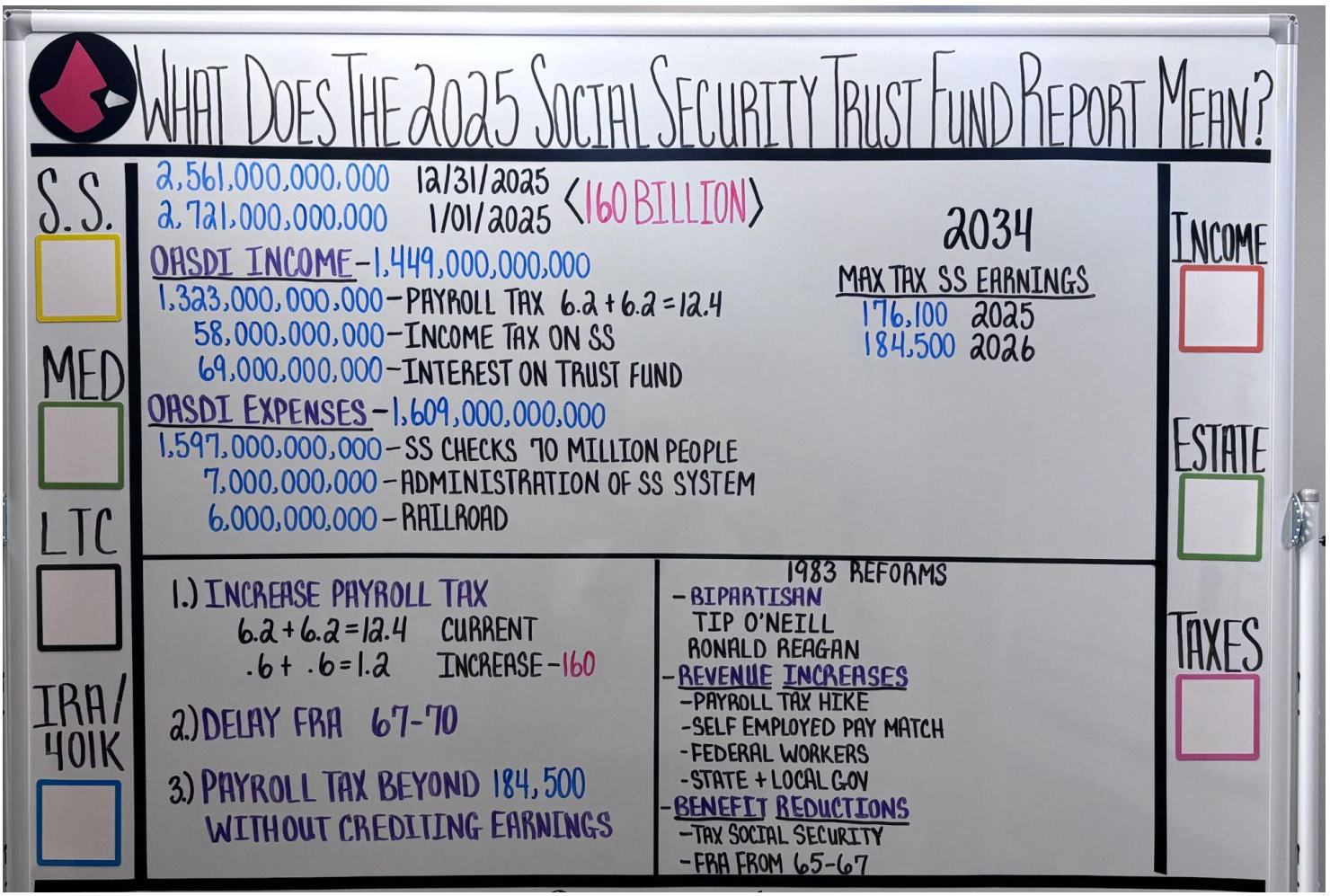
CARDINAL ADVISORS

What Does the 2025 Social Security Trust Fund Report Mean?

Hans and Tom use the following documents to discuss the newly released 2025 Social Security Trust Fund Report.



July 2026

The **Social Security Amendments of 1983** were a sweeping bipartisan rescue package. Estimates at the time were that the trust fund would run out of money possibly as early as August 1983. Here's what the law changed:

Revenue increases:

- Scheduled payroll tax hikes were pulled forward by a year or more, so additional revenue flowed in immediately. By 1990 the combined OASDI rate reached 12.4%, split evenly at 6.2% each for employees and employers — the rate still in effect today.

- Self-employed workers, who had previously paid a lower rate, were required to pay the full 12.4% on their own.

- All federal workers hired on or after January 1, 1984 were brought into Social Security for the first time, as were all employees of tax-exempt nonprofit organizations.

- State and local governments that had already enrolled workers in Social Security were prohibited from withdrawing, stopping a revenue drain.

Benefit reductions:

- The single change with the broadest long-term impact was raising the full retirement age from 65 to 67, phased in gradually. Because the increase was gradual, no one would be affected for 17 years — giving people plenty of time to adjust their plans.

- Cost-of-living adjustments (COLAs) were also delayed by six months, reducing near-term benefit outlays.

- Up to 50% of Social Security benefits became subject to income tax for higher-income recipients, with revenue returned to the trust fund.

The political key: President Reagan and House Speaker Tip O'Neill reached a quiet agreement that made the reforms possible — Alan Greenspan later pointed to that Reagan-O'Neill deal as the single most important factor in their success.

Although the 1983 reforms were thought to keep the trust fund financially healthy for 75 years, it became clear over time that the good news couldn't last — which is why the fund is now again approaching a projected shortfall.

THE 2026 ANNUAL REPORT OF THE BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE AND FEDERAL DISABILITY INSURANCE TRUST FUNDS

COMMUNICATION

FROM

THE BOARD OF TRUSTEES, FEDERAL OLD-AGE AND SURVIVORS INSURANCE AND FEDERAL DISABILITY INSURANCE TRUST FUNDS

TRANSMITTING

THE 2026 ANNUAL REPORT OF THE BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE AND FEDERAL DISABILITY INSURANCE TRUST FUNDS

LETTER OF TRANSMITTAL

BOARD OF TRUSTEES OF THE
FEDERAL OLD-AGE AND SURVIVORS INSURANCE AND
FEDERAL DISABILITY INSURANCE TRUST FUNDS,
Washington, D.C., June 9, 2026

HON. MIKE JOHNSON,
Speaker of the House of Representatives.

HON. JD VANCE,
President of the Senate.

DEAR MR. SPEAKER AND MR. PRESIDENT:

We have the honor of transmitting to you the 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, the 86th such report.

Respectfully,

SCOTT BESSENT,
Secretary of the Treasury,
and Managing Trustee of the Trust Funds.

KEITH E. SONDERLING,
Acting Secretary of Labor,
and Trustee.

ROBERT F. KENNEDY, JR.,
Secretary of Health and Human Services,
and Trustee.

FRANK J. BISIGNANO
Commissioner of Social Security,
and Trustee.

VACANT,
Public Trustee.

VACANT,
Public Trustee.

ARJUN MODY,
Deputy Commissioner of Social Security,
and Secretary, Board of Trustees.

CONTENTS

THE 2026 ANNUAL REPORT OF THE BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE AND FEDERAL DISABILITY INSURANCE TRUST FUNDS

I. INTRODUCTION

The Old-Age, Survivors, and Disability Insurance (OASDI) program provides monthly income to insured workers and their families at retirement, death, or disability. The OASDI program consists of two parts. Retired workers, their families, and survivors of deceased workers receive monthly benefits under the Old-Age and Survivors Insurance (OASI) program. Disabled workers and their families receive monthly benefits under the Disability Insurance (DI) program.

The Social Security Act established the Board of Trustees to oversee the OASI and DI Trust Funds' financial operations. The Board has six members. Four members serve by virtue of their positions in the Federal Government:

- the Secretary of the Treasury, who is the Managing Trustee;
- the Secretary of Labor;
- the Secretary of Health and Human Services; and
- the Commissioner of Social Security.

The President appoints and the Senate confirms the other two members to serve as public representatives. These positions are currently vacant. The Deputy Commissioner of the Social Security Administration serves as Secretary of the Board.

The Social Security Act requires that the Board report annually to Congress on the OASI and DI Trust Funds' actuarial status and financial operations. The 2026 report is the 86th such report.

II. OVERVIEW

A. HIGHLIGHTS

The highlights of this year's report are presented in this section, including:

- Summary measures of trust fund financial status, including how financial status is measured;
- Changes in laws and assumptions with notable impacts on trust fund financial status;
- An overview of last year's (2025) program income and cost;
- Years of trust fund reserve depletion, tests of financial adequacy, future income and cost rates, actuarial balance, and unfunded obligation, and
- An illustrative discussion of the size of the solvency gap.

Social Security consists of two separate trust funds, the OASI Trust Fund and the DI Trust Fund. Although the two funds are separate by law, their operations and reserves are often shown on a combined basis and referred to as OASDI.

Key Results

Table II.A1 presents the key results of this year's report. These results are explained in more detail later in this report; terms are defined in the Glossary. The intermediate (best estimate) assumptions were set in February 2026.

Table II.A1.—Key Results
[Under Intermediate Assumptions]

	OASI	DI	OASDI
Year of projected trust fund reserve depletion	2032	[a]	2034
Percent of scheduled benefits that are payable:			
Before reserve depletion	100	[a]100	100
Upon reserve depletion	78	[a]	83
In 2100	62	100	65
75-year actuarial balance (percentage of payroll)[b]	-4.55	.13	-4.42

[a] Trust fund reserves are sufficient to pay full scheduled benefits for all years of the 75-year projection period (2026-2100).
[b] Negative values indicate that the trust fund has an actuarial deficit over the 75-year projection period.

The Trustees will continue to monitor developments, reevaluate the assumptions, and modify the projections in later reports.

Notable Changes Since Last Year's Report

Since last year's report, the Trustees have reassessed their expectations and have made changes to the intermediate assumptions in three primary areas.

- *Fertility:* The ultimate total fertility rate is 1.75 children per woman for this report. This rate is lower than the rate of 1.90 children per woman used in last year's report.
- *Immigration:* (1) The assumed levels of temporary or unlawfully present immigrants entering the country in 2022-25 were lowered; (2) the assumed ultimate level of temporary or unlawfully present immigrant entrants for years 2035 and later was lowered from 1.35 million to 1.20 million, with a gradually increasing transition path between 2025 and 2035; and (3) the rates of emigration from the unlawfully present population in years 2025-30 were increased.
- *Near-term economics:* Real GDP per hour worked (labor productivity) and average real earnings are assumed to grow faster in this year's report. In particular, the average annual growth in real GDP per hour worked from 2025 to 2035 is 0.05 percentage points higher than in last year's report, and the average annual growth in average real earnings from 2025 to 2035 is 0.28 percentage points higher than in last year's report.

In addition, one law was enacted that is projected to have a substantial effect on Social Security's financial status.

- *One Big Beautiful Bill Act (OBBBA)*: Enacted on July 4, 2025, this law makes permanent the lower income tax rates and adjusted tax brackets originally enacted under the 2017 Tax Cuts and Jobs Act and both increases and makes permanent the larger standard deduction of the 2017 Act. The OBBBA also adds a temporary additional standard deduction for taxpayers over age 65. As a result, less income tax will be paid on Social Security benefits, and the OASI and DI Trust Funds will receive lower levels of revenue in the future from income taxation of Social Security benefits.

The fertility, immigration, and OBBBA changes have a negative projected effect on Social Security's financial status, while the near-term economic changes have a positive effect. Section IV.B.6 of this report includes a detailed explanation of the long-range financial effects of the changes since last year's report, by category.

2025 In Review

During 2025, an estimated 185 million people paid payroll taxes on earnings covered by Social Security.

Total OASDI program income was $1,449 billion, mostly from payroll taxes:

- $1,323 billion from payroll taxes
- $58 billion from income taxation of Social Security benefits
- $69 billion from interest earnings

Total OASDI program cost was $1,609 billion, mostly for benefit payments:

- $1,597 billion for benefit payments
- $7 billion for administrative expenses
- $6 billion for the financial interchange with the Railroad Retirement program (see section V.C.12)

Total OASDI income for 2025 was $160 billion less than total cost. Trust fund reserves covered this shortfall, allowing for payment of all scheduled benefits.

The reserves of the OASDI program (which are held in special issue US Treasuries) declined from $2,721 billion at the beginning of 2025 to $2,561 billion at the end of 2025.

In December 2025, Social Security paid benefits to 70 million people:

- 56 million retired workers and their dependents
- 8 million disabled workers and their dependents
- 6 million survivors of deceased workers

Actuarial Estimates

The Trustees make actuarial estimates for a 75-year period (2026 through 2100 for this year's report) because it is a period long enough to cover the remaining lifetime for virtually all current Social Security participants. Social Security's total cost is projected to be higher than its total income in 2026 and all future years, as it has been since 2021. Total cost has exceeded non-interest income since 2010.

Trust Fund Reserves and Reserve Depletion

Under the intermediate (best estimate) assumptions, trust fund reserves for the OASDI program, along with projected program income, are sufficient to

cover the projected costs of the program until the reserves become depleted in 2034. Details are provided in section II.D and chapter IV. In particular:

- The OASI Trust Fund is projected to become depleted in the fourth quarter of 2032, one quarter earlier than projected in last year's report. Upon reserve depletion in 2032, projected income is sufficient to pay 78 percent of scheduled benefits. This percentage declines gradually to 62 percent by 2100.
- DI Trust Fund reserves are projected to remain positive throughout the 75-year projection period, as was projected in last year's report.
- The combined OASDI fund is projected to become depleted in the third quarter of 2034, the same quarter as in last year's report. Upon reserve depletion in 2034, projected income is sufficient to pay 83 percent of scheduled benefits. This percentage declines gradually to 65 percent by 2100.

Trust Fund Ratios and Tests of Financial Adequacy

The annual trust fund ratio is equal to trust fund reserves at the beginning of a year expressed as a percentage of program cost during that year. The OASDI trust fund ratio is projected to decline from 151 percent at the beginning of 2026 until reserves become depleted in 2034. Additional information on these ratios can be found in sections IV.A and IV.B.3. Section IV.A.4 explains why the trust fund ratio estimates for the tenth projection year changed from last year's report.

Two tests, both involving trust fund ratios, are used to assess the financial adequacy of the trust funds: the short-range (2026-35) test of financial adequacy and long-range (2026-2100) test of close actuarial balance. The DI fund passes both tests. The OASI fund fails both tests, as do the two funds considered together. See sections II.D, IV.A, and IV.B for full explanations of the tests and these results.

Income Rates and Cost Rates

The income rate is defined as the ratio of a program's non-interest income to its taxable payroll. The projected OASDI income rate is 12.91 percent of taxable payroll for 2026. After 2026, the income rate generally increases very gradually, reaching 13.45 percent for 2100.

Expressed as a share of gross domestic product (GDP), OASDI non-interest income is 4.4 percent of GDP in 2026 and rises gradually to a peak of about 4.8 percent for 2035. Non-interest income as a percentage of GDP then declines gradually to about 4.5 percent for 2100.

The cost rate is defined as the ratio of a program's cost to its taxable payroll. The projected OASDI annual cost rate increases from 15.37 percent of taxable payroll for 2026 to 20.45 percent for 2085, and then generally decreases to 20.02 percent for 2100.

Expressed as a share of GDP, OASDI cost generally rises from 5.3 percent of GDP for 2026 to a peak of about 6.9 percent for 2084 and then declines to 6.7 percent for 2100.

OASDI cost has generally increased rapidly since 2008 and is projected to continue to do so through about 2085. In this period, the number of beneficiaries is increasing much faster than the number of covered workers, as subsequent lower-birth-rate generations replace earlier generations at working ages. After about 2085, the OASDI cost rate declines slightly and then roughly stabilizes at just over 20 percent. These patterns in the cost rate are largely driven by changes over time in birth rates and their effect on the age distribution of the adult population.

For additional details about income rates and cost rates, see section IV.B.1.

Actuarial Balance and Actuarial Deficit

The actuarial balance is a summary measure of a program's financial status over a given projection period. The actuarial balance, which is expressed as a percentage of the program's taxable payroll over the projection period, includes:

- trust fund reserves at the beginning of the period
- all cost and income during the period
- a target trust fund reserve of 1 year's cost at the end of the period

A negative actuarial balance is called an actuarial deficit. Simply put, the actuarial deficit represents the average amount of change in income or cost that is needed throughout the projection period to achieve an actuarial balance of zero.

The OASDI actuarial deficit for the 75-year projection period (2026-2100) is 4.42 percent of taxable payroll, or about 1.5 percent of GDP. In last year's report, the OASDI actuarial deficit was 3.82 percent of taxable payroll, or about 1.3 percent of GDP. Section IV.B.4 explains these concepts. Section IV.B.6 explains why the actuarial balance estimates changed from last year's report. The change to the ultimate fertility rate assumption is the largest contributor to the significantly increased deficit.

Unfunded Obligation

The unfunded obligation represents the cumulative present value of scheduled income less cost. Expressed in present-value dollars discounted to January 1, 2026, the 75-year open-group unfunded obligation for OASDI is $29.3 trillion, or 1.5 percent of GDP over the years 2026-2100. In last year's report, the unfunded obligation was $25.1 trillion, or 1.3 percent of GDP over the years 2025-99. See section IV.B.5 for more information.

Size of the Solvency Gap

A program is considered solvent if it can pay scheduled benefits when due with scheduled financing. The OASDI program will not be solvent once its reserves become depleted in 2034.

To illustrate the magnitude of the solvency gap, if the following changes were made in 2026, then the combined OASDI program would be solvent for the full 75-year period ending in 2100:

- Increase the payroll tax rate from 12.40 percent to 16.65 percent starting in January 2026, or
- Reduce scheduled benefits by 25.2 percent for all current and future beneficiaries starting in January 2026, or
- Reduce scheduled benefits by 30.3 percent for only those who become eligible for benefits in 2026 and later, but not for current beneficiaries, or
- Other equivalent combinations of increased revenue and/or reduced benefits.

If substantial actions are deferred until the OASDI program reaches reserve depletion, significantly larger changes would be concentrated on fewer years and fewer generations. For example, if the following changes were made in 2034, then 75-year solvency through 2100 would be achieved:

- Increase the payroll tax rate from 12.40 percent to 17.30 percent starting in 2034, or
- Reduce scheduled benefits for all current and future beneficiaries by 28.5 percent starting in 2034, or
- Other equivalent combinations of increased revenue and/or reduced benefits.

If legislative solutions focus only on achieving 75-year solvency without considering year-by-year financing, then a large financial imbalance could

remain for 2100 and beyond. Sustainable solvency is achieved when the projected trust fund ratios are positive throughout the 75-year projection period and are either stable or rising at the end of the period. Making changes now that achieve sustainable solvency could avoid the need for later legislative changes.

Conclusion

The Trustees recommend that lawmakers address the projected trust fund shortfalls in a timely way 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.

In 2026, Social Security will play a critical role in the lives of 71 million beneficiaries and 185 million covered workers and their families. With informed discussion, creative thinking, and timely legislative action, Social Security will continue to protect future generations.

B. TRUST FUND FINANCIAL OPERATIONS IN 2025

Table II.B1 shows the income, cost, and reserves for the OASI, the DI, and the combined OASI and DI Trust Funds in calendar year 2025.

Table II.B1.—Summary of 2025 Trust Fund Financial Operations
[In billions]

	OASI	DI	OASDI
Reserves at the end of 2024	$2,538.3	$183.2	$2,721.5
Total income in 2025[a]	1,248.8	200.5	1,449.3
Net payroll tax contributions[b]	1,130.7	191.9	1,322.6
Interest	61.7	7.2	68.9
Taxation of benefits	56.4	1.4	57.8
Total cost in 2025	1,448.8	160.7	1,609.5
Benefit payments	1,438.5	158.0	1,596.5
Administrative expenses	4.3	2.6	7.0
Railroad Retirement financial interchange	6.0	[c]	6.0
Net change in reserves in 2025	-200.0	39.8	-160.2
Reserves at the end of 2025	2,338.3	223.0	2,561.3

[a] Includes less than $50 million in reimbursements from the General Fund of the Treasury and less than $50 million in gifts. See section III.A for details.
[b] Includes adjustments for prior calendar years.
[c] Between -$50 million and $50 million.

Note: Components may not sum to totals because of rounding.

In 2025, net payroll tax contributions accounted for 91.3 percent of total trust fund income. Net payroll tax contributions consist of taxes paid by employees, employers, and the self-employed on earnings covered by Social Security. These taxes are paid on covered earnings up to a specified maximum annual amount, which was $176,100 in 2025. Table II.B2 shows the payroll tax rates for 2025.

Table II.B2.—Payroll Tax Contribution Rates for 2025
[In percent]

	OASI	DI	OASDI
Payroll tax contribution rate for employees and employers, each	5.3	0.9	6.2
Payroll tax contribution rate for self-employed persons	10.6	1.8	12.4

The Department of the Treasury invests all trust fund income in interest-bearing securities issued by the U.S. Government. The securities currently held by the trust funds are entirely special issue securities sold by the Treasury only to the trust funds. In 2025, the invested reserves of the combined

trust funds earned interest at an effective annual rate of 2.6 percent. Interest income accounted for 4.8 percent of OASDI trust fund income in 2025.

Taxation of Social Security benefits accounted for 4.0 percent of OASDI income. This revenue comes from subjecting up to 50 percent of Social Security benefits to Federal personal income tax for beneficiaries with income that exceeds specified levels.[1]

Retirement, survivor, and disability benefits accounted for 99.2 percent of OASDI cost in 2025. The expenses to administer the Social Security program were 0.4 percent of total cost. The net payment to the Railroad Retirement Social Security Equivalent Benefit Account from the combined OASI and DI Trust Funds accounted for 0.4 percent of total OASDI cost.

Trust fund reserves provide the basis for paying benefits. Combined trust fund reserves decreased by $160.2 billion during 2025 because income to the combined funds, including interest earned, was less than total cost. In last year's report, combined reserves were projected to decrease by $181.4 billion in 2025. At the end of 2025, the OASDI reserves were $2,561.3 billion, or 151 percent of estimated cost[2] for 2026. In comparison, the combined reserves at the end of 2024 were 169 percent of actual cost for 2025.

[1] See section V.C.7 for details.

[2] Estimated cost is based on the intermediate set of assumptions.

C. ASSUMPTIONS ABOUT THE FUTURE

The future income and cost of the OASI and DI Trust Funds will depend on many factors, including the size and characteristics of the population receiving benefits, the level of monthly benefit amounts, the size of the workforce, and the level of covered workers' earnings. These factors will depend in turn on future birth rates, death rates, immigration, marriage and divorce rates, retirement patterns, disabled-worker incidence and termination rates, employment rates, productivity gains, wage increases, inflation, interest rates, and many other demographic, economic, and program-specific factors.

The Trustees set key demographic, economic, and programmatic assumptions for three alternative scenarios: intermediate, low-cost, and high-cost.

Most results presented in this overview indicate outcomes under the intermediate assumptions, which reflect the Trustees' best estimates of future experience. Because any projection of the future is uncertain, results in the report are also presented under low-cost and high-cost alternatives to provide a range of possible future outcomes. Actual future cost is unlikely to be as extreme as portrayed by the low-cost and high-cost assumptions.[1]

The Trustees reexamine the assumptions each year in light of recent experience and new information. This annual review helps to ensure that the Trustees' assumptions provide the best estimate of future possibilities.

For each scenario, table II.C1 presents key demographic, economic, and programmatic assumptions used for long-range projections. The measures shown are applicable for the last 65 years of the 75-year projection period, unless otherwise specified.[2]

[1] A separate section on the uncertainty of the projections, beginning on page 22, highlights the implications of these alternative scenarios.

[2] Details on near-term assumptions about growth rates and parameter levels are provided in Chapter V.

Table II.C1.—Key Assumptions and Summary Measures for Long-Range (75-Year) Projections[a]

Assumption	Intermediate	Low-cost	High-cost
Demographic:			
Total fertility rate (children per woman) for years 2050 and later	1.75	2.10	1.40
Annual percentage reduction in total age-sex-adjusted death rates	.73	.27	1.24
Annual net lawful permanent resident (LPR) immigration (in thousands)	788	1,000	595
Average annual net temporary or unlawfully present immigration (in thousands)	389	624	154
Economic:			
Annual percentage change in productivity (total U.S. economy)	1.63	1.93	1.33
Annual percentage change in Consumer Price Index (CPI-W)	2.4	3.0	1.8
Average annual percentage change in average OASDI covered wage (nominal)	3.57	4.79	2.34
Average annual percentage change in average OASDI covered wage (real)	1.14	1.74	.53
Age-sex-adjusted unemployment rate (percent)	4.5	3.5	5.5
Annual trust fund new-issue real interest rate (percent) for years 2044 and later	2.3	2.8	1.8
Programmatic:			
Average age-sex-adjusted disabled-worker incidence rate (per thousand exposed)	4.6	3.7	5.5
Average age-sex-adjusted disabled-worker recovery rate (per thousand beneficiaries)	11.1	13.3	8.9

[a] Measures shown in this table are applicable for the last 65 years of the 75-year projection period (years 2036-2100), unless otherwise specified. See chapter V for additional details, including historical and projected values.

D. PROJECTIONS OF FUTURE FINANCIAL STATUS

Short-Range Actuarial Estimates

For the short-range period (2026 through 2035), the Trustees measure financial adequacy using trust fund ratios, which compare projected reserves at the beginning of a year to projected program cost for the year. Maintaining a trust fund ratio of 100 percent or more—meaning reserves at the beginning of a year at least equal to the projected cost for the year—is a good indication that the trust fund can cover most short-term contingencies.

The Trustees' test of short-range financial adequacy is met if, under the intermediate assumptions:

- the estimated trust fund ratio is at least 100 percent at the beginning of the period and remains at or above 100 percent throughout the 10-year short-range period (from the beginning of 2026 through the end of 2035, which is indicated by the trust fund ratio at the beginning of 2036) or
- the ratio is initially less than 100 percent, but reaches at least 100 percent within 5 years and remains at or above 100 percent throughout the remainder of the 10-year short-range period.

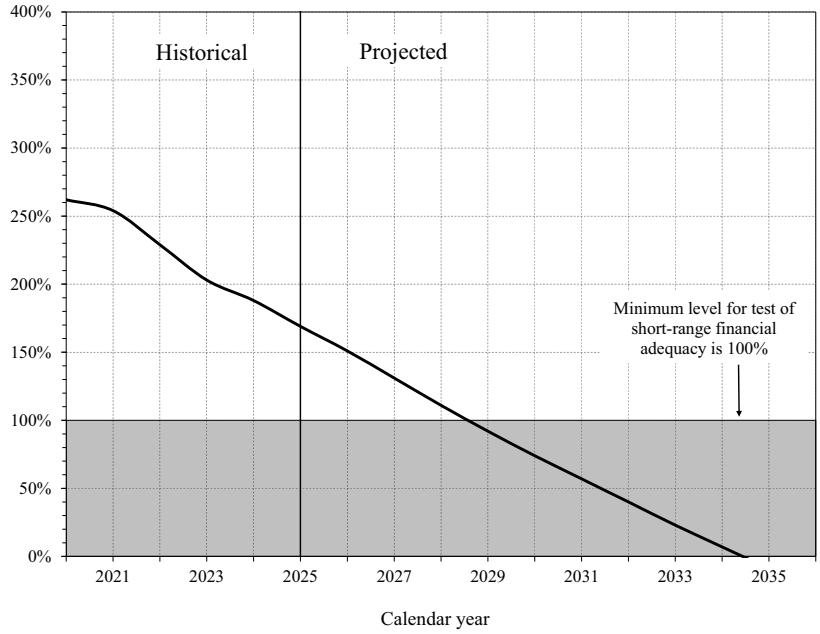
Under the intermediate assumptions, the projected trust fund ratio for the OASI Trust Fund declines to 82 percent by the beginning of 2029 and continues to decline until reserves become depleted in the fourth quarter of 2032. Therefore, OASI fails the test of short-range financial adequacy.

The DI Trust Fund satisfies the test of short-range financial adequacy because the trust fund ratio stays above 100 percent throughout the 10-year short-range period. The DI trust fund ratio is estimated to be 132 percent at the beginning of 2026 and is projected to increase through the end of the short-range period.

On a combined basis, OASDI fails the test of short-range financial adequacy because the OASDI trust fund ratio declines to 92 percent by the beginning of 2029 and continues to decline until reserves become depleted in the third quarter of 2034. Figure II.D1 shows that the OASDI trust fund ratio is expected to decline throughout the short-range period, as it has since 2010.

The level of the combined trust fund reserves is projected to decline in 2026, as it has since 2021, and to continue to decline throughout the remainder of the short-range period.

Figure II.D1.— OASI and DI Combined Trust Fund Ratio, 2020-2036
[Reserves at beginning of year as a percentage of annual cost for the year, under intermediate assumptions]



Long-Range Actuarial Estimates

The Trustees use three types of measures to assess the program's actuarial status over the long-range period (2026 through 2100):

- annual cash-flow measures, including income rates, cost rates, and balances;
- trust fund ratios; and
- summary measures such as actuarial balances and open-group unfunded obligations.

These measures are expressed as percentages of taxable payroll, as percentages of Gross Domestic Product (GDP), or in dollars.[1]

The Trustees also apply a test of long-range close actuarial balance each year. To satisfy the test, a trust fund must meet two conditions:

- the trust fund satisfies the test of short-range financial adequacy, and

[1] Appendix F also presents summary measures over the infinite horizon. The infinite horizon values provide an additional indication of Social Security's very-long-run financial condition.

- the trust fund ratio stays above zero throughout the 75-year projection period, such that benefits would be payable in a timely manner throughout the period.

Under the intermediate assumptions, the OASI Trust Fund and the combined OASI and DI Trust Funds fail the test of long-range close actuarial balance, while the DI Trust Fund satisfies the test.

Annual Income Rates, Cost Rates, and Balances

Figure II.D2 illustrates the year-by-year relationship among OASDI income (excluding interest), cost (including scheduled benefits), and expenditures (including payable benefits) starting in 2000 and for the full 75-year projection period, which is 2026 through 2100. The figure shows all values as percentages of taxable payroll.

Under the intermediate assumptions, demographic factors cause the projected cost rate to rise rapidly until about 2085 and then to decline slightly and roughly stabilize at just over 20 percent. After some small fluctuations through 2027, the income rate is projected to be relatively stable at somewhat above 13 percent throughout the remainder of the 75-year period ending in 2100.

Annual OASDI cost has exceeded non-interest income every year beginning with 2010. Cost is projected to continue to exceed non-interest income throughout the 75-year valuation period. Cost is projected to exceed total income in 2026, as it has each year beginning in 2021. As a result, the combined OASI and DI Trust Fund reserves decline until they become depleted in 2034.

After reserves for the OASDI program are depleted, continuing income is sufficient to pay 83 percent of OASDI scheduled benefits for the rest of 2034, declining to 65 percent for 2100. Figure II.D2 shows OASDI operations as a combined whole.

Note that under current law, the differences between scheduled and payable benefits for OASI would begin before 2034, in 2032, when the OASI Trust Fund reserves are projected to become depleted. After the reserves are depleted, projected OASI income is sufficient to pay 78 percent of scheduled OASI benefits for the rest of 2032, declining to 62 percent for 2100. A graph showing the patterns for OASI alone would look very similar to figure II.D2, so it is not included here.

Scheduled benefits equal payable benefits for the DI program throughout the entire 75-year projection period, because the reserves of the DI Trust Fund are projected to remain positive during the period.

Figure II.D2.—OASDI Income, Cost, and Expenditures as a Percentage of Taxable Payroll
[Under intermediate assumptions]

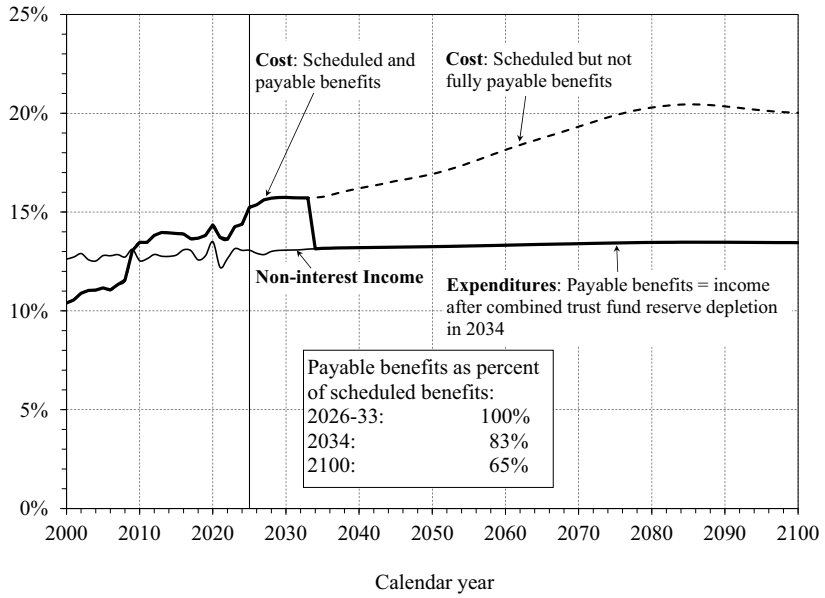
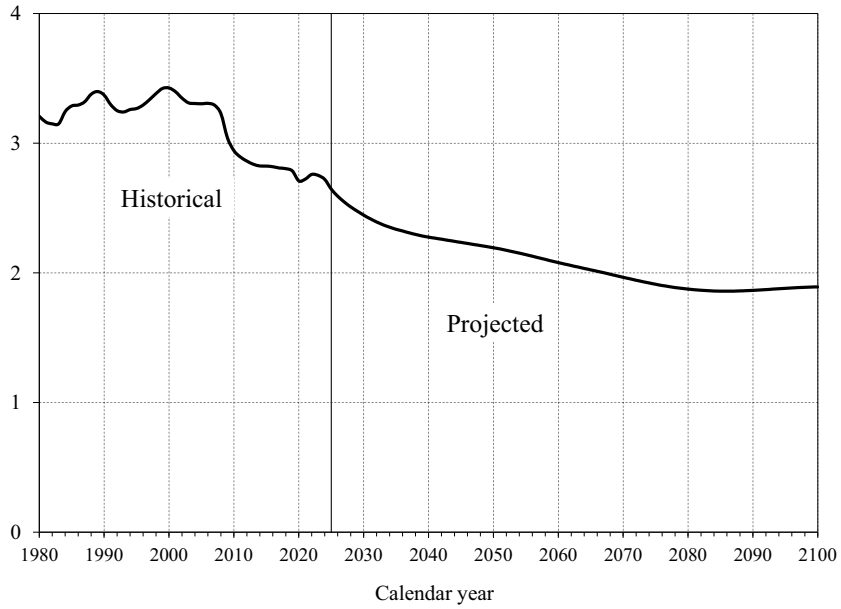


Figure II.D3 shows the estimated number of covered workers per OASDI beneficiary. Figures II.D2 and II.D3 illustrate the inverse relationship between cost rates and the number of workers per beneficiary. In particular, the projected future increase in the cost rate reflects a projected decline in the number of covered workers per beneficiary. There were about 2.6 workers for every OASDI beneficiary in 2025.

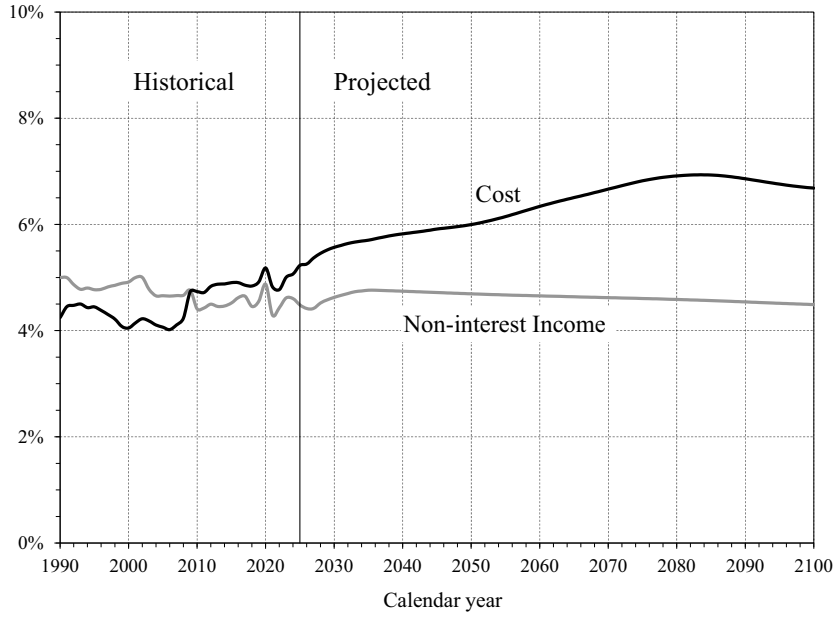
This ratio had been stable, remaining between 3.2 and 3.4 from 1974 through 2008. It has generally declined since then, initially due to the economic recession of 2007-09 and the beginning of a notable demographic shift. This shift causes the ratio of workers to beneficiaries to decline, as workers of lower-birth-rate generations replace workers of earlier generations. Under the Trustees' intermediate assumptions, the underlying demographic shift will continue to drive this ratio down over the next 60 years, to about 1.9 by 2075.

Figure II.D3.—Number of Covered Workers Per OASDI Beneficiary
[Under intermediate assumptions]



Another important way to look at Social Security's future actuarial status is to view its annual cost and non-interest income as a share of GDP. As shown in figure II.D4, Social Security's cost as a percentage of GDP is generally projected to grow from 5.3 percent in 2026 to a peak of about 6.9 percent for 2084 and then decline to 6.7 percent for 2100. Social Security's non-interest income is 4.4 percent of GDP in 2026 and rises gradually to a peak of about 4.8 percent for 2035. Thereafter, non-interest income as a percentage of GDP declines gradually, to about 4.5 percent for 2100.

Figure II.D4.—OASDI Cost and Non-Interest Income as a Percentage of GDP
[Under intermediate assumptions]



Trust Fund Ratios

The trust fund ratio is defined as the reserves at the beginning of a year expressed as a percentage of the cost during the year. The trust fund ratio thus represents the proportion of a year's cost that could be paid solely with the accumulated reserves at the beginning of the year.

Table II.D1 displays the projected maximum trust fund ratios during the long-range period for the OASI, DI, and combined OASI and DI funds. The table also shows the year of maximum projected trust fund ratio during the long-range projection period (2026 through 2100) and the year of trust fund reserve depletion.

Trust fund ratios for OASI and OASDI are projected to decline from their current levels until reserve depletion. For DI, the trust fund ratio is projected to rise throughout the 75-year projection period from 132 percent of annual cost in 2026 to 857 percent of annual cost at the beginning of 2100. Figure II.D7 illustrates these patterns.

Table II.D1.—Projected Maximum Trust Fund Ratios During the Long-Range Period and Trust Fund Reserve Depletion Dates
[Under Intermediate Assumptions]

	OASI	DI	OASDI
Maximum projected trust fund ratio (percent)	153	857	151
Year attained	2026	2100	2026
Projected year of trust fund reserve depletion	2032	[a]	2034

[a] The reserves of the trust fund are projected to remain positive during the 75-year period ending in 2100.

Summary Measures

The actuarial balance is a summary measure of the program's financial status through the end of the 75-year valuation period. The actuarial balance measure includes:

- the trust fund reserves at the beginning of the period,
- all cost and income during the valuation period, and
- the cost of reaching a target trust fund reserve of 1 year's cost by the end of the period.

The actuarial balance is essentially the difference between the present values of income and cost from the start of the program in 1937 through the end of the valuation period, expressed as a percentage of the taxable payroll for the 75-year valuation period.

A negative actuarial balance is called an actuarial deficit. The actuarial deficit represents the average amount of change in income or cost that is needed throughout the valuation period in order to achieve actuarial balance.

In this report, the actuarial deficit for the combined OASI and DI Trust Funds under the intermediate assumptions is 4.42 percent of taxable payroll. The actuarial deficit was 3.82 percent of payroll in the 2025 report. If the assumptions, methods, starting values, and the law had all remained unchanged from last year, the actuarial deficit would have increased to 3.89 percent of payroll solely due to advancing the valuation period by 1 year, from 2025 through 2099 for last year's report to 2026 through 2100 for this year's report. The actuarial deficit is 1.5 percent of GDP in this year's report, an increase from 1.3 percent in last year's report.

Another way to illustrate the OASDI program's projected financial shortfall is to examine the cumulative present value of scheduled income less cost. Figure II.D5 shows the present value of cumulative OASDI income less cost from the program's inception through each of the years from 2025 to 2100. A positive value represents the present value of trust fund reserves at the end of

the selected year. A negative value is the unfunded obligation through the selected year.

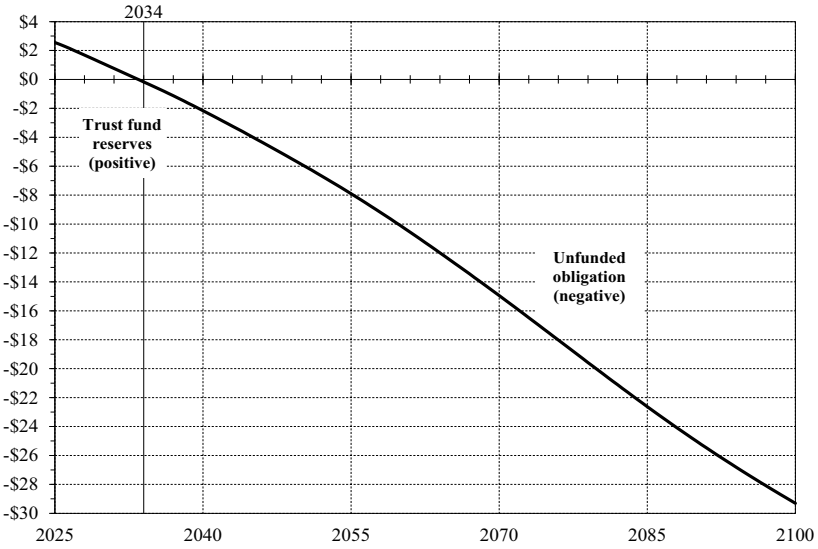
The combined trust funds' reserves were about $2.56 trillion at the end of 2025. The combined trust fund reserves decline on a present value basis after 2025 but remain positive through 2033.

However, this cumulative amount becomes negative beginning in 2034, which means that the combined OASI and DI Trust Funds have a net unfunded obligation through the end of each year after 2033. Through the end of 2100, the combined funds have a present-value unfunded obligation of $29.3 trillion. If the assumptions, methods, starting values, and the law had all remained unchanged from last year, the unfunded obligation would have risen from $25.1 trillion in last year's report to about $26.1 trillion in this year's report due to the change in the valuation date and the extension of the valuation period through an additional year, 2100.

The unfunded obligation for this report represents 4.24 percent of taxable payroll and 1.5 percent of GDP for 2026 through 2100. This is an increase from the unfunded obligation of 3.64 percent of taxable payroll and 1.3 percent of GDP for 2025 through 2099 in last year's report. The unfunded obligation as a share of taxable payroll over the period (4.24 percent) and the actuarial deficit (4.42 percent) are similar measures, but they differ because the actuarial deficit includes the cost of having an ending trust fund reserve equal to 1 year's cost.

Figures II.D2, II.D4, and II.D5 show that the program's actuarial status will deteriorate throughout the projection period if current law is not altered. Negative annual balances and increasing cumulative shortfalls toward the end of the 75-year period indicate the additional change that will be needed by then in order to maintain solvency beyond 75 years.

Figure II.D5.—Cumulative Scheduled OASDI Income Less Cost, From Program Inception Through Years 2025-2100
[Present value as of January 1, 2026, in trillions, under intermediate assumptions]



Appendix F presents summary measures over the infinite horizon. The infinite horizon values provide an additional indication of Social Security's actuarial status extending indefinitely into the future, but results are subject to much greater uncertainty. Extending the horizon beyond 75 years increases the measured unfunded obligation. Through the infinite horizon, the unfunded obligation is equivalent to 5.7 percent of future taxable payroll or 1.8 percent of future GDP.

Uncertainty of the Projections

Significant uncertainty surrounds the intermediate assumptions. The Trustees use several methods to help illustrate that uncertainty.

First approach: Alternative scenarios

A first approach uses alternative scenarios reflecting three sets of assumptions.

- *Intermediate assumptions (Alternative II):* The intermediate alternative represents the Trustees' best estimates of future experience.
- *Low-cost assumptions (Alternative I):* The low-cost alternative includes a higher ultimate total fertility rate, slower improvement in mortality, higher real wage growth, a higher ultimate real interest rate, a higher ultimate annual change in the CPI, a lower unemployment rate, and a lower ultimate disabled-worker incidence rate.
- *High-cost assumptions (Alternative III):* The high-cost alternative includes a lower ultimate total fertility rate, more rapid improvement in mortality, lower real wage growth, a lower ultimate real interest rate, a lower ultimate annual change in the CPI, a higher unemployment rate, and a higher ultimate disabled-worker incidence rate.

These alternatives are not intended to suggest that all parameters would be likely to differ from the intermediate values in the specified directions. Instead, they are intended to illustrate the effect of clearly defined scenarios that are, on balance, very favorable or very unfavorable for the program's actuarial status. Actual future cost is unlikely to be as extreme as portrayed by the low-cost or high-cost projections. The method used to construct these projections is not designed to estimate the probability that actual experience will lie within or outside the range.

Figure II.D6 shows the projected trust fund ratios for the combined OASI and DI Trust Funds under the intermediate, low-cost, and high-cost assumptions. The figure indicates that the combined trust funds are projected to become depleted in 2034 under the intermediate alternative, in 2048 under the low-cost alternative, and in 2032 under the high-cost alternative.

Figure II.D6.—OASI and DI Combined Trust Fund Ratios Under Alternative Scenarios
[Reserves as a percentage of annual cost]

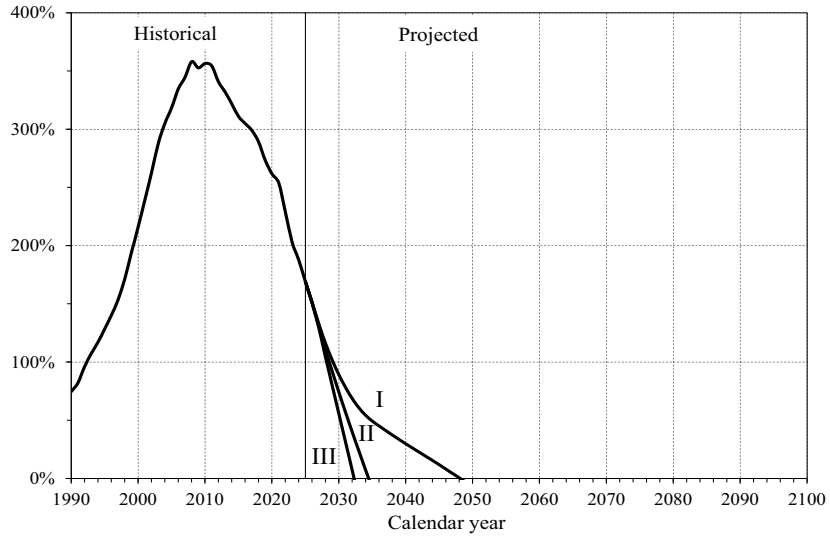
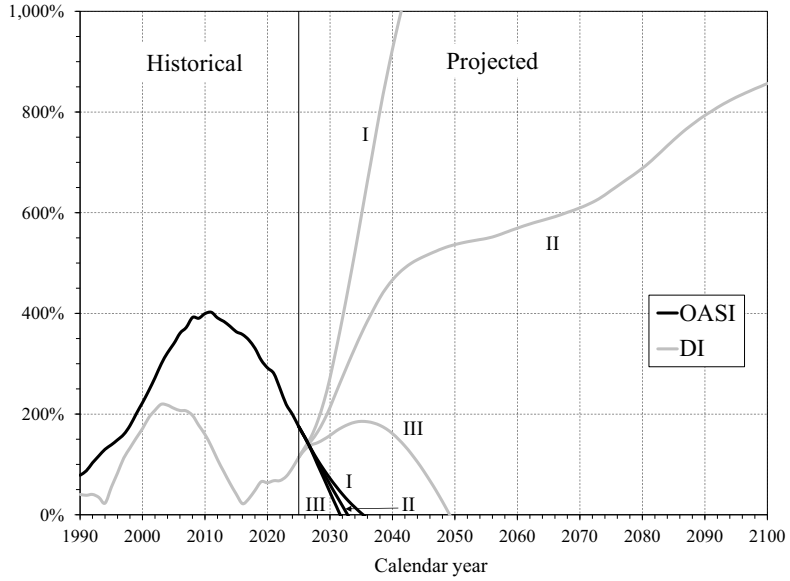


Figure II.D7 shows the projected trust fund ratios separately for OASI and DI Trust Funds under the intermediate, low-cost, and high-cost assumptions. OASI reserves are projected to become depleted in 2032 under the intermediate alternative, in 2035 under the low-cost alternative, and in 2031 under the high-cost alternative. The DI reserves are projected to become depleted in 2049 under the high-cost alternative. They are projected to remain positive under the low-cost and intermediate alternatives. This figure illustrates that OASI reserves are expected to become depleted much sooner than DI reserves, very likely within the next 10 years.

Figure II.D7.—OASI and DI Trust Fund Ratios
[Reserves as a percentage of annual cost]



Second approach: Long-range sensitivity analysis

Appendix D of this report presents a second approach using long-range sensitivity analysis for the OASDI program. By varying one parameter at a time, sensitivity analysis provides a way to illustrate the uncertainty surrounding projections into the future.

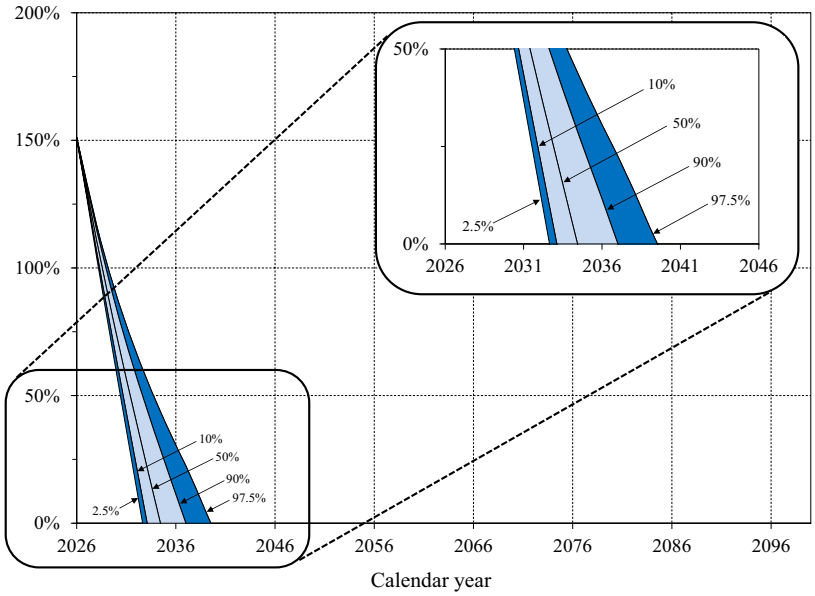
Third approach: Stochastic simulation

A third approach uses 5,000 independently generated stochastic simulations that reflect randomly assigned annual values and central tendencies for most of the key parameters. These simulations produce a distribution of projected outcomes and corresponding probabilities that future experience will fall within or outside a given range.

The results of the stochastic simulations, discussed in more detail in appendix E, suggest that trust fund reserve depletion before 2040 is very likely. In particular, figure II.D8 indicates that for 95 percent of these simulations, the reserve depletion year falls within the range from 2032 to 2039. In last year's report, this range was also from 2032 to 2039.

The stochastic results suggest that trust fund ratios as high as the low-cost alternative or as low as the high-cost alternative are very unlikely.

Figure II.D8.—OASI and DI Combined Trust Fund Ratios From Stochastic Modeling



Changes From Last Year's Report

The projected long-range OASDI actuarial deficit increased from 3.82 percent of taxable payroll for last year's report to 4.42 percent of taxable payroll for this year's report. The change in the valuation date and the extension of the 75-year projection period for an additional year, 2100, would have by itself increased the actuarial deficit to 3.89 percent.

Changes in law, methods, starting values, and assumptions combined to increase the actuarial deficit by an additional 0.53 percent of taxable payroll. This increase is mainly attributable to (1) the reduction in the assumed ultimate total fertility rate from 1.90 to 1.75 children per woman; (2) changes to assumptions for immigration levels and emigration rates for the temporary or unlawfully present immigrant population; and (3) the enactment of the One Big Beautiful Bill Act, which led to lower trust fund income from taxation of benefits. For a detailed description of the changes identified in table II.D2, see section IV.B.6.

Table II.D2.—Reasons for Change in the 75-Year Actuarial Balance, Based on Intermediate Assumptions
[As a percentage of taxable payroll]

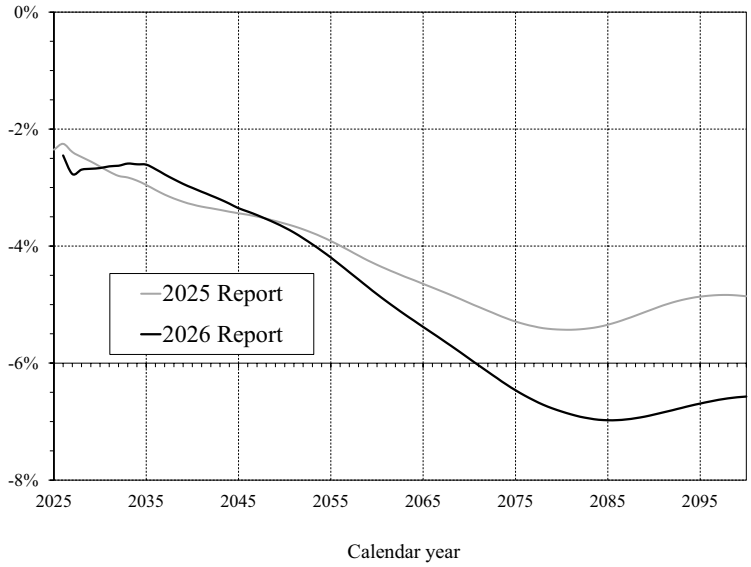
Item	OASI	DI	OASDI
Shown in last year's report:			
Summarized income rate	11.93	1.85	13.79
Summarized cost rate	15.88	1.73	17.61
Actuarial balance	**-3.95**	**.12**	**-3.82**
Changes in actuarial balance due to changes in:			
Legislation / Regulation	-.15	[a]	-.16
Valuation period[b]	-.06	-.01	-.07
Demographic data and assumptions	-.43	-.02	-.44
Economic data and assumptions	.10	[a]	.10
Disability data and assumptions	[a]	.02	.02
Methods and programmatic data	-.06	.01	-.05
Total change in actuarial balance	-.61	[a]	-.60
Shown in this report:			
Actuarial balance	**-4.55**	**.13**	**-4.42**
Summarized income rate	11.82	1.86	13.68
Summarized cost rate	16.37	1.73	18.10

[a] Between -0.005 and 0.005 percent of taxable payroll.
[b] The change in the 75-year valuation period from last year's report to this report means that the 75-year actuarial balance now includes the relatively large negative annual balance for 2100. This change in the valuation period results in a larger long-range actuarial deficit. The actuarial deficit includes the trust fund reserve at the beginning of the projection period.

Note: Components may not sum to totals because of rounding.

Figure II.D9 compares this year's projections of annual balances (non-interest income minus cost) to those in last year's report. The annual balances in this year's report are lower (more negative) in years 2026 through 2030, higher (less negative) in 2031 through 2047, and lower in 2048 through 2100, with a widening difference between the two lines from 2048 to about 2085. For the 75-year projection period 2026 through 2100, the annual balances average 0.72 percentage points lower in this year's report.

Figure II.D9.—OASDI Annual Balances: 2025 and 2026 Trustees Reports
[As a percentage of taxable payroll, under intermediate assumptions]



E. CONCLUSION

The data and projections presented in this report include the Trustees' best estimates of the future course of the population, the economy, and all aspects of the OASDI program under current law.

Based on the Trustees' intermediate assumptions, Social Security's cost exceeds total income in 2026, as it has since 2021, and remains higher than income throughout the remainder of the 75-year projection period.

The OASI Trust Fund is projected to have sufficient reserves to pay full benefits on time until 2032. The DI Trust Fund is projected to have sufficient reserves to pay full benefits throughout the 75-year projection period ending in 2100. Legislative action will be needed to prevent OASI reserve depletion. In the absence of such legislation, continuing income to the OASI Trust Fund at the time of reserve depletion would be sufficient to pay 78 percent of OASI benefits.

Social Security's combined trust funds are projected to cover full payment of scheduled benefits on a timely basis until the trust fund reserves become depleted in 2034. Full payment of benefits until the combined reserves are depleted in 2034 implicitly assumes that the law will have been changed to permit the transfer of funds between OASI and DI as needed. At the time of reserve depletion, projected continuing income to the combined trust funds equals about 83 percent of the program cost. By 2100, continuing income equals about 65 percent of the program cost.

The actuarial deficit for the combined trust funds under the intermediate assumptions is 4.42 percent of taxable payroll for the 75-year period 2026-2100, which is larger than the deficit of 3.82 percent for 2025-99 in last year's report.

Lawmakers have a wide continuum of policy options that would close or reduce Social Security's long-term financing shortfall. Estimates for many options are available at www.ssa.gov/OACT/solvency/provisions/. Broadly speaking, the approaches that lawmakers can take include:

- increasing revenue from workers and employers by raising the tax rate or the maximum level of taxable earnings, or by dedicating revenue from other sources;
- lowering benefits for some or all beneficiaries by changing certain program parameters; or
- a combination of these approaches.

There are many variations on these options, including those that vary the timing, magnitude, and other specifics of the changes under consideration.

The 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.

For more information related to this report, see the following websites:

- www.ssa.gov/OACT/TR/2026/
- www.ssa.gov/OACT/solvency/provisions/
- www.cms.gov/OACT/TR/2026
- home.treasury.gov/policy-issues/economic-policy/social-security-and-medicare-trustee-reports

III. FINANCIAL OPERATIONS OF THE TRUST FUNDS AND LEGISLATIVE CHANGES IN THE LAST YEAR

A. OPERATIONS OF THE OLD-AGE AND SURVIVORS INSURANCE (OASI) AND DISABILITY INSURANCE (DI) TRUST FUNDS, IN CALENDAR YEAR 2025

This section presents detailed information on the operations of the OASI and DI Trust Funds[1] during calendar year 2025. Chapter IV provides projections for calendar years 2026 through 2100.

1. OASI Trust Fund

Table III.A1 presents a statement of the income and cost of the Federal Old-Age and Survivors Insurance Trust Fund in calendar year 2025, and of the reserves in the fund at the beginning and end of the calendar year. As shown in this table, total trust fund income in 2025 amounted to $1,248.8 billion, while cost totaled $1,448.8 billion, resulting in a decrease in trust fund reserves during 2025 of $200.0 billion.

Total income during calendar year 2025 included $1,135.5 billion in payroll tax contributions. These contributions include initial appropriations of payroll taxes, made on an estimated basis, and adjustments to appropriations for prior years to reflect actual tax income. The OASI fund paid the General Fund $4.7 billion for the estimated amount of employee payroll-tax refunds, partially offsetting these gross contributions. Employees who work for more than one employer during a year and pay contributions on total earnings in excess of the contribution and benefit base are eligible for such refunds. Net payroll tax contributions were therefore $1,130.7 billion in 2025.

Net reimbursements to the General Fund of the Treasury amounted to about $33 thousand in 2025. Almost all of that amount came from adjustments to prior year reimbursements based on Public Law 111-312, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010; Public Law 112-78, the Temporary Payroll Tax Cut Continuation Act of 2011; and Public Law 112-96, the Middle Class Tax Relief and Job Creation Act of 2012. These acts specified General Fund reimbursement for temporary reductions in employee and self-employment payroll taxes for earnings in 2011 and 2012.

Income to the OASI Trust Fund based on the taxation of OASI benefits amounted to $56.4 billion in 2025. As first required by the 1983 Social Secu-

[1] See www.ssa.gov/oact/ProgData/fundsQuery.html.

rity Amendments, this income comes from two separate sources: (1) Federal income taxation on up to 50 percent of an individual's or couple's OASI benefits under certain circumstances, and (2) a tax withheld from the benefits paid to certain nonresident alien beneficiaries. For the direct Federal income tax portion, Treasury transfers estimated amounts to the OASI Trust Fund in advance at the beginning of each calendar quarter. Treasury makes subsequent adjustments based on the actual amounts shown on annual income tax records. There was one such adjustment made in 2025 resulting in a net transfer from the OASI Trust Fund of $1.1 billion. The amount of income from direct Federal income taxation on OASI benefits constituted approximately 99 percent of income from benefit taxation. The remaining 1 percent of the income from benefit taxation is the amounts withheld from the benefits paid to nonresident aliens.

In 2025, the OASI Trust Fund earned $61.7 billion in net interest, which consisted of: (1) interest earned on the investments held by the trust fund, (2) interest on adjustments in the allocation of administrative expenses between the trust fund and the General Fund account for the Supplemental Security Income program, (3) interest arising from the revised allocation of administrative expenses among the trust funds, and (4) interest on certain reimbursements to the trust fund.

The remaining income, about $50 thousand, consisted of gifts received under the provisions authorizing the deposit of monetary gifts or bequests in the trust funds.

Table III.A1.—Operations of the OASI Trust Fund, Calendar Year 2025
[In millions]

Total reserves, December 31, 2024		$2,538,285
Income:		
Net payroll tax contributions:		
Payroll tax contributions[a]	$1,135,477	
Payments from the General Fund of the Treasury for payroll tax contributions subject to refund[a]	-4,748	
Net payroll tax contributions[a]		1,130,729
Reimbursements from the General Fund:		
Reimbursements for reductions in payroll tax contributions due to P.L. 111-312, P.L. 112-78, and P.L. 112-96[a]	[b]	
Reimbursements for payroll tax credits due to P.L. 98-21[a]	[b]	
Net General Fund reimbursements[a]		[b]
Income based on taxation of benefit payments:		
Withheld from benefit payments to nonresident aliens	339	
All other, not subject to withholding[a]	56,035	
Total income from taxation of benefits[a]		56,374
Investment income and interest adjustments:		
Interest on investments	61,673	
Interest adjustments[c]	3	
Total investment income and interest adjustments		61,676
Gifts		[b]
Total income		1,248,780
Cost:		
Benefit payments:		
Monthly benefits and lump-sum death payments[d]	1,438,544	
Reimbursement from the General Fund for unnegotiated checks	-83	
Payment for costs of vocational rehabilitation services for disabled beneficiaries	10	
Net benefit payments[d]		1,438,471
Financial interchange with the Railroad Retirement "Social Security Equivalent Benefit Account"		5,996
Administrative expenses:		
Costs incurred by:		
Social Security Administration	3,541	
Department of the Treasury	772	
Net income from miscellaneous receipts and other adjustments	[b]	
Miscellaneous reimbursements from the General Fund [e]	-5	
Net administrative expenses		4,308
Total cost		1,448,775
Net change in reserves		-199,995
Total invested reserves	2,338,024	
Undisbursed balances [f]	266	
Total reserves, December 31, 2025		2,338,290

[a] Includes adjustments for prior calendar years.

[b] Between -$0.5 and $0.5 million.

[c] Includes: (1) interest on adjustments in the allocation of administrative expenses between the trust fund and the General Fund account for the Supplemental Security Income program, (2) interest arising from the revised allocation of administrative expenses among the trust funds, and (3) interest on certain reimbursements to the trust fund.

[d] Includes net reductions for the recovery of overpayments.

[e] Reimbursements for costs incurred in performing certain legislatively mandated activities not directly related to administering the OASI program.

[f] A positive balance represents a situation where the invested securities of the OASI Trust Fund that were redeemed to make cash payments exceeded actual program cash payments. In this situation, this excess amount will be used to partially offset future redemption of additional invested securities.

Note: Components may not sum to totals because of rounding.

Of the $1,448.8 billion in total OASI cost in 2025, $1,438.5 billion was for net benefit payments, including recovered overpayments, reimbursements from the General Fund for unnegotiated checks, and the reimbursable costs of vocational rehabilitation services.[1] Net benefit payments increased by 9.3 percent from calendar year 2024 to calendar year 2025. This increase is due primarily to: (1) implementation of the Social Security Fairness Act of 2023, which increased Social Security benefits for people who receive a pension based on work that was not covered by Social Security; (2) an increase in the average number of beneficiaries during the year; and (3) an increase in the average monthly benefit amount. The increase in the average benefit amount in 2025 was due in part to the automatic cost-of-living benefit increase of 2.5 percent which became effective for December 2024 under the automatic-adjustment provisions in section 215(i) of the Social Security Act. In addition, new beneficiaries tend to have higher monthly benefit amounts than previous beneficiary cohorts, because their initial benefits are based on average wages, which tend to rise faster than the cost of living.

The Railroad Retirement Act requires an annual financial interchange between the Railroad Retirement program and the OASDI program. The purpose of the interchange is to put the OASI and DI Trust Funds in the same financial position in which they would have been had railroad employment always been covered directly by Social Security. The Railroad Retirement Board and the Social Security Administration (SSA) calculated an interchange of $6.0 billion from the OASI Trust Fund to the Social Security Equivalent Benefit Account for June 2025.

The remaining $4.3 billion of cost for the OASI Trust Fund was for net administrative expenses. SSA charges administrative expenses incurred to administer the OASI program directly to the trust fund on an estimated basis. Periodically, as actual expenses are recorded, adjustments are made to the allocations of administrative expenses for prior periods. These adjustments affect the OASI Trust Fund, the DI Trust Fund, the Hospital Insurance (HI) Trust Fund, the Supplementary Medical Insurance (SMI) Trust Fund, and the General Fund account for the Supplemental Security Income program, and include appropriate interest adjustments. As described earlier, the trust fund accounting records such interest adjustments under investment income.

For 2025, the cost incurred by SSA to administer the OASI program was 82 percent of OASI net administrative expenses. SSA charged such costs to

[1] Vocational rehabilitation services under the OASI program are furnished to disabled widow(er) beneficiaries and to those children of retired or deceased workers who receive benefits based on disabilities that began before age 22. The trust funds reimburse the providers of such services only in those cases where the services contributed to the successful rehabilitation of the beneficiary.

the trust fund in the amount of $3.5 billion in 2025. In addition, the Department of the Treasury charged the trust fund $0.8 billion in 2025 for services provided in administering the OASI program. A relatively small offset to administrative expenses totaling $378 thousand in 2025 represents the net effect of income from miscellaneous receipts due to the trust fund (which may include refunds, penalties, fees, and other receipts) and adjustments to correct prior years' miscellaneous receipts.

Finally, the General Fund of the Treasury makes net reimbursements for administrative costs incurred by SSA in performing certain legislatively mandated activities that are not directly related to paying OASI benefits. These reimbursements include $4 million in costs associated with union activities related to administering the OASI program and $974 thousand in costs of providing information to participants in certain pension plans in 2025. These miscellaneous reimbursements totaled $5 million in 2025.

The reserves shown for the OASI Trust Fund at the end of calendar year 2025 totaled $2,338.3 billion, consisting of $2,338.0 billion in U.S. Government obligations and cash totaling $0.3 billion. The effective annual rate of interest earned by the reserves in the OASI Trust Fund during calendar year 2025 was 2.5 percent, the same as the rate earned during calendar year 2024. Table VI.A4, presented in appendix A, shows a detailed listing of OASI Trust Fund holdings by type of security, interest rate, and year of maturity at the end of calendar years 2024 and 2025.

By law, the Department of the Treasury must invest trust fund reserves in interest-bearing securities backed by the full faith and credit of the United States Government. The securities currently held by the OASI Trust Fund are entirely special issue securities sold by the Treasury only to the trust funds. These special issues are of two types: short-term certificates of indebtedness and longer-term bonds. Daily trust fund tax income is invested in the short-term certificates of indebtedness which mature on the next June 30 following the date of issue. The trust fund normally acquires long-term special-issue bonds when special issue securities of either type mature on June 30 and must be reinvested. The amount of long-term bonds acquired on June 30 is equal to the amount of special issue securities maturing (including accrued interest earnings), plus tax income for that day, less amounts required to meet cost on that day.

Section 201(d) of the Social Security Act provides that the obligations issued for purchase by the OASI and DI Trust Funds shall have maturities fixed with due regard for the needs of the funds. Each year, bond purchases for each trust fund are made on June 30, taking into account the projected

reserve depletion date in the most recently issued Trustees Report. The usual practice has been to reinvest the maturing special issue securities, as of each June 30, so that the values of the total portfolio of special issue securities maturing in each of the next 15 years are approximately equal. However, as of May 2025, the projections in the 2024 Trustees Report indicated that the reserves in the OASI Trust Fund would become depleted within 15 years. Therefore, the Department of the Treasury, in consultation with the Chief Actuary of SSA, selected the amounts and maturity dates of the OASI special-issue bonds purchased on June 30, 2025, so that the maturity dates of the total portfolio of special issue securities would be spread evenly to the extent possible over the 8-year period 2026 through 2033. The bonds purchased on that date have an interest rate of 4.500 percent, reflecting the average market yield, as of the last business day of the prior month, on all of the outstanding marketable U.S. obligations that are due or callable more than 4 years in the future. Table III.A7 shows additional details on the investment transactions during 2025, including the amounts of bonds purchased on June 30, 2025.

2. DI Trust Fund

Table III.A2 presents a statement of the income and cost of the Federal Disability Insurance Trust Fund in calendar year 2025, and of the reserves in the fund at the beginning and end of the calendar year. Line entries in the DI statement are similar to those in the OASI statement. The explanations of the OASI entries generally apply to DI as well.

Of the $200.5 billion in total income, $191.9 billion was net payroll tax contributions.

Of the $160.7 billion of total cost, $158.0 billion was net benefit payments. The total level of net benefit payments increased by 2.0 percent from calendar year 2024 to calendar year 2025, largely due to increases in average monthly benefit amounts and the total amount of retroactive benefits, partially offset by a decrease in the average number of beneficiaries during the year. DI non-interest income, and total income, exceeded total cost in 2025.

Table III.A2.—Operations of the DI Trust Fund, Calendar Year 2025
[In millions]

Total reserves, December 31, 2024		$183,181
Income:		
Net payroll tax contributions:		
Payroll tax contributions[a]	$192,695	
Payments from the General Fund of the Treasury for payroll tax contributions subject to refund[a]	-806	
Net payroll tax contributions[a]		191,888
Reimbursements from the General Fund:		
Reimbursements for reductions in payroll tax contributions due to P.L. 111-312, P.L. 112-78, and P.L. 112-96[a]	[b]	
Reimbursements for payroll tax credits due to P.L. 98-21[a]	[b]	
Net General Fund reimbursements[a]		[b]
Income based on taxation of benefit payments:		
Withheld from benefit payments to nonresident aliens	4	
All other, not subject to withholding[a]	1,386	
Total income from taxation of benefits[a]		1,390
Investment income and interest adjustments:		
Interest on investments	7,242	
Interest adjustments[c]	5	
Total investment income and interest adjustments		7,247
Gifts		[b]
Total income		200,525
Cost:		
Benefit payments:		
Monthly benefits[d]	158,038	
Reimbursement from the General Fund for unnegotiated checks	-42	
Payment for costs of vocational rehabilitation services for disabled beneficiaries	52	
Net benefit payments[d]		158,048
Financial interchange with the Railroad Retirement "Social Security Equivalent Benefit Account"		-1
Administrative expenses:		
Costs incurred by:		
Social Security Administration	2,519	
Department of the Treasury	128	
Miscellaneous reimbursements from the General Fund[e]	-3	
Net administrative expenses		2,644
Total cost		160,691
Net change in reserves		39,835
Total invested reserves	222,828	
Undisbursed balances[f]	188	
Total reserves, December 31, 2025		223,016

[a] Includes adjustments for prior calendar years.

[b] Between -$0.5 and $0.5 million.

[c] Includes: (1) interest on adjustments in the allocation of administrative expenses between the trust fund and the General Fund account for the Supplemental Security Income program, (2) interest arising from the revised allocation of administrative expenses among the trust funds, and (3) interest on certain reimbursements to the trust fund.

[d] Includes net reductions for the recovery of overpayments.

[e] Reimbursements for costs incurred in performing legislatively mandated activities not directly related to administering the DI program.

[f] A positive balance represents a situation where the invested securities of the DI Trust Fund that were redeemed to make cash payments exceeded actual program cash payments. In this situation, this excess amount will be used to partially offset future redemption of additional invested securities.

Note: Components may not sum to totals because of rounding.

During 2025, the reserves in the DI Trust Fund increased by $39.8 billion, from $183.2 billion at the end of 2024 to $223.0 billion at the end of 2025. This $223.0 billion consisted of $222.8 billion in U.S. Government obligations and cash totaling $0.2 billion. The effective annual rate of interest earned by the reserves in the DI Trust Fund during calendar year 2025 was 3.6 percent, higher than the 3.3 percent earned during calendar year 2024. Table VI.A5 shows a detailed listing of DI Trust Fund holdings by type of security, interest rate, and year of maturity at the end of calendar years 2024 and 2025.

Section 201(d) of the Social Security Act provides that the Treasury securities issued for purchase by the OASI and DI Trust Funds shall have maturities fixed with due regard for the needs of the funds. Each year, bond purchases for each trust fund are made on June 30, taking into account the projected reserve depletion date in the most recently issued Trustees Report. The usual practice has been to reinvest the maturing special issue securities, as of each June 30, so that the values of the securities maturing in each of the next 15 years are approximately equal. Accordingly, the Department of the Treasury, in consultation with the Chief Actuary of SSA, selected the amounts and maturity dates of the DI special-issue bonds purchased on June 30, 2025, so that the maturity dates of the total portfolio of special issue securities would be evenly spread to the extent possible over the 15-year period 2026-40. The bonds purchased have an interest rate of 4.500 percent, reflecting the average market yield, as of the last business day of the prior month, on the outstanding marketable U.S. obligations that are due or callable more than 4 years in the future. Table III.A7 shows details on investment transactions during 2025.

3. OASI and DI Trust Funds, Combined

Table III.A3 presents a statement of the operations of the OASI and DI Trust Funds on a combined basis.[1] The entries in this table represent the sums of the corresponding values from tables III.A1 and III.A2. The two preceding subsections that cover OASI and DI provide a description of the nature of these income and cost transactions.

[1] The OASI and DI Trust Funds are distinct legal entities which operate independently. To illustrate the actuarial status of the program as a whole, the fund operations are often combined.

Table III.A3.—Operations of the Combined OASI and DI Trust Funds, Calendar Year 2025
[In millions]

Total reserves, December 31, 2024		$2,721,466
Income:		
Net payroll tax contributions:		
Payroll tax contributions[a]	$1,328,172	
Payments from the General Fund of the Treasury for payroll tax contributions subject to refund[a]	-5,554	
Net payroll tax contributions[a]		1,322,618
Reimbursements from the General Fund:		
Reimbursements for reductions in payroll tax contributions due to P.L. 111-312, P.L. 112-78, and P.L. 112-96[a]	b	
Reimbursements for payroll tax credits due to P.L. 98-21[a]	b	
Net General Fund reimbursements[a]		b
Income based on taxation of benefit payments:		
Withheld from benefit payments to nonresident aliens	343	
All other, not subject to withholding[a]	57,421	
Total income from taxation of benefits[a]		57,764
Investment income and interest adjustments:		
Interest on investments	68,916	
Interest adjustments[c]	8	
Total investment income and interest adjustments		68,923
Gifts		b
Total income		1,449,306
Cost:		
Benefit payments:		
Monthly benefits and lump-sum death payments[d]	1,596,581	
Reimbursement from the General Fund for unnegotiated checks	-124	
Payment for costs of vocational rehabilitation services for disabled beneficiaries	62	
Net benefit payments[d]		1,596,519
Financial interchange with the Railroad Retirement "Social Security Equivalent Benefit Account"		5,995
Administrative expenses:		
Costs incurred by:		
Social Security Administration	6,060	
Department of the Treasury	900	
Net income from miscellaneous receipts and other adjustments	b	
Miscellaneous reimbursements from the General Fund[e]	-8	
Net administrative expenses		6,952
Total cost		1,609,466
Net change in reserves		-160,160
Total invested reserves	2,560,852	
Undisbursed balances[f]	454	
Total reserves, December 31, 2025		2,561,306

[a] Includes adjustments for prior calendar years.

[b] Between -$0.5 and $0.5 million.

[c] Includes: (1) interest on adjustments in the allocation of administrative expenses between the trust funds and the General Fund account for the Supplemental Security Income program, (2) interest arising from the revised allocation of administrative expenses among the trust funds, and (3) interest on certain reimbursements to the trust funds.

[d] Includes net reductions for the recovery of overpayments.

[e] Reimbursements for costs incurred in performing certain legislatively mandated activities not directly related to administering the OASI and DI programs.

[f] A positive balance represents a situation where the invested securities of the combined OASI and DI Trust Funds that were redeemed to make cash payments exceeded actual program cash payments. In this situation, this excess amount will be used to partially offset future redemption of additional invested securities.

Note: Components may not sum to totals because of rounding.

Table III.A4 compares estimates of total income and total cost for calendar year 2025 from the intermediate projections in the 2021 through 2025 Trustees Reports to the corresponding actual amounts for 2025.

Table III.A4.—Comparison of Actual Calendar Year 2025 Trust Fund Operations With Estimates Made in Prior Reports, Based on Intermediate Assumptions[a]
[Amounts in billions]

	Total income[b]		Total cost	
	Amount	Difference from actual (percent)	Amount	Difference from actual (percent)
OASI Trust Fund:				
Estimate in 2021 report	$1,146.0	-8.2	$1,287.8	-11.1
Estimate in 2022 report	1,195.7	-4.3	1,332.9	-8.0
Estimate in 2023 report	1,223.8	-2.0	1,403.2	-3.1
Estimate in 2024 report	1,224.8	-1.9	1,405.4	-3.0
Estimate in 2025 report	1,230.4	-1.5	1,439.7	-.6
Actual amount	1,248.8	—	1,448.8	—
DI Trust Fund:				
Estimate in 2021 report	181.0	-9.7	171.9	7.0
Estimate in 2022 report	190.0	-5.3	168.5	4.9
Estimate in 2023 report	195.5	-2.5	171.1	6.5
Estimate in 2024 report	195.8	-2.3	169.6	5.5
Estimate in 2025 report	197.0	-1.8	169.2	5.3
Actual amount	200.5	—	160.7	—
OASI and DI Trust Funds, combined:				
Estimate in 2021 report	1,327.0	-8.4	1,459.7	-9.3
Estimate in 2022 report	1,385.7	-4.4	1,501.5	-6.7
Estimate in 2023 report	1,419.3	-2.1	1,574.3	-2.2
Estimate in 2024 report	1,420.6	-2.0	1,575.0	-2.1
Estimate in 2025 report	1,427.4	-1.5	1,608.9	[c]
Actual amount	1,449.3	—	1,609.5	—

[a] Percentage differences are calculated prior to rounding.
[b] Actual income for 2025 reflects adjustments to payroll tax contributions and income from benefit taxation for prior calendar years (see appendix A for description of these adjustments). Estimated income also includes such adjustments, but on an estimated basis.
[c] Between -0.05 percent and 0.05 percent.

