Fact Sheet: 2024 Social Security and Medicare Trustees Reports

The Trustees of the Social Security and Medicare trust funds report on the current and projected financial status of the two programs each year. This document summarizes the findings of the 2024 reports. As in prior years, we found that the Social Security and Medicare programs both continue to face significant financing issues.

Based on our best estimates, this year's reports show that:

- The Old-Age and Survivors Insurance (OASI) Trust Fund will be able to pay 100 percent of total scheduled benefits until 2033, unchanged from last year's report. At that time, the fund's reserves will become depleted and continuing program income will be sufficient to pay 79 percent of total scheduled benefits.

- The Disability Insurance (DI) Trust Fund is projected to be able to pay 100 percent of total scheduled benefits through at least 2098, the last year of this report's projection period. Last year's report projected that the DI Trust Fund would be able to pay scheduled benefits through at least 2097, the last year of that report's projection period.

- If the OASI Trust Fund and the DI Trust Fund projections are combined, the resulting projected fund (designated OASDI) would be able to pay 100 percent of total scheduled benefits until 2035, 1 year later than reported last year. At that time, the projected fund's reserves would become depleted, and continuing total fund income would be sufficient to pay 83 percent of scheduled benefits. (The two funds could not actually be combined unless there were a change in the law, but the combined projection of the two funds is frequently used to indicate the overall status of the Social Security program.)

- The Hospital Insurance (HI) Trust Fund will be able to pay 100 percent of total scheduled benefits until 2036, 5 years later than reported last year. At that point, that fund's reserves will become depleted and continuing program income will be sufficient to pay 89 percent of total scheduled benefits.

- The Supplementary Medical Insurance (SMI) Trust Fund is adequately financed into the indefinite future because, unlike the other trust funds, its main financing sources -- enrolled beneficiary premiums and the associated federal contributions from the Treasury -- are automatically adjusted each year to cover costs for the upcoming year. Although the financing is assured, the rapidly rising SMI costs have been placing steadily increasing demands on beneficiaries and general taxpayers.

The projected long-term finances of the combined OASDI fund improved this year primarily due to an upward revision to the level of labor productivity over the projection period and a lower assumed long-term disability incidence rate. These improvements were partially offset by a decrease in the assumed long-term total fertility rate. The revision to labor productivity was based on stronger economic growth in 2023 than had been anticipated in last year's reports. The Trustees lowered the long-term disability incidence and fertility rate assumptions based on continued low levels in both series.

The projected long-term finances of the HI Trust Fund also improved this year relative to last. This improvement was due to several factors, including a policy change correcting for the way medical education expenses are accounted for in Medicare Advantage rates starting in 2024, higher payroll tax income resulting from the stronger-than-expected economy, and actual 2023 expenditures that were lower than projected last year.

The change in the projected long-term finances of the SMI Trust Fund from last year's report varies over the projection period. For Part B, the long-range projections as a percent of GDP are lower than those projected last year through 2056 and higher thereafter. This change reflects the combined effects of lower projected spending for outpatient hospital and home health agency services and revised GDP projections. For Part D, the expenditure share of GDP is projected to be higher than last year early in the projection period and to continue to vary but become more similar to last year's estimates later in the projection period. These changes largely reflect revisions to drug utilization, enrollment, and GDP projections.

Lawmakers have many options for changes that would reduce or eliminate the long-term financing shortfalls. Taking action sooner rather than later will allow consideration of a broader range of solutions and provide more time to phase in changes so that the public has adequate time to prepare.