

*C. ESTIMATED OPERATIONS AND STATUS OF THE TRUST FUNDS DURING THE PERIOD OCTOBER 1, 1985, TO DECEMBER 31, 1990*

This subsection presents estimates of the operations and status of the OASI and DI Trust Funds during the period October 1, 1985, to December 31, 1990, based on the assumptions described in the preceding subsections. As previously stated, no changes are assumed to occur in the present statutory provisions and regulations under which the OASDI program operates.

These estimates indicate that the assets of the OASI and DI Trust Funds will be sufficient to permit the timely payment of OASDI benefits throughout the short-range period (and for many years thereafter), under all four sets of assumptions shown. The trust fund levels are estimated to remain relatively low, however, through about 1987. In the event of very adverse conditions, it is conceivable that the trust funds could experience financing problems within the short-range projection period; this possibility, however, is not considered likely.

The estimated operations of the OASI Trust Fund shown in this report are very similar to the corresponding estimates in the 1985 Annual Report for alternatives I, II-A, and II-B. The outlook based on the pessimistic alternative III assumptions is significantly improved relative to last year's estimates. This improvement is attributable partly to actual experience in 1985, which was better than assumed, and partly to the assumption of later onsets for the two economic recessions in this year's pessimistic assumptions compared to last year's. For the DI Trust Fund, the estimated operations in this report are significantly improved relative to past estimates under each of the four alternative sets of assumptions. For DI, the improvement is primarily attributable to the relatively large adjustment to prior payments from the general fund of the Treasury for the cost of noncontributory wage credits for military service prior to 1957. The DI estimates based on alternative III also reflect the improved economic conditions described above.

The Social Security Act requires the automatic repayment, based on asset levels, of amounts owed from the OASI Trust Fund to the Hospital Insurance (HI) Trust Fund as a result of interfund borrowing which occurred in 1982. This requirement resulted in the repayment in January 1986 of the remaining \$10.6 billion owed to the HI Trust Fund. The remaining \$2.5 billion owed to the DI Trust Fund is not subject to any automatic-repayment provision (except that the amount must be repaid before 1990); the estimates in this report, under all four alternatives, assume that the balance is repaid in April 1986.

As in past reports, the estimates shown in this subsection reflect 12 months of benefit payments in each year of the short-range projection period. In practice, 13 benefit payments can be made in certain years, with the next year having only 11 payments. This situation can result from the statutory requirement that benefit checks be delivered early when the normal check delivery date is a Saturday, Sunday, or legal public holiday. The benefit checks for December 1987 would normally be delivered on January 3, 1988; however, because that day is a Sunday, and the two preceding days are a Saturday and a holiday, the checks will be delivered on December 31, 1987. The estimates are prepared as if those benefit checks were delivered on the usual date.

### *OASI Trust Fund operations*

Estimates of the operations and status of the OASI Trust Fund during calendar years 1986-90 are shown in table 13 based on each of the four alternative sets of assumptions, which are described in a preceding subsection. Actual operations for calendar year 1985 are also shown in the table. For each alternative, employment and earnings are assumed to increase in every year through 1990. The number of persons with taxable earnings under the OASDI program is expected to increase on the basis of alternatives I, II-A, II-B, and III, from 122 million during calendar year 1985 to about 133 million, 132 million, 131 million, and 127 million, respectively, by 1990. The total annual amount of taxable earnings is expected to increase from about \$1,710 billion in 1985 to \$2,389 billion, \$2,397 billion, \$2,401 billion, and \$2,293 billion, in 1990, on the basis of alternatives I, II-A, II-B, and III, respectively. (In 1985 dollars—taking account of assumed increases in the CPI from 1985 to 1990 based on each alternative—the estimated amounts of taxable earnings in 1990 are \$2,079 billion, \$2,032 billion, \$1,945 billion, and \$1,778 billion, on the basis of alternatives I, II-A, II-B, and III, respectively.) These increases are due in part to the increases in the contribution and benefit base assumed to occur in 1986-90 under the automatic-adjustment provisions. The increases in taxable earnings are also due to (1) projected increases in employment levels and average earnings in covered employment, and (2) various provisions enacted into law in 1983 and 1984, including the extension of coverage to all newly hired Federal civilian employees.

TABLE 13.—ESTIMATED OPERATIONS OF THE OASI TRUST FUND BY ALTERNATIVE, CALENDAR YEARS 1985-90  
(Amounts in billions)

Calendar year	Income	Disbursements	Interfund borrowing transfers <sup>1</sup>	Net increase in fund	Fund at end of year	Contingency fund ratio <sup>2</sup>
1985 <sup>3</sup> .....	\$184.2	\$171.2	-\$4.4	\$8.7	\$35.8	24
Alternative I:						
1986.....	197.3	181.8	-13.2	2.4	38.2	28
1987.....	211.4	186.9	—	24.5	62.7	29
1988.....	242.2	202.7	—	39.5	102.3	40
1989.....	263.7	214.0	—	49.7	152.0	57
1990.....	286.3	220.2	—	66.2	218.2	79
Alternative II-A:						
1986.....	196.9	181.8	-13.2	1.9	37.7	28
1987.....	211.9	192.4	—	19.5	57.2	28
1988.....	241.4	205.4	—	36.0	93.2	37
1989.....	262.4	217.9	—	44.5	137.7	52
1990.....	287.2	231.1	—	56.1	193.8	69
Alternative II-B:						
1986.....	196.1	181.8	-13.2	1.1	37.0	28
1987.....	209.6	193.1	—	16.5	53.4	27
1988.....	237.5	206.9	—	30.6	84.1	35
1989.....	260.2	220.9	—	39.3	123.3	47
1990.....	287.9	238.3	—	49.6	172.9	61
Alternative III:						
1986.....	196.0	181.9	-13.2	1.0	36.8	28
1987.....	209.1	195.2	—	13.8	50.6	27
1988.....	230.9	212.2	—	18.7	69.3	32
1989.....	254.3	227.9	—	26.4	95.7	39
1990.....	274.8	246.8	—	28.1	123.7	47

<sup>1</sup>Negative figures represent interfund loan repayments from the OASI Trust Fund to the DI and HI Trust Funds.

<sup>2</sup>Represents assets at beginning of the year, including advance tax transfers for January, as a percentage of disbursements during the year. See text concerning interpretation of these ratios.

<sup>3</sup>Figures for 1985 represent actual experience.

Note: Totals do not necessarily equal the sums of rounded components.

The increases in estimated income shown in table 13 on the basis of each set of assumptions reflect the increases in estimated taxable earnings, as described above. In addition, the estimated income to the fund is affected by the scheduled changes in contribution rates.

Rising disbursements during calendar years 1986-90 reflect the effects of the assumed future automatic benefit increases previously shown, as well as the long-range upward trend in the numbers of beneficiaries and in the amounts of average monthly earnings underlying benefits payable under the program. The growth in the number of beneficiaries in the past and the expected growth in the future result both from the increase in the aged population and from the increase in the proportion of the population which is eligible for benefits. The latter increase is primarily due to the amendments enacted after 1950, which modified the eligibility provisions and extended coverage to additional categories of employment.

Growth has also occurred, and will continue to occur, in the proportion of eligible persons who, in fact, receive benefits. This growth is due to several factors, among which are (1) the amendments enacted since 1950 which affect the conditions governing the receipt of benefits, and (2) the increasing percentage of eligible persons who are aged 70 and over and who therefore may receive benefits regardless of earnings.

The estimates shown in table 13 indicate that income would exceed disbursements in every year, based on each of the four alternative sets of assumptions used in this report. The assets of the OASI Trust Fund at the beginning of 1985, including advance tax transfers for January and amounts owed to the DI and HI Trust Funds, were equal to about 24 percent of the fund's disbursements in 1985. As described in the introduction to this section, this ratio is known as the "contingency fund ratio"; it provides a useful measure of the relative level of trust fund assets. During 1985, income exceeded disbursements and loan repayments by \$8.7 billion. At the beginning of 1986, the contingency fund ratio had increased to 28 percent.

Assets declined in January 1986, as a result of the \$10.6-billion interfund loan repayment to the HI Trust Fund. The loan repayment is reflected in a small decline in the contingency fund ratio from 1986 to 1987. Assets are estimated to increase steadily after the loan repayment, with growth being particularly rapid following the tax-rate increases scheduled for 1988 and 1990 under present law. The OASI assets would reach levels generally considered to be adequate for contingency reserve purposes sometime in 1990-91 under alternatives I, II-A, II-B, and within a few years thereafter based on alternative III.

In interpreting the contingency fund ratios in table 13, it should be noted that, at the beginning of any month, assets of at least 8-9 percent of annual expenditures are required to make the benefit payments that are due, generally on the third day of the month. Therefore, the difference between the estimated contingency fund ratios shown above, and the minimum level of 8-9 percent, represents the reserve available to handle adverse contingencies.

### DI Trust Fund operations

The estimated operations and status of the DI Trust Fund during calendar years 1986-90 on the basis of the four sets of assumptions are shown in table 14, together with figures on actual experience in 1985. On the basis of each alternative, income is estimated to increase gradually during 1986-90. This increase reflects the same factors, insofar as they apply to income to the DI Trust Fund, that are reflected in the estimated increase in income to the OASI Trust Fund during the same period.

