

Press Release

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For Immediate Release



Mark Hinkle, Acting Press Officer
press.office@ssa.gov

News Release

SOCIAL SECURITY

Social Security Combined Trust Funds Gain One Year Says Board of Trustees Disability Fund Shows Strong Improvement—Twenty Years

The Social Security Board of Trustees today released its annual report on the long-term financial status of the Social Security Trust Funds. The combined asset reserves of the Old-Age and Survivors Insurance and Disability Insurance (OASI and DI) Trust Funds are projected to become depleted in 2035, one year later than projected last year, with 80 percent of benefits payable at that time.

The OASI Trust Fund is projected to become depleted in 2034, the same as last year's estimate, with 77 percent of benefits payable at that time. The DI Trust Fund is estimated to become depleted in 2052, extended 20 years from last year's estimate of 2032, with 91 percent of benefits still payable.

In the 2019 Annual Report to Congress, the Trustees announced:

- The asset reserves of the combined OASI and DI Trust Funds increased by \$3 billion in 2018 to a total of \$2.895 trillion.
- The total annual cost of the program is projected to exceed total annual income, for the first time since 1982, in 2020 and remain higher throughout the 75-year projection period. As a result, asset reserves are expected to decline during 2020. Social Security's cost has exceeded its non-interest income since 2010.
- The year when the combined trust fund reserves are projected to become depleted, if Congress does not act before then, is 2035 – gaining one year from last year's projection. At that time, there would be sufficient income coming in to pay 80 percent of scheduled benefits.

"The Trustees recommend that lawmakers address the projected trust fund shortfalls in a timely way in order to phase in necessary changes gradually and give workers and beneficiaries time to adjust to them," said Nancy A. Berryhill, Acting Commissioner of Social Security. "The large change

in the reserve depletion date for the DI Fund is mainly due to continuing favorable trends in the disability program. Disability applications have been declining since 2010, and the number of disabled-worker beneficiaries receiving payments has been falling since 2014.”

Other highlights of the Trustees Report include:

- Total income, including interest, to the combined OASI and DI Trust Funds amounted to just over \$1 trillion in 2018. (\$885 billion from net payroll tax contributions, \$35 billion from taxation of benefits, and \$83 billion in interest)
- Total expenditures from the combined OASI and DI Trust Funds amounted to \$1 trillion in 2018.
- Social Security paid benefits of nearly \$989 billion in calendar year 2018. There were about 63 million beneficiaries at the end of the calendar year.
- The projected actuarial deficit over the 75-year long-range period is 2.78 percent of taxable payroll – lower than the 2.84 percent projected in last year’s report.
- During 2018, an estimated 176 million people had earnings covered by Social Security and paid payroll taxes.
- The cost of \$6.7 billion to administer the Social Security program in 2018 was a very low 0.7 percent of total expenditures.
- The combined Trust Fund asset reserves earned interest at an effective annual rate of 2.9 percent in 2018.

The Board of Trustees usually comprises six members. Four serve by virtue of their positions with the federal government: Steven T. Mnuchin, Secretary of the Treasury and Managing Trustee; Nancy A. Berryhill, Acting Commissioner of Social Security; Alex M. Azar II, Secretary of Health and Human Services; and R. Alexander Acosta, Secretary of Labor. The two public trustee positions are currently vacant.

View the 2019 Trustees Report at www.socialsecurity.gov/OACT/TR/2019/.

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