Note: Components may not sum to totals because of rounding.

A number of factors contribute to differences between estimates and subsequent actual amounts, including: (1) actual values for key demographic, economic, and other variables that differ from earlier assumed levels; and (2) legislation that was enacted or other administrative initiatives that were finalized after the Trustees completed their estimates.

At the end of calendar year 2025, the OASDI program was providing monthly benefits to about 70.5 million people. The OASI Trust Fund was providing benefits to about 62.3 million people and the DI Trust Fund was providing benefits to about 8.2 million people. The number of people receiving benefits from the OASI Trust Fund grew by 3.6 percent while the num-

ber of people receiving DI benefits fell by 1.9 percent during calendar year 2025. These changes are in large part due to the shifting age distribution of the adult population, with the baby-boom generation (born in 1946-65) moving increasingly above age 62 for retired-worker benefits, and above normal retirement age, where DI benefits are no longer applicable. Table III.A5 shows the estimated distributions of benefit payments in calendar years 2024 and 2025, by type of beneficiary, for each trust fund separately.

Table III.A5.—Distribution of Benefit Payments by Type of Beneficiary or Payment, Calendar Years 2024 and 2025
[Amounts in millions]

	Calendar year 2024		Calendar year 2025	
	Amount	Percentage of total	Amount	Percentage of total
Total OASDI benefit payments	$1,471,406	100.0	$1,596,581	100.0
OASI benefit payments	1,316,424	89.5	1,438,544	90.1
DI benefit payments	154,983	10.5	158,038	9.9
OASI benefit payments, total	1,316,424	100.0	1,438,544	100.0
Monthly benefits:				
Retired workers and auxiliaries	1,154,994	87.7	1,265,932	88.0
Retired workers	1,111,728	84.5	1,216,450	84.6
Spouses	35,352	2.7	40,905	2.8
Children	7,914	.6	8,578	.6
Survivors of deceased workers	161,218	12.2	172,406	12.0
Aged widows and widowers	128,496	9.8	138,617	9.6
Disabled widows and widowers	2,358	.2	2,391	.2
Parents	20	[a]	20	[a]
Children	28,668	2.2	29,727	2.1
Widowed mothers and fathers caring for child beneficiaries	1,676	.1	1,650	.1
Lump-sum death payments	211	[a]	205	[a]
DI benefit payments, total	154,983	100.0	158,038	100.0
Disabled workers	147,174	95.0	150,341	95.1
Spouses	477	.3	520	.3
Children	7,332	4.7	7,177	4.5

[a] Less than 0.05 percent.

Note: Benefits are monthly benefits and lump-sum death payments. Components may not sum to totals because of rounding.

Net administrative expenses of the OASI and DI Trust Funds in calendar year 2025 totaled $7.0 billion, equal to 0.4 percent of total cost and 0.5 percent of total income. Table III.A6 shows corresponding percentages for each trust fund separately and for OASDI as a whole for the last 5 years.

Table III.A6.—Administrative Expenses as a Percentage of Total Income and of Total Cost, Calendar Years 2021-2025

	OASI Trust Fund		DI Trust Fund		OASI and DI Trust Funds, combined	
Calendar year	Total income	Total cost	Total income	Total cost	Total income	Total cost
2021	0.4	0.4	1.7	1.7	0.6	0.6
2022	.4	.4	1.7	1.9	.6	.5
2023	.4	.4	1.5	1.8	.5	.5
2024	.4	.4	1.3	1.6	.5	.5
2025	.3	.3	1.3	1.6	.5	.4

The acquisition and redemption of securities during calendar year 2025 changed the invested reserves of the OASI and DI Trust Funds. Table III.A7 presents investment transactions for each fund separately and combined.

Table III.A7.—Trust Fund Investment Transactions, Calendar Year 2025
[In millions]

	OASI Trust Fund	DI Trust Fund	OASI and DI Trust Funds, combined
Invested reserves, December 31, 2024[a]	$2,538,198	$183,107	$2,721,305
Acquisitions:			
Special issue securities:			
Certificates of indebtedness	1,228,357	199,514	1,427,871
Bonds[b]	117,429	49,171	166,600
Total acquisitions	1,345,786	248,685	1,594,471
Redemptions:			
Special issue securities:			
Certificates of indebtedness	1,272,113	197,399	1,469,512
Bonds	273,847	11,565	285,412
Total redemptions	1,545,960	208,964	1,754,924
Net change in invested reserves	-200,174	39,721	-160,453
Invested reserves, December 31, 2025[a]	2,338,024	222,828	2,560,852

[a] Invested reserves differ from total reserves by the amount of undisbursed balances. See tables VI.A4 and VI.A5 for details.
[b] Purchased on June 30, 2025. The interest rate on these purchases was 4.500 percent.

Note: Investments are shown at par value. Components may not sum to totals because of rounding.

B. CHANGES IN LAW AND POLICY AFFECTING SOCIAL SECURITY SINCE THE 2025 REPORT

Since the Trustees submitted the 2025 report to Congress, there have been two changes in law, policy, or regulation that are expected to have significant financial effects on the OASDI program.

On December 31, 2024, the Social Security Administration (SSA) published a final rule in the Federal Register titled Use of Electronic Payroll Data To Improve Program Administration; SSA's implementation plan was not completed in time to include an estimate of its effect in last year's report. This regulation prescribes procedures for automating the exchange of wage data with third-party payroll data providers for the purpose of administering Social Security disability benefits. Implementation of this final rule is expected to increase the number of disability beneficiaries with identified wages and to identify wages sooner than under SSA's prior processes. In turn, these factors will increase recovery termination rates, lower the number of disability beneficiaries in current-payment status, and reduce benefit overpayments. This regulation has a small but positive effect on the DI Trust Fund over the short-range projection period and a negligible effect over the long-range projection period.

On July 4, 2025, the President signed the One Big Beautiful Bill Act (OBBBA) into law. Among many other provisions, this law makes permanent the lower ordinary income tax rates and adjusted tax brackets originally enacted under the 2017 Tax Cuts and Jobs Act and both increases and makes permanent the larger standard deduction of the 2017 Act. The OBBBA also adds a temporary additional standard deduction for taxpayers over age 65. Overall, the OBBBA effectively reduces taxable income for many Social Security beneficiaries. As a result, less income tax will be paid on Social Security benefits, and the OASI and DI Trust Funds will receive lower levels of revenue in the future from income taxation of Social Security benefits. Enactment of this law is estimated to have a negative financial effect on the trust funds over both the short-range and long-range projection periods.

Sections IV.A.4 and IV.B.6 of this report provide further description of the magnitude of effects on the financial status of the OASDI program over the short-range and long-range projection periods, respectively.

IV. ACTUARIAL ESTIMATES

This chapter presents actuarial estimates of the future financial condition of the Social Security program. These estimates show the income, cost, and reserves or unfunded obligation of the OASI and DI Trust Funds: (1) in current dollars over the 10-year short-range period; and (2) as percentages of taxable payroll, as percentages of gross domestic product, and in present-value dollars over the 75-year long-range period. In addition, the chapter discusses a variety of measures of the adequacy of current program financing. This report distinguishes between: (1) the cost (obligations) of the program, which includes all past and future benefits scheduled under current law; and (2) expenditures, which include actual payments for the past plus only the portion of future program cost that would be payable with the financing provisions in current law.

This chapter presents the estimates and measures of trust fund financial adequacy for the short-range period (2026 through 2035) first, followed by estimates and measures of actuarial status for the long-range period (2026 through 2100). Summary measures are also provided for trust fund status over the infinite horizon. As described in chapter II of this report, these estimates depend upon a broad set of demographic, economic, and programmatic factors. This chapter presents estimates under three sets of assumptions to show a wide range of possible outcomes, because assumptions related to these factors are subject to uncertainty. The intermediate set of assumptions, designated as alternative II, reflects the Trustees' best estimate of future experience; the low-cost alternative I is significantly more optimistic and the high-cost alternative III is significantly more pessimistic for the trust funds' future financial outlook. The tables of this report show the intermediate estimates first, followed by the low-cost and high-cost estimates. Chapter V describes these three sets of assumptions, along with the actuarial methods used to produce the estimates. Appendix D and appendix E present two additional methods to illustrate the uncertainty of the projections: appendix D presents sensitivity analyses of the effects of variation in individual factors and appendix E presents probability distributions generated by a stochastic model.

A. SHORT-RANGE ESTIMATES

The Trustees consider the trust funds to be solvent at any point in time if the funds can pay scheduled benefits in full on a timely basis. A standard measure for assessing solvency is the "trust fund ratio," which is the reserves in a fund at the beginning of a year (not including advance tax transfers) expressed as a percentage of the cost during the year. A positive trust fund ratio indicates that the trust fund was solvent at the end of the prior year. The

trust fund ratio represents the proportion of a year's cost that can be covered by the reserves available at the beginning of the year. The Trustees assume that a trust fund ratio of 100 percent of annual program cost provides a reasonable "contingency reserve." Maintaining a reasonable contingency reserve is important because the trust funds do not have borrowing authority. After reserves are depleted, the trust funds would be unable to pay scheduled benefits in full on a timely basis if annual income were less than annual cost. Unexpected events, such as severe economic recessions, can quickly diminish reserves. In such cases, a reasonable contingency reserve can maintain the ability to pay scheduled benefits while giving lawmakers time to address possible changes to the program.

The test of short-range financial adequacy applies to the OASI and DI Trust Funds individually and combined.[1] If the estimated trust fund ratio is at least 100 percent at the beginning of the projection period, the test requires that it remain at or above 100 percent throughout the 10-year period. If the ratio is initially less than 100 percent, then it must reach at least 100 percent within 5 years (without reserve depletion at any time during this period) and then remain at or above 100 percent throughout the remainder of the 10-year period. This test is applied using the estimates based on the intermediate assumptions. If either trust fund fails this test, then program solvency in the next 10 years is in question, and lawmakers should take prompt action to improve short-range financial adequacy.

1. Operations of the OASI Trust Fund

This subsection presents projections, based on the assumptions described in chapter V, of the operations and financial status of the OASI Trust Fund for the period 2026 through 2035. These estimates assume that there are no further changes in the statutory provisions and regulations under which the OASDI program currently operates beyond the changes since last year's report indicated in section III.B.[2]

Estimates of the OASI Trust Fund operations presented in table IV.A1 indicate that the reserves of the OASI Trust Fund are projected to decrease in years 2026 through 2035 under all three sets of assumptions. Under the intermediate, low-cost, and high-cost assumptions, reserves become depleted in the fourth quarter of 2032, the third quarter of 2035, and the third quarter of 2031, respectively. Trust fund ratios are projected to decline throughout the

[1] The OASI and DI Trust Funds are distinct legal entities which operate independently. To illustrate the actuarial status of the program as a whole, the fund operations are often shown on a combined basis.

[2] The estimates shown in this subsection reflect 12 months of scheduled benefits in each year of the short-range projection period. In practice, the actual payment dates have at times shifted over calendar year boundaries as a result of the statutory requirement for early delivery of benefit payments when the normal check delivery date is a Saturday, Sunday, or legal public holiday.

10-year projection period under all three sets of assumptions. See figure IV.A1 for an illustration of these results.

Based on the intermediate assumptions, the reserves of the OASI Trust Fund drop below 100 percent of annual cost during 2028, to a trust fund ratio of 82 percent at the beginning of 2029. Consequently, the OASI Trust Fund fails the test of short-range financial adequacy.

Table IV.A1.—Operations of the OASI Trust Fund, Calendar Years 2021-2035[a]

[Dollar amounts in billions]

	Income					Cost[b]				Reserves[b]		
Calendar year	Total	Net payroll tax contributions[d]	GF reimbursements[e]	Taxation of benefits[d]	Net interest	Total	Scheduled benefits	Administrative costs	RRB interchange	Net change during year	Amount at end of year	Trust fund ratio at start of year[c]
Historical data:												
2021 . . .	$942.9	$838.2	[f]	$37.2	$67.5	$1,001.9	$993.1	$4.0	$4.8	-$59.1	$2,752.6	281
2022 . . .	1,056.7	945.9	$0.2	47.1	63.5	1,097.5	1,088.1	4.0	5.3	-40.7	2,711.9	251
2023 . . .	1,166.9	1,054.1	[f]	49.8	63.0	1,237.3	1,227.4	4.4	5.6	-70.4	2,641.5	219
2024 . . .	1,224.0	1,105.6	.2	54.4	63.7	1,327.2	1,316.4	4.9	5.9	-103.2	2,538.3	199
2025 . . .	1,248.8	1,130.7	[f]	56.4	61.7	1,448.8	1,438.5	4.3	6.0	-200.0	2,338.3	175
Intermediate:												
2026 . . .	1,284.6	1,166.5	.2	60.0	57.9	1,528.0	1,517.6	4.4	5.9	-243.3	2,094.9	153
2027 . . .	1,326.2	1,204.5	[f]	69.1	52.6	1,619.9	1,609.4	4.4	6.1	-293.7	1,801.3	129
2028 . . .	1,396.4	1,276.5	[f]	74.6	45.3	1,710.9	1,700.2	4.5	6.2	-314.5	1,486.8	105
2029 . . .	1,459.1	1,338.4	[f]	83.7	36.9	1,803.1	1,792.0	4.7	6.4	-344.0	1,142.8	82
2030 . . .	1,520.6	1,402.8	[f]	90.2	27.6	1,896.2	1,884.8	4.9	6.4	-375.5	767.2	60
2031 . . .	1,583.5	1,469.7	[f]	96.4	17.4	1,990.0	1,978.3	5.2	6.5	-406.5	360.7	39
2032 . . .	[g]	1,537.4	[f]	103.3	[g]	2,084.1	2,072.2	5.4	6.6	[g]	[g]	17
2033 . . .	[g]	1,608.6	[f]	111.2	[g]	2,178.5	2,166.3	5.6	6.6	[g]	[g]	[g]
2034 . . .	[g]	1,676.2	[f]	118.0	[g]	2,273.3	2,260.9	5.7	6.7	[g]	[g]	[g]
2035 . . .	[g]	1,745.5	[f]	125.8	[g]	2,369.3	2,356.6	5.9	6.8	[g]	[g]	[g]
Low-cost:												
2026 . . .	1,302.1	1,183.2	.2	60.0	58.7	1,527.5	1,517.1	4.4	5.9	-225.4	2,112.9	153
2027 . . .	1,389.1	1,263.7	[f]	69.2	56.2	1,621.6	1,611.0	4.4	6.1	-232.5	1,880.4	130
2028 . . .	1,480.6	1,352.9	[f]	75.0	52.6	1,721.0	1,710.4	4.5	6.2	-240.4	1,640.0	109
2029 . . .	1,573.8	1,441.1	[f]	84.6	48.1	1,822.3	1,811.2	4.8	6.3	-248.5	1,391.5	90
2030 . . .	1,666.8	1,531.9	[f]	91.6	43.3	1,925.2	1,913.6	5.1	6.4	-258.4	1,133.2	72
2031 . . .	1,765.2	1,629.0	[f]	98.3	37.8	2,029.6	2,017.7	5.4	6.4	-264.4	868.7	56
2032 . . .	1,868.9	1,731.8	[f]	105.8	31.4	2,135.5	2,123.2	5.7	6.6	-266.6	602.2	41
2033 . . .	1,980.9	1,842.4	[f]	114.5	24.0	2,242.8	2,230.1	6.0	6.6	-261.9	340.3	27
2034 . . .	2,090.7	1,955.0	[f]	122.1	13.6	2,352.0	2,338.9	6.3	6.7	-261.3	79.0	14
2035 . . .	[g]	2,070.1	[f]	130.8	[g]	2,463.8	2,450.4	6.6	6.8	[g]	[g]	3

Table IV.A1.—Operations of the OASI Trust Fund, Calendar Years 2021-2035[a] (Cont.)
[Dollar amounts in billions]

Calendar year	Income					Cost[b]				Reserves[b]		Trust fund ratio at start of year[c]
	Total	Net payroll tax contributions[d]	GF reimbursements[e]	Taxation of benefits[d]	Net interest	Total	Scheduled benefits	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
High-cost:												
2026	$1,262.7	$1,145.2	$0.2	$60.1	$57.3	$1,528.6	$1,518.2	$4.4	$5.9	-$265.9	$2,072.4	153
2027	1,242.3	1,123.8	[f]	68.9	49.6	1,615.5	1,604.8	4.4	6.2	-373.1	1,699.3	128
2028	1,289.1	1,175.4	[f]	74.0	39.7	1,698.1	1,687.3	4.4	6.3	-408.9	1,290.3	100
2029	1,323.8	1,212.0	[f]	82.7	29.1	1,781.3	1,770.3	4.6	6.5	-457.5	832.8	72
2030	1,362.6	1,256.7	[f]	88.7	17.2	1,864.9	1,853.7	4.8	6.5	-502.3	330.5	45
2031	[g]	1,304.1	[f]	94.4	[g]	1,948.6	1,937.2	4.9	6.5	[g]	[g]	17
2032	[g]	1,350.2	[f]	100.7	[g]	2,031.7	2,020.0	5.1	6.6	[g]	[g]	[g]
2033	[g]	1,394.8	[f]	107.9	[g]	2,113.7	2,102.0	5.2	6.6	[g]	[g]	[g]
2034	[g]	1,434.4	[f]	114.0	[g]	2,195.0	2,183.1	5.3	6.6	[g]	[g]	[g]
2035	[g]	1,473.0	[f]	120.8	[g]	2,276.0	2,264.0	5.4	6.7	[g]	[g]	[g]

[a] Appendix A presents a detailed description of the components of income and cost, along with complete historical values.

[b] Amounts for 2021 are adjusted to include in 2021 operations those benefit payments regularly scheduled in the law to be paid on January 3, 2021, which were actually paid on December 31, 2020 as required by the statutory provision for early benefit payments when the normal delivery date is on a weekend or holiday. Such shifts in payments across calendar years occur periodically whenever January 3rd falls on a Sunday. In order to provide a consistent perspective on trust fund operations over time, all trust fund operations in each year reflect the 12 months of benefits that are regularly scheduled for payment in that year.

[c] Represents reserves at the beginning of a year (which are identical to reserves at the end of the prior year shown in the "Amount at end of year" column) as a percentage of cost for the year. Under the intermediate, low-cost, and high-cost assumptions, reserves are projected to become depleted by the beginning of 2033, 2036, and 2032, respectively.

[d] Includes adjustments for prior calendar years.

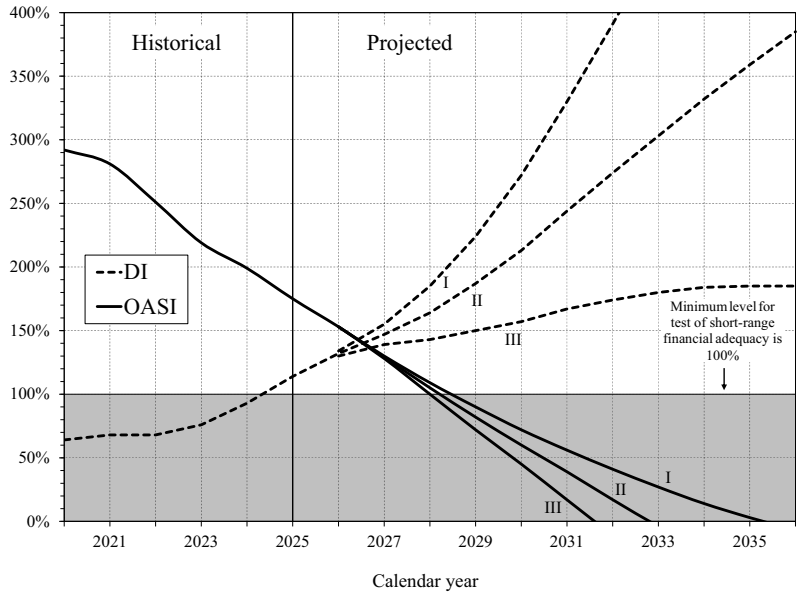
[e] Includes net reimbursements from the General Fund of the Treasury to the OASI Trust Fund for: (1) the cost of payroll tax credits provided to employees in 1984 and self-employed persons in 1984-89 by Public Law 98-21; and (2) payroll tax revenue forgone under the provisions of Public Laws 111-147, 111-312, 112-78, and 112-96. Also includes transfers of a portion of proceeds from repayments of loans authorized under Public Law 116-136.

[f] Between -$50 million and $50 million.

[g] The OASI Trust Fund reserves become depleted in the fourth quarter of 2032, the third quarter of 2035, and the third quarter of 2031 under the intermediate, low-cost, and high-cost assumptions, respectively. When trust fund reserves are depleted, certain trust fund operations items are not well-defined under current law, and are not shown in this table. In addition, (1) scheduled benefits could not be paid in full on a timely basis, and actual amounts paid would be less than the scheduled benefits shown in this table; and (2) income from taxation of benefits would be lower than the amounts shown in the table, which are the amounts that would be assessed on scheduled benefits under current law.

Note: Components may not sum to totals because of rounding.

Figure IV.A1.—OASI and DI Trust Fund Ratios, 2020-2036
[Reserves as a percentage of annual cost]



The estimated income shown in table IV.A1 increases annually under each set of assumptions throughout the short-range projection period, with the exception of a small decrease in 2027 for the high-cost alternative. The estimated increases in income result primarily from the projected increases in OASDI taxable payroll. Employment increases in years 2026 through 2035 for all three alternatives, with the exception of small decreases in covered employment in 2026 and 2027 for the high-cost alternative. The number of covered workers increases from 185 million during calendar year 2025 under alternative II to about 190 million, 196 million, and 186 million during 2035 under alternatives II, I, and III, respectively.[1] The total annual amount of taxable payroll increases in years 2026 through 2035 for each alternative. Total taxable payroll increases from $10,562 billion in 2025 under alternative II to $16,486 billion, $19,563 billion, and $13,904 billion in 2035 under alternatives II, I, and III, respectively.[2] These increases in taxable payroll are due primarily to: (1) projected increases in employment levels as the working-age population increases; (2) increases in average earnings in covered employment (reflecting both real growth and price inflation); and

[1] See table IV.B4. Estimated values for 2025 vary slightly by alternative.
[2] See table VI.G1. Estimated values for 2025 vary slightly by alternative.

(3) increases in the contribution and benefit base under the automatic-adjustment provisions.

Interest earnings contribute to the overall projected level of trust fund income during this period. Interest income declines at an increasing rate under all three alternatives, as reserves approach depletion, due to the net effects of changes in reserve levels and the patterns of projected interest rates. Under the intermediate assumptions, interest also declines steadily as a share of total OASI Trust Fund income from 5 percent of total trust fund income for 2025 until reserve depletion in 2032.

Rising OASI cost through 2035 reflects automatic benefit increases each year after initial benefit eligibility and increases each year for those becoming newly eligible based on rising average earnings levels, as well as the upward trend in the number of beneficiaries. The steady growth in the number of OASI beneficiaries in the past and the expected future growth result both from the increase in the aged population and from the increase in the proportion of the population that is insured for benefits.

The Treasury invests OASI income in financial securities, generally special public-debt obligations of the U.S. Government. The revenue used to make these purchases flows to the General Fund of the Treasury. The trust fund earns interest on these securities, and the Treasury reinvests the proceeds from maturing securities in new securities if not immediately needed to pay program costs. Program expenditures require the redemption of trust fund securities, generally prior to maturity, to cover the payments made from the trust fund.

2. Operations of the DI Trust Fund

Table IV.A2 shows the projected operations and financial status of the DI Trust Fund during calendar years 2026 through 2035 under the three sets of assumptions, together with values for actual experience during 2021 through 2025. For 2025, non-interest income was higher than DI cost. Non-interest income increases generally throughout the short-range projection period under each alternative, due to most of the same factors described previously for the OASI Trust Fund beginning on page 47. DI cost grows over the short-range period under each alternative. Under all three alternatives, income remains higher than cost through 2035, and as a result, DI reserves are higher at the end of 2035 than at the end of 2025.

Table IV.A2.—Operations of the DI Trust Fund, Calendar Years 2021-2035[a]
[Dollar amounts in billions]

Calendar year	Income					Cost[b]				Reserves[b]		Trust fund ratio at start of year[c]
	Total	Net payroll tax contributions[d]	GF reimbursements[e]	Taxation of benefits[d]	Net interest	Total	Scheduled benefits	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
Historical data:												
2021 . .	$145.5	$142.4	[f]	$0.5	$2.6	$142.6	$140.1	$2.5	$0.1	$2.8	$99.4	68
2022 . .	165.1	160.7	[f]	1.6	2.8	146.5	143.6	2.7	.2	18.6	118.0	68
2023 . .	183.8	179.0	[f]	.9	3.8	154.8	151.9	2.8	.1	29.0	147.0	76
2024 . .	193.8	187.7	[f]	.7	5.4	157.6	155.0	2.5	.1	36.2	183.2	93
2025 . .	200.5	191.9	[f]	1.4	7.2	160.7	158.0	2.6	[f]	39.8	223.0	114
Intermediate:												
2026 . .	208.6	198.1	[f]	1.4	9.1	168.8	165.7	3.2	-.1	39.7	262.8	132
2027 . .	217.0	204.5	[f]	1.7	10.7	178.8	175.8	3.0	-.1	38.2	301.0	147
2028 . .	231.1	216.8	[f]	1.8	12.6	183.5	180.6	3.0	-.1	47.6	348.6	164
2029 . .	244.0	227.3	[f]	1.9	14.8	186.9	183.8	3.1	[f]	57.1	405.7	187
2030 . .	257.7	238.2	[f]	2.0	17.5	190.4	187.2	3.2	[f]	67.3	473.0	213
2031 . .	272.1	249.6	[f]	2.0	20.5	193.8	190.5	3.4	[f]	78.3	551.3	244
2032 . .	287.2	261.1	[f]	2.2	23.9	201.5	198.0	3.5	[f]	85.7	637.0	274
2033 . .	303.2	273.2	[f]	2.3	27.7	210.2	206.7	3.6	[f]	93.0	730.0	303
2034 . .	318.9	284.6	[f]	2.5	31.8	220.0	216.3	3.7	[f]	98.9	828.9	332
2035 . .	335.2	296.4	[f]	2.7	36.1	230.9	227.0	3.8	[f]	104.3	933.2	359
Low-cost:												
2026 . .	211.6	200.9	[f]	1.4	9.3	165.9	162.7	3.2	-.1	45.8	268.8	134
2027 . .	228.4	214.6	[f]	1.6	12.1	172.9	169.9	3.0	-.1	55.5	324.3	155
2028 . .	247.2	229.7	[f]	1.7	15.8	175.5	172.6	3.0	-.1	71.7	396.0	185
2029 . .	266.8	244.7	[f]	1.8	20.2	177.0	173.9	3.2	-.1	89.7	485.7	224
2030 . .	287.7	260.1	[f]	1.9	25.7	178.7	175.4	3.3	-.1	109.0	594.7	272
2031 . .	310.6	276.6	[f]	1.9	32.1	180.3	176.9	3.4	[f]	130.4	725.1	330
2032 . .	335.7	294.1	[f]	2.0	39.6	185.7	182.1	3.6	[f]	150.0	875.1	391
2033 . .	363.3	312.9	[f]	2.1	48.3	192.4	188.7	3.7	[f]	170.9	1,046.0	455
2034 . .	392.3	332.0	[f]	2.3	58.1	200.2	196.3	3.9	[f]	192.1	1,238.2	523
2035 . .	422.9	351.5	[f]	2.4	69.0	209.0	205.0	4.0	[f]	213.9	1,452.1	592

Table IV.A2.—Operations of the DI Trust Fund, Calendar Years 2021-2035[a] (Cont.)
[Dollar amounts in billions]

Calendar year	Income					Cost[b]				Reserves[b]		Trust fund ratio at start of year[c]
	Total	Net payroll tax contributions[d]	GF reimbursements[e]	Taxation of benefits[d]	Net interest	Total	Scheduled benefits	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
High-cost:												
2026	$204.7	$194.5	[f]	$1.4	$8.8	$171.9	$168.8	$3.2	-$0.1	$32.8	$255.8	130
2027	202.2	190.8	[f]	1.8	9.6	184.5	181.5	3.0	-.1	17.7	273.5	139
2028	211.5	199.6	[f]	1.9	10.1	191.3	188.3	3.0	[f]	20.2	293.8	143
2029	218.5	205.8	[f]	2.0	10.6	196.1	193.1	3.1	[f]	22.3	316.1	150
2030	226.7	213.4	[f]	2.1	11.3	200.8	197.6	3.2	[f]	26.0	342.0	157
2031	235.6	221.4	[f]	2.2	12.0	205.3	202.0	3.3	[f]	30.3	372.3	167
2032	244.4	229.3	[f]	2.3	12.8	214.2	210.7	3.4	[f]	30.2	402.6	174
2033	253.0	236.9	[f]	2.5	13.6	224.0	220.5	3.5	[f]	28.9	431.5	180
2034	260.7	243.6	[f]	2.7	14.4	234.8	231.2	3.6	.1	25.8	457.3	184
2035	268.1	250.1	[f]	2.9	15.1	246.6	242.8	3.7	.1	21.5	478.8	185

[a] Appendix A presents a detailed description of the components of income and cost, along with complete historical values.

[b] Amounts for 2021 are adjusted to include in 2021 operations those benefit payments regularly scheduled in the law to be paid on January 3, 2021, which were actually paid on December 31, 2020 as required by the statutory provision for early benefit payments when the normal delivery date is on a weekend or holiday. Such shifts in payments across calendar years occur periodically whenever January 3rd falls on a Sunday. In order to provide a consistent perspective on trust fund operations over time, all trust fund operations in each year reflect the 12 months of benefits that are regularly scheduled for payment in that year.

[c] Represents reserves at the beginning of a year (which are identical to reserves at the end of the prior year shown in the "Amount at end of year" column) as a percentage of cost for the year. The trust fund ratio at the beginning of 2036 is projected to be 385 percent under the intermediate, 663 percent under the low-cost, and 185 percent under the high-cost assumptions.

[d] Includes adjustments for prior calendar years.

[e] Includes net reimbursements from the General Fund of the Treasury to the DI Trust Fund for: (1) the cost of payroll tax credits provided to employees in 1984 and self-employed persons in 1984-89 by Public Law 98-21; and (2) payroll tax revenue forgone under the provisions of Public Laws 111-147, 111-312, 112-78, and 112-96.

[f] Between -$50 million and $50 million.

Note: Components may not sum to totals because of rounding.

For the future, DI cost is projected to increase in part due to increases in average benefit levels resulting from: (1) automatic benefit increases and (2) projected increases in the amounts of average monthly earnings on which benefits are based. Future changes in DI cost also reflect changes in the number of DI beneficiaries in current-payment status. In 2025, the number of DI beneficiaries in current-payment status continued to decline, as it has over the prior 11 years. Under the intermediate assumptions, the number of DI beneficiaries is projected to begin to increase in 2027, reaching a level of about 9 million at the end of 2035. The rate of increase after 2026 is much slower than was experienced on average from 1990 to 2010, when the population with the highest disabled-worker prevalence rates was growing rapidly due to the aging of the baby-boom generation. See section V.C.5 for further details.

At the beginning of calendar year 2026, the reserves of the DI Trust Fund represented 132 percent of estimated annual cost. Under the intermediate assumptions, DI trust fund reserves and the trust fund ratio increase through the end of the short-range projection period. Because the trust fund ratio was

above 100 percent at the beginning of 2026 and remains above 100 percent throughout the short-range period under the intermediate assumptions, the DI Trust Fund satisfies the Trustees' test of short-range financial adequacy.

3. Operations of the Combined OASI and DI Trust Funds

Table IV.A3 shows the projected operations and status of the combined OASI and DI Trust Funds for calendar years 2026 through 2035 under the three alternatives, together with actual experience in 2021 through 2025. Income and cost for the OASI Trust Fund represent over 80 percent of the corresponding amounts for the combined OASI and DI Trust Funds. Under the low-cost assumptions, the combined OASI and DI Trust Funds would have sufficient financial resources to pay all scheduled benefits through the end of the short-range period, although it is important to note that under current law, one trust fund cannot share financial resources with another trust fund. Under the intermediate and high-cost assumptions, combined OASI and DI Trust Fund reserves become depleted in the third quarter of 2034 and the second quarter of 2032, respectively.

The combined OASI and DI Trust Funds do not satisfy the test of short-range financial adequacy because under the intermediate assumptions, trust fund reserves drop below 100 percent of annual cost during 2028, to a trust fund ratio of 92 percent at the beginning of 2029.

Table IV.A3.—Operations of the Combined OASI and DI Trust Funds, Calendar Years 2021-2035[a]

[Dollar amounts in billions]

	Income					Cost[b]				Reserves[b]		Trust
Calendar year	Total	Net payroll tax contributions[d]	GF reimbursements[e]	Taxation of benefits[d]	Net interest	Total	Scheduled benefits	Administrative costs	RRB interchange	Net change during year	Amount at end of year	fund ratio at start of year[c]
Historical data:												
2021 . .	$1,088.3	$980.6	[f]	$37.6	$70.1	$1,144.6	$1,133.2	$6.5	$4.9	-$56.3	$2,852.0	254
2022 . .	1,221.8	1,106.6	$0.2	48.6	66.4	1,243.9	1,231.7	6.7	5.5	-22.1	2,829.9	229
2023 . .	1,350.7	1,233.1	[f]	50.7	66.9	1,392.1	1,379.3	7.2	5.6	-41.4	2,788.5	203
2024 . .	1,417.8	1,293.3	.2	55.1	69.1	1,484.8	1,471.4	7.4	5.9	-67.0	2,721.5	188
2025 . .	1,449.3	1,322.6	[f]	57.8	68.9	1,609.5	1,596.5	7.0	6.0	-160.2	2,561.3	169
Intermediate:												
2026 . .	1,493.2	1,364.6	.2	61.4	67.0	1,696.8	1,683.3	7.7	5.8	-203.6	2,357.7	151
2027 . .	1,543.2	1,409.0	[f]	70.8	63.4	1,798.7	1,785.1	7.5	6.1	-255.5	2,102.2	131
2028 . .	1,627.5	1,493.2	[f]	76.4	57.9	1,894.4	1,880.8	7.5	6.2	-266.9	1,835.3	111
2029 . .	1,703.1	1,565.7	[f]	85.6	51.8	1,990.0	1,975.8	7.8	6.3	-286.9	1,548.5	92
2030 . .	1,778.3	1,641.0	[f]	92.2	45.1	2,086.5	2,072.0	8.2	6.4	-308.3	1,240.2	74
2031 . .	1,855.6	1,719.3	[f]	98.4	37.9	2,183.8	2,168.8	8.5	6.4	-328.2	912.0	57
2032 . .	1,933.0	1,798.4	[f]	105.4	29.1	2,285.6	2,270.2	8.8	6.5	-352.6	559.4	40
2033 . .	2,012.2	1,881.7	[f]	113.6	16.9	2,388.7	2,372.9	9.1	6.6	-376.5	182.9	23
2034 . .	[g]	1,960.8	[f]	120.5	[g]	2,493.4	2,477.2	9.4	6.7	[g]	[g]	7
2035 . .	[g]	2,041.9	[f]	128.4	[g]	2,600.1	2,583.6	9.7	6.8	[g]	[g]	[g]

Table IV.A3.—Operations of the Combined OASI and DI Trust Funds, Calendar Years 2021-2035[a] (Cont.)

[Dollar amounts in billions]

Calendar year	Income					Cost[b]				Reserves[b]		Trust fund ratio at start of year[c]
	Total	Net payroll tax contributions[d]	GF reimbursements[e]	Taxation of benefits[d]	Net interest	Total	Scheduled benefits	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
Low-cost:												
2026 . .	$1,513.7	$1,384.1	$0.2	$61.4	$68.0	$1,693.3	$1,679.8	$7.7	$5.8	-$179.6	$2,381.7	151
2027 . .	1,617.5	1,478.3	[f]	70.8	68.3	1,794.5	1,781.0	7.5	6.0	-177.0	2,204.7	133
2028 . .	1,727.8	1,582.6	[f]	76.8	68.4	1,896.5	1,882.9	7.5	6.1	-168.8	2,036.0	116
2029 . .	1,840.6	1,685.8	[f]	86.4	68.4	1,999.3	1,985.1	8.0	6.2	-158.7	1,877.2	102
2030 . .	1,954.4	1,792.1	[f]	93.4	68.9	2,103.8	2,089.1	8.4	6.3	-149.4	1,727.9	89
2031 . .	2,075.8	1,905.7	[f]	100.2	70.0	2,209.9	2,194.6	8.9	6.4	-134.0	1,593.8	78
2032 . .	2,204.6	2,025.8	[f]	107.8	71.0	2,321.2	2,305.3	9.3	6.5	-116.6	1,477.3	69
2033 . .	2,344.2	2,155.3	[f]	116.6	72.3	2,435.2	2,418.8	9.8	6.6	-91.0	1,386.3	61
2034 . .	2,483.0	2,287.0	[f]	124.4	71.6	2,552.1	2,535.2	10.2	6.7	-69.1	1,317.2	54
2035 . .	2,624.4	2,421.7	[f]	133.2	69.6	2,672.9	2,655.4	10.6	6.8	-48.5	1,268.7	49
High-cost:												
2026 . .	1,467.4	1,339.6	.2	61.5	66.1	1,700.5	1,687.0	7.7	5.8	-233.1	2,328.2	151
2027 . .	1,444.5	1,314.6	[f]	70.7	59.2	1,799.9	1,786.3	7.5	6.1	-355.4	1,972.8	129
2028 . .	1,500.7	1,375.0	[f]	75.9	49.8	1,889.4	1,875.6	7.5	6.3	-388.7	1,584.1	104
2029 . .	1,542.3	1,417.8	[f]	84.7	39.8	1,977.5	1,963.3	7.7	6.5	-435.2	1,148.9	80
2030 . .	1,589.3	1,470.1	[f]	90.8	28.4	2,065.7	2,051.2	8.0	6.5	-476.4	672.5	56
2031 . .	1,636.4	1,525.5	[f]	96.5	14.4	2,153.9	2,139.1	8.2	6.5	-517.4	155.1	31
2032 . .	[g]	1,579.5	[f]	103.0	[g]	2,245.8	2,230.8	8.5	6.6	[g]	[g]	7
2033 . .	[g]	1,631.6	[f]	110.4	[g]	2,337.8	2,322.4	8.7	6.6	[g]	[g]	[g]
2034 . .	[g]	1,678.0	[f]	116.6	[g]	2,429.8	2,414.2	8.9	6.7	[g]	[g]	[g]
2035 . .	[g]	1,723.2	[f]	123.7	[g]	2,522.6	2,506.8	9.0	6.8	[g]	[g]	[g]

[a] Appendix A presents a detailed description of the components of income and cost, along with complete historical values.

[b] Amounts for 2021 are adjusted to include in 2021 operations those benefit payments regularly scheduled in the law to be paid on January 3, 2021, which were actually paid on December 31, 2020 as required by the statutory provision for early benefit payments when the normal delivery date is on a weekend or holiday. Such shifts in payments across calendar years occur periodically whenever January 3rd falls on a Sunday. In order to provide a consistent perspective on trust fund operations over time, all trust fund operations in each year reflect the 12 months of benefits that are regularly scheduled for payment in that year.

[c] Represents reserves at the beginning of a year (which are identical to reserves at the end of the prior year shown in the "Amount at end of year" column) as a percentage of cost for the year. The trust fund ratio at the beginning of 2036 is projected to be 45 percent under the low-cost assumptions. Under the intermediate and high-cost assumptions, combined reserves are projected to become depleted by the beginning of 2035 and 2033, respectively.

[d] Includes adjustments for prior calendar years.

[e] Includes net reimbursements from the General Fund of the Treasury to the OASI and DI Trust Funds for: (1) the cost of payroll tax credits provided to employees in 1984 and self-employed persons in 1984-89 by Public Law 98-21; and (2) payroll tax revenue forgone under the provisions of Public Laws 111-147, 111-312, 112-78, and 112-96. Also includes transfers of a portion of proceeds from repayments of loans authorized under Public Law 116-136.

[f] Between -$50 million and $50 million.

[g] The reserves of the combined OASI and DI Trust Funds become depleted in the third quarter of 2034 and the second quarter of 2032 under the intermediate and high-cost assumptions, respectively. When trust fund reserves are depleted, certain trust fund operations items are not well-defined under current law, and are not shown in this table. In addition, (1) scheduled benefits could not be paid in full on a timely basis, and actual amounts paid would be less than the scheduled benefits shown in this table; and (2) income from taxation of benefits would be lower than the amounts shown in the table, which are the amounts that would be assessed on scheduled benefits under current law.

Note: Components may not sum to totals because of rounding.

4. Factors Underlying Changes in 10-Year Trust Fund Ratio Estimates From Last Year's Report

Table IV.A4 presents an analysis of the factors underlying the changes in the intermediate estimates over the short-range projection period for the OASI, DI, and the combined funds from last year's report to this report.

In the 2025 report, under the intermediate assumptions, OASI trust fund reserves became depleted before the beginning of 2034, the tenth projection year of the report. For the analysis in this section, we use a theoretical OASI trust fund ratio for 2034 of -18, which is the ratio of the unfunded obligation at the beginning of the year to the cost for that year, as projected in last year's report. The change in the short-range valuation period alone, from 2025 through 2034 to 2026 through 2035, lowered the estimated trust fund ratio for the tenth year by 21 percentage points, to -39 percent. All other changes to reflect modifications in law and regulations since last year's report, the most recent data, adjustments to the assumptions for future years, and changes in projection methods combined for a net decrease in the ratio for the tenth projection year of 6 percentage points. Therefore, the total change in the tenth-year projected trust fund ratio from last year's report to this year's report is a reduction of 27 percentage points to a theoretical OASI trust fund ratio of -45 percent.

Legislative and regulatory changes since the 2025 report was published, primarily the passage of the One Big Beautiful Bill Act (OBBBA), lowered the projected tenth-year OASI trust fund ratio by 7 percentage points. Changes in demographic data, assumptions, and methods over the short-range period decreased the projected tenth-year trust fund ratio for OASI by 8 percentage points. Several changes in economic data, assumptions, and methods combined for a net increase in the OASI trust fund ratio of 12 percentage points by the beginning of 2035. Incorporating recent programmatic data and assumptions, including actual average benefits and higher beneficiary counts than anticipated for 2025, resulted in a decrease of 1 percentage point in the tenth-year OASI trust fund ratio. Finally, the tenth-year trust fund ratio was decreased one percentage point by changes in the short-range projection methodology for this report, which was primarily due to a refinement in the modeling for fully insured status at older ages to account for individuals beginning receipt of their benefits after age 70 in recent years.

Table IV.A4 also shows corresponding estimates of the factors underlying the changes in the financial projections for the DI Trust Fund and for the combined OASI and DI Trust Funds. The 87-percentage-point increase in the DI trust fund ratio from the beginning of 2034 in last year's report to the beginning of 2035 in this year's report is the net effect of increases and decreases from the factors described above for the OASI Trust Fund, com-

bined with other changes that are significant for DI but not OASI. The decrease of 1 percentage point due to legislation and regulations for DI is primarily caused by the net effect of the OBBBA and a recent regulation which is expected to decrease future improper payments from the DI Trust Fund through improved reporting of wage and employment information. The large increase of 44 percentage points due to programmatic data and assumptions reflects changes in several factors relevant to the DI beneficiary projections, including actual award and termination experience in 2025 and somewhat lower expectations for levels of future applications and awards over the short-range period.

Table IV.A4.—Reasons for Change in Trust Fund (Unfunded Obligation) Ratios at the Beginning of the Tenth Year of Projection Under Intermediate Assumptions
[In percent]

Item	OASI Trust Fund	DI Trust Fund	OASI and DI Trust Funds, combined
Trust fund ratio shown in last year's report for calendar year 2034[a]	-18	272	9
Change in trust fund ratio due to changes in:			
Legislation and regulations	-7	-1	-7
Valuation period	-21	21	-18
Demographic data, assumptions, and methods	-8	1	-8
Economic data, assumptions, and methods	12	22	13
Programmatic data and assumptions	-1	44	3
Short-range projection methods and data	-1	[b]	-1
Total change in trust fund ratio	-27	87	-18
Trust fund ratio shown in this report for calendar year 2035[a]	-45	359	-9

[a] Values for OASI, and OASI and DI combined, are theoretical because OASI Trust Fund reserves are depleted before the beginning of the tenth projection year under the assumptions of this report and last year's report. Negative values represent the ratio of the unfunded obligation at the beginning of the tenth year to cost for that year.
[b] Between -0.5 and 0.5 percent.

Note: Components may not sum to totals because of rounding.

B. LONG-RANGE ESTIMATES

The Trustees use three types of financial measures to assess the actuarial status of the Social Security trust funds under the financing approach specified in current law: (1) annual cash-flow measures, including income rates, cost rates, and balances; (2) trust fund ratios; and (3) summary measures such as actuarial balances and unfunded obligations.

The difference between the annual income rate and annual cost rate, both expressed as percentages of taxable payroll, is the annual balance. The level and trend of the annual balances at the end of the 75-year projection period are factors used to assess the actuarial status of the program. These annual measures are also presented as percentages of Gross Domestic Product (GDP).

The trust fund ratio for a year is the proportion of the year's projected cost that could be paid with trust fund reserves available at the beginning of the year. Critical factors considered in assessing actuarial status include: (1) the year of depletion of the trust fund reserves and the percent of scheduled benefits that is still payable after reserves are depleted, (2) the stability of the trust fund ratio at the end of the long-range period, and (3) the level and year of maximum trust fund ratio.

Solvency at any point in time requires that sufficient financial resources are available to pay all scheduled benefits at that time. Solvency is generally indicated by a positive trust fund ratio. Sustainable solvency for the financing of the program under a specified set of assumptions is achieved when the projected trust fund ratio is positive throughout the 75-year projection period and is either stable or rising at the end of the period.

Total income and cost are summarized over valuation periods that extend through 75 years and over the infinite horizon.[1] This section presents several summarized measures, including the actuarial balance and the open-group unfunded obligation. The actuarial balance indicates the size of any surplus or shortfall as a percentage of taxable payroll over the period. The open-group unfunded obligation indicates the size of any shortfall in present-value dollars. These summary measures are also presented as percentages of GDP.

This section also includes additional information that is used to assess the actuarial status of the Social Security program, including: (1) a comparison of the number of beneficiaries to the number of covered workers, (2) the test of long-range close actuarial balance, and (3) the reasons for the change in the actuarial balance from the last report.

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[1] See appendix F.

1. Annual Income Rates, Cost Rates, and Balances

The concepts of income rate and cost rate, expressed as percentages of taxable payroll, are important in the consideration of the long-range actuarial status of the trust funds. The annual income rate is the ratio of all non-interest income to the OASDI taxable payroll for the year. Non-interest income includes payroll taxes, income taxes on scheduled benefits, and any General Fund reimbursements. The OASDI taxable payroll consists of the total earnings subject to OASDI taxes with some relatively small adjustments.[1] The annual cost rate is the ratio of the cost of the program to the taxable payroll for the year. The cost includes scheduled benefits, administrative expenses, net interchange with the Railroad Retirement program, and payments for vocational rehabilitation services for disabled beneficiaries. For any year, the annual income rate minus the annual cost rate is the annual balance for the year.

Table IV.B1 presents a comparison of the estimated annual income rates and cost rates, expressed as percentages of taxable payroll,[2] by trust fund and alternative. Table IV.B2 shows the separate components of the annual income rates.

Under the intermediate assumptions, the OASI income rate decreases from 11.24 percent of payroll for 2025 to 11.11 percent of payroll for 2026 and to 11.06 percent of payroll for 2027. The projected income rates for 2026 and 2027 are relatively low because of negative adjustments expected in those years.[3] After 2027, the OASI income rate generally gradually rises, reaching 11.62 percent of taxable payroll for 2100. Income from taxation of benefits causes this gradual increase in the OASI income rate for two main reasons: (1) total scheduled benefits are rising faster than payroll; and (2) the ratio of total income tax on benefits to total benefits increases over time for reasons discussed in detail on page 161.

The OASI cost has generally increased rapidly since 2008 and is projected to continue to do so through about 2085. In this period, the number of beneficiaries is increasing much faster than the number of covered workers, as subsequent lower-birth-rate generations replace earlier generations at working

[1] Adjustments include adding deemed wage credits based on military service for 1983-2001 and reflecting the lower effective tax rates (as compared to the combined employee-employer rate) that apply to multiple-employer excess wages. Lower rates also applied to net earnings from self-employment before 1984 and to income from tips before 1988.

[2] Annual taxable payroll values are shown in table VI.G1.

[3] Payroll taxes are initially credited to the trust funds on an estimated basis during a given year. Adjustments reflect differences due to the subsequent determination of taxes owed based on actual earnings for that year as reported to the Social Security Administration. A positive adjustment indicates that the initial taxes credited were underestimated; a negative adjustment indicates an overestimate.

ages. The OASI cost rate reaches a maximum of 18.65 percent for 2086 and then declines to 18.17 percent for 2100.

Projections of income rates under the low-cost and high-cost sets of assumptions are similar to those projected for the intermediate assumptions, because income rates are largely a reflection of the payroll tax rates specified in the law, with the changes from taxation of benefits noted above. In contrast, OASI cost rates for the low-cost and high-cost assumptions are significantly different from those projected for the intermediate assumptions. For the low-cost assumptions, the OASI cost rate generally declines from 13.54 percent for 2026 to 12.40 percent for 2049, rises to 13.17 percent for 2076, and then declines to 11.76 percent for 2100, at which point the income rate reaches 11.25 percent. For the high-cost assumptions, the OASI cost rate rises throughout the projection period from 14.18 percent for 2026 to 29.85 percent for 2100, at which point the income rate reaches 12.28 percent.

The pattern of the projected OASI annual balance is important in the analysis of the actuarial status of the program. Under the intermediate assumptions, the annual balance is negative throughout the projection period. The annual deficit generally increases from 2.48 percent of taxable payroll for 2025 to 7.01 percent for 2086, and declines thereafter, reaching 6.55 percent of taxable payroll for 2100.

Under the low-cost assumptions, the OASI annual deficit decreases from 2.52 percent of payroll for 2026 to 1.13 percent of payroll for 2049. After 2049, the annual deficit rises to 1.84 percent for 2076, before decreasing and reaching an annual deficit of 0.51 percent in 2100. Under the high-cost assumptions, the OASI annual deficit rises throughout the projection period from 3.00 percent for 2026 to 17.57 percent for 2100.

Under the intermediate assumptions, the projected DI cost rate generally declines from 1.53 percent for 2026 to 1.38 percent for 2033. Then the DI cost rate increases gradually to 1.86 percent for 2057. Thereafter, the cost rate remains relatively stable, again reaching 1.86 percent for 2100. The DI income rate generally increases from 1.81 percent in 2026 to 1.83 percent in 2100. The annual balance decreases from 0.28 percent of payroll for 2026 to 0.24 percent for 2027, increases to 0.43 percent for 2033 and then decreases and becomes slightly negative (i.e., an annual deficit) in years 2054 through 2079. After 2079, the annual balance increases to 0.04 percent for 2087 and then declines and becomes negative again, reaching an annual deficit of 0.02 percent in 2100.

Under the low-cost assumptions, the projected DI cost rate declines from 1.47 percent of payroll for 2026 to 1.06 percent for 2037 and then increases to 1.26 percent for 2055. The cost rate then declines through 2086 and increases slowly thereafter, reaching 1.23 percent for 2100. The annual bal-

ance is positive throughout the long-range period, reaching 0.59 percent of payroll for 2100. Under the high-cost assumptions, the DI cost rate generally rises from 1.59 percent of payroll for 2026 to 2.78 percent for 2072 and fluctuates thereafter, reaching 2.65 percent for 2100. The DI annual balance declines from 0.22 percent of payroll for 2026 and becomes negative starting in 2037. The annual deficits increase to 0.93 percent for 2072, decrease to 0.78 percent for 2095 and then increase to 0.81 percent for 2100.

Table IV.B1.—Annual Income Rates, Cost Rates, and Balances, Calendar Years 1990-2100

[As a percentage of taxable payroll[a]]

Calendar year	OASI			DI			OASDI		
	Income rate[b]	Cost rate[c]	Balance[c]	Income rate[b]	Cost rate[c]	Balance[c]	Income rate[b]	Cost rate[c]	Balance[c]
Historical data:									
1990	11.47	9.65	1.82	1.18	1.09	0.10	12.65	10.74	1.91
1995	10.65	10.23	.42	1.87	1.44	.43	12.52	11.67	.85
2000	10.85	8.98	1.87	1.78	1.42	.36	12.62	10.40	2.23
2005	10.96	9.31	1.65	1.84	1.85	-.02	12.80	11.16	1.63
2010	10.75	11.06	-.30	1.79	2.41	-.62	12.54	13.47	-.92
2015	11.02	11.64	-.62	1.81	2.27	-.47	12.82	13.91	-1.09
2016	10.70	11.69	-.99	2.39	2.20	.19	13.09	13.89	-.80
2017	10.63	11.55	-.92	2.42	2.09	.33	13.05	13.64	-.59
2018	10.26	11.67	-1.41	2.32	2.01	.31	12.58	13.68	-1.10
2019	10.96	11.89	-.93	1.84	1.93	-.09	12.80	13.82	-1.02
2020	11.60	12.45	-.85	1.90	1.90	.01	13.50	14.35	-.84
2021	10.49	12.00	-1.52	1.71	1.71	[d]	12.20	13.71	-1.51
2022	10.87	12.01	-1.14	1.78	1.60	.17	12.65	13.62	-.97
2023	11.31	12.67	-1.37	1.84	1.59	.26	13.15	14.26	-1.11
2024	11.24	12.86	-1.62	1.82	1.53	.30	13.06	14.38	-1.32
2025	11.24	13.72	-2.48	1.83	1.52	.31	13.07	15.24	-2.17
Intermediate:									
2026	11.11	13.84	-2.73	1.81	1.53	.28	12.91	15.37	-2.45
2027	11.06	14.07	-3.01	1.79	1.55	.24	12.85	15.62	-2.77
2028	11.20	14.18	-2.98	1.81	1.52	.29	13.01	15.70	-2.69
2029	11.25	14.26	-3.01	1.81	1.48	.33	13.06	15.74	-2.68
2030	11.26	14.30	-3.04	1.81	1.44	.38	13.07	15.74	-2.67
2031	11.27	14.33	-3.05	1.81	1.40	.42	13.09	15.72	-2.64
2032	11.28	14.33	-3.05	1.81	1.39	.42	13.09	15.72	-2.63
2033	11.32	14.34	-3.02	1.81	1.38	.43	13.13	15.72	-2.59
2034	11.33	14.35	-3.02	1.81	1.39	.42	13.14	15.74	-2.60
2035	11.35	14.37	-3.02	1.81	1.40	.41	13.16	15.77	-2.61
2040	11.38	14.70	-3.32	1.82	1.51	.31	13.20	16.20	-3.01
2045	11.40	14.91	-3.51	1.82	1.66	.16	13.22	16.57	-3.35
2050	11.42	15.16	-3.73	1.82	1.77	.05	13.25	16.93	-3.68
2055	11.45	15.63	-4.18	1.83	1.85	-.02	13.28	17.48	-4.20
2060	11.50	16.29	-4.79	1.83	1.86	-.03	13.32	18.15	-4.82
2065	11.53	16.88	-5.34	1.83	1.87	-.04	13.36	18.74	-5.38
2070	11.57	17.45	-5.88	1.83	1.87	-.04	13.40	19.32	-5.93
2075	11.61	18.05	-6.45	1.83	1.85	-.02	13.44	19.90	-6.46
2080	11.63	18.46	-6.83	1.83	1.83	[d]	13.46	20.29	-6.83
2085	11.64	18.65	-7.01	1.83	1.80	.03	13.47	20.45	-6.98
2090	11.64	18.55	-6.91	1.83	1.80	.03	13.47	20.35	-6.88
2095	11.63	18.32	-6.70	1.83	1.83	.01	13.46	20.15	-6.69
2100	11.62	18.17	-6.55	1.83	1.86	-.02	13.45	20.02	-6.57
First year balance becomes negative and remains negative throughout the 75-year projection period			2010			2096			2010

Table IV.B1.—Annual Income Rates, Cost Rates, and Balances, Calendar Years 1990-2100 (Cont.)
[As a percentage of taxable payroll[a]]

Calendar year	OASI			DI			OASDI		
	Income rate[b]	Cost rate[c]	Balance[c]	Income rate[b]	Cost rate[c]	Balance[c]	Income rate[b]	Cost rate[c]	Balance[c]
Low-cost:									
2026	11.02	13.54	-2.52	1.79	1.47	0.32	12.82	15.01	-2.20
2027	11.12	13.53	-2.41	1.80	1.44	.36	12.92	14.97	-2.05
2028	11.16	13.45	-2.29	1.81	1.37	.44	12.97	14.82	-1.85
2029	11.20	13.38	-2.18	1.81	1.30	.51	13.01	14.68	-1.67
2030	11.21	13.29	-2.08	1.81	1.23	.58	13.02	14.52	-1.51
2031	11.21	13.17	-1.96	1.81	1.17	.64	13.02	14.34	-1.32
2032	11.21	13.03	-1.82	1.81	1.13	.67	13.02	14.16	-1.14
2033	11.24	12.88	-1.64	1.81	1.10	.70	13.04	13.98	-.94
2034	11.23	12.72	-1.49	1.81	1.08	.73	13.04	13.80	-.76
2035	11.25	12.59	-1.34	1.81	1.07	.74	13.06	13.66	-.60
2040	11.26	12.52	-1.26	1.81	1.09	.72	13.07	13.60	-.53
2045	11.27	12.45	-1.18	1.81	1.18	.63	13.08	13.62	-.54
2050	11.27	12.40	-1.13	1.82	1.24	.58	13.09	13.64	-.55
2055	11.28	12.54	-1.25	1.82	1.26	.55	13.10	13.80	-.70
2060	11.30	12.79	-1.49	1.82	1.25	.57	13.12	14.03	-.91
2065	11.31	12.94	-1.62	1.82	1.24	.58	13.13	14.17	-1.04
2070	11.32	13.06	-1.74	1.82	1.22	.60	13.14	14.28	-1.14
2075	11.33	13.17	-1.84	1.82	1.20	.62	13.15	14.36	-1.22
2080	11.33	13.09	-1.77	1.82	1.18	.64	13.14	14.27	-1.13
2085	11.31	12.82	-1.51	1.82	1.16	.66	13.13	13.98	-.85
2090	11.28	12.33	-1.05	1.82	1.17	.65	13.10	13.51	-.40
2095	11.26	11.90	-.64	1.82	1.21	.61	13.08	13.10	-.02
2100	11.25	11.76	-.51	1.82	1.23	.59	13.07	12.99	.08
First year balance becomes negative and remains negative throughout the 75-year projection period			2010			[e]			[f]
High-cost:									
2026	11.18	14.18	-3.00	1.82	1.59	.22	13.00	15.78	-2.78
2027	11.03	14.93	-3.91	1.78	1.71	.07	12.81	16.64	-3.83
2028	11.24	15.28	-4.04	1.81	1.72	.09	13.06	17.00	-3.95
2029	11.32	15.57	-4.25	1.82	1.71	.10	13.14	17.29	-4.15
2030	11.33	15.71	-4.38	1.82	1.69	.12	13.15	17.40	-4.25
2031	11.35	15.82	-4.47	1.82	1.67	.15	13.17	17.48	-4.32
2032	11.37	15.92	-4.55	1.81	1.68	.14	13.18	17.59	-4.41
2033	11.41	16.05	-4.64	1.82	1.70	.12	13.23	17.75	-4.52
2034	11.43	16.20	-4.77	1.82	1.73	.08	13.25	17.93	-4.69
2035	11.46	16.37	-4.91	1.82	1.77	.05	13.28	18.14	-4.86

Table IV.B1.—Annual Income Rates, Cost Rates, and Balances, Calendar Years 1990-2100 (Cont.)
[As a percentage of taxable payroll[a]]

Calendar year	OASI Income rate[b]	OASI Cost rate[c]	OASI Balance[c]	DI Income rate[b]	DI Cost rate[c]	DI Balance[c]	OASDI Income rate[b]	OASDI Cost rate[c]	OASDI Balance[c]
High-cost (Cont.):									
2040	11.52	17.23	-5.71	1.82	2.00	-0.18	13.34	19.23	-5.89
2045	11.57	17.93	-6.37	1.83	2.25	-.43	13.40	20.19	-6.79
2050	11.62	18.74	-7.12	1.83	2.44	-.60	13.45	21.18	-7.73
2055	11.68	19.84	-8.15	1.84	2.59	-.75	13.52	22.42	-8.90
2060	11.77	21.21	-9.44	1.84	2.65	-.81	13.60	23.86	-10.26
2065	11.85	22.57	-10.72	1.84	2.72	-.88	13.69	25.29	-11.60
2070	11.93	23.99	-12.06	1.84	2.77	-.93	13.77	26.76	-12.98
2075	12.02	25.52	-13.50	1.84	2.76	-.92	13.86	28.28	-14.42
2080	12.10	26.93	-14.82	1.84	2.75	-.90	13.95	29.68	-15.73
2085	12.18	28.18	-16.00	1.84	2.70	-.85	14.02	30.88	-16.86
2090	12.23	29.09	-16.86	1.84	2.66	-.82	14.08	31.76	-17.68
2095	12.27	29.67	-17.40	1.84	2.63	-.78	14.11	32.30	-18.18
2100	12.28	29.85	-17.57	1.85	2.65	-.81	14.13	32.51	-18.38
First year balance becomes negative and remains negative throughout the 75-year projection period			2010			2037			2010

[a] Annual taxable payroll values are shown in table VI.G1.
[b] Income rates include certain reimbursements from the General Fund of the Treasury, but exclude interest income.
[c] Benefit payments scheduled to be paid on January 3 are actually paid on December 31 as required by the statutory provision for early delivery of benefit payments when the normal payment delivery date is a Saturday, Sunday, or legal public holiday. For comparability with the values for historical years and the projections in this report, all trust fund operations and reserves reflect the 12 months of benefits scheduled for payment each year.
[d] Between -0.005 and 0.005 percent of taxable payroll.
[e] The annual balance is projected to be positive throughout the entire 75-year projection period.
[f] The annual balance is projected to be negative for a temporary period and then become positive before the end of the projection period.

Notes:
1. Revisions of taxable payroll may change some historical values.
2. Components may not sum to totals because of rounding.

Figure IV.B1 shows the patterns of the historical and projected OASI and DI annual cost rates. The patterns in projected OASI and DI cost rates are described earlier in this chapter. Historical annual OASI cost rates shifted upward starting in 2008 and have remained at relatively high levels since then, primarily due to the changing age distribution of the adult population with the retirement of the baby-boom generation and entry of lower birth-rate generations into working ages.

Historical annual DI cost rates rose substantially between 1990 and 2010 in large part due to: (1) aging of the working population as the baby-boom generation moved from ages 25-44 in 1990, where disabled-worker prevalence is low, to ages 45-64 in 2010, where disabled-worker prevalence is much higher; (2) a substantial increase in the percentage of women insured for DI benefits as a result of increased and more consistent rates of employment; and (3) increased disabled-worker incidence rates for women to a level similar to those for men by 2010. As of 2010, these three factors have largely sta-

bilized. Other factors that are not yet fully understood, including the changing nature of work, have caused age-sex-adjusted disabled-worker incidence rates to generally decline from 2010 to 2022, and remain low through 2025. In turn, age-sex-adjusted disabled-worker prevalence rates and DI cost rates have declined over the last decade.

Figure IV.B1 shows only the income rates for alternative II because the variation in income rates by alternative is very small. Income rates generally increase slowly for each of the alternatives over the long-range period. Taxation of benefits, which is a small portion of income, is the main source of the increases in the income rate and the variation among the alternatives.

Table IV.B1 shows the annual balances for OASI, DI, and OASDI. The pattern of the annual balances is important to the analysis of the actuarial status of the Social Security program as a whole. As seen in figure IV.B1, the magnitude of each of the positive annual balances is the distance between the appropriate cost-rate curve and the income-rate curve above it. The magnitude of each of the annual deficits is the distance between the appropriate cost-rate curve and the income-rate curve below it. Annual balances follow closely the pattern of annual cost rates after 1990 because the payroll tax rate for the OASDI program has not changed and will not under current law, with only small variations in the allocation between DI and OASI except for changes due to the 1994 and the 2016-18 payroll tax rate reallocations.

In the future, the costs of OASI, DI, and the combined OASDI programs as a percentage of taxable payroll are unlikely to fall outside the range encompassed by alternatives I and III, because alternatives I and III define a wide range of demographic, economic, and program-specific assumptions.

Figure IV.B1.—OASI and DI Annual Income Rates and Cost Rates
[As a percentage of taxable payroll]

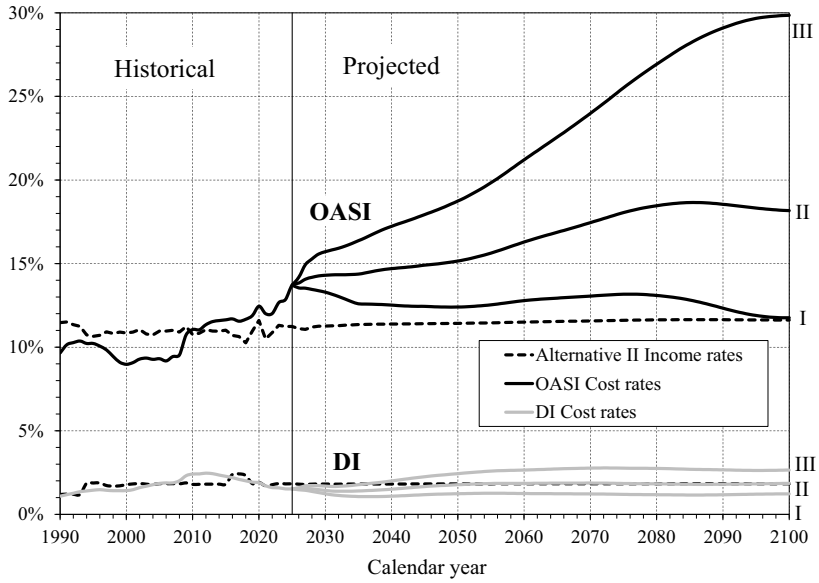


Table IV.B2 contains historical and projected annual income rates and their components by trust fund and alternative. The annual income rates consist of the scheduled payroll tax rates, the rates of income from taxation of scheduled benefits, and the rates of income from General Fund reimbursements. Projected income from taxation of benefits increases over time for reasons discussed on page 161.

Table IV.B2.—Components of Annual Income Rates, Calendar Years 1990-2100
[As a percentage of taxable payroll]

Calendar year	OASI				DI				OASDI			
	Payroll tax	Taxation of benefits[a]	General Fund reimbursements[b]	Total[c]	Payroll tax	Taxation of benefits[a]	General Fund reimbursements[b]	Total[c]	Payroll tax	Taxation of benefits[a]	General Fund reimbursements[b]	Total[c]
Historical data:												
1990 . .	11.29	0.21	-0.03	11.47	1.21	0.01	-0.03	1.18	12.50	0.21	-0.06	12.65
1995 . .	10.46	.19	-.01	10.65	1.87	.01	-.01	1.87	12.33	.20	-.01	12.52
2000 . .	10.56	.29	[d]	10.85	1.78	.02	-.02	1.78	12.34	.31	-.02	12.62
2005 . .	10.68	.29	-.01	10.96	1.81	.02	[d]	1.84	12.49	.31	-.01	12.80
2010 . .	10.30	.42	.04	10.75	1.75	.04	.01	1.79	12.05	.45	.05	12.54
2015 . .	10.54	.47	[d]	11.02	1.79	.02	[d]	1.81	12.33	.49	.01	12.82
2016 . .	10.22	.48	[d]	10.70	2.37	.02	[d]	2.39	12.59	.49	[d]	13.09
2017 . .	10.12	.51	[d]	10.63	2.39	.03	[d]	2.42	12.51	.54	[d]	13.05
2018 . .	9.79	.47	[d]	10.26	2.31	.01	[d]	2.32	12.10	.48	[d]	12.58
2019 . .	10.50	.46	[d]	10.96	1.82	.02	[d]	1.84	12.32	.48	[d]	12.80
2020 . .	11.09	.51	[d]	11.60	1.88	.02	[d]	1.90	12.97	.53	[d]	13.50
2021 . .	10.04	.45	[d]	10.49	1.71	.01	[d]	1.71	11.75	.45	[d]	12.20
2022 . .	10.36	.52	[d]	10.87	1.76	.02	[d]	1.78	12.11	.53	[d]	12.65
2023 . .	10.80	.51	[d]	11.31	1.83	.01	[d]	1.84	12.63	.52	[d]	13.15
2024 . .	10.71	.53	[d]	11.24	1.82	.01	[d]	1.82	12.53	.53	[d]	13.06
2025 . .	10.71	.53	[d]	11.24	1.82	.01	[d]	1.83	12.52	.55	[d]	13.07
Intermediate:												
2026 . .	10.56	.54	[d]	11.11	1.79	.01	[d]	1.81	12.36	.56	[d]	12.91
2027 . .	10.46	.60	[d]	11.06	1.78	.01	[d]	1.79	12.24	.61	[d]	12.85
2028 . .	10.58	.62	[d]	11.20	1.80	.01	[d]	1.81	12.38	.63	[d]	13.01
2029 . .	10.59	.66	[d]	11.25	1.80	.02	[d]	1.81	12.38	.68	[d]	13.06
2030 . .	10.58	.68	[d]	11.26	1.80	.01	[d]	1.81	12.38	.70	[d]	13.07
2031 . .	10.58	.69	[d]	11.27	1.80	.01	[d]	1.81	12.38	.71	[d]	13.09
2032 . .	10.57	.71	[d]	11.28	1.80	.01	[d]	1.81	12.37	.73	[d]	13.09
2033 . .	10.59	.73	[d]	11.32	1.80	.02	[d]	1.81	12.38	.75	[d]	13.13
2034 . .	10.58	.75	[d]	11.33	1.80	.02	[d]	1.81	12.38	.76	[d]	13.14
2035 . .	10.59	.76	[d]	11.35	1.80	.02	[d]	1.81	12.39	.78	[d]	13.16
2040 . .	10.59	.79	[d]	11.38	1.80	.02	[d]	1.82	12.39	.81	[d]	13.20
2045 . .	10.59	.81	[d]	11.40	1.80	.02	[d]	1.82	12.39	.84	[d]	13.22
2050 . .	10.59	.83	[d]	11.42	1.80	.03	[d]	1.82	12.39	.86	[d]	13.25
2055 . .	10.59	.87	[d]	11.45	1.80	.03	[d]	1.83	12.39	.89	[d]	13.28
2060 . .	10.59	.91	[d]	11.50	1.80	.03	[d]	1.83	12.39	.94	[d]	13.32
2065 . .	10.59	.94	[d]	11.53	1.80	.03	[d]	1.83	12.39	.97	[d]	13.36
2070 . .	10.59	.98	[d]	11.57	1.80	.03	[d]	1.83	12.39	1.01	[d]	13.40
2075 . .	10.59	1.02	[d]	11.61	1.80	.03	[d]	1.83	12.39	1.05	[d]	13.44
2080 . .	10.59	1.04	[d]	11.63	1.80	.03	[d]	1.83	12.39	1.07	[d]	13.46
2085 . .	10.59	1.06	[d]	11.64	1.80	.03	[d]	1.83	12.39	1.09	[d]	13.47
2090 . .	10.59	1.05	[d]	11.64	1.80	.03	[d]	1.83	12.39	1.08	[d]	13.47
2095 . .	10.59	1.04	[d]	11.63	1.80	.03	[d]	1.83	12.39	1.07	[d]	13.46
2100 . .	10.59	1.03	[d]	11.62	1.80	.03	[d]	1.83	12.39	1.07	[d]	13.45
Low-cost:												
2026 . .	10.49	.53	[d]	11.02	1.78	.01	[d]	1.79	12.27	.54	[d]	12.82
2027 . .	10.54	.58	[d]	11.12	1.79	.01	[d]	1.80	12.33	.59	[d]	12.92
2028 . .	10.57	.59	[d]	11.16	1.80	.01	[d]	1.81	12.37	.60	[d]	12.97
2029 . .	10.58	.62	[d]	11.20	1.80	.01	[d]	1.81	12.38	.63	[d]	13.01
2030 . .	10.57	.63	[d]	11.21	1.80	.01	[d]	1.81	12.37	.64	[d]	13.02
2031 . .	10.57	.64	[d]	11.21	1.80	.01	[d]	1.81	12.37	.65	[d]	13.02
2032 . .	10.57	.65	[d]	11.21	1.79	.01	[d]	1.81	12.36	.66	[d]	13.02
2033 . .	10.58	.66	[d]	11.24	1.80	.01	[d]	1.81	12.37	.67	[d]	13.04
2034 . .	10.57	.66	[d]	11.23	1.80	.01	[d]	1.81	12.37	.67	[d]	13.04
2035 . .	10.58	.67	[d]	11.25	1.80	.01	[d]	1.81	12.38	.68	[d]	13.06

Table IV.B2.—Components of Annual Income Rates, Calendar Years 1990-2100 (Cont.)
[As a percentage of taxable payroll]

Calendar year	OASI				DI				OASDI			
	Payroll tax	Taxation of benefits[a]	General Fund reimbursements[b]	Total[c]	Payroll tax	Taxation of benefits[a]	General Fund reimbursements[b]	Total[c]	Payroll tax	Taxation of benefits[a]	General Fund reimbursements[b]	Total[c]
Low-cost (Cont.):												
2040 . .	10.58	0.68	[d]	11.26	1.80	0.01	[d]	1.81	12.38	0.69	[d]	13.07
2045 . .	10.58	.68	[d]	11.27	1.80	.02	[d]	1.81	12.38	.70	[d]	13.08
2050 . .	10.58	.69	[d]	11.27	1.80	.02	[d]	1.82	12.38	.71	[d]	13.09
2055 . .	10.58	.70	[d]	11.28	1.80	.02	[d]	1.82	12.38	.72	[d]	13.10
2060 . .	10.58	.72	[d]	11.30	1.80	.02	[d]	1.82	12.38	.74	[d]	13.12
2065 . .	10.58	.73	[d]	11.31	1.80	.02	[d]	1.82	12.38	.75	[d]	13.13
2070 . .	10.58	.74	[d]	11.32	1.80	.02	[d]	1.82	12.38	.76	[d]	13.14
2075 . .	10.58	.75	[d]	11.33	1.80	.02	[d]	1.82	12.38	.77	[d]	13.15
2080 . .	10.58	.74	[d]	11.33	1.80	.02	[d]	1.82	12.38	.76	[d]	13.14
2085 . .	10.58	.73	[d]	11.31	1.80	.02	[d]	1.82	12.38	.75	[d]	13.13
2090 . .	10.58	.70	[d]	11.28	1.80	.02	[d]	1.82	12.38	.72	[d]	13.10
2095 . .	10.58	.68	[d]	11.26	1.80	.02	[d]	1.82	12.38	.70	[d]	13.08
2100 . .	10.58	.67	[d]	11.25	1.80	.02	[d]	1.82	12.38	.69	[d]	13.07
High-cost:												
2026 . .	10.63	.56	[d]	11.18	1.80	.01	[d]	1.82	12.43	.57	[d]	13.00
2027 . .	10.39	.64	[d]	11.03	1.76	.02	[d]	1.78	12.15	.65	[d]	12.81
2028 . .	10.58	.67	[d]	11.24	1.80	.02	[d]	1.81	12.37	.68	[d]	13.06
2029 . .	10.60	.72	[d]	11.32	1.80	.02	[d]	1.82	12.39	.74	[d]	13.14
2030 . .	10.59	.75	[d]	11.33	1.80	.02	[d]	1.82	12.38	.76	[d]	13.15
2031 . .	10.59	.77	[d]	11.35	1.80	.02	[d]	1.82	12.38	.78	[d]	13.17
2032 . .	10.58	.79	[d]	11.37	1.80	.02	[d]	1.81	12.37	.81	[d]	13.18
2033 . .	10.59	.82	[d]	11.41	1.80	.02	[d]	1.82	12.39	.84	[d]	13.23
2034 . .	10.59	.84	[d]	11.43	1.80	.02	[d]	1.82	12.39	.86	[d]	13.25
2035 . .	10.59	.87	[d]	11.46	1.80	.02	[d]	1.82	12.39	.89	[d]	13.28
2040 . .	10.59	.93	[d]	11.52	1.80	.02	[d]	1.82	12.39	.95	[d]	13.34
2045 . .	10.59	.97	[d]	11.57	1.80	.03	[d]	1.83	12.39	1.00	[d]	13.40
2050 . .	10.60	1.02	[d]	11.62	1.80	.03	[d]	1.83	12.39	1.06	[d]	13.45
2055 . .	10.60	1.09	[d]	11.68	1.80	.04	[d]	1.84	12.39	1.13	[d]	13.52
2060 . .	10.60	1.17	[d]	11.77	1.80	.04	[d]	1.84	12.39	1.21	[d]	13.60
2065 . .	10.60	1.25	[d]	11.85	1.80	.04	[d]	1.84	12.40	1.29	[d]	13.69
2070 . .	10.60	1.33	[d]	11.93	1.80	.04	[d]	1.84	12.40	1.38	[d]	13.77
2075 . .	10.60	1.42	[d]	12.02	1.80	.04	[d]	1.84	12.40	1.47	[d]	13.86
2080 . .	10.60	1.51	[d]	12.10	1.80	.05	[d]	1.84	12.40	1.55	[d]	13.95
2085 . .	10.60	1.58	[d]	12.18	1.80	.05	[d]	1.84	12.40	1.63	[d]	14.02
2090 . .	10.60	1.64	[d]	12.23	1.80	.05	[d]	1.84	12.40	1.68	[d]	14.08
2095 . .	10.60	1.67	[d]	12.27	1.80	.05	[d]	1.84	12.40	1.72	[d]	14.11
2100 . .	10.60	1.68	[d]	12.28	1.80	.05	[d]	1.85	12.40	1.73	[d]	14.13

[a] Revenue from taxation of benefits is the amount that would be assessed on scheduled benefits under current law.

