

COMMITTEE ON THE BUDGET
UNITED STATES SENATE

MARCH 25, 2026
STATEMENT FOR THE RECORD

Karen P. Glenn
CHIEF ACTUARY
SOCIAL SECURITY ADMINISTRATION

Chairman Graham, Ranking Member Merkley, and Members of the Committee:

My name is Karen Glenn, and I am the Chief Actuary at the Social Security Administration. Thank you for inviting me to speak with you today about the financial status of the Social Security program—past, present, and future.

I will cover four main topics today:

- Where We Are Now: Actuarial Status in the 2025 Trustees Report
- How We Got Here: Experience Since the Last Comprehensive Reforms in 1983
- What Happens Next? Critical Factors for Projections into the Future
- How Congress and the Administration Can Help: Options to Maintain Solvency

Where We Are Now: Actuarial Status in the 2025 Trustees Report

The Social Security Act requires that the Social Security Board of Trustees, among other duties, report annually to the Congress on the actuarial status and financial operations of the Social Security trust funds. There are six members of the Board: the Secretary of the Treasury (who is the managing Trustee), the Commissioner of Social Security, the Secretary of Health and Human Services, and the Secretary of Labor. The President appoints and the Senate confirms the other two members to serve as public representatives; these positions have been vacant since 2015.

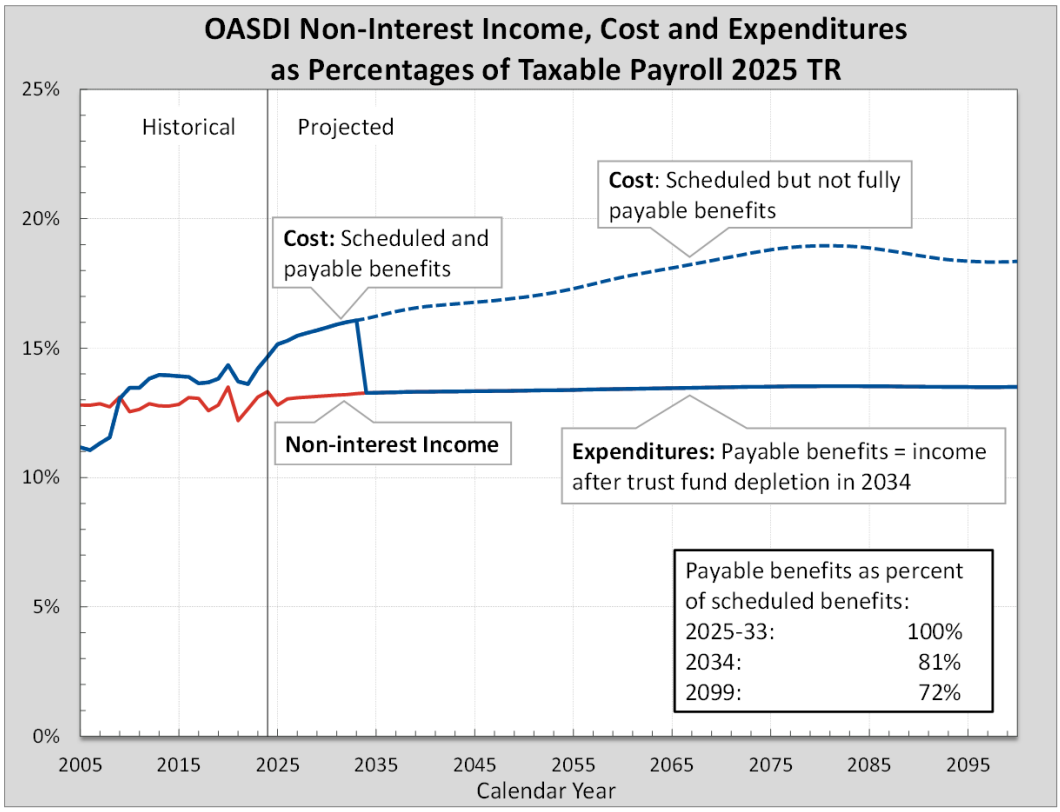
My team at the Social Security Administration provides expert input to the Trustees Report process, including making recommendations for assumptions; developing the demographic, economic, beneficiary, and cost projections required for the report; and preparing the text, tables, and figures included in the report. We work closely with the Trustees and their representatives on all aspects of the report.

The 2025 report was released on June 18, 2025. Preparation of the 2026 report is well underway, and it is on target to be released this spring. I will share some results from the 2025 report to provide a sense of the current financial status of the program—but note that the 2026 report will incorporate updates to laws, policies, data, assumptions, and methods that have happened over the last year.

As of March 1, 2026, the Old-Age and Survivors Insurance (OASI) Trust Fund holds about $2.3 trillion in reserves, while the Disability Insurance (DI) Trust Fund holds roughly $230 billion. The reserves of the combined Social Security program, often referred to as OASDI, total over $2.5 trillion.[1] However, under the intermediate (best estimate) assumptions of the 2025 Trustees Report, program income is projected to be less than program cost in all future years, so that the combined trust fund reserves are projected to become depleted in 2034. At that time, 81 percent of scheduled benefits would still be payable from current-law scheduled taxes (revenue from payroll taxes and taxation of benefits). The OASI Trust Fund alone is projected to deplete its

[1] Although the two funds are separate by law, their operations and reserves are often shown on a combined basis.

reserves in 2033, with 77 percent of scheduled benefits then payable. The DI Trust Fund alone is projected to be fully financed throughout the 75-year projection period ending in 2099.



