A PLAIN-ENGLISH FACT CHECK

PROMISES AND PAYCHECKS

The Story of Social Security from 1935 to Today



TRUST FUNDS · PAYROLL TAX · BENEFITS · CLAIMS

Where the Money Came From, Where It Went, and What the Records Say About It

ANDREW DOMINGUEZ

TRINFINITY Enterprises

Promises and Paychecks

The Story of Social Security from 1935 to Today

A Fact Check Series Book

Andrew Dominguez

Trinfinity Enterprises

Promises and Paychecks: The Story of Social Security from 1935 to Today

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Every factual statement is footnoted to a source a reader can open. Where I could not confirm something, the text says so with the tag [Not verified].

First edition, 2026.

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Introduction: How to Read This Book

Almost everybody I know has an opinion about Social Security. Some of those opinions came from a parent, some from a coworker, and a lot of them came from an email that got forwarded a few hundred times. I wanted to know which of those stories hold up, so I went to the records: the law itself, the Trustees Reports, the actuaries' tables and the history files the Social Security Administration (SSA) keeps on its own website.

This book is what I found. It tells the story of the program from the hard times that produced it in the 1930s to where it stands as of November 12, 2026. It follows the money year by year. And it tests the most common claims people make about the program, from "Congress raided the trust fund" to "dead people are getting checks."

The date this book stops

Everything here is current as of November 12, 2026. The newest Trustees Report is the 2026 report, released in June 2026. When I give a current number, I say what date it is from. If you read this later, some numbers will have changed.

Facts, interpretations and unknowns

I keep three kinds of statements apart:

- Confirmed facts: what the records show. Each one has a footnote.
- Interpretations: what someone concludes from the facts. I say whose interpretation it is.
- Unknowns: what the records do not settle yet. I say so plainly.

When I could not find a source for something, I mark it [Not verified] and say what I searched. I would rather tell you I don't know than guess.

Where the facts come from

I used sources in this order of preference: first the law and official records (the Social Security Act, SSA's historians and actuaries, the Trustees Reports, the Inspector General, the courts); then nonpartisan government analysts such as the Congressional Research Service (CRS); then research centers; then news reports and polls; and last, advocacy groups, used only to show what a side argues. Every footnote gives the title, who published it, a link and the date I checked it.

Dollars

Old dollar amounts can fool you. A $22 check in 1940 bought far more than $22 does today. When I compare across years, I say whether a number is nominal (the dollars of that year) or adjusted for inflation, and to which year. I use the Consumer Price Index for All Urban Consumers (CPI-U) from the Bureau of Labor Statistics (BLS) and put everything in 2025 dollars, the last full year of data.

The four verdicts

Part Seven tests popular claims. Each claim gets one of four verdicts:

The four verdicts used in this book

Verdict	What it means
True	Primary sources confirm it as usually stated.
Partly true	There is a real fact underneath, but the usual version leaves out or twists something important. I say exactly which part is true.
False (debunked)	Primary sources contradict it.
Inconclusive	The evidence is not enough to say either way, or an investigation is still open. I say what would settle it.

A few terms up front

Social Security's formal name is Old-Age, Survivors, and Disability Insurance (OASDI). The money runs through two trust funds: the Old-Age and Survivors Insurance (OASI) Trust Fund, which pays retirement and survivor benefits, and the Disability Insurance (DI) Trust Fund. A cost-of-living adjustment (COLA) is the yearly increase that keeps benefits in step with prices. The payroll tax is often called FICA, after the Federal Insurance Contributions Act, the part of the law that collects it. I define other terms as they come up, and Appendix C has a glossary.

Part One: Before Social Security

Chapter 1: Growing Old in Hard Times

Ask yourself a simple question: before 1935, what happened to a working person who got too old to work? For most of American history the answer was family, savings if you had any, charity, or the county poorhouse. SSA's historians boil the old ways down to four things people leaned on: assets, labor, family and charity.[1]

This chapter walks through how those four supports worked, why they were breaking down by the 1930s, and what the numbers looked like when the Depression hit. I think you need that background to judge the program that came next. A lot of what people argue about today, from "earned benefits" to "welfare," goes back to choices made because of what Americans saw in those years.

The old ways of getting by

The rules Americans first used for the poor came from England. The English Poor Law of 1601 set up local taxes to fund relief, split the poor into the "deserving" and the "undeserving," kept relief under local control, and in time led to almshouses for people on relief. The colonists brought that model with them, and for nearly a century there were no public institutions for the poor and no standard rules for who qualified. Town elders decided who was worthy and what help they got.[2]

As the colonies grew, local systems strained, and the answer was the almshouse and the poorhouse. Through much of the 18th and 19th centuries, most poverty relief was given inside those institutions, and it was made unpleasant on purpose to "discourage" dependency. People on relief could lose their personal property, the right to vote and the right to move, and in some places they had to wear a large "P" on their clothing.[3]

Help given outside the poorhouse was called "outdoor relief," and most citizens distrusted it. Even as late as 1915, by the historians' count, at most a quarter of the money spent on outdoor relief came from public funds.[4] The rest came from private charity. So when people say Americans used to take care of their own, that is partly true. It is also true that the help was thin, local and often humiliating.

Private groups filled some of the gap. Guilds in the Middle Ages and the "friendly societies" that began in England in the 16th century pooled money to help members who were sick, poor or had died. American fraternal groups followed the same idea: the Freemasons came to America in

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[1] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[2] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[3] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[4] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

1730, the Odd Fellows in 1819, the Elks in 1868, the Moose in 1888 and the Eagles in 1898.[5] Some of these groups sold members life insurance, which was a step toward the idea of pooling risk.[6]

An early American idea

The idea of a public pension is older than most people think. In the winter of 1795, Thomas Paine published his last great pamphlet, Agrarian Justice. He proposed a 10 percent tax on inherited property to build a fund that would pay every citizen a one-time stipend of 15 pounds sterling at age 21 and an annual benefit of 10 pounds sterling to everyone 50 and older.[7] Nothing came of it at the time, but SSA's historians count it as one of the first proposals in America that looks like a forerunner of social insurance.[8]

Civil War pensions: America's first try

The closest thing to Social Security before 1935 was the pension system for Union veterans of the Civil War. The war left hundreds of thousands of widows and orphans and hundreds of thousands of disabled veterans. SSA's historians note that right after the war, a higher share of the population was disabled or had lost a breadwinner than at any other time in the country's history.[9]

The program grew in steps. The first law, in 1862, paid benefits for disabilities caused by military duty, and widows and orphans could draw what the soldier would have received. In 1890 the link to a service-connected disability was dropped, so any disabled Union veteran qualified. In 1906 old age by itself became enough to qualify. By 1910, more than 90 percent of the remaining Civil War veterans were getting benefits, though they made up barely 0.6 percent of the population.[10]

The money was big for its time. In 1893 the $165 million spent on military pensions (nominal dollars) was the largest single expense the federal government had ever made, and in 1894 military pensions were 37 percent of the entire federal budget.[11] But the coverage had a large hole. Former Confederate soldiers and their families were barred. In 1910 the average military

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[5] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[6] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[7] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[8] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[9] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[10] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[11] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

pension spending per resident was $3.36 in Ohio and $3.90 in Indiana, but less than 50 cents in the Southern states and 17 cents in South Carolina (all nominal dollars).[12]

The pensions also had a long tail. Young women sometimes married elderly veterans whose pensions they could inherit as widows, and SSA's historians report that Civil War widows were still drawing pensions as late as 1999.[13] That is worth remembering when people talk about how long a promise made by Congress can last.

Still, the Civil War system never spread to the general public. It covered one group, for one reason.[14] A worker who had never worn a uniform had no such protection.

Company pensions

Some employers stepped in, but not many. Before formal plans existed, some companies "graduated" older workers to token jobs at lower pay, and a few paid a retirement stipend if they felt like it. Most older workers were simply let go.[15]

One of the first formal plans for industrial workers came in 1882 from the Alfred Dolge Company, which built pianos and organs. Dolge held back 1 percent of each worker's pay and added 6 percent interest a year. The plan required many years of steady work with the company, so few workers ever benefited, and it disappeared when the company went out of business a few years later.[16]

The bigger picture was bleak. In 1900 only five companies in the United States offered their industrial workers a pension. As late as 1932, only about 15 percent of the labor force had any kind of possible job-related pension, and because employers could often grant or withhold it at will, only about 5 percent of the elderly were actually receiving a retirement pension in 1932.[17] The Committee on Economic Security later counted about 150,000 older people drawing industrial and union pensions, at a cost of more than $100 million a year (nominal).[18]

You might ask, "Why didn't more companies offer pensions?" Part of the answer is that a company pension tied a worker to one employer. If you changed jobs, you usually lost it. SSA's historians note that some companies used the threat of losing a pension on purpose to keep workers from leaving, and that some fired older workers shortly before they would have

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[12] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[13] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[14] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[15] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[16] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[17] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[18] Committee on Economic Security, "Report of the Committee on Economic Security" (January 1935), SSA Historian's Office, https://www.ssa.gov/history/reports/ces/ces5.html (accessed November 12, 2026).

qualified.[19] That problem, called portability, comes back in Chapter 3 when Congress fought over the Clark Amendment.

A country that moved to the city

The old answers depended on farms and big families. SSA's historians name four changes, starting in the mid-1880s, that wore those answers down: the Industrial Revolution, the move to cities, the decline of the extended family, and a big jump in life expectancy.[20]

On a farm, anyone willing to work could usually scrape out a living, and an aging parent could stay useful and fed. In a factory town, income was a paycheck, and a recession, a layoff or a failed business could take it away no matter how hard you worked.[21] In 1890 only 28 percent of Americans lived in cities, and by 1930 that share had doubled to 56 percent. The year 1920 was the tipping point, when for the first time more Americans lived in cities than on farms.[22]

Families changed too. For most of the country's history, people lived in extended families that included grandparents and other relatives, and the working members supported the ones who were too old or sick to work. When young people left the farm for city jobs, the older generation often stayed behind.[23]

And people were living longer. Between 1900 and 1930 average life spans rose by 10 years, which SSA's historians call the fastest increase in recorded history. The number of older Americans grew to 7.8 million by 1935.[24] The Committee on Economic Security counted 6.5 million people over 65 in 1930, or 5.4 percent of the population, and projected that the share would reach 9.3 percent by 1960 and 10 percent by 1975.[25] More old people, living longer, with fewer family members nearby, meant the old system was carrying a heavier load every year.

How poor were the old?

Good national data from that time is thin, and the people who studied it said so. The Committee on Economic Security, writing in January 1935, relied on a few state surveys. Connecticut (1932) and New York (1929) found that nearly half of their people 65 and older had income of less than

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[19] Larry DeWitt, SSA Historian's Office, "The Clark Amendment to the 1935 Social Security Act," Research Note #9, August 2000, https://www.ssa.gov/history/clarkamend.html (accessed November 12, 2026).

[20] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[21] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[22] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[23] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[24] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[25] Committee on Economic Security, "Report of the Committee on Economic Security" (January 1935), SSA Historian's Office, https://www.ssa.gov/history/reports/ces/ces5.html (accessed November 12, 2026).

$25 a month (nominal), and 34 percent of older people in Connecticut had no income at all.[26] The committee's "conservative estimate" was that at least half of the roughly 7.5 million Americans over 65 were dependent on someone else.[27]

Old age in America as the Committee on Economic Security saw it (report of January 1935)

Measure	What the committee reported
People over 65 in 1930	6,500,000, or 5.4 percent of the population
People over 65 "now living" (about 1934)	About 7,500,000
Share of the aged who were dependent	At least one-half (the committee called this a conservative estimate)
People over 65 on federal emergency relief lists	About 700,000
Old people getting public charity of any kind	Probably more than 1,000,000
People getting state old-age pensions	About 180,000, average $19.74 a month (nominal)
People getting industrial and trade-union pensions	About 150,000

Sources: Report of the Committee on Economic Security.[28] The two counts of older Americans (7.5 million here, 7.8 million by 1935 in SSA's history) are estimates from different sources and dates.

The committee also noted where most help really came from. Children, friends and relatives carried "the major cost of supporting the aged," and several state surveys found that 30 to 50 percent of people over 65 were being supported that way. The Depression made that load "unbearable for many of the children."[29] SSA's historians put it more bluntly: the best estimates are that in 1934 more than half of older Americans did not have enough income to support themselves.[30]

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[26] Committee on Economic Security, "Report of the Committee on Economic Security" (January 1935), SSA Historian's Office, https://www.ssa.gov/history/reports/ces/ces5.html (accessed November 12, 2026).

[27] Committee on Economic Security, "Report of the Committee on Economic Security" (January 1935), SSA Historian's Office, https://www.ssa.gov/history/reports/ces/ces5.html (accessed November 12, 2026).

[28] Committee on Economic Security, "Report of the Committee on Economic Security" (January 1935), SSA Historian's Office, https://www.ssa.gov/history/reports/ces/ces5.html (accessed November 12, 2026).

[29] Committee on Economic Security, "Report of the Committee on Economic Security" (January 1935), SSA Historian's Office, https://www.ssa.gov/history/reports/ces/ces5.html (accessed November 12, 2026).

[30] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

State pensions that barely worked

Some states tried. Old-age pension laws spread in the years just before 1935, and by 1935 thirty states had some form of old-age pension program. But SSA's history describes them as "generally inadequate and ineffective." Only about 3 percent of the elderly were getting benefits under them, and the average benefit was about 65 cents a day.[31]

Why so few? Many older people did not want to "go on welfare." Strict rules kept many poor seniors out. Some states had laws on the books but never put them into effect. Many laws let each county decide whether to take part, and in 1929, in the six states with working pension laws, only 53 of the 264 eligible counties actually set up a plan.[32] By 1932 seventeen states had old-age pension laws, none of them in the South, and 87 percent of the money spent under those laws went to just three states: California, Massachusetts and New York.[33] The most generous state plan paid a maximum of $1 a day (nominal).[34]

These were "pensions" in the language of the time, which meant welfare: you had to prove you were needy to get one.[35] Keep that word in mind. When people in the 1930s said "old-age pension," they usually meant a means-tested welfare check, not the work-based insurance that Social Security became.

Other countries had moved first

The United States was late. The idea of social insurance, where workers and employers pay in and workers draw benefits as a matter of right, began in Europe. Germany adopted it in 1889 at the urging of Chancellor Otto von Bismarck. By the time America acted in 1935, SSA counts 34 nations already running some form of social insurance, about 20 of them contributory programs like the one the United States would adopt.[36]

Not every country started with insurance. A 2001 study by SSA's Historian's Office notes that France (1905) and Great Britain (1908) first set up non-contributory, means-tested old-age programs, while Belgium and Spain tried voluntary plans with government help. All of them dropped those first approaches for contributory social insurance within about two decades.[37] The same study says the Committee on Economic Security leaned heavily on a 1932 study of

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[31] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[32] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[33] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[34] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[35] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[36] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[37] Lillian Liu, SSA Historian's Office, "Foreign Social Security Developments Prior to the Social Security Act," Special Study #8, December 2001, https://www.ssa.gov/history/pre1935.html (accessed November 12, 2026).

foreign programs by Barbara Armstrong, a University of California law professor whom the committee hired to direct its old-age security studies.[38]

American thinkers had been arguing for this for years. Henry Seager, a Columbia University economist, wrote in his 1910 book Social Insurance, A Program of Social Reform: "The proper method of safeguarding old age is clearly through some plan of insurance... for every wage earner to attempt to save enough by himself to provide for his old age is needlessly costly."[39] In 1912, Theodore Roosevelt's Progressive Party platform pledged "The protection of home life against the hazards of sickness, irregular employment, and old age through the adoption of a system of social insurance adapted to American use."[40]

Then the Depression hit

The Great Depression of the 1930s was not the country's first. SSA's historians count it as the third depression of the modern era, after collapses in the 1840s and 1890s. In 1894, Jacob Coxey of Ohio called on the jobless to march on Washington. Tens of thousands started out, about 500 arrived, and Coxey was arrested for walking on the Capitol grass.[41] The march failed, but it showed that in an industrial economy, losing your job could happen to anyone.

Then came October 1929. The stock market began to plunge on the morning of October 24, and within three months it had lost 40 percent of its value, wiping out $26 billion (nominal). Unemployment passed 25 percent, about 10,000 banks failed, and the Gross National Product fell from $105 billion in 1929 to $55 billion in 1932. Wages paid to workers fell from $50 billion to $30 billion over the same years (all nominal dollars).[42]

The Committee on Economic Security described the country it was studying this way: 18 million people, including children and the aged, depended on emergency relief, and about 10 million workers had no job other than relief work.[43] Frances Perkins, who chaired that committee, later recalled the "unpaid rent, the eviction notices, the furniture and bedding on the sidewalk" of those years.[44]

President Herbert Hoover's main response was to call for voluntary effort, which had worked for him in feeding Europe after World War I. SSA's historians argue it could not work this time,

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[38] Lillian Liu, SSA Historian's Office, "Foreign Social Security Developments Prior to the Social Security Act," Special Study #8, December 2001, https://www.ssa.gov/history/pre1935.html (accessed November 12, 2026).

[39] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[40] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[41] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[42] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[43] Committee on Economic Security, "Report of the Committee on Economic Security" (January 1935), SSA Historian's Office, https://www.ssa.gov/history/reports/ces/ces5.html (accessed November 12, 2026).

[44] Frances Perkins, "The Roots of Social Security," speech at Social Security Administration headquarters, Baltimore, Maryland, October 23, 1962, SSA Historian's Office, https://www.ssa.gov/history/perkins5.html (accessed November 12, 2026).

because the nation's total wealth was cut in half in the first three years after the crash.[45] You can read that as a fair judgment or as hindsight. Either way, the old supports of savings, family and charity were all failing at once. Banks took people's savings, layoffs took their wages, and children who had supported their parents could no longer do it. Letters poured into the White House by the thousands. One woman in South Carolina wrote, "I'm 72 years old and have no one to take care of me."[46]

The pressure for something new grew fast, and much of it came from the bottom up, as the next chapter shows.

Chapter 2: The Movements That Forced the Issue

Social Security did not come out of nowhere. Millions of Americans were organizing for something much bigger, and the people in Washington knew it. Some of the plans were careful. Many were not. But together they told Congress that older voters wanted action, and that a plan with no answer for the elderly would not survive.

Dr. Townsend's plan

Francis Townsend was a doctor in Long Beach, California. In 1933 he found himself out of work at age 66, with no savings. He published a plan in a local newspaper that year: the government would pay $200 a month to every citizen age 60 and older, funded by a 2 percent national sales tax. Retirees would have to spend the money within 30 days.[47] In his 1943 autobiography, Townsend dated the first version, a letter to the editor of the Long Beach Press-Telegram, to September 30, 1933.[48] (SSA's brief history says "early 1933," so the sources differ on the month.)[49]

His letter put it simply: "I suggest that the national government retire all who reach that age on a monthly pension of $200 a month or more, on condition that they spend the money as they get it."[50] The plan had three rules: you had to be retired, your past had to be "free from habitual criminality," and you had to spend the money in the United States within 30 days.[51] There was

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[45] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[46] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[47] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[48] SSA Historian's Office, "Excerpts From Francis Townsend's Autobiography" (New Horizons, 1943), https://www.ssa.gov/history/towns8.html (accessed November 12, 2026).

[49] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[50] SSA Historian's Office, "Excerpts From Francis Townsend's Autobiography" (New Horizons, 1943), https://www.ssa.gov/history/towns8.html (accessed November 12, 2026).

[51] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

no means test and no work record needed. A millionaire and a pauper would get the same check.[52]

The response stunned everyone. Within about two years there were 7,000 Townsend Clubs with more than 2.2 million members pushing to make the plan law.[53] At one point in 1936 Townsend delivered petitions to Congress with 10 million signatures, and SSA reports that public opinion surveys in 1935 found 56 percent of Americans favored the plan.[54]

Why did economists call it a "crackpot scheme"? SSA's research note does the math. About 12 million Americans were 60 or older in 1935. At $200 each, the plan would pay out about $2.4 billion a month, or almost $29 billion a year, at a time when the total income of everyone in the country in 1933 was only $46 billion (all nominal). That was more than double all federal, state and local taxes then being collected.[55] For comparison, the 1935 Social Security Act promised monthly benefits of $10 to $85.[56]

Townsend's supporters saw it differently. In his telling, the plan was mainly a cure for the Depression: retiring older workers would open jobs for younger ones, and forcing retirees to spend their checks would get money moving again.[57] CRS reports that Townsend told the House Ways and Means Committee in 1935 that the pension was only incidental, and that his real goals were to solve unemployment and restore prosperity by giving people buying power.[58]

The plan never passed, but it kept coming back. On April 18, 1935, a version offered on the House floor was rejected 56 to 206.[59] On June 1, 1939, the House rejected the Townsend bill again, 97 to 302.[60] As late as November 1949, 179 members of the House signed a discharge petition to force a floor vote on it, about 39 short of the number needed.[61] SSA's historians say

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[52] SSA Historian's Office, "The Townsend Plan's Pension Scheme," Research Note #17, https://www.ssa.gov/history/townsendproblems.html (accessed November 12, 2026).

[53] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[54] SSA Historian's Office, "The Townsend Plan's Pension Scheme," Research Note #17, https://www.ssa.gov/history/townsendproblems.html (accessed November 12, 2026).

[55] SSA Historian's Office, "The Townsend Plan's Pension Scheme," Research Note #17, https://www.ssa.gov/history/townsendproblems.html (accessed November 12, 2026).

[56] SSA Historian's Office, "The Townsend Plan's Pension Scheme," Research Note #17, https://www.ssa.gov/history/townsendproblems.html (accessed November 12, 2026).

[57] SSA Historian's Office, "Excerpts From Francis Townsend's Autobiography" (New Horizons, 1943), https://www.ssa.gov/history/towns8.html (accessed November 12, 2026).

[58] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[59] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[60] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[61] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

the movement finally ran out of steam after the 1950 Amendments made Social Security benefits much larger.[62]

Huey Long and "Share Our Wealth"

Huey Long, a former governor of Louisiana elected to the U.S. Senate in 1930, offered something even bigger. His Share Our Wealth plan called for the federal government to guarantee every family an annual income of $5,000, to cap private fortunes at $50 million, and to give an old-age pension to everyone over 60. His slogan was "Every Man a King." By 1935 the movement claimed 27,000 local clubs with 7.7 million members.[63]

The plan also proposed limits of $5 million on inheritances and $1 million on yearly income, and SSA's historians say the $5,000 was meant to cover the basics of a decent life, including a home, a job, a radio and a car.[64] When the Social Security bill reached the Senate floor, Long offered an amendment on June 17, 1935, to make the old-age assistance program more generous and drop the payroll taxes, with states taxing wealth or property instead. It was rejected by voice vote.[65]

Father Coughlin

A radio priest, Father Charles E. Coughlin, reached an audience SSA's historians put at 35 to 40 million listeners a week, mixing religion and politics in attacks on Roosevelt, bankers and others.[66] He led a movement called the Union for Social Justice, and his program included deliberately inflating the currency and nationalizing the banks.[67]

Coughlin had been an early supporter of Roosevelt, but by 1935 he had turned on him, calling him "Franklin Double-Crossing Roosevelt."[68] SSA's historians also describe him as an anti-Semite and isolationist whose views grew so extreme that the Catholic Church censured him and

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[62] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[63] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[64] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[65] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[66] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[67] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[68] SSA Historian's Office, "John G. Winant: First Chairman of the Social Security Board," May 1999, https://www.ssa.gov/history/mywinantarticle.html (accessed November 12, 2026).

made him stop his political activity.[69] In 1936, Coughlin, Townsend and what was left of Long's movement joined to form a third party to try to keep Roosevelt from being re-elected.[70]

California's pension fever

California was a hotbed of pension plans, and two of them nearly won. In 1934 the novelist Upton Sinclair, a socialist who switched his registration to run as a Democrat, won the party's nomination for governor with his End Poverty in California (EPIC) plan. Point 10 promised $50 a month to all needy people over 60 who had lived in the state at least three years. Sinclair got 37 percent of the vote to the Republican's 48 percent, with a third-party progressive taking 13 percent.[71]

Then came "Ham and Eggs," a plan to pay every unemployed Californian age 50 and older in state-issued scrip. Its rallying cry was "$30 every Thursday." The movement had more than 300,000 members, the winning Democratic candidate for governor in 1938 openly backed it, and it went on the ballot that year. It lost narrowly, 1,143,670 for to 1,398,999 against.[72] SSA's historians say the movement was run by "a succession of characters of questionable integrity," yet more than a million Californians believed in it, which they take as proof of how hungry the public was for help.[73]

Other plans

The list goes on. In Ohio, Reverend Herbert Bigelow pushed a state amendment for $50 a month ($80 for married couples) for people over 60 without work, paid for by higher real estate and income taxes. It drew nearly half a million votes before it was defeated.[74] A Washington group called the General Welfare Federation of America called the new Social Security Act a "great American fraud" and proposed $30 to $60 a month for everyone 60 and older, funded by a 2 percent gross income tax. Its bill died in a House committee in 1939.[75] The Technocracy movement, which claimed half a million members in California in 1934, promised retirement at 45 for everyone once engineers ran the economy.[76]

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[69] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[70] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[71] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[72] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[73] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[74] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[75] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[76] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

On the left, Representative Lundeen, a Farmer-Laborite from Minnesota, offered a plan for social insurance for all workers and farmers who could not work because of illness, old age, maternity, injury or unemployment, financed mainly by taxes on higher incomes, inheritances and gifts. It was offered as a House amendment in April 1935 and lost on a teller vote, 40 to 158.[77]

Frances Perkins later said the Townsend Plan seemed to have started a national habit of plan-writing. She recalled that 2,000 social plans had been filed with the Secretary of Labor in a single year, with thousands more on the President's desk.[78]

Why it matters

You might ask, "Did these movements really shape the law?" The record shows the pressure was real and large. Whether it changed the details of the bill is an interpretation. What is clear is that by 1934 doing nothing was no longer an option for the President or Congress.

The people who were there disagreed about how the pressure worked, and both views are worth hearing. Frances Perkins credited Townsend with forcing Congress to pay attention. "The wandering boys didn't have any votes," she said in 1962. "But the aged people lived in one place and they had votes, so every Congressman had heard from the Townsend Plan people."[79] She called him "a good old man" who "meant well."[80]

Edwin Witte, who ran the staff that wrote the bill, saw a downside. He said in 1955 that the Townsend Plan had "the effect of delaying action on the Social Security Act," because it "deprived the Administration's social security proposals of the support of the old people, who were among its greatest beneficiaries." Few members of Congress thought the plan could work, he said, but many feared that voting for the moderate bill would anger older voters.[81]

SSA's own historians frame the 1935 law as the moderate choice between doing nothing and the radical plans. They call it "a moderately conservative, yet activist, response" to the Depression.[82] That is their reading. A Townsend supporter at the time would have called it far too little. A

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[77] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[78] Frances Perkins, "The Roots of Social Security," speech at Social Security Administration headquarters, Baltimore, Maryland, October 23, 1962, SSA Historian's Office, https://www.ssa.gov/history/perkins5.html (accessed November 12, 2026).

[79] Frances Perkins, "The Roots of Social Security," speech at Social Security Administration headquarters, Baltimore, Maryland, October 23, 1962, SSA Historian's Office, https://www.ssa.gov/history/perkins5.html (accessed November 12, 2026).

[80] Frances Perkins, "The Roots of Social Security," speech at Social Security Administration headquarters, Baltimore, Maryland, October 23, 1962, SSA Historian's Office, https://www.ssa.gov/history/perkins5.html (accessed November 12, 2026).

[81] Edwin E. Witte, "Reflections on the Beginnings of Social Security," remarks at the 20th anniversary of the Social Security Act, August 15, 1955, SSA Historian's Office, https://www.ssa.gov/history/witte4.html (accessed November 12, 2026).

[82] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

business owner who opposed any new tax would have called it too much. The next chapter shows how Congress sorted through those views.

Part Two: Building It, 1934 to 1939

Chapter 3: The Committee and the 1935 Act

Roosevelt's June 8, 1934 message

On June 8, 1934, President Franklin D. Roosevelt told Congress he intended to propose a program for social security. He then created, by executive order, the Committee on Economic Security (CES), made up of five top cabinet-level officials, to study "the entire problem of economic insecurity" and recommend legislation.[83]

The June 8 message is worth reading, because it laid out ideas that still shape the program. Roosevelt said: "Next winter we may well undertake the great task of furthering the security of the citizen and his family through social insurance." He wanted one plan for several risks, "especially those which relate to unemployment and old age." And he set the money rule early: "I believe that the funds necessary to provide this insurance should be raised by contribution rather than by an increase in general taxation."[84]

He also tied the idea to the past rather than presenting it as something radical. "This seeking for a greater measure of welfare and happiness does not indicate a change in values," he said. "It is rather a return to values lost in the course of our economic development and expansion."[85]

The Committee on Economic Security

Labor Secretary Frances Perkins chaired the committee. The other members were Treasury Secretary Henry Morgenthau Jr., Attorney General Homer Cummings, Agriculture Secretary Henry Wallace and relief administrator Harry Hopkins. Professor Edwin Witte ran its staff as executive director.[86] Roosevelt's Executive Order No. 6757, dated June 29, 1934, set it up and told it to report by December 1, 1934.[87]

The committee had four parts: the cabinet group that made the final decisions; an Advisory Council of 23 private citizens; a Technical Board of 21 federal officials below cabinet level, chaired by Arthur J. Altmeyer of the Labor Department; and Witte as executive director. At its peak about 100 people worked on the staff.[88] Witte was an economics professor from the

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[83] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[84] SSA Historian's Office, "FDR's Statements on Social Security" (texts of Franklin D. Roosevelt's messages, orders and statements, 1934-1944), https://www.ssa.gov/history/fdrstmts.html (accessed November 12, 2026).

[85] SSA Historian's Office, "FDR's Statements on Social Security" (texts of Franklin D. Roosevelt's messages, orders and statements, 1934-1944), https://www.ssa.gov/history/fdrstmts.html (accessed November 12, 2026).

[86] SSA Historian's Office, "The Committee on Economic Security," https://www.ssa.gov/history/ces.html (accessed November 12, 2026).

[87] SSA Historian's Office, "FDR's Statements on Social Security" (texts of Franklin D. Roosevelt's messages, orders and statements, 1934-1944), https://www.ssa.gov/history/fdrstmts.html (accessed November 12, 2026).

[88] SSA Historian's Office, "The Committee on Economic Security," https://www.ssa.gov/history/ces.html (accessed November 12, 2026).

University of Wisconsin, and one of his first hires was a young Wisconsin graduate named Wilbur Cohen, who would work on Social Security for more than 50 years.[89]

The committee worked fast. In slightly more than six months it produced a report to Congress and a draft bill.[90] Most of the staff did not start until late August 1934, and the whole effort cost $145,000 (nominal).[91] Perkins later said Congress authorized the committee but gave it no money, so Roosevelt told her to borrow staff from other agencies. "Go get some of Harry's money," he said. She took $125,000 from Harry Hopkins's relief funds on the promise that it would be used only to hire people who were unemployed.[92]

In late August, Roosevelt met with Perkins, Altmeyer, Witte and committee lawyer Thomas Eliot. Witte's notes say the President wanted all forms of social insurance to "be self-supporting, without subsidies from general tax sources," though he understood that people already old and poor would need help from general revenue. Roosevelt also still believed, Witte wrote, that the only long-term answer for old age was a compulsory old-age insurance system.[93]

A locked door and a cup of tea

Two stories Perkins told years later show how the committee worked. The first is about unemployment insurance, which split the committee for weeks between a purely federal plan and a federal-state plan. Members would vote one way, then call her to reopen the question. With the report due within a week, she invited them to her house after dinner and told them she would lock the door until they settled it. They stayed until about 2 a.m. and chose a federal-state system. "I laid out a couple of bottles of something or other to cheer their lagging spirits," she said.[94]

The second is about the Constitution. The committee's lawyers could not agree on what legal power would let Congress create the program. Perkins said that at a tea at the home of Supreme Court Justice Harlan Stone, she mentioned the problem, and Stone leaned in and told her: "The taxing power, my dear, the taxing power. You can do anything under the taxing power." She said she never told the committee where the idea came from.[95] SSA's historians confirm that the

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[89] SSA Historian's Office, "The Committee on Economic Security," https://www.ssa.gov/history/ces.html (accessed November 12, 2026).

[90] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[91] SSA Historian's Office, "The Committee on Economic Security," https://www.ssa.gov/history/ces.html (accessed November 12, 2026).

[92] Frances Perkins, "The Roots of Social Security," speech at Social Security Administration headquarters, Baltimore, Maryland, October 23, 1962, SSA Historian's Office, https://www.ssa.gov/history/perkins5.html (accessed November 12, 2026).

[93] SSA Historian's Office, "The Committee on Economic Security," https://www.ssa.gov/history/ces.html (accessed November 12, 2026).

[94] Frances Perkins, "The Roots of Social Security," speech at Social Security Administration headquarters, Baltimore, Maryland, October 23, 1962, SSA Historian's Office, https://www.ssa.gov/history/perkins5.html (accessed November 12, 2026).

[95] Frances Perkins, "The Roots of Social Security," speech at Social Security Administration headquarters, Baltimore, Maryland, October 23, 1962, SSA Historian's Office, https://www.ssa.gov/history/perkins5.html (accessed November 12, 2026).

committee chose the taxing power, rather than the power to regulate commerce, as the legal base for the program, and that Congress agreed.[96] Whether a sitting justice really gave that advice rests on Perkins's memory alone; I found no other record of it.

What the committee recommended

The committee sent its report to the President in early January 1935.[97] For old age, it proposed three things working together: non-contributory old-age pensions for people already old and poor, "compulsory contributory annuities" for workers, and voluntary annuities that people could buy.[98]

The committee wanted the federal government to pay half the cost of state old-age pensions, up to $15 a month per person. For the work-based system, it proposed a combined contribution of 1 percent of payroll, split between employer and worker, rising by 1 percent every five years to a top rate of 5 percent after 20 years.[99] It explained why it preferred the contributory approach: those annuities "come to the workers as a right," while welfare pensions require a means test.[100]

The committee also put health insurance aside for the time being. "We are not prepared at this time to make recommendations for a system of health insurance," the report said.[101] Roosevelt said the same thing in his message to Congress.[102] Health insurance, disability insurance and survivors benefits were all missing from the final plan. SSA's historians note that they came later: one almost immediately, one about 20 years later and one about 30 years after that.[103] (Chapter 6 covers disability and Medicare.)

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[96] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

[97] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[98] Committee on Economic Security, "Report of the Committee on Economic Security" (January 1935), SSA Historian's Office, https://www.ssa.gov/history/reports/ces/ces5.html (accessed November 12, 2026).

[99] Committee on Economic Security, "Report of the Committee on Economic Security" (January 1935), SSA Historian's Office, https://www.ssa.gov/history/reports/ces/ces5.html (accessed November 12, 2026).

[100] Committee on Economic Security, "Report of the Committee on Economic Security" (January 1935), SSA Historian's Office, https://www.ssa.gov/history/reports/ces/ces5.html (accessed November 12, 2026).

[101] Committee on Economic Security, "Report of the Committee on Economic Security" (January 1935), SSA Historian's Office, https://www.ssa.gov/history/reports/ces/ces5.html (accessed November 12, 2026).

[102] SSA Historian's Office, "FDR's Statements on Social Security" (texts of Franklin D. Roosevelt's messages, orders and statements, 1934-1944), https://www.ssa.gov/history/fdrstmts.html (accessed November 12, 2026).

[103] SSA Historian's Office, "The Committee on Economic Security," https://www.ssa.gov/history/ces.html (accessed November 12, 2026).

Through Congress

The administration's bill went to Capitol Hill on January 17, 1935. It was introduced that day in the Senate by Senator Robert Wagner of New York and in the House by Representatives Robert Doughton of North Carolina and David Lewis of Maryland, all Democrats.[104]

Roosevelt's message that day set out three rules. The first was that the system "should be self-sustaining in the sense that funds for the payment of insurance benefits should not come from the proceeds of general taxation." The second left the management of most programs to the states, except old-age insurance. The third kept federal control of the money "through trustees in the Treasury of the United States."[105]

One big change came almost at once. Witte said that by the time the bill went in, everyone on the committee knew the financing of old-age insurance would have to change to meet the objections of the President and congressional leaders. That became the "Morgenthau Amendment," presented by Treasury Secretary Morgenthau to the Ways and Means Committee, which made old-age insurance self-financed.[106] The final law used a higher tax schedule than the committee had proposed, as the next sections show.[107]

The House Ways and Means Committee rewrote the bill and gave it a new name. The administration's bill was the Economic Security bill, and it became the Social Security bill in an executive session of that committee. Nobody wrote down who proposed the name. Witte remembered it as Representative Woodruff, Eliot remembered Representative Cooper, and SSA historian Abe Bortz concluded it was Representative Frank Buck.[108]

Passage was not as easy as the final votes make it look. "The overwhelming majorities for passage in both houses are deceptive," Witte said in 1955. "For months there was real doubt whether any social security legislation would be enacted."[109] In the Ways and Means Committee, all seven Republicans opposed both annuity titles. A Democrat, Representative Vinson of Kentucky, proposed dropping the voluntary annuities to win over wavering Democrats. Witte reported that the vote to keep the compulsory old-age insurance passed the committee by only

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[104] SSA Historian's Office, "1935 Congressional Debates on Social Security" (vote tallies), https://www.ssa.gov/history/tally.html (accessed November 12, 2026).

[105] SSA Historian's Office, "FDR's Statements on Social Security" (texts of Franklin D. Roosevelt's messages, orders and statements, 1934-1944), https://www.ssa.gov/history/fdrstmts.html (accessed November 12, 2026).

[106] Edwin E. Witte, "Reflections on the Beginnings of Social Security," remarks at the 20th anniversary of the Social Security Act, August 15, 1955, SSA Historian's Office, https://www.ssa.gov/history/witte4.html (accessed November 12, 2026).

[107] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[108] SSA Historian's Office, "Origins of the Term 'Social Security'," Research Note #24, https://www.ssa.gov/history/termorigin.html (accessed November 12, 2026).

[109] Edwin E. Witte, "Reflections on the Beginnings of Social Security," remarks at the 20th anniversary of the Social Security Act, August 15, 1955, SSA Historian's Office, https://www.ssa.gov/history/witte4.html (accessed November 12, 2026).

"three or four votes."[110] The committee reported the bill on April 5, 1935, with 17 Democrats voting yes and the 7 Republicans voting "present."[111]

On the House floor, about 50 amendments were offered and none passed. According to Witte, House leaders let it be known that they wanted every amendment defeated.[112] The table shows the main tests.

Key votes on the Social Security bill, 1935

Date	Vote	Result
April 18, 1935 (House)	Townsend plan amendment	Rejected 56 to 206
April 18, 1935 (House)	Lundeen plan amendment	Rejected 40 to 158 (teller vote)
April 18, 1935 (House)	Treadway amendment to strike old-age benefits	Rejected 49 to 125 (teller vote)
April 19, 1935 (House)	Treadway motion to recommit and drop old-age and unemployment insurance	Rejected 149 to 253
April 19, 1935 (House)	Final passage	Passed 372 to 33
June 17, 1935 (Senate)	Long amendment to replace payroll taxes	Rejected by voice vote
June 19, 1935 (Senate)	Clark amendment to exempt firms with private pensions	Adopted 51 to 35
June 19, 1935 (Senate)	Hastings motion to strike old-age benefits	Rejected 15 to 63
June 19, 1935 (Senate)	Final passage	Passed 77 to 6
August 8 and 9, 1935	Conference report, House and Senate	Approved by voice vote

Source: CRS, Social Security: Major Decisions in the House and Senate Since 1935.[113]

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[110] Larry DeWitt, SSA Historian's Office, "The Roosevelt Administration's Proposal for Voluntary Annuities," Research Note #15, June 21, 2001, https://www.ssa.gov/history/voluntaryannuities.html (accessed November 12, 2026).

[111] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[112] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[113] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

The House passed it on April 19, 1935, by 372 to 33. The Senate passed it on June 19 by 77 to 6. After a conference committee worked out the differences, both chambers approved the final version by voice vote on August 8 and 9, and Roosevelt signed it on August 14, 1935, in the White House Cabinet Room.[114]

Votes on the Social Security Act, 1935, by party

Chamber and date	Democrats yes	Democrats no	Republicans yes	Republicans no
House, April 19, 1935 (SSA count)	284	15	81	15
House, April 19, 1935 (CRS count)	288	13	77	18
Senate, June 19, 1935 (SSA count)	60	1	16	5
Senate, June 19, 1935 (CRS count)	60	1	15	5

Sources: SSA Historian's Office vote tallies[115] and CRS Report RL30920.[116] Small third parties are left out of this table. The two sources split the party totals a little differently; the overall totals (372 to 33 and 77 to 6) match.

The table shows something people often forget. Most Republicans in Congress voted for the bill. The opposition was real, but it was a minority in both parties. Roosevelt himself used the CRS-style numbers in a 1936 campaign speech, saying 77 Republican House members voted for the law and 18 against, and 15 Republican senators for it and 5 against.[117]

The arguments in 1935

It helps to hear both sides in their own words. The opponents were mostly Republicans, and they did not oppose all help for the aged. CRS reports they preferred to rely on the welfare approach alone, and they argued that the payroll tax might be unconstitutional and would weigh on business.[118]

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[114] SSA Historian's Office, "1935 Congressional Debates on Social Security" (vote tallies), https://www.ssa.gov/history/tally.html (accessed November 12, 2026).

[115] SSA Historian's Office, "1935 Congressional Debates on Social Security" (vote tallies), https://www.ssa.gov/history/tally.html (accessed November 12, 2026).

[116] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[117] Franklin D. Roosevelt, "Address at Madison Square Garden, New York City," October 31, 1936, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/address-madison-square-garden-new-york-city-1 (accessed November 12, 2026).

[118] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

- The Republican minority on Ways and Means said the old-age program set up a "bureaucracy in the field of insurance in competition with private business" and would "destroy old-age retirement systems set up by private industries, which in most instances provide more liberal benefits than are contemplated under Title II."[119]
- Representative Treadway of Massachusetts said the old-age and unemployment programs "would not become effective in time to help present economic conditions, but, on the contrary would be a definite drag on recovery."[120]
- Representative Jenkins of Ohio called forced contributions "compulsion of the rankest kind."[121]
- Senator Hastings of Delaware warned young workers not to believe their tax was a personal annuity: "let us not deceive that youth by making him believe that here is an annuity whereby he is contributing 50% and his employer is contributing 50%, and that it goes to his credit, when as a matter of fact, part of it is taken from him in order that we may take care of the older people of today."[122]

The supporters' case was the one Roosevelt and his committee had made: a contributory plan would give workers benefits as a right, without a means test, and would in time reduce the need for welfare.[123] Roosevelt warned against going too far too fast, saying it was "overwhelmingly important to avoid any danger of permanently discrediting the sound and necessary policy of Federal legislation for economic security by attempting to apply it on too ambitious a scale."[124]

Notice that Senator Hastings's point, that today's workers pay for today's retirees, is still at the center of the debate. Chapter 15 and Chapter 16 come back to it.

The Clark Amendment

The closest call in the Senate was the Clark Amendment. Senator Bennett Champ Clark, a Missouri Democrat, proposed letting any employer with a private pension plan as generous as the government's opt out of Social Security. CRS says the idea came from an official of a

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[119] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[120] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[121] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[122] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[123] Committee on Economic Security, "Report of the Committee on Economic Security" (January 1935), SSA Historian's Office, https://www.ssa.gov/history/reports/ces/ces5.html (accessed November 12, 2026).

[124] SSA Historian's Office, "FDR's Statements on Social Security" (texts of Franklin D. Roosevelt's messages, orders and statements, 1934-1944), https://www.ssa.gov/history/fdrstmts.html (accessed November 12, 2026).

Philadelphia insurance brokerage firm that sold group annuities.[125] SSA's historians name him as Walter Forster of Towers, Perrin, Forster and Crosby.[126]

Supporters said workers would get better private annuities tied to their pay and service, protection for spouses and earlier disability retirement.[127] The administration called it a "killer amendment." SSA's historians list four problems the supporters of the bill saw: the best-off companies would leave and weaken the pool; a company pension did not follow a worker from job to job; companies could write rules that made pensions hard to collect; and some firms might set up sham plans just to dodge the tax.[128]

The amendment failed in the Senate Finance Committee on a tie vote, then passed on the Senate floor on June 19, 1935, by 51 to 35.[129] The House refused to accept it, and the bill was stuck in conference for weeks. The deal that broke the jam was a promise to study the idea and write a better version the next year.[130]

The follow-up never happened, and the reason is a nice twist. Thomas Eliot, who became the Social Security Board's general counsel, later said he called Senator King, the acting chairman of the Finance Committee, in early 1936 to ask when the senator wanted the new amendment. King laughed and told him: "Mr. Forster said he'd made a terrible mistake. He thought that the passage of the old-age insurance bill would ruin his business of selling private pension plans. Instead the passage of the Social Security Act has got everybody thinking about pension plans. He doesn't want any Clark Amendment. You can forget it forever."[131]

Who was left out, and why

The 1935 law did not cover everyone. It applied only to workers in commerce and industry, which was about half the jobs in the economy.[132] Among those left out were farm workers and domestic workers, the self-employed (including farm owners), workers at nonprofits,

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[125] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[126] Larry DeWitt, SSA Historian's Office, "The Clark Amendment to the 1935 Social Security Act," Research Note #9, August 2000, https://www.ssa.gov/history/clarkamend.html (accessed November 12, 2026).

[127] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[128] Larry DeWitt, SSA Historian's Office, "The Clark Amendment to the 1935 Social Security Act," Research Note #9, August 2000, https://www.ssa.gov/history/clarkamend.html (accessed November 12, 2026).

[129] Larry DeWitt, SSA Historian's Office, "The Clark Amendment to the 1935 Social Security Act," Research Note #9, August 2000, https://www.ssa.gov/history/clarkamend.html (accessed November 12, 2026).

[130] Larry DeWitt, SSA Historian's Office, "The Clark Amendment to the 1935 Social Security Act," Research Note #9, August 2000, https://www.ssa.gov/history/clarkamend.html (accessed November 12, 2026).

[131] Larry DeWitt, SSA Historian's Office, "The Clark Amendment to the 1935 Social Security Act," Research Note #9, August 2000, https://www.ssa.gov/history/clarkamend.html (accessed November 12, 2026).

[132] Larry DeWitt, "The Decision to Exclude Agricultural and Domestic Workers from the 1935 Social Security Act," Social Security Bulletin 70, no. 4, 2010 (released November 2010), https://www.ssa.gov/policy/docs/ssb/v70n4/v70n4p49.html (accessed November 12, 2026).

government employees at every level, casual laborers, merchant seamen, and people already 65 or older.[133]

That exclusion is one of the most argued-over facts in Social Security's history, because a large share of Black workers in 1935 worked on farms or in private homes. Some historians argue the exclusions were driven by race. Political scientist Robert Lieberman wrote in 1995 that "The Old Age Insurance provisions of the Social Security Act were founded on racial exclusion," and that the administration accepted the exclusion of farm and domestic workers "to make a national program of old-age benefits palatable to powerful Southern congressional barons." Historian Linda Gordon wrote in 1994 that "These exclusions were deliberate and mainly racially motivated."[134]

SSA historian Larry DeWitt studied the record and reached the opposite conclusion in a 2010 article in the Social Security Bulletin. He found that the Committee on Economic Security had actually included farm and domestic workers, over the objections of its own staff, and that Roosevelt supported covering them. The change came when Treasury Secretary Morgenthau, worried about how Treasury could collect payroll taxes from farmhands and maids, urged the Ways and Means Committee to drop them. "It was the surprise testimony of Henry Morgenthau, Jr., rather than any initiative by any member of Congress, that was the source of the decision to exclude farm and domestic workers from coverage," DeWitt wrote.[135]

DeWitt also points out that the committee estimated 20.1 million workers were left out, at least 15 million of them white, and that people were excluded by type of job, not by race.[136] He does not say race played no part in the 1935 Act. He notes that Witte and others described race as a factor in the welfare title for the aged (Title I), which let states set benefit levels, but that no eyewitness reported such influence on the coverage rules for old-age insurance.[137] He argues that farm employers did not want to pay the tax for any of their workers, white or black. He quotes Ways and Means Chairman Doughton telling Altmeyer during the 1939 debate: "Doctor, when the first farmer with manure on his shoes comes to me and asks to be covered, I will be willing to consider it."[138]

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[133] Larry DeWitt, "The Decision to Exclude Agricultural and Domestic Workers from the 1935 Social Security Act," Social Security Bulletin 70, no. 4, 2010 (released November 2010), https://www.ssa.gov/policy/docs/ssb/v70n4/v70n4p49.html (accessed November 12, 2026).

[134] Larry DeWitt, "The Decision to Exclude Agricultural and Domestic Workers from the 1935 Social Security Act," Social Security Bulletin 70, no. 4, 2010 (released November 2010), https://www.ssa.gov/policy/docs/ssb/v70n4/v70n4p49.html (accessed November 12, 2026).

[135] Larry DeWitt, "The Decision to Exclude Agricultural and Domestic Workers from the 1935 Social Security Act," Social Security Bulletin 70, no. 4, 2010 (released November 2010), https://www.ssa.gov/policy/docs/ssb/v70n4/v70n4p49.html (accessed November 12, 2026).

[136] Larry DeWitt, "The Decision to Exclude Agricultural and Domestic Workers from the 1935 Social Security Act," Social Security Bulletin 70, no. 4, 2010 (released November 2010), https://www.ssa.gov/policy/docs/ssb/v70n4/v70n4p49.html (accessed November 12, 2026).

[137] Larry DeWitt, "The Decision to Exclude Agricultural and Domestic Workers from the 1935 Social Security Act," Social Security Bulletin 70, no. 4, 2010 (released November 2010), https://www.ssa.gov/policy/docs/ssb/v70n4/v70n4p49.html (accessed November 12, 2026).

[138] Larry DeWitt, "The Decision to Exclude Agricultural and Domestic Workers from the 1935 Social Security Act," Social Security Bulletin 70, no. 4, 2010 (released November 2010), https://www.ssa.gov/policy/docs/ssb/v70n4/v70n4p49.html (accessed November 12, 2026).

Critics of DeWitt's view, as he reports them, point to ways the government could have covered these workers, such as the stamp-book system used in Great Britain, where workers kept a book of stamps showing their pay. DeWitt answers that the stamp-book option actually stayed in the 1935 law and that it was the Treasury Department that rejected it in 1936 as impractical.[139]

Where does that leave a reader? Here is what the records settle and what they do not. Confirmed: about half of workers were left out, including farm and domestic workers, and the exclusion hit Black workers especially hard because so many worked in those jobs.[140] Confirmed: Roosevelt said in August 1939 that "it is imperative that these insurance benefits be extended to workers in all occupations."[141] Still debated: the motive. DeWitt's article is the most detailed look at the evidence I found, but it is one historian's argument, published by the agency itself, and other scholars may weigh the same evidence differently. Chapter 6 tells how farm and domestic workers were brought in starting in 1950.

What the 1935 law did

The 1935 Act created old-age insurance paid for by a tax on workers and employers. The original tax was 1 percent each on the employer and the employee, on the first $3,000 of a worker's yearly pay, with increases scheduled in steps.[142] Taxes started in 1937.[143] The schedule was set to reach 3 percent each by 1949.[144]

The Act did much more than old-age insurance. Its titles also set up unemployment insurance run by the states, grants to states for old-age assistance (Title I), aid to dependent children and aid to the blind, and money for child welfare and public health.[145] The two parts aimed at the elderly were Title I, which helped states pay welfare pensions to the needy aged, and Title II, "Federal Old-Age Benefits," the new insurance program we now call Social Security. Roosevelt saw Title I as a temporary bridge that would shrink as more people earned benefits under Title II.[146]

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[139] Larry DeWitt, "The Decision to Exclude Agricultural and Domestic Workers from the 1935 Social Security Act," Social Security Bulletin 70, no. 4, 2010 (released November 2010), https://www.ssa.gov/policy/docs/ssb/v70n4/v70n4p49.html (accessed November 12, 2026).

[140] Larry DeWitt, "The Decision to Exclude Agricultural and Domestic Workers from the 1935 Social Security Act," Social Security Bulletin 70, no. 4, 2010 (released November 2010), https://www.ssa.gov/policy/docs/ssb/v70n4/v70n4p49.html (accessed November 12, 2026).

[141] SSA Historian's Office, "FDR's Statements on Social Security" (texts of Franklin D. Roosevelt's messages, orders and statements, 1934-1944), https://www.ssa.gov/history/fdrstmts.html (accessed November 12, 2026).

[142] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[143] SSA Office of the Chief Actuary, "Social Security & Medicare Tax Rates," https://www.ssa.gov/oact/progdata/taxRates.html (accessed November 12, 2026).

[144] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[145] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[146] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

Under Title II as passed in 1935, benefits went only to the worker, at age 65. A worker needed at least five years of covered work and at least $2,000 in total wages to qualify for monthly benefits.[147] Benefits were based on total wages over a career, weighted toward lower-paid workers, and were withheld in any month the retiree did any work in covered jobs.[148] Monthly checks would have ranged from $10 to $85 (nominal).[149]

Monthly checks were not supposed to start until 1942. From 1937 to 1940, the program paid only one-time lump sums to people who had paid in but would not qualify for monthly benefits.[150] A worker who died before 65 had a lump sum paid to survivors equal to 3.5 percent of covered earnings.[151]

The law also created a three-member Social Security Board to run the new programs, appointed by the President, with the chairman reporting directly to him.[152]

The law also had a short section that matters a great deal to this day. Section 1104, "Reservation of Power," said: "The right to alter, amend, or repeal any provision of this Act is hereby reserved to the Congress."[153] Chapter 15 comes back to it.

Why a payroll tax?