TABLE 14.—ESTIMATED OPERATIONS OF THE DI TRUST FUND BY ALTERNATIVE,  
CALENDAR YEARS 1985-90  
(Amounts in billions)

Calendar year	Income	Disbursements	Interfund borrowing transfers <sup>1</sup>	Net increase in fund	Fund at end of year	Contingency fund ratio <sup>2</sup>
1985 <sup>3</sup> .....	\$19.3	\$19.5	\$2.5	\$2.4	\$6.3	27
Alternative I:						
1986.....	19.3	20.1	2.5	1.7	8.0	38
1987.....	20.5	20.0	—	.5	8.5	48
1988.....	23.2	21.1	—	2.1	10.6	49
1989.....	25.2	21.8	—	3.4	14.0	58
1990.....	30.3	22.0	—	8.2	22.2	74
Alternative II-A:						
1986.....	19.3	20.6	2.5	1.2	7.5	38
1987.....	20.5	21.0	—	-.6	7.0	43
1988.....	23.0	22.1	—	1.0	7.9	40
1989.....	24.8	23.1	—	1.7	9.7	43
1990.....	30.0	24.2	—	5.8	15.5	50
Alternative II-B:						
1986.....	19.2	20.6	2.5	1.1	7.5	38
1987.....	20.2	21.1	—	-.9	6.6	43
1988.....	22.6	22.2	—	.5	7.0	38
1989.....	24.6	23.4	—	1.2	8.3	38
1990.....	30.1	24.8	—	5.2	13.5	43
Alternative III:						
1986.....	19.2	21.0	2.5	.7	7.1	37
1987.....	20.1	21.9	—	-1.8	5.3	39
1988.....	21.9	23.5	—	-1.7	3.6	30
1989.....	23.7	25.1	—	-1.4	2.2	22
1990.....	28.2	26.9	—	1.3	3.5	17

<sup>1</sup>Positive figures represent repayments of amounts lent to the OASI Trust Fund in 1982.

<sup>2</sup>See footnote 2 of table 13.

<sup>3</sup>See footnote 3 of table 13.

Note: Totals do not necessarily equal the sums of rounded components.

Disbursements are estimated to increase because of automatic benefit increases and because of projected increases in the amounts of average monthly earnings on which benefits are based. In addition, on the basis of all but alternative I, the number of DI beneficiaries is projected to continue increasing throughout the short-range projection period. Based on alternative I, the number of DI beneficiaries is projected to stabilize at roughly its current level.

During 1979-83, the number of terminations of disability benefits exceeded the number of disability awards, and, consequently, the number of persons receiving benefits under the DI program declined. This decline resulted from (1) disability incidence rates that were significantly lower than those experienced prior to 1978, and (2) benefit termination rates that were somewhat higher, partly because of the increased reviews of the continuing eligibility of disabled beneficiaries required by legislation enacted in 1980, and amended in 1983 and 1984. This experience was not expected to continue indefinitely (see discussion in 1983 and

1984 Annual Reports, for example), and beginning in 1984, the number of disability awards has exceeded the number of disability terminations. While the greater number of awards has been consistent with the estimates in prior annual reports, terminations have been substantially fewer than anticipated, as a result of certain court orders, State-ordered moratoria, and the national moratorium announced in April 1984, which suspended the processing of continuing disability reviews. The actual number of terminations in the next several years will depend on the results obtained from the procedures followed in resuming these reviews; if actual processing differs from that assumed, actual DI costs could vary from the estimates shown in table 14. Based on the updated incidence and termination assumptions prepared for this report, the number of disability awards is projected to exceed the number of terminations each year on the basis of alternatives II-A, II-B, and III. Under alternative I, disability awards and terminations would be roughly equal.

At the beginning of 1985, the assets of the DI Trust Fund (including advance tax transfers for January) represented about 27 percent of annual expenditures. During 1985, DI expenditures exceeded normal DI income by about \$1.2 billion, but this was more than offset by an interfund loan repayment from the OASI Trust Fund of \$2.5 billion and the adjustment of \$1.0 billion for military-service credits, described previously. Thus, DI assets increased by \$2.4 billion during the year. The contingency fund ratio at the beginning of 1986 was about 38 percent. Based on the two intermediate sets of assumptions, the fund ratios are projected to remain in the vicinity of 40 percent during 1986-90. Using alternative I assumptions, the ratio would increase to 74 percent at the beginning of 1990.

Under the conditions assumed for alternative III, DI assets would decline to about 17 percent of outgo at the beginning of 1990. This level represents only a narrow margin above the 8-9 percent that is required just to meet benefit payments at the beginning of each month. In the event of somewhat more adverse experience than assumed in alternative III, either for the economy or for disability incidence and termination rates, DI assets could become insufficient to allow the timely payment of DI benefits.

As indicated in table 14, the balance of the loans made in 1982 from the DI Trust Fund to the OASI Trust Fund is assumed to be repaid in 1986 on the basis of each alternative set of assumptions. (The law provides that repayment of amounts owed to the DI Trust Fund must be completed before 1990; the schedule of repayments is otherwise at the discretion of the Managing Trustee.) Financial problems would not result on the basis of any of the alternatives if the repayment did not occur until late in 1989.

#### *Combined OASI and DI Trust Fund operations*

The estimated operations and status of the OASI and DI Trust Funds, combined, during calendar years 1986-90 on the basis of the four alternatives, are shown in table 15, together with figures on actual experience in 1985. These figures are the sums of the corresponding figures shown in tables 13 and 14.

TABLE 15.—ESTIMATED OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, BY ALTERNATIVE, CALENDAR YEARS 1985-90  
[Amounts in billions]

Calendar year	Income	Disbursements	Interfund borrowing transfers <sup>1</sup>	Net increase in funds	Funds at end of year	Contingency fund ratio <sup>2</sup>
1985 <sup>3</sup> .....	\$203.5	\$190.7	-\$1.8	\$11.1	\$42.2	24
<b>Alternative I:</b>						
1986.....	216.6	201.9	-10.6	4.1	46.3	29
1987.....	231.9	206.9	—	25.0	71.2	31
1988.....	265.5	223.8	—	41.7	112.9	41
1989.....	288.9	235.8	—	53.1	166.0	57
1990.....	316.6	242.2	—	74.4	240.4	78
<b>Alternative II-A:</b>						
1986.....	216.1	202.4	-10.6	3.1	45.3	29
1987.....	232.3	213.4	—	18.9	64.1	29
1988.....	264.4	227.5	—	37.0	101.1	37
1989.....	287.3	241.0	—	46.2	147.4	51
1990.....	317.2	255.3	—	61.9	209.3	67
<b>Alternative II-B:</b>						
1986.....	215.3	202.4	-10.6	2.3	44.4	29
1987.....	229.8	214.2	—	15.6	60.0	29
1988.....	260.2	229.1	—	31.1	91.1	35
1989.....	284.8	244.3	—	40.5	131.6	46
1990.....	318.0	263.2	—	54.8	186.4	59
<b>Alternative III:</b>						
1986.....	215.2	202.8	-10.6	1.7	43.9	28
1987.....	229.2	217.2	—	12.0	55.9	28
1988.....	252.7	235.7	—	17.0	72.9	32
1989.....	278.0	253.0	—	25.0	97.9	37
1990.....	303.1	273.7	—	29.4	127.2	44

<sup>1</sup>Negative figures represent interfund loan repayments from the OASI Trust Fund to the HI Trust Fund.

<sup>2</sup>See footnote 2 of table 13.

<sup>3</sup>See footnote 3 of table 13.

Note: Totals do not necessarily equal the sums of rounded components.

At the beginning of 1985, the contingency fund ratio for the OASI and DI Trust Funds combined was 24 percent, as shown in table 15. During 1985, total income to the two trust funds was \$11.1 billion higher than total expenditures and loan repayments, resulting in combined OASDI assets at the beginning of 1986 which represented about 29 percent of estimated combined expenditures for the year. Based on alternatives II-A and II-B, the contingency fund ratio for the combined funds is projected to increase gradually to roughly 60 percent at the beginning of 1990. Somewhat faster growth would occur on the basis of alternative I, with combined assets reaching 78 percent of annual outgo at the beginning of 1990. Based on the alternative III assumptions, assets would grow more slowly, reaching 44 percent at the beginning of 1990. The estimates in table 15 indicate that, if necessary, a reallocation of tax rates between OASI and DI would prevent the assets of the DI Trust Fund from declining on the basis of the alternative III assumptions. On the basis of alternatives I, II-A, and II-B, combined assets would increase substantially in 1988 and later, primarily because of scheduled increases in the OASDI tax rates. Assets would increase at a more gradual rate, based on alternative III.

The Social Security Act contains several provisions requiring automatic actions if certain "trust fund ratios" are above or below specified levels. Each of these provisions has a unique definition of the ratio to be used, and none of these definitions coincides with the one that is generally used to evaluate the financial status of the Social Security program. Table 16 presents detailed information on the calculation of the usual contingency fund ratio and two other ratios used for specified

purposes under the law.

