AUDITED FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

Our financial statements and additional information for fiscal years (FY) 2026 and 2025 consist of the following:

- The **Consolidated Balance Sheets** present, as of September 30, 2026 and 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 Statements of Net Cost** present the net cost of operations for the years ended September 30, 2026 and 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 Statements of Changes in Net Position** present the change in net position for the years ended September 30, 2026 and 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 Statements of Budgetary Resources** present the budgetary resources available to us, the status of these resources, and the outlay of budgetary resources for the years ended September 30, 2026 and 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 Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) programs (referred to as OASDI when discussing them in combination) estimated 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 OASI and DI estimated 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, 2025 to the period beginning on January 1, 2026; and (2) change from the period beginning on January 1, 2024 to the period beginning on January 1, 2025. The Statements identify several categories of changes and provide reasons for significant changes in the accompanying notes.

- The **Required Supplementary Information: Social Insurance** presents required long-range cash flow projections, the long-range projections of the ratio of contributors to beneficiaries, and the sensitivity analysis illustrating the effect of the changes in the most significant assumptions on the actuarial projections and present values for the 75-year projection period of the OASI and DI programs. The financial and actuarial disclosures include a narrative describing the program. This narrative includes a description of program financing, details about how benefits are calculated, and an analysis of relevant trends.

Consolidated Balance Sheets as of September 30, 2026 and 2025
(Dollars in Millions)

	2026	2025
Assets		
Intragovernmental Assets:		
Fund Balance with Treasury (Notes 3 and 4)	**$ 6,945**	$ 6,045
Investments (Note 5)	**2,456,866**	2,632,335
Accounts Receivable, Net (Note 6)	**1,550**	968
Advances and Prepayments	**38**	59
Other Assets (Note 8)	**100**	113
Total Intragovernmental Assets	**2,465,499**	2,639,520
Assets with the Public:		
Accounts Receivable, Net (Notes 3 and 6)	**11,764**	11,012
Property, Plant, and Equipment, Net (Note 7)	**5,075**	5,172
Total Assets with the Public	**16,839**	16,184
Total Assets	**$ 2,482,338**	$ 2,655,704
Liabilities (Note 9)		
Intragovernmental Liabilities:		
Accounts Payable	**$ 6,100**	$ 5,845
Other Liabilities	**4,968**	5,221
Total Intragovernmental Liabilities	**11,068**	11,066
Liabilities with the Public:		
Accounts Payable	**586**	386
Federal Employee Salary, Leave, and Benefits Payable	**554**	547
Post-Employment Benefits Payable	**232**	243
Benefits Due and Payable	**176,185**	169,618
Advances from Others and Deferred Revenue	**285**	290
Other Liabilities	**41**	39
Total Liabilities with the Public	**177,883**	171,123
Total Liabilities	**$ 188,951**	$ 182,189
Commitments and Contingencies (Note 9)		
Net Position		
Unexpended Appropriations - Funds from other than Dedicated Collections	**$ 1,384**	$ 612
Cumulative Results of Operations - Funds from Dedicated Collections (Note 10)	**2,286,410**	2,468,387
Cumulative Results of Operations - Funds from other than Dedicated Collections	**5,593**	4,516
Total Cumulative Results of Operations	**2,292,003**	2,472,903
Total Net Position	**$ 2,293,387**	$ 2,473,515
Total Liabilities and Net Position	**$ 2,482,338**	$ 2,655,704

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

Consolidated Statements of Net Cost for the Years Ended September 30, 2026 and 2025
(Dollars in Millions)

	2026	2025
OASI Program		
Benefit Payment Expense	**$ 1,500,880**	$ 1,423,041
Operating Expenses (Note 11)	**4,306**	4,408
Total Cost of OASI Program	**1,505,186**	1,427,449
Less: Exchange Revenues (Note 12)	**(21)**	(23)
Net Cost of OASI Program	**$ 1,505,165**	$ 1,427,426
DI Program		
Benefit Payment Expense	**$ 159,413**	$ 156,332
Operating Expenses (Note 11)	**3,193**	3,168
Total Cost of DI Program	**162,606**	159,500
Less: Exchange Revenues (Note 12)	**(46)**	(44)
Net Cost of DI Program	**$ 162,560**	$ 159,456
SSI Program		
Benefit Payment Expense	**$ 61,995**	$ 60,268
Operating Expenses (Note 11)	**5,060**	5,153
Total Cost of SSI Program	**67,055**	65,421
Less: Exchange Revenues (Note 12)	**(285)**	(283)
Net Cost of SSI Program	**$ 66,770**	$ 65,138
Other		
Operating Expenses (Note 11)	**$ 3,712**	$ 3,820
Less: Exchange Revenues (Note 12)	**(21)**	(23)
Net Cost of Other Program	**$ 3,691**	$ 3,797
Total Net Cost		
Benefit Payment Expense	**$ 1,722,288**	$ 1,639,641
Operating Expenses (Note 11)	**16,271**	16,549
Total Cost	**1,738,559**	1,656,190
Less: Exchange Revenues (Note 12)	**(373)**	(373)
Total Net Cost	**$ 1,738,186**	$ 1,655,817

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

Consolidated Statements of Changes in Net Position for the Years Ended September 30, 2026 and 2025
(Dollars in Millions)

	2026			2025		
	Funds from Dedicated Collections	**Funds from other than Dedicated Collections**	**Total**	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Total
Unexpended Appropriations:						
Beginning Balances	**$ 0**	**$ 612**	**$ 612**	$ 0	$ 1,865	$ 1,865
Appropriations Received	**57,373**	**72,209**	**129,582**	59,748	68,872	128,620
Other Adjustments	**0**	**(630)**	**(630)**	0	(1,305)	(1,305)
Appropriations Used	**(57,373)**	**(70,807)**	**(128,180)**	(59,748)	(68,820)	(128,568)
Net Change in Unexpended Appropriations	**0**	**772**	**772**	0	(1,253)	(1,253)
Total Unexpended Appropriations - Ending	**0**	**1,384**	**1,384**	0	612	612
Cumulative Results of Operations:						
Beginning Balances	**$ 2,468,387**	**$ 4,516**	**$ 2,472,903**	$ 2,624,095	$ 4,333	$ 2,628,428
Adjustments						
Changes in Accounting Principles	**0**	**0**	**0**	0	126	126
Beginning Balances, as Adjusted	**$ 2,468,387**	**$ 4,516**	**$ 2,472,903**	$ 2,624,095	$ 4,459	$ 2,628,554
Appropriations Used	**57,373**	**70,807**	**128,180**	59,748	68,820	128,568
Non-Exchange Revenue						
Tax Revenues (Note 13)	**1,366,281**	**0**	**1,366,281**	1,308,139	0	1,308,139
Interest Revenues	**67,800**	**0**	**67,800**	69,307	0	69,307
Other	**342**	**0**	**342**	37	0	37
Total Non-Exchange Revenue	**1,434,423**	**0**	**1,434,423**	1,377,483	0	1,377,483
Transfers-In/Out - Without Reimbursement	**(12,690)**	**9,968**	**(2,722)**	(12,737)	9,767	(2,970)
Imputed Financing Sources (Note 14)	**0**	**867**	**867**	0	1,034	1,034
Other	**0**	**(3,462)**	**(3,462)**	0	(3,949)	(3,949)
Net Cost of Operations	**1,661,083**	**77,103**	**1,738,186**	1,580,202	75,615	1,655,817
Net Change in Cumulative Results of Operations	**(181,977)**	**1,077**	**(180,900)**	(155,708)	57	(155,651)
Cumulative Results of Operations - Ending	**$ 2,286,410**	**$ 5,593**	**$ 2,292,003**	$ 2,468,387	$ 4,516	$ 2,472,903
Net Position	**$ 2,286,410**	**$ 6,977**	**$ 2,293,387**	$ 2,468,387	$ 5,128	$ 2,473,515

