

## Press Release

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For Immediate Release



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# News Release

## SOCIAL SECURITY

### **Social Security Combined Trust Funds Projection Remains the Same Says Board of Trustees**

#### **Projections in 2020 Report Do Not Reflect the Potential Effects of the COVID-19 Pandemic**

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, the same as projected last year, with 79 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 76 percent of benefits payable at that time. The DI Trust Fund is estimated to become depleted in 2065, extended 13 years from last year's estimate of 2052, with 92 percent of benefits still payable.

In the 2020 Annual Report to Congress, the Trustees announced:

- The asset reserves of the combined OASI and DI Trust Funds increased by \$2.5 billion in 2019 to a total of \$2.897 trillion.
- The total annual cost of the program is projected to exceed total annual income, for the first time since 1982, in 2021 and remain higher throughout the 75-year projection period. As a result, asset reserves are expected to decline during 2021. 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 – the same as last year’s projection. At that time, there would be sufficient income coming in to pay 79 percent of scheduled benefits.

“The projections in this year’s report do not reflect the potential effects of the COVID-19 pandemic on the Social Security program. Given the uncertainty associated with these impacts, the Trustees believe it is not possible to adjust estimates accurately at this time,” said Andrew Saul, Commissioner of Social Security. “The duration and severity of the pandemic will affect the estimates presented in this year’s report and the financial status of the program, particularly in the short term.”

Other highlights of the Trustees Report include:

- Total income, including interest, to the combined OASI and DI Trust Funds amounted to \$1.062 trillion in 2019. (\$944.5 billion from net payroll tax contributions, \$36.5 billion from taxation of benefits, and \$81 billion in interest)
- Total expenditures from the combined OASI and DI Trust Funds amounted to \$1.059 trillion in 2019.
- Social Security paid benefits of \$1.048 trillion in calendar year 2019. There were about 64 million beneficiaries at the end of the calendar year.
- The projected actuarial deficit over the 75-year long-range period is 3.21 percent of taxable payroll – higher than the 2.78 percent projected in last year’s report.
- During 2019, an estimated 178 million people had earnings covered by Social Security and paid payroll taxes.
- The cost of \$6.4 billion to administer the Social Security program in 2019 was a very low 0.6 percent of total expenditures.
- The combined Trust Fund asset reserves earned interest at an effective annual rate of 2.8 percent in 2019.

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; Andrew Saul, Commissioner of Social Security; Alex M. Azar II, Secretary of Health and Human Services; and Eugene Scalia, Secretary of Labor. The two public trustee positions are currently vacant.

View the 2020 Trustees Report at [www.socialsecurity.gov/OACT/TR/2020/](http://www.socialsecurity.gov/OACT/TR/2020/).

View an infographic about the program’s long-term financial outlook at [www.socialsecurity.gov/policy/social-security-long-term-financial-outlook.html](http://www.socialsecurity.gov/policy/social-security-long-term-financial-outlook.html).

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