

Highlights of the 2023 Trustees Report:

- The most recent projection is impacted by a reduction in the assumed level of economic growth. The cumulative reduction of roughly 3% affects the system by suppressing realized and projected increases in the system's payroll tax income.
- The combined Social Security trust fund reserves are projected to become depleted during 2034,* one year earlier than projected in last year's report.
- The actuarial deficit increased from 3.42% of taxable payroll to 3.61% of taxable payroll. In addition to the economic results, the system's financial status was affected by changes in demographic assumptions and methodology, and by the shift in the valuation period (which adds a year of less favorable finances at the end of the 75-year projection period).
- If changes to the program are not implemented before 2034, only 80% of scheduled benefits will be payable as trust funds are depleted that year, with the payable percentage further declining to 74% by 2097.
- Making changes well in advance of projected insolvency could enable a longer phase-in period, and potentially involve benefit cuts only for future beneficiaries. But deferring solutions too long will likely entail cuts for retirees already receiving benefits, or a significant increase in Social Security's immediate period income.

The trustees state that "implementing changes sooner rather than later would allow more generations to share in the needed revenue increases or reductions in scheduled benefits. With informed discussion, creative thinking, and timely legislative action, Social Security can continue to protect future generations."

OASDI Trust Funds

	2023	2022
Projected reserve depletion date	2034	2035
Percentage of benefits payable following depletion date	80%	80%
Percentage of benefits payable in 75th projection year	74%	74%
75-year actuarial deficit (as a % of taxable payroll)	3.61%	3.42%

*This assumes that the OASI and DI trust fund monies can be reallocated as needed, a practice which has been authorized by Congress in the past.

An Actuarial Perspective on the 2023 Social Security Trustees Report

The 2023 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds (2023 Trustees Report) is a detailed annual assessment of the Social Security program's financial status. It informs discussions of Social Security's financial challenges and possible solutions. The Social Security Administration's actuarial staff develops financial projections for the program, under the direction of the Social Security Board of Trustees. The 2023 report is updated to reflect emerging economic events, including resurgent inflation and the expected impact of the shift in monetary policy aimed at suppressing it—higher interest rates, suppressed economic growth and real wages.

Social Security Out of Balance

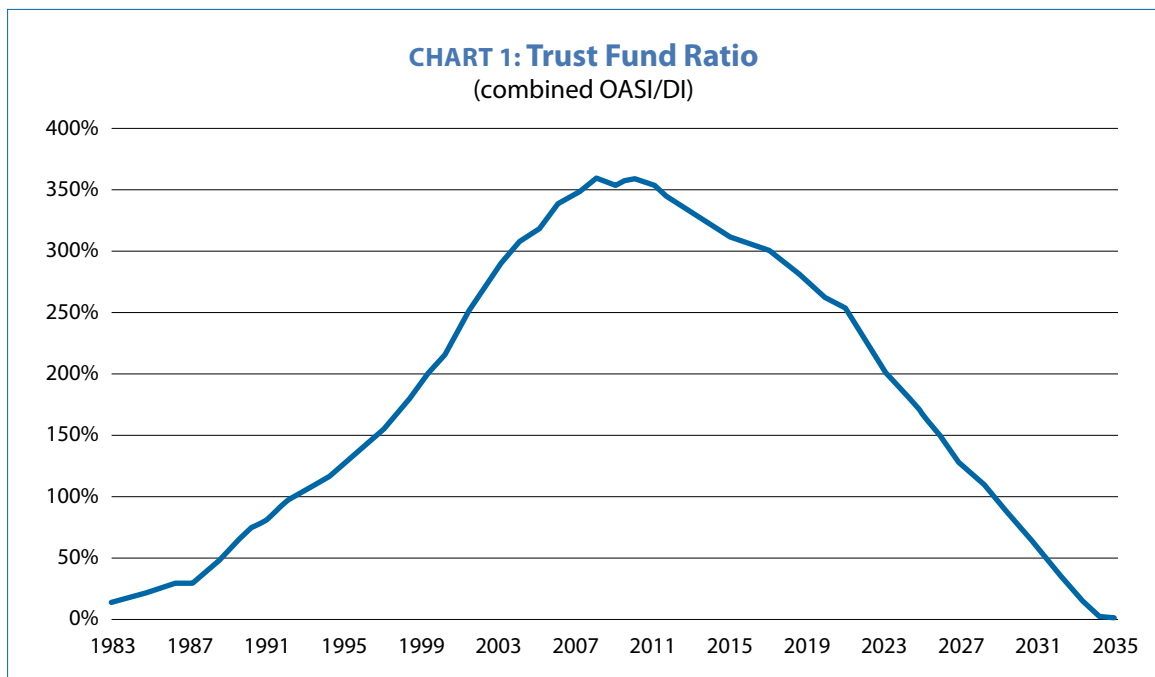
The last substantial changes made to the Social Security system occurred in 1983. At that time, the trustees projected that all scheduled benefits would be payable for a number of years beyond 2057, the end of the 75-year projection period.¹ That projection was based upon demographic assumptions regarding longevity, birth rates (fertility), immigration, and disability incidence as well as economic assumptions regarding interest rates, inflation, productivity gains, and wage growth. The trustees anticipated the increased longevity of Americans and the drop in fertility after the baby boom generation. The 1983 population forecasts have stood the test of time in many ways. However, the economy has not progressed as projected in 1983. Over the years, less favorable economic outcomes became reflected both as emerging experience and less optimistic projected experience, and resulted in a reserve depletion date that is now roughly 30 years earlier than had been projected in 1983.²

1. Since the baby boom generation would have for the most part passed away by the 2060s, the projection made at the time of the 1983 amendments implied that the excess benefit payouts attributed to them (i.e., due to that generation's size versus that of the generations before and after) would essentially be prefunded by contributions made during their working lifetimes.
2. In the 1983 Trustees Report, based on the Alternative II-B assumption set primarily relied upon, there was a projected 54% trust fund ratio at the beginning of year 2060. This projection implied that the trust funds would be depleted sometime during the year 2063, based on a roughly 14% annual rate of trust fund depletion for that period of years.

To support future benefits, including the ability to pay the baby boom generation in retirement, the 1983 amendments called for accumulating more money in the OASDI trust funds than required to pay immediate benefits. At the end of 2022, the amount in the trust funds was \$2.83 trillion. As has been known for many years, however, this amount in concert with taxes and trust fund earnings will likely not support the scheduled level of benefits for anywhere near the period originally projected. The trustees now project that full benefits will only be payable until 2034—the date the combined trust fund reserves are expected to be depleted. Benefits will continue to be payable after that date but not in full unless legislative action is taken.

The projected date at which the system will no longer be able to pay full benefits is based on an analysis of projected income and benefits under three deterministic assumption sets as well as on stochastic projections. Intermediate assumptions reflect the trustees’ best estimates of future experience; low-cost and high-cost results are also presented based on a range of possible future experience. The trustees note that actual future costs are unlikely to be as extreme as those portrayed by their low-cost or high-cost projections.