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

Combined Statements of Budgetary Resources for the Years Ended September 30, 2026 and 2025
(Dollars in Millions)

	2026	2025
Budgetary Resources (Note 15)		
Unobligated balance from prior year budget authority, net	**$ 2,558**	$ 3,336
Appropriations (discretionary and mandatory)	**1,803,991**	1,720,904
Spending authority from offsetting collections (discretionary and mandatory)	**18,344**	17,897
Total Budgetary Resources	**$ 1,824,893**	$ 1,742,137
Status of Budgetary Resources		
New obligations and upward adjustments		
Direct	**$ 1,818,463**	$ 1,736,883
Reimbursable	**3,444**	3,516
New obligations and upward adjustments (total)	**1,821,907**	1,740,399
Unobligated balance, End of Year		
Apportioned, unexpired accounts	**2,346**	1,199
Unapportioned, unexpired accounts	**14**	7
Unexpired unobligated balance, end of year	**2,360**	1,206
Expired unobligated balance, end of year	**626**	532
Unobligated balance, end of year (total)	**2,986**	1,738
Total Budgetary Resources	**$ 1,824,893**	$ 1,742,137
Outlays, Net		
Outlays, net (discretionary and mandatory)	**$ 1,795,518**	$ 1,710,421
Distributed offsetting receipts	**(61,664)**	(63,906)
Agency Outlays, Net (Discretionary and Mandatory)	**$ 1,733,854**	$ 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, 2026
(Dollars in Billions)

	2026	2025	2024	2023	2022
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	**$ 2,402**	$ 2,519	$ 2,414	$ 2,169	$ 1,998
Cost for scheduled future benefits	**26,976**	26,078	24,641	23,489	21,591
Future noninterest income less future cost	**(24,574)**	(23,559)	(22,226)	(21,321)	(19,593)
Participants who have not yet attained retirement eligibility age (ages 15–61):					
Noninterest income	**46,199**	45,252	44,586	42,195	40,365
Cost for scheduled future benefits	**78,095**	75,706	74,014	71,234	68,471
Future noninterest income less future cost	**(31,897)**	(30,454)	(29,428)	(29,039)	(28,105)
Present value of future noninterest income less future cost for current participants (closed group measure)	**(56,470)**	(54,013)	(51,655)	(50,360)	(47,699)
Combined OASI and DI Trust Fund reserves at start of period	**2,561**	2,721	2,788	2,830	2,852
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	**$ (53,909)**	$ (51,292)	$ (48,866)	$ (47,530)	$ (44,847)
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	**$ 43,266**	$ 44,582	$ 44,295	$ 43,045	$ 41,808
Cost for scheduled future benefits	**18,660**	18,419	18,046	17,937	17,411
Future noninterest income less future cost	**24,607**	26,162	26,249	25,108	24,397
Present value of future noninterest income less future cost for current and future participants (open group measure)	**(31,864)**	(27,851)	(25,406)	(25,252)	(23,301)
Combined OASI and DI Trust Fund reserves at start of period	**2,561**	2,721	2,788	2,830	2,852
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	**$ (29,303)**	$ (25,129)	$ (22,618)	$ (22,422)	$ (20,449)

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

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

January 1, 2025 to January 1, 2026
(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, 2025	$ (27,851)	$ 2,721	$ (25,129)
Reasons for changes between January 1, 2025 and January 1, 2026 (Note 17)			
Change in the valuation period	(800)	(181)	(982)
Changes in demographic data, assumptions, and methods	(1,968)	0	(1,968)
Changes in economic data, assumptions, and methods	(591)	0	(591)
Changes in programmatic data and methods	460	21	482
Changes in law or policy	(1,115)	0	(1,115)
Net change between January 1, 2025 and January 1, 2026	$ (4,013)	$ (160)	$ (4,174)
As of January 1, 2026	**$ (31,864)**	**$ 2,561**	**$ (29,303)**

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)**

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

Components may not sum to totals because of rounding.

Notes to the Basic Financial Statements For the Years Ended September 30, 2026 and 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 Statements of Budgetary Resources and related disclosures provide information about how budgetary resources were made available as well as the status at the end of the period. It is the only Statement predominately derived from an entity's budgetary general ledger in accordance with budgetary accounting rules. 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 non-exchange 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 for 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 Sheets, is the aggregate amount of funds in SSA's accounts with Treasury for which SSA is authorized to make expenditures and pay liabilities. Refer to Note 3, Non-Entity Assets, and Note 4, Fund Balance with Treasury.

Investments

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

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 $1 million 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 $1 million. 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 Statements of Budgetary Resources and this Statement does not allow eliminations, it records LAE's obligations twice. This presentation is in conformance with OMB Circular No. A-136 to have the Combined Statements of Budgetary Resources in agreement with the required Budget Execution Reports (SF-133).

Recognition of Financing Sources

Tax revenue, which consists of funds transferred from the Treasury to the OASI and DI Trust Funds for employment taxes (*Federal Insurance Contributions Act* (FICA) and *Self-Employment*

Contributions Act (SECA)), represents SSA's largest financing source. Additional financing sources consist of interest revenue from the OASI and DI Trust Fund investments, taxation on benefits, drawdown of funds for benefit entitlement payments and administrative expenses, appropriations, gifts, and other miscellaneous receipts. On an as-needed basis, funds are drawn from the OASI and DI Trust Funds to cover benefit payments. As governed by limitations determined annually by the U.S. Congress, funds are also drawn from the OASI and DI Trust Funds for SSA's operating expenses. To cover SSA's costs to administer a portion of the Medicare program, funds are drawn from the HI/SMI Trust Funds.

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

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.

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.

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.