[b] Includes payroll tax revenue forgone under the provisions of Public Laws 111-147, 111-312, 112-78, and 112-96, and other miscellaneous reimbursements. Also includes transfers of a portion of the proceeds from repayments of loans authorized under Public Law 116-136.

[c] Values exclude interest income.

[d] Between -0.005 and 0.005 percent of taxable payroll.

Note: Components may not sum to totals because of rounding.

Long-range OASDI cost and income are most often expressed as percentages of taxable payroll. However, cost and income can also be presented as shares of GDP, the value of goods and services produced during the year in the

United States. While expressing fund operations as a percentage of taxable payroll is a very useful approach for assessing the financial status of the programs, expressing them as a percentage of GDP provides an additional perspective. Table IV.B3 shows non-interest income, total cost, and the resulting balance of the OASI Trust Fund, the DI Trust Fund, and the combined OASI and DI Trust Funds, expressed as percentages of GDP[1] on the basis of each of the three alternative sets of assumptions.

The trends of the annual balance presented as a percentage of GDP are similar to the trends described earlier in this section when presented as a percentage of taxable payroll. The Trustees project the OASDI annual balance (non-interest income less cost) as a percentage of GDP to be negative throughout the projection period under the intermediate and high-cost assumptions. Under the low-cost assumptions, the OASDI annual deficit as a percentage of GDP generally decreases from 2026 through 2042, generally increases through 2075, and then decreases through 2095 before annual balances become positive for years 2096 and later. Under the intermediate assumptions, the OASDI annual deficits as a percentage of GDP generally increase from 2026 through 2085 and decrease thereafter. Under the high-cost assumptions, OASDI annual deficits increase relatively rapidly through 2097 and then slightly decrease through the end of the projection period.

[1] Annual GDP values are shown in table VI.G1.

Table IV.B3.—Annual Income Rates, Cost Rates, and Balances, Calendar Years 1990-2100
[As a percentage of GDP[a]]

Calendar year	OASI			DI			OASDI		
	Income[b]	Cost[c]	Balance[c]	Income[b]	Cost[c]	Balance[c]	Income[b]	Cost[c]	Balance[c]
Historical data:									
1990	4.53	3.82	0.72	0.47	0.43	0.04	5.00	4.24	0.76
1995	4.06	3.90	.16	.71	.55	.16	4.77	4.45	.32
2000	4.22	3.50	.73	.69	.55	.14	4.92	4.05	.87
2005	3.99	3.39	.60	.67	.68	-.01	4.66	4.06	.59
2010	3.78	3.89	-.11	.63	.85	-.22	4.41	4.73	-.32
2015	3.88	4.10	-.22	.64	.80	-.16	4.52	4.90	-.38
2016	3.78	4.13	-.35	.84	.78	.07	4.62	4.90	-.28
2017	3.79	4.11	-.33	.86	.74	.12	4.65	4.86	-.21
2018	3.63	4.13	-.50	.82	.71	.11	4.45	4.84	-.39
2019	3.90	4.23	-.33	.65	.69	-.03	4.55	4.92	-.36
2020	4.19	4.50	-.31	.69	.68	[d]	4.87	5.18	-.31
2021	3.69	4.22	-.53	.60	.60	[d]	4.29	4.82	-.53
2022	3.81	4.21	-.40	.62	.56	.06	4.43	4.77	-.34
2023	3.97	4.45	-.48	.65	.56	.09	4.62	5.01	-.39
2024	3.96	4.53	-.57	.64	.54	.11	4.60	5.07	-.46
2025	3.86	4.71	-.85	.63	.52	.11	4.48	5.23	-.74
Intermediate:									
2026	3.80	4.73	-.93	.62	.52	.09	4.42	5.26	-.84
2027	3.80	4.84	-1.03	.62	.53	.08	4.42	5.37	-.95
2028	3.89	4.93	-1.04	.63	.53	.10	4.52	5.45	-.94
2029	3.95	5.00	-1.06	.64	.52	.12	4.58	5.52	-.94
2030	3.98	5.06	-1.08	.64	.51	.13	4.63	5.57	-.94
2031	4.02	5.11	-1.09	.65	.50	.15	4.67	5.61	-.94
2032	4.05	5.14	-1.09	.65	.50	.15	4.70	5.64	-.94
2033	4.08	5.17	-1.09	.65	.50	.15	4.73	5.67	-.93
2034	4.09	5.18	-1.09	.65	.50	.15	4.75	5.69	-.94
2035	4.11	5.20	-1.09	.66	.51	.15	4.76	5.70	-.94
2040	4.09	5.28	-1.19	.65	.54	.11	4.74	5.82	-1.08
2045	4.07	5.32	-1.25	.65	.59	.06	4.72	5.91	-1.20
2050	4.05	5.37	-1.32	.65	.63	.02	4.69	6.00	-1.30
2055	4.03	5.50	-1.47	.64	.65	-.01	4.67	6.15	-1.48
2060	4.02	5.69	-1.68	.64	.65	-.01	4.66	6.34	-1.68
2065	4.00	5.86	-1.85	.63	.65	-.01	4.64	6.51	-1.87
2070	3.99	6.02	-2.03	.63	.65	-.01	4.62	6.67	-2.04
2075	3.98	6.19	-2.21	.63	.63	-.01	4.61	6.82	-2.22
2080	3.96	6.29	-2.33	.62	.62	[d]	4.59	6.91	-2.33
2085	3.95	6.32	-2.38	.62	.61	.01	4.57	6.93	-2.36
2090	3.92	6.25	-2.33	.62	.61	.01	4.54	6.86	-2.32
2095	3.90	6.15	-2.25	.61	.61	[d]	4.52	6.76	-2.24
2100	3.88	6.07	-2.19	.61	.62	-.01	4.49	6.69	-2.19
Low-cost:									
2026	3.80	4.67	-.87	.62	.51	.11	4.42	5.17	-.76
2027	3.86	4.69	-.84	.63	.50	.13	4.49	5.20	-.71
2028	3.92	4.73	-.80	.64	.48	.15	4.56	5.21	-.65
2029	3.98	4.75	-.77	.64	.46	.18	4.62	5.22	-.59
2030	4.02	4.77	-.75	.65	.44	.21	4.67	5.22	-.54
2031	4.07	4.78	-.71	.66	.42	.23	4.72	5.20	-.48
2032	4.11	4.77	-.67	.66	.42	.25	4.77	5.19	-.42
2033	4.15	4.76	-.61	.67	.41	.26	4.82	5.17	-.35
2034	4.18	4.74	-.55	.67	.40	.27	4.86	5.14	-.28
2035	4.22	4.72	-.50	.68	.40	.28	4.89	5.12	-.23

Table IV.B3.—Annual Income Rates, Cost Rates, and Balances, Calendar Years 1990-2100 (Cont.)

[As a percentage of GDP[a]]

Calendar year	OASI			DI			OASDI		
	Income[b]	Cost[c]	Balance[c]	Income[b]	Cost[c]	Balance[c]	Income[b]	Cost[c]	Balance[c]
Low-cost (Cont.):									
2040	4.20	4.67	-0.47	0.68	0.41	0.27	4.88	5.08	-0.20
2045	4.19	4.63	-.44	.67	.44	.24	4.86	5.07	-.20
2050	4.17	4.59	-.42	.67	.46	.21	4.85	5.05	-.20
2055	4.16	4.63	-.46	.67	.47	.20	4.84	5.09	-.26
2060	4.16	4.71	-.55	.67	.46	.21	4.83	5.17	-.34
2065	4.16	4.75	-.60	.67	.45	.21	4.83	5.21	-.38
2070	4.16	4.79	-.64	.67	.45	.22	4.82	5.24	-.42
2075	4.16	4.83	-.67	.67	.44	.23	4.82	5.27	-.45
2080	4.15	4.80	-.65	.67	.43	.24	4.82	5.23	-.41
2085	4.15	4.70	-.55	.67	.43	.24	4.82	5.13	-.31
2090	4.15	4.53	-.39	.67	.43	.24	4.81	4.96	-.15
2095	4.14	4.38	-.23	.67	.44	.23	4.81	4.82	-.01
2100	4.15	4.33	-.19	.67	.45	.22	4.82	4.79	.03
High-cost:									
2026	3.81	4.84	-1.02	.62	.54	.08	4.43	5.38	-.95
2027	3.79	5.14	-1.34	.61	.59	.03	4.41	5.73	-1.32
2028	3.86	5.25	-1.39	.62	.59	.03	4.49	5.84	-1.36
2029	3.88	5.34	-1.46	.62	.59	.04	4.50	5.92	-1.42
2030	3.90	5.41	-1.51	.62	.58	.04	4.53	5.99	-1.46
2031	3.93	5.47	-1.55	.63	.58	.05	4.56	6.05	-1.49
2032	3.96	5.54	-1.58	.63	.58	.05	4.59	6.12	-1.54
2033	3.98	5.61	-1.62	.63	.59	.04	4.62	6.20	-1.58
2034	4.00	5.67	-1.67	.64	.61	.03	4.63	6.27	-1.64
2035	4.01	5.72	-1.72	.64	.62	.02	4.64	6.34	-1.70
2040	3.99	5.97	-1.98	.63	.69	-.06	4.62	6.67	-2.04
2045	3.97	6.16	-2.19	.63	.77	-.15	4.60	6.93	-2.33
2050	3.95	6.37	-2.42	.62	.83	-.21	4.57	7.20	-2.63
2055	3.93	6.67	-2.74	.62	.87	-.25	4.55	7.54	-2.99
2060	3.92	7.06	-3.14	.61	.88	-.27	4.53	7.94	-3.41
2065	3.90	7.44	-3.53	.61	.90	-.29	4.51	8.33	-3.82
2070	3.89	7.82	-3.93	.60	.90	-.30	4.49	8.72	-4.23
2075	3.88	8.23	-4.35	.59	.89	-.30	4.47	9.12	-4.65
2080	3.86	8.59	-4.73	.59	.88	-.29	4.45	9.47	-5.02
2085	3.84	8.89	-5.05	.58	.85	-.27	4.42	9.74	-5.32
2090	3.82	9.08	-5.26	.58	.83	-.26	4.39	9.91	-5.52
2095	3.79	9.15	-5.37	.57	.81	-.24	4.35	9.97	-5.61
2100	3.75	9.11	-5.36	.56	.81	-.25	4.31	9.92	-5.61

[a] Annual GDP values are shown in table VI.G1.

[b] Income rates include certain reimbursements from the General Fund of the Treasury, but exclude interest income.

[c] Benefit payments which were scheduled to be paid on January 3 for some past and future years were actually paid on December 31 as required by the statutory provision for early delivery of benefit payments when the normal payment delivery date is a Saturday, Sunday, or legal public holiday. For comparability with the values for historical years and the projections in this report, all trust fund operations and reserves reflect the 12 months of benefits scheduled for payment each year.

[d] Between -0.005 and 0.005 percent of GDP.

Notes:
1. Revisions of GDP may change some historical values.
2. Components may not sum to totals because of rounding.

2. Comparison of Workers to Beneficiaries

Under the intermediate assumptions, the OASDI cost rate will rise rapidly until about 2085, primarily because the number of beneficiaries rises much more rapidly than the number of covered workers as workers of earlier generations continue to retire and are replaced at working ages by workers of lower birth-rate generations. The ratio of OASDI beneficiaries to workers is dominated by the OASI program because all workers eventually die or reach retired-worker benefit eligibility age, but only a small minority become eligible for benefits under the DI program.

The trends described below are primarily due to demographic changes and thus affect the DI program roughly 20 years earlier than the OASI and OASDI programs. The baby-boom generation had lower fertility rates than their parents, and lower rates are expected to persist for all future generations. Combining this factor with increasing longevity in the future, the ratio of OASDI beneficiaries to workers will continue to rise over about the next 60 years. Table IV.B4 provides a comparison of the numbers of covered workers and beneficiaries.

Table IV.B4.—Covered Workers and Beneficiaries, Calendar Years 1945-2100

Calendar year	Covered workers[a] (in thousands)	Beneficiaries[b] (in thousands)			Covered workers per OASDI beneficiary	OASDI beneficiaries per 100 covered workers
		OASI	DI	OASDI[c]		
Historical data:						
1945	46,390	1,106	—	1,106	41.9	2
1950	48,280	2,930	—	2,930	16.5	6
1955	65,066	7,564	—	7,564	8.6	12
1960	72,371	13,740	522	14,262	5.1	20
1965	80,539	18,509	1,648	20,157	4.0	25
1970	92,963	22,618	2,568	25,186	3.7	27
1975	100,193	26,998	4,125	31,123	3.2	31
1980	112,651	30,384	4,734	35,117	3.2	31
1985	120,441	32,763	3,874	36,636	3.3	30
1990	133,007	35,255	4,204	39,459	3.4	30
1995	140,805	37,364	5,731	43,096	3.3	31
2000	154,718	38,556	6,606	45,162	3.4	29
2005	159,053	39,961	8,172	48,133	3.3	30
2010	157,074	43,440	9,958	53,398	2.9	34
2015	168,143	48,663	10,881	59,543	2.8	35
2016	170,631	49,811	10,728	60,539	2.8	35
2017	172,688	50,962	10,517	61,480	2.8	36
2018	175,114	52,168	10,296	62,464	2.8	36
2019	177,088	53,508	10,063	63,570	2.8	36
2020	175,207	54,843	9,844	64,686	2.7	37
2021	177,080	55,546	9,486	65,032	2.7	37
2022	181,068	56,544	9,070	65,614	2.8	36
2023	183,299	57,924	8,707	66,631	2.8	36
2024	184,672	59,556	8,312	67,868	2.7	37
2025	[d]184,666	61,621	8,179	69,800	2.6	38

Table IV.B4.—Covered Workers and Beneficiaries, Calendar Years 1945-2100 (Cont.)

Calendar year	Covered workers[a] (in thousands)	Beneficiaries[b] (in thousands)			Covered workers per OASDI beneficiary	OASDI beneficiaries per 100 covered workers
		OASI	DI	OASDI[c]		
Intermediate:						
2026	184,803	63,232	8,102	71,334	2.6	39
2030	188,113	68,700	8,229	76,928	2.4	41
2035	190,377	73,008	8,493	81,501	2.3	43
2040	191,676	75,080	9,148	84,227	2.3	44
2045	192,589	76,099	10,084	86,183	2.2	45
2050	193,339	77,368	10,768	88,136	2.2	46
2055	194,142	79,465	11,248	90,713	2.1	47
2060	195,148	82,488	11,367	93,855	2.1	48
2065	195,931	85,347	11,496	96,843	2.0	49
2070	196,269	88,284	11,545	99,828	2.0	51
2075	196,148	91,175	11,413	102,588	1.9	52
2080	195,959	93,208	11,300	104,508	1.9	53
2085	196,124	94,318	11,174	105,492	1.9	54
2090	196,850	94,279	11,254	105,533	1.9	54
2095	198,073	93,857	11,462	105,319	1.9	53
2100	199,442	93,720	11,696	105,417	1.9	53
Low-cost:						
2026	186,901	63,227	8,063	71,290	2.6	38
2030	192,565	68,610	7,715	76,326	2.5	40
2035	195,750	72,656	7,397	80,053	2.4	41
2040	197,869	74,043	7,561	81,604	2.4	41
2045	200,114	74,554	8,157	82,711	2.4	41
2050	203,635	75,330	8,642	83,973	2.4	41
2055	208,371	76,904	8,999	85,904	2.4	41
2060	213,897	79,400	9,099	88,499	2.4	41
2065	219,323	81,741	9,229	90,970	2.4	41
2070	224,327	84,127	9,335	93,462	2.4	42
2075	229,194	86,445	9,366	95,810	2.4	42
2080	234,692	87,929	9,477	97,407	2.4	42
2085	241,556	88,548	9,659	98,207	2.5	41
2090	249,847	88,152	10,101	98,253	2.5	39
2095	258,877	88,130	10,717	98,847	2.6	38
2100	267,663	89,822	11,243	101,065	2.6	38

Table IV.B4.—Covered Workers and Beneficiaries, Calendar Years 1945-2100 (Cont.)

Calendar year	Covered workers[a] (in thousands)	Beneficiaries[b] (in thousands) OASI	DI	OASDI[c]	Covered workers per OASDI beneficiary	OASDI beneficiaries per 100 covered workers
High-cost:						
2026	183,321	63,240	8,141	71,381	2.6	39
2030	183,431	68,845	8,735	77,580	2.4	42
2035	185,893	73,560	9,566	83,126	2.2	45
2040	186,397	76,580	10,762	87,342	2.1	47
2045	186,199	78,520	12,022	90,542	2.1	49
2050	184,499	80,763	12,871	93,634	2.0	51
2055	181,859	83,780	13,460	97,240	1.9	53
2060	178,896	87,640	13,584	101,225	1.8	57
2065	175,564	91,235	13,685	104,920	1.7	60
2070	171,822	94,900	13,630	108,530	1.6	63
2075	167,512	98,475	13,266	111,741	1.5	67
2080	162,708	101,118	12,823	113,940	1.4	70
2085	157,684	102,722	12,229	114,951	1.4	73
2090	152,748	102,965	11,726	114,691	1.3	75
2095	148,142	101,981	11,254	113,235	1.3	76
2100	143,870	99,778	11,019	110,798	1.3	77

[a] Workers who are paid at some time during the year for employment on which OASDI taxes are due.
[b] Beneficiaries with monthly benefits in current-payment status as of June 30.
[c] This column is the sum of OASI and DI beneficiaries. A small number of beneficiaries receive benefits from both funds.
[d] Estimated values for 2025 vary slightly by alternative and are shown for the intermediate assumptions.

Notes:

1. The number of beneficiaries does not include uninsured individuals who received benefits under section 228 of the Social Security Act. The General Fund of the Treasury reimbursed the trust funds for the costs of most of these individuals.
2. Historical covered worker and beneficiary data are subject to revision.
3. Components may not sum to totals because of rounding.

The effect of the demographic shift on the OASDI cost rates is clear when one considers the projected number of OASDI beneficiaries per 100 covered workers under the three alternatives. Compared to the 2025 level of 38 beneficiaries per 100 covered workers, this ratio is projected to rise to 54 by 2085 under the intermediate assumptions, because the growth in beneficiaries greatly exceeds the growth in workers. This projected ratio under the intermediate assumptions remains relatively stable thereafter, reaching 53 by 2100. Under the high-cost assumptions, this ratio rises to 77 by 2100. Under the low-cost assumptions, this ratio rises to 42 by 2070 and then generally declines, reaching 38 by 2100. Figure IV.B2 shows beneficiaries per 100 covered workers.

For each alternative, the curve in figure IV.B2 is strikingly similar to the corresponding cost-rate curve in figure IV.B1. This similarity emphasizes the extent to which the cost rate is determined by the age distribution of the population. The cost rate is essentially the product of the number of beneficiaries and their average benefit, divided by the product of the number of covered

workers and their average taxable earnings. For this reason, the pattern of the annual cost rates is similar to that of the annual ratios of beneficiaries to workers.

Figure IV.B2.—Number of OASDI Beneficiaries Per 100 Covered Workers

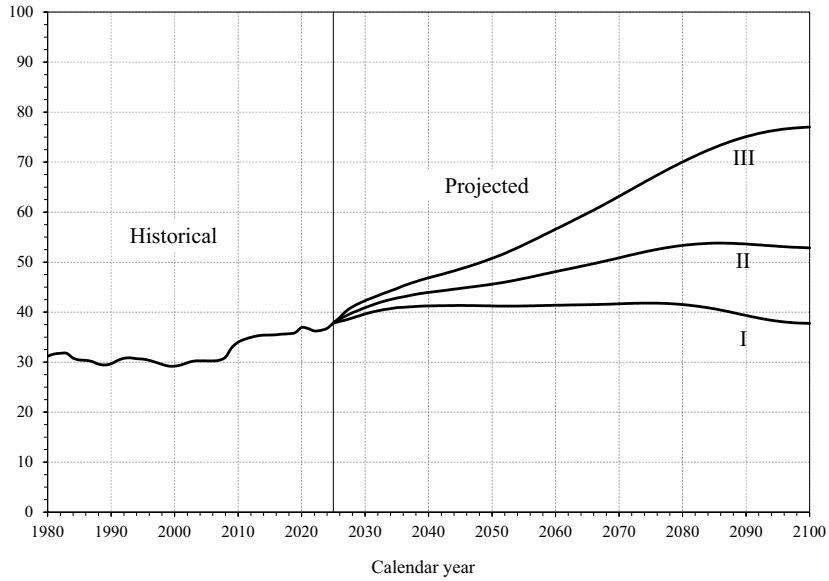


Table IV.B4 also shows the number of covered workers per OASDI beneficiary, which was about 2.6 for 2025. Under the intermediate assumptions, this ratio declines generally throughout the long-range period, reaching 1.9 by 2075 and remaining relatively stable thereafter. Under the low-cost assumptions, this ratio declines to 2.4 for 2035, remains stable through 2084 before generally increasing to 2.6 for 2100. Under the high-cost assumptions, this ratio decreases to 1.3 for 2100.

3. Trust Fund Ratios and Test of Long-Range Close Actuarial Balance

Trust fund ratios are critical indicators of the adequacy of the financial resources of the Social Security program. The trust fund ratio for a year is the amount of reserves in a fund at the beginning of a year expressed as a percentage of the cost for the year. Under current law, the OASI and DI Trust Funds do not have the authority to borrow other than in the form of advance

tax transfers. If reserves held in either trust fund become depleted during a year, and continuing revenue falls short of the cost of scheduled benefits, then full scheduled benefits would not be payable on a timely basis. For this reason, the trust fund ratio is a critical financial measure.

The trust fund ratio serves an additional important purpose in assessing the actuarial status of the program. If the projected trust fund ratio is positive throughout the period and is either level or increasing at the end of the period, then projected adequacy for the long-range period is likely to continue for subsequent reports. Under these conditions, the program has achieved sustainable solvency.

Table IV.B5 shows the projections of trust fund ratios by alternative, without regard to advance tax transfers that would be effected, for the separate and combined OASI and DI Trust Funds. The table also shows the years of trust fund reserve depletion and the percentage of scheduled benefits that would be payable thereafter, by alternative.

Under the intermediate assumptions, the OASI trust fund ratio is projected to decline from 153 percent at the beginning of 2026 until the trust fund reserves become depleted in 2032 (one year earlier than projected in last year's report), at which time 78 percent of scheduled benefits would be payable.

The DI Trust Fund remains solvent throughout the long-range period under the intermediate assumptions, as in last year's report. The DI trust fund ratio increases throughout the projection period from 132 percent at the beginning of 2026 to 862 percent for 2101. Because the DI trust fund ratio is positive throughout the 75-year projection period and increasing at the end of the period, the DI program achieves sustainable solvency under the intermediate assumptions.

Under the intermediate assumptions, the trust fund ratio for the combined OASI and DI Trust Funds declines from 151 percent at the beginning of 2026 until the combined fund reserves become depleted in 2034 (the same year as projected in last year's report), at which time 83 percent of scheduled benefits would be payable.

Under the low-cost assumptions, the trust fund ratio for the DI program increases from 2026 throughout the projection period, from 134 percent at the beginning of 2026 to the extremely high level of 4,560 percent for 2101. For the OASI program, the trust fund ratio declines steadily, from 153 percent for 2026 until the reserves become depleted in 2035, at which

time 89 percent of scheduled benefits would be payable. For the combined OASDI program, the trust fund ratio declines from 151 percent for 2026 until the combined fund reserves become depleted in 2048. Because the DI trust fund ratio is positive throughout the projection period and increasing at the end of the period, the DI program achieves sustainable solvency under the low-cost assumptions.

Under the high-cost assumptions, the OASI trust fund ratio declines from 153 percent for 2026 until reserves become depleted in 2031, at which time 70 percent of scheduled benefits would still be payable. The DI trust fund ratio increases from 130 percent for 2026 to 185 percent for 2035, and then declines until the reserves become depleted in 2049. At that time, 76 percent of scheduled benefits would still be payable. The combined OASI and DI trust fund ratio declines from 151 percent for 2026 until reserves become depleted in 2032, at which time 74 percent of scheduled benefits would still be payable.

Trust fund reserve depletion occurs within the 75-year projection period for the OASI Trust Fund under the low-cost, intermediate, and high-cost assumptions, and for the DI Trust Fund under the high-cost assumptions. It is therefore very likely that lawmakers will need to increase income, reduce program costs, or both, in order to maintain solvency for the OASI Trust Fund. The stochastic projections discussed in appendix E suggest that OASI and combined OASI and DI Trust Fund reserve depletion is highly probable by 2040.

In the 2025 report, the combined trust fund reserves were projected to become depleted in 2032, 2034, and 2051 under the high-cost, intermediate, and low-cost assumptions, respectively.

Table IV.B5.—Trust Fund Ratios, Calendar Years 2026-2100[a]
[In percent]

Calendar year	Intermediate			Low-cost			High-cost		
	OASI	DI	OASDI	OASI	DI	OASDI	OASI	DI	OASDI
2026	153	132	151	153	134	151	153	130	151
2027	129	147	131	130	155	133	128	139	129
2028	105	164	111	109	185	116	100	143	104
2029	82	187	92	90	224	102	72	150	80
2030	60	213	74	72	272	89	45	157	56
2031	39	244	57	56	330	78	17	167	31
2032	17	274	40	41	391	69	[b]	174	7
2033	[b]	303	23	27	455	61	[b]	180	[b]
2034	[b]	332	7	14	523	54	[b]	184	[b]
2035	[b]	359	[b]	3	592	49	[b]	185	[b]
2040	[b]	466	[b]	[b]	925	30	[b]	161	[b]
2045	[b]	513	[b]	[b]	1,167	12	[b]	87	[b]
2050	[b]	537	[b]	[b]	1,397	[b]	[b]	[b]	[b]
2055	[b]	549	[b]	[b]	1,632	[b]	[b]	[b]	[b]
2060	[b]	569	[b]	[b]	1,923	[b]	[b]	[b]	[b]
2065	[b]	588	[b]	[b]	2,226	[b]	[b]	[b]	[b]
2070	[b]	610	[b]	[b]	2,556	[b]	[b]	[b]	[b]
2075	[b]	644	[b]	[b]	2,942	[b]	[b]	[b]	[b]
2080	[b]	688	[b]	[b]	3,342	[b]	[b]	[b]	[b]
2085	[b]	744	[b]	[b]	3,748	[b]	[b]	[b]	[b]
2090	[b]	793	[b]	[b]	4,049	[b]	[b]	[b]	[b]
2095	[b]	829	[b]	[b]	4,258	[b]	[b]	[b]	[b]
2100	[b]	857	[b]	[b]	4,503	[b]	[b]	[b]	[b]
Trust fund reserves permanently become depleted in	2032	[c]	2034	2035	[c]	2048	2031	2049	2032
Payable benefits as percent of scheduled benefits:									
At the time of permanent reserve depletion	78	[c]	83	89	[c]	96	70	76	74
For 2100	62	[c]100	65	95	[c]100	100	38	69	40

[a] Benefit payments scheduled to be paid on January 3 are actually paid on December 31 as required by the statutory provision for early delivery of benefit payments when the normal payment delivery date is a Saturday, Sunday, or legal public holiday. For comparability with the values for historical years and the projections in this report, all trust fund ratios reflect the 12 months of benefits scheduled for payment each year.
[b] Trust fund reserves would be depleted at the beginning of this year.
[c] Trust fund reserves would not be depleted within the projection period.

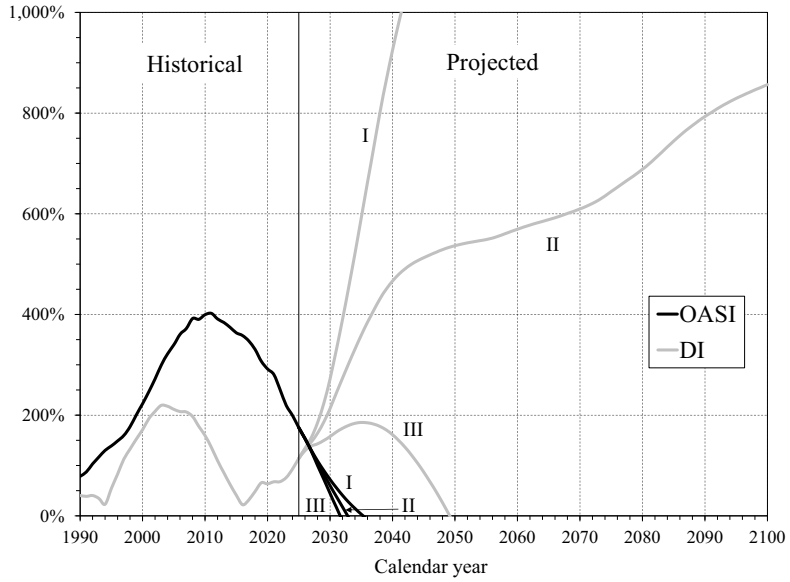
Note: The definition of trust fund ratio appears in the Glossary.

Since 2013, when the Trustees last modified the test of long-range close actuarial balance, the standard for each trust fund requires meeting two conditions: (1) the test of short-range financial adequacy is satisfied; and (2) the trust fund ratios stay above zero throughout the 75-year projection period, allowing scheduled benefits to be paid in a timely manner throughout the period. Both the long-range test and the short-range test are applied based on the intermediate set of assumptions. As discussed in section IV.A, the DI Trust Fund satisfies the test of short-range financial adequacy because the trust fund ratio stays above 100 percent throughout the 10-year short-range

projection period. The OASI and combined OASI and DI Trust Funds fail the test of short-range financial adequacy because the trust fund ratios drop below 100 percent by the end of the 10-year period. Under the intermediate assumptions, the OASI Trust Fund reserves become depleted in 2032, DI Trust Fund reserves stay positive throughout the 75-year period, and the combined OASI and DI Trust Fund reserves become depleted in 2034. Therefore, the OASI and combined OASI and DI Trust Funds fail the test of long-range close actuarial balance, and the DI program satisfies the test of long-range close actuarial balance.

Figure IV.B3 illustrates the trust fund ratios for the separate OASI and DI Trust Funds for each of the alternative sets of assumptions. DI Trust Fund status is more uncertain than OASI Trust Fund status because there is a high degree of uncertainty associated with future disabled-worker prevalence. A graph of the trust fund ratios for the combined trust funds appears in figure II.D6.

Figure IV.B3.—OASI and DI Trust Fund Ratios
[Reserves as a percentage of annual cost]



4. Summarized Income Rates, Summarized Cost Rates, and Actuarial Balances

Summarized values for the full 75-year period are useful in analyzing the program's long-range actuarial status over the period as a whole, both under

current law and under proposed modifications to the law. All annual amounts included in a summarized value are present-value discounted to the valuation date. It is important to note that the actuarial balance indicates the solvency status of the fund only for the very end of the period.

Table IV.B6 presents summarized income rates, summarized cost rates, and actuarial balances, expressed as percentages of taxable payroll, for 25-year, 50-year, and 75-year valuation periods. Summarized income rates are the sum of the present value of non-interest income for a period (which includes scheduled payroll taxes, the projected income from the taxation of scheduled benefits, and reimbursements from the General Fund of the Treasury) and the starting trust fund reserves, expressed as a percentage of the present value of taxable payroll over the period. Under current law, the total OASDI payroll tax rate will remain at 12.4 percent in the future. In contrast, income from taxation of benefits, expressed as a percentage of taxable payroll, is expected to increase in most years of the long-range period for the reasons discussed on page 161. Summarized cost rates are the sum of the present value of cost for a period (which includes scheduled benefits, administrative expenses, net interchange with the Railroad Retirement program, and payments for vocational rehabilitation services for disabled beneficiaries) and the present value of the cost of reaching a target trust fund of 100 percent of annual cost at the end of the period, expressed as a percentage of the present value of taxable payroll over the period.

The actuarial balance for a valuation period is equal to the difference between the summarized income rate and the summarized cost rate for the period. An actuarial balance of zero for any period indicates that cost for the period could be met for the period as a whole (but not necessarily at all points within the period), with a remaining trust fund reserve at the end of the period equal to 100 percent of the following year's cost. A negative actuarial balance for a period indicates that the present value of income to the program plus the existing trust fund is less than the present value of the cost of the program plus the cost of reaching a target trust fund reserve of one year's cost by the end of the period. Generally, a trust fund is deemed to be adequately financed for a period as a whole if the actuarial balance is zero or positive, meaning that the reserves at the end of the period are at least equal to annual cost. Note that solvency is possible at the end of the period with a small negative actuarial balance where reserves are still positive.[1]

[1] A program is solvent over any period for which the trust fund maintains a positive level of reserves. In contrast, the actuarial balance for a period includes the cost of having a target fund equal to 100 percent of the following year's cost at the end of the period. Therefore, if a program ends the period with reserves that are positive but not sufficient to cover the following year's costs, it will be solvent at the end of the period and yet still have a small negative actuarial balance for that period.

Table IV.B6 contains summarized rates for the intermediate, low-cost, and high-cost assumptions. The low-cost and high-cost assumptions define a wide range of possibilities. Financial outcomes as good as the low-cost scenario or as bad as the high-cost scenario are unlikely to occur.

For the 25-year valuation period, the OASDI program has an actuarial balance of -0.59 percent of taxable payroll under the low-cost assumptions, -2.69 percent under the intermediate assumptions, and -5.20 percent under the high-cost assumptions. These balances indicate that the program is not adequately financed for the 25-year valuation period under any of these three sets of assumptions.

For the 50-year valuation period, the OASDI program has actuarial balances of -0.72 percent under the low-cost assumptions, -3.70 percent under the intermediate assumptions, and -7.51 percent under the high-cost assumptions. These actuarial balances mean that the OASDI program is not adequately financed for the 50-year valuation period under any of these three sets of assumptions.

For the entire 75-year valuation period, the combined OASDI program has actuarial balances of -0.64 percent of taxable payroll under the low-cost assumptions, -4.42 percent under the intermediate assumptions, and -9.42 percent under the high-cost assumptions. These balances indicate that the combined OASDI program is not adequately financed for the 75-year valuation period under any of these three sets of assumptions.

Assuming the intermediate assumptions accurately capture future demographic, economic, and program-specific trends, solvency for the program over the next 75 years could be restored using a variety of illustrative approaches. For example, revenue could be increased in a manner equivalent to an immediate and permanent increase in the combined Social Security payroll tax rate from 12.40 percent to 16.65 percent (a relative increase of 34.3 percent),[1] cost could be reduced in a manner equivalent to an immediate and permanent reduction in scheduled benefits of 25.2 percent, or some combination of approaches could be used.

However, eliminating the actuarial deficit for the next 75-year valuation period requires raising payroll taxes or lowering benefits by more than is required just to achieve solvency, because the actuarial deficit includes the

[1] The 4.25 percentage point increase in the payroll tax rate required to achieve 75-year solvency differs somewhat from the 4.42 percent actuarial deficit. This is primarily because the rate increase required to achieve 75-year solvency reflects a zero trust fund reserve at the end of the period, whereas the 4.42 percent actuarial deficit incorporates an ending trust fund reserve equal to one year's cost. While such an increase in the payroll tax rate would cause some behavioral changes in earnings and ensuing changes in benefit levels, such changes are not included in these calculations because they are assumed to have roughly offsetting effects on actuarial status over the 75-year long-range period as a whole.

cost of attaining a target trust fund equal to 100 percent of annual program cost by the end of the period. The actuarial deficit could be eliminated for the 75-year period by increasing revenue in a manner equivalent to an immediate and permanent increase in the combined payroll tax from 12.40 percent to 16.83 percent (a relative increase of 35.7 percent),[1] reducing cost in a manner equivalent to an immediate reduction in scheduled benefits of 25.9 percent, or some combination of approaches could be used.

Under the intermediate assumptions, the OASDI program has large annual deficits toward the end of the long-range period that reach 6.57 percent of payroll for 2100 (see table IV.B1). These large deficits indicate that annual cost continues to exceed non-interest income after 2100, so continued adequate financing would require larger changes than those needed to maintain solvency for the 75-year period. Over the period extending through the infinite horizon, the actuarial deficit is 5.7 percent of payroll under the intermediate assumptions.

Table IV.B6.—Components of Summarized Income Rates and Cost Rates, Calendar Years 2026-2100
[As a percentage of taxable payroll]

	Summarized income rate			Summarized cost rate			
Valuation period	Non-interest income	Beginning reserves[a]	Total	Cost[a]	Ending target fund[a]	Total	Actuarial balance
OASI:							
Intermediate:							
2026-50.	11.34	0.82	12.16	14.58	0.57	15.15	-2.98
2026-75.	11.43	.45	11.88	15.46	.29	15.74	-3.86
2026-2100. . .	11.48	.34	11.82	16.21	.16	16.37	-4.55
Low-cost:							
2026-50.	11.25	.73	11.98	12.73	.49	13.23	-1.25
2026-75.	11.28	.38	11.67	12.78	.24	13.01	-1.35
2026-2100. . .	11.29	.27	11.56	12.70	.14	12.83	-1.27
High-cost:							
2026-50.	11.46	.93	12.39	16.78	.67	17.45	-5.07
2026-75.	11.61	.54	12.15	18.90	.35	19.25	-7.11
2026-2100. . .	11.73	.42	12.16	20.88	.20	21.08	-8.93
DI:							
Intermediate:							
2026-50.	1.82	.08	1.89	1.53	.07	1.60	.29
2026-75.	1.82	.04	1.87	1.68	.03	1.71	.16
2026-2100. . .	1.82	.03	1.86	1.71	.02	1.73	.13
Low-cost:							
2026-50.	1.81	.07	1.88	1.18	.05	1.23	.66
2026-75.	1.82	.04	1.85	1.21	.02	1.23	.62
2026-2100. . .	1.82	.03	1.84	1.20	.01	1.21	.63
High-cost:							
2026-50.	1.82	.09	1.91	1.95	.09	2.04	-.13
2026-75.	1.83	.05	1.88	2.25	.04	2.29	-.41
2026-2100. . .	1.83	.04	1.87	2.35	.02	2.36	-.49

[1] The calculation of the payroll tax rate increase required to eliminate the actuarial deficit also does not include the effects of behavioral changes, because they are assumed to have roughly offsetting effects.

Table IV.B6.—Components of Summarized Income Rates and Cost Rates, Calendar Years 2026-2100 (Cont.)
[As a percentage of taxable payroll]

	Summarized income rate			Summarized cost rate			
Valuation period	Non-interest income	Beginning reserves[a]	Total	Cost[a]	Ending target fund[a]	Total	Actuarial balance
OASDI:							
Intermediate:							
2026-50.	13.16	0.90	14.06	16.11	0.64	16.75	-2.69
2026-75.	13.25	.50	13.74	17.13	.31	17.45	-3.70
2026-2100. . .	13.31	.37	13.68	17.92	.18	18.10	-4.42
Low-cost:							
2026-50.	13.06	.80	13.86	13.91	.54	14.45	-.59
2026-75.	13.10	.42	13.52	13.98	.26	14.24	-.72
2026-2100. . .	13.11	.30	13.40	13.90	.15	14.05	-.64
High-cost:							
2026-50.	13.28	1.02	14.30	18.73	.76	19.49	-5.20
2026-75.	13.44	.59	14.03	21.15	.39	21.54	-7.51
2026-2100. . .	13.57	.46	14.03	23.23	.22	23.45	-9.42

[a] Benefit payments scheduled to be paid on January 3 are actually paid on December 31 as required by the statutory provision for early delivery of benefit payments when the normal payment delivery date is a Saturday, Sunday, or legal public holiday. For comparability with the values for historical years and the projections in this report, all trust fund operations and reserves reflect the 12 months of benefits scheduled for payment each year.

Note: Components may not sum to totals because of rounding.

Table IV.B7 presents summarized income rates, summarized cost rates, and actuarial balances, expressed as percentages of GDP, for 25-year, 50-year, and 75-year valuation periods. The table contains summarized rates for the OASI Trust Fund, the DI Trust Fund, and the combined OASI and DI Trust Funds for the intermediate, low-cost, and high-cost assumptions.

The summarized long-range (75-year) actuarial balance as a percentage of GDP for the OASDI program varies among the three alternatives by a relatively large amount, from an actuarial deficit of 0.24 percent under the low-cost assumptions to an actuarial deficit of 3.14 percent under the high-cost assumptions. The 25-year summarized actuarial balance varies by a smaller amount, from an actuarial deficit of 0.22 percent of GDP to an actuarial deficit of 1.79 percent. Summarized rates are calculated on a present-value basis. They include the trust fund reserve balances on January 1, 2026 and the cost of reaching a target trust fund level equal to 100 percent of the following year's annual cost at the end of the period.

Table IV.B7.—Components of Summarized Income Rates and Cost Rates, Calendar Years 2026-2100
[As a percentage of GDP]

	Summarized income rate			Summarized cost rate			
Valuation period	Non-interest income	Beginning reserves[a]	Total	Cost	Ending target fund	Total	Actuarial balance
OASI:							
Intermediate:							
2026-50 . .	4.04	0.29	4.33	5.19	0.20	5.40	-1.06
2026-75 . .	4.03	.16	4.19	5.45	.10	5.55	-1.36
2026-2100	4.01	.12	4.12	5.66	.06	5.71	-1.59
Low-cost:							
2026-50 . .	4.14	.27	4.41	4.68	.18	4.87	-.46
2026-75 . .	4.15	.14	4.29	4.70	.09	4.79	-.50
2026-2100	4.15	.10	4.25	4.67	.05	4.72	-.47
High-cost:							
2026-50 . .	3.96	.32	4.28	5.79	.23	6.02	-1.75
2026-75 . .	3.94	.18	4.12	6.41	.12	6.53	-2.41
2026-2100	3.91	.14	4.06	6.97	.07	7.03	-2.98
DI:							
Intermediate:							
2026-50 . .	.65	.03	.68	.55	.02	.57	.10
2026-75 . .	.64	.02	.66	.59	.01	.60	.06
2026-2100	.64	.01	.65	.60	.01	.60	.04
Low-cost:							
2026-50 . .	.67	.03	.69	.43	.02	.45	.24
2026-75 . .	.67	.01	.68	.44	.01	.45	.23
2026-2100	.67	.01	.68	.44	.01	.45	.23
High-cost:							
2026-50 . .	.63	.03	.66	.67	.03	.70	-.04
2026-75 . .	.62	.02	.64	.76	.01	.78	-.14
2026-2100	.61	.01	.63	.78	.01	.79	-.16
OASDI:							
Intermediate:							
2026-50 . .	4.69	.32	5.01	5.74	.23	5.97	-.96
2026-75 . .	4.67	.18	4.85	6.04	.11	6.16	-1.31
2026-2100	4.64	.13	4.77	6.25	.06	6.32	-1.54
Low-cost:							
2026-50 . .	4.80	.29	5.10	5.12	.20	5.31	-.22
2026-75 . .	4.82	.15	4.97	5.15	.10	5.24	-.27
2026-2100	4.82	.11	4.93	5.11	.05	5.17	-.24
High-cost:							
2026-50 . .	4.58	.35	4.94	6.47	.26	6.73	-1.79
2026-75 . .	4.56	.20	4.76	7.18	.13	7.31	-2.55
2026-2100	4.53	.15	4.68	7.75	.07	7.82	-3.14

[a] Benefit payments scheduled to be paid on January 3 are actually paid on December 31 as required by the statutory provision for early delivery of benefit payments when the normal payment delivery date is a Saturday, Sunday, or legal public holiday. For comparability with the values for historical years and the projections in this report, all trust fund operations and reserves reflect the 12 months of benefits scheduled for payment each year.

Note: Components may not sum to totals because of rounding.

5. Open-Group Unfunded Obligation

This report uses a 75-year open-group valuation to evaluate the long-range actuarial status of the OASDI program. The open-group valuation includes non-interest income and cost for past, current, and future participants through the year 2100. The open-group unfunded obligation measures the adequacy of financing over the period as a whole for a program financed on

a pay-as-you-go basis. On this basis, payroll taxes and scheduled benefits for all participants are included through 2100.

The open-group unfunded obligation increased from $25.1 trillion shown in last year's report to $29.3 trillion in this report. If there had been no changes in starting values, assumptions, laws, or methods for this report, then the open-group unfunded obligation would have increased to $26.1 trillion solely due to the change in the valuation period. This expected increase in the unfunded obligation occurs because: (1) the unfunded obligation is now discounted to January 1, 2026, rather than to January 1, 2025, which tends to increase the unfunded obligation by the annual nominal interest rate; and (2) the unfunded obligation now includes an additional year (2100). Changes in the law, assumptions, methods, and starting values resulted in an additional $3.2 trillion increase in the unfunded obligation.

The 75-year unfunded obligation is equivalent to 4.24 percent of OASDI taxable payroll and 1.5 percent of GDP for 2026-2100.[1] These percentages were 3.64 and 1.3, respectively, for last year's report. The 75-year unfunded obligation as a percentage of taxable payroll is less than the actuarial deficit, because the unfunded obligation excludes the cost of having an ending target trust fund value.

The actuarial deficit was 3.82 percent of payroll in last year's report, and was expected to increase to a deficit of 3.89 percent of payroll solely due to the change in the valuation period. Changes in the law, assumptions, methods, and starting values combined to account for an additional 0.53 percentage point increase (worsening) in the actuarial deficit to 4.42 percent of payroll. The actuarial deficit is 1.5 percent of GDP in this year's report, 0.2 percentage points higher than in last year's report.

As mentioned above, the open-group unfunded obligation expressed in dollars is higher than it would have been if only the valuation period had been changed. This net increase occurred for a variety of reasons described in the next section, in particular: (1) the reduction in the assumed ultimate fertility rate from 1.90 children per woman to 1.75 children per woman, (2) changes to assumptions for immigration levels and emigration rates for the temporary or unlawfully present immigrant population, and (3) the enactment of the One Big Beautiful Bill Act, which led to lower trust fund income from taxation of benefits.

[1] The present value of taxable payroll for 2026-2100 is $690.4 trillion. The present value of GDP for 2026-2100 is $1,978.4 trillion. In last year's report, the present value of taxable payroll for 2025-99 was $689.6 trillion and the present value of GDP was $2,001.2 trillion.

Table IV.B8 presents the components and the calculation of the long-range (75-year) actuarial balance under the intermediate assumptions. The present value of future cost less future non-interest income over the long-range period, minus the amount of trust fund reserves at the beginning of the projection period, is $29.3 trillion for the OASDI program. This amount is the 75-year open-group unfunded obligation (see row H). The actuarial deficit (which is the negative of the actuarial balance) combines this unfunded obligation with the present value of the ending target trust fund and expresses the total as a percentage of the present value of the taxable payroll for the period. The present value of future non-interest income minus cost, plus starting trust fund reserves, minus the present value of the ending target trust fund, is -$30.5 trillion for the OASDI program.

Table IV.B8.—Components of 75-Year Actuarial Balance and Unfunded Obligation Under Intermediate Assumptions

Item	OASI	DI	OASDI
Present value as of January 1, 2026 (in billions):			
A. Payroll tax revenue	$73,139	$12,420	$85,559
B. Reimbursements from general revenue	[a]	[a]	[a]
C. Taxation of benefits revenue	6,128	180	6,308
D. Non-interest income (A + B + C)	79,267	12,599	91,867
E. Cost	111,903	11,828	123,731
F. Cost minus non-interest income (E - D)	32,635	-771	31,864
G. Trust fund reserves at start of period	2,338	223	2,561
H. Open-group unfunded obligation (F - G)	30,297	-994	29,303
I. Ending target trust fund[b]	1,128	116	1,243
J. Income minus cost, plus reserves at start of period, minus ending target trust fund (D - E + G - I = - H - I)	-31,425	879	-30,546
K. Taxable payroll	690,396	690,396	690,396
Percent of taxable payroll:			
Actuarial balance (100 × J ÷ K)	-4.55	.13	-4.42

[a] Less than $0.5 billion.

[b] The calculation of the actuarial balance includes the cost of accumulating a target trust fund reserve equal to 100 percent of annual cost at the end of the period.

Note: Components may not sum to totals because of rounding.

Consideration of summary measures alone (such as the actuarial balance and open-group unfunded obligation) for a 75-year period can lead to incorrect perceptions and to policy prescriptions that do not achieve sustainable solvency. These concerns can be addressed by considering the trend in trust fund ratios toward the end of the period. (See the discussion of sustainable solvency beginning on page 55.)

Another measure of trust fund finances, discussed in appendix F, is the infinite horizon unfunded obligation, which takes account of all annual balances, even those after 75 years. The extension of the time period past 75 years assumes that the current-law OASDI program and the demographic, economic, and program-specific trends used for the 75-year projection continue indefinitely. This infinite horizon unfunded obligation is estimated to

be 5.7 percent of taxable payroll or 1.8 percent of GDP. These percentages were 5.2 and 1.6, respectively, for last year's report. Of course, the degree of uncertainty associated with estimates increases substantially for years further in the future.

6. Reasons for Change in Actuarial Balance From Last Year's Report

Table IV.B9 shows the net effects of changes on the long-range actuarial balance for OASI, DI, and OASDI under the intermediate assumptions, by broad category, between last year's report and this report.

Table IV.B9.—Reasons for Change in the 75-Year Actuarial Balance, Based on Intermediate Assumptions
[As a percentage of taxable payroll]

Item	OASI	DI	OASDI
Shown in last year's report:			
Summarized income rate	11.93	1.85	13.79
Summarized cost rate	15.88	1.73	17.61
Actuarial balance	**-3.95**	**.12**	**-3.82**
Changes in actuarial balance due to changes in:			
Legislation / Regulation	-.15	[a]	-.16
Valuation period[b]	-.06	-.01	-.07
Demographic data and assumptions	-.43	-.02	-.44
Economic data and assumptions	.10	[a]	.10
Disability data and assumptions	[a]	.02	.02
Methods and programmatic data	-.06	.01	-.05
Total change in actuarial balance	-.61	[a]	-.60
Shown in this report:			
Actuarial balance	**-4.55**	**.13**	**-4.42**
Summarized income rate	11.82	1.86	13.68
Summarized cost rate	16.37	1.73	18.10

[a] Between -0.005 and 0.005 percent of taxable payroll.
[b] The change in the 75-year valuation period from last year's report to this report means that the 75-year actuarial balance now includes the relatively large negative annual balance for 2100. This change in the valuation period results in a larger long-range actuarial deficit. The actuarial deficit includes the trust fund reserve at the beginning of the projection period.

Note: Components may not sum to totals because of rounding.

If the law, data, assumptions, and methods had all remained unchanged from last year's Trustees Report, the long-range OASDI actuarial balance would have decreased (worsened) by 0.07 percent of taxable payroll solely due to the change in the valuation period. However, as described in more detail below, projections in this report also reflect new data and changes in law, assumptions, and methods. These changes, including the change in the valuation period, combine to decrease the long-range OASDI actuarial balance by 0.60 percentage points, from -3.82 percent of taxable payroll in last year's report to -4.42 percent in this report.[1]

[1] Values in this section may not sum to totals because of rounding.

Legislation/Regulation

Changes in law, regulations, and policy since the last report decrease the long-range OASDI actuarial balance by 0.16 percent of taxable payroll. See section III.B for further details.

The One Big Beautiful Bill Act (OBBBA) was signed into law on July 4, 2025. This law makes permanent the lower ordinary income tax rates and adjusted tax brackets originally enacted under the 2017 Tax Cuts and Jobs Act and both increases and makes permanent the larger standard deduction of the 2017 Act. The OBBBA also adds a temporary additional standard deduction for taxpayers over age 65. Overall, the OBBBA effectively reduces taxable income for many Social Security beneficiaries. As a result, less income tax will be paid on Social Security benefits, and the OASI and DI Trust Funds will receive lower levels of revenue in the future from income taxation of Social Security benefits. The overall effect of this law change is a decrease in the OASDI actuarial balance of 0.16 percent of taxable payroll.

Valuation Period

As mentioned above, changing the 75-year valuation period from 2025 through 2099 for last year's report to 2026 through 2100 for this report decreases the projected long-range OASDI actuarial balance by 0.07 percent of taxable payroll. This decrease occurs because (1) the annual balances after 2025 are now discounted to January 1, 2026, rather than to January 1, 2025, and (2) the relatively large negative annual balance for 2100 is now included in this year's 75-year projection period. Note that the actuarial balance calculation includes trust fund reserves at the beginning of the projection period. These reserves reflect the program's net financial flows for all past years, including 2025, up to the start of the valuation period.

Demographic Data and Assumptions

New demographic data and changes in demographic assumptions combine to decrease the long-range OASDI actuarial balance by 0.44 percent of taxable payroll.

Two ultimate demographic assumptions were changed for this year's report.

First, the ultimate total fertility rate was lowered from 1.90 children per woman to 1.75 children per woman; the ultimate rate is reached in 2050 in both this year's report and last year's report. Continued low birth rates in the U.S. and around the world, in addition to societal changes related to family formation and the desire for children, provide convincing evidence that birth rates will not rise to historical averages. At the same time, there is evidence

that the recent period of very low birth rates is partially the result of women waiting to have children until older ages. The Trustees weighed these factors and reduced the ultimate total fertility rate to a level below historical averages but above recent low levels. This change to the ultimate rate, including the resulting lower rates during the transition period from now until 2050, decreases the actuarial balance by 0.33 percent of taxable payroll.

Second, the ultimate level of temporary or unlawfully present immigrants entering the country was reduced to 1,200,000 per year for years 2035 and later, based on a review of the levels of such immigration since 1999. This value is 150,000 less than the ultimate value of 1,350,000 assumed for last year's report. This change in the ultimate level, in combination with the gradually increasing transition path from current low levels to the ultimate level in 2035, decreases the actuarial balance by 0.12 percent of taxable payroll.

Updates to recent demographic data and near-term assumptions also result in significant changes in the actuarial balance.

First, final birth data for calendar year 2024 and preliminary data for 2025 indicate that total fertility rates were somewhat lower than the rates assumed in last year's report for those years. Incorporating the updated data led to generally slightly lower birth rates during the transition period to the ultimate level, decreasing the actuarial balance by 0.02 percent of taxable payroll.

Second, there were several updates to the mortality data used for this report. The projections now include 2024 data in the regressions used to develop the starting death rates and the starting rates of mortality improvement. Data for years 2020 through 2023 continue to be excluded, in order to avoid biasing the projections inappropriately by including data from the years most affected by the COVID-19 pandemic. For the 2021 through 2025 reports, data only through 2019 was included in the regressions, with adjustment factors applied to death probabilities for the first few years of the projection to adjust for the effects of the pandemic. The updated approach for this year's report allows the projections to better capture recent trends by age group and cause of death. In addition, this year's report incorporates updated data on the U.S. resident population from the Census Bureau, mortality data for ages under 65 from the National Center for Health Statistics for years 2023-25, and mortality data for ages 65 and older from Medicare experience for years 2022-24. In combination, these mortality data updates lead to higher death rates for all future years than were projected in last year's report, increasing the actuarial balance by about 0.09 percent of taxable payroll.

Third, the estimated levels of temporary or unlawfully present immigrant entrants have been decreased for calendar years 2022-25, compared to the

levels in last year's report. The lower levels in 2022-25 reflect updated data on border crossings from the Department of Homeland Security. These changes result in a decrease in the actuarial balance of 0.04 percent of taxable payroll.

Fourth, assumed emigration rates from the unlawfully present population are higher for years 2025-30 than those assumed in last year's report, consistent with the recent adoption of more restrictive policies regarding the unlawfully present population and the expectation that these policies will continue into the near future. This change to assumed emigration rates decreases the actuarial balance by 0.05 percent of payroll.

Fifth, updates to data for lawful immigration, the historical population, marriage, and divorce combine to increase the actuarial balance by 0.03 percent of taxable payroll.

Economic Data and Assumptions

New economic data and changes in economic assumptions, in combination, increase the long-range OASDI actuarial balance by 0.10 percent of taxable payroll.

The ultimate economic assumptions are unchanged for this year's report. However, updates to recent economic data and near-term assumptions result in significant changes in the actuarial balance.

In particular, this year's report includes an improved outlook for labor productivity and average earnings growth over the next ten years. The average productivity growth rate from 2025 to 2035 is 1.62 percent, 0.05 percentage points above the rate assumed over that period in the last year's report. The growth in average real earnings from 2025 to 2035 averages 1.72 percent, significantly higher than the 1.44 percent annual rate projected in the 2025 reports. These updates to economic data and near-term assumptions combine to increase the actuarial balance by 0.10 percent of taxable payroll.

Other small changes to historical data and near-term economic assumptions combine for a net negligible increase in the actuarial balance. These changes include updates to data for average weeks worked and educational attainment and small changes to the assumed real interest rates over the first 20 years of the projection period.

Disability Data and Assumptions

New disability data and changes in disability assumptions combine to increase the long-range OASDI actuarial balance by 0.02 percent of taxable payroll. The largest effect is due to the assumptions for disabled-worker inci-

dence rates over the first ten years of the projection, which transition more gradually to the ultimate incidence rate of 4.6 per thousand than in last year's report.

Methods and Programmatic Data

The projections in this report also reflect several methodological improvements and updates based on new program-specific data. These methodological changes, programmatic data updates, and interactions combine to decrease the long-range OASDI actuarial balance by 0.05 percent of taxable payroll. Descriptions of four significant methodological changes and programmatic data updates follow.

First, the approach used to model labor force participation of workers age 75 and older was improved. The parameters used in the modeling were updated to be consistent with administrative employment records for recent years (2011 through 2024), resulting in lower projected labor force participation and employment rates of the oldest workers. This method improvement decreases the actuarial balance by 0.08 percent of taxable payroll.

The second significant change is an improvement to the method for projecting the age distribution of those who became eligible to receive aged-spouse and widow(er) benefits following enactment of the Social Security Fairness Act. Prior to enactment of this law in January 2025, these individuals were not eligible to receive Social Security benefits because they received a substantial government pension. This method improvement decreases the actuarial balance by 0.02 percent of taxable payroll.

Third, recent data and estimates provided by the Office of Tax Analysis in the Department of the Treasury indicate lower levels of revenue from income taxation of OASDI benefits than projected in last year's report, but not as low as indicated by the effects of the OBBBA alone. This offsetting increase in projected ratios of income tax on benefits to benefit amounts, by itself, increases the actuarial balance by 0.04 percent of taxable payroll.

The fourth significant change is related to the sample used for the long-range model for projecting average benefit levels of retired-worker and disabled-worker beneficiaries who become newly entitled for benefits. This model uses a large sample of 10 percent of all newly entitled retired-worker beneficiaries in a recent year. The sample used in last year's report was for worker beneficiaries newly entitled in 2021, while this year's report uses the results from worker beneficiaries newly entitled in 2022. This update results in an increase in the actuarial balance of 0.03 percent of taxable payroll.

In addition to these four methodological changes and programmatic data updates, changes in starting levels and projected levels of OASI and DI ben-

eficiaries and benefit amounts over the first 10 years of the projection period, updating other programmatic data, other small methodological improvements, and interactions among the various method changes and updates to programmatic experience combine to decrease the long-range actuarial balance by about 0.02 percent of taxable payroll.

Figure IV.B4.—OASDI Annual Balances: 2025 and 2026 Trustees Reports
[As a percentage of taxable payroll, under intermediate assumptions]

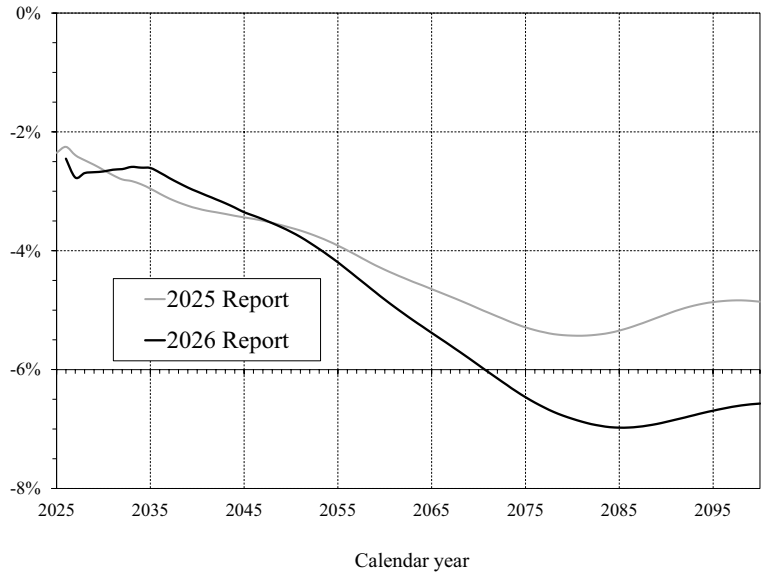


Figure IV.B4 compares the annual balances for this report and the prior year's report for the combined OASDI program over the long-range (75-year) projection period. The figure illustrates the annual effects of the changes described earlier in this section.

The projected annual balances in this year's report are lower in years 2026-30, higher in 2031-47, and lower in 2048-2100 than the annual balances in last year's report. These patterns are due to the changes incorporated in this year's report, described above. In particular, annual balances are lower in this year's report for 2026 and 2027 due to anticipated negative adjustments to payroll tax contributions, and lower through 2030 due to the effects of the changes in near-term immigration assumptions and the near-term effects of the OBBBA. Annual balances trend higher over the next several years due to the improved outlook for labor productivity and average earnings growth in the first ten years of the projection. After that, the annual balances trend increasingly lower than in last year's report, due primarily to

the reduction in the ultimate total fertility rate; the changes in assumptions for temporary or unlawfully present immigration and emigration also contribute. For the 75-year projection period 2026-2100, the annual balances average 0.72 percentage points lower in this year's report. For 2100, the projected annual deficit is 6.57 percent of taxable payroll in this report, compared to 4.86 percent in last year's report.

V. ASSUMPTIONS AND METHODS UNDERLYING ACTUARIAL ESTIMATES

The future income and cost of the OASDI program will depend on many demographic, economic, and program-specific factors. Trust fund income will depend on how these factors affect the size and composition of the working population as well as the level and distribution of earnings. Similarly, program cost will depend on how these factors affect the size and composition of the beneficiary population as well as the general level of benefits.

The Trustees make basic assumptions for several of these factors based on analysis of historical trends, historical conditions, and expected future conditions. These factors include fertility, mortality, immigration, marriage, divorce, productivity, inflation, average earnings, unemployment, real interest rates, and disabled-worker incidence and termination. Other factors depend on these basic assumptions. These other, often interdependent, factors include total population, life expectancy, labor force participation, gross domestic product, and program-specific factors. Each year, the Trustees reexamine these assumptions and methods in light of new information.

Future levels of these factors and their interrelationships are inherently uncertain. To address these uncertainties, this report uses three sets of assumptions, designated as intermediate (alternative II), low-cost (alternative I), and high-cost (alternative III). The intermediate set represents the Trustees' best estimate of the future course of the population and the economy as of the time assumptions were set in February 2026. With regard to the net effect on the actuarial status of the OASDI program, the low-cost set is more optimistic and the high-cost set is more pessimistic. The low-cost and high-cost sets of assumptions reflect significant potential changes in the interrelationships among factors, as well as changes in the values for individual factors.

While it is unlikely that all of the factors and interactions will differ in the specified directions from the intermediate values, many combinations of individual differences in the factors could have a similar overall effect. Outcomes with overall long-range cost as low as the low-cost scenario or as high as the high-cost scenario are very unlikely. Readers should interpret the estimates based on the three sets of alternative assumptions with care. These estimates are not specific predictions of the future financial status of the OASDI program. Rather, they are intended to provide a reasonable range of future income and cost.

All of the key demographic, economic, and program-specific assumptions reach their long-range ultimate values within the next 25 years. For extrapolations beyond the 75-year long-range period, the ultimate levels or trends reached by the end of the 75-year period remain unchanged. The assumed ultimate values represent average annual experience or growth rates. Actual future values will exhibit fluctuations or cyclical patterns, as in the past.

The following sections briefly discuss the various assumptions and methods used in making the projections of trust fund actuarial status, which are the focus of this report.[1] There are, of course, many interrelationships among these factors that are important but are beyond the scope of this discussion.

A. DEMOGRAPHIC ASSUMPTIONS AND METHODS

This section of the report provides a brief overview of the demographic historical data and the assumptions used for the projections.

1. Fertility

Birth rates by single year of age, for girls and women aged 14 to 49,[2] are the basis for the fertility assumptions. These rates apply to the total number of women, across all marital statuses, in the midyear population at each age. Table V.A1 displays the historical and projected total fertility rates.[3]

Historically, birth rates in the United States have fluctuated widely. The total fertility rate decreased from 3.31 children per woman in 1918 at the end of World War I to 2.15 in 1936 during the Great Depression. After 1936, the total fertility rate rose to 3.68 in 1957 and then fell to 1.74 by 1976. After 1976, the total fertility rate rose above 2.00 by 1990, where it generally remained through 2009. Since then, it has been generally decreasing, reaching 1.60 in 2024; it is estimated to drop further to 1.59 in 2025.

The variations in the historical total fertility rate resulted from changes in many factors, including social attitudes, economic conditions, birth-control practices, and the racial/ethnic composition of the population. Since the baby-boom era (1946-65), women have had higher educational attainment,

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[1] Actuarial Studies published by Actuarial Services, Social Security Administration, contain further details about the assumptions, methods, and projections. A complete list of available studies may be found at www.ssa.gov/OACT/NOTES/actstud.html. This entire report, along with supplemental year-by-year tables and additional documentation on assumptions and methods, may be found at www.ssa.gov/OACT/TR/2026.

[2] Birth rates at age 14 include births to girls aged 14 and under, and birth rates at age 49 include births to women aged 49 and over.

[3] The total fertility rate 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 observed in, or assumed for, a specified year, and if she were to survive the entire childbearing period. A rate of about 2.1 would ultimately result in a nearly constant population if immigration and emigration were both zero, and if death rates were to remain at current levels.

higher labor force participation, an older average age at first marriage, and a higher propensity to be unmarried. All of these factors are consistent with continued lower total fertility rates than those experienced during the baby-boom era.

After the baby boom era, the average total fertility rate for years 1966 through 2024 was 1.95 children per woman. There are many factors that indicate that future total fertility rates may be lower than that average. These factors include results from recent surveys of birth expectations, continued lower total fertility rates in recent years, lower total fertility rates in high-immigrant source countries such as Mexico, increased utilization of more effective birth control, other societal changes including lower marriage rates, and possible concerns about economic opportunity for the future. The Trustees assume ultimate total fertility rates of 2.10, 1.75, and 1.40 children per woman for the low-cost, intermediate, and high-cost assumptions, respectively. The low-cost ultimate rate is the same as the ultimate rate assumed in last year's report. However, the intermediate and high-cost ultimate rates are 0.15 and 0.20 lower, respectively, than the ultimate rates assumed in last year's report.

For the intermediate assumptions, the projected total fertility rate gradually increases on a period (annual) basis through the year the ultimate value is reached (2050). The assumed low-cost and high-cost total fertility rates trend away from the intermediate path, also reaching their ultimate values in 2050. The Trustees continue to assume that recent low rates of period fertility are, in part, indicative of a gradual shift to older ages of childbearing for younger birth cohorts.

2. Mortality

Mortality projections are developed based on assumptions about the ultimate average annual percentage reductions in future mortality rates by age group and cause of death. The assumptions are used to estimate future central death rates by age group, sex, and cause of death. From the estimated central death rates, probabilities of death by single year of age and sex are calculated.

Historical death rates were calculated for years 1900 through 2024 for ages below 65 (and for all ages for years prior to 1968) using data from the National Center for Health Statistics (NCHS).[1] For ages 65 and over, final Medicare data on deaths for years 1968 through 2022 and preliminary data for 2023 and 2024 were used.[2] Death rates by cause of death were produced

[1] These rates reflect NCHS data on deaths and Census estimates of population. NCHS death data for 2024 are provisional.

[2] These rates reflect Medicare data on deaths and enrollments.

for all ages for years 1979-2024 using data from the NCHS. Partial-year, provisional data from NCHS were used to estimate death rates for 2025 for all ages. Note, however, that regressions used for the model projections do not include data for 2020 through 2023 due to the elevated death rates caused by the COVID-19 pandemic.

The total age-sex-adjusted death rate[1] declined at an average annual rate of 1.00 percent between 1900 and 2024. Between 1979 and 2024, the period for which death rates were analyzed by cause, the total age-sex-adjusted death rate, for all causes combined, declined at an average rate of 0.82 percent per year.

Death rates have declined substantially in the U.S. since 1900, with rapid declines over some periods and slow or no declines over other periods. Many factors are responsible for historical reductions in death rates, including medical advances, increased availability of health-care services, and improvements in sanitation and nutrition. Historical death rates generally declined more slowly for older ages and more rapidly for children and infants than for the rest of the population. Between 1900 and 2024, the age-sex-adjusted death rate declined at an average rate of 0.77 percent per year for ages 65 and over, and 2.83 percent per year for ages under 15.

Mortality assumptions differ for the low-cost, intermediate, and high-cost scenarios. Throughout the projection period, the low-cost scenario contains annual percentage reductions that are smaller than those in the intermediate scenario, while those in the high-cost scenario are larger. The ultimate annual percentage reductions for each of the three alternatives are unchanged from last year's report.

The trends in the annual reductions in central death rates were calculated for the period from 2009 to 2024 (but excluding 2020 through 2023), by age group, sex, and cause of death. These trends are the starting rates of reduction for alternative II. For alternatives I and III, 50 and 150 percent of the starting rates of reduction are used, respectively. These annual rates of reduction, by alternative, are assumed to transition rapidly from the starting rates of reduction until they reach the ultimate annual rates of reduction assumed for 2050 and later.

[1] Based on the enumerated total population as of April 1, 2010, if that population were to experience the death rates by age and sex for the selected year.

Table V.A1 contains historical and projected age-sex-adjusted death rates for the total population (all ages), for ages under 65, and for ages 65 and over. Age-sex adjustment eliminates the effect of a changing distribution of population by age and sex. Under the intermediate assumptions, projected total age-sex-adjusted death rates are slightly higher than the rates in last year's report. These changes result primarily from updating the years used for the regressions.

The projected average annual rate of decline between 2025 and 2100 for the total age-sex-adjusted death rate is about 0.25 percent for alternative I, 0.73 percent for alternative II, and 1.28 percent for alternative III. In keeping with the patterns observed in the historical data, the assumed future rates of decline are greater for younger ages than for older ages, but to a substantially lesser degree than in the past. Accordingly, the projected age-sex-adjusted death rates for ages 65 and over decline between 2025 and 2100 at average annual rates of about 0.26 percent for alternative I, 0.69 percent for alternative II, and 1.15 percent for alternative III. The projected age-sex-adjusted death rates for ages under 15 decline between 2025 and 2100 at average annual rates of about 0.50 percent for alternative I, 1.49 percent for alternative II, and 2.89 percent for alternative III.

Demographers express a wide range of views on the likely rate of future decline in death rates. For example, some believe that the long-standing historical tendency for mortality to decline more slowly at the oldest ages will cease in the future. Others believe that biological factors, social factors, and limitations on health care spending may slow future rates of decline in mortality.

Table V.A1.—Fertility and Mortality Assumptions,[a] Calendar Years 1940-2100

Calendar year	Total fertility rate[b]	Age-sex-adjusted death rate[c] per 100,000		
		Total	Under 65	65 and over
Historical data:				
1940	2.23	1,919.8	750.1	9,718.8
1945	2.42	1,716.6	674.8	8,662.9
1950	3.03	1,561.9	570.2	8,173.7
1955	3.50	1,453.8	508.2	7,758.4
1960	3.61	1,454.3	503.2	7,795.6
1965	2.88	1,428.8	495.2	7,653.9
1970	2.43	1,350.2	485.8	7,113.9
1975	1.77	1,214.2	426.2	6,467.8
1980	1.82	1,145.2	383.9	6,221.5
1985	1.83	1,088.6	352.8	5,994.7
1990	2.07	1,026.2	333.3	5,646.0
1995	1.98	1,005.0	318.3	5,582.9
2000	2.05	964.1	281.4	5,515.8
2005	2.06	903.7	271.1	5,121.7
2010	1.93	821.5	248.5	4,641.9
2015	1.84	813.7	253.0	4,552.0
2016	1.81	805.9	258.0	4,458.6
2017	1.76	810.3	258.1	4,492.0
2018	1.73	801.8	254.7	4,449.5
2019	1.70	789.5	253.2	4,365.3
2020	1.64	918.2	300.0	5,040.0
2021	1.66	930.8	334.3	4,907.8
2022	1.65	867.3	294.2	4,688.5
2023	1.60	[d]801.5	269.0	[d]4,351.3
2024	1.60	[e]775.6	[e]251.7	[e]4,268.3
2025	[f]1.59	[f]774.2	[f]245.8	[f]4,296.9
Intermediate:				
2030	1.61	749.0	247.4	4,093.3
2035	1.66	720.2	237.3	3,939.9
2040	1.72	691.4	226.4	3,791.5
2045	1.75	663.8	215.7	3,651.0
2050	1.75	637.7	205.5	3,519.0
2055	1.75	613.1	195.9	3,394.9
2060	1.75	590.0	186.7	3,278.5
2065	1.75	568.2	178.1	3,169.2
2070	1.75	547.7	169.9	3,066.3
2075	1.75	528.4	162.2	2,969.5
2080	1.75	510.1	154.9	2,878.3
2085	1.75	492.9	148.0	2,792.3
2090	1.75	476.6	141.5	2,711.1
2095	1.75	461.2	135.3	2,634.3
2100	1.75	446.7	129.4	2,561.6

Table V.A1.—Fertility and Mortality Assumptions,[a] Calendar Years 1940-2100 (Cont.)

Calendar year	Total fertility rate[b]	Age-sex-adjusted death rate[c] per 100,000		
		Total	Under 65	65 and over
Low-cost:				
2030	1.80	773.1	256.0	4,220.6
2035	1.95	764.2	253.5	4,169.2
2040	2.06	754.0	249.9	4,115.4
2045	2.10	743.6	245.9	4,061.5
2050	2.10	733.2	241.9	4,008.4
2055	2.10	722.9	238.0	3,956.3
2060	2.10	712.9	234.1	3,905.4
2065	2.10	703.1	230.2	3,855.6
2070	2.10	693.5	226.5	3,806.8
2075	2.10	684.0	222.8	3,759.1
2080	2.10	674.8	219.2	3,712.4
2085	2.10	665.8	215.7	3,666.7
2090	2.10	657.0	212.2	3,622.0
2095	2.10	648.3	208.8	3,578.3
2100	2.10	639.8	205.5	3,535.4
High-cost:				
2030	1.43	719.3	236.6	3,937.8
2035	1.37	665.4	216.8	3,656.9
2040	1.38	615.1	197.4	3,400.0
2045	1.40	569.7	179.5	3,171.2
2050	1.40	529.3	163.4	2,968.3
2055	1.40	493.2	149.0	2,788.3
2060	1.40	461.1	136.1	2,628.1
2065	1.40	432.4	124.5	2,485.0
2070	1.40	406.6	114.1	2,356.6
2075	1.40	383.4	104.7	2,241.0
2080	1.40	362.3	96.3	2,136.3
2085	1.40	343.3	88.6	2,041.1
2090	1.40	325.9	81.7	1,954.3
2095	1.40	310.1	75.4	1,874.8
2100	1.40	295.6	69.7	1,801.6

[a] This table contains basic assumptions along with key summary values that are derived from basic assumptions.

[b] The total fertility rate for any year is 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 observed in, or assumed for, the selected year, and if she were to survive the entire childbearing period.

[c] Based on the enumerated total population as of April 1, 2010, if that population were to experience the death rates by age and sex observed in, or assumed for, the selected year.

[d] Estimated using final data for ages below 65 and preliminary data for ages 65 and older.

[e] Estimated using preliminary data.

[f] Estimated using partial-year, provisional data.

3. Immigration

Projections of the total Social Security area population reflect assumptions for the following four immigration flows:

- Lawful permanent resident (LPR) immigration: The flow of persons who enter the Social Security area population and are granted LPR status, or who are already in the Social Security area population and adjust their status to become LPRs.[1]
- Legal emigration: The flow of LPRs and citizens who leave the Social Security area population.
- Temporary or unlawfully present immigration: The flow of persons who enter the Social Security area population and stay to the end of the year without being granted LPR status, such as foreign workers and students entering with temporary visas, and immigrants who enter the country illegally.
- Temporary or unlawfully present emigration: The flow of temporary or unlawfully present immigrants who leave the Social Security area population or who adjust their status to become LPRs. The stock of immigrants from which these emigrants are drawn includes temporary visa holders, those who entered the Social Security area population lawfully on temporary visas but subsequently overstayed their visas, and those who entered the country illegally.

Net LPR immigration is the difference between LPR immigration and legal emigration. Net temporary or unlawfully present immigration is the difference between temporary or unlawfully present immigration and temporary or unlawfully present emigration. Total net immigration refers to the sum of net LPR immigration and net temporary or unlawfully present immigration.

Immigration assumptions differ for the low-cost, intermediate, and high-cost scenarios. The low-cost scenario includes higher annual net immigration and the high-cost scenario includes lower annual net immigration. Table V.A2 contains historical and projected levels of various immigration flows.

[1] Persons who enter the country with valid visas but without LPR status, such as temporary foreign workers and students, are not included in the "LPR immigration" category.

LPR Immigration and Legal Emigration

LPR immigration has increased significantly since World War II, due to various factors and legislative changes, including the Immigration Act of 1965 and the Immigration Act of 1990.

LPR new arrival immigration levels dropped significantly in 2020-22, the initial years of the COVID-19 pandemic. In 2023 and 2024, the levels of LPR new arrival immigration were elevated somewhat compared to what would have been expected in the absence of the pandemic. This elevation represents the first two years of an assumed make-up for the lower levels in 2020-22. For each of the alternatives, the LPR new arrival immigration level for 2025 is estimated to be higher than would have been expected in the absence of the pandemic, completing the make-up for the lower levels in 2020-22. The timing of the assumed make-up differs from last year's report, in which it was assumed that 2026 would be the last year of the make-up period. Also, the pandemic-related effects on the LPR new arrival immigration levels in 2025 are assumed to be smaller than those in last year's report.

For the intermediate alternative, the ultimate level of annual LPR immigration, which includes residents who adjust their status to become LPRs, is assumed to be 1,050,000 persons for 2026 and later. For alternatives I and III, ultimate annual LPR immigration is assumed to be 1,250,000 persons and 850,000 persons, respectively, for 2026 and later. The ultimate levels of LPR immigration are unchanged from last year's report.

The assumed ratios of annual legal emigration to LPR immigration are 20, 25, and 30 percent for alternatives I, II, and III, respectively. This range is consistent with the limited historical data for legal emigration from the Social Security area population. These ratios are unchanged from last year's report. Under the intermediate alternative, by combining the ultimate annual LPR immigration and legal emigration assumptions, ultimate annual net LPR immigration is about 788,000 persons. Ultimate annual net LPR immigration is 1,000,000 persons for the low-cost scenario and 595,000 persons for the high-cost scenario.

