



Social Security Trust Funds

Social Security is part of the overall federal budget, but its benefits are paid from trust funds that are funded from payroll taxes, interest on the trust funds' balances, and income taxes on Social Security benefits. (The trust funds also receive transfers from the Treasury's general fund, which usually are minimal.) The rules that govern baseline construction require the Congressional Budget Office to assume that scheduled payments from federal trust funds will continue to be made in full even if a trust fund has been exhausted and there is no legal authority to make such payments. Under current law, the Social Security Administration may not pay benefits in excess of the available balances in a trust fund.



Social Security Trust Funds

| | Actual, 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2025- 2029 | 2025- 2034 |
|---|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------|---------------|
| BUDGET INFORMATION | | | | | | | | | | | | | | |
| Billions of dollars, by fiscal year | | | | | | | | | | | | | | |
| Income to Trust Funds | | | | | | | | | | | | | | |
| Payroll Tax Revenue | 1,194 | 1,238 | 1,287 | 1,341 | 1,391 | 1,443 | 1,498 | 1,555 | 1,613 | 1,673 | 1,734 | 1,796 | 6,960 | 15,330 |
| Other Income | | | | | | | | | | | | | | |
| Income taxes on benefits | 51 | 58 | 63 | 75 | 81 | 85 | 89 | 94 | 99 | 104 | 110 | 116 | 392 | 916 |
| Federal payroll tax, employer share ^a | 22 | 23 | 23 | 24 | 25 | 26 | 27 | 27 | 28 | 29 | 30 | 31 | 125 | 271 |
| Interest ^a | 67 | 65 | 60 | 57 | 53 | 51 | 46 | 40 | 32 | 19 | 19 | 20 | 267 | 396 |
| Subtotal, Other Income | 139 | 146 | 146 | 156 | 159 | 161 | 162 | 161 | 160 | 152 | 159 | 167 | 784 | 1,584 |
| Total Income | 1,333 | 1,384 | 1,433 | 1,496 | 1,550 | 1,605 | 1,660 | 1,716 | 1,773 | 1,825 | 1,892 | 1,964 | 7,744 | 16,914 |
| Outgo From Trust Funds | | | | | | | | | | | | | | |
| Benefits | 1,342 | 1,446 | 1,543 | 1,640 | 1,734 | 1,832 | 1,931 | 2,034 | 2,140 | 2,248 | 2,357 | 2,471 | 8,680 | 19,928 |
| Discretionary Administration | 6 | 6 | 7 | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 8 | 9 | 35 | 75 |
| Treasury Administration | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 4 | 8 |
| Railroad Retirement Transfer | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 7 | 7 | 31 | 64 |
| Total Outgo | 1,355 | 1,458 | 1,556 | 1,654 | 1,748 | 1,846 | 1,946 | 2,048 | 2,155 | 2,263 | 2,373 | 2,487 | 8,749 | 20,075 |
| Net Cash Flow (Includes interest income) | | | | | | | | | | | | | | |
| Old-Age and Survivors Insurance | -50 | -107 | -158 | -192 | -231 | -278 | -324 | -374 | -427 | -486 | -530 | -572 | -1,183 | -3,572 |
| Disability Insurance | 28 | 32 | 35 | 34 | 34 | 36 | 39 | 42 | 45 | 48 | 50 | 49 | 178 | 412 |
| Primary Cash Flow (Excludes interest income) | | | | | | | | | | | | | | |
| Old-Age and Survivors Insurance ^b | -113 | -169 | -212 | -241 | -276 | -318 | -359 | -401 | -444 | -488 | -530 | -572 | -1,406 | -3,841 |
| Disability Insurance | 25 | 29 | 29 | 27 | 25 | 26 | 27 | 29 | 30 | 31 | 31 | 28 | 134 | 284 |
| End-of-Year Balance | | | | | | | | | | | | | | |
| Old-Age and Survivors Insurance ^b | 2,674 | 2,567 | 2,409 | 2,217 | 1,986 | 1,708 | 1,384 | 1,009 | 583 | 97 | c | c | n.a. | n.a. |
| Disability Insurance | 143 | 175 | 210 | 245 | 278 | 315 | 353 | 395 | 440 | 488 | 538 | 587 | n.a. | n.a. |

Components may not sum to totals because of rounding. SSA = Social Security Administration; n.a. = not applicable.

Positive cash flows represent surpluses; negative cash flows represent deficits.

- a. Transfers from the general fund to the Social Security trust funds. Such transfers appear in the budget both as positive outlays (the general fund portion) and as negative outlays (offsetting receipts; the trust fund portion).
- b. CBO projects that the balance of the Old-Age and Survivors Insurance Trust Fund will be exhausted during 2033. Under current law, SSA cannot pay benefits in excess of the available balances in a trust fund, borrow money for a trust fund, or transfer money from one trust fund to another. However, following rules in section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985, CBO's baseline incorporates the assumption that SSA will pay benefits in full even after the balance of a trust fund is exhausted. The two Social Security trust funds are legally separate, but if they were combined, the fund would be exhausted in 2034.
- c. After exhaustion, the balance of the Old-Age and Survivors Insurance trust fund is not meaningful under current law and is not shown in this table. For illustrative purposes, below are the estimated cumulative shortfalls in the Old-Age and Survivors Insurance trust fund beginning in 2033. The first line shows only the accumulated primary deficits after exhaustion. The second line also includes "negative interest," a measure of the potential costs of financing the shortfalls. Future legislation would determine whether those shortfalls would be funded, and if so, whether the trust fund would pay financing costs.

| Old-Age and Survivors Insurance Trust Fund | | | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|------|------|--------|
| Cumulative End-of-Year Shortfall (Billions of dollars, by fiscal year) | | | | | | | | | | | | |
| | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | |
| Not Including Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -434 | -1,005 |
| Including Negative Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -446 | -1,035 |