Roosevelt's own reason, as an aide later recorded it, was political, not economic. Luther Gulick wrote in a memo for the file in the summer of 1941 that Roosevelt told him: "We put those pay roll contributions there so as to give the contributors a legal, moral, and political right to collect their pensions and their unemployment benefits. With those taxes in there, no damn politician can ever scrap my social security program."[154]

Keep that quote in mind. It shows what the payroll tax was meant to do: tie benefits to work so they would feel earned. Chapter 15 asks how well that idea lines up with what the courts later said.

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[147] John J. Corson, Director, Bureau of Old-Age and Survivors Insurance, "Reasons for the 1939 Amendments to the Social Security Act," Director's Bulletin, January 1940, SSA Historian's Office, https://www.ssa.gov/history/reports/1939no3.html (accessed November 12, 2026).

[148] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[149] SSA Historian's Office, "The Townsend Plan's Pension Scheme," Research Note #17, https://www.ssa.gov/history/townsendproblems.html (accessed November 12, 2026).

[150] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[151] SSA Historian's Office, "The History & Development of the Lump Sum Death Benefit," Research Note #2, https://www.ssa.gov/history/lumpsum.html (accessed November 12, 2026).

[152] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[153] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[154] SSA Historian's Office, "Luther Gulick Memorandum re: Famous FDR Quote," Research Note #23 (memo from summer 1941; copy at the FDR Presidential Library), https://www.ssa.gov/history/Gulick.html (accessed November 12, 2026).

There were practical reasons too. Witte said the Depression pushed Congress and the administration to avoid heavy new burdens on business and new deficits, which is why the tax rates started low and rose in steps, and why the program got no general tax money.[155] And the tax was the legal hook. Because the committee chose the taxing power as its constitutional base, the taxes (Title VIII) and the benefits (Title II) were placed in separate parts of the law, in the hope the courts would not treat them as one linked plan.[156]

The signing

At the signing on August 14, 1935, Roosevelt kept his claims modest. "We can never insure one hundred percent of the population against one hundred percent of the hazards and vicissitudes of life," he said, "but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age." He called the law "a cornerstone in a structure which is being built but is by no means complete."[157]

Chapter 4: The 1936 Fight and the Supreme Court

Passing the law was the first fight. The next two were harder to predict: whether voters would keep it, and whether the Supreme Court would let it stand. Meanwhile a brand-new agency had to sign up tens of millions of workers before anyone knew the answer.

Standing up an agency

The first Social Security Board had three members: John G. Winant, chairman; Arthur J. Altmeyer; and Vincent M. Miles. Winant was a former three-term Republican governor of New Hampshire, Miles was a Democratic Party official from Arkansas, and Altmeyer was a Labor Department official.[158] The law required that no more than two members come from the same party, and Roosevelt picked Winant because he wanted a sympathetic Republican to lead the Board.[159]

The Board started broke. Its budget bill was killed by a Senate filibuster at the end of August 1935, so it had to borrow money from other agencies until Congress came back and passed

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[155] Edwin E. Witte, "Reflections on the Beginnings of Social Security," remarks at the 20th anniversary of the Social Security Act, August 15, 1955, SSA Historian's Office, https://www.ssa.gov/history/witte4.html (accessed November 12, 2026).

[156] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

[157] SSA Historian's Office, "FDR's Statements on Social Security" (texts of Franklin D. Roosevelt's messages, orders and statements, 1934-1944), https://www.ssa.gov/history/fdrstmts.html (accessed November 12, 2026).

[158] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[159] SSA Historian's Office, "John G. Winant: First Chairman of the Social Security Board," May 1999, https://www.ssa.gov/history/mywinantarticle.html (accessed November 12, 2026).

funding in January 1936.[160] The first field office opened in Austin, Texas, on October 14, 1936, and by June 30, 1937, there were 151 field offices.[161]

The 1936 election

Social Security was a campaign issue right away. The Republican nominee, Kansas Governor Alf Landon, campaigned against the new law.[162]

The Republican platform, adopted June 9, 1936, did not reject help for the aged. It said "Society has an obligation to promote the security of the people," but charged that "The New Deal policies, while purporting to provide social security, have, in fact, endangered it." It proposed a different system: "We approve a pay-as-you-go policy, which requires of each generation the support of the aged and the determination of what is just and adequate." Every citizen over 65 would get the "supplementary payment necessary to provide a minimum income sufficient to protect him or her from want," paid through the states and funded by "a direct tax widely distributed."[163]

The Democratic platform, adopted June 23, 1936, ran on the law: "On the foundation of the Social Security Act we are determined to erect a structure of economic security for all our people."[164]

Landon's sharpest attack came in a speech in Milwaukee on September 26, 1936, where SSA's historians report he called the law "unjust, unworkable, stupidly drafted and wastefully financed."[165] The speech was later printed under the title "I Will Not Promise the Moon." In it he said of the payroll tax: "This is the largest tax bill in history. And to call it 'social security' is a fraud on the workingman." He argued the tax would really fall on workers or consumers, not employers, and that it would hold back hiring.[166]

Landon also went after the reserve fund. He compared the government to a father who takes his children's savings, spends the cash, and leaves IOUs in a box. "I am not exaggerating the folly of

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[160] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[161] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[162] SSA Historian's Office, "John G. Winant: First Chairman of the Social Security Board," May 1999, https://www.ssa.gov/history/mywinantarticle.html (accessed November 12, 2026).

[163] Republican Party Platform of 1936, June 9, 1936, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/republican-party-platform-1936 (accessed November 12, 2026).

[164] 1936 Democratic Party Platform, June 23, 1936, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/1936-democratic-party-platform (accessed November 12, 2026).

[165] SSA Historian's Office, "John G. Winant: First Chairman of the Social Security Board," May 1999, https://www.ssa.gov/history/mywinantarticle.html (accessed November 12, 2026).

[166] Alfred M. Landon, "I Will Not Promise the Moon," Vital Speeches of the Day (October 15, 1936), 26-27, excerpt as reproduced by History Matters, George Mason University (archived copy of January 3, 2017), https://web.archive.org/web/20170103003055/http://historymatters.gmu.edu/d/8128/ (accessed November 12, 2026).

this legislation," he said. "The saving it forces on our workers is a cruel hoax. There is every probability that the cash they pay in will be used for current deficits and new extravagances."[167] SSA's historians sum up his reasons: he doubted the government would really pay benefits starting in 1942, he thought the trust fund idea was unwise, and he preferred welfare pensions for the aged to work-based insurance.[168]

That IOU argument may sound familiar. It is close to the "worthless IOUs" claim tested in Chapter 16, which is a sign of how old some of today's arguments are.

The campaign also moved into paychecks. Carolyn Puckett, writing in the Social Security Bulletin, reports that many employers, together with Landon and the Republican Party, stuffed pay envelopes with leaflets against the law and the payroll deductions.[169] The Hearst newspapers, whose owner opposed Roosevelt, reported on the eve of the election that workers would have to wear metal "dog tags" with their numbers. SSA's historians say that was false, though it had a basis: an early idea for metal nameplates had been floated and Altmeyer vetoed it at once. A company hoping for the contract made a sample tag in Altmeyer's name, and he kept it in his desk; it is the only Social Security "dog tag" ever made.[170]

The Board's Republican chairman felt he could not stay quiet. Winant resigned in the fall of 1936 so he could defend the law in public. In his letter he wrote, "The Social Security Act is America's answer to this great human need," and "While I retain this position I am not free to defend the Act."[171] Roosevelt later asked him to come back, and he served a second term as chairman from November 1936 to February 1937.[172]

Roosevelt answered the pay-envelope campaign in a speech at Madison Square Garden on October 31, 1936. "They tell the worker his wage will be reduced by a contribution to some vague form of old-age insurance," he said. "They carefully conceal from him the fact that for every dollar of premium he pays for that insurance, the employer pays another dollar."[173] He also

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[167] Alfred M. Landon, "I Will Not Promise the Moon," Vital Speeches of the Day (October 15, 1936), 26-27, excerpt as reproduced by History Matters, George Mason University (archived copy of January 3, 2017), https://web.archive.org/web/20170103003055/http://historymatters.gmu.edu/d/8128/ (accessed November 12, 2026).

[168] SSA Historian's Office, "John G. Winant: First Chairman of the Social Security Board," May 1999, https://www.ssa.gov/history/mywinantarticle.html (accessed November 12, 2026).

[169] Carolyn Puckett, "The Story of the Social Security Number," Social Security Bulletin 69, no. 2, 2009 (released July 2009), https://www.ssa.gov/policy/docs/ssb/v69n2/v69n2p55.html (accessed November 12, 2026).

[170] SSA Historian's Office, "The Infamous Dog-Tag," https://www.ssa.gov/history/ssn/dogtag.html (accessed November 12, 2026).

[171] SSA Historian's Office, "John G. Winant: First Chairman of the Social Security Board," May 1999, https://www.ssa.gov/history/mywinantarticle.html (accessed November 12, 2026).

[172] SSA Historian's Office, "John G. Winant: First Chairman of the Social Security Board," May 1999, https://www.ssa.gov/history/mywinantarticle.html (accessed November 12, 2026).

[173] Franklin D. Roosevelt, "Address at Madison Square Garden, New York City," October 31, 1936, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/address-madison-square-garden-new-york-city-1 (accessed November 12, 2026).

charged that those who suggested the reserves would be "stolen by some future Congress" were attacking the honor of the government itself.[174]

Voters gave their answer in November 1936. Roosevelt won 523 electoral votes to Landon's 8, and about 60.8 percent of the popular vote to Landon's 36.5 percent.[175] Social Security was only one issue in that election, so the landslide does not prove what voters thought of the law by itself.

The first Social Security numbers

To keep track of who paid what, the program needed an account number for each worker. A 1936 Treasury regulation required one, and about 30 million applications were processed between November 1936 and June 30, 1937.[176]

Getting there was messy. The Board argued for months over when and how to sign people up. Altmeyer wanted to wait until after the election to keep the process out of politics. By September 1936 it was clear the Board could not open enough of its own offices in time; only 77 offices were open by January 1937.[177] Winant went to Roosevelt, who ordered the Post Office Department to help.[178] The agreement was signed on September 25, 1936, and the Post Office then had 45,000 facilities and more than 350,000 employees.[179]

Here is how it worked. Mail carriers made lists of employers on their routes, about 2.4 million in all. Starting November 16, 1936, post offices sent employers Form SS-4. After those came back, they delivered Form SS-5 applications for employees to fill out.[180] The numbers were typed and assigned in 1,074 postal typing centers, and the records were sent to Baltimore.[181] The first account record set up in Baltimore went to John David Sweeney Jr. of New Rochelle, New York, but the lowest number, 001-01-0001, went to Grace Dorothy Owen of New Hampshire.[182]

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[174] Franklin D. Roosevelt, "Address at Madison Square Garden, New York City," October 31, 1936, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/address-madison-square-garden-new-york-city-1 (accessed November 12, 2026).

[175] Gerhard Peters and John T. Woolley, The American Presidency Project, University of California, Santa Barbara, "Election of 1936," https://www.presidency.ucsb.edu/statistics/elections/1936 (accessed November 12, 2026).

[176] SSA Historian's Office, "Social Security Number Chronology," https://www.ssa.gov/history/ssn/ssnchron.html (accessed November 12, 2026).

[177] SSA Historian's Office, "John G. Winant: First Chairman of the Social Security Board," May 1999, https://www.ssa.gov/history/mywinantarticle.html (accessed November 12, 2026).

[178] SSA Historian's Office, "John G. Winant: First Chairman of the Social Security Board," May 1999, https://www.ssa.gov/history/mywinantarticle.html (accessed November 12, 2026).

[179] Carolyn Puckett, "The Story of the Social Security Number," Social Security Bulletin 69, no. 2, 2009 (released July 2009), https://www.ssa.gov/policy/docs/ssb/v69n2/v69n2p55.html (accessed November 12, 2026).

[180] Carolyn Puckett, "The Story of the Social Security Number," Social Security Bulletin 69, no. 2, 2009 (released July 2009), https://www.ssa.gov/policy/docs/ssb/v69n2/v69n2p55.html (accessed November 12, 2026).

[181] SSA Historian's Office, "John G. Winant: First Chairman of the Social Security Board," May 1999, https://www.ssa.gov/history/mywinantarticle.html (accessed November 12, 2026).

[182] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

The Board also ran a publicity campaign. In October 1936 it released a film called "We the People and Social Security" and a four-page pamphlet; about 4 million people saw the film and nearly 8 million pamphlets were handed out by Election Day. After the election, the push widened to radio, posters and newspapers, including, Puckett notes, the Hearst chain.[183] Puckett reports that 35 million numbers were issued in the first eight months.[184]

The record keeping was enormous for a time before computers. SSA's historians say the paper files were so heavy that no building in Washington had floors strong enough, so they went into an old Coca-Cola plant in Baltimore. A French expert hired to advise the government said, "It can't be done. The government should just abandon the whole idea." What made it possible was a new IBM machine, the 077 Collator, built for the program and put to work in early 1937.[185]

Was it constitutional?

Nobody knew if the law would survive. The Constitution does not mention social insurance, and the Supreme Court had struck down other New Deal laws. Three challenges reached the Court. On May 24, 1937, it upheld both the unemployment and old-age parts of the Act. Justice Benjamin Cardozo wrote the main opinions, and the vote on the old-age insurance program was 7 to 2.[186] The key old-age case is Helvering v. Davis.[187]

The danger was real. The question went back to an old argument between Alexander Hamilton, who read Congress's power to tax and spend "for the general welfare" broadly, and James Madison, who read it narrowly. In January 1936 the Court struck down the Agricultural Adjustment Act, which used a tax-and-spend design much like Social Security's. In 1935 it had also thrown out the Railroad Retirement Act and the National Industrial Recovery Act.[188] Witte believed that a majority of the Senate Finance Committee thought old-age insurance was unconstitutional, and that "several voted for it in the expectation that it would be invalidated by the Supreme Court."[189]

Then politics changed the picture. On February 5, 1937, Roosevelt proposed adding a new federal judge, including Supreme Court justices, for each sitting judge 70 or older who would

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[183] Carolyn Puckett, "The Story of the Social Security Number," Social Security Bulletin 69, no. 2, 2009 (released July 2009), https://www.ssa.gov/policy/docs/ssb/v69n2/v69n2p55.html (accessed November 12, 2026).

[184] Carolyn Puckett, "The Story of the Social Security Number," Social Security Bulletin 69, no. 2, 2009 (released July 2009), https://www.ssa.gov/policy/docs/ssb/v69n2/v69n2p55.html (accessed November 12, 2026).

[185] Larry DeWitt, SSA Historian's Office, "Early Automation Challenges for SSA," Research Note #6, April 2000, https://www.ssa.gov/history/ibm.html (accessed November 12, 2026).

[186] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

[187] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

[188] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

[189] Edwin E. Witte, "Reflections on the Beginnings of Social Security," remarks at the 20th anniversary of the Social Security Act, August 15, 1955, SSA Historian's Office, https://www.ssa.gov/history/witte4.html (accessed November 12, 2026).

not retire, which would have let him name six new justices.[190] SSA's historians call it the biggest political blunder of his career. In March 1937 Justice Owen Roberts began voting to uphold New Deal laws, shifting the Court from 5 to 4 against to 5 to 4 in favor, a change remembered as "the switch in time that saved nine." The court plan was defeated.[191]

The old-age case started with a shareholder. George P. Davis owned stock in the Edison Electric Illuminating Company and sued to stop the company from paying the new payroll tax, arguing it was a kind of tax the Constitution did not allow and that caring for the aged was a matter for the states. In the unemployment case, the Steward Machine Company paid its first tax installment of $46.14 and sued to get it back.[192]

Cardozo announced the decisions on his 67th birthday. The Court upheld old-age insurance 7 to 2 and the unemployment program 5 to 4.[193] On the main question he wrote: "The conception of the spending power advocated by Hamilton ... has prevailed over that of Madison." And he described the purpose of the old-age program this way: "The hope behind this statute is to save men and women from the rigors of the poor house as well as from the haunting fear that such a lot awaits them when journey's end is near."[194]

By the day of the ruling, more than 26 million numbers had been issued, about $150 million in taxes had been collected (nominal), and about 150 field offices were open, all without knowing whether the law would stand.[195] Thomas Eliot, the Board's general counsel, wrote home the next day that he and his wife had gone to see Perkins and "split a bottle of (domestic!) champagne with her!"[196]

You might ask, "Why does a case from 1937 matter now?" Because the Court held that Congress could tax and spend for the general welfare this way. That is the legal ground the program still stands on.

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[190] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

[191] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

[192] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

[193] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

[194] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

[195] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

[196] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

Chapter 5: The 1939 Changes and the First Checks

The lump-sum years, 1937 to 1939

For its first three years, the program paid no monthly checks at all. From 1937 until 1940 it paid only one-time lump sums, a kind of "payback" to people who had paid in but would not be in the program long enough to earn monthly benefits.[197]

The first known applicant was Ernest Ackerman, a retired Cleveland motorman who retired one day after the program began. During his one day in the program, a nickel was withheld from his pay, and he received a lump sum of 17 cents. The average lump-sum payment in this period was $58.06, and the smallest ever paid was 5 cents (all nominal).[198]

Survivors of workers who died before 65 also got a lump sum, equal to 3.5 percent of covered earnings. With pay capped at $3,000 a year, the most anyone could have received was $315, and the average in December 1939 was $96.93 (nominal).[199]

Why change it so soon?

You might ask, "Why rewrite a law that had not paid a single monthly check yet?" There were several reasons, and the records show both politics and money behind them.

One was the reserve fund. The 1935 law was set to build up a large reserve before paying much out. Senator Arthur Vandenberg, a Michigan Republican, opposed that approach and wanted the Social Security Board's own advisory council to take another look.[200] An Advisory Council, appointed jointly by a Senate committee and the Social Security Board, was created in May 1937, with members representing employees, employers and the public.[201] It did not do what Vandenberg hoped. It kept reserve funding, set up formal trust funds, and in a special appendix largely rejected his criticism of investing the surplus in government securities.[202]

The bigger change the Council proposed was a new purpose. Its 1938 report recommended moving away from a retirement plan for individual workers to a family plan, with benefits for dependents and survivors, and starting monthly benefits in 1940 instead of 1942. The Social Security Board agreed on both points. Both groups also saw the value of disability benefits but

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[197] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[198] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[199] SSA Historian's Office, "The History & Development of the Lump Sum Death Benefit," Research Note #2, https://www.ssa.gov/history/lumpsum.html (accessed November 12, 2026).

[200] SSA Historian's Office, "1938 Advisory Council" (introduction and text of the Report of the 1938 Advisory Council on Social Security), https://www.ssa.gov/history/reports/38advisegen.html (accessed November 12, 2026).

[201] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[202] SSA Historian's Office, "1938 Advisory Council" (introduction and text of the Report of the 1938 Advisory Council on Social Security), https://www.ssa.gov/history/reports/38advisegen.html (accessed November 12, 2026).

were not ready to recommend them.[203] Roosevelt sent the Board's recommendations to Congress on January 16, 1939.[204]

John Corson, who ran the bureau that operated the program, explained the reasons to staff in January 1940. The 1935 rules left older workers with tiny benefits or none. Under the old law, a worker earning $75 a month would have needed 10 years to build up a right to a $20 monthly benefit; under the new law, the same worker could do it in a year and a half.[205] He argued that benefits had to be at least enough to live on, because otherwise society would end up supporting those people through relief anyway.[206]

The Board's report put the same idea in its own words: "The practical objective is to pay benefits that provide a minimum degree of social security--as a basis upon which the worker, through his own efforts, will have a better chance to provide adequately for his individual security."[207]

From a retirement plan to a family plan

Before a single monthly check went out, Congress rewrote the program. The 1939 Amendments added benefits for the spouse and young children of a retired worker, and survivor benefits for the family of a worker who died. SSA's historians say this "transformed Social Security from a retirement program for workers into a family-based economic security program." The 1939 law also raised benefit amounts and moved the first monthly checks up to 1940.[208] SSA's history office calls it "probably second in importance only to the original Act itself."[209]

The 1939 Amendments also created the Social Security Trust Fund, which has worked the same basic way ever since.[210] CRS describes the change as turning the old-age reserve account into a

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[203] SSA Historian's Office, "1938 Advisory Council" (introduction and text of the Report of the 1938 Advisory Council on Social Security), https://www.ssa.gov/history/reports/38advisegen.html (accessed November 12, 2026).

[204] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[205] John J. Corson, Director, Bureau of Old-Age and Survivors Insurance, "Reasons for the 1939 Amendments to the Social Security Act," Director's Bulletin, January 1940, SSA Historian's Office, https://www.ssa.gov/history/reports/1939no3.html (accessed November 12, 2026).

[206] John J. Corson, Director, Bureau of Old-Age and Survivors Insurance, "Reasons for the 1939 Amendments to the Social Security Act," Director's Bulletin, January 1940, SSA Historian's Office, https://www.ssa.gov/history/reports/1939no3.html (accessed November 12, 2026).

[207] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[208] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[209] SSA Historian's Office, "Legislative History: 1939 Amendments," https://www.ssa.gov/history/1939amends.html (accessed November 12, 2026).

[210] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

trust fund managed by a board of trustees, and notes that the program was now called Old-Age and Survivors Insurance (OASI).[211]

What the 1939 Amendments changed

Feature	1935 Act	After the 1939 Amendments
Who could be paid monthly	The retired worker only	The worker plus an aged wife, children, a widowed mother caring for a child, an aged widow, or a dependent aged parent
First monthly checks	1942	1940
Benefit based on	Total wages over a career	Average monthly wage
Qualifying for older workers	At least 5 years and $2,000 in wages	As little as 6 quarters (a year and a half) and $300 in wages
Worker who died before 65	Lump sum of 3.5 percent of covered earnings	Monthly survivor benefits; a lump sum of six times the worker's basic benefit only when no monthly benefit was payable
Tax increase set for 1940	Scheduled	Put off
Name	Federal Old-Age Benefits	Old-Age and Survivors Insurance

Sources: CRS Report RL30920[212]; Corson, "Reasons for the 1939 Amendments"[213]; SSA lump-sum research note.[214]

A few details matter for how the program still works. A widow got 75 percent of the worker's basic benefit, called the primary insurance amount (PIA), and other dependents got 50 percent.[215] The PIA was the basic monthly benefit for a worker who started benefits at 65.[216] A

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[211] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[212] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[213] John J. Corson, Director, Bureau of Old-Age and Survivors Insurance, "Reasons for the 1939 Amendments to the Social Security Act," Director's Bulletin, January 1940, SSA Historian's Office, https://www.ssa.gov/history/reports/1939no3.html (accessed November 12, 2026).

[214] SSA Historian's Office, "The History & Development of the Lump Sum Death Benefit," Research Note #2, https://www.ssa.gov/history/lumpsum.html (accessed November 12, 2026).

[215] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

retiree could earn up to $14.99 a month in covered work and still be paid; earning $15 or more meant no check that month.[217] Benefits also rose 1 percent for each year a worker earned at least $200 under the system, so longer service still paid more.[218]

The amendments also reached people the 1935 law had left behind. Corson said wages earned after 65 would now count, so about 750,000 older workers, including people who were already over 65 in 1937, could qualify for monthly checks in 1940 and 1941.[219] The lump sum for deaths was changed to six times the worker's PIA and paid only when no monthly survivor benefit was due.[220]

Women and the 1939 Amendments

The 1939 law brought women into the program in a new way, mostly as wives and widows. The new benefits went to an aged wife, an aged widow and a widowed mother caring for an eligible child, all based on the husband's work record.[221] For a woman who had not worked for pay, or who had worked in a job the law did not cover, this was often the only Social Security protection she had. Corson's memo lists the wife's benefit among the changes meant to make benefits large enough to live on.[222]

Notice who is missing from that list. The 1939 definitions, as CRS summarizes them, describe an aged wife and a widowed mother, not a husband or widower.[223] My reading is that the law was built around a family with one earner, usually the husband. I am not going to judge that choice

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[216] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[217] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[218] John J. Corson, Director, Bureau of Old-Age and Survivors Insurance, "Reasons for the 1939 Amendments to the Social Security Act," Director's Bulletin, January 1940, SSA Historian's Office, https://www.ssa.gov/history/reports/1939no3.html (accessed November 12, 2026).

[219] John J. Corson, Director, Bureau of Old-Age and Survivors Insurance, "Reasons for the 1939 Amendments to the Social Security Act," Director's Bulletin, January 1940, SSA Historian's Office, https://www.ssa.gov/history/reports/1939no3.html (accessed November 12, 2026).

[220] SSA Historian's Office, "The History & Development of the Lump Sum Death Benefit," Research Note #2, https://www.ssa.gov/history/lumpsum.html (accessed November 12, 2026).

[221] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[222] John J. Corson, Director, Bureau of Old-Age and Survivors Insurance, "Reasons for the 1939 Amendments to the Social Security Act," Director's Bulletin, January 1940, SSA Historian's Office, https://www.ssa.gov/history/reports/1939no3.html (accessed November 12, 2026).

[223] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

here. Women who worked in covered jobs earned benefits on their own records, and Ida May Fuller, below, is the best-known example.[224]

The 1939 votes

Unlike 1935, the 1939 bill had broad support in both parties. The Republicans on Ways and Means wrote that while it was "in no sense" a complete solution, "it at least makes certain improvements in the present law (some of which we have ourselves heretofore suggested) which we believe justify us in supporting it despite its defects."[225]

Key votes on the 1939 Amendments

Date	Vote	Result
June 1, 1939 (House)	Townsend plan bill offered as a substitute	Rejected 97 to 302
June 9, 1939 (House)	Havenner amendment to extend coverage (nonprofits, student nurses, some farm workers)	Rejected by voice vote
June 9, 1939 (House)	Kean amendment to invest the money in marketable one-year bonds	Rejected by voice vote
June 10, 1939 (House)	Final passage	Passed 364 to 2 (222 Democrats and 142 Republicans yes; 2 Republicans no)
July 13, 1939 (Senate)	Downey motion to send the bill back to committee	Rejected 18 to 47
July 13, 1939 (Senate)	Final passage	Passed 57 to 8
August 4 and 5, 1939	Conference report	House by voice vote; Senate 59 to 4

Source: CRS Report RL30920.[226] SSA's tally of the 1939 votes shows the same House total and a Senate count of 59 to 4, which matches the conference report vote.[227]

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[224] SSA Historian's Office, "Details of Ida May Fuller's Payroll Tax Contributions," Research Note #3, https://www.ssa.gov/history/idapayroll.html (accessed November 12, 2026).

[225] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[226] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[227] SSA Historian's Office, "1939 Amendments: Congressional Vote Totals by Party," https://www.ssa.gov/history/tally1939.html (accessed November 12, 2026).

The debate still had its critics. Senator Downey, a California Democrat, called the Social Security Act "unworkable, unjust, and unfair" and pointed out that under the bill, most workers retiring in 1942 were projected to get $19 to $20 a month, while old-age welfare could pay up to $40.[228] Representative Kean, a New Jersey Republican, wanted the payroll tax money invested in regular marketable bonds, saying it would "prevent the present practice of using old-age taxes for current expenses."[229] That worry is the same one Landon raised in 1936 and that people still raise today.

CRS also quotes a New York Times editorial from June 2, 1939, which argued that the Townsend vote made the new benefits "seem small," so that "the real cost of the new Social Security scale of benefits is not likely to receive very serious attention."[230] That is one newspaper's view, but it is a fair warning that comes up again and again in this book: benefit increases are easy to vote for, and the long-term cost is easy to ignore.

Roosevelt signed the amendments in August 1939. CRS gives the signing date as August 10, 1939; the statement SSA reprints is dated August 11.[231,232] In it he said the old-age system "has now been converted into a system of old age and survivors' insurance providing life-time family security instead of only individual old age security to the workers in insured occupations." He was glad some new jobs were covered but noted that "workers in other occupations have been excluded," and said: "In my opinion, it is imperative that these insurance benefits be extended to workers in all occupations."[233]

Ida May Fuller

On January 31, 1940, the first monthly retirement check went to Ida May Fuller, a legal secretary from Ludlow, Vermont, for $22.54. She had worked three years under the program and paid a total of $24.75 in payroll taxes. She lived to be 100, and by the time she died in 1975 she had collected $22,888.92 in benefits.[234]

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[228] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[229] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[230] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[231] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[232] SSA Historian's Office, "FDR's Statements on Social Security" (texts of Franklin D. Roosevelt's messages, orders and statements, 1934-1944), https://www.ssa.gov/history/fdrstmts.html (accessed November 12, 2026).

[233] SSA Historian's Office, "FDR's Statements on Social Security" (texts of Franklin D. Roosevelt's messages, orders and statements, 1934-1944), https://www.ssa.gov/history/fdrstmts.html (accessed November 12, 2026).

[234] SSA Historian's Office, "Details of Ida May Fuller's Payroll Tax Contributions," Research Note #3, https://www.ssa.gov/history/idapayroll.html (accessed November 12, 2026).

She had retired in November 1939 and started collecting in January 1940 at age 65.[235] Her check stayed at $22.54 a month for the next 10 years, because there were no automatic increases then; when Congress finally raised benefits in 1950, hers went up to $41.30.[236] Chapter 6 tells that story.

Her story is often used in the "Ponzi scheme" argument (Chapter 16). It is a fair example of how the first retirees got far more than they paid. It is not a fair picture of later generations, who paid in for whole careers.

What the first five years built

Look at how far the program moved between 1934 and 1940. It started as a committee with borrowed staff and borrowed money. It survived a close committee vote, a Senate fight over private pensions, a presidential campaign that called it a fraud and a Supreme Court that had been striking down New Deal laws. Before paying its first monthly check, it had already been rewritten from a worker's annuity into family insurance.[237]

It also left real gaps. About half of all jobs were not covered, there was no disability or health coverage, and benefits were small and fixed.[238,239,240] In 1938, Roosevelt warned against those "who advocate short cuts to Utopia or fantastic financial schemes," but he also said "we still have a long way to go."[241] The next part of the book follows what Congress did with those gaps from 1940 to 1980.

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[235] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[236] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[237] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[238] Larry DeWitt, "The Decision to Exclude Agricultural and Domestic Workers from the 1935 Social Security Act," Social Security Bulletin 70, no. 4, 2010 (released November 2010), https://www.ssa.gov/policy/docs/ssb/v70n4/v70n4p49.html (accessed November 12, 2026).

[239] SSA Historian's Office, "The Committee on Economic Security," https://www.ssa.gov/history/ces.html (accessed November 12, 2026).

[240] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[241] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

Part Three: Growing It, 1940 to 1980

Chapter 6: Forty Years of Growth

For its first ten years, Social Security paid small checks to a small group. In December 1940 about 112,000 retired workers were getting monthly benefits, averaging about $22.60 a month.[242] Counting widows, children and other family members, about 222,000 people got a monthly Social Security check in 1940.[243] The next forty years turned it into something nearly every family touched. By 1980 more than 35 million people were on the rolls.[244]

People getting monthly Social Security benefits and total benefits paid, selected years (nominal dollars)

Year	People getting monthly benefits	Benefits paid that year
1940	222,488	$35 million
1950	3,477,243	$961 million
1960	14,844,589	$11.2 billion
1970	26,228,629	$31.9 billion
1980	35,584,955	$120.5 billion

Source: SSA Historian's Office, program growth table.[245]

How did a program that paid $35 million in 1940 get to $120 billion in 1980? Part of the answer is simply that more workers retired with credits on their records. But most of the story is a long run of laws. Congress widened who was covered, added disability and family benefits, created Medicare next door, raised checks again and again, and then in 1972 put raises on autopilot.[246,247] This chapter walks through those laws in order, with the votes, because the votes

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[242] SSA, Annual Statistical Supplement to the Social Security Bulletin, 2025, Table 5.A4, "Number of beneficiaries and total monthly benefits, by trust fund and type of benefit," https://www.ssa.gov/policy/docs/statcomps/supplement/2025/5a.html (accessed November 12, 2026).

[243] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[244] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[245] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[246] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[247] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

show something that surprises a lot of people: most of this was passed by big margins from both parties.

The 1940s: frozen taxes and frozen checks

The 1939 law (Chapter 5) set the payroll tax to rise in steps from 1 percent. It did not rise for a long time. Congress froze the rate at 1 percent over and over during the war and after it: a joint resolution in December 1943, the Revenue Act of 1943 (passed over President Roosevelt's veto in February 1944), a December 1944 law, the Revenue Act of 1945, and the Social Security Amendments of 1946 and 1947.[248] The 1947 law kept the freeze until 1950 and then set the rate at 1.5 percent for 1950 and 1951.[249]

The people who wanted the freezes said the reserves were big enough and current benefits could be paid at the current rate.[250] The people against them said the scheduled increase mattered for the fund's long-term health and that waiting would mean higher rates later, and maybe government subsidies.[251] President Roosevelt was on the second side. In a 1942 letter to the Senate Finance Committee he warned that skipping the increase "would cause a real and justifiable fear that adequate funds will not be accumulated to meet the heavy obligations of the future."[252]

One wartime law did something people still argue about. The Revenue Act of 1943 carried an amendment by Senator Murray (D-MT) that allowed general tax money to be used if payroll taxes ever fell short. Senator Vandenberg (R-MI), the main voice for the freezes, said the idea "has no immediate application," but "as the statement of a principle, I agree with the amendment completely." It passed by voice vote. The 1950 law repealed it when it raised the tax rate.[253]

Benefits were frozen too. Ida May Fuller's first check in January 1940 was $22.54, and she got the same amount every month for ten years.[254] SSA's historians say that until 1951 the average

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[248] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[249] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[250] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[251] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[252] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[253] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[254] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

welfare check under the old-age assistance part of the Act was bigger than the average Social Security retirement check, and more older Americans were on old-age assistance than on Social Security.[255] Prices, meanwhile, climbed during and after World War II.

The agency itself changed in 1946. The three-person Social Security Board was abolished and replaced by the Social Security Administration (SSA), headed by a single Commissioner.[256] Arthur Altmeyer, who had chaired the Board, served as Commissioner until April 10, 1953, when a reorganization abolished his job and moved the agency into the new Department of Health, Education, and Welfare.[257]

There were fights over the edges of the program, too. In 1948 Congress passed two measures that kept newspaper vendors and other independent contractors out of Social Security after court rulings had started to treat some of them as employees. President Truman vetoed both. He wrote that the program "must be protected against these piecemeal attacks." Congress overrode both vetoes by wide margins, including 308 to 28 in the House and 77 to 7 in the Senate on the vendor bill.[258]

1950: the big catch-up

The law that changed everything was H.R. 6000. The House Ways and Means Committee reported it on August 22, 1949, after hearing from 250 witnesses over six months.[259] All ten Republicans on the committee signed a minority report saying Social Security should give only a "basic floor" of protection, and they opposed the House bill's disability benefits.[260]

The House took it up under a closed rule, meaning no floor amendments. The rule passed 189 to 135, mostly along party lines.[261] Representative Mason (R-IL) moved to send the bill back to committee and swap in a Republican version that kept the wage base at $3,000 and handled

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[255] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[256] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[257] SSA Historian's Office, "Chronology: 1950s," https://www.ssa.gov/history/1950.html (accessed November 12, 2026).

[258] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[259] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[260] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[261] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

disability only through welfare. That lost 113 to 232. Then the House passed H.R. 6000 on October 5, 1949, by 333 to 14, with 130 Republicans and 202 Democrats voting yes.[262]

The Senate waited until 1950. Its Finance Committee said the goal was to make the insurance program the main way of giving "basic security to retired persons and survivors," with welfare playing a back-up role, and it dropped the disability insurance benefits.[263] Senators Millikin (R-CO) and Taft (R-OH) said Republicans would back the bill but wanted a study of a flat, pay-as-you-go pension for everyone 65 and over, paid from current taxes instead of a trust fund.[264] Some floor votes were close. An amendment by Senator Long (D-LA) to give federal grants for needy disabled people failed 41 to 42. The Senate passed the bill on June 20, 1950, by 81 to 2.[265]

The conference committee left out disability insurance but kept a welfare program for the permanently and totally disabled. The House passed the final bill 374 to 1 and the Senate passed it by voice vote.[266] President Truman signed it on August 28, 1950.[267]

The 1950 Amendments in Congress

Vote	Date	Result
House closed rule for H.R. 6000	October 4, 1949	Adopted 189 to 135
House motion to recommit (Republican substitute)	October 5, 1949	Rejected 113 to 232
House passage	October 5, 1949	Passed 333 to 14
Senate, Long amendment on aid to the needy disabled	June 20, 1950	Rejected 41 to 42
Senate passage	June 20, 1950	Passed 81 to 2
House, final conference report	August 16, 1950	Passed 374 to 1
Senate, final conference report	August 17, 1950	Voice vote

[262] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[263] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[264] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[265] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[266] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[267] SSA Historian's Office, "Chronology: 1950s," https://www.ssa.gov/history/1950.html (accessed November 12, 2026).

Source: CRS Report RL30920.[268]

What did it do? It covered about 10 million more people, including regularly employed farm and domestic workers, most self-employed people other than doctors, lawyers and some other professionals, and workers in Puerto Rico and the Virgin Islands.[269] It raised the wage base from $3,000 to $3,600, set the tax to rise gradually to 3.25 percent each for workers and employers, and gave free wage credits for World War II military service.[270] It also made dependent husbands and widowers eligible.[271]

And it raised checks. SSA lists the September 1950 general increase as 77 percent, the first increase since monthly benefits began.[272] That 77 percent was the average; each person's check was recomputed. Ida May Fuller's went from $22.54 to $41.30, and the new amounts showed up for the first time in October 1950 checks.[273]

The effect was quick. By February 1951 there were more Social Security retirees than welfare pensioners, and by August 1951 the average Social Security retirement benefit was bigger than the average old-age assistance grant for the first time.[274] SSA's historians say the 1950 Amendments made benefits "much more generous" and "took the last of the steam out of the Townsend movement."[275] That movement was not dead yet in 1949: in November of that year, 179 House members signed a petition to force a floor vote on the Townsend Plan.[276]

One name to remember from this period is Robert M. Ball. He had started in a Social Security field office in 1939, and in 1947 and 1948 he served as staff director of the Advisory Council on

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[268] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[269] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[270] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[271] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[272] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[273] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[274] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[275] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[276] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

Social Security for the Senate Finance Committee, whose work fed into the 1950 law.[277] He became Commissioner of Social Security in 1962 and stayed until 1973, and he shows up again on the Greenspan Commission in Chapter 7.[278,279]

1952 and 1954: more raises and the disability "freeze"

The 1952 Amendments raised benefits again; SSA lists a 12.5 percent increase in September 1952.[280] The real fight in 1952 was over a disability "freeze." The idea was simple: if a worker became permanently and totally disabled, the years he or she could not work would not count against the future retirement benefit. The American Medical Association (AMA) claimed that having federal doctors examine applicants would lead to socialized medicine.[281] When House leaders first brought the bill up under a procedure needing a two-thirds vote, it got 151 votes to 141 and failed. A reworked version passed 361 to 22. The Senate stripped the freeze, and the conference kept it in a form that expired before it could start, so it did nothing that year.[282]

Then the White House changed hands. In his February 2, 1953, State of the Union message, President Dwight Eisenhower said the program "should promptly be extended to cover millions of citizens who have been left out of the Social Security system."[283] In April 1953 the Federal Security Agency was abolished and Oveta Culp Hobby was sworn in as the first Secretary of the new Department of Health, Education, and Welfare.[284]

The 1954 Amendments, signed by Eisenhower on September 1, 1954, did much of what he asked.[285] They brought in self-employed farmers, engineers, architects, accountants and funeral directors, more farm and domestic workers, and federal employees without their own pension

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[277] SSA Historian's Office, "SSA Commissioners: Robert M. Ball," https://www.ssa.gov/history/ball.html (accessed November 12, 2026).

[278] SSA Historian's Office, "SSA Commissioners: Robert M. Ball," https://www.ssa.gov/history/ball.html (accessed November 12, 2026).

[279] National Commission on Social Security Reform, "Members of the National Commission on Social Security Reform," Report, January 1983, as posted by the SSA Historian's Office, https://www.ssa.gov/history/reports/gspan2.html (accessed November 12, 2026).

[280] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[281] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[282] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[283] SSA Historian's Office, "Chronology: 1950s," https://www.ssa.gov/history/1950.html (accessed November 12, 2026).

[284] SSA Historian's Office, "Chronology: 1950s," https://www.ssa.gov/history/1950.html (accessed November 12, 2026).

[285] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

plans, and they let ministers and some state and local workers join voluntarily.[286] The wage base went to $4,200, benefits rose (SSA lists 13 percent for September 1954), and the disability freeze finally took effect, with state agencies making the disability decisions.[287,288] The House passed the bill 356 to 8, and both houses approved the final version by voice vote on August 20, 1954, the last day of the session.[289]

The freeze started working the next year. By February 1955 the program had seven million beneficiaries, and in March 1955 the agency made its first disability determinations.[290] In 1956 SSA put a new IBM 705 computer to work posting earnings records and figuring benefits.[291]

Disability

The 1954 freeze kept years when a worker could not work from wiping out his or her future retirement benefit, but it paid no cash.[292] The next step was harder. The House passed a bill with cash disability benefits on July 18, 1955, by 372 to 31, under a procedure that barred amendments.[293] The Eisenhower administration opposed it. Marion Folsom, the Secretary of Health, Education, and Welfare, told the Senate Finance Committee the administration was against both disability benefits and letting women retire at 62, and the committee took out disability benefits and limited age-62 benefits to widows.[294] Labor groups including the AFL-CIO argued that disability insurance was sound and workable.[295]

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[286] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[287] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[288] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[289] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[290] SSA Historian's Office, "Chronology: 1950s," https://www.ssa.gov/history/1950.html (accessed November 12, 2026).

[291] SSA Historian's Office, "Chronology: 1950s," https://www.ssa.gov/history/1950.html (accessed November 12, 2026).

[292] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[293] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[294] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[295] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

On July 17, 1956, Senator George (D-GA) offered an amendment to put disability benefits back, paid from a separate trust fund with its own tax. It passed 47 to 45, with 41 Democrats and 6 Republicans for it and 38 Republicans and 7 Democrats against.[296] Think about that. A shift of two votes and one of the program's three main parts might not exist. The Senate then passed the whole bill 90 to 0, and the final version cleared both houses by voice vote.[297]

President Eisenhower signed the 1956 Amendments on August 1, 1956. They paid cash benefits, after a six-month wait, to disabled workers aged 50 to 64, and to disabled adult children of retired or deceased workers.[298,299] The law added a quarter of a percent each for workers and employers to pay for it and created a separate Disability Insurance (DI) Trust Fund.[300] The DI tax began in 1957 at 0.25 percent each.[301,302] The first disability payments went out for January 1957 to disabled adult children, and monthly benefits for disabled workers aged 50 to 64 first became payable in July 1957.[303]

The program kept widening. The 1958 Amendments added benefits for the dependents of disabled workers and raised benefits by 7 percent; they passed the House 374 to 2 and the Senate 79 to 0.[304] In 1960 the age limit was dropped, so disabled workers of any age, and their dependents, could qualify.[305] By 1960, 559,000 people were getting disability benefits, averaging around $80 a month.[306] The number more than doubled during the 1960s, from 742,000 in

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[296] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[297] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[298] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[299] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[300] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[301] SSA Office of the Chief Actuary, "Social Security Tax Rates" (OASI and DI rates, with notes on 1984, 2011-2012 and 2016-2018), https://www.ssa.gov/oact/progdata/oasdiRates.html (accessed November 12, 2026).

[302] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[303] SSA Historian's Office, "Chronology: 1950s," https://www.ssa.gov/history/1950.html (accessed November 12, 2026).

[304] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[305] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[306] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

1961 to 1.7 million in 1969.[307] In May 1966 the one-millionth disabled worker was added to the rolls.[308]

Retiring at 62

The same 1956 debate opened early retirement. Senator Robert Kerr (D-OK) offered an amendment to let women take reduced benefits at 62, and it passed 86 to 7.[309] Women could take reduced benefits at age 62 starting in 1956.[310]

Men had to wait. The 1961 Amendments, part of President John Kennedy's early economic program, gave men the same option.[311,312] Some House Republicans worried it would push older men out of work. Representative Curtis (R-MO) said, "our older people are having a hard enough time now to stay in the labor market. This provides further incentive to drive them out."[313] His effort to strip the provision failed on a voice vote, and the House passed the bill 400 to 14; the Senate passed it 90 to 0.[314]

Benefits taken early are reduced to reflect the longer time they will be paid.[315] The 1961 law also raised the minimum benefit to $40 a month and raised benefits for aged widows from 75 to 82.5 percent of what the worker would have received.[316]

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[307] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[308] SSA Historian's Office, "Chronology: 1960s," https://www.ssa.gov/history/1960.html (accessed November 12, 2026).

[309] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[310] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[311] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[312] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[313] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[314] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[315] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[316] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

Medicare

Health insurance for older people was the biggest Social Security fight of the 1960s. In 1960 Congress chose a welfare-style approach instead, the "Kerr-Mills" program of federal grants to the states for medical care for needy older people, named for Senator Kerr and Ways and Means Chairman Wilbur Mills (D-AR).[317] A Senate amendment to use Social Security for health care for the elderly lost 44 to 51 that year.[318] The two sides were already clear. Supporters of the welfare route said it helped every needy older person in states that took part. Representative Thompson (D-NJ), who backed a Social Security approach, said that under the welfare plan people would be "denied the opportunity of contributing to their old-age health insurance coverage while employed and would be forced to rely upon charity after their working days were over."[319]

In 1964 the Senate added hospital insurance to a Social Security bill by 49 to 44, but House negotiators refused it and the conference broke up with no bill.[320] The 1964 elections brought 42 new Northern Democrats into the House, almost all of them Medicare supporters.[321]

In 1965 Ways and Means reported H.R. 6675 with all 17 Democrats for it and all 8 Republicans against.[322] Critics said it was compulsory, paid for with a "regressive" payroll tax, and a danger to the cash benefit program; Republicans wanted a voluntary plan instead.[323] The Republican alternative, offered by Representative Byrnes (R-WI), lost 191 to 236, and the House passed the bill on April 8, 1965, by 313 to 115.[324] In the Senate, a motion by Senator Curtis (R-NE) to strike

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[317] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[318] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[319] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[320] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[321] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[322] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[323] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[324] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

Medicare lost 26 to 64, and the bill passed 68 to 21. The final votes were 307 to 116 in the House and 70 to 24 in the Senate.[325]

On July 30, 1965, President Lyndon Johnson signed the Medicare bill in Independence, Missouri, with former President Harry Truman beside him receiving the first Medicare card.[326,327] Johnson had laid out the case that January: "Compassion and reason dictate that this logical extension of our proven Social Security system will supply the prudent, feasible, and dignified way to free the aged from the fear of financial hardship in the event of illness."[328]

SSA was put in charge of running it at first.[329] Hospital coverage started for nearly everyone over 65 on July 1, 1966, and nearly 20 million people enrolled in Medicare in its first three years.[330,331] Medicare has its own trust funds and its own payroll tax, the Hospital Insurance (HI) tax, which started in 1966.[332] The same 1965 law also raised Social Security checks 7 percent, let widows take reduced benefits at 60, and paid children's benefits through age 21 for full-time students.[333] This book covers Medicare only where it touches Social Security money.

Raises by act of Congress

Until the mid-1970s, benefits went up only when Congress passed a law. It did so often, and the votes were rarely close.[334]

General Social Security benefit increases set by Congress, 1950 to 1974

Effective	**Increase**

[325] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[326] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[327] SSA Historian's Office, "Medicare Is Signed Into Law" (photographs and records of the July 30, 1965 signing), https://www.ssa.gov/history/lbjsm.html (accessed November 12, 2026).

[328] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[329] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[330] SSA Historian's Office, "Chronology: 1960s," https://www.ssa.gov/history/1960.html (accessed November 12, 2026).

[331] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[332] SSA Office of the Chief Actuary, "Social Security & Medicare Tax Rates," https://www.ssa.gov/oact/progdata/taxRates.html (accessed November 12, 2026).

[333] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[334] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

Effective	Increase
September 1950	77.0%
September 1952	12.5%
September 1954	13.0%
January 1959	7.0%
January 1965	7.0%
February 1968	13.0%
January 1970	15.0%
January 1971	10.0%
September 1972	20.0%
March and June 1974	11.0% (in two steps)

Source: SSA Historian's Office, "Social Security Benefit Increases 1950-2013."[335]

The 1967 Amendments, signed January 2, 1968, are a good example of how these raises got made. President Johnson asked for 15 percent. The House passed 12.5 percent, 416 to 3. The Senate passed 15 percent. The final law settled on 13 percent and raised the wage base from $6,600 to $7,800.[336]

In 1969 and 1971 the raises rode on other bills. The 15 percent raise of January 1970 was added in the Senate to the Tax Reform Act of 1969, 73 to 14, after a Republican attempt to cut it to 10 percent failed.[337] The 10 percent raise of 1971 was added to a bill to raise the federal debt limit, and the Senate approved it 82 to 0.[338]

You might ask, "Why did Congress keep raising benefits so fast?" Part of it was rising prices. Part of it was that the trust funds looked healthy: combined reserves were about $38 billion at

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[335] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[336] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[337] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[338] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

the end of 1970, more than a full year of benefits.[339] And part of it, in my view, was politics: a raise in an election year is popular with both parties. That is my read, not a documented finding.

1972: the 20 percent raise and automatic COLAs

The 1972 raise was the biggest since 1950, and it came through the back door. President Richard Nixon thought 20 percent was inflationary. So backers attached it to a bill raising the debt limit, which had to pass by midnight on June 30, 1972. The Congressional Quarterly Almanac, as quoted by CRS, said they did it because Nixon "would be unlikely to veto a bill that contained a debt limit increase."[340]

The Senate amendment by Senator Church (D-ID) gave a 20 percent raise and made future raises automatic whenever prices rose 3 percent or more in a year. It passed 82 to 4. A Republican amendment for only 10 percent lost 20 to 66.[341] In the House, Representative Byrnes called 20 percent "irresponsible" and moved to cut it to 10 percent; that lost 83 to 253. Chairman Mills's motion to accept the Senate's 20 percent and automatic increases passed 302 to 35.[342] Nixon signed it on July 1, 1972.[343]

In 1972 Congress changed the law so that, starting in 1975, benefits would rise automatically each year with consumer prices.[344] The first automatic COLA, in June 1975, was 8.0 percent.[345] The same law tied the taxable maximum to wage growth so it would rise automatically too.[346] A December 1973 law added a two-step 11 percent raise for 1974 and set the timing of the automatic COLA so that the first one would come in June 1975.[347]

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[339] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[340] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[341] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[342] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[343] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[344] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[345] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

[346] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[347] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

SSI

The second 1972 law, H.R. 1, signed October 30, 1972, created Supplemental Security Income (SSI), a separate program for low-income aged, blind and disabled people that is paid from general tax money, not the Social Security trust funds.[348,349]

Before SSI, the states ran three "adult categories" of welfare with partial federal money. Over time the programs got so tangled that as many as 1,350 agencies were involved and payments varied more than 300 percent from state to state.[350] In 1969 President Nixon said these and related programs needed reform to "bring reason, order, and purpose into a tangle of overlapping programs."[351] H.R. 1 also carried his Family Assistance Plan for families with children, which held the bill up in the Senate for more than a year and was finally dropped in conference.[352] SSI survived. Senator Long's amendment creating it passed the Senate 75 to 0.[353]

SSA got the job because of its record and its network of field offices, and it had to move more than 3 million people from state welfare rolls to SSI.[354] The program began in 1974 with about 4 million recipients.[355]

H.R. 1 also raised benefits for widows and widowers, extended Medicare to people who had been on disability benefits for at least two years, created a special minimum benefit for long-time low

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[348] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[349] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[350] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[351] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[352] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[353] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[354] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[355] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

earners, and added delayed retirement credits for people who wait past 65.[356,357] The final version passed the House 305 to 1 and the Senate 61 to 0.[358]

A flaw in the formula, and the 1977 fix

The 1972 formula had a mistake in it. It adjusted new retirees' benefits for both price and wage increases, a double count. SSA's historians say that if the mid-1970s trends had continued, some future retirees could have received more in monthly benefits than they had earned in gross pay while working.[359]

Here is the plain version. The method worked only if the economy behaved the way it had in the 1950s and 1960s, with wages rising faster than prices and inflation low.[360] The 1970s did the opposite. Fast inflation and high unemployment drove starting benefits up sharply while a weak economy held down the taxes coming in.[361]

Money was getting tight at the same time. The 1975 Trustees Report said the trust funds would run out by 1979.[362] Combined reserves fell from about $44.3 billion at the end of 1975 to $26.5 billion at the end of 1980, while yearly costs passed $123 billion.[363] CRS, quoting the Congressional Quarterly Almanac, puts the main cause as the "combination of rapid inflation and a recession, which together raised Social Security benefit costs and reduced tax receipts."[364]

The 1977 fight

President Jimmy Carter's plan reached the House in 1977. The Ways and Means bill tried to cover federal, state, local and nonprofit workers, but the House voted 386 to 38 to drop that and

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[356] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[357] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[358] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[359] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[360] Commission on the Social Security "Notch" Issue, "Final Report on the Social Security 'Notch' Issue," December 31, 1994, as posted by the SSA Historian's Office, https://www.ssa.gov/history/notchfile1.html (accessed November 12, 2026).

[361] Commission on the Social Security "Notch" Issue, "Final Report on the Social Security 'Notch' Issue," December 31, 1994, as posted by the SSA Historian's Office, https://www.ssa.gov/history/notchfile1.html (accessed November 12, 2026).