Temporary or Unlawfully Present Immigration and Emigration

The number of temporary or unlawfully present immigrants in the Social Security area population and the annual level of temporary or unlawfully present immigration were affected significantly by the economic recession of 2007-09. Although temporary or unlawfully present immigration was greatly reduced during the economic downturn and immediate years thereafter, it returned to higher levels for most years from 2014 through 2019, reflecting a

recovery from levels experienced during the recession. The COVID-19 pandemic began to affect temporary or unlawfully present immigration in 2020; the level of temporary or unlawfully present immigration is about 504,000 persons lower in 2020 and 113,000 persons lower in 2021 than would have been expected in the absence of the pandemic.

Data from the Department of Homeland Security (DHS) indicate a notable increase in border crossings in years 2022, 2023, and the first few months of 2024. DHS data further indicate a sharp drop in border crossings in the latter part of 2024 and even lower levels continuing into 2025. Based on the expectation that restrictive border policies will continue into the near future, the Trustees assume a relatively low level of temporary or unlawfully present immigration in 2026 for each of the three alternatives. For years after 2026, the Trustees assume a transition path in which the temporary or unlawfully present immigration levels increase each year from the low levels assumed for 2026 to the ultimate levels.

The ultimate annual levels of temporary or unlawfully present immigration are 1,200,000 persons for alternative II, 1,700,000 persons for alternative I, and 700,000 persons for alternative III. Each of these values is 150,000 less than the respective ultimate values in the 2025 Trustees Report. This assumption change is based on a review of the levels of temporary or unlawfully present immigration since 1999, which average to just under 1,200,000 per year when excluding the unusually low immigration years experienced during the 2007-09 recession and slow recovery that followed. The ultimate levels are attained in 2035 for the low-cost and intermediate alternatives and in 2034 for the high-cost alternative.

Emigration from the temporary or unlawfully present immigrant population includes those who leave the Social Security area population and those who adjust their status to become LPRs. This temporary or unlawfully present immigrant population is highly mobile and far more likely to leave the Social Security area population than is the citizen or LPR population. However, as unlawfully present immigrants stay in the country for longer periods of time, they generally become less likely to leave the country.

The Trustees assume that emigration rates from the unlawfully present population will be higher in years 2025-30 than those assumed in last year's report. This assumption change is based on the recent adoption of more restrictive policies regarding the unlawfully present population and the expectation that these policies will continue into the near future.

Under the intermediate assumptions, the total annual number of temporary or unlawfully present immigrants who leave the Social Security area population

averages about 371,000 through the 75-year projection period. The ultimate annual number of temporary or unlawfully present immigrants who adjust status to become LPRs is assumed to be 450,000 for the intermediate assumptions and is unchanged from last year's report. The total annual number of temporary or unlawfully present immigrants who leave the Social Security area population averages about 522,000 for the low-cost scenario and 223,000 for the high-cost scenario through the 75-year projection period. The ultimate annual number of people adjusting status to LPR status is assumed to be 550,000 persons for the low-cost scenario and 350,000 persons for the high-cost scenario; these levels are unchanged from last year's report.

The projected size of the temporary or unlawfully present immigrant population drops modestly under the intermediate assumptions, from about 17.3 million at the end of 2025 to about 15.6 million at the end of 2029. This drop reflects the following two factors for the early part of the projection period: (1) an assumed decrease in annual unlawfully present immigration and (2) an assumed increase in the emigration rates from the unlawfully present population. After 2029, the projected size of the temporary or unlawfully present immigrant population grows substantially under the intermediate assumptions, reaching about 28.7 million by the end of 2100. This growth reflects the excess of annual immigration levels over the combined annual numbers of emigrants (including adjustments of status) and deaths that occur within the temporary or unlawfully present immigrant population.

Under the intermediate assumptions, the projected annual levels of net temporary or unlawfully present immigration (that is, inflows less outflows) gradually decrease beginning in 2036. Because the projected number of temporary or unlawfully present immigrants leaving the Social Security area population is based on rates of departure, an increase in the number of temporary or unlawfully present immigrants in the Social Security area population results in an increase in the number who emigrate out of that population. All other components of net temporary or unlawfully present immigration are assumed to be stable after 2034, and thus do not contribute toward any change in annual net temporary or unlawfully present immigration. Under the intermediate assumptions, the projected annual levels of net temporary or unlawfully present immigration over the 75-year projection period average about 351,000 persons. The projected annual net temporary or unlawfully present immigration levels average about 590,000 persons under the low-cost assumptions and 115,000 persons under the high-cost assumptions.

Total Net Immigration

The projected annual levels of total net immigration (LPR immigration and temporary or unlawfully present immigration, combined) average about 1,138,000 persons during the 75-year projection period under the intermediate assumptions. The projected annual total net immigration levels average about 1,590,000 persons under the low-cost assumptions and about 710,000 persons under the high-cost assumptions.

Demographers express a wide range of views about the future course of immigration for the United States. Some believe that net immigration will increase substantially in the future. Others believe that potential immigrants may be increasingly attracted to other countries; that the number of potential immigrants may be lower due to lower birth rates in many source countries; or that more stringent immigration laws, policies, and enforcement will lead to low immigration levels in the future.

Table V.A2.—Immigration Assumptions,[a] Calendar Years 1940-2100
[In thousands]

Calendar year	Lawful permanent resident (LPR)				Temporary or unlawfully present[b]				Total net change
	Inflow	Outflow[c]	Adjustments of status[d e]	Net change	Inflow	Outflow	Adjustments of status[d e]	Net change	
Historical data:									
1940	61	15	—	46	—	—	—	—	—
1945	73	18	—	55	—	—	—	—	—
1950	227	57	—	171	—	—	—	—	—
1955	280	70	—	210	—	—	—	—	—
1960	268	67	—	201	—	—	—	—	—
1965	279	77	31	232	—	—	31	—	—
1970	307	93	65	279	—	—	65	—	—
1975	342	98	51	294	—	—	51	—	—
1980	430	135	112	406	—	—	112	203	610
1985	458	144	119	432	—	—	119	261	693
1990	545	166	1,114	1,493	—	—	1,114	-371	1,122
1995	509	192	260	577	—	—	260	557	1,134
2000	482	224	413	672	1,358	368	413	577	1,249
2005	561	290	597	869	1,645	33	597	1,015	1,884
2010	622	262	426	786	663	220	426	17	803
2015	702	280	419	841	1,246	164	419	662	1,503
2016	770	297	418	891	1,080	656	418	6	896
2017	703	276	399	827	903	257	399	247	1,073
2018	693	273	397	818	744	549	397	-203	615
2019	543	258	489	774	882	886	489	-493	281
2020	238	145	344	436	696	76	344	276	713
2021	366	209	471	628	1,187	442	471	274	902
2022	588	262	462	787	[f]2,150	[f]248	462	[f]1,440	[f]2,227
2023	676	298	516	894	[f]2,550	[f]254	516	[f]1,780	[f]2,674
2024	860	358	573	1,074	[g]2,100	[f]314	573	[g]1,213	[g]2,287
2025	[g]706	[g]302	[g]500	[g]905	[g]800	[g]1,016	[g]500	[g]-716	[g]189
Intermediate:									
2030	600	263	450	788	970	329	450	191	978
2035	600	263	450	788	1,200	284	450	466	1,254
2040	600	263	450	788	1,200	311	450	439	1,227
2045	600	263	450	788	1,200	327	450	423	1,210
2050	600	263	450	788	1,200	342	450	408	1,196
2055	600	263	450	788	1,200	352	450	398	1,186
2060	600	263	450	788	1,200	359	450	391	1,178
2065	600	263	450	788	1,200	366	450	384	1,172
2070	600	263	450	788	1,200	372	450	378	1,166
2075	600	263	450	788	1,200	377	450	373	1,161
2080	600	263	450	788	1,200	381	450	369	1,157
2085	600	263	450	788	1,200	384	450	366	1,154
2090	600	263	450	788	1,200	386	450	364	1,151
2095	600	263	450	788	1,200	388	450	362	1,150
2100	600	263	450	788	1,200	389	450	361	1,148

Table V.A2.—Immigration Assumptions,[a] Calendar Years 1940-2100 (Cont.)
[In thousands]

Calendar year	Lawful permanent resident (LPR)				Temporary or unlawfully present[b]				Total net change
	Inflow	Outflow[c]	Adjustments of status[d e]	Net change	Inflow	Outflow	Adjustments of status[d e]	Net change	
Low-cost:									
2030	700	250	550	1,000	1,380	373	550	457	1,457
2035	700	250	550	1,000	1,700	354	550	796	1,796
2040	700	250	550	1,000	1,700	408	550	742	1,742
2045	700	250	550	1,000	1,700	448	550	702	1,702
2050	700	250	550	1,000	1,700	482	550	668	1,668
2055	700	250	550	1,000	1,700	507	550	643	1,643
2060	700	250	550	1,000	1,700	527	550	623	1,623
2065	700	250	550	1,000	1,700	542	550	608	1,608
2070	700	250	550	1,000	1,700	554	550	596	1,596
2075	700	250	550	1,000	1,700	563	550	587	1,587
2080	700	250	550	1,000	1,700	571	550	579	1,579
2085	700	250	550	1,000	1,700	576	550	574	1,574
2090	700	250	550	1,000	1,700	579	550	571	1,571
2095	700	250	550	1,000	1,700	582	550	568	1,568
2100	700	250	550	1,000	1,700	583	550	567	1,567
High-cost:									
2030	500	255	350	595	600	299	350	-49	546
2035	500	255	350	595	700	222	350	128	723
2040	500	255	350	595	700	219	350	131	726
2045	500	255	350	595	700	211	350	139	734
2050	500	255	350	595	700	205	350	145	740
2055	500	255	350	595	700	198	350	152	747
2060	500	255	350	595	700	193	350	157	752
2065	500	255	350	595	700	190	350	160	755
2070	500	255	350	595	700	189	350	161	756
2075	500	255	350	595	700	189	350	161	756
2080	500	255	350	595	700	188	350	162	757
2085	500	255	350	595	700	189	350	161	756
2090	500	255	350	595	700	189	350	161	756
2095	500	255	350	595	700	190	350	160	755
2100	500	255	350	595	700	190	350	160	755

[a] This table contains basic assumptions along with key summary values that are derived from basic assumptions.

[b] Historical estimates of immigration to (inflow), and emigration from (outflow), the temporary or unlawfully present immigrant population depend on a residual method. Actuarial Services developed these estimates, as well as the resulting temporary or unlawfully present January 1 stock estimates, for years through 2000. For years 2001 and later, the residual method uses stock estimates. For 2001 through 2004, the stock is set to values that linearly grade from the 2000 stock estimate to the 2005 stock estimate. Stock estimates are developed by Actuarial Services, based on the latest methods used by the Department of Homeland Security.

[c] Includes both LPRs and citizens who leave the Social Security area population.

[d] Estimates include persons who attained LPR status under the special one-time provisions of the Immigration Reform and Control Act of 1986.

[e] Adjustments of status are a positive for net LPR immigration and a negative for net temporary or unlawfully present immigration.

[f] Estimated.

[g] Estimated, intermediate alternative.

Note: Components may not sum to totals because of rounding.

4. Total Population

The starting Social Security area population for December 31, 2023, is derived from the Census Bureau's estimate of the residents of the 50 States and D.C. and U.S. Armed Forces overseas. Adjustments are made to reflect mortality assumptions for the aged population since 2020 that are consistent with Medicare and Social Security data, net immigration assumptions for the aged population since 2020, estimates of the net undercount in the 2020 census, inclusion of U.S. citizens living abroad (including residents of U.S. territories), and inclusion of non-citizens living abroad who are insured for Social Security benefits. Actuarial Services projects the Social Security area population by age, sex, and marital status for December 31 of each year from 2024 through 2100 by combining the assumptions for future fertility, mortality, and immigration with assumptions for marriage and divorce. Previous sections of this chapter present the assumptions for future fertility, mortality, and immigration. Assumptions for future rates of marriage and divorce reflect historical data from the National Center for Health Statistics, the Census Bureau, and selected individual States.

Table V.A3 shows the historical and projected population for July 1 by broad age group, for the three alternatives. It also shows the aged and total dependency ratios (see table footnotes for definitions).

Table V.A3.—Social Security Area Population on July 1 and Dependency Ratios, Calendar Years 1945-2100

Calendar year	Population (in thousands)				Dependency ratio	
	Under 20	20-64	65 and over	Total	Aged[a]	Total[b]
Historical data:						
1945	49,107	87,891	10,886	147,883	0.124	0.683
1950	53,918	92,190	12,789	158,897	.139	.724
1955	63,337	96,003	15,161	174,500	.158	.818
1960	72,915	99,752	17,323	189,990	.174	.905
1965	80,005	104,881	19,153	204,039	.183	.945
1970	80,856	112,953	21,007	214,815	.186	.902
1975	78,576	122,592	23,370	224,538	.191	.832
1980	74,841	134,029	26,315	235,184	.196	.755
1985	72,893	144,586	29,129	246,609	.201	.706
1990	74,791	152,730	31,926	259,447	.209	.699
1995	79,287	160,733	34,294	274,314	.213	.707
2000	81,980	170,138	35,501	287,619	.209	.691
2005	83,906	180,820	37,132	301,858	.205	.669
2010	85,712	188,457	41,017	315,185	.218	.672
2015	85,011	195,342	47,792	328,145	.245	.680
2016	85,123	196,393	49,360	330,876	.251	.685
2017	85,129	197,171	50,978	333,278	.259	.690
2018	85,038	197,740	52,670	335,448	.266	.696
2019	84,748	197,923	54,449	337,121	.275	.703
2020	84,259	197,895	56,087	338,242	.283	.709
2021	83,683	197,754	57,540	338,977	.291	.714
2022	83,470	197,960	59,186	340,617	.299	.721
2023[c]	83,330	198,971	60,983	343,284	.306	.725
2024[d]	83,091	200,168	62,839	346,098	.314	.729
2025[d]	82,682	200,488	64,619	347,788	.322	.735
Intermediate:						
2030	79,461	199,580	72,324	351,365	.362	.761
2035	78,200	202,376	76,797	357,372	.379	.766
2040	78,397	205,342	79,091	362,830	.385	.767
2045	80,123	206,803	80,490	367,417	.389	.777
2050	81,577	206,679	82,753	371,009	.400	.795
2055	82,138	206,058	85,756	373,951	.416	.815
2060	81,666	205,843	89,238	376,746	.434	.830
2065	80,902	206,596	92,214	379,712	.446	.838
2070	80,733	206,531	95,522	382,786	.463	.853
2075	81,271	205,440	98,947	385,658	.482	.877
2080	82,096	204,782	101,192	388,070	.494	.895
2085	82,665	204,785	102,549	389,999	.501	.904
2090	82,770	206,205	102,658	391,633	.498	.899
2095	82,601	207,901	102,702	393,204	.494	.891
2100	82,511	209,249	103,134	394,894	.493	.887

Table V.A3.—Social Security Area Population on July 1 and Dependency Ratios, Calendar Years 1945-2100 (Cont.)

Calendar year	Population (in thousands)				Dependency ratio	
	Under 20	20-64	65 and over	Total	Aged[a]	Total[b]
Low-cost:						
2030	81,561	201,563	72,233	355,356	0.358	0.763
2035	83,997	206,206	76,313	366,515	.370	.777
2040	88,954	210,990	78,000	377,944	.370	.791
2045	95,782	214,202	78,692	388,676	.367	.815
2050	101,164	216,985	80,255	398,404	.370	.836
2055	104,212	220,885	82,638	407,735	.374	.846
2060	105,884	226,113	85,607	417,604	.379	.847
2065	107,996	232,512	88,164	428,673	.379	.844
2070	111,737	238,057	91,059	440,853	.383	.852
2075	116,659	242,794	94,048	453,501	.387	.868
2080	121,583	248,637	95,873	466,093	.386	.875
2085	125,520	256,225	96,836	478,581	.378	.868
2090	128,470	266,247	96,610	491,328	.363	.845
2095	131,246	276,115	97,411	504,772	.353	.828
2100	134,632	284,503	100,033	519,167	.352	.825
High-cost:						
2030	77,550	197,951	72,479	347,980	.366	.758
2035	72,769	199,046	77,496	349,311	.389	.755
2040	68,484	200,297	80,631	349,412	.403	.744
2045	65,476	200,113	83,017	348,606	.415	.742
2050	63,415	197,213	86,266	346,895	.437	.759
2055	61,999	192,259	90,143	344,401	.469	.791
2060	60,105	186,867	94,334	341,306	.505	.826
2065	57,556	182,288	97,853	337,696	.537	.853
2070	54,930	176,983	101,628	333,541	.574	.885
2075	52,707	170,585	105,468	328,760	.618	.927
2080	51,000	164,236	108,039	323,276	.658	.968
2085	49,626	157,862	109,609	317,096	.694	1.009
2090	48,301	152,256	109,788	310,345	.721	1.038
2095	46,833	147,642	108,696	303,171	.736	1.053
2100	45,265	144,035	106,436	295,736	.739	1.053

[a] Ratio of the population at ages 65 and over to the population at ages 20-64.
[b] Ratio of the population at ages 65 and over and the population under age 20 to the population at ages 20-64.
[c] Estimated.
[d] Estimated, intermediate alternative.

Notes:
1. Historical data are subject to revision.
2. Components may not sum to totals because of rounding.

5. Life Expectancy

Life expectancy, or the average remaining number of years expected prior to death, is an additional way to summarize the Trustees' mortality assumptions. This report includes life expectancy both at birth and at age 65, in two different forms (period and cohort), which are useful for separate purposes.

- Period life expectancy at a selected age for a particular year incorporates the actual or expected death rates at the selected age and each older age for that year. It is a useful summary statistic for illustrating the overall level of the death rates at or above the given age experienced in a single year. Period life expectancy for a particular year provides an individual's expected average remaining lifetime at a selected age, assuming no change in death rates after that year. Table V.A4 presents historical and projected life expectancy calculated on a period basis.
- Cohort life expectancy does not incorporate death rates for a single year, instead using rates from the series of years in which an individual would reach each succeeding age. Cohort life expectancy provides the expected average remaining lifetime for an individual at a selected age in a particular year, using actual or expected future death rates for the selected age and all succeeding ages. Table V.A5 presents historical and projected life expectancy calculated on a cohort basis. Cohort life expectancy is generally greater than period life expectancy for a given year because: (1) death rates at any age generally decline over time; and (2) cohort life expectancy uses death rates for future years, while period life expectancy uses death rates only for the given year.

Life expectancy at a given age reflects death rates at that and all older ages. Period life expectancy is somewhat related to the age-sex-adjusted death rate discussed in section V.A.2. However, life expectancy places far greater weight on death rates at relatively younger ages (those at or just above the given age) than those at relatively older ages. Therefore, changes in death rates at young ages, particularly in infancy, affect life expectancy at birth to a much greater degree than changes in death rates at older ages. It is important to keep this concept in mind when considering trends in life expectancy.

Table V.A4.—Period Life Expectancy[a]

Calendar year	Historical data			
	At birth		At age 65	
	Male	Female	Male	Female
1940	61.4	65.7	11.9	13.4
1945	62.9	68.4	12.6	14.4
1950	65.6	71.1	12.8	15.1
1955	66.7	72.8	13.1	15.6
1960	66.7	73.2	12.9	15.9
1965	66.8	73.8	12.9	16.3
1970	67.1	74.9	13.1	17.1
1975	68.7	76.6	13.7	18.0
1980	69.9	77.5	14.0	18.4
1985	71.1	78.2	14.4	18.6
1990	71.8	78.9	15.0	19.0
1995	72.5	79.1	15.4	19.0
2000	74.0	79.4	15.9	19.0
2005	74.8	80.0	16.7	19.5
2010	76.1	80.9	17.5	20.2
2015	76.2	80.9	17.8	20.3
2016	76.1	81.0	17.9	20.5
2017	76.0	81.0	17.9	20.4
2018	76.2	81.1	17.9	20.5
2019	76.3	81.3	18.1	20.7
2020	74.2	79.8	16.9	19.6
2021	73.5	79.3	16.9	19.7
2022	74.8	80.2	17.5	20.1
2023[b] . . .	75.8	81.1	18.1	20.7
2024[c] . . .	76.5	81.4	18.3	20.8
2025[d] . . .	76.7	81.4	18.2	20.7

Calendar year	Intermediate				Low-cost				High-cost			
	At birth		At age 65		At birth		At age 65		At birth		At age 65	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2030	76.8	81.8	18.6	21.1	76.4	81.5	18.4	20.9	77.3	82.2	19.0	21.4
2035	77.3	82.2	18.9	21.4	76.5	81.6	18.5	21.0	78.4	83.1	19.6	22.0
2040	77.8	82.7	19.3	21.7	76.7	81.7	18.6	21.1	79.4	83.9	20.2	22.5
2045	78.4	83.1	19.6	22.0	76.9	81.9	18.7	21.2	80.4	84.7	20.8	23.0
2050	78.9	83.6	19.9	22.3	77.0	82.1	18.8	21.3	81.3	85.5	21.3	23.5
2055	79.4	84.0	20.2	22.5	77.2	82.2	18.9	21.4	82.2	86.2	21.9	24.0
2060	79.9	84.4	20.5	22.8	77.4	82.4	19.0	21.5	83.0	86.9	22.4	24.4
2065	80.4	84.8	20.8	23.0	77.6	82.5	19.1	21.6	83.8	87.5	22.9	24.8
2070	80.9	85.2	21.1	23.3	77.8	82.7	19.2	21.7	84.5	88.1	23.3	25.2
2075	81.3	85.5	21.3	23.5	78.0	82.8	19.3	21.8	85.2	88.6	23.8	25.6
2080	81.8	85.9	21.6	23.8	78.2	83.0	19.4	21.9	85.9	89.1	24.2	26.0
2085	82.2	86.2	21.9	24.0	78.3	83.1	19.5	22.0	86.5	89.6	24.6	26.3
2090	82.6	86.6	22.1	24.2	78.5	83.3	19.6	22.0	87.1	90.0	25.0	26.6
2095	83.0	86.9	22.4	24.4	78.7	83.4	19.7	22.1	87.6	90.5	25.3	26.9
2100	83.4	87.2	22.6	24.6	78.9	83.6	19.8	22.2	88.2	90.9	25.7	27.2

[a] The period life expectancy at a given age for a given year is the average remaining number of years expected prior to death for a person at that exact age, born on January 1, using the mortality rates for that year over the course of their remaining life.

[b] Estimated using final data for ages below 65 and preliminary data for ages 65 and older.

[c] Estimated using preliminary data.

[d] Estimated using partial-year, provisional data.

Table V.A5.—Cohort Life Expectancy[a]

Calendar year	Intermediate				Low-cost				High-cost			
	At birth[b]		At age 65[c]		At birth[b]		At age 65[c]		At birth[b]		At age 65[c]	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1940	70.2	76.4	12.7	14.7	70.1	76.3	12.7	14.7	70.2	76.4	12.7	14.7
1945	71.9	77.9	13.0	15.4	71.8	77.8	13.0	15.4	72.0	78.1	13.0	15.4
1950	73.0	79.3	13.1	16.2	72.8	79.1	13.1	16.2	73.2	79.6	13.1	16.2
1955	73.5	79.7	13.1	16.7	73.2	79.4	13.1	16.7	73.9	80.2	13.1	16.7
1960	74.1	80.0	13.2	17.4	73.7	79.5	13.2	17.4	74.8	80.8	13.2	17.4
1965	75.0	80.6	13.5	18.0	74.4	79.9	13.5	18.0	75.9	81.6	13.5	18.0
1970	76.2	81.5	13.8	18.5	75.3	80.6	13.8	18.5	77.4	82.7	13.8	18.5
1975	76.9	82.2	14.2	18.7	75.8	81.0	14.2	18.7	78.5	83.7	14.2	18.7
1980	77.6	82.7	14.7	18.8	76.2	81.4	14.7	18.8	79.5	84.5	14.7	18.8
1985	78.1	83.2	15.4	19.0	76.4	81.6	15.4	19.0	80.4	85.3	15.4	19.0
1990	78.6	83.7	16.0	19.3	76.7	81.9	16.0	19.3	81.2	86.0	16.0	19.3
1995	79.3	84.2	16.7	19.6	77.0	82.2	16.7	19.6	82.2	86.8	16.7	19.6
2000	79.8	84.6	17.3	20.0	77.3	82.4	17.3	19.9	83.0	87.4	17.3	20.0
2005	80.3	85.0	17.8	20.4	77.4	82.5	17.8	20.3	83.8	88.0	17.9	20.5
2010	80.8	85.4	18.2	20.7	77.7	82.7	18.1	20.6	84.6	88.6	18.3	20.9
2015	81.2	85.8	18.5	21.1	77.9	82.9	18.2	20.8	85.3	89.1	18.8	21.4
2016	81.3	85.9	18.5	21.1	77.9	82.9	18.2	20.8	85.4	89.2	18.9	21.5
2017	81.4	85.9	18.5	21.2	78.0	83.0	18.2	20.8	85.6	89.3	18.9	21.6
2018	81.5	86.0	18.6	21.2	78.0	83.0	18.3	20.9	85.7	89.4	19.0	21.7
2019	81.6	86.1	18.6	21.3	78.0	83.0	18.3	20.9	85.9	89.5	19.1	21.8
2020	81.7	86.2	18.7	21.3	78.1	83.1	18.3	20.9	86.0	89.6	19.2	21.9
2021	81.8	86.2	18.8	21.4	78.1	83.1	18.4	20.9	86.1	89.7	19.4	22.0
2022	81.9	86.3	18.9	21.5	78.1	83.1	18.4	21.0	86.2	89.8	19.6	22.2
2023	82.0	86.3	19.0	21.6	78.2	83.1	18.5	21.0	86.4	89.9	19.7	22.3
2024	82.0	86.4	19.1	21.6	78.2	83.1	18.5	21.1	86.5	90.0	19.9	22.4
2025	82.1	86.4	19.1	21.7	78.3	83.2	18.5	21.1	86.7	90.1	20.0	22.6
2030	82.6	86.8	19.5	22.0	78.4	83.3	18.6	21.2	87.3	90.6	20.6	23.1
2035	83.0	87.2	19.8	22.3	78.6	83.5	18.7	21.3	88.0	91.1	21.2	23.6
2040	83.4	87.5	20.1	22.6	78.8	83.6	18.9	21.4	88.6	91.5	21.8	24.1
2045	83.9	87.8	20.4	22.8	79.0	83.8	19.0	21.5	89.2	92.0	22.4	24.6
2050	84.3	88.1	20.7	23.1	79.2	83.9	19.1	21.6	89.7	92.4	22.9	25.0
2055	84.6	88.4	21.0	23.3	79.3	84.0	19.2	21.7	90.2	92.7	23.4	25.4
2060	85.0	88.7	21.3	23.6	79.5	84.2	19.3	21.8	90.7	93.1	23.9	25.8
2065	85.4	89.0	21.6	23.8	79.7	84.3	19.4	21.9	91.2	93.4	24.3	26.2
2070	85.7	89.2	21.8	24.1	79.8	84.5	19.5	22.0	91.6	93.8	24.7	26.6
2075	86.1	89.5	22.1	24.3	80.0	84.6	19.6	22.1	92.0	94.1	25.1	26.9
2080	86.4	89.7	22.4	24.5	80.2	84.7	19.7	22.1	92.4	94.4	25.5	27.2
2085	86.7	90.0	22.6	24.7	80.3	84.9	19.8	22.2	92.8	94.7	25.9	27.5
2090	87.0	90.2	22.9	24.9	80.5	85.0	19.9	22.3	93.2	95.0	26.2	27.8
2095	87.3	90.4	23.1	25.1	80.6	85.1	20.0	22.4	93.5	95.2	26.6	28.1
2100	87.6	90.7	23.3	25.3	80.8	85.2	20.1	22.5	93.9	95.5	26.9	28.3

[a] The cohort life expectancy at a given age for a given year is the average remaining number of years expected prior to death for a person at that exact age, born on January 1, using the mortality rates for the series of years in which the individual would reach each succeeding age.

[b] Cohort life expectancy at birth for those born in the calendar year is based on a combination of actual, estimated, and projected death rates for birth years 1940 through 2023. For birth years after 2023, these values depend on estimated and projected death rates.

[c] Age 65 cohort life expectancy for those attaining age 65 in calendar years 1940 through 2022 is based on a combination of actual, estimated, and projected death rates. After 2022, these values depend on estimated and projected death rates.

B. ECONOMIC ASSUMPTIONS AND METHODS

The three alternative sets of economic assumptions are intended to provide a reasonable range for estimating the future financial status of the trust funds. The intermediate assumptions reflect the Trustees' expectation of sustained moderate economic growth and their best estimates for other economic parameters. The low-cost assumptions represent a more favorable outlook, maintaining a higher level of economic output, stronger long-term economic growth, and relatively favorable levels for other parameters. The high-cost assumptions represent a more unfavorable scenario with a recession in 2026-27, slower economic growth in the long term, and relatively unfavorable levels for other parameters.

Actual economic data were generally available through the third quarter of 2025 at the time the assumptions for this report were set. Those data indicate that economic activity reached a peak in the fourth quarter of 2019.[1] A recession started in the first quarter of 2020 due to the onset of the COVID-19 pandemic. As a result, the gross domestic product (GDP) in the second quarter of 2020 was more than 9 percent below the peak, measured in constant 2017 dollars. GDP recovered rapidly, surpassing the fourth quarter 2019 peak in the first quarter of 2021. In the third quarter of 2025, GDP was about 14 percent above the previous peak.

Under the intermediate assumptions, the economy is estimated to be 0.8 percent above its sustainable trend level of output in the third quarter of 2025; GDP then grows slightly slower than the sustainable trend rate until it reaches and stabilizes at the sustainable trend level in the first quarter of 2029. Under the low-cost assumptions, GDP is estimated to be 0.2 percent below a higher sustainable trend level of output in the third quarter of 2025 and then grows relatively faster to reach the higher sustainable trend level of output by the fourth quarter of 2027. Under the high-cost assumptions, the sustainable trend level is lower, and GDP is estimated to be 1.8 percent above it in the third quarter of 2025. GDP falls to 2.5 percent below that lower sustainable trend level in the second and third quarter of 2027 and then recovers to the sustainable trend level by the first quarter of 2033. Complete economic cycles have little effect on the long-range estimates of financial status of the trust funds, so the assumptions do not include cycles beyond the short-range period (2026 through 2035).

[1] See www.nber.org/news/business-cycle-dating-committee-announcement-june-8-2020.

The key economic assumptions underlying the three sets of projections of the future financial status of the OASI and DI Trust Funds are discussed in the remainder of this section.

1. Productivity

Total U.S. economy productivity is defined as the ratio of real GDP to hours worked by all workers.[1] The rate of change in total-economy productivity is a major determinant of the growth of average earnings. Table V.B1 contains historical and projected annual rates of change in productivity. Over the last six complete economic cycles (1969-73, 1973-79, 1979-90, 1990-2001, 2001-07, and 2007-19, measured peak to peak), the annual increase in total-economy productivity averaged 2.64, 1.06, 1.40, 1.84, 2.18, and 1.20 percent, respectively. For the period from 1969 to 2019, covering those last six complete economic cycles, the annual increase in total-economy productivity averaged 1.60 percent.

The assumed ultimate annual increase in total-economy productivity is 1.93, 1.63, and 1.33 percent for the low-cost, intermediate, and high-cost assumptions, respectively.[2] These rates of increase are unchanged from the 2025 report.

The average annual rate of change in total-economy productivity from 2019 (the end of the last complete economic cycle) to 2025 is estimated to be 1.80 percent. For the intermediate assumptions, the annual rate of change in productivity is assumed to average 1.61 percent from 2025 to 2031 and to reach its ultimate value of 1.63 percent for 2032 and thereafter. For the low-cost assumptions, the annual rate of change in productivity averages 1.92 percent from 2025 to 2029 and reaches its ultimate value of 1.93 percent for 2030 and thereafter. For the high-cost assumptions, the annual rate of change in productivity averages 1.32 percent from 2025 to 2034 and stabilizes at 1.33 percent for 2035 and thereafter.

2. Price Inflation

Price inflation is defined as the rate of change in the general price level of goods and services. The general price level is measured using various indices, which differ in the composition of goods and services they cover and in computational methods. Two such indices are important for trust fund pro-

[1] Historical levels of real GDP are from the National Income and Product Accounts (NIPA) produced by the Bureau of Economic Analysis (BEA). Historical total hours worked are provided by the Bureau of Labor Statistics (BLS) and cover all U.S. Armed Forces and civilian employment.

[2] These assumptions for total-economy productivity are consistent with ultimate annual increases in private nonfarm business productivity of 2.36, 2.00, and 1.63 percent. Private nonfarm business productivity excludes the farm, government, nonprofit institution, and private household sectors.

jections. The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W, referred to as CPI throughout this report) is the measure of consumer prices specified by law as the basis for automatic cost-of-living adjustments to Social Security benefits. The GDP price index (GDP deflator) is the measure of prices of domestically produced goods and services used for converting between nominal (current-dollar) and real (constant-dollar) GDP and thus between nominal and real wages, self-employment income, average earnings, and taxable payroll.

For a given real rate of growth in average earnings, a higher price inflation rate immediately results in a higher nominal rate of growth in both earnings and revenues, while the resulting added growth in nominal benefit levels occurs with a delay, causing an overall increase (improvement) in the actuarial balance. Similarly, a lower price inflation rate causes an overall decrease in the actuarial balance.

As shown in table V.B1, the annual increase in the CPI averaged 4.91, 8.54, 5.30, 2.73, 2.63, and 1.73 percent over the economic cycles 1969-73, 1973-79, 1979-90, 1990-2001, 2001-07, and 2007-19, respectively.[1] The annual increase in the GDP deflator averaged 5.04, 7.54, 4.62, 2.08, 2.52, and 1.56 percent for the respective economic cycles. For the period from 1969 to 2019, covering the last six complete economic cycles, the annual increase averaged 3.89 percent for the CPI and 3.44 percent for the GDP deflator. The annual rate of change for 2020, which was affected by the recession, was 1.21 percent for the CPI and 1.36 percent for the GDP deflator. During the subsequent recovery, aggregate demand increased while supply was constrained, causing inflation to peak in 2022, with growth rates of 8.46 percent for the CPI and 7.13 percent for the GDP deflator. Inflation has since subsided, with the annual growth rates for 2025 estimated to be 2.59 percent for the CPI and 2.85 percent for the GDP deflator.

The assumed ultimate annual rate of change in the CPI is 3.00, 2.40, and 1.80 percent for the low-cost, intermediate, and high-cost assumptions, respectively. These values are unchanged from the 2025 report. The ultimate rate of change is reached in 2027 for the low-cost assumptions and in 2028 for the intermediate and high-cost assumptions.

[1] BLS produces a series called the Consumer Price Index Research Series Using Current Methods (CPI-U-RS) that approximates the measured rate of inflation since 1978 had the method currently used been in effect since then. BLS does not revise the CPI values published in earlier years, for which different methods were used. These CPI published values are shown in table V.B1. The Trustees use an adjusted CPI series based on the CPI-U-RS when setting the ultimate price inflation assumption because it provides a time series that is consistent with the current method for computing the CPI.

The annual increase in the GDP deflator differs from the annual increase in the CPI because the two indices are constructed using different computational methods and coverage (the set of goods and services used in the measurement). The difference between the rate of change in the CPI and the rate of change in the GDP deflator is called the price differential in this report. For the period including 1969 through 2019, covering the last six complete economic cycles, the average annual price differential was 0.47 percentage points. The annual price differential was -0.15 percentage points for 2020, 0.72 percentage points for 2021, 1.34 percentage points for 2022, 0.13 percentage points for 2023, 0.38 percentage points for 2024 and is estimated to be -0.26 percentage points for 2025. For the intermediate assumptions, the price differential is -0.13 percentage points for 2026, 0.45 percentage points for 2027, and 0.35 percentage points for 2028 and thereafter.[1]

The assumed ultimate price differential is 0.25, 0.35, and 0.45 percentage points for the low-cost, intermediate, and high-cost alternative, respectively. Varying the ultimate projected price differential across alternatives recognizes the historical variation in this measure. Accordingly, the assumed ultimate annual increase in the GDP deflator is 2.75 (3.00 less 0.25), 2.05 (2.40 less 0.35), and 1.35 (1.80 less 0.45) percent for the low-cost, intermediate, and high-cost alternative, respectively. The ultimate price differentials and the rates of change in the GDP deflator for the three alternatives are unchanged from the 2025 report.

3. Average Earnings

The size of the taxable payroll—the main source of the OASDI program's income—for each year depends primarily on the nominal earnings in OASDI covered employment, which is the product of covered employment[2] for the year and average covered earnings for the year. The level of average covered earnings also affects the future level of average benefits. In addition, the average reported annual wage in the U.S. economy determines the national average wage index (AWI). Under the automatic adjustment provisions in the law, the growth in the AWI affects the contribution and benefit base, certain parameters used in the OASDI benefit formula, and certain other program parameters.[3]

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[1] Due to rounding, the price differential differs for some years from the difference between the rates of change in the CPI and in the GDP deflator shown in table V.B1.

[2] Covered employment for a year is defined as the total number of persons who have any OASDI covered earnings (that is, earnings subject to the OASDI payroll tax) at any time during that year. See section V.C.2 for a more detailed discussion of covered employment.

[3] See section V.C.1 for a discussion of the AWI and the parameters indexed to it.

The projected growth rate in average annual covered earnings and in the AWI are derived from the projected growth rate in average U.S. earnings. The level of average U.S. earnings is defined as the ratio of the sum of total U.S. wages and net proprietors' income to the sum of average weekly U.S. civilian employment and Armed Forces. The growth rate in average U.S. earnings for any period is equal to the combined growth rates for total U.S. economy productivity, average hours worked per week, the ratio of earnings to total labor compensation (which includes fringe benefits), the ratio of total labor compensation to GDP, and the GDP deflator.

The average annual change in average hours worked per week was -0.20 percent over the last six complete economic cycles covering the period from 1969 to 2019. As shown in table V.B1, the annual change in average hours worked averaged -0.87, -0.53, -0.09, 0.11, -0.50, and -0.04 percent over the economic cycles 1969-73, 1973-79, 1979-90, 1990-2001, 2001-07, and 2007-19, respectively. From 2019 to 2025, the six years since the peak of the last complete cycle, the average annual change in average hours worked per week is estimated to be -0.01 percent.

The assumed ultimate annual rate of change for average hours worked per week is 0.05, -0.05, and -0.15 percent for the low-cost, intermediate, and high-cost assumptions, respectively. These values are unchanged from the 2025 report.

The average annual change in the ratio of earnings to total labor compensation was -0.15 percent from 1969 to 2019. Data from BEA indicate that the most significant component of this change was the relative increase in the cost of employer-sponsored group health insurance for wage workers, followed by the increase in employer contributions to social insurance (as statutory payroll tax rates increased between 1970 and 1990), and, to a lesser extent, an increase in employer contributions to retirement plans. Assuming that the level of total employee compensation is not affected by the split between wage and non-wage compensation, any increase or decrease in the cost of non-wage compensation leads to a commensurate decrease or increase in wages. Projections of future ratios of earnings to total labor compensation follow this principle.

The average annual rate of change in the ratio of wages to employee compensation was -0.17 percent over the last six complete economic cycles from 1969 to 2019. For the period 2019 to 2025, the six years since the peak of the last complete cycle, the average annual rate of change in this ratio was 0.18 percent. The average annual rate from 2025 to 2035 is assumed to be about -0.05, -0.10, and -0.17 percent for the low-cost, intermediate, and

high-cost assumptions, respectively. For the last 65 years of the long-range period, from 2035 to 2100, the annual rate is assumed to be 0.00, -0.10, and -0.20 percent for the low-cost, intermediate, and high-cost assumptions, respectively. The rates of change for the last 65 years are unchanged from the 2025 report. Under the intermediate assumptions, the ratio of wages to employee compensation declines from 0.824 for 2025 to 0.764 for 2100.

Because earnings and compensation are the same for self-employed workers, the ratio of earnings to total labor compensation includes self-employment income both in the numerator and in the denominator. As a result, the rate of change in the ratio of earnings to total labor compensation (which, under the intermediate assumptions, averages -0.09 percent from 2035 to 2100) is slightly higher (i.e., less negative) than the rate of change in the ratio of wages to employee compensation.

The ratio of total labor compensation (i.e., employee compensation and net proprietors' income) to GDP varies over the economic cycle and with various other factors, such as changes in the relative sizes of different sectors of the economy. Over the last six complete economic cycles from 1969 to 2019, this ratio averaged 0.621, but it was lower over the last complete cycle from 2007 to 2019, averaging 0.604. The ratio increased to 0.617 for 2020, but it then declined and is estimated to be 0.580 for 2025. It is projected to gradually rise until 2035 to a level of 0.620, 0.612, and 0.605 under the low-cost, intermediate, and high-cost assumptions, respectively, and to remain approximately constant thereafter. These values are unchanged from the 2025 report for the intermediate and high-cost assumptions, and slightly higher than in the 2025 report for the low-cost assumptions.

For the intermediate assumptions, the projected average annual growth rate in average nominal U.S. earnings from 2025 to 2035 is 4.19 percent. The projected average annual growth rate from 2035 to 2100 is 3.57 percent, which reflects the assumed ultimate annual growth rates of 1.63 percent for productivity, -0.05 percent for average hours worked, 2.05 percent for the GDP deflator, and -0.09 percent for the ratio of earnings to total labor compensation. Over the same period, the projected average annual growth rate in average nominal U.S. earnings is 4.79 percent for the low-cost assumptions and 2.37 percent for the high-cost assumptions.

The average annual wage in OASDI covered employment (often referred to as the "average covered wage") is defined as the total wages and salaries paid in OASDI covered employment during the year, divided by the number

of workers who worked in OASDI covered employment at any time during the year. Over long periods, the average annual growth rate in the average covered wage is expected to be very close to the average annual growth rate in average U.S. earnings. The estimated annual rate of change in the average covered wage is 3.08 percent for 2025 under the intermediate assumptions. From 2025 to 2035, the annual rate of change in the average covered wage averages 5.58, 4.24, and 2.90 percent for the low-cost, intermediate, and high-cost assumptions, respectively. The projected average annual growth rate in the average covered wage from 2035 to 2100 is 4.79, 3.57, and 2.34 percent for the low-cost, intermediate, and high-cost assumptions, respectively.

4. Real Wage Growth

For the period from 1969 to 2019, covering the last six complete economic cycles, the annual real (i.e., inflation-adjusted) growth rate in the average wage in OASDI covered employment averaged 0.78 percent. As shown in table V.B1, the growth rate averaged 0.98, 0.03, 0.46, 1.42, 0.80, and 0.77 percent over the economic cycles 1969-73, 1973-79, 1979-90, 1990-2001, 2001-07, and 2007-19, respectively. The annual real wage growth rate averaged 1.11 percent from 2019 to 2024 and is estimated to be 0.48 percent for 2025 under the intermediate assumptions.

Under the intermediate assumptions, the annual real growth rate in the average covered wage is projected to average 1.76 percent from 2025 to 2035 and 1.14 percent from 2035 to 2100. For the low-cost assumptions, the annual real wage growth rate averages 2.53 percent from 2025 to 2035 and 1.74 percent from 2035 to 2100. For the high-cost assumptions, the annual real wage growth rate averages 1.03 percent from 2025 to 2035 and 0.53 percent from 2035 to 2100. The average annual real wage growth rates from 2035 to 2100 are slightly higher than in the 2025 report for the intermediate and low-cost alternatives, and unchanged from the 2025 report for the high-cost alternative.

Table V.B1.—Principal Economic Assumptions

Calendar year	Annual percentage change[a] in—						
	Productivity (Total U.S. economy)	GDP price index	Average hours worked per week	Earnings as a percentage of total labor compensation	Average annual wage in covered employment		Consumer Price Index
					Nominal	Real	
Historical data:							
5-year periods:							
1960 to 1965 . . .	3.24	1.36	0.19	-0.18	3.22	1.95	1.24
1965 to 1970 . . .	2.04	4.02	-.66	-.30	5.84	1.55	4.23
1970 to 1975 . . .	2.07	6.61	-.87	-.49	6.58	-.17	6.76
1975 to 1980 . . .	.94	7.21	-.16	-.33	8.88	-.02	8.91
1980 to 1985 . . .	1.72	5.24	.02	-.36	6.52	1.24	5.22
1985 to 1990 . . .	1.33	3.14	-.06	-.20	4.79	.93	3.83
1990 to 1995 . . .	1.29	2.45	.35	-.11	3.54	.49	3.03
1995 to 2000 . . .	2.33	1.67	.13	.28	5.31	2.81	2.43
2000 to 2005 . . .	2.63	2.32	-.78	-.38	2.69	.19	2.49
2005 to 2010 . . .	1.88	1.91	-.51	-.02	2.51	.21	2.30
2010 to 2015 . . .	.52	1.65	.43	.13	2.94	1.30	1.61
2015 to 2020 . . .	1.84	1.62	-.15	.12	2.99	1.26	1.70
2020 to 2025 . . .	1.21	4.13	.07	.15	5.51	.89	4.58
Economic cycles:[b]							
1969 to 1973 . . .	2.64	5.04	-.87	-.34	5.94	.98	4.91
1973 to 1979 . . .	1.06	7.54	-.53	-.43	8.58	.03	8.54
1979 to 1990 . . .	1.40	4.62	-.09	-.29	5.78	.46	5.30
1990 to 2001 . . .	1.84	2.08	.11	.05	4.19	1.42	2.73
2001 to 2007 . . .	2.18	2.52	-.50	-.18	3.45	.80	2.63
2007 to 2019 . . .	1.20	1.56	-.04	.04	2.52	.77	1.73
2019 to 2025[c] . .	1.80	3.66	-.01	.16	5.05	1.00	4.01
Single years:							
2015	.79	.87	.46	.06	3.39	3.82	-.41
2016	.60	.96	-.50	.10	1.31	.32	.98
2017	1.28	1.82	-.06	.14	3.50	1.35	2.13
2018	1.07	2.29	.30	-.09	3.66	1.09	2.55
2019	1.52	1.65	-.07	.25	3.69	2.00	1.66
2020	4.79	1.36	-.39	.19	2.80	1.57	1.21
2021	1.68	4.54	1.11	.66	9.05	3.61	5.26
2022	-.61	7.13	-.52	.53	5.34	-2.88	8.46
2023	1.59	3.69	-.37	-.20	4.51	.66	3.82
2024	2.11	2.49	.49	-.18	5.64	2.70	2.86
2025[c]	1.29	2.85	-.37	-.05	3.08	.48	2.59
Intermediate:							
2026	2.01	2.75	.17	-.19	4.49	1.82	2.62
2027	1.75	2.01	-.07	-.17	4.04	1.54	2.46
2028	1.38	2.05	-.07	-.06	4.15	1.71	2.40
2029	1.36	2.05	-.06	-.06	4.31	1.86	2.40
2030	1.54	2.05	-.05	-.06	4.53	2.08	2.40
2031	1.62	2.05	-.05	-.07	4.52	2.08	2.40
2032	1.63	2.05	-.05	-.06	4.38	1.93	2.40
2033	1.63	2.05	-.05	-.06	4.22	1.77	2.40
2034	1.63	2.05	-.05	-.09	3.91	1.47	2.40
2035	1.63	2.05	-.05	-.09	3.82	1.38	2.40
2035 to 2100 . . .	1.63	2.05	-.05	-.09	3.57	1.14	2.40

Table V.B1.—Principal Economic Assumptions (Cont.)

Calendar year	Annual percentage change[a] in— Productivity (Total U.S. economy)	GDP price index	Average hours worked per week	Earnings as a percentage of total labor compensation	Average annual wage in covered employment		Consumer Price Index
					Nominal	Real	
Low-cost:							
2026	2.07	2.93	0.23	-0.19	5.54	2.68	2.78
2027	1.87	2.63	.01	-.17	5.36	2.30	3.00
2028	1.83	2.75	.05	-.04	5.59	2.52	3.00
2029	1.89	2.75	.05	-.04	5.60	2.53	3.00
2030	1.93	2.75	.05	-.03	5.68	2.60	3.00
2031	1.93	2.75	.05	-.02	5.72	2.64	3.00
2032	1.93	2.75	.05	-.02	5.76	2.68	3.00
2033	1.93	2.75	.05	-.02	5.69	2.61	3.00
2034	1.93	2.75	.05	-.01	5.50	2.43	3.00
2035	1.93	2.75	.05	-.01	5.38	2.31	3.00
2035 to 2100	1.93	2.75	.05	[d]	4.79	1.74	3.00
High-cost:							
2026	1.29	2.24	.05	-.23	2.67	.36	2.31
2027	.31	1.19	-.27	-.19	.57	-1.26	1.85
2028	1.76	1.35	-.13	-.03	3.12	1.29	1.80
2029	1.54	1.35	-.12	-.08	3.26	1.43	1.80
2030	1.57	1.35	-.12	-.12	3.68	1.85	1.80
2031	1.44	1.35	-.13	-.15	3.70	1.86	1.80
2032	1.38	1.35	-.14	-.16	3.51	1.68	1.80
2033	1.29	1.35	-.15	-.17	3.06	1.24	1.80
2034	1.31	1.35	-.15	-.18	2.79	.97	1.80
2035	1.33	1.35	-.15	-.18	2.69	.88	1.80
2035 to 2100	1.33	1.35	-.15	-.17	2.34	.53	1.80

[a] For rows with a single year listed, the value is the annual percentage change from the prior year. For rows with a range of years listed, the value is the compound average annual percentage change.
[b] Economic cycles are shown from peak to peak, except for the last cycle, which is not yet complete.
[c] Estimated values for 2025 vary slightly by alternative and are shown for the intermediate assumptions.
[d] Greater than -0.005 and less than 0.005 percent.

5. Labor Force, Employment, and Unemployment

Employment is a fundamental component of economic output (GDP), taxable payroll, and the determination of OASDI benefit eligibility and benefit levels. U.S. employment is projected in two components: the size of the labor force (those employed or seeking employment) and the unemployment rate (the proportion of those in the labor force who are not employed). Table V.B2 provides the historical and projected rates of change in employment, which follow from the rates of change in the labor force, adjusted for the varying unemployment rates from year to year.

The model used by Actuarial Services projects the civilian labor force by age, sex, marital status, and presence of children. Projections of the labor force participation rates reflect changes in disabled-worker prevalence, educational attainment, marriage patterns, the average level of Social Security retirement benefits, the state of the economy, and life expectancy.

The annual rate of growth in the size of the labor force decreased from an average of about 2.6 percent during the 1969-73 economic cycle and 2.7 percent during the 1973-79 cycle to 1.7 percent during the 1979-90 cycle, 1.2 percent during the 1990-2001 cycle, 1.1 percent during the 2001-07 cycle, and 0.5 percent during the 2007-19 cycle. From 2019 to 2025, during the current (incomplete) economic cycle, labor force growth averaged 0.7 percent per year. Under the intermediate assumptions, labor force growth is projected to average 0.3 percent per year from 2025 to 2035. The long-term growth rate in the labor force is expected to remain subdued due to a slowing of growth in the working-age population. Under the intermediate assumptions, the labor force is projected to increase by an average of 0.1 percent per year from 2035 to 2100.

Labor force participation rates are projected with a model that uses demographic and economic assumptions specific to each alternative. More favorable economic assumptions in the low-cost alternative are consistent with higher labor force participation rates, while the less favorable demographic assumptions in the low-cost alternative (such as slower improvement in longevity) are consistent with lower labor force participation rates. These economic and demographic influences have largely offsetting effects. Therefore, the projected labor force participation rates do not vary substantially across alternatives.

Historically, labor force participation rates reflect trends in demographics and pensions. Between the mid-1960s and the mid-1980s, labor force participation rates at ages 55 and over declined for men but were fairly stable for women. During this period, the baby-boom generation reached working age and more women entered the labor force. This increasing supply of labor allowed employers to offer attractive early retirement options. Between the mid-1980s and the mid-1990s, participation rates at ages 55 and over roughly stabilized for men and increased for women. Since the mid-1990s, however, participation rates for both sexes at ages 55 and over have generally risen.

Many economic and demographic factors, including longevity, disabled-worker prevalence, the business cycle, incentives for retirement in Social Security and private pensions, education, and marriage patterns, will influence future labor force participation rates. Actuarial Services models some of these factors explicitly. To model the effects of other factors related to increases in life expectancy, projected participation rates are adjusted upward for mid-career and older ages to reflect projected increases in life expectancy. For the intermediate projections, this adjustment increases the total labor force by 3.0 percent for 2100.

For men and boys age 16 and over, the projected age-adjusted labor force participation rate[1] for 2100 is 70.5, 70.2, and 69.7 percent for the low-cost, intermediate, and high-cost assumptions, respectively. For women and girls age 16 and over, the projected age-adjusted labor force participation rate for 2100 is 60.9, 60.7, and 60.3 percent for the low-cost, intermediate, and high-cost assumptions, respectively. These age-adjusted labor force participation rates for 2100 are higher under all three alternatives than the age-adjusted rates for 2024 of 68.8 percent for men and boys and 58.2 percent for women and girls (based on actual age-specific rates published by the Bureau of Labor Statistics), primarily due to the Trustees' projected increases in life expectancy, as well as the rise in educational attainment for women.

The aggregate civilian unemployment rates are presented in table V.B2. For years through 2035, the table presents aggregate civilian rates without adjustment for the changing age-sex distribution of the population. For years after 2035, the table presents age-sex-adjusted rates, using the age-sex distribution of the 2020 civilian labor force. Age-sex-adjusted rates allow for more meaningful comparisons across longer time periods.

The aggregate civilian unemployment rate reflects the projected levels of unemployment for various age-sex groups of the population. Each group's unemployment rate gradually approaches an assumed stable value within the first ten years of the projection period for all alternatives, and thus the age-sex-adjusted civilian unemployment rate reaches its ultimate assumed value within the first ten years of the projection period.

The assumed ultimate age-sex-adjusted unemployment rate is 3.5, 4.5, and 5.5 percent for the low-cost, intermediate, and high-cost assumptions, respectively. These values are unchanged from the 2025 report. Under the intermediate assumptions, as economic growth slows to approach the sustainable long-term trend, the unemployment rate increases from 4.3 percent for 2025 to 4.6 percent for 2027 and stabilizes at 4.5 percent for 2028 and thereafter. Under the low-cost assumptions, the unemployment rate is projected to gradually decrease from 4.3 percent for 2025 to 3.5 percent for 2028 and thereafter. Under the high-cost assumptions, due to the assumed economic recession, the unemployment rate increases to a peak of 6.6 percent for 2028, with the age-sex-adjusted rate then gradually decreasing to the ultimate unemployment rate of 5.5 percent for 2033 and thereafter.[2]

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[1] Actuarial Services adjusts the labor force participation rates to the 2020 age distribution of the civilian noninstitutional U.S. population.

[2] The assumed ultimate unemployment rates are age-sex-adjusted rates. For the high-cost assumptions, the age-sex-adjusted unemployment rates for 2029 through 2035 are approximately 0.1 percentage points higher than the rates without adjustment for the changing age-sex distribution, which are shown in table V.B2.

6. Gross Domestic Product

The value of real GDP is equal to the product of three components: (1) productivity (i.e., output per hour worked), (2) average weekly total employment,[1] and (3) average hours worked per week, times 52. Consequently, the growth rate in real GDP is equal to the combined growth rates for productivity, total employment, and average hours worked. Table V.B2 contains historical and projected values for the real GDP growth rate. For the period from 1969 to 2019, which covers the last six complete economic cycles, the average annual growth in real GDP was 2.8 percent, combining average growth rates of 1.60 percent for productivity, 1.35 percent for total employment, and -0.20 percent for average hours worked ($1.028 \cong 1.0160 \times 1.0135 \times 0.9980$). The average real GDP growth rate was 2.4 percent from 2019 to 2024 and is estimated to be 2.2 percent for 2025 under the intermediate assumptions.

For the intermediate assumptions, the average annual growth rate in real GDP is 1.8 percent from 2025 to 2035, combining the average growth rates of 1.62 percent for productivity, 0.26 percent for total employment, and -0.03 percent for average hours worked. The projected underlying sustainable trend rate of real GDP growth is approximately 1.9 percent per year from 2025 to 2035. GDP is projected to initially grow slightly slower than its sustainable trend rate because GDP is estimated to be slightly above its sustainable level in 2025. After 2035, the annual growth in real GDP follows the sustainable trend rate and averages 1.7 percent, which combines the projected ultimate annual growth rate of 1.63 percent for productivity, average annual growth rate of 0.11 percent for total employment, and the ultimate annual growth rate of -0.05 percent for average hours worked per week. The projected growth rate of real GDP is lower than the past average growth rate mainly because the working-age population is expected to grow more slowly than in the past.

For the low-cost assumptions, the annual growth in real GDP averages 2.6 percent from 2025 to 2035 and 2.5 percent from 2035 to 2100. For the high-cost assumptions, the annual growth in real GDP averages 1.2 percent from 2025 to 2035 and 0.8 percent from 2035 to 2100.

[1] Average weekly total employment is the sum of average weekly U.S. civilian employment, which can be expressed as a product of the total civilian labor force and the complement of the unemployment rate, and U.S. Armed Forces.

7. Interest Rates

Table V.B2 presents average annual nominal and real interest rates for newly issued trust fund securities. The nominal rate is the average of the nominal interest rates for special U.S. Government obligations issuable to the trust funds in each of the 12 months of the year. Interest for these securities is compounded semiannually, or at redemption if sooner. The real interest rate is defined as the annual yield rate for investments in these securities divided by the annual rate of growth in the CPI for the first year after issuance. The real rate shown for each year reflects the actual realized (historical) or projected (future) real yield on securities issuable in the prior year.

For the period from 1969 to 2019, covering the last six complete economic cycles, the real interest rate averaged 2.4 percent per year. In particular, the real interest rate averaged 1.6, -1.0, 5.1, 4.1, 2.0, and 0.8 percent per year over the economic cycles 1969-73, 1973-79, 1979-90, 1990-2001, 2001-07, and 2007-19, respectively. For the intermediate assumptions, the real interest rate averages 1.7 percent from 2025 to 2035 and then gradually increases, reaching its ultimate level of 2.3 percent in 2043. For the low-cost assumptions, the real interest rate averages 2.1 percent from 2025 to 2035 and reaches its ultimate level of 2.8 percent in 2042. For the high-cost assumptions, the real interest rate averages 1.4 percent from 2025 to 2035 and reaches its ultimate level of 1.8 percent in 2044. The ultimate rates are unchanged from the 2025 report.

The average annual nominal interest rate was approximately 4.3 percent for securities newly issuable in 2024, implying an effective annual yield of approximately 4.3 percent for securities held for one year. The CPI rose from 2024 to 2025 by approximately 2.6 percent. Consistent with these values, the annual real interest rate for 2025 was 1.7 percent. The projected nominal interest rates are derived from the projected real interest rates and the rate of change in the CPI. When combined with the ultimate CPI growth rate assumptions of 3.0, 2.4, and 1.8 percent, the assumed ultimate real interest rates produce ultimate nominal interest rates of 5.8 percent for the low-cost assumptions, 4.7 percent for the intermediate assumptions, and 3.6 percent for the high-cost assumptions. These nominal rates for newly issued trust fund securities reach their ultimate levels in 2041 for the low-cost assumptions, 2042 for the intermediate assumptions, and 2043 for the high-cost assumptions.

Table V.B2.—Additional Economic Factors

Calendar year	Average annual unemployment rate[a]	Annual percentage change[b] in—			Average annual interest rate	
		Labor force[c]	Total employment[d]	Real GDP[e]	Nominal[f]	Real[g]
Historical data:						
5-year periods:						
1960 to 1965	5.5	1.3	1.6	5.1	4.0	2.5
1965 to 1970	3.9	2.2	2.1	3.5	5.9	1.0
1970 to 1975	6.1	2.5	1.5	2.7	6.7	[h]
1975 to 1980	6.8	2.7	2.9	3.7	8.5	-.9
1980 to 1985	8.3	1.5	1.5	3.3	12.1	6.9
1985 to 1990	5.9	1.7	2.0	3.3	8.5	5.1
1990 to 1995	6.6	1.0	.9	2.6	7.0	4.3
1995 to 2000	4.6	1.5	1.8	4.3	6.2	3.9
2000 to 2005	5.4	.9	.7	2.6	4.6	2.4
2005 to 2010	6.8	.6	-.4	1.0	3.8	1.8
2010 to 2015	7.2	.4	1.3	2.3	2.0	.5
2015 to 2020	5.0	.5	-.2	1.5	2.0	.5
2020 to 2025	4.2	1.2	2.0	3.3	3.4	-1.7
Economic cycles:[i]						
1969 to 1973	5.3	2.6	1.8	3.6	6.5	1.6
1973 to 1979	6.8	2.7	2.4	3.0	7.7	-1.0
1979 to 1990	7.1	1.7	1.7	3.0	10.3	5.1
1990 to 2001	5.5	1.2	1.2	3.2	6.5	4.1
2001 to 2007	5.3	1.1	1.1	2.8	4.5	2.0
2007 to 2019	6.4	.5	.6	1.8	2.4	.8
2019 to 2025[j]	4.8	.7	.6	2.4	3.0	-1.3
Single years:						
2015	5.3	.8	1.7	2.9	2.0	2.7
2016	4.9	1.3	1.7	1.8	1.8	1.0
2017	4.4	.7	1.2	2.5	2.3	-.3
2018	3.9	1.1	1.6	3.0	2.9	-.2
2019	3.7	.9	1.1	2.6	2.2	1.2
2020	8.1	-1.7	-6.2	-2.1	1.0	1.0
2021	5.4	.3	3.3	6.2	1.4	-4.1
2022	3.6	1.9	3.7	2.5	3.0	-6.5
2023	3.6	1.7	1.7	2.9	4.1	-.8
2024	4.0	.6	.2	2.8	4.3	1.3
2025[j]	4.3	1.5	1.2	2.2	4.3	1.7

Table V.B2.—Additional Economic Factors (Cont.)

Calendar year	Average annual unemployment rate[a]	Annual percentage change[b] in—			Average annual interest rate	
		Labor force[c]	Total employment[d]	Real GDP[e]	Nominal[f]	Real[g]
Intermediate:						
2026	4.5	0.1	-0.1	2.1	4.2	1.7
2027	4.6	.1	[h]	1.7	4.1	1.7
2028	4.5	.2	.3	1.6	4.1	1.7
2029	4.5	.4	.4	1.7	4.1	1.7
2030	4.5	.3	.3	1.8	4.1	1.7
2031	4.5	.3	.3	1.9	4.1	1.7
2032	4.5	.3	.3	1.9	4.1	1.7
2033	4.5	.4	.4	1.9	4.1	1.7
2034	4.5	.3	.3	1.9	4.1	1.7
2035	4.5	.3	.3	1.9	4.1	1.7
2040	4.5	.2	.2	1.8	4.6	2.1
2045	4.5	.1	.2	1.7	4.7	2.3
2050	4.5	.1	.1	1.7	4.7	2.3
2055	4.5	.1	.1	1.7	4.7	2.3
2060	4.5	.1	.1	1.7	4.7	2.3
2065	4.5	.1	.1	1.7	4.7	2.3
2070	4.5	[h]	[h]	1.6	4.7	2.3
2075	4.5	[h]	[h]	1.6	4.7	2.3
2080	4.5	[h]	[h]	1.6	4.7	2.3
2085	4.5	.1	.1	1.6	4.7	2.3
2090	4.5	.1	.1	1.7	4.7	2.3
2095	4.5	.1	.1	1.7	4.7	2.3
2100	4.5	.1	.1	1.7	4.7	2.3
Low-cost:						
2026	4.1	.8	1.0	3.3	4.6	1.5
2027	3.7	.5	.9	2.8	5.1	1.6
2028	3.5	.5	.7	2.6	5.2	2.1
2029	3.5	.5	.5	2.5	5.3	2.2
2030	3.5	.4	.4	2.4	5.3	2.3
2031	3.5	.5	.5	2.5	5.3	2.3
2032	3.5	.5	.5	2.5	5.3	2.3
2033	3.5	.5	.5	2.5	5.3	2.3
2034	3.5	.5	.5	2.5	5.3	2.3
2035	3.5	.3	.3	2.3	5.3	2.3
2040	3.5	.4	.4	2.4	5.7	2.7
2045	3.5	.4	.4	2.3	5.8	2.8
2050	3.5	.4	.4	2.4	5.8	2.8
2055	3.5	.5	.5	2.5	5.8	2.8
2060	3.5	.6	.5	2.5	5.8	2.8
2065	3.5	.5	.5	2.5	5.8	2.8
2070	3.5	.5	.5	2.5	5.8	2.8
2075	3.5	.5	.5	2.4	5.8	2.8
2080	3.5	.5	.5	2.5	5.8	2.8
2085	3.5	.6	.6	2.6	5.8	2.8
2090	3.5	.7	.7	2.7	5.8	2.8
2095	3.5	.7	.7	2.7	5.8	2.8
2100	3.5	.6	.6	2.6	5.8	2.8

Table V.B2.—Additional Economic Factors (Cont.)

Calendar year	Average annual unemployment rate[a]	Annual percentage change[b] in— Labor force[c]	Total employment[d]	Real GDP[e]	Average annual interest rate Nominal[f]	Real[g]
High-cost:						
2026	5.1	-0.1	-0.9	0.4	3.8	2.0
2027	6.5	-.3	-1.7	-1.7	3.2	1.9
2028	6.6	-.1	-.2	1.5	3.0	1.4
2029	6.2	.1	.4	1.9	3.0	1.2
2030	5.9	.2	.5	1.9	3.0	1.2
2031	5.7	.2	.5	1.8	3.0	1.2
2032	5.5	.3	.4	1.7	3.0	1.2
2033	5.4	.2	.3	1.4	3.0	1.2
2034	5.4	.2	.2	1.4	3.0	1.2
2035	5.4	.1	.1	1.3	3.0	1.2
2040	5.5	.1	.1	1.3	3.4	1.5
2045	5.5	-.1	[h]	1.1	3.6	1.8
2050	5.5	-.2	-.2	1.0	3.6	1.8
2055	5.5	-.3	-.3	.8	3.6	1.8
2060	5.5	-.4	-.4	.8	3.6	1.8
2065	5.5	-.4	-.4	.8	3.6	1.8
2070	5.5	-.5	-.5	.7	3.6	1.8
2075	5.5	-.5	-.5	.6	3.6	1.8
2080	5.5	-.6	-.6	.6	3.6	1.8
2085	5.5	-.6	-.6	.6	3.6	1.8
2090	5.5	-.6	-.6	.6	3.6	1.8
2095	5.5	-.6	-.6	.6	3.6	1.8
2100	5.5	-.5	-.5	.6	3.6	1.8

[a] Actuarial Services adjusts the civilian unemployment rates for 2036 and later to the age-sex distribution of the civilian labor force in 2020. For years through 2035, the values are the aggregate rates without adjustment for the changing age-sex distribution.

[b] For rows with a single year listed, the value is the annual percentage change from the prior year. For rows with a range of years listed, the value is the compounded average annual percentage change.

[c] The U.S. civilian labor force.

[d] Total U.S. military and civilian employment.

[e] The value of the total output of goods and services in 2017 dollars.

[f] The average of the nominal interest rates, compounded semiannually, for special public-debt obligations issuable to the trust funds in each of the 12 months of the year.

[g] The realized or expected annual real yield for each year on securities issuable in the prior year.

[h] Greater than -0.05 and less than 0.05 percent.

[i] Economic cycles are shown from peak to peak, except for the last cycle, which is not yet complete.

[j] Estimated values for 2025 vary slightly by alternative and are shown for the intermediate assumptions.

C. PROGRAM-SPECIFIC ASSUMPTIONS AND METHODS

The Social Security Administration's Actuarial Services department uses a set of models to project future income and cost under the OASDI program. These models rely not only on the demographic and economic assumptions described in the previous sections, but also on program-specific assumptions and methods. Values of many program parameters change from year to year as prescribed by formulas set out in the Social Security Act. These program parameters affect the level of payroll taxes collected and the level of benefits paid. Actuarial Services uses complex models to project the numbers of future workers covered under OASDI and the levels of their covered earnings, as well as the numbers of future beneficiaries and the expected levels of their benefits. The following subsections provide descriptions of these program-specific assumptions and methods.

1. Automatically Adjusted Program Parameters

The Social Security Act requires that certain parameters affecting the determination of OASDI benefits and taxes be adjusted annually to reflect changes in particular economic measures. Formulas prescribed in the law, applied to reported statistics, change these program parameters annually. The law bases these automatic adjustments on measured changes in the national average wage index (AWI) and the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI).[1] This section shows values for program parameters adjusted using these indices from the time that these adjustments became effective through 2035. Projected values for future years depend on the economic assumptions described in the preceding section of this report.

Tables V.C1 and V.C2 present the historical and projected values of the CPI-based benefit increases, the AWI series, and the values of many of the wage-indexed program parameters. Each table shows projections under the three alternative sets of assumptions. Table V.C1 includes:

- *The annual cost-of-living benefit increase percentages.* The automatic cost-of-living adjustment provisions in the Social Security Act specify increases in OASDI monthly benefits based on increases in the CPI. In general, the benefit increase equals the percentage increase in the CPI measured from the third quarter of the last year with a benefit increase to the third quarter of the current year. If there is no increase in the CPI,

[1] The *Federal Register* publishes details of these indexation procedures annually. Also see www.ssa.gov/OACT/COLA/.

there is no benefit increase. All three sets of assumptions include annual cost-of-living adjustments for all future years.

- *The annual levels of and percentage increases in the AWI.* Under section 215(b)(3) of the Social Security Act, Social Security benefit computations index taxable earnings (for most workers first becoming eligible for benefits in 1979 or later) using the AWI for each year after 1950. This procedure converts a worker's past taxable earnings to approximately average-wage-indexed equivalent values near the time of their benefit eligibility. Other program parameters presented in this section that are subject to the automatic-adjustment provisions also rely on the AWI.
- *The wage-indexed contribution and benefit base.* For any year, the contribution and benefit base is the maximum amount of covered earnings subject to the OASDI payroll tax and creditable toward benefit computation. The Social Security Act defers any increase in the contribution and benefit base if there is no cost-of-living adjustment effective for December of the preceding year. Under all three sets of assumptions, the contribution and benefit base is projected to increase for all future years.
- *The wage-indexed retirement earnings test exempt amounts.* The exempt amounts are the annual amount of earnings below which beneficiaries do not have benefits withheld. A lower exempt amount applies for years prior to the year of attaining normal retirement age. A higher exempt amount applies beginning with the year in which a beneficiary attains normal retirement age. Starting in 2000, the retirement earnings test no longer applies beginning with the month of attaining normal retirement age. The Social Security Act defers any increase in these exempt amounts if there is no cost-of-living adjustment effective for December of the preceding year. Under all three sets of assumptions, the exempt amounts increase for all future years.

Table V.C1.—Cost-of-Living Benefit Increases, Average Wage Index, Contribution and Benefit Bases, and Retirement Earnings Test Exempt Amounts, 1975-2035

Calendar year	Cost-of-living benefit increase[a] (percent)	Average wage index (AWI)[b] Amount	Average wage index (AWI)[b] Increase (percent)	Contribution and benefit base[c]	Retirement earnings test exempt amount Under NRA[d]	Retirement earnings test exempt amount At NRA[e]
Historical data:						
1975	8.0	$8,630.92	7.5	$14,100	$2,520	$2,520
1976	6.4	9,226.48	6.9	15,300	2,760	2,760
1977	5.9	9,779.44	6.0	16,500	3,000	3,000
1978	6.5	10,556.03	7.9	17,700	3,240	4,000
1979	9.9	11,479.46	8.7	22,900	3,480	4,500
1980	14.3	12,513.46	9.0	25,900	3,720	5,000
1981	11.2	13,773.10	10.1	29,700	4,080	5,500
1982	7.4	14,531.34	5.5	32,400	4,440	6,000
1983	3.5	15,239.24	4.9	35,700	4,920	6,600
1984	3.5	16,135.07	5.9	37,800	5,160	6,960
1985	3.1	16,822.51	4.3	39,600	5,400	7,320
1986	1.3	17,321.82	3.0	42,000	5,760	7,800
1987	4.2	18,426.51	6.4	43,800	6,000	8,160
1988	4.0	19,334.04	4.9	45,000	6,120	8,400
1989	4.7	20,099.55	4.0	48,000	6,480	8,880
1990	5.4	21,027.98	4.6	51,300	6,840	9,360
1991	3.7	21,811.60	3.7	53,400	7,080	9,720
1992	3.0	22,935.42	5.2	55,500	7,440	10,200
1993	2.6	23,132.67	.9	57,600	7,680	10,560
1994	2.8	23,753.53	2.7	60,600	8,040	11,160
1995	2.6	24,705.66	4.0	61,200	8,160	11,280
1996	2.9	25,913.90	4.9	62,700	8,280	12,500
1997	2.1	27,426.00	5.8	65,400	8,640	13,500
1998	1.3	28,861.44	5.2	68,400	9,120	14,500
1999	[f]2.5	30,469.84	5.6	72,600	9,600	15,500
2000	3.5	32,154.82	5.5	76,200	10,080	17,000
2001	2.6	32,921.92	2.4	80,400	10,680	25,000
2002	1.4	33,252.09	1.0	84,900	11,280	30,000
2003	2.1	34,064.95	2.4	87,000	11,520	30,720
2004	2.7	35,648.55	4.6	87,900	11,640	31,080
2005	4.1	36,952.94	3.7	90,000	12,000	31,800
2006	3.3	38,651.41	4.6	94,200	12,480	33,240
2007	2.3	40,405.48	4.5	97,500	12,960	34,440
2008	5.8	41,334.97	2.3	102,000	13,560	36,120
2009	.0	40,711.61	-1.5	106,800	14,160	37,680
2010	.0	41,673.83	2.4	106,800	14,160	37,680
2011	3.6	42,979.61	3.1	106,800	14,160	37,680
2012	1.7	44,321.67	3.1	110,100	14,640	38,880
2013	1.5	44,888.16	1.3	113,700	15,120	40,080
2014	1.7	46,481.52	3.5	117,000	15,480	41,400
2015	.0	48,098.63	3.5	118,500	15,720	41,880
2016	.3	48,642.15	1.1	118,500	15,720	41,880
2017	2.0	50,321.89	3.5	127,200	16,920	44,880
2018	2.8	52,145.80	3.6	128,400	17,040	45,360
2019	1.6	54,099.99	3.7	132,900	17,640	46,920
2020	1.3	55,628.60	2.8	137,700	18,240	48,600
2021	5.9	60,575.07	8.9	142,800	18,960	50,520
2022	8.7	63,795.13	5.3	147,000	19,560	51,960
2023	3.2	66,621.80	4.4	160,200	21,240	56,520
2024	2.5	69,846.57	4.8	168,600	22,320	59,520

Table V.C1.—Cost-of-Living Benefit Increases, Average Wage Index, Contribution and Benefit Bases, and Retirement Earnings Test Exempt Amounts, 1975-2035 (Cont.)

Calendar year	Cost-of-living benefit increase[a] (percent)	Average wage index (AWI)[b] Amount	Average wage index (AWI)[b] Increase (percent)	Contribution and benefit base[c]	Retirement earnings test exempt amount Under NRA[d]	Retirement earnings test exempt amount At NRA[e]
Intermediate:						
2025	[g]2.8	$72,025.07	3.1	[g]$176,100	[g]$23,400	[g]$62,160
2026	2.7	75,246.70	4.5	[g]184,500	[g]24,480	[g]65,160
2027	2.4	78,286.92	4.0	190,200	25,200	67,200
2028	2.4	81,537.43	4.2	198,900	26,400	70,200
2029	2.4	85,047.82	4.3	206,700	27,480	73,080
2030	2.4	88,895.99	4.5	215,400	28,560	76,080
2031	2.4	92,915.31	4.5	224,700	29,760	79,320
2032	2.4	96,989.47	4.4	234,900	31,200	82,920
2033	2.4	101,085.63	4.2	245,400	32,520	86,640
2034	2.4	105,045.59	3.9	256,200	33,960	90,480
2035	2.4	109,064.86	3.8	267,000	35,400	94,320
Low-cost:						
2025	[g]2.8	71,915.14	3.0	[g]176,100	[g]23,400	[g]62,160
2026	2.9	75,850.68	5.5	[g]184,500	[g]24,480	[g]65,160
2027	3.0	79,891.38	5.3	189,900	25,200	67,080
2028	3.0	84,348.74	5.6	200,400	26,640	70,800
2029	3.0	89,067.21	5.6	211,200	27,960	74,520
2030	3.0	94,117.03	5.7	222,900	29,520	78,720
2031	3.0	99,492.97	5.7	235,200	31,200	83,040
2032	3.0	105,213.03	5.7	248,700	33,000	87,840
2033	3.0	111,185.04	5.7	262,800	34,920	92,880
2034	3.0	117,304.17	5.5	278,100	36,840	98,160
2035	3.0	123,623.86	5.4	293,700	39,000	103,680
High-cost:						
2025	[g]2.8	72,072.27	3.2	[g]176,100	[g]23,400	[g]62,160
2026	2.3	74,045.50	2.7	[g]184,500	[g]24,480	[g]65,160
2027	1.8	74,522.43	.6	190,500	25,320	67,200
2028	1.8	76,817.19	3.1	195,600	25,920	69,120
2029	1.8	79,314.73	3.3	196,800	26,160	69,480
2030	1.8	82,233.65	3.7	203,100	26,880	71,640
2031	1.8	85,278.60	3.7	209,700	27,840	74,040
2032	1.8	88,286.58	3.5	217,200	28,800	76,680
2033	1.8	91,004.77	3.1	225,300	29,880	79,560
2034	1.8	93,559.46	2.8	233,400	30,960	82,320
2035	1.8	96,089.74	2.7	240,600	31,920	84,960

[a] Effective with benefits payable for June in each year 1975-82, and for December in each year after 1982.

[b] See table VI.G1 for projected dollar amounts of the AWI for years beyond the last year of this table.

[c] Public Law 95-216 specified amounts for 1978-81. Public Law 101-239 changed the indexing procedure and caused slightly higher bases after 1989.

[d] Normal retirement age. See table V.C3 for specific values.

[e] In 1955-82, the retirement earnings test did not apply at ages 72 and over. In 1983-99, the test did not apply at ages 70 and over. Beginning in 2000, the test does not apply beginning with the month of normal retirement age attainment. In the year of normal retirement age attainment, the higher exempt amount applies to earnings prior to the month of normal retirement age attainment. Public Law 95-216 specified amounts for 1978-82. Public Law 104-121 specified amounts for 1996-2002.