2. Centralized Federal Financing Activities

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

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

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

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

SSA contributed $2 and $7 million for the years ended September 30, 2026 and 2025 to CSRS. SSA contributed $904 and $974 million for the years ended September 30, 2026 and 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 $229 and $245 million for the years ended September 30, 2026 and 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)

	2026		
	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	5,127	(588)	**4,539**
Total	**$ 5,130**	**$ (588)**	**$ 4,542**

	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, 2026 and 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)

	2026	2025
Non-Entity Assets	$ 4,542	$ 4,584
Entity Assets	2,477,796	2,651,120
Total Assets	**$ 2,482,338**	**$ 2,655,704**

4. Fund Balance with Treasury

The Fund Balance with Treasury, shown on the Consolidated Balance Sheets, represents the total of all of SSA's undisbursed account balances with Treasury. Fund Balance with Treasury is an asset to SSA, but not to the Government as a whole, because SSA's asset is offset by a liability of the General Fund. When disbursements are made, Treasury finances those disbursements in the same way it finances all other disbursements, which is to borrow from the public if there is a budget deficit (and to use current receipts if there is a budget surplus). Chart 4, Status of Fund Balances, presents SSA's Fund Balance with Treasury through the status of budgetary resources. The amounts in 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 Statements of Budgetary Resources.

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

	2026	2025
Unobligated Balance	$ 1,559	$ 779
Obligated Balance Not Yet Disbursed	4,196	3,911
OASI, DI, and LAE	1,140	1,304
Non-Budgetary Fund Balance with Treasury	50	51
Total Status of Fund Balances	**$ 6,945**	**$ 6,045**

The Unobligated Balance, Available in Chart 4 contains Category C funding which is an amount apportioned by OMB, for multi-year or no-year accounts, that is available for use in a future fiscal year. SSA Category C funding is $494 and $443 million as of September 30, 2026 and 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 Sheets, in Chart 5. The $175,469 million decrease in Total Investments from FY 2025 to FY 2026 is due to a reduction in OASI investment balances, as the program had to redeem additional investments during the fiscal year to cover outlays that exceeded receipts.

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

	2026			2025		
	Special Issue Securities	Interest Receivable	Total Investments	Special Issue Securities	Interest Receivable	Total Investments
OASI	$ 2,180,423	$ 13,489	**$ 2,193,912**	$ 2,400,808	$ 14,314	**$ 2,415,122**
DI	260,637	2,317	**262,954**	215,352	1,861	**217,213**
Total	**$ 2,441,060**	**$ 15,806**	**$ 2,456,866**	**$ 2,616,160**	**$ 16,175**	**$ 2,632,335**

The interest rates on these investments range from 0.750 to 4.875 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 2027 to the year 2041.

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

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

6. Accounts Receivable, Net

Intragovernmental

Intragovernmental Accounts Receivable, Net, reported on the Consolidated Balance Sheets in the amounts of $1,550 and $968 million as of September 30, 2026 and 2025 primarily represents amounts to be paid from the HI/SMI Trust Funds to the LAE Appropriation. SSA reduced the gross accounts receivable by $3,189 and $2,351 million as of September 30, 2026 and 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 $525 and $172 million as of September 30, 2026 and 2025 in Intragovernmental Accounts Receivable, Net for this activity based on Treasury's estimate of their liability owed to OASI.

With the Public

Accounts Receivable, Net, reported on the Consolidated Balance Sheets 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 $3 and $19 million as of September 30, 2026 and 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)

	2026			2025		
	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable
OASI	$ 5,787	$ (2,171)	**$ 3,616**	$ 4,954	$ (1,803)	**$ 3,151**
DI	8,669	(5,061)	**3,608**	7,417	(4,153)	**3,264**
SSI[1]	15,082	(9,955)	**5,127**	14,483	(9,086)	**5,397**
LAE	5	0	**5**	20	0	**20**
Subtotal	29,543	(17,187)	**12,356**	26,874	(15,042)	**11,832**
Less: Eliminations[2]	(592)	0	**(592)**	(820)	0	**(820)**
Total	**$ 28,951**	**$ (17,187)**	**$ 11,764**	**$ 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 2026 and FY 2025, SSA reduced gross accounts receivable by $592 and $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.

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, 2026 and 2025. We estimate that the total gross value of the post year 2073 amount not captured in our gross receivables, is approximately $127 million and $84 million as of September 30, 2026 and 2025.

7. Property, Plant, and Equipment, Net

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

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

Major Classes:	2026 Cost	2026 Accumulated Depreciation	2026 Net Book Value	2025 Cost	2025 Accumulated Depreciation	2025 Net Book Value
Construction in Progress	$ 4	$ 0	**$ 4**	$ 13	$ 0	**$ 13**
Buildings and Other Structures	47	(26)	**21**	47	(25)	**22**
Equipment (incl. ADP Hardware)	1,976	(1,595)	**381**	1,833	(1,475)	**358**
Internal Use Software	6,643	(2,493)	**4,150**	7,013	(2,872)	**4,141**
Leasehold Improvements	1,074	(755)	**319**	1,152	(739)	**413**
Deferred Charges[1]	595	(395)	**200**	613	(388)	**225**
Total	**$ 10,339**	**$ (5,264)**	**$ 5,075**	**$ 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	$1 million
Internal Use Software	5-10 years	Straight Line	$0-1 million
Leasehold Improvements	5-10 years	Straight Line	$1 million
Deferred Charges[1]	12 years	Straight Line	$0-1 million

Note:

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

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

	2026	2025
Balance beginning of year	$ 5,172	$ 5,164
Capitalized acquisitions	910	1,015
Dispositions/Reevaluations	(1)	(1)
Depreciation expense	(1,006)	(1,006)
Balance at end of year	**$ 5,075**	**$ 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 $100 and $113 million as of September 30, 2026 and 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. Charts 9a and 9b disclose SSA's liabilities Covered by budgetary resources, Not Covered by budgetary resources, and Not Requiring budgetary resources. Liabilities Covered by budgetary resources use available budget authority when SSA incurs the liabilities. Liabilities Not Covered by budgetary resources do not use available budget authority in the current period; these liabilities will be funded in future periods. Liabilities Not Requiring budgetary resources represent cash or receivables due to the General Fund and States, which do not require budgetary authority.

Chart 9a - Liabilities as of September 30:
(Dollars in Millions)

	2026			
	Covered	Not Covered	Not Requiring	Total
Intragovernmental Liabilities:				
Accounts Payable	$ 6,100	$ 0	$ 0	**$ 6,100**
Other Liabilities	60	55	4,853	**4,968**
Total Intragovernmental Liabilities	**6,160**	**55**	**4,853**	**11,068**
Liabilities with the Public:				
Accounts Payable	310	83	193	**586**
Federal Employee Salary, Leave, and Benefits Payable	179	375	0	**554**
Post-Employment Benefits Payable	0	232	0	**232**
Benefits Due and Payable	172,833	3,352	0	**176,185**
Advances from Others and Deferred Revenue	285	0	0	**285**
Other Liabilities	0	0	41	**41**
Total Liabilities with the Public	**173,607**	**4,042**	**234**	**177,883**
Total Liabilities	**$ 179,767**	**$ 4,097**	**$ 5,087**	**$ 188,951**

Chart 9b - 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 $6,075 and $5,838 million as of September 30, 2026 and 2025.

