



## **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 trust funds also receive transfers from the Treasury's general fund, which are usually minimal.) 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 may not pay benefits in excess of the available balances in a trust fund.



**Social Security Trust Funds**

	Actual, 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025- 2029	2025- 2034
<b>BUDGET INFORMATION</b>														
Billions of dollars, by fiscal year														
<b>Income to Trust Funds</b>														
Payroll Tax Revenue	1,194	1,229	1,285	1,337	1,387	1,440	1,496	1,554	1,615	1,677	1,740	1,803	6,945	15,334
Other Income														
Income taxes on benefits	51	57	62	73	79	83	87	92	97	102	108	114	384	897
Federal payroll tax, employer share <sup>a</sup>	22	23	23	24	25	26	26	27	28	29	30	31	124	269
Interest <sup>a</sup>	67	62	57	54	51	48	44	38	32	20	18	19	254	381
Subtotal, Other Income	139	142	143	151	155	157	158	158	157	151	155	163	764	1,548
Total Income	1,333	1,370	1,428	1,489	1,542	1,598	1,654	1,713	1,773	1,829	1,895	1,966	7,711	16,887
<b>Outgo From Trust Funds</b>														
Benefits	1,342	1,446	1,539	1,634	1,727	1,825	1,924	2,025	2,130	2,238	2,348	2,463	8,649	19,853
Discretionary Administration	6	6	7	7	7	7	7	8	8	8	8	9	35	76
Treasury Administration	1	1	1	1	1	1	1	1	1	1	1	1	5	10
Railroad Retirement Transfer	6	6	6	6	6	6	6	6	7	7	7	7	30	64
Total Outgo	1,355	1,459	1,552	1,647	1,741	1,839	1,938	2,040	2,145	2,253	2,363	2,479	8,717	19,997
<b>Net Cash Flow (Includes interest income)</b>														
Old-Age and Survivors Insurance	-50	-116	-155	-188	-227	-273	-318	-365	-414	-468	-514	-557	-1,161	-3,479
Disability Insurance	28	28	31	30	28	32	34	37	41	44	46	44	155	367
<b>Primary Cash Flow (Excludes interest income)</b>														
Old-Age and Survivors Insurance <sup>b</sup>	-113	-174	-206	-235	-270	-312	-351	-391	-432	-473	-514	-557	-1,374	-3,741
Disability Insurance	25	24	25	22	20	22	23	25	27	28	28	25	112	245
<b>End-of-Year Balance</b>														
Old-Age and Survivors Insurance <sup>b</sup>	2,674	2,557	2,402	2,214	1,987	1,714	1,396	1,031	617	149	c	c	n.a.	n.a.
Disability Insurance	143	171	201	231	259	291	325	363	404	447	493	537	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 2033. 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 of the Balanced Budget and Emergency 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 2034.
- 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 2033. 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)										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Not Including Interest	0	0	0	0	0	0	0	0	0	-365	-922
Including Negative Interest	0	0	0	0	0	0	0	0	0	-375	-947