

## *Actuarial Analysis*

would operate if tax rates were reallocated or if the two funds were merged. It is important to note, however, that there is no provision in the Social Security Act that authorizes borrowing on behalf of a deficient trust fund.

Under the more favorable economic and demographic conditions assumed in alternative I, expenditures from the DI Trust Fund would exceed income through the year 1999.<sup>1</sup> Based on these assumptions, the assets of the DI Trust Fund would decrease steadily and be exhausted late in 1997. Under the less favorable conditions assumed for alternative III, DI assets would decline rapidly in the absence of corrective legislation and would become insufficient to pay benefits when due early in 1995.

Because DI assets fail to reach the level of 1 year's expenditures under the alternative II assumptions and would be insufficient to meet benefit payments when due in 1995 and later, the DI Trust Fund does not satisfy the Trustees' short-range test of financial adequacy. In view of the projected imminent depletion of the DI Trust Fund, it is imperative that the financial position of the DI program be strengthened in the very near future. As noted previously, the Board of Trustees has recommended to the Congress that tax rates be reallocated between the OASI and DI Trust Funds. As will be seen in the next subsection, such action would correct the short-range financing insufficiency for the DI Trust Fund without jeopardizing the short-range financial status of the OASI Trust Fund.

### *c. Combined OASI and DI Trust Fund Operations*

The estimated operations and status of the OASI and DI Trust Funds, combined, during calendar years 1993-2002 on the basis of the three alternatives, are shown in table II.F.3, together with figures on actual experience in 1992. These amounts are generally the sums of the corresponding figures shown in tables II.F.1 and II.F.2. An exception is made reflecting the depletion of the DI Trust Fund. Under each alternative, the trust fund amount shown for OASI and DI combined excludes the DI advance tax transfers that would be reinstated under present law. This adjustment is made to facilitate analysis of how the program would operate if the two trust funds were combined into one, or if tax rates were reallocated between the funds.

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<sup>1</sup> As noted in section II.B, the tax rate allocated to the DI Trust Fund is scheduled under present law to increase from 0.60 percent for employees and employers, each, to 0.71 percent starting in the year 2000.

**TABLE II.F.3.—ESTIMATED OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, BY ALTERNATIVE, CALENDAR YEARS 1992-2002**

[Amounts in billions]

Calendar year	Income	Expenditures	Net increase in funds	Funds at end of year	Trust fund	
					Amount <sup>1</sup>	Ratio <sup>2</sup>
1992 <sup>3</sup>	\$342.6	\$291.9	\$50.7	\$331.5	\$280.7	96
Alternative I:						
1993	359.0	308.1	50.9	382.3	331.5	108
1994	392.9	322.9	70.0	452.3	382.3	118
1995	418.7	338.2	80.6	532.9	452.3	134
1996	450.5	354.6	95.9	628.9	532.9	150
1997 <sup>4</sup>	480.4	371.8	108.7	737.5	5628.9	5169
1998 <sup>4</sup>	514.0	389.6	124.4	861.9	5737.5	5189
1999 <sup>4</sup>	548.9	408.4	140.5	1,002.4	5861.9	5211
2000 <sup>4</sup>	586.3	428.2	158.1	1,160.5	51,002.4	5234
2001 <sup>4</sup>	626.9	448.9	178.0	1,338.5	51,160.5	5259
2002 <sup>4</sup>	669.6	470.9	198.7	1,537.2	51,338.5	5284
Alternative II:						
1993	355.8	309.1	46.8	378.3	331.5	107
1994	386.2	325.7	60.5	438.7	378.3	116
1995 <sup>4</sup>	407.6	343.2	64.4	503.2	438.7	128
1996 <sup>4</sup>	433.0	362.0	71.0	574.2	503.2	5139
1997 <sup>4</sup>	456.9	382.2	74.7	648.8	574.2	5150
1998 <sup>4</sup>	483.9	403.6	80.3	729.1	5648.8	5161
1999 <sup>4</sup>	513.4	426.8	86.5	815.7	5729.1	5171
2000 <sup>4</sup>	545.6	452.3	93.3	908.9	5815.7	5180
2001 <sup>4</sup>	580.8	479.6	101.2	1,010.2	5908.9	5190
2002 <sup>4</sup>	617.8	508.3	109.5	1,119.6	51,010.2	5199
Alternative III:						
1993	354.6	310.0	44.6	376.1	331.5	107
1994	380.0	330.4	49.6	425.7	376.1	114
1995 <sup>4</sup>	399.4	351.6	47.8	473.5	5425.7	5121
1996 <sup>4</sup>	430.4	380.6	49.8	523.3	5473.5	5124
1997 <sup>4</sup>	451.2	414.4	36.8	560.0	5523.3	5126
1998 <sup>4</sup>	471.8	443.8	28.0	588.0	5560.0	5126
1999 <sup>4</sup>	501.3	476.3	25.0	613.1	5588.0	5123
2000 <sup>4</sup>	534.3	510.8	23.5	636.5	5613.1	5120
2001 <sup>4</sup>	567.3	547.2	20.1	656.6	5636.5	5116
2002 <sup>4</sup>	599.9	585.7	14.1	670.7	5656.6	5112

<sup>1</sup>Represents assets at beginning of year.

<sup>2</sup>Represents amounts shown in preceding column as a percentage of expenditures during the year. See text concerning interpretation of these ratios.

<sup>3</sup>Figures for 1992 represent actual experience.