Other Liabilities

Intragovernmental Other Liabilities include amounts Covered by budgetary resources for payroll taxes. Intragovernmental Other Liabilities Covered, shown in Charts 9a and 9b, are current liabilities. Intragovernmental Other Liabilities Not Covered by budgetary resources includes amounts for *Federal Employees' Compensation Act* (FECA), administered by the Department of Labor (DOL). FECA provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related injury or occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. For payment purposes, claims incurred for benefits for SSA employees under FECA are divided into current and non-current portions. The current portion represents SSA's accrued liability due to the DOL's FECA Special Benefits Fund for payments made on SSA's behalf. The funding for the liability will be made from a future appropriation. SSA's current portions of FECA liability are $54 and $53 million as of September 30, 2026 and 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 9c displays a breakout of Intragovernmental Other Liabilities as of September 30, 2026 and 2025.

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

	2026	2025
Employer Contributions and Payroll Taxes Payable	$ 59	$ 53
Unemployment Compensation Liability	1	2
Unfunded FECA Liability	54	53
Liability to the General Fund for Non-Entity Assets	4,853	5,105
Other Liabilities w/o related budgetary obligations	1	8
Total Other Liabilities	**$ 4,968**	**$ 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 $375 and $387 million as of September 30, 2026 and 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 $232 and $243 million as of September 30, 2026 and 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 9d shows the amounts for SSA's major programs as of September 30, 2026 and 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. The increase in Total Benefits Due and Payable from FY 2025 to FY 2026 is primarily due to an increase in OASI beneficiaries, as well as the 2.8 percent Cost-of-Living Adjustment beneficiaries received in 2026.

Chart 9d - Benefits Due and Payable as of September 30:
(Dollars in Millions)

	2026	2025
OASI	$ 138,185	$ 131,383
DI	32,565	32,543
SSI	6,027	6,512
Subtotal	**176,777**	**170,438**
Less: Intra-agency eliminations	(592)	(820)
Total Benefits Due and Payable	**$ 176,185**	**$ 169,618**

Chart 9d also shows that as of FY 2026 and FY 2025, SSA reduced gross Benefits Due and Payable by $592 and $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, 2026 and 2025. Chart 9e displays a breakout of Other Liabilities with the Public as of September 30, 2026 and 2025.

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

	2026	2025
Other Liabilities w/o related budgetary obligations	$ 41	$ 39
Total Other Liabilities	**$ 41**	**$ 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 1,706 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, 2026.

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 1616 of the *Social Security Act*, codified at 42 U.S.C. 1382e, authorizes the Commissioner of Social Security to assess each State an administrative fee in an amount equal to the number of Supplemental payments made by SSA on behalf of the State for any month in a fiscal year, multiplied by the applicable rate for the fiscal year. See Note 12, Exchange Revenues, for a discussion of SSI State Administrative Fees.

See Charts 10a and 10b for balances of funds from dedicated collections as reported in the Consolidated Financial Statements for the years ended September 30, 2026 and 2025. The Other Dedicated Funds column in Charts 10a and 10b consist of Taxation on Social Security Benefits and SSI State Administrative Fees activity.

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

	2026					
	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	$ 156	$ 107	$ 7	$ 270	$ 0	**$ 270**
Investments	2,193,912	262,954	0	2,456,866	0	**2,456,866**
Accounts Receivable, Net	527	65	0	592	0	**592**
Total Intragovernmental Assets	2,194,595	263,126	7	2,457,728	0	**2,457,728**
Assets with the Public:						
Accounts Receivable, Net	3,616	3,608	0	7,224	(4)	**7,220**
Total Assets	**$ 2,198,211**	**$ 266,734**	**$ 7**	**$ 2,464,952**	**$ (4)**	**$ 2,464,948**
Liabilities and Net Position						
Intragovernmental Liabilities:						
Accounts Payable	$ 7,020	$ 767	$ 0	$ 7,787	$ 0	**$ 7,787**
Liabilities with the Public:						
Accounts Payable	1	4	0	5	0	**5**
Benefits Due and Payable	138,185	32,565	0	170,750	(4)	**170,746**
Total Liabilities with the Public	**138,186**	**32,569**	**0**	**170,755**	**(4)**	**170,751**
Total Liabilities	**145,206**	**33,336**	**0**	**178,542**	**(4)**	**178,538**
Cumulative Results of Operations	2,053,005	233,398	7	2,286,410	0	**2,286,410**
Total Liabilities and Net Position	**$ 2,198,211**	**$ 266,734**	**$ 7**	**$ 2,464,952**	**$ (4)**	**$ 2,464,948**
Statement of Net Cost						
Program Costs	$ 1,500,880	$ 159,413	$ 0	$ 1,660,293	$ 0	**$ 1,660,293**
Operating Expenses	703	286	0	989	0	**989**
Less Earned Revenue	(1)	(30)	(168)	(199)	0	**(199)**
Net Cost of Operations	**$ 1,501,582**	**$ 159,669**	**$ (168)**	**$ 1,661,083**	**$ 0**	**$ 1,661,083**
Statement of Changes in Net Position						
Net Position Beginning of Period	$ 2,280,823	$ 187,555	$ 9	$ 2,468,387	$ 0	**$ 2,468,387**
Appropriations Used	0	0	57,373	57,373	0	**57,373**
Non-Exchange Revenue						
Tax Revenue - Intragovernmental	1,168,063	198,218	0	1,366,281	0	**1,366,281**
Interest Revenue - Intragovernmental	59,023	8,777	0	67,800	0	**67,800**
Other - With the Public	66	276	0	342	0	**342**
Total Non-Exchange Revenue	**1,227,152**	**207,271**	**0**	**1,434,423**	**0**	**1,434,423**
Transfers In/Out – Without Reimbursement	46,612	(1,759)	(57,543)	(12,690)	0	**(12,690)**
Net Cost of Operations	**1,501,582**	**159,669**	**(168)**	**1,661,083**	**0**	**1,661,083**
Net Change	(227,818)	45,843	(2)	(181,977)	0	**(181,977)**
Net Position End of Period	**$ 2,053,005**	**$ 233,398**	**$ 7**	**$ 2,286,410**	**$ 0**	**$ 2,286,410**

The above Chart 10a for FY 2026 includes eliminations between SSA's funds from dedicated collections, which primarily represent eliminations for activity between the OASI and DI Trust Funds. However, $2,303 million of receivables and liabilities in the funds from dedicated

collections for the year ended September 30, 2026 must be eliminated against LAE (Accounts Payable, Federal), SSI (Benefits Due and Payable and Accounts Receivables, Non-Federal), and PTF, excluding Taxation on Benefits (Accounts Receivable, Federal), which are not classified as funds from dedicated collections. Therefore, due to the separate presentation of funds from dedicated collections only in this note, SSA does not include eliminations between funds from dedicated collections and LAE, SSI, and PTF, excluding Taxation on Benefits in Chart 10a.