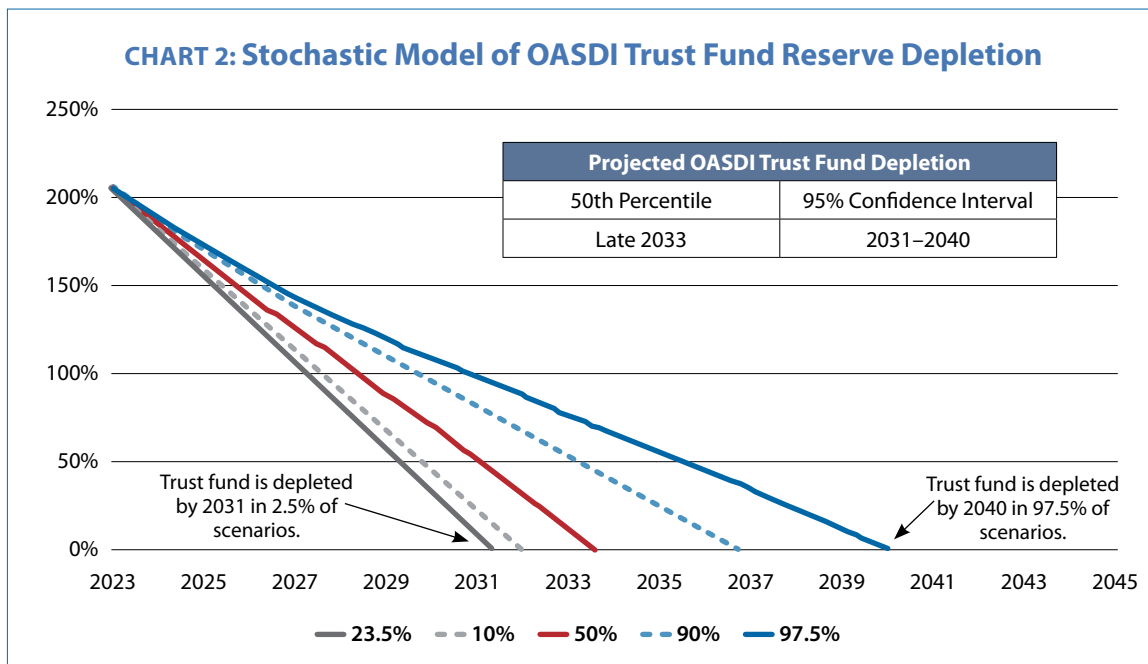
Chart 1 summarizes the historical and projected trust fund ratios (trust fund balance/amount of annual system outlays), based on the deterministic/ intermediate assumption set.



Source: 2023 Trustees Report, Table IV.B4

The deterministic projection indicates that the trust funds will be depleted in 2034. Chart 2 shows the trust fund depletion dates based on the range of projected stochastic scenarios.

The Social Security Committee, which authored this issue brief, includes Sam Gutterman, MAAA, FSA, FCA, FCAS, HonFIA, CERA—*Chairperson*; Janet Barr, MAAA, ASA; Gordon Enderle, MAAA, FSA; Iris Kazin, MAAA, FSA, FCA, EA; Eric Klieber, MAAA, FSA; Mahrukh Mavalvala, MAAA, FSA, EA; Gerard Mingione, MAAA, FSA; Brian Murphy, MAAA, FSA, FCA, EA; John Nylander, MAAA, FSA; Larry Rubin, MAAA, FCA, FSA; Jeffery M. Rykhus, MAAA, FSA; and Joan Weiss, MAAA, FSA.



Source: 2023 Trustees Report, Figure VI.E2

The 95% confidence interval is indicated in Chart 2 by the leftmost and rightmost lines. In 95% of the scenarios generated by the stochastic model, the OASDI trust fund is depleted sometime between 2031 and 2040. This type of analysis shows the inherent uncertainty in projecting a complex system like OASDI, and also that the system’s funding imbalance is unlikely to be corrected without legislative action under even the most favorable future scenario. It also indicates the possibility that Congress may need to act before 2034 to avoid potential trust fund insolvency and the resulting benefit cuts. More information on stochastic projections can be found in the Academy issue brief [A Guide to the Use of Stochastic Models in Analyzing Social Security](#).

The low-cost and high-cost deterministic projections similarly produce a range of outcomes for the timing of trust fund depletion—2031 for the high-cost projection and 2067 for the low-cost projection.

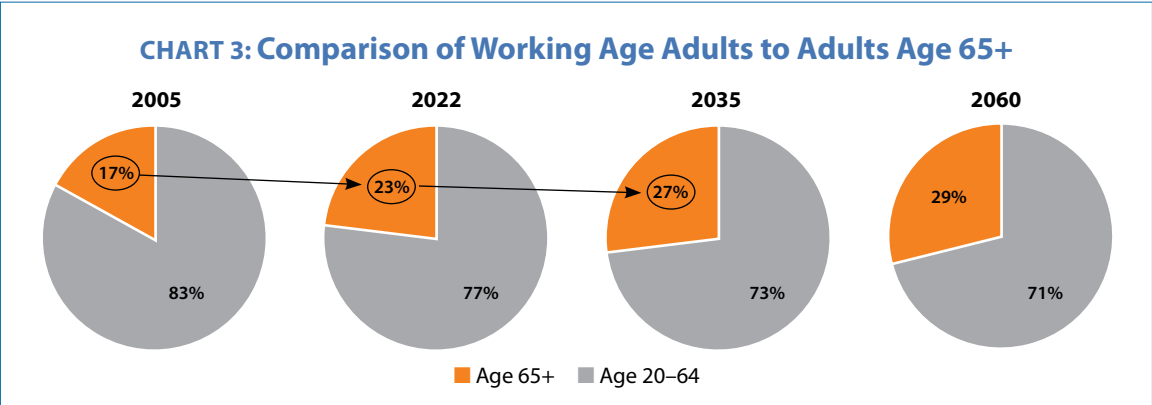
The projected imbalance in the system stems from both demographic and economic factors (particularly wages). This brief will first look at demographic issues, then at wages and other economic factors.

Why Didn’t the 1983 Social Security Reform Work Out as Expected?

- The 1983 amendments to the Social Security Act were intended to stabilize Social Security’s financial status for the following 75 years. This reform package addressed the demographic imbalance implied by the baby boom and subsequent baby bust by increasing system income during the boomers’ working years, thereby advance-funding a portion of their benefits in retirement. (Benefits were also somewhat reduced, due to an increase in the normal retirement age.) The intent of these changes was to reduce the financial burden on the successive generation, who would otherwise have been responsible for paying the higher taxes necessary to pay benefits for the larger predecessor group.
- However, that plan did not work out as expected. While there has been a significant build-up of assets in the trust fund, the amounts accumulated did not reach the level necessary to fund the entirety of the boomers’ excess benefits. So, while in the original plan the trust fund would have lasted into the 2060s, it is now projected to be depleted by 2034, only partway through the boomers’ retirement period.
- This shortfall was mostly caused by economic factors that came up short of expectations, including the growth of taxable payroll and trust fund investment returns.