The cost of providing scheduled benefits has been generally rising as a percentage of taxable payroll since 2005, and it is projected to continue to rise through about 2080. This rise is largely driven by the changing age distribution of the US population, with an increasing number of beneficiaries receiving Social Security benefits relative to the number of workers paying into the program.

The financial shortfall for the OASDI program over the next 75 years, also referred to as the unfunded obligation, is $25.1 trillion in present value, which represents 3.64 percent of taxable payroll and 1.3 percent of GDP over calendar years 2025-99. This 75-year shortfall must be met with changes over the entire 75-year period for full scheduled benefits to be paid on time. In other words, this is the size of Social Security's long-term solvency gap, expressed in three different ways: in dollars, as a percentage of taxable payroll, and as a percentage of GDP.

The assessment of the actuarial status provided in the annual Trustees Reports since 1941 specifies when, and to what degree, changes in scheduled income or scheduled benefits will be needed to ensure continued solvency. The Trustees' assessment has been very consistent and stable in recent decades. The year of OASDI trust fund reserve depletion has been in the range of 2029 to 2042 in the last 35 annual reports, and in the range of 2033 to 2035 in the last 14 reports.

How We Got Here: Experience Since the Last Comprehensive Reforms in 1983

In 1982, the OASI Trust Fund faced an immediate crisis. The fund's reserves were on the brink of being depleted, requiring temporary borrowing from the DI Trust Fund and the Medicare Hospital Insurance Trust Fund to maintain payments to beneficiaries.

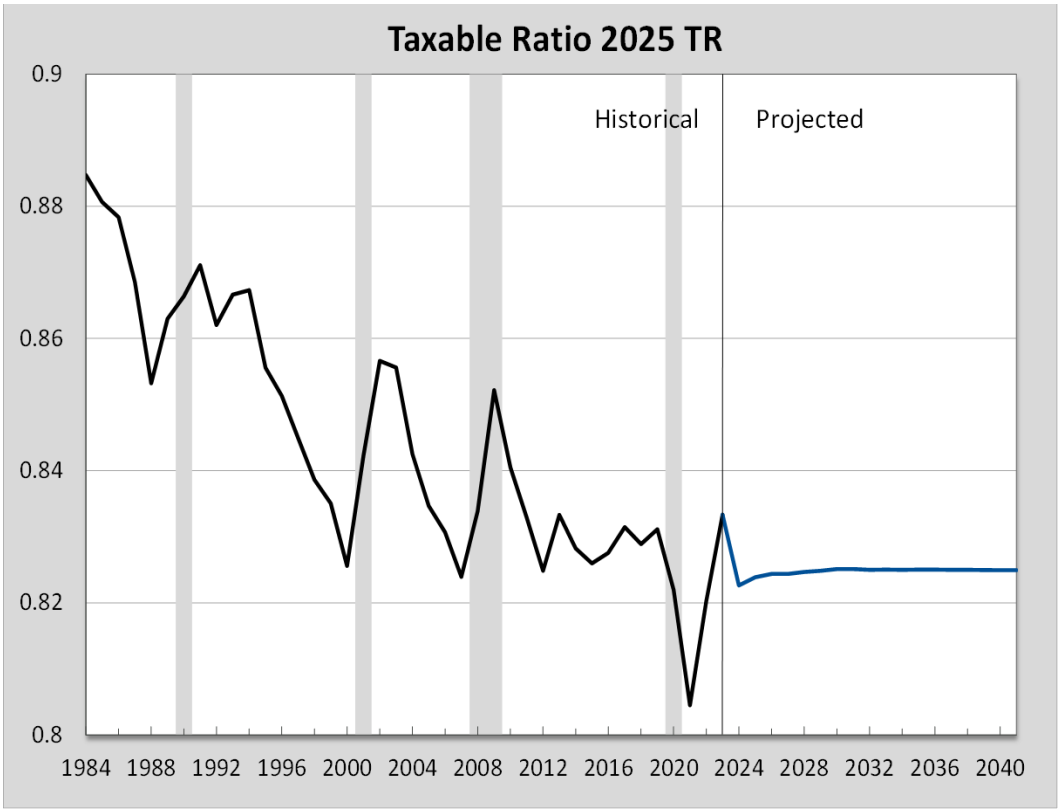
The 1983 Amendments were enacted the following year, making the changes needed to address immediate shortfalls and to begin addressing the impending shift in the age distribution of the US population. The 1983 Amendments included several provisions affecting both benefits and income, including:

- Increasing the normal retirement age from 65 to 67, phased in over the next few decades
- Accelerating already-planned increases in payroll tax rates
- Introducing income taxation of Social Security benefits, with the resulting revenue dedicated to the trust funds
- Extending coverage to additional categories of employees, including newly hired Federal employees and employees of nonprofit organizations
- Increasing taxes on self-employment income and changing the definition of taxable self-employment income

The 1983 Trustees Report indicated that the combined trust funds would remain solvent through the next 75 years, until roughly the early 2060s. However, we now project that the combined trust fund reserves will become depleted in 2034, almost 30 years sooner than expected in 1983.

