



SOCIAL SECURITY
Office of the Chief Actuary

October 7, 2011

The Honorable Sander M. Levin
Ranking Member, Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Levin:

I am writing in response to your letter of October 6, 2011 requesting our estimates of the cost of paying scheduled Social Security benefits in calendar years 2012 through 2021, and the amount of income and assets that will be available to the combined OASI and DI Trust Funds to meet these costs over the same period. All estimates provided in this letter are based on the intermediate assumptions of 2011 Trustees Report.

The enclosed table provides the requested estimates on an annual basis for calendar years 2012 through 2021. We estimate the total cost for paying all scheduled OASI and DI benefits during this period to be \$10,156.8 billion. This total cost includes administrative expenses incurred for the payment of these benefits as well as the net interchange between the OASDI program and the Railroad Retirement system. About 24 percent of this total cost, or \$2,460.3 billion, is for beneficiaries who become newly eligible for an OASDI benefit in 2012 or later. About 2.6 percent of this total cost, or \$267.1 billion, is for beneficiaries who become newly eligible for an OASDI benefit in 2019 or later.

We estimate the total amount of income and assets available to the combined OASI and DI Trust Funds for the payment of benefits in calendar years 2012 through 2021 to be \$13,805.9 billion. The expected level of assets held in the combined trust funds at the end of 2011 represents about 19.4 percent of this total amount, or \$2,678.2 billion. The remaining 80.6 percent of this total, or \$11,127.7 billion, is the total income for the combined trust fund operations over this period, including payroll tax revenue, revenue from the taxation of Social Security benefits, interest earned on trust fund assets, and general fund reimbursements to the trust funds.

We hope these estimates will be helpful. Please let me know if we may provide further assistance.

Sincerely,

Stephen C. Goss
Chief Actuary

Enclosures

Social Security (OASDI) Scheduled Benefit Cost and Income Plus Assets, Projected for 2012 through 2021

Calendar year	OASDI Scheduled Benefit Cost <u>1/</u> <i>Amount for beneficiaries</i>			OASDI Projected Income and Assets <u>2/</u>	
	<u>Newly eligible-</u>		All paid	Trust fund	Total income
	in 2012 <u>and later</u>	in 2019 <u>and later</u>	in the <u>year</u>	assets at <u>end of 2011</u>	during the <u>year</u>
	<i>billions of nominal dollars</i>			<i>billions of nominal dollars</i>	
2012	\$24.4		\$772.0	\$2,678.2	\$866.8
2013	43.6		813.8		915.1
2014	75.6		860.5		969.9
2015	115.6		911.0		1,023.4
2016	169.9		964.8		1,079.0
2017	238.5		1,023.1		1,135.1
2018	314.2		1,086.9		1,196.0
2019	398.3	\$53.4	1,160.6		1,255.4
2020	490.7	83.7	1,240.4		1,313.4
2021	589.5	130.0	1,323.7		1,373.6
2012-2021	2,460.3	267.1	10,156.8	2,678.2	11,127.7
<i>Percent of total</i>	24.2%	2.6%	100.0%	19.4%	80.6%
Total Scheduled OASDI Costs for 2012-2021			Total Income and Assets Available to Pay Benefits for 2012-2021		
\$10,156.8			\$13,805.9		

1/ Includes scheduled benefits, administrative costs, and Railroad Retirement interchange.

2/ For the theoretical combined OASI and DI Trust Funds and trust fund operations. Income includes revenue from payroll taxes, taxation of OASDI benefits, interest income, and reimbursements from the general fund.

Based on the intermediate assumptions of the 2011 Trustees Report.

Office of the Chief Actuary
Social Security Administration
October 7, 2011

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October 6, 2011

Mr. Stephen C. Goss
Chief Actuary
Social Security Administration
Altmeyer Building Room 700
6401 Security Blvd.
Baltimore, MD 21235

Dear Mr. Goss:

I am writing to seek information about Social Security's income, assets, and scheduled benefit payments over the next decade. These basic facts should serve as a starting point if there is to be any discussion of Social Security by the Joint Select Committee on Deficit Reduction.

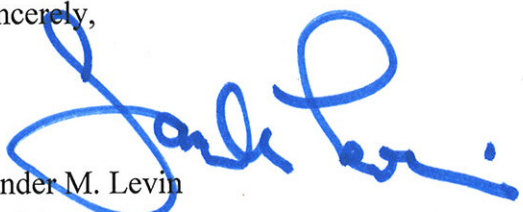
1. Over the next decade (calendar years 2012 through 2021), how much do you project that the combined Social Security Trust Funds (OASDI) will have available to pay earned benefits? Please include all sources of dedicated income to the trust funds and all assets that are, or will be, owned by the trust funds.
2. What do you estimate will be the total scheduled cost of Social Security (OASDI) over the next 10 years (calendar years 2012 through 2021)?
 - a. What do you estimate will be the scheduled OASDI benefit cost over the next 10 years (calendar years 2012 through 2021) that is attributable to individuals who will not be eligible for Social Security until at least January 1, 2012 (i.e., future retirees who will be under age 62 throughout this year and other people who are not yet receiving benefits but will become eligible as soon as next year)?
 - b. What do you estimate will be the scheduled OASDI benefit cost over the next decade (calendar years 2012 through 2021) that is attributable to individuals who

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will not be eligible for Social Security until at least January 1, 2019, or about 7 years from now (i.e., future retirees who will be under age 55 throughout this year and other future beneficiaries)?

Thank you very much for your assistance. Please contact Kathryn Olson or Morna Miller at the Social Security Subcommittee with any questions.

Sincerely,


Sander M. Levin
Ranking Member