TABLE 16.—ESTIMATED OASDI "TRUST FUND RATIOS" BASED ON VARIOUS DEFINITIONS, BY ALTERNATIVE, CALENDAR YEARS 1986-90  
[Amounts in millions, ratios in percent]

Calendar year	Cash and invested assets of OASI and DI Trust Funds on January 1 <sup>1</sup>	Advance tax transfers for January	Amounts owed to HI Trust Fund on January 1	OASDI outgo during year	Contingency fund ratio <sup>2</sup>	"Fund ratio" for December benefit increase <sup>3</sup>	"Trust fund ratio" for HI loan repayment in January <sup>4</sup>
<b>Alternative I:</b>							
1986.....	\$42,163	\$15,591	\$10,613	\$201,913	28.6	23.3	20.9
1987.....	46,253	17,670	—	206,879	30.9	30.9	( <sup>5</sup> )
1988.....	71,240	20,096	—	223,836	40.8	40.8	( <sup>5</sup> )
1989.....	112,898	21,916	—	235,815	57.2	57.2	( <sup>5</sup> )
1990.....	165,997	23,886	—	242,154	78.4	78.4	( <sup>5</sup> )
<b>Alternative II-A:</b>							
1986.....	42,163	15,591	10,613	202,426	28.5	23.3	20.8
1987.....	45,256	17,623	—	213,437	29.5	29.5	( <sup>5</sup> )
1988.....	64,150	20,047	—	227,451	37.0	37.0	( <sup>5</sup> )
1989.....	101,147	21,808	—	241,008	51.0	51.0	( <sup>5</sup> )
1990.....	147,394	23,762	—	255,319	67.0	67.0	( <sup>5</sup> )
<b>Alternative II-B:</b>							
1986.....	42,163	15,591	10,613	202,426	28.5	23.3	20.8
1987.....	44,420	17,478	—	214,220	28.9	28.9	( <sup>5</sup> )
1988.....	60,033	19,730	—	229,088	34.8	34.8	( <sup>5</sup> )
1989.....	91,122	21,565	—	244,256	46.1	46.1	( <sup>5</sup> )
1990.....	131,619	23,784	—	263,174	59.0	59.0	( <sup>5</sup> )
<b>Alternative III:</b>							
1986.....	42,163	15,591	10,613	202,847	28.5	23.2	20.8
1987.....	43,876	17,558	—	217,182	28.3	28.3	( <sup>5</sup> )
1988.....	55,888	19,132	—	235,735	31.8	31.8	( <sup>5</sup> )
1989.....	72,887	21,017	—	253,020	37.1	37.1	( <sup>5</sup> )
1990.....	97,888	22,902	—	273,727	44.1	44.1	( <sup>5</sup> )

<sup>1</sup>Before appropriation of advance tax transfers for January. Includes amounts owed to the HI Trust Fund.

<sup>2</sup>Combined assets of OASI and DI Trust Funds, plus advance tax transfers for January, as a percentage of OASDI outgo during year. This is the ratio normally used to evaluate the financial status of the trust funds. See estimates in tables 13-15, for example.

<sup>3</sup>For 1985 and later, combined assets of OASI and DI Trust Funds, plus advance tax transfers for January, minus amounts owed to the HI Trust Fund, as a percentage of OASDI outgo during year. See section 215(i) of the Social Security Act.

<sup>4</sup>Combined assets of OASI and DI Trust Funds, as a percentage of OASDI outgo during year. See section 201(l) of the Social Security Act.

<sup>5</sup>Remaining amounts owed to the HI Trust Fund were repaid in January 1986.

Note: Outgo figures for 1987 and 1988 are adjusted to reflect 12 months of benefit payments in each year; this adjustment also affects assets at the beginning of 1988. See text for details.

The usual definition of the ratio of assets to expenditures, denoted in table 16 as the "contingency fund ratio," has already been described. Its purpose is to measure the amount of assets that is readily available for the payment of monthly benefits.

Section 215(i) of the Social Security Act defines an "OASDI fund ratio" for the purpose of determining automatic benefit increases in 1984 and later. If this ratio is below a specified threshold, the benefit increase would be based on the lesser of certain wage and price increases. The estimates in table 16 indicate that under all four alternatives, the ratio would not be lower than the 15.0-percent threshold applicable in 1986-88 or the 20.0-percent threshold applicable in 1989 and later. Thus, the benefit-increase "stabilizer" provision would not be triggered at any time during the short-range projection period under any of the sets of assumptions used in this report.

Table 16 also presents OASDI trust fund ratios as used for determining the minimum schedule of repayments on amounts owed from the

OASI Trust Fund to the HI Trust Fund. If the combined assets of the OASI and DI Trust Funds exceed 15 percent of the annual expenditures (as defined by section 201(l) of the Social Security Act), the excess must be used to repay any outstanding amount owed. On this basis, \$10,613 million was transferred from the OASI Trust Fund to the HI Trust Fund as of January 31, 1986. This transfer completed the repayment of the amount borrowed from the HI Trust Fund in 1982.

As in prior years' reports, for purposes of evaluating the financial status of the program, the amounts lent to the OASI Trust Fund from the DI and HI Trust Funds are included in the invested assets of the OASI Trust Fund. This procedure is followed because such amounts are readily available for the payment of benefits and thus should be considered when determining the ability of the OASI program to meet its benefit-payment obligations. Similarly, the amounts owed to the DI and HI Trust Funds are not included in the assets of those funds, because these amounts are not readily available for the payment of DI or HI benefits.

It can be argued that a more proper accounting treatment would be to exclude interfund loans from the borrowing fund's assets and to include them in the assets of the lending funds. This "net-value" basis would recognize the obligation of the OASI Trust Fund to repay the amounts owed and would reflect the fact that, to the lending funds, such amounts are investments for which interest is received and return of principal is promised. While these are sound arguments, the existing treatment has been used to facilitate the evaluation of the trust funds' actual cash operations—in particular, whether sufficient invested assets (borrowed or otherwise) are available at the beginning of any given month to pay the benefits for that month. This issue has become less relevant in view of the final repayment of all amounts owed to the HI Trust Fund, and the imminent final repayment of the outstanding amount owed to the DI Trust Fund.

For informational purposes, table 17 presents (1) the assets of the OASI and DI Trust Funds at the end of each calendar year 1981-85, (2) the amounts owed to or owing from other trust funds, and (3) the "net value" of trust fund assets. For the OASI Trust Fund, this last figure represents invested assets, plus cash balances, less amounts owed to the DI and HI Trust Funds. For the DI Trust Fund, the net value represents invested assets, plus cash balances, plus amounts owing from the OASI Trust Fund. As indicated, the net value of the OASI Trust Fund was very low for much of this period. The low net values alone do not imply an inability to pay benefits on time, however, for the reasons described above. Thus, the net value is not particularly useful as an indicator of a trust fund's ability to operate satisfactorily, although it may be of interest as an additional indicator of the trust fund's underlying financial status.

TABLE 17.—ASSETS, INTERFUND LOANS OUTSTANDING, AND "NET VALUES" OF THE OASI AND DI TRUST FUNDS AT END OF CALENDAR YEAR, 1981-85  
[In billions]

Calendar year	OASI Trust Fund			DI Trust Fund		
	Assets <sup>1</sup>	Outstanding amounts borrowed <sup>2</sup>	"Net value" <sup>3</sup>	Assets <sup>1</sup>	Outstanding amounts lent <sup>4</sup>	"Net value" <sup>5</sup>
1981.....	\$21.5	—	\$21.5	\$3.0	—	\$3.0
1982.....	22.1	\$17.5	4.6	2.7	\$5.1	7.8
1983.....	19.7	17.5	2.2	5.2	5.1	10.3
1984.....	27.1	17.5	9.6	4.0	5.1	9.0
1985.....	35.8	*13.2	22.7	6.3	*2.5	8.9

<sup>1</sup>Represents invested assets, plus cash balance at end of year.

<sup>2</sup>Represents total amounts owed to the DI and HI Trust Funds at end of year.

<sup>3</sup>See text for description of net value. "Net value" is expected to equal assets for the end of 1986 and later.

<sup>4</sup>Represents total amounts lent to OASI Trust Fund, less repayments made by end of year.

<sup>5</sup>Of the \$13.2 billion outstanding at the end of 1985, the balance owed to the HI Trust Fund—\$10.6 billion—was repaid on January 31, 1986. The remaining balance of \$2.5 billion owed to the DI Trust Fund is scheduled to be repaid in April 1986.

\*The remaining balance of \$2.5 billion owed to the DI Trust Fund is scheduled to be repaid in April 1986.

Note: Totals do not necessarily equal the sums of rounded components.

Figure 1 illustrates the pattern of the estimated future contingency fund ratios under the four alternatives for OASI and DI combined. Contingency fund ratios for selected years prior to 1986, and estimates for 1986-90 under the four alternatives, are shown in table 18 for OASI, DI, and both funds combined. In evaluating the ratios shown in figure 1 and table 18, it should be recalled that a minimum of 8-9 percent is required to meet monthly cash-flow requirements. The shaded area in figure 1 depicts this requirement.