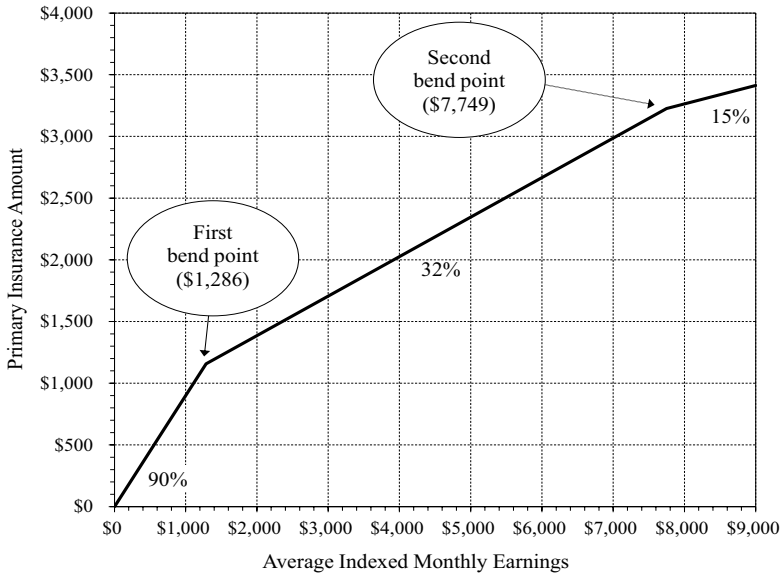
[f] Originally determined as 2.4 percent. Pursuant to Public Law 106-554, effectively 2.5 percent.

[g] Actual amount, as determined under automatic-adjustment provisions.

Table V.C2 shows values for other wage-indexed parameters. The table provides historical values from 1978, when indexing of the amount of covered earnings required for a quarter of coverage first began, through 2026, and also shows projected values through 2035. These other wage-indexed program parameters are:

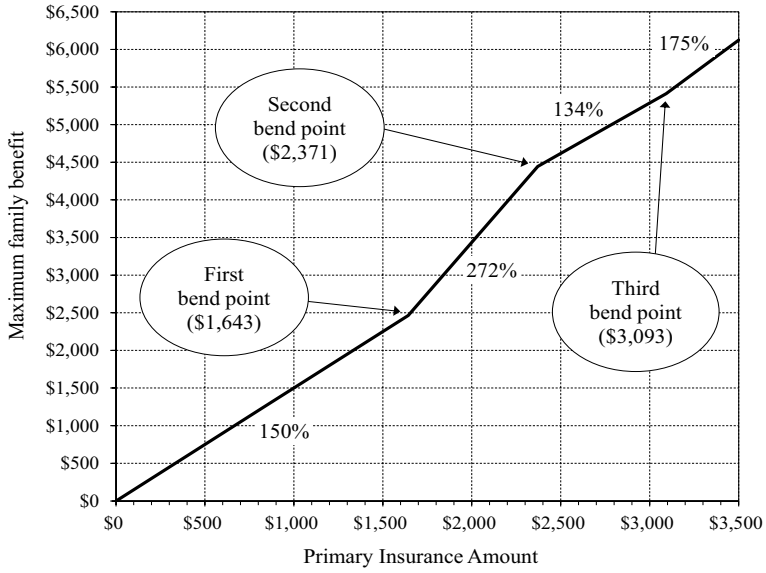
- *The bend points in the formula for computing the primary insurance amount (PIA) for workers who reach age 62, become disabled, or die in a given year.* As figure V.C1 illustrates, these two bend points define three ranges in a worker's average indexed monthly earnings (AIME). The formula for the worker's PIA multiplies a 90, 32, or 15 percent factor by the portion of the worker's AIME that falls within the three respective ranges, and then adds the resulting products together.

Figure V.C1.—Primary-Insurance-Amount Formula for Those Newly Eligible in 2026



- *The bend points in the formula for computing the maximum total amount of monthly benefits payable based on the earnings record of a retired or deceased worker (maximum family benefit).* As figure V.C2 illustrates, these three bend points define four ranges in a worker's PIA. The formula for the maximum family benefit multiplies a 150, 272, 134, or 175 percent factor by the portion of the worker's PIA that falls within the four respective ranges, and then adds the resulting products together.

Figure V.C2.—OASI Maximum-Family-Benefit Formula for Those Newly Eligible in 2026



- *The amount of covered earnings required in a year to earn a quarter of coverage (QC).* The number and timing of QCs earned determines an individual's insured status—the basic requirement for benefit eligibility under OASDI.
- *The old-law contribution and benefit base—the contribution and benefit base that would have been in effect without enactment of the 1977 amendments.* This old-law base has four primary uses: (1) it is used in determining special-minimum benefits for certain workers who have many years of low earnings in covered employment; (2) from 1986 through 2023, the calculation of OASDI benefits for certain workers who were eligible to receive pensions based on noncovered employment[1] used the old-law base; (3) the Railroad Retirement program uses this base for certain purposes; and (4) the Employee Retirement Income Security Act of 1974 requires the old-law base to be used in various computations and determinations for retirement plans.

[1] This calculation was repealed for benefits paid for months after December 2023 by the Social Security Fairness Act of 2023, Public Law 118-273.

Table V.C2.—Values for Selected Wage-Indexed Program Parameters, Calendar Years 1978-2035

Calendar year	AIME bend points in PIA formula[a] First	AIME bend points in PIA formula[a] Second	PIA bend points in OASI maximum-family-benefit formula[b] First	PIA bend points in OASI maximum-family-benefit formula[b] Second	PIA bend points in OASI maximum-family-benefit formula[b] Third	Earnings required for a quarter of coverage	Old-law contribution and benefit base[c]
Historical data:							
1978	[d]	[d]	[d]	[d]	[d]	[e] $250	[e] $17,700
1979	[e] $180	[e] $1,085	[e] $230	[e] $332	[e] $433	260	18,900
1980	194	1,171	248	358	467	290	20,400
1981	211	1,274	270	390	508	310	22,200
1982	230	1,388	294	425	554	340	24,300
1983	254	1,528	324	468	610	370	26,700
1984	267	1,612	342	493	643	390	28,200
1985	280	1,691	358	517	675	410	29,700
1986	297	1,790	379	548	714	440	31,500
1987	310	1,866	396	571	745	460	32,700
1988	319	1,922	407	588	767	470	33,600
1989	339	2,044	433	626	816	500	35,700
1990	356	2,145	455	656	856	520	38,100
1991	370	2,230	473	682	890	540	39,600
1992	387	2,333	495	714	931	570	41,400
1993	401	2,420	513	740	966	590	42,900
1994	422	2,545	539	779	1,016	620	45,000
1995	426	2,567	544	785	1,024	630	45,300
1996	437	2,635	559	806	1,052	640	46,500
1997	455	2,741	581	839	1,094	670	48,600
1998	477	2,875	609	880	1,147	700	50,700
1999	505	3,043	645	931	1,214	740	53,700
2000	531	3,202	679	980	1,278	780	56,700
2001	561	3,381	717	1,034	1,349	830	59,700
2002	592	3,567	756	1,092	1,424	870	63,000
2003	606	3,653	774	1,118	1,458	890	64,500
2004	612	3,689	782	1,129	1,472	900	65,100
2005	627	3,779	801	1,156	1,508	920	66,900
2006	656	3,955	838	1,210	1,578	970	69,900
2007	680	4,100	869	1,255	1,636	1,000	72,600
2008	711	4,288	909	1,312	1,711	1,050	75,900
2009	744	4,483	950	1,372	1,789	1,090	79,200
2010	761	4,586	972	1,403	1,830	1,120	79,200
2011	749	4,517	957	1,382	1,803	1,120	79,200
2012	767	4,624	980	1,415	1,845	1,130	81,900
2013	791	4,768	1,011	1,459	1,903	1,160	84,300
2014	816	4,917	1,042	1,505	1,962	1,200	87,000
2015	826	4,980	1,056	1,524	1,987	1,220	88,200
2016	856	5,157	1,093	1,578	2,058	1,260	88,200
2017	885	5,336	1,131	1,633	2,130	1,300	94,500
2018	895	5,397	1,144	1,651	2,154	1,320	95,400
2019	926	5,583	1,184	1,708	2,228	1,360	98,700
2020	960	5,785	1,226	1,770	2,309	1,410	102,300
2021	996	6,002	1,272	1,837	2,395	1,470	106,200
2022	1,024	6,172	1,308	1,889	2,463	1,510	109,200
2023	1,115	6,721	1,425	2,056	2,682	1,640	118,800
2024	1,174	7,078	1,500	2,166	2,825	1,730	125,100
2025	1,226	7,391	1,567	2,262	2,950	1,810	130,800
2026	1,286	7,749	1,643	2,371	3,093	1,890	137,100

Table V.C2.—Values for Selected Wage-Indexed Program Parameters, Calendar Years 1978-2035 (Cont.)

Calendar year	AIME bend points in PIA formula[a] First	AIME bend points in PIA formula[a] Second	PIA bend points in OASI maximum-family-benefit formula[b] First	PIA bend points in OASI maximum-family-benefit formula[b] Second	PIA bend points in OASI maximum-family-benefit formula[b] Third	Earnings required for a quarter of coverage	Old-law contribution and benefit base[c]
Intermediate:							
2027	$1,326	$7,991	$1,694	$2,445	$3,189	$1,950	$141,300
2028	1,385	8,348	1,770	2,555	3,332	2,040	147,600
2029	1,441	8,686	1,841	2,658	3,466	2,120	153,600
2030	1,501	9,046	1,918	2,768	3,610	2,210	159,900
2031	1,565	9,436	2,000	2,887	3,766	2,300	166,800
2032	1,636	9,863	2,091	3,018	3,936	2,410	174,300
2033	1,710	10,309	2,185	3,154	4,114	2,520	182,400
2034	1,785	10,761	2,281	3,293	4,294	2,630	190,200
2035	1,861	11,215	2,377	3,432	4,476	2,740	198,300
Low-cost:							
2027	1,324	7,979	1,691	2,441	3,184	1,950	141,000
2028	1,396	8,415	1,784	2,575	3,358	2,060	148,800
2029	1,470	8,864	1,879	2,712	3,537	2,160	156,600
2030	1,553	9,358	1,984	2,864	3,735	2,290	165,600
2031	1,639	9,882	2,095	3,024	3,944	2,410	174,900
2032	1,732	10,442	2,214	3,195	4,167	2,550	184,800
2033	1,831	11,038	2,340	3,378	4,405	2,700	195,300
2034	1,937	11,673	2,474	3,572	4,658	2,850	206,400
2035	2,046	12,336	2,615	3,775	4,923	3,010	218,100
High-cost:							
2027	1,327	7,996	1,695	2,447	3,191	1,950	141,300
2028	1,363	8,215	1,741	2,514	3,278	2,010	145,200
2029	1,372	8,268	1,753	2,530	3,300	2,020	146,100
2030	1,414	8,523	1,807	2,608	3,401	2,080	150,600
2031	1,460	8,800	1,865	2,693	3,512	2,150	155,700
2032	1,514	9,124	1,934	2,792	3,641	2,230	161,400
2033	1,570	9,461	2,006	2,895	3,776	2,310	167,400
2034	1,625	9,795	2,076	2,997	3,909	2,390	173,100
2035	1,675	10,097	2,140	3,089	4,029	2,470	178,500

[a] The formula to compute a PIA is: (1) 90% of AIME below the first bend point, plus (2) 32% of AIME in excess of the first bend point but not in excess of the second, plus (3) 15% of AIME in excess of the second bend point. The bend points are determined based on the first year a beneficiary becomes eligible for benefits.

[b] The formula to compute an OASI family maximum is: (1) 150% of PIA below the first bend point, plus (2) 272% of PIA in excess of the first bend point but not in excess of the second, plus (3) 134% of PIA in excess of the second bend point but not in excess of the third, plus (4) 175% of PIA in excess of the third bend point. This formula also determines family maximums for disabled-worker beneficiaries first eligible after 1978 and entitled before July 1980.

[c] Contribution and benefit base that would have been in effect without enactment of the Social Security Amendments of 1977. Public Law 101-239 changed the indexing procedure and caused slightly higher bases after 1989.

[d] No provision in law for this amount in this year.

[e] Amount specified by the Social Security Amendments of 1977.

In addition to the economic factors that affect the determination of OASDI benefits, there are certain legislated changes that affect current and future benefit amounts. Two such changes are the scheduled increases in the normal retirement age and in the delayed retirement credits. Table V.C3 shows the

scheduled changes in these parameters and the resulting effects on benefit levels expressed as a percentage of PIA.

Table V.C3.—Legislated Changes in Normal Retirement Age and Delayed Retirement Credits for Persons Attaining Age 62 in Each Year 1986 and Later

Year of birth	Year of attainment of age 62	Normal retirement age (NRA)	Credit for each year of delayed retirement after NRA (percent)	Benefit, as a percentage of PIA, beginning at age — 62	65	66	67	70
1924	1986	65	3	80	100	103	106	115
1925	1987	65	3 1/2	80	100	103 1/2	107	117 1/2
1926	1988	65	3 1/2	80	100	103 1/2	107	117 1/2
1927	1989	65	4	80	100	104	108	120
1928	1990	65	4	80	100	104	108	120
1929	1991	65	4 1/2	80	100	104 1/2	109	122 1/2
1930	1992	65	4 1/2	80	100	104 1/2	109	122 1/2
1931	1993	65	5	80	100	105	110	125
1932	1994	65	5	80	100	105	110	125
1933	1995	65	5 1/2	80	100	105 1/2	111	127 1/2
1934	1996	65	5 1/2	80	100	105 1/2	111	127 1/2
1935	1997	65	6	80	100	106	112	130
1936	1998	65	6	80	100	106	112	130
1937	1999	65	6 1/2	80	100	106 1/2	113	132 1/2
1938	2000	65, 2 mo	6 1/2	79 1/6	98 8/9	105 5/12	111 11/12	131 5/12
1939	2001	65, 4 mo	7	78 1/3	97 7/9	104 2/3	111 2/3	132 2/3
1940	2002	65, 6 mo	7	77 1/2	96 2/3	103 1/2	110 1/2	131 1/2
1941	2003	65, 8 mo	7 1/2	76 2/3	95 5/9	102 1/2	110	132 1/2
1942	2004	65, 10 mo	7 1/2	75 5/6	94 4/9	101 1/4	108 3/4	131 1/4
1943-54	2005-16	66	8	75	93 1/3	100	108	132
1955	2017	66, 2 mo	8	74 1/6	92 2/9	98 8/9	106 2/3	130 2/3
1956	2018	66, 4 mo	8	73 1/3	91 1/9	97 7/9	105 1/3	129 1/3
1957	2019	66, 6 mo	8	72 1/2	90	96 2/3	104	128
1958	2020	66, 8 mo	8	71 2/3	88 8/9	95 5/9	102 2/3	126 2/3
1959	2021	66, 10 mo	8	70 5/6	87 7/9	94 4/9	101 1/3	125 1/3
1960 & later	2022 & later	67	8	70	86 2/3	93 1/3	100	124

2. Covered Employment

Projections of the total U.S. civilian labor force and unemployment rate (see table V.B2) are based on Bureau of Labor Statistics definitions from the Current Population Survey (CPS). These projections represent the average weekly number of employed and unemployed persons, age 16 and over, in the U.S. in a calendar year. Covered employment for a calendar year is defined as the total number of persons who have any OASDI covered earnings (that is, earnings subject to the OASDI payroll tax) at any time during that year. For those age 16 and over, covered employment is projected as the sum over age-sex groups, each reflecting the growth projected for the group's total U.S. employment and average weeks worked per year.[1] The

[1] For those under age 16, projected covered employment is the sum of age-sex components, each of which is projected as a ratio to the Social Security area population.

method of projecting covered employment also accounts for changes in non-OASDI-covered employment, including changes in the number and employment status of temporary or unlawfully present immigrants included in the Social Security area population, as well as the increase in coverage of Federal civilian employment as a result of the 1983 Social Security Amendments.

The covered-worker rate is the ratio of OASDI covered workers to the Social Security area population. For men and boys age 16 and over, the projected age-adjusted covered-worker rates[1] for 2100 are 68.6, 67.9, and 67.6 percent for the low-cost, intermediate, and high-cost assumptions, respectively. For women and girls age 16 and over, the projected age-adjusted covered-worker rates for 2100 are 65.9, 65.2, and 64.9 percent for the low-cost, intermediate, and high-cost assumptions, respectively. For men and boys, the intermediate projected rate for 2100 is lower than the age-adjusted rate of 68.7 percent for 2024 (the last complete historical year) primarily due to the projected increase in the portion of the Social Security area population that consists of temporary or unlawfully present immigrants. For women and girls, the intermediate projected rate for 2100 is higher than the 2024 age-adjusted rate of 64.0 percent because the projected increase in the age-adjusted labor force participation rate more than offsets the projected increase in the portion of the population that will be temporary or unlawfully present immigrants.

3. Insured Population

Eligibility for worker benefits under the OASDI program requires some threshold level of work in covered employment. A worker satisfies this requirement by their accumulation of quarters of coverage (QCs). Prior to 1978, a worker earned one QC for each calendar quarter in which they had covered earnings of at least $50. In 1978, when annual earnings reporting replaced quarterly reporting, the amount required to earn a QC (up to a maximum of four per year) was set at $250. As specified in the law, the Social Security Administration has adjusted this amount each year since then according to changes in the AWI. Its value in 2026 is $1,890.

There are three types of insured status that a worker can earn under the OASDI program. The number and recency of QCs earned determine each status.

[1] Age-adjusted covered-worker rates are adjusted to the 2020 age distribution of the Social Security area population.

- A worker is fully insured when their total number of QCs is greater than or equal to the number of years elapsed after the year of attainment of age 21 (but not less than six). After a worker has accumulated 40 QCs, they remain permanently fully insured.
- A worker is disability insured in a quarter if they are: (1) a fully insured worker who has accumulated 20 QCs during the 40-quarter period ending with the quarter, (2) a fully insured worker aged 24-30 who has accumulated QCs during one-half of the quarters elapsed after the quarter of attainment of age 21 and up to and including the quarter, or (3) a fully insured worker under age 24 who has accumulated six QCs during the 12-quarter period ending with the quarter.
- A worker is currently insured in a quarter when they have accumulated six QCs during the 13-quarter period ending with the quarter.

Periods of disability can potentially change the period considered and the number of QCs needed for each type of insured status, by excluding quarters within the period of disability from consideration.

There are many types of benefits payable to workers and their family members under the OASDI program. Workers must be fully insured to be eligible for a primary retirement benefit and for their spouses or children to be eligible for auxiliary retirement benefits. Deceased workers must have been either currently insured or fully insured at the time of death for their children (and the children's mother or father) to be eligible for benefits. If there are no eligible surviving children, deceased workers must have been fully insured at the time of death for their qualifying surviving spouses to be eligible. Workers must be disability insured to be eligible for a primary disability benefit and for their spouses or children to be eligible for auxiliary disability benefits.

Actuarial Services estimates the fully insured population, as a percentage of the Social Security area population, by single year of age and sex starting in 1969. The short-range model extrapolates the historical trend in these rates from data in the Continuous Work History Sample (CWHS). The model uses information on quarters of coverage earned due to employment covered by Social Security derived from tabulations of the CWHS. The model also uses historical administrative data on beneficiaries in force and estimated historical mortality rates. The model combines this information to estimate the proportion of individuals who were alive and fully insured as of the end of each historical year. Using projected mortality rates and covered workers, the model extrapolates these rates into the future and applies them to the histori-

cal and projected population to arrive at the fully insured population by age and sex through the end of the short-range period.

The long-range fully insured model uses 30,000 simulated work histories for each sex and birth cohort, representing everyone except the temporary or unlawfully present immigrant population.[1] For the temporary or unlawfully present immigrant population, the model generates substantially lower percentages attaining fully insured status. The model constructs simulated work histories using past coverage rates, earnings distributions, and amounts required for crediting QCs, and develops them in a manner that replicates historical individual variations in work patterns. The probability of covered employment in any year is assumed to be higher for those who have worked more consistently in the recent past. Model parameters are selected so that simulated fully insured percentages are consistent with the fully insured percentages estimated by the short-range model for the recent historical period.

Actuarial Services estimates the disability insured population, as a percentage of the fully insured population, by age and sex starting in 1969. Historical values are based on a tabulation of the disability insured population from the CWHS and estimates of the fully insured population. The short-range model projects these percentages by using the relationship between the historical percentages and covered-worker rates. The long-range model projects these percentages by using the same simulated work histories used to project the fully insured percentages. The long-range model makes additional adjustments to the model simulations in order to bring the disability insured percentages in the historical and short-range periods into close agreement with those estimated from the CWHS and the short-range model.

The currently insured population is not projected because the number of beneficiaries who are entitled to benefits based solely on currently insured status has been very small recently and is likely to remain small in the future.

Using these insured models, the percentage of the Social Security area population age 62 that is fully insured is projected to change from an estimated level of 90.5 at the end of calendar year 2025 to 87.3, 88.0, and 89.9 at the end of 2100 under the low-cost, intermediate, and high-cost alternatives, respectively. Over the projection period, the percentages for both men and women change significantly. The percentage for men declines, reflecting increases in the percent of the population that is classified as temporary or unlawfully present immigrants and is thus less likely to have earnings

[1] Those granted valid work authorization through the 2012 Deferred Action for Childhood Arrivals program are included in the simulations.

reported and credited to them. The percentage for women declines more gradually than the percentage for men. For women, the decrease in the percentage due to increases in temporary or unlawfully present immigrants is partially offset by an increase due to the substantial growth in the employment of younger cohorts of women in recent decades. Under the intermediate assumptions, for example, the percentage for men decreases from 92.6 at the end of 2025 to 88.4 at the end of 2100, while the percentage for women decreases from 88.5 at the end of 2025 to 87.7 at the end of 2100.

The percentage of the Social Security area population age 50 that is disability insured is projected to change from an estimated level of 75.9 at the end of calendar year 2025 to 76.6, 77.4, and 79.5 at the end of 2100 under the low-cost, intermediate, and high-cost alternatives, respectively. The changes in the disability insured percentages over time are affected by the same factors as the fully insured percentages, but they are also influenced by additional recent work criteria, leading to percentages that do not change significantly over the long-range projection period.

4. Old-Age and Survivors Insurance Beneficiaries

Actuarial Services projects the number of OASI beneficiaries for each type of benefit separately by the sex of the worker on whose covered earnings the benefits are based and by the age of the beneficiary. Actuarial Services uses two separate models in making these projections. The short-range model makes projections during the first 10 years of the projection period, reflecting recent and expected short-term trends. The long-range model makes projections thereafter, reflecting anticipated longer-term trends and projecting the number of beneficiaries by marital status for several types of benefits.

The short-range model develops the number of retired-worker beneficiaries by applying award rates to the aged fully insured population, excluding those already receiving retired-worker, disabled-worker, aged-widow(er), or aged-spouse benefits, and by applying termination rates to the number of retired-worker beneficiaries.

The long-range model projects the number of retired-worker beneficiaries who were not previously converted from disabled-worker beneficiary status as a percentage of the exposed population.[1] For age 62, the model projects this percentage by using a linear regression based on the historical relationship between this percentage, the employment rate[2] at age 62, and the num-

[1] The exposed population is the fully insured population age 62 and over, excluding persons entitled to or converted from disabled-worker benefits and fully insured persons entitled only to widow(er) benefits.

[2] The employment rate is the ratio of U.S. civilian employment to the civilian noninstitutional population.

ber of months from age 62 to normal retirement age. The percentage for ages 70 and over is nearly 100 because delayed retirement credits cannot be earned after age 70. The long-range model projects the percentage for each age 63 through 69 based on historical experience with an adjustment for changes in the portion of the primary insurance amount that is payable at each age of entitlement. The model adjusts these percentages for ages 62 through 69 to reflect changes in the normal retirement age.

The long-range model calculates the number of retired-worker beneficiaries previously converted from disabled-worker beneficiary status using an extension of disabled-worker death rates by age, sex, and duration.

Actuarial Services estimates the number of aged-spouse beneficiaries, excluding those who are also receiving a retired-worker benefit, from the population projected by age and sex. Benefits of aged-spouse beneficiaries depend on the earnings records of their husbands or wives, who are referred to as "earners." The short-range model projects insured aged-spouse beneficiaries in conjunction with the retired-worker beneficiaries. This model projects uninsured aged-spouse beneficiaries by applying award rates to the aged uninsured male or female population and by applying termination rates to the population already receiving such benefits.

The long-range model estimates aged-spouse beneficiaries separately for those married and divorced. The model projects the number of married aged-spouse beneficiaries, by age and sex, by applying a series of factors to the number of spouses, aged 62 and over, in the population. These factors are the probabilities that the spouse and the earner meet all of the conditions of eligibility—that is, the probabilities that: (1) the earner is 62 or over, (2) the earner is insured, (3) the earner is receiving benefits, (4) the spouse is not receiving a benefit for the care of an entitled child, and (5) the spouse is either not insured or is insured but not receiving retired-worker benefits. To calculate the estimated number of aged-spouse beneficiaries, the model applies a projected prevalence rate to the resulting number of spouses. To reflect the Social Security Fairness Act of 2023, an adjustment is also applied to include additional beneficiaries who were previously ineligible for aged-spouse benefits due to receiving a substantial government pension. Due to the Bipartisan Budget Act of 2015, for those turning age 62 in 2016 and later, deemed filing now applies to all retired workers and spouses even after initial entitlement, regardless of age. Thus, spouses who are insured are no longer eligible to delay their retired-worker benefit while receiving an aged-spouse benefit.[1]

[1] Deemed filing does not apply if the spouse is caring for an entitled child or is receiving a disabled-worker benefit.

The long-range model estimates the number of divorced aged-spouse beneficiaries, by age and sex, by applying the same factors to the number of divorced persons aged 62 and over in the population, with three differences. First, the model applies a factor to reflect the probability that the earner (former spouse) is still alive. If the former spouse is not alive, the person may be entitled to a divorced widow(er) benefit. Second, the model applies a factor to reflect the probability that the marriage to the former spouse lasted at least 10 years. Third, the model does not apply factor (3) in the previous paragraph because, effective January 1985, a divorced person is generally no longer required to wait for the former spouse to receive benefits.

Actuarial Services bases the projected numbers of children under age 18, and students aged 18 and 19, who are eligible for benefits as children of retired-worker beneficiaries, on the projected number of children in the population. The short-range model develops the number of entitled children by applying award rates to the number of children in the population who have two living parents and by applying termination rates to the number of children already receiving benefits.

The long-range model projects separately the number of entitled children by sex of the earner parent. For each age under 18, the model multiplies the projected number of children with a parent aged 62 and over by the ratio of the number of retired workers aged 62 to 71 to the number of members of the population aged 62 to 71. For student beneficiaries, the model multiplies the number of children aged 18 and 19 in the population by the probabilities that: (1) the parent is alive, aged 62 or over, insured, and receiving a retired-worker benefit; and (2) the child is attending high school.

Actuarial Services projects the number of disabled children, aged 18 and over, of retired-worker beneficiaries from the adult population. The short-range model applies award rates to the population and applies termination rates to the number of disabled children already receiving benefits. The long-range model projects the number of disabled children in a manner similar to that used for student children except for an additional factor that reflects the probability of being disabled before age 22.

The short-range model develops the number of spouses of retired workers, who are entitled to spouse benefits because they are caring for a child who is under age 16 or disabled, by applying award rates to the number of awards to children of retired workers and by applying termination rates to the number of young spouses with a child in their care who are already receiving benefits. The long-range model projects the number of young-spouse beneficiaries with a child in their care as a proportion of the number of child

beneficiaries of retired workers, including projected changes in average family size.

Actuarial Services projects the number of aged-widow(er) beneficiaries, excluding those who are also receiving a retired-worker benefit, from the population by age and sex. The short-range model projects fully insured aged-widow(er) beneficiaries in conjunction with the retired-worker beneficiaries. The model projects the number of uninsured aged-widow(er) beneficiaries by applying award rates to the aged uninsured male or female population and by applying termination rates to the population already receiving such benefits. The long-range model projects uninsured aged-widow(er) beneficiaries by marital status. The model multiplies the number of widow(er)s in the population aged 60 and over by the probabilities that: (1) the deceased earner is fully insured at death, (2) the widow(er) is not receiving a benefit for the care of an entitled child, and (3) the widow(er) is not fully insured.

To reflect the Social Security Fairness Act of 2023, an adjustment is also applied to include additional beneficiaries who were previously ineligible for aged widow(er) benefits due to receiving a substantial government pension. In addition, the model applies the same factors to the number of divorced persons aged 60 and over in the population and includes additional factors representing the probability that the person's former earner spouse has died and that the marriage lasted at least 10 years. The model projects the number of insured aged-widow(er) beneficiaries who are ages 60 through 70 in a manner similar to that for uninsured aged-widow(er) beneficiaries. In addition, the model assumes that some insured widow(er)s who had not applied for their retired-worker benefits will receive widow(er) benefits. The model projects insured aged-widow(er) beneficiaries over age 70 by applying termination rates to the population that started receiving such benefits prior to age 70.

The short-range model develops the number of disabled-widow(er) beneficiaries by applying award rates to the male or female population and by applying termination rates to the population already receiving a disabled-widow(er) benefit. The long-range model projects the number for each cohort by age from 50 to normal retirement age as percentages of the widowed and divorced populations, adjusted for the insured status of the deceased spouse, the prevalence of disability, and the probability that the disabled spouse is not receiving another type of benefit.

Actuarial Services bases the projected number of children under age 18, and students aged 18 and 19, who are entitled to benefits as survivors of deceased

workers, on the number of children in the population whose mothers or fathers are deceased. The short-range model develops the number of entitled children by applying award rates to the number of orphaned children and by applying termination rates to the number of children already receiving benefits.

The long-range model projects the number of surviving-child beneficiaries in a manner similar to that for student beneficiaries of retired workers, except that the model replaces the probability that the parent is aged 62 or over with the probability that the parent is deceased.

Actuarial Services projects the number of surviving-disabled-child beneficiaries, aged 18 and over, from the adult population. The short-range model applies award rates to the population and applies termination rates to the number of surviving-disabled-child beneficiaries already receiving benefits. The long-range model projects the number of surviving-disabled-child beneficiaries in a manner similar to that for surviving-student-child beneficiaries, except for including an additional factor to reflect the probability of being disabled before age 22.

The short-range model develops the numbers of entitled surviving-mother and surviving-father beneficiaries by applying award rates to the number of awards to surviving-child beneficiaries, in cases where the children are either under age 16 or disabled, and by applying termination rates to the number of surviving-mother and surviving-father beneficiaries already receiving benefits. The long-range model estimates the numbers of surviving-mother and surviving-father beneficiaries, assuming they are not remarried, from the number of surviving-child beneficiaries.

Actuarial Services projects the number of surviving-parent beneficiaries based on the historical pattern of the number of such beneficiaries.

Table V.C4 shows the projected number of beneficiaries under the OASI program by type of benefit. The retired-worker beneficiary counts include those persons who receive a residual auxiliary benefit in addition to their retired-worker benefit. Actuarial Services makes estimates of the number and amount of residual payments separately for spouses and widow(er)s.

Table V.C4.—OASI Beneficiaries With Benefits in Current-Payment Status at the End of Calendar Years 1945-2100
[In thousands]

	Retired workers and auxiliaries			Survivors				
Calendar year	Worker[a]	Spouse	Child	Widow-widower	Mother-father	Child	Parent	Total
Historical data:								
1945	518	159	13	94	121	377	6	1,288
1950	1,771	508	46	314	169	653	15	3,477
1955	4,474	1,192	122	701	292	1,154	25	7,961
1960	8,061	2,269	268	1,544	401	1,577	36	14,157
1965	11,101	2,614	461	2,371	472	2,074	35	19,128
1970	13,349	2,668	546	3,227	523	2,688	29	23,030
1975	16,589	2,867	643	3,888	582	2,919	21	27,509
1980	19,564	3,018	639	4,415	563	2,610	15	30,823
1985	22,435	3,069	456	4,862	372	1,918	10	33,122
1990	24,841	3,104	421	5,098	304	1,777	6	35,551
1995	26,679	3,027	441	5,213	275	1,884	4	37,522
2000	28,505	2,798	459	4,901	203	1,878	3	38,747
2005	30,461	2,524	488	4,569	178	1,903	2	40,126
2010	34,593	2,316	580	4,285	159	1,913	2	43,847
2015	40,089	2,335	648	4,050	140	1,893	1	49,155
2016	41,233	2,370	661	4,004	133	1,893	1	50,296
2017	42,447	2,375	675	3,961	128	1,904	1	51,491
2018	43,721	2,391	690	3,908	121	1,911	1	52,743
2019	45,094	2,430	701	3,878	117	1,916	1	54,137
2020	46,330	2,323	704	3,823	115	1,936	1	55,231
2021	47,293	2,165	687	3,773	114	1,976	1	56,009
2022	48,588	2,022	682	3,728	112	2,020	1	57,152
2023	50,148	1,895	685	3,688	108	2,037	1	58,562
2024	51,773	1,861	713	3,630	104	2,051	1	60,132
2025	53,625	2,081	734	3,711	99	2,036	1	62,286
Intermediate:								
2026	55,194	2,060	752	3,687	95	2,033	1	63,822
2030	60,694	1,988	831	3,591	84	2,048	1	69,237
2035	64,804	1,933	896	3,533	78	2,029	1	73,274
2040	67,114	1,727	948	3,262	88	2,050	1	75,189
2045	68,461	1,508	1,023	3,010	98	2,104	1	76,206
2050	69,911	1,471	1,090	2,854	97	2,097	1	77,519
2055	72,228	1,474	1,143	2,727	94	2,065	1	79,732
2060	75,393	1,485	1,196	2,629	89	1,998	1	82,790
2065	78,350	1,494	1,212	2,579	84	1,912	1	85,632
2070	81,397	1,494	1,223	2,555	80	1,840	1	88,590
2075	84,322	1,482	1,230	2,536	77	1,792	1	91,439
2080	86,339	1,468	1,226	2,493	75	1,760	1	93,362
2085	87,451	1,453	1,225	2,435	73	1,728	1	94,365
2090	87,446	1,449	1,213	2,365	70	1,688	1	94,231
2095	87,135	1,464	1,208	2,303	67	1,641	1	93,819
2100	87,133	1,488	1,209	2,252	64	1,594	1	93,741

Table V.C4.—OASI Beneficiaries With Benefits in Current-Payment Status at the End of Calendar Years 1945-2100 (Cont.)
[In thousands]

	Retired workers and auxiliaries			Survivors				
Calendar year	Worker[a]	Spouse	Child	Widow-widower	Mother-father	Child	Parent	Total
Low-cost:								
2026	55,183	2,061	753	3,688	95	2,035	1	63,814
2030	60,565	1,994	835	3,589	85	2,064	1	69,133
2035	64,324	1,950	916	3,521	82	2,100	1	72,893
2040	65,754	1,704	995	3,299	89	2,259	1	74,102
2045	66,369	1,472	1,109	3,072	103	2,489	1	74,614
2050	67,145	1,420	1,211	2,936	104	2,614	1	75,432
2055	68,808	1,412	1,295	2,826	105	2,675	1	77,122
2060	71,354	1,404	1,387	2,735	103	2,667	1	79,651
2065	73,730	1,385	1,433	2,683	102	2,641	1	81,974
2070	76,142	1,357	1,471	2,652	103	2,650	1	84,374
2075	78,377	1,323	1,510	2,620	105	2,713	1	86,649
2080	79,718	1,292	1,535	2,570	109	2,807	1	88,032
2085	80,207	1,267	1,566	2,509	112	2,888	1	88,550
2090	79,737	1,264	1,573	2,461	114	2,937	1	88,087
2095	79,778	1,289	1,601	2,458	115	2,964	1	88,205
2100	81,492	1,334	1,663	2,487	116	2,994	1	90,085
High-cost:								
2026	55,210	2,059	752	3,687	95	2,032	1	63,835
2030	60,877	1,984	830	3,596	84	2,034	1	69,406
2035	65,474	1,920	885	3,555	75	1,964	1	73,874
2040	69,006	1,757	909	3,195	83	1,825	1	76,777
2045	71,498	1,553	948	2,908	87	1,730	1	78,725
2050	74,064	1,538	982	2,723	80	1,618	1	81,004
2055	77,386	1,569	1,004	2,575	74	1,526	1	84,134
2060	81,431	1,613	1,018	2,462	67	1,427	1	88,018
2065	85,150	1,653	1,002	2,407	59	1,323	1	91,594
2070	88,960	1,677	983	2,376	52	1,228	1	95,277
2075	92,608	1,687	959	2,359	47	1,146	1	98,806
2080	95,280	1,683	930	2,315	42	1,076	1	101,326
2085	96,941	1,666	901	2,251	38	1,013	1	102,811
2090	97,245	1,649	872	2,160	34	956	1	102,916
2095	96,372	1,618	844	2,044	31	901	1	101,811
2100	94,311	1,595	810	1,936	27	848	1	99,528

[a] Retired-worker beneficiaries include persons who also receive a residual benefit consisting of the excess of an auxiliary benefit over their retired-worker benefit.

Notes:
1. The number of beneficiaries does not include uninsured individuals who receive benefits under section 228 of the Social Security Act. Transfers from the General Fund of the Treasury reimburse the OASI Trust Fund for the cost of most of these individuals.

2. Components may not sum to totals because of rounding.

5. Disability Insurance Beneficiaries

The DI Trust Fund pays for benefits to workers who: (1) satisfy the disability insured requirements, (2) have applied for disabled-worker benefits, (3) are determined to be unable to engage in any substantial gainful activity due to a medically determinable physical or mental impairment severe enough to satisfy the requirements of the program, and (4) have not yet attained normal

retirement age. Spouses and children of such disabled-worker beneficiaries may also receive DI benefits provided they satisfy certain criteria, primarily age and earnings requirements.

Actuarial Services projects the number of disabled-worker beneficiaries in current-payment status (disabled-worker prevalence) for each future year. The projections start with the number in current-payment status as of December 2025. Projections of the number of applicants and new beneficiaries awarded benefits each year (disabled-worker incidence) and the number of beneficiaries leaving the disability rolls each year then determine the number in current-payment status in later years. Beneficiaries leave the rolls due to death and recovery (disabled-worker terminations) and due to conversion from disabled-worker to retired-worker beneficiary status at normal retirement age, after which the OASI Trust Fund pays for benefits. The remainder of this section describes the concepts of disabled-worker incidence, termination, and prevalence.

a. Disabled-Worker Incidence

The disabled-worker incidence rate is the ratio of the number of applicants newly awarded disabled-worker benefits during each year to the number of individuals who meet insured requirements but are not yet receiving benefits (the disability-exposed population[1]). Actuarial Services projects the number of newly awarded beneficiaries for each future year by multiplying assumed age-sex-specific disabled-worker incidence rates and the projected disability-exposed population by age and sex.

Figure V.C3 illustrates the projected incidence rates under the three alternatives along with historical rates. Incidence rates have varied substantially during the historical period since 1970 due to a variety of demographic and economic factors, along with changes in legislation and program administration. The solid lines in figure V.C3 show the age-sex-adjusted incidence rate consistent with the age-sex distribution of the disability-exposed population for 2000. This adjustment allows a meaningful comparison of incidence rates over time by focusing on the likelihood of being awarded disabled-worker benefits, excluding the effects of a changing distribution of the population toward ages where disability is more or less likely.

The dashed lines in figure V.C3 represent the gross (unadjusted) incidence rates. The changing age-sex distribution of the exposed population over time

[1] The disability-exposed population excludes those receiving benefits, while the disability insured population includes them. Section V.C.3 of this report describes the projection of the disability insured population.

influences these unadjusted rates. The gross incidence rate declined relative to the age-sex-adjusted rate between 1970 and 1990 as the baby-boom generation increased the size of the younger working-age population, where disabled-worker incidence is lower than in older populations. Between 1990 and 2010, the gross rate increased relative to the age-sex-adjusted rate as the baby-boom generation moved into an age range where disabled-worker incidence is higher. The projected gross incidence rate generally declines relative to the age-sex-adjusted rate as the baby-boom generation moves above the normal retirement age and the lower-birth-rate cohorts of the 1970s enter prime disability ages (50 to normal retirement age). As these smaller cohorts age beyond normal retirement age, by about 2050, the gross incidence rate returns to a higher relative level under the intermediate assumptions. Thereafter, the gross rate remains higher than the age-sex-adjusted rate, reflecting the persistently higher average age of the working-age population compared to the population in 2000, which is largely due to lower birth rates since 1965 and to the increase in the normal retirement age.

For the first 10 years of the projection period (through 2035), incidence rates reflect several factors following on the experience since the recession of 2007-09. At the beginning of the period of high unemployment that began in 2007, disabled-worker incidence rates started to rise to a level well above the general trend level, with rates reaching a peak in 2010. Between 2010 and 2012, incidence rates subsided as the economy recovered, but the decline continued after 2012, reaching levels well below those expected over the long-term. A portion of the elevation of disabled-worker incidence rates experienced during the recession of 2007-09 likely contributed to the lowering of incidence rates experienced during and after the economic recovery that followed, as many individuals applied for disability benefits earlier than they would have otherwise.

For 2025, the actual age-sex-adjusted incidence rate (3.4 per thousand) was well below the level projected in last year's report (4.4 per thousand). In this year's report, incidence rates under the intermediate alternative are projected to rise more slowly early in the projection period than in last year's report, consistent with the low incidence levels experienced recently. Incidence rates are projected to rise to a temporary peak level for 2029, as some of the reduced levels of new benefit awards in recent years are realized in the next few years. The temporary peak in this year's report is somewhat lower than in last year's report, consistent with the Social Security Administration's recent improvements in reducing the time to process disability claims. After 2029, incidence rates decline from the peak, reaching the ultimate assumed level of incidence by the end of the short-range period.

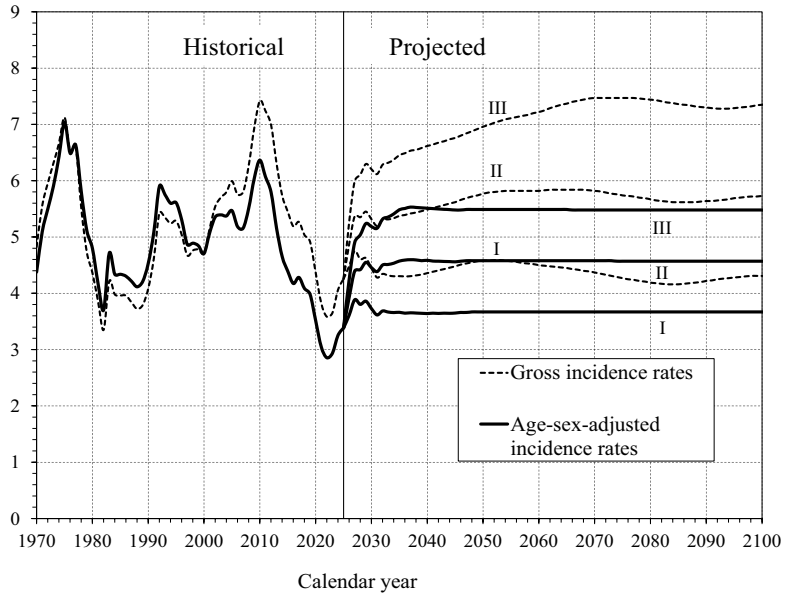
In 2035, at the end of the short-range period, age-sex-specific incidence rates are assumed to reach the ultimate rates assumed for the long-range projections. These ultimate age-sex-specific disabled-worker incidence rates were selected based on careful analysis of historical levels and patterns and expected future conditions, including the impact of scheduled increases in the normal retirement age.[1] The ultimate incidence rates represent the expected average rates of incidence for the future.

For the intermediate alternative, the Trustees assume that the ultimate age-sex-adjusted incidence rate (adjusted to the disability-exposed population for the year 2000) will be 4.6 awards per thousand exposed, which is the same ultimate rate assumed in last year's report. Figure V.C3 illustrates that the age-sex-adjusted incidence rate averaged 4.9 per thousand over the historical period 1970 through 2025, but it has dropped substantially below that level since 2013. There are a number of factors contributing to this decline in incidence rates, including continuing increases in educational attainment and shifts in occupational composition toward less physically demanding work. These factors and the rates seen in recent years are not consistent with an assumption of a full rise back to longer-term past historical averages. The Trustees continue to monitor experience and review the disabled-worker incidence rate assumption.

The Trustees assume that the ultimate age-sex-adjusted incidence rates for the low-cost and high-cost alternatives will be 3.7 and 5.5 awards per thousand exposed, or about 20 percent lower and higher, respectively, than the ultimate incidence rate for the intermediate alternative. These ultimate low-cost and high-cost incidence rates are both unchanged from those in last year's report.

[1] Projected incidence rates are adjusted upward to account for additional workers who are expected to file for disability benefits (rather than retirement benefits) in response to reductions in retirement benefits as the normal retirement age rises.

Figure V.C3.—Disabled-Worker Incidence Rates
[Awards per thousand disability-exposed]



b. Disabled-Worker Termination

Beneficiaries stop receiving disability benefits when they die, experience an improvement in their medically-determinable impairment such that they are deemed able to engage in substantial gainful activity, or return to substantial work. Disabled-worker beneficiaries who return to substantial work for an extended period are deemed to have recovered, and their benefits are then terminated. The termination rate is the ratio of the number of terminations for these reasons to the average number of disabled-worker beneficiaries during the year.

Actuarial Services projects termination rates by age, sex, and reason for termination. In addition, in the long-range period (post 2035), termination rates are projected by duration of entitlement to disabled-worker benefits.

In the short-range period (through 2035), the projected age-sex-adjusted death termination rate (adjusted to the 2000 disabled-worker beneficiary population) under the intermediate assumptions declines from a rate of 26.3 deaths per thousand beneficiaries for 2025 to about 23.5 per thousand for 2035. The projected age-sex-adjusted recovery rate (medical improvement and return to substantial work) under the intermediate assumptions

decreases from the relatively high level of 18.7 per thousand beneficiaries for 2025 to 11.0 per thousand beneficiaries for 2035. The recovery rate has been high in recent years for several reasons, including an ongoing administrative effort to eliminate a backlog of medical continuing disability reviews and to conduct those reviews on a timely basis. The recovery rate is expected to decrease as the backlog of disabled-worker reviews is assumed to be processed over the next several years, with the rate approaching the expected long-term projected rate by 2035. Under the low-cost and high-cost assumptions, total age-sex-adjusted termination rates due to death and recovery are roughly 10 to 20 percent higher and lower, respectively, than under the intermediate assumptions.

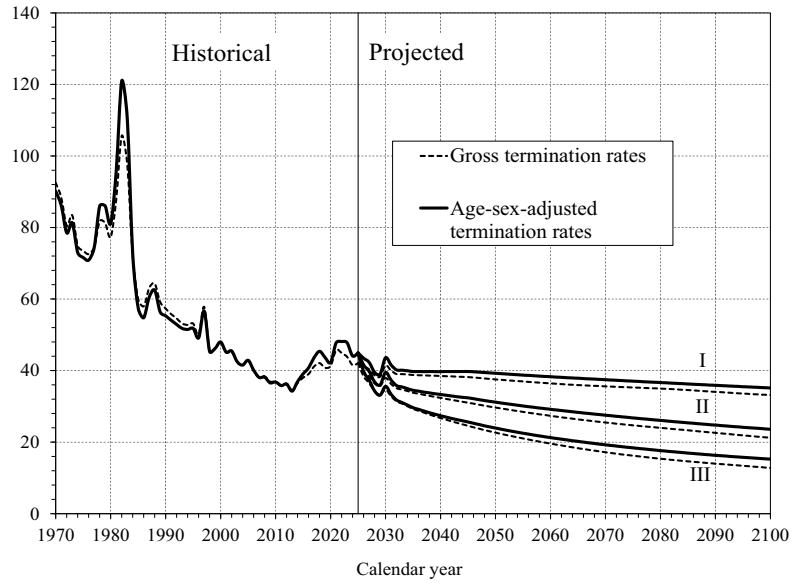
For the long-range period (post-2035), Actuarial Services projects death termination and recovery rates by age, sex, and duration of entitlement relative to the average level of rates experienced over the base period 2016 through 2020. Death termination rates by age and sex change throughout the long-range period at the same rate as death rates in the general population. The age-sex-adjusted death termination rate decreases from 26.3 per thousand beneficiaries in 2025 to 21.8, 12.5, and 6.4 per thousand disabled-worker beneficiaries for 2100 under the low-cost, intermediate, and high-cost assumptions, respectively.

The assumed age-sex-adjusted recovery rate for disabled-worker beneficiaries averages 11.1 per thousand beneficiaries for the period 2036 through 2100 under the intermediate alternative, which is 0.3 higher than the average rate assumed in last year's report. This higher rate reflects the estimated effects of the final rule published on December 31, 2024, establishing an automated wage match with third party payroll data providers. This final rule is expected to increase the number of disability beneficiaries identified with earnings and to identify wages more timely than under prior processes. The assumed age-sex-adjusted recovery rates for the low-cost and high-cost alternatives average 13.3 and 8.9 recoveries per thousand beneficiaries, respectively, for 2036 through 2100. These ultimate low-cost and high-cost recovery rates are similarly higher than in last year's report by roughly 0.3 per thousand.

Figure V.C4 illustrates gross and age-sex-adjusted total termination rates (including both death terminations and recoveries) for disabled-worker beneficiaries for the historical period since 1970, and for the projection period through 2100. As with incidence rates, the age-sex-adjusted termination rate illustrates the real change in the tendency to terminate benefits. Changes in the age-sex distribution of the beneficiary population influence the gross termination rate. A shift in the disabled-worker beneficiary population to older

ages, as occurred over the past 20 years when the baby-boom generation moved into pre-retirement ages, increases gross death termination rates relative to the age-sex-adjusted rates.

Figure V.C4.—Disabled-Worker Termination Rates
[Terminations per thousand disabled-worker beneficiaries]



c. DI Beneficiaries and Disabled-Worker Prevalence Rates

Incidence and termination rates are the foundation for projecting the number of disabled-worker beneficiaries in current-payment status. At normal retirement age, all disabled-worker beneficiaries automatically convert to retired-worker status and leave the DI rolls.

Actuarial Services makes detailed projections of disabled-worker awards, terminations, and conversions and combines these to project the number of disabled workers receiving benefits over the next 75 years. Table V.C5 presents the projected numbers of disabled-worker beneficiaries in current-payment status. The number of disabled-worker beneficiaries in current-payment status grows from 7.1 million at the end of 2025 to 9.4 million, 10.1 million, and 9.8 million at the end of 2100, under the low-cost, intermediate, and high-cost assumptions, respectively. Much of this increase results from the growth and changing age distribution of the population described earlier in this chapter. Table V.C5 also presents projected numbers of auxil-

iary beneficiaries and disabled-worker prevalence rates on both a gross basis and an age-sex-adjusted basis.

Table V.C5.—DI Beneficiaries with Benefits in Current-Payment Status at the End of Calendar Years 1960-2100

[Beneficiaries in thousands; prevalence rates per thousand insured for disability benefits]

Calendar year	Disabled-worker beneficiaries	Auxiliary beneficiaries		Total beneficiaries	Disabled-worker prevalence rates	
		Spouse	Child		Gross	Age-sex-adjusted[a]
Historical data:						
1960	455	77	155	687	9	8
1965	988	193	558	1,739	18	14
1970	1,493	283	889	2,665	20	18
1975	2,488	453	1,411	4,351	29	28
1980	2,856	462	1,359	4,677	28	31
1985	2,653	306	945	3,904	24	26
1990	3,007	266	989	4,261	25	28
1995	4,179	264	1,409	5,852	33	35
2000	5,036	165	1,466	6,667	36	36
2005	6,519	157	1,633	8,309	45	40
2010	8,204	161	1,820	10,185	55	44
2015	8,909	143	1,756	10,808	59	45
2016	8,809	136	1,667	10,612	58	44
2017	8,695	127	1,590	10,412	56	43
2018	8,537	119	1,507	10,164	55	41
2019	8,378	114	1,434	9,927	54	40
2020	8,151	105	1,364	9,620	52	39
2021	7,877	97	1,245	9,219	50	36
2022	7,604	92	1,146	8,842	47	34
2023	7,366	89	1,061	8,515	45	33
2024	7,231	87	1,006	8,324	44	32
2025	7,126	91	949	8,166	43	31
Intermediate:						
2026	7,135	89	923	8,148	43	31
2030	7,194	83	951	8,228	44	32
2035	7,475	86	983	8,544	46	34
2040	8,034	76	1,129	9,239	48	36
2045	8,790	77	1,307	10,174	51	37
2050	9,327	82	1,420	10,829	54	38
2055	9,698	85	1,496	11,279	56	39
2060	9,778	82	1,517	11,377	57	39
2065	9,921	82	1,503	11,506	58	40
2070	9,979	81	1,483	11,543	58	40
2075	9,837	80	1,474	11,391	58	40
2080	9,724	79	1,487	11,291	58	40
2085	9,580	78	1,511	11,170	57	40
2090	9,661	80	1,534	11,275	57	40
2095	9,857	83	1,546	11,486	58	41
2100	10,083	85	1,548	11,717	59	41

Table V.C5.—DI Beneficiaries with Benefits in Current-Payment Status at the End of Calendar Years 1960-2100 (Cont.)
[Beneficiaries in thousands; prevalence rates per thousand insured for disability benefits]

Calendar year	Disabled-worker beneficiaries	Auxiliary beneficiaries		Total beneficiaries	Disabled-worker prevalence rates	
		Spouse	Child		Gross	Age-sex-adjusted[a]
Low-cost:						
2026	7,068	89	913	8,070	43	30
2030	6,691	83	878	7,651	41	30
2035	6,441	86	868	7,395	39	29
2040	6,571	61	977	7,610	38	29
2045	6,996	59	1,165	8,220	39	29
2050	7,329	61	1,297	8,687	41	29
2055	7,576	62	1,385	9,023	42	30
2060	7,635	58	1,416	9,108	41	30
2065	7,767	57	1,418	9,241	41	30
2070	7,859	56	1,429	9,344	40	30
2075	7,840	55	1,470	9,365	40	30
2080	7,894	55	1,544	9,493	39	30
2085	8,008	55	1,626	9,688	38	30
2090	8,408	58	1,696	10,162	39	30
2095	8,964	62	1,749	10,776	40	31
2100	9,431	65	1,793	11,288	40	31
High-cost:						
2026	7,203	89	934	8,226	44	31
2030	7,691	84	1,022	8,797	48	35
2035	8,495	86	1,086	9,667	53	40
2040	9,546	91	1,259	10,897	58	43
2045	10,653	97	1,384	12,134	63	45
2050	11,398	106	1,442	12,946	68	47
2055	11,900	112	1,486	13,497	73	49
2060	11,992	110	1,489	13,592	75	49
2065	12,126	109	1,455	13,690	78	50
2070	12,104	109	1,399	13,612	81	50
2075	11,771	106	1,336	13,213	81	50
2080	11,390	104	1,281	12,774	82	51
2085	10,834	99	1,240	12,172	81	51
2090	10,371	97	1,212	11,681	81	51
2095	9,942	93	1,185	11,220	81	51
2100	9,756	94	1,152	11,003	81	51

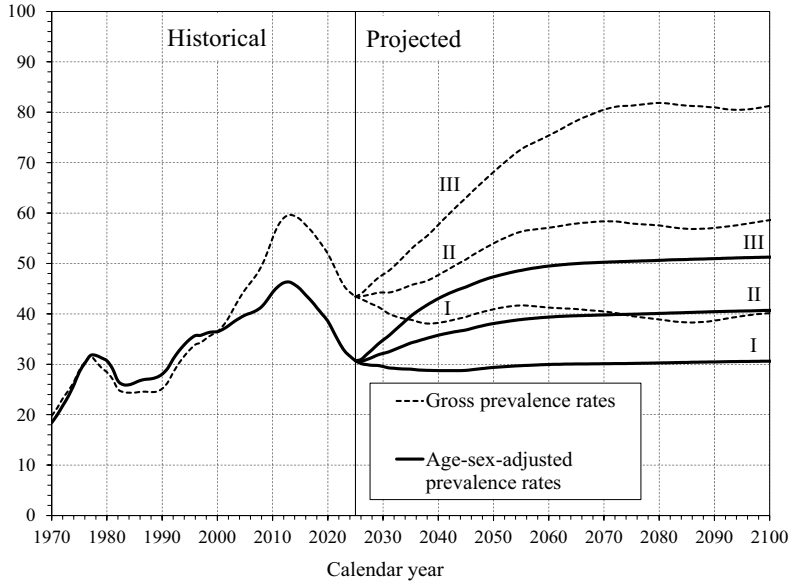
[a] Adjusted to the age-sex distribution of the disability insured population for the year 2000.

Note: Components may not sum to totals because of rounding.

The disabled-worker prevalence rate is the ratio of the number of disabled-worker beneficiaries in current-payment status to the number insured for disability benefits. Figure V.C5 illustrates the historical and projected disabled-worker prevalence rates on both a gross basis and on an age-sex-adjusted basis (adjusted to the age-sex distribution of the disability insured population for the year 2000).

Changes in prevalence rates are a direct result of changes in incidence rates and termination rates. Annual incidence and termination rates are not directly comparable or combinable because their denominators differ.

Figure V.C5.—Disabled-Worker Prevalence Rates
[Rate per thousand insured for disability benefits]



Age-sex-adjusted prevalence rates increased rapidly from 1990 to about 2013 primarily because: (1) termination rates, in particular death termination rates, declined; (2) incidence rates at younger ages increased relative to rates at older ages (new beneficiaries at younger ages have more potential years on the disability rolls); and (3) incidence rates increased substantially for women to parity with men. Gross prevalence rates increased more than age-sex-adjusted prevalence rates over this period as the baby-boom generation began to reach ages 45 through normal retirement age, ages at which disabled-worker incidence rates are relatively high.

Both age-sex-adjusted and gross prevalence rates have since dropped sharply from the peak in 2013, primarily due to the historically low incidence rates experienced recently. Actuarial Services projects both gross and age-sex-adjusted prevalence rates to begin to grow again in the future, but at a slower pace than between 1990 and 2013, based on assumed stabilization in three factors: (1) the age distribution of the general population, (2) the age distribution of the disability insured population, and (3) incidence rates by age and sex. As these factors gradually stabilize, the declining death termination rate continues to have a small influence toward higher disabled-worker prevalence rates.

As mentioned above in the discussion of incidence and termination rates, the age-sex-adjusted prevalence rate isolates the changing trend in the underlying likelihood of receiving benefits for the insured population, without reflecting changes in the age and sex distribution of the population. As with incidence rates, gross disabled-worker prevalence rates declined relative to the age-sex-adjusted rate when the baby-boom generation reached working age between 1970 and 1990; this trend reflects the lower disabled-worker prevalence rates associated with younger ages. Conversely, the gross rate of disabled-worker prevalence increased relative to the age-sex-adjusted rate from 1990 to 2013 due to the aging of the baby-boom generation into ages with higher disabled-worker prevalence rates.

Under the intermediate assumptions, the projected age-sex-adjusted disabled-worker prevalence rate grows from 30.7 per thousand disability insured workers at the end of 2025 to 40.7 per thousand at the end of 2100. The projected age-sex-adjusted disabled-worker prevalence rate at the end of 2100 is 30.6 per thousand under the low-cost assumptions and 51.3 per thousand under the high-cost assumptions.

Table V.C5 presents projections of the numbers of auxiliary beneficiaries paid from the DI Trust Fund. As indicated at the beginning of this subsection, auxiliary beneficiaries are qualifying spouses and children of disabled-worker beneficiaries. A spouse must either be at least age 62 or have an eligible child beneficiary in their care who is either under age 16 or disabled prior to age 22. A child must be: (1) under age 18, (2) age 18 or 19 and still a student in high school, or (3) age 18 or older and disabled prior to age 22.

The projection of the number of auxiliary beneficiaries relies on the projected number of disabled-worker beneficiaries. In the short-range period (2026 through 2035), Actuarial Services projects incidence and termination rates for each category of auxiliary beneficiary. After 2035, child beneficiaries at ages 18 and under are projected in relation to the projected number of children in the population using the probability that either of their parents is a disabled-worker beneficiary. The remaining categories of children and spouses are projected in a similar manner.

6. Covered and Taxable Earnings, Taxable Payroll, and Payroll Tax Contributions

Covered earnings include covered wages and covered self-employment net earnings. Actuarial Services projects covered wages for component sectors of the economy (i.e., private, State and local government, Federal civilian, and military) based on the projected overall growth of sectoral and total

wages in the U.S. economy. The projections of covered wages also reflect changes in covered employment due to a relative increase in non-covered unlawfully present immigrants and to the mandatory coverage of new hires in the Federal civilian sector. Covered self-employment net earnings are projected based on the growth in net proprietors' income in the U.S. economy.

Taxable earnings are the portion of covered earnings subject to the OASDI payroll tax. Taxable wages for an employee are total covered wages from all wage employment up to the contribution and benefit base. Taxable wages for an employer are the sum of all covered wages paid to each employee up to the base. Employees with multiple jobs whose total wages exceed the base are eligible for a refund of excess employee taxes withheld; employers are not eligible for a refund on this basis. For self-employed workers with no taxable wages, taxable earnings are the amount of covered self-employment net earnings up to the base. For self-employed workers with taxable wages less than the base, covered self-employment net earnings are taxable up to the difference between the base and their taxable wages. For projection purposes, Actuarial Services computes taxable earnings based on a proportion of covered earnings that is at or below the base.

The OASDI taxable payroll (see table VI.G1) for a year is computed as the amount of earnings which, when multiplied by the combined OASDI employee-employer payroll tax rate for that year, yields the total amount of payroll taxes due from wages paid and self-employment net earnings for the year. Taxable payroll is used as the denominator for income rates, cost rates, and actuarial balances. Taxable payroll is derived by adjusting total taxable earnings to account for categories of earnings that are taxed at rates other than the combined employee-employer rate and to take into account amounts credited as wages that were not included in normally reported wages. For 1951 and later, taxable earnings are reduced by one-half of the amount of wages paid to employees with multiple jobs that exceed the contribution and benefit base. For 1983 through 2001, deemed wage credits for military service after 1956 are added to taxable earnings. The self-employment tax rates for 1951 through 1983 were less than the combined employee-employer rates; therefore, the self-employment component of taxable payroll for those years is reduced by multiplying the ratio of the self-employment rate to the combined employee-employer rate times the taxable self-employment net earnings. Finally, for 1966 through 1979, employers were exempt from paying their share of payroll tax on their employees' tips and, for 1980 through 1987, employers paid tax on only part of their employees' tips. For those years, the taxable payroll is reduced by half of the amount of tips for which the employer owed no payroll tax.

The ratio of taxable payroll to covered earnings (the taxable ratio) declined from 88.6 percent for 1984 to 82.6 percent for 2000, as earnings for very high earners increased much more than for all other earners. Furthermore, the taxable ratio has usually declined near peaks of economic cycles (such as in 2000) and risen during economic downturns, because earnings for the highest earners often include profit-based incentives and tend to change more with procyclical economic indicators such as corporate profits and stock prices. Specifically, the taxable ratio rose to 85.7 percent for 2002, a year following the 2001 recession; declined to 82.4 percent for 2007, which marked the peak of the economic cycle before the 2007-09 recession; rose to 85.2 percent for 2009, the trough of that recession; and averaged 83.0 percent for the period 2010 to 2019, which encompassed the subsequent recovery and expansion leading to the next economic peak.

During the pandemic-induced recession in 2020, the ratio declined to 82.2 percent from the previous year's 83.1 percent. Unlike previous economic downturns, this recession led to a greater decrease in earnings for earners at the low end of the earnings distribution than for those at the high end, partly because annual profits and stock prices continued to rise. This resulted in a relatively higher proportion of total wages being above the contribution and benefit base than has typically been the case in other economic downturns. The ratio declined further to 80.4 percent for 2021, as many workers were rehired or newly hired at the low end of the earnings distribution, while some high earners benefited from increased bonuses and the exercising of stock options. As economic growth stabilized closer to the sustainable trend, the taxable ratio increased to 82.0 percent for 2022, to 83.2 percent for 2023, and is estimated to be 82.9 percent for 2024.

For each alternative, the ratio reaches an assumed level at the end of the short-range period (2035). These levels are 84.0 percent for the low-cost assumptions, 82.5 percent for the intermediate assumptions, and 81.0 percent for the high-cost assumptions.[1] These are the same assumptions used for the end of the short-range period (2034) in the 2025 report.

Actuarial Services projects payroll tax contributions using the patterns of tax collection required by Federal laws and regulations. Payroll tax liabilities are determined by multiplying the scheduled tax rates for each year by the amount of taxable wages and self-employment net earnings for that year. These liabilities are then split into amounts by collection period. For wages, Federal law requires that employers withhold OASDI and HI payroll taxes

[1] After 2035, the taxable ratio drifts down slightly to 82.3 and 80.7 percent for 2100 for the intermediate and high-cost assumptions, as self-employment income (which has a lower percent taxable than wages) becomes an increasing share of total earnings. The taxable ratio remains stable at 84.0 percent for the low-cost assumptions.

and Federal individual income taxes from employees' pay. As an employer's accumulation of such taxes (including the employer share of payroll taxes) meets certain thresholds, which the Department of the Treasury determines, the employer must deposit these taxes with the U.S. Treasury by a specific day, depending on the amount of money involved.[1] For projection purposes, payroll tax contributions related to wages are split into amounts paid in the same quarter as incurred and in the following quarter. Self-employed workers must make estimated tax payments on their earnings four times during the year and make up any underestimate on their individual income tax returns. The projected self-employed tax liabilities are split by collection quarter to reflect this pattern.

The projected tax contributions also reflect the method used to ensure that money transferred to the trust funds is adjusted, over time, to equal the actual liability owed. Because payers generally make tax payments without identifying the separate OASDI contribution amounts, Treasury makes daily transfers of money from the General Fund to the trust funds on an initial estimated basis. The Social Security Administration periodically certifies the amounts of wages and self-employment net earnings on which tax contributions are owed for each year, at which time Treasury determines adjustments to appropriations to reconcile tax liabilities with deposits in the trust funds. This process also includes periodic transfers from the trust funds to the General Fund for contributions on wages in excess of the contribution and benefit base.

Table V.C6 shows the payroll tax contribution rates applicable under current law in each calendar year and the allocation of these rates between the OASI and DI Trust Funds.[2] It also shows the contribution and benefit base for each year through 2026.

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[1] Generally, the higher the amount of liability, the sooner the taxes must be paid. For smaller employers, payment is due by the middle of the month following when the liability was incurred. Medium-size employers have three banking days in which to make their deposits. Larger employers must make payment on the next business day after paying their employees.

[2] Payroll tax contribution rates for OASDI and for the Medicare Hospital Insurance (HI) program are available at www.ssa.gov/oact/ProgData/taxRates.html. Note that the HI taxable payroll is about 25 percent larger than OASDI taxable payroll over the projection period because: (1) there is no maximum taxable amount for HI; (2) some State and Local government employees (and a small number of Federal civilian employees) are covered under HI and not OASDI; and (3) earnings of railroad workers are included in HI taxable payroll and not in OASDI taxable payroll.

Table V.C6.—Contribution and Benefit Base and Payroll Tax Contribution Rates

Calendar years	Contribution and benefit base	Payroll tax contribution rates (percent)					
		Employees and employers, combined[a]			Self-employed[b]		
		OASDI	OASI	DI	OASDI	OASI	DI
1937-49	$3,000	2.00	2.00	—	—	—	—
1950	3,000	3.00	3.00	—	—	—	—
1951-53	3,600	3.00	3.00	—	2.2500	2.2500	—
1954	3,600	4.00	4.00	—	3.0000	3.0000	—
1955-56	4,200	4.00	4.00	—	3.0000	3.0000	—
1957-58	4,200	4.50	4.00	0.50	3.3750	3.0000	0.3750
1959	4,800	5.00	4.50	.50	3.7500	3.3750	.3750
1960-61	4,800	6.00	5.50	.50	4.5000	4.1250	.3750
1962	4,800	6.25	5.75	.50	4.7000	4.3250	.3750
1963-65	4,800	7.25	6.75	.50	5.4000	5.0250	.3750
1966	6,600	7.70	7.00	.70	5.8000	5.2750	.5250
1967	6,600	7.80	7.10	.70	5.9000	5.3750	.5250
1968	7,800	7.60	6.65	.95	5.8000	5.0875	.7125
1969	7,800	8.40	7.45	.95	6.3000	5.5875	.7125
1970	7,800	8.40	7.30	1.10	6.3000	5.4750	.8250
1971	7,800	9.20	8.10	1.10	6.9000	6.0750	.8250
1972	9,000	9.20	8.10	1.10	6.9000	6.0750	.8250
1973	10,800	9.70	8.60	1.10	7.0000	6.2050	.7950
1974	13,200	9.90	8.75	1.15	7.0000	6.1850	.8150
1975	14,100	9.90	8.75	1.15	7.0000	6.1850	.8150
1976	15,300	9.90	8.75	1.15	7.0000	6.1850	.8150
1977	16,500	9.90	8.75	1.15	7.0000	6.1850	.8150
1978	17,700	10.10	8.55	1.55	7.1000	6.0100	1.0900
1979	22,900	10.16	8.66	1.50	7.0500	6.0100	1.0400
1980	25,900	10.16	9.04	1.12	7.0500	6.2725	.7775
1981	29,700	10.70	9.40	1.30	8.0000	7.0250	.9750
1982	32,400	10.80	9.15	1.65	8.0500	6.8125	1.2375
1983	35,700	10.80	9.55	1.25	8.0500	7.1125	.9375
1984[c]	37,800	11.40	10.40	1.00	11.4000	10.4000	1.0000
1985[c]	39,600	11.40	10.40	1.00	11.4000	10.4000	1.0000
1986[c]	42,000	11.40	10.40	1.00	11.4000	10.4000	1.0000
1987[c]	43,800	11.40	10.40	1.00	11.4000	10.4000	1.0000
1988[c]	45,000	12.12	11.06	1.06	12.1200	11.0600	1.0600
1989[c]	48,000	12.12	11.06	1.06	12.1200	11.0600	1.0600
1990	51,300	12.40	11.20	1.20	12.4000	11.2000	1.2000
1991	53,400	12.40	11.20	1.20	12.4000	11.2000	1.2000
1992	55,500	12.40	11.20	1.20	12.4000	11.2000	1.2000
1993	57,600	12.40	11.20	1.20	12.4000	11.2000	1.2000
1994	60,600	12.40	10.52	1.88	12.4000	10.5200	1.8800
1995	61,200	12.40	10.52	1.88	12.4000	10.5200	1.8800
1996	62,700	12.40	10.52	1.88	12.4000	10.5200	1.8800
1997	65,400	12.40	10.70	1.70	12.4000	10.7000	1.7000
1998	68,400	12.40	10.70	1.70	12.4000	10.7000	1.7000
1999	72,600	12.40	10.70	1.70	12.4000	10.7000	1.7000
2000	76,200	12.40	10.60	1.80	12.4000	10.6000	1.8000
2001	80,400	12.40	10.60	1.80	12.4000	10.6000	1.8000
2002	84,900	12.40	10.60	1.80	12.4000	10.6000	1.8000
2003	87,000	12.40	10.60	1.80	12.4000	10.6000	1.8000
2004	87,900	12.40	10.60	1.80	12.4000	10.6000	1.8000
2005	90,000	12.40	10.60	1.80	12.4000	10.6000	1.8000

Table V.C6.—Contribution and Benefit Base and Payroll Tax Contribution Rates (Cont.)

Calendar years	Contribution and benefit base	Payroll tax contribution rates (percent)					
		Employees and employers, combined[a]			Self-employed[b]		
		OASDI	OASI	DI	OASDI	OASI	DI
2006	$94,200	12.40	10.60	1.80	12.4000	10.6000	1.8000
2007	97,500	12.40	10.60	1.80	12.4000	10.6000	1.8000
2008	102,000	12.40	10.60	1.80	12.4000	10.6000	1.8000
2009	106,800	12.40	10.60	1.80	12.4000	10.6000	1.8000
2010[d]	106,800	12.40	10.60	1.80	12.4000	10.6000	1.8000
2011[d]	106,800	10.40	8.89	1.51	10.4000	8.8900	1.5100
2012[d]	110,100	10.40	8.89	1.51	10.4000	8.8900	1.5100
2013	113,700	12.40	10.60	1.80	12.4000	10.6000	1.8000
2014	117,000	12.40	10.60	1.80	12.4000	10.6000	1.8000
2015	118,500	12.40	10.60	1.80	12.4000	10.6000	1.8000
2016	118,500	12.40	10.03	2.37	12.4000	10.0300	2.3700
2017	127,200	12.40	10.03	2.37	12.4000	10.0300	2.3700
2018	128,400	12.40	10.03	2.37	12.4000	10.0300	2.3700
2019	132,900	12.40	10.60	1.80	12.4000	10.6000	1.8000
2020	137,700	12.40	10.60	1.80	12.4000	10.6000	1.8000
2021	142,800	12.40	10.60	1.80	12.4000	10.6000	1.8000
2022	147,000	12.40	10.60	1.80	12.4000	10.6000	1.8000
2023	160,200	12.40	10.60	1.80	12.4000	10.6000	1.8000
2024	168,600	12.40	10.60	1.80	12.4000	10.6000	1.8000
2025	176,100	12.40	10.60	1.80	12.4000	10.6000	1.8000
2026	184,500	12.40	10.60	1.80	12.4000	10.6000	1.8000
2027 and later	[e]	12.40	10.60	1.80	12.4000	10.6000	1.8000

[a] Except as noted below, the combined employee/employer rate is divided equally between employees and employers.
[b] Beginning in 1990, self-employed persons receive a deduction, for purposes of computing their net earnings, equal to half of the combined OASDI and HI contributions that would be payable without regard to the contribution and benefit base. The OASDI contribution rate then applies to net earnings after this deduction, but subject to the OASDI base.
[c] In 1984 only, employees received an immediate credit of 0.3 percent of taxable wages against their OASDI payroll tax contributions. The self-employed received similar credits of 2.7 percent, 2.3 percent, and 2.0 percent against their combined OASDI and Hospital Insurance (HI) contributions on net earnings from self-employment in 1984, 1985, and 1986-89, respectively. The General Fund of the Treasury reimbursed the trust funds for these credits.
[d] Public Law 111-147 exempted most employers from paying the employer share of OASDI payroll tax on wages paid during the period March 19, 2010 through December 31, 2010 to certain qualified individuals hired after February 3, 2010. Public Law 111-312 reduced the OASDI payroll tax rate for 2011 by 2 percentage points for employees and for self-employed workers. Public Law 112-96 extended the 2011 rate reduction through 2012. These laws require that the General Fund of the Treasury reimburse the OASI and DI Trust Funds for these temporary reductions in 2010 through 2012 payroll tax revenue, in order to "replicate to the extent possible" revenue that would have been received if the combined employee/employer payroll tax rates had remained at 12.4 percent for OASDI (10.6 percent for OASI and 1.8 percent for DI).
[e] Subject to automatic adjustment based on increases in average wages.

7. Income From Taxation of Benefits

Under current law, the OASI and DI Trust Funds are credited with income tax revenue from the taxation of up to the first 50 percent of taxpayers' OASI and DI benefit payments. (The HI Trust Fund receives the remainder of the income tax revenue from the taxation of up to 85 percent of taxpayers' OASI and DI benefit payments.) Benefits are partially subject to federal income tax for beneficiaries with income (defined for this purpose as adjusted gross

income excluding Social Security benefits, plus half of their Social Security benefits and all of their non-taxable interest income) in excess of specified threshold amounts. The threshold amounts are $25,000 for single filers, $32,000 for joint filers, and $0 for those married individuals filing separately.

For the short-range period, Actuarial Services estimates the income to the OASI and DI Trust Funds from taxation of benefits by applying the following two factors (projected by the Office of Tax Analysis in the Department of the Treasury) to total OASI and DI scheduled benefits: (1) the percentage of taxpayers' scheduled benefits (limited to 50 percent) that is taxable and (2) the average marginal tax rate applicable to those benefits. Up to 85 percent of benefits may be subject to federal income tax, with any tax on more than 50 percent of a taxpayer's benefits credited to the Medicare Hospital Insurance Trust Fund.

For the long-range period, Actuarial Services estimates the income to the trust funds from taxation of benefits by applying projected ratios of taxation of OASI and DI benefits to total OASI and DI scheduled benefits. These tax ratios rely on estimates from the Office of Tax Analysis in the Department of the Treasury. Actuarial Services' estimates reflect the following approach. First, the income thresholds used for benefit taxation are specified in the Internal Revenue Code to be constant in the future, and have never been changed, while income and benefit levels continue to rise. Accordingly, projected ratios of income from taxation of benefits to the amount of benefits increase gradually. Second, because indexation of income tax brackets is not specified in the Social Security Act, and because periodic changes have been made in the past to avoid indefinite compression of the income tax brackets relative to income levels (bracket creep), the Trustees assume that such periodic changes will occur in the future. As a result, after the tenth year of the projection period, income tax brackets are assumed to rise with average wages, rather than with the C-CPI-U as specified under current law. Thus, the income tax brackets are projected to roughly maintain their levels relative to the income distribution.

Note that the One Big Beautiful Bill Act, which the President signed into law on July 4, 2025, made permanent the lower ordinary income tax rates and adjusted tax brackets originally enacted under the Tax Cuts and Jobs Act of 2017. Under the 2017 Act, those brackets were set to expire in 2026. Therefore, Actuarial Services' estimates no longer incorporate a permanent level shift upward in the ratios for 2026 and beyond.

8. Average Benefits

Projections of average benefits for each benefit type reflect recent historical averages, projected average primary insurance amounts (PIAs), and projected ratios of average benefits to average PIAs. Calculations of average PIAs are based on projected distributions of beneficiaries by duration from year of initial entitlement, average PIAs at initial entitlement, and increases in PIAs after initial entitlement. Projected increases in average PIAs after initial entitlement depend on automatic benefit increases, recomputations to reflect additional covered earnings, and differences in mortality by level of lifetime earnings. Calculations of future average PIAs at initial entitlement are based on projected earnings histories, which in turn reflect a combination of the actual earnings histories associated with a sample of 2022 initial entitlements and more recent actual earnings levels by age and sex for covered workers.

For retired-worker, aged-spouse, and aged-widow(er) benefits, the percentage of the PIA that is payable depends on the age at initial entitlement to benefits. Projected ratios of average benefits to average PIAs for these types of benefits are based on projections of age distributions at initial entitlement.

9. Scheduled Benefits

For each type of benefit, scheduled benefits are the product of the number of beneficiaries and the corresponding average monthly benefit. The short-range model calculates scheduled benefits on a quarterly basis. The long-range model calculates all scheduled benefits on an annual basis, using the number of beneficiaries at the beginning and end of the year. Adjustments to these annual scheduled benefits include retroactive payments to newly awarded beneficiaries and other amounts not reflected in the regular monthly scheduled benefits.

Scheduled lump-sum death benefits are estimated as the product of: (1) the number of lump-sum death payments projected on the basis of the assumed death rates, the projected fully insured population, and the estimated percentage of the fully insured population that will qualify for lump-sum death payments; and (2) the amount of the lump-sum death payment, which is $255 (unindexed since 1973).

