, refer to Note 6, Accounts Receivable, Net, in the *Audited Financial Statements and Additional Information* section for more information.

Throughout FY 2025, we engaged with eCBSV customers regarding the eCBSV program. Based on user feedback, we evaluated and updated the user fee tier structure to reduce the fee per tier on two separate occasions. In addition, the agency worked to offer additional services to allow for no-match data for entities, to meet customer demands. We are continuing to evaluate ongoing costs, fee revenue, and customer feedback as we prepare to analyze the user fee pricing structure in FY 2026. The latest Federal Register Notice, with more information on the eCBSV user fee is 2025-05905 (90 FR 15030). The other Federal Register Notice issued in FY 2025 is 2025-01155 (90 FR 6043).

- **Direct Payments to Representatives:** If a claimant is entitled to past-due benefits from the agency and was represented either by an attorney or by a non-attorney representative who has met certain prerequisites, the *Social Security Act* provides that we may withhold up to 25 percent of the past-due benefits and use that money to pay the representative's approved fee directly to the representative. When we pay the representative's fee directly to the representative, we must collect from that fee payment an assessment to recover the costs we incur in determining and paying representatives' fees. The *Social Security Act* provides that the assessment we collect will be the lesser of two amounts: a specified dollar limit; or the amount determined by multiplying the fee we are paying by the assessment percentage rate. During FY 2025, we set the maximum dollar limit at $120 and kept the assessment percentage consistent at 6.3 percent based on our review of relevant cost data. The latest Federal Register Notice, with more information on the Direct Payment of Fees for Representatives is 2024-30543 (89 FR 104601).
- **Uniform Standard Fees for Non-Programmatic Workloads:** Every two years, we evaluate and publish standard fees for non-programmatic workloads. The next review will be performed during FY 2026. Every two years, we conduct our biennial review for new fees. Our next review for new fees is scheduled for FY 2026.

Grants Programs

OMB Circular No. A-136, *Financial Reporting Requirements,* requires agencies to report on Federal grant and cooperative agreement awards that have not yet been closed out and for which the period of performance, including any extensions, elapsed for more than two years. As noted in the following table, we have no such grants or cooperative agreements to report.

The agency has six grant programs monitored by Grants Management Officers (GMO). Each GMO is responsible for monitoring a workload to ensure timely grant closeouts. Although we currently do not have any expired grants that have exceeded the two-year timeframe for closeout, there are occasions when a GMO cannot immediately close a grant. In certain instances, closeout could be delayed by one year.

Grants and Cooperative Agreements Summary

Category	2-3 Years	3-5 Years	More than 5 Years
Number of Grants/Cooperative Agreements with Zero Dollar Balances	Not Applicable	Not Applicable	Not Applicable
Number of Grants/Cooperative Agreements with Undisbursed Balances	Not Applicable	Not Applicable	Not Applicable
Total Amount of Undisbursed Balances	Not Applicable	Not Applicable	Not Applicable

Federal Entity Trading Partner Information

G-Invoicing requirements necessitate all Federal entities use G-Invoicing for Intragovernmental buy/sell transactions. All new agreements starting October 1, 2022, were required to be processed through the G-Invoicing system to assist in the elimination of intragovernmental differences. We went live with G-Invoicing starting October 1, 2022, with a variety of agencies for some of our buy/sell agreements. We were unable meet the October 1, 2022, deadline for certain lines of buy-sell activity, including rent, printing, security, postage, etc. However, we continue to work towards fully implementing G-Invoicing. In FY 2025, we implemented printing and rent buy/sell agreements within G-Invoicing. During FY 2026, we plan to implement postage and security agreements in G-Invoicing and will continue to work on other agreement types prior to the updated October 1, 2025, deadline for G-Invoicing. For agreements in G-Invoicing, we have a robust set of controls for approving, tracking, and reconciling agreements to ensure that agreements are accurate and complete in G-Invoicing and our accounting system, which has reduced intragovernmental differences with trading partners. For agreements that are not in G-Invoicing, we have processes in place to identify, reconcile, and resolve intragovernmental balance differences with its trading partners. This includes the daily processing and reconciliation of intragovernmental transactions, as well as continual efforts with partner agencies to communicate balances for quarterly accruals and review, reconcile, and resolve differences during the intragovernmental reporting process. We will continue to utilize G-Invoicing and work with our partner agencies to try and get all new agreements in the system during FY 2026, which will assist in our overall intragovernmental reporting process.