FIGURE 1.—ESTIMATED CONTINGENCY FUND RATIOS, FOR OASI AND DI TRUST FUNDS COMBINED, CALENDAR YEARS 1985-90

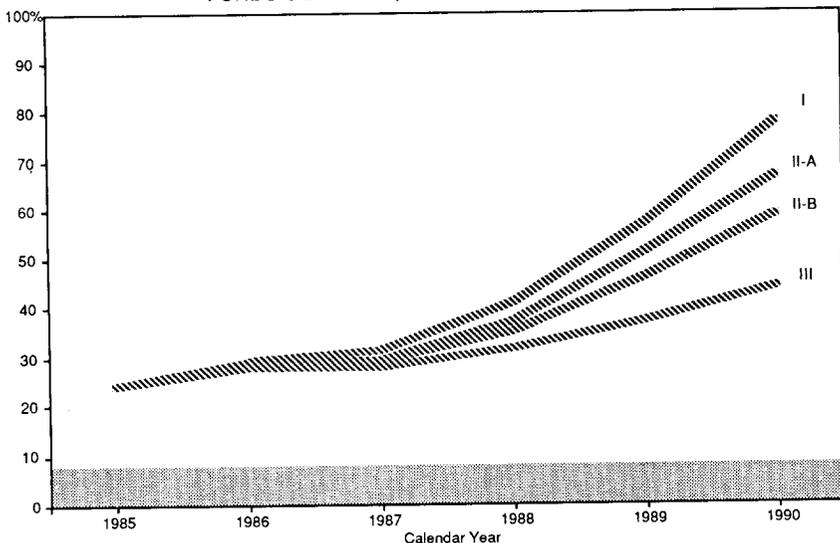


TABLE 18.—CONTINGENCY FUND RATIOS<sup>1</sup> BY TRUST FUND, SELECTED CALENDAR YEARS 1950-85, AND ESTIMATED FUTURE RATIOS BY ALTERNATIVE, CALENDAR YEARS 1986-90  
[In percent]

Calendar year	OASI Trust Fund	DI Trust Fund	OASI and DI Trust Funds, combined
<b>Past experience:</b>			
1950 .....	1,156	—	1,156
1955 .....	405	—	405
1960 .....	180	304	188
1965 .....	109	121	110
1970 .....	101	126	103
1975 .....	63	92	66
1976 .....	54	71	57
1977 .....	47	48	47
1978 .....	39	26	37
1979 .....	30	30	30
1980 .....	23	35	25
1981 .....	18	21	18
1982 .....	15	17	15
1983 .....	15	14	14
1984 .....	20	35	21
1985 .....	24	27	24
<b>Alternative I:</b>			
1986 .....	28	36	29
1987 .....	29	46	31
1988 .....	40	49	41
1989 .....	57	58	57
1990 .....	79	74	78
<b>Alternative II-A:</b>			
1986 .....	28	38	29
1987 .....	28	43	29
1988 .....	37	40	37
1989 .....	52	43	51
1990 .....	69	50	67
<b>Alternative II-B:</b>			
1986 .....	28	38	29
1987 .....	27	43	29
1988 .....	35	38	35
1989 .....	47	38	46
1990 .....	61	43	59
<b>Alternative III:</b>			
1986 .....	28	37	28
1987 .....	27	39	28
1988 .....	32	30	32
1989 .....	39	22	37
1990 .....	47	17	44

<sup>1</sup>See footnote 2 of table 13 for definition of contingency fund ratio.

Expenditures in calendar year 1985 from both trust funds, combined, were about 11.2 percent of taxable payroll for the year—0.6 percentage point less than the income rate of 11.8 percent. Based on alternatives I, II-A, and II-B, the cost rate is estimated to decline slowly during most or all of the short-range projection period, reaching 10.17, 10.68, and 11.00 percent, respectively, in 1990. Based on alternative III, the cost rate would increase somewhat, to 11.97 percent in 1990. These percentages are shown in table 19 for both trust funds, separately and combined. Table 19 also shows cost rates for years prior to 1985 and a comparison of the cost rates with the corresponding income rates. As explained previously, the income rate represents the sum of the combined employee-employer contribution rate and the income derived from the Federal income taxation of OASDI benefits, expressed as a percentage of effective taxable payroll.

TABLE 19.—COMPARISON OF INCOME RATES AND COST RATES, BY TRUST FUND, SELECTED CALENDAR YEARS 1950-84, AND ESTIMATED RATES BY ALTERNATIVE, CALENDAR YEARS 1985-90  
[As a percentage of taxable payroll]

Calendar year	OASI Trust Fund			DI Trust Fund			Total		
	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance
<b>Past experience:</b>									
1950.....	3.00	1.17	1.83	—	—	—	3.00	1.17	1.83
1955.....	4.00	3.34	.66	—	—	—	4.00	3.34	.66
1960.....	5.50	5.59	-.09	0.50	0.30	0.20	6.00	5.89	.11
1965.....	6.75	7.23	-.48	.50	.70	-.20	7.25	7.93	-.68
1970.....	7.30	7.32	-.02	1.10	.81	.29	8.40	8.12	.28
1975.....	8.75	9.29	-.54	1.15	1.36	-.21	9.90	10.65	-.75
1976.....	8.75	9.42	-.67	1.15	1.44	-.29	9.90	10.86	-.96
1977.....	8.75	9.46	-.71	1.15	1.50	-.35	9.90	10.97	-1.07
1978.....	8.55	9.29	-.74	1.55	1.45	.10	10.10	10.74	-.64
1979.....	8.66	8.88	-.22	1.50	1.35	.15	10.16	10.23	-.07
1980.....	9.04	9.36	-.32	1.12	1.38	-.26	10.16	10.74	-.58
1981 <sup>1</sup> .....	9.40	9.97	-.57	1.30	1.39	-.09	10.70	11.36	-.66
1982 <sup>1</sup> .....	9.15	10.60	-1.45	1.65	1.34	.31	11.80	11.94	-1.14
1983 <sup>1</sup> .....	*9.91	10.28	-.36	*1.33	1.22	.10	*11.24	11.50	-.26
1984 <sup>1</sup> .....	10.58	10.10	.47	1.01	1.16	-.15	11.59	11.26	.33
<b>Alternative I:</b>									
1985.....	*10.72	10.02	.69	*1.07	1.15	-.07	*11.79	11.17	.62
1986.....	10.59	9.89	.70	1.01	1.10	-.08	11.60	10.99	.62
1987.....	10.60	9.54	1.06	1.01	1.02	-.01	11.61	10.57	1.05
1988.....	11.28	9.61	1.67	1.07	1.00	.07	12.35	10.62	1.74
1989.....	11.29	9.48	1.81	1.07	.97	.11	12.37	10.45	1.92
1990.....	11.44	9.25	2.19	1.22	.92	.29	12.66	10.17	2.49
<b>Alternative II-A:</b>									
1985.....	*10.72	10.04	.68	*1.07	1.15	-.08	*11.79	11.18	.61
1986.....	10.59	9.93	.67	1.01	1.12	-.11	11.60	11.05	.55
1987.....	10.61	9.79	.82	1.01	1.07	-.06	11.62	10.86	.76
1988.....	11.28	9.77	1.51	1.07	1.05	.03	12.36	10.82	1.54
1989.....	11.30	9.69	1.61	1.08	1.03	.05	12.38	10.72	1.66
1990.....	11.48	9.67	1.81	1.22	1.01	.21	12.70	10.68	2.02
<b>Alternative II-B:</b>									
1985.....	*10.72	10.05	.67	*1.07	1.15	-.08	*11.79	11.20	.60
1986.....	10.59	9.98	.61	1.01	1.13	-.12	11.61	11.11	.50
1987.....	10.61	9.93	.68	1.01	1.09	-.07	11.62	11.02	.60
1988.....	11.29	9.99	1.29	1.07	1.07	(*)	12.36	11.07	1.30
1989.....	11.30	9.89	1.42	1.08	1.05	.03	12.38	10.94	1.45
1990.....	11.51	9.96	1.55	1.22	1.04	.19	12.74	11.00	1.74
<b>Alternative III:</b>									
1985.....	*10.72	10.06	.66	*1.07	1.15	-.08	*11.79	11.21	.58
1986.....	10.59	9.99	.60	1.01	1.15	-.14	11.61	11.14	.46
1987.....	10.61	10.08	.53	1.01	1.13	-.12	11.63	11.21	.41
1988.....	11.30	10.54	.76	1.08	1.17	-.09	12.38	11.71	.67
1989.....	11.32	10.38	.93	1.08	1.14	-.07	12.39	11.53	.87
1990.....	11.56	10.79	.77	1.23	1.18	.05	12.78	11.97	.82

\*Cost rates for 1981-84 are preliminary.

<sup>1</sup>Income rates for 1983 and 1985 are adjusted to include the lump-sum payments from the general fund of the Treasury for the cost of noncontributory wage credits for military service in 1940-56.

(\*)Income rate exceeds cost rate by less than 0.005.

Note: Totals do not necessarily equal the sums of rounded components.

As stated previously, estimates of the operations of the trust funds during calendar years 1986-90 have been presented in the preceding tables of this section on the basis of four different sets of economic assumptions, because of the uncertainty of future economic and demographic developments. Under the provisions of the Social Security Act, however, estimates of the expected operations and status of the trust funds during the next 5 fiscal years are required to be shown in this report. Accordingly, detailed estimates of the expected operations and status of the trust funds during each fiscal year 1986-90 are shown in the remaining tables of this section for the two intermediate sets of assumptions (alternatives II-A and II-B) only. Similar detailed estimates are also shown on a calendar-year basis for 1986-90.

Data on the actual operations of the OASI Trust Fund for selected years during 1940-85, and estimates of the expected operations of the trust fund during 1986-90 on the basis of the intermediate sets of assumptions, are shown in tables 20 and 21 on a fiscal- and calendar-year basis, respectively. Corresponding figures on the operations of the DI Trust Fund are shown in tables 22 and 23. Operations of both trust funds combined are shown in tables 24 and 25. (Data relating to the operations of the two trust funds for years not shown in tables 20-25 are contained in past annual reports.) The figures shown in tables 21, 23, and 25 for 1981 and 1982 are adjusted to reflect 12 months of benefit payments in each year. As stated previously, the estimated figures for 1987 and 1988 are also so adjusted.

