



June 25, 2026

# Social Security: Selected Findings of the 2026 Annual Report

The 2026 report of the Board of Trustees of the Social Security Trust Funds estimates the program’s combined finances to be in a similar, albeit marginally worse, position as compared to 2025. Under intermediate assumptions, the disabled-worker trust fund is projected to remain positive for the next 75-years (same as last year’s report), but the retired-worker trust fund is projected to become depleted one quarter earlier than projected in last year’s report.

## Social Security Overview

Social Security is a self-financing program that in 2026 covers approximately 186 million workers and provides monthly cash benefits to over 71 million beneficiaries. It is the federal government’s largest program in terms of both the number of people affected (i.e., covered workers and beneficiaries) and its finances. Social Security is composed of Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI), referred to collectively as OASDI.

The OASDI program is primarily financed (91.3% of total revenues in 2025) through a payroll tax applied to Social Security-covered earnings up to an annual limit. Some beneficiaries pay income tax on a portion of their Social Security benefits, providing a second source of program financing (4.0% of total revenue in 2025). From 1983 to 2009, the OASDI program collected more in tax revenues than needed to pay benefits. Excess revenues are held in interest-bearing U.S. Treasury securities, providing a third source of funding for the program (4.8% of total revenues in 2025). Monthly benefits are the largest OASDI program cost (99.2% of total costs in 2025). Administrative and other costs account for the remainder of program costs.

## The Trust Funds

The OASI and DI programs use a trust fund financing mechanism. Monies credited to these trust funds are earmarked for paying Social Security benefits and certain administrative costs. Using a trust fund allows the OASI and DI programs to track their respective programs’ revenues and costs and to hold any accumulated assets from years when revenues exceed costs. The OASI trust fund and DI trust fund are legally distinct entities. They are discussed here collectively as the OASDI trust funds.

A Board of Trustees manages the trust funds. The trustees’ annual reports to Congress on the trust funds’ status and financial operations include short-range (10-year) and long-range (75-year) projections. In general, the trust funds’ *solvency*—the ability to pay full benefits scheduled under current law on a timely basis—indicates their status. If assets held in the trust funds were to be depleted, the OASDI program could pay out in benefits only what it receives in revenues. **Table 1** shows the trust funds’ key

dates under the trustees’ intermediate assumptions, which reflect their best estimates of future experience.

**Table 1. Key Dates Projected for the Social Security Trust Funds in the 2025 and 2026 Trustees Reports**

Under the Trustees’ Intermediate Assumptions

	2025 Report			2026 Report		
	OASI	DI	OASDI	OASI	DI	OASDI
Cost exceeds tax revenues	2010	>2099	2010	2010	>2100	2010
Cost exceeds total revenues	2021	>2099	2021	2021	>2100	2021
Trust fund reserves depleted	2033	>2099	2034	2032	>2100	2034

Source: CRS, based on the 2025 and 2026 OASDI trustees reports.

More specifically, in the 2026 report, the trustees project the OASI trust fund reserves to be depleted in the fourth quarter of 2032. The DI trust fund is not projected to become depleted in the 75-year projection period. On a combined basis, this year’s report projects the OASDI trust funds to become depleted in the third quarter of 2034.

Annual trust fund ratios—trust fund reserves at the beginning of a year expressed as a percentage of program cost during that year—are used to assess financial adequacy. As stated, “Two tests, both involving trust fund ratios, are used to assess the financial adequacy of the trust funds: the short-range (2026-35) test of financial adequacy and long-range (2026-2100) test of close actuarial balance. The DI fund passes both tests. The OASI fund fails both tests, as do the two funds considered together.” The OASI trust fund ratio is projected to decrease from this year’s estimate of 153.0% to 38.6% in 2032, reaching 0.0% by 2033. Similarly, the OASDI trust fund ratio is projected to decrease from this year’s estimate of 150.9% to 7.3% in 2034, reaching 0.0% by 2035.

In the previous year’s (2025) report, as shown in **Table 2**, the trustees projected that the trust funds’ overall balance (i.e., the total amount of accumulated asset reserves) would decrease. Asset reserves held in the trust funds decreased less than expected during 2025, owing to larger-than-projected revenues relative to larger-than-projected costs.

Since 2010, total costs (i.e., scheduled benefits and administrative costs) have exceeded noninterest revenue (i.e., tax revenues). In 2025, total costs exceeded total revenues (i.e., tax revenues and interest revenue). The same projection is made in the 2026 report (**Table 2**). If this

projection were to be realized, the trust fund asset reserves would continue to decrease. As such, trust fund asset reserves are predicted to decline from their peak value of \$2.91 trillion in 2020 to \$0 sometime in 2034. Upon the trust funds' asset reserves depletion, income from tax revenues is projected to cover approximately 83% of scheduled benefits in 2034 and decrease to 65% by 2100.

