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, Survivors, and Disability Insurance Trust Funds—CBO's April 2018 Baseline

(Billions of dollars, by fiscal year)

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
851	860	899	941	981	1,022	1,063	1,106	1,150	1,194	1,241	1,290
37	34	36	39	42	45	48	52	56	66	73	78
17	17	18	18	19	20	20	21	22	22	23	24
87	84	81	79	78	77	74	71	68	63	57	$\frac{50}{152}$
141	136	135	137	139	142	143	144	145	152	153	152
992	996	1,034	1,078	1,121	1,164	1,206	1,250	1,295	1,346	1,395	1,442
934	979	1,038	1,104	1,174	1,247	1,324	1,404	1,489	1,577	1,670	1,768
6	6	6	6	7	7	7	7	7	8	8	8
1	1	1	1	1	1	1	1	1	1	1	1
5	5	5	5	5	5	5	5	5	5	5	5
945	991	1,050	1,116	1,186	1,260	1,337	1,418	1,502	1,591	1,684	1,782
23	-19	-13	-25	-51	-80	-113	-147	-184	-219	-261	-314
24	24	-3	-13	-15	-16	-18	-21	-23	-26	-28	-26
-61	-101	-90	-101	-127	-155	-185	-217	-252	-282	-318	-363
22	22	-6	-16	-17	-18	-20	-22	-23	-26	-28	-26
2,820	2,801	2,789	2,764	2,713	2,634	2,521	2,374	2,190	1,971	1,710	1,397
69	94	91	77	62	46	28	7	0	0	0	0
	851 37 17 87 141 992 934 6 1 5 945 23 24 -61 22	851 860 37 34 17 17 87 84 141 136 992 996 934 979 6 6 6 1 1 5 5 945 991 23 -19 24 24 -61 -101 22 22 2,820 2,801	851 860 899 37 34 36 17 17 18 87 84 81 141 136 135 992 996 1,034 934 979 1,038 6 6 6 1 1 1 5 5 5 945 991 1,050 23 -19 -13 24 24 -3 -61 -101 -90 22 22 -6 2,820 2,801 2,789	851 860 899 941 37 34 36 39 17 17 18 18 87 84 81 79 141 136 135 137 992 996 1,034 1,078 934 979 1,038 1,104 6 6 6 6 1 1 1 1 5 5 5 5 945 991 1,050 1,116 23 -19 -13 -25 24 24 -3 -13 -61 -101 -90 -101 22 22 -6 -16 2,820 2,801 2,789 2,764	851 860 899 941 981 37 34 36 39 42 17 17 18 18 19 87 84 81 79 78 141 136 135 137 139 992 996 1,034 1,078 1,121 934 979 1,038 1,104 1,174 6 6 6 6 7 1 1 1 1 1 5 5 5 5 5 945 991 1,050 1,116 1,186 23 -19 -13 -25 -51 24 24 -3 -13 -15 -61 -101 -90 -101 -127 22 22 -6 -16 -17 2,820 2,801 2,789 2,764 2,713	851 860 899 941 981 1,022 37 34 36 39 42 45 17 17 18 18 19 20 87 84 81 79 78 77 141 136 135 137 139 142 992 996 1,034 1,078 1,121 1,164 934 979 1,038 1,104 1,174 1,247 6 6 6 6 7 7 1 1 1 1 1 1 5 5 5 5 5 945 991 1,050 1,116 1,186 1,260 23 -19 -13 -25 -51 -80 24 24 -3 -13 -15 -16 -61 -101 -90 -101 -127 -155 22 22 -6 -16 -17 -18 2,820 2,801 2,789 2,764 2,713 2,634	851 860 899 941 981 1,022 1,063 37 34 36 39 42 45 48 17 17 18 18 19 20 20 87 84 81 79 78 77 74 141 136 135 137 139 142 143 992 996 1,034 1,078 1,121 1,164 1,206 934 979 1,038 1,104 1,174 1,247 1,324 6 6 6 6 6 7 7 7 1 1 1 1 1 1 1 5 5 5 5 5 5 945 991 1,050 1,116 1,186 1,260 1,337 23 -19 -13 -25 -51 -80 -113 24 24 -3 -13 -15 -16 -18 -61 -101 -90 -101 -127 -155 -185 22 22 -6 -16 -17 -18 -20 2,820 2,801 2,789	851 860 899 941 981 1,022 1,063 1,106 37 34 36 39 42 45 48 52 17 17 18 18 19 20 20 21 87 84 81 79 78 77 74 71 141 136 135 137 139 142 143 144 992 996 1,034 1,078 1,121 1,164 1,206 1,250 934 979 1,038 1,104 1,174 1,247 1,324 1,404 6 6 6 6 7 7 7 7 7 1 1 1 1 1 1 1 1 1 1 5 5 5 5 5 5 5 5 5 5 945 991 1,050 1,116 1,186 1,260 1,337 1,418 23 -19 -13 -	851 860 899 941 981 1,022 1,063 1,106 1,150 37 34 36 39 42 45 48 52 56 17 17 18 18 19 20 20 21 22 87 84 81 79 78 77 74 71 68 141 136 135 137 139 142 143 144 145 992 996 1,034 1,078 1,121 1,164 1,206 1,250 1,295 934 979 1,038 1,104 1,174 1,247 1,324 1,404 1,489 6 6 6 6 7 5 5 5 5	851 860 899 941 981 1,022 1,063 1,106 1,150 1,194 37 34 36 39 42 45 48 52 56 66 17 17 18 18 19 20 20 21 22 22 87 84 81 79 78 77 74 71 68 63 141 136 135 137 139 142 143 144 145 152 992 996 1,034 1,078 1,121 1,164 1,206 1,250 1,295 1,346 934 979 1,038 1,104 1,174 1,247 1,324 1,404 1,489 1,577 6 6 6 6 7 7 7 7 7 7 7 8 1 1 1 1 1 1 1 1 1 1 1	851 860 899 941 981 1,022 1,063 1,106 1,150 1,194 1,241 37 34 36 39 42 45 48 52 56 66 73 17 17 18 18 19 20 20 21 22 22 23 87 84 81 79 78 77 74 71 68 63 57 141 136 135 137 139 142 143 144 145 152 153 992 996 1,034 1,078 1,121 1,164 1,206 1,250 1,295 1,346 1,395 934 979 1,038 1,104 1,174 1,247 1,324 1,404 1,489 1,577 1,670 6 6 6 6 7 7 7 7 7 7 7 7 7 7

