Social Security—CBO's Estimate of the President's Fiscal Year 2019 Budget

Social Security has two parts: Old-Age and Survivors Insurance (OASI), which pays benefits to retired workers, their families, and some survivors of deceased workers; and Disability Insurance (DI), which makes payments to disabled workers until those workers reach the age at which they are eligible to receive full retired-worker benefits under OASI and to their families. The program is funded primarily through payroll taxes on employers and workers, who each pay 6.2 percent of earnings; self-employed workers pay the entire 12.4 percent tax.

To receive OASI or DI benefits, workers must have a substantial employment history and meet other criteria. CBO's projections of outlays for OASI and DI benefits are based on the number of beneficiaries and their average benefits.

Although Social Security is part of the overall federal budget, its benefits are paid from trust funds that are funded mainly from payroll taxes and interest on their balances. Under current law, the Social Security Administration may not pay benefits in excess of the available balances in a trust fund.

Proposals for Social Security—CBO's Estimate of the President's Fiscal Year 2019 Budget

(Outlays in millions of dollars, by fiscal year)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-2023	2019-2028
						Increases or Decreases (-) in Direct Spending						
Demonstration Projects to Increase Labor Force Participation Among People with Disabilities[a]	15	40	80	90	100	85	60	20	10	0	325	500
Reduce Allowable Retroactive Benefit Payments From 12 Months to 6 Months Prior to Application												
OASI	-7	-13	-16	-18	-19	-21	-22	-23	-23	-24	-73	-186
DI	-310	-800	-1,000	-1,130	-1,200	-1,280	-1,350	-1,400	-1,450	-1,490	-4,440	-11,410
Total OASDI	-317	-813	-1,016	-1,148	-1,219	-1,301	-1,372	-1,423	-1,473	-1,514	-4,513	-11,596
Strengthen GPO and WEP Enforcement by Obtaining Data From State and Local Governments												
OASI	0	0	0	-210	-340	-400	-430	-420	-410	-420	-550	-2,630
DI	0	0	0	-12	-17	-18	-17	-15	-14	-17	-29	-110
Total OASDI	0	0	0	-222	-357	-418	-447	-435	-424	-437	-579	-2,740
Provide Administrative Funds to Implement GPO and WEP Enforcement[a]	18	28	24	0	0	0	0	0	0	0	70	70
Offset Disability Benefits by an Amount Equal to Unemployment Benefits Received[b]	0	-20	-90	-150	-170	-190	-200	-220	-230	-230	-430	-1,500
Reinstate Reconsideration in the Disability Determination Process[b]	0	20	80	120	60	-100	-260	-380	-470	-560	280	-1,490
Increase the Minimum Overpayment Collection From $10 per Month to 10 Percent of Monthly Benefit Payment												
OASI	-5	-35	-44	-49	-60	-71	-81	-106	-113	-112	-193	-676
DI	-4	-26	-33	-37	-45	-54	-61	-80	-85	-84	-145	-509
Total OASDI	-9	-61	-77	-86	-105	-125	-142	-186	-198	-196	-338	-1,185
Relieve SSA of Responsibility for Representative Fee Withholding[b]												
OASDI	0	1	1	1	1	1	1	1	1	1	4	9
DI	0	2	8	26	32	35	38	39	40	40	68	260
Total OASDI	0	3	9	27	33	36	39	40	41	41	72	269
Eliminate Workers' Compensation Reverse Offset	0	0	-22	-23	-24	-25	-26	-28	-29	-30	-69	-207
Exclude Social Security Debts From Discharge in Bankruptcy[b]												
OASI	*	-2	-4	-5	-6	-7	-8	-8	-9	-9	-17	-58
DI	-1	-2	-5	-6	-7	-8	-9	-10	-10	-11	-21	-69
Total OASDI	-1	-4	-9	-11	-13	-15	-17	-18	-19	-20	-38	-127
Expand the Definition of Overpayment to Authorize SSA to Use All Collection Tools to Recover Funds in Certain Cases												
OASI	0	-1	-1	-1	-1	-1	-2	-2	-2	-2	-4	-13
DI	0	-1	-1	-1	-1	-2	-2	-2	-2	-2	-4	-14
Total OASDI	0	-2	-2	-2	-2	-3	-4	-4	-4	-4	-8	-27
Hold Fraud Facilitators Liable for Overpayments	0	*	*	*	*	*	*	*	*	*	*	*

Components may not sum to totals because of rounding. All effects are off-budget unless otherwise noted.

DI = Disability Insurance; GPO = Government Pension Offset; OASI = Old-Age and Survivors Insurance; OASDI = Old-Age, Survivors, and Disability Insurance; SSA = Social Security Administration; WEP = Windfall Elimination Provision; * = between - $500,000 and $0.

a. These effects are on-budget.

b. This proposal would have effects in other programs. The estimates above are for Social Security only.