

Social Security Old-Age and Survivors Insurance—CBO’s Baseline as of March 6, 2020

Old-Age and Survivors Insurance (OASI) is the portion of Social Security that pays benefits to retired workers, their families, and some survivors of deceased workers. To receive OASI benefits, retired workers must have a substantial employment history and be 62 or older.

OASI is funded primarily through payroll taxes on employers and workers, who each pay 5.3 percent of earnings; self-employed workers pay the entire 10.6 percent tax.

CBO’s projections of outlays for OASI benefits are based on the number of beneficiaries and their average benefits.

These budget projections reflect legislation, administrative actions, and regulatory changes through March 6, 2020. They are based on the economic forecast that CBO completed on January 7, 2020, and do not account for changes to the nation’s economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

	Actual 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Calendar Year												
Beneficiaries on December 31 (Thousands)												
Retired Workers and Families												
Retired workers	45,094	46,702	48,216	49,746	51,294	52,834	54,325	55,790	57,365	58,818	60,203	61,490
Wives and husbands	2,416	2,377	2,311	2,235	2,123	2,121	2,118	2,112	2,103	2,092	2,081	2,065
Children	712	728	740	751	762	770	778	784	793	800	805	807
Survivors												
Children	1,927	1,941	1,957	1,973	1,991	2,009	2,026	2,045	2,067	2,091	2,117	2,142
Mothers and fathers	117	113	108	104	100	96	93	89	87	84	81	79
Aged widows and widowers	3,632	3,514	3,422	3,334	3,225	3,082	2,937	2,846	2,733	2,622	2,524	2,426
Disabled widows and widowers	246	242	235	227	221	215	208	201	194	187	181	177
Parents	1	1	1	1	1	1	1	1	1	1	1	1
Total Beneficiaries	54,146	55,619	56,989	58,371	59,717	61,127	62,485	63,868	65,342	66,695	67,992	69,185
Average Monthly Benefit on December 31 (Dollars)												
Retired Workers and Families												
Retired workers	1,500	1,557	1,617	1,679	1,741	1,804	1,868	1,934	2,002	2,073	2,147	2,225
Wives and husbands	786	816	849	882	917	949	980	1,012	1,045	1,078	1,113	1,150
Children	713	739	767	795	823	852	881	911	941	972	1,005	1,039
Survivors												
Children	902	929	959	989	1,019	1,049	1,080	1,111	1,143	1,176	1,211	1,246
Mothers and fathers	1,034	1,065	1,098	1,132	1,165	1,199	1,232	1,268	1,303	1,340	1,377	1,416
Aged widows and widowers	1,423	1,472	1,523	1,576	1,628	1,680	1,733	1,788	1,843	1,900	1,959	2,021
Disabled widows and widowers	760	775	791	807	822	837	852	868	883	899	915	931
Parents	1,271	1,317	1,368	1,420	1,472	1,525	1,579	1,635	1,693	1,753	1,815	1,879
Fiscal Year												
Benefit Outlays (Billions of dollars)												
Retired Workers and Families												
Retired workers	724.3	771.7	827.5	888.5	952.7	1020.1	1091.0	1162.9	1237.8	1320.6	1402.8	1487.4
Wives and husbands	33.3	34.9	35.6	36.6	37.4	38.1	39.7	41.3	43.0	44.7	46.4	48.3
Children	6.1	6.3	6.8	7.2	7.6	8.0	8.3	8.7	9.1	9.5	10.0	10.4
Survivors												
Children	21.1	21.7	22.7	23.7	24.7	25.8	26.9	28.0	29.1	30.4	31.7	33.0
Mothers and fathers	2.3	2.3	2.4	2.5	2.6	2.7	2.8	2.9	3.0	3.1	3.2	3.3
Aged widows and widowers	98.4	101.1	102.2	104.6	107.0	108.8	110.0	111.4	113.7	115.8	117.9	120.1
Disabled widows and widowers	2.4	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.2	2.2	2.2
Parents	*	*	*	*	*	*	*	*	*	*	*	*
Lump-Sum Death	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total	888.1	940.6	999.9	1,065.6	1,134.4	1,205.9	1,281.3	1,357.8	1,438.3	1,526.6	1,614.4	1,705.1

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	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
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 Retired Worker With Average Earnings (Equal to AWI) (Dollars) ^a	1,910	1,997	2,074	2,146	2,232	2,316	2,399	2,485	2,569	2,658	2,750	2,844
PIA for Hypothetical Retired Worker With Maximum Earnings (Dollars) ^a	3,079	3,221	3,347	3,466	3,605	3,743	3,880	4,021	4,158	4,304	4,455	4,609
FRA for Worker Reaching 62 This Year	66 and 6 months	66 and 8 months	66 and 10 months	67	67	67	67	67	67	67	67	67
Share of PIA Paid to a Worker Claiming at 62 (Percent)	72.5	71.7	70.8	70	70	70	70	70	70	70	70	70
COLA (Percent) ^b	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

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Components may not sum to totals because of rounding.

AWI = average wage for indexing; COLA = cost-of-living adjustment; FRA = full retirement age (when a retired worker can collect 100 percent of the PIA); PIA = primary insurance amount; * = between zero and \$50 million.

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.