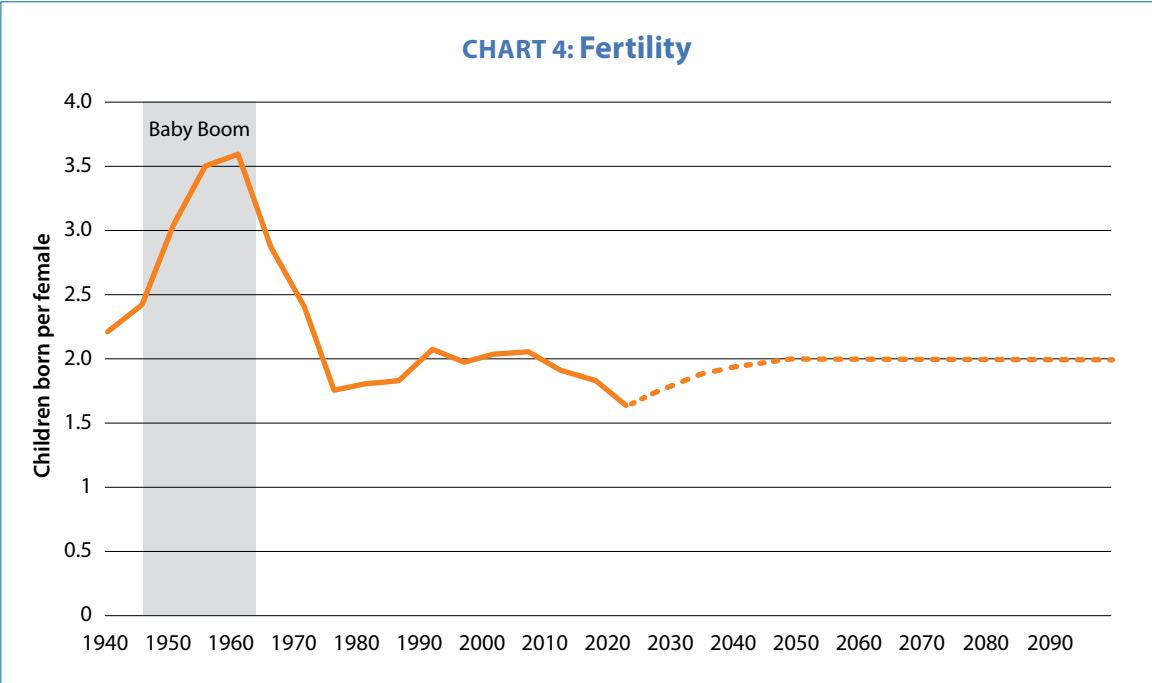
Demographic Issues

Chart 3 shows a comparison of the current and forecasted populations of working-age adults to adults age 65 and over in the United States. In rough terms, the population in the 20-64 age group comprise the workers paying taxes into the Social Security system to provide benefits generally to those in the age 65+ group. The projected system imbalance is a result of payroll taxpayers becoming a smaller percentage of the overall population and thus not providing enough income to the system to pay all projected benefits to a relatively larger beneficiary group.

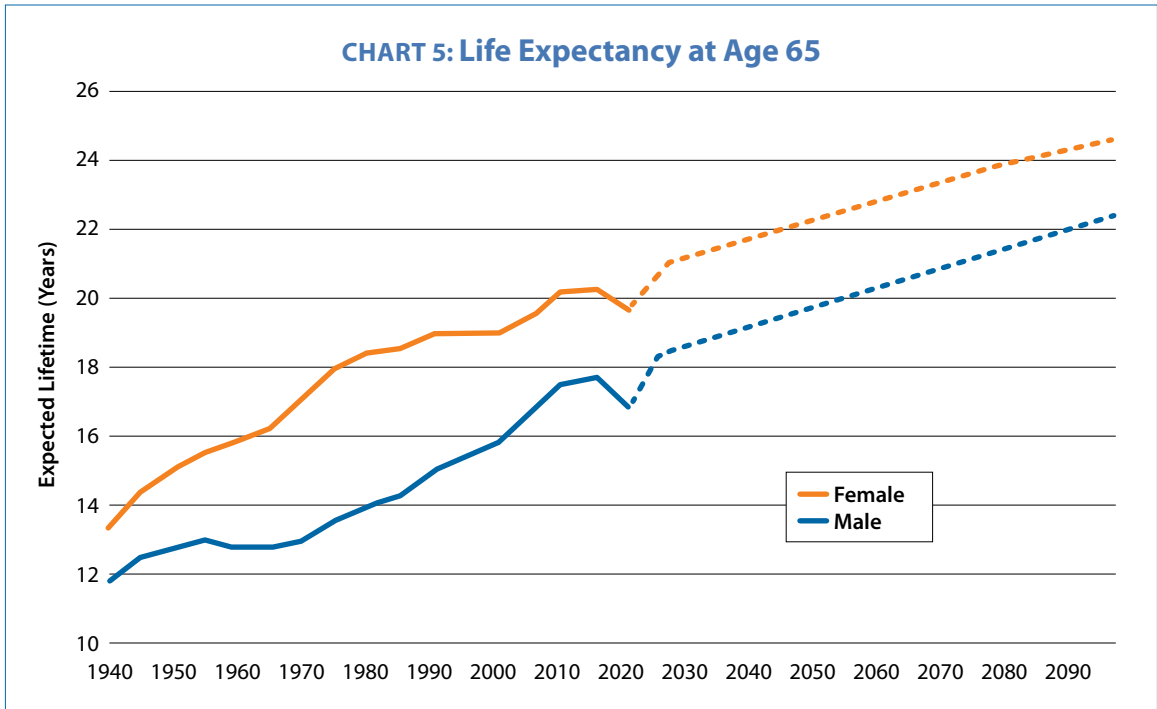


Source: 2023 Trustees Report, Table V.A3

The aging of the U.S. population has been long anticipated. The “baby boom” of 1946–1964 was followed by a drop in the fertility rate, leading to materially smaller generations of succeeding workers (see Chart 4). In addition, average life expectancy at age 65 has increased significantly and is anticipated to continue increasing (see Chart 5). These two demographic trends combine to put stress on Social Security system financing.

