

Macro Roundup Article

Headline: [Analysis of the 2024 Social Security Trustees' Report](#)

Article Link: <https://www.crfb.org/papers/analysis-2024-social-security-trustees-report>

Author(s)	CRFB Staff
Publication	Committee for a Responsible Federal Budget
Publication Date	May 07, 2024

Tweet: A @BudgetHawks analysis notes the Social Security "trust fund" will deplete its reserves by 2033, triggering a 21% benefit cut under current law. A 27% (i.e. 3.3pp) payroll tax increase could close the funding gap.

Summary: Social Security is approaching insolvency. Under current law, Social Security cannot guarantee full benefits to current retirees. The Trustees project the Social Security Old-Age and Survivors Insurance (OASI) trust fund will deplete its reserves by 2033, when today's 58-year-olds reach the full retirement age and today's youngest retirees turn 71. Upon insolvency, all beneficiaries will face a 21 percent across-the-board benefit cut. Including the Disability Insurance (SSDI) trust fund, the theoretically combined trust funds will be insolvent by 2035 and beneficiaries would face a 17 percent cut. According to the Trustees, lawmakers could restore 75-year solvency with the equivalent of a 27% (3.3 percentage point) payroll tax increase, a 21% reduction in all benefits, or a 25% reduction in benefits for new beneficiaries if they act today.

Related Articles: The Long Term Budget Outlook: 2024 to 2054 and Bill Cassidy's Well-Intentioned but Misguided Social-Security Reform and A Million Simulations, One Verdict for US Economy: Debt Danger Ahead

Primary Topic: Fiscal Deficits

Topics: Database, Fiscal Deficits, Fiscal Policy, Government Spending, Op-Ed/Blog Post, Politics, Taxation

Permalink: <https://www.edwardconard.com/macro-roundup/a-budgethawks-analysis-notes-the-social-security-trust-fund-will-deplete-its-reserves-by-2033-triggering-a-21-benefit-cut-under-current-law-a-27-i-e-3-3pp-payroll-tax-increase-could-close-th?view=detail>

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/05/20829-analysis-of-the-2024-social-security-trustees-report-featured-image.png>