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Contact: David Mendes

Phone: 202.384.2075

Email: mendes@actuary.org

American Academy of Actuaries Provides Assessment of Social Security's Financial Condition Based on 2020 Trustees Report

WASHINGTON—A new issue brief from the American Academy of Actuaries, [*An Actuarial Perspective on the 2020 Social Security Trustees Report*](#), provides policymakers and the public with an actuarially informed overview of Social Security's financial condition and projections of its condition.

"The 2020 trustees report shows that, even before accounting for any effects of the COVID-19 pandemic which is expected to result in lower tax income to Social Security, Social Security faces serious financial challenges based on an objective actuarial analysis of how demographic and economic trends are projected to play out under the current program design," said Linda K. Stone, the Academy's senior pension fellow. "Congress will have a wider range of options, with the potential for a more gradual approach to benefits or revenue changes, the sooner that it addresses Social Security's long-term solvency issues."

The 2020 trustees report, which does not factor in effects of the COVID-19 pandemic, projects that Social Security's combined trust funds' reserves will be depleted during 2035—the same year as projected in last year's report. Since the release of the 2019 trustees report, Social Security's actuarial deficit increased from 2.78% of taxable payroll to 3.21% of taxable payroll, due to a change in assumptions caused by lower inflation, lower interest rates, lower fertility, and the repeal of the Affordable Care Act excise tax on high-cost employer-sponsored group health insurance plans. If changes to the program are not implemented before 2035, only 79 percent of scheduled benefits would be payable in 2035, declining to 73 percent by 2094.

Read the [issue brief](#), developed by the Academy's Social Security Committee, and learn more about the Academy's pension policy work online under the public policy tab at actuary.org.

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The American Academy of Actuaries is a 19,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.