

U.S. DEPARTMENT OF THE TREASURY

Press Center



Remarks Of Treasury Secretary Jacob J. Lew On The Release Of The Social Security And Medicare Trustees Reports

5/31/2013

For the Social Security report, visit [link](#)

For the Medicare report, visit [link](#) 

As prepared for delivery

WASHINGTON - Let me begin by welcoming my fellow Trustees to Treasury. I also want to thank the chief actuaries, Stephen Goss and Paul Spitalnic, and their staffs for all their hard work on this year's final reports.

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

Social Security and Medicare represent a fundamental obligation we have as a country to provide income and health care security for our fellow citizens. This obligation has been passed down from one generation to the next. And it has stood the tests of recession, war, and, most of all, time.

Social Security and Medicare are meeting their commitments today, and they will continue to meet their commitments in the years ahead. Yet as the Trustees' reports have been indicating for a while now, these programs face long-term challenges. In fact, the projections in this year's report for Social Security are essentially unchanged from last year, and those for Medicare have improved modestly.

As reported last year, when considered on a combined basis, Social Security's retirement and disability programs have dedicated funds sufficient to cover benefits until 2033. After that time, it is expected that ongoing flows of tax income will be sufficient to finance about three-quarters of scheduled benefits.

The Medicare report demonstrates, once again, the importance of the Affordable Care Act, which has strengthened Medicare's finances by reining in health care costs. The health care law has also helped extend the life of the Medicare Hospital Insurance Trust Fund. Overall, Medicare's Hospital Insurance Trust Fund will have resources sufficient to cover full benefits until 2026, two years longer than what was projected in last year's report.

But more must be done. The President recognizes how essential reform is, and he is determined to work on a bipartisan basis to put Social Security and Medicare on a stronger footing. For Social Security, the President is ready to address future shortfalls, and he has put forward a set of principles for reform. These principles underscore the need to find common ground to extend the life of the program while making it clear that changes to Social Security that involve deep cuts in benefits or privatization will be unacceptable.

The President also has a specific plan to further strengthen Medicare. He wants to shrink the cost of health care spending, reduce excessive subsidies to prescription drug companies, and ask wealthy seniors to contribute a little more. This plan will not only make Medicare stronger, it will help lower future budget deficits.

Before I close, let me say that when issuing reports like these, it is easy to get caught up in the numbers. But these reports are not only about numbers. They are about people. They are about the millions of Americans who rely on Social Security and Medicare now. And they are about the millions who will rely on them in the future.

Protecting Social Security and Medicare is one of the most significant challenges we face today as a nation. And it is a challenge we can and must meet.

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