



SUMMARY: Actuarial Status of the Social Security Trust Funds

June 2018

The [annual report](#) of the Social Security Board of Trustees details 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 2018 report.

By most measures, there is little change from the 2017 report in the outlook for the combined OASDI Trust Funds, with annual balances slightly worse in the short term and slightly better in the long term. The projected actuarial deficit for the combined trust

funds over the next 75 years is 2.84 percent of taxable payroll, slightly higher than last year's projected deficit of 2.83 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 2032, four years later than projected in last year's report, and 10 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

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

	<u>2017 report</u>	<u>2018 report</u>
75-year actuarial deficit		
As a percentage of taxable payroll	2.83%	2.84%
As a percentage of GDP	1.0%	1.0%
Income and outgo in year prior to report year (in billions)		
Income		
Total	\$957	\$997
Social Security contributions ^a	\$836	\$874
Income taxes on benefits	\$33	\$38
Interest	\$88	\$85
Outgo		
Total	\$922	\$952
Benefit payments ^b	\$916	\$946
Administration	\$6	\$6
Net increase in assets	\$35	\$44
Trust fund reserves		
Amount at beginning of report year (in billions)	\$2,848	\$2,892
Amount at beginning of report year (as a percentage of report year outgo)	298%	288%
Year of peak trust fund reserves ^c	2021	2017
Amount at end of peak year (in billions)	\$3,000	\$2,892
Year of trust fund depletion		
OASDI	2034	2034
OASI	2035	2034
DI	2028	2032
Share of OASDI outgo covered by scheduled revenue in—		
Year of trust fund depletion	77%	79%
End of 75-year reporting period	73%	74%

SOURCE: 2017 and 2018 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.

c. Measured at end of year.

Fund to the DI Trust Fund. The improved outlook in this year's report reflects (1) continuing declines in disability applications leading to lower projected disability incidence rates in the short term and (2) lower average benefit levels for disabled workers awarded in 2017 and thereafter.

The OASI Trust Fund alone can pay full benefits until 2034, one year earlier than projected last year, and the combined OASDI funds until 2034, which is unchanged from last year.

The 2017 annual surplus of \$44 billion increased the asset reserves of the combined OASDI Trust Funds, bringing the total reserves to \$2.89 trillion at the end of the year. This amount is equal to 288 percent of the estimated annual expenditures for 2018. This increase in trust fund reserves during 2017 was about \$14.5 billion less than projected in the 2017 report under the intermediate assumptions, mainly due to lower-than-projected income from payroll tax contributions.

The Trustees now project that OASDI annual cost will exceed total income beginning in 2018—four years earlier than projected in last year's report—and continuing throughout the projection period. If no changes are made to the program, the trust fund reserves would be drawn down until they are depleted in 2034—the same year as estimated in the last three reports. After trust fund reserve depletion, continuing income would be sufficient to pay 79 percent of program cost, declining to 74 percent for 2092.

Beneficiaries and Benefit Payments

At the end of 2017, the Social Security program was providing monthly benefits to about 62 million people: 51 million from the OASI Trust Fund and 10 million from the DI Trust Fund. Total benefit payments for the year (excluding payments to the Railroad Retirement Board) were \$941 billion: \$799 billion from the OASI Trust Fund and \$143 billion from the DI Trust Fund.

Sources of Trust Fund Income

During 2017, an estimated 174 million workers had earnings covered by Social Security. Employees pay a 6.2 percent contribution from earnings up to a maximum of \$128,400 in 2018, 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 (\$85 billion in 2017 for the OASDI Trust Funds) on their accumulated reserves.



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