

Social Security—CBO’s Estimate of the President’s Fiscal Year 2020 Budget

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 (and to their families) until those workers reach the age at which they are eligible to receive full retired-worker benefits under OASI. 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.

Proposals for Social Security—CBO's Estimate of the President's Fiscal Year 2020 Budget

Outlays in Millions of Dollars, by Fiscal Year

May 9, 2019

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-2024	2020-2029
Increases or Decreases (-) in Direct Spending												
Demonstration Projects to Increase Labor Force Participation Among People with Disabilities ^a	15	40	80	90	100	85	60	20	10	0	325	500
Reduce Allowable Retroactive Benefit Payments From 12 Months to 6 Months Prior to Application												
OASI	-7	-18	-23	-27	-29	-32	-33	-34	-35	-36	-104	-274
DI	-290	-740	-960	-1,130	-1,210	-1,310	-1,350	-1,400	-1,440	-1,500	-4,330	-11,330
Total OASDI	-297	-758	-983	-1,157	-1,239	-1,342	-1,383	-1,434	-1,475	-1,536	-4,434	-11,604
Strengthen GPO and WEP Enforcement by Obtaining Data From State and Local Governments												
OASI	0	0	0	-230	-440	-580	-580	-540	-520	-500	-670	-3,390
DI	0	0	0	-5	-13	-18	-19	-18	-17	-16	-18	-106
Total OASDI	0	0	0	-235	-453	-598	-599	-558	-537	-516	-688	-3,496
Provide Administrative Funds to Implement GPO and WEP Enforcement ^a	18	28	24	0	0	0	0	0	0	0	70	70
Offset Disability Benefits by an Amount Equal to Unemployment Benefits Received ^b	0	-20	-90	-150	-160	-160	-170	-180	-190	-190	-420	-1,310
Increase the Minimum Overpayment Collection From \$10 per Month to 10 Percent of Monthly Benefit Payment												
OASI	-6	-37	-48	-54	-65	-78	-88	-115	-123	-122	-211	-736
DI	-4	-28	-37	-40	-49	-59	-66	-87	-93	-92	-158	-554
Total OASDI	-10	-65	-85	-94	-114	-137	-154	-202	-216	-214	-369	-1,290
Relieve SSA of Responsibility for Representative Fee Withholding ^b												
OASDI	0	0	1	1	1	1	1	1	1	1	3	8
DI	0	1	8	26	33	37	40	41	42	43	68	271
Total OASDI	0	1	9	27	34	38	41	42	43	44	71	279
Eliminate Workers' Compensation Reverse Offset	0	0	-22	-23	-24	-25	-26	-27	-28	-29	-69	-204
Exclude Social Security Debts From Discharge in Bankruptcy ^b												
OASI	*	-1	-4	-5	-7	-8	-9	-9	-10	-10	-17	-63
DI	*	-2	-5	-7	-8	-9	-10	-11	-11	-13	-22	-76
Total OASDI	*	-3	-9	-12	-15	-17	-19	-20	-21	-23	-39	-139
Expand the Definition of Overpayment to Authorize SSA to Use All Collection Tools to Recover Funds in Certain Cases												
OASI	0	-1	-1	-1	-1	-1	-2	-2	-2	-2	-4	-13
DI	0	-1	-1	-1	-2	-2	-2	-2	-2	-2	-5	-15
Total OASDI	0	-2	-2	-2	-3	-3	-4	-4	-4	-4	-9	-28
Hold Fraud Facilitators Liable for Overpayments	0	*	*	*	*	*	*	*	*	*	*	*

Components may not sum to totals because of rounding. All effects are off-budget unless otherwise noted.

DI = Disability Insurance; GPO = Government Pension Offset; OASI = Old-Age and Survivors Insurance; OASDI = Old-Age, Survivors, and Disability Insurance;

SSA = Social Security Administration; WEP = Windfall Elimination Provision; * = between - \$500,000 and zero.

a. These effects are on-budget.

b. These proposals would have effects in other programs. The estimates above are for Social Security only. For the proposal to offset disability benefits, CBO also estimated the following effects:

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-2024	2020-2029
Offset Disability Benefits by an Amount Equal to Unemployment Benefits Received												
Supplemental Security Income	0	1	4	4	5	5	5	5	5	5	14	39
Unemployment Insurance	0	-10	-50	-55	-55	-60	-65	-65	-70	-70	-170	-500
Revenues	0	0	-1	-5	-15	-30	-35	-40	-45	-50	-21	-221