Debt Collection and Management

Debt Collection

We have a robust debt collection program to recover all types of overpayments, which helps ensure eligible individuals receive the benefits to which they are entitled, and it safeguards the integrity of benefit programs to better serve recipients. We use internal debt collection techniques (i.e., payment withholding and billing/follow-up), as well as external collection techniques authorized by the *Debt Collection Improvement Act of 1996* for OASDI debts and the *Foster Care Independence Act of 1999* for SSI debts.

The balance of delinquent debt for all programs is $7.273 billion as of September 30, 2025. In FY 2025, we recovered $4.508 billion using both our internal and external collection tools. This collection value reflects specific programmatic collections tracked in our internal systems, which account for 92 percent of our total collections. It does not include collections processed by Treasury systems related to non-entitlement and non-receipt cases, or collections from representative payees. These excluded collections are recorded directly in our financial accounting system and are not categorized by collection type. They represent 8 percent of our total collections. The following tables provide a description of each of our internal and external debt collection techniques for OASDI and SSI overpayments, and a summary of the results.

We recognize how critical it is for the public to understand the information we share, including the IP notices they receive from us. We are working to simplify our overpayment notices so they are more user-friendly and easier to understand.

Effective with overpayments established on April 25, 2025, the default withholding rate for recovering OASDI overpayments is 50 percent of the monthly benefit. There are exceptions to this change, such as when an overpayment resulted from fraud, where 100 percent withholding applies.

Internal Collections

We utilize internal collection tools to recover payments of delinquent debt for individuals currently receiving payments. In FY 2025, we recovered $4.447 billion using our internal collection tools, which accounted for about 98.6 percent of our total collections amount.

We offer individuals opportunities to ask us questions about their debts, request waivers in certain instances, and request alternative payment plans as needed. We continue working on technological improvements to make it easier for recipients to repay debts.

The following table provides a description of each of our internal debt collection techniques for OASDI and SSI overpayments, and a summary of the results.

FY 2025 Internal Collections
(Dollars in Billions)

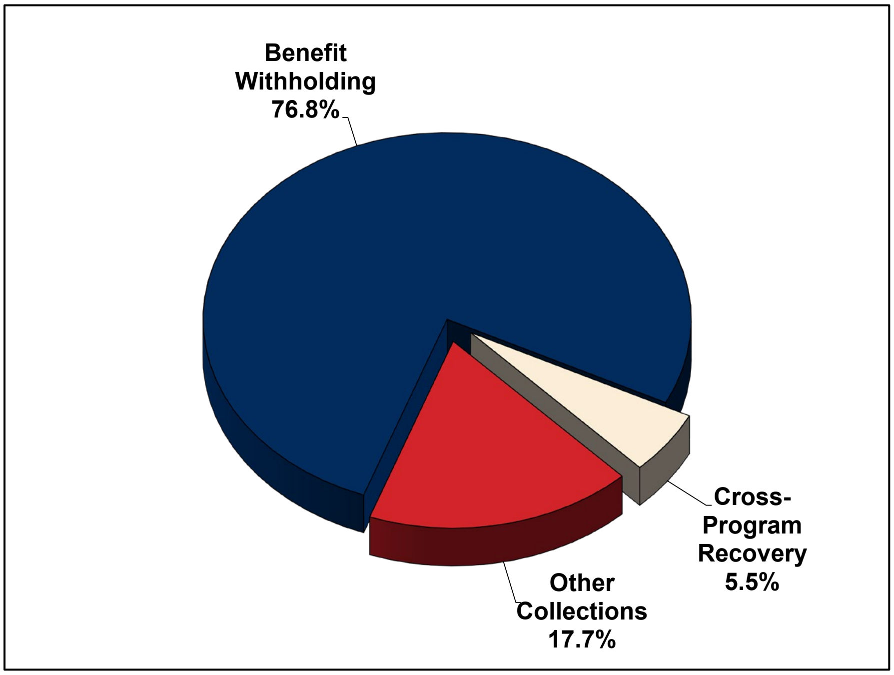
Recovery Method	Description	OASDI	SSI	Total[1]
Benefit Withholding	We withhold some or all benefit payments for OASI and DI beneficiaries and SSI recipients currently receiving payments. Benefit withholding typically accounts for the largest recovery of our total collections amount.	$2.483	$0.932	$3.415
Cross-Program Recovery (CPR)	CPR collects OASDI overpayments from monthly SSI payments and underpayments, and SSI overpayments from monthly OASDI benefit payments and underpayments.	$0.037	$0.206	$0.244
Other Collections	These are mostly voluntary payments received because of a notice requesting a refund of an overpayment.	$0.460	$0.329	$0.788
Total Internal Collections[1]	The total amount recovered by utilizing our internal collection tools.	$2.980	$1.466	$4.447

