

Social Security: OASI, DI, and Trust Funds—CBO’s May 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 (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.

	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	43,721	45,221	46,877	48,403	49,936	51,481	53,018	54,510	55,974	57,548	59,001	60,387
Wives and husbands	2,389	2,401	2,356	2,294	2,235	2,174	2,174	2,173	2,168	2,159	2,148	2,134
Children	682	696	714	726	737	748	757	765	771	779	787	792
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	121	115	110	105	100	95	91	86	82	79	75	72
Aged widows and widowers	3,653	3,664	3,532	3,439	3,355	3,248	3,107	2,965	2,876	2,766	2,658	2,561
Disabled widows and widowers	255	252	249	244	239	235	230	224	218	212	206	201
Parents	1	1	1	1	1	1	1	1	1	1	1	1
Total Beneficiaries	52,731	54,267	55,767	57,152	58,557	59,950	61,358	62,715	64,093	65,561	66,906	68,195
Average Monthly Benefit on December 31 (Dollars)												
Retired Workers and Families												
Retired workers	1,461	1,509	1,567	1,628	1,688	1,748	1,809	1,872	1,936	2,005	2,076	2,153
Wives and husbands	766	795	829	865	898	931	963	994	1,027	1,062	1,098	1,138
Children	701	723	750	778	805	833	861	889	918	949	980	1,015
Survivors												
Children	886	908	936	966	996	1,025	1,055	1,085	1,116	1,148	1,182	1,218
Mothers and fathers	1,007	1,032	1,063	1,096	1,129	1,161	1,194	1,227	1,261	1,296	1,334	1,373
Aged widows and widowers	1,390	1,432	1,484	1,536	1,588	1,640	1,693	1,745	1,800	1,857	1,917	1,981
Disabled widows and widowers	745	756	771	787	802	817	832	846	861	876	892	910
Parents	1,233	1,273	1,321	1,371	1,422	1,473	1,525	1,578	1,634	1,691	1,752	1,817
By Fiscal Year												
Benefit Outlays (Billions of dollars)												
Retired Workers and Families												
Retired workers	674.4	722.9	775.6	832.9	893.5	956.4	1,021.9	1,091.2	1,161.7	1,235.2	1,317.3	1,399.3
Wives and husbands	31.9	33.8	35.6	36.9	38.1	39.3	40.5	42.2	44.0	45.8	47.7	49.7
Children	5.8	6.1	6.4	6.8	7.2	7.5	7.9	8.3	8.6	9.0	9.4	9.8
Survivors												
Children	20.6	21.3	22.0	22.9	23.8	24.7	25.7	26.6	27.6	28.6	29.7	30.9
Mothers and fathers	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.3	1.3	1.3	1.3
Aged widows and widowers	96.2	99.3	102.4	104.2	106.7	109.3	111.2	112.6	114.1	116.7	119.2	121.7
Disabled widows and widowers	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.4	2.4
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	887.5	946.2	1,007.8	1,073.3	1,141.4	1,211.3	1,285.0	1,360.1	1,439.3	1,527.3	1,615.3

Continued

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

Continued

	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.