TABLE 20.—OPERATIONS OF THE OASI TRUST FUND DURING SELECTED FISCAL YEARS 1940-85 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1986-90 ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS  
[In millions]

Fiscal year <sup>1</sup>	Income					Disbursements						Fund at end of period
	Total	Net contributions <sup>2</sup>	Income from taxation of benefits	Payments from the general fund of the Treasury <sup>3</sup>	Net interest <sup>4</sup>	Total	Benefit payments <sup>5</sup>	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers <sup>6</sup>	Net increase in fund	
<b>Past experience:</b>												
1940 .....	\$592	\$550	—	—	\$42	\$28	\$16	\$12	—	—	\$564	\$1,745
1945 .....	1,434	1,310	—	—	124	267	240	27	—	—	1,167	6,613
1950 .....	2,367	2,106	—	\$4	257	784	727	57	—	—	1,583	12,893
1955 .....	5,525	5,087	—	—	438	4,427	4,333	103	-\$10	—	1,098	21,141
1960 .....	10,360	9,843	—	—	517	11,073	10,270	202	600	—	-713	20,829
1965 .....	16,443	15,857	—	—	586	15,962	15,226	300	436	—	482	20,180
1970 .....	31,746	29,955	—	442	1,350	27,321	26,268	474	579	—	4,425	32,616
1975 .....	58,757	56,017	—	447	2,292	56,676	54,847	848	982	—	2,081	39,948
1976 .....	62,327	59,555	—	425	2,347	64,295	62,148	935	1,212	—	-1,968	37,980
July-Sept. 1976 ..	16,186	16,106	—	—	80	17,111	16,877	234	—	—	-925	37,055
1977 .....	71,796	68,895	—	614	2,287	73,479	71,278	993	1,208	—	-1,683	35,372
1978 .....	76,811	74,047	—	613	2,152	81,205	78,531	1,086	1,589	—	-4,394	30,978
1979 .....	86,893	84,358	—	615	1,920	90,128	87,609	1,072	1,448	—	-3,235	27,743
1980 .....	100,051	97,608	—	557	1,886	103,228	100,626	1,160	1,442	—	-3,177	24,566
1981 .....	121,572	119,016	—	540	2,016	122,304	119,421	1,298	1,585	—	-732	23,834
1982 .....	126,629	124,246	—	675	1,708	137,928	134,661	1,474	1,793	—	-11,299	12,535
1983 .....	148,434	136,127	—	6,096	6,210	151,827	148,025	1,551	2,251	\$17,519	14,125	26,661
1984 .....	160,729	156,553	\$2,132	125	1,919	159,820	155,831	1,585	2,404	—	909	27,570
1985 .....	179,881	175,305	3,151	105	1,321	169,210	165,310	1,589	2,310	-4,364	6,308	33,877
<b>Alternative II-A:</b>												
1986 .....	195,229	186,897	3,385	2,293	2,654	179,263	174,910	1,728	2,626	-13,155	2,811	36,689
1987 .....	207,471	199,863	3,902	69	3,636	189,804	185,250	1,795	2,760	—	17,666	54,355
1988 .....	235,220	225,444	4,514	55	5,208	202,175	197,410	1,911	2,855	—	33,045	87,400
1989 .....	256,474	243,423	5,208	44	7,799	214,786	209,876	2,036	2,874	—	41,688	129,088
1990 .....	279,530	262,575	5,997	35	10,923	227,718	222,603	2,162	2,954	—	51,812	180,900
<b>Alternative II-B:</b>												
1986 .....	194,723	186,394	3,385	2,293	2,650	179,263	174,910	1,728	2,626	-13,155	2,305	36,182
1987 .....	205,743	198,197	3,913	69	3,564	190,341	185,784	1,795	2,762	—	15,402	51,584
1988 .....	231,614	222,047	4,543	55	4,969	203,483	198,698	1,912	2,873	—	28,131	79,715
1989 .....	253,765	241,119	5,272	44	7,329	217,412	212,435	2,062	2,916	—	36,352	116,068
1990 .....	279,414	262,708	6,162	36	10,509	233,887	228,652	2,211	3,023	—	45,528	161,595

See following page for footnotes.

<sup>1</sup>Under the Congressional Budget Act of 1974 (Public Law 93-344), fiscal years 1977 and later consist of the 12 months ending on September 30 of each year. The act further provides that the calendar quarter July-September 1976 is a period of transition from fiscal year 1976, which ended on June 30, 1976, to fiscal year 1977, which began on October 1, 1976.

<sup>2</sup>Beginning in 1983, includes government contributions on deemed wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$5,388 million representing (1) retroactive contributions on deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$466 million was transferred to the trust fund from the general fund of the Treasury in 1984.

<sup>3</sup>Includes payments (1) in 1947-52 and in 1967 and later, for costs of noncontributory wage credits for military service performed before 1957; (2) in 1972-83, for costs of deemed wage credits for military service performed after 1956; and (3) in 1969 and later, for costs of benefits to certain uninsured persons who attained age 72 before 1968. The amount shown for 1978 also includes \$2,724,000 as a single reimbursement for the estimated total costs of granting noncontributory wage credits to individuals who were interned during World War II at places within the United States operated by the Federal Government for the internment of persons of Japanese ancestry.

<sup>4</sup>Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a

final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments from a borrowing trust fund to a lending trust fund for interest on amounts owed under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amount shown for 1983 includes \$6,677 million in interest on (1) retroactive government contributions on deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$1,732 million on government contributions on deemed wage credits for military service in 1957-83. The amounts shown for 1985 and 1986 include interest adjustments of \$76.5 million and \$11.5 million, respectively, on unnegotiated checks issued before April 1985.

<sup>5</sup>Beginning in 1967, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$288 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

<sup>6</sup>Positive figure represents amounts lent to the OASI Trust Fund from the DI and HI Trust Funds. Negative figures represent amounts repaid from the OASI Trust Fund to the DI and HI Trust Funds.

TABLE 21.—OPERATIONS OF THE OASI TRUST FUND DURING SELECTED CALENDAR YEARS 1940-85 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1986-90 ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS  
(In millions)

Calendar year	Income					Disbursements						Fund at end of period
	Total	Net contributions <sup>1</sup>	Income from taxation of benefits	Payments from the general fund of the Treasury <sup>2</sup>	Net interest <sup>3</sup>	Total	Benefit payments <sup>4</sup>	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers <sup>5</sup>	Net increase in fund	
<b>Past experience:</b>												
1940 .....	\$368	\$325	—	—	\$43	\$62	\$35	\$26	—	—	\$306	\$2,031
1945 .....	1,420	1,285	—	—	134	304	274	30	—	—	1,116	7,121
1950 .....	2,928	2,667	—	\$4	257	1,022	961	61	—	—	1,905	13,721
1955 .....	6,167	5,713	—	—	454	5,079	4,968	119	—	—	1,087	21,663
1960 .....	11,382	10,866	—	—	516	11,198	10,677	203	318	—	184	20,324
1965 .....	16,610	16,017	—	—	593	17,501	16,737	328	436	—	-890	18,235
1970 .....	32,220	30,256	—	449	1,515	29,848	28,798	471	579	—	2,371	32,454
1975 .....	59,605	56,816	—	425	2,364	60,395	58,517	896	982	—	-790	36,987
1976 .....	66,276	63,362	—	614	2,301	67,876	65,705	959	1,212	—	-1,600	35,388
1977 .....	72,412	69,572	—	613	2,227	75,309	73,121	981	1,208	—	-2,897	32,491
1978 .....	78,094	75,471	—	615	2,008	83,064	80,361	1,115	1,589	—	-4,971	27,520
1979 .....	90,274	87,919	—	557	1,797	93,133	90,573	1,113	1,448	—	-2,860	24,660
1980 .....	105,841	103,456	—	540	1,845	107,678	105,083	1,154	1,442	—	-1,837	22,823
1981 .....	125,361	122,627	—	675	2,060	126,695	123,803	1,307	1,585	—	-1,334	21,490
1982 .....	125,198	123,673	—	680	845	142,119	138,806	1,519	1,793	\$17,519	598	22,088
1983 .....	150,584	138,337	—	5,541	6,706	152,999	149,215	1,534	2,251	—	-2,416	19,672
1984 .....	169,328	164,121	\$2,835	105	2,267	161,883	157,847	1,632	2,404	—	7,445	27,117
1985 .....	184,239	176,958	3,208	2,203	1,871	171,150	167,248	1,592	2,310	-4,364	8,725	35,842
<b>Alternative II-A:</b>												
1986 .....	196,881	190,215	3,508	160	2,998	181,836	177,468	1,742	2,626	-13,155	1,890	37,732
1987 .....	211,862	203,465	4,032	55	4,311	192,399	187,818	1,822	2,760	—	19,463	57,196
1988 .....	241,410	230,318	4,674	44	6,374	205,394	200,599	1,940	2,855	—	36,017	93,212
1989 .....	262,407	247,672	5,387	35	9,313	217,906	212,967	2,065	2,874	—	44,501	137,713
1990 .....	287,175	267,788	6,205	544	12,638	231,115	225,969	2,192	2,954	—	56,060	193,773
<b>Alternative II-B:</b>												
1986 .....	196,116	189,474	3,508	160	2,974	181,836	177,468	1,742	2,626	-13,155	1,125	36,967
1987 .....	209,589	201,323	4,048	55	4,164	193,113	188,528	1,822	2,762	—	16,476	53,443
1988 .....	237,528	226,770	4,709	44	6,005	206,897	202,078	1,947	2,873	—	30,631	84,075
1989 .....	260,162	245,837	5,461	36	8,829	220,894	215,883	2,096	2,916	—	39,267	123,342
1990 .....	287,926	268,097	6,400	1,109	12,320	238,330	233,060	2,246	3,023	—	49,597	172,939

See following page for footnotes.