Note:

1. Totals do not necessarily equal the sum of rounded components.

The following chart highlights the allocation of overpayments collected in FY 2025 through our various internal collection tools as a proportion of the total $4.447 billion internal collections amount.

Breakdown of Internal Collections FY 2025



External Collections

We utilize external collection tools to recover payments of delinquent debt for beneficiaries and recipients no longer receiving payments. In FY 2025, we recovered $61 million using our external collection tools, which accounted for around 1 percent of our total collections amount.

The following table provides a description of each of our external debt collection techniques for OASDI and SSI overpayments, and a summary of the results.

FY 2025 External Collections[2]
(Dollars in Billions)

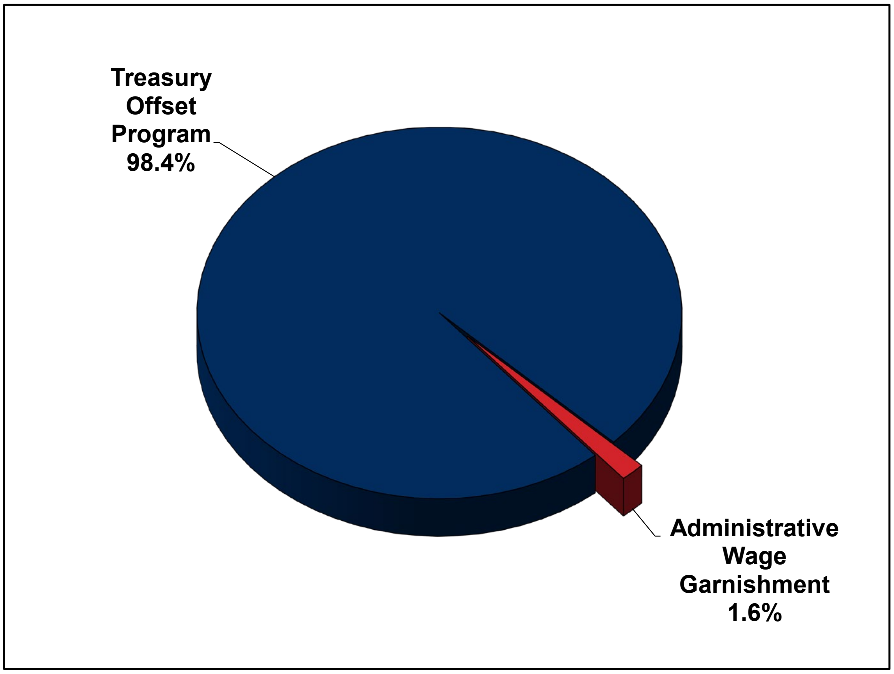
Recovery Method	Description	OASDI	SSI	Total[1]
Treasury Offset Program (TOP)	TOP allows us to collect delinquent debt by tax refund offset, administrative offset, and Federal salary offset.	$0.037	$0.023	$0.060
Administrative Wage Garnishment (AWG)	AWG allows us to recover delinquent OASDI and SSI overpayments by ordering a debtor's employer to garnish up to 15 percent of the debtor's private-sector disposable pay (i.e., that part of a worker's total compensation after deduction of health insurance premiums and required deductions).	$0.001	$0.000	$0.001
Total External Collections[1]	The total amount recovered by utilizing our external collection tools.	$0.038	$0.023	$0.061

Notes:

1. Totals do not necessarily equal the sum of rounded components.
2. We use credit bureau reporting, non-entitled debtors, and automatic netting SSI as external collection tools. Collections derived from these recovery methods are subsets of the main recovery methods displayed in the table above. However, we track these collections for informational and decision-making purposes.