There are two main reasons for this shift in outlook. Perhaps surprisingly, neither one of them is related to demographics. The age distribution of the population has generally followed expectations, with birth rates about as projected and modest increases in life expectancy at age 65, although with some variation for men and for women.

First, the taxable ratio—the percent of total covered earnings that is below the taxable maximum level ($184,500 in 2026) and thus taxed for Social Security purposes—declined from about 90 percent in 1983 to about 82.5 percent in 2000. This change was not anticipated at the time of the 1983 Amendments. In 1983, the taxable maximum was scheduled to rise in the future with average wages, with this indexing expected to maintain the taxable ratio at 90 percent. However, wage levels rose much faster than average for high earners. Between 1983 and 2000, average earnings for the top 6 percent of earners rose by 62 percent more than price inflation, while average earnings for the other 94 percent of earners rose by only 17 percent more than price inflation. Since 2000, the ratio has stayed at about 82.5 percent, except for temporary effects from economic recessions and recoveries.



The second factor is the worse-than-expected performance of the economy since 1983, particularly related to the deep recession of 2007-09. Recovery from that recession was gradual and incomplete in terms of labor productivity, or real output per hour worked.

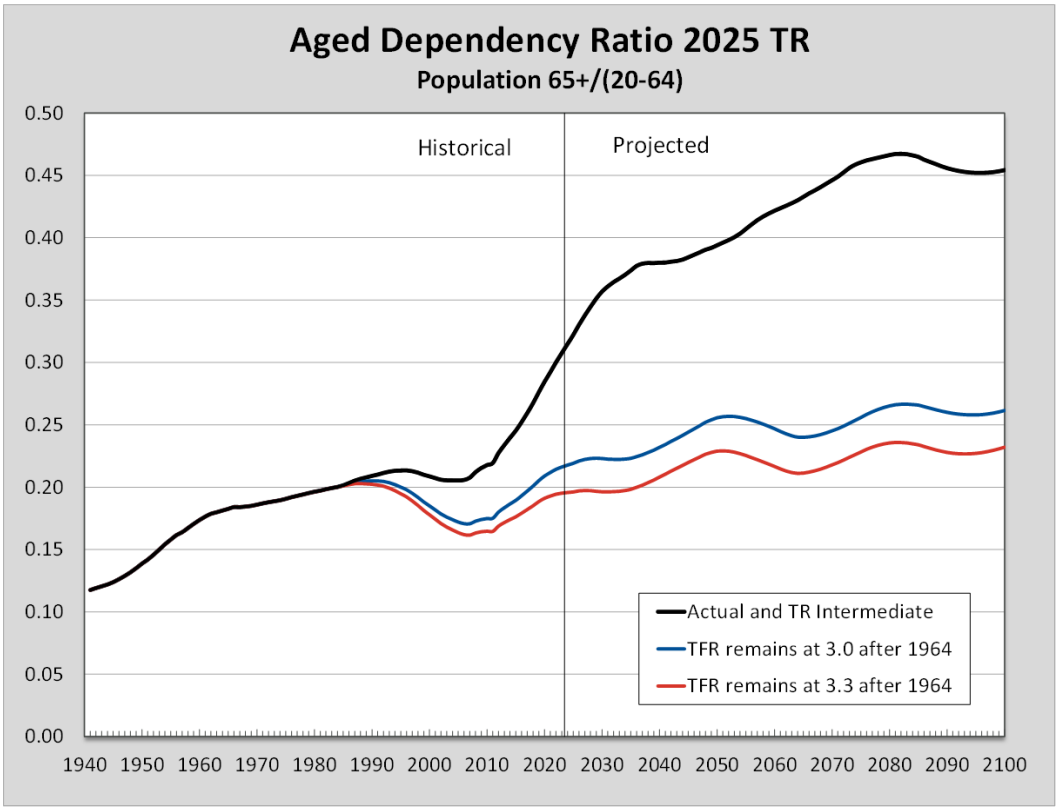
As a result, the time for further change in the Social Security program is sooner than had been expected in 1983. The gap between the program's cost and income will need to be closed before the combined trust fund reserves become depleted in 2034, according to the projections in the 2025 Trustees Report. Lawmakers will need to take actions that will raise program income by about one-third, lower scheduled benefits by about one-fourth, or adopt a combination of these approaches.

What Happens Next? Critical Factors for Projections into the Future

Age Distribution and Birth Rates

The rise in the cost of the Social Security program between 2005 and 2080, as a percentage of both taxable payroll and GDP, follows directly from the changing age distribution of the adult US population, as seen in the graph below. The "aged dependency ratio" is the ratio of the population at ages 65 and over to the population at ages 20-64. The black line indicates the sharp change in the ratio since about 2005 consistent with changing birth rates over time. The blue and

red lines indicate that the ratio would have remained relatively level had birth rates remained at the levels seen during the baby boom.[2]