Chart 10b - Funds from Dedicated Collections as of September 30: Consolidating Schedule

(Dollars in Millions)

	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**	**2,632,019**
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**
Transfers In/Out – Without Reimbursement	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**

Chart 10b 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 10b.

11. Operating Expenses

Classification of Operating Expenses by Major Program

Charts 11a and 11b display SSA's operating expenses for each major program. LAE SSA operating expenses recorded in Other primarily represent the HI/SMI Trust Funds' shares of SSA's operating expenses, including the Medicare Prescription Drug Program. OASI and DI Trust Fund Operations include expenses of Treasury to assist in managing the OASI and DI Trust Funds. Vocational Rehabilitation & Other primarily 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)

	2026				
	LAE		OASI and DI Trust Fund Operations	Vocational Rehabilitation & Other	Total
	SSA	OIG			
OASI	$ 3,557	$ 46	$ 688	$ 15	**$ 4,306**
DI	2,870	37	114	172	**3,193**
SSI	4,906	0	0	154	**5,060**
Other	3,680	32	0	0	**3,712**
Total	**$ 15,013**	**$ 115**	**$ 802**	**$ 341**	**$ 16,271**

The LAE amounts listed in Chart 11a above include $720 million in Real Property Intragovernmental Lease expense.

Chart 11b - 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 11b include $716 million in Real Property Intragovernmental Lease expense.

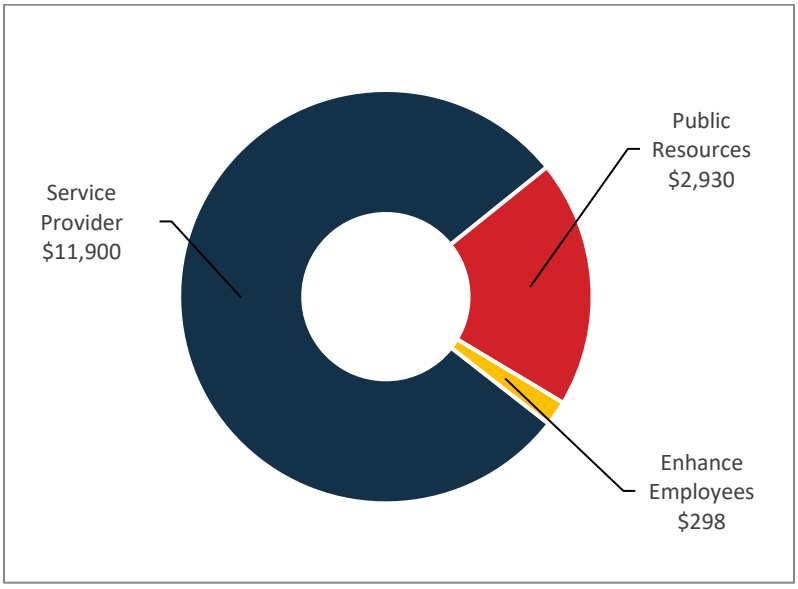
Classification of LAE Operating Expenses by Strategic Goal

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

- Be the Premier Service Provider (Service Provider);
- Preserve and Protect Public Resources (Public Resources); and
- Enhance the Employee Experience and Productivity (Enhance Employees).

Chart 11c, exhibits the distribution of FY 2026 SSA and OIG LAE operating expenses to the three APP Strategic Goals, which agree to the agency's LAE budget appropriation. We published our FYs 2026–2030 Agency Strategic Plan in August 2026 which defines three new Strategic Goals. Therefore, because the Strategic Goals are not comparable between FY 2026 and FY 2025, we did not include a chart showing the distribution of FY 2025 operating expenses by Strategic Goal.

Chart 11c – FY 2026 LAE Operating Expenses by Strategic Goal
(Dollars in Millions)



For Chart 11c, we do not include OASI and DI Trust Fund Operations and Vocational Rehabilitation expenses (see Chart 11a) in LAE Operating Expenses by Strategic Goal 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 years ended September 30, 2026 and 2025. SSA's exchange revenue primarily consists of fees collected to administer SSI State Supplementation. The fees charged to the States are $15.63 and $15.22, per payment, for the years ended September 30, 2026 and 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)

	2026	2025
SSI State Supplementation Fees	$ 248	$ 244
SSI Attorney Fees	9	9
DI Attorney Fees	30	27
OASI Attorney Fees	1	1
Other Exchange Revenue	85	92
Total Exchange Revenue	**$ 373**	**$ 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 are $88 and $89 million for the years ended September 30, 2026 and 2025. Of these amounts, $79 and $80 million were collected to administer SSI State Supplementation for the years ended September 30, 2026 and 2025. SSA maintains the remainder of the SSI administrative fees, which meet the criteria of a fund from dedicated collections, in the amounts of $169 and $164 million for the years ended September 30, 2026 and 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 Statements of Changes in Net Position, by major program. The $58,142 million increase from FY 2025 to FY 2026 is due to an increase in OASDI employment tax estimates in FY 2026.

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

	2026	2025
OASI	$ 1,168,063	$ 1,118,242
DI	198,218	189,897
Total Tax Revenue	**$ 1,366,281**	**$ 1,308,139**

14. Imputed Financing

SSA recognizes the full cost of goods and services it receives from other entities on our Consolidated Statements of Net Cost. In some instances, goods or services provided by one Federal entity to another may not be fully reimbursed by the receiving entity. The unreimbursed portion of these costs is considered an imputed cost, and must be recognized on the receiving entity's Statement of Net Cost. The funding for these imputed costs is recognized as an imputed financing source on the receiving entity's Statements 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 Statements of Changes in Net Position, the imputed costs are included in the operating expense amounts reported on the Consolidated Statements of Net Cost.

OPM administers three earned benefit programs for civilian Federal employees: (1) the Retirement Program, comprised of the CSRS and the FERS; (2) the Federal Employees Health Benefits Program (FEHBP); and (3) the Federal Employee Group Life Insurance Program (FEGLI). The total service costs for SSA employee pensions, life, and health insurance are financed by contributions of SSA, participating employees, and OPM. The Consolidated Statements of Net Cost recognize post-employment benefit expenses of $1,745 and $1,990 million for the years ended September 30, 2026 and 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)

	2026	2025
Employee Benefits (OPM)		
CSRS	$ 19	$ 34
FERS	258	361
FEHBP	572	615
FEGLI	1	1
Total Employee Benefits	**850**	**1,011**
SSI Benefit Payments (Treasury)	16	22
Judgment Fund (Treasury)	1	1
Total Imputed Financing Sources	**$ 867**	**$ 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, 2025, to the current year's unobligated balance from prior year budget authority, net for the year ended September 30, 2026. The adjustments shown in the following chart include recoveries, canceled 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 canceled 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, 2025, to the current year's unobligated balance from prior year budget authority, net for the year ended September 30, 2026.

