



## **Social Security Trust Funds**

Social Security is part of the overall federal budget, but its benefits are paid from trust funds that are funded from payroll taxes, interest on the trust funds' balances, and income taxes on Social Security benefits. The rules that govern baseline construction require the Congressional Budget Office to assume that scheduled payments from federal trust funds will continue to be made in full even if a trust fund has been exhausted and there is no legal authority to make such payments. Under current law, the Social Security Administration cannot pay benefits in excess of the available balances in a trust fund.



**Social Security Trust Funds**

	By Fiscal Year, Billions of Dollars												2024-2028	2024-2033
	Actual, 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
<b>BUDGET INFORMATION</b>														
<b>Income to Trust Funds</b>														
Payroll Tax Revenue	1,066	1,134	1,196	1,256	1,311	1,363	1,415	1,468	1,522	1,579	1,637	1,695	6,541	14,442
Other Income														
Income taxes on benefits	49	51	55	59	70	76	82	87	93	98	104	109	342	833
Federal payroll tax, employer share <sup>a</sup>	21	22	23	24	24	25	26	27	28	29	30	31	122	267
Interest <sup>a</sup>	68	66	63	60	56	52	49	44	37	30	19	13	280	423
Subtotal, Other Income	<u>137</u>	<u>139</u>	<u>141</u>	<u>142</u>	<u>150</u>	<u>153</u>	<u>156</u>	<u>158</u>	<u>158</u>	<u>157</u>	<u>152</u>	<u>153</u>	<u>742</u>	<u>1,520</u>
Total Income	1,203	1,272	1,337	1,398	1,461	1,517	1,572	1,626	1,680	1,736	1,789	1,849	7,285	15,965
<b>Outgo From Trust Funds</b>														
Benefits	1,206	1,339	1,450	1,547	1,637	1,725	1,819	1,917	2,021	2,130	2,243	2,358	8,178	18,847
Discretionary Administration	6	6	7	7	7	7	8	8	8	8	8	9	36	77
Treasury Administration	1	1	1	1	1	1	1	1	1	1	1	1	5	10
Railroad Retirement Transfer	<u>5</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>30</u>	<u>65</u>
Total Outgo	1,219	1,351	1,463	1,560	1,651	1,739	1,833	1,932	2,036	2,146	2,259	2,374	8,246	18,993
<b>Net Cash Flow (Includes interest income)</b>														
Old-Age and Survivors Insurance	-32	-99	-149	-186	-212	-243	-286	-331	-384	-439	-500	-557	-1,076	-3,287
Disability Insurance	17	20	22	23	22	21	24	26	27	29	31	31	112	256
<b>Primary Cash Flow (Excludes interest income)</b>														
Old-Age and Survivors Insurance <sup>b</sup>	-97	-162	-207	-240	-262	-288	-327	-366	-411	-458	-507	-557	-1,324	-3,623
Disability Insurance	14	17	18	18	16	14	17	17	18	18	19	18	83	173
<b>End-of-Year Balance</b>														
Old-Age and Survivors Insurance <sup>b</sup>	2,724	2,625	2,476	2,291	2,078	1,835	1,549	1,218	834	395	c	c	n.a.	n.a.
Disability Insurance	115	135	157	180	202	223	247	273	300	330	360	392	n.a.	n.a.

Components may not sum to totals because of rounding. SSA = Social Security Administration; n.a. = not applicable.

Positive cash flows represent surpluses; negative cash flows represent deficits.

- a. Transfers from the general fund to the Social Security trust funds. Such transfers appear in the budget both as positive outlays (the general fund portion) and as negative outlays (offsetting receipts; the trust fund portion).
- b. CBO projects that the balance of the Old-Age and Survivors Insurance Trust Fund will be exhausted during fiscal year 2032. Under current law, SSA cannot pay benefits in excess of the available balances in a trust fund, borrow money for a trust fund, or transfer money from one trust fund to another. However, following rules in section 257 the Deficit Control Act of 1985, CBO's baseline incorporates the assumption that SSA will pay benefits in full even after the balance of a trust fund is exhausted. The two Social Security trust funds are legally separate, but if they were combined, the fund would be exhausted in 2033.
- c. After exhaustion, the balance of the Old-Age and Survivors Insurance trust fund is not meaningful under current law and is not shown in this table. For illustrative purposes, below are the cumulative shortfalls in the Old-Age and Survivors Insurance trust fund beginning in 2032. The first line shows only the accumulated primary deficits after exhaustion. The second line also includes "negative interest," a measure of the potential costs of financing the shortfalls. Future legislation would determine whether those shortfalls would be funded, and if so, whether the trust fund would pay financing costs.

Old-Age and Survivors Insurance Trust Fund							
Cumulative End-of-Year Shortfall (Billions of dollars, by fiscal year)							
	2023	2024	2025	2026	2027	2028	2029
Not Including Interest	0	0	0	0	0	0	0
Including Negative Interest	0	0	0	0	0	0	0