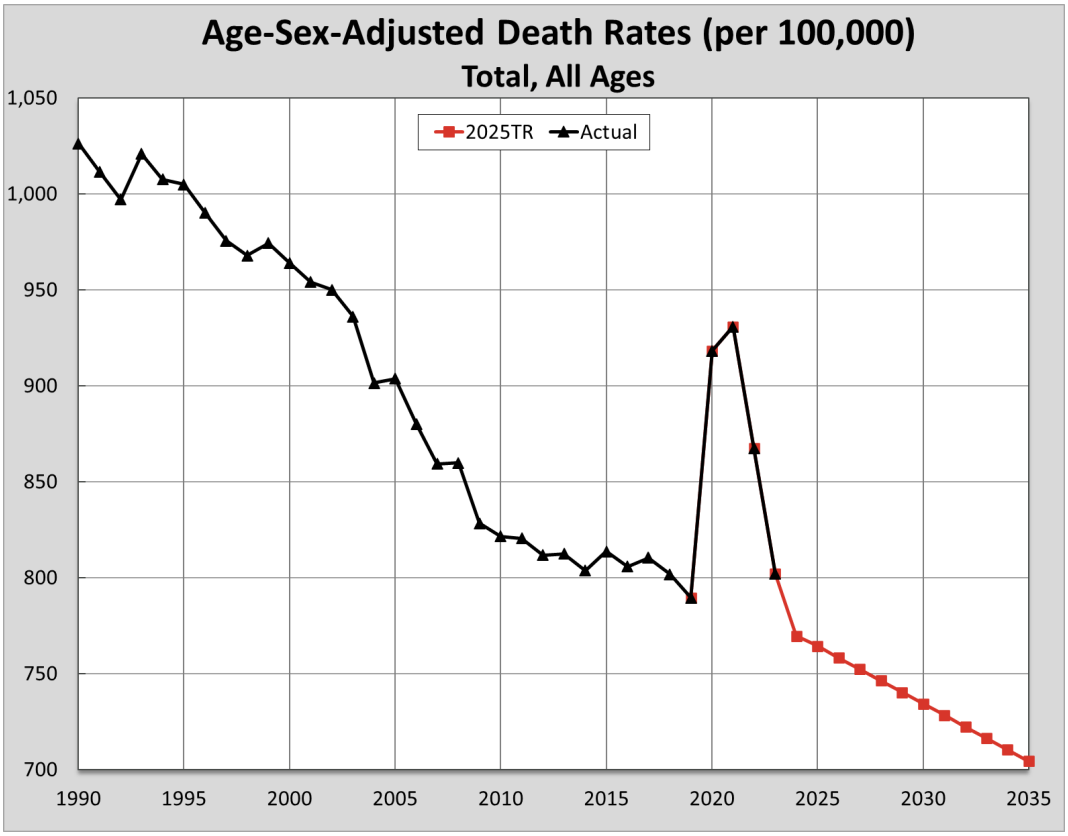
The patterns of the age distribution in the future are primarily driven by birth rates. For the 2025 Trustees Report, we assumed that in the long-term, women would average 1.9 births over their lifetime. This value is well above the current birth rate in the US, which is about 1.6 births per woman. Note, however, that recent low birth rates do not necessarily mean that birth rates will remain low forever; there is evidence that women are choosing to delay births to older ages, which temporarily depresses annual birth rates. However, there is also evidence that there have been societal changes in the US (and around the world) related to family formation and the desire for children. We and the Trustees are considering this assumption carefully for the 2026 Trustees Report.

Mortality

Mortality is also an important factor in the cost of the Social Security program, primarily because the longer people live, the longer they receive benefits. Following significant declines in death rates in the 1990s and 2000s largely due to improvements in treating heart disease, declines in death rates slowed considerably after 2009. The COVID-19 pandemic dramatically elevated death rates in 2020-22, and to a lesser extent in 2023. Since the beginning of the pandemic, we

[2] TFR = total fertility rate. The TFR for a given year may be interpreted as 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 in that year, and if she were to survive the entire childbearing period.

have assumed that in the long term, age-sex adjusted death rates would return to roughly the path seen between 2009 and 2019.



Immigration

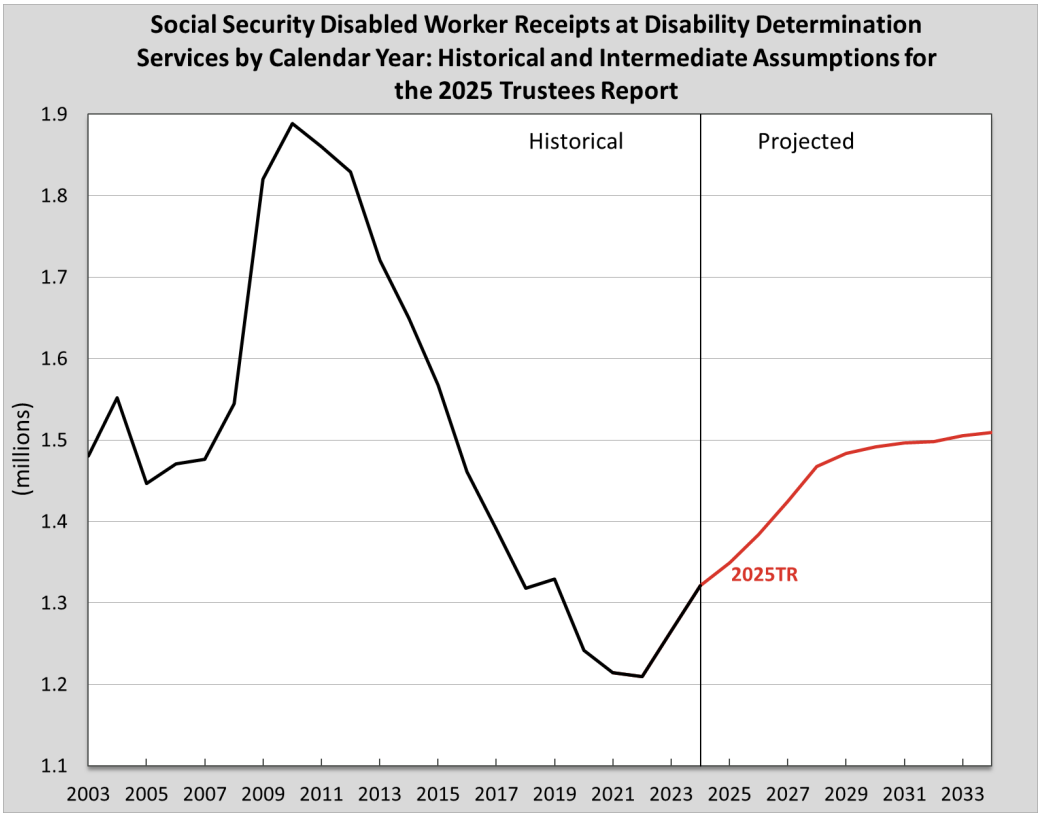
Immigration, both lawful and unlawful, has an overall positive effect on Social Security's financial status. Beyond the taxes paid and benefits received by the immigrants themselves, the larger effect on the long-term actuarial status is due to the children born in the US to immigrant parents. These children are US citizens and add to the growth in the overall US population. This contribution to future generations of workers is the largest part of the effect on the actuarial status, for both lawful and unlawful immigrants.[3]