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

	2026
PY Unobligated balance, end of year	$1,738
Recoveries	819
Canceled Authority	(47)
CAS % Adjustments	48
CY Unobligated balance from PY budget authority, net	**$2,558**

Appropriations Received

The Combined Statements of Budgetary Resources discloses Appropriations Received of $1,803,991 and $1,720,904 million for the years ended September 30, 2026 and 2025. Appropriations Received on the Consolidated Statements of Changes in Net Position are $129,582 and $128,620 million for the same years. The differences of $1,674,409 and $1,592,284 million primarily represent appropriated OASI and DI Trust Fund receipts. The Consolidated Statements of Changes in Net Position reflect new appropriations received during the year; however, those amounts do not include dedicated receipts in the OASI and DI Trust Funds.

Appropriations Received for PTF are recorded based on warrants received from the General Fund and presented as Other in the financial statements. These amounts are transferred to the Bureau of Fiscal Service where they are also recorded as Appropriations Received in the OASI and DI Trust Funds. Because OASI and DI Trust Fund activity is combined with Other on SSA's Combined Statements of Budgetary Resources, Appropriations Received for PTF are duplicated. This is in compliance with OMB's Circular No. A-136 to have the Combined Statements of Budgetary Resources in agreement with the required SF-133. These amounts are also included on the Consolidated Statements of Changes in Net Position for Other in Appropriations Received.

Permanent Indefinite 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)

	2026			2025		
	OASI	DI	Total	OASI	DI	Total
Receipts	$ 1,284,057	$ 208,158	**$ 1,492,215**	$ 1,240,453	$ 197,783	**$ 1,438,236**
Less: Obligations	1,512,030	163,115	**1,675,145**	1,433,956	159,532	**1,593,488**
Excess of Receipts Over Obligations	**$ (227,973)**	**$ 45,043**	**$ (182,930)**	**$ (193,503)**	**$ 38,251**	**$ (155,252)**

The overall Net Position of the OASI and DI Trust Funds included in Net Position, on the Consolidated Statements of Changes in Net Position, are $2,053,005 and $233,398 million for the year ended September 30, 2026, compared to $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)

	2026			2025		
	Federal	Non-Federal	Total	Federal	Non-Federal	Total
Unpaid Undelivered Orders	$ 622	$ 2,221	**$ 2,843**	$ 645	$ 1,964	**$ 2,609**
Paid Undelivered Orders	38	0	**38**	59	0	**59**
Total Undelivered Orders	**$ 660**	**$ 2,221**	**$ 2,881**	**$ 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, 2025. 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, 2025.

Chart 15d - Explanation of Differences Between Combined Statement of Budgetary Resources and the Budget of the U.S. Government for FY 2025:
(Dollars in Millions)

	Total Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	$1,742,137	$ 1,740,399	$ 63,906	$1,646,515
Expired activity not in President's Budget	(620)	0	0	0
Offsetting Receipts activity not in President's Budget	0	0	0	63,906
Other	0	0	0	(2)
Budget of the U.S. Government	**$ 1,741,517**	**$ 1,740,399**	**$ 63,906**	**$1,710,419**

A reconciliation has not been conducted for the year ended September 30, 2026 since the actual budget data for FY 2026 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 Statements of Budgetary Resources, and net costs, presented on an accrual basis and derived from the Consolidated Statements of Net Cost, by identifying and explaining key items that affect one statement but not the other. Examples of this include transfers of authority, which affect net outlays but not net cost, or depreciation of capitalized assets that affect net cost, but not net outlays.

Chart 16 - Reconciliation of Net Cost to Net Outlays for the Years Ended September 30, 2026 and 2025
(Dollars in Millions)

	2026			2025		
	Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total
Net Cost	**$ 5,180**	**$ 1,733,006**	**$ 1,738,186**	**$ 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)**	(13)	(1,006)	**(1,019)**
Property, plant, and equipment disposal and reevaluation	0	(1)	**(1)**	0	(1)	**(1)**
Increase/(decrease) in assets:						
Accounts receivable	(4)	523	**519**	13	1,012	**1,025**
Other assets	(20)	0	**(20)**	(24)	0	**(24)**
(Increase)/decrease in liabilities:						
Accounts payable	(29)	(199)	**(228)**	(5)	63	**58**
Benefits Due and Payable	0	(6,340)	**(6,340)**	0	(11,330)	**(11,330)**
Federal Employee Salary, Leave, and Benefits Payable	0	(7)	**(7)**	0	28	**28**
Post-Employment Benefits Payable	0	11	**11**	0	20	**20**
Other liabilities	246	4	**250**	(263)	(1)	**(264)**
Financing sources						
Imputed Costs	(867)	0	**(867)**	(1,034)	0	**(1,034)**
Total Components of Net Cost That Are Not Part of Net Outlays	**$ (687)**	**$ (7,015)**	**$ (7,702)**	**$ (1,326)**	**$ (11,215)**	**$ (12,541)**
Components of Net Outlays That Are Not Part of Net Cost:						
Acquisition of capital assets	0	910	**910**	0	1,015	**1,015**
Financing Sources						
Transfers out(in) without reimbursement	28	0	**28**	(232)	0	**(232)**
Expenditure Transfers Collected/Disbursed	3,061	0	**3,061**	2,274	0	**2,274**
Total Components of Net Outlays That Are Not Part of Net Cost	**$ 3,089**	**$ 910**	**$ 3,999**	**$ 2,042**	**$ 1,015**	**$ 3,057**
Miscellaneous Items						
Custodial/Non-Exchange Revenue	(36)	(430)	**(466)**	(35)	(126)	**(161)**
Non-Entity Activity	(163)	0	**(163)**	343	0	**343**
Total Other Reconciling Items	**(199)**	**(430)**	**(629)**	308	(126)	**182**
Net Outlays	**$ 7,383**	**$ 1,726,471**	**$ 1,733,854**	**$ 6,561**	**$ 1,639,954**	**$ 1,646,515**

The $6,340 million increase in Benefits Due and Payable for the year ended September 30, 2026, is primarily related to amounts owed to program recipients that have not yet been paid as of the balance sheet date. The increased Benefits Due and Payable when comparing FY 2026 to FY 2025 is due primarily to a 2.8 percent Cost of Living Adjustment beneficiaries received in 2026 and an increase in the number of OASI beneficiaries during FY 2026. The $3,061 million in Expenditure Transfers Disbursed for the year ended September 30, 2026, 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.

