

Social Security: OASI, DI, and Trust Funds—CBO’s January 2019 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 from payroll taxes, interest on their balances, and income taxes on Social Security benefits. Under current law, the Social Security Administration may not pay benefits in excess of the available balances in a trust fund.

	Preliminary, 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
By Calendar Year												
Beneficiaries on December 31 (Thousands)												
Retired Workers and Families												
Retired workers	43,725	45,349	47,023	48,593	50,172	51,765	53,353	54,893	56,404	58,020	59,509	60,923
Wives and husbands	2,394	2,408	2,360	2,301	2,246	2,190	2,194	2,196	2,195	2,193	2,188	2,180
Children	684	702	720	734	746	758	768	777	784	794	802	808
Survivors												
Children	1,909	1,917	1,929	1,940	1,954	1,968	1,980	1,992	2,003	2,017	2,032	2,048
Mothers and fathers	123	118	114	110	105	102	98	94	90	87	84	81
Aged widows and widowers	3,650	3,553	3,445	3,363	3,288	3,187	3,073	2,959	2,843	2,704	2,573	2,453
Disabled widows and widowers	256	254	251	247	242	238	233	228	223	217	211	206
Parents	1	1	1	1	1	1	1	1	1	1	1	1
Total Beneficiaries	52,742	54,302	55,844	57,288	58,754	60,209	61,700	63,139	64,544	66,033	67,399	68,700
Average Monthly Benefit on December 31 (Dollars)												
Retired Workers and Families												
Retired workers	1,461	1,511	1,570	1,632	1,693	1,754	1,817	1,880	1,946	2,016	2,089	2,167
Wives and husbands	766	796	831	867	901	935	967	999	1,033	1,068	1,105	1,145
Children	701	724	751	780	808	835	864	893	922	953	986	1,020
Survivors												
Children	886	909	937	968	998	1,028	1,058	1,089	1,120	1,153	1,188	1,224
Mothers and fathers	1,007	1,032	1,064	1,098	1,131	1,164	1,198	1,231	1,266	1,302	1,340	1,380
Aged widows and widowers	1,390	1,433	1,486	1,540	1,593	1,645	1,699	1,753	1,809	1,867	1,927	1,993
Disabled widows and widowers	745	756	772	789	804	819	834	849	864	880	897	914
Parents	1,233	1,273	1,322	1,374	1,425	1,477	1,530	1,584	1,640	1,699	1,761	1,827
By Fiscal Year												
Benefit Outlays (Billions of dollars)												
Retired Workers and Families												
Retired workers	674.3	724.1	779.2	837.7	899.9	964.6	1,032.1	1,103.4	1,176.0	1,251.8	1,336.3	1,420.6
Wives and husbands	31.9	34.0	35.7	37.1	38.4	39.7	40.9	42.8	44.6	46.6	48.6	50.7
Children	5.8	6.1	6.5	6.9	7.3	7.7	8.1	8.4	8.8	9.2	9.7	10.1
Survivors												
Children	20.6	21.3	22.1	22.9	23.8	24.8	25.8	26.7	27.7	28.7	29.9	31.0
Mothers and fathers	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4
Aged widows and widowers	96.2	99.1	101.1	103.2	106.0	108.8	111.0	113.0	114.9	117.0	119.0	121.1
Disabled widows and widowers	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
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	833.0	888.7	948.7	1,012.0	1,079.6	1,149.8	1,222.0	1,298.5	1,376.3	1,457.5	1,547.5	1,637.7

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Old-Age and Survivors Insurance—CBO's January 2019 Baseline

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	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Key Assumptions												
Average Wage for Indexing (Dollars)	51,794	53,683	55,840	58,092	60,345	62,543	64,790	67,114	69,492	71,944	74,461	77,149
Taxable Maximum (Dollars)	128,400	132,900	136,800	141,900	147,600	153,600	159,300	165,300	171,300	177,300	183,600	190,200
PIA for Hypothetical Retired Worker With Average Earnings (Equal to AWI) (Dollars) ^a	1,868	1,919	1,986	2,058	2,139	2,223	2,309	2,391	2,477	2,566	2,656	2,753
PIA for Hypothetical Retired Worker With Maximum Earnings (Dollars) ^a	3,009	3,094	3,203	3,322	3,454	3,592	3,733	3,867	4,008	4,152	4,301	4,460
FRA for Worker Reaching 62 This Year	66 and 4 months	66 and 6 months	66 and 8 months	66 and 10 months	67	67	67	67	67	67	67	67
Share of PIA Paid to a Worker Claiming at 62 (Percent)	73.3	72.5	71.7	70.8	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0
COLA (Percent) ^b	2.8	2.1	2.6	2.6	2.5	2.4	2.4	2.3	2.3	2.3	2.3	2.4
First Month for Which COLA Is Effective	12/2018	12/2019	12/2020	12/2021	12/2022	12/2023	12/2024	12/2025	12/2026	12/2027	12/2028	12/2029

Components may not sum to totals because of rounding; * = between zero and \$50 million.

AWI = average wage for indexing; COLA = cost-of-living adjustment; FRA = full retirement age (when retired worker can collect 100% of PIA); PIA = primary insurance amount.

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.