10. Illustrative Scheduled Benefit Amounts

Table V.C7 shows, under the intermediate assumptions, future scheduled benefit amounts payable upon retirement at the normal retirement age and at age 65, for various hypothetical workers attaining age 65 in 2026 and subsequent years. The illustrative benefit amounts in table V.C7 are presented in CPI-indexed 2026 dollars—that is, adjusted to 2026 levels by the CPI indexing series shown in table VI.G1. Table V.C7 also shows each benefit amount as a percentage of the average of each hypothetical worker's highest 35 years of Social Security covered earnings, indexed by national average wage growth to the year prior to initial entitlement to retired-worker benefits.[1]

The normal retirement age was 65 for individuals who attained age 62 before 2000. It increased to age 66 during the period 2000 through 2005, at a rate of 2 months per year as workers attained age 62. It further increased to age 67 during the period 2017 through 2022, also by 2 months per year as workers attained age 62. The illustrative benefit amounts shown in table V.C7 for retirees at age 65 are lower than the amounts shown for retirees at normal retirement age because monthly benefits taken before normal retirement age are reduced to reflect the expected additional years benefits will be collected. For example, those who start collecting benefits at age 65 in 2027 and survive to age 67 will receive benefits for two more years than if they had instead waited to start collecting benefits at normal retirement age in 2029.

Table V.C7 shows five different pre-retirement earnings patterns. Four of these patterns assume the earnings history of workers with scaled-earnings patterns[2] and reflect very low, low, medium, and high career-average levels of pre-retirement earnings starting at age 21. The fifth pattern assumes the earnings history of a steady maximum earner starting at age 22. The four scaled-earnings patterns derive from earnings experienced by insured workers during calendar years 2003 through 2022. These earnings levels differ by age. The career-average level of earnings for each scaled case targets a percent of the AWI.

For the scaled medium earner, the career-average earnings level is about equal to the AWI (estimated to be $75,247 for 2026). For the scaled very low, low, and high earners, the career-average earnings level, wage-indexed to the year before starting benefits, is about 25 percent, 45 percent, and 160 percent of the AWI, respectively (estimated to be $18,812, $33,861, and

[1] Actuarial Note 2026.9 has more details about illustrative benefits for hypothetical workers. See www.ssa.gov/OACT/NOTES/ran9/.

[2] Actuarial Note 2026.3 has more details about scaled-earnings patterns. See www.ssa.gov/OACT/NOTES/ran3/.

$120,395, respectively, for 2026). The steady maximum earner has earnings at or above the contribution and benefit base ($184,500 for 2026) for each year starting at age 22 through the year prior to retirement.

Table V.C7.—Annual Scheduled Benefit Amounts[a] for Retired Workers With Various Pre-Retirement Earnings Patterns Based on Intermediate Assumptions, Calendar Years 2026-2100

	Retirement at normal retirement age			Retirement at age 65		
Year attain age 65[b]	Age at retirement	CPI-indexed 2026 dollars[c]	Percent of 35-year average earnings	Age at retirement	CPI-indexed 2026 dollars[c]	Percent of 35-year average earnings
Scaled very low earnings:[d]						
2026	67:0	$13,855	74.3	65:0	$11,954	66.4
2030	67:0	14,738	73.2	65:0	12,754	66.0
2035	67:0	16,154	74.2	65:0	13,978	65.9
2040	67:0	17,587	76.0	65:0	15,217	67.4
2045	67:0	18,702	76.2	65:0	16,180	67.5
2050	67:0	19,841	76.5	65:0	17,173	67.7
2055	67:0	20,992	76.6	65:0	18,170	67.8
2060	67:0	22,176	76.6	65:0	19,191	67.8
2065	67:0	23,427	76.5	65:0	20,276	67.7
2070	67:0	24,771	76.5	65:0	21,437	67.7
2075	67:0	26,203	76.5	65:0	22,679	67.7
2080	67:0	27,718	76.5	65:0	23,989	67.7
2085	67:0	29,327	76.4	65:0	25,381	67.7
2090	67:0	31,036	76.4	65:0	26,862	67.7
2095	67:0	32,851	76.5	65:0	28,432	67.7
2100	67:0	34,765	76.5	65:0	30,090	67.7
Scaled low earnings:[e]						
2026	67:0	18,153	54.1	65:0	15,659	48.3
2030	67:0	19,324	53.3	65:0	16,689	48.0
2035	67:0	21,180	54.0	65:0	18,307	48.0
2040	67:0	23,038	55.3	65:0	19,925	49.0
2045	67:0	24,494	55.5	65:0	21,188	49.1
2050	67:0	25,990	55.6	65:0	22,485	49.2
2055	67:0	27,496	55.7	65:0	23,788	49.3
2060	67:0	29,048	55.7	65:0	25,131	49.3
2065	67:0	30,685	55.7	65:0	26,547	49.3
2070	67:0	32,444	55.7	65:0	28,069	49.2
2075	67:0	34,322	55.7	65:0	29,690	49.2
2080	67:0	36,308	55.6	65:0	31,408	49.2
2085	67:0	38,416	55.6	65:0	33,231	49.2
2090	67:0	40,654	55.6	65:0	35,167	49.2
2095	67:0	43,031	55.6	65:0	37,223	49.2
2100	67:0	45,536	55.7	65:0	39,392	49.2
Scaled medium earnings:[f]						
2026	67:0	30,003	40.2	65:0	25,846	35.9
2030	67:0	31,915	39.6	65:0	27,552	35.6
2035	67:0	34,975	40.2	65:0	30,208	35.6
2040	67:0	38,036	41.1	65:0	32,874	36.4
2045	67:0	40,435	41.2	65:0	34,956	36.5
2050	67:0	42,899	41.3	65:0	37,087	36.5
2055	67:0	45,384	41.4	65:0	39,240	36.6
2060	67:0	47,948	41.4	65:0	41,452	36.6
2065	67:0	50,648	41.4	65:0	43,788	36.6
2070	67:0	53,554	41.3	65:0	46,298	36.6
2075	67:0	56,650	41.3	65:0	48,974	36.6
2080	67:0	59,925	41.3	65:0	51,805	36.5
2085	67:0	63,405	41.3	65:0	54,813	36.5
2090	67:0	67,101	41.3	65:0	58,007	36.5
2095	67:0	71,022	41.3	65:0	61,398	36.5
2100	67:0	75,157	41.3	65:0	64,973	36.6

Table V.C7.—Annual Scheduled Benefit Amounts[a] for Retired Workers With Various Pre-Retirement Earnings Patterns Based on Intermediate Assumptions, Calendar Years 2026-2100 (Cont.)

	Retirement at normal retirement age			Retirement at age 65		
Year attain age 65[b]	Age at retirement	CPI-indexed 2026 dollars[c]	Percent of 35-year average earnings	Age at retirement	CPI-indexed 2026 dollars[c]	Percent of 35-year average earnings
Scaled high earnings:[g]						
2026	67:0	$39,594	33.2	65:0	$34,157	29.6
2030	67:0	42,129	32.7	65:0	36,427	29.5
2035	67:0	46,184	33.1	65:0	39,944	29.4
2040	67:0	50,262	33.9	65:0	43,496	30.1
2045	67:0	53,442	34.0	65:0	46,251	30.1
2050	67:0	56,695	34.1	65:0	49,064	30.2
2055	67:0	59,988	34.2	65:0	51,914	30.2
2060	67:0	63,375	34.2	65:0	54,848	30.3
2065	67:0	66,941	34.2	65:0	57,932	30.2
2070	67:0	70,781	34.1	65:0	61,256	30.2
2075	67:0	74,869	34.1	65:0	64,793	30.2
2080	67:0	79,198	34.1	65:0	68,542	30.2
2085	67:0	83,798	34.1	65:0	72,523	30.2
2090	67:0	88,680	34.1	65:0	76,745	30.2
2095	67:0	93,863	34.1	65:0	81,231	30.2
2100	67:0	99,330	34.1	65:0	85,962	30.2
Steady maximum earnings:[h]						
2026	67:0	48,614	26.4	65:0	41,698	23.5
2030	67:0	51,780	26.0	65:0	44,526	23.3
2035	67:0	56,766	26.4	65:0	48,827	23.3
2040	67:0	61,724	27.0	65:0	53,134	23.8
2045	67:0	65,688	27.0	65:0	56,558	23.8
2050	67:0	69,629	27.1	65:0	59,952	23.9
2055	67:0	73,566	27.2	65:0	63,343	24.0
2060	67:0	77,671	27.2	65:0	66,878	24.0
2065	67:0	82,024	27.2	65:0	70,631	24.0
2070	67:0	86,769	27.2	65:0	74,728	24.0
2075	67:0	91,794	27.2	65:0	79,066	24.0
2080	67:0	97,112	27.2	65:0	83,646	23.9
2085	67:0	102,749	27.2	65:0	88,504	23.9
2090	67:0	108,734	27.2	65:0	93,659	23.9
2095	67:0	115,090	27.2	65:0	99,133	23.9
2100	67:0	121,788	27.2	65:0	104,903	24.0

[a] Annual amounts are the total for the 12-month period starting with the month of retirement.
[b] Attains age 65 on January 1 of the year.
[c] CPI-indexed dollar adjustment uses the adjusted CPI indexing series shown in table VI.G1.
[d] Career average earnings at about 25 percent of the national Average Wage Index (AWI).
[e] Career average earnings at about 45 percent of the AWI.
[f] Career average earnings at about 100 percent of the AWI.
[g] Career average earnings at about 160 percent of the AWI.
[h] Earnings for each year at or above the contribution and benefit base.

11. Administrative Expenses

The projection of administrative expenses through the short-range period is based on historical experience and the projected growth in average wages. The Social Security Administration's Budget department provides estimates for the first several years of the projection. For years after the short-range period, projected administrative expenses reflect increases in the number of beneficiaries in current-payment status, and increases in the average wage. However, the increases in average wage are partially offset by assumed administrative productivity gains.

12. Railroad Retirement Financial Interchange

Railroad workers are covered under a separate multi-tiered benefit plan, with a first tier of coverage similar to OASDI coverage. An annual financial interchange between the Railroad Retirement fund and the OASI and DI Trust Funds is made to resolve the difference between: (1) the amount of OASDI benefits that would be paid to railroad workers and their families if railroad employment had been covered under the OASDI program, plus administrative expenses associated with these benefits; and (2) the amount of OASDI payroll tax and income tax that would be received with allowances for interest from railroad workers.

Actuarial Services' projection of future amounts for the financial interchange with the Railroad Retirement fund reflects trends similar to those used in estimating the cost of OASDI benefits. The annual short-range net cost for the OASI and DI Trust Funds is about $6 to $7 billion and the long-range summarized net cost for the OASI and DI Trust Funds is 0.05 percent of taxable payroll.

VI. APPENDICES

A. HISTORY OF OASI AND DI TRUST FUND OPERATIONS

The Federal Old-Age and Survivors Insurance (OASI) Trust Fund was established on January 1, 1940 as a separate account in the United States Treasury. The Federal Disability Insurance (DI) Trust Fund, another separate account in the United States Treasury, was established on August 1, 1956. These funds conduct the financial operations of the OASI and DI programs. The Board of Trustees is responsible for overseeing the financial operations of these funds. The following paragraphs describe the various components of trust fund income and cost. Following this description, tables VI.A1 and VI.A2 present the historical operations of the separate trust funds since their inception, and table VI.A3 presents the operations of the combined trust funds[1] during the period when they have co-existed.

The primary income of these two funds comes from appropriations under permanent authority on the basis of payroll tax contributions. Federal law requires that all employees who work in OASDI covered employment, and their employers, make payroll tax contributions on their wages up to a specified annual maximum amount (the contribution and benefit base). Employees and their employers must also make payroll tax contributions on monthly cash tips if such tips are at least $20. Self-employed persons must make payroll tax contributions on their covered net earnings from self-employment subject to the annual contribution and benefit base. The Federal Government pays amounts equivalent to the combined employer and employee contributions that would be paid on deemed wage credits attributable to military service performed between 1957 and 2001, if such wage credits were covered wages. Treasury initially deposits payroll tax contributions to the trust funds each day on an estimated basis. Subsequently, Treasury makes adjustments based on the certified amount of wages and self-employment earnings in the records of the Social Security Administration.

Income also includes net reimbursements from the General Fund of the Treasury, such as: (1) the cost of noncontributory wage credits for military service before 1957, and periodic adjustments to previous determinations of this cost; (2) the cost in 1971 through 1982 of deemed wage credits for military service performed after 1956; (3) the cost of benefits to certain uninsured persons who attained age 72 before 1968; (4) the cost of payroll tax credits provided to employees in 1984 and self-employed persons in 1984 through 1989 by Public Law 98-21; (5) the cost in 2009 through 2017 of excluding certain self-employment earnings from SECA taxes under Public

[1] The OASI and DI Trust Funds are distinct legal entities which operate independently. To illustrate the actuarial status of the program as a whole, the fund operations are often considered on a combined basis.

Law 110-246; and (6) payroll tax revenue forgone under the provisions of Public Laws 111-147, 111-312, 112-78, and 112-96. Income also includes transfers of a portion of the proceeds from loan repayments as authorized by Public Law 116-136.

Beginning in 1984, Federal law subjected up to 50 percent of an individual's or couple's OASDI benefits to Federal income taxation under certain circumstances. Effective for tax years beginning after 1993, the law increased the maximum percentage from 50 percent to 85 percent. Treasury credits the proceeds from this taxation of up to 50 percent of benefits to the OASI and DI Trust Funds in advance, on an estimated basis, at the beginning of each calendar quarter, with no reimbursement to the General Fund for interest costs attributable to the advance transfers.[1] Treasury makes subsequent adjustments based on the actual amounts shown on annual income tax records. Each of the OASI and DI Trust Funds receives the income taxes paid on the benefits from that trust fund.[2]

Another source of income to the trust funds is interest received on investments held by the trust funds. The Social Security Act authorizes the issuance of special public-debt obligations for purchase exclusively by the trust funds. On a daily basis, Treasury invests trust fund income in interest-bearing obligations of the U.S. Government. The interest rate for special obligations newly issued in any month is the average market yield, as of the last business day of the prior month, on all of the outstanding marketable U.S. obligations that are due or callable more than 4 years in the future. This rate is rounded to the nearest one-eighth of one percent. Beginning January 1999, in calculating the average market yield rate for this purpose, Treasury incorporates the yield to the call date when a callable bond's market price is above par.

The Social Security Act also authorizes the trust funds to hold obligations guaranteed as to both principal and interest by the United States. The act therefore permits the trust funds to hold certain Federally sponsored agency obligations and marketable obligations.[3] The trust funds may acquire any of these obligations on original issue at the issue price or by purchase of outstanding obligations at their market price.

Although the Social Security Act does not authorize the purchase or sale of special issue securities in the open market, Treasury redeems special issue

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[1] The HI Trust Fund receives the additional tax revenue resulting from the increase to 85 percent.

[2] A special provision applies to benefits paid to nonresident aliens. Effective for tax years beginning after 1994, Public Law 103-465 subjects benefits to a flat-rate tax, usually 25.5 percent, before they are paid. Therefore, this tax remains in the trust funds. From 1984 to 1994, the flat-rate tax was usually 15 percent.

[3] The Social Security Act requires the trust funds to acquire special-issue obligations unless the Managing Trustee determines that the purchase of marketable obligations is in the public interest. The purchase of marketable obligations has been quite limited and has not occurred since 1980.

securities prior to maturity at par value when needed to meet current operating expenses. As a result, changes in market yield rates after issuance of special issue securities do not cause fluctuations in the value of these securities. As is true for marketable Treasury securities held by the public, the investments held by the trust funds are backed by the full faith and credit of the U.S. Government.

Annual cost for the OASI and DI Trust Funds primarily consists of: (1) OASDI benefit payments[1], net of any reimbursements from the General Fund of the Treasury for unnegotiated benefit checks; and (2) expenses incurred by the Social Security Administration and the Department of the Treasury in administering the OASDI program and the provisions of the Internal Revenue Code relating to the collection of contributions. Such administrative expenses include, among other items, the cost of (1) payroll; (2) construction, rental, lease, or purchase of office buildings and related facilities for the Social Security Administration; and (3) information technology systems. The Social Security Act prohibits payments from the OASI and DI Trust Funds for any purpose not related to the payment of benefits or administrative costs for the OASDI program.

Annual cost also includes: (1) the costs of vocational rehabilitation services furnished to disabled persons receiving cash benefits because of their disabilities, where such services contributed to their successful rehabilitation; and (2) net costs of the provisions of the Railroad Retirement Act that provide for a system of coordination and financial interchange between the Railroad Retirement program and the Social Security program. Under the financial interchange provisions, the Railroad Retirement program's Social Security Equivalent Benefit Account and the trust funds interchange amounts on an annual basis so that each trust fund is in the same position it would have been had railroad employment always been covered under Social Security.

The statements of the operations of the trust funds in this report do not include the net worth of facilities and other fixed capital assets, because the value of fixed capital assets is not available in the form of a financial asset redeemable for the payment of benefits or administrative costs. As a result of this unavailability, the actuarial status of the trust funds does not take these assets into account.

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[1] Periodically, benefit payments which were scheduled to be paid on January 3 were actually paid on December 31 of the preceding year as required by the statutory provision included in the 1977 Social Security Amendments for early delivery of benefit payments when the normal payment delivery date is a Saturday, Sunday, or legal public holiday. Such advance payments have occurred about every 7 years, first for benefits scheduled for January 3, 1982. The most recent such accelerated payment affected benefits scheduled to be paid on January 3, 2021. For comparability with the values for historical years and the projections in this report, all trust fund operations and reserves reflect the 12 months of benefits scheduled for payment each year without regard to the accelerated payments described above.

Tables VI.A4 and VI.A5 show the total reserves of the OASI Trust Fund and the DI Trust Fund, respectively, at the end of calendar years 2024 and 2025. The tables show the invested reserves by interest rate and year of maturity. Bonds issued to the trust funds in 2025 had an interest rate of 4.500 percent, compared with an interest rate of 4.625 percent for bonds issued in 2024.

Table VI.A1.— Operations of the OASI Trust Fund, Calendar Years 1937-2025
[Dollar amounts in billions]

Calendar year	Income					Cost				Reserves[a]		Trust fund ratio at start of year[b]
	Total	Net payroll tax contributions[c]	GF reimbursements[d]	Taxation of benefits[c]	Net interest[e]	Total[a]	Benefit payments[a f]	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
1937[g]	$0.8	$0.8	—	—	[h]	[h]	[h]	—	—	$0.8	$0.8	—
1938[g]	.4	.4	—	—	[h]	[h]	[h]	—	—	.4	1.1	7,660
1939[g]	.6	.6	—	—	[h]	[h]	[h]	—	—	.6	1.7	8,086
1940	.4	.3	—	—	[h]	$0.1	[h]	[h]	—	.3	2.0	2,781
1941	.8	.8	—	—	$0.1	.1	$0.1	[h]	—	.7	2.8	1,782
1942	1.1	1.0	—	—	.1	.2	.1	[h]	—	.9	3.7	1,737
1943	1.3	1.2	—	—	.1	.2	.2	[h]	—	1.1	4.8	1,891
1944	1.4	1.3	—	—	.1	.2	.2	[h]	—	1.2	6.0	2,025
1945	1.4	1.3	—	—	.1	.3	.3	[h]	—	1.1	7.1	1,975
1946	1.4	1.3	—	—	.2	.4	.4	[h]	—	1.0	8.1	1,704
1947	1.7	1.6	[h]	—	.2	.5	.5	[h]	—	1.2	9.4	1,592
1948	2.0	1.7	[h]	—	.3	.6	.6	$0.1	—	1.4	10.7	1,542
1949	1.8	1.7	[h]	—	.1	.7	.7	.1	—	1.1	11.8	1,487
1950	2.9	2.7	[h]	—	.3	1.0	1.0	.1	—	1.9	13.7	1,156
1951	3.8	3.4	[h]	—	.4	2.0	1.9	.1	—	1.8	15.5	698
1952	4.2	3.8	—	—	.4	2.3	2.2	.1	—	1.9	17.4	681
1953	4.4	3.9	—	—	.4	3.1	3.0	.1	—	1.3	18.7	564
1954	5.6	5.2	—	—	.4	3.7	3.7	.1	[h]	1.9	20.6	500
1955	6.2	5.7	—	—	.5	5.1	5.0	.1	[h]	1.1	21.7	405
1956	6.7	6.2	—	—	.5	5.8	5.7	.1	[h]	.9	22.5	371
1957	7.4	6.8	—	—	.6	7.5	7.3	.2	[h]	-.1	22.4	300
1958	8.1	7.6	—	—	.6	8.6	8.3	.2	$0.1	-.5	21.9	259
1959	8.6	8.1	—	—	.5	10.3	9.8	.2	.3	-1.7	20.1	212
1960	11.4	10.9	—	—	.5	11.2	10.7	.2	.3	.2	20.3	180
1961	11.8	11.3	—	—	.5	12.4	11.9	.2	.3	-.6	19.7	163
1962	12.6	12.1	—	—	.5	14.0	13.4	.3	.4	-1.4	18.3	141
1963	15.1	14.5	—	—	.5	14.9	14.2	.3	.4	.1	18.5	123
1964	16.3	15.7	—	—	.6	15.6	14.9	.3	.4	.6	19.1	118
1965	16.6	16.0	—	—	.6	17.5	16.7	.3	.4	-.9	18.2	109
1966	21.3	20.6	$0.1	—	.6	19.0	18.3	.3	.4	2.3	20.6	96
1967	24.0	23.1	.1	—	.8	20.4	19.5	.4	.5	3.7	24.2	101
1968	25.0	23.7	.4	—	.9	23.6	22.6	.5	.4	1.5	25.7	103
1969	29.6	27.9	.4	—	1.2	25.2	24.2	.5	.5	4.4	30.1	102
1970	32.2	30.3	.4	—	1.5	29.8	28.8	.5	.6	2.4	32.5	101
1971	35.9	33.7	.5	—	1.7	34.5	33.4	.5	.6	1.3	33.8	94
1972	40.1	37.8	.5	—	1.8	38.5	37.1	.7	.7	1.5	35.3	88
1973	48.3	46.0	.4	—	1.9	47.2	45.7	.6	.8	1.2	36.5	75
1974	54.7	52.1	.4	—	2.2	53.4	51.6	.9	.9	1.3	37.8	68
1975	59.6	56.8	.4	—	2.4	60.4	58.5	.9	1.0	-.8	37.0	63
1976	66.3	63.4	.6	—	2.3	67.9	65.7	1.0	1.2	-1.6	35.4	54
1977	72.4	69.6	.6	—	2.2	75.3	73.1	1.0	1.2	-2.9	32.5	47
1978	78.1	75.5	.6	—	2.0	83.1	80.4	1.1	1.6	-5.0	27.5	39
1979	90.3	87.9	.6	—	1.8	93.1	90.6	1.1	1.4	-2.9	24.7	30
1980	105.8	103.5	.5	—	1.8	107.7	105.1	1.2	1.4	-1.8	22.8	23
1981	125.4	122.6	.7	—	2.1	126.7	123.8	1.3	1.6	-1.3	21.5	18
1982	125.2	123.7	.7	—	.8	142.1	138.8	1.5	1.8	[i] .6	22.1	15
1983	150.6	138.3	5.5	—	6.7	153.0	149.2	1.5	2.3	-2.4	19.7	14
1984	169.3	159.5	4.7	$2.8	2.3	161.9	157.8	1.6	2.4	7.4	27.1	[j] 20
1985	184.2	175.1	4.0	3.2	1.9	171.2	167.2	1.6	2.3	[i] 8.7	35.8	[j] 24
1986	197.4	189.1	1.8	3.4	3.1	181.0	176.8	1.6	2.6	[i] 3.2	39.1	[j] 28
1987	210.7	201.1	1.7	3.3	4.7	187.7	183.6	1.5	2.6	23.1	62.1	[j] 30
1988	240.8	227.7	2.1	3.4	7.6	200.0	195.5	1.8	2.8	40.7	102.9	[j] 41
1989	264.7	248.1	2.1	2.4	12.0	212.5	208.0	1.7	2.8	52.2	155.1	[j] 59

Table VI.A1.— Operations of the OASI Trust Fund, Calendar Years 1937-2025 (Cont.)
[Dollar amounts in billions]

Calendar year	Income					Cost				Reserves[a]		Trust fund ratio at start of year[b]
	Total	Net payroll tax contributions[c]	GF reimbursements[d]	Taxation of benefits[c]	Net interest[e]	Total[a]	Benefit payments[a f]	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
1990 . .	$286.7	$266.1	-$0.7	$4.8	$16.4	$227.5	$223.0	$1.6	$3.0	$59.1	$214.2	[j]78
1991 . .	299.3	272.5	.1	5.9	20.8	245.6	240.5	1.8	3.4	53.7	267.8	87
1992 . .	311.2	281.1	-.1	5.9	24.3	259.9	254.9	1.8	3.1	51.3	319.1	103
1993 . .	323.3	290.9	[h]	5.3	27.0	273.1	267.8	2.0	3.4	50.2	369.3	117
1994 . .	328.3	293.3	[h]	5.0	29.9	284.1	279.1	1.6	3.4	44.1	413.5	130
1995 . .	342.8	304.7	-.2	5.5	32.8	297.8	291.6	2.1	4.1	45.0	458.5	139
1996 . .	363.7	321.6	[h]	6.5	35.7	308.2	302.9	1.8	3.6	55.5	514.0	149
1997 . .	397.2	349.9	[h]	7.4	39.8	322.1	316.3	2.1	3.7	75.1	589.1	160
1998 . .	424.8	371.2	[h]	9.1	44.5	332.3	326.8	1.9	3.7	92.5	681.6	177
1999 . .	457.0	396.4	[h]	10.9	49.8	339.9	334.4	1.8	3.7	117.2	798.8	201
2000 . .	490.5	421.4	[h]	11.6	57.5	358.3	352.7	2.1	3.5	132.2	931.0	223
2001 . .	518.1	441.5	[h]	11.9	64.7	377.5	372.3	2.0	3.3	140.6	1,071.5	247
2002 . .	539.7	455.2	.4	12.9	71.2	393.7	388.1	2.1	3.5	146.0	1,217.5	272
2003 . .	543.8	456.1	[h]	12.5	75.2	406.0	399.8	2.6	3.6	137.8	1,355.3	300
2004 . .	566.3	472.8	[h]	14.6	79.0	421.0	415.0	2.4	3.6	145.3	1,500.6	322
2005 . .	604.3	506.9	-.3	13.8	84.0	441.9	435.4	3.0	3.6	162.4	1,663.0	340
2006 . .	642.2	534.8	[h]	15.6	91.8	461.0	454.5	3.0	3.5	181.3	1,844.3	361
2007 . .	675.0	560.9	[h]	17.2	97.0	495.7	489.1	3.1	3.6	179.3	2,023.6	372
2008 . .	695.5	574.6	[h]	15.6	105.3	516.2	509.3	3.2	3.6	179.3	2,202.9	392
2009 . .	698.2	570.4	[h]	19.9	107.9	564.3	557.2	3.4	3.7	133.9	2,336.8	390
2010 . .	677.1	544.8	2.0	22.1	108.2	584.9	577.4	3.5	3.9	92.2	2,429.0	400
2011 . .	698.8	482.4	87.8	22.2	106.5	603.8	596.2	3.5	4.1	95.0	2,524.1	402
2012 . .	731.1	503.9	97.7	26.7	102.8	645.5	637.9	3.4	4.1	85.6	2,609.7	391
2013 . .	743.8	620.8	4.2	20.7	98.1	679.5	672.1	3.4	3.9	64.3	2,674.0	384
2014 . .	769.4	646.2	.4	28.0	94.8	714.2	706.8	3.1	4.3	55.2	2,729.2	374
2015 . .	801.6	679.5	.3	30.6	91.2	750.5	742.9	3.4	4.3	51.0	2,780.3	364
2016 . .	797.5	678.8	.1	31.6	87.0	776.4	768.6	3.5	4.3	21.1	2,801.3	358
2017 . .	825.6	706.5	[h]	35.9	83.2	806.7	798.7	3.7	4.3	19.0	2,820.3	347
2018 . .	831.0	715.9	[h]	34.5	80.7	853.5	844.9	3.8	4.8	-22.4	2,797.9	330
2019 . .	917.9	805.1	[h]	34.9	77.9	911.4	902.8	3.7	4.9	6.5	2,804.3	307

Table VI.A1.— Operations of the OASI Trust Fund, Calendar Years 1937-2025 (Cont.)
[Dollar amounts in billions]

Calendar year	Income					Cost				Reserves[a]		Trust fund ratio at start of year[b]
	Total	Net payroll tax contributions[c]	GF reimbursements[d]	Taxation of benefits[c]	Net interest[e]	Total[a]	Benefit payments[a f]	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
2020 . .	$968.3	$856.0	[h]	$39.0	$73.3	$961.0	$952.4	$3.7	$4.8	$7.4	$2,811.7	292
2021 . .	942.9	838.2	[h]	37.2	67.5	1,001.9	993.1	4.0	4.8	-59.1	2,752.6	281
2022 . .	1,056.7	945.9	$0.2	47.1	63.5	1,097.5	1,088.1	4.0	5.3	-40.7	2,711.9	251
2023 . .	1,166.9	1,054.1	[h]	49.8	63.0	1,237.3	1,227.4	4.4	5.6	-70.4	2,641.5	219
2024 . .	1,224.0	1,105.6	.2	54.4	63.7	1,327.2	1,316.4	4.9	5.9	-103.2	2,538.3	199
2025 . .	1,248.8	1,130.7	[h]	56.4	61.7	1,448.8	1,438.5	4.3	6.0	-200.0	2,338.3	175

[a] Beginning in 1979, benefit payments scheduled to be paid on January 3 of a given year were paid on December 31 of the preceding year as required by the statutory provision included in the 1977 Social Security Amendments for early delivery of benefit payments when the normal payment delivery date is a Saturday, Sunday, or legal public holiday. Such advance payments have occurred about every 7 years, first for benefits scheduled for January 3, 1982. For comparability with other historical years and the projections in this report, all trust fund operations and reserves reflect the 12 months of benefits scheduled for payment in each year without regard to the accelerated payments described above.

[b] Represents reserves at the beginning of a year as a percentage of cost during the year. The table shows no ratio for 1937 because no reserves existed at the beginning of the year.

[c] Includes adjustments for prior calendar years.

[d] Includes net reimbursements from the General Fund of the Treasury to the OASI Trust Fund for: (1) the cost of noncontributory wage credits for military service before 1957; (2) the cost in 1971-82 of deemed wage credits for military service performed after 1956; (3) the cost of benefits to certain uninsured persons who attained age 72 before 1968; (4) the cost of payroll tax credits provided to employees in 1984 and self-employed persons in 1984-89 by Public Law 98-21; (5) the cost in 2009-17 of excluding certain self-employment earnings from SECA taxes under Public Law 110-246; and (6) payroll tax revenue forgone under the provisions of Public Laws 111-147, 111-312, 112-78, and 112-96. Also includes transfers of a portion of proceeds from loan repayments as authorized under Public Law 116-136.

[e] Net interest includes net profits or losses on marketable investments. Beginning in 1967, the trust fund pays administrative expenses on an estimated basis, with a final adjustment including interest made in the following fiscal year. Net interest includes the amounts of these interest adjustments. The 1970 report describes the accounting for administrative expenses for years prior to 1967. Beginning in October 1973, figures include relatively small amounts of gifts to the fund. Net interest for 1983-86 reflects payments for interest on amounts owed under the interfund borrowing provisions. During 1983-90, net interest reflects interest reimbursements paid from the trust fund to the General Fund on advance tax transfers.

[f] Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, net benefit amounts include reimbursements paid from the General Fund to the trust fund for unnegotiated benefit checks. Excluding the portion attributable to vocational rehabilitation services and unnegotiated benefit checks, amounts are the same as benefits scheduled under law at that time for all historical years.

[g] Operations prior to 1940 are for the Old-Age Reserve Account established by the original Social Security Act. The 1939 Amendments transferred the reserves of the Account to the OASI Trust Fund effective January 1, 1940.

[h] Between -$50 million and $50 million.

[i] Reflects interfund borrowing of $17.5 billion by the OASI Trust Fund from the DI and HI Trust Funds in 1982 and the subsequent repayment of those loans in 1985 ($4.4 billion) and 1986 ($13.2 billion).

[j] Reserves used for the trust fund ratio calculation include January advance tax transfers.

Note: Components may not sum to totals because of rounding.

Table VI.A2.— Operations of the DI Trust Fund, Calendar Years 1957-2025
[Dollar amounts in billions]

Calendar year	Income					Cost				Reserves[a]		Trust fund ratio at start of year[b]
	Total	Net payroll tax contributions[c]	GF reimbursements[d]	Taxation of benefits[c]	Net interest[e]	Total[a]	Benefit payments[a f]	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
1957 . .	$0.7	$0.7	—	—	[g]	$0.1	$0.1	[g]	—	$0.6	$0.6	—
1958 . .	1.0	1.0	—	—	[g]	.3	.2	[g]	—	.7	1.4	249
1959 . .	.9	.9	—	—	[g]	.5	.5	[g]	[g]	.4	1.8	284
1960 . .	1.1	1.0	—	—	$0.1	.6	.6	[g]	[g]	.5	2.3	304
1961 . .	1.1	1.0	—	—	.1	1.0	.9	$0.1	[g]	.1	2.4	239
1962 . .	1.1	1.0	—	—	.1	1.2	1.1	.1	[g]	-.1	2.4	206
1963 . .	1.2	1.1	—	—	.1	1.3	1.2	.1	[g]	-.1	2.2	183
1964 . .	1.2	1.2	—	—	.1	1.4	1.3	.1	[g]	-.2	2.0	159
1965 . .	1.2	1.2	—	—	.1	1.7	1.6	.1	[g]	-.4	1.6	121
1966 . .	2.1	2.0	[g]	—	.1	1.9	1.8	.1	[g]	.1	1.7	82
1967 . .	2.4	2.3	[g]	—	.1	2.1	1.9	.1	[g]	.3	2.0	83
1968 . .	3.5	3.3	[g]	—	.1	2.5	2.3	.1	[g]	1.0	3.0	83
1969 . .	3.8	3.6	[g]	—	.2	2.7	2.6	.1	[g]	1.1	4.1	111
1970 . .	4.8	4.5	[g]	—	.3	3.3	3.1	.2	[g]	1.5	5.6	126
1971 . .	5.0	4.6	$0.1	—	.4	4.0	3.8	.2	[g]	1.0	6.6	140
1972 . .	5.6	5.1	.1	—	.4	4.8	4.5	.2	[g]	.8	7.5	140
1973 . .	6.4	5.9	.1	—	.5	6.0	5.8	.2	[g]	.5	7.9	125
1974 . .	7.4	6.8	.1	—	.5	7.2	7.0	.2	[g]	.2	8.1	110
1975 . .	8.0	7.4	.1	—	.5	8.8	8.5	.3	[g]	-.8	7.4	92
1976 . .	8.8	8.2	.1	—	.4	10.4	10.1	.3	[g]	-1.6	5.7	71
1977 . .	9.6	9.1	.1	—	.3	11.9	11.5	.4	[g]	-2.4	3.4	48
1978 . .	13.8	13.4	.1	—	.3	13.0	12.6	.3	[g]	.9	4.2	26
1979 . .	15.6	15.1	.1	—	.4	14.2	13.8	.4	[g]	1.4	5.6	30
1980 . .	13.9	13.3	.1	—	.5	15.9	15.5	.4	[g]	-2.0	3.6	35
1981 . .	17.1	16.7	.2	—	.2	17.7	17.2	.4	[g]	-.6	3.0	21
1982 . .	22.7	22.0	.2	—	.5	18.0	17.4	.6	[g]	[h] -.4	2.7	17
1983 . .	20.7	18.0	1.1	—	1.6	18.2	17.5	.6	[g]	2.5	5.2	15
1984 . .	17.3	15.5	.4	$0.2	1.2	18.5	17.9	.6	[g]	-1.2	4.0	[i]35
1985 . .	19.3	17.0	1.2	.2	.9	19.5	18.8	.6	[g]	[h]2.4	6.3	[i]27
1986 . .	19.4	18.2	.2	.2	.8	20.5	19.9	.6	$0.1	[h]1.5	7.8	[i]38
1987 . .	20.3	19.5	.2	[g]	.6	21.4	20.5	.8	.1	-1.1	6.7	[i]44
1988 . .	22.7	21.8	.2	.1	.6	22.5	21.7	.7	.1	.2	6.9	[i]38
1989 . .	24.8	23.8	.2	.1	.7	23.8	22.9	.8	.1	1.0	7.9	[i]38
1990 . .	28.8	28.4	-.6	.1	.9	25.6	24.8	.7	.1	3.2	11.1	[i]40
1991 . .	30.4	29.1	[g]	.2	1.1	28.6	27.7	.8	.1	1.8	12.9	39
1992 . .	31.4	30.1	[g]	.2	1.1	32.0	31.1	.8	.1	-.6	12.3	40
1993 . .	32.3	31.2	[g]	.3	.8	35.7	34.6	1.0	.1	-3.4	9.0	35
1994 . .	52.8	51.4	[g]	.3	1.2	38.9	37.7	1.0	.1	14.0	22.9	23
1995 . .	56.7	54.4	-.2	.3	2.2	42.1	40.9	1.1	.1	14.6	37.6	55
1996 . .	60.7	57.3	[g]	.4	3.0	45.4	44.2	1.2	[g]	15.4	52.9	83
1997 . .	60.5	56.0	[g]	.5	4.0	47.0	45.7	1.3	.1	13.5	66.4	113
1998 . .	64.4	59.0	[g]	.6	4.8	49.9	48.2	1.6	.2	14.4	80.8	133
1999 . .	69.5	63.2	[g]	.7	5.7	53.0	51.4	1.5	.1	16.5	97.3	152
2000 . .	77.9	71.1	-.8	.7	6.9	56.8	55.0	1.6	.2	21.1	118.5	171
2001 . .	83.9	74.9	[g]	.8	8.2	61.4	59.6	1.7	[g]	22.5	141.0	193
2002 . .	87.4	77.3	[g]	.9	9.2	67.9	65.7	2.0	.2	19.5	160.5	208
2003 . .	88.1	77.4	[g]	.9	9.7	73.1	70.9	2.0	.2	15.0	175.4	219
2004 . .	91.4	80.3	[g]	1.1	10.0	80.6	78.2	2.2	.2	10.8	186.2	218
2005 . .	97.4	86.1	[g]	1.1	10.3	88.0	85.4	2.3	.3	9.4	195.6	212
2006 . .	102.6	90.8	[g]	1.2	10.6	94.5	91.7	2.3	.4	8.2	203.8	207
2007 . .	109.9	95.2	[g]	1.4	13.2	98.8	95.9	2.5	.4	11.1	214.9	206
2008 . .	109.8	97.6	[g]	1.3	11.0	109.0	106.0	2.5	.4	.9	215.8	197
2009 . .	109.3	96.9	[g]	2.0	10.5	121.5	118.3	2.7	.4	-12.2	203.5	178

Table VI.A2.— Operations of the DI Trust Fund, Calendar Years 1957-2025 (Cont.)
[Dollar amounts in billions]

Calendar year	Income					Cost				Reserves[a]		Trust fund ratio at start of year[b]
	Total	Net payroll tax contributions[c]	GF reimbursements[d]	Taxation of benefits[c]	Net interest[e]	Total[a]	Benefit payments[a f]	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
2010 . .	$104.0	$92.5	$0.4	$1.9	$9.3	$127.7	$124.2	$3.0	$0.5	-$23.6	$179.9	159
2011 . .	106.3	81.9	14.9	1.6	7.9	132.3	128.9	2.9	.5	-26.1	153.9	136
2012 . .	109.1	85.6	16.5	.6	6.4	140.3	136.9	2.9	.5	-31.2	122.7	110
2013 . .	111.2	105.4	.7	.4	4.7	143.4	140.1	2.8	.6	-32.2	90.4	86
2014 . .	114.9	109.7	.1	1.7	3.4	145.1	141.7	2.9	.4	-30.2	60.2	62
2015 . .	118.6	115.4	[g]	1.1	2.1	146.6	143.4	2.8	.4	-28.0	32.3	41
2016 . .	160.0	157.4	[g]	1.2	1.4	145.9	142.8	2.8	.4	14.1	46.3	22
2017 . .	171.0	167.1	[g]	2.0	1.9	145.8	142.8	2.8	.2	25.1	71.5	32
2018 . .	172.3	169.2	[g]	.5	2.6	146.8	143.7	2.9	.2	25.6	97.1	49
2019 . .	143.9	139.4	[g]	1.6	2.9	147.9	145.1	2.7	.1	-4.0	93.1	66
2020 . .	149.7	145.3	[g]	1.7	2.8	146.3	143.6	2.6	.1	3.5	96.6	64
2021 . .	145.5	142.4	[g]	.5	2.6	142.6	140.1	2.5	.1	2.8	99.4	68
2022 . .	165.1	160.7	[g]	1.6	2.8	146.5	143.6	2.7	.2	18.6	118.0	68
2023 . .	183.8	179.0	[g]	.9	3.8	154.8	151.9	2.8	.1	29.0	147.0	76
2024 . .	193.8	187.7	[g]	.7	5.4	157.6	155.0	2.5	.1	36.2	183.2	93
2025 . .	200.5	191.9	[g]	1.4	7.2	160.7	158.0	2.6	[g]	39.8	223.0	114

[a] Beginning in 1979, benefit payments scheduled to be paid on January 3 of a given year were paid on December 31 of the preceding year as required by the statutory provision included in the 1977 Social Security Amendments for early delivery of benefit payments when the normal payment delivery date is a Saturday, Sunday, or legal public holiday. Such advance payments have occurred about every 7 years, first for benefits scheduled for January 3, 1982. For comparability with other historical years and the projections in this report, all trust fund operations and reserves reflect the 12 months of benefits scheduled for payment in each year without regard to the accelerated payments described above.

[b] Represents reserves at the beginning of a year as a percentage of cost during the year. The table shows no ratio for 1957 because no reserves existed at the beginning of the year.

[c] Includes adjustments for prior calendar years.

[d] Includes net reimbursements from the General Fund of the Treasury to the DI Trust Fund for: (1) the cost of noncontributory wage credits for military service before 1957; (2) the cost in 1971-82 of deemed wage credits for military service performed after 1956; (3) the cost of payroll tax credits provided to employees in 1984 and self-employed persons in 1984-89 by Public Law 98-21; (4) the cost in 2009-17 of excluding certain self-employment earnings from SECA taxes under Public Law 110-246; and (5) payroll tax revenue forgone under the provisions of Public Laws 111-147, 111-312, 112-78, and 112-96.

[e] Net interest includes net profits or losses on marketable investments. Beginning in 1967, the trust fund pays administrative expenses on an estimated basis, with a final adjustment including interest made in the following fiscal year. Net interest includes the amounts of these interest adjustments. The 1970 report describes the accounting for administrative expenses for years prior to 1967. Beginning in July 1974, figures include relatively small amounts of gifts to the fund. Net interest for 1983-86 reflects payments for interest on amounts owed under the interfund borrowing provisions. During 1983-90, net interest reflects interest reimbursements paid from the trust fund to the General Fund on advance tax transfers.

[f] Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, net benefit amounts include reimbursements paid from the General Fund to the trust fund for unnegotiated benefit checks. Excluding the portion attributable to vocational rehabilitation services and unnegotiated benefit checks, amounts are the same as benefits scheduled under law at that time for all historical years.

[g] Between -$50 million and $50 million.

[h] Reflects interfund borrowing by the OASI Trust Fund from the DI Trust Fund in 1982 of $5.1 billion and the subsequent repayment of that loan in 1985 ($2.5 billion) and 1986 ($2.5 billion).

[i] Reserves used for the trust fund ratio calculation include January advance tax transfers.

Note: Components may not sum to totals because of rounding.

Table VI.A3.— Operations of the Combined OASI and DI Trust Funds, Calendar Years 1957-2025
[Dollar amounts in billions]

Calendar year	Income					Cost				Reserves[a]		Trust fund ratio at start of year[b]
	Total	Net payroll tax contributions[c]	GF reimbursements[d]	Taxation of benefits[c]	Net interest[e]	Total[a]	Benefit payments[a f]	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
1957 . .	$8.1	$7.5	—	—	$0.6	$7.6	$7.4	$0.2	[g]	$0.5	$23.0	298
1958 . .	9.1	8.5	—	—	.6	8.9	8.6	.2	$0.1	.2	23.2	259
1959 . .	9.5	8.9	—	—	.6	10.8	10.3	.2	.3	-1.3	22.0	215
1960 . .	12.4	11.9	—	—	.6	11.8	11.2	.2	.3	.6	22.6	186
1961 . .	12.9	12.3	—	—	.6	13.4	12.7	.3	.3	-.5	22.2	169
1962 . .	13.7	13.1	—	—	.6	15.2	14.5	.3	.4	-1.5	20.7	146
1963 . .	16.2	15.6	—	—	.6	16.2	15.4	.3	.4	[g]	20.7	128
1964 . .	17.5	16.8	—	—	.6	17.0	16.2	.4	.4	.5	21.2	122
1965 . .	17.9	17.2	—	—	.7	19.2	18.3	.4	.5	-1.3	19.8	110
1966 . .	23.4	22.6	$0.1	—	.7	20.9	20.1	.4	.5	2.5	22.3	95
1967 . .	26.4	25.4	.1	—	.9	22.5	21.4	.5	.5	3.9	26.3	99
1968 . .	28.5	27.0	.4	—	1.0	26.0	25.0	.6	.5	2.5	28.7	101
1969 . .	33.3	31.5	.5	—	1.3	27.9	26.8	.6	.5	5.5	34.2	103
1970 . .	37.0	34.7	.5	—	1.8	33.1	31.9	.6	.6	3.9	38.1	103
1971 . .	40.9	38.3	.5	—	2.0	38.5	37.2	.7	.6	2.4	40.4	99
1972 . .	45.6	42.9	.5	—	2.2	43.3	41.6	.9	.7	2.3	42.8	93
1973 . .	54.8	51.9	.5	—	2.4	53.1	51.5	.8	.8	1.6	44.4	80
1974 . .	62.1	58.9	.5	—	2.7	60.6	58.6	1.1	.9	1.5	45.9	73
1975 . .	67.6	64.3	.5	—	2.9	69.2	67.0	1.2	1.0	-1.5	44.3	66
1976 . .	75.0	71.6	.7	—	2.7	78.2	75.8	1.2	1.2	-3.2	41.1	57
1977 . .	82.0	78.7	.7	—	2.5	87.3	84.7	1.4	1.2	-5.3	35.9	47
1978 . .	91.9	88.9	.8	—	2.3	96.0	93.0	1.4	1.6	-4.1	31.7	37
1979 . .	105.9	103.0	.7	—	2.2	107.3	104.4	1.5	1.5	-1.5	30.3	30
1980 . .	119.7	116.7	.7	—	2.3	123.5	120.6	1.5	1.4	-3.8	26.5	25
1981 . .	142.4	139.4	.8	—	2.2	144.4	141.0	1.7	1.6	-1.9	24.5	18
1982 . .	147.9	145.7	.9	—	1.4	160.1	156.2	2.1	1.8	[h] .2	24.8	15
1983 . .	171.3	156.3	6.7	—	8.3	171.2	166.7	2.2	2.3	.1	24.9	14
1984 . .	186.6	175.0	5.2	$3.0	3.4	180.4	175.7	2.3	2.4	6.2	31.1	[i]21
1985 . .	203.5	192.1	5.2	3.4	2.7	190.6	186.1	2.2	2.4	[h]11.1	42.2	[i]24
1986 . .	216.8	207.4	1.9	3.7	3.9	201.5	196.7	2.2	2.7	[h] 4.7	46.9	[i]29
1987 . .	231.0	220.6	1.9	3.2	5.3	209.1	204.1	2.4	2.6	21.9	68.8	[i]31
1988 . .	263.5	249.5	2.3	3.4	8.2	222.5	217.1	2.5	2.9	41.0	109.8	[i]41
1989 . .	289.4	271.9	2.3	2.5	12.7	236.2	230.9	2.4	2.9	53.2	163.0	[i]57
1990 . .	315.4	294.5	-1.3	5.0	17.2	253.1	247.8	2.3	3.0	62.3	225.3	[i]75
1991 . .	329.7	301.6	.1	6.1	21.9	274.2	268.2	2.6	3.5	55.5	280.7	82
1992 . .	342.6	311.3	-.1	6.1	25.4	291.9	286.0	2.7	3.2	50.7	331.5	96
1993 . .	355.6	322.0	.1	5.6	27.9	308.8	302.4	3.0	3.4	46.8	378.3	107
1994 . .	381.1	344.7	[g]	5.3	31.1	323.0	316.8	2.7	3.5	58.1	436.4	117
1995 . .	399.5	359.1	-.4	5.8	35.0	339.8	332.6	3.1	4.1	59.7	496.1	128
1996 . .	424.5	378.9	[g]	6.8	38.7	353.6	347.0	3.0	3.6	70.9	567.0	140
1997 . .	457.7	406.0	[g]	7.9	43.8	369.1	362.0	3.4	3.7	88.6	655.5	154
1998 . .	489.2	430.2	[g]	9.7	49.3	382.3	375.0	3.5	3.8	106.9	762.5	171
1999 . .	526.6	459.6	[g]	11.6	55.5	392.9	385.8	3.3	3.8	133.7	896.1	194
2000 . .	568.4	492.5	-.8	12.3	64.5	415.1	407.6	3.8	3.7	153.3	1,049.4	216
2001 . .	602.0	516.4	[g]	12.7	72.9	438.9	431.9	3.7	3.3	163.1	1,212.5	239
2002 . .	627.1	532.5	.4	13.8	80.4	461.7	453.8	4.2	3.6	165.4	1,378.0	263
2003 . .	631.9	533.5	[g]	13.4	84.9	479.1	470.8	4.6	3.7	152.8	1,530.8	288
2004 . .	657.7	553.0	[g]	15.7	89.0	501.6	493.3	4.5	3.8	156.1	1,686.8	305
2005 . .	701.8	592.9	-.3	14.9	94.3	529.9	520.7	5.3	3.9	171.8	1,858.7	318
2006 . .	744.9	625.6	[g]	16.9	102.4	555.4	546.2	5.3	3.8	189.5	2,048.1	335
2007 . .	784.9	656.1	[g]	18.6	110.2	594.5	584.9	5.5	4.0	190.4	2,238.5	345
2008 . .	805.3	672.1	[g]	16.9	116.3	625.1	615.3	5.7	4.0	180.2	2,418.7	358
2009 . .	807.5	667.3	[g]	21.9	118.3	685.8	675.5	6.2	4.1	121.7	2,540.3	353

Table VI.A3.— Operations of the Combined OASI and DI Trust Funds, Calendar Years 1957-2025 (Cont.)
[Dollar amounts in billions]

Calendar year	Income					Cost				Reserves[a]		Trust fund ratio at start of year[b]
	Total	Net payroll tax contributions[c]	GF reimbursements[d]	Taxation of benefits[c]	Net interest[e]	Total[a]	Benefit payments[a f]	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
2010 . . .	$781.1	$637.3	$2.4	$23.9	$117.5	$712.5	$701.6	$6.5	$4.4	$68.6	$2,609.0	357
2011 . . .	805.1	564.2	102.7	23.8	114.4	736.1	725.1	6.4	4.6	69.0	2,677.9	354
2012 . . .	840.2	589.5	114.3	27.3	109.1	785.8	774.8	6.3	4.7	54.4	2,732.3	341
2013 . . .	855.0	726.2	4.9	21.1	102.8	822.9	812.3	6.2	4.5	32.1	2,764.4	332
2014 . . .	884.3	756.0	.5	29.6	98.2	859.2	848.5	6.1	4.7	25.0	2,789.5	322
2015 . . .	920.2	794.9	.3	31.6	93.3	897.1	886.3	6.2	4.7	23.0	2,812.5	311
2016 . . .	957.5	836.2	.1	32.8	88.4	922.3	911.4	6.2	4.7	35.2	2,847.7	305
2017 . . .	996.6	873.6	[g]	37.9	85.1	952.5	941.5	6.5	4.5	44.1	2,891.8	299
2018 . . .	1,003.4	885.1	[g]	35.0	83.3	1,000.2	988.6	6.7	4.9	3.1	2,894.9	289
2019 . . .	1,061.8	944.5	[g]	36.5	80.8	1,059.3	1,047.9	6.4	4.9	2.5	2,897.4	273
2020 . . .	1,118.1	1,001.3	[g]	40.7	76.1	1,107.2	1,095.9	6.3	5.0	10.9	2,908.3	262
2021 . . .	1,088.3	980.6	[g]	37.6	70.1	1,144.6	1,133.2	6.5	4.9	-56.3	2,852.0	254
2022 . . .	1,221.8	1,106.6	.2	48.6	66.4	1,243.9	1,231.7	6.7	5.5	-22.1	2,829.9	229
2023 . . .	1,350.7	1,233.1	[g]	50.7	66.9	1,392.1	1,379.3	7.2	5.6	-41.4	2,788.5	203
2024 . . .	1,417.8	1,293.3	.2	55.1	69.1	1,484.8	1,471.4	7.4	5.9	-67.0	2,721.5	188
2025 . . .	1,449.3	1,322.6	[g]	57.8	68.9	1,609.5	1,596.5	7.0	6.0	-160.2	2,561.3	169

[a] Beginning in 1979, benefit payments scheduled to be paid on January 3 of a given year were paid on December 31 of the preceding year as required by the statutory provision included in the 1977 Social Security Amendments for early delivery of benefit payments when the normal payment delivery date is a Saturday, Sunday, or legal public holiday. Such advance payments have occurred about every 7 years, first for benefits scheduled for January 3, 1982. For comparability with other historical years and the projections in this report, all trust fund operations and reserves reflect the 12 months of benefits scheduled for payment in each year without regard to the accelerated payments described above.

[b] Represents reserves at the beginning of a year as a percentage of cost during the year.

[c] Includes adjustments for prior calendar years.

[d] Includes net reimbursements from the General Fund of the Treasury to the OASI and DI Trust Funds for: (1) the cost of noncontributory wage credits for military service before 1957; (2) the cost in 1971-82 of deemed wage credits for military service performed after 1956; (3) the cost of benefits to certain uninsured persons who attained age 72 before 1968; (4) the cost of payroll tax credits provided to employees in 1984 and self-employed persons in 1984-89 by Public Law 98-21; (5) the cost in 2009-17 of excluding certain self-employment earnings from SECA taxes under Public Law 110-246; and (6) payroll tax revenue forgone under the provisions of Public Laws 111-147, 111-312, 112-78, and 112-96. Also includes transfers of a portion of proceeds from loan repayments as authorized under Public Law 116-136.

[e] Net interest includes net profits or losses on marketable investments. Beginning in 1967, the trust funds pay administrative expenses on an estimated basis, with a final adjustment including interest made in the following fiscal year. Net interest includes the amounts of these interest adjustments. The 1970 report describes the accounting for administrative expenses for years prior to 1967. Beginning in October 1973, figures include relatively small amounts of gifts to the funds. Net interest for 1983-86 reflects payments for interest on amounts owed under the interfund borrowing provisions. During 1983-90, net interest reflects interest reimbursements paid from the trust funds to the General Fund on advance tax transfers.

[f] Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, net benefit amounts include reimbursements paid from the General Fund to the trust funds for unnegotiated benefit checks. Excluding the portion attributable to vocational rehabilitation services and unnegotiated benefit checks, amounts are the same as benefits scheduled under law at that time for all historical years.

[g] Between -$50 million and $50 million.

[h] Reflects interfund borrowing by the OASI Trust Fund from the HI Trust Fund in 1982 of $12.4 billion and the subsequent repayment of that loan in 1985 ($1.8 billion) and 1986 ($10.6 billion).

[i] Reserves used for the trust fund ratio calculation include January advance tax transfers.

Note: Components may not sum to totals because of rounding.

Table VI.A4.—OASI Trust Fund Reserves, End of Calendar Years 2024 and 2025
[In thousands]

	December 31, 2024	December 31, 2025
Obligations sold only to the trust funds (special issue securities):		
Certificates of indebtedness:		
4.125 percent, 2026	—	$48,499,316
4.250 percent, 2025	$47,567,402	—
4.375 percent, 2025	11,878,570	—
4.375 percent, 2026	—	60,796,467
4.500 percent, 2025	93,606,618	—
Bonds:		
0.750 percent, 2026	14,931,407	—
0.750 percent, 2027-33	104,519,849	104,519,849
1.375 percent, 2026	6,693,019	—
1.375 percent, 2027	173,240,401	173,240,401
1.500 percent, 2026	12,696,180	—
1.500 percent, 2027-32	76,177,080	76,177,080
1.500 percent, 2033	12,696,179	12,696,179
1.750 percent, 2026	4,908,186	—
1.750 percent, 2027	4,908,186	4,908,186
1.750 percent, 2028	178,148,587	178,148,587
1.875 percent, 2026	2,320,956	—
1.875 percent, 2027	2,320,956	2,320,956
1.875 percent, 2028-30	6,962,865	6,962,865
1.875 percent, 2031	188,111,583	188,111,583
2.000 percent, 2026	3,655,629	—
2.000 percent, 2027-29	10,966,887	10,966,887
2.000 percent, 2030	185,790,628	185,790,628
2.250 percent, 2026	5,582,926	—
2.250 percent, 2027	5,582,926	5,582,926
2.250 percent, 2028	5,582,927	5,582,927
2.250 percent, 2029	183,731,514	183,731,514
2.250 percent, 2030-31	3,193,030	3,193,030
2.250 percent, 2032	189,708,097	189,708,097
2.250 percent, 2033	12,818,538	12,818,538
2.250 percent, 2034	177,899,339	177,899,339
2.500 percent, 2026	166,547,382	—
2.875 percent, 2032	1	1
2.875 percent, 2033	176,889,560	176,889,560
3.000 percent, 2026	17,266,433	—
3.000 percent, 2027-28	34,532,866	34,532,866
3.000 percent, 2029-32	69,065,728	69,065,728
3.000 percent, 2033	17,266,433	17,266,433
3.875 percent, 2026	22,773,971	—
3.875 percent, 2027-28	45,547,942	45,547,942
3.875 percent, 2029-32	91,095,888	91,095,888
4.500 percent, 2026-29	—	58,714,732
4.500 percent, 2030-31	—	29,357,368
4.500 percent, 2032-33	—	29,357,366
4.625 percent, 2025	16,470,786	—
4.625 percent, 2026-29	65,883,148	65,883,148
4.625 percent, 2030-32	49,412,358	49,412,358
4.625 percent, 2033	39,244,758	39,244,758
Total investments	2,538,197,719	2,338,023,503
Undisbursed balances[a]	87,170	266,237
Total reserves	2,538,284,889	2,338,289,740

[a] A positive balance represents a situation where the invested securities of the OASI Trust Fund that were redeemed to make cash payments exceeded actual program cash payments; in this situation, this excess amount will be used to partially offset future redemption of additional invested securities.

Note: Amounts of special issue securities are at par value. The trust fund purchases and redeems special issue securities at par value. The table groups equal amounts that mature in two or more years at a given interest rate.

Table VI.A5.—DI Trust Fund Reserves, End of Calendar Years 2024 and 2025
[In thousands]

	December 31, 2024	December 31, 2025
Obligations sold only to the trust funds (special issue securities):		
Certificates of indebtedness:		
4.125 percent, 2026	—	$14,315,928
4.250 percent, 2025	$10,394,774	—
4.375 percent, 2025	5,310,101	—
4.375 percent, 2026	—	6,811,878
4.500 percent, 2025	3,307,699	—
Bonds:		
0.750 percent, 2026	479,473	—
0.750 percent, 2027-29	1,438,422	1,438,422
0.750 percent, 2030-34	2,397,365	2,397,365
0.750 percent, 2035	5,348,270	5,348,270
1.500 percent, 2026	140,878	—
1.500 percent, 2027-29	422,634	422,634
1.500 percent, 2030-35	845,274	845,274
1.500 percent, 2036	5,489,148	5,489,148
2.250 percent, 2026	1,244,680	—
2.250 percent, 2027-32	7,468,074	7,468,074
2.250 percent, 2033-34	9,737,594	9,737,594
2.875 percent, 2026	3,624,118	—
2.875 percent, 2027-32	21,744,708	21,744,708
3.000 percent, 2026	1,492,254	—
3.000 percent, 2027-29	4,476,762	4,476,762
3.000 percent, 2030-35	8,953,518	8,953,518
3.000 percent, 2036	1,492,254	1,492,254
3.000 percent, 2037	6,981,402	6,981,402
3.875 percent, 2026	2,395,177	—
3.875 percent, 2027-37	26,346,947	26,346,947
3.875 percent, 2038	9,376,579	9,376,579
4.500 percent, 2026-33	—	20,056,624
4.500 percent, 2034-37	—	10,028,316
4.500 percent, 2038-39	—	5,014,156
4.500 percent, 2040	—	14,071,798
4.625 percent, 2025	2,188,141	—
4.625 percent, 2026-29	8,752,564	8,752,564
4.625 percent, 2030-33	8,752,568	8,752,568
4.625 percent, 2034-38	10,940,705	10,940,705
4.625 percent, 2039	11,564,720	11,564,720
Total investments	183,106,803	222,828,208
Undisbursed balances[a]	74,563	187,971
Total reserves	183,181,366	223,016,179

[a] A positive balance represents a situation where the invested securities of the DI Trust Fund that were redeemed to make cash payments exceeded actual program cash payments; in this situation, this excess amount will be used to partially offset future redemption of additional invested securities.

Note: Amounts of special issue securities are at par value. The trust fund purchases and redeems special issue securities at par value. The table groups equal amounts that mature in two or more years at a given interest rate.

B. HISTORY OF ACTUARIAL STATUS ESTIMATES

This appendix chronicles the history of the long-range OASDI actuarial balance and the year of combined OASI and DI Trust Fund reserve depletion since 1982 under the intermediate assumptions. The actuarial balance is the principal summary measure of actuarial status for the 75-year long-range period as a whole. The year of trust fund reserve depletion is also critical, as it indicates the year by which legislative action would be needed in order to maintain timely payment of scheduled benefits.

The 1983 report was the last report for which the actuarial balance was positive for the OASDI program. The two basic components of actuarial balance are the summarized income rate and the summarized cost rate, both of which are expressed as percentages of taxable payroll over the period. Section IV.B.4 defines the summarized income rate, summarized cost rate, and actuarial balance in detail. For any given period, the actuarial balance includes the difference between the present value of non-interest income for the period and the present value of the cost for the period, each divided by the present value of taxable payroll for all years in the period. The computation of the actuarial balance also includes:

- In the reports for 1988 and later, the amount of the trust fund reserves on hand at the beginning of the valuation period; and
- In the reports for 1991 and later, the present value of a target trust fund reserve equal to 100 percent of the annual cost to be reached and maintained at the end of the valuation period.

The actuarial balance computations in the 1973-87 reports used the average-cost method, a simpler method which approximated the results of the present-value approach. Under the average-cost method, the sum of the annual cost rates over the 75-year projection period was divided by the total number of years, 75, to obtain the average cost rate per year. A similar computation produced the average income rate. The actuarial balance was the difference between the average income rate and the average cost rate.

When the 1973 report introduced the average-cost method, the financing of the program was closer to pay-as-you-go. Also, the long-range demographic and economic assumptions in that report produced an annual rate of growth in total taxable payroll which was about the same as the annual rate at which the trust funds earned interest. In either circumstance (i.e., pay-as-you-go financing, where the annual income rate is the same as the annual cost rate, or an annual rate of growth in total taxable payroll equal to the annual inter-

est rate), the average-cost method produces the same result as the present-value method. However, by 1988, neither of these circumstances still existed.

After the 1977 and 1983 Social Security Amendments, projections indicated substantial increases in the trust fund reserves continuing well into the 21st century. These laws changed the program's financing from essentially pay-as-you-go to partial advance funding through the 75-year period. Also, for the reports from 1973 through 1987, long-range fertility rates and average real wage growth assumptions were gradually reduced, resulting in an annual rate of growth in taxable payroll that was significantly lower than the assumed interest rate by 1987. As a result of the difference between this rate of growth and the assumed interest rate, the results of the average-cost method and the present-value method began to diverge in the reports for 1973 through 1987, and by 1988 they were quite different. While the average-cost method reflected most of the effects of assumed interest rates, it no longer reflected all interest effects. The present-value method, by contrast, accurately reflects the implications of assumed interest rates. As a result, the 1988 report through the current report use the present-value method of calculating the actuarial balance.

A positive actuarial balance[1] indicates that estimated income plus starting reserves is more than sufficient to meet estimated trust fund obligations plus the ending target fund for the period as a whole. Even with a positive actuarial balance, it is possible for reserves to become temporarily depleted within the long-range period. An actuarial balance of zero indicates that the estimated income plus starting reserves exactly matches estimated trust fund obligations plus the ending target fund for the period as a whole. A negative actuarial balance indicates that estimated income plus starting reserves is insufficient to meet estimated trust fund obligations plus the ending target fund for the entire period.

Table VI.B1 contains the long-range OASDI actuarial balances, summarized income rates, and summarized cost rates for the 1982 report through the current report. The reports presented these values under the intermediate assumptions, which reports from 1982 to 1990 referred to as alternative II-B and reports since then refer to as alternative II.

[1] As noted above, the definition and method of calculating the actuarial balance differed prior to the 1991 report.

Table VI.B1.—Long-Range OASDI Actuarial Balances and Trust Fund Reserve Depletion Dates as Shown in the Trustees Reports for 1982-2026 under Intermediate Assumptions[a]

[As a percentage of taxable payroll]

Year of report	Summarized income rate	Summarized cost rate	Actuarial balance[b]	Change from previous year[c]	Year of combined trust fund reserve depletion
1982	12.27	14.09	-1.82	[d]	1983
1983	12.87	12.84	+.02	+1.84	[e]
1984	12.90	12.95	-.06	-.08	[e]
1985	12.94	13.35	-.41	-.35	2049
1986	12.96	13.40	-.44	-.03	2051
1987	12.89	13.51	-.62	-.18	2051
1988	12.94	13.52	-.58	+.04	2048
1989	13.02	13.72	-.70	-.13	2046
1990	13.04	13.95	-.91	-.21	2043
1991	13.11	14.19	-1.08	-.17	2041
1992	13.16	14.63	-1.46	-.38	2036
1993	13.21	14.67	-1.46	[d]	2036
1994	13.24	15.37	-2.13	-.66	2029
1995	13.27	15.44	-2.17	-.04	2030
1996	13.33	15.52	-2.19	-.02	2029
1997	13.37	15.60	-2.23	-.03	2029
1998	13.45	15.64	-2.19	+.04	2032
1999	13.49	15.56	-2.07	+.12	2034
2000	13.51	15.40	-1.89	+.17	2037
2001	13.58	15.44	-1.86	+.03	2038
2002	13.72	15.59	-1.87	-.01	2041
2003	13.78	15.70	-1.92	-.04	2042
2004	13.84	15.73	-1.89	+.03	2042
2005	13.87	15.79	-1.92	-.04	2041
2006	13.88	15.90	-2.02	-.09	2040
2007	13.92	15.87	-1.95	+.06	2041
2008	13.94	15.63	-1.70	+.26	2041
2009	14.02	16.02	-2.00	-.30	2037
2010	14.01	15.93	-1.92	+.08	2037
2011	14.02	16.25	-2.22	-.30	2036
2012	14.02	16.69	-2.67	-.44	2033
2013	13.88	16.60	-2.72	-.05	2033
2014	13.89	16.77	-2.88	-.16	2033
2015	13.86	16.55	-2.68	+.20	2034
2016	13.84	16.50	-2.66	+.02	2034
2017	13.84	16.67	-2.83	-.17	2034
2018	13.84	16.69	-2.84	-.02	2034
2019	13.81	16.60	-2.78	+.06	2035
2020	13.85	17.06	-3.21	-.43	2035

Table VI.B1.—Long-Range OASDI Actuarial Balances and Trust Fund Reserve Depletion Dates as Shown in the Trustees Reports for 1982-2026 under Intermediate Assumptions[a] (Cont.)
[As a percentage of taxable payroll]

Year of report	Summarized income rate	Summarized cost rate	Actuarial balance[b]	Change from previous year[c]	Year of combined trust fund reserve depletion
2021	13.78	17.31	-3.54	-0.32	2034
2022	13.78	17.20	-3.42	+.12	2035
2023	13.78	17.38	-3.61	-.19	2034
2024	13.80	17.30	-3.50	+.11	2035
2025	13.79	17.61	-3.82	-.33	2034
2026	13.68	18.10	-4.42	-.60	2034

[a] The 1982-90 reports referred to the intermediate assumptions as alternative II-B; the 1991 and later reports refer to the intermediate assumptions as alternative II.
[b] The definition and method of calculating the actuarial balance were changed in 1988 and 1991. See text for details.
[c] A detailed year-by-year breakdown of the reasons for the changes in the actuarial balance since the 1983 Trustees Report may be found in Actuarial Note 2026.8 at www.ssa.gov/OACT/NOTES/ran8/.
[d] Between -0.005 and 0.005 percent of taxable payroll.
[e] Reserves were projected to remain positive throughout the 75-year projection period.

Note: Components may not sum to totals because of rounding.

For several of the years included in the table, significant legislative changes or definitional changes affected the actuarial balance. In addition, the change in the valuation period tends to decrease (worsen) the actuarial balance by a small amount for each successive report.

The Social Security Amendments of 1983 account for the largest single change shown in the table: the actuarial balance of -1.82 for the 1982 report improved to +0.02 for the 1983 report. In 1985, the actuarial balance changed largely because of an adjustment made to the method for estimating the age distribution of immigrants.

Rebenchmarking of the National Income and Product Accounts and changes in demographic assumptions contributed to the change in the actuarial balance for 1987. In 1989 and 1990, changes in economic assumptions accounted for most of the changes in the actuarial balance.

In 1991, the effect of legislation, changes in economic assumptions, and the introduction of the cost of reaching and maintaining an ending target trust fund level combined to decrease the actuarial balance. In 1992, changes in disability assumptions and the method for projecting average benefit levels accounted for most of the decrease in the actuarial balance. In 1994, changes in the real wage assumptions, disabled-worker incidence rates, and the earnings sample used for projecting average benefit levels accounted for most of the relatively large decrease in the actuarial balance. In 1995, numerous small changes had largely offsetting effects on the actuarial balance, includ-

ing a substantial reallocation of the payroll tax rate, which reduced the OASI actuarial balance, but increased the DI actuarial balance.

In 1996, a change in the method of projecting dually-entitled beneficiaries produced a relatively large increase in the actuarial balance, which offset decreases produced by changes in the demographic and economic assumptions. In 1999, increases caused by changes in the economic assumptions (related to improvements in the CPI by the Bureau of Labor Statistics) accounted for most of the increase in the actuarial balance. For the 2000 report, changes in economic assumptions and methodology increased the actuarial balance, although changes in demographic assumptions partially offset these increases.

The actuarial balances changed very little for the 2001 through 2005 reports, mainly due to relatively small and often offsetting changes in assumptions and methods.

In 2006, decreases in the actuarial balance due to a reduction in the ultimate annual real interest rate and improvements in calculating mortality for disabled workers were greater in aggregate than the increases in the actuarial balance due to a change in the ultimate total fertility rate. For the 2007 report, the actuarial balance increased due to revised disabled-worker incidence rate assumptions, improvements in average benefit level projections, and changes in near-term economic assumptions. For the 2008 report, the relatively large increase in the actuarial balance was primarily due to changes in immigration projection methods and assumptions. In 2009, changes in starting values and near-term economic assumptions due to the economic recession and faster ultimate rates of decline in death rates for ages 65-84 accounted for most of the relatively large decrease in the actuarial balance. Legislative changes, in particular the estimated effects of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, were the main reason for the increase in the actuarial balance for the 2010 report.

For the 2011 report, changes in mortality projections, due to new starting values and revised methods, were the most significant of several factors contributing to the decrease in the actuarial balance. In 2012, changes in economic assumptions and starting values accounted for about half of the decrease in actuarial balance; changes to starting demographic values, a change in the ultimate disabled-worker incidence assumption, and other methodology changes also contributed. For the 2013 report, the effects of substantially lower death rates than previously projected and the American Taxpayer Relief Act of 2012 (which lowered the Federal marginal income tax rates) were offset by a number of methodology improvements. In 2014, changes in economic data and assumptions accounted for the majority of the

net decrease in the actuarial balance. For the 2015 report, methodological improvements and updates of programmatic data accounted for most of the net increase in the actuarial balance.

For the 2016 report, the actuarial balance increased primarily due to the effects of the Bipartisan Budget Act of 2015 and improvements made to immigration methods, largely offset by a lower ultimate real interest rate and a lower ultimate annual increase in the rate of price inflation. In 2017, a lower real wage growth assumption, an assumed weaker recovery from the recession, and various methodology improvements accounted for most of the net reduction in the actuarial balance. Changes for the 2018 report had a relatively small net effect. For the 2019 report, the actuarial balance increased primarily due to higher-than-expected death rates and lower near-term and ultimate disabled-worker incidence rate assumptions. For the 2020 report, the actuarial balance decreased primarily due to the repeal of the Affordable Care Act's excise tax on employer-sponsored group health insurance premiums, which reduced projected earnings as a share of employee compensation, and lower assumed values for the ultimate total fertility rate, the ultimate rate of price inflation, and the ultimate real interest rate.

In 2021, the actuarial balance decreased due to several factors: economic assumptions were updated to reflect experience during and following the COVID-19 pandemic (in particular, the levels of productivity and potential GDP were assumed to be roughly 1 percent lower beginning with the second quarter of 2020) and the data and methodology used for projecting average benefit levels were updated and improved. For the 2022 report, the actuarial balance increased primarily due to a decrease in the assumed ultimate disabled-worker incidence rate, incorporating recent economic data, and changes in near-term economic assumptions. Notably, employment, earnings, and GDP following the 2020 recession recovered much faster than had been assumed in the 2021 report. In 2023, the actuarial balance decreased primarily due to economic experience, changes in near-term economic assumptions (in particular, the level of potential GDP was assumed to be about 3 percent lower by 2026 and for all years thereafter in response to then-recent economic developments), and several methodology updates. The actuarial balance for the 2024 report increased primarily due to changes in economic factors and a lower assumed ultimate disabled-worker incidence rate, partially offset by a lower assumed ultimate total fertility rate.

In 2025, the actuarial balance decreased mainly due to three factors. First, the Social Security Fairness Act of 2023 (enacted in early 2025) increased total projected benefits by repealing the Windfall Elimination Provision and Government Pension Offset. Second, the year the ultimate total fertility rate is reached was extended 10 years, lowering assumed birth rates for the first

25 years of the projection. Third, the assumption for the ultimate labor share of GDP was reduced, leading to slower average earnings growth over the first ten projection years and a lower level of average earnings in the longer-term.

Section IV.B.6 describes changes affecting the actuarial balance shown for the 2026 report.

C. FISCAL YEAR HISTORICAL AND PROJECTED TRUST FUND OPERATIONS THROUGH 2035

Tables VI.C1, VI.C2, and VI.C3 contain details of the fiscal year 2025 operations of the OASI, DI, and the combined OASI and DI Trust Funds, respectively. The fiscal year for the U.S. Government is the 12-month period ending September 30. Fiscal year 2025 is the most recent fiscal year for which complete information is available. The descriptions of the values in these tables are similar to the corresponding descriptions and values in the calendar year operations tables in section III.A. Please see that section for a description of the various items of income and cost.

Tables VI.C4, VI.C5, and VI.C6 show estimates of the operations and status of the OASI, DI, and combined OASI and DI Trust Funds, respectively, during fiscal years 2021 through 2035.

Table VI.C1.—Operations of the OASI Trust Fund, Fiscal Year 2025
[In millions]

Total reserves, September 30, 2024		$2,582,315
Income:		
Net payroll tax contributions:		
Payroll tax contributions[a]	$1,122,989	
Payments from the General Fund of the Treasury for payroll tax contributions subject to refund	-4,748	
Net payroll tax contributions[a]		1,118,241
Reimbursements from the General Fund:		
Transfer directed by P.L. 116-136	244	
Reimbursements for reduction in payroll tax contributions due to P.L. 111-312, P.L. 112-78, and P.L. 112-96[a]	[b]	
Reimbursements for payroll tax credits due to P.L. 98-21[a]	[b]	
Net General Fund reimbursements[a]		244
Income based on taxation of benefit payments:		
Withheld from benefit payments to nonresident aliens	331	
All other, not subject to withholding[a]	57,914	
Total income from taxation of benefits[a]		58,245
Investment income and interest adjustments:		
Interest on investments	63,707	
Interest adjustments[c]	3	
Total investment income and interest adjustments		63,710
Gifts		[b]
Total income		1,240,441
Cost:		
Benefit payments:		
Monthly benefits and lump-sum death payments[d]	1,411,231	
Reimbursement from the General Fund for unnegotiated checks	-82	
Payment for costs of vocational rehabilitation services for disabled beneficiaries	10	
Net benefit payments[d]		1,411,160
Financial interchange with the Railroad Retirement "Social Security Equivalent Benefit Account"		5,996
Administrative expenses:		
Costs incurred by:		
Social Security Administration	3,731	
Department of the Treasury	725	
Net income from miscellaneous receipts and other adjustments	[b]	
Miscellaneous reimbursements from the General Fund [e]	-5	
Net administrative expenses		4,452
Total cost		1,421,608
Net change in reserves		-181,167
Total invested reserves	2,400,808	
Undisbursed balances[f]	341	
Total reserves, September 30, 2025		2,401,149

[a] Includes adjustments for prior years.
[b] Between -$0.5 and $0.5 million.
[c] Includes: (1) interest on adjustments in the allocation of administrative expenses between the trust fund and the General Fund account for the Supplemental Security Income program, (2) interest arising from the revised allocation of administrative expenses among the trust funds, and (3) interest on certain reimbursements to the trust fund.
[d] Includes net reductions for the recovery of overpayments.
[e] Reimbursements for costs incurred in performing certain legislatively mandated activities not directly related to administering the OASI program.
[f] A positive balance represents a situation where the invested securities of the OASI Trust Fund that were redeemed to make cash payments exceeded actual program cash payments. In this situation, this excess amount will be used to partially offset future redemption of additional invested securities.

Note: Components may not sum to totals because of rounding.