Since January 2025, the administration has issued several executive actions related to immigration, which are expected to lower immigration and increase emigration for immigrants without lawful status. Unlawful immigrant entries were extremely low in 2025 and will likely stay low in the near-term. We and the Trustees are considering assumptions related to immigration and emigration carefully for the 2026 Trustees Report.

[3] See www.ssa.gov/OACT/NOTES/pdf_notes/note151.pdf.

Disability

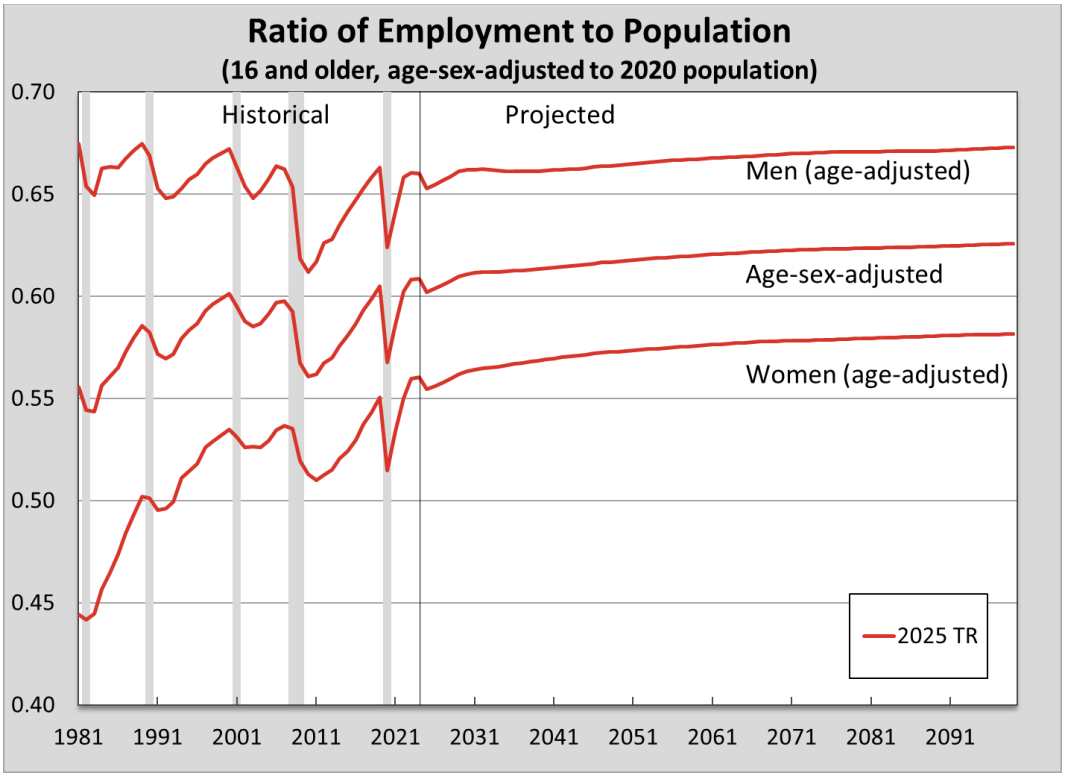
Applications for disability benefits and disability incidence rates declined dramatically from 2010 through 2022. They increased somewhat in 2023 and 2024 but remained at historically low levels. In the 2025 Trustees Report, we projected that applications and incidence rates would gradually increase over the next decade to levels somewhat below historical averages.



As a result, the total number of beneficiaries paid from the DI Trust Fund is well below the levels experienced in the 2010s. Many factors have played a role in the improved disability experience since 2010, including the changing nature of work and the increasing accommodation of workers with some limitations, taking into account the changing age distribution of the adult population.

