

U.S. DEPARTMENT OF THE TREASURY

Press Center



Remarks by Treasury Secretary Tim Geithner on the Release of the Social Security and Medicare Trustees Reports

5/13/2011

Department of the Treasury

*As Prepared for Delivery**For the Social Security Report, visit [link](#).**For the Medicare Report, visit [link](#).*

The Social Security and Medicare Boards of Trustees met this morning to complete their annual financial review of the programs and to transmit their reports to Congress.

I'd like to welcome my fellow Trustees and particularly our two new Public Trustees, Charles Blahous and Robert Reischauer. Public Trustees are essential to the process of completing these reports, and I am pleased that these two gentlemen are now involved. I also want to acknowledge the chief actuaries, Stephen Goss and Richard Foster, and their staffs. Thank you all for your hard work.

Today's reports make clear that while both Social Security and Medicare have sufficient resources to meet their obligations for at least the next decade, it is important that we put in place reforms to strengthen these programs. Fundamentally, Social Security and Medicare benefits are secure today, but reform will be needed so that they will be there for current and future retirees.

The Social Security program has dedicated resources that will cover benefits for the next 25 years. But in 2036, one year earlier than was projected in last year's report, the Social Security Trust Fund will exhaust its assets and incoming revenues will be insufficient to maintain payment of full benefits. Due to technical changes in the economic assumptions underlying the projections, Medicare's Hospital Insurance Trust Fund will exhaust its assets in 2024, five years earlier than was projected in last year's report. The Medicare report illustrates the importance of the Affordable Care Act, which has significantly strengthened Medicare's finances and extended the life of the Medicare Trust Fund.

The Trustees Reports underscore the need to act sooner rather than later to make reforms to our entitlement programs. Last year, the President and Congress took a timely first step by enacting the most significant entitlement reform in decades. But we must go beyond the Affordable Care Act and identify additional reforms. Americans are living longer, and health care costs are continuing to rise. And if we do not do more to contain health care costs, our commitments will become unsustainable.

In light of these realities, the President recently proposed a balanced, comprehensive framework for deficit reduction. This framework includes health care reforms that will generate substantial additional savings on top of those generated by the Affordable Care Act.

We should not wait for the Trust Funds to be exhausted to make the reforms necessary to protect our current and future retirees. Larger, more difficult adjustments will be necessary if we delay reform. And making reforms soon that are phased in over time would help reduce uncertainty about future retirement benefits.

As the President has said, Social Security and Medicare are more than just government programs. They are commitments that define America as a country where government can make a difference in people's lives. They are commitments that make our society more fair and more progressive. They are commitments that we have kept for generations. Our imperative to make reforms is an imperative to maintain these commitments and to ensure that the next generation of Americans can count on retirement security.

On Monday, May 16 – just three days from today – the United States will reach the debt limit set by Congress. Because Congress has not yet acted, we have now set in motion a series of extraordinary measures that will give Congress some additional time to raise the debt limit. I want to again encourage Congress to move as quickly as possible, so that all Americans will remain confident that the United States will meet all of its obligations – not just our interest payments but also our commitments to our seniors.