[362] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[363] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[364] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

study it instead.[365] Representative J. J. Pickle (D-TX) tried to strike standby loans from general tax money, saying he did not want Social Security turned into a "welfare or need program"; he lost 196 to 221.[366] An amendment by Representative Ketchum (R-CA) to phase out the earnings limit for people over 65 passed 268 to 149.[367] The House passed the bill 275 to 146, and the Senate passed its version 42 to 25.[368]

The final deal dropped the general-revenue loans and set payroll taxes higher than either chamber had passed. That made members nervous. The House approved the conference report on December 15, 1977, by only 189 to 163, with most Republicans against. Ways and Means Chairman Ullman (D-OR) promised to work toward "a new revenue mechanism whereby we can back off from these major increases."[369] The Senate approved it 56 to 21, and President Carter signed it on December 20, 1977.[370]

Final House and Senate votes on major Social Security laws, 1950 to 1977

Law	House	Senate
1950 Amendments	374 to 1	Voice vote
1956 Amendments (disability)	Voice vote (passage 372 to 31)	Voice vote (passage 90 to 0)
1960 Amendments	369 to 17	74 to 11
1961 Amendments (men at 62)	400 to 14 (passage)	90 to 0 (passage)
1965 Amendments (Medicare)	307 to 116	70 to 24
1967 Amendments	390 to 3	62 to 14
1972 debt limit bill (20 percent and COLAs)	302 to 35	78 to 3
1972 Amendments, H.R. 1 (SSI)	305 to 1	61 to 0

[365] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[366] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[367] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[368] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[369] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[370] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

Law	House	Senate
1977 Amendments	189 to 163	56 to 21

Source: CRS Report RL30920. Final conference votes unless noted.[371]

What the 1977 law did

The 1977 Amendments raised the payroll tax, raised the wage base, trimmed benefits slightly and "decoupled" the wage and price adjustments to fix the flaw.[372] The wage base jumped from $17,700 in 1978 to $22,900 in 1979 and $29,700 in 1981.[373] CRS says the law aimed to cut the projected 75-year deficit from more than 8 percent of taxable payroll to less than 1.5 percent.[374] It also raised the earnings limit for people 65 and over, ended the earnings test at age 70 starting in 1982, and reduced spousal benefits for people with government pensions from jobs not covered by Social Security, the rule later called the Government Pension Offset (GPO).[375]

A word on the tax numbers. SSA's history page describes the 1977 tax change as going from 6.45 percent to 7.65 percent.[376] I could not match the 6.45 figure to SSA's actuarial tax table. That table shows the combined Social Security and Medicare rate for each worker at 5.85 percent in 1977, rising in steps under the 1977 law and the later 1983 law to 7.65 percent in 1990, where it still is. The 7.65 percent counts Medicare's 1.45 percent; the Social Security part alone is 6.2 percent.[377]

The Notch

The fix created a group of retirees, born from 1917 through 1921, whose benefits were often lower than those of people born just before them.[378] They came to be called the "Notch Babies,"

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[371] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[372] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[373] SSA Office of the Chief Actuary, "Contribution and Benefit Base," https://www.ssa.gov/oact/cola/cbb.html (accessed November 12, 2026).

[374] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[375] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[376] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[377] SSA Office of the Chief Actuary, "Social Security & Medicare Tax Rates," https://www.ssa.gov/oact/progdata/taxRates.html (accessed November 12, 2026).

[378] Commission on the Social Security "Notch" Issue, "Final Report on the Social Security 'Notch' Issue," December 31, 1994, as posted by the SSA Historian's Office, https://www.ssa.gov/history/notchfile1.html (accessed November 12, 2026).

named for the v-shaped dip their benefits made on a bar graph, and some of them protested for years.[379,380]

Why them? Congress decided not to cut checks for people already receiving them but to lower benefits for future retirees, starting with people born after January 1, 1917. To soften the drop, it built a special "transitional" formula for people born from 1917 to 1921.[381] Meanwhile, people born a few years earlier kept the more generous old method. Next-door neighbors with similar work histories could get noticeably different checks, and they noticed.[382]

More than 100 bills to address the Notch were introduced.[383] Senior groups split. The National Committee to Preserve Social Security and Medicare, an advocacy group, backed raising benefits for Notch-year retirees; AARP, another advocacy group, argued they had received intended and appropriate benefits.[384] In 1992 Congress created a 12-member bipartisan Commission on the Social Security "Notch" Issue to settle it, and in March 1994 President Clinton named Alan "Scotty" Campbell as its chairman.[385,386]

The commission's December 31, 1994, report agreed with the facts but not the conclusion. It "does not dispute - indeed, it confirms - the factual allegations" that many Notch-year benefits were lower. But its central finding was that their benefits "are equitable, and no remedial legislation is in order."[387] It called the 1977 cut "a necessary and, indeed, unavoidable response to a problem," and said the real problem was the people just before the Notch, who kept

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[379] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[380] Commission on the Social Security "Notch" Issue, "Final Report on the Social Security 'Notch' Issue," December 31, 1994, as posted by the SSA Historian's Office, https://www.ssa.gov/history/notchfile1.html (accessed November 12, 2026).

[381] Commission on the Social Security "Notch" Issue, "Final Report on the Social Security 'Notch' Issue," December 31, 1994, as posted by the SSA Historian's Office, https://www.ssa.gov/history/notchfile1.html (accessed November 12, 2026).

[382] Commission on the Social Security "Notch" Issue, "Final Report on the Social Security 'Notch' Issue," December 31, 1994, as posted by the SSA Historian's Office, https://www.ssa.gov/history/notchfile1.html (accessed November 12, 2026).

[383] Commission on the Social Security "Notch" Issue, "Final Report on the Social Security 'Notch' Issue," December 31, 1994, as posted by the SSA Historian's Office, https://www.ssa.gov/history/notchfile1.html (accessed November 12, 2026).

[384] Commission on the Social Security "Notch" Issue, "Final Report on the Social Security 'Notch' Issue," December 31, 1994, as posted by the SSA Historian's Office, https://www.ssa.gov/history/notchfile1.html (accessed November 12, 2026).

[385] Commission on the Social Security "Notch" Issue, "Final Report on the Social Security 'Notch' Issue," December 31, 1994, as posted by the SSA Historian's Office, https://www.ssa.gov/history/notchfile1.html (accessed November 12, 2026).

[386] SSA Historian's Office, "Chronology: 1990s," https://www.ssa.gov/history/1990.html (accessed November 12, 2026).

[387] Commission on the Social Security "Notch" Issue, "Final Report on the Social Security 'Notch' Issue," December 31, 1994, as posted by the SSA Historian's Office, https://www.ssa.gov/history/notchfile1.html (accessed November 12, 2026).

"substantially inflated benefits" under the flawed 1972 method.[388] Congress never passed a Notch fix.

[388] Commission on the Social Security "Notch" Issue, "Final Report on the Social Security 'Notch' Issue," December 31, 1994, as posted by the SSA Historian's Office, https://www.ssa.gov/history/notchfile1.html (accessed November 12, 2026).

Part Four: Saving It, 1981 to 1983

Chapter 7: The 1983 Rescue

The crisis

The 1977 fix did not hold. High inflation pushed COLAs up fast (14.3 percent in 1980 and 11.2 percent in 1981) while a weak economy held down wages and payroll tax income.[389] SSA's 1983 legislative history says that by the end of the 1970s the economy was doing "significantly less" well than expected when the 1977 law passed.[390]

The retirement fund, the Old-Age and Survivors Insurance (OASI) Trust Fund, took the hit. It paid out more than it took in every year from 1975 through 1981, and its reserves shrank from about $37 billion to about $21.5 billion.[391] By 1982 it was paying out about $142 billion a year with about $22 billion in reserve, enough for roughly two months.[392]

Old-Age and Survivors Insurance Trust Fund, 1975 to 1983 (millions of nominal dollars)

Year	Total income	Total cost	Reserves at end of year
1975	59,605	60,395	36,987
1977	72,412	75,309	32,491
1979	90,274	93,133	24,660
1980	105,841	107,678	22,823
1981	125,361	126,695	21,490
1982	125,198	142,119	22,088
1983	150,584	152,999	19,672

Source: SSA Office of the Chief Actuary, Table 4a1. The 1982 reserves include money borrowed from other trust funds.[393]

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[389] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

[390] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[391] SSA Office of the Chief Actuary, "Old-Age and Survivors Insurance Trust Fund, 1937-2025" (Table 4a1), https://www.ssa.gov/oact/STATS/table4a1.html (accessed November 12, 2026).

[392] SSA Office of the Chief Actuary, "Old-Age and Survivors Insurance Trust Fund, 1937-2025" (Table 4a1), https://www.ssa.gov/oact/STATS/table4a1.html (accessed November 12, 2026).

[393] SSA Office of the Chief Actuary, "Old-Age and Survivors Insurance Trust Fund, 1937-2025" (Table 4a1), https://www.ssa.gov/oact/STATS/table4a1.html (accessed November 12, 2026).

Congress first tried shuffling money. A 1980 law shifted part of the disability fund's tax to the retirement fund for 1980 and 1981. Representative Pickle called it "a deliberate step both to insure the stability of the trust funds and to provide the Congress the time it will need to make any further changes necessary."[394] By 1982 the retirement trust fund was nearly empty. Congress let it borrow from other federal trust funds to keep checks going, and the borrowed money was paid back with interest within four years.[395] The OASI fund borrowed $17.5 billion from the disability and Medicare hospital funds late in December 1982, enough to keep benefits flowing until June 1983.[396]

The Greenspan Commission estimated the retirement trust fund could run out of money as early as August 1983.[397]

Reagan's first try, 1981

President Ronald Reagan's first moves came through the budget. The Omnibus Budget Reconciliation Act of 1981, signed August 13, 1981, phased out benefits for college students over 18, limited the lump-sum death benefit, and eliminated the minimum benefit for both current and future beneficiaries.[398] The administration argued that these benefits were not central to the program's goals and did not consider them "earned."[399] In the Senate, an amendment to keep the minimum benefit for people already getting it lost 45 to 53.[400]

On May 12, 1981, Health and Human Services Secretary Richard Schweiker announced a wider package that he said "will keep the system from going broke, protect the basic benefit structure, and reduce the tax burden of American workers."[401] The most controversial piece was a larger

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[394] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[395] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[396] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[397] SSA Historian's Office, "Report of the National Commission on Social Security Reform" (Greenspan Commission), January 1983, https://www.ssa.gov/history/reports/gspan.html (accessed November 12, 2026).

[398] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[399] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[400] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[401] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

cut for retiring before 65.[402] SSA's own account says the proposals "were not generally well received."[403] [Not verified: news and secondary accounts say the Senate voted 96 to 0 in May 1981 for a resolution against the early-retirement cut; I did not find it in the CRS vote history or SSA's 1983 legislative history, and the Congress.gov record did not load when I checked.]

Reagan pushed back on May 21, 1981, in a letter to congressional leaders. "As you know, the Social Security System is teetering on the edge of bankruptcy," he wrote, warning of deficits "of up to $111 billion" over five years.[404] The House answered on July 21, 1981, with a nonbinding resolution, 405 to 13, urging that benefits "are not reduced for those currently receiving them."[405]

The minimum benefit cut caused enough of an outcry that Congress and the administration backed off. The Senate voted 95 to 0 to restore it for current recipients.[406] The Social Security Amendments of 1981, signed December 29, 1981, restored the minimum benefit for people already eligible, ended it for new people starting in 1982, and allowed the trust funds to borrow from each other through 1982. The final votes were 96 to 0 in the Senate and 412 to 10 in the House.[407,408]

In a September 24, 1981, address, Reagan said he would ask for a bipartisan panel: "To remove Social Security once and for all from politics, I am also asking Speaker Tip O'Neill of the House of Representatives and Majority Leader in the Senate Howard Baker to each appoint five members, and I will appoint five."[409]

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[402] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[403] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[404] SSA Historian's Office, "President Ronald W. Reagan" (presidential statements on Social Security, 1981-1984, including the letter to congressional leaders of May 21, 1981 and the remarks of April 20, 1983), https://www.ssa.gov/history/reaganstmts.html (accessed November 12, 2026).

[405] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[406] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[407] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[408] SSA Historian's Office, "Chronology: 1980s," https://www.ssa.gov/history/1980.html (accessed November 12, 2026).

[409] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

The disability reviews

A second fight ran alongside the money crisis. The Social Security Disability Amendments of 1980, signed by President Carter on June 9, 1980, capped family benefits for disabled workers, added work incentives, and required more reviews of people already on the rolls.[410,411] The House had first passed it 235 to 162; the final House vote was 389 to 2, and the Senate approved the final version by voice vote.[412]

When the Reagan administration started the reviews in March 1981, thousands of people lost benefits, though many got them back on appeal.[413] CRS says more than half of those removed were reinstated on appeal, which fed complaints that many terminations were unjustified.[414] Representative Pickle said in 1984 that "nearly half a million disabled recipients have been notified that their benefits will end. Far too often this notice has been sent in error, and corrected only at the recipient's expense."[415]

Congress acted in steps. A law signed January 12, 1983, let people keep their benefits and Medicare while they appealed.[416,417] SSA's historians say the reviews had been halted by 1983.[418] Health and Human Services Secretary Margaret Heckler then imposed a nationwide moratorium, saying "we must suspend the process and work together with Congress to regain order and consensus."[419] The Social Security Disability Benefits Reform Act of 1984 followed. It

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[410] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[411] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[412] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[413] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[414] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[415] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[416] SSA Historian's Office, "Chronology: 1980s," https://www.ssa.gov/history/1980.html (accessed November 12, 2026).

[417] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[418] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[419] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

said, with some exceptions, that benefits could be stopped only if the person's condition had improved and he or she could work. It passed both houses unanimously, 402 to 0 and 99 to 0, and Reagan signed it on October 9, 1984.[420]

The Greenspan Commission

President Ronald Reagan and Congress appointed the National Commission on Social Security Reform in 1981. It is usually called the Greenspan Commission after its chairman, economist Alan Greenspan. It was bipartisan, and its January 1983 report became the basis of the law that followed.[421] Reagan created it by Executive Order 12335 on December 16, 1981, with a reporting date of December 31, 1982.[422]

Members of the National Commission on Social Security Reform

Appointed by	Members
The President	Alan Greenspan (chairman); Robert A. Beck (Prudential); Mary Falvey Fuller (consultant); Alexander B. Trowbridge (National Association of Manufacturers); Joe D. Waggonner, Jr. (former Representative)
Senate Majority Leader, with the Minority Leader	Senator William Armstrong; Senator Robert Dole; Senator John Heinz; Lane Kirkland (AFL-CIO); Senator Daniel Patrick Moynihan
Speaker of the House, with the Minority Leader	Representative William Archer; Robert M. Ball (former Commissioner); Representative Barber Conable; Martha E. Keys (former Representative); Representative Pepper of Florida (Chairman, House Rules Committee)

Source: Report of the National Commission on Social Security Reform.[423]

The commission could not agree at its last formal meeting on December 10, 1982, and Reagan twice pushed back its deadline.[424] Talks went on into January. On January 15, 1983, the

[420] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[421] SSA Historian's Office, "Report of the National Commission on Social Security Reform" (Greenspan Commission), January 1983, https://www.ssa.gov/history/reports/gspan.html (accessed November 12, 2026).

[422] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[423] National Commission on Social Security Reform, "Members of the National Commission on Social Security Reform," Report, January 1983, as posted by the SSA Historian's Office, https://www.ssa.gov/history/reports/gspan2.html (accessed November 12, 2026).

[424] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

commission announced a deal, and the President, the Speaker of the House and other congressional leaders all endorsed the package as a whole.[425]

The vote inside the commission was 12 to 3. Archer, Armstrong and Waggonner voted no.[426] The 12 in favor agreed on a single package to close the short-term gap, with Kirkland dissenting on covering new federal workers.[427] They split on the rest of the long-range gap. Seven wanted a slow rise in the retirement age, and five wanted a payroll tax increase of a little under half a percent each for workers and employers in 2010.[428]

The numbers they worked from were stark. The commission said the trust funds needed $150 billion to $200 billion in added income or lower costs for 1983 to 1989, and that the 75-year imbalance averaged 1.80 percent of taxable payroll.[429] Unanimously, it said Congress "should not alter the fundamental structure of the Social Security program," and it rejected making the program voluntary, turning it into a fully funded program, or tying benefits to financial need.[430]

Selected Greenspan Commission proposals and estimated short-term savings

Proposal	**Estimated savings, 1983 to 1989**
Cover nonprofit and new federal employees	$20 billion
Bar state and local governments from leaving	$3 billion
Tax benefits of higher-income people	$30 billion
Shift COLAs to a calendar-year basis	$40 billion

Source: Report of the National Commission on Social Security Reform, Table A.[431]

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[425] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[426] National Commission on Social Security Reform, Report, January 1983, Chapter 2, "Findings and Recommendations," as posted by the SSA Historian's Office, https://www.ssa.gov/history/reports/gspan5.html (accessed November 12, 2026).

[427] National Commission on Social Security Reform, Report, January 1983, Chapter 2, "Findings and Recommendations," as posted by the SSA Historian's Office, https://www.ssa.gov/history/reports/gspan5.html (accessed November 12, 2026).

[428] National Commission on Social Security Reform, Report, January 1983, Chapter 2, "Findings and Recommendations," as posted by the SSA Historian's Office, https://www.ssa.gov/history/reports/gspan5.html (accessed November 12, 2026).

[429] National Commission on Social Security Reform, Report, January 1983, Chapter 2, "Findings and Recommendations," as posted by the SSA Historian's Office, https://www.ssa.gov/history/reports/gspan5.html (accessed November 12, 2026).

[430] National Commission on Social Security Reform, Report, January 1983, Chapter 2, "Findings and Recommendations," as posted by the SSA Historian's Office, https://www.ssa.gov/history/reports/gspan5.html (accessed November 12, 2026).

[431] National Commission on Social Security Reform, Report, January 1983, Chapter 2, "Findings and Recommendations," as posted by the SSA Historian's Office, https://www.ssa.gov/history/reports/gspan5.html (accessed November 12, 2026).

Through Congress in five weeks

H.R. 1900 moved fast. On March 9, 1983, the House voted on how to close the long-range gap. Representative Pickle's amendment to raise the full retirement age to 66 by 2009 and 67 by 2027 passed 228 to 202. Representative Pepper's substitute, raising the tax rate in 2010 instead, lost 132 to 296.[432] Pepper, a Florida Democrat who chaired the House Rules Committee, had served on the Greenspan Commission and voted for its package.[433,434] The House then passed the bill 282 to 148.[435]

The Senate took up 72 floor amendments and adopted 49. An attempt to keep new federal workers out of Social Security failed 12 to 86. The Senate passed the bill on March 23 by 88 to 9.[436] Conferees settled the differences the next day, taking the House retirement-age plan.[437] The House passed the final bill 243 to 102 on March 24, and the Senate 58 to 14 on March 25.[438]

The 1983 Amendments in Congress

Vote	Date	Result
House, Pickle amendment (raise retirement age to 67)	March 9, 1983	Passed 228 to 202
House, Pepper substitute (raise tax rate in 2010 instead)	March 9, 1983	Rejected 132 to 296
House passage	March 9, 1983	Passed 282 to 148
Senate, Stevens-Mathias amendment (keep federal workers out)	March 23, 1983	Rejected 12 to 86

[432] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[433] National Commission on Social Security Reform, "Members of the National Commission on Social Security Reform," Report, January 1983, as posted by the SSA Historian's Office, https://www.ssa.gov/history/reports/gspan2.html (accessed November 12, 2026).

[434] National Commission on Social Security Reform, Report, January 1983, Chapter 2, "Findings and Recommendations," as posted by the SSA Historian's Office, https://www.ssa.gov/history/reports/gspan5.html (accessed November 12, 2026).

[435] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[436] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[437] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[438] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

Vote	Date	Result
Senate passage	March 23, 1983	Passed 88 to 9
House, conference report	March 24, 1983	Passed 243 to 102
Senate, conference report	March 25, 1983	Passed 58 to 14

Source: CRS Report RL30920.[439]

What the 1983 Amendments did

President Reagan signed the Social Security Amendments of 1983 (Public Law 98-21) on April 20, 1983.[440] Among other things, the law:

- Moved up payroll tax increases that had already been scheduled.[441]
- Delayed the 1983 COLA by six months and moved future COLAs to January payment.[442]
- Made up to half of benefits taxable for higher-income beneficiaries, starting in 1984, with the money going back into the trust funds.[443,444]
- Brought new federal employees into Social Security, and covered Members of Congress, the President, the Vice President, federal judges and top political appointees starting in January 1984.[445]
- Brought employees of nonprofit groups in and barred state and local governments from dropping out.[446]

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[439] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[440] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[441] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[442] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[443] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[444] Paul S. Davies, "Social Security: Taxation of Benefits," CRS Report RL32552, November 1, 2019, https://www.everycrsreport.com/files/20191101_RL32552_a44b7c437eee09a6cb8a6393d50208a5ed231bdc.html (accessed November 12, 2026).

[445] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

- Raised the age for full benefits in steps, to 66 and then 67, early in the 21st century.[447]
- Raised the delayed retirement credit, raised taxes on the self-employed, and reduced benefits for workers who also had pensions from jobs not covered by Social Security, the rule later called the Windfall Elimination Provision (WEP).[448]
- Said that, starting with the 1993 federal budget, Social Security and Medicare hospital insurance money would no longer be counted in budget totals.[449]

The retirement age change is still rolling in. For anyone born in 1960 or later, full retirement age is 67.[450] Chapter 14 covers the tax on benefits in detail.

A political deal

Both parties gave up something. Workers paid more and sooner; retirees got a delayed COLA and, for some, a new tax; future retirees got a later retirement age. Reagan, signing the bill, said that "the essence of bipartisanship is to give up a little in order to get a lot."[451,452] He added, "None of us here today would pretend that this bill is perfect. Each of us had to compromise one way or another."[453]

The votes back that up. In the House, 97 Republicans and 185 Democrats voted to pass the bill, while 69 Republicans and 79 Democrats voted no; in the Senate the final vote drew 32 Republicans and 26 Democrats.[454] Neither party could have passed it alone, and neither had to carry it alone.

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[446] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[447] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[448] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[449] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[450] SSA, "Retirement age and benefit reduction," https://www.ssa.gov/benefits/retirement/planner/ageincrease.html (accessed November 12, 2026).

[451] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[452] SSA Historian's Office, "President Ronald W. Reagan" (presidential statements on Social Security, 1981-1984, including the letter to congressional leaders of May 21, 1981 and the remarks of April 20, 1983), https://www.ssa.gov/history/reaganstmts.html (accessed November 12, 2026).

[453] SSA Historian's Office, "President Ronald W. Reagan" (presidential statements on Social Security, 1981-1984, including the letter to congressional leaders of May 21, 1981 and the remarks of April 20, 1983), https://www.ssa.gov/history/reaganstmts.html (accessed November 12, 2026).

[454] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

Did it work? In the short run, yes. The 1983 Trustees Report showed a small positive 75-year balance, and it is the last report that ever did.[455] Chapter 8 follows what happened next.

[455] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal OASI and DI Trust Funds, Appendix VI.B, "History of Actuarial Status Estimates," Table VI.B1, https://www.ssa.gov/oact/TR/2026/VI_B_LRact_bal.html (accessed November 12, 2026).

Part Five: The Trust Fund Years, 1984 to Today

Chapter 8: Building Up, Then Drawing Down

A planned surplus

After 1983, the program took in more than it paid out for decades, partly on purpose, to build a reserve ahead of the baby boom's retirement. Combined reserves grew from about $24.9 billion at the end of 1983 to about $1.05 trillion at the end of 2000, and peaked at about $2.91 trillion at the end of 2020 (nominal dollars).[456]

Combined OASI and DI trust fund reserves, end of year (billions of nominal dollars)

Year	Total income	Total cost	Reserves at end of year
1983	171.3	171.2	24.9
1990	315.4	253.1	225.3
2000	568.4	415.1	1,049.4
2010	781.1	712.5	2,609.0
2020	1,118.1	1,107.2	2,908.3
2021	1,088.3	1,144.6	2,852.0
2025	1,449.3	1,609.5	2,561.3

Source: SSA Office of the Chief Actuary, Table 4a3.[457]

Look at 1990 and 2000 in that table. In 2000 the program took in $568 billion and paid out $415 billion, a surplus of about $153 billion in one year.[458] That surplus was the design working. It was also, as the next pages show, a temptation and a source of argument for the rest of the 1990s.

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[456] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[457] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[458] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

What the Trustees saw coming

Every year the Trustees publish a 75-year forecast. Their own history table is one of the most useful things in this book, because it shows how the outlook slid after 1983.[459]

Long-range outlook in selected Trustees Reports (intermediate assumptions)

Report year	75-year actuarial balance (percent of taxable payroll)	Projected year combined reserves run out
1982	-1.82	1983
1983	+0.02	Not within 75 years
1985	-0.41	2049
1990	-0.91	2043
1994	-2.13	2029
2000	-1.89	2037
2010	-1.92	2037
2015	-2.68	2034
2020	-3.21	2035
2026	-4.42	2034

Source: 2026 Trustees Report, Table VI.B1. Reports before 1988 used a simpler method, so early balances are not exactly comparable.[460]

You might ask, "If the 1983 law fixed the problem, why did the gap come back?" The Trustees explain that the 75-year window moves forward one year with each report, which by itself worsens the balance a little every year, and that changes in assumptions, methods and laws have also moved the numbers.[461] The 1983 law also aimed only for rough balance over the 75 years as measured in 1983.[462] It was never designed to stay balanced as each new, more expensive year

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[459] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal OASI and DI Trust Funds, Appendix VI.B, "History of Actuarial Status Estimates," Table VI.B1, https://www.ssa.gov/oact/TR/2026/VI_B_LRact_bal.html (accessed November 12, 2026).

[460] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal OASI and DI Trust Funds, Appendix VI.B, "History of Actuarial Status Estimates," Table VI.B1, https://www.ssa.gov/oact/TR/2026/VI_B_LRact_bal.html (accessed November 12, 2026).

[461] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal OASI and DI Trust Funds, Appendix VI.B, "History of Actuarial Status Estimates," Table VI.B1, https://www.ssa.gov/oact/TR/2026/VI_B_LRact_bal.html (accessed November 12, 2026).

[462] National Commission on Social Security Reform, Report, January 1983, Chapter 2, "Findings and Recommendations," as posted by the SSA Historian's Office, https://www.ssa.gov/history/reports/gspan5.html (accessed November 12, 2026).

rolled into the window. My read, and it is an interpretation, is that the 1983 law bought about fifty years, not forever.

Where the money sits

By law, every dollar the trust funds take in that is not needed right away must be invested in securities backed by the federal government. In practice these are "special issue" Treasury bonds that only the trust funds can hold and that can be cashed in at face value at any time.[463] The cash the Treasury gets for these bonds goes into the government's general fund and is spent like any other cash. When the trust funds need money to pay benefits, they cash in bonds, and interest is paid.[464]

You might ask, "So did the government spend Social Security's money?" Yes and no. The government spent the cash, and in exchange the trust funds got bonds that the government must repay with interest. SSA's actuaries put it bluntly: "The government has always repaid Social Security, with interest."[465] Chapter 16 tests what that means.

On budget, off budget

How the trust funds show up in the federal budget has changed. Starting in 1969, Social Security was counted in the "unified budget" with everything else.[466] Later laws moved it out: the Balanced Budget and Emergency Deficit Control Act of 1985 and then the Budget Enforcement Act of 1990, which says Social Security's receipts and spending are not counted in the budget totals Congress uses for most purposes.[467] The 1983 Amendments had already pointed that way, setting the 1993 budget as the time Social Security would leave the totals.[468]

The 1990 fight is worth a closer look. By then the yearly surpluses were large enough to shrink the reported federal deficit, which led to charges that the trust funds were being "raided" and were "masking" the true size of the deficit.[469] Senator Moynihan, one of the Greenspan commissioners, answered with a bill to cut the payroll tax and go back to pay-as-you-go financing. A majority of senators, 54 to 44, voted to waive a budget rule against it, but that fell

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[463] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[464] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[465] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[466] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[467] Barry F. Huston and Bill Heniff Jr., "The Social Security Trust Funds and the Budget," Congressional Research Service (CRS) In Focus IF11615, August 7, 2020, https://www.everycrsreport.com/reports/IF11615.html (accessed November 12, 2026).

[468] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[469] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

short of the 60 votes needed.[470] Instead, the Senate voted 98 to 2 for an amendment by Senators Hollings (D-SC) and John Heinz (R-PA) to take Social Security out of the deficit targets under the Gramm-Rudman-Hollings law, and that change went into the Omnibus Budget Reconciliation Act of 1990, signed November 5, 1990.[471]

SSA's historians stress that being "on budget" or "off budget" is an accounting choice that "has no affect on the actual operations of the Trust Fund itself."[472]

Peak years

The 1990s and 2000s were the surplus years. They brought the agency some changes of its own, which Chapter 9 covers. They also brought a milestone. On October 15, 2007, Kathleen Casey-Kirschling, born one second after midnight on January 1, 1946, filed online at the National Press Club as the official first baby boomer to claim retirement benefits.[473]

The Great Recession then hit both sides of the ledger. There was no COLA for 2010 or for 2011, the first years without one since automatic increases began in 1975.[474] In 2010 total income was $781 billion against total cost of $713 billion, still a surplus.[475] But 2010 was also the first year that cost topped income not counting interest, so the surplus that year came from interest on the bonds.[476,477]

The turn

Starting in 2021, total cost has been higher than total income every year, and the reserves have been shrinking.[478,479] The Trustees also say total cost has been higher than non-interest income

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[470] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[471] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[472] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[473] SSA Historian's Office, "Chronology: 2000s," https://www.ssa.gov/history/2000.html (accessed November 12, 2026).

[474] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[475] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[476] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[477] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[478] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

since 2010.[480] In 2025 alone, income fell $160 billion short of cost, and reserves dropped from $2,721 billion to $2,561 billion.[481]

That is the plan's other half. The reserve was built so it could be spent down as the baby boom retired. The open question, which Chapter 20 and Chapter 22 take up, is what happens after it runs out; the 2026 report puts that year at 2034.[482]

Chapter 9: Bigger Fights

After 1983, Social Security fights got less about saving next year's checks and more about bigger questions. Who should run the agency? Should older people be penalized for working? What should be done with the surpluses? Should workers get personal accounts? This chapter takes them in order.

1993: taxing more of benefits

In 1993 President Bill Clinton proposed raising the share of benefits subject to income tax from 50 to 85 percent for higher-income retirees, with the new money going to Medicare's hospital fund.[483] Republicans opposed it hard. Critics said it changed the rules in the middle of the game and worked like a hidden means test that weakened the "earned right" nature of the program.[484] It passed as part of the 1993 budget law by the narrowest margins possible: 218 to 216 in the House and 51 to 50 in the Senate, with Vice President Al Gore breaking a tie. Not one Republican in either chamber voted for it.[485] Chapter 14 explains how the tax works.

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[479] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[480] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[481] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[482] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal OASI and DI Trust Funds, Appendix VI.B, "History of Actuarial Status Estimates," Table VI.B1, https://www.ssa.gov/oact/TR/2026/VI_B_LRact_bal.html (accessed November 12, 2026).

[483] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[484] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[485] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

1994: an independent agency again

SSA had started life as an independent agency, then spent decades inside larger departments.[486] Supporters of independence said it would insulate the program from short-term budget cuts and politics, bring better leadership and reassure the public. Opponents said a program that big should be weighed alongside other social programs, and that independence would not fix the agency's administrative problems.[487]

The House wanted a three-member bipartisan board; the Senate wanted a single administrator. The Senate won. The Social Security Administrative Reform Act of 1994, signed August 15, 1994, made SSA independent, run by a Commissioner with a six-year term and a seven-member bipartisan advisory board.[488] The House passed the final version 431 to 0, and the Senate by voice vote.[489] SSA became an independent agency on March 31, 1995.[490]

The earnings test: 1996 and 2000

For most of the program's history, people who claimed benefits and kept working could lose some of their check if they earned above a limit. CRS calls the earnings test "one of the most unpopular features" of the program.[491] Critics said it was unfair to means-test a benefit earned by a lifetime of work, and that it discouraged work. Defenders said Social Security insures against the loss of earnings, so it makes sense to hold back benefits from people who have not really retired, and that ending the test would mostly help the better-off.[492]

The Republican "Contract with America" in 1994 promised to raise the limit.[493] The Senior Citizens Right to Work Act of 1996, signed March 29, 1996, raised the limit for people at full

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[486] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[487] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[488] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[489] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[490] SSA Historian's Office, "Chronology: 1990s," https://www.ssa.gov/history/1990.html (accessed November 12, 2026).

[491] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[492] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[493] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

retirement age in steps to $30,000 in 2002.[494] Then, with the federal budget in surplus in 2000, Congress ended the test entirely for people at or above full retirement age. The House passed it 422 to 0, the Senate 100 to 0, and the House cleared the final version 419 to 0.[495] President Clinton signed the Senior Citizens' Freedom to Work Act on April 7, 2000.[496]

Why was it so easy in 2000 after decades of trying? CRS explains that the 1983 law had raised the delayed retirement credit in steps. By 2008 that credit would roughly make up for benefits held back by the earnings test, so ending the test for people at full retirement age would cost little over the long run.[497] The test still applies to people who claim before full retirement age.

The great surplus debate, 1997 to 2001

The surpluses opened a real argument about the program's future. A government advisory council reported on January 6, 1997, and could not agree. It offered three different plans: a "Maintain Benefits" plan, an "Individual Accounts" plan, and a "Personal Savings Account" plan.[498]

President Clinton made it a theme. In his January 27, 1998, State of the Union address, he said any budget surplus should not be used until we "Save Social Security First."[499] The first-ever White House Conference on Social Security met in Washington on December 8 and 9, 1998.[500] In January 1999 Clinton proposed moving 62 percent of the budget surpluses over 15 years to Social Security, 15 percent to Medicare, and 12 percent to new Universal Savings Accounts.[501] Congress did not adopt his plan.

The lockbox, 1999

In the late 1990s Social Security was running large surpluses, and both parties argued about protecting them. On May 26, 1999, the House passed H.R. 1259, the Social Security and Medicare Safe Deposit Box Act, by 416 to 12. It would have set aside Social Security surpluses to

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[494] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[495] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[496] SSA Historian's Office, "Chronology: 2000s," https://www.ssa.gov/history/2000.html (accessed November 12, 2026).

[497] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[498] SSA Historian's Office, "Chronology: 1990s," https://www.ssa.gov/history/1990.html (accessed November 12, 2026).

[499] SSA Historian's Office, "Chronology: 1990s," https://www.ssa.gov/history/1990.html (accessed November 12, 2026).

[500] SSA Historian's Office, "Chronology: 1990s," https://www.ssa.gov/history/1990.html (accessed November 12, 2026).

[501] SSA Historian's Office, "Chronology: 1990s," https://www.ssa.gov/history/1990.html (accessed November 12, 2026).

pay down debt held by the public and made it out of order to pass a budget that showed an on-budget deficit.[502] The bill did not become law. [Not verified: I did not open the Senate record for this bill; the SSA bulletin covers only the House vote, and the Congress.gov page did not load when I checked.]

The Bush commission, 2001

George W. Bush campaigned in 2000 on letting workers invest part of their payroll taxes in personal accounts.[503] In May 2001 he created the President's Commission to Strengthen Social Security by Executive Order 13210. It had 16 members, eight Republicans and eight Democrats, all of whom had supported personal accounts in public. The co-chairs were former Senator Daniel Patrick Moynihan, a Democrat, and Richard Parsons, a Republican business executive.[504,505]

The President gave it six principles. Among them: no change in benefits for retirees or near-retirees, no increase in payroll taxes, no government investment of Social Security money in the stock market, and "individually controlled, voluntary personal retirement accounts."[506] The commission voted unanimously for its final report in December 2001, but it did not pick one plan. It offered three.[507]

The three models of the President's Commission to Strengthen Social Security, 2001

Model	Personal account	Change to traditional benefits
Model 1	Voluntary account of 2 percent of taxable pay, with an offset to traditional benefits	None; the long-range gap would remain
Model 2	Voluntary account of 4 percent of pay, up to $1,000 a year, with an offset	Grow starting benefits with prices instead of wages from 2009, with a better benefit for low earners
Model 3	Voluntary account of 2.5 percent	Slow benefit growth as life

[502] SSA Office of Legislation and Congressional Affairs, Legislative Bulletin 106-6, May 28, 1999, https://www.ssa.gov/legislation/legis_bulletin_052899.html (accessed November 12, 2026).

[503] Dawn Nuschler, "Social Security: Report of the President's Commission to Strengthen Social Security," CRS Report RS21095, December 21, 2001, https://www.everycrsreport.com/reports/RS21095.html (accessed November 12, 2026).

[504] Dawn Nuschler, "Social Security: Report of the President's Commission to Strengthen Social Security," CRS Report RS21095, December 21, 2001, https://www.everycrsreport.com/reports/RS21095.html (accessed November 12, 2026).

[505] SSA Historian's Office, "Chronology: 2000s," https://www.ssa.gov/history/2000.html (accessed November 12, 2026).

[506] Dawn Nuschler, "Social Security: Report of the President's Commission to Strengthen Social Security," CRS Report RS21095, December 21, 2001, https://www.everycrsreport.com/reports/RS21095.html (accessed November 12, 2026).

[507] SSA Historian's Office, "Chronology: 2000s," https://www.ssa.gov/history/2000.html (accessed November 12, 2026).

Model	Personal account	Change to traditional benefits
	of pay, up to $1,000 a year, with an offset	expectancy rises, plus other changes and new dedicated revenue

Source: SSA Office of the Chief Actuary memorandum, January 31, 2002; CRS Report RS21095.[508,509]

SSA's chief actuary found that under Model 1, as under current law, the trust funds would still fall short over 75 years, and further changes would be needed.[510] Models 2 and 3 relied in part on transfers from the general fund of the Treasury.[511]

Personal accounts, 2005

President George W. Bush made Social Security his main domestic issue in 2005. On February 2, 2005, he laid out a plan for voluntary individual accounts. Workers born in 1950 or later could put part of their payroll taxes into a personal account. People born before 1950 would see no change.[512] Workers could put in up to 4 percent of taxable pay, capped at $1,000 in the first year, 2009, with the cap rising over time.[513] In exchange, a worker's traditional benefit would be cut by the amount put in plus 3 percent a year in interest, so on average an account had to earn at least 3.3 percent a year after inflation to break even.[514]

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[508] Stephen C. Goss and Alice H. Wade, SSA Office of the Chief Actuary, memorandum to Daniel Patrick Moynihan and Richard D. Parsons, "Estimates of Financial Effects for Three Models Developed by the President's Commission to Strengthen Social Security," January 31, 2002, https://www.ssa.gov/oact/solvency/PresComm_20020131.html (accessed November 12, 2026).

[509] Dawn Nuschler, "Social Security: Report of the President's Commission to Strengthen Social Security," CRS Report RS21095, December 21, 2001, https://www.everycrsreport.com/reports/RS21095.html (accessed November 12, 2026).

[510] Stephen C. Goss and Alice H. Wade, SSA Office of the Chief Actuary, memorandum to Daniel Patrick Moynihan and Richard D. Parsons, "Estimates of Financial Effects for Three Models Developed by the President's Commission to Strengthen Social Security," January 31, 2002, https://www.ssa.gov/oact/solvency/PresComm_20020131.html (accessed November 12, 2026).

[511] Stephen C. Goss and Alice H. Wade, SSA Office of the Chief Actuary, memorandum to Daniel Patrick Moynihan and Richard D. Parsons, "Estimates of Financial Effects for Three Models Developed by the President's Commission to Strengthen Social Security," January 31, 2002, https://www.ssa.gov/oact/solvency/PresComm_20020131.html (accessed November 12, 2026).

[512] Laura Haltzel, "Social Security Reform: President Bush's 2005 Individual Account Proposal," CRS Report RL32879, updated March 9, 2006, https://www.everycrsreport.com/reports/RL32879.html (accessed November 12, 2026).

[513] Laura Haltzel, "Social Security Reform: President Bush's 2005 Individual Account Proposal," CRS Report RL32879, updated March 9, 2006, https://www.everycrsreport.com/reports/RL32879.html (accessed November 12, 2026).

[514] Laura Haltzel, "Social Security Reform: President Bush's 2005 Individual Account Proposal," CRS Report RL32879, updated March 9, 2006, https://www.everycrsreport.com/reports/RL32879.html (accessed November 12, 2026).

CRS noted that "Administration officials concede that the individual accounts themselves do not alleviate the solvency problem," and that the accounts would likely make the long-range gap worse unless other changes were made.[515] The President later floated "progressive price indexing," slowing the growth of starting benefits for higher earners, but released no details.[516] Congress did not pass it.

The President argued that an account was something a worker "would individually own that the government could not take away."[517] CRS, for its part, pointed out that the plan had no minimum benefit guarantee to keep a participant's total benefit at or above the poverty line, and that people whose accounts earned less than the break-even rate would end up with less than under the traditional system alone.[518] [Not verified: the size and dates of the President's 2005 speaking tour on Social Security; I did not open a White House or presidential library page that lists it.]

Smaller laws that mattered

Not every change was a headline. The Ticket to Work and Work Incentives Improvement Act of 1999 gave disabled beneficiaries vouchers to buy job services and longer Medicare coverage if they went back to work; it passed the House 418 to 2 and the Senate 95 to 1.[519] The Social Security Protection Act of 2004 tightened rules on representative payees, stopped benefits to fugitive felons, and required noncitizens who got a Social Security number in 2004 or later to have work authorization at some point to earn benefits.[520] The same law closed a loophole that let some government workers avoid the GPO by switching to a covered job for their last day of work; it now takes 60 months.[521]

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[515] Laura Haltzel, "Social Security Reform: President Bush's 2005 Individual Account Proposal," CRS Report RL32879, updated March 9, 2006, https://www.everycrsreport.com/reports/RL32879.html (accessed November 12, 2026).

[516] Laura Haltzel, "Social Security Reform: President Bush's 2005 Individual Account Proposal," CRS Report RL32879, updated March 9, 2006, https://www.everycrsreport.com/reports/RL32879.html (accessed November 12, 2026).

[517] Laura Haltzel, "Social Security Reform: President Bush's 2005 Individual Account Proposal," CRS Report RL32879, updated March 9, 2006, https://www.everycrsreport.com/reports/RL32879.html (accessed November 12, 2026).

[518] Laura Haltzel, "Social Security Reform: President Bush's 2005 Individual Account Proposal," CRS Report RL32879, updated March 9, 2006, https://www.everycrsreport.com/reports/RL32879.html (accessed November 12, 2026).

[519] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[520] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[521] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

The fiscal commission, 2010

President Barack Obama created an 18-member National Commission on Fiscal Responsibility and Reform on February 18, 2010, co-chaired by Erskine Bowles, President Clinton's former chief of staff, and former Senator Alan Simpson.[522] Its plan aimed to make Social Security solvent for 75 years. It called for changes to the benefit formula, a better minimum benefit for low earners, higher benefits for the very old and the long-time disabled, a higher taxable maximum, a different inflation measure for COLAs, higher early and full retirement ages tied to life expectancy, and coverage of newly hired state and local workers.[523]

On December 3, 2010, the commission voted 11 to 7 for the report, short of the 14 votes needed for formal approval.[524] Chapter 22 looks at several of the same options, such as the taxable maximum, the COLA measure and the retirement age.

The payroll tax holiday, 2011 and 2012

To boost the economy after the 2008 recession, Congress cut the employee share of the Social Security tax by 2 percentage points in 2011 and 2012, from 6.2 percent to 4.2 percent. The general fund of the Treasury paid the trust funds back for every dollar of lost tax.[525] The first one-year cut passed the Senate 81 to 19 and the House 277 to 148 in December 2010.[526] A two-month extension passed in December 2011, and the extension through the end of 2012 passed 293 to 132 in the House and 60 to 36 in the Senate in February 2012.[527] The rate went back to 6.2 percent in 2013.[528]

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[522] Congressional Research Service, "Reducing the Budget Deficit: The President's Fiscal Commission and Other Initiatives," CRS Report R41784, June 8, 2011, https://www.everycrsreport.com/files/20110608_R41784_167ab60aa76bc57fae211d64c939bc49f1d2f54b.html (accessed November 12, 2026).

[523] Congressional Research Service, "Reducing the Budget Deficit: The President's Fiscal Commission and Other Initiatives," CRS Report R41784, June 8, 2011, https://www.everycrsreport.com/files/20110608_R41784_167ab60aa76bc57fae211d64c939bc49f1d2f54b.html (accessed November 12, 2026).

[524] Congressional Research Service, "Reducing the Budget Deficit: The President's Fiscal Commission and Other Initiatives," CRS Report R41784, June 8, 2011, https://www.everycrsreport.com/files/20110608_R41784_167ab60aa76bc57fae211d64c939bc49f1d2f54b.html (accessed November 12, 2026).

[525] SSA Office of the Chief Actuary, "Social Security Tax Rates" (OASI and DI rates, with notes on 1984, 2011-2012 and 2016-2018), https://www.ssa.gov/oact/progdata/oasdiRates.html (accessed November 12, 2026).

[526] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[527] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[528] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

The disability fund fix, 2015

The disability fund was running low in 2015. In July 2015 the Trustees projected its reserves would run out by the end of 2016, after which disability benefits could not be paid in full and on time.[529] At the end of 2015 the DI fund held about $32 billion against yearly costs of about $147 billion.[530] The Bipartisan Budget Act of 2015 temporarily moved part of the retirement fund's tax rate to the disability fund for 2016 through 2018. The rates went back to normal in 2019.[531] The DI share of the 6.2 percent employee rate went from 0.9 percent to 1.185 percent for those three years.[532]

The same law closed two claiming strategies that some married couples used to collect more than Congress had intended. "File and suspend" let a worker at full retirement age file, suspend his or her own check to earn delayed credits, and still let a spouse collect on that record. The "restricted application" let some people collect a full spousal benefit for years before switching to their own larger benefit.[533] The law ended file and suspend for requests made after April 29, 2016, and ended restricted applications for anyone born in 1954 or later.[534] The House passed the bill 266 to 167, and the Senate 64 to 35; every vote against it in both chambers came from Republicans.[535]

The pandemic, 2020 to 2022

On March 17, 2020, SSA closed all its local offices to walk-in service, saying it was protecting "older Americans and people with underlying medical conditions" and its employees during the COVID-19 pandemic. Phone and online service continued.[536] The offices stayed closed to walk-ins for about two years. Acting Commissioner Kilolo Kijakazi announced that in-person service,

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[529] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[530] SSA Office of the Chief Actuary, "Disability Insurance Trust Fund, 1957-2025" (Table 4a2), https://www.ssa.gov/oact/STATS/table4a2.html (accessed November 12, 2026).

[531] SSA Office of the Chief Actuary, "Social Security Tax Rates" (OASI and DI rates, with notes on 1984, 2011-2012 and 2016-2018), https://www.ssa.gov/oact/progdata/oasdiRates.html (accessed November 12, 2026).

[532] SSA Office of the Chief Actuary, "Social Security Tax Rates" (OASI and DI rates, with notes on 1984, 2011-2012 and 2016-2018), https://www.ssa.gov/oact/progdata/oasdiRates.html (accessed November 12, 2026).

[533] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[534] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[535] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[536] SSA, "Effective March 17, 2020, Social Security Offices Will Only Offer Phone Service," news release, March 16, 2020, https://www.ssa.gov/news/en/press/releases/2020-03-16.html (accessed November 12, 2026).

including for people without an appointment, would resume on April 7, 2022, and she urged people who could to keep using online service and the phone.[537]

Ending the WEP and GPO, 2025

For decades, two rules reduced Social Security for many people who also had a pension from a job that did not pay into Social Security, such as some teachers, firefighters and police officers. The Social Security Fairness Act, signed January 5, 2025, ended both rules, the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). SSA says the rules had reduced or eliminated benefits for over 2.8 million people.[538]

Both rules came from the laws in Chapters 6 and 7. The GPO was enacted in 1977 and the WEP in 1983.[539] Each was meant to fix a quirk. The GPO tried to treat spouses with government pensions the way covered workers are treated when they qualify for both their own benefit and a spousal one. The WEP tried to stop the benefit formula, which favors low earners, from treating someone with a long career in a non-covered job as if he or she had been a low earner.[540] Opponents said the rules cut benefits people had planned on and could not measure the real "windfall" case by case. Supporters said they were a reasonable way to prevent overgenerous, unintended benefits.[541]

Bills to repeal or change them had been introduced in earlier Congresses, and three earlier discharge petitions to force a House vote had fallen short.[542] This time supporters used a discharge petition, a way for a majority of House members to force a bill to the floor over

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[537] SSA, "Statement of Kilolo Kijakazi, Acting Commissioner: Social Security Administration to Resume In-Person Services at Local Social Security Offices," news release, April 4, 2022, https://www.ssa.gov/news/en/press/releases/2022-04-04.html (accessed November 12, 2026).

[538] SSA, "Social Security Fairness Act: Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) Update," last updated July 21, 2025, https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html (accessed November 12, 2026).

[539] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[540] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[541] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[542] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

leadership's objection. It got the needed 218 signatures on September 19, 2024.[543] The House passed H.R. 82 on November 12, 2024, by 327 to 75.[544]

The Social Security Fairness Act in Congress, 2024

Vote	Date	Result
House passage (under suspension of the rules)	November 12, 2024	Passed 327 to 75
Senate, Paul amendment (raise retirement ages)	December 20, 2024	Rejected 3 to 93
Senate, Cruz amendment (replace WEP with a new formula)	December 20, 2024	Rejected 32 to 64
Senate, Crapo amendment (delay repeal until the trust funds are offset)	December 20, 2024	Rejected 34 to 62
Senate passage	December 21, 2024	Passed 76 to 20

Source: CRS Report RL30920.[545]

In the Senate, the final vote came at 12:16 a.m. on December 21, 2024. All 46 Democrats and 3 independents voting were joined by 27 Republicans; the 20 no votes were all Republicans.[546] The repeal applies to benefits for months after December 2023.[547,548] As of July 7, 2025, SSA

[543] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[544] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[545] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[546] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[547] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[548] SSA, "Social Security Fairness Act: Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) Update," last updated July 21, 2025, https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html (accessed November 12, 2026).

said it had sent more than 3.1 million payments totaling $17 billion to people eligible under the law.[549]

Those higher benefits are paid the same way every Social Security benefit is paid, out of the trust funds described in Chapter 8.[550] Chapter 20 picks up the story of those funds as of 2026.

[549] SSA, "Social Security Fairness Act: Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) Update," last updated July 21, 2025, https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html (accessed November 12, 2026).

[550] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

Part Six: Follow the Money

Chapter 10: How the Money Works

Information in this chapter is current as of November 12, 2026.

This chapter is the owner's manual. Before we can judge any claim about where the money went, we need to know how it comes in, how a benefit gets figured and how the trust funds keep the books. I have kept the math to what a person can do on a kitchen table with a calculator.

Where the money comes from

In 2025, Social Security took in $1,449 billion. Almost all of it came from three places:[551]

- $1,323 billion from payroll taxes
- $58 billion from income taxes that some people pay on their benefits
- $69 billion in interest on the trust fund bonds

By my math, payroll taxes were about 91 percent of the total, the tax on benefits about 4 percent and interest about 5 percent.[552] The Trustees estimate that about 185 million people paid payroll taxes on covered earnings in 2025.[553]

Where it goes

In 2025 it spent $1,609 billion:[554]

- $1,597 billion in benefits
- $7 billion for running the program
- $6 billion in a yearly settlement with the Railroad Retirement program

Administrative costs are tiny compared with benefits. SSA's actuaries say benefit payments were about 99 percent of total cost in 2024, and the 2025 figures above work out to about the same share.[555,556]

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[551] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[552] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[553] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[554] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[555] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

Spending was $160 billion more than income in 2025. The reserves covered the gap, falling from $2,721 billion at the start of the year to $2,561 billion at the end, and every scheduled benefit was paid.[557] In December 2025 the checks went to about 70 million people: 56 million retired workers and their dependents, 8 million disabled workers and their dependents and 6 million survivors of workers who had died.[558]

The payroll tax

For 2026 and 2027, workers pay 6.2 percent of wages for Social Security and their employers pay another 6.2 percent. Self-employed people pay both halves, 12.4 percent. Medicare's Hospital Insurance tax is separate: 1.45 percent each for worker and employer, or 2.9 percent for the self-employed.[559]

The Social Security tax stops at a yearly cap called the taxable maximum (officially the contribution and benefit base). It is $184,500 in 2026 and $192,300 in 2027. Wages above the cap are not taxed for Social Security, and they do not count toward benefits either. Medicare's tax has no cap.[560,561]

So the most a worker can pay in Social Security tax in 2027 is 6.2 percent of $192,300, or $11,922.60, and the employer pays the same again.[562] High earners also pay an extra 0.9 percent Medicare tax on earned income over $200,000 ($250,000 for married couples filing jointly), which has applied since January 2013.[563]

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[556] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[557] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[558] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[559] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[560] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[561] SSA Office of the Chief Actuary, "Contribution and Benefit Base," https://www.ssa.gov/oact/cola/cbb.html (accessed November 12, 2026).

[562] SSA Office of the Chief Actuary, "Contribution and Benefit Base," https://www.ssa.gov/oact/cola/cbb.html (accessed November 12, 2026).

[563] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

Step one: earning credits

You might ask, how does Social Security know I qualify at all? It counts credits. The legal name is "quarter of coverage," but SSA's own pages also call it a "Social Security credit" or just a "credit."[564]

In 2026 you earn one credit for every $1,890 of covered earnings, so $7,560 earns the most you can get in a year, which is four credits. In 2027 the amount per credit rises to $1,970.[565,566,567] You can earn all four credits in a few months of work; it is the yearly total that counts.[568]

The rules were different long ago. Before 1978, a worker generally got a credit for each calendar quarter in which he or she was paid $50 or more in wages. In 1978 employers moved to yearly wage reporting, the law set the credit at $250 of earnings, and since then the amount has risen each year with the national average wage index.[569]

You need 40 credits, about ten years of work, to qualify for a retirement benefit. Extra credits do not raise your benefit. As SSA puts it, your average earnings over your working years, "not the total number of credits you earn," set your monthly payment.[570]

Disability has its own test because people can become disabled young. In general, someone who becomes disabled at 31 or older needs at least 20 credits earned in the 10 years just before the disability began. Younger workers need fewer; a worker disabled before age 24 may qualify with six credits earned in the three years before the disability started.[571]

Step two: your average indexed monthly earnings

Benefits are based on your earnings record, not directly on the taxes you paid. SSA adjusts each year's past earnings for wage growth using the national average wage index, so a dollar earned decades ago counts in today's terms.[572]

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[564] SSA Office of the Chief Actuary, "Quarter of Coverage," amounts for 1978-2027, https://www.ssa.gov/oact/cola/QC.html (accessed November 12, 2026).