Employment

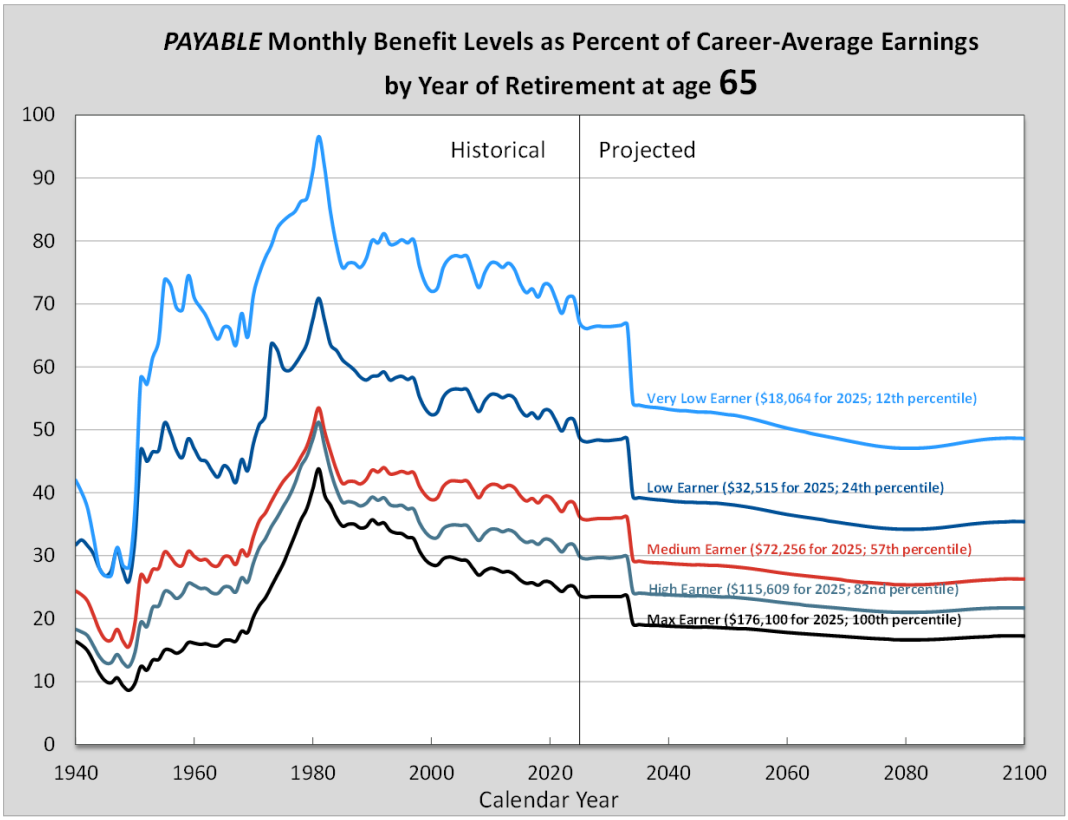
Employment rates for men have remained relatively stable since about 1980, except for temporary fluctuations related to recessions and recoveries, while employment rates for women have increased notably. The drop in employment during the 2020 COVID-related recession was brief with an extremely fast recovery. Going forward, we project slight increases over time in future employment rates for both men and women, consistent with recent peak levels.



Benefit Levels

The benefit levels scheduled in current law vary by workers' career average earnings levels. Monthly benefits are designed to replace a higher percentage of career average earnings for lower earners, and a lower percentage for higher earners. The "replacement rates" shown below for benefits as a percent of career average earnings at selected levels indicate the impact that trust fund reserve depletion could have in the absence of a future change in law. Total benefits paid after combined trust fund reserve depletion in 2034 would be reduced by 19 percent if there is no change in law before then.[4] Benefit levels are shown for retirees at the average age of starting retired worker benefits (age 65).

[4] The graph of benefit levels reflects the assumption that benefits would be reduced for all beneficiaries by the same 19 percent. There are a variety of ways that the total 19-percent reduction could be accomplished, including varying the reduction for beneficiaries at different earnings levels and delaying the payment of monthly benefits until the trust funds receive enough tax income to pay them in full.



Law Changes

While the last comprehensive amendments to Social Security were enacted in 1983, there have been several law changes since then affecting the program in less significant ways. Most recently, President Trump signed the One Big Beautiful Bill Act (OBBBA) into law on July 4, 2025, after the 2025 Trustees Report was released.

The income tax provisions in the OBBBA will lead to lower income tax liability for Social Security beneficiaries, in total. Therefore, the OASI and DI Trust Funds will receive lower levels of revenue from income taxation of Social Security benefits. This law change is estimated to accelerate depletion of the combined Social Security trust funds from the third quarter of 2034 to the first quarter of 2034.

How Congress and the Administration Can Help: Options to Maintain Solvency

To ensure that Social Security remains solvent for generations to come, Congress and the Administration will need to act, as they always have in the past. The math is simple—lawmakers need to take actions that will increase program income by about one-third, lower scheduled benefits by about one-fourth, or adopt a combination of these approaches. Changes will need to be implemented before the trust funds become depleted, to avoid the roughly 20-percent benefit cut that would be the default if no action is taken.

My department's website includes a great deal of information about the possibilities for reform.

