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

<table>
<thead>
<tr>
<th>Benefit Outlays (Billions of dollars)</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children</td>
<td>51,532</td>
<td>53,042</td>
<td>54,612</td>
<td>56,180</td>
<td>57,640</td>
<td>59,127</td>
<td>60,616</td>
<td>62,134</td>
<td>63,601</td>
<td>65,043</td>
<td>66,555</td>
<td>67,955</td>
</tr>
</tbody>
</table>

### Benefit Outlays

- **Retired Workers and Families**
  - Total: $1,149.0 billions
  - 2028: $1,220.9 billions

- **Survivors**
  - Total: $1,079.4 billions
  - 2028: $1,297.4 billions

- **Children**
  - Total: $1,013.3 billions
  - 2028: $1,220.9 billions

### By Fiscal Year

- **Retired Workers and Families**
  - Total: $1,149.0 billions
  - 2028: $1,220.9 billions

- **Survivors**
  - Total: $1,079.4 billions
  - 2028: $1,297.4 billions

- **Children**
  - Total: $1,013.3 billions
  - 2028: $1,220.9 billions

### Average Monthly Benefit on December 31 (Dollars)

- **Retired Workers and Families**
  - Total: $1,149.0 billions
  - 2028: $1,220.9 billions

- **Survivors**
  - Total: $1,079.4 billions
  - 2028: $1,297.4 billions

- **Children**
  - Total: $1,013.3 billions
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### By Calendar Year

- **Retired Workers and Families**
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- **Survivors**
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  - 2028: $1,297.4 billions

- **Children**
  - Total: $1,013.3 billions
  - 2028: $1,220.9 billions

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(continued)
### Key Assumptions

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

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**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.