The following chart highlights the allocation of overpayments collected in FY 2025 through our various external collection tools as a proportion of the total $0.061 billion external collections amount.

Breakdown of External Collections FY 2025



Debt Management

The following tables provide information on our debt management activities. The first table provides current and historical data on our consolidated program and administrative debt management activity. The additional tables provide a breakdown of our debt for the current and most recent prior year by program and administrative activity. We calculated the data shown in the tables by using accounts receivable amounts taken directly from the financial statements. For the consolidated data table, we provide notes on activity that affected the change in accounts receivable balances between years and other relevant information. We provide definitions of certain line items immediately following the Debt Management Activities Consolidated Program and Administrative Table. For more information on our effort to curb overpayments, please refer to the Payment Integrity section.

A design limitation in our 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. Refer to Note 6, Accounts Receivable, Net, in the Audited Financial Statements and Additional Information section for more information.

We estimate that approximately 58,200 debts owed by the public are affected by payment plans extending beyond December 31, 2049. We estimate the total gross value of the post-year 2049 receivable amounts is approximately $710 million as of September 30, 2025. Additionally, we estimate that approximately 5,500 debts owed by the public are affected by payment plans extending beyond October 14, 2073. We estimate the total gross value of the post-year 2073 receivable amounts is approximately $84 million as of September 30, 2025. These amounts are not material to the consolidated financial statements.

The following tables do not include the amounts related to post-year 2049 or 2073 debt. Therefore, the Total New Receivables and Total Write-offs are understated. We are working to address the system limitation; however, the accounts receivable balance reported on the financial statements are presented fairly in all material respects.

Debt Management Activities
Consolidated Program and Administrative[1]
(Dollars in Millions)

	FY 2025
Total receivables[2]	$26,874
New receivables	$10,860
Total collections	(4,925)
Adjustments	631
Total write-offs[3]	(4,074)
- Waivers	(1,554)
- Terminations	(2,520)
Non delinquent debt	19,599
Total delinquent debt	$7,275
Percentage Analysis	
% of outstanding debt:	
- Non delinquent	72.9%
- Delinquent	27.1%
% of debt estimated to be uncollectible[4]	56.0%
% of debt collected	18.3%
% change in collections from prior fiscal year	-0.3%
% change in delinquencies from prior fiscal year	5.2%
Clearances as a % of total receivables	33.5%
- Collections as a % of clearances	54.7%
- Write-offs as a % of clearances	45.3%
Other Analysis	
Cost to collect $1	$0.07
Average number of months to clear receivables:	
- OASI	15
- DI	27
- SSI	41

Notes:

1. The consolidated values in the Debt Management activity table above do not necessarily equal the sum of the rounded program/administrative values broken out in the tables below.
2. Refer to Note 1, Reporting Entity and Summary of Significant Accounting Policies, and Note 6, Accounts Receivable, Net, in the *Audited Financial Statements and Additional Information* section for more information.
3. Total Write-offs/Terminations – SSA has an automated process to evaluate programmatic debt and write-off certain delinquent debts deemed uncollectible. By terminating collection activity on uncollectible debt, we are better reflecting current receivables on our financial statements as well as reducing the number of actions from the processing center pending backlog. While this debt is being written-off, it remains available for future collection. We can pursue collection efforts if the debtor becomes entitled to OASDI or SSI benefits. The Campos settlement, which resulted in SSA waiving certain SSI overpayments incurred March 2020 through September 2020 (with some exceptions), is reflected in the overall Waivers balance.
4. Percentage of Debt Estimated to be Uncollected – Our allowance for doubtful accounts methodology allows for all delinquent debt two years or older at 100 percent. For remaining debt that is not delinquent two years or more, we apply our

uncollectible ratios, consistent with previous years. We add the fully allowed delinquent debt two years and older value to the calculated uncollectible value on the remaining debt to calculate the total allowance for doubtful accounts.