- We publish our letters to Members of Congress and other policymakers about their proposed legislation to change the Social Security program. These letters include our detailed analysis of the estimated effect on Social Security's long-term financial status.[5]
- We annually update our analyses of a broad range of policy options (roughly 140 options in total) that would address trust fund solvency and other issues related to Social Security benefits and financing.[6]

Many of the policy options that have been considered would improve solvency, but some of them have other aims, such as improving benefit adequacy for certain groups of people. These policy options, and many other variations, can be combined to achieve a comprehensive legislative proposal to extend solvency. The options fall into several main categories:

- Cost-of-living adjustment
- Level of monthly benefits
- Retirement age
- Benefits for family members
- Payroll taxes, including the taxable maximum
- Coverage of employment or earnings, or inclusion of other sources of revenue
- Investment in marketable securities
- Income taxation of benefits
- Individual accounts

We are happy to assist you and your staffs as you develop potential solutions to close Social Security's funding gap.

Conclusion

Social Security started paying monthly benefits to retired workers and their families in 1940 and to disabled workers and their families in 1957. Over the decades since then, all scheduled benefits have been paid in full and on time. We look forward to working with this Committee and others to ensure that the Social Security program is in good financial condition for many generations to come.

Thank you again for the opportunity to discuss the actuarial status of the Social Security program. I will be happy to answer any questions you have.

[5] See www.ssa.gov/oact/solvency/index.html.
[6] See www.ssa.gov/oact/solvency/provisions/index.html.

SOCIAL SECURITY
Actuarial Services

April 2, 2026

The Honorable Lindsey Graham
Committee on the Budget
United States Senate
Washington, DC 20510

Dear Senator Graham:

Thank you for the opportunity to testify before the Senate Committee on the Budget at the March 25, 2026 hearing on "Social Security: A Discussion on the Facts and the Path Forward." I hope the information I provided at the hearing will be helpful. Below I have restated the questions for the record that you sent to me on March 26, 2026 and have provided my answers.

Question # 1:

Could a one-time wealth tax on only the top 1 percent generate enough revenue to achieve 75-year solvency of the OASI trust fund? If yes, at what rate would such a tax need to be?

Answer: In theory, yes. The 75-year solvency gap (open-group unfunded obligation) for the OASI Trust Fund was projected to be $26.1 trillion over the period 2025 to 2099, per the estimates in the 2025 Trustees Report. According to various sources, the wealthiest 1 percent of the United States population hold roughly $50 to 60 trillion of total wealth as of the end of 2025. If 100 percent of this wealth were taxable, then a one-time wealth tax at a rate of between 44 and 52 percent would be needed to close the OASI Trust Fund's $26.1 trillion 75-year solvency gap. This rough estimate of the wealth tax rate does not consider likely behavioral response to, and broader economic and societal effects of, such a tax.

Question # 2:

While some of my Democratic colleagues claimed that the quality of service at SSA has decreased since President Trump took office, I believe the numbers paint a different picture.

- Compared to service levels in February 2025 how many millions of hours has SSA's reduction in wait times saved the public?

- How many more successfully completed online transactions has SSA conducted YTD in 2026 compared to YTD in 2025 and 2024?
- By how much has the National 800 Number average speed of answer and answer rate improved since February 2025?
- By how much has the average visitor in-office wait time decreased in 2026 compared to FY2025 and FY2024?
- By how much has the initial disability claims backlog decreased since February 2025?

Answer: As indicated on SSA's publicly-available performance web page (www.ssa.gov/ssa-performance), SSA has improved performance across each of our service channels. In particular:

- Compared to service levels in February 2025, we estimate our reduction in wait times through February 2026 is saving the public 13.3 million hours. Below are the time savings by service channel:
    - Online Services: saves customers 9.6 million hours
    - National 800 Number: saves customers 3.1 million hours
    - Field Offices: saves customers that call and visit 550,000 hours
- We have completed 286.7 million online transactions to date in fiscal year 2026, compared to 247.5 million for the same period in fiscal year 2025 and 199.9 million for the same period in fiscal year 2024. This represents a 16 percent increase from fiscal year 2025 and a 44 percent increase from fiscal year 2024.
- National 800 Number callers have a shorter average wait time to speak with an agent. Our average speed of answer in February 2025 was 26 minutes with an answer rate of 46 percent. In February 2026, the National 800 Number average speed of answer was 8 minutes, a 69 percent reduction, and our answer rate was 77 percent, a 67 percent increase.
- To date in fiscal year 2026, customers with appointments visiting our field offices wait on average 6 minutes, while customers without appointments wait on average 26 minutes. The combined overall average wait time in fiscal year 2026 is 20 minutes, which is 17 percent shorter than in fiscal year 2025 and 33 percent shorter than in fiscal year 2024. The same metrics in fiscal year 2025 were 6 minutes with appointments, 28 minutes without appointments, and 24 minutes combined. The same metrics in fiscal year 2024 were 7 minutes with appointments, 31 minutes without appointments, and 30 minutes combined.
- We continue to improve the time it takes to complete initial disability claim decisions and remain committed to reducing our processing time. SSA has reduced the number of initial disability claims pending at the Disability Determination Services by 21 percent, from about 1.05 million in February 2025 to less than 830,000 in February 2026. At the same time, the average number of days it takes to process initial disability claims has been reduced from 236 days in February 2025 to 193 days in February 2026.

Commissioner Bisignano has stated publicly many times that he is committed to serving customers where they want to be met. SSA has not closed any field offices during his tenure and has expanded self-service options online and over the phone.

I hope this information is helpful. Please let me know if you have additional questions or if my team and I can assist in any way.