<sup>1</sup>Beginning in 1983, includes government contributions on deemed wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$5,388 million representing (1) retroactive contributions on deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$466 million was transferred to the trust fund from the general fund of the Treasury in 1984.

<sup>2</sup>Includes payments (1) in 1947-51 and in 1966 and later, for costs of noncontributory wage credits for military service performed before 1957; (2) in 1971-82, for costs of deemed wage credits for military service performed after 1956; and (3) in 1968 and later, for costs of benefits to certain uninsured persons who attained age 72 before 1968. The amount shown for 1977 also includes \$2,724,000 as a single reimbursement for the estimated total costs of granting noncontributory wage credits to individuals who were interned during World War II at places within the United States operated by the Federal Government for the internment of persons of Japanese ancestry.

<sup>3</sup>Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the

method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments from a borrowing trust fund to a lending trust fund for interest on amounts owed under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amount shown for 1983 includes \$6,677 million in interest on (1) retroactive government contributions on deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$1,732 million on government contributions on deemed wage credits for military service in 1957-83. The amount shown for 1985 includes an interest adjustment of \$88 million on unnegotiated checks issued before April 1985.

<sup>4</sup>Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$288 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

<sup>5</sup>Positive figure represents amounts lent to the OASI Trust Fund from the DI and HI Trust Funds. Negative figures represent amounts repaid from the OASI Trust Fund to the DI and HI Trust Funds.

TABLE 22.—OPERATIONS OF THE DI TRUST FUND DURING SELECTED FISCAL YEARS 1960-85 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1986-90 ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS  
[In millions]

Fiscal year <sup>1</sup>	Income					Disbursements						
	Total	Net contributions <sup>2</sup>	Income from taxation of benefits	Payments from the general fund of the Treasury <sup>3</sup>	Net interest <sup>4</sup>	Total	Benefit payments <sup>5</sup>	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers <sup>6</sup>	Net increase in fund	Fund at end of period
<b>Past experience:</b>												
1960 .....	\$1,034	\$987	—	—	\$47	\$533	\$528	\$32	-\$27	—	\$501	\$2,167
1965 .....	1,237	1,175	—	—	62	1,495	1,392	79	24	—	-257	2,007
1970 .....	4,380	4,141	—	\$16	223	2,954	2,795	149	10	—	1,426	5,104
1975 .....	7,920	7,356	—	52	512	7,982	7,701	253	29	—	-62	8,191
1976 .....	8,355	7,797	—	90	468	9,606	9,314	266	26	—	-1,251	6,939
July-Sept. 1976 .	2,172	2,159	—	—	13	2,653	2,582	71	—	—	-481	6,459
1977 .....	9,374	8,900	—	103	372	11,590	11,212	378	(*)	—	-2,215	4,243
1978 .....	12,784	12,404	—	128	251	12,655	12,298	327	30	—	129	4,372
1979 .....	15,196	14,750	—	142	305	13,944	13,507	407	30	—	1,252	5,624
1980 .....	17,376	16,805	—	118	453	15,320	14,998	334	-12	—	2,056	7,680
1981 .....	12,993	12,589	—	130	273	17,280	16,846	405	29	—	-4,288	3,392
1982 .....	21,398	20,866	—	168	363	18,035	17,437	572	26	—	3,363	6,755
1983 .....	21,846	19,036	—	1,295	1,515	18,231	17,544	659	28	-\$5,081	-1,466	5,290
1984 .....	17,732	16,394	\$143	—	1,195	18,379	17,772	585	22	—	-647	4,643
1985 .....	17,984	16,876	217	—	891	19,294	18,648	603	43	2,540	1,230	5,873
<b>Alternative II-A:</b>												
1986 .....	19,947	17,971	230	1,017	729	20,299	19,495	745	59	2,541	2,189	8,062
1987 .....	20,149	19,208	261	—	680	20,914	20,067	797	50	—	-766	7,296
1988 .....	22,557	21,629	298	—	630	21,786	20,909	829	49	—	771	8,067
1989 .....	24,368	23,325	343	—	700	22,831	21,910	879	42	—	1,537	9,604
1990 .....	28,571	27,324	394	—	853	23,920	22,938	937	45	—	4,652	14,255
<b>Alternative II-B:</b>												
1986 .....	19,901	17,925	230	1,017	729	20,299	19,496	745	59	2,541	2,142	8,015
1987 .....	19,983	19,049	261	—	673	20,968	20,121	797	50	—	-985	7,030
1988 .....	22,199	21,303	300	—	596	21,904	21,026	829	50	—	295	7,325
1989 .....	24,082	23,105	346	—	631	23,062	22,128	889	45	—	1,021	8,345
1990 .....	28,510	27,343	403	—	763	24,468	23,463	957	48	—	4,042	12,387

See following page for footnotes.

<sup>1</sup>Under the Congressional Budget Act of 1974 (Public Law 93-344), fiscal years 1977 and later consist of the 12 months ending on September 30 of each year. The act further provides that the calendar quarter July-September 1976 is a period of transition from fiscal year 1976, which ended on June 30, 1976, to fiscal year 1977, which began on October 1, 1976.

<sup>2</sup>Beginning in 1983, includes government contributions on deemed wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$402 million representing (1) retroactive contributions on deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$62 million was transferred to the trust fund from the general fund of the Treasury in 1984.

<sup>3</sup>Includes payments (1) in 1967 and later, for costs of noncontributory wage credits for military service performed before 1957; and (2) in 1972-83, for costs of deemed wage credits for military service performed after 1956. The amount shown for 1978 also includes \$3,000 as a single reimbursement for the estimated total costs of granting noncontributory wage credits to individuals who were interned during World War II at places within the United States operated by the Federal Government for the internment of persons of Japanese ancestry.

<sup>4</sup>Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the

method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments from a borrowing trust fund to a lending trust fund for interest on amounts owed under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amount shown for 1983 includes \$660 million in interest on (1) retroactive government contributions on deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$169 million on government contributions on deemed wage credits for military service in 1957-83. The amount shown for 1985 includes an interest adjustment of \$14.8 million on unnegotiated checks issued before April 1985.

<sup>5</sup>Beginning in 1967, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$48 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

<sup>6</sup>Negative figure represents amounts lent by the DI Trust Fund to the OASI Trust Fund. Positive figures represent repayment of these amounts.

<sup>7</sup>Less than \$500,000 was transferred from the Railroad Retirement program to the DI Trust Fund.

TABLE 23.—OPERATIONS OF THE DI TRUST FUND DURING SELECTED CALENDAR YEARS 1960-85 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1986-90 ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS  
(In millions)

Calendar year	Income					Disbursements						Fund at end of period
	Total	Net contributions <sup>1</sup>	Income from taxation of benefits	Payments from the general fund of the Treasury <sup>2</sup>	Net interest <sup>3</sup>	Total	Benefit payments <sup>4</sup>	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers <sup>5</sup>	Net increase in fund	
<b>Past experience:</b>												
1960	\$1,063	\$1,010	—	—	\$53	\$600	\$568	\$36	-\$5	—	\$464	\$2,289
1965	1,247	1,188	—	—	59	1,687	1,573	90	24	—	-440	1,606
1970	4,774	4,481	—	—	16	277	3,259	3,085	164	10	1,514	5,614
1975	8,035	7,444	—	—	90	502	8,790	8,505	256	29	-754	7,354
1976	8,757	8,233	—	103	422	10,366	10,055	285	26	—	-1,609	5,745
1977	9,570	9,138	—	128	304	11,945	11,547	399	(*)	—	-2,375	3,370
1978	13,810	13,413	—	142	256	12,954	12,599	325	30	—	856	4,226
1979	15,590	15,114	—	118	358	14,186	13,786	371	30	—	1,404	5,630
1980	13,871	13,255	—	130	485	15,872	15,515	368	-12	—	-2,001	3,629
1981	17,078	16,738	—	168	172	17,658	17,192	436	29	—	-580	3,049
1982	22,715	21,995	—	174	546	17,992	17,376	590	26	-\$5,081	-358	2,691
1983	20,662	17,991	—	1,121	1,569	18,177	17,524	625	28	—	2,505	5,195
1984	17,309	15,945	\$190	—	1,174	18,546	17,898	626	22	—	-1,237	3,959
1985	19,301	17,191	222	1,017	871	19,478	18,827	608	43	2,540	2,363	6,321
<b>Alternative II-A:</b>												
1986	19,251	18,247	239	—	765	20,590	19,760	771	59	2,541	1,202	7,523
1987	20,469	19,556	268	—	645	21,038	20,183	805	50	—	-569	6,954
1988	23,038	22,076	309	—	653	22,057	21,168	841	49	—	981	7,935
1989	24,849	23,735	355	—	759	23,102	22,168	892	42	—	1,746	9,681
1990	30,049	28,514	408	117	1,010	24,204	23,208	951	45	—	5,845	15,526
<b>Alternative II-B:</b>												
1986	19,180	18,179	239	—	763	20,589	19,760	771	59	2,541	1,132	7,453
1987	20,245	19,349	269	—	627	21,108	20,253	804	50	—	-863	6,590
1988	22,649	21,737	310	—	601	22,191	21,299	842	50	—	458	7,048
1989	24,591	23,559	359	—	674	23,362	22,413	904	45	—	1,230	8,278
1990	30,053	28,549	418	161	924	24,844	23,822	973	48	—	5,209	13,486

See following page for footnotes.