**Table 2. Financial Operations for the Social Security Trust Funds in the 2025 and 2026 Trustees Reports**  
In Billions Under the Trustees' Intermediate Assumptions

	2025 (projected)	2025 (actual)	2026 (projected)
Starting trust funds' reserves	\$2,721.5	\$2,721.5	\$2,561.3
Total revenue	1,427.4	1,449.3	1,493.2
Total costs	1,608.9	1,609.5	1,696.8
Change in trust funds' reserves	-181.4	-160.2	-203.6
Ending trust funds' reserves	2,540.0	2,561.3	2,357.7
Trust funds ratio	169.2%	169.1%	150.9%

Source: CRS, based on the 2025 and 2026 OASDI trustees reports.

## Projected Long-Range Financial Outlook

The 2026 report projects a long-range funding shortfall. The shortfall is largely a result of rising costs over the 75-year projection period, primarily due to demographic trends. The ratio of OASDI beneficiaries per 100 covered workers, an indicator of rising costs, is projected to be higher than projected in the 2025 report. The 2026 report projected an average of 48.5 beneficiaries per 100 covered workers over the next 75 years versus 46.2 in last year's report. The historically high projected ratio is reflective of the projected future age distribution and suggests that costs (i.e., monthly benefits) are projected to grow faster than revenues (i.e., dedicated tax revenues). Compared to last year's report, the trustees project annual balances (non-interest revenues minus costs) to be more negative moving forward. On average, annual balances are 0.72 percentage points lower than in last year's report.

If total revenues were to exceed total costs annually, the program would have a *surplus*. If total costs were to exceed total revenues, the program would have a *deficit*. The trustees project the program to have a deficit in 2026—just as in the five previous years—and for all remaining years in the 75-year projection period.

The *actuarial balance*, a summarized measure of the annual surpluses and deficits over the projection period, is one measure of the Social Security's long-range financial position. When the actuarial balance results in higher costs than revenues over the projection period, the program is described as having an *actuarial deficit*. In 2025, the trustees estimated the long-range actuarial deficit over the next 75 years to average 3.82% of *taxable payroll* (i.e., total earnings subject to the OASDI payroll tax with some adjustments). In 2026, the trustees estimate the long-range actuarial deficit over the next 75 years to average 4.42% of taxable payroll. This represents the average increase in the payroll tax rate over the next 75 years that would be needed

for the program to pay full scheduled benefits on time and maintain trust fund reserves equal to one year's cost.

Changes advantageous to the program's long-range outlook (e.g., higher labor productivity) were more than offset by changes disadvantageous to the program (e.g., lower fertility). The 0.60% of taxable payroll increase in the estimated actuarial deficit—from 3.82% to 4.42%—is attributable to three main factors. First, a reduction in the total fertility rate from 1.90 to 1.75 children per women assumes fewer future workers. Second, changes in net immigration projections assume fewer current and future workers. Third, the enactment of P.L. 119-21 will lead to lower program income from the taxation of benefits.

A shifting of the 75-year valuation period—from 2025-2099 to 2026-2100—means that a large negative annual balance for 2100 is now included in the actuarial balance. For comparison purposes: “If the assumptions, methods, starting values, and the law had all remained unchanged from last year, the actuarial deficit would have increased to 3.89 percent of payroll solely due to advancing the valuation period by 1 year, from 2025 through 2099 for last year's report to 2026 through 2100 for this year's report.”

## What Can Be Done?

The trustees project that in eight years, Social Security will be unable to pay scheduled benefits in full and on time. To illustrate the magnitude of the changes needed to make Social Security solvent over the next 75 years under two selected potential options, the trustees estimate the hypothetical payroll tax increase *or* hypothetical benefit reduction needed to maintain solvency (Table 3). These hypothetical changes would have immediate effect and apply to all *current* and *future* workers and beneficiaries. The table also shows estimates for changes that would be needed at the projected 2034 insolvency date. Other potential options exist to increase revenues (e.g. increasing or eliminating the annual payroll tax limit) or to reduce costs (e.g. by adjusting the benefit formula).

**Table 3. Hypothetical Measures to Maintain Solvency**

	2025 Report		2026 Report	
	2025	2034	2026	2034
Payroll tax increase (in percentage points)	3.65	4.27	4.25	4.90
Scheduled benefit reduction	22.4%	25.8%	25.2%	28.5%

Source: CRS, based on the 2025 and 2026 OASDI trustees reports.

In the 2026 report, both the size of the payroll tax increase and the benefit reduction needed to maintain solvency are larger than estimated in 2025. Also, each report shows that larger changes—payroll tax increases or benefit cuts—would be needed as the insolvency date approaches. This characteristic is attributable to the program's rising costs. As in many previous reports, the trustees state, “Implementing changes sooner rather than later would allow more generations to share in the needed revenue increases or reductions in scheduled benefits.” Changes implemented sooner would allow workers and beneficiaries more time to change behavior and adjust expectations.

---

**Barry F. Huston**, Specialist in Social Policy

---

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.