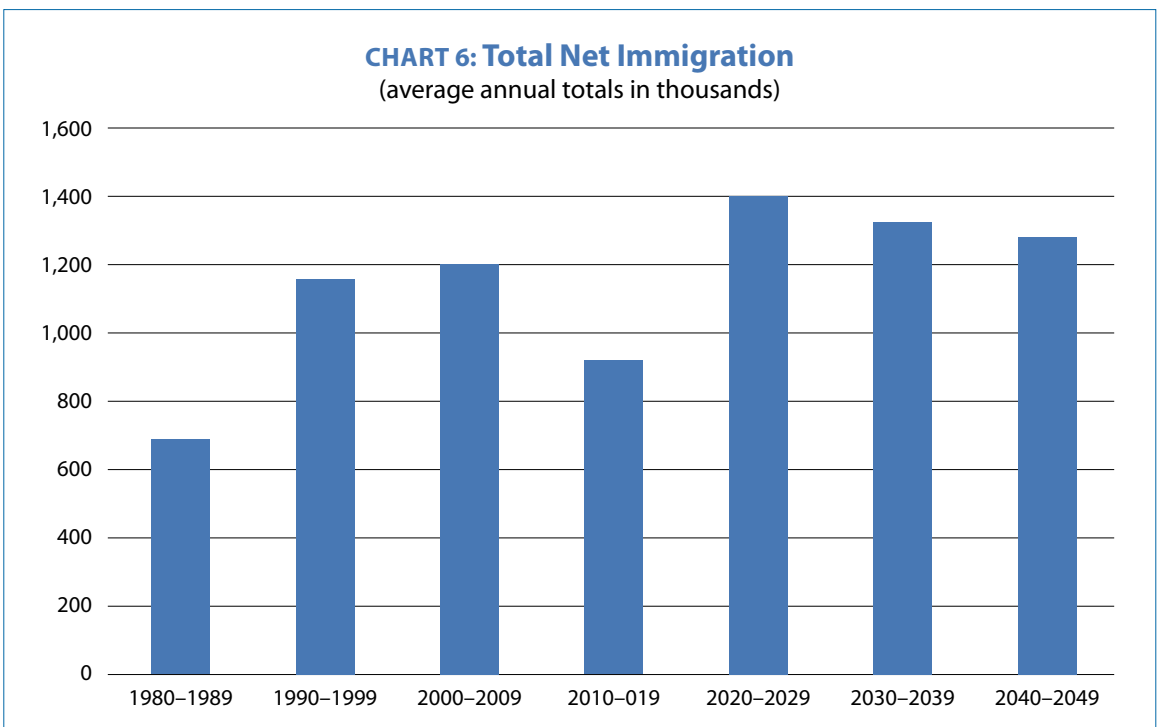


Source: 2023 Trustees Report, Figure V.A1



Source: Table V.A4 (period basis)

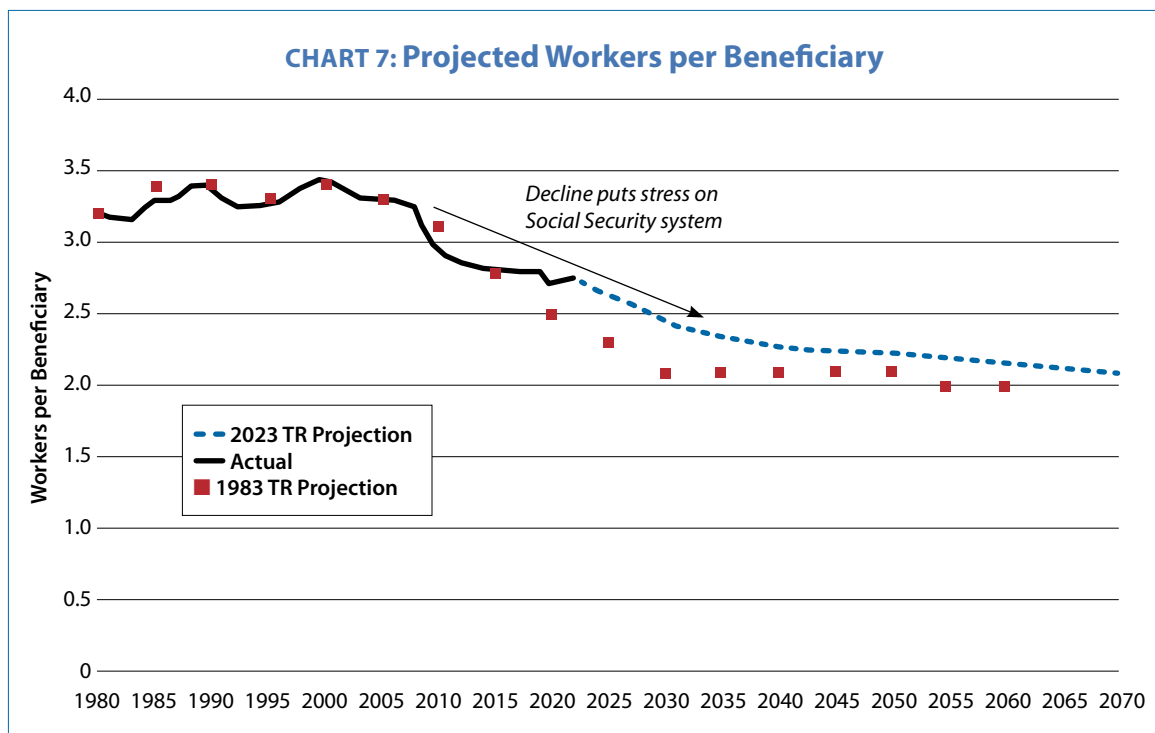
Immigration is another demographic factor that affects Social Security financing (see Chart 6). Immigration can be viewed as a supplement to the count of native births (roughly 4 million per year) in providing a source of new workers to pay payroll taxes in support of system benefit payments. Social Security’s financial status can be expected to improve with higher net immigration because the immigrant population is largely comprised of younger age groups, thereby increasing the numbers of covered workers earlier than the numbers of beneficiaries.



Source: 2023 Trustees Report, Table V.A2
Encompasses both realized and projected data

Net immigration counts reflect a combination of lawful permanent residents and other-than-lawful immigrants.³ The former count has been fairly consistent in the 800,000 range and is projected at numbers consistent with that history. The count of other-than-lawful immigrants, however, has been highly variable over the years, with numbers tending to shift with the strength of the economy.⁴ Going forward, other-than-lawful immigrants are projected to represent roughly 40% of the total net immigrant count.

Another way to express the impact of demographic shifts and increased longevity is to measure the ratio of projected workers to beneficiaries. Chart 7 shows the number of workers per beneficiary starting in 1980 and projected forward.



Sources: 2023 Trustees Report, Table IV.B3
1983 Trustees Report, Table 28, Alternative II-B assumptions

The decline in workers per beneficiary has long been expected. The red squares in Chart 7 show ratios projected in the 1983 Trustees Report.

3. Other-than-lawful immigrants consist of the undocumented as well as foreign workers and students with temporary visas. Note that undocumented immigrants do not have Social Security numbers and are not authorized either to work or to receive Social Security benefits. Nonetheless, a large majority of undocumented immigrants indeed do work, and many pay Social Security taxes (using fake or borrowed Social Security numbers). Since these workers will generally never receive benefits, their taxes can be considered a net benefit to the system.