For FY 2025, 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 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds* (2026 Trustees Report) for the 75-year projection period beginning January 1, 2026. These assumptions represent the Trustees' best 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, 2026 totaled $2,561 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 the 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 (2026) 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 2026

	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]	
2026	1.59	769.7	76.5	81.5	130,000	4.49	1.82	2.62	-0.1	2.1	4.2%
2030	1.61	749.0	76.8	81.8	978,000	4.53	2.08	2.40	0.3	1.8	4.1%
2040	1.72	691.4	77.8	82.7	1,227,000	3.64	1.21	2.40	0.2	1.8	4.6%
2050	1.75	637.7	78.9	83.6	1,196,000	3.55	1.12	2.40	0.1	1.7	4.7%
2060	1.75	590.0	79.9	84.4	1,178,000	3.53	1.10	2.40	0.1	1.7	4.7%
2070	1.75	547.7	80.9	85.2	1,166,000	3.56	1.13	2.40	[10]	1.6	4.7%
2080	1.75	510.1	81.8	85.9	1,157,000	3.56	1.13	2.40	[10]	1.6	4.7%
2090	1.75	476.6	82.6	86.6	1,151,000	3.57	1.14	2.40	0.1	1.7	4.7%
2100[11]	1.75	446.7	83.4	87.2	1,148,000	3.55	1.13	2.40	0.1	1.7	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. Greater than -0.05 and less than 0.05 percent.
11. The valuation period used for the 2026 Statement of Social Insurance extends to 2100.

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 Real Interest Rate[8]
					Average Annual Wage in Covered Employment (nominal)[5]	CPI[6]	Total Employment[7]	
FY 2026	1.75	0.73	1,176,000	1.14	3.57	2.40	0.1	2.3
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

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 through 2026 Statements, the value presented is the ultimate total fertility rate. For the 2022 and 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 2022 Statement, 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 2026 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 2022 Statement, the value presented is the average annual percentage change for the entire 75-year projection period. For the 2023 through 2026 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 2022–2026 Trustees Reports. The values shown in the FY 2026 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, 2025 to the period beginning on January 1, 2026; and (2) change from the period beginning on January 1, 2024 to the period beginning on January 1, 2025. 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, 2025 to the period beginning on January 1, 2026

The effect on the 75-year present values of changing the valuation period from the prior valuation period (2025–2099) to the current valuation period (2026–2100) 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 2025, replaces it with a much larger negative estimated net cash flow for 2100, and measures the present values as of January 1, 2026, 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 2025–2099 to 2026–2100. 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 2025 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 $1.0 trillion.

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.

Changes in Demographic Data, Assumptions, and Methods

From the period beginning on January 1, 2025 to the period beginning on January 1, 2026

For the current valuation (beginning on January 1, 2026) there were two changes to the ultimate demographic assumptions.

- The ultimate total fertility rate (TFR) was lowered from 1.9 children per woman to 1.75 children per woman.

- The assumed ultimate level of temporary or unlawfully present immigrant entrants for the last 65 years of the projection period was lowered from 1.35 million to 1.20 million.

Both the change to the TFR assumption and the change in the ultimate immigration assumption decreased the present value of estimated future net cash flows.

In addition to these changes 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 2024 and preliminary data for 2025 indicated somewhat 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.
- Various mortality data updates led to higher death rates in all future years relative to the prior valuation.
- Estimated levels of temporary or unlawfully present immigrant entrants in the period 2022-2025 are lower than under the prior valuation.
- Assumed emigration rates from the unlawfully present population in the period 2025-2030 are higher than under the prior valuation.

Updated birth rate data, along with the updates to immigration and emigration data and assumptions, decreased the present value of the estimated future net cash flows. The updates to mortality data increased the present value of the estimated future net cash flows. There were no notable changes in demographic methodology.

Overall, changes in demographic data, assumptions, and methods caused the present value of the estimated future net cash flows to decrease by $2.0 trillion.

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.

Changes in Economic Data, Assumptions, and Methods

From the period beginning on January 1, 2025 to the period beginning on January 1, 2026

The ultimate economic assumptions for the current valuation (beginning on January 1, 2026) 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 one significant change to the starting values and transition assumptions was an improved outlook for labor productivity and average earnings growth over the first ten years of the projection period. This change increased the present value of estimated future net cash flows.

There was one notable change in economic methodology, related to the approach used to model labor force participation of workers age 75 and older. The parameters used in the modeling were updated based on more recent data, resulting in lower projected labor force participation and employment rates of the oldest workers. This change decreased the present value of 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 $0.6 trillion.

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.

Changes in Programmatic Data and Methods

From the period beginning on January 1, 2025 to the period beginning on January 1, 2026

Several methodological improvements and updates of program-specific data are included in the current valuation (beginning on January 1, 2026). The most significant are identified below.

- Assumed disabled-worker incidence rates over the first ten years of the projection period were lowered somewhat, producing a more gradual transition to the ultimate incidence rate.
- The method for projecting the age distribution of those who became eligible to receive aged-spouse and widow(er) benefits following enactment of the *Social Security Fairness Act* was improved. Prior to enactment of this law in January 2025, these individuals were not eligible to receive Social Security benefits because they received a substantial government pension.
- 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, but not as low as indicated by the direct effects of PL 119-21. (See the "Changes in Law or Policy" section below for a description of the direct effects of PL 119-21 on income taxation of benefits.)

- As in the prior valuation, the current valuation uses a 10 percent sample of all newly entitled worker beneficiaries in a recent year to project average benefit levels of retired-worker and disabled-worker beneficiaries. The sample used in the prior valuation was for worker beneficiaries newly entitled in 2021, while the current valuation uses the results from worker beneficiaries newly entitled in 2022.

The change to the transition assumptions for disabled-worker incidence rates; the updated data and estimates for income taxation of OASDI benefits, net of the direct effects of PL 119-21; and the updates to the average benefits model increased the present value of estimated cash flows. The updated age distribution of aged-spouse and widow(er) benefits decreased the present value of estimated cash flows.

Overall, changes to programmatic data and methods caused the present value of the estimated future net cash flows to increase by $0.5 trillion.

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.

Changes in Law or Policy

From the period beginning on January 1, 2025 to the period beginning on January 1, 2026

Between the prior valuation (the period beginning on January 1, 2025) and the current valuation (the period beginning on January 1, 2026), there was one notable change in law or policy affecting the OASDI program.

- PL 119-21, enacted on July 4, 2025, permanently extended the lower ordinary income tax rates and adjusted tax brackets originally enacted under the 2017 *Tax Cuts and Jobs Act* and both increases and makes permanent the larger standard deduction of the 2017 Act. The law also adds a temporary additional standard deduction for taxpayers over age 65. These provisions are expected to reduce taxable income for many Social Security beneficiaries. As a result, less income tax will be paid on Social Security benefits, and the OASI and DI Trust Funds will receive lower levels of revenue in the future from income taxation of Social Security benefits.

