

Social Security: OASI, DI, and Trust Funds—CBO’s January 2020 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 and to their families until those workers reach the age at which they are eligible to receive full retired-worker benefits under OASI. 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 from payroll taxes, interest on their balances, and income taxes on Social Security benefits. Under current law, the Social Security Administration may not pay benefits in excess of the available balances in a trust fund.

Social Security Disability Insurance—CBO's January 2020 Baseline

January 28, 2020

	Prelim 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Calendar Year												
Beneficiaries on December 31 (Thousands)												
Disabled Workers												
Men	4,230	4,150	4,154	4,175	4,213	4,259	4,316	4,368	4,369	4,374	4,382	4,397
Women	4,153	4,104	4,130	4,168	4,219	4,272	4,332	4,388	4,392	4,399	4,407	4,423
All Disabled Workers	8,383	8,253	8,284	8,343	8,432	8,531	8,647	8,756	8,761	8,774	8,789	8,819
Spouses	113	108	106	104	103	101	100	99	97	95	92	91
Children	1,434	1,390	1,368	1,358	1,359	1,361	1,367	1,374	1,377	1,381	1,382	1,381
Total	9,930	9,751	9,758	9,805	9,894	9,993	10,114	10,229	10,235	10,250	10,263	10,291
Average Monthly Benefit on December 31 (Dollars)												
Disabled Workers												
Men	1,385	1,424	1,467	1,514	1,563	1,614	1,666	1,720	1,776	1,834	1,895	1,958
Women	1,129	1,165	1,204	1,246	1,290	1,335	1,381	1,429	1,479	1,530	1,584	1,640
All Disabled Workers	1,258	1,295	1,336	1,380	1,426	1,474	1,523	1,574	1,627	1,682	1,739	1,799
Spouses	359	371	385	400	415	431	448	465	483	502	520	539
Children	389	401	414	428	442	457	472	488	505	521	539	558
Disabled Workers (Thousands)												
Start of Year	8,537	8,383	8,253	8,284	8,343	8,432	8,531	8,647	8,756	8,761	8,774	8,789
Awards	739	739	796	830	870	886	906	912	919	920	923	935
Exits	-893	-869	-764	-772	-781	-787	-790	-803	-914	-907	-908	-904
End of Year	8,383	8,253	8,284	8,343	8,432	8,531	8,647	8,756	8,761	8,774	8,789	8,819
Fiscal Year												
Benefit Outlays (Billions of dollars)												
Regular Benefit Outlays												
Disabled workers	125.2	125.6	129.0	133.7	139.2	145.5	151.4	158.5	166.4	170.2	176.2	182.6
Spouses	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6
Children	6.8	6.6	6.6	6.7	6.9	7.2	7.4	7.7	8.0	8.3	8.6	8.9
Subtotal	132.5	132.7	136.1	140.9	146.6	153.2	159.3	166.7	174.9	179.1	185.4	192.1
Retroactive Benefit Outlays	12.3	12.2	12.6	13.4	14.6	15.5	16.5	17.3	18.1	18.8	19.5	20.4
Total Benefit Outlays	144.9	144.9	148.7	154.3	161.2	168.7	175.8	184.1	193.0	197.9	204.9	212.5
Key Assumptions												
Average Wage for Indexing (Dollars)	54,097	55,974	58,265	60,525	62,763	65,015	67,277	69,604	72,019	74,480	76,915	79,430
Taxable Maximum (Dollars)	132,900	137,700	142,800	147,900	153,900	159,900	165,900	171,900	177,900	183,900	190,200	196,800
PIA for Hypothetical "Lifelong Average"												
Disabled Worker (Age 50, in dollars)	1,911	1,998	2,075	2,147	2,233	2,317	2,400	2,486	2,570	2,659	2,751	2,845
Maximum PIA (Age 50, in dollars)	3,103	3,245	3,370	3,487	3,622	3,758	3,895	4,035	4,173	4,318	4,469	4,623
COLA (Percent)	1.6	2.5	2.6	2.6	2.5	2.4	2.3	2.3	2.2	2.2	2.2	2.2
First Month for Which COLA Is Effective	12/2019	12/2020	12/2021	12/2022	12/2023	12/2024	12/2025	12/2026	12/2027	12/2028	12/2029	12/2030

Components may not sum to totals because of rounding.

COLA = cost-of-living adjustment; PIA = primary insurance amount.