

U.S. DEPARTMENT OF THE TREASURY

Press Center



Remarks By Secretary Lew at the Release of Social Security and Medicare Trustees Reports

6/22/2016

WASHINGTON - Good morning, everyone. Thank you for being here. The Social Security and Medicare Boards of Trustees met earlier today to complete their annual financial review of these two important programs, and approved their final reports. It has been a privilege to serve as chair of this important body for nearly four years, and I want to thank the other members of the Boards for their partnership and many contributions to these critical issues.

For decades, Social Security and Medicare have served as our nation's most successful social insurance programs. These important programs represent stability and economic security for millions of hard-working Americans who contributed to the program during their working years and rely on the benefits into their older years. Ensuring the long-term solvency of these programs for today's retirees, and the retirees of future generations, is among our Nation's greatest responsibilities.

Today's report confirms that the Bipartisan Budget Act of 2015 addressed the immediate fiscal challenge of the Disability Insurance program. Social Security and Medicare remain secure in the medium-term. Nevertheless, future solvency challenges for both programs remain.

In last year's report, the Trustees projected a depletion in 2016 of the Social Security Disability Insurance Trust Fund. Provisions in the Bipartisan Budget Act of 2015, combined with updated programmatic, demographic, and economic information, postponed the projected depletion of the SSDI Trust Fund by seven years, from 2016 to 2023.

Even though the Old Age and Survivors Insurance Trust Fund and the SSDI Trust Fund are legally separate, the Trustees often consider the combined financial status of these two OASDI Trust Funds. The Trustees project that the combined trust funds will be depleted in 2034, the same year projected in last year's report.

And the reports continue to reflect the positive impact of the Affordable Care Act on our nation's health care system. Since the law was passed, increases to health care costs have slowed substantially. Nevertheless, the projections suggest that the Medicare Trust Fund will be depleted in 2028, and Medicare faces a substantial long-term shortfall that needs to be addressed.

Today's reports, like those of recent years, show that we have some time to address the fiscal challenges faced by the vitally important Trust Fund programs. But reform will be needed, and Congress should not wait until the eleventh hour to address the fiscal challenges given that they represent the cornerstone of economic security for seniors in our country. In doing so, the first challenge is to ensure solvency for future generations of Americans, and at the same time we should expand and finance improved Social Security benefits, particularly for the most vulnerable.

Thank you.

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