Sincerely,

Karen P. Glenn

Karen P. Glenn, FSA, EA, MAAA
Chief Actuary

SOCIAL SECURITY
Actuarial Services

April 2, 2026

The Honorable Jeff Merkley
Committee on the Budget
United States Senate
Washington, DC 20510

Dear Senator Merkley:

I appreciated the opportunity to testify before the Senate Committee on the Budget at the March 25, 2026 hearing on "Social Security: A Discussion on the Facts and the Path Forward." I hope the information I provided at the hearing will be helpful. Below I have restated the questions for the record that you sent to me on March 26, 2026 and have provided my answers.

Question # 1:

Ms. Glenn, I wanted to give you the opportunity to clarify something for the record. During the hearing, in an exchange with one of my Republican colleagues, you said, "Non-citizens do not receive Social Security."

There are some non-citizens – legally authorized permanent residents – who pay Social Security taxes and receive Social Security benefits. Is that correct? Is it true that people working in this country without legal status pay into Social Security and do not receive benefits?

Answer: Thank you for the opportunity to correct the statement I made during the hearing. It is correct that the Social Security Act provides that certain non-citizens may receive Social Security benefits. Non-citizens who have earned enough quarters of coverage may be eligible for benefits. However, payment of benefits is limited to only those non-citizens who are lawfully present in the United States and have not been outside the country for more than six consecutive months. Non-citizens who are unlawfully present in the United States cannot receive Social Security benefits.

It is true that many non-citizens who work in the United States without lawful status or without valid work authorization can pay into Social Security. However, people in the United States without lawful status cannot receive Social Security benefits, by law.

Question # 2:

The hearing included some discussion of how the overall cost of the "One Big, Beautiful Bill Act" compared to the size of the Social Security insolvency gap. Senator Lujan cited a cost of the One Big, Beautiful Bill Act equal to 1.3% of GDP, based on CBO estimates. How large is the Social Security solvency gap?

Answer: The 75-year solvency gap (open-group unfunded obligation) for the combined OASI and DI trust funds was projected to be $25.1 trillion over the period 2025 to 2099, per the estimates in the 2025 Trustees Report. This equates to 1.3 percent of projected total GDP over the same 75-year period. The income taxation provisions in the One Big Beautiful Bill Act (OBBBA) that affect Social Security are projected to increase the 75-year solvency gap by about $1.1 trillion, which equates to less than 0.1 percent of GDP (or 0.16 percent of Social Security's taxable payroll, as I noted during the hearing). As a result, after the OBBBA was enacted, the 75-year projected solvency gap for OASI and DI combined was $26.2 trillion, remaining at 1.3 percent of GDP.

OBBBA will have effects on government revenues, outlays, and the economy beyond the effects we estimate for Social Security. I defer to my colleagues at the Congressional Budget Office and the Joint Committee on Taxation to estimate and explain those effects.

I hope this information is helpful. Please let me know if you have additional questions or if my team and I can assist in any way.

Sincerely,

Karen P. Glenn

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SOCIAL SECURITY
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April 2, 2026

The Honorable Chuck Grassley
Committee on the Budget
United States Senate
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Question # 1:

According to the 2025 Social Security Trustee's report the Old-Age and Survivors Insurance Trust Fund will be depleted in 2033. At that time, Social Security would only have enough income to pay 77 percent of benefits. In the event Congress fails to act, what options would the Social Security Administration (SSA) have continue paying benefits? Are there feasible options other than applying an across-the-board cut to benefits?

Answer: The only sources of income for the Social Security trust funds are the dedicated taxes paid by covered workers and beneficiaries, which are invested daily in Treasury securities, plus interest on those securities. Future scheduled benefits can only be paid to the extent that there are reserves in the trust funds, because, by law, Social Security has no borrowing authority.

If the OASI Trust Fund reserves were to become depleted, then total benefit payments would be limited to the amount of the continuing tax income. The projections in the 2025 Trustees Report indicate that only 77 percent of benefits would be payable following OASI Trust Fund reserve depletion in 2033.

It is my understanding that the law is unclear about exactly what the mechanism would be for any benefit cut. As you note, one possible option would be for all monthly benefit levels, both for those benefits already in payment status and those to be paid in the future, to be cut by 23

percent at the time of reserve depletion. Other options could also achieve the same overall 23-percent benefit cut. SSA is committed to fully engaging with our Congressional partners and the Administration to decide which option to implement, in the unlikely event that the trust funds do reach reserve depletion prior to solvency legislation being enacted.

As noted in each year's Trustees Report, "[t]he Trustees recommend that lawmakers address the projected trust fund shortfalls in a timely way in order to phase in necessary changes gradually and give workers and beneficiaries time to adjust. Implementing changes sooner rather than later would allow more generations to share in the needed revenue increases or reductions in scheduled benefits."

SSA's Actuarial Services website (www.ssa.gov/OACT/) includes links to all past Trustees Reports and our analyses of proposals for program changes that have been considered. Additional information is available at the following links:

- Trust Fund FAQs: www.ssa.gov/OACT/ProgData/fundFAQ.html
- Social Security: The Trust Funds: www.congress.gov/crs-product/RL33028
- Social Security: What Would Happen If the Trust Funds Ran Out? www.congress.gov/crs-product/RL33514

I hope this information is helpful. Please let me know if you have additional questions or if my team and I can assist in any way.

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