[565] SSA, "Social Security Credits," https://www.ssa.gov/benefits/retirement/planner/credits.html (accessed November 12, 2026).

[566] SSA Office of the Chief Actuary, "Quarter of Coverage," amounts for 1978-2027, https://www.ssa.gov/oact/cola/QC.html (accessed November 12, 2026).

[567] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[568] SSA, "Social Security Credits," https://www.ssa.gov/benefits/retirement/planner/credits.html (accessed November 12, 2026).

[569] SSA Office of the Chief Actuary, "Quarter of Coverage," amounts for 1978-2027, https://www.ssa.gov/oact/cola/QC.html (accessed November 12, 2026).

[570] SSA, "Social Security Credits," https://www.ssa.gov/benefits/retirement/planner/credits.html (accessed November 12, 2026).

[571] SSA, "Social Security Credits," https://www.ssa.gov/benefits/retirement/planner/credits.html (accessed November 12, 2026).

[572] SSA Office of the Chief Actuary, "National Average Wage Index," https://www.ssa.gov/oact/cola/AWI.html (accessed November 12, 2026).

The result is called average indexed monthly earnings, or AIME. SSA takes up to 35 years of earnings, indexes them, picks the years with the highest indexed earnings, adds them up and divides by the number of months in those years. It rounds the result down to the next lower dollar.[573]

Here is how the indexing works for someone who turns 62 in 2027. SSA divides the national average wage for 2025 ($72,800.33) by the average wage for each earlier year, and multiplies that year's earnings by the ratio. Earnings in 2025 and later count at face value.[574] SSA says the point is to make sure "a worker's future benefits reflect the general rise in the standard of living" during his or her working life.[575]

Step three: the formula

The AIME goes into a three-step formula that produces the primary insurance amount, or PIA. The PIA is the monthly benefit a person gets by starting retirement benefits exactly at full retirement age, with no reduction for starting early and no increase for waiting.[576]

For a worker who turns 62 in 2027 (or becomes disabled or dies before 62 in 2027), the PIA is:[577]

- 90 percent of the first $1,340 of AIME, plus
- 32 percent of AIME over $1,340 and through $8,077, plus
- 15 percent of AIME over $8,077

The $1,340 and $8,077 figures are called bend points, because a graph of the formula bends there. The percentages are fixed by law, but the bend points move every year with wages. For workers turning 62 in 2026 they were $1,286 and $7,749.[578,579]

The bend points started at $180 and $1,085 in 1979. Each year's figures are those 1979 amounts multiplied by the growth in the average wage index since 1977. For 2027, $180 times 72,800.33 divided by 9,779.44 equals $1,339.96, which rounds to $1,340.[580,581]

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[573] SSA Office of the Chief Actuary, "Social Security Benefit Amounts" (AIME, PIA and monthly benefit amounts), https://www.ssa.gov/oact/cola/Benefits.html (accessed November 12, 2026).

[574] SSA Office of the Chief Actuary, "Social Security Benefit Amounts" (AIME, PIA and monthly benefit amounts), https://www.ssa.gov/oact/cola/Benefits.html (accessed November 12, 2026).

[575] SSA Office of the Chief Actuary, "Social Security Benefit Amounts" (AIME, PIA and monthly benefit amounts), https://www.ssa.gov/oact/cola/Benefits.html (accessed November 12, 2026).

[576] SSA Office of the Chief Actuary, "Primary Insurance Amount" (PIA formula and bend points for 2027), https://www.ssa.gov/oact/cola/piaformula.html (accessed November 12, 2026).

[577] SSA Office of the Chief Actuary, "Primary Insurance Amount" (PIA formula and bend points for 2027), https://www.ssa.gov/oact/cola/piaformula.html (accessed November 12, 2026).

[578] SSA Office of the Chief Actuary, "Benefit Formula Bend Points," 1979-2027, https://www.ssa.gov/oact/cola/bendpoints.html (accessed November 12, 2026).

[579] SSA Office of the Chief Actuary, "Social Security Benefit Amounts" (AIME, PIA and monthly benefit amounts), https://www.ssa.gov/oact/cola/Benefits.html (accessed November 12, 2026).

[580] SSA Office of the Chief Actuary, "Primary Insurance Amount" (PIA formula and bend points for 2027), https://www.ssa.gov/oact/cola/piaformula.html (accessed November 12, 2026).

PIA formula bend points, selected years of eligibility (nominal dollars)

Year a worker turns 62	First bend point	Second bend point
1979	$180	$1,085
1990	$356	$2,145
2000	$531	$3,202
2010	$761	$4,586
2020	$960	$5,785
2026	$1,286	$7,749
2027	$1,340	$8,077

Source: SSA Office of the Chief Actuary, Benefit Formula Bend Points.[582]

A worked example

Let me walk through one. Say a worker turning 62 in 2027 has an AIME of $5,000.[583]

- 90 percent of the first $1,340 is $1,206.00.
- 32 percent of the next $3,660 (from $1,340 up to $5,000) is $1,171.20.
- Nothing falls in the 15 percent bracket.
- The PIA is $2,377.20 a month, which replaces about 47.5 percent of that worker's average indexed monthly earnings.[584]

Run the same formula at other levels and you see the tilt. By my math, an AIME of $3,000 gives a PIA of $1,737.20, about 58 percent of average earnings, and an AIME of $8,000 gives $3,337.20, about 42 percent.[585] SSA's own example of a worker who earned the taxable

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[581] SSA Office of the Chief Actuary, "Benefit Formula Bend Points," 1979-2027, https://www.ssa.gov/oact/cola/bendpoints.html (accessed November 12, 2026).

[582] SSA Office of the Chief Actuary, "Benefit Formula Bend Points," 1979-2027, https://www.ssa.gov/oact/cola/bendpoints.html (accessed November 12, 2026).

[583] Author's calculation: the 2027 PIA formula (90, 32 and 15 percent, bend points $1,340 and $8,077) from SSA Office of the Chief Actuary, "Primary Insurance Amount," and the age-62 and age-70 percentages from "Effect of Early or Delayed Retirement on Retirement Benefits," https://www.ssa.gov/oact/cola/piaformula.html and https://www.ssa.gov/oact/ProgData/ar_drc.html (accessed November 12, 2026).

[584] Author's calculation: the 2027 PIA formula (90, 32 and 15 percent, bend points $1,340 and $8,077) from SSA Office of the Chief Actuary, "Primary Insurance Amount," and the age-62 and age-70 percentages from "Effect of Early or Delayed Retirement on Retirement Benefits," https://www.ssa.gov/oact/cola/piaformula.html and https://www.ssa.gov/oact/ProgData/ar_drc.html (accessed November 12, 2026).

[585] Author's calculation: the 2027 PIA formula (90, 32 and 15 percent, bend points $1,340 and $8,077) from SSA Office of the Chief Actuary, "Primary Insurance Amount," and the age-62 and age-70 percentages from "Effect of Early or Delayed Retirement on Retirement Benefits," https://www.ssa.gov/oact/cola/piaformula.html and https://www.ssa.gov/oact/ProgData/ar_drc.html (accessed November 12, 2026).

maximum every year from age 22 has an AIME of $14,966 and a PIA of $4,395.10, about 29 percent.[586]

That tilt toward lower earners is on purpose. Chapter 15 shows what it means for how much different workers get back over a lifetime.

Step four: when you start

The PIA is only the starting point. The age you start benefits changes the monthly check for the rest of your life. You cannot collect a retirement benefit before 62.[587]

Full retirement age (also called normal retirement age) was 65 for many years. The 1983 law raised it gradually, starting with people born in 1938, until it reached 67 for people born in 1960 and later.[588] For that group, the actuaries' table shows what share of the PIA you get by starting age:[589]

Monthly benefit as a percent of PIA, for people born in 1960 or later (full retirement age 67)

Age benefits start	Percent of PIA
62	70
63	75
64	80
65	86 2/3
66	93 1/3
67	100
70	124

Source: SSA Office of the Chief Actuary.[590]

For each year you wait past full retirement age, people born in 1943 or later get a delayed retirement credit of 8 percent (two-thirds of 1 percent a month). The increases stop at age 70, so there is no reason to wait past 70.[591,592]

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[586] SSA Office of the Chief Actuary, "Social Security Benefit Amounts" (AIME, PIA and monthly benefit amounts), https://www.ssa.gov/oact/cola/Benefits.html (accessed November 12, 2026).

[587] SSA Office of the Chief Actuary, "Social Security Benefit Amounts" (AIME, PIA and monthly benefit amounts), https://www.ssa.gov/oact/cola/Benefits.html (accessed November 12, 2026).

[588] SSA, "Retirement age and benefit reduction," https://www.ssa.gov/benefits/retirement/planner/ageincrease.html (accessed November 12, 2026).

[589] SSA Office of the Chief Actuary, "Effect of Early or Delayed Retirement on Retirement Benefits," https://www.ssa.gov/oact/ProgData/ar_drc.html (accessed November 12, 2026).

[590] SSA Office of the Chief Actuary, "Effect of Early or Delayed Retirement on Retirement Benefits," https://www.ssa.gov/oact/ProgData/ar_drc.html (accessed November 12, 2026).

In our example, the worker with a $2,377.20 PIA would get about $1,664 a month starting at 62, or about $2,947 starting at 70, before any COLAs. That is a difference of about $1,283 a month, for life.[593] I am not telling anyone when to claim. The right age depends on health, savings, work and family, and SSA itself calls it "an important and personal decision."[594]

The maximum benefit

You might ask, what is the most anyone can get? It depends on age. A worker retiring at full retirement age could get at most $4,152 a month in 2026 and $4,188 a month in 2027.[595]

SSA's actuaries publish examples for a worker who earned the taxable maximum every year from age 22. Retiring in January 2026, that worker would have started at $2,969 a month at 62 or $5,181 at 70. Retiring in January 2027, the figures are $3,094 at 62, $4,188 at 67 and $5,358 at 70.[596] All of these are nominal dollars of the year shown.[597]

Working while you collect: the earnings test

If you start benefits before full retirement age and keep working, SSA may hold back part of your check. This is called the retirement earnings test.[598]

- In 2026, SSA withholds $1 for every $2 you earn above $24,480 a year ($2,040 a month). In 2027 that limit is $25,560 ($2,130 a month).[599]
- In the year you reach full retirement age, SSA withholds $1 for every $3 above a higher limit: $65,160 in 2026 and $67,920 in 2027. Only earnings in the months before you reach full retirement age count.[600,601]

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[591] SSA, "Delayed Retirement Credits," https://www.ssa.gov/benefits/retirement/planner/delayret.html (accessed November 12, 2026).

[592] SSA Office of the Chief Actuary, "Social Security Benefit Amounts" (AIME, PIA and monthly benefit amounts), https://www.ssa.gov/oact/cola/Benefits.html (accessed November 12, 2026).

[593] Author's calculation: the 2027 PIA formula (90, 32 and 15 percent, bend points $1,340 and $8,077) from SSA Office of the Chief Actuary, "Primary Insurance Amount," and the age-62 and age-70 percentages from "Effect of Early or Delayed Retirement on Retirement Benefits," https://www.ssa.gov/oact/cola/piaformula.html and https://www.ssa.gov/oact/ProgData/ar_drc.html (accessed November 12, 2026).

[594] SSA, "Delayed Retirement Credits," https://www.ssa.gov/benefits/retirement/planner/delayret.html (accessed November 12, 2026).

[595] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[596] SSA Office of the Chief Actuary, "Workers with Maximum-Taxable Earnings" (benefit examples, retirement in January 1987-2027), https://www.ssa.gov/oact/cola/examplemax.html (accessed November 12, 2026).

[597] SSA Office of the Chief Actuary, "Workers with Maximum-Taxable Earnings" (benefit examples, retirement in January 1987-2027), https://www.ssa.gov/oact/cola/examplemax.html (accessed November 12, 2026).

[598] SSA Office of the Chief Actuary, "Exempt Amounts Under the Earnings Test," 2000-2027, https://www.ssa.gov/oact/cola/rtea.html (accessed November 12, 2026).

[599] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[600] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

- From the month you reach full retirement age, there is no limit at all.[602]

Many people think the withheld money is gone. It is not. SSA says benefits withheld while you work are not "lost," because once you reach full retirement age your monthly benefit is raised permanently to account for the months that were withheld.[603]

Benefits for families

Social Security is not only a retirement plan. Since 1939 it has also paid families, and Chapter 5 tells that story.[604] Here are the basics as of 2026.

Spouses and children of retired or disabled workers

A spouse can get up to half of the worker's benefit at the worker's full retirement age. A spouse generally qualifies after at least one year of marriage if he or she is 62 or older, or is caring for a child 15 or younger, or a child of any age with a disability.[605,606] A spouse who starts at 62 gets less; the payment is higher the longer he or she waits, up to full retirement age.[607]

A divorced spouse can qualify if the marriage lasted at least 10 years. Payments to ex-spouses do not count toward the family maximum, so they do not shrink anyone else's check.[608,609]

Children can qualify if they are unmarried and under 18, or 18 or 19 and in high school full time, or any age if they became disabled at 21 or younger.[610]

If you qualify for more than one benefit, SSA pays the highest one. It does not add them together.[611] There is also a family maximum; if many family members qualify, SSA lowers the spouse's and children's payments to stay under that limit.[612]

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[601] SSA Office of the Chief Actuary, "Exempt Amounts Under the Earnings Test," 2000-2027, https://www.ssa.gov/oact/cola/rtea.html (accessed November 12, 2026).

[602] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[603] SSA Office of the Chief Actuary, "Exempt Amounts Under the Earnings Test," 2000-2027, https://www.ssa.gov/oact/cola/rtea.html (accessed November 12, 2026).

[604] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[605] SSA, "What you could get from Family benefits," https://www.ssa.gov/family/amount (accessed November 12, 2026).

[606] SSA, "Who can get Family benefits," https://www.ssa.gov/family/eligibility (accessed November 12, 2026).

[607] SSA, "What you could get from Family benefits," https://www.ssa.gov/family/amount (accessed November 12, 2026).

[608] SSA, "Who can get Family benefits," https://www.ssa.gov/family/eligibility (accessed November 12, 2026).

[609] SSA, "What you could get from Family benefits," https://www.ssa.gov/family/amount (accessed November 12, 2026).

[610] SSA, "Who can get Family benefits," https://www.ssa.gov/family/eligibility (accessed November 12, 2026).

[611] SSA, "What you could get from Family benefits," https://www.ssa.gov/family/amount (accessed November 12, 2026).

Survivors

When a worker dies, the family can get survivor benefits. A widow or widower's payment starts at 71.5 percent of the deceased spouse's benefit at the earliest claiming age and rises to 100 percent at full retirement age for survivors, which is between 66 and 67.[613] Children generally get 75 percent of the parent's benefit, subject to the family maximum, and a spouse or some minor children can also get a one-time $255 death payment.[614]

Survivors can also switch. SSA gives the example of starting on survivor benefits and changing to your own retirement benefit at 70, when that payment is highest.[615]

Disability

Social Security Disability Insurance pays workers who cannot work because of a medical condition that meets what SSA calls its "strict definition of disability." In general, SSA pays people who are unable to work for a year (12 consecutive months) or more because of a disability.[616]

There is generally a five-month waiting period, so the first payment comes for the sixth full month after the disability began. Benefits usually continue until the person can work regularly again, and at full retirement age they turn into retirement benefits of the same amount.[617]

One key number is substantial gainful activity, the monthly earnings level SSA uses to decide whether someone is working too much to count as disabled. For people who are not blind it is $1,690 a month in 2026 and $1,770 in 2027; for blind people it is $2,830 and $2,950.[618]

What typical families get

SSA's estimates of average monthly benefits for January 2027, after the 3.6 percent COLA, give a feel for the program:[619]

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[612] SSA, "What you could get from Family benefits," https://www.ssa.gov/family/amount (accessed November 12, 2026).

[613] SSA, "What you could get from Survivor benefits," https://www.ssa.gov/survivor/amount (accessed November 12, 2026).

[614] SSA, "What you could get from Survivor benefits," https://www.ssa.gov/survivor/amount (accessed November 12, 2026).

[615] SSA, "What you could get from Survivor benefits," https://www.ssa.gov/survivor/amount (accessed November 12, 2026).

[616] SSA, "Disability Benefits: How Does Someone Become Eligible?" https://www.ssa.gov/benefits/disability/qualify.html (accessed November 12, 2026).

[617] SSA, "Disability Benefits: How Does Someone Become Eligible?" https://www.ssa.gov/benefits/disability/qualify.html (accessed November 12, 2026).

[618] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[619] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

Estimated average monthly benefits, January 2027 (nominal dollars)

Type of beneficiary	Before 3.6% COLA	After 3.6% COLA
All retired workers	$2,095	$2,170
Aged couple, both receiving benefits	$3,238	$3,355
Widowed mother and two children	$3,932	$4,074
Aged widow(er) alone	$1,936	$2,005
Disabled worker, spouse and one or more children	$2,970	$3,077
All disabled workers	$1,642	$1,701

Source: SSA, 2027 COLA Fact Sheet.[620]

COLAs

Once you are getting benefits, they rise each year by the cost-of-living adjustment, based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of one year to the third quarter of the next.[621] The COLA paid in January 2026 was 2.8 percent. The COLA for January 2027 is 3.6 percent.[622,623]

Automatic COLAs began in 1975; before that, Congress set every increase by law.[624] They have not always been positive. SSA's series shows no COLA at all for the increases that would have been effective in December 2009, December 2010 and December 2015, and the highest was 14.3 percent in 1980.[625]

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[620] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[621] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

[622] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

[623] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[624] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

[625] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

Fewer workers per beneficiary

The taxes paid by today's workers mostly pay today's retirees, so the number of workers paying in for each person collecting matters a great deal.[626] SSA's history office has the long view:[627]

Covered workers per Social Security beneficiary, selected years

Year	Workers per beneficiary
1940	159.4
1945	41.9
1950	16.5
1960	5.1
1970	3.7
1980	3.2
2000	3.4
2010	2.9
2025	about 2.6
2075 (projected)	about 1.9

Sources: SSA Historian's Office for 1940-2010; 2026 Trustees Report for 2025 and 2075.[628,629]

The very high early numbers are misleading if read alone. In 1940 almost nobody had yet qualified for a monthly check, so a big workforce supported only about 222,000 beneficiaries.[630] The ratio held between 3.2 and 3.4 from 1974 through 2008. The Trustees say it has fallen since then, first because of the 2007-09 recession and then because lower-birth-rate generations are

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[626] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[627] SSA Historian's Office, "Ratio of Social Security Covered Workers to Beneficiaries, Calendar Years 1940-2013," https://www.ssa.gov/history/ratios.html (accessed November 12, 2026).

[628] SSA Historian's Office, "Ratio of Social Security Covered Workers to Beneficiaries, Calendar Years 1940-2013," https://www.ssa.gov/history/ratios.html (accessed November 12, 2026).

[629] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.D, "Projections of Future Financial Status," https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[630] SSA Historian's Office, "Ratio of Social Security Covered Workers to Beneficiaries, Calendar Years 1940-2013," https://www.ssa.gov/history/ratios.html (accessed November 12, 2026).

replacing earlier ones at working ages, and they project about 1.9 workers per beneficiary by 2075.[631]

That is the core of the long-range money problem. The Trustees describe "the inverse relationship" between the cost rate and the number of workers per beneficiary: as the ratio falls, cost as a share of taxable payroll rises.[632]

The trust funds

The two trust funds are accounts at the Treasury. They track what comes in and what goes out, and they hold the reserves. The law limits trust fund spending to benefits and administrative costs.[633]

Here is the step-by-step:

- Payroll taxes come in every day and are invested the same day in special-issue Treasury bonds that only the trust funds can hold.[634]
- The cash goes into the Treasury's general fund and is spent like any other cash.[635]
- When benefits are due, the trust funds cash in bonds, with interest.[636]
- The interest rate on new bonds is set by a formula written into law in 1960. In 2024 the average rate on new bonds was 4.271 percent, but the funds as a whole earned 2.512 percent because they still hold older bonds bought when rates were lower.[637]

The flow is bigger than most people picture. In 2024 alone the trust funds bought $1,604 billion of these special bonds and redeemed $1,671 billion.[638]

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[631] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.D, "Projections of Future Financial Status," https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[632] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.D, "Projections of Future Financial Status," https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[633] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[634] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[635] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[636] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[637] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[638] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

Interest rates over time

The interest the trust funds earn has swung a lot. SSA's actuaries publish two rates: the average rate on new special-issue bonds bought during the year, and the "effective" rate, which is the interest actually earned divided by the average assets held.[639]

Trust fund interest rates, combined OASI and DI, selected years (percent)

Year	Average rate on new bonds	Effective rate on all holdings
1940	2.5	2.4
1960	2.9	2.6
1970	7.3	5.1
1981	13.3	9.9
1984	12.4	11.6
1990	8.6	9.3
2000	6.2	6.9
2010	2.8	4.6
2020	1.0	2.6
2022	3.0	2.4
2025	4.3	2.6

Source: SSA Office of the Chief Actuary, Average and Effective Interest Rates.[640]

Notice how the effective rate lags behind. In 2012 new bonds paid 1.5 percent while the whole portfolio still earned 4.1 percent, because older, higher-rate bonds were still on the books. Since 2023 it has run the other way: new bonds pay more than the portfolio's average.[641]

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[639] SSA Office of the Chief Actuary, "Average and Effective Interest Rates" (combined OASI and DI Trust Funds, 1940-2025), https://www.ssa.gov/oact/progdata/annualinterestrates.html (accessed November 12, 2026).

[640] SSA Office of the Chief Actuary, "Average and Effective Interest Rates" (combined OASI and DI Trust Funds, 1940-2025), https://www.ssa.gov/oact/progdata/annualinterestrates.html (accessed November 12, 2026).

[641] SSA Office of the Chief Actuary, "Average and Effective Interest Rates" (combined OASI and DI Trust Funds, 1940-2025), https://www.ssa.gov/oact/progdata/annualinterestrates.html (accessed November 12, 2026).

Chapter 11: Where All the Money Went

Ninety years in one table

I added up every year of the actuaries' tables for both trust funds, from the first payroll taxes in 1937 through 2025. All amounts are nominal, meaning the dollars of each year, not adjusted for inflation.

Lifetime income and cost of the Social Security trust funds, 1937-2025 (billions of nominal dollars)

Fund	Years	Total income	Total cost	Reserves at end of 2025
Old-Age and Survivors Insurance (OASI)	1937-2025	26,517.8	24,179.5	2,338.3
Disability Insurance (DI)	1957-2025	4,099.3	3,876.3	223.0
Both funds combined	1937-2025	30,617.2	28,055.9	2,561.3

Sources: my sums of every year in SSA Tables 4a1 and 4a2; end-of-2025 reserves from Table 4a3.[642,643]

Total income was about $30.6 trillion. Total cost was about $28.1 trillion. The difference, about $2.56 trillion, is exactly what is left in the trust funds at the end of 2025.[644,645]

That reconciliation matters. If money had been taken out and never paid back, the books would not balance. They do.

How the reconciliation works

You might ask, how can a sum of income minus cost equal the money on hand? Because the trust fund reserve is simply a running balance. Each year SSA's actuaries report the reserves at

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[642] Author's calculation: sum of every year of SSA Office of the Chief Actuary Tables 4a1 (1937-2025) and 4a2 (1957-2025), https://www.ssa.gov/oact/STATS/table4a1.html and https://www.ssa.gov/oact/STATS/table4a2.html (accessed November 12, 2026).

[643] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[644] Author's calculation: sum of every year of SSA Office of the Chief Actuary Tables 4a1 (1937-2025) and 4a2 (1957-2025), https://www.ssa.gov/oact/STATS/table4a1.html and https://www.ssa.gov/oact/STATS/table4a2.html (accessed November 12, 2026).

[645] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

the end of the year, and the change from one year to the next is income minus cost, with one exception I explain below.[646,647]

Start with zero in 1937, add every year's income, subtract every year's cost, and you should land on the reserves at the end of 2025. I did that, and the result matches the actuaries' $2,561.3 billion for the combined funds.[648,649] That is the strongest answer I know to the claim that money was quietly drained out. Every dollar is accounted for in the published tables, year by year.

The pattern by decade

The yearly numbers show three very different eras: small surpluses in the early decades, a planned build-up after 1983 and a drawdown that began in 2021.[650,651]

Net change in trust fund reserves by decade (billions of nominal dollars)

Years	Net change during the period	Reserves at end of period
1937-1949	+11.8	11.8
1950-1959	+10.2	22.0
1960-1969	+12.2	34.2
1970-1979	-3.9	30.3
1980-1989	+132.7	163.0
1990-1999	+733.2	896.1
2000-2009	+1,644.2	2,540.3
2010-2019	+357.1	2,897.4
2020-2025	-336.1	2,561.3

[646] SSA Office of the Chief Actuary, "Old-Age and Survivors Insurance Trust Fund, 1937-2025" (Table 4a1), https://www.ssa.gov/oact/STATS/table4a1.html (accessed November 12, 2026).

[647] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[648] Author's calculation: sum of every year of SSA Office of the Chief Actuary Tables 4a1 (1937-2025) and 4a2 (1957-2025), https://www.ssa.gov/oact/STATS/table4a1.html and https://www.ssa.gov/oact/STATS/table4a2.html (accessed November 12, 2026).

[649] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[650] SSA Office of the Chief Actuary, "Old-Age and Survivors Insurance Trust Fund, 1937-2025" (Table 4a1), https://www.ssa.gov/oact/STATS/table4a1.html (accessed November 12, 2026).

[651] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

Sources: my sums of SSA Table 4a1 (OASI only, 1937-1956) and Table 4a3 (both funds, 1957-2025).[652]

A few things stand out to me.

- The 1970s were the only full decade the reserves shrank, as high inflation drove up benefits faster than wages and payroll taxes (Chapters 6 and 7 tell that story).[653,654]
- The big build-up came in the 1990s and 2000s, after the 1983 Amendments raised the payroll tax schedule. More than $2.3 trillion was added in those two decades.[655,656]
- Reserves peaked at $2,908.3 billion at the end of 2020. Total cost has been higher than total income every year since 2021, and the reserves have fallen each year since.[657,658]

Chapter 8 explains why the surplus was planned and when the turn came. Here I just want you to see that the build-up and the drawdown are both on the books.

Interest: money the funds earned

Interest is a real part of the story. From 1957 through 2025 the two trust funds together earned about $2,753 billion in net interest on their Treasury bonds, by my sum of the actuaries' table.[659] That is roughly the same size as the reserves left today.

Interest income has fallen along with the effective interest rate, which dropped from 4.6 percent in 2010 to 2.6 percent in 2025. Interest was about $117.5 billion in 2010 and about $68.9 billion in 2025, both nominal.[660,661]

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[652] Author's calculation: yearly net change in reserves summed by decade, from SSA Office of the Chief Actuary Table 4a1 (OASI, 1937-1956) and Table 4a3 (combined OASI and DI, 1957-2025), https://www.ssa.gov/oact/STATS/table4a1.html and https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[653] Author's calculation: yearly net change in reserves summed by decade, from SSA Office of the Chief Actuary Table 4a1 (OASI, 1937-1956) and Table 4a3 (combined OASI and DI, 1957-2025), https://www.ssa.gov/oact/STATS/table4a1.html and https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[654] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

[655] Author's calculation: yearly net change in reserves summed by decade, from SSA Office of the Chief Actuary Table 4a1 (OASI, 1937-1956) and Table 4a3 (combined OASI and DI, 1957-2025), https://www.ssa.gov/oact/STATS/table4a1.html and https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[656] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[657] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[658] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[659] Author's calculation: sums of yearly amounts in the income detail of SSA Office of the Chief Actuary Table 4a3 (combined OASI and DI Trust Funds, 1957-2025), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

People disagree about what interest paid by one part of the government to another really means, and Chapter 16 takes up the "worthless IOUs" claim directly.

1982: the year the retirement fund borrowed

The one exception to the simple income-minus-cost rule is the early 1980s. The actuaries' note on the retirement (OASI) fund says that in 1982 it "borrowed money from the Disability Insurance and Hospital Insurance Trust Funds, and repaid the borrowed amounts in 1985 and 1986."[662]

By my reading of the tables, the retirement fund borrowed about $17.5 billion in 1982: about $5.1 billion from the disability fund and about $12.4 billion from Medicare's Hospital Insurance fund. It paid back about $4.4 billion in 1985 and about $13.2 billion in 1986.[663]

SSA's actuaries sum it up this way. The retirement fund's reserves "were nearly depleted in 1982," no beneficiary was shortchanged because Congress passed temporary emergency legislation allowing the borrowing, and "the borrowed amounts were repaid with interest within 4 years."[664] Chapter 7 tells how Congress fixed the deeper problem in 1983.

General fund reimbursements

A small part of trust fund income comes from the Treasury's general fund rather than from payroll taxes or the tax on benefits. The actuaries list what these transfers cover, including the cost of wage credits for military service, benefits for certain uninsured people who turned 72 before 1968, payroll tax credits under the 1983 law and payroll tax money given up under the 2010-2012 tax-cut laws.[665]

The biggest by far were in 2011 and 2012. When Congress cut the worker's Social Security tax rate from 6.2 percent to 4.2 percent for those two years, it had the general fund make up the lost revenue. General fund transfers were about $102.7 billion in 2011 and about $114.3 billion in 2012.[666,667] Chapter 9 tells the story of that payroll tax holiday.

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[660] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[661] SSA Office of the Chief Actuary, "Average and Effective Interest Rates" (combined OASI and DI Trust Funds, 1940-2025), https://www.ssa.gov/oact/progdata/annualinterestrates.html (accessed November 12, 2026).

[662] SSA Office of the Chief Actuary, "Old-Age and Survivors Insurance Trust Fund, 1937-2025" (Table 4a1), https://www.ssa.gov/oact/STATS/table4a1.html (accessed November 12, 2026).

[663] Author's calculation: net change in reserves minus (total income minus total cost) for 1982, 1985 and 1986, from SSA Office of the Chief Actuary Tables 4a1 (OASI) and 4a2 (DI), https://www.ssa.gov/oact/STATS/table4a1.html and https://www.ssa.gov/oact/STATS/table4a2.html (accessed November 12, 2026).

[664] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[665] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[666] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

The actuaries' money's worth note counts those transfers as payroll taxes when it measures what workers paid in.[668] That is a fact about the accounting. Whether it was wise to fund Social Security partly from the general fund for two years is a policy question people still argue about.

Then and now

Comparing nominal dollars from 1940 and 2025 is not very meaningful by itself, because prices have risen more than twentyfold since then.[669] The tables in the next two chapters put payroll taxes and benefits side by side with inflation so you can compare.

Chapter 12: What the Payroll Tax Has Been, Year by Year

Information in this chapter is current as of November 12, 2026.

This table shows, for every year since 1937, the tax rate a worker paid, the most pay that was taxed for Social Security, the national average wage, and what a worker earning exactly that average wage paid in Social Security and Medicare taxes. The employer paid the same amount again.

A few notes before you read it:

- Rates are the worker's share. The employer paid the same rate. Self-employed rates are in the source table.[670]
- In 1984 workers got a one-time credit, so the Social Security rate they actually paid was 5.4 percent, not 5.7 percent. In 2011 and 2012 the worker's Social Security rate was cut to 4.2 percent. The table uses the rates workers actually paid in those years.[671]
- SSA's national average wage index starts in 1951, so the "average worker" column starts then.[672]
- The average wage for 2026 is not published yet, so the 2026 row shows only the rates and the cap.[673]

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[667] SSA Office of the Chief Actuary, "Social Security Tax Rates" (OASI and DI rates, with notes on 1984, 2011-2012 and 2016-2018), https://www.ssa.gov/oact/progdata/oasdiRates.html (accessed November 12, 2026).

[668] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf (accessed November 12, 2026).

[669] U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U), U.S. city average, all items, series CUUR0000SA0, annual averages, retrieved from the BLS Public Data API, https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

[670] SSA Office of the Chief Actuary, "Social Security & Medicare Tax Rates," https://www.ssa.gov/oact/progdata/taxRates.html (accessed November 12, 2026).

[671] SSA Office of the Chief Actuary, "Social Security Tax Rates" (OASI and DI rates, with notes on 1984, 2011-2012 and 2016-2018), https://www.ssa.gov/oact/progdata/oasdiRates.html (accessed November 12, 2026).

[672] SSA Office of the Chief Actuary, "National Average Wage Index," https://www.ssa.gov/oact/cola/AWI.html (accessed November 12, 2026).

[673] SSA Office of the Chief Actuary, "National Average Wage Index," https://www.ssa.gov/oact/cola/AWI.html (accessed November 12, 2026).

Worker's payroll tax by year, 1937-2026 (nominal dollars). The employer paid the same rate.

Year	Worker's Social Security rate (%)	Worker's Medicare rate (%)	Taxable maximum ($)	National average wage ($)	Average-wage worker paid ($)
1937	1	-	3,000	n/a	n/a
1938	1	-	3,000	n/a	n/a
1939	1	-	3,000	n/a	n/a
1940	1	-	3,000	n/a	n/a
1941	1	-	3,000	n/a	n/a
1942	1	-	3,000	n/a	n/a
1943	1	-	3,000	n/a	n/a
1944	1	-	3,000	n/a	n/a
1945	1	-	3,000	n/a	n/a
1946	1	-	3,000	n/a	n/a
1947	1	-	3,000	n/a	n/a
1948	1	-	3,000	n/a	n/a
1949	1	-	3,000	n/a	n/a
1950	1.5	-	3,000	n/a	n/a
1951	1.5	-	3,600	2,799.16	41.99
1952	1.5	-	3,600	2,973.32	44.60
1953	1.5	-	3,600	3,139.44	47.09
1954	2	-	3,600	3,155.64	63.11
1955	2	-	4,200	3,301.44	66.03
1956	2	-	4,200	3,532.36	70.65
1957	2.25	-	4,200	3,641.72	81.94
1958	2.25	-	4,200	3,673.80	82.66
1959	2.5	-	4,800	3,855.80	96.40
1960	3	-	4,800	4,007.12	120.21
1961	3	-	4,800	4,086.76	122.60
1962	3.125	-	4,800	4,291.40	134.11
1963	3.625	-	4,800	4,396.64	159.38
1964	3.625	-	4,800	4,576.32	165.89

Year	Worker's Social Security rate (%)	Worker's Medicare rate (%)	Taxable maximum ($)	National average wage ($)	Average-wage worker paid ($)
1965	3.625	-	4,800	4,658.72	168.88
1966	3.85	0.35	6,600	4,938.36	207.41
1967	3.9	0.5	6,600	5,213.44	229.39
1968	3.8	0.6	7,800	5,571.76	245.16
1969	4.2	0.6	7,800	5,893.76	282.90
1970	4.2	0.6	7,800	6,186.24	296.94
1971	4.6	0.6	7,800	6,497.08	337.85
1972	4.6	0.6	9,000	7,133.80	370.96
1973	4.85	1	10,800	7,580.16	443.44
1974	4.95	0.9	13,200	8,030.76	469.80
1975	4.95	0.9	14,100	8,630.92	504.91
1976	4.95	0.9	15,300	9,226.48	539.75
1977	4.95	0.9	16,500	9,779.44	572.10
1978	5.05	1	17,700	10,556.03	638.64
1979	5.08	1.05	22,900	11,479.46	703.69
1980	5.08	1.05	25,900	12,513.46	767.08
1981	5.35	1.3	29,700	13,773.10	915.91
1982	5.4	1.3	32,400	14,531.34	973.60
1983	5.4	1.3	35,700	15,239.24	1,021.03
1984	5.4	1.3	37,800	16,135.07	1,081.05
1985	5.7	1.35	39,600	16,822.51	1,185.99
1986	5.7	1.45	42,000	17,321.82	1,238.51
1987	5.7	1.45	43,800	18,426.51	1,317.50
1988	6.06	1.45	45,000	19,334.04	1,451.99
1989	6.06	1.45	48,000	20,099.55	1,509.48
1990	6.2	1.45	51,300	21,027.98	1,608.64
1991	6.2	1.45	53,400	21,811.60	1,668.59
1992	6.2	1.45	55,500	22,935.42	1,754.56
1993	6.2	1.45	57,600	23,132.67	1,769.65

Year	Worker's Social Security rate (%)	Worker's Medicare rate (%)	Taxable maximum ($)	National average wage ($)	Average-wage worker paid ($)
1994	6.2	1.45	60,600	23,753.53	1,817.15
1995	6.2	1.45	61,200	24,705.66	1,889.98
1996	6.2	1.45	62,700	25,913.90	1,982.41
1997	6.2	1.45	65,400	27,426.00	2,098.09
1998	6.2	1.45	68,400	28,861.44	2,207.90
1999	6.2	1.45	72,600	30,469.84	2,330.94
2000	6.2	1.45	76,200	32,154.82	2,459.84
2001	6.2	1.45	80,400	32,921.92	2,518.53
2002	6.2	1.45	84,900	33,252.09	2,543.78
2003	6.2	1.45	87,000	34,064.95	2,605.97
2004	6.2	1.45	87,900	35,648.55	2,727.11
2005	6.2	1.45	90,000	36,952.94	2,826.90
2006	6.2	1.45	94,200	38,651.41	2,956.83
2007	6.2	1.45	97,500	40,405.48	3,091.02
2008	6.2	1.45	102,000	41,334.97	3,162.13
2009	6.2	1.45	106,800	40,711.61	3,114.44
2010	6.2	1.45	106,800	41,673.83	3,188.05
2011	4.2	1.45	106,800	42,979.61	2,428.35
2012	4.2	1.45	110,100	44,321.67	2,504.17
2013	6.2	1.45	113,700	44,888.16	3,433.94
2014	6.2	1.45	117,000	46,481.52	3,555.84
2015	6.2	1.45	118,500	48,098.63	3,679.55
2016	6.2	1.45	118,500	48,642.15	3,721.12
2017	6.2	1.45	127,200	50,321.89	3,849.62
2018	6.2	1.45	128,400	52,145.80	3,989.15
2019	6.2	1.45	132,900	54,099.99	4,138.65
2020	6.2	1.45	137,700	55,628.60	4,255.59
2021	6.2	1.45	142,800	60,575.07	4,633.99
2022	6.2	1.45	147,000	63,795.13	4,880.33

Year	Worker's Social Security rate (%)	Worker's Medicare rate (%)	Taxable maximum ($)	National average wage ($)	Average-wage worker paid ($)
2023	6.2	1.45	160,200	66,621.80	5,096.57
2024	6.2	1.45	168,600	69,846.57	5,343.26
2025	6.2	1.45	176,100	72,800.33	5,569.23
2026	6.2	1.45	184,500	n/a	n/a

Source: SSA tax rates, contribution and benefit base, and national average wage index; amounts paid are my calculation.[674]

A worker earning the average wage paid about $41.99 in Social Security tax in 1951 and about $5,569 in Social Security and Medicare taxes combined in 2025, both nominal.[675] Most of that growth reflects higher wages and higher prices, not only higher rates.

How the cap grew

The taxable maximum was $3,000 from 1937 through 1950. Congress then raised it by law in steps, to $3,600 in 1951 and $7,800 by 1968. Since 1975 it has risen automatically each year with the national average wage, except in 1979 through 1981, when Congress set the amounts directly.[676]

Those three statutory years were a big jump. The cap went from $17,700 in 1978 to $22,900 in 1979, $25,900 in 1980 and $29,700 in 1981.[677] Compared with the average wage, the cap was about 1.3 times the average wage in 1951 and 1970, about 2.1 times in 1980 and about 2.4 times in 2025, by my math.[678,679]

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[674] Author's calculation: employee tax rate (SSA, "Social Security & Medicare Tax Rates") times the lesser of the national average wage index (SSA, "National Average Wage Index") and the taxable maximum (SSA, "Contribution and Benefit Base"), https://www.ssa.gov/oact/progdata/taxRates.html, https://www.ssa.gov/oact/cola/AWI.html and https://www.ssa.gov/oact/cola/cbb.html (accessed November 12, 2026).

[675] Author's calculation: employee tax rate (SSA, "Social Security & Medicare Tax Rates") times the lesser of the national average wage index (SSA, "National Average Wage Index") and the taxable maximum (SSA, "Contribution and Benefit Base"), https://www.ssa.gov/oact/progdata/taxRates.html, https://www.ssa.gov/oact/cola/AWI.html and https://www.ssa.gov/oact/cola/cbb.html (accessed November 12, 2026).

[676] SSA Office of the Chief Actuary, "Contribution and Benefit Base," https://www.ssa.gov/oact/cola/cbb.html (accessed November 12, 2026).

[677] SSA Office of the Chief Actuary, "Contribution and Benefit Base," https://www.ssa.gov/oact/cola/cbb.html (accessed November 12, 2026).

[678] SSA Office of the Chief Actuary, "Contribution and Benefit Base," https://www.ssa.gov/oact/cola/cbb.html (accessed November 12, 2026).

[679] SSA Office of the Chief Actuary, "National Average Wage Index," https://www.ssa.gov/oact/cola/AWI.html (accessed November 12, 2026).

The cap has also stood still at times. It stayed at $106,800 for 2009, 2010 and 2011, and at $118,500 for 2015 and 2016.[680]

The most anyone paid

Another way to read the history is the most a single worker could pay in a year: the worker's rate times the cap. Here it is in nominal dollars and in 2025 dollars.[681]

Most a worker could pay in Social Security (OASDI) tax, selected years

Year	Worker's rate	Taxable maximum	Most a worker paid (nominal)	Same amount in 2025 dollars
1937	1.0%	$3,000	$30.00	about $671
1950	1.5%	$3,000	$45.00	about $601
1960	3.0%	$4,800	$144.00	about $1,566
1970	4.2%	$7,800	$327.60	about $2,718
1980	5.08%	$25,900	$1,315.72	about $5,141
1990	6.2%	$51,300	$3,180.60	about $7,835
2000	6.2%	$76,200	$4,724.40	about $8,833
2010	6.2%	$106,800	$6,621.60	about $9,776
2020	6.2%	$137,700	$8,537.40	about $10,620
2025	6.2%	$176,100	$10,918.20	$10,918
2026	6.2%	$184,500	$11,439.00	not adjusted
2027	6.2%	$192,300	$11,922.60	not adjusted

Sources: SSA tax rates and contribution and benefit base; BLS CPI-U; my calculations.[682]

Even after inflation, the top worker's tax in 2025 was about 16 times what it was in 1937.[683] The employer paid the same amount again in every year shown.[684]

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[680] SSA Office of the Chief Actuary, "Contribution and Benefit Base," https://www.ssa.gov/oact/cola/cbb.html (accessed November 12, 2026).

[681] Author's calculation: worker's Social Security (OASDI) tax rate (SSA, "Social Security & Medicare Tax Rates") times the contribution and benefit base (SSA, "Contribution and Benefit Base"), adjusted to 2025 dollars with the BLS CPI-U annual average (2025 = 321.943), https://www.ssa.gov/oact/progdata/taxRates.html, https://www.ssa.gov/oact/cola/cbb.html and https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

[682] Author's calculation: worker's Social Security (OASDI) tax rate (SSA, "Social Security & Medicare Tax Rates") times the contribution and benefit base (SSA, "Contribution and Benefit Base"), adjusted to 2025 dollars with the BLS CPI-U annual average (2025 = 321.943), https://www.ssa.gov/oact/progdata/taxRates.html, https://www.ssa.gov/oact/cola/cbb.html and https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

[683] Author's calculation: worker's Social Security (OASDI) tax rate (SSA, "Social Security & Medicare Tax Rates") times the contribution and benefit base (SSA, "Contribution and Benefit Base"), adjusted to 2025 dollars with the BLS

For an average worker the picture is different, because the average wage has always been under the cap. From 1951 to 2025 the average wage index rose about 26 times, while prices rose about 12 times.[685,686] So workers' pay has grown faster than prices, and the tax on that pay grew with it.

Chapter 13: What the Average Retiree Has Received

This table shows the average monthly benefit for a retired worker in December of each year, the same amount over twelve months, the general benefit increase or COLA that took effect that year, and the monthly amount in 2025 dollars so you can compare.

Notes on method:

- From 1967 on, the averages come straight from SSA's actuaries.[687]
- Before 1967, SSA publishes the data only for certain years. For those, I divided total monthly retired-worker benefits by the number of retired workers in SSA's Annual Statistical Supplement.[688]
- The 2025-dollar column uses the BLS CPI-U annual average, with 2025 = 321.943.[689]
- "Increase that year" is the general benefit increase or COLA that took effect during that year. Before 1975, increases were set by Congress.[690,691]

Average monthly benefit for retired workers, 1940-2026

December of	Average monthly benefit ($)	Times 12 ($)	Increase that year (%)	Monthly benefit in 2025 dollars ($)

CPI-U annual average (2025 = 321.943), https://www.ssa.gov/oact/progdata/taxRates.html, https://www.ssa.gov/oact/cola/cbb.html and https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

[684] SSA Office of the Chief Actuary, "Social Security & Medicare Tax Rates," https://www.ssa.gov/oact/progdata/taxRates.html (accessed November 12, 2026).

[685] SSA Office of the Chief Actuary, "National Average Wage Index," https://www.ssa.gov/oact/cola/AWI.html (accessed November 12, 2026).

[686] U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U), U.S. city average, all items, series CUUR0000SA0, annual averages, retrieved from the BLS Public Data API, https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

[687] SSA Office of the Chief Actuary, "Benefits in current payment status," retired-worker time series and September 2026 monthly report, https://www.ssa.gov/oact/ProgData/icp.html (accessed November 12, 2026).

[688] SSA, Annual Statistical Supplement to the Social Security Bulletin, 2025, Table 5.A4, "Number of beneficiaries and total monthly benefits, by trust fund and type of benefit," https://www.ssa.gov/policy/docs/statcomps/supplement/2025/5a.html (accessed November 12, 2026).

[689] U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U), U.S. city average, all items, series CUUR0000SA0, annual averages, retrieved from the BLS Public Data API, https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

[690] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[691] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

December of	Average monthly benefit ($)	Times 12 ($)	Increase that year (%)	Monthly benefit in 2025 dollars ($)
1940	22.60	271.20	-	520
1945	24.19	290.28	-	433
1950	43.86	526.32	77.0	586
1955	61.90	742.80	-	744
1957	64.58	774.96	-	740
1960	74.04	888.48	-	805
1965	83.92	1,007.04	7.0	858
1966	84.35	1,012.20	-	838
1967	85.37	1,024.44	-	823
1968	98.86	1,186.32	13.0	915
1969	100.40	1,204.80	-	881
1970	118.10	1,417.20	15.0	980
1971	132.16	1,585.92	10.0	1,051
1972	162.35	1,948.20	20.0	1,250
1973	166.42	1,997.04	-	1,207
1974	188.21	2,258.52	11.0	1,229
1975	207.18	2,486.16	8.0	1,240
1976	224.86	2,698.32	6.4	1,272
1977	242.98	2,915.76	5.9	1,291
1978	263.19	3,158.28	6.5	1,300
1979	294.27	3,531.24	9.9	1,305
1980	341.41	4,096.92	14.3	1,334
1981	385.97	4,631.64	11.2	1,367
1982	419.25	5,031.00	7.4	1,399
1983	440.77	5,289.24	3.5	1,425
1984	460.57	5,526.84	3.5	1,427
1985	478.62	5,743.44	3.1	1,432
1986	488.44	5,861.28	1.3	1,435
1987	512.65	6,151.80	4.2	1,453
1988	536.77	6,441.24	4.0	1,461

December of	Average monthly benefit ($)	Times 12 ($)	Increase that year (%)	Monthly benefit in 2025 dollars ($)
1989	566.85	6,802.20	4.7	1,472
1990	602.56	7,230.72	5.4	1,484
1991	629.32	7,551.84	3.7	1,488
1992	652.64	7,831.68	3.0	1,498
1993	674.06	8,088.72	2.6	1,502
1994	697.34	8,368.08	2.8	1,515
1995	719.80	8,637.60	2.6	1,521
1996	744.96	8,939.52	2.9	1,529
1997	764.98	9,179.76	2.1	1,534
1998	779.69	9,356.28	1.3	1,540
1999	804.30	9,651.60	2.5	1,554
2000	844.48	10,133.76	3.5	1,579
2001	874.44	10,493.28	2.6	1,590
2002	895.00	10,740.00	1.4	1,602
2003	922.08	11,064.96	2.1	1,613
2004	954.89	11,458.68	2.7	1,627
2005	1,001.97	12,023.64	4.1	1,652
2006	1,044.39	12,532.68	3.3	1,668
2007	1,078.54	12,942.48	2.3	1,675
2008	1,152.89	13,834.68	5.8	1,724
2009	1,164.32	13,971.84	0.0	1,747
2010	1,175.45	14,105.40	0.0	1,735
2011	1,228.57	14,742.84	3.6	1,758
2012	1,261.62	15,139.44	1.7	1,769
2013	1,293.84	15,526.08	1.5	1,788
2014	1,328.58	15,942.96	1.7	1,807
2015	1,341.77	16,101.24	0.0	1,823
2016	1,360.13	16,321.56	0.3	1,824
2017	1,404.15	16,849.80	2.0	1,844
2018	1,461.31	17,535.72	2.8	1,874

December of	Average monthly benefit ($)	Times 12 ($)	Increase that year (%)	Monthly benefit in 2025 dollars ($)
2019	1,502.85	18,034.20	1.6	1,893
2020	1,544.15	18,529.80	1.3	1,921
2021	1,658.03	19,896.36	5.9	1,970
2022	1,825.14	21,901.68	8.7	2,008
2023	1,905.31	22,863.72	3.2	2,013
2024	1,975.34	23,704.08	2.5	2,027
2025	2,071.30	24,855.60	2.8	2,071
September 2026	2,088.79	25,065.48	-	1,996 (using the September 2026 CPI-U)

Sources: SSA Office of the Chief Actuary; SSA Annual Statistical Supplement 2025; BLS CPI-U; my calculations.[692]

The first column tells one story; the last column tells the real one. The average retired worker's check was worth about $520 a month in 2025 dollars in 1940, about $980 in 1970 and $2,071 in 2025.[693] In September 2026, 55.1 million retired workers were getting an average of $2,088.79 a month.[694]

The real value, decade by decade

Here are the same averages at ten-year steps, all in 2025 dollars: about $520 in 1940, $586 in 1950, $805 in 1960, $980 in 1970, $1,334 in 1980, $1,484 in 1990, $1,579 in 2000, $1,735 in 2010, $1,921 in 2020 and $2,071 in 2025.[695]

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[692] Author's calculation: average monthly benefit for retired workers in December of each year (SSA Office of the Chief Actuary time series for 1967-2025; SSA Annual Statistical Supplement 2025, Table 5.A4, total monthly benefits divided by number of retired workers, for earlier years), adjusted to 2025 dollars with the BLS CPI-U annual average (2025 = 321.943), https://www.ssa.gov/oact/ProgData/icp.html and https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

[693] Author's calculation: average monthly benefit for retired workers in December of each year (SSA Office of the Chief Actuary time series for 1967-2025; SSA Annual Statistical Supplement 2025, Table 5.A4, total monthly benefits divided by number of retired workers, for earlier years), adjusted to 2025 dollars with the BLS CPI-U annual average (2025 = 321.943), https://www.ssa.gov/oact/ProgData/icp.html and https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

[694] SSA Office of the Chief Actuary, "Benefits in current payment status," retired-worker time series and September 2026 monthly report, https://www.ssa.gov/oact/ProgData/icp.html (accessed November 12, 2026).

[695] Author's calculation: average monthly benefit for retired workers in December of each year (SSA Office of the Chief Actuary time series for 1967-2025; SSA Annual Statistical Supplement 2025, Table 5.A4, total monthly benefits divided by number of retired workers, for earlier years), adjusted to 2025 dollars with the BLS CPI-U annual average (2025 = 321.943), https://www.ssa.gov/oact/ProgData/icp.html and https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

The biggest jumps came in the 1950s and the 1970s. Those are the decades of the 1950 catch-up and of the large increases Congress voted before automatic COLAs began in 1975 (Chapter 6 tells both stories).[696,697] After 1980 the gains were slower and steadier.

You might ask, if COLAs only match inflation, why does the real average keep rising? Because the average includes new retirees every year, and new retirees start with higher real benefits. The benefit formula indexes each worker's earnings to the general rise in wages, so as real wages grow, so do starting benefits.[698] COLAs then hold each person's benefit steady against prices after that.[699]

That also means the average hides a lot of spread. A worker who earned little gets far less than the average, and SSA's own examples show a maximum earner retiring at 70 in 2027 starting at $5,358 a month.[700]

Chapter 14: Are Benefits Taxed, and Why?

Information in this chapter is current as of November 12, 2026.

Not taxed for almost 50 years

From the start until 1983, Social Security benefits were not subject to federal income tax. That was not written into the 1935 law. It came from Treasury Department rulings in 1938 and 1941 that treated benefits like a gift or "gratuity," which is not taxable.[701,702]

1983: up to half taxed

The 1979 Advisory Council argued that Social Security should be taxed the way private pensions are: tax-free up to what the worker paid in, taxable on the rest. It estimated that workers then starting out would pay in payroll taxes no more than 17 percent of the benefits they could expect, so treating benefits like a private pension would make about 83 percent of them taxable. As a

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[696] Author's calculation: average monthly benefit for retired workers in December of each year (SSA Office of the Chief Actuary time series for 1967-2025; SSA Annual Statistical Supplement 2025, Table 5.A4, total monthly benefits divided by number of retired workers, for earlier years), adjusted to 2025 dollars with the BLS CPI-U annual average (2025 = 321.943), https://www.ssa.gov/oact/ProgData/icp.html and https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

[697] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

[698] SSA Office of the Chief Actuary, "Social Security Benefit Amounts" (AIME, PIA and monthly benefit amounts), https://www.ssa.gov/oact/cola/Benefits.html (accessed November 12, 2026).