4. The net count of incoming lawful permanent residents has generally remained in the 700,000-900,000 range over the period 2005–2022, averaging 784,000. The net count of other-than-lawful immigrants, on the other hand, ranged from -750,000 to +1 million over that same period, with an average of 208,000.

The Effect of Alternative Demographic Assumptions

In addition to evaluating the Social Security program under alternative assumption sets and a stochastic model, the trustees evaluate how each of the fertility, mortality, and immigration assumptions separately affect the program’s finances. The 2023 Trustees Report shows the impact of variations in fertility, mortality, and immigration rates on long-term system finances. However, due to their delayed effects, near-term variations in these rates will not change the conclusion that trust fund depletion will occur by the middle of next decade. Table 1 summarizes the results of the analysis.

TABLE 1: Adjustments to Fertility, Mortality, and Immigration Assumptions
(Other Assumptions Intermediate)

	Low-Cost Assumption	Intermediate Assumption	High-Cost Assumption
Fertility Rate			
Children per woman (ultimate rate after 2032)	2.19	1.99	1.69
75-year actuarial deficit	3.14%	3.61%	4.32%
Projected year of trust fund depletion	2034	2034	2034
Annual Death Rate Reduction			
Mortality reduction (ultimate rate after 2031)	0.28%	0.74%	1.24%
75-year actuarial deficit	2.91%	3.61%	4.39%
Projected year of trust fund depletion	2034	2034	2034
Total Net Immigration			
Net annual immigration (ultimate count after 2032)	1,683,000	1,245,000	829,000
75-year actuarial deficit	3.21%	3.61%	4.02%
Projected year of trust fund depletion	2034	2034	2034

Source: 2023 Trustees Report, Tables VI.D1, VI.D2, VI.D3

The short-term impact of fertility variations is clear—workforce participants for the next two decades are already born, and future fertility rates will not change their number. Any increase or decrease in expected lifetimes will also take many years to ripple through the system and will not change the system’s projected outlook for the middle of the next decade. While immigration levels can have a meaningful impact over the longer term, even a significant increase in the level of annual net immigration will also be insufficient to push back the trust fund depletion date.

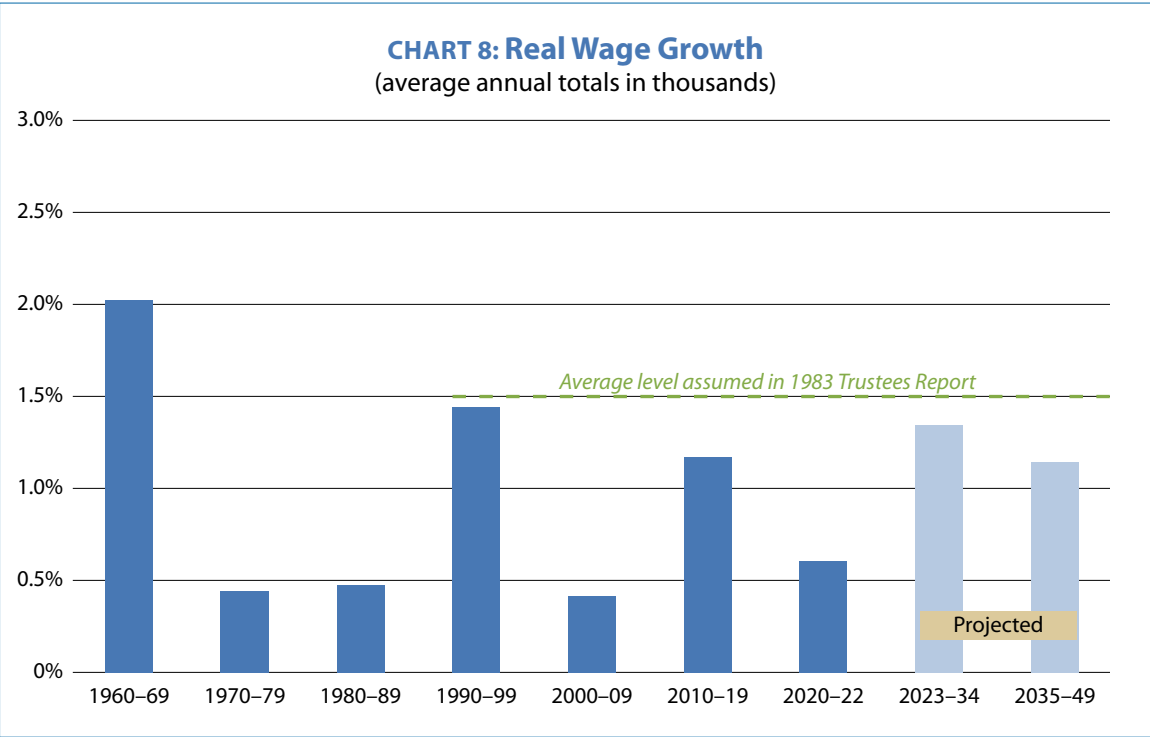
Economic Issues

While the projected imbalance has been driven to a great extent by demographics, the level of economic growth and its impact on taxable wage levels also have a strong impact on the financial health of the system.

Taxable Payroll

The decline in the ratio of workers to beneficiaries would put less stress on the system if taxable payroll increased enough to mitigate the impact of that declining ratio. Unfortunately, increases in taxable payroll have generally fallen below expectations, thus exacerbating the demographic problem.

The trustees project real wages and use that projection to derive taxable payroll. Chart 8 shows that the growth in real wages has been low in recent decades, averaging less than 0.8% since 1970. In the 1983 Trustees Report, under the primarily referenced assumptions (intermediate assumption set II-B) real wages were projected to increase 1.5% per year for the 1990s and beyond.



Source: 2023 Trustees Report, Table V.A2

Three distinct macroeconomic trends have acted to suppress the growth in taxable payroll reflected under the Social Security system:

- a reduction in the percentage of GDP going to labor compensation
- an increasing disparity in compensation levels across the working population
- an increasing portion of labor compensation being channeled to health care costs.

Income from the economy’s production of goods and services is generally allocated for the benefit of labor, capital, and government. The shares going to each sector can shift over time for several reasons. The largest share has historically gone to labor compensation, but labor’s share has tended to decrease in recent decades, from an average of 63.2% in the 1970s to 59.4% for the period after 2010 (source—Federal Reserve Economic Data). This decline in labor compensation has had a dampening effect on the taxable payroll subject to Social Security taxation.

Further accentuating this trend is the fact that the allocation of labor compensation has tended toward greater disparity in recent decades. Thus, a smaller portion of total compensation has tended to fall below the taxable wage base, with a greater portion escaping most Social Security taxation (note that amounts over the wage base are still taxed for Medicare purposes). The impact of this increased disparity can be seen in the fact that the percentage of total labor compensation falling below the wage base has dropped from 89.6% in 1983 to 82.6% on average over the most recent 10 years (see Long-Range Economic Assumptions for the 2023 Trustees Report, Table 6.2).

