Social Security: OASI, DI, and Trust Funds—CBO's April 2018 Baseline

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.

Old-Age and Survivors Insurance—CBO's April 2018 Baseline

	Actual 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
By Calendar Year												
Beneficiaries on December 31 (Thousands)												
Retired Workers and Families												
Retired Workers	42,447	44,066	45,717	47,410	48,980	50,568	52,181	53,786	55,343	56,881	58,518	60,039
Wives and Husbands	2,415	2,425	2,431	2,384	2,326	2,271	2,215	2,219	2,221	2,221	2,219	2,213
Children	675	693	710	729	742	754	767	776	785	792	802	811
Survivors												
Children	1,904	1,910	1,918	1,928	1,937	1,947	1,958	1,967	1,975	1,984	1,994	2,006
Mothers and Fathers	128	124	119	115	111	107	103	99	95	91	88	85
Aged Widows and Widowers	3,703	3,564	3,458	3,357	3,291	3,230	3,145	3,044	2,943	2,840	2,705	2,577
Disabled Widows and Widowers	260	259	258	257	254	250	246	242	238	233	228	223
Parents	1	1	1	1	1	1	1	1	1	1	1	1
Total Beneficiaries	**51,532**	**53,042**	**54,612**	**56,180**	**57,640**	**59,127**	**60,616**	**62,134**	**63,601**	**65,043**	**66,555**	**67,955**
Average Monthly Benefit on December 31 (Dollars)												
Retired Workers and Families												
Retired Workers	1,403	1,452	1,504	1,561	1,619	1,679	1,739	1,800	1,864	1,931	2,002	2,076
Wives and Husbands	732	762	795	828	862	896	929	960	993	1,027	1,064	1,101
Children	675	697	721	748	775	803	830	858	887	918	950	984
Survivors												
Children	858	881	906	934	963	993	1,022	1,052	1,084	1,117	1,151	1,187
Mothers and Fathers	975	1,001	1,029	1,060	1,092	1,125	1,158	1,191	1,225	1,261	1,299	1,339
Aged Widows and Widowers	1,338	1,382	1,428	1,479	1,530	1,582	1,634	1,687	1,742	1,799	1,859	1,922
Disabled Widows and Widowers	729	741	754	769	785	800	815	830	845	861	878	896
Parents	1,186	1,227	1,270	1,317	1,367	1,418	1,469	1,521	1,577	1,635	1,695	1,760
By Fiscal Year												
Benefit Outlays (Billions of dollars)												
Retired Workers and Families												
Retired Workers	636.7	676.0	726.7	782.3	840.3	900.9	964.8	1,031.6	1,102.6	1,176.0	1,253.3	1,339.4
Wives and Husbands	30.8	32.6	34.4	36.2	37.7	39.0	40.3	41.6	43.5	45.5	47.6	49.8
Children	5.5	5.8	6.1	6.5	6.9	7.3	7.7	8.1	8.5	8.9	9.3	9.7
Survivors												
Children	20.0	20.5	21.2	22.0	22.8	23.6	24.5	25.4	26.4	27.3	28.3	29.4
Mothers and Fathers	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.3
Aged Widows and Widowers	94.0	95.9	97.2	99.1	101.4	104.3	107.3	109.8	112.1	114.4	116.9	119.1
Disabled Widows and Widowers	2.4	2.5	2.5	2.6	2.6	2.7	2.7	2.7	2.8	2.8	2.8	2.8
Parents	*	*	*	*	*	*	*	*	*	*	*	*
Lump-sum Death	0.2	0.20	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total	**791.1**	**834.9**	**889.8**	**950.4**	**1,013.3**	**1,079.4**	**1,149.0**	**1,220.9**	**1,297.4**	**1,376.5**	**1,459.7**	**1,551.9**

(continued)

Old-Age and Survivors Insurance—CBO's April 2018 Baseline

	Actual 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Key Assumptions												
Average Wage for Indexing (AWI)	$49,552	$51,508	$53,702	$56,040	$58,265	$60,516	$62,657	$64,958	$67,383	$69,903	$72,541	$75,223
Taxable Maximum	$127,200	$128,400	$130,800	$136,200	$141,900	$148,200	$153,900	$159,900	$165,600	$171,600	$177,900	$184,800
PIA for Hypothetical Retired Worker with Average Earnings (Equal to AWI)a	$1,832	$1,858	$1,896	$1,973	$2,057	$2,147	$2,229	$2,316	$2,397	$2,485	$2,578	$2,675
PIA for Hypothetical Retired Worker with Maximum Earningsa	$2,946	$2,994	$3,057	$3,183	$3,320	$3,466	$3,602	$3,743	$3,877	$4,022	$4,173	$4,330
FRA for Worker Reaching 62 this Year	66 and 2 months	66 and 4 months	66 and 6 months	66 and 8 months	66 and 10 months	67	67	67	67	67	67	67
Percent of PIA Paid to Worker Claiming At 62	74.2%	73.3%	72.5%	71.7%	70.8%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
COLAb First month for which COLA is effective	2.0% 12/2017	2.3% 12/2018	2.4% 12/2019	2.5% 12/2020	2.5% 12/2021	2.5% 12/2022	2.4% 12/2023	2.4% 12/2024	2.4% 12/2025	2.4% 12/2026	2.4% 12/2027	2.4% 12/2028

Notes: Numbers may not add up to totals because of rounding; * = between 0 and $50 million.

PIA = primary insurance amount, FRA = full retirement age (when retired worker can collect 100% of PIA), COLA = cost-of-living adjustment.

Outlays reflect benefit costs only and omit other mandatory spending--chiefly the payment to the railroad retirement fund--and discretionary (administrative) costs.

Dually entitled retired workers qualify for a primary benefit based on their own earnings but qualify for a higher secondary benefit based on their spouse's or deceased spouse's earnings. They receive a benefit equal to the higher secondary benefit, but Social Security technically pays the primary benefit plus a reduced secondary benefit. In this analysis, they are classified as retired workers, but their benefit payments are prorated between the retired-worker and spouse or survivor categories.

a. Example PIAs are for workers turning 62 in the given calendar year.

b. COLAs are effective with benefits payable for December, which are received by beneficiaries in January of the next calendar year.