[699] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

[700] SSA Office of the Chief Actuary, "Workers with Maximum-Taxable Earnings" (benefit examples, retirement in January 1987-2027), https://www.ssa.gov/oact/cola/examplemax.html (accessed November 12, 2026).

[701] SSA Historian's Office, "Taxation of Social Security Benefits," Research Note #12, https://www.ssa.gov/history/taxationofbenefits.html (accessed November 12, 2026).

[702] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

rough compromise, it suggested taxing half, "the part commonly if somewhat inaccurately attributed to the employer contribution."[703]

The 1983 Amendments did a version of that. Starting in 1984, up to 50 percent of benefits became taxable for people whose "provisional income" was over $25,000 (single) or $32,000 (married couple). Provisional income is adjusted gross income, plus certain tax-free income, plus half of Social Security benefits.[704] The money goes back into the Social Security trust funds.[705]

1993: up to 85 percent taxed

A 1993 budget law added a second tier: up to 85 percent of benefits became taxable above $34,000 for single filers and $44,000 for couples. The extra money from this second tier goes to Medicare's Hospital Insurance trust fund, not Social Security.[706]

How much money it raises

The tax on benefits is now a real part of Social Security's income. In 2025 it brought the two Social Security trust funds about $58 billion, about 4 percent of their total income.[707,708] By my sum of the actuaries' table, it has brought them about $836 billion in all from 1984 through 2025, in nominal dollars. That does not count the second-tier money sent to Medicare.[709]

It is also growing as a share of the system. The Trustees measure income as a percentage of taxable payroll. The tax on benefits was 0.19 percent of taxable payroll in 1984 and 0.55 percent in 2025, and they project 0.56 percent in 2026, about 0.86 percent in 2050 and 1.07 percent in 2100.[710] The main reason is the next section: the thresholds do not move.

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[703] SSA Historian's Office, "Taxation of Social Security Benefits," Research Note #12, https://www.ssa.gov/history/taxationofbenefits.html (accessed November 12, 2026).

[704] Paul S. Davies, "Social Security: Taxation of Benefits," CRS Report RL32552, November 1, 2019, https://www.everycrsreport.com/files/20191101_RL32552_a44b7c437eee09a6cb8a6393d50208a5ed231bdc.html (accessed November 12, 2026).

[705] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[706] Paul S. Davies, "Social Security: Taxation of Benefits," CRS Report RL32552, November 1, 2019, https://www.everycrsreport.com/files/20191101_RL32552_a44b7c437eee09a6cb8a6393d50208a5ed231bdc.html (accessed November 12, 2026).

[707] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[708] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[709] Author's calculation: sums of yearly amounts in the income detail of SSA Office of the Chief Actuary Table 4a3 (combined OASI and DI Trust Funds, 1957-2025), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[710] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Table IV.B2, "Components of Annual Income Rates, Calendar Years 1970-2100," https://www.ssa.gov/oact/tr/2026/lr4b2.html (accessed November 12, 2026).

The thresholds never moved

The $25,000, $32,000, $34,000 and $44,000 amounts were written into the law in dollars and are not indexed for inflation.[711] That is why more and more retirees pay some tax on benefits over time. CRS reported that the Congressional Budget Office estimated 49 percent of beneficiaries were affected in tax year 2014, a share expected to grow.[712]

How much have prices moved since then? Here is an approximate check using the BLS Consumer Price Index for All Urban Consumers (CPI-U) annual averages. If the 1984 thresholds had kept up with prices, the $25,000 single threshold would be about $77,500 in 2025 dollars and the $32,000 couple threshold about $99,200. If the 1993 thresholds had kept up, $34,000 would be about $75,800 and $44,000 about $98,000.[713,714]

Put the other way, the $25,000 line in 2025 is worth only about a third of what it was worth in 1984.[715] These are my rough figures, not official ones. CPI-U is one reasonable yardstick; a wage index would give an even bigger gap, since wages have grown faster than prices.[716,717]

"Taxed twice": the fair version of the argument

The argument goes like this. A worker pays income tax on his or her full wages, including the 6.2 percent that goes to Social Security. Then in retirement the benefit is taxed again. So the same money is taxed twice.

Here is what is true about it. The worker's half of the payroll tax is paid out of wages that were already subject to income tax. SSA's own historian says exactly that.[718]

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[711] Paul S. Davies, "Social Security: Taxation of Benefits," CRS Report RL32552, November 1, 2019, https://www.everycrsreport.com/files/20191101_RL32552_a44b7c437eee09a6cb8a6393d50208a5ed231bdc.html (accessed November 12, 2026).

[712] Paul S. Davies, "Social Security: Taxation of Benefits," CRS Report RL32552, November 1, 2019, https://www.everycrsreport.com/files/20191101_RL32552_a44b7c437eee09a6cb8a6393d50208a5ed231bdc.html (accessed November 12, 2026).

[713] Author's calculation: benefit-taxation thresholds (CRS Report RL32552) multiplied by the ratio of the BLS CPI-U annual average for 2025 (321.943) to that for 1984 (103.9) or 1993 (144.5), https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

[714] U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U), U.S. city average, all items, series CUUR0000SA0, annual averages, retrieved from the BLS Public Data API, https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

[715] Author's calculation: benefit-taxation thresholds (CRS Report RL32552) multiplied by the ratio of the BLS CPI-U annual average for 2025 (321.943) to that for 1984 (103.9) or 1993 (144.5), https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

[716] SSA Office of the Chief Actuary, "National Average Wage Index," https://www.ssa.gov/oact/cola/AWI.html (accessed November 12, 2026).

[717] U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U), U.S. city average, all items, series CUUR0000SA0, annual averages, retrieved from the BLS Public Data API, https://www.bls.gov/cpi/data.htm (accessed November 12, 2026).

[718] SSA Historian's Office, "Taxation of Social Security Benefits," Research Note #12, https://www.ssa.gov/history/taxationofbenefits.html (accessed November 12, 2026).

Here is what the government says, and what the numbers show. The employer's half was never income to the worker and never taxed to the worker; the employer deducts it. Benefits are also paid for in part by interest the trust funds earn, which the worker never paid tax on.[719] SSA's historian concludes that the part of the average benefit "directly paid for by the beneficiary" is about 15 percent, and that "about 85% of the average Social Security benefit represents an amount in excess of that contributed to the program by the average worker."[720] Even at the top rate, the law taxes at most 85 percent of benefits, which leaves at least 15 percent tax-free.[721]

So the "taxed twice" claim is right about one thing and wrong about the rest. Chapter 17 gives the verdict.

State taxes

Some states also tax benefits, and the rules change often. [Not verified: I did not find a current official list of which states tax Social Security benefits for tax year 2026. Check with your state's tax agency.]

The 2025 senior deduction

The 2025 budget law (Public Law 119-21, often called the One Big Beautiful Bill Act) added a new deduction of $6,000 for people 65 and older, for tax years 2025 through 2028. A married couple who both qualify can deduct $12,000. The deduction phases out above $75,000 of modified adjusted gross income ($150,000 for joint filers).[722]

The IRS spells out the details. The $6,000 is in addition to the extra standard deduction seniors already had under existing law. You must turn 65 by the last day of the tax year. It is available whether or not you itemize, but you must include the qualifying person's Social Security number on the return, and married people must file jointly to claim it.[723]

It did not end the tax on Social Security benefits. The benefit-tax rules described above are still in the law. The new deduction lowers taxable income for qualifying seniors, whether or not their income comes from Social Security, and the Trustees say it means the trust funds will receive less from taxing benefits.[724,725]

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[719] SSA Historian's Office, "Taxation of Social Security Benefits," Research Note #12, https://www.ssa.gov/history/taxationofbenefits.html (accessed November 12, 2026).

[720] SSA Historian's Office, "Taxation of Social Security Benefits," Research Note #12, https://www.ssa.gov/history/taxationofbenefits.html (accessed November 12, 2026).

[721] Paul S. Davies, "Social Security: Taxation of Benefits," CRS Report RL32552, November 1, 2019, https://www.everycrsreport.com/files/20191101_RL32552_a44b7c437eee09a6cb8a6393d50208a5ed231bdc.html (accessed November 12, 2026).

[722] Internal Revenue Service, "Working Families Tax Cuts: Tax deductions for working Americans and seniors" (fact sheet on Public Law 119-21), https://www.irs.gov/newsroom/one-big-beautiful-bill-act-tax-deductions-for-working-americans-and-seniors (accessed November 12, 2026).

[723] Internal Revenue Service, "Working Families Tax Cuts: Tax deductions for working Americans and seniors" (fact sheet on Public Law 119-21), https://www.irs.gov/newsroom/one-big-beautiful-bill-act-tax-deductions-for-working-americans-and-seniors (accessed November 12, 2026).

[724] Internal Revenue Service, "Working Families Tax Cuts: Tax deductions for working Americans and seniors" (fact sheet on Public Law 119-21), https://www.irs.gov/newsroom/one-big-beautiful-bill-act-tax-deductions-for-working-americans-and-seniors (accessed November 12, 2026).

The Trustees list the 2025 law as one of the changes since their prior report with a negative effect on Social Security's finances. They note it also made permanent the lower income tax rates and larger standard deduction from the 2017 tax law, and say that "less income tax will be paid on Social Security benefits."[726] Chapter 18 checks the claim that the law ended the tax.

Chapter 15: Earned Benefit or Entitlement?

This is the question under many of the arguments in this book. Did we earn Social Security, the way you earn a pension from an employer? Or is it a government program that Congress can change? The honest answer is that the record supports parts of both views, and I will give each side in its own words.

The case that we earned it

Many people feel strongly that Social Security is not a handout. They paid in every paycheck for decades, and their employers paid too. That is the point Roosevelt made when, by Luther Gulick's account, he said the payroll taxes were there "to give the contributors a legal, moral, and political right to collect their pensions."[727]

Gulick's memo, from a conversation in the summer of 1941, has more. Gulick had suggested the payroll taxes were a mistake as economics. By his account, Roosevelt agreed on the economics and said: "With those taxes in there, no damn politician can ever scrap my social security program. Those taxes aren't a matter of economics, they're straight politics." Gulick added that Roosevelt also spoke of contributions destroying the "relief attitude."[728]

SSA's own historians agree with the moral and political part. They write that the payroll tax "establishes a unique connection between those tax payments and future benefits," and that calling benefits "an earned right" is "true enough in a moral and political sense."[729]

The strongest legal version of the "earned" view is in the dissent in Flemming v. Nestor, the case I describe below. Justice Black wrote that cutting off Nestor's benefits "takes Nestor's insurance

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[725] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[726] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[727] SSA Historian's Office, "Luther Gulick Memorandum re: Famous FDR Quote," Research Note #23 (memo from summer 1941; copy at the FDR Presidential Library), https://www.ssa.gov/history/Gulick.html (accessed November 12, 2026).

[728] SSA Historian's Office, "Luther Gulick Memorandum re: Famous FDR Quote," Research Note #23 (memo from summer 1941; copy at the FDR Presidential Library), https://www.ssa.gov/history/Gulick.html (accessed November 12, 2026).

[729] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

without just compensation," and that it stamped him as "unworthy to receive that for which he has paid and which the government promised to pay him."[730]

Black went further. He said the majority's reasoning told contributors "that despite their own and their employers' payments the government, in paying the beneficiaries out of the fund, is merely giving them something for nothing and can stop doing so when it pleases." In his view, that showed "a complete misunderstanding of the purpose Congress and the country had in passing that law."[731] (The SSA copy of the opinions prints them in capital letters; I have used normal capitals.)

Black also quoted Senator George, chairman of the Finance Committee when the Act passed, that the program fit "the American concept that free men want to earn their security and not ask for doles."[732]

What "entitlement" means

In federal budget language, "entitlement" does not mean "something you didn't earn." It means spending that the law requires for anyone who meets the rules, without a new vote by Congress each year. The trust funds have that kind of authority to pay benefits without a yearly appropriation.[733]

The Congressional Research Service puts the legal side plainly: "Social Security is a statutory entitlement program. Beneficiaries have a legal entitlement to receive Social Security benefits as set forth under the Social Security Act."[734] That is a real right. If you meet the rules in the law as it stands, you are owed the benefit, and the Act provides for review in court, as Nestor's own case shows.[735,736]

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[730] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[731] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[732] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[733] Barry F. Huston and Bill Heniff Jr., "The Social Security Trust Funds and the Budget," Congressional Research Service (CRS) In Focus IF11615, August 7, 2020, https://www.everycrsreport.com/reports/IF11615.html (accessed November 12, 2026).

[734] Congressional Research Service (CRS), "Social Security Reform: Legal Analysis of Social Security Benefit Entitlement Issues," CRS Report RL32822, January 15, 2015, https://www.everycrsreport.com/files/20150115_RL32822_5c1050d035cc4d6f3365e58d1e64ffcdd085c4a4.html (accessed November 12, 2026).

[735] Congressional Research Service (CRS), "Social Security Reform: Legal Analysis of Social Security Benefit Entitlement Issues," CRS Report RL32822, January 15, 2015, https://www.everycrsreport.com/files/20150115_RL32822_5c1050d035cc4d6f3365e58d1e64ffcdd085c4a4.html (accessed November 12, 2026).

[736] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

What the law and the courts say

Now the other side, just as plainly. Section 1104 of the 1935 Act said: "The right to alter, amend, or repeal any provision of this Act is hereby reserved to the Congress."[737]

In Flemming v. Nestor (1960), the Supreme Court tested that. Nestor had paid into Social Security for 19 years and was already getting benefits when a 1954 law cut off benefits to people deported for, among other things, past membership in the Communist Party. He argued that his benefits were a contract Congress could not break. The Court disagreed, and SSA summarizes the result this way: it "established the principle that entitlement to Social Security benefits is not contractual right."[738]

Some details from the opinion matter for this question. Nestor had come to the United States from Bulgaria in 1913, became eligible for old-age benefits in November 1955 and was deported in July 1956 for having been a Communist Party member from 1933 to 1939. The lower court had ruled that cutting off his benefits took away an "accrued property right."[739]

Justice Harlan, writing for the Court, rejected that. He wrote that a covered worker's "noncontractual interest" cannot be compared to that of someone holding a private annuity, "whose right to benefits is bottomed on his contractual premium payments."[740]

Harlan did not say the benefit was a gift. He wrote that the "right" to benefits "is in one sense 'earned,'" because the whole system rests on the judgment that people who worked "may justly call upon that economy, in their later years," for protection. But he added that putting that judgment into practice called for "a highly complex and interrelated statutory structure." The Court's official summary of the holding (the syllabus) puts the bottom line this way: treating benefits as "accrued property rights" would deprive the system of the "flexibility and boldness in adjustment to ever-changing conditions" it needs, which Congress probably had in mind when it reserved the power to change the law.[741]

The Court also set a limit. Congress cannot do just anything. Under the Due Process Clause, a change would fail if it showed "a patently arbitrary classification, utterly lacking in rational justification." The Court found that the Nestor rule did not cross that line.[742]

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[737] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[738] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[739] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[740] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[741] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[742] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

Where Helvering v. Davis fits

Chapter 4 tells how the Supreme Court upheld the Social Security Act in 1937 in Helvering v. Davis. What matters here is how the Nestor Court used it. Harlan quoted Justice Cardozo that the program rests on Congress's power to "spend money in aid of the 'general welfare.'"[743]

That is the key point for the "earned right" debate. In my reading, the Court treated Social Security as a tax on one side and a spending program on the other, both under Congress's control, rather than as an insurance contract between you and the government. Harlan also quoted Cardozo's line from the 1937 case: "Our concern here, as often, is with power, not with wisdom."[744]

Later cases and the CRS reading

Later cases followed Nestor. In Richardson v. Belcher (1971), the Supreme Court upheld an amendment that reduced monthly disability benefits from $330 to $225 to account for state workers' compensation benefits.[745]

CRS summarizes where the law stands: "The Social Security program does not accord individuals either vested property rights or contractual rights with regard to future benefits." It adds that the Court has made clear "the payment of Social Security taxes conveys no contractual rights to Social Security benefits."[746]

CRS also notes that Congress could pass a law promising a certain benefit level and not cutting it. But it says courts would be unlikely to treat such a one-sided promise as a contract that a later Congress could not change.[747]

And CRS looked at what happens if the trust funds run short. It concluded that beneficiaries who sued for the difference between what the funds could pay and their full scheduled benefit "would not be likely to succeed," because the government cannot pay money without an

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[743] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[744] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[745] Congressional Research Service (CRS), "Social Security Reform: Legal Analysis of Social Security Benefit Entitlement Issues," CRS Report RL32822, January 15, 2015, https://www.everycrsreport.com/files/20150115_RL32822_5c1050d035cc4d6f3365e58d1e64ffcdd085c4a4.html (accessed November 12, 2026).

[746] Congressional Research Service (CRS), "Social Security Reform: Legal Analysis of Social Security Benefit Entitlement Issues," CRS Report RL32822, January 15, 2015, https://www.everycrsreport.com/files/20150115_RL32822_5c1050d035cc4d6f3365e58d1e64ffcdd085c4a4.html (accessed November 12, 2026).

[747] Congressional Research Service (CRS), "Social Security Reform: Legal Analysis of Social Security Benefit Entitlement Issues," CRS Report RL32822, January 15, 2015, https://www.everycrsreport.com/files/20150115_RL32822_5c1050d035cc4d6f3365e58d1e64ffcdd085c4a4.html (accessed November 12, 2026).

appropriation from Congress.[748] Chapter 20 covers the Trustees' projections for when that could happen.

Congress has used its power both ways. It has made benefits more generous many times and has also cut some, for example scaling back student benefits in 1983.[749]

No account with your name on it

There is no personal account where your taxes sit waiting for you. Your record tracks your earnings, which set your benefit. The taxes paid by today's workers mostly pay today's retirees, and any extra goes into the trust funds as Treasury bonds.[750]

The Nestor Court said the same thing in its own words. Each worker's benefits, it wrote, "are not dependent on the degree to which he was called upon to support the system by taxation."[751] That is why two people who paid the same taxes can get very different amounts, depending on marriage, children, disability, survivors and how long they live.

How much people get back

SSA's actuaries measure this with a "money's worth ratio": the present value of expected benefits divided by the present value of expected payroll taxes, for a worker and employer combined. A ratio above one means more comes back than goes in.[752] Their December 2025 note found:

- Ratios fell sharply for people born from 1920 to 1943, as tax rates rose from 2 percent combined in 1941 to 12.4 percent from 1990 on.[753]
- Ratios then rose for people born from 1943 to 1973, because longer lives and shifts in interest rates more than offset the higher tax rates and later retirement age. After the 1973 group they fall again under current law, which the actuaries tie to changes in interest rates outweighing longer lives.[754]

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[748] Congressional Research Service (CRS), "Social Security Reform: Legal Analysis of Social Security Benefit Entitlement Issues," CRS Report RL32822, January 15, 2015, https://www.everycrsreport.com/files/20150115_RL32822_5c1050d035cc4d6f3365e58d1e64ffcdd085c4a4.html (accessed November 12, 2026).

[749] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[750] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[751] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[752] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf (accessed November 12, 2026).

[753] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf (accessed November 12, 2026).

[754] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf (accessed November 12, 2026).

- Higher earners tend to live longer, which partly offsets the formula's tilt toward lower earners.[755]
- The actuaries also note the program's administrative cost is "well less than 1 percent" of total cost.[756]

The hypothetical workers

The note does not use real people. It uses made-up "scaled" workers whose pay rises and falls with age the way real careers tend to. A scaled medium earner's career-average pay is about equal to the national average wage. The very low, low and high earners average about 25, 45 and 160 percent of it. There is also a steady maximum earner who earns at or above the taxable maximum every year from 22 until retiring at 65.[757]

The note shows four family types: single men, single women, one-earner couples and two-earner couples. It counts retirement, disability and survivor benefits, and assumes every couple has two children. The estimates use the 2025 Trustees Report and do not reflect the 2025 tax law.[758]

Money's worth ratios for a scaled medium earner, current-law scheduled benefits

Year of birth	Single man	Single woman	One-earner couple	Two-earner couple
1920	1.35	1.66	2.98	1.58
1943	0.74	0.88	1.52	0.88
1964	1.12	1.31	2.11	1.26
1973	1.22	1.42	2.28	1.37
2004	1.05	1.17	1.88	1.15

Source: SSA Actuarial Note 2025.7, Table 1.{mw Table 1}

Read across a row and you see the family effect. The one-earner couple always does best, because the spouse, child and widow benefits come from a single earnings record. Women do better than men with the same pay because they tend to live longer.[759]

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[755] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf (accessed November 12, 2026).

[756] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf (accessed November 12, 2026).

[757] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf (accessed November 12, 2026).

[758] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf (accessed November 12, 2026).

Money's worth ratios for single men born in 1973, by earnings level, current-law scheduled benefits

Earnings level	Ratio
Very low	2.25
Low	1.71
Medium	1.22
High	1.02
Maximum	0.79
Source: SSA Actuarial Note 2025.7, Table 1.{mw	Table 1}

Read down and you see the formula's tilt. The actuaries say the ratios fall as earnings rise because the formula "replaces a higher proportion of career-average earnings" for lower earners.[760]

One catch matters a great deal for younger readers. These figures assume every scheduled benefit is paid, even though current law does not provide the money for that after the trust fund reserves run out. The note also shows a "payable benefits" scenario, where benefits are cut to fit the income on hand. Under it, a scaled medium-earning single man born in 2004 has a ratio of 0.75 instead of 1.05, and a single woman 0.83 instead of 1.17.[761]

Take workers born in 1964, who reach 65 in 2029. Under scheduled benefits, the ratios are above one for every family type at the very low, low and medium levels, and below one for maximum earners except one-earner couples.[762] Whether today's young workers come out the same way depends on what Congress does.

Where that leaves us

Here is my summary of the record. The "we paid for it" view is right that benefits are tied to work and taxes, that the tie was built in on purpose, and that "entitlement" is not an insult. It is not right that the law gives each worker a contract or a property right to a set benefit. Congress

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[759] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf (accessed November 12, 2026).

[760] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf (accessed November 12, 2026).

[761] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf, Tables 1 and 3 (accessed November 12, 2026).

[762] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf, Table 1 (accessed November 12, 2026).

can change the rules, and the Supreme Court has said so. You can decide which part matters more to you.

Part Seven: Claims and Theories

In this part I test the claims I hear most. For each one I state it the way people say it, say where it comes up, show what the records say, and give one of the four verdicts from the introduction: True, Partly true, False (debunked) or Inconclusive. Where a claim has a fair point buried in it, I say exactly what that point is, because most of these stories last for a reason. Information in this part is current as of November 12, 2026.

A word about where these claims come from. Many of them started as forwarded emails and now travel as social media posts. SSA's historians wrote two pages answering the most common ones, and they describe the problem well: these stories "are repeated in endless loops of misinformation."[763,764] Fact-checkers such as FactCheck.org and PolitiFact have answered many of the same claims, and I point to them where I read their work. I treat those news sites only as evidence of where a claim has been going around. The verdicts rest on the official records.[765,766]

The claims are grouped in four chapters: the money, what was promised, who pays and who collects, and 2025 and after. The scorecard at the end of Chapter 19 lists all 35.

Chapter 16: Claims About the Money

The money claims are the ones I hear most, and they usually come with some anger attached. That makes sense. People pay this tax on every paycheck for 40 years or more, and they want to know it will be there. Chapters 8, 10 and 11 explain how the trust funds work. Here I test the claims one at a time.

Claim 1: "Congress raided the trust fund and spent it on other things."

Where it comes up: in forwarded emails and in political speeches from both parties, especially whenever the trust fund's future is in the news. One long-running chain email asked "Which political party took Social Security from the Independent 'Trust Fund' and put it in to the General Fund so that Congress could spend it?" FactCheck.org called that version "twisted history."[767]

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[763] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[764] SSA Historian's Office, "Debunking Some Internet Myths - Part 2" (Myths and Misinformation About Social Security, Part 2), https://www.ssa.gov/history/InternetMyths2.html (accessed November 12, 2026).

[765] Brooks Jackson, FactCheck.org (Annenberg Public Policy Center), "FDR's 'Voluntary' Social Security," March 24, 2009, updated March 27, 2009, https://www.factcheck.org/2009/03/fdrs-voluntary-social-security (accessed November 12, 2026).

[766] Louis Jacobson, PolitiFact (Poynter Institute), "Is Social Security a Ponzi scheme? Fact-checking Elon Musk," March 19, 2025, https://www.politifact.com/factchecks/2025/mar/19/elon-musk/is-social-security-a-ponzi-scheme-fact-checking-el/ (accessed November 12, 2026).

[767] Brooks Jackson, FactCheck.org (Annenberg Public Policy Center), "FDR's 'Voluntary' Social Security," March 24, 2009, updated March 27, 2009, https://www.factcheck.org/2009/03/fdrs-voluntary-social-security (accessed November 12, 2026).

What the records show: The government did spend the cash that came in from Social Security surpluses, because by law that cash goes to the Treasury in exchange for special-issue bonds.[768] SSA's historians are just as clear that the trust fund itself "has never been 'put into the general fund of the government'" and "has always worked the same way" since 1939.[769] The bonds are a legal debt the Treasury repays, with interest, every time benefits are paid.[770] By law, the trust funds must be invested in securities guaranteed as to both principal and interest, and they have earned interest every year since the program began.[771]

The fair point in this claim is real. When Social Security ran surpluses, those surpluses were subtracted from the deficit in the rest of the budget, which made the government's overall budget picture look better than it otherwise would have.[772] People who say "raided" usually mean exactly that, and they are describing something that happened. The part that is wrong is the picture of an empty vault. The money was lent, not taken, and the loan is on the books.

Verdict: Partly true. The cash was spent on other government needs. The trust funds were not emptied; they hold Treasury bonds that have always been repaid with interest.

Claim 2: "The trust fund is just worthless IOUs."

Where it comes up: commentary on the federal debt and on Social Security's future. SSA's actuaries take up the question directly in their list of frequently asked questions about the trust funds, which tells you how often they hear it.[773]

What the records show: The trust fund bonds are backed by the full faith and credit of the United States. SSA's actuaries answer this claim directly: "The government has always repaid Social Security, with interest," and the bonds are "just as safe as U.S. Savings Bonds."[774] At the end of 2025 the combined trust funds held about $2.56 trillion in these special-issue Treasury securities, down from about $2.72 trillion a year earlier, because the program paid out more than it took in during 2025 and cashed in bonds to cover the difference.[775]

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[768] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[769] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[770] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[771] SSA Historian's Office, "Frequently Asked Questions," https://www.ssa.gov/history/hfaq.html (accessed November 12, 2026).

[772] Barry F. Huston and Bill Heniff Jr., "The Social Security Trust Funds and the Budget," Congressional Research Service (CRS) In Focus IF11615, August 7, 2020, https://www.everycrsreport.com/reports/IF11615.html (accessed November 12, 2026).

[773] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[774] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[775] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

What is true is that cashing them in means the Treasury has to come up with the money from taxes or borrowing, the same as for any other federal debt.[776] That is the honest worry underneath the word "IOU." A bond is only as good as the borrower's ability to pay, and the borrower here is the same government that runs a large deficit. But the United States has never defaulted on these bonds, and a bond that is always paid is not worthless.

Verdict: False (debunked). The bonds are legal obligations that have always been paid. The real issue is where the Treasury gets the money to pay them, not whether they are worth anything.

Claim 3: "The government took money out and never paid it back."

Where it comes up: in my experience this is usually the next line after Claim 1 or Claim 2, as in "they borrowed it and never paid it back." The chain email that blamed Lyndon Johnson for the trust fund said the money was put in the general fund "so that Congress could spend it," which leaves the same impression.[777]

What the records show: The trust funds' own books balance. From 1937 through 2025, total income was about $30.6 trillion and total cost about $28.1 trillion, leaving about $2.56 trillion, which matches the reserves on hand at the end of 2025 (all in nominal dollars).[778,779] When the retirement fund borrowed from other trust funds in 1982, it repaid the money with interest within four years.[780] When Congress cut the payroll tax in 2011 and 2012, the Treasury's general fund made up every dollar.[781]

The money has moved the other way, too. After the 1983 Amendments, the Treasury advanced general revenues to the trust funds in lump sums for several years at a time, including about $6.6 billion in 1983. When the accounts were later reconciled, the trust funds had been overpaid, so they paid money back to the Treasury in 1990 and 1995.[782] Both sides of the ledger have been settled.

Verdict: False (debunked).

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[776] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[777] Brooks Jackson, FactCheck.org (Annenberg Public Policy Center), "FDR's 'Voluntary' Social Security," March 24, 2009, updated March 27, 2009, https://www.factcheck.org/2009/03/fdrs-voluntary-social-security (accessed November 12, 2026).

[778] Author's calculation: sum of every year of SSA Office of the Chief Actuary Tables 4a1 (1937-2025) and 4a2 (1957-2025), https://www.ssa.gov/oact/STATS/table4a1.html and https://www.ssa.gov/oact/STATS/table4a2.html (accessed November 12, 2026).

[779] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[780] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

[781] SSA Office of the Chief Actuary, "Social Security Tax Rates" (OASI and DI rates, with notes on 1984, 2011-2012 and 2016-2018), https://www.ssa.gov/oact/progdata/oasdiRates.html (accessed November 12, 2026).

[782] SSA Historian's Office, "General Revenues" (Frequently Asked Questions), https://www.ssa.gov/history/genrev.html (accessed November 12, 2026).

Claim 4: "President Johnson moved Social Security into the general fund so Congress could spend it."

Where it comes up: this is a more specific version of Claim 1, and it names a culprit. The chain email FactCheck.org examined in 2009 said it was "Lyndon Johnson and the Democratically-controlled House and Senate."[783] SSA's historians answered the same question on their second myths page.[784]

What the records show: Something real did happen under Johnson, but it was a change in budget accounting, not in where the money goes. Starting in 1969, because of action the Johnson Administration took in 1968, Social Security's transactions were included in what is called the "unified budget," a single budget that counts every function of the federal government. That treatment lasted until the trust funds were taken back "off-budget."[785] CRS reports that a 1985 law moved the trust funds off budget beginning in fiscal year 1986, and Section 13301 of the Budget Enforcement Act of 1990 is the provision that keeps them off budget today.[786]

SSA's historians explain why this matters less than it sounds. Whether the trust funds are on budget or off budget "is primarily a question of accounting practices," and it had no effect on how the trust fund itself operates.[787] The cash from surpluses was lent to the Treasury before 1969 and after 1969, the same way.[788]

Verdict: False (debunked). The Johnson Administration changed how Social Security was counted in the budget. It did not move the trust fund into the general fund, and nothing about how the money is handled changed.

Claim 5: "Social Security is a Ponzi scheme."

Where it comes up: this one has been said by politicians and commentators for decades. PolitiFact rated the claim False when Texas Governor Rick Perry made it in 2011, and again when Elon Musk said on February 28, 2025, that "Social Security is the biggest Ponzi scheme of

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[783] Brooks Jackson, FactCheck.org (Annenberg Public Policy Center), "FDR's 'Voluntary' Social Security," March 24, 2009, updated March 27, 2009, https://www.factcheck.org/2009/03/fdrs-voluntary-social-security (accessed November 12, 2026).

[784] SSA Historian's Office, "Debunking Some Internet Myths - Part 2" (Myths and Misinformation About Social Security, Part 2), https://www.ssa.gov/history/InternetMyths2.html (accessed November 12, 2026).

[785] SSA Historian's Office, "Debunking Some Internet Myths - Part 2" (Myths and Misinformation About Social Security, Part 2), https://www.ssa.gov/history/InternetMyths2.html (accessed November 12, 2026).

[786] Barry F. Huston and Bill Heniff Jr., "The Social Security Trust Funds and the Budget," Congressional Research Service (CRS) In Focus IF11615, August 7, 2020, https://www.everycrsreport.com/reports/IF11615.html (accessed November 12, 2026).

[787] SSA Historian's Office, "Debunking Some Internet Myths - Part 2" (Myths and Misinformation About Social Security, Part 2), https://www.ssa.gov/history/InternetMyths2.html (accessed November 12, 2026).

[788] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

all time." PolitiFact also noted that several left-of-center columnists had used the comparison around the time of Perry's remarks.[789]

What the records show: A Ponzi scheme is a fraud that pays early investors with money from later investors while hiding what it is doing, and it collapses when new money stops. Social Security does pay current retirees mostly with current workers' taxes, and early retirees like Ida May Fuller got far more than they paid in.[790] But it is not secret. Its finances are published every year by the Trustees.[791] It is backed by the government's power to tax, and Congress can and does change it.[792] Under current law it does not collapse to zero when reserves run out; it pays a smaller share of benefits.[793]

The people who use the phrase are usually pointing at something true: the program depends on each generation of workers paying for the one before it, and when the number of retirees grows faster than the number of workers, the math gets harder. That is a fair description of pay-as-you-go financing, and Chapter 20 shows the Trustees' numbers. What makes "Ponzi" the wrong word is the fraud and the hiding, and neither is present.

Verdict: False (debunked). The pay-as-you-go structure is real, but the hidden fraud and the "collapse to nothing" are not.

Claim 6: "Social Security will go broke and pay nothing."

Where it comes up: almost everywhere, and it shows up in how people feel. A Gallup survey in March 2025 found 52 percent of Americans worried "a great deal" about Social Security, a level news coverage called a 15-year high.[794]

What the records show: The 2026 Trustees Report projects the combined trust funds will run out of reserves in the third quarter of 2034. After that, incoming taxes would still pay about 83 percent of scheduled benefits, falling to about 65 percent by 2100, if Congress does nothing.[795]

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[789] Louis Jacobson, PolitiFact (Poynter Institute), "Is Social Security a Ponzi scheme? Fact-checking Elon Musk," March 19, 2025, https://www.politifact.com/factchecks/2025/mar/19/elon-musk/is-social-security-a-ponzi-scheme-fact-checking-el/ (accessed November 12, 2026).

[790] SSA Historian's Office, "Details of Ida May Fuller's Payroll Tax Contributions," Research Note #3, https://www.ssa.gov/history/idapayroll.html (accessed November 12, 2026).

[791] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[792] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[793] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[794] FOX 10 Phoenix, "Worry about US Social Security system has hit 15-year high, Gallup poll finds," April 3, 2025, reporting a Gallup survey of March 3-16, 2025, https://www.fox10phoenix.com/news/worry-social-security-system-hit-15-year-high-gallup-poll (accessed November 12, 2026).

[795] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

The reason is simple: payroll taxes keep coming in as long as people work. In 2025 the program collected about $1,323 billion in payroll taxes alone (nominal dollars).[796]

CRS explains what "running out" means in legal terms. Once the reserves are gone, the trust funds cannot borrow from the Treasury's general fund or go into debt, but they still exist as accounts that take in taxes and pay benefits.[797] So the risk is a sudden, across-the-board cut, not an end to checks.

Verdict: False (debunked). A cut of about 17 percent is a serious problem, but it is not "nothing."

Claim 7: "Social Security is the biggest thing the federal government spends money on."

Where it comes up: I hear it in budget debates, from people arguing that the deficit cannot be fixed without touching Social Security, and from people arguing the opposite, that a program this large should not be cut casually.

What the records show: The Treasury's own year-end statement for fiscal year 2025, which ended September 30, 2025, shows total federal outlays of about $7.01 trillion. The Social Security budget function was the largest single line, at about $1.58 trillion, or roughly 22.5 percent of the total. The next largest were Medicare at about $997 billion, net interest on the debt at about $970 billion, and national defense at about $917 billion (all nominal dollars).[798] CRS describes Social Security as the federal government's "single largest program" both in the number of people it affects and in the size of its finances.[799]

Largest federal spending categories, fiscal year 2025 (nominal dollars)

Budget function	Outlays	Approximate share of total outlays
Social Security	$1,581 billion	22.5 percent
Medicare	$997 billion	14.2 percent
Net interest	$970 billion	13.8 percent
National defense	$917 billion	13.1 percent

[796] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[797] Barry F. Huston and Bill Heniff Jr., "The Social Security Trust Funds and the Budget," Congressional Research Service (CRS) In Focus IF11615, August 7, 2020, https://www.everycrsreport.com/reports/IF11615.html (accessed November 12, 2026).

[798] U.S. Department of the Treasury, Bureau of the Fiscal Service, Monthly Treasury Statement, Table 9, "Summary of Receipts and Outlays by Function," fiscal year 2025 through September 30, 2025, via the Fiscal Data API, https://api.fiscaldata.treasury.gov/services/api/fiscal_service/v1/accounting/mts/mts_table_9?filter=record_date:eq:2025-09-30 (accessed November 12, 2026).

[799] Barry F. Huston and Bill Heniff Jr., "The Social Security Trust Funds and the Budget," Congressional Research Service (CRS) In Focus IF11615, August 7, 2020, https://www.everycrsreport.com/reports/IF11615.html (accessed November 12, 2026).

Budget function	Outlays	Approximate share of total outlays
Total federal outlays	$7,010 billion	100 percent

Sources: Treasury, Monthly Treasury Statement, Table 9, fiscal year 2025; shares are my calculation.[800]

Verdict: True. By dollars spent, Social Security is the largest federal program. What people do with that fact is a matter of opinion.

Claim 8: "Social Security adds to the federal deficit."

Where it comes up: on both sides of the budget fight. Some people say Social Security "doesn't add a dime to the deficit" because it has its own tax and its own trust fund. Others say it is one of the biggest drivers of the deficit. CRS's short explainer on the trust funds and the budget lays out how both statements can be heard.[801]

What the records show: In 2025, Social Security's total income, including interest and the tax on benefits, was about $1,449 billion, and its total cost was about $1,609 billion, so it spent about $160 billion more than it took in. The trust fund reserves covered the gap.[802] In 2024 the gap was smaller: about $1,418 billion in income against $1,485 billion in spending (nominal dollars).[803]

CRS explains how that shows up in the budget. In years when the program runs a surplus, its off-budget surplus is subtracted from the rest of the government's deficit, which "improves the position of the unified budget." In years when it runs a deficit, as now, that deficit is added in, "making the position of the unified budget worse."[804] To pay for the bonds the trust funds cash in, the Treasury has to raise taxes, cut other spending or borrow from the public.[805]

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[800] U.S. Department of the Treasury, Bureau of the Fiscal Service, Monthly Treasury Statement, Table 9, "Summary of Receipts and Outlays by Function," fiscal year 2025 through September 30, 2025, via the Fiscal Data API, https://api.fiscaldata.treasury.gov/services/api/fiscal_service/v1/accounting/mts/mts_table_9?filter=record_date:eq:2025-09-30 (accessed November 12, 2026).

[801] Barry F. Huston and Bill Heniff Jr., "The Social Security Trust Funds and the Budget," Congressional Research Service (CRS) In Focus IF11615, August 7, 2020, https://www.everycrsreport.com/reports/IF11615.html (accessed November 12, 2026).

[802] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[803] SSA Office of Research, Evaluation, and Statistics, "Fast Facts and Figures About Social Security, 2025," https://www.ssa.gov/policy/docs/chartbooks/fast_facts/2025/fast_facts25.html (accessed November 12, 2026).

[804] Barry F. Huston and Bill Heniff Jr., "The Social Security Trust Funds and the Budget," Congressional Research Service (CRS) In Focus IF11615, August 7, 2020, https://www.everycrsreport.com/reports/IF11615.html (accessed November 12, 2026).

[805] SSA Office of the Chief Actuary, "Frequently Asked Questions about the Social Security Trust Funds," https://www.ssa.gov/oact/progdata/fundFAQ.html (accessed November 12, 2026).

The "not a dime" side is right about one thing that matters: by law, Social Security can only pay benefits out of its own income and reserves. Once the reserves are used up, it cannot borrow.[806] It cannot run up the debt on its own. The other side is right that, for now, the program's cash shortfall is part of what the Treasury has to borrow each year.

Verdict: Partly true. In the years it ran surpluses, Social Security made the overall deficit look smaller. Today its yearly shortfall adds to the unified deficit. But it can never spend more than its own taxes and reserves, so it cannot add to the debt without limit.

Claim 9: "Most of the money gets eaten up by bureaucracy."

Where it comes up: I hear this one in general complaints about government waste, often attached to stories about long phone waits at SSA. I did not find a fact-check that traced it to a single source.

What the records show: Of the roughly $1,609 billion the program spent in 2025, about $1,597 billion went to benefit payments and about $7 billion to administrative expenses, which is under half of 1 percent.[807] SSA's statistical chartbook puts administrative costs at 0.5 percent of contributions in calendar year 2024.[808] The actuaries' December 2025 note likewise describes the program's administrative cost as "well less than 1 percent" of total cost.[809]

The fair point under this claim is about service, not cost. Chapter 20 covers SSA's staffing cuts and the questions about wait times. A program can be cheap to run and still be hard to reach on the phone.[810]

Verdict: False (debunked). More than 99 cents of each dollar spent goes out as benefits.

Chapter 17: Claims About What Was Promised

Many of these claims travel together in one forwarded email that says President Roosevelt promised five things: that the program would be voluntary, that the tax would be 1 percent of the first $1,400, that the tax would be deductible, that the money would stay in an independent trust fund, and that benefits would never be taxed. SSA's historians answered it point by

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[806] Barry F. Huston and Bill Heniff Jr., "The Social Security Trust Funds and the Budget," Congressional Research Service (CRS) In Focus IF11615, August 7, 2020, https://www.everycrsreport.com/reports/IF11615.html (accessed November 12, 2026).

[807] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[808] SSA Office of Research, Evaluation, and Statistics, "Fast Facts and Figures About Social Security, 2025," https://www.ssa.gov/policy/docs/chartbooks/fast_facts/2025/fast_facts25.html (accessed November 12, 2026).

[809] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf (accessed November 12, 2026).

[810] SSA, "Social Security Announces Workforce and Organization Plans," February 28, 2025, https://www.ssa.gov/blog/en/posts/2025-02-28.html (accessed November 12, 2026).

point.[811] FactCheck.org examined a 2009 version, found nearly every claim in it false, and noted that it had debunked an earlier version in 2004.[812] This chapter also covers claims about the Social Security number and about how the program was designed in the 1930s.

Claim 10: "Social Security was supposed to be voluntary."

Where it comes up: it is the first of the five "promises" in the Roosevelt email.[813,814]

What the records show: The payroll tax has never been voluntary for jobs the law covers. In the early years only about half of jobs were covered, so some people worked outside the system, but if your job was covered, you had to pay.[815] SSA's historians put it plainly: "From the first days of the program to the present, anyone working on a job covered by Social Security has been obligated to pay their payroll taxes."[816]

There is a small grain of truth. Some workers, mostly in state and local governments, have been able to choose under certain conditions whether their jobs would be covered.[817] Claim 25 covers the few groups that can legally stay out today. Neither is the same as a promise that every worker could choose.

Verdict: False (debunked).

Claim 11: "The payroll tax was promised to stay at 1 percent of the first $1,400 of pay forever."

Where it comes up: it is the second "promise" in the same email.[818,819]

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[811] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[812] Brooks Jackson, FactCheck.org (Annenberg Public Policy Center), "FDR's 'Voluntary' Social Security," March 24, 2009, updated March 27, 2009, https://www.factcheck.org/2009/03/fdrs-voluntary-social-security (accessed November 12, 2026).

[813] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[814] Brooks Jackson, FactCheck.org (Annenberg Public Policy Center), "FDR's 'Voluntary' Social Security," March 24, 2009, updated March 27, 2009, https://www.factcheck.org/2009/03/fdrs-voluntary-social-security (accessed November 12, 2026).

[815] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[816] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[817] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[818] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[819] Brooks Jackson, FactCheck.org (Annenberg Public Policy Center), "FDR's 'Voluntary' Social Security," March 24, 2009, updated March 27, 2009, https://www.factcheck.org/2009/03/fdrs-voluntary-social-security (accessed November 12, 2026).

What the records show: The 1935 law taxed 1 percent each on worker and employer on the first $3,000 of pay, and it scheduled increases in four steps to 3 percent each by 1949. The $1,400 figure never appeared in the law, and SSA's historians add that "the rate was never fixed for all time at 1%."[820] In practice Congress delayed those increases, and the rate stayed at 1 percent until 1949.[821]

Verdict: False (debunked).

Claim 12: "Social Security taxes were supposed to be tax deductible."

Where it comes up: the third "promise" in the email, which another version follows with the question of which party "eliminated the income tax deduction."[822,823]

What the records show: No law ever let workers deduct their Social Security taxes. The 1935 law expressly forbade it, in Section 803 of Title VIII.[824] You cannot take away a deduction that never existed. FactCheck.org noted that self-employed people can deduct part of their self-employment tax, and that this deduction had not been eliminated by anyone.[825]

Verdict: False (debunked).

Claim 13: "The money was supposed to be kept separate from the general budget."

Where it comes up: the fourth "promise" in the email. SSA's historians say this part of the email is "basically correct," but that it is usually joined to a second, false statement that later administrations broke the promise.[826]

What the records show: The trust fund has been a separate account since 1939.[827] What changed was budget accounting. From 1969 Social Security was counted in the "unified budget," and later

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[820] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[821] SSA Office of the Chief Actuary, "Social Security & Medicare Tax Rates," https://www.ssa.gov/oact/progdata/taxRates.html (accessed November 12, 2026).

[822] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[823] SSA Historian's Office, "Debunking Some Internet Myths - Part 2" (Myths and Misinformation About Social Security, Part 2), https://www.ssa.gov/history/InternetMyths2.html (accessed November 12, 2026).

[824] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[825] Brooks Jackson, FactCheck.org (Annenberg Public Policy Center), "FDR's 'Voluntary' Social Security," March 24, 2009, updated March 27, 2009, https://www.factcheck.org/2009/03/fdrs-voluntary-social-security (accessed November 12, 2026).

[826] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[827] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

laws in 1985 and 1990 took it back off budget.[828,829] None of that changed how the trust fund works.[830]

Verdict: Partly true. The money is in a separate account, as promised. But surplus cash has always been lent to the Treasury, and for about two decades Social Security was counted in the overall budget totals.

Claim 14: "Benefits were promised to never be taxed."

Where it comes up: the fifth "promise" in the email, often paired with the claim that one party alone started the tax.[831,832]

What the records show: Benefits were tax-free for decades, but because of Treasury rulings, not a promise in the law. SSA says it was not "anything that President Roosevelt did or could have 'promised.'" The 1983 Amendments made some benefits taxable.[833,834] That change came from the Greenspan Commission appointed by President Reagan, passed Congress "on an overwhelmingly bi-partisan vote," and was signed by Reagan in April 1983.[835] The 1993 increase to 85 percent for higher-income beneficiaries passed the Senate only when Vice President Al Gore broke a 50-50 tie, and President Clinton signed it on August 10, 1993.[836] So both parties own a piece of this tax.

Verdict: False (debunked).

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[828] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[829] Barry F. Huston and Bill Heniff Jr., "The Social Security Trust Funds and the Budget," Congressional Research Service (CRS) In Focus IF11615, August 7, 2020, https://www.everycrsreport.com/reports/IF11615.html (accessed November 12, 2026).

[830] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[831] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[832] Brooks Jackson, FactCheck.org (Annenberg Public Policy Center), "FDR's 'Voluntary' Social Security," March 24, 2009, updated March 27, 2009, https://www.factcheck.org/2009/03/fdrs-voluntary-social-security (accessed November 12, 2026).

[833] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[834] SSA Historian's Office, "Taxation of Social Security Benefits," Research Note #12, https://www.ssa.gov/history/taxationofbenefits.html (accessed November 12, 2026).

[835] SSA Historian's Office, "Debunking Some Internet Myths - Part 2" (Myths and Misinformation About Social Security, Part 2), https://www.ssa.gov/history/InternetMyths2.html (accessed November 12, 2026).

[836] SSA Historian's Office, "Debunking Some Internet Myths - Part 2" (Myths and Misinformation About Social Security, Part 2), https://www.ssa.gov/history/InternetMyths2.html (accessed November 12, 2026).

Claim 15: "Your Social Security is taxed twice."

Where it comes up: in nearly every conversation about the tax on benefits, and in the Roosevelt email's complaint about being "taxed on 85% of the money we paid."[837]

What the records show (see Chapter 14): The worker's half of the payroll tax comes from wages that were already subject to income tax. The employer's half and the trust fund interest were never taxed to the worker, and SSA's historian estimates only about 15 percent of the average benefit was directly paid for by the beneficiary. The law taxes at most 85 percent of benefits.[838,839] Many beneficiaries pay no tax on their benefits at all, because the tax only applies above income thresholds of $25,000 for a single filer and $32,000 for a married couple.[840]

Verdict: Partly true. Part of the money, the worker's own share, is taxed twice for people whose benefits are taxed. Most of the benefit was never taxed to the worker before.

Claim 16: "Your Social Security number was never supposed to be used for identification."

Where it comes up: in privacy debates, and from older readers who remember what their cards said. SSA's historians list the card's old warning among their frequently asked questions.[841]

What the records show: From 1946 to 1972, SSN cards actually said "For Social Security Purposes, Not For Identification."[842] But federal use of the number for other purposes started early. A 1943 executive order, Executive Order 9397, told federal agencies to use the SSN whenever they set up a new system for identifying people. The Civil Service Commission adopted it for federal employees in 1961, and the Internal Revenue Service (IRS) adopted it as the taxpayer number in 1962.[843] The original reason for the number was narrow: SSA began assigning it in 1936 to track workers' earnings over their lifetimes so it could pay benefits.[844]

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[837] Brooks Jackson, FactCheck.org (Annenberg Public Policy Center), "FDR's 'Voluntary' Social Security," March 24, 2009, updated March 27, 2009, https://www.factcheck.org/2009/03/fdrs-voluntary-social-security (accessed November 12, 2026).

[838] SSA Historian's Office, "Taxation of Social Security Benefits," Research Note #12, https://www.ssa.gov/history/taxationofbenefits.html (accessed November 12, 2026).

[839] Paul S. Davies, "Social Security: Taxation of Benefits," CRS Report RL32552, November 1, 2019, https://www.everycrsreport.com/files/20191101_RL32552_a44b7c437eee09a6cb8a6393d50208a5ed231bdc.html (accessed November 12, 2026).

[840] Paul S. Davies, "Social Security: Taxation of Benefits," CRS Report RL32552, November 1, 2019, https://www.everycrsreport.com/files/20191101_RL32552_a44b7c437eee09a6cb8a6393d50208a5ed231bdc.html (accessed November 12, 2026).

[841] SSA Historian's Office, "Frequently Asked Questions," https://www.ssa.gov/history/hfaq.html (accessed November 12, 2026).

[842] SSA Historian's Office, "Social Security Cards: Version History," https://www.ssa.gov/history/ssn/ssnversions.html (accessed November 12, 2026).

[843] SSA Historian's Office, "Social Security Number Chronology," https://www.ssa.gov/history/ssn/ssnchron.html (accessed November 12, 2026).

[844] SSA, "Social Security Number Randomization," https://www.ssa.gov/employer/randomization.html (accessed November 12, 2026).

Verdict: Partly true. The cards carried that warning for years, but the government itself began using the number for identification as early as 1943.

Claim 17: "Your Social Security number contains a code for your race."

Where it comes up: it goes around "from time-to-time," in the words of SSA's historians, who wrote a separate page to answer it.[845]

What the records show: The middle two digits of the number are called the "group number," and SSA's historians think that name is where the myth started. The group numbers simply run from 01 to 99. In 1936, before computers, SSA kept its records in filing cabinets and needed a way to break each area number into smaller batches, and this was the scheme it used.[846] The application form does ask for facts such as date of birth and place of birth, and it asks for race as an optional item. None of that information is coded into the number itself.[847]

Verdict: False (debunked).

Claim 18: "The first three digits of your number tell where you got it."

Where it comes up: in genealogy research and in old advice about spotting fake numbers. SSA's historians list it among their frequently asked questions.[848]

What the records show: This one used to be true. Originally, the first three digits, the "area number," were assigned by the region where the person lived when they got the number, starting in the Northeast and moving west, so East Coast numbers tended to be lower and West Coast numbers higher.[849] From 1972 on, SSA issued cards centrally, and the area number reflected the state in the ZIP code of the mailing address on the application.[850]

That ended on June 25, 2011, when SSA switched to "randomization." The new method "eliminated the geographical significance" of the area number and opened up area numbers that had never been used, except 000, 666 and 900 through 999. SSA said the change would protect the integrity of the number by making it harder to reconstruct from public information, and would stretch the supply of numbers.[851,852] People who already had numbers kept them.[853] A

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[845] SSA Historian's Office, "A Myth About Social Security Numbers," https://www.ssa.gov/history/ssnmyth.html (accessed November 12, 2026).

[846] SSA Historian's Office, "A Myth About Social Security Numbers," https://www.ssa.gov/history/ssnmyth.html (accessed November 12, 2026).

[847] SSA Historian's Office, "A Myth About Social Security Numbers," https://www.ssa.gov/history/ssnmyth.html (accessed November 12, 2026).

[848] SSA Historian's Office, "Frequently Asked Questions," https://www.ssa.gov/history/hfaq.html (accessed November 12, 2026).

[849] SSA Historian's Office, "Frequently Asked Questions," https://www.ssa.gov/history/hfaq.html (accessed November 12, 2026).

[850] SSA, "Social Security Number Randomization," https://www.ssa.gov/employer/randomization.html (accessed November 12, 2026).

[851] SSA, "Social Security Number Randomization," https://www.ssa.gov/employer/randomization.html (accessed November 12, 2026).

related myth is that numbers are reused after someone dies. They are not; SSA does not reassign a number after the holder's death.[854]

Verdict: Partly true. For numbers issued before June 25, 2011, the first three digits do point to a place. For numbers issued since then, they mean nothing about where you live.

Claim 19: "Social Security is a guaranteed return on the money we paid in."

Where it comes up: in the "we paid for it" view that Chapter 15 describes, often said as "it's my money."[855]

What the records show: There is no individual account and no guaranteed return. Congress can change benefits, and the Supreme Court said in Flemming v. Nestor that benefits are not a contractual right.[856] SSA's actuaries do calculate how much different workers get back compared with what they paid, and the answer varies by income, sex, marital status and year of birth.[857]

The feeling behind the claim is not foolish. Benefits are tied to your earnings record, and SSA's own historians say calling benefits "an earned right" is "true enough in a moral and political sense."[858] What the law does not do is promise a set return.