Also note that employer-paid premiums for health insurance are not subject to Social Security payroll taxes under current law. These amounts have grown faster than wages in recent decades, as health care costs have expanded from 10% of GDP in the 1980s to roughly 18% in recent years (National Health Expenditure Accounts, CMS.gov). The expansion of health care costs acted to divert an increasing portion of employee compensation from taxable wages, thereby suppressing the growth of taxable payroll (*Effects of Employer-Sponsored Health Insurance Costs on Social Security Taxable Wages*—Social Security Bulletin Volume 73, 2013).

The actuaries’ calculation of alternative results (summarized in Table 2) projecting higher or lower real wage increases highlights the sensitivity of valuation results to the level of taxable payroll. A significant change in the rate of real wage increases has the potential to shift the level of measured deficit and even the projected trust fund depletion date.

TABLE 2: Adjustments to Real Wage Growth Assumption

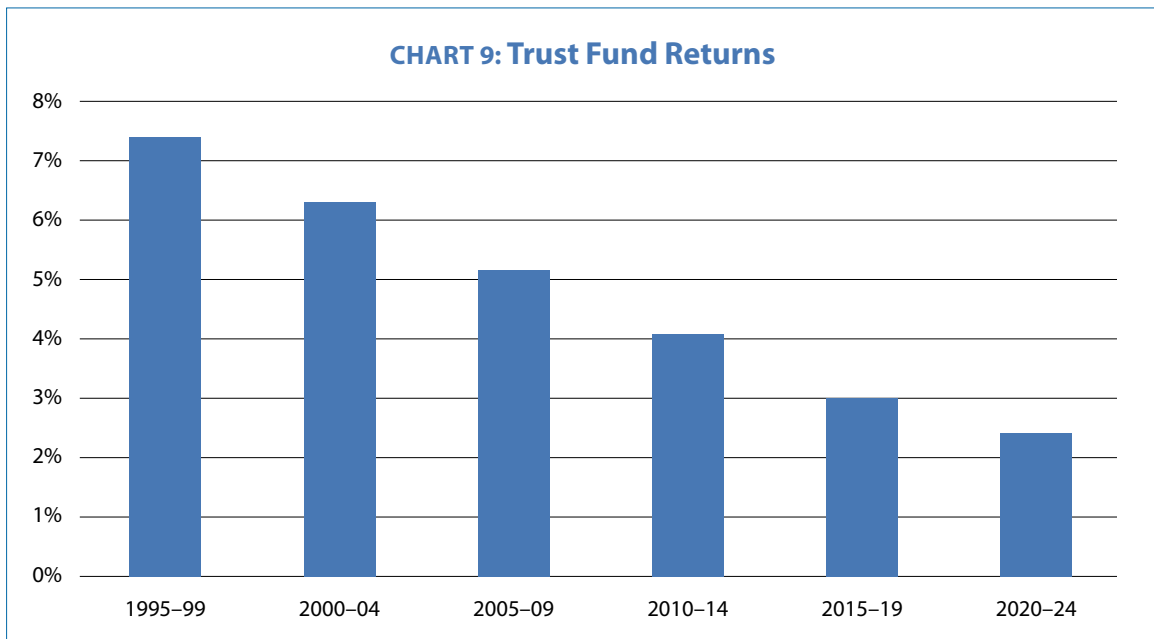
Real Wage Growth	Low-Cost Assumption	Intermediate Assumption	High-Cost Assumption
Ultimate annual rate (after 2031)	1.74%	1.14%	0.54%
Actuarial deficit	2.44%	3.61%	4.81%
Projected year of trust fund depletion	2035	2034	2033

Source: 2023 Trustees Report, Table VI.D4

If future increases in taxable payroll continue to fall below expectations, additional stress will be put on the system via lower-than-expected tax revenue. While lower wages also result in ultimately lower earned benefits, the payment of those reduced benefits is far in the future, so the net result is a further degradation of the system’s near-term cash flow balance.

Trust Fund Returns

OASDI trust fund asset reserves consist entirely of special U.S. Treasury securities that are issued each year as needed to invest any surplus of income over outgo (and to redeem any maturing bonds). The interest rate on these securities at issue is set by law as the average market yield on marketable interest-bearing securities of the U.S. federal government with four or more years to maturity. Over the past four decades, these interest rates have fallen consistently. Chart 9 shows the rate of return realized on the trust fund portfolio assets over various periods of time.



Source: 2023 Trustees Report, Table VI.A3

The 1983 Trustees report assumed 6.1% average annual interest rates and 4% inflation over the period after 1995, which translates to a 2.1% real interest rate. Realized inflation has been 1.5 percentage points lower, at about 2.5% since 1995. Thus the 1983 assumption equates to a 4.6% nominal interest rate assumption based on the assumed real interest rate together with the realized inflation level. Chart 9 indicates that actual portfolio returns were above that assumed level in the years through 2009, then dropped significantly lower thereafter. However, the level of trust fund assets peaked in those later years, which implies that the lower returns for the more recent years weighed heavier. (The average level of trust fund assets was \$1.4 trillion over 1995–2009, and essentially double that level at \$2.8 trillion over 2010–2022.)

Trust fund reserves, though currently sizable in dollar terms, represent only a small portion of the value of all scheduled Social Security benefits. Also, since the system is now running deficits in the level of benefit payouts versus payroll tax and other system income, the trust fund will generally be liquidating rather than purchasing new Treasury bonds going forward. As a result, variations in the projected rate of interest on new Treasury bonds have only a modest impact. As shown in Table 3, the current projected OASDI trust fund reserve depletion date of 2034 is unchanged under the low-cost and high-cost assumptions for real interest rates. In terms of the level of ongoing cost, 50-basis-point variations in future interest rates translate to a relatively marginal impact on cost rates of 0.18%.

TABLE 3: Adjustments to Real Interest Rate Assumption

Real Interest	Low-Cost Assumption	Intermediate Assumption	High-Cost Assumption
Ultimate rate (after 2032)	2.8%	2.3%	1.8%
Actuarial deficit	3.43%	3.61%	3.79%
Projected year of trust fund depletion	2034	2034	2034

Source: 2023 Trustees Report, Table VI.D6

More information on the Trustees Report assumptions can be found in the Academy issue brief *Assumptions Used to Evaluate Social Security’s Financial Condition*.

Payroll Taxes

Today’s Social Security payroll tax rate (6.2% of earnings up to the wage base for both employees and employers) has been in place since 1990. During the period when the ratio of workers per beneficiary was higher, this rate exceeded that needed to pay current benefits, thus allowing the system to build a significant level of reserves (which peaked at \$2.9 trillion in 2020) in advance of the anticipated wave of baby boomer retirements. As those retirements proceeded, starting in the 2010s, the number of workers per beneficiary has decreased. Thus, the taxes paid by those workers along with other system income has not kept pace with increases in benefit payments, i.e., the current tax rate has become insufficient to support the level of benefit payouts.

