



SUMMARY: Actuarial Status of the Social Security Trust Funds

May
2024

The [annual report](#) of the Social Security Board of Trustees presents the actuarial status of the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds. Since last year's report, the Trustees have revised assumptions that underpin the long-range projections in three key areas. First, given the continued low total fertility rate (TFR) of recent years, the Trustees have lowered the ultimate TFR from 2.0 to 1.9 children per woman.¹ Second, considering the continuing low levels of applications for and awards of disability benefits, the Trustees

have reduced the assumed ultimate disabled worker incidence rate from 4.8 to 4.5 per thousand exposed. Third, due to the unanticipated strong economic performance through 2023, the Trustees have increased the assumed level of labor productivity such that gross domestic product (GDP) is higher by about 3 percent over the projection period. The intermediate (best estimate) assumptions for this report were set in December 2023. The Trustees will continue to monitor developments and modify projections in future reports.

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

	<u>2023 report</u>	<u>2024 report</u>
75-year actuarial deficit		
As a percentage of taxable payroll	3.61%	3.50%
As a percentage of GDP	1.3%	1.2%
Income and outgo in year prior to report year (in billions)		
Income		
Total	\$1,222	\$1,351
Social Security payroll tax contributions ^a	\$1,107	\$1,233
Income taxes on benefits	\$49	\$51
Interest	\$66	\$67
Outgo		
Total	\$1,244	\$1,392
Benefit payments ^b	\$1,237	\$1,385
Administrative expenses	\$7	\$7
Net change in asset reserves	-\$22	-\$41
Trust fund reserves		
Amount at beginning of report year (in billions)	\$2,830	\$2,788
Amount at beginning of report year (as a percentage of report year outgo)	204%	188%
Projected year of peak trust fund reserves ^c	2023	2024
Amount at end of peak year (in billions)	\$2,777	\$2,688
Year of trust fund reserve depletion		
OASDI	2034	2035
OASI	2033	2033
DI	d	d
Share of OASDI outgo covered by scheduled revenue in—		
Year of trust fund reserve depletion	80%	83%
Final year of 75-year reporting period	74%	73%

SOURCES: 2023 and 2024 Trustees Reports.

a. Includes adjustments for prior calendar years.

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

c. Measured at end of year.

d. The trust fund reserves are not projected to become depleted during the 75-year period specified in the report.

The projected actuarial deficit for the combined trust funds over the next 75 years is 3.50 percent of taxable payroll, down from 3.61 percent reported last year. The actuarial deficit decreased significantly in this year's report primarily due to favorable changes in projected economic activity and the lower assumed ultimate disability incidence rate, which are partially offset by the lower ultimate TFR. As a share of the economy as measured by GDP, the projected actuarial deficit over the next 75 years is 1.2 percent.

The projected reserve depletion date for the combined OASDI trust funds is 2035, a year later than in last year's report.² Considered on its own, the OASI Trust Fund can pay full benefits until 2033, the same year as projected last year. As in last year's report, the DI Trust Fund is projected to be able to pay full benefits through the end of the 75-year projection period (2098 in this year's report).

A 2023 annual deficit of \$41.4 billion decreased the asset reserves of the combined OASDI trust funds to \$2,788 billion at the end of the year. This amount is equal to 188 percent of the estimated annual expenditures for 2024. The 2023 Trustees Report had projected a \$53.2 billion decrease in combined trust fund reserves during 2023 under the intermediate assumptions. The main reason for the smaller-than-expected annual deficit was higher payroll tax income associated with growth in GDP and earnings that substantially exceeded the projections in last year's report.

The Trustees project that OASDI annual cost will exceed total income throughout the 75-year projection period. After the projected trust fund reserve depletion in 2035, continuing income would be sufficient to pay 83 percent of program cost, declining to 73 percent for 2098.

1 "Ultimate" values for assumptions are those that are assumed to persist in the long-range period.

2 The OASI and DI Trust Funds are distinct legal entities that operate independently. The two trust funds are often considered on a hypothetical combined basis—designated OASDI—to illustrate the actuarial status of the Social Security program as a whole.

Beneficiaries and Benefit Payments

At the end of 2023, the Social Security program was providing monthly benefits to 67.1 million people: 58.6 million from the OASI Trust Fund and 8.5 million from the DI Trust Fund. Total benefit payments for the year (excluding payments to the Railroad Retirement Board) were \$1,379 billion: \$1,227 billion from the OASI Trust Fund and \$152 billion from the DI Trust Fund.

Sources of Trust Fund Income

During 2023, an estimated 183 million workers had earnings covered by Social Security and paid \$1,233 billion in payroll taxes. Employees pay a 6.2 percent contribution from earnings up to a maximum of \$168,600 in 2024, which their employers match. Self-employed workers pay both shares of the contribution, or 12.4 percent. In 2022, an estimated 48 percent of beneficiaries paid income taxes on part of their benefits. Receipts from these taxes go to the OASDI Trust Funds and Medicare's Hospital Insurance Trust Fund. In 2023, income to the combined OASDI trust funds from the taxation of benefits amounted to \$51 billion. The trust funds also earned \$67 billion in interest payments on their accumulated reserves.



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