Verdict: False (debunked).

Claim 20: "The retirement age of 65 was copied from Germany, because that was Bismarck's age."

Where it comes up: in speeches and articles about raising the retirement age, as a way of saying 65 was arbitrary from the start. SSA's historians list it among their frequently asked questions and answer, "No, it is not true."[859]

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[852] SSA, "Social Security Number Randomization: Frequently Asked Questions," https://www.ssa.gov/employer/randomizationfaqs.html (accessed November 12, 2026).

[853] SSA, "Social Security Number Randomization: Frequently Asked Questions," https://www.ssa.gov/employer/randomizationfaqs.html (accessed November 12, 2026).

[854] SSA Historian's Office, "Frequently Asked Questions," https://www.ssa.gov/history/hfaq.html (accessed November 12, 2026).

[855] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[856] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[857] Karen Rose and Kyle Burkhalter, "Money's Worth Ratios Under the OASDI Program for Hypothetical Workers," SSA Office of the Chief Actuary, Actuarial Note 2025.7, December 2025, https://www.ssa.gov/OACT/NOTES/ran7/an2025-7.pdf (accessed November 12, 2026).

[858] SSA Historian's Office, "Supreme Court Case: Flemming vs. Nestor," with the text of Flemming v. Nestor, 363 U.S. 603 (1960), https://www.ssa.gov/history/nestor.html (accessed November 12, 2026).

[859] SSA Historian's Office, "Frequently Asked Questions," https://www.ssa.gov/history/hfaq.html (accessed November 12, 2026).

What the records show: Germany did create the first national old-age social insurance program, in 1889, designed by Chancellor Otto von Bismarck. But Germany first set the retirement age at 70, when Bismarck himself was 74, and did not lower it to 65 until 1916, 18 years after Bismarck died.[860]

When the Committee on Economic Security picked 65 in 1934 and 1935, it looked at what American plans were doing. Roughly half of the 30 state old-age pension systems then in operation used 65 and half used 70, and the new federal Railroad Retirement System also used 65. The planners judged 65 more reasonable than 70, and the actuaries found it produced a system that could pay for itself with modest payroll taxes.[861] SSA's historian sums it up: "With all due respect to Chancellor Bismarck, he had nothing to do with it."[862]

Verdict: False (debunked).

Claim 21: "Social Security was designed so most people would die before they collected."

Where it comes up: usually stated as "in 1935, the average person didn't even live to 65." SSA's historians list it among their frequently asked questions.[863]

What the records show: The starting fact is true. Life expectancy at birth in 1930 was only 58 for men and 62 for women.[864] But that average was pulled down mainly by deaths of babies and children, who never would have worked or paid in. Among people who made it to adulthood, most could expect to reach 65. For men who turned 65 in 1940, about 54 percent had survived from age 21, and those who reached 65 could expect to live about 12.7 more years. For women the figures were about 61 percent and 14.7 years.[865]

There were also already about 7.8 million Americans age 65 or older in 1935, and the committee's actuaries projected 8.3 million by 1940, when monthly benefits began.[866] A program designed so that few people would collect would not have been built around a group that large.

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[860] SSA Historian's Office, "Age 65 Retirement," https://www.ssa.gov/history/age65.html (accessed November 12, 2026).

[861] SSA Historian's Office, "Age 65 Retirement," https://www.ssa.gov/history/age65.html (accessed November 12, 2026).

[862] SSA Historian's Office, "Age 65 Retirement," https://www.ssa.gov/history/age65.html (accessed November 12, 2026).

[863] SSA Historian's Office, "Frequently Asked Questions," https://www.ssa.gov/history/hfaq.html (accessed November 12, 2026).

[864] SSA Historian's Office, "Life Expectancy for Social Security," https://www.ssa.gov/history/lifeexpect.html (accessed November 12, 2026).

[865] SSA Historian's Office, "Life Expectancy for Social Security," https://www.ssa.gov/history/lifeexpect.html (accessed November 12, 2026).

[866] SSA Historian's Office, "Life Expectancy for Social Security," https://www.ssa.gov/history/lifeexpect.html (accessed November 12, 2026).

Life expectancy for people who reached adulthood

Year cohort turned 65	Men surviving from 21 to 65	Women surviving from 21 to 65	Men's remaining years at 65	Women's remaining years at 65
1940	53.9 percent	60.6 percent	12.7	14.7
1960	60.1 percent	71.3 percent	13.2	17.4
1990	72.3 percent	83.6 percent	15.3	19.6

Source: SSA Historian's Office, "Life Expectancy for Social Security," Table 1 (selected years).[867]

Verdict: False (debunked). Low life expectancy at birth was real, but most adults who paid in could expect to reach 65 and then collect for years.

Chapter 18: Claims About Who Pays and Who Collects

These claims are about fairness: who gets a free ride, who gets cheated, and what happens to people who work or claim early. They are also the ones where a small mistake in the facts can cost a real person money, so I have tried to be precise about the rules as of November 12, 2026.

Claim 22: "Members of Congress don't pay into Social Security."

Where it comes up: in chain emails about congressional perks. The 2009 email FactCheck.org examined ended with a related complaint about congressional pensions.[868] SSA's historians list it among their most frequently asked questions.[869]

What the records show: The 1983 Amendments covered sitting Members of Congress, the President, the Vice President, federal judges and top political appointees starting in January 1984.[870] SSA's historians answer: "They pay into the system just like everyone else."[871] Before 1984, most federal workers and officials were in the Civil Service Retirement System (CSRS), which dates from 1920, 15 years before Social Security. Federal employees hired before January 1984 were given a one-time choice to switch or stay in CSRS, so a shrinking group of long-

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[867] SSA Historian's Office, "Life Expectancy for Social Security," https://www.ssa.gov/history/lifeexpect.html (accessed November 12, 2026).

[868] Brooks Jackson, FactCheck.org (Annenberg Public Policy Center), "FDR's 'Voluntary' Social Security," March 24, 2009, updated March 27, 2009, https://www.factcheck.org/2009/03/fdrs-voluntary-social-security (accessed November 12, 2026).

[869] SSA Historian's Office, "Frequently Asked Questions," https://www.ssa.gov/history/hfaq.html (accessed November 12, 2026).

[870] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[871] SSA Historian's Office, "Frequently Asked Questions," https://www.ssa.gov/history/hfaq.html (accessed November 12, 2026).

serving federal workers is still outside Social Security. Everyone hired on or after January 1, 1984, is covered.[872]

Verdict: False (debunked). This was true before 1984, which is probably why the claim keeps going around.

Claim 23: "Immigrants here illegally collect Social Security they never paid for."

Where it comes up: in immigration debates and in chain emails. FactCheck.org answered a version of it in 2009, and rejected the email's picture of immigrants here illegally drawing retirement checks.[873]

What the records show: SSA's actuaries looked at this in 2013. They estimated that about 3.1 million unauthorized immigrants were working and paying Social Security taxes in 2010, and that they and their employers paid about $13 billion in payroll taxes that year. Only about $1 billion in benefits that year was based on unauthorized work, so the net effect was about $12 billion in the trust funds' favor.[874] The actuaries said this positive effect was expected to continue.[875]

Verdict: False (debunked). On the actuaries' numbers, unauthorized workers pay in far more than is paid out based on their unauthorized work. The estimate is from 2010; I did not find a newer official one. [Not verified: a newer SSA estimate.]

Claim 24: "President Carter and the Democrats started giving Social Security to immigrants who never paid in."

Where it comes up: it is the punch line of the chain email that also blamed Lyndon Johnson for raiding the trust fund. The email said that immigrants reached 65 and "began to receive Social Security payments" though "they never paid a dime into it."[876] SSA's historians answered the question on their second myths page.[877]

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[872] SSA Historian's Office, "Frequently Asked Questions," https://www.ssa.gov/history/hfaq.html (accessed November 12, 2026).

[873] Brooks Jackson, FactCheck.org (Annenberg Public Policy Center), "FDR's 'Voluntary' Social Security," March 24, 2009, updated March 27, 2009, https://www.factcheck.org/2009/03/fdrs-voluntary-social-security (accessed November 12, 2026).

[874] Stephen Goss, Alice Wade, J. Patrick Skirvin, Michael Morris, K. Mark Bye and Danielle Huston, "Effects of Unauthorized Immigration on the Actuarial Status of the Social Security Trust Funds," SSA Office of the Chief Actuary, Actuarial Note 151, April 2013, https://www.ssa.gov/oact/NOTES/pdf_notes/note151.pdf (accessed November 12, 2026).

[875] Stephen Goss, Alice Wade, J. Patrick Skirvin, Michael Morris, K. Mark Bye and Danielle Huston, "Effects of Unauthorized Immigration on the Actuarial Status of the Social Security Trust Funds," SSA Office of the Chief Actuary, Actuarial Note 151, April 2013, https://www.ssa.gov/oact/NOTES/pdf_notes/note151.pdf (accessed November 12, 2026).

[876] Brooks Jackson, FactCheck.org (Annenberg Public Policy Center), "FDR's 'Voluntary' Social Security," March 24, 2009, updated March 27, 2009, https://www.factcheck.org/2009/03/fdrs-voluntary-social-security (accessed November 12, 2026).

[877] SSA Historian's Office, "Debunking Some Internet Myths - Part 2" (Myths and Misinformation About Social Security, Part 2), https://www.ssa.gov/history/InternetMyths2.html (accessed November 12, 2026).

What the records show: SSA's historians answer that "Neither immigrants nor anyone else is able to collect Social Security benefits without someone paying Social Security payroll taxes into the system." They say the email confuses Social Security with Supplemental Security Income (SSI), a separate federal welfare program for people with low income and few assets that requires no work history or contributions.[878] SSI was an initiative of the Nixon Administration, signed into law by President Nixon on October 30, 1972, years before Jimmy Carter took office.[879]

SSI is also paid for differently. It comes out of the Treasury's general funds, and Social Security payroll taxes "do not fund the SSI program."[880] Some noncitizens can get SSI, but since August 22, 1996, most must be in one of the "qualified alien" categories set by the Department of Homeland Security, such as lawful permanent residents, and also meet a further condition, on top of the program's limits on income and resources.[881]

Verdict: False (debunked). Social Security benefits require work and payroll taxes on someone's record. The program the email has in mind is SSI, which is not paid from Social Security taxes and was signed by a Republican president in 1972.

Claim 25: "Some Americans legally don't pay into Social Security."

Where it comes up: I usually hear it as a question about the Amish, and sometimes as a complaint that not everyone pays their share.

What the records show: This one is true, for a few defined groups. The Social Security Amendments of 1965 and 1967 created an exemption for members of religious groups that make provision for their dependent members.[882] To use it, a person files IRS Form 4029 and must be certified by both SSA and the IRS.[883] On that form, the person states that, as a follower of the group's teachings, he or she is "conscientiously opposed" to accepting public or private insurance benefits, and asks to be exempt from Social Security and Medicare taxes.[884] The trade is total: the person waives all rights to Social Security and Medicare benefits, and no benefits can

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[878] SSA Historian's Office, "Debunking Some Internet Myths - Part 2" (Myths and Misinformation About Social Security, Part 2), https://www.ssa.gov/history/InternetMyths2.html (accessed November 12, 2026).

[879] SSA Historian's Office, "Debunking Some Internet Myths - Part 2" (Myths and Misinformation About Social Security, Part 2), https://www.ssa.gov/history/InternetMyths2.html (accessed November 12, 2026).

[880] SSA, "SSI Overview" (Understanding Supplemental Security Income), https://www.ssa.gov/ssi/text-over-ussi.htm (accessed November 12, 2026).

[881] SSA, "Understanding Supplemental Security Income: SSI Eligibility Requirements," 2026 edition, https://www.ssa.gov/ssi/text-eligibility-ussi.htm (accessed November 12, 2026).

[882] SSA, Program Operations Manual System (POMS), RM 10225.035, "SSNs for the Amish and Mennonites (and Other Religious Exempt Communities)," https://secure.ssa.gov/poms.nsf/lnx/0110225035 (accessed November 12, 2026).

[883] SSA, Program Operations Manual System (POMS), RM 10225.035, "SSNs for the Amish and Mennonites (and Other Religious Exempt Communities)," https://secure.ssa.gov/poms.nsf/lnx/0110225035 (accessed November 12, 2026).

[884] Internal Revenue Service, Form 4029, "Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits" (Rev. November 2018), https://www.irs.gov/pub/irs-pdf/f4029.pdf (accessed November 12, 2026).

be paid to anyone else based on that person's earnings.[885] The form also says the exemption covers Social Security and Medicare taxes only, not federal income tax.[886]

There are other gaps in coverage, too. Some state and local government workers have been able, under certain conditions, to choose whether their jobs are covered.[887] And some federal workers hired before 1984 remain in the old Civil Service Retirement System.[888]

Verdict: True. A small number of people legally stay outside Social Security, mainly members of certain religious groups who give up all benefits in return, some state and local government workers, and federal workers hired before 1984 who chose to stay in the old system.

Claim 26: "Millions of dead people, some over 150 years old, are getting checks."

Where it came from: In early 2025, members of the Department of Government Efficiency (DOGE) team publicized counts of Social Security records for people well over 100 that had no date of death.[889] At a February 11, 2025, event in the Oval Office, Elon Musk said a "cursory examination" of the data had found "people in there that are 150 years old." FactCheck.org reported that President Trump then claimed "millions and millions of people over 100 years old" might be getting improper benefits.[890]

What the records show: The SSA database holds everyone who ever paid in or got benefits, and many old records were never updated with a death date. SSA's Inspector General flagged the problem in March 2015, finding about 6.5 million numberholders age 112 or older with no death information on the Numident, SSA's master file of everyone issued a number.[891] A July 2023 follow-up found about 18.9 million numberholders born in 1920 or earlier with no death

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[885] Internal Revenue Service, Form 4029, "Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits" (Rev. November 2018), https://www.irs.gov/pub/irs-pdf/f4029.pdf (accessed November 12, 2026).

[886] Internal Revenue Service, Form 4029, "Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits" (Rev. November 2018), https://www.irs.gov/pub/irs-pdf/f4029.pdf (accessed November 12, 2026).

[887] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[888] SSA Historian's Office, "Frequently Asked Questions," https://www.ssa.gov/history/hfaq.html (accessed November 12, 2026).

[889] Alicia H. Munnell, "150-Year-Olds Aren't Getting Social Security - Here's a Better Task for DOGE," Center for Retirement Research at Boston College, March 5, 2025, https://crr.bc.edu/150-year-olds-arent-getting-social-security-heres-a-better-task-for-doge/ (accessed November 12, 2026).

[890] Ben Cohen, FactCheck.org (Annenberg Public Policy Center), "Trump, Musk Exaggerate Scale of Improper Social Security Payments to the Dead," February 21, 2025, corrected February 22, 2025, https://www.factcheck.org/2025/02/trump-musk-exaggerate-scale-of-improper-social-security-payments-to-the-dead/ (accessed November 12, 2026).

[891] SSA Office of the Inspector General, "Numberholders Age 112 or Older Who Did Not Have a Death Entry on the Numident," Audit Report A-06-14-34030, March 2015, https://oig.ssa.gov/audit-reports/2015-03-06-audits-and-investigations-audit-reports-A-06-14-34030/ (accessed November 12, 2026).

information, at a time when the Census Bureau estimated only about 86,000 people in the United States were 100 or older.[892]

The same 2023 audit is the key to this claim. It found that only about 44,000 of those 18.9 million people were receiving SSA payments, and that about 18.4 million (98 percent) were not receiving payments and had no earnings reported in the past 50 years.[893] As FactCheck.org pointed out, some of those 44,000 were likely living people over 100.[894] On March 5, 2025, SSA said the records in the news "represent people who do not have a date of death associated with their record" and that "these people may not be receiving benefits."[895] As economist Alicia Munnell put it, a record "without a death date" does not mean that person is "receiving checks."[896]

The claim does have a real problem underneath it. The Inspector General warned that missing death data "hampers" government efforts to prevent fraud, noting about $8.5 billion in wages reported in tax years 2016 through 2020 under about 139,000 numbers belonging to people age 100 or older, and SSA disagreed with the Inspector General's recommendations to fix the old records.[897]

Verdict: False (debunked). Old records lack death dates, and that is a real record-keeping problem that makes fraud harder to catch. It is not evidence that millions of dead people are getting checks.

Claim 27: "Fraud and improper payments are draining Social Security."

Where it comes up: alongside Claim 26, and in many calls to "root out fraud" in the program.[898]

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[892] SSA Office of the Inspector General, "Numberholders Age 100 or Older Who Did Not Have Death Information on the Numident," Audit Report A-06-21-51022, July 2023 (summary and full report), https://oig.ssa.gov/audit-reports/2023-08-01-numberholders-age-100-or-older-who-did-not-have-death-information-on-the-numident/ (accessed November 12, 2026).

[893] SSA Office of the Inspector General, "Numberholders Age 100 or Older Who Did Not Have Death Information on the Numident," Audit Report A-06-21-51022, July 2023 (summary and full report), https://oig.ssa.gov/audit-reports/2023-08-01-numberholders-age-100-or-older-who-did-not-have-death-information-on-the-numident/ (accessed November 12, 2026).

[894] Ben Cohen, FactCheck.org (Annenberg Public Policy Center), "Trump, Musk Exaggerate Scale of Improper Social Security Payments to the Dead," February 21, 2025, corrected February 22, 2025, https://www.factcheck.org/2025/02/trump-musk-exaggerate-scale-of-improper-social-security-payments-to-the-dead/ (accessed November 12, 2026).

[895] SSA Press Office, "Social Security Addressing Aged Records," news release, March 5, 2025, https://www.ssa.gov/news/en/press/releases/2025-03-05.html (accessed November 12, 2026).

[896] Alicia H. Munnell, "150-Year-Olds Aren't Getting Social Security - Here's a Better Task for DOGE," Center for Retirement Research at Boston College, March 5, 2025, https://crr.bc.edu/150-year-olds-arent-getting-social-security-heres-a-better-task-for-doge/ (accessed November 12, 2026).

[897] SSA Office of the Inspector General, "Numberholders Age 100 or Older Who Did Not Have Death Information on the Numident," Audit Report A-06-21-51022, July 2023 (summary and full report), https://oig.ssa.gov/audit-reports/2023-08-01-numberholders-age-100-or-older-who-did-not-have-death-information-on-the-numident/ (accessed November 12, 2026).

[898] SSA Press Office, "Social Security Addressing Aged Records," news release, March 5, 2025, https://www.ssa.gov/news/en/press/releases/2025-03-05.html (accessed November 12, 2026).

What the records show: An "improper payment" is any payment in the wrong amount, too much or too little, whether from fraud, error or missing paperwork. SSA's Inspector General reported that SSA estimates it made nearly $72 billion in improper payments in fiscal years 2015 through 2022, mostly overpayments. The Inspector General also said this was "less than 1 percent" of benefits paid in that period, and that $23 billion in overpayments was still uncollected at the end of fiscal 2023.[899]

The newest yearly figures show where the problem is concentrated. For fiscal year 2024, SSA estimated it paid about $1.43 trillion in Social Security (OASDI) benefits, with overpayments of about $2.98 billion, about 0.21 percent, and underpayments of about $975 million.[900] For SSI, the separate welfare program paid from general funds, SSA estimated about $63.3 billion in payments with overpayments of about $6.35 billion, about 10 percent (all nominal dollars).[901] So most of the overpayment problem, in dollars and especially in rate, is in SSI, which does not draw on the Social Security trust funds at all.[902]

Verdict: False (debunked) as stated. Improper payments are real and worth fixing, but at under 1 percent of Social Security benefits they are not what is driving the long-range shortfall.

Claim 28: "The 2025 tax law ended taxes on Social Security."

Where it comes up: in coverage and political messaging about the 2025 budget law, Public Law 119-21.[903]

What the records show: The 2025 law added a $6,000 deduction for people 65 and older for 2025 through 2028, phasing out at higher incomes. It did not change the rules that make part of benefits taxable.[904] The deduction phases out above $75,000 of modified adjusted gross income for single filers and $150,000 for joint filers, and it applies whether or not a senior's income

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[899] SSA Office of the Inspector General, "IG Reports: Nearly $72 Billion Improperly Paid; Recommended Improvements Go Unimplemented," news release, August 19, 2024, https://oig.ssa.gov/news-releases/2024-08-19-ig-reports-nearly-72-billion-improperly-paid-recommended-improvements-go-unimplemented/ (accessed November 12, 2026).

[900] SSA, Agency Financial Report, Fiscal Year 2025, "Other Information" (OASDI and SSI improper payments, FY 2024), https://www.ssa.gov/finance/2025/Other%20Reporting%20Requirements.pdf (accessed November 12, 2026).

[901] SSA, Agency Financial Report, Fiscal Year 2025, "Other Information" (OASDI and SSI improper payments, FY 2024), https://www.ssa.gov/finance/2025/Other%20Reporting%20Requirements.pdf (accessed November 12, 2026).

[902] SSA, "SSI Overview" (Understanding Supplemental Security Income), https://www.ssa.gov/ssi/text-over-ussi.htm (accessed November 12, 2026).

[903] Internal Revenue Service, "Working Families Tax Cuts: Tax deductions for working Americans and seniors" (fact sheet on Public Law 119-21), https://www.irs.gov/newsroom/one-big-beautiful-bill-act-tax-deductions-for-working-americans-and-seniors (accessed November 12, 2026).

[904] Internal Revenue Service, "Working Families Tax Cuts: Tax deductions for working Americans and seniors" (fact sheet on Public Law 119-21), https://www.irs.gov/newsroom/one-big-beautiful-bill-act-tax-deductions-for-working-americans-and-seniors (accessed November 12, 2026).

comes from Social Security.[905] The Trustees expect the trust funds to receive less from taxing benefits because of the change.[906]

Verdict: False (debunked). Some seniors will owe less or nothing, but the tax on benefits still exists.

Claim 29: "Most retirees depend on Social Security for most of their income."

Where it comes up: I hear it in nearly every argument for protecting benefits, often stated as a single big number. The wording matters a lot here, so I tested the claim as people usually say it.

What the records show: The best official study I found is a 2017 article by SSA researchers in the Social Security Bulletin. Using three major surveys, they found that "roughly half" of people 65 or older live in households that get at least 50 percent of their family income from Social Security, and "about one-quarter" live in households that get at least 90 percent.[907] Dependence is much higher at the bottom: in 2014, Social Security made up between 54 percent and 72 percent of family income for the three lowest-income fifths of the aged population.[908]

There is a measurement fight behind these numbers. Some researchers argued that the Census Bureau's Current Population Survey did not properly measure income from retirement accounts and so overstated how much older people rely on Social Security. The Census Bureau revised its income questions for the 2015 survey to address those concerns, and the SSA researchers checked the results against two other surveys.[909] So be careful with older statistics you may see quoted; they may come from the survey before that change. [Not verified: a newer official SSA estimate using data after 2015. I did not find one on SSA's site as of November 12, 2026.]

Verdict: Partly true. Social Security is the main source of income for about half of older Americans, and almost the only source for about a quarter. "Most" overstates it, but not by much, and for lower-income retirees it is the whole story.

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[905] Internal Revenue Service, "Working Families Tax Cuts: Tax deductions for working Americans and seniors" (fact sheet on Public Law 119-21), https://www.irs.gov/newsroom/one-big-beautiful-bill-act-tax-deductions-for-working-americans-and-seniors (accessed November 12, 2026).

[906] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[907] Irena Dushi, Howard M. Iams and Brad Trenkamp, "The Importance of Social Security Benefits to the Income of the Aged Population," Social Security Bulletin 77, no. 2 (2017), https://www.ssa.gov/policy/docs/ssb/v77n2/v77n2p1.html (accessed November 12, 2026).

[908] Irena Dushi, Howard M. Iams and Brad Trenkamp, "The Importance of Social Security Benefits to the Income of the Aged Population," Social Security Bulletin 77, no. 2 (2017), https://www.ssa.gov/policy/docs/ssb/v77n2/v77n2p1.html (accessed November 12, 2026).

[909] Irena Dushi, Howard M. Iams and Brad Trenkamp, "The Importance of Social Security Benefits to the Income of the Aged Population," Social Security Bulletin 77, no. 2 (2017), https://www.ssa.gov/policy/docs/ssb/v77n2/v77n2p1.html (accessed November 12, 2026).

Claim 30: "If you start benefits at 62, they are reduced for the rest of your life."

Where it comes up: in retirement planning advice, and as a question people ask SSA all the time. SSA's own pamphlet on the topic opens with the question it says it is "often asked": what is the best age to start?[910]

What the records show: This is true. You can start retirement benefits as early as 62, but each month before full retirement age reduces the benefit.[911] For anyone born in 1960 or later, whose full retirement age is 67, starting at 62 cuts the benefit by 30 percent. A $1,000 benefit at 67 becomes $700 at 62.[912] SSA's October 2026 pamphlet gives an example: a worker turning 62 in 2026 with a $2,000 benefit at 67 would get $1,400 by starting at 62, and SSA says "This decrease is usually permanent."[913]

Waiting works the other way. For people born in 1943 or later, each year of delay past full retirement age adds 8 percent, up to age 70.[914] In SSA's example, the same worker who waits until 70 would get $2,480 a month.[915] Either way, the yearly COLAs are added on top of whatever base you lock in.[916]

Verdict: True. SSA itself says the cut is "usually permanent." I did not look into the rare cases behind the word "usually," but for most people the early-claiming cut lasts for life.

Claim 31: "If you work while you collect, you lose those benefits forever."

Where it comes up: I have heard it from people who stopped working, or turned down work, because they were afraid of losing their checks.

What the records show: There is a real rule here, called the retirement earnings test, but it does not work the way the claim says. If you are under full retirement age for all of 2026 and earn more than $24,480, SSA withholds $1 of benefits for every $2 you earn above that limit. In the year you reach full retirement age, the limit is $65,160 and the withholding is $1 for every $3

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[910] SSA, "When to Start Receiving Retirement Benefits," Publication No. 05-10147, October 2026, https://www.ssa.gov/pubs/EN-05-10147.pdf (accessed November 12, 2026).

[911] SSA, "Starting Your Retirement Benefits Early" (Full Retirement and Age 62 Benefit by Year of Birth), https://www.ssa.gov/benefits/retirement/planner/agereduction.html (accessed November 12, 2026).

[912] SSA, "Starting Your Retirement Benefits Early" (Full Retirement and Age 62 Benefit by Year of Birth), https://www.ssa.gov/benefits/retirement/planner/agereduction.html (accessed November 12, 2026).

[913] SSA, "When to Start Receiving Retirement Benefits," Publication No. 05-10147, October 2026, https://www.ssa.gov/pubs/EN-05-10147.pdf (accessed November 12, 2026).

[914] SSA, "Delayed Retirement Credits," https://www.ssa.gov/benefits/retirement/planner/delayret.html (accessed November 12, 2026).

[915] SSA, "When to Start Receiving Retirement Benefits," Publication No. 05-10147, October 2026, https://www.ssa.gov/pubs/EN-05-10147.pdf (accessed November 12, 2026).

[916] SSA, "When to Start Receiving Retirement Benefits," Publication No. 05-10147, October 2026, https://www.ssa.gov/pubs/EN-05-10147.pdf (accessed November 12, 2026).

above it.[917] Starting the month you reach full retirement age, your earnings no longer reduce your benefits, "no matter how much you earn."[918]

The money held back is not simply lost. When you reach full retirement age, SSA recalculates your benefit "to give you credit for the months we reduced or withheld benefits due to your excess earnings." Working can also raise your benefit, because SSA rechecks your record every year and pays more if your latest year is one of your highest earning years.[919]

Verdict: False (debunked). Working before full retirement age can hold back some benefits for a time, but the benefit is recalculated later, and after full retirement age there is no limit at all.

Claim 32: "Some years retirees got no cost-of-living raise at all."

Where it comes up: I hear it from retirees who remember those years, and in arguments about whether the COLA formula keeps up with seniors' real costs.

What the records show: This is true. Since 1975, benefit increases have come through automatic COLAs, and SSA's table shows three years with a COLA of 0.0 percent: the COLAs set for December 2009, December 2010 and December 2015, which would have shown up in checks starting in January 2010, January 2011 and January 2016. The COLA for December 2016 was only 0.3 percent.[920] COLAs follow the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from one year's third quarter to the next, so a zero COLA means that measure did not rise.[921]

The same table also shows the other extreme: 8.7 percent for December 2022, and 14.3 percent for 1980.[922] The COLA for December 2026, paid starting in January 2027, is 3.6 percent.[923]

Years with a zero or near-zero COLA

COLA effective	First paid in	COLA
December 2009	January 2010	0.0 percent
December 2010	January 2011	0.0 percent

[917] SSA, "Receiving Benefits While Working" (2026 earnings limits), https://www.ssa.gov/benefits/retirement/planner/whileworking.html (accessed November 12, 2026).

[918] SSA, "Receiving Benefits While Working" (2026 earnings limits), https://www.ssa.gov/benefits/retirement/planner/whileworking.html (accessed November 12, 2026).

[919] SSA, "Receiving Benefits While Working" (2026 earnings limits), https://www.ssa.gov/benefits/retirement/planner/whileworking.html (accessed November 12, 2026).

[920] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

[921] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

[922] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

[923] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

COLA effective	First paid in	COLA
December 2015	January 2016	0.0 percent
December 2016	January 2017	0.3 percent

Source: SSA Office of the Chief Actuary, "Cost-of-Living Adjustments."[924]

Verdict: True. There have been three zero COLAs since automatic COLAs began in 1975.

Chapter 19: Claims About 2025 and After

The newest claims are the hardest to settle, because the records are still being written. Here I say what the official record shows as of November 12, 2026, and what is still open.

Claim 33: "Outsiders took Americans' Social Security data in 2025."

Where it comes up: in news coverage, lawsuits and congressional letters about the DOGE team's work at SSA in 2025 and 2026.[925]

What the records show, as of November 12, 2026:

- A federal judge in Maryland blocked DOGE's access to SSA data in April 2025. On June 6, 2025, the Supreme Court stayed that order, which let access continue while the case went on.[926]
- In August 2025, SSA's chief data officer, Charles Borges, filed a whistleblower complaint alleging that DOGE officials had copied Social Security numbers for millions of Americans to an SSA cloud server.[927]
- In September 2025, SSA Commissioner Frank Bisignano wrote to the Senate Finance Committee that the agency found no evidence its Numident database had been "accessed, leaked, hacked, or" otherwise compromised.[928]

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[924] SSA Office of the Chief Actuary, "Cost-of-Living Adjustments," https://www.ssa.gov/oact/cola/colaseries.html (accessed November 12, 2026).

[925] Stephen Fowler, Jude Joffe-Block and Shannon Bond, NPR, "The government is investigating new claims that DOGE misused Social Security data," as published by OPB, March 12, 2026, https://www.opb.org/article/2026/03/12/new-investigations-look-at-doge-and-social-security-data/ (accessed November 12, 2026).

[926] Supreme Court of the United States, docket for Social Security Administration v. American Federation of State, County, and Municipal Employees, No. 24A1063, order of June 6, 2025, https://www.supremecourt.gov/search.aspx?filename=/docket/docketfiles/html/public/24a1063.html (accessed November 12, 2026).

[927] FOX 10 Phoenix, "DOGE officials copied millions of Social Security numbers, whistleblower says," August 27, 2025, https://www.fox10phoenix.com/news/doge-social-security-numbers-whistleblower (accessed November 12, 2026).

[928] Samantha-Jo Roth, Washington Examiner, "SSA tells Senate data remains secure after whistleblower allegations tied to DOGE," as published by The Gazette (Colorado Springs), September 16, 2025, https://gazette.com/2025/09/16/ssa-tells-senate-data-remains-secure-after-whistleblower-allegations-tied-to-doge-e86ad331-09bd-5898-b05c-7c8c64567e78/ (accessed November 12, 2026).

- On January 16, 2026, Justice Department lawyers for SSA filed a "Notice of Corrections to the Record" in the Maryland case. It told the court that on March 3, 2025, an SSA DOGE team member sent the Department of Homeland Security an email with an encrypted, password-protected file that SSA believes held names and addresses of about 1,000 people, copying a senior adviser to the U.S. DOGE organization and a DOGE-affiliated employee at the Labor Department. SSA said it could not open the file to confirm exactly what it contained.[929]
- The same filing said that from March 7 to March 17, 2025, DOGE team members shared data through links on the third-party service Cloudflare, which is not approved for SSA data, and that SSA "has not been able to determine exactly what data were shared" or whether the data still exist there. It also said a DOGE team member had signed a "Voter Data Agreement" with a political advocacy group without agency approval, though SSA had "not yet seen evidence" that SSA data were shared with that group, and that SSA had made two Hatch Act referrals to the U.S. Office of Special Counsel. The filing called its review "ongoing."[930]
- On March 6, 2026, SSA's Inspector General told several House and Senate committees it was reviewing an anonymous complaint about "the potential misuse of SSA data by a former DOGE employee," according to NPR, which obtained a copy of the letter. SSA disputed the whistleblower's claims.[931]
- On April 10, 2026, the full U.S. Court of Appeals for the Fourth Circuit, in a 9 to 6 ruling, vacated the Maryland court's preliminary injunction against DOGE's access, finding the plaintiffs had not shown irreparable harm. The majority also called the government's admissions "alarming." On April 14, 2026, the district court lifted its stay and allowed the plaintiffs to seek limited discovery, and on June 26, 2026, it denied the government's motion to undo that order.[932,933]

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[929] U.S. Department of Justice for the defendants, "Notice of Corrections to the Record," American Federation of State, County and Municipal Employees v. Social Security Administration, No. 1:25-cv-00596-ELH (D. Md.), Document 197, filed January 16, 2026 (copy in the CourtListener RECAP archive), https://storage.courtlistener.com/recap/gov.uscourts.mdd.577321/gov.uscourts.mdd.577321.197.0_1.pdf (accessed November 12, 2026).

[930] U.S. Department of Justice for the defendants, "Notice of Corrections to the Record," American Federation of State, County and Municipal Employees v. Social Security Administration, No. 1:25-cv-00596-ELH (D. Md.), Document 197, filed January 16, 2026 (copy in the CourtListener RECAP archive), https://storage.courtlistener.com/recap/gov.uscourts.mdd.577321/gov.uscourts.mdd.577321.197.0_1.pdf (accessed November 12, 2026).

[931] Stephen Fowler, Jude Joffe-Block and Shannon Bond, NPR, "The government is investigating new claims that DOGE misused Social Security data," as published by OPB, March 12, 2026, https://www.opb.org/article/2026/03/12/new-investigations-look-at-doge-and-social-security-data/ (accessed November 12, 2026).

[932] U.S. District Court for the District of Maryland, Order, AFSCME v. Social Security Administration, No. 1:25-cv-00596-ELH, Document 212, filed April 14, 2026 (court document as posted by plaintiffs' counsel), https://democracyforward.org/wp-content/uploads/2026/01/SSA-CASE-April-14-gov.uscourts.mdd_.577321.212.0_2.pdf (accessed November 12, 2026).

[933] U.S. District Court for the District of Maryland, Order denying defendants' motion to rescind or stay the April 14 order, AFSCME v. Social Security Administration, No. 1:25-cv-00596-ELH, Document 237, June 26, 2026 (court document as posted by Just Security), https://www.justsecurity.org/wp-content/uploads/2026/07/AFSCME-v.-Social-Security-Administration-125-cv-00596-D.-Md.-Order-Denying-Defendants-Motion-to-Rescind-or-Stay-the-Courts-April-14-Order-June-26-2026.pdf (accessed November 12, 2026).

The government's own court filing now confirms that some SSA data left approved systems in 2025, in at least two ways, and that SSA does not know the full extent.[934] What is still unsettled is the larger claim: whether DOGE staff copied or kept the records of millions of Americans, and whether anyone outside government ended up with them. A whistleblower says yes, the agency says it has found no such evidence, and the Inspector General's review and the court case were still open on the date this book stops.[935,936,937]

Verdict: Inconclusive. The access happened and is documented in court, and the government has admitted that some data were shared outside approved channels. Whether Americans' data were taken on a large scale is disputed between whistleblowers and the agency, and I found no completed independent investigation or final court finding as of November 12, 2026. A final Inspector General report or court ruling would settle it. [Not verified: the final outcome of the lawsuit and of the Inspector General's review.]

Claim 34: "The retirement age is going up to 70."

Where it comes up: I hear it in worried conversations about proposals in Congress, and in headlines that run proposals together with current law.

What the records show: Under current law, full retirement age is 67 for everyone born in 1960 or later. The 1983 law raised it gradually from 65, starting with people born in 1938, and the earliest age to start benefits stays at 62.[938] SSA's retirement-age schedule stops at 67.[939]

Proposals do exist. SSA's actuaries have scored plans that would raise full retirement age to 68, and some that would go to 69, such as a 2011 plan listed under the names Graham, Paul and Lee

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[934] U.S. Department of Justice for the defendants, "Notice of Corrections to the Record," American Federation of State, County and Municipal Employees v. Social Security Administration, No. 1:25-cv-00596-ELH (D. Md.), Document 197, filed January 16, 2026 (copy in the CourtListener RECAP archive), https://storage.courtlistener.com/recap/gov.uscourts.mdd.577321/gov.uscourts.mdd.577321.197.0_1.pdf (accessed November 12, 2026).

[935] Samantha-Jo Roth, Washington Examiner, "SSA tells Senate data remains secure after whistleblower allegations tied to DOGE," as published by The Gazette (Colorado Springs), September 16, 2025, https://gazette.com/2025/09/16/ssa-tells-senate-data-remains-secure-after-whistleblower-allegations-tied-to-doge-e86ad331-09bd-5898-b05c-7c8c64567e78/ (accessed November 12, 2026).

[936] Stephen Fowler, Jude Joffe-Block and Shannon Bond, NPR, "The government is investigating new claims that DOGE misused Social Security data," as published by OPB, March 12, 2026, https://www.opb.org/article/2026/03/12/new-investigations-look-at-doge-and-social-security-data/ (accessed November 12, 2026).

[937] U.S. District Court for the District of Maryland, Order denying defendants' motion to rescind or stay the April 14 order, AFSCME v. Social Security Administration, No. 1:25-cv-00596-ELH, Document 237, June 26, 2026 (court document as posted by Just Security), https://www.justsecurity.org/wp-content/uploads/2026/07/AFSCME-v.-Social-Security-Administration-125-cv-00596-D.-Md.-Order-Denying-Defendants-Motion-to-Rescind-or-Stay-the-Courts-April-14-Order-June-26-2026.pdf (accessed November 12, 2026).

[938] SSA, "Retirement age and benefit reduction," https://www.ssa.gov/benefits/retirement/planner/ageincrease.html (accessed November 12, 2026).

[939] SSA, "Retirement age and benefit reduction," https://www.ssa.gov/benefits/retirement/planner/ageincrease.html (accessed November 12, 2026).

that would also raise the earliest claiming age to 64.[940] The number 70 matters in current law for a different reason: it is the age when delayed retirement credits stop growing, so there is no reason to wait past 70 to claim.[941]

Verdict: False (debunked). The full retirement age under current law is 67. Raising it is a proposal some lawmakers have made, not a scheduled change.

Claim 35: "Social Security called to say my Social Security number has been suspended."

Where it comes up: in phone calls, texts, emails and social media messages that reach millions of people. SSA and its Inspector General run a public page on these scams, and on July 29, 2026, they warned that "Legitimate companies and other agencies cannot transfer your phone call directly" to SSA or the Inspector General.[942]

What the records show: This is a scam, not a real notice. SSA and its Inspector General list "Threaten to suspend your Social Security number or account" among common scam tactics, along with demands for payment by gift card, wire transfer, cryptocurrency or cash, and claims that you must pay to get a COLA.[943] The Inspector General's office wrote in 2020 that government agencies will never call you unsolicited "to suspend your Social Security number," and that if you owe SSA money, the agency will mail you a letter explaining your payment options and appeal rights.[944] SSA also says it "will never ask for sensitive or personal information through social media, email, or text message."[945]

Verdict: False (debunked). SSA does not suspend Social Security numbers by phone. If you get a call like this, hang up and report it to the Inspector General at oig.ssa.gov.[946]

Verdict scorecard, as of November 12, 2026

Claim	**Verdict**

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[940] SSA Office of the Chief Actuary, "Summary of Provisions That Would Change the Social Security Program: Retirement Age" (estimates based on the 2025 Trustees Report), https://www.ssa.gov/oact/solvency/provisions_tr2025/retireage_summary.html (accessed November 12, 2026).

[941] SSA, "Delayed Retirement Credits," https://www.ssa.gov/benefits/retirement/planner/delayret.html (accessed November 12, 2026).

[942] SSA and SSA Office of the Inspector General, "Protect Yourself from Scams" (What Are Social Security-Related Scams?), https://www.ssa.gov/scams (accessed November 12, 2026).

[943] SSA and SSA Office of the Inspector General, "Protect Yourself from Scams" (What Are Social Security-Related Scams?), https://www.ssa.gov/scams (accessed November 12, 2026).

[944] SSA Office of the Inspector General, "Today is National 'Slam the Scam' Day! What does that mean?" Social Security Matters blog, March 5, 2020, https://www.ssa.gov/blog/en/posts/2020-03-05.html (accessed November 12, 2026).

[945] SSA and SSA Office of the Inspector General, "Protect Yourself from Scams" (What Are Social Security-Related Scams?), https://www.ssa.gov/scams (accessed November 12, 2026).

[946] SSA Office of the Inspector General, "Today is National 'Slam the Scam' Day! What does that mean?" Social Security Matters blog, March 5, 2020, https://www.ssa.gov/blog/en/posts/2020-03-05.html (accessed November 12, 2026).

Claim	Verdict
1. Congress raided the trust fund	Partly true
2. The trust fund is worthless IOUs	False (debunked)
3. The government never paid it back	False (debunked)
4. Johnson moved it into the general fund	False (debunked)
5. It is a Ponzi scheme	False (debunked)
6. It will go broke and pay nothing	False (debunked)
7. It is the largest federal program	True
8. It adds to the federal deficit	Partly true
9. Most of the money goes to bureaucracy	False (debunked)
10. It was supposed to be voluntary	False (debunked)
11. 1 percent of the first $1,400 forever	False (debunked)
12. Taxes were supposed to be deductible	False (debunked)
13. The money was to be kept separate	Partly true
14. Benefits were promised never to be taxed	False (debunked)
15. It is taxed twice	Partly true
16. The SSN was not for identification	Partly true
17. The SSN contains a race code	False (debunked)
18. The first three SSN digits show where you got it	Partly true
19. It is a guaranteed return	False (debunked)
20. Age 65 came from Bismarck	False (debunked)
21. It was designed so people would die first	False (debunked)
22. Congress doesn't pay in	False (debunked)
23. Unauthorized immigrants collect without paying	False (debunked)
24. Carter gave benefits to immigrants who never paid	False (debunked)
25. Some Americans legally don't pay in	True
26. Dead people over 150 get checks	False (debunked)
27. Fraud is draining the program	False (debunked)

Claim	Verdict
28. The 2025 law ended taxes on benefits	False (debunked)
29. Most retirees depend on it for most income	Partly true
30. Claiming at 62 cuts benefits for life	True
31. Working means losing benefits forever	False (debunked)
32. Some years had no COLA	True
33. Outsiders took SSA data in 2025	Inconclusive
34. The retirement age is going up to 70	False (debunked)
35. SSA calls to suspend your number	False (debunked)

Part Eight: Where It Stands Today

Chapter 20: Social Security in 2026

Information in this chapter is current as of November 12, 2026, and uses the 2026 Trustees Report, released in June 2026. Dollar amounts are nominal (not adjusted for inflation) unless I say otherwise.

Every spring or summer, a small board of officials puts its name on the most important report card in American retirement. I read the whole 2026 edition so you don't have to. This chapter walks through what it says, what it assumes, how sure anyone can be, and how the agency that runs the program is doing on the ground.

Who signs the report

The Social Security Act set up a Board of Trustees to watch over the two trust funds. The board has six seats. Four are filled by whoever holds these jobs: the Secretary of the Treasury (who is the Managing Trustee), the Secretary of Labor, the Secretary of Health and Human Services and the Commissioner of Social Security. The other two are public trustees, named by the President and confirmed by the Senate.[947] Those two public seats have been empty since July 2015, so the 2026 summary carries no message from public trustees.[948]

The 2026 report is the 86th of these annual reports.[949] It was signed by Treasury Secretary Scott Bessent, Health and Human Services Secretary Robert F. Kennedy, Jr., Acting Secretary of Labor Keith E. Sonderling and Social Security Commissioner Frank J. Bisignano.[950] The numbers themselves come from the career actuaries at SSA, who in 2026 began signing their letters as "Actuarial Services (formerly the Office of the Chief Actuary)."[951] I still call them the Office of the Chief Actuary in this book, because that is the name on most of the documents I cite.

Who it covers

In 2025, about 185 million people paid Social Security payroll taxes. In December 2025, the program paid benefits to about 70 million people: about 56 million retired workers and their

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[947] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section I, "Introduction," June 9, 2026, https://www.ssa.gov/oact/tr/2026/I_intro.html (accessed November 12, 2026).

[948] Social Security and Medicare Boards of Trustees, "Status of the Social Security and Medicare Programs: A Summary of the 2026 Annual Reports," https://www.ssa.gov/oact/trsum/ (accessed November 12, 2026).

[949] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section I, "Introduction," June 9, 2026, https://www.ssa.gov/oact/tr/2026/I_intro.html (accessed November 12, 2026).

[950] Social Security and Medicare Boards of Trustees, "Status of the Social Security and Medicare Programs: A Summary of the 2026 Annual Reports," https://www.ssa.gov/oact/trsum/ (accessed November 12, 2026).

[951] SSA Actuarial Services, letter to Sens. Susan Collins and Maggie Hassan on the We Can't Wait Act of 2026, February 25, 2026, https://www.ssa.gov/oact/solvency/CollinsHassan_20260225.pdf (accessed November 12, 2026).

dependents, about 8 million disabled workers and their dependents, and about 6 million survivors of deceased workers.[952] The Trustees expect 71 million beneficiaries and 185 million covered workers in 2026.[953]

The money coming in and going out in 2025

Here is the household budget for the last full year, straight from the report.

Social Security (OASDI) income and cost in 2025, in billions of nominal dollars

Item	Amount
Payroll taxes	$1,323
Income tax on benefits	$58
Interest on trust fund bonds	$69
Total income	$1,449
Benefit payments	$1,597
Administrative expenses	$7
Railroad Retirement financial interchange	$6
Total cost	$1,609
Income minus cost	-$160
Reserves at start of 2025	$2,721
Reserves at end of 2025	$2,561

Source: 2026 Trustees Report, Section II.A.[954]

So in 2025 the program spent about $160 billion more than it took in, and the reserves covered the gap.[955] That has been true every year since 2021. Cost has been higher than income without

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[952] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[953] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[954] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[955] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

interest since 2010.[956] Notice how small the overhead line is: administration was about $7 billion out of $1,609 billion, well under 1 percent.[957]

The headline numbers

Key results of the 2026 Trustees Report (intermediate assumptions), as of the 2026 Trustees Report, released June 2026

Measure	OASI (retirement)	DI (disability)	Combined OASDI
Year reserves run out	2032 (fourth quarter)	Not in the 75 years	2034 (third quarter)
Share of scheduled benefits payable when reserves run out	78 percent	(not applicable)	83 percent
Share payable in 2100	62 percent	100 percent	65 percent
75-year actuarial balance (percent of taxable payroll)	-4.55	0.13	-4.42

Source: 2026 Trustees Report, Table II.A1.[958]

The "75-year actuarial balance" is the gap between income and cost over the next 75 years, as a percent of taxable pay. A balance of -4.42 percent means that closing the gap would take the equivalent of raising the combined payroll tax by about 4.42 percentage points right away, or an equal mix of other changes.[959] The deficit is also about 1.5 percent of the nation's gross domestic product (GDP, the total value of what the economy produces) over the period, up from about 1.3 percent in the 2025 report.[960]

One detail in the table trips people up. The retirement fund (OASI) runs dry in 2032, but the combined date is 2034. The Trustees say plainly that full benefits until 2034 "implicitly assumes that the law will have been changed to permit the transfer of funds between OASI and DI as

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[956] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[957] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[958] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[959] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[960] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

needed."[961] Under the law as written today, retirees and survivors would face the cut two years earlier, and the disability fund would keep its own money.[962]

What a cut would look like on a real check

Percentages are abstract, so here is a rough picture. SSA estimates the average retired worker will get $2,170 a month after the January 2027 COLA.[963] If a check that size were paid at 83 percent, the share the Trustees say would be payable when the combined reserves run out, it would be about $1,801 a month, roughly $369 less. At the 78 percent payable from the retirement fund alone in 2032, it would be about $1,693, or $477 less. At the 65 percent payable in 2100, about $1,411.[964]

Those are my calculations in 2027 dollars, and they are only an illustration. Actual benefits in 2032 or 2034 will be higher because of COLAs and wage growth, and the cut would apply to whatever the scheduled benefit is then. But the share is the point: under current law, every beneficiary on the rolls, including people who are 95 years old, would see the same percentage cut at once.[965,966]

How the Trustees describe the size of the hole

The report gives several ways to picture the gap. If lawmakers acted in January 2026, any one of these would make the program solvent through 2100:[967]

- raise the payroll tax from 12.40 percent to 16.65 percent, or
- cut scheduled benefits 25.2 percent for everyone, current and future beneficiaries alike, or[968]

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[961] Social Security Board of Trustees, 2026 Trustees Report, Section II.E, "Conclusion," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_E_conclu.html (accessed November 12, 2026).

[962] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[963] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[964] Author's calculation: SSA's estimated average monthly benefit for all retired workers after the January 2027 COLA ($2,170, from the 2027 COLA Fact Sheet) multiplied by the payable shares of scheduled benefits in the 2026 Trustees Report (83 percent combined OASDI in 2034, 78 percent OASI in 2032, 65 percent OASDI in 2100), https://www.ssa.gov/cola/factsheets/2027.html and https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[965] Author's calculation: SSA's estimated average monthly benefit for all retired workers after the January 2027 COLA ($2,170, from the 2027 COLA Fact Sheet) multiplied by the payable shares of scheduled benefits in the 2026 Trustees Report (83 percent combined OASDI in 2034, 78 percent OASI in 2032, 65 percent OASDI in 2100), https://www.ssa.gov/cola/factsheets/2027.html and https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[966] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[967] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

- cut benefits 30.3 percent only for people who first become eligible in 2026 or later.[969]

Wait until 2034 and the medicine gets stronger: a tax rate of 17.30 percent or a 28.5 percent cut for everyone.[970] The Trustees warn that "significantly larger changes would be concentrated on fewer years and fewer generations" if action waits until the reserves are gone.[971]

The unfunded obligation in dollars

Percentages are hard to feel, so the Trustees also give a dollar figure. Over the 75 years from 2026 to 2100, the "open-group unfunded obligation" is $29.3 trillion. That is the present value, as of January 1, 2026, of scheduled cost minus scheduled income, after counting the reserves on hand.[972] Present value means future dollars are discounted back to what they would be worth today, so this is not the same as adding up future shortfalls.

Last year's figure was $25.1 trillion. Just rolling the calendar forward one year would have raised it to about $26.1 trillion. The rest of the increase came from the new assumptions and the 2025 tax law.[973]

Some people quote a much larger number. The Trustees also look past 2100, forever. Over that "infinite horizon," the unfunded obligation is $71.9 trillion in present value, equal to 5.7 percent of all future taxable payroll or 1.8 percent of future GDP.[974] The report itself cautions that "the degree of uncertainty associated with estimates increases substantially for years further in the future."[975] Oddly, the infinite-horizon figure went down a little from last year's $72.8 trillion.

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[968] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[969] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[970] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[971] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[972] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[973] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[974] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.F, "Infinite Horizon Projections," Tables VI.F1 and VI.F2, June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_F_infinite.html (accessed November 12, 2026).

[975] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.F, "Infinite Horizon Projections," Tables VI.F1 and VI.F2, June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_F_infinite.html (accessed November 12, 2026).

The report says the net decrease came mainly from the lower assumed fertility rate and the lower assumed level of temporary immigration.[976]

The cost of the program as a share of the economy

Social Security cost and income, 2026 and later (intermediate assumptions)

Measure	2026	Peak or later year	2100
Cost, percent of taxable payroll	15.37	20.45 (2085)	20.02
Non-interest income, percent of taxable payroll	12.91	(rises slowly)	13.45
Cost, percent of GDP	5.3	about 6.9 (2084)	6.7
Non-interest income, percent of GDP	4.4	about 4.8 (2035)	about 4.5

Source: 2026 Trustees Report, Sections II.A and II.D.[977,978]

The income line is nearly flat because it is set by law: a payroll tax rate that does not change, plus the tax on benefits. The cost line climbs because of who is alive and how old they are.[979]

Fewer workers for each beneficiary

This is the heart of the problem. The cost of the program depends on how many people are drawing benefits compared with how many are paying in.

Covered workers per Social Security beneficiary, selected years

Year	Workers per beneficiary
1945	41.9
1950	16.5
1960	5.1

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[976] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.F, "Infinite Horizon Projections," Tables VI.F1 and VI.F2, June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_F_infinite.html (accessed November 12, 2026).

[977] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[978] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[979] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

Year	Workers per beneficiary
1970	3.7
1980	3.2
1990	3.4
2000	3.4
2010	2.9
2025	about 2.6
2075 (projected)	about 1.9

Source: 2026 Trustees Report, Table IV.B4 and Section II.D.[980,981]

The early ratios look huge because hardly anyone had worked long enough to collect yet. The ratio sat between 3.2 and 3.4 from 1974 through 2008, then began to fall, first because of the 2007 to 2009 recession and then because the baby boom started retiring and smaller generations replaced them at work.[982] The Trustees expect it to reach about 1.9 by 2075 and stay near there.[983]

You might ask: isn't this just because people live longer? Longer lives matter, but the Trustees say the bigger driver is birth rates. The cost rate tracks "changes over time in birth rates and their effect on the age distribution of the adult population."[984]

The assumptions behind the numbers

Every projection rests on guesses about the future. The Trustees publish theirs in a table, with a best estimate (intermediate) and two bookends.

