



## **Social Security Trust Funds**

Social Security is part of the unified 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 are usually minimal.)

The rules that govern baseline construction require CBO to assume that scheduled payments from federal trust funds will continue to be made in full even if the balance of 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, 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2027- 2031	2027- 2036
<b>BUDGET INFORMATION</b>														
Billions of dollars, by fiscal year														
<b>Income to Trust Funds</b>														
Payroll Tax Revenue	1,284	1,350	1,404	1,458	1,516	1,576	1,638	1,699	1,762	1,826	1,892	1,961	7,591	16,731
Other Income														
Income taxes on benefits	59	67	71	75	82	87	91	96	101	107	113	119	407	942
Federal payroll tax, employer share <sup>a</sup>	24	25	26	27	28	29	29	30	31	32	33	34	139	299
Interest <sup>a</sup>	70	64	58	56	50	43	34	20	23	26	30	34	240	374
Subtotal, Other Income	<u>153</u>	<u>156</u>	<u>155</u>	<u>158</u>	<u>160</u>	<u>159</u>	<u>155</u>	<u>147</u>	<u>155</u>	<u>165</u>	<u>175</u>	<u>187</u>	<u>786</u>	<u>1,616</u>
Total Income	1,437	1,506	1,559	1,615	1,675	1,735	1,793	1,846	1,917	1,991	2,067	2,148	8,377	18,346
<b>Outgo From Trust Funds</b>														
Benefits	1,569	1,659	1,762	1,868	1,972	2,076	2,183	2,291	2,402	2,512	2,625	2,740	9,861	22,431
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	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>31</u>	<u>62</u>
Total Outgo	1,582	1,672	1,776	1,882	1,986	2,090	2,197	2,306	2,417	2,528	2,640	2,755	9,931	22,576
<b>Net Cash Flow (Includes interest income)</b>														
Old-Age and Survivors Insurance	-181	-207	-260	-313	-361	-411	-465	-525	-569	-611	-651	-691	-1,810	-4,859
Disability Insurance	37	41	44	46	51	56	60	65	70	74	79	84	256	629
<b>Primary Cash Flow (Excludes interest income)</b>														
Old-Age and Survivors Insurance <sup>b</sup>	-245	-265	-310	-359	-399	-439	-482	-526	-569	-611	-651	-691	-1,988	-5,037
Disability Insurance	30	35	35	36	39	41	43	45	47	48	49	49	194	433
<b>End-of-Year Balance</b>														
Old-Age and Survivors Insurance <sup>b</sup>	2,401	2,194	1,934	1,621	1,260	849	384	c	c	c	c	c	n.a.	n.a.
Disability Insurance	215	256	300	346	397	452	513	578	648	723	801	885	n.a.	n.a.

Components may not sum to totals because of rounding; n.a. = not applicable.  
Positive cash flows represent surpluses; negative cash flows represent deficits.

- a. Amounts transferred 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 in 2032. Under current law, the Social Security Administration (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 2033.
- 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 2032. 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)**

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Not Including Interest	0	0	0	0	0	0	-142	-711	-1,322	-1,973	-2,665
Including Negative Interest	0	0	0	0	0	0	-142	-732	-1,391	-2,118	-2,916