<sup>1</sup>Beginning in 1983, includes government contributions on deemed wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$402 million representing (1) retroactive contributions on deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$62 million was transferred to the trust fund from the general fund of the Treasury in 1984.

<sup>2</sup>Includes payments (1) in 1966 and later, for costs of noncontributory wage credits for military service performed before 1957; and (2) in 1971-82, for costs of deemed wage credits for military service performed after 1956. The amount shown for 1977 also includes \$3,000 as a single reimbursement for the estimated total costs of granting noncontributory wage credits to individuals who were interned during World War II at places within the United States operated by the Federal Government for the internment of persons of Japanese ancestry.

<sup>3</sup>Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments from a borrowing trust fund to a lending trust

fund for interest on amounts owed under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amount shown for 1983 includes \$660 million in interest on (1) retroactive government contributions on deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$169 million on government contributions on deemed wage credits for military service in 1957-83. The amount shown for 1985 includes an interest adjustment of \$14.8 million on unnegotiated checks issued before April 1985.

<sup>4</sup>Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$48 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

<sup>5</sup>Negative figure represents amounts lent by the DI Trust Fund to the OASI Trust Fund. Positive figures represent repayment of these amounts.

<sup>6</sup>Less than \$500,000 was transferred from the Railroad Retirement program to the DI Trust Fund.

TABLE 24.—OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, DURING SELECTED FISCAL YEARS 1960-85 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1986-90 ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS  
(In millions)

Fiscal year <sup>1</sup>	Income					Disbursements						
	Total	Net contributions <sup>2</sup>	Income from taxation of benefits	Payments from the general fund of the Treasury <sup>3</sup>	Net interest <sup>4</sup>	Total	Benefit payments <sup>5</sup>	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers <sup>6</sup>	Net increase in funds	Funds at end of period
<b>Past experience:</b>												
1960 .....	\$11,394	\$10,830	—	—	\$564	\$11,606	\$10,798	\$234	\$574	—	-\$212	\$22,996
1965 .....	17,681	17,032	—	—	648	17,456	16,618	379	459	—	224	22,187
1970 .....	36,127	34,096	—	\$458	1,572	30,275	29,063	623	589	—	5,851	37,720
1975 .....	66,677	63,374	—	499	2,804	64,658	62,547	1,101	1,010	—	2,018	48,138
1976 .....	70,682	67,352	—	515	2,815	73,901	71,462	1,200	1,239	—	-3,219	44,919
July-Sept. 1976 .....	18,359	18,265	—	—	94	19,764	19,460	304	—	—	-1,405	43,514
1977 .....	81,170	77,794	—	717	2,659	85,068	82,490	1,370	1,208	—	-3,898	39,615
1978 .....	89,595	86,451	—	741	2,403	93,861	90,829	1,413	1,618	—	-4,265	35,350
1979 .....	102,089	99,108	—	757	2,225	104,072	101,116	1,479	1,477	—	-1,983	33,367
1980 .....	117,427	114,413	—	675	2,339	118,548	115,624	1,494	1,430	—	-1,121	32,246
1981 .....	134,565	131,606	—	670	2,289	139,584	136,267	1,703	1,614	—	-5,019	27,226
1982 .....	148,027	145,113	—	843	2,072	155,963	152,097	2,046	1,820	—	-7,936	19,290
1983 .....	170,280	155,163	—	7,391	7,725	170,058	165,569	2,210	2,279	\$12,437	12,660	31,950
1984 .....	178,461	172,946	\$2,275	125	3,115	178,199	173,803	2,171	2,426	—	262	32,212
1985 .....	197,865	192,181	3,368	105	2,212	188,504	183,959	2,192	2,353	-1,824	7,538	39,750
<b>Alternative II-A:</b>												
1986 .....	215,176	204,868	3,615	3,310	3,383	199,562	194,405	2,473	2,685	-10,613	5,000	44,750
1987 .....	227,619	219,071	4,163	69	4,316	210,719	205,317	2,592	2,810	—	16,901	61,651
1988 .....	257,778	247,073	4,812	55	5,838	223,962	218,318	2,740	2,903	—	33,816	95,467
1989 .....	280,842	266,748	5,551	44	8,499	237,617	231,786	2,915	2,916	—	43,225	138,692
1990 .....	308,101	289,899	6,391	35	11,776	251,638	245,541	3,098	2,999	—	56,463	195,155
<b>Alternative II-B:</b>												
1986 .....	214,623	204,319	3,615	3,310	3,379	199,563	194,405	2,473	2,685	-10,613	4,447	44,197
1987 .....	225,727	217,246	4,175	69	4,237	211,309	205,905	2,592	2,813	—	14,417	58,614
1988 .....	253,813	243,350	4,843	55	5,565	225,387	219,724	2,741	2,923	—	28,426	87,040
1989 .....	277,847	264,224	5,619	44	7,960	240,474	234,563	2,950	2,960	—	37,373	124,413
1990 .....	307,924	290,051	6,565	36	11,273	258,354	252,114	3,168	3,072	—	49,569	173,983

See following page for footnotes.

<sup>1</sup>Under the Congressional Budget Act of 1974 (Public Law 93-344), fiscal years 1977 and later consist of the 12 months ending on September 30 of each year. The act further provides that the calendar quarter July-September 1976 is a period of transition from fiscal year 1976, which ended on June 30, 1976, to fiscal year 1977, which began on October 1, 1976.

<sup>2</sup>Beginning in 1983, includes government contributions on deemed wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$5,790 million representing (1) retroactive contributions on deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$528 million was transferred to the trust funds from the general fund of the Treasury in 1984.

<sup>3</sup>Includes payments (1) in 1947-52 and in 1967 and later, for costs of noncontributory wage credits for military service performed before 1957; (2) in 1972-83, for costs of deemed wage credits for military service performed after 1956; and (3) in 1969 and later, for costs of benefits to certain uninsured persons who attained age 72 before 1968. The amount shown for 1978 also includes \$2,727,000 as a single reimbursement for the estimated total costs of granting noncontributory wage credits to individuals who were interned during World War II at places within the United States operated by the Federal Government for the internment of persons of Japanese ancestry.

<sup>4</sup>Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust funds on an estimated basis, with a

final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments from a borrowing trust fund to a lending trust fund for interest on amounts owed under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust funds to the general fund of the Treasury on advance tax transfers is reflected. The amount shown for 1983 includes \$7,337 million in interest on (1) retroactive government contributions on deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$1,901 million on government contributions on deemed wage credits for military service in 1957-83. The amounts shown for 1985 and 1986 include interest adjustments of \$91.3 million and \$11.5 million, respectively, on unnegotiated checks issued before April 1985.

<sup>5</sup>Beginning in 1967, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$336 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

<sup>6</sup>Positive figure represents amounts lent to the OASI Trust Fund from the HI Trust Fund. Negative figures represent amounts repaid from the OASI Trust Fund to the HI Trust Fund.

TABLE 25.—OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, DURING SELECTED CALENDAR YEARS 1960-85 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1986-90 ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS  
[In millions]