Key long-range assumptions, 2026 Trustees Report (applies to roughly 2036-2100 unless noted)

Assumption	Intermediate (best estimate)	Low-cost	High-cost

[980] Social Security Board of Trustees, 2026 Trustees Report, Section IV.B, "Long-Range Estimates," including Tables IV.B4 and IV.B6, June 9, 2026, https://www.ssa.gov/oact/tr/2026/IV_B_LRest.html (accessed November 12, 2026).

[981] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[982] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[983] Social Security Board of Trustees, 2026 Trustees Report, Section IV.B, "Long-Range Estimates," including Tables IV.B4 and IV.B6, June 9, 2026, https://www.ssa.gov/oact/tr/2026/IV_B_LRest.html (accessed November 12, 2026).

[984] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

Assumption	Intermediate (best estimate)	Low-cost	High-cost
Total fertility rate, children per woman (2050 and later)	1.75	2.10	1.40
Yearly decline in age-sex-adjusted death rates (percent)	0.73	0.27	1.24
Net lawful permanent immigration per year	788,000	1,000,000	595,000
Average net temporary or unlawfully present immigration per year	389,000	624,000	154,000
Productivity growth (percent per year)	1.63	1.93	1.33
Inflation, CPI-W (percent per year)	2.4	3.0	1.8
Average covered wage growth, nominal (percent per year)	3.57	4.79	2.34
Average covered wage growth, real (percent per year)	1.14	1.74	0.53
Unemployment rate (percent)	4.5	3.5	5.5
Real interest rate on new trust fund bonds (percent, 2044 and later)	2.3	2.8	1.8

Source: 2026 Trustees Report, Table II.C1.[985]

A few plain-English notes on each one.

- Fertility. The total fertility rate is the average number of children a woman would have over her life at current rates. It was 1.60 in 2024 and is estimated at 1.59 in 2025. The Trustees assume it climbs back to 1.75 by 2050, partly because they think some women are having children later

[985] Social Security Board of Trustees, 2026 Trustees Report, Section II.C, "Assumptions About the Future," Table II.C1, June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_C_assump.html (accessed November 12, 2026).

rather than not at all.[986] Each 0.1 increase in that long-run rate would improve the 75-year balance by about 0.22 percent of payroll.[987]

- Mortality. Falling death rates are good news for families but raise cost, because people collect longer. Each extra 0.1 point in the yearly rate of decline worsens the balance by about 0.15 percent of payroll.[988]
- Immigration. Immigrants tend to arrive young and work for years before they collect, so more immigration helps the numbers. Total net immigration averages 1,176,000 people a year from 2036 to 2100 in the best estimate. Each extra 100,000 people a year improves the balance by about 0.10 percent of payroll.[989]
- Wages. Higher real wage growth raises payroll tax income right away, while benefits catch up only slowly. Each 0.1 point of extra real wage growth improves the balance by about 0.19 percent of payroll.[990]
- Inflation (the CPI-W, the price index used for COLAs). A bit more inflation actually helps slightly, because wages rise right away while COLAs lag by about a year. Each 0.1 point less inflation worsens the balance by about 0.02 percent of payroll.[991]
- Interest. A higher real interest rate on the trust fund's bonds helps a little: each 0.1 point improves the balance by about 0.05 percent of payroll.[992]

Why the outlook got worse in 2026

The 75-year deficit grew from 3.82 to 4.42 percent of payroll. The Trustees changed their best estimate in three main areas.[993]

- They lowered the long-run fertility rate from 1.90 to 1.75 children per woman. This was "the largest contributor" to the bigger deficit.[994]

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[986] Social Security Board of Trustees, 2026 Trustees Report, Section V.A, "Demographic Assumptions and Methods," June 9, 2026, https://www.ssa.gov/oact/tr/2026/V_A_demo.html (accessed November 12, 2026).

[987] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.D, "Long-Range Sensitivity Analysis," June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_D_LRsens.html (accessed November 12, 2026).

[988] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.D, "Long-Range Sensitivity Analysis," June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_D_LRsens.html (accessed November 12, 2026).

[989] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.D, "Long-Range Sensitivity Analysis," June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_D_LRsens.html (accessed November 12, 2026).

[990] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.D, "Long-Range Sensitivity Analysis," June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_D_LRsens.html (accessed November 12, 2026).

[991] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.D, "Long-Range Sensitivity Analysis," June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_D_LRsens.html (accessed November 12, 2026).

[992] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.D, "Long-Range Sensitivity Analysis," June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_D_LRsens.html (accessed November 12, 2026).

[993] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[994] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

- They lowered immigration. Fewer temporary or unlawfully present immigrants were assumed to have entered in 2022 through 2025, the long-run number of such entrants was cut from 1.35 million to 1.20 million a year, and more people were assumed to leave in 2025 through 2030.[995] The report ties the higher departure rates to "the recent adoption of more restrictive policies regarding the unlawfully present population."[996]
- They raised near-term wage and productivity growth, which helped.[997]

On top of that, the 2025 budget law, Public Law 119-21 (the One Big Beautiful Bill Act), made the 2017 income tax rates permanent and added a temporary extra deduction for people over 65. Less income tax on benefits means less money flowing into the trust funds.[998] SSA's actuaries had already estimated in August 2025 that the law would add $168.6 billion to net program cost over 2025 through 2034 and move the combined depletion date from the third quarter to the first quarter of 2034, before the other 2026 changes were folded in.[999]

Why the 75-year actuarial balance changed from the 2025 report to the 2026 report (percent of taxable payroll)

Reason	Effect on OASDI balance
Balance in the 2025 report	-3.82
Legislation and regulation	-0.16
Moving the 75-year window one year later	-0.07
Demographic data and assumptions	-0.44
Economic data and assumptions	+0.10
Disability data and assumptions	+0.02
Methods and program data	-0.05
Balance in the 2026 report	-4.42

[995] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[996] Social Security Board of Trustees, 2026 Trustees Report, Section V.A, "Demographic Assumptions and Methods," June 9, 2026, https://www.ssa.gov/oact/tr/2026/V_A_demo.html (accessed November 12, 2026).

[997] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[998] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[999] SSA Office of the Chief Actuary, letter to Sen. Ron Wyden, "Estimates of the Financial Effects on Social Security of Public Law 119-21, the One Big Beautiful Bill Act," August 5, 2025, https://www.ssa.gov/oact/solvency/RWyden_20250805.pdf (accessed November 12, 2026).

Source: 2026 Trustees Report, Table II.D2 (components may not add because of rounding).[1000]

The short-range test, and why the date held steady

The Trustees run two pass-fail tests each year. The short-range test asks whether a fund will start each of the next 10 years with at least a full year's cost in reserve, a "trust fund ratio" of 100 percent. The combined funds began 2026 at 151 percent, but the ratio is projected to fall to 92 percent by the beginning of 2029, so the combined funds fail. The retirement fund falls to 82 percent by 2029 and fails too. The disability fund starts at 132 percent and keeps rising, so it passes.[1001] The long-range test asks whether a fund stays above zero for all 75 years. Again, the disability fund passes and the retirement fund and the combined funds fail.[1002]

You might ask: if the 75-year deficit grew so much, why did the depletion date stay put at the third quarter of 2034? The answer is timing. Compared with the 2025 report, the yearly balances are worse in 2026 through 2030, better in 2031 through 2047 and worse again from 2048 on, with the gap widening until about 2085.[1003] My reading of why: the faster near-term wage growth helps in the 2030s, while fewer births hurt mostly later, once the missing children would have been old enough to work and pay in.[1004,1005] So the date is the same, but the hole after the date is deeper.

The disability fund is the one bright spot. Its trust fund ratio is projected to rise from 132 percent of a year's cost in 2026 to 857 percent at the start of 2100 under the best estimate.[1006] Even under the high-cost assumptions, its reserves last until 2049.[1007] Part of the reason is that several recent reports lowered the assumed rate of new disability claims; the 2026 best estimate assumes 4.6 new disabled-worker awards per thousand people exposed.[1008,1009]

[1000] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[1001] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[1002] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[1003] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[1004] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[1005] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[1006] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[1007] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[1008] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.B, "History of Actuarial Status Estimates," Table VI.B1, June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_B_LRact_bal.html (accessed November 12, 2026).

[1009] Social Security Board of Trustees, 2026 Trustees Report, Section II.C, "Assumptions About the Future," Table II.C1, June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_C_assump.html (accessed November 12, 2026).

How sure can anyone be?

Not very, and the Trustees say so. They show three ways of looking at the uncertainty.[1010]

The first is the low-cost and high-cost bookends from the assumptions table. These are not meant to be likely. The report says actual cost "is unlikely to be as extreme" as either one.[1011]

Results under the three sets of assumptions, 2026 Trustees Report

Measure	Low-cost	Intermediate	High-cost
Combined OASDI reserves run out	2048	2034	2032
OASI reserves run out	2035	2032	2031
DI reserves run out	Not in 75 years	Not in 75 years	2049
75-year actuarial balance (percent of payroll)	-0.64	-4.42	-9.42
Workers per beneficiary in 2100	about 2.6	about 1.9 (reached by 2075)	about 1.3

Sources: 2026 Trustees Report, Section II.D and Tables IV.B4 and IV.B6.[1012,1013]

Even the rosiest case still shows a deficit. That is worth sitting with for a moment. The question is not whether there is a gap, but how big.

The second approach changes one assumption at a time, as in the bullet list above.[1014] The third runs 5,000 computer simulations with random ups and downs. In 95 percent of them, the combined reserves run out between 2032 and 2039, the same range as last year. The Trustees conclude that depletion "before 2040 is very likely."[1015]

[1010] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[1011] Social Security Board of Trustees, 2026 Trustees Report, Section II.C, "Assumptions About the Future," Table II.C1, June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_C_assump.html (accessed November 12, 2026).

[1012] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[1013] Social Security Board of Trustees, 2026 Trustees Report, Section IV.B, "Long-Range Estimates," including Tables IV.B4 and IV.B6, June 9, 2026, https://www.ssa.gov/oact/tr/2026/IV_B_LRest.html (accessed November 12, 2026).

[1014] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.D, "Long-Range Sensitivity Analysis," June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_D_LRsens.html (accessed November 12, 2026).

[1015] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

How the depletion date has moved over the years

Every report since 1984 has shown a 75-year deficit. The year the reserves run out has bounced around, but it has stayed in a narrow band for more than a decade.[1016]

Projected year the combined trust funds run out, as shown in selected Trustees Reports (intermediate assumptions)

Year of report	Projected depletion year	75-year actuarial balance (percent of payroll)
1982	1983	-1.82
1983	Not in 75 years	+0.02
1985	2049	-0.41
1990	2043	-0.91
1994	2029	-2.13
1997	2029	-2.23
2000	2037	-1.89
2005	2041	-1.92
2009	2037	-2.00
2012	2033	-2.67
2015	2034	-2.68
2019	2035	-2.78
2020	2035	-3.21
2021	2034	-3.54
2022	2035	-3.42
2023	2034	-3.61
2024	2035	-3.50
2025	2034	-3.82
2026	2034	-4.42

Source: 2026 Trustees Report, Table VI.B1 (the method of computing the balance changed in 1988 and 1991).[1017]

[1016] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.B, "History of Actuarial Status Estimates," Table VI.B1, June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_B_LRact_bal.html (accessed November 12, 2026).

Two lessons jump out. First, the 1983 rescue (Chapter 7) is the only big jump in the whole table: the balance went from -1.82 to +0.02 in one year.[1018] Second, the date has hovered around 2033 to 2035 since the 2012 report, while the size of the 75-year gap has kept growing.[1019] A stable date with a growing gap means the hole after 2034 is getting deeper.

What the Trustees ask Congress to do

The Trustees do not pick a plan. They list the broad choices: raise revenue from workers and employers through the tax rate or the cap on taxed earnings, or by "dedicating revenue from other sources"; lower benefits for some or all; or a mix.[1020] Their recommendation, in their words: "The Trustees recommend that lawmakers address the projected trust fund shortfalls in a timely way in order to phase in necessary changes gradually and give workers and beneficiaries time to adjust. Implementing changes sooner rather than later would allow more generations to share in the needed revenue increases or reductions in scheduled benefits."[1021]

The highlights section ends on a hopeful note: "With informed discussion, creative thinking, and timely legislative action, Social Security will continue to protect future generations."[1022]

The Congressional Budget Office view

The Congressional Budget Office (CBO) is Congress's own nonpartisan budget scorekeeper, and it makes its own projections with its own assumptions. Its numbers run on federal fiscal years, which start October 1, so they do not line up exactly with the Trustees' calendar years.[1023]

In its September 17, 2026 long-term projections, CBO says the gap between outlays and revenues "generally widens over the next 75 years," and that the retirement trust fund is exhausted in fiscal year 2032.[1024] In March 2026 testimony to the Senate Budget Committee, CBO's chief of long-term analysis said that if the two funds were combined they would run out in

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[1017] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.B, "History of Actuarial Status Estimates," Table VI.B1, June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_B_LRact_bal.html (accessed November 12, 2026).

[1018] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.B, "History of Actuarial Status Estimates," Table VI.B1, June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_B_LRact_bal.html (accessed November 12, 2026).

[1019] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.B, "History of Actuarial Status Estimates," Table VI.B1, June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_B_LRact_bal.html (accessed November 12, 2026).

[1020] Social Security Board of Trustees, 2026 Trustees Report, Section II.E, "Conclusion," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_E_conclu.html (accessed November 12, 2026).

[1021] Social Security Board of Trustees, 2026 Trustees Report, Section II.E, "Conclusion," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_E_conclu.html (accessed November 12, 2026).

[1022] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[1023] Molly Dahl, CBO, "Social Security's Finances," testimony before the Senate Committee on the Budget, March 25, 2026, https://www.cbo.gov/system/files/2026-03/62217-Social-Security.pdf (accessed November 12, 2026).

[1024] Congressional Budget Office (CBO), "CBO's 2026 Long-Term Projections for Social Security," September 17, 2026, https://www.cbo.gov/publication/62556 (accessed November 12, 2026).

fiscal 2033, about a year earlier than the Trustees' combined date, while the disability fund stays solvent for the next 30 years.[1025]

CBO also put a price on doing nothing. In its illustration, retirement and survivor benefits would be cut about 7 percent in 2032 and an average of 28 percent a year from 2033 through 2036, a total reduction of $2.7 trillion over those five years.[1026] CBO projects Social Security spending rising from 5.2 percent of GDP in 2026 to 6.0 percent in 2056, while revenues stay near 4.5 percent of GDP.[1027] It also estimates that 48 percent of beneficiaries will pay income tax on their benefits in 2026.[1028]

The Congressional Research Service (CRS, Congress's research arm) sums up the shared conclusion: policymakers "generally agree that taking legislative action sooner rather than later could mitigate the effects on workers and beneficiaries."[1029] ## What would happen on the day the money runs out

This has never happened, so nobody can say for sure. CRS lays out the legal knot. Social Security has no authority to borrow from the Treasury's general fund to cover a shortfall; that would take a new law. The government is legally obligated to pay benefits to everyone who qualifies, but the Social Security Act says benefits are paid only from the trust funds, and the Antideficiency Act bars an agency from paying out more than the money it has.[1030] CRS's conclusion: "It appears that beneficiaries would have to wait until the Social Security trust funds receive a sufficient amount of tax revenues to pay full benefits, unless Congress amends applicable laws."[1031]

In plain terms, that could mean late checks rather than smaller ones, or smaller ones if Congress or the agency chose that route. CBO's illustration assumes an across-the-board percentage cut, but it notes that "the method for reducing payments is not prescribed in current law."[1032] Either way, the people hurt first would be today's retirees, survivors and, if the funds were merged, people with disabilities.

[1025] Molly Dahl, CBO, "Social Security's Finances," testimony before the Senate Committee on the Budget, March 25, 2026, https://www.cbo.gov/system/files/2026-03/62217-Social-Security.pdf (accessed November 12, 2026).

[1026] Molly Dahl, CBO, "Social Security's Finances," testimony before the Senate Committee on the Budget, March 25, 2026, https://www.cbo.gov/system/files/2026-03/62217-Social-Security.pdf (accessed November 12, 2026).

[1027] Molly Dahl, CBO, "Social Security's Finances," testimony before the Senate Committee on the Budget, March 25, 2026, https://www.cbo.gov/system/files/2026-03/62217-Social-Security.pdf (accessed November 12, 2026).

[1028] Molly Dahl, CBO, "Social Security's Finances," testimony before the Senate Committee on the Budget, March 25, 2026, https://www.cbo.gov/system/files/2026-03/62217-Social-Security.pdf (accessed November 12, 2026).

[1029] Congressional Research Service (CRS), "Social Security's Funding Shortfall," In Focus IF10522, updated June 25, 2026, https://www.everycrsreport.com/files/2026-06-25_IF10522_8a9683f6fad12bc7cd24f610c266c6d0aabfc74e.html (accessed November 12, 2026).

[1030] Congressional Research Service (CRS), "Social Security's Funding Shortfall," In Focus IF10522, updated June 25, 2026, https://www.everycrsreport.com/files/2026-06-25_IF10522_8a9683f6fad12bc7cd24f610c266c6d0aabfc74e.html (accessed November 12, 2026).

[1031] Congressional Research Service (CRS), "Social Security's Funding Shortfall," In Focus IF10522, updated June 25, 2026, https://www.everycrsreport.com/files/2026-06-25_IF10522_8a9683f6fad12bc7cd24f610c266c6d0aabfc74e.html (accessed November 12, 2026).

[1032] Molly Dahl, CBO, "Social Security's Finances," testimony before the Senate Committee on the Budget, March 25, 2026, https://www.cbo.gov/system/files/2026-03/62217-Social-Security.pdf (accessed November 12, 2026).

2027 numbers

SSA announced in October 2026 that benefits will rise 3.6 percent in January 2027, based on the change in the CPI-W from the third quarter of 2025 to the third quarter of 2026.[1033]

Selected Social Security and SSI amounts, 2026 and 2027 (nominal dollars)

Item	2026	2027
Maximum earnings taxed for Social Security	$184,500	$192,300
Earnings for one quarter of coverage	$1,890	$1,970
Earnings test limit, under full retirement age (per year)	$24,480	$25,560
Earnings test limit, year you reach full retirement age	$65,160	$67,920
Maximum benefit, worker retiring at full retirement age (per month)	$4,152	$4,188
Substantial gainful activity, non-blind (per month)	$1,690	$1,770
SSI federal payment, individual (per month)	$994	$1,029
SSI federal payment, couple (per month)	$1,491	$1,544
Average benefit, all retired workers (per month, before and after the COLA)	$2,095	$2,170
Average benefit, aged couple both receiving (per month)	$3,238	$3,355
Average benefit, all disabled workers (per month)	$1,642	$1,701

Source: SSA, 2027 COLA Fact Sheet. The average benefits are estimates for January 2027 before and after the 3.6 percent COLA.[1034]

The tax rates themselves do not change: 6.2 percent each from worker and employer for Social Security and 1.45 percent each for Medicare, or 15.3 percent combined for the self-employed.[1035]

[1033] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[1034] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

The agency

The Trustees measure the money. The people who answer the phones and decide disability claims are a separate story, and 2025 and 2026 were a rough ride for them.

In February 2025 SSA announced a staffing target of 50,000 employees, down from about 57,000, and said rumors of a 50 percent cut were false.[1036] By September 30, 2025, SSA's Inspector General reported, the agency had 52,100 staff, about 6,500 fewer than in fiscal 2024. The drop came mainly from people leaving under voluntary separation offers, and a government-wide hiring freeze ran from January 20 through October 15, 2025. Front-line jobs were exempt from the freeze, but regional executives told the Inspector General they had been unable to hire, so the agency had not replaced people who left.[1037] For a longer view, the Pew Research Center reported that SSA had 58,409 workers as of September 2024, before the cuts began.[1038]

SSA's own fiscal 2027 budget request shows the trend in full-time equivalent staff: 54,063 in fiscal 2025, 51,205 in fiscal 2026 and 51,820 requested for fiscal 2027. Its main administrative budget was about $14.3 billion in fiscal 2025 and about $14.8 billion enacted for fiscal 2026, with about $14.9 billion requested for 2027 (nominal dollars).[1039]

SSA service measures from the agency and its Inspector General, as of November 12, 2026

Measure	Earlier figure	Latest figure	Source
National 800 Number average wait to reach an agent	30 minutes (January 2025); 7 minutes (September 2025)	0.5 minutes (September 2026)	SSA budget overview; SSA performance page
800 Number answer rate	79 percent (September 2025)	nearly 99 percent (September 2026)	SSA performance page
Average combined field office wait	(not stated)	just over 20 minutes, fiscal 2026, 31 percent better than fiscal 2024	SSA performance page
Average processing time, initial disability	240 days (January 2025); 226 days (fiscal	24 days faster than September 2025	SSA budget overview; OIG; SSA performance

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[1035] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[1036] SSA, "Social Security Announces Workforce and Organization Plans," February 28, 2025, https://www.ssa.gov/blog/en/posts/2025-02-28.html (accessed November 12, 2026).

[1037] SSA Office of the Inspector General, "The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2025," Report 042513, January 2026, https://oig.ssa.gov/~assets/uploads/042513.pdf (accessed November 12, 2026).

[1038] Pew Research Center, "What the data says about Social Security," May 20, 2025, https://www.pewresearch.org/short-reads/2025/05/20/what-the-data-says-about-social-security/ (accessed November 12, 2026).

[1039] SSA, "Budget Overview for Fiscal Year 2027" (President's Budget), Figure 4, "Funding and Staffing Table," https://www.ssa.gov/budget/assets/materials/2027/FY27_President's_Budget_Overview.pdf (accessed November 12, 2026).

Measure	Earlier figure	Latest figure	Source
claims	2025 average)	(September 2026)	page
Initial disability claims pending	(not stated)	about 885,000 (September 2025, down 25 percent)	SSA budget overview
Average processing time, hearings	342 days (fiscal 2024)	284 days (fiscal 2025); 270 days (fiscal 2026)	OIG; SSA performance page

Sources: SSA, Social Security performance page, updated October 26, 2026; SSA fiscal 2027 Budget Overview; SSA Inspector General report 042513, January 2026.[1040,1041,1042]

The agency's message is that service has improved a great deal. It says online and phone contacts make up 96 percent of all contacts, that 800 Number agents handled 6.9 million more calls in fiscal 2026 than the year before, and that customers with an appointment wait about 6 minutes in a field office.[1043] The fiscal 2027 budget aims to bring the average initial disability decision down from 180 days to 140 days and to cut the pending disability workload by 215,000 cases from an estimated 815,000 in fiscal 2026.[1044]

The Inspector General adds caution. Its January 2026 report lists improving service delivery as a top challenge and says SSA "must optimize staffing and address attrition."[1045] It notes that the 7-minute wait reported for September 2025 "does not include the time customers wait for a callback."[1046] It found that pending hearings in September 2025 were down a third from 2020 but higher than a year earlier, and that state disability offices "continue to face significant challenges in attracting, hiring, training, and retaining staff."[1047] A May 2024 audit it cites found

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[1040] SSA, "Social Security performance" (service channel results through September 2026), last updated October 26, 2026, https://www.ssa.gov/ssa-performance/ (accessed November 12, 2026).

[1041] SSA, "Budget Overview for Fiscal Year 2027" (President's Budget), Figure 4, "Funding and Staffing Table," https://www.ssa.gov/budget/assets/materials/2027/FY27_President's_Budget_Overview.pdf (accessed November 12, 2026).

[1042] SSA Office of the Inspector General, "The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2025," Report 042513, January 2026, https://oig.ssa.gov/~assets/uploads/042513.pdf (accessed November 12, 2026).

[1043] SSA, "Social Security performance" (service channel results through September 2026), last updated October 26, 2026, https://www.ssa.gov/ssa-performance/ (accessed November 12, 2026).

[1044] SSA, "Budget Overview for Fiscal Year 2027" (President's Budget), Figure 4, "Funding and Staffing Table," https://www.ssa.gov/budget/assets/materials/2027/FY27_President's_Budget_Overview.pdf (accessed November 12, 2026).

[1045] SSA Office of the Inspector General, "The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2025," Report 042513, January 2026, https://oig.ssa.gov/~assets/uploads/042513.pdf (accessed November 12, 2026).

[1046] SSA Office of the Inspector General, "The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2025," Report 042513, January 2026, https://oig.ssa.gov/~assets/uploads/042513.pdf (accessed November 12, 2026).

70 percent of field office managers interviewed said staffing was too thin for the number of visitors.[1048]

The agency also points to progress on its less visible work. Its budget overview says the number of cases waiting in its processing centers, which handle complex claims and changes to existing benefits, fell from 6.2 million at the start of June 2025 to 5.0 million at the end of fiscal 2025.[1049] More people are also choosing to hold disability hearings by phone or online video rather than in person, according to SSA's performance page.[1050]

So which is it? Both can be true. The averages the agency reports have clearly improved. Whether every caller and every claimant feels it is a separate question, and the Inspector General's job is to keep asking it. [Not verified: an independent Inspector General or Government Accountability Office measure of 800 Number or field office service for fiscal 2026 as a whole. I found the agency's own figures and the Inspector General's report covering fiscal 2025.]

Recent laws

- The Social Security Fairness Act (January 5, 2025) ended the WEP and GPO.[1051]
- The 2025 budget law added a temporary senior deduction and, according to the Trustees, will reduce income from taxing benefits.[1052,1053]

Sorting the record

- Confirmed facts: the depletion dates, payable shares, unfunded obligations and 2027 amounts above, each from SSA, and CBO's separate projections.
- Interpretations: whether 2034 is a "crisis" or a manageable gap is a judgment, and people of both parties argue it both ways. Whether the 2026 service numbers will hold with a smaller staff is also a judgment.

[1047] SSA Office of the Inspector General, "The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2025," Report 042513, January 2026, https://oig.ssa.gov/~assets/uploads/042513.pdf (accessed November 12, 2026).

[1048] SSA Office of the Inspector General, "The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2025," Report 042513, January 2026, https://oig.ssa.gov/~assets/uploads/042513.pdf (accessed November 12, 2026).

[1049] SSA, "Budget Overview for Fiscal Year 2027" (President's Budget), Figure 4, "Funding and Staffing Table," https://www.ssa.gov/budget/assets/materials/2027/FY27_President's_Budget_Overview.pdf (accessed November 12, 2026).

[1050] SSA, "Social Security performance" (service channel results through September 2026), last updated October 26, 2026, https://www.ssa.gov/ssa-performance/ (accessed November 12, 2026).

[1051] SSA, "Social Security Fairness Act: Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) Update," last updated July 21, 2025, https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html (accessed November 12, 2026).

[1052] Internal Revenue Service, "Working Families Tax Cuts: Tax deductions for working Americans and seniors" (fact sheet on Public Law 119-21), https://www.irs.gov/newsroom/one-big-beautiful-bill-act-tax-deductions-for-working-americans-and-seniors (accessed November 12, 2026).

[1053] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

- Unknowns: what Congress will do before 2032 and 2034, whether birth rates and immigration will follow the Trustees' best guess, and how the DOGE data matters and SSA staffing changes will play out.

Part Nine: What People Think

Chapter 21: Public and Political Opinion

Information in this chapter is current as of November 12, 2026. Polls are a snapshot of what people said when asked a certain question in a certain way, so I give the exact wording, who asked, and when. Small changes in wording can move the answers a lot. All the polls here are what I call tier 4 sources: I report them, I do not vouch for their methods.

Why does opinion belong in a fact-check book? Because Social Security changes only when Congress votes, and members of Congress watch what voters think. The 1983 rescue passed only after a bipartisan commission laid out a package that leaders of both parties could defend, as Chapter 7 tells.[1054,1055] Whatever Congress does about 2034 will have to pass the same test. So it is worth knowing what the public actually says, as opposed to what each side claims the public says.

Worry is high, and it moves around

Gallup has asked the same worry question every March for two decades. The full wording: "Next, I'm going to read a list of problems facing the country. For each one, please tell me if you personally worry about this problem a great deal, a fair amount, only a little or not at all. How much do you personally worry about the Social Security system?"[1056]

Gallup: How much do you personally worry about the Social Security system? (percent of U.S. adults)

Field dates	Great deal	Fair amount	Only a little	Not at all
March 7-10, 2005	48	24	20	7
March 4-7, 2010	53	26	14	7
March 5-8, 2015	46	29	14	11
March 2-13, 2020	38	30	20	11
March 1-20, 2024	43	24	20	12
March 3-16, 2025	52	24	16	8
March 2-18, 2026	43	29	18	9

[1054] SSA Historian's Office, "Report of the National Commission on Social Security Reform" (Greenspan Commission), January 1983, https://www.ssa.gov/history/reports/gspan.html (accessed November 12, 2026).

[1055] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[1056] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

Source: Gallup, Social Security trend page ("no opinion" not shown).[1057]

In March 2025, 52 percent said "a great deal," the highest since 2010.[1058] News coverage of the poll called it a 15-year high for worry about Social Security.[1059] A year later, in March 2026, it was back down to 43 percent.[1060] I can't tell you from the poll why it rose and fell. The 2025 survey came in the middle of the DOGE news and the SSA staffing cuts described in Chapters 19 and 20, but the poll itself does not ask people why they worry. The timing is suggestive, but that is my reading, not something the poll measured.

Will it be there for me?

Gallup also asks people who are not yet retired: "Do you think the Social Security system will be able to pay you a benefit when you retire?" It asks retirees a matching question: "Do you think the Social Security system will be able to continue to pay you full benefits, or do you think there will eventually be cuts in your benefits?"[1061]

Gallup: confidence in future benefits (percent)

Field dates	Nonretirees: Yes, will pay a benefit	Nonretirees: No	Retirees: will keep full benefits	Retirees: will be cuts
December 1989	49	47	(not asked)	(not asked)
January 1994	47	52	(not asked)	(not asked)
March 26-28, 2001	52	41	(not asked)	(not asked)
January 7-9, 2005	45	50	57	32
July 8-11, 2010	36	60	37	56
July-August 2015	45	51	49	43
June-July 2023	50	47	53	43

[1057] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1058] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1059] FOX 10 Phoenix, "Worry about US Social Security system has hit 15-year high, Gallup poll finds," April 3, 2025, reporting a Gallup survey of March 3-16, 2025, https://www.fox10phoenix.com/news/worry-social-security-system-hit-15-year-high-gallup-poll (accessed November 12, 2026).

[1060] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1061] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

Source: Gallup, Social Security trend page.[1062]

The low point in both series was July 2010, during the long recession, when 60 percent of nonretirees did not expect to get a benefit at all.[1063] By 2023, nonretirees were split about evenly.[1064] Under current law, the honest answer to the nonretiree question is "yes, but maybe not all of it." The Trustees project that incoming taxes alone would still pay 83 percent of scheduled benefits in 2034 and 65 percent in 2100.[1065] So the "no" answers reflect a fear that is stronger than what the official projections show.

The Associated Press-NORC Center for Public Affairs Research asked a slightly different question in April 2025: "How confident are you that each of the following benefits will be available to you when you need them?"[1066]

AP-NORC: confidence that Social Security will be available when you need it (percent of U.S. adults)

Field dates	Extremely or very confident	Somewhat confident	Not very or not at all confident
March 16-20, 2023	17	33	48
April 17-21, 2025	18	30	52

Source: AP-NORC April 2025 topline, question SOCSEC2 (1,260 adults; margin of error plus or minus 3.9 points).[1067]

How much people count on it

Gallup asks nonretirees: "When you retire, how much do you expect to rely on Social Security - will it be a major source of income, a minor source of income or not a source at all?"[1068] In April

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[1062] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1063] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1064] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1065] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[1066] The Associated Press-NORC Center for Public Affairs Research, "The April 2025 AP-NORC Center Poll," topline, question SOCSEC2 (interviews April 17-21, 2025, with March 16-20, 2023 trend), https://apnorc.org/wp-content/uploads/2025/05/April-2025-topline_v2.pdf (accessed November 12, 2026).

[1067] The Associated Press-NORC Center for Public Affairs Research, "The April 2025 AP-NORC Center Poll," topline, question SOCSEC2 (interviews April 17-21, 2025, with March 16-20, 2023 trend), https://apnorc.org/wp-content/uploads/2025/05/April-2025-topline_v2.pdf (accessed November 12, 2026).

2001, 28 percent said a major source. In April 2026, 36 percent did, with 43 percent saying minor and 19 percent saying not a source at all.[1069] Retirees are asked the same thing about their income today, and in April 2026, 62 percent said Social Security was a major source.[1070]

Satisfaction is lower. Each January Gallup asks how people feel about "the Social Security and Medicare systems." In 2026, 9 percent were very satisfied and 27 percent somewhat satisfied, while 25 percent were somewhat and 31 percent very dissatisfied.[1071]

What people want done

This is where polls get slippery, because people like the program and dislike every way of paying for it.

Gallup put the hard choice directly: "If you had to choose one of the following approaches to ensuring Social Security's long-term future, would you rather - [ROTATED: raise Social Security taxes (or) curb the amount of benefits for future Social Security recipients]?"[1072]

Gallup: raise taxes or curb future benefits? (percent of U.S. adults)

Field dates	Raise taxes	Curb benefits	No opinion
April 29-May 1, 2005	53	38	9
July 8-11, 2010	49	40	11
July-August 2015	51	37	12
June-July 2023	61	31	8

Source: Gallup, Social Security trend page.[1073]

[1068] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1069] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1070] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1071] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1072] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1073] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

The Pew Research Center asks a two-step question. First: "Thinking about the long term future of Social Security, do you think..." with the answers "Some reductions in benefits for future retirees need to be considered" or "Social Security benefits should not be reduced in any way." Then it asks a follow-up of each group.[1074]

Pew Research Center: the long-term future of Social Security (percent of U.S. adults)

Answer	January 23-February 9, 2014 (phone)	April 8-14, 2024 (online panel)	November 17-30, 2025 (online panel)
Benefits should not be reduced in any way	67	79	81
...and Social Security should cover more people, with greater benefits	27	40	44
...and Social Security should be kept about as it is	37	38	37
Some reductions for future retirees need to be considered	31	19	18
...and it should be maintained at a reduced level	24	13	12
...and it should be phased out as a government program	6	6	6

Source: Pew Research Center, American Trends Panel Wave 183 topline (10,357 adults), with trend. The 2014 survey was by telephone and is not strictly comparable with the online panel surveys.[1075]

Pew's own summary of the 2024 result was that the view that benefits should not be cut was "broadly shared across ages, racial and ethnic groups, partisan affiliations and income brackets."[1076]

[1074] Pew Research Center, "American Trends Panel Wave 183: Political Typology Survey, November 17-30, 2025, Final Topline," questions SOCSEC_FUT, SOCSEC_RED and SOCSEC_KEEP, with April 8-14, 2024 and January-February 2014 trend, https://www.pewresearch.org/wp-content/uploads/sites/20/2026/06/PP_2026.5.10_political-typology_topline.pdf (accessed November 12, 2026).

[1075] Pew Research Center, "American Trends Panel Wave 183: Political Typology Survey, November 17-30, 2025, Final Topline," questions SOCSEC_FUT, SOCSEC_RED and SOCSEC_KEEP, with April 8-14, 2024 and January-February 2014 trend, https://www.pewresearch.org/wp-content/uploads/sites/20/2026/06/PP_2026.5.10_political-typology_topline.pdf (accessed November 12, 2026).

Put these together and you get a public that, by large margins, does not want benefit cuts, and that, when forced to pick, leans toward higher taxes. What these polls do not show is which taxes, on whom, and how much people would accept once the bill is spelled out. [Not verified: a recent poll by AARP or KFF with full question wording on specific options such as raising the earnings cap. I did not open one I could cite with wording and dates.]

Reading the polls together

What do I take from all this? Four things, and I'll flag them as my reading.

First, worry and confidence are not the same thing. Gallup's worry numbers stayed high for 20 years, between 38 and 53 percent saying "a great deal," even in years when the official outlook barely changed.[1077,1078] People seem to carry a steady background worry about the program that rises with the news.

Second, the public's biggest fear is bigger than the official projection. In the 2010 Gallup survey, 60 percent of nonretirees said Social Security would not pay them a benefit at all.[1079] The 2026 Trustees Report projects nothing like that. Even with no action, the 2026 report projects that 65 percent of scheduled benefits would still be payable in 2100.[1080]

Third, the program's support is broad and does not split cleanly by party. Pew found that the view that benefits should not be cut was shared across partisan lines, and the two 2024 party platforms both promised to protect benefits.[1081,1082,1083]

Fourth, the polls rarely force the trade-off. Gallup's raise-taxes-or-curb-benefits question is one of the few that does, and it was last asked in 2023.[1084] The Pew question lets people say benefits

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[1076] Pew Research Center, "What the data says about Social Security," May 20, 2025, https://www.pewresearch.org/short-reads/2025/05/20/what-the-data-says-about-social-security/ (accessed November 12, 2026).

[1077] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1078] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.B, "History of Actuarial Status Estimates," Table VI.B1, June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_B_LRact_bal.html (accessed November 12, 2026).

[1079] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1080] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[1081] Pew Research Center, "What the data says about Social Security," May 20, 2025, https://www.pewresearch.org/short-reads/2025/05/20/what-the-data-says-about-social-security/ (accessed November 12, 2026).

[1082] Republican Party, "2024 Republican Party Platform," July 8, 2024, in Gerhard Peters and John T. Woolley, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-republican-party-platform (accessed November 12, 2026).

[1083] Democratic Party, "2024 Democratic Party Platform," August 19, 2024, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-democratic-party-platform (accessed November 12, 2026).

"should not be reduced in any way" without asking how the gap would then be paid for.[1085] That is not a criticism of the pollsters. It is a reminder that a poll answer is not a vote on a real bill.

Which party do people trust?

Gallup last asked this in 2005, during the fight over personal accounts: "Who do you trust more to deal with the issue of Social Security retirement benefits - [ROTATED: the Democratic Party (or) the Republican Party]?" In June 24-26, 2005, 47 percent said Democrats and 34 percent Republicans.[1086] That is more than 20 years old, so treat it as history, not a current reading. [Not verified: a recent poll with this exact question.]

The parties, in their own words

Both parties' leaders say they want to protect benefits for current and near retirees, and both have voted for major changes when a deal was on the table, as in 1983.[1087] Here is what each party's official platform said, quoted directly. Platforms are written to win elections, so read them as statements of goals, not detailed plans.

What the party platforms said about Social Security

Platform	In its own words
Republican, 2016 (July 18, 2016)	"Current retirees and those close to retirement can be assured of their benefits. Of the many reforms being proposed, all options should be considered to preserve Social Security. As Republicans, we oppose tax increases and believe in the power of markets to create wealth and to help secure the future of our Social Security system."
Republican, 2020	No new platform. The 2020 convention voted to "adjourn without adopting a new platform until the 2024 Republican National Convention," leaving the 2016 platform in place.
Republican, 2024 (July 8, 2024)	"FIGHT FOR AND PROTECT SOCIAL SECURITY AND MEDICARE WITH NO CUTS, INCLUDING NO CHANGES TO THE RETIREMENT AGE" (capitals in the original). "Republicans will restore

[1084] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1085] Pew Research Center, "American Trends Panel Wave 183: Political Typology Survey, November 17-30, 2025, Final Topline," questions SOCSEC_FUT, SOCSEC_RED and SOCSEC_KEEP, with April 8-14, 2024 and January-February 2014 trend, https://www.pewresearch.org/wp-content/uploads/sites/20/2026/06/PP_2026.5.10_political-typology_topline.pdf (accessed November 12, 2026).

[1086] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1087] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

Platform	In its own words
	Economic Stability to ensure the long-term sustainability of Social Security."
Democratic, 2020 (August 17, 2020)	"Democrats will reject every effort to cut, privatize, or weaken Social Security, including attempts to raise the retirement age, diminish benefits by cutting cost-of-living adjustments, or reduce earned benefits."
Democratic, 2024 (August 19, 2024)	"We reject any effort to privatize Social Security or to cut any of the benefits that the American people have earned." "We'll strengthen the program and expand benefits by asking the wealthiest Americans to pay their fair share."

Sources: platforms and convention resolution as published by The American Presidency Project, University of California, Santa Barbara.[1088,1089,1090,1091,1092]

The biggest shift is on the Republican side. In 2016 the platform said "all options should be considered" and spoke of markets helping secure the system.[1093] By 2024 it ruled out benefit cuts and changes to the retirement age, and said the program will stay solvent "by reversing harmful Democrat policies and unleashing a new Economic Boom."[1094] The 2024 platform also

[1088] Republican Party, "2016 Republican Party Platform," July 18, 2016, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2016-republican-party-platform (accessed November 12, 2026).

[1089] Republican National Committee, "Resolution Regarding the Republican Party Platform," August 24, 2020, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/resolution-regarding-the-republican-party-platform (accessed November 12, 2026).

[1090] Republican Party, "2024 Republican Party Platform," July 8, 2024, in Gerhard Peters and John T. Woolley, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-republican-party-platform (accessed November 12, 2026).

[1091] Democratic Party, "2020 Democratic Party Platform," August 17, 2020, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2020-democratic-party-platform (accessed November 12, 2026).

[1092] Democratic Party, "2024 Democratic Party Platform," August 19, 2024, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-democratic-party-platform (accessed November 12, 2026).

[1093] Republican Party, "2016 Republican Party Platform," July 18, 2016, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2016-republican-party-platform (accessed November 12, 2026).

[1094] Republican Party, "2024 Republican Party Platform," July 8, 2024, in Gerhard Peters and John T. Woolley, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-republican-party-platform (accessed November 12, 2026).

said "corrupt politicians have robbed Social Security to fund their pet projects."[1095] Chapter 16 checks that kind of claim against the trust fund records.

The Democratic platforms have moved toward expanding benefits. The 2020 platform called for raising benefits for all beneficiaries, raising the minimum benefit and eliminating "provisions that unfairly reduce public sector workers' earned Social Security benefits," which happened in 2025 with the end of the WEP and GPO.[1096,1097] The 2024 platform noted that middle-class workers pay 6.2 percent of their income while "people with multi-million dollar incomes pay a fraction of 1 percent."[1098]

Each side also aimed at the other. The 2024 Democratic platform said "House Republicans have vowed to cut Social Security by over $1.5 trillion, to raise the retirement age."[1099] The Republican Study Committee, a caucus of conservative House Republicans, wrote in January 2026 that its newest budget "balances the books without cutting Social Security or Medicare benefits, raising the Social Security retirement age."[1100] Its 2024 budget was described by one of its members as a plan that "protects Social Security and Medicare."[1101] [Not verified: the Social Security section of the Republican Study Committee's fiscal 2025 budget document itself. I opened the caucus press releases, not the full budget text, so I do not describe its specific Social Security provisions.]

What the two 2024 platforms share

Set the attacks aside and the two 2024 platforms agree on more than you might expect. Both promise not to cut benefits.[1102,1103] Neither proposes raising the retirement age; the Republican

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[1095] Republican Party, "2024 Republican Party Platform," July 8, 2024, in Gerhard Peters and John T. Woolley, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-republican-party-platform (accessed November 12, 2026).

[1096] Democratic Party, "2020 Democratic Party Platform," August 17, 2020, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2020-democratic-party-platform (accessed November 12, 2026).

[1097] SSA, "Social Security Fairness Act: Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) Update," last updated July 21, 2025, https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html (accessed November 12, 2026).

[1098] Democratic Party, "2024 Democratic Party Platform," August 19, 2024, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-democratic-party-platform (accessed November 12, 2026).

[1099] Democratic Party, "2024 Democratic Party Platform," August 19, 2024, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-democratic-party-platform (accessed November 12, 2026).

[1100] Republican Study Committee (House caucus), "RSC Upholds Storied Tradition with Conservative Budget Roadmap to Restore America's Golden Age," press release, January 7, 2026, https://rsc-pfluger.house.gov/media/press-releases/rsc-upholds-storied-tradition-conservative-budget-roadmap-restore-americas (accessed November 12, 2026).

[1101] Republican Study Committee (House caucus), "RSC releases FY25 Budget Proposal: 'Fiscal Sanity to Save America'," press release, March 20, 2024, https://rsc-pfluger.house.gov/media/press-releases/rsc-releases-fy25-budget-proposal-fiscal-sanity-save-america (accessed November 12, 2026).

[1102] Republican Party, "2024 Republican Party Platform," July 8, 2024, in Gerhard Peters and John T. Woolley, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-republican-party-platform (accessed November 12, 2026).

platform rules it out by name, and the 2020 Democratic platform did the same.[1104,1105] And neither platform says, in numbers, how it would close the 4.42 percent gap the Trustees reported in 2026.[1106,1107,1108]

The difference is in where each one looks for money. The Democratic platform points to "asking the wealthiest Americans to pay their fair share."[1109] The Republican platform points to economic growth, lower inflation and border security to "preserve Social Security and Medicare funding for the next Generation and beyond."[1110] The Trustees' own sensitivity tests show that faster wage growth and more births would help, and that less immigration hurts.[1111] Whether growth alone could close a gap this size is the real argument, and Chapter 22 shows what the actuaries say about specific tax and benefit changes.

The President and Congress since 2025

President Trump marked the program's 90th anniversary with a proclamation on August 14, 2025. It said his administration "is aggressively rooting out all fraud, waste, and abuse," including "stopping payments to the deceased and eliminating benefits for those who do not legally qualify," and that after the 2025 tax law "the vast majority of seniors who receive Social Security will pay zero tax on their Social Security benefits."[1112] On the tax point, the law added a

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[1103] Democratic Party, "2024 Democratic Party Platform," August 19, 2024, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-democratic-party-platform (accessed November 12, 2026).

[1104] Republican Party, "2024 Republican Party Platform," July 8, 2024, in Gerhard Peters and John T. Woolley, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-republican-party-platform (accessed November 12, 2026).

[1105] Democratic Party, "2020 Democratic Party Platform," August 17, 2020, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2020-democratic-party-platform (accessed November 12, 2026).

[1106] Republican Party, "2024 Republican Party Platform," July 8, 2024, in Gerhard Peters and John T. Woolley, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-republican-party-platform (accessed November 12, 2026).

[1107] Democratic Party, "2024 Democratic Party Platform," August 19, 2024, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-democratic-party-platform (accessed November 12, 2026).

[1108] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[1109] Democratic Party, "2024 Democratic Party Platform," August 19, 2024, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-democratic-party-platform (accessed November 12, 2026).

[1110] Republican Party, "2024 Republican Party Platform," July 8, 2024, in Gerhard Peters and John T. Woolley, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-republican-party-platform (accessed November 12, 2026).

[1111] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.D, "Long-Range Sensitivity Analysis," June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_D_LRsens.html (accessed November 12, 2026).

[1112] Donald J. Trump, "Proclamation 10964 - 90th Anniversary of the Social Security Act," August 14, 2025, in The American Presidency Project, University of California, Santa Barbara,

temporary deduction for people 65 and older but did not change the rules that make part of benefits taxable (Chapters 14 and 18).[1113] SSA's actuaries estimated the law would reduce trust fund income from taxing benefits.[1114]

In Congress, Representative John Larson, a Connecticut Democrat, reintroduced the Social Security 2100 Act on June 29, 2026 as H.R. 9519, with titles called "Strengthening Benefits," "Strengthening the Trust Fund" and "Strengthening Service Delivery."[1115] Its trust fund title would repeal the limit on the wage base for payroll taxes "after 2026" and apply the Social Security tax to net investment income.[1116] Chapter 22 shows how SSA's actuaries scored the earlier 2023 version.

On the Republican side, the most recent full plans scored by the actuaries are older, such as Representative Sam Johnson's 2016 bill and the 2011 bill by Senators Lindsey Graham, Rand Paul and Mike Lee, both shown in Chapter 22.[1117] [Not verified: an official text or actuarial score for the 2025-2026 investment-fund idea discussed by Senators Bill Cassidy and Tim Kaine. I did not find one on SSA's list of scored proposals as of November 12, 2026.]

Each side's strongest case

I promised in the introduction to give each side its best arguments. Here they are, in summary, with the people who make them.

The case for protecting or expanding benefits and raising revenue:

- Social Security is the main income for many retirees. In April 2026, 62 percent of retirees told Gallup it is a major source of their income.[1118]
- The tax is capped. Only earnings up to $184,500 were taxed in 2026, and CRS estimates that about 6 percent of covered workers earn more than the cap.[1119,1120] The 2024 Democratic platform argues that people with very high incomes pay "a fraction of 1 percent."[1121]

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https://www.presidency.ucsb.edu/documents/proclamation-10964-90th-anniversary-the-social-security-act (accessed November 12, 2026).

[1113] Internal Revenue Service, "Working Families Tax Cuts: Tax deductions for working Americans and seniors" (fact sheet on Public Law 119-21), https://www.irs.gov/newsroom/one-big-beautiful-bill-act-tax-deductions-for-working-americans-and-seniors (accessed November 12, 2026).

[1114] SSA Office of the Chief Actuary, letter to Sen. Ron Wyden, "Estimates of the Financial Effects on Social Security of Public Law 119-21, the One Big Beautiful Bill Act," August 5, 2025, https://www.ssa.gov/oact/solvency/RWyden_20250805.pdf (accessed November 12, 2026).

[1115] H.R. 9519, Social Security 2100 Act, 119th Congress, introduced June 29, 2026 by Rep. John Larson, text as introduced, U.S. Government Publishing Office, https://www.govinfo.gov/content/pkg/BILLS-119hr9519ih/html/BILLS-119hr9519ih.htm (accessed November 12, 2026).

[1116] H.R. 9519, Social Security 2100 Act, 119th Congress, introduced June 29, 2026 by Rep. John Larson, text as introduced, U.S. Government Publishing Office, https://www.govinfo.gov/content/pkg/BILLS-119hr9519ih/html/BILLS-119hr9519ih.htm (accessed November 12, 2026).

[1117] SSA Actuarial Services (formerly the Office of the Chief Actuary), "Actuarial Services' Estimates of Proposals to Change the Social Security Program or the SSI Program" (list of letters, most recent September 15, 2026), https://www.ssa.gov/oact/solvency/index.html (accessed November 12, 2026).

[1118] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

- The public, when pushed to choose, favors raising taxes over cutting benefits, 61 percent to 31 percent in Gallup's 2023 reading.[1122]
- Benefits are modest by design. The average retired worker gets an estimated $2,170 a month in January 2027.[1123]

The case for slowing benefit growth, reforming the program or relying on growth instead of taxes:

- The cost problem is built in by demographics. With about 2.6 workers per beneficiary now and about 1.9 projected by 2075, the Trustees show cost rising from 15.37 percent of payroll to over 20 percent.[1124,1125]
- Raising taxes enough to close the whole gap would mean a payroll tax of 16.65 percent starting now, about a third higher than today, which falls on every worker.[1126] The 2016 Republican platform said the party opposes tax increases and wants markets to help secure the system.[1127]
- Higher wages and productivity really do help: each 0.1 point of extra real wage growth improves the 75-year balance by about 0.19 percent of payroll, which is the logic behind the 2024 Republican platform's focus on economic growth.[1128,1129]

[1119] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[1120] Congressional Research Service (CRS), "Social Security's Funding Shortfall," In Focus IF10522, updated June 25, 2026, https://www.everycrsreport.com/files/2026-06-25_IF10522_8a9683f6fad12bc7cd24f610c266c6d0aabfc74e.html (accessed November 12, 2026).

[1121] Democratic Party, "2024 Democratic Party Platform," August 19, 2024, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-democratic-party-platform (accessed November 12, 2026).

[1122] Gallup, "Social Security" (In Depth: Topics A to Z, trend tables with question wording and field dates, including March 2026 and April 2026 surveys), https://news.gallup.com/poll/1693/social-security.aspx (accessed November 12, 2026).

[1123] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[1124] Social Security Board of Trustees, 2026 Trustees Report, Section II.D, "Projections of Future Financial Status," June 9, 2026, https://www.ssa.gov/oact/tr/2026/II_D_project.html (accessed November 12, 2026).

[1125] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[1126] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[1127] Republican Party, "2016 Republican Party Platform," July 18, 2016, in The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2016-republican-party-platform (accessed November 12, 2026).

[1128] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.D, "Long-Range Sensitivity Analysis," June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_D_LRsens.html (accessed November 12, 2026).

[1129] Republican Party, "2024 Republican Party Platform," July 8, 2024, in Gerhard Peters and John T. Woolley, The American Presidency Project, University of California, Santa Barbara, https://www.presidency.ucsb.edu/documents/2024-republican-party-platform (accessed November 12, 2026).

- People live longer than when the retirement age was set, which is the argument behind proposals to tie the retirement age to life expectancy, as the 2010 Bowles-Simpson commission proposed.[1130]

And the honest problem with each:

- No Trustees Report since 1983 has shown growth alone closing the gap. Even the low-cost scenario, with strong wages and higher births, still shows a 75-year deficit of 0.64 percent of payroll.[1131,1132]
- Taxing only the very top earners closes a large share but, in the actuaries' scores in Chapter 22, not all of the 2026 gap by itself.[1133]

Advocacy groups

Plenty of organizations lobby on Social Security, some to expand it and some to shrink taxes or add personal accounts. In this book I treat all of them as advocacy (tier 5), and I have not used any of them as a source of facts. My advice: when you see a number from one, check it against the Trustees Report or a CRS or CBO paper before you trust it.

[1130] SSA Office of the Chief Actuary, letter to Erskine Bowles and Alan Simpson, co-chairs of the National Commission on Fiscal Responsibility and Reform, December 1, 2010, https://www.ssa.gov/oact/solvency/FiscalCommission_20101201.pdf (accessed November 12, 2026).

[1131] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.B, "History of Actuarial Status Estimates," Table VI.B1, June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_B_LRact_bal.html (accessed November 12, 2026).

[1132] Social Security Board of Trustees, 2026 Trustees Report, Section IV.B, "Long-Range Estimates," including Tables IV.B4 and IV.B6, June 9, 2026, https://www.ssa.gov/oact/tr/2026/IV_B_LRest.html (accessed November 12, 2026).

