



# SUMMARY: Actuarial Status of the Social Security Trust Funds

July  
2017

The [annual report](#) of the Social Security Board of Trustees reports on the actuarial status of the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds. The table below outlines key measures of the actuarial status of the trust funds under the intermediate assumptions in the 2017 report.

By most measures, there is little change from the 2016 report in the outlook for the combined OASDI Trust Funds, with annual balances slightly better in the short term and slightly worse in the long term. The projected actuarial deficit for the combined trust

funds over the next 75 years is 2.83 percent of taxable payroll, higher than last year's projected deficit of 2.66 percent. As a share of the economy or gross domestic product (GDP), the actuarial deficit over the next 75 years is projected to be 1.0 percent.

Considered alone, depletion of the DI Trust Fund is now projected in 2028, 5 years later than projected in last year's report, and 6 years later than projected at the passage of the Bipartisan Budget Act of 2015, which temporarily reallocated a portion of the payroll contribution rate from the OASI Trust Fund to the DI Trust Fund. The improved outlook in this year's report

## Comparison: Key Measures of Actuarial Status in the Social Security Trustees Reports

	<u>2016 report</u>	<u>2017 report</u>
<b>75-year actuarial deficit</b>		
As a percentage of taxable payroll	2.66%	2.83%
As a percentage of GDP	1.0%	1.0%
<b>Income and outgo in year prior to report year (in billions)</b>		
Income		
Total	\$920	\$957
Social Security contributions <sup>a</sup>	\$795	\$836
Income taxes on benefits	\$32	\$33
Interest	\$93	\$88
Outgo		
Total	\$897	\$922
Benefit payments <sup>b</sup>	\$891	\$916
Administration	\$6	\$6
Net increase in assets	\$23	\$35
<b>Trust fund reserves</b>		
Amount at beginning of report year (in billions)	\$2,813	\$2,848
Amount at beginning of report year (as a percentage of report year outgo)	303%	298%
Year of peak trust fund reserves	2019	2021
Amount at end of peak year (in billions)	\$2,892	\$3,000
<b>Year of trust fund depletion</b>		
OASDI	2034	2034
OASI	2035	2035
DI	2023	2028
<b>Share of OASDI outgo covered by scheduled revenue in—</b>		
Year of trust fund depletion	79%	77%
End of 75-year reporting period	74%	73%

SOURCE: 2016 and 2017 Trustees Reports.

a. Includes a small amount of reimbursements from the General Fund of the Treasury due to the payroll contribution holiday.

b. Includes a small amount of payments to the Railroad Retirement Board.

reflects recent declines in disability applications and lower projected disability incidence rates in the short term.

The OASI Trust Fund alone can pay full benefits until 2035, and the combined OASDI funds until 2034, which are unchanged from last year.

The 2016 annual surplus of \$35 billion increased the asset reserves of the combined OASDI Trust Funds, bringing the total reserves to \$2.85 trillion at the beginning of 2017. This amount is equal to 298 percent of the estimated annual expenditures for 2017. This increase in trust fund reserves during 2016 was about \$19.5 billion more than estimated in the 2016 report under the intermediate assumptions, due mainly to slightly higher contribution income and slightly lower benefit payments than projected.

The Trustees project that the combined OASDI Trust Funds will continue growing through 2021 as total annual income exceeds total annual costs. Beginning in 2022, however, they project the OASDI annual cost will exceed total income, so the trust fund reserves will be drawn down until they are depleted in 2034—the same year as estimated in the last two reports. After trust fund reserve depletion, continuing income would be sufficient to pay 77 percent of program cost, declining to 73 percent for 2091.

## **Beneficiaries and Benefit Payments**

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At the end of 2016, the Social Security program was providing monthly benefits to about 61 million people: 50 million from the OASI Trust Fund and 11 million from the DI Trust Fund. Total benefit payments for the year were \$911 billion: \$769 billion from the OASI Trust Fund and \$143 billion from the DI Trust Fund.

## **Sources of Trust Fund Income**

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During 2016, an estimated 171 million workers had earnings covered by Social Security. Employees pay a 6.2 percent contribution from earnings up to a maximum of \$127,200 in 2017, which their employers match. Self-employed workers pay both shares of the contribution, or 12.4 percent. More than 40 percent of current beneficiaries pay income taxes on part of their benefits, and those taxes go to the OASDI Trust Funds and Medicare's Hospital Insurance Trust Fund. The trust funds also earn interest (\$88 billion in 2016 for the OASDI Trust Funds) on their accumulated reserves.



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