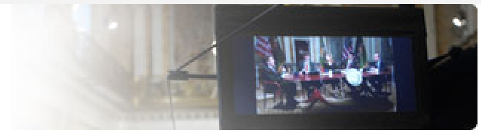
U.S. DEPARTMENT OF THE TREASURY

Press Center



Fact Sheet: Social Security And Medicare Trustees Report

5/31/2013

WASHINGTON - Today the Social Security and Medicare Boards of Trustees issued their annual financial review of the programs. Social Security's retirement and disability programs have dedicated resources sufficient to cover benefits for the next 20 years, until 2033. After 2033, it is expected that the income from the dedicated payroll tax will be sufficient to finance about three quarters of scheduled benefits through 2087.

The Medicare Hospital Insurance Trust Fund will have sufficient funds to cover its obligations until 2026, two years later than was projected last year, and nine years later than was projected in the last Report issued prior to passage of the Affordable Care Act.

Social Security

Taken in combination, the Old Age, Survivor's and Disability Insurance (OASDI) Trust Funds are projected to be exhausted in 2033, at which point annual revenues from the dedicated payroll tax will be sufficient to fund three quarters of scheduled benefits through 2087. Taken independently, the Old Age and Survivor's Insurance (OASI) trust fund is projected to reach exhaustion in 2035, and the Disability Insurance trust fund is expected to reach exhaustion in 2016. Beyond these dates, dedicated payroll tax from each trust fund will be sufficient to pay more than three quarters of scheduled retirement benefits and 80 percent of scheduled disability benefits across the 75-year window.

While legislation is needed to address all of Social Security's financial imbalances, the need has become most urgent with respect to the program's disability insurance component.

Medicare

The Medicare Hospital Insurance (HI) Trust Fund will have sufficient funds to cover its obligations until 2026, two years later than was projected last year, and nine years later than was projected in the last report issued prior to passage of the Affordable Care Act.

After 2026, the share of HI costs that could be financed with dedicated payroll tax revenues would decline slowly from 87 percent in 2026 to about 70 percent in 2050 and later.

###