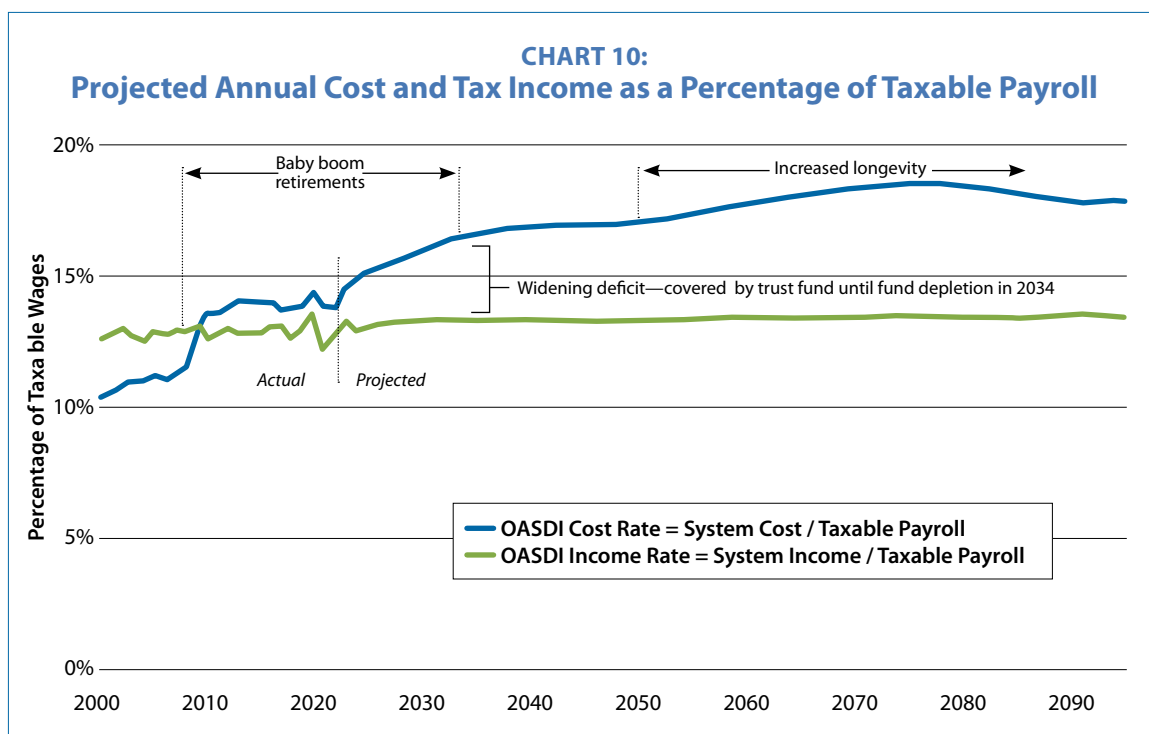
This results in a draw-down of the previously accumulated trust fund assets to pay full benefit amounts. Thus, as shown earlier, the trust funds are anticipated to be depleted by the middle of the next decade. When reserves are depleted, projected incoming tax revenue will be able to support less than 80% of projected benefits going forward.



Cost Rates

The trustees define the annual cost rate of the system to be the projected cost of benefits divided by the projected taxable payroll. Looking at the projected path of future annual cost rates in Chart 10 provides a key indicator of how the demographics of the U.S. population affect Social Security finances.

The cost rate is projected to increase rapidly over the next 10-12 years as the retiring baby boom generation is replaced in the workplace by relatively smaller subsequent generations. During this period, the number of retirees is projected to increase by much more than the number of workers. Later in the projection period, after demographic trends stabilize, the cost rate nonetheless continues to increase, albeit more gradually, due to lengthening life expectancies.



Source: 2023 Trustees Report, Table IV.B1 (intermediate assumptions)
 Note: Income does not include interest earnings on trust fund reserves.

Rebalancing Social Security

Restoring balance to the Social Security system could involve raising taxes, changing benefits, or a combination of these two approaches. Focusing on taxes alone, Table 4 shows that under the intermediate assumption set, an immediate combined employee/employer tax rate increase of 3.44% of taxable payroll (about 28% of the current 12.4% rate) would be necessary to support all projected benefits under the current system over the next 75 years. The table also shows an immediate 21.3% cut in benefits for all current and future beneficiaries would be necessary to balance the system over the next 75 years if taxes remain unchanged.

TABLE 4: Immediate Actions to Achieve Solvency⁵

Immediate increase in payroll tax rate (with no benefit changes)	3.44% tax increase
Immediate decrease in benefits for all current and future beneficiaries (with no payroll tax increase)	21.3% benefit cut

Note: (1) Payroll taxes are shared equally between employees and employers, so the above represents a 1.72% increase for each (resulting tax rates are 7.92% for both parties); delaying a tax increase to 2034 implies that a larger increase—4.1%—is needed.

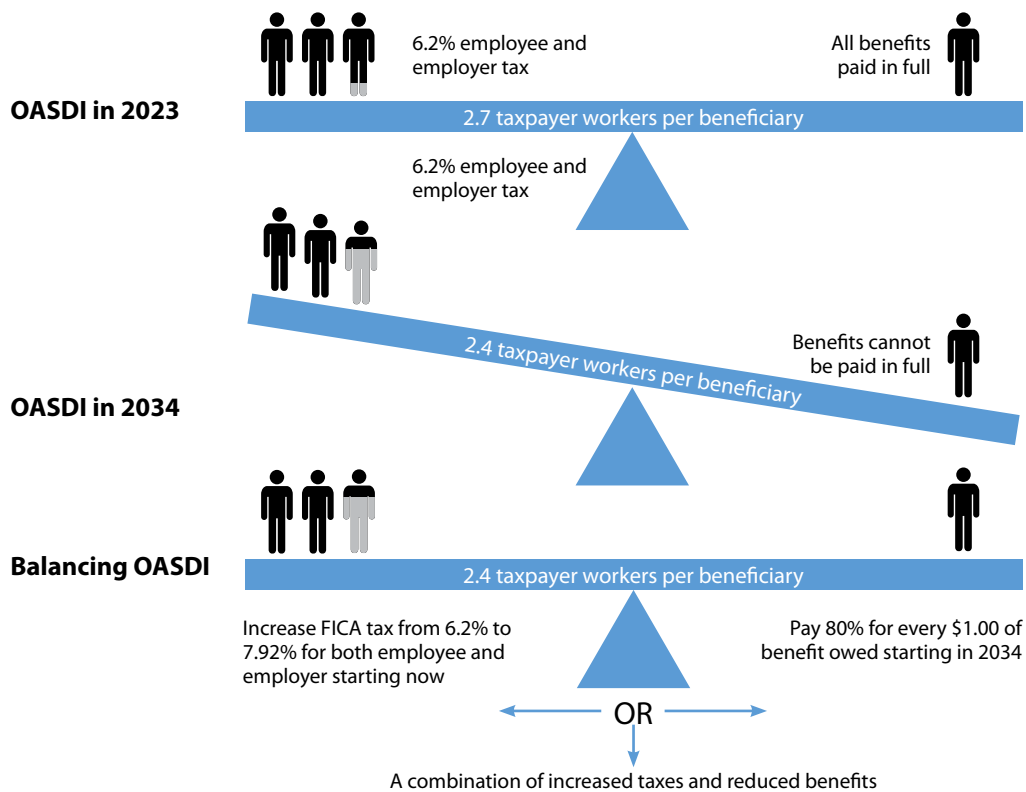
(2) Delaying a benefit cut to 2034 implies a larger cut—25.4%—is needed.