Table VI.C2.—Operations of the DI Trust Fund, Fiscal Year 2025
[In millions]

Total reserves, September 30, 2024		$177,858
Income:		
Net payroll tax contributions:		
Payroll tax contributions[a]	$190,703	
Payments from the General Fund of the Treasury for payroll tax contributions subject to refund	-806	
Net payroll tax contributions[a]		189,897
Reimbursements from the General Fund:		
Reimbursements for reduction in payroll tax contributions due to P.L. 111-312, P.L. 112-78, and P.L. 112-96[a]	[b]	
Reimbursements for payroll tax credits due to P.L. 98-21[a]	[b]	
Net General Fund reimbursements[a]		[b]
Income based on taxation of benefit payments:		
Withheld from benefit payments to nonresident aliens	4	
All other, not subject to withholding[a]	1,499	
Total income from taxation of benefits[a]		1,503
Investment income and interest adjustments:		
Interest on investments	6,318	
Interest adjustments[c]	5	
Total investment income and interest adjustments		6,322
Gifts		[b]
Total income		197,722
Cost:		
Benefit payments:		
Monthly benefits[d]	157,365	
Reimbursement from the General Fund for unnegotiated checks	-40	
Payment for costs of vocational rehabilitation services for disabled beneficiaries	54	
Net benefit payments[d]		157,379
Financial interchange with the Railroad Retirement "Social Security Equivalent Benefit Account"		-1
Administrative expenses:		
Costs incurred by:		
Social Security Administration	2,648	
Department of the Treasury	120	
Demonstration projects	[b]	
Miscellaneous reimbursements from the General Fund[e]	-3	
Net administrative expenses		2,766
Total cost		160,143
Net change in reserves		37,579
Total invested reserves	215,352	
Undisbursed balances[f]	86	
Total reserves, September 30, 2025		215,438

[a] Includes adjustments for prior years.
[b] Between -$0.5 and $0.5 million.
[c] Includes: (1) interest on adjustments in the allocation of administrative expenses between the trust fund and the General Fund account for the Supplemental Security Income program, (2) interest arising from the revised allocation of administrative expenses among the trust funds, and (3) interest on certain reimbursements to the trust fund.
[d] Includes net reductions for the recovery of overpayments.
[e] Reimbursements for costs incurred in performing certain legislatively mandated activities not directly related to administering the DI program.
[f] A positive balance represents a situation where the invested securities of the DI Trust Fund that were redeemed to make cash payments exceeded actual program cash payments. In this situation, this excess amount will be used to partially offset future redemption of additional invested securities.

Note: Components may not sum to totals because of rounding.

Table VI.C3.—Operations of the Combined OASI and DI Trust Funds, Fiscal Year 2025
[In millions]

Total reserves, September 30, 2024		$2,760,174
Income:		
Net payroll tax contributions:		
Payroll tax contributions[a]	$1,313,692	
Payments from the General Fund of the Treasury for payroll tax contributions subject to refund	-5,554	
Net payroll tax contributions[a]		1,308,138
Reimbursements from the General Fund:		
Transfer directed by P.L. 116-136	244	
Reimbursements for reduction in payroll tax contributions due to P.L. 111-312, P.L. 112-78, and P.L. 112-96[a]	[b]	
Reimbursements for payroll tax credits due to P.L. 98-21[a]	[b]	
Net General Fund reimbursements[a]		244
Income based on taxation of benefit payments:		
Withheld from benefit payments to nonresident aliens	335	
All other, not subject to withholding[a]	59,413	
Total income from taxation of benefits[a]		59,748
Investment income and interest adjustments:		
Interest on investments	70,025	
Interest adjustments[c]	7	
Total investment income and interest adjustments		70,033
Gifts		[b]
Total income		1,438,163
Cost:		
Benefit payments:		
Monthly benefits and lump-sum death payments[d]	1,568,596	
Reimbursement from the General Fund for unnegotiated checks	-122	
Payment for costs of vocational rehabilitation services for disabled beneficiaries	65	
Net benefit payments[d]		1,568,539
Financial interchange with the Railroad Retirement "Social Security Equivalent Benefit Account"		5,995
Administrative expenses:		
Costs incurred by:		
Social Security Administration	6,380	
Department of the Treasury	846	
Net income from miscellaneous receipts and other adjustments	[b]	
Demonstration projects	[b]	
Miscellaneous reimbursements from the General Fund[e]	-8	
Net administrative expenses		7,217
Total cost		1,581,751
Net change in reserves		-143,587
Total invested reserves	2,616,160	
Undisbursed balances[f]	427	
Total reserves, September 30, 2025		2,616,586

[a] Includes adjustments for prior years.
[b] Between -$0.5 and $0.5 million.
[c] Includes: (1) interest on adjustments in the allocation of administrative expenses between the trust funds and the General Fund account for the Supplemental Security Income program, (2) interest arising from the revised allocation of administrative expenses among the trust funds, and (3) interest on certain reimbursements to the trust funds.
[d] Includes net reductions for the recovery of overpayments.
[e] Reimbursements for costs incurred in performing certain legislatively mandated activities not directly related to administering the OASI and DI programs.
[f] A positive balance represents a situation where the invested securities of the combined OASI and DI Trust Funds that were redeemed to make cash payments exceeded actual program cash payments. In this situation, this excess amount will be used to partially offset future redemption of additional invested securities.

Note: Components may not sum to totals because of rounding.

Table VI.C4.—Operations of the OASI Trust Fund, Fiscal Years 2021-2035[a]
[Dollar amounts in billions]

Fiscal year	Income					Cost				Reserves		Trust fund ratio at start of year[b]
	Total	Net payroll tax contributions[c]	GF reimbursements[d]	Taxation of benefits[c]	Net interest	Total	Scheduled benefits	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
Historical data:												
2021. .	$936.0	$831.1	[e]	$34.3	$70.5	$991.4	$982.7	$3.9	$4.8	-$55.4	$2,755.8	284
2022. .	1,041.1	929.0	[e]	47.0	65.1	1,073.3	1,063.9	4.0	5.3	-32.2	2,723.6	257
2023. .	1,152.2	1,039.0	$0.2	49.8	63.3	1,202.1	1,192.1	4.3	5.6	-49.8	2,673.8	227
2024. .	1,213.0	1,096.9	[e]	53.1	62.9	1,304.4	1,293.8	4.8	5.9	-91.5	2,582.3	205
2025. .	1,240.4	1,118.2	.2	58.2	63.7	1,421.6	1,411.2	4.5	6.0	-181.2	2,401.1	182
Intermediate:												
2026. .	1,276.8	1,161.1	[e]	56.1	59.5	1,504.6	1,494.3	4.4	5.9	-227.9	2,173.3	160
2027. .	1,313.8	1,190.1	.2	67.6	56.0	1,596.9	1,586.3	4.4	6.1	-283.1	1,890.2	136
2028. .	1,388.3	1,265.8	[e]	73.2	49.3	1,688.2	1,677.6	4.4	6.2	-299.9	1,590.3	112
2029. .	1,446.4	1,323.9	[e]	81.4	41.2	1,780.1	1,769.1	4.7	6.4	-333.7	1,256.6	89
2030. .	1,508.9	1,388.1	[e]	88.6	32.2	1,873.0	1,861.7	4.9	6.4	-364.1	892.4	67
2031. .	1,570.2	1,452.7	[e]	94.8	22.7	1,966.7	1,955.1	5.1	6.5	-396.5	495.9	45
2032. .	1,629.1	1,516.1	[e]	101.6	11.4	2,060.8	2,048.9	5.3	6.6	-431.7	64.2	24
2033. .	[f]	1,600.9	[e]	109.2	[f]	2,155.1	2,142.9	5.5	6.6	[f]	[f]	3
2034. .	[f]	1,660.7	[e]	116.3	[f]	2,249.8	2,237.4	5.7	6.7	[f]	[f]	[f]
2035. .	[f]	1,729.6	[e]	123.8	[f]	2,345.4	2,332.7	5.9	6.8	[f]	[f]	[f]
Low-cost:												
2026. .	1,286.3	1,170.3	[e]	56.1	59.9	1,504.3	1,494.0	4.4	5.9	-218.0	2,183.2	160
2027. .	1,370.1	1,244.5	.2	67.7	57.8	1,598.1	1,587.5	4.4	6.1	-228.0	1,955.2	137
2028. .	1,465.0	1,336.6	[e]	73.6	54.8	1,696.2	1,685.7	4.4	6.2	-231.3	1,724.0	115
2029. .	1,553.7	1,421.1	[e]	82.2	50.4	1,797.1	1,786.1	4.7	6.3	-243.4	1,480.6	96
2030. .	1,646.7	1,511.1	[e]	89.8	45.8	1,899.6	1,888.2	5.1	6.4	-252.9	1,227.7	78
2031. .	1,741.9	1,604.5	[e]	96.6	40.8	2,003.6	1,991.8	5.4	6.4	-261.7	966.0	61
2032. .	1,840.7	1,701.8	[e]	103.9	35.0	2,109.2	2,097.0	5.7	6.6	-268.5	697.5	46
2033. .	1,967.3	1,826.9	[e]	112.3	28.0	2,216.1	2,203.5	6.0	6.6	-248.9	448.6	31
2034. .	2,069.6	1,929.2	[e]	120.2	20.2	2,324.8	2,311.8	6.3	6.7	-255.2	193.4	19
2035. .	[f]	2,045.0	[e]	128.6	[f]	2,435.9	2,422.6	6.5	6.8	[f]	[f]	8
High-cost:												
2026. .	1,265.3	1,150.4	[e]	56.1	58.8	1,505.0	1,494.7	4.4	5.9	-239.7	2,161.5	160
2027. .	1,237.2	1,115.2	.2	67.5	54.4	1,593.6	1,583.0	4.4	6.2	-356.4	1,805.0	136
2028. .	1,288.4	1,171.0	[e]	72.8	44.7	1,677.5	1,666.7	4.4	6.3	-389.0	1,416.0	108
2029. .	1,318.6	1,203.6	[e]	80.5	34.5	1,760.6	1,749.6	4.6	6.5	-442.0	973.9	80
2030. .	1,357.2	1,246.3	[e]	87.2	23.7	1,844.1	1,832.9	4.7	6.5	-486.9	487.0	53
2031. .	[f]	1,291.6	[e]	93.0	[f]	1,927.8	1,916.4	4.9	6.5	[f]	[f]	25
2032. .	[f]	1,335.3	[e]	99.1	[f]	2,011.1	1,999.5	5.0	6.6	[f]	[f]	[f]
2033. .	[f]	1,391.9	[e]	106.1	[f]	2,093.4	2,081.7	5.1	6.6	[f]	[f]	[f]
2034. .	[f]	1,425.3	[e]	112.5	[f]	2,174.9	2,163.0	5.2	6.6	[f]	[f]	[f]
2035. .	[f]	1,464.1	[e]	119.1	[f]	2,255.9	2,243.9	5.3	6.7	[f]	[f]	[f]

[a] Appendix A presents a detailed description of the components of income and cost, along with complete historical values.
[b] Represents reserves at the beginning of a year (which are identical to reserves at the end of the prior year shown in the "Amount at end of year" column) as a percentage of cost for the year. Under the intermediate, low-cost, and high-cost assumptions, reserves are projected to become depleted by the beginning of fiscal years 2034, 2036, and 2032, respectively.
[c] Includes adjustments for prior fiscal years.
[d] Includes net reimbursements from the General Fund of the Treasury to the OASI Trust Fund for: (1) the cost of payroll tax credits provided to employees in 1984 and self-employed persons in 1984-89 by Public Law 98-21; and (2) payroll tax revenue forgone under the provisions of Public Laws 111-147, 111-312, 112-78, and 112-96. Also includes transfers of a portion of proceeds from repayments of loans authorized under Public Law 116-136.
[e] Between -$50 million and $50 million.
[f] The OASI Trust Fund reserves become depleted in the first quarter of fiscal year 2033, the fourth quarter of fiscal year 2035, and the fourth quarter of fiscal year 2031 under the intermediate, low-cost, and high-cost assumptions, respectively. When trust fund reserves are depleted, certain trust fund operations items are not well-defined under current law, and are not shown in this table. In addition, (1) scheduled benefits could not be paid in full on a timely basis, and actual amounts paid would be less than the scheduled benefits shown in this table; and (2) income from taxation of benefits would be lower than the amounts shown in the table, which are the amounts that would be assessed on scheduled benefits under current law.

Note: Components may not sum to totals because of rounding.

Table VI.C5.—Operations of the DI Trust Fund, Fiscal Years 2021-2035[a]
[Dollar amounts in billions]

Fiscal year	Income					Cost				Reserves		Trust fund ratio at start of year[b]
	Total	Net payroll tax contributions[c]	GF reimbursements[d]	Taxation of benefits[c]	Net interest	Total	Scheduled benefits	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
Historical data:												
2021 . .	$144.4	$141.2	[e]	$0.5	$2.7	$143.4	$140.7	$2.5	$0.1	$1.0	$98.1	68
2022 . .	162.0	157.8	[e]	1.5	2.7	145.4	142.5	2.8	.2	16.6	114.7	67
2023 . .	180.7	176.5	[e]	1.0	3.2	152.5	149.6	2.8	.1	28.2	142.9	75
2024 . .	191.4	186.3	[e]	.6	4.5	156.5	153.9	2.5	.1	34.9	177.9	91
2025 . .	197.7	189.9	[e]	1.5	6.3	160.1	157.4	2.8	[e]	37.6	215.4	111
Intermediate:												
2026 . .	206.5	197.0	[e]	1.3	8.2	166.7	163.7	3.0	-.1	39.9	255.3	129
2027 . .	213.7	202.1	[e]	1.7	9.9	176.1	173.1	3.1	-.1	37.6	292.9	145
2028 . .	228.3	214.9	[e]	1.8	11.6	182.3	179.4	3.0	-.1	46.0	338.9	161
2029 . .	240.4	224.8	[e]	1.9	13.7	186.0	182.9	3.1	[e]	54.4	393.3	182
2030 . .	253.8	235.7	[e]	2.0	16.1	189.6	186.4	3.2	[e]	64.2	457.5	207
2031 . .	267.7	246.7	[e]	2.0	18.9	193.0	189.7	3.3	[e]	74.7	532.2	237
2032 . .	281.8	257.5	[e]	2.1	22.2	199.4	196.0	3.4	[e]	82.4	614.6	267
2033 . .	300.0	271.9	[e]	2.3	25.8	208.0	204.4	3.6	[e]	92.0	706.6	296
2034 . .	314.2	282.0	[e]	2.4	29.7	217.5	213.9	3.7	[e]	96.7	803.3	325
2035 . .	330.3	293.7	[e]	2.6	34.0	228.1	224.3	3.8	[e]	102.2	905.5	352
Low-cost:												
2026 . .	208.2	198.6	[e]	1.3	8.3	164.6	161.6	3.0	-.1	43.6	259.0	131
2027 . .	223.6	211.3	[e]	1.6	10.7	171.0	168.1	3.1	-.1	52.6	311.6	151
2028 . .	242.5	227.0	[e]	1.7	13.9	174.9	171.9	3.0	-.1	67.7	379.3	178
2029 . .	261.0	241.3	[e]	1.8	17.9	176.6	173.5	3.1	-.1	84.4	463.7	215
2030 . .	281.3	256.6	[e]	1.9	22.8	178.3	175.1	3.3	-.1	103.0	566.7	260
2031 . .	303.1	272.5	[e]	1.9	28.7	179.9	176.5	3.4	[e]	123.2	689.9	315
2032 . .	326.7	289.0	[e]	2.0	35.8	184.2	180.6	3.6	[e]	142.5	832.5	375
2033 . .	356.2	310.2	[e]	2.1	43.8	190.6	186.9	3.7	[e]	165.6	998.0	437
2034 . .	382.9	327.6	[e]	2.2	53.0	198.1	194.3	3.9	[e]	184.7	1,182.7	504
2035 . .	413.0	347.3	[e]	2.4	63.4	206.8	202.8	4.0	[e]	206.3	1,389.0	572
High-cost:												
2026 . .	204.6	195.2	[e]	1.3	8.1	168.8	165.9	3.0	-.1	35.8	251.2	128
2027 . .	200.4	189.4	[e]	1.7	9.3	181.1	178.1	3.1	-.1	19.3	270.6	139
2028 . .	210.5	198.8	[e]	1.8	9.8	189.6	186.6	3.0	[e]	20.9	291.5	143
2029 . .	216.7	204.4	[e]	2.0	10.4	194.9	191.8	3.1	[e]	21.8	313.3	150
2030 . .	224.7	211.6	[e]	2.1	10.9	199.7	196.5	3.2	[e]	24.9	338.3	157
2031 . .	233.1	219.3	[e]	2.1	11.6	204.2	200.9	3.3	[e]	28.9	367.2	166
2032 . .	241.4	226.8	[e]	2.3	12.4	211.8	208.4	3.4	[e]	29.6	396.8	173
2033 . .	252.0	236.4	[e]	2.4	13.2	221.5	218.0	3.5	[e]	30.5	427.3	179
2034 . .	258.7	242.0	[e]	2.6	14.0	232.1	228.4	3.6	.1	26.6	453.9	184
2035 . .	266.2	248.6	[e]	2.8	14.8	243.6	239.9	3.7	.1	22.6	476.5	186

[a] Appendix A presents a detailed description of the components of income and cost, along with complete historical values.
[b] Represents reserves at the beginning of a year (which are identical to reserves at the end of the prior year shown in the "Amount at end of year" column) as a percentage of cost for the year.
[c] Includes adjustments for prior fiscal years.
[d] Includes net reimbursements from the General Fund of the Treasury to the DI Trust Fund for: (1) the cost of payroll tax credits provided to employees in 1984 and self-employed persons in 1984-89 by Public Law 98-21; and (2) payroll tax revenue forgone under the provisions of Public Laws 111-147, 111-312, 112-78, and 112-96.
[e] Between -$50 million and $50 million.

Note: Components may not sum to totals because of rounding.

Table VI.C6.—Operations of the Combined OASI and DI Trust Funds, Fiscal Years 2021-2035[a]
[Dollar amounts in billions]

Fiscal year	Income					Cost				Reserves		Trust fund ratio at start of year[b]
	Total	Net payroll tax contributions[c]	GF reimbursements[d]	Taxation of benefits[c]	Net interest	Total	Scheduled benefits	Administrative costs	RRB interchange	Net change during year	Amount at end of year	
Historical data:												
2021. .	$1,080.4	$972.3	[e]	$34.8	$73.3	$1,134.8	$1,123.4	$6.4	$4.9	-$54.4	$2,853.9	256
2022. .	1,203.1	1,086.9	[e]	48.5	67.7	1,218.6	1,206.4	6.8	5.5	-15.5	2,838.3	234
2023. .	1,332.9	1,215.5	$0.2	50.8	66.5	1,354.6	1,341.8	7.1	5.6	-21.6	2,816.7	210
2024. .	1,404.4	1,283.2	[e]	53.7	67.4	1,460.9	1,447.7	7.3	5.9	-56.5	2,760.2	193
2025. .	1,438.2	1,308.1	.2	59.7	70.0	1,581.8	1,568.5	7.2	6.0	-143.6	2,616.6	175
Intermediate:												
2026. .	1,483.3	1,358.1	[e]	57.4	67.8	1,671.3	1,658.0	7.4	5.8	-188.0	2,428.6	157
2027. .	1,527.5	1,392.2	.2	69.3	65.9	1,773.0	1,759.4	7.5	6.1	-245.5	2,183.1	137
2028. .	1,616.7	1,480.7	[e]	75.0	60.9	1,870.6	1,857.0	7.4	6.2	-253.9	1,929.2	117
2029. .	1,686.8	1,548.7	[e]	83.3	54.8	1,966.1	1,952.1	7.7	6.3	-279.3	1,649.9	98
2030. .	1,762.7	1,623.8	[e]	90.5	48.3	2,062.6	2,048.1	8.1	6.4	-299.9	1,350.0	80
2031. .	1,837.8	1,699.3	[e]	96.9	41.6	2,159.6	2,144.7	8.4	6.4	-321.8	1,028.2	63
2032. .	1,910.9	1,773.6	[e]	103.7	33.6	2,260.2	2,244.9	8.8	6.5	-349.3	678.8	45
2033. .	2,006.5	1,872.8	[e]	111.5	22.2	2,363.1	2,347.4	9.1	6.6	-356.6	322.3	29
2034. .	[f]	1,942.7	[e]	118.8	[f]	2,467.3	2,451.2	9.4	6.7	[f]	[f]	13
2035. .	[f]	2,023.4	[e]	126.4	[f]	2,573.5	2,557.0	9.6	6.8	[f]	[f]	[f]
Low-cost:												
2026. .	1,494.5	1,368.9	[e]	57.4	68.2	1,668.9	1,655.6	7.4	5.8	-174.4	2,442.2	157
2027. .	1,593.7	1,455.8	.2	69.3	68.5	1,769.1	1,755.6	7.5	6.0	-175.4	2,266.8	138
2028. .	1,707.5	1,563.6	[e]	75.3	68.7	1,871.1	1,857.6	7.4	6.1	-163.6	2,103.3	121
2029. .	1,814.8	1,662.5	[e]	84.0	68.3	1,973.7	1,959.6	7.9	6.2	-159.0	1,944.3	107
2030. .	1,928.0	1,767.7	[e]	91.7	68.6	2,077.9	2,063.3	8.3	6.3	-149.9	1,794.3	94
2031. .	2,045.0	1,877.0	[e]	98.5	69.5	2,183.5	2,168.3	8.8	6.4	-138.4	1,655.9	82
2032. .	2,167.4	1,990.7	[e]	105.9	70.8	2,293.4	2,277.6	9.2	6.5	-126.0	1,529.9	72
2033. .	2,323.4	2,137.2	[e]	114.4	71.8	2,406.7	2,390.5	9.7	6.6	-83.3	1,446.6	64
2034. .	2,452.4	2,256.8	[e]	122.4	73.2	2,522.9	2,506.1	10.1	6.7	-70.5	1,376.1	57
2035. .	2,591.0	2,392.2	[e]	131.0	67.8	2,642.7	2,625.3	10.6	6.8	-51.7	1,324.4	52
High-cost:												
2026. .	1,470.0	1,345.6	[e]	57.4	67.0	1,673.9	1,660.6	7.4	5.8	-203.9	2,412.7	156
2027. .	1,437.6	1,304.6	.2	69.2	63.7	1,774.8	1,761.1	7.5	6.1	-337.1	2,075.6	136
2028. .	1,499.0	1,369.8	[e]	74.6	54.5	1,867.1	1,853.4	7.4	6.3	-368.1	1,707.5	111
2029. .	1,535.3	1,407.9	[e]	82.5	44.9	1,955.5	1,941.4	7.6	6.5	-420.2	1,287.3	87
2030. .	1,581.9	1,457.9	[e]	89.3	34.6	2,043.8	2,029.4	7.9	6.5	-462.0	825.3	63
2031. .	1,627.2	1,511.0	[e]	95.1	21.1	2,132.0	2,117.3	8.2	6.5	-504.8	320.5	39
2032. .	[f]	1,562.1	[e]	101.4	[f]	2,222.9	2,207.9	8.4	6.6	[f]	[f]	14
2033. .	[f]	1,628.3	[e]	108.6	[f]	2,314.9	2,299.7	8.6	6.6	[f]	[f]	[f]
2034. .	[f]	1,667.3	[e]	115.1	[f]	2,406.9	2,391.4	8.8	6.7	[f]	[f]	[f]
2035. .	[f]	1,712.7	[e]	121.9	[f]	2,499.5	2,483.8	9.0	6.8	[f]	[f]	[f]

[a] Appendix A presents a detailed description of the components of income and cost, along with complete historical values.
[b] Represents reserves at the beginning of a year (which are identical to reserves at the end of the prior year shown in the "Amount at end of year" column) as a percentage of cost for the year. Under the intermediate and high-cost assumptions, combined reserves are projected to become depleted by the beginning of fiscal years 2035 and 2033, respectively.
[c] Includes adjustments for prior fiscal years.
[d] Includes net reimbursements from the General Fund of the Treasury to the OASI and DI Trust Funds for: (1) the cost of payroll tax credits provided to employees in 1984 and self-employed persons in 1984-89 by Public Law 98-21; and (2) payroll tax revenue forgone under the provisions of Public Laws 111-147, 111-312, 112-78, and 112-96. Also includes transfers of a portion of proceeds from repayments of loans authorized under Public Law 116-136.
[e] Between -$50 million and $50 million.
[f] The reserves of the combined OASI and DI Trust Funds become depleted in the fourth quarter of fiscal year 2034 and the third quarter of fiscal year 2032 under the intermediate and high-cost assumptions, respectively. When trust fund reserves are depleted, certain trust fund operations items are not well-defined under current law, and are not shown in this table. In addition, (1) scheduled benefits could not be paid in full values under current law would reflect permissible expenditures only, which would be less than the full cost of paying scheduled benefits shown in this table; and (2) income from taxation of benefits would be lower than the amounts shown in the table, which are the amounts that would be assessed on scheduled benefits under current law.

Note: Components may not sum to totals because of rounding.

D. LONG-RANGE SENSITIVITY ANALYSIS

This appendix presents estimates that illustrate the sensitivity of the long-range actuarial status of the OASDI program to changes in selected individual assumptions. The estimates based on the three alternative sets of assumptions, which were presented earlier in this report, illustrate the effects of varying all of the principal assumptions simultaneously, in order to portray a significantly more optimistic or pessimistic future. For each sensitivity analysis presented in this appendix, the intermediate alternative II projection is the reference point, and one assumption is varied within that alternative. The variation used for each individual assumption is the same as the level used for that assumption in the low-cost alternative I and high-cost alternative III projections.

Each table in this section shows the effects of changing a particular assumption on the OASDI summarized income rates, summarized cost rates, and actuarial balances for 25-year, 50-year, and 75-year valuation periods. Each table also shows the effects on the annual balance for 2100 and on the year of combined trust fund reserve depletion. Following each table is a discussion of the estimated changes in cost rates. The change in each of the actuarial balances is approximately equal to the change in the corresponding cost rate, but in the opposite direction. This appendix does not discuss income rates following each table because income rates vary only slightly due primarily to the changes in assumptions that affect revenue from taxation of benefits as a percentage of taxable payroll.

1. Total Fertility Rate

Table VI.D1 shows selected measures of OASDI actuarial status under alternative II with three different assumptions for the future paths of total fertility rates. These assumptions are described in section V.A.1. Under the Trustees' assumptions, the ultimate total fertility rate is 1.40, 1.75, and 2.10 children per woman for alternatives III, II, and I, respectively. The ultimate total fertility rate is reached in 2050.

Table VI.D1.—Sensitivity of OASDI Measures to Fertility Assumptions
[As a percentage of taxable payroll]

Valuation period	Ultimate total fertility rate[a] [b] 1.40	1.75	2.10
Summarized income rate:			
25-year: 2026-50	14.06	14.06	14.06
50-year: 2026-75	13.77	13.74	13.72
75-year: 2026-2100	13.74	13.68	13.61
Summarized cost rate:			
25-year: 2026-50	16.73	16.75	16.76
50-year: 2026-75	17.78	17.45	17.14
75-year: 2026-2100	18.97	18.10	17.28
Actuarial balance:			
25-year: 2026-50	-2.67	-2.69	-2.71
50-year: 2026-75	-4.00	-3.70	-3.42
75-year: 2026-2100	-5.23	-4.42	-3.67
Annual balance for 2100	-10.18	-6.57	-3.89
Year of combined trust fund reserve depletion	2034	2034	2034

[a] The total fertility rate for any year is 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 observed in, or assumed for, the selected year, and if she were to survive the entire childbearing period. The ultimate total fertility rate is reached in 2050 under all three alternatives.
[b] The total fertility rates used for this analysis are consistent with those assumed for the three alternative scenarios. All other assumptions used for this analysis are from alternative II.

For the 25-year period, the cost rate for the three fertility assumptions varies by only about 0.04 percent of taxable payroll. In contrast, the 75-year cost rate varies over a wide range, decreasing from 18.97 percent to 17.28 percent, as the ultimate total fertility rate increases from 1.40 for alternative III to 2.10 for alternative I. Similarly, while the 25-year actuarial balance varies by only 0.03 percent of taxable payroll, the 75-year actuarial balance varies over a much wider range, from -5.23 percent to -3.67 percent.

During the 25-year period, the effects of the very slight increases in the working-age population on tax income resulting from higher fertility (than that experienced in an alternative scenario) are more than offset by the effects of decreases in female labor force participation and increases in the number of child beneficiaries. Therefore, 25-year program cost as a percentage of taxable payroll increases slightly with higher fertility. For the 75-year long-range period, however, changes in fertility have a relatively greater effect on the size of the working-age population than on the beneficiary population. As a result, an increase in fertility significantly reduces the cost rate. Each increase of 0.1 in the ultimate total fertility rate increases (improves) the long-range actuarial balance by about 0.22 percent of taxable payroll.

2. Death Rates

Table VI.D2 shows selected measures of OASDI actuarial status under alternative II with three different assumptions about future reductions in death rates for the period from 2035 to 2100. These assumptions are described in section V.A.2. Under the Trustees' assumptions, the age-sex-adjusted death rates[1] decline at average annual rates of 0.27 percent, 0.73 percent, and 1.24 percent for alternatives I, II, and III, respectively.

Table VI.D2.—Sensitivity of OASDI Measures to Death-Rate Assumptions
[As a percentage of taxable payroll]

Valuation period	Average annual death-rate reduction[a] [b]		
	0.27 percent	0.73 percent	1.24 percent
Summarized income rate:			
25-year: 2026-50	14.06	14.06	14.06
50-year: 2026-75	13.73	13.74	13.76
75-year: 2026-2100	13.65	13.68	13.71
Summarized cost rate:			
25-year: 2026-50	16.59	16.75	16.95
50-year: 2026-75	17.02	17.45	17.98
75-year: 2026-2100	17.40	18.10	18.91
Actuarial balance:			
25-year: 2026-50	-2.54	-2.69	-2.89
50-year: 2026-75	-3.29	-3.70	-4.22
75-year: 2026-2100	-3.76	-4.42	-5.20
Annual balance for 2100	-4.94	-6.57	-8.27
Year of combined trust fund reserve depletion	2034	2034	2034

[a] The average annual death-rate reduction is the average annual geometric rate of decline in the age-sex-adjusted death rate for the period from 2035 to 2100.
[b] The death-rate reductions used for this analysis are consistent with those assumed for the three alternative scenarios. All other assumptions used for this analysis are from alternative II.

The variation in cost for the 25-year period is less pronounced than the variation for the 75-year period because decreases in death rates have cumulative effects. The 25-year cost rate increases from 16.59 percent (for an average annual death-rate reduction of 0.27 percent from 2035 to 2100) to 16.95 percent (for an average annual death-rate reduction of 1.24 percent from 2035 to 2100). The 75-year cost rate increases from 17.40 percent to 18.91 percent. The actuarial balance decreases from -2.54 percent to -2.89 percent for the 25-year period, and from -3.76 percent to -5.20 percent for the 75-year period.

Lower death rates raise both the income (through increased taxable payroll) and the cost of the OASDI program. The relative increase in cost, however,

[1] Based on the enumerated total population as of April 1, 2010, if that population were to experience the death rates by age and sex for the selected year.

exceeds the relative increase in taxable payroll. For any given year, reductions in the death rates for people who are age 62 and over (ages at which death rates are the highest) increase the number of retired-worker beneficiaries (and, therefore, the amount of retirement benefits paid) without adding significantly to the number of covered workers (and, therefore, to the taxable payroll). Reductions in death rates for people between ages 50 and 61 result in significant increases to the taxable payroll. However, those increases are not large enough to offset the sum of the additional future retirement benefits once they retire and the disability benefits paid to additional beneficiaries at these pre-retirement ages, which are ages of high disabled-worker incidence. At ages under 50, death rates are so low that even substantial reductions in death rates do not result in significant increases in the numbers of covered workers or beneficiaries. Consequently, if death rates decline by about the same relative amount for all ages, the cost increases faster than the rate of growth in payroll, which results in higher cost rates and lower actuarial balances. Each additional 0.1-percentage-point increase in the average annual rate of decline in the death rate decreases (worsens) the long-range actuarial balance by about 0.15 percent of taxable payroll.

3. Immigration

Table VI.D3 shows selected measures of OASDI actuarial status under alternative II with three different assumptions about the magnitude of total net immigration (sum of net lawful permanent resident immigration and net temporary or unlawfully present immigration). See section V.A.3 for more information on immigration assumptions and methods. Under the alternative II (intermediate) assumptions, total net annual immigration averages 1,176,000 people for the period 2036 through 2100. It averages 750,000 and 1,621,000 people for the period 2036 through 2100 for the high-cost and low-cost sensitivity projections, respectively.[1]

[1] The average annual total net immigration levels for the high-cost and low-cost sensitivity projections do not match the levels for the full alternative III and I scenarios (749,000 and 1,624,000, respectively). This is because the sensitivity projections use alternative II assumptions for fertility and mortality instead of the corresponding alternative III or I assumptions. Varying the fertility and mortality assumptions affects the size of the temporary or unlawfully present immigrant population, which, in turn, affects future emigration levels from that population.

Table VI.D3.—Sensitivity of OASDI Measures to Total Net Immigration Assumptions
[As a percentage of taxable payroll]

Valuation period	Average annual total net immigration[a] [b]		
	750,000	1,176,000	1,621,000
Summarized income rate:			
25-year: 2026-50	14.08	14.06	14.03
50-year: 2026-75	13.78	13.74	13.71
75-year: 2026-2100	13.72	13.68	13.64
Summarized cost rate:			
25-year: 2026-50	16.99	16.75	16.49
50-year: 2026-75	17.82	17.45	17.08
75-year: 2026-2100	18.58	18.10	17.64
Actuarial balance:			
25-year: 2026-50	-2.90	-2.69	-2.46
50-year: 2026-75	-4.04	-3.70	-3.37
75-year: 2026-2100	-4.86	-4.42	-4.00
Annual balance for 2100	-7.62	-6.57	-5.70
Year of combined trust fund reserve depletion	2034	2034	2034

[a] Average annual total net immigration is the annual total net immigration to the Social Security area population, including both LPR immigration and temporary or unlawfully present immigration, averaged for 2036 through 2100.
[b] The immigration assumptions used for this analysis are consistent with those assumed for the three alternative scenarios. All other assumptions used for this analysis are from alternative II.

For all three periods, when total net immigration increases, the cost rate decreases. For the 25-year period, the cost rate decreases from 16.99 percent of taxable payroll (for an average annual total net immigration level of 750,000 people for 2036 through 2100) to 16.49 percent (for an average annual total net immigration level of 1,621,000 people for 2036 through 2100). For the 50-year period, it decreases from 17.82 percent to 17.08 percent, and for the 75-year period, it decreases from 18.58 percent to 17.64 percent. The actuarial balance increases from -2.90 percent to -2.46 percent for the 25-year period, from -4.04 percent to -3.37 percent for the 50-year period, and from -4.86 percent to -4.00 percent for the 75-year period.

The cost rate decreases with an increase in total net immigration because immigration occurs at relatively young ages, thereby increasing the number of covered workers earlier than the number of beneficiaries. Increasing average annual total net immigration by 100,000 people increases (improves) the long-range actuarial balance by about 0.10 percent of taxable payroll.

4. Real Wage Growth

Table VI.D4 shows selected measures of OASDI actuarial status under alternative II with three different assumptions about the real growth rate in the average annual wage in OASDI covered employment. Under the Trustees'

assumptions, the average annual real growth rate in the average wage in covered employment from 2035 to 2100 is 0.53 percent, 1.14 percent, and 1.74 percent under alternatives III, II, and I, respectively.

Table VI.D4.—Sensitivity of OASDI Measures to Real Wage Growth Assumptions
[As a percentage of taxable payroll]

Valuation period	Average annual real wage growth[a b]		
	0.53	1.14	1.74
Summarized income rate:			
25-year: 2026-50	14.15	14.06	13.96
50-year: 2026-75	13.87	13.74	13.62
75-year: 2026-2100	13.82	13.68	13.55
Summarized cost rate:			
25-year: 2026-50	17.58	16.75	15.95
50-year: 2026-75	18.65	17.45	16.30
75-year: 2026-2100	19.43	18.10	16.82
Actuarial balance:			
25-year: 2026-50	-3.43	-2.69	-1.98
50-year: 2026-75	-4.78	-3.70	-2.67
75-year: 2026-2100	-5.61	-4.42	-3.27
Annual balance for 2100	-8.94	-6.57	-4.55
Year of combined trust fund reserve depletion	2034	2034	2035

[a] The average annual real wage growth is the average annual real growth rate in the average wage in OASDI covered employment from 2035 to 2100.
[b] The real wage growth assumptions used for this analysis are consistent with those assumed for the three alternative scenarios. All other assumptions used for this analysis are from alternative II.

For the 25-year period, the cost rate decreases from 17.58 percent (for a real growth rate in the average wage in OASDI covered employment of 0.53 percent) to 15.95 percent (for a real growth rate of 1.74 percent). For the 50-year period, it decreases from 18.65 percent to 16.30 percent, and for the 75-year period it decreases from 19.43 percent to 16.82 percent. The actuarial balance increases from -3.43 percent to -1.98 percent for the 25-year period, from -4.78 percent to -2.67 percent for the 50-year period, and from -5.61 percent to -3.27 percent for the 75-year period.

The cost rate decreases with increasing real wage growth. Higher wages increase taxable payroll immediately, but they increase benefit levels only gradually as new beneficiaries become entitled. In addition, cost-of-living adjustments (COLA) to benefits depend not on changes in wages, but on changes in prices. Each 0.1-percentage-point increase in real wage growth increases (improves) the long-range actuarial balance by about 0.19 percent of taxable payroll.

5. Consumer Price Index

Table VI.D5 shows selected measures of OASDI actuarial status under alternative II with three different assumptions about the rate of increase for the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI). Under the Trustees' assumptions, the annual increase in the CPI is 3.00 percent, 2.40 percent, and 1.80 percent under alternatives I, II, and III, respectively. These ultimate rates of increase are reached by 2028 under all three alternatives.

Table VI.D5.—Sensitivity of OASDI Measures to CPI-Increase Assumptions
[As a percentage of taxable payroll]

	Ultimate annual increase in CPI[a]		
Valuation period	3.00	2.40	1.80
Summarized income rate:			
25-year: 2026-50	14.04	14.06	14.07
50-year: 2026-75	13.73	13.74	13.76
75-year: 2026-2100	13.66	13.68	13.69
Summarized cost rate:			
25-year: 2026-50	16.64	16.75	16.85
50-year: 2026-75	17.31	17.45	17.59
75-year: 2026-2100	17.94	18.10	18.26
Actuarial balance:			
25-year: 2026-50	-2.60	-2.69	-2.77
50-year: 2026-75	-3.58	-3.70	-3.83
75-year: 2026-2100	-4.28	-4.42	-4.57
Annual balance for 2100	-6.37	-6.57	-6.76
Year of combined trust fund reserve depletion	2034	2034	2034

[a] The CPI assumptions used for this analysis are consistent with those assumed for the three alternative scenarios. All other assumptions used for this analysis are from alternative II.

For all three periods, the cost rate increases when the assumed rates of increase in the CPI are smaller. For the 25-year period, the cost rate increases from 16.64 percent (for a CPI increase of 3.00 percent) to 16.85 percent (for a CPI increase of 1.80 percent). For the 50-year period, it increases from 17.31 percent to 17.59 percent, and for the 75-year period, it increases from 17.94 percent to 18.26 percent. The actuarial balance decreases from -2.60 percent to -2.77 percent for the 25-year period, from -3.58 percent to -3.83 percent for the 50-year period, and from -4.28 percent to -4.57 percent for the 75-year period.

The time lag between the effects of the CPI changes on taxable payroll and on scheduled benefits explains these patterns. When the rate of increase in the CPI is greater and real wage growth is constant, then: (1) the effect on taxable payroll due to a greater rate of increase in average wages occurs immediately and (2) the effect on benefits due to a larger COLA occurs with

a lag of about 1 year. As a result of these effects, the higher taxable payrolls have a stronger effect than the higher benefits, which results in lower cost rates. Each 0.1-percentage-point decrease in the rate of the change in the CPI decreases (worsens) the long-range actuarial balance by about 0.02 percent of taxable payroll.

6. Real Interest Rate

Table VI.D6 shows selected measures of OASDI actuarial status under alternative II with three different assumptions about the annual real interest rate (compounded semiannually) for special public-debt obligations issuable to the trust funds. Under the Trustees' assumptions, the ultimate annual real interest rate is 1.8 percent, 2.3 percent, and 2.8 percent under alternatives III, II, and I, respectively. These ultimate rates are reached by 2044 under all three alternatives. In each case, the ultimate annual increase in the CPI is 2.40 percent, which is consistent with alternative II. Therefore, the ultimate annual yields are 4.2, 4.8, and 5.3 percent, respectively.

Table VI.D6.—Sensitivity of OASDI Measures to Real Interest Rate Assumptions
[As a percentage of taxable payroll]

Valuation period	Ultimate annual real interest rate[a] [b]		
	1.8 percent	2.3 percent	2.8 percent
Summarized income rate:			
25-year: 2026-50	14.02	14.06	14.09
50-year: 2026-75	13.71	13.74	13.78
75-year: 2026-2100	13.64	13.68	13.72
Summarized cost rate:			
25-year: 2026-50	16.80	16.75	16.70
50-year: 2026-75	17.58	17.45	17.32
75-year: 2026-2100	18.32	18.10	17.90
Actuarial balance:			
25-year: 2026-50	-2.77	-2.69	-2.61
50-year: 2026-75	-3.87	-3.70	-3.54
75-year: 2026-2100	-4.68	-4.42	-4.18
Annual balance for 2100	-6.57	-6.57	-6.57
Year of combined trust fund reserve depletion	2034	2034	2034

[a] The annual real interest rate is the effective annual yield on reserves held by the trust funds divided by the annual rate of growth in the CPI.
[b] The real interest rate assumptions used for this analysis are consistent with those assumed for the three alternative scenarios. All other assumptions used for this analysis are from alternative II.

For the 25-year period, the cost rate decreases with increasing real interest rates from 16.80 percent (for an ultimate real interest rate of 1.8 percent) to 16.70 percent (for an ultimate real interest rate of 2.8 percent). For the 50-year period, it decreases from 17.58 percent to 17.32 percent and, for the 75-year period, it decreases from 18.32 percent to 17.90 percent. The actuar-

ial balance increases from -2.77 percent to -2.61 percent for the 25-year period, from -3.87 percent to -3.54 percent for the 50-year period, and from -4.68 percent to -4.18 percent for the 75-year period.

A relatively higher real interest rate has the effect of discounting more distant future years relatively more. To the extent that annual cost rates and annual deficits are larger in later years, a higher interest rate decreases the summarized rates, and a lower interest rate increases the summarized rates. Each 0.1-percentage-point increase in the real interest rate increases (improves) the long-range actuarial balance by about 0.05 percent of taxable payroll.

7. Taxable Ratio

Table VI.D7 shows selected measures of OASDI actuarial status under alternative II with three different assumptions about the ratio of taxable payroll to OASDI covered earnings (the taxable ratio). Note that covered earnings are the sum of wages and net self-employment earnings covered by Social Security, and taxable payroll is essentially the amount of covered earnings subject to the Social Security payroll tax up to the contribution and benefit base ($184,500 for 2026). Under the Trustees' assumptions, the taxable ratio at the end of the short-range period (2035) is 81.0 percent, 82.5 percent, and 84.0 percent under alternatives III, II, and I, respectively.[1]

[1] After 2035, the taxable ratio drifts down slightly to 80.7 and 82.3 percent for 2100 under alternatives III and II, as self-employment income (which has a lower percent taxable than wages) becomes an increasing share of total earnings. The taxable ratio remains stable at 84.0 percent under alternative I.

Table VI.D7.—Sensitivity of OASDI Measures to Taxable Ratio Assumptions
[As a percentage of taxable payroll]

Valuation period	Taxable ratio in 2035[a] [b]		
	81.0 percent	82.5 percent	84.0 percent
Summarized income rate:			
25-year: 2026-50	14.08	14.06	14.03
50-year: 2026-75	13.76	13.74	13.73
75-year: 2026-2100	13.69	13.68	13.66
Summarized cost rate:			
25-year: 2026-50	16.98	16.75	16.52
50-year: 2026-75	17.68	17.45	17.23
75-year: 2026-2100	18.31	18.10	17.90
Actuarial balance:			
25-year: 2026-50	-2.90	-2.69	-2.48
50-year: 2026-75	-3.91	-3.70	-3.50
75-year: 2026-2100	-4.62	-4.42	-4.24
Annual balance for 2100	-6.70	-6.57	-6.44
Year of combined trust fund reserve depletion	2034	2034	2034

[a] The taxable ratio is the ratio of taxable payroll to OASDI covered earnings. These concepts are described in further detail in section V.C.6 of this report.
[b] The taxable ratio assumptions used for this analysis are consistent with those assumed for the three alternative scenarios. All other assumptions used for this analysis are from alternative II.

Because the combined employee-employer tax rate of 12.4 percent is unchanged across all alternatives, the income rate changes a relatively small amount as the taxable ratio increases, due to changes in taxation of benefits and the initial fund as a percentage of taxable payroll.

For the 25-year period, the cost rate decreases with increasing taxable ratios, from 16.98 percent (for a taxable ratio in 2035 of 81.0 percent) to 16.52 percent (for a taxable ratio in 2035 of 84.0 percent). For the 50-year period, it decreases from 17.68 percent to 17.23 percent and, for the 75-year period, it decreases from 18.31 percent to 17.90 percent. The actuarial balance increases from -2.90 percent to -2.48 percent for the 25-year period, from -3.91 percent to -3.50 percent for the 50-year period, and from -4.62 percent to -4.24 percent for the 75-year period.

The cost rate decreases with an increase in taxable payroll because the increase in taxable payroll occurs immediately. The increase in benefit amounts occurs much more gradually as new beneficiaries become entitled. In addition, the change in the taxable ratio does not affect COLAs or the national average wage index. Each 1.0 percentage-point increase in the taxable ratio in 2035 increases (improves) the long-range actuarial balance by about 0.13 percent of taxable payroll.

8. Disabled-Worker Incidence Rates

Table VI.D8 shows selected measures of OASDI actuarial status under alternative II with three different assumptions about future disabled-worker incidence rates. Under the Trustees' assumptions, the ultimate age-sex-adjusted[1] incidence rate is 3.7, 4.6, and 5.5 awards per thousand exposed for alternatives I, II, and III, respectively. These ultimate rates are reached by 2035 under all three alternatives. Incidence rates by age and sex for all three alternatives vary during the early years of the projection period before reaching their long-term average values.

Table VI.D8.—Sensitivity of OASDI Measures to Disabled-Worker Incidence Assumptions
[As a percentage of taxable payroll]

	Ultimate disabled-worker incidence rate[a]		
Valuation period	3.7	4.6	5.5
Summarized income rate:			
25-year: 2026-50	14.04	14.06	14.06
50-year: 2026-75	13.73	13.74	13.75
75-year: 2026-2100	13.67	13.68	13.69
Summarized cost rate:			
25-year: 2026-50	16.44	16.75	17.02
50-year: 2026-75	17.11	17.45	17.77
75-year: 2026-2100	17.74	18.10	18.43
Actuarial balance:			
25-year: 2026-50	-2.40	-2.69	-2.95
50-year: 2026-75	-3.37	-3.70	-4.02
75-year: 2026-2100	-4.08	-4.42	-4.75
Annual balance for 2100	-6.10	-6.57	-6.99
Year of combined trust fund reserve depletion	2034	2034	2034

[a] The disabled-worker incidence rates used for this analysis are consistent with those assumed for the three alternative scenarios. All other assumptions used for this analysis are from alternative II.

For the 25-year period, the cost rate increases with increasing disabled-worker incidence rates, from 16.44 percent (for the relatively low rates assumed for alternative I) to 17.02 percent (for the relatively high rates assumed for alternative III). For the 50-year period, it increases from 17.11 percent to 17.77 percent, and for the 75-year period, it increases from 17.74 percent to 18.43 percent. The actuarial balance decreases from -2.40 percent to -2.95 percent for the 25-year period, from -3.37 percent to -4.02 percent for the 50-year period, and from -4.08 percent to -4.75 percent for the 75-year period. Each increase in the ultimate disabled-worker incidence rate of 0.1 award per thousand exposed decreases (worsens) the long-range actuarial balance by about 0.04 percent of taxable payroll.

[1] Age-sex-adjusted to the disability-exposed population as of the year 2000.

9. Disabled-Worker Termination Rates

Table VI.D9 shows selected measures of OASDI actuarial status under alternative II with three different assumptions about future disabled-worker termination rates, including deaths and recoveries.

Under the Trustees' assumptions, death termination rates for disabled-worker beneficiaries for all three alternatives decline throughout the long-range period. The age-sex-adjusted death termination rate[1] of 26.3 deaths per thousand disabled-worker beneficiaries in 2025 declines to 21.8, 12.5, and 6.4 deaths per thousand in 2100 for alternatives I, II, and III, respectively. These levels are about 17 percent, 52 percent, and 76 percent lower, respectively, than the level in 2025. For this sensitivity analysis, total population death rates by age and sex are assumed to be the same as those used for the alternative II assumptions.

The age-sex-adjusted recovery termination rate[2] used for this analysis averages 13.3 recoveries per thousand disabled-worker beneficiaries for the alternative I assumptions, 11.1 recoveries per thousand disabled-worker beneficiaries for the alternative II assumptions, and 8.9 recoveries per thousand disabled-worker beneficiaries for the alternative III assumptions, for the period 2036 through 2100.

[1] Age-sex-adjusted to the disabled-worker population as of the year 2000.
[2] Age-sex-adjusted to the disabled-worker population as of the year 2000.

Table VI.D9.—Sensitivity of OASDI Measures to Disabled-Worker Termination Assumptions
[As a percentage of taxable payroll]

Valuation period	Disabled-worker termination rates (death; recovery)[a] 21.8; 13.3	12.5; 11.1	6.4; 8.9
Summarized income rate:			
25-year: 2026-50	14.05	14.06	14.06
50-year: 2026-75	13.74	13.74	13.74
75-year: 2026-2100	13.67	13.68	13.68
Summarized cost rate:			
25-year: 2026-50	16.68	16.75	16.77
50-year: 2026-75	17.38	17.45	17.49
75-year: 2026-2100	18.02	18.10	18.14
Actuarial balance:			
25-year: 2026-50	-2.62	-2.69	-2.71
50-year: 2026-75	-3.64	-3.70	-3.75
75-year: 2026-2100	-4.34	-4.42	-4.46
Annual balance for 2100	-6.39	-6.57	-6.62
Year of combined trust fund reserve depletion	2034	2034	2034

[a] The disabled-worker termination rates used for this analysis are consistent with those assumed for the three alternative scenarios. The disabled-worker termination death rates are the rates for 2100. The disabled-worker termination recovery rates are the average rates for 2035 through 2100. All other assumptions used for this analysis are from alternative II.

For the 25-year period, the cost rate increases with decreasing disabled-worker termination rates, from 16.68 percent (for the relatively high termination rates assumed for alternative I) to 16.77 percent (for the relatively low termination rates assumed for alternative III). For the 50-year period, it increases from 17.38 percent to 17.49 percent, and for the 75-year period, it increases from 18.02 percent to 18.14 percent. The actuarial balance decreases from -2.62 percent to -2.71 percent for the 25-year period, from -3.64 percent to -3.75 percent for the 50-year period, and from -4.34 percent to -4.46 percent for the 75-year period.

E. STOCHASTIC PROJECTIONS AND UNCERTAINTY

Significant uncertainty surrounds the estimates under the intermediate assumptions, especially for a period as long as 75 years. This appendix presents stochastic projections, a way to illustrate the uncertainty of these estimates. The stochastic projections supplement the traditional methods of examining such uncertainty.

1. Background

The Trustees have traditionally shown estimates using the low-cost and high-cost sets of specified assumptions to illustrate the potential implications of uncertainty. These low-cost and high-cost estimates provide a range of possible outcomes for the projections. However, they do not provide an indication of the probability that actual future experience will be inside or outside this range. This appendix presents the results of a stochastic model that estimates a probability distribution of future outcomes of the financial status of the combined OASI and DI Trust Funds. This model was introduced in the 2003 report and enhanced in the 2021 report to include parameter uncertainty for the expected mean for the key variables described in the next section.

2. Stochastic Methodology

Other sections of this report provide estimates of the financial status of the combined OASI and DI Trust Funds using a scenario-based model. For the scenario-based model, the Trustees use three alternative scenarios (low-cost, intermediate, and high-cost) that use specific assumptions for key variables. In general, the Trustees assume that each of these variables will reach an ultimate value at a specific point during the long-range period, and will maintain that value throughout the remainder of the period. The three alternative scenarios assume separate, specified values for each of these variables. Chapter V contains more details about each of these assumptions.

This appendix presents estimates of the probability that key measures of OASDI solvency will fall in certain ranges, based on 5,000 independent stochastic simulations. Each simulation allows key variables to vary throughout the long-range period. These key variables include total fertility rates, changes in mortality rates, new arrival lawful permanent resident (LPR) immigration levels, temporary or unlawfully present immigration levels, rates of adjustment of status (from temporary or unlawfully present to LPR), rates of legal emigration (from the population of citizens and LPRs), changes in the Consumer Price Index, changes in average real wages, unemployment rates, trust fund real yield rates, and disabled-worker incidence and recovery

rates. The fluctuation of each variable over time is simulated using historical data and standard time-series techniques. Generally, each variable is modeled using an equation that: (1) captures a relationship between current and prior years' values of the variable, and (2) introduces random variation based on variation observed in the historical period. For some variables, the equations also reflect relationships with other variables. The equations contain parameters that are estimated using historical data for periods from about 25 years to over 100 years, depending on the nature and quality of the available data. Each time-series equation is designed so that, in the absence of random variation over time, the value of the variable for each year equals its value for the intermediate scenario.[1]

For each equation in a given simulation, the stochastic model assigns random variation to (1) year-by-year error term values and (2) simulation-specific mean term levels that provide variation in the central tendency across simulations. Each simulation produces estimates for all key variables and for the overall financial status of the combined OASI and DI Trust Funds. This appendix shows the distribution of results from 5,000 simulations of the model.

Readers should interpret the results from this model with an understanding of the model's limitations. Results are sensitive to equation specifications, degrees of interdependence among variables, and the historical periods used for estimating model coefficients. For some variables, recent historical variation may not provide a realistic representation of the potential variation for the future. Also, results would differ if additional variables (such as labor force participation rates, retirement rates, marriage rates, and divorce rates) were also allowed to vary randomly. Time-series modeling reflects only what occurred in the historical period. Future uncertainty exists not only for the underlying central tendency but also for the frequency and size of occasional longer-term shifts in the central tendency. Many experts predict, and history suggests, that the future will likely bring substantial shifts that are not fully reflected in the historical period used for the current model. As a result, readers should understand that the true range of uncertainty might be larger than indicated in this appendix.

3. Stochastic Results

This section illustrates the results for the stochastic simulations of two fundamental measures of actuarial status: annual cost rates and trust fund ratios.

[1] More detail on this model is available at www.ssa.gov/OACT/NOTES/pdf_studies/study128.pdf.

Section 4 of this appendix follows with a comparison of stochastic results to results from the alternative scenarios for these and other measures, and an analysis of the differences.

Figure VI.E1 displays the probability distribution of the year-by-year OASDI cost rates (that is, cost as a percentage of taxable payroll). The range of the annual cost rates widens as the projections move further into the future, which reflects increasing uncertainty. The figure includes only the income rate for the intermediate scenario rather than the probability distribution of the year-by-year income rates, because there is relatively little variation in income rates across the 5,000 stochastic simulations. The two outermost cost rate lines in this figure indicate the range within which future annual cost rates are projected to occur 95 percent of the time. In other words, the current model estimates that there is a 2.5 percent probability that the cost rate for a given year will exceed the upper end of this range and a 2.5 percent probability that it will fall below the lower end of this range. Other lines in the figure delineate the range within which future annual cost rates are projected to occur 80 percent of the time and the median cost rate. The median (50th percentile) cost rate for each year is the rate for which half of the simulated outcomes are higher and half are lower for that year. These lines do not represent the results of individual stochastic simulations. Instead, for each given year, they represent the percentile distribution of annual cost rates based on all stochastic simulations for that year.

Figure VI.E1.—OASI and DI Combined Cost Rates From Stochastic Modeling

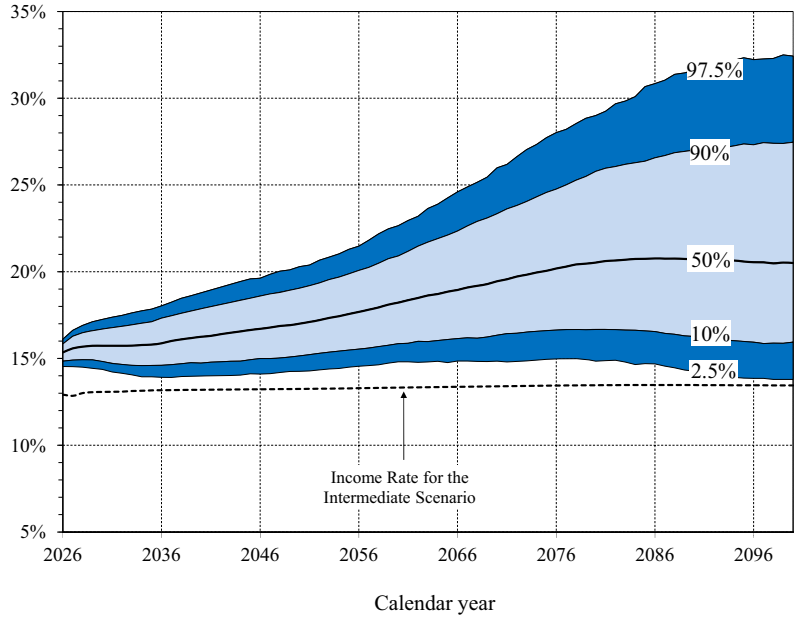
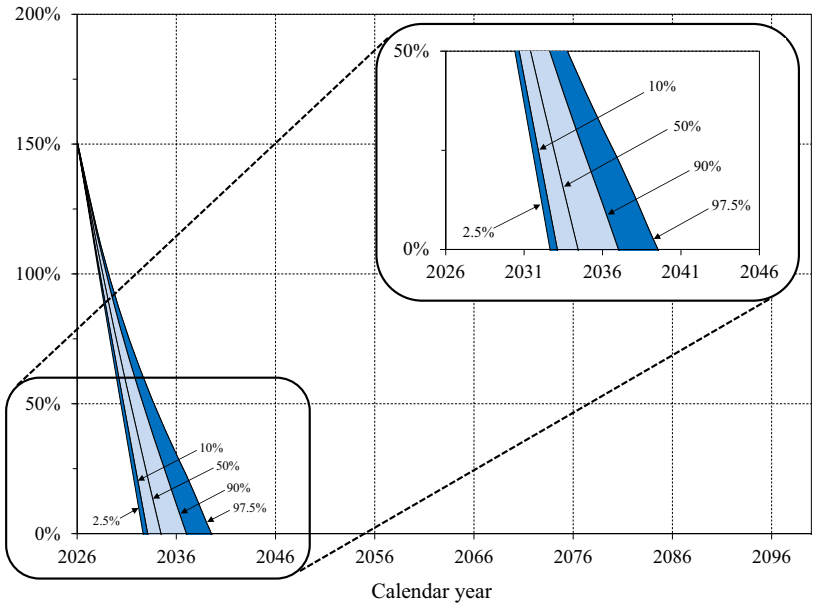


Figure VI.E2 presents the simulated probability distribution of the annual trust fund ratios for the combined OASI and DI Trust Funds. The lines in this figure display the median set (50th percentile) of estimated annual trust fund ratios and delineate the 95-percent and 80-percent ranges estimated for future annual trust fund ratios. Again, none of these lines represent the path of a single simulation. For each given year, they represent the percentile distribution of trust fund ratios based on all stochastic simulations for that year.

Figure VI.E2 shows that for 95 percent of the stochastic simulations, the trust fund reserve depletion year falls in the range from 2032 to 2039, early in the 75-year projection period. The figure also shows that there is a 50-percent probability of trust fund reserve depletion in 2034 (the median reserve depletion year) or sooner. The reserve depletion year for the intermediate scenario is also 2034.

Figure VI.E2.—OASI and DI Combined Trust Fund Ratios From Stochastic Modeling



4. Comparison of Results: Stochastic to Low-Cost, Intermediate, and High-Cost Alternative Scenarios

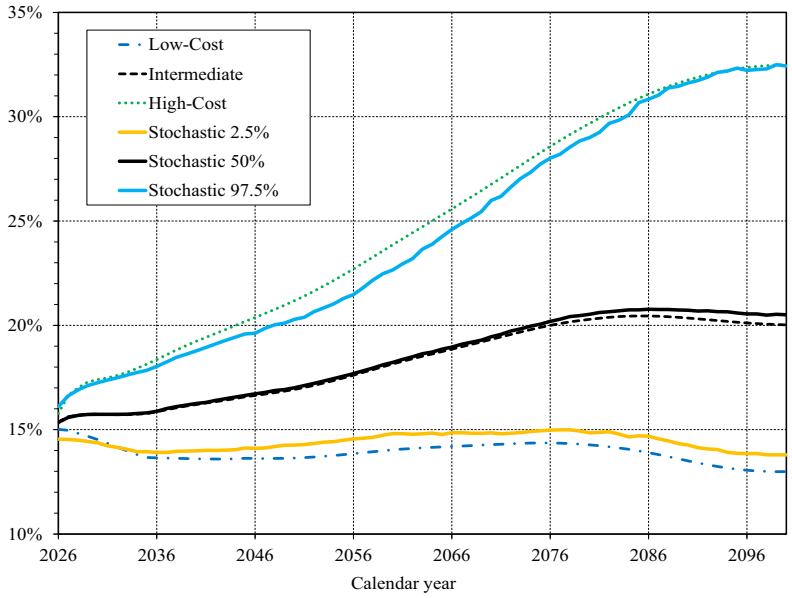
This section compares results from two different approaches for illustrating ranges of uncertainty in measures of trust fund actuarial status. One approach uses results from the low-cost, intermediate, and high-cost alternative scenarios. The other approach uses distributions of results from the stochastic simulations. Each of these approaches provides insights into uncertainty. Comparing the results requires an understanding of fundamental differences in the approaches.

One fundamental difference relates to the presentation of distributional results. Figure VI.E3 shows projected OASDI annual cost rates for the low-cost, intermediate, and high-cost alternative scenarios along with the annual cost rates at the 2.5th percentile, 50th percentile, and 97.5th percentile for the stochastic simulations. While all values on each line for the alternative scenarios are results from a single specified scenario, the values on each stochastic line may be results from different simulations for different years. The one stochastic simulation (from the 5,000 simulations) that yields results

closest to a particular percentile for one projected year may yield results that are distant from that percentile in another projected year.

Results for both the set of alternative scenarios and the set of stochastic simulations suggest that the range of potential cost rates above the central levels (those for the intermediate scenario and for the stochastic median, respectively) is larger than the range below these central results. The difference between the central results and the higher cost levels (the high-cost alternative scenario and the upper end of the 95-percent stochastic simulation range, respectively) is about 1.8 times as large as the difference between the central and lower cost levels for both models by the end of the projection period.

Figure VI.E3.—OASI and DI Combined Cost Rates: Comparison of Stochastic to Low-Cost, Intermediate, and High-Cost Alternative Scenarios
[As a percentage of taxable payroll]



Another fundamental difference between the alternative scenarios and the stochastic simulations is the method of assigning values for assumptions. For the alternative scenarios, specific values are assigned for each of the key demographic, economic, and program-specific variables. The high-cost alternative scenario uses parameter values that increase estimated annual cost as a percentage of payroll, while the low-cost alternative scenario uses parameter values that decrease annual cost as a percentage of payroll. (One parameter, the interest rate, has no effect on annual cost as a percentage of payroll for

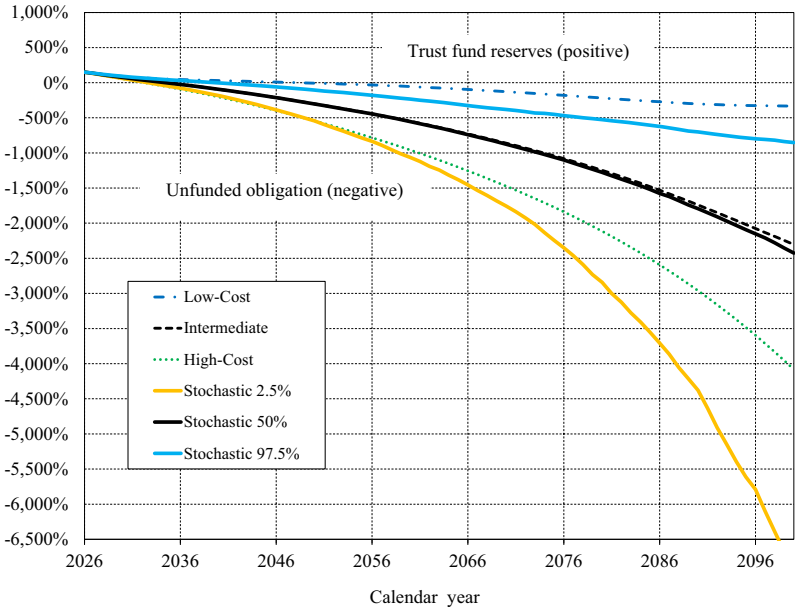
either the alternative scenarios or the stochastic simulations.) In contrast, the stochastic method independently assigns random variation to each of the key demographic, economic, and program-specific variables for each year in each of the 5,000 stochastic simulations. The assigned values for different variables result in varying, and often offsetting, effects on projected cost as a percentage of payroll, with some tending toward higher cost and some tending toward lower cost. This difference tends to narrow the range of cost as a percentage of payroll across the 95-percent stochastic simulation range, relative to the range for the alternative scenarios.

It is important to understand that, in general, the stochastic model's 95-percent range for a summary measure of trust fund finances would tend to be narrower than the range produced for the low-cost and high-cost alternative scenarios, even if the stochastic model's 95-percent range for annual cost rates were identical to the range defined by the low-cost and high-cost scenarios. This is because summary measures of trust fund finances depend on cost rates for many years, and the probability that annual cost rates, on average for individual stochastic simulations, will be at least as low (high) as the 2.5th (97.5th) percentile line is significantly lower than 2.5 percent. As a result, the relationship between the ranges presented for annual cost rates and summary measures of trust fund finances is fundamentally different for the stochastic model than it is for the low-cost and high-cost alternative scenarios.

Figure VI.E4 compares the ranges of trust fund (unfunded obligation) ratios for the alternative scenarios to the 95-percent range of the stochastic simulations. This figure extends figure VI.E2 to show unfunded obligation ratios, expressed as negative values below the zero percent line. An unfunded obligation ratio is the ratio of the unfunded obligation accumulated through the beginning of the year to the cost for that year.

Figure VI.E4.—OASI and DI Combined Trust Fund (Unfunded Obligation) Ratios: Comparison of Stochastic to Low-Cost, Intermediate, and High-Cost Alternative Scenarios[a]

[Trust fund reserves (unfunded obligation) as a percentage of annual cost]



[a] An unfunded obligation, shown as a negative value in this figure, is equivalent to the amount the trust funds would need to have borrowed to date in order to pay all scheduled benefits (on a timely basis) after trust fund reserves are depleted. Note that current law does not permit the trust funds to borrow.

As mentioned above, a summary measure that accumulates annual values tends to smooth the kind of annual fluctuations that occur in stochastic simulations. Therefore, one might expect the stochastic range for trust fund (unfunded obligation) ratios to be narrower and fall within the range seen across the high-cost and low-cost alternative scenarios, as it does for the actuarial balance measure (as shown in table VI.E1, below). But that is not the case, largely due to the way interest rates are assigned.

For the stochastic model, real interest rates for each simulation are assigned to be essentially independent of other variables, so the rate for compounding of trust fund reserves (unfunded obligations) is essentially uncorrelated with the level of cost as a percentage of payroll. On the other hand, real interest rates are assigned to be higher for the low-cost alternative scenario and lower for the high-cost alternative scenario. High interest rates raise the level of the positive trust fund ratio in the low-cost alternative scenario somewhat, but this effect is limited because the magnitude of reserves is small. However, low interest rates substantially reduce the magnitude of the unfunded obligation ratio for the high-cost alternative scenario because the magnitude of

unfunded obligations is relatively large. As a result, the trust fund (unfunded obligation) ratios are shifted, albeit unevenly, higher (or less negative) for both the high-cost and low-cost alternative scenarios relative to those of the stochastic simulations.

This interest rate effect on the alternative scenarios is not as evident for some other summary measures of actuarial status, such as the actuarial balance. Because the actuarial balance reflects the cumulative effects of interest in both its numerator and denominator, the interest rate effect is much less pronounced. In contrast, cumulative interest affects only the numerator of the trust fund (unfunded obligation) ratio. There is also no significant interest rate effect on the trust fund depletion date.

Other factors also contribute, to varying degrees, to the difference in ranges between the results of the alternative scenarios and the stochastic simulations. The contrasts in results and methods do not mean that either approach to illustrating ranges of uncertainty is superior to the other. The ranges are different and explainable.

Table VI.E1 displays long-range actuarial estimates for the combined OASDI program using the two methods of illustrating uncertainty: alternative scenarios and stochastic simulations. The table shows scenario-based estimates for the intermediate, low-cost, and high-cost assumptions. It also shows stochastic estimates for the median (50th percentile) and for the 80-percent and 95-percent ranges. Each individual stochastic estimate in the table is the level at that percentile from the distribution of the 5,000 simulations. For each given percentile, the values in the table for each measure are generally from different stochastic simulations.

The median stochastic estimates displayed in table VI.E1 are similar to the intermediate scenario-based estimates. The median estimate of the long-range actuarial balance is -4.38 percent of taxable payroll, about 0.04 percentage points higher (less negative) than projected in the intermediate scenario. The median estimate for the open-group unfunded obligation is $29.4 trillion, about $0.1 trillion more than the estimate in the intermediate scenario. The median first projected year for which cost exceeds non-interest income (as it did in 2010 through 2025), and remains in excess of non-interest income throughout the remainder of the long-range period, is 2026. This is the same year as projected in the intermediate scenario. The median projected year of trust fund reserve depletion is 2034; the reserve depletion year for the intermediate scenario is also 2034. The median estimates of the annual cost rate for the 75th year of the projection period are 20.51 percent of taxable payroll and 6.84 percent of gross domestic product (GDP). The

comparable estimates in the intermediate scenario are 20.02 percent of payroll and 6.69 percent of GDP.

For four measures in table VI.E1 (the actuarial balance, the first projected year cost exceeds non-interest income and remains in excess through 2100, the first year trust fund reserves become depleted, and the annual cost in the 75th year as a percentage of taxable payroll), the 95-percent stochastic range falls within the range defined by the low-cost and high-cost scenarios. For the remaining two measures (the open-group unfunded obligation and the annual cost in the 75th year as a percentage of GDP), one or both of the bounds of the 95-percent stochastic range fall outside the range defined by the low-cost and high-cost scenarios.

Table VI.E1.—Long-Range Estimates Relating to the Actuarial Status of the Combined OASDI Program
[Comparison of scenario-based and stochastic results]

	Traditional scenario-based model			Stochastic model				
				Median	80-percent range		95-percent range	
	Interme-diate	Low-cost	High-cost	50th percentile	10th percentile	90th percentile	2.5th percentile	97.5th percentile
Actuarial balance	-4.42	-0.64	-9.42	-4.38	-6.47	-2.75	-7.87	-1.86
Open-group unfunded obligation (in trillions)	$29.3	$4.3	$50.7	$29.4	$15.2	$53.4	$10.2	$71.8
First projected year cost exceeds non-interest income and remains in excess through 2100	2026	[a]	2026	2026	2026	2026	2026	2076
First year trust fund reserves become depleted [b]	2034	2048	2032	2034	2033	2037	2032	2039
Annual cost in 75th year (percent of taxable payroll)	20.02	12.99	32.51	20.51	15.94	27.47	13.79	32.43
Annual cost in 75th year (percent of GDP)	6.69	4.79	9.92	6.84	5.35	9.07	4.64	10.66

[a] Cost is projected to exceed non-interest income for a temporary period, before falling below non-interest income by the end of the projection period.
[b] For some stochastic simulations, the first year in which trust fund reserves become depleted does not indicate a permanent depletion of reserves.

F. INFINITE HORIZON PROJECTIONS

Another measure of trust fund financial status is the infinite horizon unfunded obligation, which takes account of all past and future annual balances, even those after the next 75 years. The extension of the time period past 75 years assumes that the current law for the OASDI program and the demographic, economic, and program-specific trends used for the 75-year projection continue indefinitely.

Table VI.F1 shows that the OASDI open-group unfunded obligation over the infinite horizon is $71.9 trillion in present value, which is $42.6 trillion larger than for the 75-year period. The $42.6 trillion increment reflects a significant financing gap projected for OASDI for years after 2100 into perpetuity. Of course, the degree of uncertainty associated with estimates increases substantially for years further in the future.

The $71.9 trillion infinite horizon open-group unfunded obligation is equal to 5.7 percent of taxable payroll or 1.8 percent of GDP over the same period. These relative measures of the unfunded obligation over the infinite horizon express its magnitude in relation to the resources potentially available to finance the shortfall.

The summarized shortfalls for the 75-year period and through the infinite horizon both reflect annual cash-flow shortfalls for all years after trust fund reserve depletion. The annual shortfalls after trust fund reserve depletion rise slowly and reflect increases in life expectancy. The summarized shortfalls over the infinite horizon, as percentages of taxable payroll and GDP, are larger than the shortfalls for the 75-year period.

To illustrate the magnitude of the projected infinite horizon shortfall, consider that it could be eliminated with additional revenue equivalent to an immediate increase in the combined payroll tax rate from 12.4 percent to about 18.1 percent,[1] or with cost reductions equivalent to an immediate and permanent reduction in benefits for all current and future beneficiaries by about 31.4 percent.

[1] While an increase in the payroll tax rate would cause some behavioral changes in earnings and ensuing changes in benefit levels, such changes are not included in the calculations because they are assumed to have roughly offsetting effects on OASDI actuarial status over the infinite horizon.

Table VI.F1.—OASDI Unfunded Obligations Through the Infinite Horizon and the 75-Year Projection Period, Based on Intermediate Assumptions
[Present values as of January 1, 2026; dollar amounts in trillions]

		Expressed as a percentage of future payroll and GDP	
	Present value	Taxable payroll	GDP
Unfunded obligation through the infinite horizon[a]	$71.9	5.7	1.8
Unfunded obligation through 2100[b]	29.3	4.2	1.5

[a] Present value of future cost less future non-interest income, reduced by the amount of trust fund reserves at the beginning of 2026. Expressed as a percentage of taxable payroll and GDP for the period 2026 through the infinite horizon.
[b] Present value of future cost less future non-interest income through 2100, reduced by the amount of trust fund reserves at the beginning of 2026. Expressed as a percentage of taxable payroll and GDP for the period 2026 through 2100.

Notes:
1. The present values of future taxable payroll for 2026-2100 and for 2026 through the infinite horizon are $690.4 trillion and $1,258.4 trillion, respectively.
2. The present values of GDP for 2026-2100 and for 2026 through the infinite horizon are $1,978.4 trillion and $3,929.6 trillion, respectively. Present values of GDP shown in the Medicare Trustees Report differ slightly due to the use of discount rates that are specific to each program's trust fund holdings.

Last year, the Trustees projected that the infinite horizon unfunded obligation was $72.8 trillion in present value discounted to January 1, 2025. If the assumptions, methods, and starting values had not changed, moving the valuation date forward by 1 year to January 1, 2026 would have discounted future values by 1 year less, thus increasing the measured unfunded obligation by about $1.9 trillion, to $74.7 trillion. The net effects of changes in assumptions, methods, law, and starting values decreased the infinite horizon unfunded obligation by $2.8 trillion. This net decrease occurred primarily due to a lower assumed ultimate fertility rate and lower assumed ultimate level of temporary or unlawfully present immigrant entrants. While these same changes led to a large increase in unfunded obligation over the 75-year projection period, this increase was more than offset by the relatively lower cost of providing benefits to a reduced population over the remainder of the infinite horizon. See section IV.B.6 for details regarding changes in law, data, methods, and assumptions.

Compared to last year's report, the unfunded obligation over the infinite horizon in this year's report increased by 0.5 percentage points as a share of taxable payroll and by 0.2 percentage points as a share of GDP. The unfunded obligation over the 75-year projection period increased by 0.6 percentage points as a share of taxable payroll and by 0.2 percentage points as a share of GDP. Although the unfunded obligation expressed in present value dollars decreased compared to last year's report, the unfunded obligation expressed as a share of taxable payroll and as a share of GDP increased. This is because the denominators (taxable payroll and GDP

through the infinite horizon) are both significantly lower in this year's report due to the changes to fertility and immigration assumptions mentioned above.

a. Unfunded Obligations for Past, Current, and Future Participants

Table VI.F2 separates the components of the infinite horizon unfunded obligation (with the exception of General Fund reimbursements) among past, current, and future participants. The table does not separate past General Fund reimbursements among participants because there is no clear basis for attributing the reimbursements across generations.

Past participants are defined as those no longer alive as of the valuation date. Current participants are those age 15 and older as of 2026. Future participants are those under age 15 or not yet born.

The excess of the present value of cost for past and current participants over the present value of dedicated tax income for past and current participants produces an unfunded obligation for past and current participants of $55.6 trillion. Table VI.F2 also shows an unfunded obligation of $54.9 trillion for past and current participants, including past and future General Fund reimbursements. Future participants are scheduled to pay dedicated taxes of $17.0 trillion less into the system than the cost of their scheduled benefits ($120.0 trillion of dedicated tax income as compared to $137.1 trillion of cost). The unfunded obligation for all participants through the infinite horizon thus equals $71.9 trillion.

Making Social Security solvent over the infinite horizon would require some combination of increased revenue or reduced benefits for current and future participants amounting to $71.9 trillion in present value, 5.7 percent of future taxable payroll, or 1.8 percent of future GDP.

Table VI.F2.—Present Values Through the Infinite Horizon for Various Categories of Program Participants, Based on Intermediate Assumptions

[Present values as of January 1, 2026; dollar amounts in trillions]

		Expressed as a percentage of future payroll and GDP	
	Present value	Taxable payroll	GDP
Present value of past cost	$87.0	6.9	2.2
Less present value of past dedicated tax income	88.9	7.1	2.3
Plus present value of future cost for current participants	106.1	8.4	2.7
Less present value of future dedicated tax income for current participants	48.7	3.9	1.2
Equals unfunded obligation for past and current participants excluding General Fund reimbursements	55.6	4.4	1.4
Less present value of past General Fund reimbursements[a]	.7	.1	[b]
Less present value of future General Fund reimbursements through the infinite horizon[a]	[c]	[d]	[b]
Equals unfunded obligation for past and current participants including General Fund reimbursements	54.9	4.4	1.4
Plus present value of cost for future participants through the infinite horizon	137.1	10.9	3.5
Less present value of dedicated tax income for future participants through the infinite horizon	120.0	9.5	3.1
Equals unfunded obligation for all participants through the infinite horizon	71.9	5.7	1.8

[a] Distribution of General Fund reimbursements among past, current, and future participants cannot be determined.