Debt Management Activities
Program and Administrative Breakout
(Dollars in Millions)

FY 2025					
	OASI	DI	SSI Federal	SSI State	Other
Total receivables	$4,954	$7,417	$13,919	$564	$20
New receivables	3,601	3,080	3,997	172	9
Total collections	(2,277)	(1,140)	(1,409)	(80)	(18)
Adjustments	(156)	780	27	(19)	(1)
Total write-offs	(476)	(1,654)	(1,896)	(48)	(1)
- Waivers	(92)	(155)	(1,271)	(36)	(1)
- Terminations	(384)	(1,499)	(625)	(12)	-
Non delinquent debt	4,246	6,275	8,721	339	18
Total delinquent debt	$708	$1,142	$5,198	$225	$2

Definitions:

1. Adjustments – Program debt adjustments represent: (a) written-off debts, by way of terminations, that we reinstate for collections; (b) changes in debts when we update debtor accounts with new information; and (c) minor differences between reports containing debt information that we use to maintain an ending accounts receivable balance.
2. Waivers – Waivers represent the amount of overpayments forgiven because the overpaid person: (a) is without fault in causing the debt; and (b) recovery would either defeat the purpose of the *Social Security Act* or be against equity and good conscience. Waivers permanently remove debts from our accounts receivable balance, which precludes any further collection efforts.
3. Terminations – Terminations represent our decision to cease our own efforts to collect a debt because: (a) the debtor will not repay the debt or alleges they cannot pay the debt; (b) we cannot locate the debtor after diligent search; or (c) the debt is at least two years delinquent. Even though we terminate internal active collection, we may still use external collection efforts. If the debtor becomes entitled to OASDI benefits or eligible for SSI payments, we reinstate the debt and resume recovery through benefit/payment withholding.
4. Delinquent Debt – A debt is delinquent when no voluntary payment has been made 30 days after the latest of the following: (a) the date we establish an OASDI debt; (b) the date of the initial overpayment notice for an SSI debt; (c) the date of the last voluntary payment; (d) the date of an installment or periodic payment arrangement (if we do not receive a payment); and (e) the date we decide a debtor remains responsible for a debt, in response to a due process action by the debtor.

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Appendix

SSA.gov

GLOSSARY OF ACRONYMS

A

ADP	Automated Data Processing
AI	Artificial Intelligence
AFI	Access to Financial Institutions
AFR	Agency Financial Report
AFS	Appointment Focused Service
Agency	Social Security Administration
ALJ	Administrative Law Judge
APG	Agency Priority Goal
APP	Annual Performance Plan
APR	Annual Performance Report
AWG	Administrative Wage Garnishment

B

Banking Bill	*Economic Growth, Regulatory Relief, and Consumer Protection Act*

C

CARES Act	*Coronavirus Aid, Relief, and Economic Security Act*
CAS	Cost Analysis System
CBSV	Consent Based Social Security Number Verification
CDR	Continuing Disability Review
CEAR	Certificate of Excellence in Accountability Reporting
CIO	Chief Information Officer
CISA	Cybersecurity and Infrastructure Security Agency
CMP	Civil Monetary Penalty
COSS	Commissioner of Social Security
COVID-19	Coronavirus Disease 2019
CNI	Civilian Noninstitutional
CPI	Consumer Price Index
CPI-W	Consumer Price Index for Urban Wage Earners and Clerical Workers
CPR	Cross-Program Recovery
CSRS	Civil Service Retirement System

D

DAIMS	DATA Act Information Model Schema
DATA Act	*Digital Accountability and Transparency Act of 2014*
DDS	Disability Determination Services
DI	Disability Insurance
DOL	Department of Labor