Notes: Numbers may not add up to totals because of rounding.

The primary cash flow excludes interest income to the trust funds. Positive cash flows represent surpluses. Negative cash flows represent deficits when the trust fund has assets sufficient to pay full benefits. When a trust fund is exhausted, a negative cash flow represents a shortfall.

OASI = Old-Age and Survivors Insurance; DI = Disability Insurance.

- a. "Other income" consists primarily of transfers from the general fund to the Social Security trust funds. Such transfers appear in the budget as both positive outlays (the general fund portion) and negative outlays, or offsetting receipt (the trust fund portion).
- b. CBO projects that the balance of the DI trust fund will be exhausted during fiscal year 2025. Under current law, the Social Security Administration (SSA) may not 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 the Deficit Control Act of 1985 (section 257(b)), CBO's baseline incorporates the assumption that SSA would pay DI benefits in full even after the balance of the trust fund is exhausted.
- c. The Bipartisan Budget Act of 2015 increased the share of Social Security payroll tax revenue credited to the DI trust fund for calendar years 2016 through 2018. As a result, cash flow to the DI trust fund is positive through 201
- d. After balances are exhausted, this table shows a zero balance rather than a cumulative negative balance. For illustrative purposes, below are the cumulative shortfalls in the DI trust fund beginning in 2025.

 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 these shortfalls would be funded, and if so, whether the DI fund would pay financing costs.

	DI Trust Fund Cumulative Shortfall (Billions of dollars)											
	<u>2017</u>	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Not including interest	0	0	0	0	0	0	0	0	-17	-42	-71	-97
Including negative interest	0	0	0	0	0	0	0	0	-17	-44	-74	-104