This law change caused the present value of the estimated future net cash flows to decrease by $1.1 trillion.

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.

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, 2025 and Ending January 1, 2026

Present values as of January 1, 2025 are calculated using interest rates from the intermediate assumptions of the 2025 Trustees Report. All other present values in this part of the Statement are calculated as a present value as of January 1, 2026. 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 2025 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 2026 Trustees Report.

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.

18. 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 Sheets, 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 2025 FR is available on Treasury's website (unaudited) and a copy of the FY 2026 FR will be posted to this site as soon as it is released.

SSA's FY 2026 reconciliation of agency Statement of Net Cost and Statement of Changes in Net Position amounts to Treasury's reclassified statements are included in Charts 18a and 18b. The Reclassified Net Position in Chart 18b 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 18a - Reclassification of Statement of Net Cost to Line Items Used for the Government-wide Statement of Net Cost for the Year Ended September 30, 2026

(Dollars in Millions)

FY 2026 Statement of Net Cost		Line Items Used to Prepare FY 2026 Government-wide Statement of Net Cost			
Financial Statement Line	Amount	Dedicated Collections	Other than Dedicated Collections	Total	Reclassified Financial Statement Line
Benefit Payment Expense	$ 1,722,288				
Operating Expenses (Note 11)	16,271				
		$ 1,660,480	$ 72,846	$ 1,733,326	Non-Federal Costs
					Intragovernmental Costs
		0	1,516	1,516	Benefit Program Costs
		0	867	867	Imputed Costs
		802	1,650	2,452	Buy/Sell Costs
		0	398	398	Other Expenses (without Reciprocals)
		802	**4,431**	**5,233**	**Total Intragovernmental Costs**
Total Cost	**1,738,559**	**1,661,282**	**77,277**	**1,738,559**	**Total Reclassified Gross Costs**
		(199)	(122)	(321)	Non-Federal Earned Revenue
		0	(52)	(52)	Buy/Sell Revenue
Less: Exchange Revenues (Note 12)	(373)	**(199)**	**(174)**	**(373)**	**Total Reclassified Earned Revenue**
Total Net Cost	**$ 1,738,186**	**$ 1,661,083**	**$ 77,103**	**$ 1,738,186**	**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 18b - 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, 2026

(Dollars in Millions)

FY 2026 Statement of Changes in Net Position		Line Items Used to Prepare FY 2026 Government-wide Statement of Changes in Net Position					
Financial Statement Line	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	Other than Dedicated Collections (with Eliminations)	Eliminations Between Dedicated and Other than Dedicated	Total	Reclassified Financial Statement Line
Unexpended Appropriations:							**Unexpended Appropriations:**
Beginning Balances	**$ 612**	**$ 0**	**$ 0**	**$ 612**	**$ 0**	**$ 612**	**Net Position, Beginning of Period - Adjusted**
							Financing Sources
Appropriations Received	129,582	57,373		72,209		129,582	Appropriations Received as Adjusted (Recissions and Other Adjustments)
Other Adjustments	(630)	0		(630)		(630)	Appropriations Received as Adjusted (Recissions and Other Adjustments)
Appropriations Used	(128,180)	(57,373)		(70,807)		(128,180)	Appropriations Used
Net Change in Unexpended Appropriations	**772**	**0**	**0**	**772**	**0**	**772**	**Total Financing Sources**
Total Unexpended Appropriations - Ending	**1,384**	**0**	**0**	**1,384**	**0**	**1,384**	**Total Unexpended Appropriations - Ending**
Cumulative Results of Operations:							**Cumulative Results:**
Beginning Balances	**$ 2,472,903**	**$ 2,468,387**	**$ 0**	**$ 4,516**	**$ 0**	**$ 2,472,903**	**Net Position, Beginning Balance**
							Financing Sources
Appropriations Used	128,180	57,373		70,807		128,180	Appropriations Expended
Non-Exchange Revenue							**Federal Non-Exchange Revenue**
Tax Revenues (Note 13)	1,366,281	1,366,281				1,366,281	Other Taxes and Receipts
Interest Revenues	67,800	67,800				67,800	Federal Securities Interest Revenue Including Associated Gains and Losses (Non-Exchange)
Other	342	342				342	**Non-Federal Non-Exchange Revenue** Other Taxes and Receipts
Total Non-Exchange Revenue	1,434,423	1,434,423	0	0	0	1,434,423	**Total Non-Exchange Revenue**
Transfers-In/Out - Without Reimbursement	(2,722)						**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
		1,661,295	(1,661,295)			0	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources
		(1,661,295)	1,661,295			0	Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing Sources
		57,389	(57,373)	9,823	(6,339)	3,500	Expenditure Transfers-In of Financing Sources
		(70,262)	57,373	(25)	6,339	(6,575)	Expenditure Transfers-Out of Financing Sources
		353		(3)		350	Transfers-In Without Reimbursement
				3		3	Transfers-Out Without Reimbursement
Total Transfers-In/Out –Without Reimbursement	(2,722)	(12,690)	0	9,968	0	(2,722)	**Total Reclassified Transfers In/Out - Without Reimbursement**
Imputed Financing (Note 14)	867			867		867	Imputed Financing Sources
Other	(3,462)						**Non-Entity Financing Sources**
				(3,738)		(3,738)	Non-entity collections transferred to the General Fund of the U.S. Government
				252		252	Accrual for non-entity amounts to be collected/transferred to the General Fund of the U.S. Government
				24		24	**Non-Federal Non-Exchange Revenue** Other Taxes and Receipts
Total Other	**(3,462)**		**0**	**(3,462)**	**0**	**(3,462)**	**Total Reclassified Non-Entity Financing Sources and Non-Federal Non-Exchange Revenue**
Net Cost of Operations	**1,738,186**	**1,661,083**	**0**	**77,103**	**0**	**1,738,186**	**Net Cost of Operations**
Net Change in Cumulative Results of Operations	**(180,900)**	**(181,977)**	**0**	**1,077**	**0**	**(180,900)**	**Net Change**
Cumulative Results of Operations - Ending	**$ 2,292,003**	**$ 2,286,410**	**$ 0**	**$ 5,593**	**$ 0**	**$ 2,292,003**	**Reclassified Cumulative Results of Operations - Ending**
Net Position	**$ 2,293,387**	**$ 2,286,410**	**$ 0**	**$ 6,977**	**$ 0**	**$ 2,293,387**	**Total Reclassified Net Position**

19. Incidental Custodial Collections

SSA's custodial collections primarily consists of refunds related to canceled 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 $24 and $3 million for the years ended September 30, 2026 and 2025.