E

eCBSV	Electronic Consent Based Social Security Number Verification
EL	Enterprise Logging
E.O.	Executive Order
ERM	Enterprise Risk Management
EY	Ernst & Young LLP

F

FASAB	Federal Accounting Standards Advisory Board
FECA	*Federal Employees' Compensation Act*
FEGLI	Federal Employee Group Life Insurance Program
FEHBP	Federal Employees Health Benefits Program
FERS	Federal Employees' Retirement System
FFMIA	*Federal Financial Management Improvement Act of 1996*
FICA	*Federal Insurance Contributions Act*
FISMA	*Federal Information Security Management Act*
FM QSMO	Financial Management Quality Service Management Office
FMFIA	*Federal Managers' Financial Integrity Act of 1982*
FMS	Financial Management System
FR	Financial Report of the United States Government
FY	Fiscal Year

G

GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Auditing Standards
GAO	Government Accountability Office
GDP	Gross Domestic Product
GMO	Grants Management Officer
GPO	Government Pension Offset
GPRMA	*Government Performance and Results Modernization Act of 2010*
GRC	Governance, Risk, and Compliance

GSA	General Services Administration
GSDM	Governmentwide Spending Data Model
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System

H

HI	Hospital Insurance

I

IPAS	Improper Payments Alignment Strategy
ISM	In-kind Support and Maintenance
iSSNRC	Internet Social Security Number Replacement Card
IT	Information Technology

K

KEV	Known Exploited Vulnerabilities

L

LAE	Limitation on Administrative Expenses
LI	Limited Issue

M

MBR	Master Beneficiary Record
MCD	Mail Centralization and Digitization
MD&A	Management’s Discussion and Analysis
MFA	Multi-Factor Authentication
MOURS	Modernized Overpayment and Underpayment Reporting System
myWR	myWageReport

N

N8NN	National 800 Number Network
NCOA	National Change of Address

O

OA	Occupancy Agreement
OASDI	Old-Age, Survivors, and Disability Insurance
OASI	Old-Age and Survivors Insurance
OBBBA	One Big Beautiful Bill Act
OIG	Office of the Inspector General

OMB	Office of Management and Budget
OP	Overpayment
OPM	Office of Personnel Management

P

PC	Processing Center
PDB	Public Disability Benefit
PIA	Primary Insurance Amount
PIE	Payroll Information Exchange
PIIA	*Payment Integrity Information Act of 2019*
PIM	Public Income-Maintenance
PP&E	Property, Plant, and Equipment
PTF	Payments to Social Security Trust Funds
Pub. L. No.	Public Law Number

R

ROAR	Recovery of Overpayments, Accounting, and Reporting
RPA	Robotic Process Automation
RR	Railroad
RZ	Non-Medical Supplemental Security Income Redeterminations

S

SECA	*Self-Employed Contributions Act*
SFFAS	Statement of Federal Financial Accounting Standards
SGA	Substantial Gain Activity
SF-133	Report on Budget Execution and Budgetary Resources
SMI	Supplemental Medical Insurance
SSA	Social Security Administration
SSFA	Social Security Fairness Act
SSI	Supplemental Security Income
SSN	Social Security Number
SSO	Single Sign-on
SSOARS	Social Security Online Accounting and Reporting System
SSR	Supplemental Security Record
Statement	Social Security Statement

T

TBD	To Be Determined
Title VIII	Special Veterans Benefits

TOP	Treasury Offset Program
Treasury	Department of the Treasury
TWRP	Targeted Work Review Process

U

U.S.	United States
USPS	United States Postal Service
U.S.C.	United States Code
USF	Useable Square Feet

W

WC	Workers' Compensation
WEP	Windfall Elimination Provision

SSA MANAGEMENT AND BOARD MEMBERS

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Chief of Staff	Chad Poist
Chief Actuary	Karen Glenn
Chief Communications Officer	Nicholas Perrine
Chief Risk Officer	Chad Poist
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Chief of Field Operations	Andy Sriubas
Chief of Processing Centers	Mark Quinlan
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Our Agency Financial Report
is available at:
SSA.gov/finance

Social Security Administration
Publication No. 31-231 | January 2026
Produced and published at U.S. taxpayer expense