Table 4 shows the bookend options. The trustees note that lawmakers have a broad range of policy options regarding changes to the system, many of which combine changes to tax rates and benefits. It is important to note that changes in tax rates can be applied to all workers or a subset of workers. Likewise, changes to benefits can be applied to all beneficiaries or to a subset of beneficiaries. Readers may be interested in Academy issue briefs on Social Security reform that review a range of alternatives for changing benefits, increasing taxes, and raising the retirement age. In addition, see the American Academy of Actuaries' [Social Security Challenge](#) to see how the various public policy options can be combined to restore balance to the system.

5. The indicated tax rate increase is lower than the 3.61% actuarial deficit primarily because it is determined as the increase required to maintain solvency throughout the 75-year projection period presuming there will be a zero trust fund balance at the period's end, rather than an ending trust fund reserve equal to one year's expense, as presumed in the actuarial deficit calculation.

A Summary in Graphic Form

The graphic below summarizes the Social Security system's current imbalance. Today, taxes from the nearly three workers per retiree (along with revenue from benefit taxation and interest on the OASDI trust funds) plus asset reserves in the trust funds are sufficient for the OASDI system to pay 100% of all benefits. By the middle of the next decade, the number of retirees is projected to have grown faster than the number of workers, and the OASDI trust fund is projected to be depleted. At that point, program revenue is projected to be sufficient to pay only 80% of all benefits due. Legislative changes, which could encompass tax increases or benefit cuts (or a mix of both), will be needed to correct the system's imbalance.



A Moving Target and Sustainability of the Social Security System

As discussed earlier, recent trustees reports indicate that the trust fund reserves will be depleted much sooner than anticipated in the 1983 projections. With any projection of a system as complex as Social Security, there is the potential for the future to unfold differently than assumed. Future results may differ significantly from those in the current report due to future experience that differs from that anticipated by the economic or demographic assumptions. The variability in the year of OASDI trust fund depletion shown in Chart 2—2031 through 2040—illustrates this concept.

Under the trustees' definition, solvency is achieved when reserves combined with projected system income covers projected system payouts over a 75-year period. However, that definition may be viewed as inadequate in some ways. For example, if the expected income coming into the Social Security trust funds in the 76th and later years is less than the expected outgo in those years, the actuarial balance will deteriorate when remeasured with the next trustees report (and every year thereafter). Because of this, the trustees also reference a higher benchmark—sustainable solvency—which is achieved when the projected trust fund ratio is positive throughout the 75-year projection period and is then either stable or rising at the end of the period.

Because outcomes cannot be predicted with certainty, one way to keep Social Security sustainably solvent would be to have automatic adjustment mechanisms, such as automatically increasing Social Security's Normal Retirement Age depending on how longevity increases in the future or increasing taxes (or reducing benefits) if fertility rates, immigration, real wages, or investment returns decrease. Such automatic changes could be subject to limits, and Congress would always have the right to override any formulaic change. This subject is discussed in more detail in the Academy's issue brief [Social Security—Automatic Adjustments](#).

A Word on Disability

The Social Security system also provides benefits to disabled workers. The separate trust fund for the disability insurance program is not expected to be depleted during the 75-year projection period (based on the intermediate assumptions).

The number of workers applying for disability benefits has decreased materially after peaking in 2010, following the 2008–2009 recession. In the 2023 Trustees Report long-term disability incidence is projected to rise

gradually from recent year levels in the range of 3-4 per thousand to an ultimate age-sex-adjusted disability incidence rate of 4.8 per thousand by the end of the short-range projection period. (Note: Rates are quoted on an age-sex-adjusted basis.)

The trustees project that the percentage of total system benefits paid due to disability will drop from its level of 11.7% for 2023 to 9.7% for 2032.

Technical Notes

- The Social Security system maintains two trust funds—one for the old-age and survivor benefits (OASI trust fund) and one for the disability benefits (DI trust fund). Currently, each trust fund tracks revenue and expenses separately. The DI trust fund had been projected to be depleted in 2016 but Congress authorized the OASI trust fund to transfer money to the DI trust fund to prevent that from happening. Thus, this issue brief generally discusses the Social Security system as a whole (OASI and DI combined) under an assumption that Congress will continue to amend the law as needed to permit the transfer of funds between OASI and DI to stave off any shortfall in one trust fund or the other.
- Unless otherwise indicated, all numbers, charts and tables are taken from 2023 Trustees Report.
- Unless otherwise indicated, the term “benefits” includes retirement, disability, and survivor benefits and expenses.
- Unless otherwise indicated, the term “income” includes revenue from payroll taxes, taxes on OASDI benefits and trust fund earnings.
- The intermediate assumption set reflects the trustees’ best estimates of future experience. For this reason, most results quoted in the trustees report and in this issue brief are based on the intermediate assumptions. As noted earlier, the trustees also present results under low-cost and high-cost alternatives to provide a range of possible future experience. However, the trustees report states that actual future costs are unlikely to be as extreme as those portrayed by the low-cost or high-cost projections.
- The trustees also look at OASDI finances under 5,000 independently generated stochastic simulations that reflect randomly assigned annual values for most of the key assumption parameters. These simulations produce a distribution of projected outcomes and corresponding probabilities that future outcomes will fall inside or outside a given range.

References

[Annual Trustees Report and related Social Security Administration publications](#)

Academy Resources

[Raising the Retirement Age for Social Security](#) (March 2022)

[Individual Equity and Social Adequacy in The U.S. Social Security System—A Public Policy Monograph](#) (March 2021)

[Issue Brief on Individual Equity and Social Adequacy](#) (March 2021)

[Immigration and Social Security](#) (December 2020)

[Assumptions Used to Evaluate Social Security’s Financial Condition](#) (November 2020)

[Essential Elements: Securing Social Security](#) (May 2020)

[Social Security — Automatic Adjustments](#) (May 2018)

[Women and Social Security](#) (May 2017)

[Helping the ‘Old-Old’—Possible Changes to Social Security to Address the Concerns of Older Americans](#) (June 2016)

[Quantitative Measures for Evaluating Social Security Reform Proposals](#) (May 2014)

[Social Security Reform Options: A Public Policy Monograph](#) (March 2014)

[Significance of the Social Security Trust Funds](#) (May 2012)

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