[1133] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

Part Ten: The Options

Chapter 22: Ways to Close the Gap

Information in this chapter is current as of November 12, 2026.

There are only so many ways to close a gap: bring in more money, pay out less, or some mix. SSA's actuaries score hundreds of specific proposals, and they post the results on a public web page. They have now updated those scores to the 2026 Trustees Report, so every individual-change score below uses the current shortfall of 4.42 percent of payroll.[1134] The 2025-based scores were measured against a gap of 3.82 percent. Because the gap grew, nearly every option closes a smaller share today than it did a year ago.[1135,1136]

How to read a score

For each change, the actuaries report how much it would improve the 75-year actuarial balance, and what share of the shortfall that is. A change that closes 100 percent of the 75-year shortfall would make the program solvent through 2100 on its own.[1137] Each score is for that one change by itself. Changes interact, so you cannot simply add two scores to get the effect of doing both. That is my caution, and it is one reason the actuaries also score whole plans as packages.

How the scores changed from 2025 to 2026

If you read about these options in the news, you may see older numbers. Here is how a few changed when the actuaries moved from the 2025 report to the 2026 report. The start dates also moved a year or so later, which is part of the change.

Share of the 75-year shortfall closed: 2025-based and 2026-based scores

Option	2025 Trustees Report basis	2026 Trustees Report basis
Remove the taxable maximum, no extra benefit credit	67 percent	58 percent
Tax earnings above $250,000, no extra benefit credit (Sanders)	65 percent	57 percent

[1134] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

[1135] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

[1136] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[1137] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

Option	2025 Trustees Report basis	2026 Trustees Report basis
Tax earnings above $400,000, with some benefit credit (Larson, Blumenthal and Van Hollen)	58 percent	51 percent
Raise the payroll tax 0.1 point a year to 13.4 percent (Bipartisan Policy Center)	23 percent	20 percent
Raise full retirement age to 68, 2 months a year (Liebman, MacGuineas and Samwick)	14 percent	13 percent
Raise full retirement age to 68, 1 month every 2 years (Social Security Advisory Board)	12 percent	11 percent
Cut the yearly COLA by 1 percentage point	51 percent	46 percent
Use a chained price index for COLAs	16 percent	15 percent

Sources: SSA Office of the Chief Actuary provision summaries based on the 2025 Trustees Report, and SSA Actuarial Services summary based on the 2026 Trustees Report.[1138,1139,1140,1141]

The pattern is simple. The same tax raises about the same money, but the hole got bigger, so it fills less of it.[1142,1143]

[1138] SSA Office of the Chief Actuary, "Summary of Provisions That Would Change the Social Security Program: Payroll Tax Rates and Taxable Maximum" (estimates based on the 2025 Trustees Report), https://www.ssa.gov/oact/solvency/provisions_tr2025/payrolltax_summary.html (accessed November 12, 2026).

[1139] SSA Office of the Chief Actuary, "Summary of Provisions That Would Change the Social Security Program: Retirement Age" (estimates based on the 2025 Trustees Report), https://www.ssa.gov/oact/solvency/provisions_tr2025/retireage_summary.html (accessed November 12, 2026).

[1140] SSA Office of the Chief Actuary, "Summary of Provisions That Would Change the Social Security Program: Cost-of-Living Adjustment" (estimates based on the 2025 Trustees Report), https://www.ssa.gov/oact/solvency/provisions_tr2025/cola_summary.html (accessed November 12, 2026).

[1141] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

[1142] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

[1143] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

Bringing in more money

Revenue options scored by SSA's actuaries (2026 Trustees Report, intermediate assumptions)

Option (code)	Improves balance by (percent of payroll)	Share of 75-year shortfall closed	Examples of who proposed or requested it
Raise the payroll tax from 12.4 to 17.0 percent in 2027 (E1.1)	4.47	101 percent	Social Security Advisory Board, 2005
Raise the payroll tax 0.1 point a year, 2028-2037, to 13.4 percent (E1.10)	0.89	20 percent	Bipartisan Policy Center, 2016
Raise the payroll tax 0.1 point a year, 2030-2053, to 14.8 percent (E1.9)	1.77	40 percent	Larson, Blumenthal, Van Hollen, 2019
Remove the taxable maximum from 2027, no extra benefit credit (E2.1)	2.55	58 percent	DeFazio, 2015
Remove the taxable maximum from 2027, with benefit credit (E2.2)	1.98	45 percent	Social Security Advisory Board, 2005
Tax earnings above $250,000 from 2027, no benefit credit (E2.5)	2.52	57 percent	Sanders, 2023
Tax earnings above $400,000 from 2028, with some benefit credit (E2.18)	2.22	50 percent	Larson, 2023
Raise the cap so 90 percent of earnings are taxed, with benefit credit (E3.1)	0.82	19 percent	Social Security Advisory Board, 2005
Apply a 12.4 percent tax to net investment income above $400,000 (F11)	1.22	28 percent	Larson, 2023
Apply a 12.4 percent tax to investment income above the ACA thresholds (F9)	1.32	30 percent	Sanders, 2023
Send all income tax on benefits to Social Security, Medicare held	0.83	19 percent	Hoyer and Primus, 2025

Option (code)	Improves balance by (percent of payroll)	Share of 75-year shortfall closed	Examples of who proposed or requested it
harmless (H8)			

Source: SSA Actuarial Services, summary of provisions based on the 2026 Trustees Report.[1144]

Two points stand out. Only the big across-the-board tax increase closes the entire gap by itself.[1145] And whether higher earners get extra benefits for the extra taxes matters a lot: removing the cap closes 58 percent of the gap without new benefit credit but 45 percent with it.[1146]

Paying out less, or differently

Benefit options scored by SSA's actuaries (2026 Trustees Report, intermediate assumptions)

Option (code)	Improves balance by (percent of payroll)	Share of 75-year shortfall closed	Examples of who proposed or requested it
Cut the yearly COLA by 1 percentage point from December 2027 (A1)	2.03	46 percent	Social Security Advisory Board, 2005
Use a "chained" CPI-W for COLAs from December 2027 (A3)	0.65	15 percent	Ribble, 2016; Fiscal Commission, 2010
Use the CPI-E (elderly index) for COLAs from December 2028 (A6)	-0.33	-7 percent (adds to the gap)	Sanders, 2023; Hirono and Tokuda, 2024
Price-index the benefit formula for new retirees from 2033 (B1.1)	3.05	69 percent	Social Security Advisory Board, 2005
"Progressive" price indexing above the 40th percentile (B1.3)	1.46	33 percent	Social Security Advisory Board, 2005
Cut benefits 5 percent	0.65	15 percent	Social Security

[1144] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

[1145] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

[1146] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

Option (code)	Improves balance by (percent of payroll)	Share of 75-year shortfall closed	Examples of who proposed or requested it
for people newly eligible in 2027 and later (B7.2)			Advisory Board, 2005
Raise the 90 percent formula factor to 95 and the first bend point 22 percent (B3.17)	-1.56	-35 percent (adds to the gap)	Sanders, 2023
Count 40 years of earnings instead of 35 (B4.2)	0.47	11 percent	Social Security Advisory Board, 2005

Source: SSA Actuarial Services, summary of provisions based on the 2026 Trustees Report.[1147]

A note on COLAs. A smaller COLA cuts benefits a little more every year you are retired, so it hits the oldest retirees hardest. The CPI-E is a price index weighted toward what older people buy. The actuaries estimate it would raise COLAs by about 0.15 point a year on average, which adds to the gap.[1148]

Changing the retirement age

Retirement age options scored by SSA's actuaries (2026 Trustees Report, intermediate assumptions)

Option (code)	Improves balance by (percent of payroll)	Share of 75-year shortfall closed	Examples of who proposed or requested it
Raise full retirement age to 68, 1 month every 2 years from those 62 in 2027 (C1.1)	0.47	11 percent	Social Security Advisory Board, 2005
Raise full retirement age to 68, 2 months a year, 2027-2032 (C1.2)	0.57	13 percent	Liebman, MacGuineas and Samwick, 2005
Raise full retirement age to 69, 2 months a year, 2027-2038 (C1.4)	1.42	32 percent	Ribble, 2016

[1147] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

[1148] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

Option (code)	Improves balance by (percent of payroll)	Share of 75-year shortfall closed	Examples of who proposed or requested it
Raise full retirement age to 69, 1 month every 2 years (C1.6)	0.68	15 percent	Bipartisan Policy Center, 2016
Raise full retirement age to 69, 3 months a year, 2027-2034 (C1.7)	1.08	25 percent	Johnson, 2016
Index full retirement age to life expectancy from 2027 (C1.3)	0.72	16 percent	Ryan, 2010

Source: SSA Actuarial Services, summary of provisions based on the 2026 Trustees Report.[1149]

Raising the full retirement age is a benefit cut for anyone who still claims at the same age they would have anyway, because the monthly check is reduced more for claiming before the new full age.[1150] Note how much the speed of the change matters. Getting to 69 at two months a year closes 32 percent; getting there at one month every two years closes 15 percent.[1151]

Coverage, investments and other ideas

Other options scored by SSA's actuaries (2026 Trustees Report, intermediate assumptions)

Option (code)	Improves balance by (percent of payroll)	Share of 75-year shortfall closed	Examples of who proposed or requested it
Cover newly hired state and local government workers from 2027 (F1)	0.13	3 percent	Fiscal Commission, 2010; Bipartisan Policy Center, 2010
Count employer health insurance premiums as taxable earnings, phased in from 2030 (F3)	1.02	23 percent	Bipartisan Policy Center, 2010
Invest 40 percent of reserves in stocks, 5.8 percent real return	0.64	(not shown)	Social Security Advisory Board, 2005

[1149] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

[1150] SSA, "Retirement age and benefit reduction," https://www.ssa.gov/benefits/retirement/planner/ageincrease.html (accessed November 12, 2026).

[1151] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

Option (code)	Improves balance by (percent of payroll)	Share of 75-year shortfall closed	Examples of who proposed or requested it
assumed (G1)			
Invest 40 percent of reserves in stocks, return equal to Treasury bonds (G3)	0.00	0 percent	Social Security Advisory Board, 2005

Source: SSA Actuarial Services, summary of provisions and equity investment page, based on the 2026 Trustees Report.[1152,1153]

About one worker in fourteen is outside the system. CRS estimates 93 percent of all workers were covered in 2026.[1154] Covering only new hires brings in money slowly, which is why it closes just 3 percent.[1155]

The stock market options show how much depends on one assumption. If stocks earn more than bonds, investing part of the reserves helps. If you assume, as the actuaries say many analysts do, that higher stock returns are just pay for taking more risk, the gain disappears, which is why the actuaries also show a version with no effect.[1156] And since the reserves run out in the 2030s, there would not be much left to invest for long.[1157]

What about simply sending general tax money to Social Security? The actuaries' summary does not list that as its own category, but several plans use it in pieces, such as the Hoyer-Primus plan's move of all income tax on benefits to Social Security with Medicare's trust fund made

[1152] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

[1153] SSA Actuarial Services, "Provisions Affecting Trust Fund Investment in Equities" (estimates based on the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/investequities.html (accessed November 12, 2026).

[1154] Congressional Research Service (CRS), "Social Security's Funding Shortfall," In Focus IF10522, updated June 25, 2026, https://www.everycrsreport.com/files/2026-06-25_IF10522_8a9683f6fad12bc7cd24f610c266c6d0aabfc74e.html (accessed November 12, 2026).

[1155] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

[1156] SSA Actuarial Services, "Provisions Affecting Trust Fund Investment in Equities" (estimates based on the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/investequities.html (accessed November 12, 2026).

[1157] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

whole "using other sources of revenue."[1158] Congress did it once on a large scale, when the general fund replaced the payroll tax cut of 2011 and 2012 (Chapter 9).[1159]

Who asks for these scores

Anyone in Congress can ask SSA's actuaries to score a bill, and outside groups sometimes do too. Each letter starts the same way, "I am writing in response to your request," and then gives the bottom line: how many years the change would add, or whether it reaches 75-year solvency.[1160,1161] The actuaries say they work with the sponsor's staff to understand what each provision is meant to do, and they name the staff members they worked with.[1162,1163]

The list of letters reaches back decades and includes Republicans, Democrats, independents and bipartisan commissions.[1164] Since 2025, most letters on the list have scored narrower bills, such as the 2026 Collins-Hassan bill letting new disability beneficiaries skip the five-month waiting period in exchange for a 5.75 percent smaller check, or the effects of the 2025 tax law.[1165,1166,1167] The most recent plan on the list that the actuaries scored as solvent for the full 75 years is the Hoyer-Primus plan, scored in January 2025.[1168,1169]

[1158] SSA Office of the Chief Actuary, letter to Rep. Steny Hoyer and Dr. Wendell Primus on a proposal to improve Social Security solvency, January 3, 2025, https://www.ssa.gov/oact/solvency/HoyerPrimus_20250103.pdf (accessed November 12, 2026).

[1159] SSA Office of the Chief Actuary, "Social Security Tax Rates" (OASI and DI rates, with notes on 1984, 2011-2012 and 2016-2018), https://www.ssa.gov/oact/progdata/oasdiRates.html (accessed November 12, 2026).

[1160] SSA Office of the Chief Actuary, letter to Rep. John Larson, "Estimates of the Financial Effects on Social Security of Enacting the Social Security 2100 Act," July 12, 2023, https://www.ssa.gov/oact/solvency/JLarson_20230712.pdf (accessed November 12, 2026).

[1161] SSA Office of the Chief Actuary, letter to Rep. Sam Johnson on H.R. 6489, the Social Security Reform Act of 2016, December 8, 2016, https://www.ssa.gov/oact/solvency/SJohnson_20161208.pdf (accessed November 12, 2026).

[1162] SSA Office of the Chief Actuary, letter to Sen. Bernie Sanders on the Social Security Expansion Act, February 13, 2023, https://www.ssa.gov/oact/solvency/BSanders_20230213.pdf (accessed November 12, 2026).

[1163] SSA Office of the Chief Actuary, letter to Sens. Lindsey Graham, Rand Paul and Mike Lee on S. 804, the Social Security Solvency and Sustainability Act, April 13, 2011, https://www.ssa.gov/oact/solvency/GrahamPaulLee_20110413.pdf (accessed November 12, 2026).

[1164] SSA Actuarial Services (formerly the Office of the Chief Actuary), "Actuarial Services' Estimates of Proposals to Change the Social Security Program or the SSI Program" (list of letters, most recent September 15, 2026), https://www.ssa.gov/oact/solvency/index.html (accessed November 12, 2026).

[1165] SSA Actuarial Services (formerly the Office of the Chief Actuary), "Actuarial Services' Estimates of Proposals to Change the Social Security Program or the SSI Program" (list of letters, most recent September 15, 2026), https://www.ssa.gov/oact/solvency/index.html (accessed November 12, 2026).

[1166] SSA Actuarial Services, letter to Sens. Susan Collins and Maggie Hassan on the We Can't Wait Act of 2026, February 25, 2026, https://www.ssa.gov/oact/solvency/CollinsHassan_20260225.pdf (accessed November 12, 2026).

[1167] SSA Office of the Chief Actuary, letter to Sen. Ron Wyden, "Estimates of the Financial Effects on Social Security of Public Law 119-21, the One Big Beautiful Bill Act," August 5, 2025, https://www.ssa.gov/oact/solvency/RWyden_20250805.pdf (accessed November 12, 2026).

[1168] SSA Actuarial Services (formerly the Office of the Chief Actuary), "Actuarial Services' Estimates of Proposals to Change the Social Security Program or the SSI Program" (list of letters, most recent September 15, 2026), https://www.ssa.gov/oact/solvency/index.html (accessed November 12, 2026).

Whole plans, scored as packages

Individual options are building blocks. Members of Congress and outside groups put them together into full plans and ask the actuaries for a score. The actuaries post every letter on a public list.[1170] I picked plans from both parties and from bipartisan groups, giving each one's sponsor, date, main pieces and bottom line. Each score uses the Trustees Report in effect when the letter was written, so they are not directly comparable to each other or to 2026.

Selected full plans and SSA actuaries' bottom-line scores

Plan and sponsor	Date of score (Trustees Report used)	Main provisions	Bottom line from the actuaries
Social Security 2100 Act, Rep. John Larson (D)	July 12, 2023 (2023 report)	Payroll tax on earnings over $400,000; 12.4 percent tax on investment income over $400,000; temporary benefit increases for 2025-2034, including a higher formula factor and a CPI-E-based COLA	Extends full benefits 32 years, from 2034 to 2066; not solvent for all 75 years
Social Security Expansion Act, Sen. Bernie Sanders (I)	February 13, 2023 (2022 report)	Payroll tax on earnings over $250,000; 12.4 percent tax on investment income; higher benefit formula; CPI-E COLA; combine the two trust funds	Pays full scheduled benefits for the whole 75 years
Protecting and Preserving Social Security Act, Sen. Mazie Hirono (D)	August 7, 2025 (2025 report, updated for the 2025 tax law)	Remove the taxable maximum in steps from 2026 to 2032, with benefit credit; CPI-E COLA	Extends full benefits 11 years, from 2034 to 2045
Plan requested by Rep. Steny Hoyer (D) and Dr. Wendell Primus	January 3, 2025 (2024 report)	Taxable maximum raised until 90 percent of earnings are taxed; payroll tax to 12.6 percent; all income tax on benefits to Social Security; more immigration; cover new state and local workers;	Solvent for 75 years and meets "sustainable solvency"

[1169] SSA Office of the Chief Actuary, letter to Rep. Steny Hoyer and Dr. Wendell Primus on a proposal to improve Social Security solvency, January 3, 2025, https://www.ssa.gov/oact/solvency/HoyerPrimus_20250103.pdf (accessed November 12, 2026).

[1170] SSA Actuarial Services (formerly the Office of the Chief Actuary), "Actuarial Services' Estimates of Proposals to Change the Social Security Program or the SSI Program" (list of letters, most recent September 15, 2026), https://www.ssa.gov/oact/solvency/index.html (accessed November 12, 2026).

Plan and sponsor	Date of score (Trustees Report used)	Main provisions	Bottom line from the actuaries
		tax all benefits above $100,000 or $125,000 of income; 40 computation years; higher retirement age for top 20 percent of earners; phase out dependent spouse benefit; new survivor and early-disability benefits	
Social Security Reform Act of 2016, Rep. Sam Johnson (R)	December 8, 2016 (2016 report)	New, more progressive benefit formula; full retirement age to 69; chained CPI COLA, with no COLA above an income threshold; new minimum benefit; end income tax on benefits from 2054; end the earnings test	Solvent for 75 years and meets "sustainable solvency"
Social Security Solvency and Sustainability Act, Sens. Lindsey Graham, Rand Paul and Mike Lee (R)	April 13, 2011 (2010 report)	Full retirement age to 70 for people turning 62 in 2032, then indexed; earliest claiming age to 64; slower benefit growth for workers above the 40th percentile	Solvent for 75 years and sustainable; balance goes from -1.92 to +0.16 percent of payroll
Bipartisan Policy Center, Commission on Retirement Security and Personal Savings (co-chairs Kent Conrad and James Lockhart)	October 11, 2016 (2016 report)	Payroll tax up 0.1 point a year to 13.4 percent; taxable maximum raised; full retirement age to 69 slowly; chained CPI COLA; new formula and basic minimum benefit; more tax on benefits for the highest incomes	Solvent for 75 years and meets "sustainable solvency"
National Commission on Fiscal Responsibility and Reform (co-chairs Erskine Bowles and Alan Simpson)	December 1, 2010 (2010 report)	Index the retirement age to life expectancy; new bend point slowing benefits for higher earners; chained CPI COLA; raise the taxable maximum toward 90 percent; better minimum benefit; cover new state and	Solvent for 75 years and sustainable; balance goes from -1.92 to +0.23 percent of payroll

Plan and sponsor	Date of score (Trustees Report used)	Main provisions	Bottom line from the actuaries
		local workers	

Sources: SSA Office of the Chief Actuary letters for each plan.[1171,1172,1173,1174,1175,1176,1177,1178]

"Sustainable solvency" is the actuaries' term for a plan that not only gets through 75 years but leaves the trust fund ratio stable or rising at the end, so the problem doesn't come right back.[1179]

What do these plans tell us? Several things, I think.

First, plans built mostly on revenue and plans built mostly on benefit changes can both reach 75-year solvency on paper. Senator Sanders's plan gets there almost entirely with new taxes on high earners and investment income, while also raising benefits.[1180] Representative Johnson's 2016 plan and the Graham-Paul-Lee bill get there mostly by slowing benefit growth and raising

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[1171] SSA Office of the Chief Actuary, letter to Rep. John Larson, "Estimates of the Financial Effects on Social Security of Enacting the Social Security 2100 Act," July 12, 2023, https://www.ssa.gov/oact/solvency/JLarson_20230712.pdf (accessed November 12, 2026).

[1172] SSA Office of the Chief Actuary, letter to Sen. Bernie Sanders on the Social Security Expansion Act, February 13, 2023, https://www.ssa.gov/oact/solvency/BSanders_20230213.pdf (accessed November 12, 2026).

[1173] SSA Office of the Chief Actuary, letter to Sen. Mazie Hirono on S. 2614, the Protecting and Preserving Social Security Act, August 7, 2025, https://www.ssa.gov/oact/solvency/MHirono_20250807.pdf (accessed November 12, 2026).

[1174] SSA Office of the Chief Actuary, letter to Rep. Steny Hoyer and Dr. Wendell Primus on a proposal to improve Social Security solvency, January 3, 2025, https://www.ssa.gov/oact/solvency/HoyerPrimus_20250103.pdf (accessed November 12, 2026).

[1175] SSA Office of the Chief Actuary, letter to Rep. Sam Johnson on H.R. 6489, the Social Security Reform Act of 2016, December 8, 2016, https://www.ssa.gov/oact/solvency/SJohnson_20161208.pdf (accessed November 12, 2026).

[1176] SSA Office of the Chief Actuary, letter to Sens. Lindsey Graham, Rand Paul and Mike Lee on S. 804, the Social Security Solvency and Sustainability Act, April 13, 2011, https://www.ssa.gov/oact/solvency/GrahamPaulLee_20110413.pdf (accessed November 12, 2026).

[1177] SSA Office of the Chief Actuary, letter to Kent Conrad and James B. Lockhart III, co-chairs of the Bipartisan Policy Center's Commission on Retirement Security and Personal Savings, updated estimates, October 11, 2016, https://www.ssa.gov/oact/solvency/BPCCRSPS_20161011.pdf (accessed November 12, 2026).

[1178] SSA Office of the Chief Actuary, letter to Erskine Bowles and Alan Simpson, co-chairs of the National Commission on Fiscal Responsibility and Reform, December 1, 2010, https://www.ssa.gov/oact/solvency/FiscalCommission_20101201.pdf (accessed November 12, 2026).

[1179] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[1180] SSA Office of the Chief Actuary, letter to Sen. Bernie Sanders on the Social Security Expansion Act, February 13, 2023, https://www.ssa.gov/oact/solvency/BSanders_20230213.pdf (accessed November 12, 2026).

the retirement age, and the Johnson plan actually cuts a tax, the income tax on benefits, in the long run.[1181,1182]

Second, some well-known plans do not claim full solvency. The 2023 Social Security 2100 Act pushed depletion back 32 years but not past 2100, because its benefit increases were temporary while its new taxes were permanent.[1183] Senator Hirono's 2025 bill bought 11 years.[1184] Two other 2025 House bills from Democrats were scored the same way: Representative Gwen Moore's Social Security Enhancement and Protection Act of 2025 would add 22 years, and Representative Angie Craig's You Earned It, You Keep It Act would add 24 years.[1185,1186]

Third, the bipartisan plans mix both sides. The Bowles-Simpson commission and the Bipartisan Policy Center commission each raised the taxable maximum and also slowed COLAs and raised or indexed the retirement age.[1187,1188] The Hoyer-Primus plan, requested by a senior House Democrat, includes things Democrats usually oppose, like a higher retirement age for top earners and ending the dependent spouse benefit, alongside new revenue.[1189]

Fourth, these scores age. Plans scored against the 2010 report were closing a gap of 1.92 percent of payroll, and those scored against the 2016 report a gap of 2.66 percent; the 2026 gap is 4.42 percent.[1190,1191,1192] A plan that was solvent in 2016 would very likely fall short today without

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[1181] SSA Office of the Chief Actuary, letter to Rep. Sam Johnson on H.R. 6489, the Social Security Reform Act of 2016, December 8, 2016, https://www.ssa.gov/oact/solvency/SJohnson_20161208.pdf (accessed November 12, 2026).

[1182] SSA Office of the Chief Actuary, letter to Sens. Lindsey Graham, Rand Paul and Mike Lee on S. 804, the Social Security Solvency and Sustainability Act, April 13, 2011, https://www.ssa.gov/oact/solvency/GrahamPaulLee_20110413.pdf (accessed November 12, 2026).

[1183] SSA Office of the Chief Actuary, letter to Rep. John Larson, "Estimates of the Financial Effects on Social Security of Enacting the Social Security 2100 Act," July 12, 2023, https://www.ssa.gov/oact/solvency/JLarson_20230712.pdf (accessed November 12, 2026).

[1184] SSA Office of the Chief Actuary, letter to Sen. Mazie Hirono on S. 2614, the Protecting and Preserving Social Security Act, August 7, 2025, https://www.ssa.gov/oact/solvency/MHirono_20250807.pdf (accessed November 12, 2026).

[1185] SSA Office of the Chief Actuary, letter to Rep. Gwen Moore on the Social Security Enhancement and Protection Act of 2025, May 20, 2025, https://www.ssa.gov/oact/solvency/GMoore_20250520.pdf (accessed November 12, 2026).

[1186] SSA Office of the Chief Actuary, letter to Rep. Angie Craig on the You Earned It, You Keep It Act, April 14, 2025, https://www.ssa.gov/oact/solvency/ACraig_20250414.pdf (accessed November 12, 2026).

[1187] SSA Office of the Chief Actuary, letter to Erskine Bowles and Alan Simpson, co-chairs of the National Commission on Fiscal Responsibility and Reform, December 1, 2010, https://www.ssa.gov/oact/solvency/FiscalCommission_20101201.pdf (accessed November 12, 2026).

[1188] SSA Office of the Chief Actuary, letter to Kent Conrad and James B. Lockhart III, co-chairs of the Bipartisan Policy Center's Commission on Retirement Security and Personal Savings, updated estimates, October 11, 2016, https://www.ssa.gov/oact/solvency/BPCCRSPS_20161011.pdf (accessed November 12, 2026).

[1189] SSA Office of the Chief Actuary, letter to Rep. Steny Hoyer and Dr. Wendell Primus on a proposal to improve Social Security solvency, January 3, 2025, https://www.ssa.gov/oact/solvency/HoyerPrimus_20250103.pdf (accessed November 12, 2026).

[1190] SSA Office of the Chief Actuary, letter to Sens. Lindsey Graham, Rand Paul and Mike Lee on S. 804, the Social Security Solvency and Sustainability Act, April 13, 2011, https://www.ssa.gov/oact/solvency/GrahamPaulLee_20110413.pdf (accessed November 12, 2026).

changes. That is my inference; the actuaries have not rescored those older plans against the 2026 report. [Not verified: an actuarial score of the 2026 Social Security 2100 Act, H.R. 9519. It was not on SSA's list of scored proposals when I checked, and I did not find a score of any full solvency plan based on the 2026 Trustees Report.]

What the plans would do to benefits

Solvency is only half the story. The plans also differ a lot in what they would do to checks.

The 2023 Social Security 2100 Act would have raised the first factor in the benefit formula from 90 to 93 percent, figured COLAs with whichever was higher of the CPI-E or the CPI-W, raised the special minimum benefit for long-career low earners to 125 percent of the poverty line, and raised the income thresholds for taxing benefits, mostly for 2025 through 2034 only.[1193] Workers who paid the new tax above $400,000 would earn a small extra benefit, figured at 1 percent of a second earnings average.[1194]

The Sanders bill would have raised benefits for everyone by increasing the first bend point 22 percent and the first factor to 95 percent, used the CPI-E for COLAs, and continued benefits to age 22 for students whose parent was disabled or had died.[1195]

The Johnson plan went the other direction on cost. It replaced the benefit formula with a new, more progressive one, phased in from 2023 to 2032, limited spouse and child benefits for higher earners' families, and tied COLAs to the chained CPI-U, with no COLA at all for beneficiaries above an income threshold. It also added a new minimum benefit and an extra payment for people on the rolls at least 20 years.[1196]

The Bipartisan Policy Center plan added a new basic minimum benefit after full retirement age and capped spouse benefits at the level paid to the spouse of a 75th percentile career earner.[1197] The Hoyer-Primus plan paired cuts for higher earners and spouses with new benefits: an

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[1191] SSA Office of the Chief Actuary, letter to Erskine Bowles and Alan Simpson, co-chairs of the National Commission on Fiscal Responsibility and Reform, December 1, 2010, https://www.ssa.gov/oact/solvency/FiscalCommission_20101201.pdf (accessed November 12, 2026).

[1192] Social Security Board of Trustees, 2026 Trustees Report, Appendix VI.B, "History of Actuarial Status Estimates," Table VI.B1, June 9, 2026, https://www.ssa.gov/oact/tr/2026/VI_B_LRact_bal.html (accessed November 12, 2026).

[1193] SSA Office of the Chief Actuary, letter to Rep. John Larson, "Estimates of the Financial Effects on Social Security of Enacting the Social Security 2100 Act," July 12, 2023, https://www.ssa.gov/oact/solvency/JLarson_20230712.pdf (accessed November 12, 2026).

[1194] SSA Office of the Chief Actuary, letter to Rep. John Larson, "Estimates of the Financial Effects on Social Security of Enacting the Social Security 2100 Act," July 12, 2023, https://www.ssa.gov/oact/solvency/JLarson_20230712.pdf (accessed November 12, 2026).

[1195] SSA Office of the Chief Actuary, letter to Sen. Bernie Sanders on the Social Security Expansion Act, February 13, 2023, https://www.ssa.gov/oact/solvency/BSanders_20230213.pdf (accessed November 12, 2026).

[1196] SSA Office of the Chief Actuary, letter to Rep. Sam Johnson on H.R. 6489, the Social Security Reform Act of 2016, December 8, 2016, https://www.ssa.gov/oact/solvency/SJohnson_20161208.pdf (accessed November 12, 2026).

[1197] SSA Office of the Chief Actuary, letter to Kent Conrad and James B. Lockhart III, co-chairs of the Bipartisan Policy Center's Commission on Retirement Security and Personal Savings, updated estimates, October 11, 2016, https://www.ssa.gov/oact/solvency/BPCCRSPS_20161011.pdf (accessed November 12, 2026).

alternative survivor benefit, benefits for children raised by grandparents, and an early retirement disability benefit at age 58 for workers who do not quite qualify for disability.[1198]

Ask yourself two questions about any plan you hear about. Who pays more, and when? Whose check grows more slowly, and starting when? The actuaries' letters answer both for every plan they score, with tables for hypothetical workers at different pay levels.[1199,1200]

What each choice means for people

- Raising taxes puts the cost on workers and employers, and removing the cap puts most of it on higher earners. CRS estimates about 6 percent of covered workers earn above the cap.[1201]
- Raising the retirement age is a benefit cut for people who retire at the same age they would have anyway, and in my view it falls hardest on people whose health or jobs do not let them keep working.[1202]
- A smaller COLA cuts benefits a little more each year, so it hits the oldest retirees hardest.[1203]
- Changing the benefit formula for higher earners, as in "progressive price indexing," protects lower earners while slowing benefit growth for everyone above the cutoff.[1204]
- Personal accounts, like the 2005 Bush plan, change who carries the investment risk; CRS noted that the accounts by themselves would not fix the shortfall.[1205]
- Doing nothing means an across-the-board cut of about 17 percent in 2034 under the Trustees' current estimate, or about 22 percent for retirees and survivors as early as 2032 if the two funds stay separate.[1206]

[1198] SSA Office of the Chief Actuary, letter to Rep. Steny Hoyer and Dr. Wendell Primus on a proposal to improve Social Security solvency, January 3, 2025, https://www.ssa.gov/oact/solvency/HoyerPrimus_20250103.pdf (accessed November 12, 2026).

[1199] SSA Office of the Chief Actuary, letter to Rep. John Larson, "Estimates of the Financial Effects on Social Security of Enacting the Social Security 2100 Act," July 12, 2023, https://www.ssa.gov/oact/solvency/JLarson_20230712.pdf (accessed November 12, 2026).

[1200] SSA Office of the Chief Actuary, letter to Rep. Sam Johnson on H.R. 6489, the Social Security Reform Act of 2016, December 8, 2016, https://www.ssa.gov/oact/solvency/SJohnson_20161208.pdf (accessed November 12, 2026).

[1201] Congressional Research Service (CRS), "Social Security's Funding Shortfall," In Focus IF10522, updated June 25, 2026, https://www.everycrsreport.com/files/2026-06-25_IF10522_8a9683f6fad12bc7cd24f610c266c6d0aabfc74e.html (accessed November 12, 2026).

[1202] SSA, "Retirement age and benefit reduction," https://www.ssa.gov/benefits/retirement/planner/ageincrease.html (accessed November 12, 2026).

[1203] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

[1204] SSA Actuarial Services, "Summary of Provisions That Would Change the Social Security Program" (estimates based on the intermediate assumptions of the 2026 Trustees Report), https://www.ssa.gov/oact/solvency/provisions/summary.html (accessed November 12, 2026).

[1205] Laura Haltzel, "Social Security Reform: President Bush's 2005 Individual Account Proposal," CRS Report RL32879, updated March 9, 2006, https://www.everycrsreport.com/reports/RL32879.html (accessed November 12, 2026).

[1206] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

Timing is an option too

The longer Congress waits, the bigger the change has to be, and the fewer people share it. Acting in 2026, the Trustees put the needed payroll tax at 16.65 percent; waiting until 2034 raises it to 17.30 percent.[1207] The same logic applies to benefit cuts: 25.2 percent for everyone in 2026, 28.5 percent in 2034.[1208] The 1983 rescue gave workers decades of notice before the retirement age began to rise.[1209] A deal made in 2033 could not do that.

I make no recommendation. Every option has winners and losers. What the record does show is that Congress has closed a gap like this before, in 1977 and again in 1983, each time with a mix of tax increases and benefit changes.[1210,1211]

[1207] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[1208] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[1209] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[1210] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1211] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

Appendices

Appendix A: Timeline

Social Security timeline

Year	Event
1889	Germany adopts social insurance under Bismarck.[1212]
1933	Dr. Francis Townsend publishes his pension plan.[1213]
1934	Roosevelt announces his plans (June 8) and creates the Committee on Economic Security.[1214]
1935	Social Security Act signed, August 14.[1215]
1936	First Social Security numbers issued; Roosevelt reelected.[1216,1217]
1937	Payroll taxes begin; Supreme Court upholds the Act, May 24.[1218,1219]
1939	Amendments add family and survivor benefits and create the trust fund.[1220,1221]

[1212] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1213] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1214] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1215] SSA Historian's Office, "1935 Congressional Debates on Social Security" (vote tallies), https://www.ssa.gov/history/tally.html (accessed November 12, 2026).

[1216] SSA Historian's Office, "Social Security Number Chronology," https://www.ssa.gov/history/ssn/ssnchron.html (accessed November 12, 2026).

[1217] Gerhard Peters and John T. Woolley, The American Presidency Project, University of California, Santa Barbara, "Election of 1936," https://www.presidency.ucsb.edu/statistics/elections/1936 (accessed November 12, 2026).

[1218] SSA Office of the Chief Actuary, "Social Security & Medicare Tax Rates," https://www.ssa.gov/oact/progdata/taxRates.html (accessed November 12, 2026).

[1219] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

[1220] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1221] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

Year	Event
1940	First monthly check, to Ida May Fuller, January 31.[1222]
1946	Social Security Board replaced by the Social Security Administration, headed by a Commissioner.[1223]
1950	Benefits raised 77 percent on average.[1224]
1953	SSA moved into the new Department of Health, Education, and Welfare.[1225]
1956	Disability benefits for workers 50 to 64; early retirement for women at 62.[1226]
1957	Disability Insurance Trust Fund begins.[1227]
1961	Early retirement at 62 for men.[1228]
1965	Medicare signed, July 30.[1229]
1969	Social Security counted in the unified budget.[1230]
1972	Automatic COLAs enacted (first paid in 1975); SSI created.[1231]

[1222] SSA Historian's Office, "Details of Ida May Fuller's Payroll Tax Contributions," Research Note #3, https://www.ssa.gov/history/idapayroll.html (accessed November 12, 2026).

[1223] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1224] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1225] SSA Historian's Office, "Chronology: 1950s," https://www.ssa.gov/history/1950.html (accessed November 12, 2026).

[1226] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1227] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[1228] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1229] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1230] SSA Historian's Office, "Social Security Myths" (archival research note), https://www.ssa.gov/history/InternetMyths.html (accessed November 12, 2026).

[1231] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

Year	Event
1977	Amendments fix the benefit formula and raise taxes.[1232]
1983	Greenspan Commission report; 1983 Amendments signed April 20.[1233,1234]
1984	Some benefits become taxable; Members of Congress covered.[1235]
1990	Budget Enforcement Act keeps Social Security off budget.[1236]
1993	Up to 85 percent of benefits taxable for higher incomes.[1237]
1994	Social Security Administrative Reform Act signed August 15; SSA becomes independent on March 31, 1995.[1238,1239]
1999	House passes the lockbox bill, 416 to 12.[1240]
2001	President's Commission to Strengthen Social Security created.[1241]

[1232] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1233] SSA Historian's Office, "Report of the National Commission on Social Security Reform" (Greenspan Commission), January 1983, https://www.ssa.gov/history/reports/gspan.html (accessed November 12, 2026).

[1234] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[1235] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

[1236] Barry F. Huston and Bill Heniff Jr., "The Social Security Trust Funds and the Budget," Congressional Research Service (CRS) In Focus IF11615, August 7, 2020, https://www.everycrsreport.com/reports/IF11615.html (accessed November 12, 2026).

[1237] Paul S. Davies, "Social Security: Taxation of Benefits," CRS Report RL32552, November 1, 2019, https://www.everycrsreport.com/files/20191101_RL32552_a44b7c437eee09a6cb8a6393d50208a5ed231bdc.html (accessed November 12, 2026).

[1238] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[1239] SSA Historian's Office, "Chronology: 1990s," https://www.ssa.gov/history/1990.html (accessed November 12, 2026).

[1240] SSA Office of Legislation and Congressional Affairs, Legislative Bulletin 106-6, May 28, 1999, https://www.ssa.gov/legislation/legis_bulletin_052899.html (accessed November 12, 2026).

Year	Event
2005	President Bush proposes personal accounts.[1242]
2010	Fiscal commission (Bowles-Simpson) votes 11 to 7 for its report, short of formal approval.[1243]
2011-2012	Payroll tax holiday, repaid from the general fund.[1244]
2015	Bipartisan Budget Act shores up the disability fund and ends file and suspend.[1245,1246]
2020	SSA closes local offices to walk-in service, March 17 (reopened April 7, 2022).[1247,1248]
2021	Total cost begins to exceed total income each year.[1249]
2025	Social Security Fairness Act; SSA staffing cuts; DOGE data dispute; senior tax deduction.[1250,1251,1252,1253]

[1241] Dawn Nuschler, "Social Security: Report of the President's Commission to Strengthen Social Security," CRS Report RS21095, December 21, 2001, https://www.everycrsreport.com/reports/RS21095.html (accessed November 12, 2026).

[1242] Laura Haltzel, "Social Security Reform: President Bush's 2005 Individual Account Proposal," CRS Report RL32879, updated March 9, 2006, https://www.everycrsreport.com/reports/RL32879.html (accessed November 12, 2026).

[1243] Congressional Research Service, "Reducing the Budget Deficit: The President's Fiscal Commission and Other Initiatives," CRS Report R41784, June 8, 2011, https://www.everycrsreport.com/files/20110608_R41784_167ab60aa76bc57fae211d64c939bc49f1d2f54b.html (accessed November 12, 2026).

[1244] SSA Office of the Chief Actuary, "Social Security Tax Rates" (OASI and DI rates, with notes on 1984, 2011-2012 and 2016-2018), https://www.ssa.gov/oact/progdata/oasdiRates.html (accessed November 12, 2026).

[1245] SSA Office of the Chief Actuary, "Social Security Tax Rates" (OASI and DI rates, with notes on 1984, 2011-2012 and 2016-2018), https://www.ssa.gov/oact/progdata/oasdiRates.html (accessed November 12, 2026).

[1246] Tamar B. Breslauer and William R. Morton, "Social Security: Major Decisions in the House and Senate Since 1935," Congressional Research Service (CRS) Report RL30920, updated January 22, 2025, https://www.everycrsreport.com/reports/RL30920.html (accessed November 12, 2026).

[1247] SSA, "Effective March 17, 2020, Social Security Offices Will Only Offer Phone Service," news release, March 16, 2020, https://www.ssa.gov/news/en/press/releases/2020-03-16.html (accessed November 12, 2026).

[1248] SSA, "Statement of Kilolo Kijakazi, Acting Commissioner: Social Security Administration to Resume In-Person Services at Local Social Security Offices," news release, April 4, 2022, https://www.ssa.gov/news/en/press/releases/2022-04-04.html (accessed November 12, 2026).

[1249] SSA Office of the Chief Actuary, "Combined OASI and DI Trust Funds, 1957-2025" (Table 4a3), https://www.ssa.gov/oact/STATS/table4a3.html (accessed November 12, 2026).

[1250] SSA, "Social Security Fairness Act: Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) Update," last updated July 21, 2025, https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html (accessed November 12, 2026).

Year	Event
2026	Trustees project combined reserves depleted in 2034; 3.6 percent COLA set for January 2027.[1254,1255]
2026	Court filings in the DOGE data case admit unapproved data handling; the case continues.[1256,1257]

Appendix B: Key People

Key people in the Social Security story

Person	Role	What they did
Franklin D. Roosevelt	President, 1933-1945	Proposed and signed the 1935 Act.[1258,1259]

[1251] SSA, "Social Security Announces Workforce and Organization Plans," February 28, 2025, https://www.ssa.gov/blog/en/posts/2025-02-28.html (accessed November 12, 2026).

[1252] Supreme Court of the United States, docket for Social Security Administration v. American Federation of State, County, and Municipal Employees, No. 24A1063, order of June 6, 2025, https://www.supremecourt.gov/search.aspx?filename=/docket/docketfiles/html/public/24a1063.html (accessed November 12, 2026).

[1253] Internal Revenue Service, "Working Families Tax Cuts: Tax deductions for working Americans and seniors" (fact sheet on Public Law 119-21), https://www.irs.gov/newsroom/one-big-beautiful-bill-act-tax-deductions-for-working-americans-and-seniors (accessed November 12, 2026).

[1254] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[1255] SSA, "2027 Cost-of-Living Adjustment (COLA) Fact Sheet," October 2026, https://www.ssa.gov/cola/factsheets/2027.html (accessed November 12, 2026).

[1256] U.S. Department of Justice for the defendants, "Notice of Corrections to the Record," American Federation of State, County and Municipal Employees v. Social Security Administration, No. 1:25-cv-00596-ELH (D. Md.), Document 197, filed January 16, 2026 (copy in the CourtListener RECAP archive), https://storage.courtlistener.com/recap/gov.uscourts.mdd.577321/gov.uscourts.mdd.577321.197.0_1.pdf (accessed November 12, 2026).

[1257] U.S. District Court for the District of Maryland, Order, AFSCME v. Social Security Administration, No. 1:25-cv-00596-ELH, Document 212, filed April 14, 2026 (court document as posted by plaintiffs' counsel), https://democracyforward.org/wp-content/uploads/2026/01/SSA-CASE-April-14-gov.uscourts.mdd_.577321.212.0_2.pdf (accessed November 12, 2026).

[1258] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1259] SSA Historian's Office, "1935 Congressional Debates on Social Security" (vote tallies), https://www.ssa.gov/history/tally.html (accessed November 12, 2026).

Person	Role	What they did
Frances Perkins	Secretary of Labor	Chaired the Committee on Economic Security.[1260]
Edwin Witte	Economist	Executive director of the Committee's staff.[1261]
Francis Townsend	Physician and activist	Led the movement for a $200-a-month pension.[1262]
Huey Long	U.S. Senator from Louisiana	Led the Share Our Wealth movement.[1263]
Robert Wagner	U.S. Senator from New York	Introduced the bill in the Senate.[1264]
Robert Doughton and David Lewis	U.S. Representatives	Introduced the bill in the House.[1265]
John G. Winant	First chairman of the Social Security Board	Former Republican governor of New Hampshire picked by Roosevelt to lead the Board.[1266,1267]
Arthur J. Altmeyer	Social Security Board member, then Commissioner	Served as Commissioner until April 10, 1953.[1268,1269]

[1260] SSA Historian's Office, "The Committee on Economic Security," https://www.ssa.gov/history/ces.html (accessed November 12, 2026).

[1261] SSA Historian's Office, "The Committee on Economic Security," https://www.ssa.gov/history/ces.html (accessed November 12, 2026).

[1262] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1263] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1264] SSA Historian's Office, "1935 Congressional Debates on Social Security" (vote tallies), https://www.ssa.gov/history/tally.html (accessed November 12, 2026).

[1265] SSA Historian's Office, "1935 Congressional Debates on Social Security" (vote tallies), https://www.ssa.gov/history/tally.html (accessed November 12, 2026).

[1266] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1267] SSA Historian's Office, "John G. Winant: First Chairman of the Social Security Board," May 1999, https://www.ssa.gov/history/mywinantarticle.html (accessed November 12, 2026).

[1268] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1269] SSA Historian's Office, "Chronology: 1950s," https://www.ssa.gov/history/1950.html (accessed November 12, 2026).

Person	Role	What they did
Robert M. Ball	Commissioner of Social Security, 1962-1973	Later served on the Greenspan Commission.[1270,1271]
Erskine Bowles and Alan Simpson	Co-chairs of the 2010 fiscal commission	Led the commission whose Social Security plan is scored in Chapter 22.[1272,1273]
Daniel Patrick Moynihan and Richard Parsons	Co-chairs of the 2001 commission	Led President Bush's Commission to Strengthen Social Security.[1274]
Benjamin Cardozo	Supreme Court Justice	Wrote the 1937 opinions upholding the Act.[1275]
Ida May Fuller	Retired legal secretary	Got the first monthly check, January 31, 1940.[1276]
Lyndon Johnson	President, 1963-1969	Signed Medicare in 1965.[1277]
Ronald Reagan	President, 1981-1989	Signed the 1983 Amendments.[1278]

[1270] SSA Historian's Office, "SSA Commissioners: Robert M. Ball," https://www.ssa.gov/history/ball.html (accessed November 12, 2026).

[1271] National Commission on Social Security Reform, "Members of the National Commission on Social Security Reform," Report, January 1983, as posted by the SSA Historian's Office, https://www.ssa.gov/history/reports/gspan2.html (accessed November 12, 2026).

[1272] Congressional Research Service, "Reducing the Budget Deficit: The President's Fiscal Commission and Other Initiatives," CRS Report R41784, June 8, 2011, https://www.everycrsreport.com/files/20110608_R41784_167ab60aa76bc57fae211d64c939bc49f1d2f54b.html (accessed November 12, 2026).

[1273] SSA Office of the Chief Actuary, letter to Erskine Bowles and Alan Simpson, co-chairs of the National Commission on Fiscal Responsibility and Reform, December 1, 2010, https://www.ssa.gov/oact/solvency/FiscalCommission_20101201.pdf (accessed November 12, 2026).

[1274] Dawn Nuschler, "Social Security: Report of the President's Commission to Strengthen Social Security," CRS Report RS21095, December 21, 2001, https://www.everycrsreport.com/reports/RS21095.html (accessed November 12, 2026).

[1275] Larry DeWitt, SSA Historian's Office, "The 1937 Supreme Court Rulings on the Social Security Act," 1999, https://www.ssa.gov/history/court.html (accessed November 12, 2026).

[1276] SSA Historian's Office, "Details of Ida May Fuller's Payroll Tax Contributions," Research Note #3, https://www.ssa.gov/history/idapayroll.html (accessed November 12, 2026).

[1277] Social Security Administration (SSA) Historian's Office, "Historical Background and Development of Social Security," https://www.ssa.gov/history/briefhistory3.html (accessed November 12, 2026).

[1278] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," Social Security Bulletin 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf (accessed November 12, 2026).

Person	Role	What they did
Alan Greenspan	Economist	Chaired the 1981-1983 reform commission.[1279]
George W. Bush	President, 2001-2009	Proposed personal accounts in 2005.[1280]
Charles Borges	SSA chief data officer	Filed a 2025 whistleblower complaint about DOGE data access.[1281]
Frank Bisignano	SSA Commissioner (as of September 2025)	Told the Senate that SSA found no evidence its main database was compromised.[1282]

Appendix C: Glossary

Terms used in this book

Term	Meaning
Actuarial balance	The gap between expected income and cost over 75 years, as a percent of taxable pay.[1283]
AIME	Average indexed monthly earnings: your highest 35 years of earnings, indexed to wage growth, averaged by month.[1284]
Bend points	The dollar amounts in the benefit formula where the percentage changes ($1,340 and $8,077 for

[1279] SSA Historian's Office, "Report of the National Commission on Social Security Reform" (Greenspan Commission), January 1983, https://www.ssa.gov/history/reports/gspan.html (accessed November 12, 2026).

[1280] Laura Haltzel, "Social Security Reform: President Bush's 2005 Individual Account Proposal," CRS Report RL32879, updated March 9, 2006, https://www.everycrsreport.com/reports/RL32879.html (accessed November 12, 2026).

[1281] FOX 10 Phoenix, "DOGE officials copied millions of Social Security numbers, whistleblower says," August 27, 2025, https://www.fox10phoenix.com/news/doge-social-security-numbers-whistleblower (accessed November 12, 2026).

[1282] Samantha-Jo Roth, Washington Examiner, "SSA tells Senate data remains secure after whistleblower allegations tied to DOGE," as published by The Gazette (Colorado Springs), September 16, 2025, https://gazette.com/2025/09/16/ssa-tells-senate-data-remains-secure-after-whistleblower-allegations-tied-to-doge-e86ad331-09bd-5898-b05c-7c8c64567e78/ (accessed November 12, 2026).

[1283] Social Security Board of Trustees, The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Section II.A, "Highlights," https://www.ssa.gov/oact/tr/2026/II_A_highlights.html (accessed November 12, 2026).

[1284] SSA Office of the Chief Actuary, "Social Security Benefit Amounts" (AIME, PIA and monthly benefit amounts), https://www.ssa.gov/oact/cola/Benefits.html (accessed November 12, 2026).

Term	Meaning
	workers turning 62 in 2027).[1285]
Credit (quarter of coverage)	The unit of work SSA counts to see if you qualify; one credit per $1,890 of covered earnings in 2026, up to four a year.[1286,1287]
Delayed retirement credits	Increases for waiting past full retirement age to start benefits, up to age 70.[1288]
Earnings test	The rule that holds back part of a benefit when a person under full retirement age earns more than a yearly limit.[1289]
PIA	Primary insurance amount: the monthly benefit at full retirement age, figured from the AIME.[1290]
Unfunded obligation	The present value of scheduled cost minus scheduled income and reserves over a time period; $29.3 trillion over 75 years in the 2026 report.[1291]
BLS	Bureau of Labor Statistics, the federal agency that publishes the Consumer Price Index.[1292]
CBO	Congressional Budget Office, Congress's nonpartisan budget scorekeeper. Its 2026 Social Security projections are in Chapter 20.[1293]

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Term	Meaning
CRS	Congressional Research Service, Congress's nonpartisan research agency.[1294]
DOGE	Department of Government Efficiency, a federal team set up in 2025.[1295]
GPO and WEP	Government Pension Offset and Windfall Elimination Provision, two rules ended in 2025.[1296]
HI	Hospital Insurance, Medicare's Part A trust fund and payroll tax.[1297]
IRS	Internal Revenue Service.
SSA	Social Security Administration.
SSI	Supplemental Security Income, a separate program paid from general tax money.[1298]
SSN	Social Security Number.[1299]
Average wage index	SSA's yearly measure of average pay, used to index earnings and set some program amounts.[1300]
COLA	Cost-of-living adjustment: the yearly increase in benefits based on the CPI-W.[1301]

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Term	Meaning
CPI-U, CPI-W	Two versions of the Consumer Price Index from the Bureau of Labor Statistics. This book uses CPI-U for inflation adjustment; COLAs use CPI-W.[1302,1303]
DI	Disability Insurance Trust Fund.
Entitlement	In budget terms, spending the law requires without a yearly vote.[1304]
FICA	Federal Insurance Contributions Act, the part of the law that sets the payroll tax.
Full retirement age	The age at which you can get your full benefit. It is 67 for people born in 1960 or later.[1305]
Improper payment	A payment in the wrong amount, too much or too little, for any reason.[1306]
OASI	Old-Age and Survivors Insurance Trust Fund (retirement and survivors).
OASDI	The two trust funds combined; the formal name of Social Security.
Provisional income	Income used to decide whether benefits are taxed: adjusted gross income, plus certain tax-free income, plus half of benefits.[1307]
Special issue	A Treasury bond only the trust funds can hold, cashable at face value at any time.[1308]

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Term	Meaning
Taxable maximum	The most pay taxed for Social Security in a year: $184,500 in 2026.[1309]

Appendix D: How to Read a Trustees Report

The Trustees Report comes out once a year, usually in the spring or summer. The 2026 report came out in June 2026. Here is where to look:

- Start with the "Highlights" section. It has the key results table, the depletion years and the share of benefits payable.[1310]
- Look for the word "intermediate." The Trustees run three sets of assumptions. The intermediate one is their best estimate.[1311]
- "Depletion" means the reserves are used up, not that benefits stop. The report says what share could still be paid.[1312]
- The 75-year "actuarial balance" is the size of the gap. A bigger negative number is a bigger gap.[1313]
- Compare with last year. The Highlights section explains what changed and why.[1314]
- The plain-language summary of both the Social Security and Medicare reports is on SSA's site.[1315]

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