Calendar year	Income					Disbursements						Funds at end of period
	Total	Net contributions <sup>1</sup>	Income from taxation of benefits	Payments from the general fund of the Treasury <sup>2</sup>	Net interest <sup>3</sup>	Total	Benefit payments <sup>4</sup>	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers <sup>5</sup>	Net increase in funds	
<b>Past experience:</b>												
1960 .....	\$12,445	\$11,876	—	—	\$569	\$11,798	\$11,245	\$240	\$314	—	\$647	\$22,613
1965 .....	17,857	17,205	—	—	651	19,187	18,311	418	459	—	-1,331	19,841
1970 .....	36,993	34,737	—	\$465	1,791	33,108	31,884	635	589	—	3,886	38,068
1975 .....	67,640	64,259	—	515	2,866	69,184	67,022	1,152	1,010	—	-1,544	44,342
1976 .....	75,034	71,595	—	717	2,722	78,242	75,759	1,244	1,239	—	-3,209	41,133
1977 .....	81,982	78,710	—	741	2,531	87,254	84,667	1,379	1,208	—	-5,272	35,861
1978 .....	91,903	88,883	—	757	2,264	96,018	92,960	1,440	1,618	—	-4,115	31,746
1979 .....	105,864	103,034	—	675	2,155	107,320	104,359	1,483	1,477	—	-1,456	30,291
1980 .....	119,712	116,711	—	670	2,330	123,550	120,598	1,522	1,430	—	-3,838	26,453
1981 .....	142,438	139,364	—	843	2,231	144,352	140,995	1,743	1,614	—	-1,914	24,539
1982 .....	147,913	145,667	—	854	1,391	160,111	156,182	2,109	1,820	\$12,437	239	24,778
1983 .....	171,266	156,328	—	6,662	8,276	171,177	166,739	2,159	2,279	—	89	24,867
1984 .....	186,637	180,066	\$3,025	1,105	3,441	180,429	175,746	2,258	2,426	—	6,208	31,075
1985 .....	203,540	194,149	3,429	3,220	2,742	190,628	186,075	2,200	2,353	-1,824	11,088	42,163
<b>Alternative II-A:</b>												
1986 .....	216,131	208,462	3,746	160	3,764	202,426	197,228	2,513	2,685	-10,613	3,092	45,256
1987 .....	232,331	223,021	4,300	55	4,955	213,437	208,001	2,626	2,810	—	18,894	64,150
1988 .....	264,448	252,394	4,983	44	7,028	227,451	221,767	2,780	2,903	—	36,997	101,147
1989 .....	287,255	271,407	5,741	35	10,072	241,008	235,135	2,957	2,916	—	46,247	147,394
1990 .....	317,224	296,302	6,613	661	13,649	255,319	249,177	3,143	2,999	—	61,905	209,300
<b>Alternative II-B:</b>												
1986 .....	215,296	207,653	3,746	160	3,737	202,426	197,228	2,513	2,685	-10,613	2,257	44,420
1987 .....	229,833	220,672	4,317	55	4,791	214,220	208,781	2,826	2,813	—	15,613	60,033
1988 .....	260,177	248,507	5,019	44	6,807	229,088	223,376	2,789	2,923	—	31,089	91,122
1989 .....	284,753	269,396	5,819	36	9,502	244,256	238,295	3,000	2,960	—	40,497	131,619
1990 .....	317,979	296,646	6,818	1,270	13,245	263,174	256,883	3,219	3,072	—	54,805	186,425

See following page for footnotes.

\*Beginning in 1983, includes government contributions on deemed wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$5,790 million representing (1) retroactive contributions on deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$528 million was transferred to the trust funds from the general fund of the Treasury in 1984.

\*Includes payments (1) in 1947-51 and in 1966 and later, for costs of noncontributory wage credits for military service performed before 1957; (2) in 1971-82, for costs of deemed wage credits for military service performed after 1956; and (3) in 1968 and later, for costs of benefits to certain uninsured persons who attained age 72 before 1968. The amount shown for 1977 also includes \$2,727,000 as a single reimbursement for the estimated total costs of granting noncontributory wage credits to individuals who were interned during World War II at places within the United States operated by the Federal Government for the internment of persons of Japanese ancestry.

\*Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust funds on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the

method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments from a borrowing trust fund to a lending trust fund for interest on amounts owed under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust funds to the general fund of the Treasury on advance tax transfers is reflected. The amount shown for 1983 includes \$7,337 million in interest on (1) retroactive government contributions on deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$1,901 million on government contributions on deemed wage credits for military service in 1957-83. The amount shown for 1985 includes an interest adjustment of \$102.8 million on unnegotiated checks issued before April 1985.

\*Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$336 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

\*Positive figure represents amounts lent to the OASI Trust Fund from the HI Trust Fund. Negative figures represent amounts repaid from the OASI Trust Fund to the HI Trust Fund.

**D. ACTUARIAL ANALYSIS OF BENEFIT DISBURSEMENTS FROM THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND WITH RESPECT TO DISABLED BENEFICIARIES**

*(Required by section 201(c) of the Social Security Act)*

Effective January 1957, monthly benefits have been payable from the OASI Trust Fund to disabled children aged 18 and over of retired and deceased workers in those cases for which the disability began before age 18. The age before which disability is required to have begun was subsequently changed to age 22. Effective February 1968, reduced monthly benefits have been payable from this trust fund to disabled widows and widowers at ages 50 and above.

On December 31, 1985, about 594,000 persons were receiving monthly benefits from the OASI Trust Fund because of their disabilities or the disabilities of children. This total includes 54,000 mothers and fathers (wives or husbands under age 65 of retired-worker beneficiaries and widows or widowers of deceased insured workers) who met all other qualifying requirements and were receiving unreduced benefits solely because they had disabled-child beneficiaries (or disabled children aged 16 or 17) in their care. Benefits paid from this trust fund to the persons described above totaled \$2,043 million in calendar year 1985. Table 26 shows these and similar figures for selected calendar years during 1960-85, and estimated experience for 1986-90.

TABLE 26.—BENEFITS PAYABLE FROM THE OASI TRUST FUND WITH RESPECT TO DISABLED BENEFICIARIES, SELECTED CALENDAR YEARS 1960-90  
(Beneficiaries in thousands; benefit payments in millions)

Calendar year	Disabled beneficiaries, end of year			Amount of benefit payments <sup>1</sup>		
	Total	Children <sup>2</sup>	Widows-widowers	Total	Children <sup>2</sup>	Widows-widowers <sup>3</sup>
<b>Past experience:</b>						
1960.....	117	117	—	\$59	\$59	—
1965.....	214	214	—	134	134	—
1970.....	316	281	36	301	280	\$41
1975.....	435	376	59	664	580	104
1980.....	519	460	59	1,223	1,097	126
1981.....	527	473	54	1,421	1,296	125
1982.....	533	484	49	1,566	1,451	115
1983.....	550	504	46	1,691	1,581	110
1984.....	574	528	47	1,882	1,707	175
1985.....	594	547	47	2,043	1,860	183
<b>Alternative II-A:</b>						
1986.....	608	563	45	2,188	2,004	184
1987.....	623	579	44	2,334	2,150	184
1988.....	638	596	42	2,519	2,333	186
1989.....	653	613	40	2,707	2,517	190
1990.....	667	629	38	2,895	2,702	193
<b>Alternative II-B:</b>						
1986.....	608	563	45	2,188	2,004	184
1987.....	623	579	44	2,342	2,158	184
1988.....	638	596	42	2,538	2,350	186
1989.....	653	613	40	2,744	2,552	192
1990.....	667	629	38	2,986	2,786	200

<sup>1</sup>Beginning in 1966, includes payments for vocational rehabilitation services.

<sup>2</sup>Also includes certain mothers and fathers (see text).

<sup>3</sup>In 1983 and prior years, reflects the offsetting effect of lower benefits payable to disabled widows and widowers who continue to receive benefits after attaining age 60 (62, for disabled widowers, prior to 1973) as compared to the higher nondisabled widow's and widower's benefits that would otherwise be payable.

Total benefit payments from the OASI Trust Fund with respect to disabled beneficiaries are estimated to increase from \$2,188 million in calendar year 1986 to \$2,895 million in calendar year 1990, based on alternative II-A, and to \$2,986 million in calendar year 1990, based on alternative II-B.

In calendar year 1985, benefit payments (including expenditures for vocational rehabilitation services) with respect to disabled persons from the OASI Trust Fund and from the DI Trust Fund (including payments from the latter fund to all children and spouses of disabled-worker beneficiaries) totaled \$20,879 million, of which \$2,043 million, or 9.8 percent, represented payments from the OASI Trust Fund. These and similar figures for selected calendar years during 1960-85 and estimates for calendar years 1986-90 are presented in table 27.

TABLE 27.—BENEFIT PAYMENTS UNDER THE OASDI PROGRAM WITH RESPECT TO DISABLED BENEFICIARIES, BY TRUST FUND, SELECTED CALENDAR YEARS 1960-90  
[Amounts in millions]

Calendar year	Benefit payments <sup>1</sup> from—			
	Total <sup>1</sup>	DI Trust Fund <sup>2</sup>	OASI Trust Fund	
			Amount <sup>3</sup>	As a percentage of total benefit payments with respect to disabled beneficiaries
<b>Past experience:</b>				
1960 .....	\$627	\$568	\$59	9.4
1965 .....	1,707	1,573	134	7.9
1970 .....	3,386	3,085	301	8.9
1975 .....	9,169	8,505	664	7.2
1976 .....	10,803	10,055	748	6.9
1977 .....	12,415	11,547	868	7.0
1978 .....	13,549	12,599	950	7.0
1979 .....	14,857	13,786	1,071	7.2
1980 .....	16,738	15,515	1,223	7.3
1981 .....	18,613	17,192	1,421	7.6
1982 .....	18,942	17,376	1,566	8.3
1983 .....	19,215	17,524	1,691	8.8
1984 .....	19,782	17,900	1,882	9.5
1985 .....	20,879	18,836	2,043	9.8
<b>Alternative II-A:</b>				
1986 .....	21,952	19,764	2,188	10.0
1987 .....	22,522	20,183	2,334	10.4
1988 .....	23,692	21,173	2,519	10.6
1989 .....	24,880	22,173	2,707	10.9
1990 .....	26,107	23,212	2,895	11.1
<b>Alternative II-B:</b>				
1986 .....	21,952	19,764	2,188	10.0
1987 .....	22,600	20,258	2,342	10.4
1988 .....	23,842	21,304	2,538	10.6
1989 .....	25,162	22,418	2,744	10.9
1990 .....	26,813	23,827	2,986	11.1

<sup>1</sup>Beginning in 1966, includes payments for vocational rehabilitation services.

<sup>2</sup>Benefit payments to disabled workers and their children and spouses.

<sup>3</sup>Benefit payments to disabled children aged 18 and over, to certain mothers and fathers (see text), and to disabled widows and widowers (see footnote 3, table 26).