[b] Less than 0.05 percent of GDP.

[c] Less than $50 billion.

[d] Less than 0.05 percent of taxable payroll.

Notes:

1. The present value of future taxable payroll for 2026 through the infinite horizon is $1,258.4 trillion.
2. The present value of GDP for 2026 through the infinite horizon is $3,929.6 trillion.
3. Components may not sum to totals because of rounding.

G. ESTIMATES IN DOLLARS

This appendix presents long-range projections, in dollars, of the operations of the combined OASI and DI Trust Funds and in some cases the individual OASI Trust Fund and DI Trust Fund. Comparing current dollar values over long periods of time is difficult because of the effect of inflation. In order to compare dollar values in a meaningful way, table VI.G1 provides several economic series or indices which can be used to adjust current dollars for changes in prices, wages, or other aspects of economic growth during the projection period. Any series of values can be adjusted by dividing the value for each year by the corresponding index value for the year.

One of the most common forms of standardization is price indexing, which uses some measure of change in the prices of consumer goods. The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI), published by the Bureau of Labor Statistics, Department of Labor, is one such price index. Consistent with the law, the Social Security Administration (SSA) uses this index to determine the annual cost-of-living increases for OASDI monthly benefits. The ultimate annual rate of increase in the CPI is assumed to be 3.0, 2.4, and 1.8 percent for the low-cost, intermediate, and high-cost sets of assumptions, respectively. Tables VI.G4 and VI.G5 provide CPI-indexed dollar values (those adjusted using the CPI in table VI.G1), which indicate the relative purchasing power of the values over time.

Wage indexing is another type of standardization. It combines the effects of price inflation and real wage growth. The wage index presented in table VI.G1 is the national average wage index, as defined in section 209(k)(1) of the Social Security Act. SSA uses this index to annually adjust the contribution and benefit base and other earnings-related program amounts. The average wage is assumed to grow by an average rate of 4.8, 3.6, and 2.3 percent under the low-cost, intermediate, and high-cost assumptions, respectively, between 2035 and 2100. Wage-indexed values indicate the level of a series of values relative to the changing standard of living of workers over time.

The taxable payroll series is used as an index to adjust for the effects of changes in the number of workers and changes in the proportion of earnings that are taxable, as well as for the effects of price inflation and real wage growth. The OASDI taxable payroll consists of all earnings subject to OASDI taxation, with an adjustment for the lower effective tax rate on multiple-employer excess wages. A series of values, divided by the taxable payroll, indicates the percentage of payroll that each value represents, and thus

the extent to which the series of values increases or decreases as a percentage of payroll over time.

The GDP series is used as an index to adjust for the growth in the aggregate amount of goods and services produced in the United States. Values adjusted by GDP (see section IV.B of this report) indicate their relative share of the total output of the economy. No direct assumption is made about growth in taxable payroll or GDP. These series reflect the basic demographic and economic assumptions, as discussed in sections V.A and V.B, respectively.

Table VI.G1 displays annual ratios of OASDI taxable payroll to GDP. These ratios facilitate comparisons of trust fund operations expressed as percentages of taxable payroll and those expressed as percentages of GDP. For each year, the cost as a percentage of GDP is equal to the cost as a percentage of taxable payroll multiplied by the ratio of taxable payroll to GDP.

Projections of GDP reflect projected increases in U.S. employment, labor productivity, average hours worked, and the GDP price index (GDP deflator). Projections of taxable payroll reflect the components of growth in GDP along with assumed changes in the ratio of total labor compensation to GDP, the ratio of earnings to total labor compensation, the ratio of OASDI covered earnings to total earnings, and the ratio of taxable to total covered earnings.

Over the long-range period, the ratio of OASDI taxable payroll to GDP is projected to decline mostly due to a projected decline in the ratio of wages and salaries to employee compensation. Over the last six complete economic cycles, the ratio of wages and salaries to employee compensation declined at an average annual rate of 0.17 percent. Over the 65-year period ending in 2100, the ratio of wages and salaries to employee compensation is projected to remain the same for the low-cost assumptions and decline at an average annual rate of 0.10 and 0.20 percent for the intermediate and high-cost assumptions, respectively.

Discounting at the rate of interest is another way of standardizing current dollars. The compound effective trust fund interest factor shown in table VI.G1 uses the effective annual yield on all currently held securities in the combined OASI and DI Trust Funds. The reciprocal of the compound effective trust fund interest factor approximates the cumulative discount factor used to convert nominal dollar values to present values as of the start of the valuation period in order to develop summarized values for this report.

Table VI.G1.—Selected Economic Variables, Calendar Years 2025-2100
[GDP and taxable payroll in billions]

Calendar year	Adjusted CPI[a]	Average wage index	Taxable payroll[b]	Gross domestic product	Ratio of taxable payroll to GDP	Compound effective trust fund interest factor[c]
Intermediate:						
2025	97.45	$72,025.07	$10,562	$30,781	0.343	0.9871
2026	100.00	75,246.70	11,043	32,289	.342	1.0136
2027	102.46	78,286.92	11,516	33,495	.344	1.0418
2028	104.92	81,537.43	12,066	34,730	.347	1.0719
2029	107.44	85,047.82	12,643	36,049	.351	1.1039
2030	110.02	88,895.99	13,258	37,466	.354	1.1383
2031	112.66	92,915.31	13,891	38,956	.357	1.1760
2032	115.36	96,989.47	14,541	40,519	.359	1.2186
2033	118.13	101,085.63	15,197	42,151	.361	1.2670
2034	120.97	105,045.59	15,841	43,845	.361	1.3196
2035	123.87	109,064.86	16,486	45,582	.362	1.3746
2040	139.46	130,576.20	19,869	55,285	.359	1.7024
2045	157.02	155,964.90	23,838	66,806	.357	2.1402
2050	176.79	185,819.54	28,510	80,467	.354	2.6978
2055	199.05	221,029.75	34,050	96,796	.352	3.4029
2060	224.11	262,840.05	40,702	116,502	.349	4.2926
2065	252.33	312,892.87	48,650	140,165	.347	5.4150
2070	284.09	372,632.16	58,042	168,283	.345	6.8309
2075	319.86	443,807.74	69,092	201,552	.343	8.6170
2080	360.13	528,702.70	82,236	241,316	.341	10.8701
2085	405.47	629,920.13	98,072	289,397	.339	13.7123
2090	456.52	750,695.44	117,322	348,009	.337	17.2977
2095	514.00	894,429.45	140,672	419,333	.335	21.8205
2100	578.71	1,065,285.35	168,728	505,383	.334	27.5260
Low-cost:						
2025	97.29	71,915.14	10,587	30,789	.344	.9871
2026	100.00	75,850.68	11,278	32,735	.345	1.0138
2027	103.00	79,891.38	11,988	34,539	.347	1.0429
2028	106.09	84,348.74	12,794	36,411	.351	1.0752
2029	109.27	89,067.21	13,621	38,337	.355	1.1112
2030	112.55	94,117.03	14,487	40,341	.359	1.1517
2031	115.93	99,492.97	15,407	42,473	.363	1.1977
2032	119.41	105,213.03	16,390	44,738	.366	1.2502
2033	122.99	111,185.04	17,416	47,126	.370	1.3100
2034	126.68	117,304.17	18,489	49,646	.372	1.3768
2035	130.48	123,623.86	19,563	52,203	.375	1.4489
2040	151.26	157,169.26	25,132	67,309	.373	1.8909
2045	175.35	199,117.39	32,184	86,569	.372	2.5004
2050	203.28	251,194.87	41,305	111,536	.370	3.3237
2055	235.66	316,456.47	53,227	144,215	.369	4.4231
2060	273.19	399,058.41	68,882	187,104	.368	5.8868
2065	316.70	504,215.92	89,212	242,767	.367	7.8348
2070	367.15	637,506.80	115,335	314,240	.367	10.4275
2075	425.62	805,883.86	148,923	406,040	.367	13.8782
2080	493.41	1,018,467.84	192,689	525,420	.367	18.4707
2085	572.00	1,286,931.80	250,574	682,868	.367	24.5831
2090	663.11	1,626,387.96	327,501	891,478	.367	32.7181
2095	768.72	2,054,536.80	428,637	1,165,114	.368	43.5451
2100	891.16	2,594,262.59	559,585	1,518,911	.368	57.9550

Table VI.G1.—Selected Economic Variables, Calendar Years 2025-2100 (Cont.)
[GDP and taxable payroll in billions]

Calendar year	Adjusted CPI[a]	Average wage index	Taxable payroll[b]	Gross domestic product	Ratio of taxable payroll to GDP	Compound effective trust fund interest factor[c]
High-cost:						
2025	97.75	$72,072.27	$10,532	$30,774	0.342	0.9871
2026	100.00	74,045.50	10,779	31,602	.341	1.0135
2027	101.85	74,522.43	10,817	31,439	.344	1.0412
2028	103.68	76,817.19	11,111	32,332	.344	1.0700
2029	105.55	79,314.73	11,439	33,378	.343	1.1003
2030	107.45	82,233.65	11,871	34,486	.344	1.1329
2031	109.38	85,278.60	12,320	35,592	.346	1.1684
2032	111.35	88,286.58	12,764	36,680	.348	1.2057
2033	113.36	91,004.77	13,170	37,710	.349	1.2436
2034	115.40	93,559.46	13,548	38,740	.350	1.2820
2035	117.47	96,089.74	13,904	39,777	.350	1.3213
2040	128.43	108,330.38	15,718	45,351	.347	1.5456
2045	140.42	121,922.60	17,669	51,480	.343	1.8404
2050	153.52	137,100.47	19,690	57,937	.340	2.1995
2055	167.84	153,879.83	21,786	64,768	.336	2.6291
2060	183.50	172,439.18	24,025	72,171	.333	3.1426
2065	200.62	193,231.91	26,432	80,236	.329	3.7563
2070	219.34	216,514.12	29,000	88,964	.326	4.4899
2075	239.80	242,609.39	31,694	98,284	.322	5.3668
2080	262.18	271,989.32	34,529	108,253	.319	6.4150
2085	286.64	305,048.19	37,545	119,018	.315	7.6678
2090	313.38	342,318.97	40,830	130,867	.312	9.1654
2095	342.62	384,350.62	44,477	144,131	.309	10.9554
2100	374.58	431,672.52	48,529	158,992	.305	13.0950

[a] CPI indexed to calendar year 2026.
[b] Total earnings subject to OASDI contribution rates, adjusted to reflect the lower effective contribution rates (compared to the combined employee-employer rate) that apply to multiple-employer "excess wages."
[c] For each alternative, incorporates the annual effective yield for all outstanding special public-debt obligations held by the trust fund, with a half-year's interest effect in each row. The effective yield for a period equals total interest earned during the period divided by the total exposure to interest on reserves and all income and cost items during the period. The reciprocals of the factors approximate the discounting/accumulation factors that are used to calculate summarized rates and balances in this report.

Table VI.G2 presents the operations of the combined OASI and DI Trust Funds in current, or nominal, dollars—that is, in dollars unadjusted for inflation. The following items are presented in the table: (1) non-interest income, (2) interest income, (3) total income, (4) cost, and (5) reserves at the end of the year. These estimates are presented using the intermediate, low-cost, and high-cost sets of demographic and economic assumptions to facilitate independent analysis.

Table VI.G2.—Operations of the Combined OASI and DI Trust Funds, in Current Dollars, Calendar Year 2026 Through Year of Reserve Depletion
[In billions]

Calendar year	Non-interest income	Interest income	Total income	Cost[a]	Reserves at end of year[a]
Intermediate:					
2026	$1,426.2	$67.0	$1,493.2	$1,696.8	$2,357.7
2027	1,479.9	63.4	1,543.2	1,798.7	2,102.2
2028	1,569.6	57.9	1,627.5	1,894.4	1,835.3
2029	1,651.4	51.8	1,703.1	1,990.0	1,548.5
2030	1,733.2	45.1	1,778.3	2,086.5	1,240.2
2031	1,817.7	37.9	1,855.6	2,183.8	912.0
2032	1,903.9	29.1	1,933.0	2,285.6	559.4
2033[b]	1,995.3	16.9	2,012.2	2,388.7	182.9
Low-cost:					
2026	1,445.7	68.0	1,513.7	1,693.3	2,381.7
2027	1,549.2	68.3	1,617.5	1,794.5	2,204.7
2028	1,659.4	68.4	1,727.8	1,896.5	2,036.0
2029	1,772.2	68.4	1,840.6	1,999.3	1,877.2
2030	1,885.5	68.9	1,954.4	2,103.8	1,727.9
2031	2,005.9	70.0	2,075.8	2,209.9	1,593.8
2032	2,133.6	71.0	2,204.6	2,321.2	1,477.3
2033	2,271.9	72.3	2,344.2	2,435.2	1,386.3
2034	2,411.4	71.6	2,483.0	2,552.1	1,317.2
2035	2,554.8	69.6	2,624.4	2,672.9	1,268.7
2040	3,285.6	53.5	3,339.1	3,419.0	941.0
2045[b]	4,210.0	27.0	4,237.0	4,384.9	371.0
High-cost:					
2026	1,401.3	66.1	1,467.4	1,700.5	2,328.2
2027	1,385.3	59.2	1,444.5	1,799.9	1,972.8
2028	1,450.9	49.8	1,500.7	1,889.4	1,584.1
2029	1,502.5	39.8	1,542.3	1,977.5	1,148.9
2030	1,560.9	28.4	1,589.3	2,065.7	672.5
2031[b]	1,622.0	14.4	1,636.4	2,153.9	155.1

[a] Benefit payments which were scheduled to be paid on January 3 for some past and future years were actually paid on December 31 as required by the statutory provision for early delivery of benefit payments when the normal payment delivery date is a Saturday, Sunday, or legal public holiday. For comparability with the values for historical years and the projections in this report, all trust fund operations and reserves reflect the 12 months of benefits scheduled for payment each year.

[b] The reserves of the combined OASI and DI Trust Funds become depleted in 2034, 2048, and 2032 under the intermediate, low-cost, and high-cost assumptions, respectively. Estimates for years beginning with the year of reserve depletion are not shown.

Note: Components may not sum to totals because of rounding.

Table VI.G3 presents the annual non-interest income, cost, and balance of the OASI Trust Fund, the DI Trust Fund, and the combined OASI and DI Trust Funds, based on the intermediate, low-cost, and high-cost sets of assumptions, in current, or nominal, dollars.

Table VI.G3.—Annual Non-Interest Income, Cost, and Balance in Current Dollars, Calendar Years 2026-2100
[In billions]

Calendar year	OASI			DI			OASDI		
	Non-interest income	Cost[a]	Balance[a]	Non-interest income	Cost[a]	Balance[a]	Non-interest income	Cost[a]	Balance[a]
Intermediate:									
2026	$1,227	$1,528	-$301	$199	$169	$31	$1,426	$1,697	-$271
2027	1,274	1,620	-346	206	179	27	1,480	1,799	-319
2028	1,351	1,711	-360	219	184	35	1,570	1,894	-325
2029	1,422	1,803	-381	229	187	42	1,651	1,990	-339
2030	1,493	1,896	-403	240	190	50	1,733	2,087	-353
2031	1,566	1,990	-424	252	194	58	1,818	2,184	-366
2032	1,641	2,084	-444	263	201	62	1,904	2,286	-382
2033	1,720	2,178	-459	275	210	65	1,995	2,389	-393
2034	1,794	2,273	-479	287	220	67	2,081	2,493	-412
2035	1,871	2,369	-498	299	231	68	2,170	2,600	-430
2040	2,261	2,920	-659	361	299	62	2,622	3,219	-597
2045	2,718	3,554	-836	434	397	37	3,152	3,951	-799
2050	3,257	4,321	-1,064	520	506	15	3,777	4,826	-1,050
2055	3,900	5,322	-1,422	622	629	-7	4,522	5,951	-1,429
2060	4,679	6,631	-1,952	744	755	-11	5,423	7,386	-1,963
2065	5,611	8,210	-2,599	890	909	-19	6,501	9,119	-2,618
2070	6,715	10,130	-3,415	1,062	1,087	-25	7,777	11,217	-3,440
2075	8,019	12,472	-4,453	1,264	1,277	-13	9,283	13,749	-4,467
2080	9,565	15,182	-5,617	1,505	1,503	2	11,070	16,685	-5,615
2085	11,420	18,293	-6,874	1,795	1,763	32	13,214	20,056	-6,842
2090	13,656	21,760	-8,105	2,147	2,113	35	15,803	23,873	-8,070
2095	16,357	25,777	-9,420	2,576	2,568	8	18,933	28,345	-9,412
2100	19,606	30,655	-11,049	3,091	3,130	-39	22,697	33,785	-11,088
Low-cost:									
2026	1,243	1,527	-284	202	166	36	1,446	1,693	-248
2027	1,333	1,622	-289	216	173	43	1,549	1,794	-245
2028	1,428	1,721	-293	231	176	56	1,659	1,897	-237
2029	1,526	1,822	-297	247	177	70	1,772	1,999	-227
2030	1,624	1,925	-302	262	179	83	1,886	2,104	-218
2031	1,727	2,030	-302	279	180	98	2,006	2,210	-204
2032	1,838	2,136	-298	296	186	110	2,134	2,321	-188
2033	1,957	2,243	-286	315	192	123	2,272	2,435	-163
2034	2,077	2,352	-275	334	200	134	2,411	2,552	-141
2035	2,201	2,464	-263	354	209	145	2,555	2,673	-118
2040	2,830	3,146	-315	455	273	182	3,286	3,419	-133
2045	3,626	4,005	-379	584	380	204	4,210	4,385	-175
2050	4,655	5,123	-468	750	511	240	5,406	5,634	-228
2055	6,005	6,673	-668	967	673	294	6,973	7,346	-373
2060	7,784	8,807	-1,023	1,252	859	393	9,036	9,666	-630
2065	10,091	11,541	-1,449	1,622	1,102	520	11,714	12,643	-929
2070	13,057	15,060	-2,004	2,097	1,409	688	15,154	16,470	-1,315
2075	16,871	19,609	-2,738	2,708	1,781	927	19,579	21,390	-1,811
2080	21,823	25,232	-3,408	3,504	2,267	1,237	25,327	27,499	-2,172
2085	28,342	32,127	-3,785	4,556	2,905	1,651	32,898	35,032	-2,134
2090	36,953	40,391	-3,438	5,956	3,840	2,116	42,909	44,231	-1,322
2095	48,261	50,989	-2,729	7,799	5,172	2,626	56,059	56,162	-102
2100	62,965	65,811	-2,846	10,184	6,879	3,305	73,149	72,690	459

Table VI.G3.—Annual Non-Interest Income, Cost, and Balance in Current Dollars, Calendar Years 2026-2100 (Cont.)
[In billions]

Calendar year	OASI			DI			OASDI		
	Non-interest income	Cost[a]	Balance[a]	Non-interest income	Cost[a]	Balance[a]	Non-interest income	Cost[a]	Balance[a]
High-cost:									
2026	$1,205	$1,529	-$323	$196	$172	$24	$1,401	$1,700	-$299
2027	1,193	1,615	-423	193	184	8	1,385	1,800	-415
2028	1,249	1,698	-449	201	191	10	1,451	1,889	-438
2029	1,295	1,781	-487	208	196	12	1,503	1,977	-475
2030	1,345	1,865	-520	215	201	15	1,561	2,066	-505
2031	1,398	1,949	-550	224	205	18	1,622	2,154	-532
2032	1,451	2,032	-581	232	214	17	1,683	2,246	-563
2033	1,503	2,114	-611	239	224	15	1,742	2,338	-596
2034	1,548	2,195	-647	246	235	11	1,795	2,430	-635
2035	1,594	2,276	-682	253	247	6	1,847	2,523	-676
2040	1,811	2,708	-898	287	314	-28	2,097	3,023	-925
2045	2,044	3,169	-1,125	323	398	-75	2,367	3,567	-1,200
2050	2,288	3,690	-1,403	361	480	-119	2,648	4,170	-1,522
2055	2,546	4,321	-1,776	400	564	-164	2,946	4,885	-1,940
2060	2,827	5,096	-2,269	442	637	-195	3,269	5,733	-2,464
2065	3,131	5,966	-2,834	487	719	-232	3,618	6,685	-3,067
2070	3,460	6,957	-3,497	534	803	-268	3,994	7,759	-3,765
2075	3,810	8,088	-4,278	584	876	-291	4,394	8,964	-4,569
2080	4,179	9,297	-5,118	637	949	-312	4,816	10,247	-5,431
2085	4,572	10,580	-6,008	692	1,013	-320	5,265	11,593	-6,329
2090	4,994	11,879	-6,885	753	1,087	-334	5,747	12,967	-7,219
2095	5,456	13,195	-7,739	820	1,169	-349	6,277	14,364	-8,088
2100	5,960	14,488	-8,528	896	1,287	-391	6,855	15,775	-8,920

[a] Benefit payments which were scheduled to be paid on January 3 for some past and future years were actually paid on December 31 as required by the statutory provision for early delivery of benefit payments when the normal payment delivery date is a Saturday, Sunday, or legal public holiday. For comparability with the values for historical years and the projections in this report, all trust fund operations and reserves reflect the 12 months of benefits scheduled for payment each year.

Note: Components may not sum to totals because of rounding.

Table VI.G4 shows the operations of the combined OASI and DI Trust Funds in CPI-indexed 2026 dollars—that is, adjusted by the CPI indexing series as discussed above. The following items are presented in the table: (1) non-interest income, (2) interest income, (3) total income, (4) cost, and (5) reserves at the end of the year. Non-interest income consists of payroll tax contributions, income from taxation of scheduled OASDI benefits, and any reimbursements from the General Fund of the Treasury. Cost consists of scheduled benefits, administrative expenses, financial interchange with the Railroad Retirement program, and payments for vocational rehabilitation services for disabled beneficiaries. Table VI.G4 shows trust fund operations under the intermediate, low-cost, and high-cost sets of assumptions.

Table VI.G4.—Operations of the Combined OASI and DI Trust Funds in CPI-Indexed 2026 Dollars,[a] Calendar Year 2026 Through Year of Reserve Depletion
[In billions]

Calendar year	Non-interest income	Interest income	Total income	Cost[b]	Reserves at end of year[b]
Intermediate:					
2026	$1,426.2	$67.0	$1,493.2	$1,696.8	$2,357.7
2027	1,444.3	61.9	1,506.1	1,755.5	2,051.7
2028	1,496.0	55.2	1,551.2	1,805.6	1,749.3
2029	1,537.0	48.2	1,585.2	1,852.2	1,441.3
2030	1,575.3	41.0	1,616.3	1,896.5	1,127.3
2031	1,613.5	33.6	1,647.1	1,938.4	809.6
2032	1,650.3	25.3	1,675.6	1,981.2	484.9
2033[c]	1,689.1	14.3	1,703.4	2,022.1	154.8
Low-cost:					
2026	1,445.7	68.0	1,513.7	1,693.3	2,381.7
2027	1,504.0	66.4	1,570.4	1,742.2	2,140.5
2028	1,564.1	64.4	1,628.6	1,787.6	1,919.1
2029	1,621.9	62.6	1,684.4	1,829.7	1,717.9
2030	1,675.3	61.2	1,736.5	1,869.2	1,535.2
2031	1,730.3	60.4	1,790.6	1,906.2	1,374.8
2032	1,786.9	59.5	1,846.3	1,944.0	1,237.2
2033	1,847.3	58.8	1,906.0	1,980.0	1,127.2
2034	1,903.6	56.6	1,960.1	2,014.7	1,039.8
2035	1,958.1	53.3	2,011.4	2,048.5	972.3
2040	2,172.1	35.4	2,207.5	2,260.4	622.1
2045[c]	2,400.9	15.4	2,416.3	2,500.6	211.6
High-cost:					
2026	1,401.3	66.1	1,467.4	1,700.5	2,328.2
2027	1,360.2	58.1	1,418.3	1,767.3	1,937.0
2028	1,399.4	48.0	1,447.4	1,822.3	1,527.8
2029	1,423.5	37.7	1,461.2	1,873.5	1,088.5
2030	1,452.7	26.5	1,479.1	1,922.5	625.9
2031[c]	1,482.9	13.2	1,496.1	1,969.1	141.8

[a] CPI-indexed 2026 dollars equal current dollars adjusted by the CPI indexing series in table VI.G1.
[b] Benefit payments which were scheduled to be paid on January 3 for some past and future years were actually paid on December 31 as required by the statutory provision for early delivery of benefit payments when the normal payment delivery date is a Saturday, Sunday, or legal public holiday. For comparability with the values for historical years and the projections in this report, all trust fund operations and reserves reflect the 12 months of benefits scheduled for payment each year.
[c] The reserves of the combined OASI and DI Trust Funds become depleted in 2034, 2048, and 2032 under the intermediate, low-cost, and high-cost assumptions, respectively. Estimates for years beginning with the year of reserve depletion are not shown.

Note: Components may not sum to totals because of rounding.

Figure VI.G1 compares annual cost with annual total income and annual non-interest income. The figure shows only the OASDI program under intermediate assumptions and presents values in CPI-indexed 2026 dollars, consistent with table VI.G4. The difference between the income values for each year is equal to the trust fund interest earnings. The figure illustrates that, under intermediate assumptions, annual cost exceeds both total income and non-interest income for 2026 through 2034, when trust fund reserves become depleted. Estimates after reserve depletion are not shown. For 2026 through 2033 (the year preceding the year of trust fund reserve depletion), the shortfall of annual cost relative to income is covered by drawing down combined trust fund reserves.

Figure VI.G1.—Estimated OASDI Income and Cost in CPI-Indexed 2026 Dollars, Based on Intermediate Assumptions
[In billions]

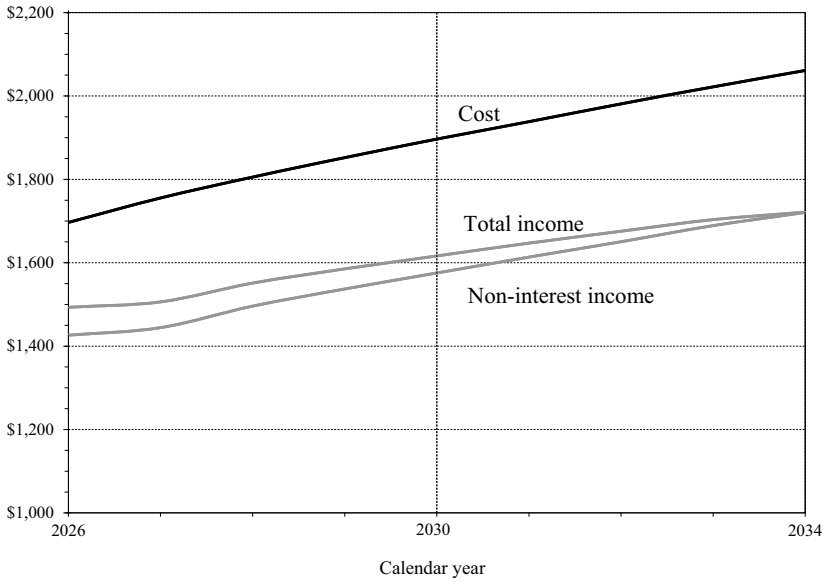


Table VI.G5 presents the annual non-interest income and cost of the OASI Trust Fund, the DI Trust Fund, and the combined OASI and DI Trust Funds, based on the intermediate, low-cost, and high-cost sets of assumptions, in CPI-indexed 2026 dollars. Non-interest income consists of payroll tax contributions, proceeds from taxation of scheduled OASDI benefits, and any reimbursements from the General Fund of the Treasury. Cost consists of scheduled benefits, administrative expenses, financial interchange with the Railroad Retirement program, and payments for vocational rehabilitation services for disabled beneficiaries. The Trustees show income and cost estimates generally on a cash basis for the OASDI program.[1] Table VI.G5 also shows the annual balance, which equals the difference between non-interest income and cost.

[1] Benefits paid for entitlement for a particular month are generally paid in the succeeding month. There are two primary exceptions to this general rule. First, payments can occur with a greater delay when a benefit award is made after the month of initial benefit entitlement. At the time of benefit award, benefits owed for months of prior entitlement are then also paid to the beneficiary. For the projections in this report, such retroactive payments are included in the period where they are paid (at time of award). Second, when benefit payments scheduled for January 3 are paid on the prior December 31, because January 3 falls on a Sunday, such payments are shown in this report for the period they were scheduled to be paid.

Table VI.G5.—Annual Non-Interest Income, Cost, and Balance in CPI-Indexed 2026 Dollars,[a] Calendar Years 2026-2100
[In billions]

Calendar year	OASI			DI			OASDI		
	Non-interest income	Cost[b]	Balance[b]	Non-interest income	Cost[b]	Balance[b]	Non-interest income	Cost[b]	Balance[b]
Intermediate:									
2026	$1,227	$1,528	-$301	$199	$169	$31	$1,426	$1,697	-$271
2027	1,243	1,581	-338	201	174	27	1,444	1,755	-311
2028	1,288	1,631	-343	208	175	33	1,496	1,806	-310
2029	1,324	1,678	-355	213	174	39	1,537	1,852	-315
2030	1,357	1,724	-366	218	173	45	1,575	1,897	-321
2031	1,390	1,766	-376	223	172	51	1,613	1,938	-325
2032	1,422	1,807	-384	228	175	54	1,650	1,981	-331
2033	1,456	1,844	-388	233	178	55	1,689	2,022	-333
2034	1,483	1,879	-396	237	182	55	1,721	2,061	-341
2035	1,511	1,913	-402	241	186	55	1,752	2,099	-347
2040	1,621	2,094	-473	259	215	44	1,880	2,308	-428
2045	1,731	2,263	-533	276	253	24	2,007	2,516	-509
2050	1,842	2,444	-602	294	286	8	2,136	2,730	-594
2055	1,960	2,674	-714	312	316	-4	2,272	2,990	-718
2060	2,088	2,959	-871	332	337	-5	2,420	3,296	-876
2065	2,224	3,254	-1,030	353	360	-8	2,576	3,614	-1,038
2070	2,364	3,566	-1,202	374	383	-9	2,737	3,948	-1,211
2075	2,507	3,899	-1,392	395	399	-4	2,902	4,299	-1,396
2080	2,656	4,216	-1,560	418	417	1	3,074	4,633	-1,559
2085	2,816	4,512	-1,695	443	435	8	3,259	4,946	-1,687
2090	2,991	4,767	-1,775	470	463	8	3,462	5,229	-1,768
2095	3,182	5,015	-1,833	501	500	2	3,683	5,515	-1,831
2100	3,388	5,297	-1,909	534	541	-7	3,922	5,838	-1,916
Low-cost:									
2026	1,243	1,527	-284	202	166	36	1,446	1,693	-248
2027	1,294	1,574	-280	210	168	42	1,504	1,742	-238
2028	1,346	1,622	-276	218	165	53	1,564	1,788	-224
2029	1,396	1,668	-271	226	162	64	1,622	1,830	-208
2030	1,442	1,710	-268	233	159	74	1,675	1,869	-194
2031	1,490	1,751	-261	240	155	85	1,730	1,906	-176
2032	1,539	1,788	-250	248	155	92	1,787	1,944	-157
2033	1,591	1,824	-232	256	156	100	1,847	1,980	-133
2034	1,640	1,857	-217	264	158	106	1,904	2,015	-111
2035	1,687	1,888	-202	271	160	111	1,958	2,049	-90
2040	1,871	2,080	-209	301	181	120	2,172	2,260	-88
2045	2,068	2,284	-216	333	216	117	2,401	2,501	-100
2050	2,290	2,520	-230	369	251	118	2,659	2,771	-112
2055	2,548	2,832	-283	411	286	125	2,959	3,117	-158
2060	2,849	3,224	-374	458	315	144	3,308	3,538	-231
2065	3,186	3,644	-458	512	348	164	3,699	3,992	-293
2070	3,556	4,102	-546	571	384	187	4,128	4,486	-358
2075	3,964	4,607	-643	636	418	218	4,600	5,026	-426
2080	4,423	5,114	-691	710	459	251	5,133	5,573	-440
2085	4,955	5,617	-662	797	508	289	5,751	6,124	-373
2090	5,573	6,091	-518	898	579	319	6,471	6,670	-199
2095	6,278	6,633	-355	1,014	673	342	7,293	7,306	-13
2100	7,066	7,385	-319	1,143	772	371	8,208	8,157	52

Table VI.G5.—Annual Non-Interest Income, Cost, and Balance in CPI-Indexed 2026 Dollars,[a] Calendar Years 2026-2100 (Cont.)
[In billions]

Calendar year	OASI			DI			OASDI		
	Non-interest income	Cost[b]	Balance[b]	Non-interest income	Cost[b]	Balance[b]	Non-interest income	Cost[b]	Balance[b]
High-cost:									
2026	$1,205	$1,529	-$323	$196	$172	$24	$1,401	$1,700	-$299
2027	1,171	1,586	-415	189	181	8	1,360	1,767	-407
2028	1,205	1,638	-433	194	185	10	1,399	1,822	-423
2029	1,227	1,688	-461	197	186	11	1,424	1,874	-450
2030	1,252	1,736	-484	201	187	14	1,453	1,922	-470
2031	1,278	1,781	-503	204	188	17	1,483	1,969	-486
2032	1,303	1,825	-522	208	192	16	1,511	2,017	-506
2033	1,326	1,865	-539	211	198	14	1,537	2,062	-526
2034	1,342	1,902	-560	213	204	10	1,555	2,106	-550
2035	1,357	1,937	-581	215	210	5	1,572	2,147	-575
2040	1,410	2,109	-699	223	245	-21	1,633	2,353	-720
2045	1,455	2,257	-801	230	284	-53	1,686	2,540	-855
2050	1,490	2,404	-914	235	313	-78	1,725	2,716	-991
2055	1,517	2,575	-1,058	238	336	-98	1,755	2,911	-1,156
2060	1,540	2,777	-1,237	241	347	-106	1,781	3,124	-1,343
2065	1,561	2,974	-1,413	243	358	-116	1,803	3,332	-1,529
2070	1,577	3,172	-1,594	244	366	-122	1,821	3,538	-1,717
2075	1,589	3,373	-1,784	244	365	-122	1,832	3,738	-1,905
2080	1,594	3,546	-1,952	243	362	-119	1,837	3,908	-2,071
2085	1,595	3,691	-2,096	242	353	-112	1,837	4,045	-2,208
2090	1,594	3,791	-2,197	240	347	-107	1,834	4,138	-2,304
2095	1,592	3,851	-2,259	239	341	-102	1,832	4,193	-2,361
2100	1,591	3,868	-2,277	239	344	-104	1,830	4,211	-2,381

[a] CPI-indexed 2026 dollars equal current dollars adjusted by the CPI indexing series in table VI.G1.
[b] Benefit payments which were scheduled to be paid on January 3 for some past and future years were actually paid on December 31 as required by the statutory provision for early delivery of benefit payments when the normal payment delivery date is a Saturday, Sunday, or legal public holiday. For comparability with the values for historical years and the projections in this report, all trust fund operations and reserves reflect the 12 months of benefits scheduled for payment each year.

Note: Components may not sum to totals because of rounding.

H. ANALYSIS OF BENEFIT PAYMENTS FROM THE OASI TRUST FUND WITH RESPECT TO DISABLED BENEFICIARIES

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

Effective January 1957, the OASI Trust Fund pays monthly benefits to disabled children aged 18 and over of retired and deceased workers if the disability began before age 18. The age by which disability must have begun was later changed to age 22.

Effective February 1968, the OASI Trust Fund pays reduced monthly benefits to disabled widows and widowers at ages 50 and over. The requirements for the disability of the widow or widower were made less restrictive effective January 1991.

At the end of 2025, the OASI Trust Fund was providing monthly benefit payments to about 1.2 million people on the basis of their disabilities or the disabilities of children. This total includes approximately 20,000 mothers and fathers (wives or husbands under normal retirement age 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. The 1.2 million people excludes disabled widows and widowers who are age 60 and older, because beginning at age 60, these beneficiaries are not required to be disabled to be eligible for a nondisabled aged widow or widower benefit. The aged widow or widower benefit they are eligible for is equal in amount to the disabled widow or widower benefit. Therefore, they are not receiving benefits solely because of a disability.

In calendar year 2025, the OASI Trust Fund paid a total of $16.9 billion in benefits to the people described above. Table VI.H1 shows OASI scheduled benefits for disability for selected calendar years during 1960 through 2025 and estimates for 2026 through 2035 based on the intermediate set of assumptions.

Table VI.H1.—Scheduled Benefit Payments From the OASI Trust Fund With Respect to Disabled Beneficiaries

[Beneficiaries in thousands; scheduled benefits in millions]

Calendar year	Disabled beneficiaries, end of year			Amount of scheduled benefits[a] [b]		
	Total	Children[c]	Widows-widowers[d]	Total	Children[c]	Widows-widowers[e]
Historical data:						
1960	117	117	—	$59	$59	—
1965	214	214	—	134	134	—
1970	316	281	36	301	260	$41
1975	435	376	58	664	560	104
1980	519	460	59	1,223	1,097	126
1985	594	547	47	2,072	1,885	187
1990	662	613	49	2,882	2,649	233
1995	772	681	91	4,202	3,672	531
2000	811	707	104	5,203	4,523	680
2005	836	728	108	6,449	5,556	834
2010	996	879	117	8,671	7,662	1,008
2015	1,096	972	124	10,640	9,528	1,109
2016	1,109	988	121	10,909	9,818	1,087
2017	1,124	1,006	117	11,222	10,156	1,061
2018	1,139	1,027	112	11,767	10,729	1,031
2019	1,144	1,041	103	12,148	11,152	983
2020	1,147	1,051	95	12,351	11,403	934
2021	1,136	1,050	86	12,453	11,578	861
2022	1,128	1,051	78	13,266	12,414	829
2023	1,126	1,057	70	14,587	13,746	821
2024	1,165	1,098	66	15,814	14,995	805
2025	1,194	1,130	64	16,924	16,106	807
Estimates under the intermediate assumptions:						
2026	1,213	1,151	62	17,530	16,713	802
2027	1,232	1,170	62	18,384	17,553	815
2028	1,250	1,189	61	19,202	18,350	832
2029	1,267	1,206	61	20,051	19,175	856
2030	1,283	1,223	60	20,897	20,012	865
2031	1,299	1,239	59	21,778	20,875	883
2032	1,315	1,255	60	22,696	21,763	912
2033	1,331	1,270	61	23,665	22,692	952
2034	1,347	1,285	62	24,685	23,668	995
2035	1,362	1,300	63	25,750	24,685	1,044

[a] Beginning in 1966, includes payments for vocational rehabilitation services.

[b] Amounts for 2020 and 2021 are adjusted to include in 2021 operations those benefit payments regularly scheduled in the law to be paid on January 3, 2021, which were actually paid on December 31, 2020 as required by the statutory provision for early benefit payments when the normal delivery date is on a weekend or holiday. Such shifts in payments across calendar years have occurred in the past, including in 2016, and will occur periodically in the future whenever January 3rd falls on a Sunday. In order to provide a consistent perspective on trust fund operations over time, all trust fund operations in each year reflect the 12 months of benefits that are regularly scheduled for payment in that year.

[c] Also includes certain mothers and fathers (see text).

[d] In 1984 and later years, includes only disabled widows and widowers aged 50-59, because disabled widows and widowers age 60 and older are eligible for the same benefit as a nondisabled aged widow or widower. Therefore, they are not receiving benefits solely because of a disability.

[e] In 1983 and prior years, includes the offsetting effect of lower benefits payable to disabled widows and widowers who continued to receive benefits after attaining age 60 (62, for disabled widowers prior to 1973), compared to the higher nondisabled widow's and widower's benefits that would otherwise be payable. In 1984 and later years, includes only scheduled benefits to disabled widows and widowers aged 50-59 (see footnote d).

Note: Components may not sum to totals because of rounding.

Under the intermediate assumptions, estimated total scheduled benefits paid from the OASI Trust Fund with respect to disabled beneficiaries will increase from $17.5 billion in calendar year 2026 to $25.8 billion in calendar year 2035.

In calendar year 2025, benefit payments (including payments for vocational rehabilitation services) with respect to disabled persons from the OASI Trust Fund and from the DI Trust Fund (including payments from the DI fund to all children and spouses of disabled-worker beneficiaries) totaled $175.0 billion. Of this amount, $16.9 billion, or 9.7 percent, represented payments from the OASI Trust Fund. Table VI.H2 contains these and similar figures for selected calendar years during 1960 through 2025 and estimates for calendar years 2026 through 2035.

Table VI.H2.—Scheduled Benefit Payments[a] Under the OASDI Program With Respect to Disabled Beneficiaries
[Amounts in millions]

Calendar year	Total[b]	DI Trust Fund[b c]	OASI Trust Fund[b]	
			Amount[d]	Percentage of total
Historical data:				
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
1980	16,738	15,515	1,223	7.3
1985	20,908	18,836	2,072	9.9
1990	27,717	24,835	2,882	10.4
1995	45,140	40,937	4,202	9.3
2000	60,204	55,001	5,203	8.6
2005	91,835	85,386	6,449	7.0
2010	132,916	124,245	8,671	6.5
2015	154,028	143,388	10,640	6.9
2016	153,709	142,800	10,909	7.1
2017	154,048	142,826	11,222	7.3
2018	155,526	143,760	11,767	7.6
2019	157,289	145,141	12,148	7.7
2020	155,933	143,582	12,351	7.9
2021	152,538	140,085	12,453	8.2
2022	156,861	143,595	13,266	8.5
2023	166,533	151,946	14,587	8.8
2024	170,864	155,049	15,814	9.3
2025	175,013	158,090	16,924	9.7
Estimates under the intermediate assumptions:				
2026	183,222	165,692	17,530	9.6
2027	194,203	175,818	18,384	9.5
2028	199,830	180,628	19,202	9.6
2029	203,907	183,856	20,051	9.8
2030	208,103	187,206	20,897	10.0
2031	212,311	190,533	21,778	10.3
2032	220,733	198,036	22,696	10.3
2033	230,363	206,698	23,665	10.3
2034	241,066	216,381	24,685	10.2
2035	252,833	227,083	25,750	10.2

[a] Amounts for 2020 and 2021 are adjusted to include in 2021 operations those benefit payments regularly scheduled in the law to be paid on January 3, 2021, which were actually paid on December 31, 2020 as required by the statutory provision for early benefit payments when the normal delivery date is on a weekend or holiday. Such shifts in payments across calendar years have occurred in the past, including in 2016, and will occur periodically in the future whenever January 3rd falls on a Sunday. In order to provide a consistent perspective on trust fund operations over time, all trust fund operations in each year reflect the 12 months of benefits that are regularly scheduled for payment in that year.

[b] Beginning in 1966, includes payments for vocational rehabilitation services.

[c] Scheduled benefits paid to disabled workers and their eligible children and spouses.

[d] Scheduled benefits paid to disabled children aged 18 and over, mothers and fathers receiving a benefit based on the disability of a child in their care, and disabled widows and widowers aged 50-59. See text and footnotes d and e of table VI.H1 for more information.

Note: Components may not sum to totals because of rounding.

I. GLOSSARY

Actuarial balance. The difference between the summarized income rate and the summarized cost rate as a percentage of taxable payroll (or GDP) over a given valuation period.

Actuarial deficit. A negative actuarial balance.

Administrative expenses. Expenses incurred by the Social Security Administration and the Department of the Treasury in administering the OASDI program and the provisions of the Internal Revenue Code relating to the collection of contributions. Such administrative expenses are paid from the OASI and DI Trust Funds.

Advance tax transfers. Amounts representing the estimated total OASDI tax contributions for a given month. From May 1983 through November 1990, such amounts were credited to the OASI and DI Trust Funds at the beginning of each month. The trust funds reimbursed the General Fund of the Treasury for the associated loss of interest. Advance tax transfers are no longer made unless needed in order to pay benefits.

Alternatives I, II, or III. See "Assumptions."

Annual balance. The difference between the income rate and the cost rate for a given year.

Assumptions. Values related to future trends in key factors that affect the trust funds. Demographic assumptions include fertility, mortality, immigration, marriage, and divorce. Economic assumptions include unemployment rates, average earnings, inflation, interest rates, and productivity. Program-specific assumptions include retirement patterns and disabled-worker incidence and termination rates. This report presents three sets of demographic, economic, and program-specific assumptions:

- Alternative II is the intermediate set of assumptions, and represents the Trustees' best estimates of likely future demographic, economic, and program-specific conditions.
- Alternative I is a low-cost set of assumptions—it assumes relatively rapid economic growth, high inflation, and favorable (from the standpoint of program financing) demographic and program-specific conditions.
- Alternative III is a high-cost set of assumptions—it assumes relatively slow economic growth, low inflation, and unfavorable (from the standpoint of program financing) demographic and program-specific conditions.

See tables V.A2, V.B1, and V.B2.

Automatic cost-of-living benefit increase. The annual increase in benefits, effective for December, reflecting the increase, if any, in the cost of living. A benefit increase is applicable only after a beneficiary becomes eligible for

benefits. In general, the benefit increase equals the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) measured from the third quarter of the last year for which there was an increase to the third quarter of the current year. If there is no increase in the CPI-W, then there is no cost-of-living benefit increase. See table V.C1.

Auxiliary benefits. Monthly benefits payable to a spouse or child of a retired or disabled worker, or to a survivor of a deceased worker.

Average indexed monthly earnings—AIME. The measure of lifetime earnings used in determining the primary insurance amount (PIA) for most workers who attain age 62, become disabled, or die after 1978. A worker's actual past earnings are adjusted by changes in the average wage index, in order to bring them up to their approximately equivalent value at the time of retirement or other eligibility for benefits.

Average wage index—AWI. A series that generally increases with the average amount of total wages per worker with any wages for each year after 1950, including wages in noncovered employment and wages in covered employment in excess of the OASDI contribution and benefit base. (See Title 20, Chapter III, section 404.211(c) of the Code of Federal Regulations for a more precise definition.) The average wage index is used to index the taxable earnings of most workers first becoming eligible for benefits in 1979 or later, and for automatic adjustments in the contribution and benefit base, bend points, earnings test exempt amounts, and other wage-indexed amounts. See tables V.C1 and VI.G1.

Award. An administrative determination that a person is entitled to receive a specified type of OASDI benefit. Awards can represent not only new entrants to the benefit rolls but also people already on the rolls who become entitled to a different type of benefit. Awards usually result in the immediate payment of benefits, although payments may be deferred or withheld depending on the particular circumstances.

Baby boom. The period from the end of World War II (1946) through 1965 marked by unusually high birth rates.

Bend points. The dollar amounts defining the AIME or PIA brackets in the benefit formulas. For the bend points for years 1979 and later, see table V.C2.

Beneficiary. A person who has been awarded benefits on the basis of their own or another's earnings record. The benefits may be either in current-payment status or withheld.

Benefit award. See "Award."

Benefit conversion. See "Disabled-worker conversion."

Benefit payments. The amounts disbursed for OASI and DI benefits by the Department of the Treasury.

Benefit termination. See "Termination."

Best estimate assumptions. See "Assumptions."

Board of Trustees. A Board established by the Social Security Act to oversee the financial operations of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund. The Board has six members. Four members serve by virtue of their positions in the Federal Government: the Secretary of the Treasury, who is the Managing Trustee; the Secretary of Labor; the Secretary of Health and Human Services; and the Commissioner of Social Security. The President appoints and the Senate confirms the other two members to serve as public representatives. Also referred to as the "Board" or the "Trustees."

Cash flow. Actual or projected revenue (other than interest paid to the trust funds) and costs reflecting the levels of payroll tax contribution rates and benefits scheduled in the law. Net cash flow is the difference between noninterest income and cost.

Cohort life expectancy. See "Life expectancy."

Consumer Price Index—CPI. An official measure of inflation in consumer prices. In this report, CPI refers to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The Bureau of Labor Statistics, Department of Labor, publishes historical values for the CPI-W.

Contribution and benefit base. Annual dollar amount above which earnings in employment covered under the OASDI program are neither taxable nor creditable for benefit-computation purposes. (Also referred to as maximum contribution and benefit base, annual creditable maximum, taxable maximum, and maximum taxable.) See tables V.C1 and V.C6. See "Hospital Insurance (HI) contribution base."

Contributions. See "Payroll tax contributions."

Conversion. See "Disabled-worker conversion."

Cost. The cost shown for a year includes benefits scheduled for payment in the year (without regard to the ability to make the payments in full), administrative expenses, financial interchange with the Railroad Retirement program, and payments for vocational rehabilitation services for disabled beneficiaries.

Cost-of-living adjustment. See "Automatic cost-of-living benefit increase."

Cost rate. The cost rate for a year is the ratio of the cost of the program to the taxable payroll (or GDP) for the year.

Covered earnings. Wages or earnings from self-employment covered by the OASDI program.

Covered employment. All employment for which earnings are creditable for Social Security purposes. The program covers almost all employment. Some exceptions are:

- State and local government employees whose employer has not elected to be covered under Social Security and who are participating in an employer-provided pension plan.
- Current Federal civilian workers hired before 1984 who have not elected to be covered.
- Self-employed workers earning less than $400 in a calendar year.

Covered worker. A person who has earnings creditable for Social Security purposes based on services for wages in covered employment or income from covered self-employment.

CPI-indexed dollars. Amounts adjusted by the CPI to the value of the dollar in a particular year.

Creditable earnings. Wages or self-employment earnings posted to a worker's earnings record. Such earnings determine eligibility for benefits and the amount of benefits on that worker's record. The contribution and benefit base is the maximum amount of creditable earnings for each worker in a calendar year.

Current-cost financing. See "Pay-as-you-go financing."

Current dollars. Amounts expressed in nominal dollars with no adjustment for inflation.

Currently insured status. A worker is currently insured in a quarter when they have accumulated six quarters of coverage during the 13-quarter period ending with the quarter.

Current-payment status. Status of a beneficiary to whom a benefit is being paid for a given month (with or without deductions, provided the deductions add to less than a full month's benefit).

Deemed filing. Under certain circumstances, a person applying for or receiving either an aged-spouse benefit or a retired-worker benefit is required to also file for the other of these two types of benefits. For those first eligible for benefits before 2016, this requirement applies to any person under normal retirement age who is eligible for the other benefit as of the starting month for the first benefit. For those first eligible for benefits in 2016 and later, this requirement applies whenever the person is eligible for the other benefit. Deemed filing can occur at any age, and in months after the starting month of the first benefit.

Deemed wage credit. See "Military service wage credits."

Delayed retirement credits. Increases in the benefit amount for certain people who did not receive benefits for months after attaining normal retirement age but before age 70. Delayed retirement credits apply to benefits for January of the year following the year they are earned or for the month of attainment of age 70, whichever comes first. See table V.C3.

Demographic assumptions. See "Assumptions."

Disability. For Social Security purposes, the inability to engage in any substantial gainful activity (see "Substantial gainful activity—SGA") by reason of any medically determinable physical or mental impairment that is expected to result in death or to last for a continuous period of not less than 12 months. Special rules apply for workers at ages 55 and over whose disability is based on blindness.

The law generally requires that a person be disabled continuously for 5 months before they can qualify for a disabled-worker benefit.

Disabled-worker conversion ratio. For a given year, the ratio of the number of disabled-worker conversions to the average number of disabled-worker beneficiaries at all ages during the year.

Disabled-worker conversion. Upon attainment of normal retirement age, a disabled-worker beneficiary is automatically converted to retired-worker status.

Disabled-worker incidence rate. The proportion of workers in a given year, insured for but not receiving disabled-worker benefits, who apply for and are awarded disabled-worker benefits.

Disability Insurance (DI) Trust Fund. See "Trust fund."

Disability insured status. A worker is disability insured in a quarter if they are: (1) a fully insured worker who has accumulated 20 quarters of coverage during the 40-quarter period ending with the quarter, (2) a fully insured worker aged 24-30 who has accumulated quarters of coverage during one-half of the quarters elapsed after the quarter of attainment of age 21 and up to and including the quarter, or (3) a fully insured worker under age 24 who has accumulated six quarters of coverage during the 12-quarter period ending with the quarter.

Disabled-worker prevalence rate. The proportion of people insured for disabled-worker benefits who are disabled-worker beneficiaries in current-payment status.

Disabled-worker termination rate. The proportion of disabled-worker beneficiaries in a given year whose disabled-worker benefits terminate as a result of their recovery or death.

Disabled-worker benefit. A monthly benefit payable to a disabled worker under normal retirement age and insured for disability. Before November 1960, disabled workers had to be aged 50 or older.

Dual entitlement. A person may be entitled to more than one benefit at the same time. For example, a person may be entitled as a retired worker on their own record and as a spouse on another record. However, a person's benefit amount can never exceed the highest single benefit to which that person is entitled. Some benefits are calculated independently with the larger benefit

being paid or the smaller benefit being paid plus the excess amount of the larger one.

Earnings. Unless otherwise qualified, all wages from employment and net earnings from self-employment, whether or not they are taxable or covered.

Earnings test. The provision requiring the withholding of benefits for beneficiaries under normal retirement age who have earnings in excess of certain exempt amounts. See table V.C1.

Economic assumptions. See "Assumptions."

Effective interest rate. See "Interest rate."

Excess wages. Wages in excess of the contribution and benefit base on which a worker initially makes payroll tax contributions, usually as a result of working for more than one employer during a year. Employee payroll taxes on excess wages are refundable to affected employees, while the employer taxes are not refundable.

Expenditures. Actual payments made or expected to be made under current law, including benefits paid or payable, administrative expenses, financial interchange with the Railroad Retirement program, and payments for vocational rehabilitation services for disabled beneficiaries. Includes only the portion of cost that is payable with the financing provisions in current law.

Exposed population. For any event (such as benefit award or death), the group that is exposed to the possibility of experiencing the event. For example, the exposed population for disabled worker awards (incidence) is the disability insured population less those already receiving benefits.

Federal Insurance Contributions Act—FICA. Provision authorizing payroll taxes on the wages of employed people to provide for Old-Age, Survivors, and Disability Insurance and for Hospital Insurance. Workers and their employers generally pay the tax in equal amounts.

Financial interchange. Provisions of the Railroad Retirement Act providing for transfers between the trust funds and the Social Security Equivalent Benefit Account of the Railroad Retirement program in order to place each trust fund in the same financial position it would have been had railroad employment always been covered under Social Security.

Fiscal year. The accounting year of the United States Government. Starting in 1976, a fiscal year is the 12-month period ending September 30. For example, fiscal year 2026 began October 1, 2025, and will end September 30, 2026.

Full advance funding. A financing method in which contributions are established to match the full cost of future benefits as these costs are incurred through current service. Such financing methods may also provide for amortization over a fixed period of any financial obligation that is incurred at the

beginning of the program (or subsequent modification) as a result of granting credit for past service.

Fully insured status. A worker is fully insured when their total number of quarters of coverage is greater than or equal to the number of years elapsed after the year of attainment of age 21 (but not less than six). Once a worker has accumulated 40 quarters of coverage, they remain permanently fully insured.

General Fund of the Treasury. Funds held by the Treasury of the United States, other than income collected for a specific purpose (such as Social Security) and maintained in a separate account for that purpose.

General Fund reimbursements. Payments from the General Fund of the Treasury to the trust funds for specific items defined in the law, including:

- The cost of noncontributory wage credits for military service before 1957, and periodic adjustments of previous determinations.
- The cost in 1971-82 of deemed wage credits for military service performed after 1956.
- The cost of benefits to certain uninsured people who attained age 72 before 1968.
- The cost of payroll tax credits provided to employees in 1984 and self-employed people in 1984-89 by Public Law 98-21.
- The cost in 2009-17 of excluding certain self-employment earnings from SECA taxes under Public Law 110-246.
- Payroll tax revenue forgone under the provisions of Public Laws 111-147, 111-312, 112-78, and 112-96.

In addition, the General Fund transfers a portion of proceeds from repayments of loans authorized under Public Law 116-136. The General Fund also reimburses the trust funds for various other items, including interest on checks that are not negotiated 6 months after the month of issue and costs incurred in performing certain legislatively mandated activities not directly related to administering the OASI and DI programs.

Gross domestic product—GDP. The total dollar value of all goods and services produced by labor and property located in the United States, regardless of who supplies the labor or property.

Hospital Insurance (HI) contribution base. Annual dollar amount above which earnings in employment covered under the HI program are not taxable. (Also referred to as maximum contribution base, taxable maximum, and maximum taxable.) Beginning in 1994, the HI contribution base was eliminated.

High-cost assumptions. See "Assumptions."

Hospital Insurance (HI) Trust Fund. See "Trust fund."

Immigration. See "Lawful permanent resident (LPR) immigration" and "Temporary or unlawfully present immigration."

Income. Income for a given year is the sum of tax revenue on a cash basis (payroll tax contributions and income from the taxation of scheduled benefits), reimbursements from the General Fund of the Treasury, if any, and interest credited to the trust funds.

Income rate. Ratio of non-interest income to the OASDI taxable payroll (or GDP) for the year.

Infinite horizon. The period extending indefinitely into the future.

Inflation. An increase in the general price level of goods and services.

Insured status. The state or condition of having sufficient quarters of coverage to meet the eligibility requirements for retired-worker or disabled-worker benefits, or to permit a worker's spouse and children or survivors to establish eligibility for benefits in the event of their disability, retirement, or death. See "Quarter of coverage."

Interest. A payment in exchange for the use of money during a specified period.

Interest rate. Interest rates on new public-debt obligations issuable to Federal trust funds (see "Special public-debt obligation") are determined monthly. Such rates are equal to the average market yield on all outstanding marketable U.S. securities not due or callable until after 4 years from the date the rate is determined. See table V.B2 for historical and assumed future interest rates on new special-issue securities. The effective interest rate for a trust fund is the ratio of the interest earned by the fund over a given period of time to the average level of reserves held by the fund during the period. The effective rate of interest thus represents a measure of the overall average interest earnings on the fund's portfolio of investments. See table VI.G1 for projected compound effective trust fund interest factors.

Interfund borrowing. The borrowing of reserves by a trust fund (OASI, DI, or HI) from another trust fund when the first fund is in danger of depletion. The Social Security Act permitted interfund borrowing only during 1982 through 1987, and required all amounts borrowed to be repaid prior to the end of 1989. The only exercise of this authority occurred in 1982, when the OASI Trust Fund borrowed from the DI and HI Trust Funds. The final repayment of borrowed amounts occurred in 1986.

Intermediate assumptions. See "Assumptions."

Lawful permanent resident (LPR) immigration. The flow of people who enter the Social Security area population and are granted LPR status, or who are already in the Social Security area population and adjust their status to become LPRs. People who enter the country with valid visas but without LPR status, such as temporary foreign workers and students, are not included in the LPR immigration category.

Legal emigration. The flow of lawful permanent residents and citizens who leave the Social Security area population.

Life expectancy. Average remaining number of years expected prior to death. Period life expectancy is calculated for a given year using the actual or expected death rates at each age for that year. Cohort life expectancy, sometimes referred to as generational life expectancy, is calculated for people at a specific age in a given year using actual or expected death rates from the years in which they would reach each succeeding age.

Long-range. The first 75 projection years. The Trustees make long-range actuarial estimates for this period because it covers approximately the maximum remaining lifetime for virtually all current Social Security participants.

Low-cost assumptions. See "Assumptions."

Lump-sum death payment. A lump sum, generally $255, payable on the death of a fully or currently insured worker. The lump sum is payable to the surviving spouse of the worker, under most circumstances, or to the worker's children.

Maximum family benefit. The maximum monthly amount that can be paid on a worker's earnings record. Whenever the total of the individual monthly benefits payable to all the beneficiaries entitled on one earnings record exceeds the maximum, each dependent's or survivor's benefit is proportionately reduced. Benefits payable to divorced spouses or surviving divorced spouses are not reduced under the family maximum provision.

Medicare. A nationwide, Federally administered health insurance program authorized in 1965 under Title XVIII of the Social Security Act to cover the cost of hospitalization, medical care, and some related services for most persons age 65 and over. In 1972, lawmakers extended coverage to people receiving Social Security Disability Insurance payments for 2 years and people with end-stage renal disease. (For beneficiaries whose primary or secondary diagnosis is Amyotrophic Lateral Sclerosis, the 2-year waiting period is waived.) In 2010, people exposed to environmental health hazards within areas under a corresponding emergency declaration became Medicare-eligible. In 2006, prescription drug coverage was added as well. Medicare consists of two separate but coordinated trust funds: Hospital Insurance (HI, or Part A) and Supplementary Medical Insurance (SMI). The SMI Trust Fund comprises two separate accounts: the Part B account and the Part D account. Almost all people who are aged 65 and over or disabled and who are entitled to HI are eligible to enroll in Part B and Part D on a voluntary basis by paying monthly premiums.

Military service wage credits. Credits toward OASDI earnings records for benefit computation purposes, recognizing that military personnel receive non-wage compensation (such as food and shelter) in addition to their basic pay and other cash payments. Military personnel do not pay payroll taxes on

these credits. Noncontributory wage credits of $160 were provided for each month of active military service from September 16, 1940, through December 31, 1956. For years after 1956, the basic pay of military personnel is covered under the Social Security program on a contributory basis. In addition to the contributory credits for basic pay, noncontributory wage credits of $300 were granted for each calendar quarter, from January 1957 through December 1977, in which a person received pay for military service. Noncontributory wage credits of $100 were granted for each $300 of military wages, up to a maximum credit of $1,200 per calendar year, from January 1978 through December 2001.

National average wage index—AWI. See "Average wage index—AWI."

Non-interest income. Non-interest income for a given year is the sum of tax revenue on a cash basis (payroll tax contributions and income from the taxation of scheduled benefits) and reimbursements from the General Fund of the Treasury, if any.

Nonresident alien beneficiary. An OASDI beneficiary who is not a U.S. citizen and who is living abroad while receiving benefits.

Normal retirement age—NRA. The age at which a person may first become entitled to retirement benefits without reduction based on age. For people reaching age 62 before 2000, the normal retirement age is 65. It increases gradually to 67 for people reaching age 62 in 2022 or later, beginning with an increase to 65 years and 2 months for people reaching age 62 in 2000. See table V.C3.

Old-Age and Survivors Insurance (OASI) Trust Fund. See "Trust fund."

Old-law base. Amount the contribution and benefit base would have been if the 1977 amendments had not provided for ad hoc increases. The Social Security Amendments of 1972 provided for automatic annual indexing of the contribution and benefit base. The Social Security Amendments of 1977 specified ad hoc bases for 1978-81, with subsequent bases updated in accordance with the normal indexing procedure. See table V.C2.

Open-group unfunded obligation. See "Unfunded obligation."

Par value. The value printed on the face of a bond. For special issues held by the trust funds, par value is the redemption value at any time up to maturity.

Partial advance funding. A financing method in which contribution levels are established to provide a substantial accumulation of trust fund reserves, thereby generating interest income to the trust funds and reducing the need for contribution increases or cost reductions in periods when costs are relatively high or income is relatively low. The trust fund buildup under partial advance funding is smaller than it would be with full advance funding.

Pay-as-you-go financing. A financing method in which contribution levels are established with the intent to produce annual income levels required to pay current benefits, with trust fund reserves built up only to the extent needed to prevent immediate depletion of the fund reserves by irregular fluctuations.

Payroll tax contributions. The amount based on a percent of earnings, up to an annual maximum, that must be paid by:

- employers and employees on wages from employment under the Federal Insurance Contributions Act,
- the self-employed on net earnings from self-employment under the Self-Employment Contributions Act, and
- States on the wages paid in 1986 and earlier to State and local government employees covered under the Social Security Act through voluntary agreements under section 218 of the act.

Also referred to as payroll taxes.

Period life expectancy. See "Life expectancy."

Present value. The interest-adjusted equivalent value, at the present time, of a stream of values (either positive or negative, past or future). Present value is used widely in calculations involving financial transactions over long periods of time to account for the time value of money, by discounting or accumulating these transactions at the rate of interest. Present-value calculations for this report use the effective yield on combined OASI and DI Trust Fund reserves.

Primary insurance amount—PIA. The monthly amount payable to a retired worker who begins to receive benefits at normal retirement age or, generally, to a disabled worker. This amount, which is typically related to the worker's average indexed monthly earnings, is also used as a base for computing all types of benefits payable on a worker's earnings record.

Primary-insurance-amount formula. The mathematical formula relating the PIA to the AIME for workers who attain age 62, become disabled, or die after 1978. The PIA is equal to the sum of 90 percent of AIME up to the first bend point, plus 32 percent of AIME above the first bend point up to the second bend point, plus 15 percent of AIME in excess of the second bend point. Automatic benefit increases are applied beginning with the year of eligibility. See table V.C2 for historical and assumed future bend points and table V.C1 for historical and assumed future benefit increases.

Quarter of coverage. Basic unit of measurement for determining insured status. For 1978, a worker earned one quarter of coverage, up to four, for each $250 of that worker's annual covered earnings. After 1978, the $250 amount increases automatically with increases in the national average wage index. See table V.C2.

Railroad Retirement. A Federal insurance program, similar to Social Security, designed for workers in the railroad industry. The provisions of the Railroad Retirement Act provide for a system of coordination and financial interchange between the Railroad Retirement program and the Social Security program.

Reallocation of payroll tax rates. An increase in the payroll tax rate for either the OASI or DI Trust Fund, with a corresponding reduction in the rate for the other fund, so that the total OASDI payroll tax rate is not changed.

Recession. A period of adverse economic conditions. The National Bureau of Economic Research's traditional definition of a recession is that it is a significant decline in economic activity that is spread across the economy and that lasts more than a few months.

Reserves. See "Trust fund reserves."

Retired-worker benefit. A monthly benefit payable to a fully insured retired worker aged 62 or older or to a person entitled under the transitionally insured status provision in the law.

Retirement earnings test. See "Earnings test."

Retirement eligibility age. The age, currently age 62, at which a fully insured person first becomes eligible to receive retired-worker benefits.

Scheduled benefits. The level of benefits specified under current law.

Scenario-based model. A model with specified assumptions for and relationships among variables. Under such a model, any specified set of assumptions determines a single outcome directly reflecting the specifications.

Self-employment. Operation of a trade or business by a person or by a partnership in which a person is a member.

Self-Employment Contributions Act–SECA. Provision authorizing Social Security payroll taxes on the net earnings of most self-employed people.

Short-range. The first 10 projection years. The Social Security Act requires estimates for 5 years; the Trustees prepare estimates for an additional 5 years to help clarify trends that are only starting to develop in the mandated first 5-year period.

Social Security Act. Provisions of the law governing most operations of the Social Security program. The original Social Security Act is Public Law 74-271, enacted August 14, 1935. With subsequent amendments, the Social Security Act consists of 21 titles, of which three have been repealed. Title II of the Social Security Act authorizes the Old-Age, Survivors, and Disability Insurance program.

Social Security area population. The population composed of: (1) residents of the 50 States and the District of Columbia (adjusted for net census undercount); (2) civilian residents of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands; (3) Federal civilian

employees and people in the U.S. Armed Forces abroad and their dependents; (4) non-citizens living abroad who are insured for Social Security benefits; and (5) all other U.S. citizens abroad.

Solvency. A program is solvent at a point in time if it is able to pay scheduled benefits when due with scheduled financing. For example, the OASDI program is solvent over any period for which the trust funds maintain a positive level of reserves.

Special public-debt obligation. Securities of the United States Government issued exclusively to the OASI, DI, HI, and SMI Trust Funds and other Federal trust funds. Section 201(d) of the Social Security Act provides that the public-debt obligations issued for purchase by the OASI and DI Trust Funds shall have maturities fixed with due regard for the needs of the funds. Special public-debt obligations are redeemable at par value at any time and carry interest rates determined by law (see "Interest rate"). See tables VI.A4 and VI.A5 for a listing of the obligations held by the OASI and DI Trust Funds, respectively.

Stochastic model. A model used for projecting a probability distribution of potential outcomes. Such models allow for random variation in one or more variables through time. The random variation is generally based on fluctuations observed in historical data for a selected period. A large number of simulations, each of which reflects random variation in the variable(s), produce a distribution of potential outcomes.

Substantial gainful activity—SGA. The level of work activity used to establish disability. A finding of disability requires that a person be unable to engage in substantial gainful activity. A person who earns more than a certain monthly amount (net of impairment-related work expenses) is ordinarily considered to be engaging in SGA. The amount of monthly earnings considered as SGA depends on the nature of a person's disability. The Social Security Act specifies a higher SGA amount for statutorily blind people; Federal regulations specify a lower SGA amount for non-blind people. Both SGA amounts increase with increases in the national average wage index.

Summarized cost rate. The ratio of the present value of cost to the present value of taxable payroll (or GDP) for the years in a given period, expressed as a percentage. To evaluate the financial adequacy of the program, the summarized cost rate is adjusted to include the cost of reaching and maintaining a target trust fund level. A trust fund level of about 1 year's cost is considered to be an adequate reserve for unforeseen contingencies; therefore, the targeted trust fund ratio is 100 percent of annual cost. Accordingly, the adjusted summarized cost rate is equal to the ratio of: (1) the sum of the present value of the cost during the period plus the present value of the targeted ending trust fund level to (2) the present value of the taxable payroll (or GDP) during the projection period.

Summarized income rate. The ratio of the present value of scheduled non-interest income to the present value of taxable payroll (or GDP) for the years in a given period, expressed as a percentage. To evaluate the financial adequacy of the program, the summarized income rate is adjusted to include reserves on hand at the beginning of the period. Accordingly, the adjusted summarized income rate equals the ratio of: (1) the sum of the trust fund reserve at the beginning of the period plus the present value of non-interest income during the period to (2) the present value of the taxable payroll (or GDP) for the years in the period.

Supplemental Security Income—SSI. A Federally administered program (often with State supplementation) of cash assistance for needy aged, blind, or disabled people. The General Fund of the Treasury funds Federal expenditures for the SSI program. The Social Security Administration administers it.

Supplementary Medical Insurance (SMI) Trust Fund. See "Trust fund."

Survivor benefit. Benefit payable to a survivor of a deceased worker.

Sustainable solvency. Sustainable solvency for the financing of a program under a specified set of assumptions is achieved when the program's projected trust fund ratio is positive throughout the 75-year projection period and is either stable or rising at the end of the period.

Taxable earnings. Wages or self-employment income, in employment covered by the OASDI or HI programs, that is below the applicable annual maximum taxable limit. For 1994 and later, no maximum taxable limit applies to the HI program.

Taxable payroll. A weighted sum of taxable wages and taxable self-employment income. When multiplied by the combined employee-employer payroll tax rate, taxable payroll yields the total amount of payroll taxes incurred by employees, employers, and the self-employed for work during the period.

Taxable self-employment income. The maximum amount of net earnings from self-employment by an earner which, when added to any taxable wages, does not exceed the contribution and benefit base. For HI beginning in 1994, all net earnings from self-employment.

Taxable wages. See "Taxable earnings."

Taxation of benefits. Beginning in 1984, up to 50 percent of an individual's or a couple's OASDI benefits is potentially subject to Federal income taxation, depending on the circumstances. The revenue derived from this provision is allocated to the OASI and DI Trust Funds on the basis of the income taxes paid on the benefits from each fund. In 1994, the maximum percentage of benefits potentially subject to taxation was increased from 50 percent to 85 percent. The additional tax revenue derived from taxation of benefits in excess of 50 percent, up to 85 percent, is allocated to the HI Trust Fund.

Taxes. See "Payroll tax contributions" and "Taxation of benefits."

Temporary or unlawfully present emigration. The flow of temporary or unlawfully present immigrants who leave the Social Security area population or who adjust their status to become LPRs. The stock of immigrants from which these emigrants are drawn includes temporary visa holders, those who entered the Social Security area population lawfully on temporary visas but subsequently overstayed their visas, and those who entered the country illegally.

Temporary or unlawfully present immigration. The flow of people who enter the Social Security area population and stay to the end of the year without being granted LPR status, such as foreign workers and students entering with temporary visas, and immigrants who enter the country illegally.

Termination. Cessation of payment because the beneficiary is no longer entitled to receive a specific type of benefit. For example, benefits might terminate as a result of the death of the beneficiary, the recovery of a disabled beneficiary, or the attainment of age 18 by a child beneficiary. In some cases, a person may cease one benefit and become immediately entitled to another type of benefit, such as the conversion of a disabled-worker beneficiary at normal retirement age to a retired-worker beneficiary; this type of cessation is not considered a termination.

Test of long-range close actuarial balance. The conditions required to satisfy this test are:

- The trust fund satisfies the test of short-range financial adequacy; and
- The trust fund ratio stays above zero throughout the 75-year long-range projection period, such that benefits would be payable in a timely manner throughout the period.

The Trustees apply the test to OASI, DI, and the combined OASDI program based on the intermediate set of assumptions.

Test of short-range financial adequacy. The conditions required to satisfy this test are:

- If the trust fund ratio is at least 100 percent at the beginning of the 10-year short-range projection period, then it must remain at or above 100 percent throughout the entire projection period;
- If the ratio is initially less than 100 percent, then it must reach at least 100 percent within 5 years (without reserve depletion at any time during this period) and then remain at or above 100 percent throughout the remainder of the 10-year period.

The Trustees apply the test to OASI, DI, and the combined OASDI program based on the intermediate set of assumptions.

Total-economy productivity. The ratio of real GDP to hours worked by all workers. Also referred to as “labor productivity.”

Total fertility rate. The sum of the single-year-of-age birth rates for girls and women aged 14 through 49, where the rate for age 14 includes births to girls aged 14 and under, and the rate for age 49 includes births to women aged 49 and over. The total fertility rate 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 observed in, or assumed for, a specified year, and if she were to survive the entire childbearing period.

Trust fund. Separate accounts in the United States Treasury that hold the payroll taxes received under the Federal Insurance Contributions Act and the Self-Employment Contributions Act; payroll taxes resulting from coverage of State and local government employees; revenue based on the taxation of Social Security benefits; any sums received under the financial interchange with the railroad retirement account; voluntary hospital and medical insurance premiums; and reimbursements or payments from the General Fund of the Treasury. As required by law, the Department of the Treasury invests funds not required to meet current expenditures in interest-bearing securities backed by the full faith and credit of the U.S. Government. The interest earned is also deposited in the trust funds.

- **Old-Age and Survivors Insurance (OASI).** The trust fund used for paying monthly benefits to retired-worker (old-age) beneficiaries, their spouses and children, and to survivors of deceased insured workers.
- **Disability Insurance (DI).** The trust fund used for paying monthly benefits to disabled-worker beneficiaries, their spouses and children, and for providing rehabilitation services to the disabled.
- **Hospital Insurance (HI).** The Medicare trust fund that covers specified inpatient hospital services, posthospital skilled nursing care, home health services, and hospice care for aged and disabled people who meet the eligibility requirements. Also known as Medicare Part A.
- **Supplementary Medical Insurance (SMI).** The Medicare trust fund composed of the Part B Account, the Part D Account, and the Transitional Assistance Account. The Part B Account pays for a portion of the costs of physicians' services, outpatient hospital services, and other related medical and health services for voluntarily enrolled aged and disabled people. The Part D Account pays private plans to provide prescription drug coverage, beginning in 2006. The Transitional Assistance Account paid for transitional assistance under the prescription drug card program in 2004 and 2005.

The trust funds are distinct legal entities that operate independently. Fund operations are sometimes shown on a combined basis.

Trust fund ratio. A measure of trust fund adequacy. The reserves at the beginning of a year expressed as a percentage of the cost for the year. The

trust fund ratio represents the proportion of a year's cost that could be paid solely with the reserves at the beginning of the year.

Trust fund reserve depletion. The point at which reserves in a trust fund are insufficient to pay scheduled benefits in full and on time.

Trust fund reserves. The cumulative excess of trust fund income over trust fund cost over all years to date. These reserves are held by the trust funds in the form of Treasury notes and bonds, other securities guaranteed by the Federal Government, certain Federally sponsored agency obligations, and cash.

Trustees. See "Board of Trustees."

Undisbursed balances. In general, the cumulative differences between the actual cash payments for a month and the security redemptions from the trust fund reserves to cover such cash payments during the same month. On a monthly basis, the Social Security Administration (SSA) pays benefits and makes payments for other programmatic expenses associated with the trust funds. During each month, SSA draws cash from the trust funds on a preliminary basis, which results in Treasury redeeming invested securities to cover such payments. This monthly difference can be either positive or negative depending on net monthly activity and is added to the balance from the end of the prior month.

A net positive undisbursed balance represents a situation where cumulative redemptions from the trust fund's securities are more than was needed to cover actual program cash payments through the end of the month. A net negative balance represents a situation where cumulative program cash payments exceeded the amount redeemed from the invested securities. A negative value requires future redemption of additional invested securities.

Unfunded obligation. A measure of the shortfall of trust fund income to fully cover program cost through a specified date after depletion of trust fund reserves. This measure can be expressed in present value dollars, discounted to the beginning of the valuation period, by computing the excess of the present value of the projected cost of the program through a specified date over the sum of: (1) the value of trust fund reserves at the beginning of the valuation period; and (2) the present value of the projected non-interest income of the program through the same specified date, assuming scheduled tax rates and benefit levels. This measure can apply for all participants through a specified date (i.e., an open group) or be limited to a specified subgroup of participants (i.e., a closed group).

Unfunded obligation ratio. The unfunded obligation accumulated through the beginning of a year expressed as a percentage of the cost for the year.

Unnegotiated check. A check that has not been cashed 6 months after the end of the month in which the check was issued. When a check has been outstanding for a year, the Department of the Treasury administratively cancels

the check and reimburses the issuing trust fund for the amount of the check and interest for the period the check was outstanding. The appropriate trust fund also receives an interest adjustment for the time the check was outstanding if it is cashed 6 to 12 months after the month of issue. If a check is presented for payment after it has been administratively canceled, a replacement check is issued.

Valuation period. A period of years that is considered as a unit for purposes of calculating the financial status of a trust fund.

Vocational rehabilitation (VR). Services provided to disabled people to help them to return to gainful employment. VR services are designed to provide people with the training or other services that are needed to return to work, to begin working, or to enter a new line of work. The trust funds, and the General Fund in the case of people also receiving SSI disability benefits, reimburse the providers of such services only in those cases where the services contributed to the successful rehabilitation of the beneficiaries.

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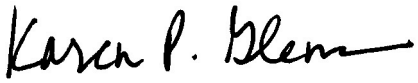
STATEMENT OF ACTUARIAL OPINION

It is my opinion that: (1) the techniques and methodology used in this report to evaluate the actuarial status of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds are based upon sound principles of actuarial practice and are generally accepted within the actuarial profession; and (2) the assumptions used and the resulting actuarial estimates are, individually and in combination, reasonable for the purpose of evaluating the actuarial status of the trust funds, taking into consideration the past experience and future expectations for the population, the economy, and the program. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render this actuarial opinion.



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