<sup>4</sup>Under alternative I, the DI Trust Fund would be depleted in 1997 when assets would become insufficient to pay benefits on time. Under alternatives II and III, depletion would occur in 1995. Thus, figures shown for the combined trust funds under each alternative for the year of depletion and later are theoretical. See text for details.

<sup>5</sup>Trust fund amounts and ratios for 1997 and later under alternative I, 1996 and later under alternative II, and 1995 and later under alternative III, do not reflect the advance tax transfers to the DI Trust Fund that would be made under present law. See text for details.

Note: Totals do not necessarily equal the sums of rounded components.

At the beginning of 1992, the trust fund ratio for the OASI and DI Trust Funds combined was 96 percent, as shown in table II.F.3. During 1992, total income to the two trust funds was \$50.7 billion higher than total expenditures, reflecting an OASI surplus of \$51.3 billion and the DI deficit of \$0.6 billion. As a result of this net in-

## *Actuarial Analysis*

crease, combined OASDI assets at the beginning of 1993 represented about 107 percent of estimated combined expenditures for the year. Based on alternative II, the trust fund ratio for the combined funds is projected to increase substantially, nearly doubling by 2002. The ratio would grow at an even faster rate under the more optimistic conditions assumed in alternative I, reaching 284 percent at the beginning of the year 2002. Under the alternative III assumptions, assets would grow more slowly, reach a maximum of 126 percent in 1997 and 1998, and decline to 112 percent at the beginning of 2002.

Under the alternative II assumptions, the total assets of the OASI and DI Trust Funds would remain above 100 percent of annual OASDI expenditures throughout the short-range projection period. Therefore, the combined trust funds meet the requirements of the short-range test of financial adequacy. Under the less favorable conditions assumed in alternative III, the fund ratio for OASI and DI combined would still remain above 100 percent through 2002 (although, as indicated in the section on long-range projections, the ratio would fall below this level shortly thereafter). Thus, even under adverse conditions the combined funds would satisfy the short-range test of financial adequacy, although only by a narrow margin.

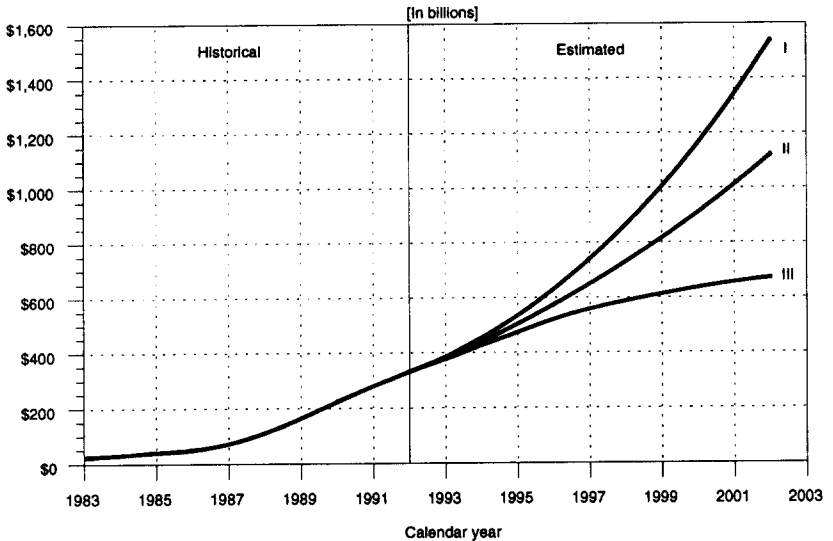
The projections in table II.F.3 indicate that the short-range financial status of the OASI and DI Trust Funds, on a combined basis, is satisfactory. Thus, the near-term depletion of the DI Trust Fund could be avoided through a reallocation of tax rates between OASI and DI without jeopardizing the short-range financial status of the OASI Trust Fund. Such a reallocation would, of course, worsen the long-range financial outlook for OASI. Because the OASI program is substantially larger than DI, however, the negative impact on OASI would be small whereas the improvement for DI would be considerable.

Section 215(i) of the Social Security Act includes a provision to stabilize automatic benefit increases in the event of high inflation at a time when the combined assets of the OASI and DI Trust Funds are at very low levels (see section II.E of this report). Under all three alternatives, the level of OASDI assets during 1993-2002 would substantially exceed the applicable threshold. Thus, the stabilizer pro-

vision would not be triggered during the short-range projection period under any of the sets of assumptions used in this report.

Figure II.F.1 presents the estimated total assets of the OASI and DI Trust Funds at the end of each year 1993-2002, based on the three sets of assumptions (together with actual assets at the end of each year 1983-92). Figure II.F.2 illustrates the pattern of actual past and estimated future OASDI trust fund ratios under the three alternatives. Trust fund ratios for selected years prior to 1993, and estimates for 1993-2002 under the three alternatives, are shown in table II.F.4 for OASI, DI, and both funds combined. In evaluating the ratios shown in figure II.F.2 and table II.F.4, it should be recalled that a minimum of roughly 8 to 9 percent is generally needed to meet monthly cash-flow requirements. The shaded area in figure II.F.2 depicts this requirement.

FIGURE II.F.1.—ESTIMATED ASSETS AT END OF YEAR, FOR OASI AND DI TRUST FUNDS COMBINED, CALENDAR YEARS 1983-2002



Actuarial Analysis

FIGURE II.F.2.—ESTIMATED TRUST FUND RATIOS, FOR OASI AND DI TRUST FUNDS COMBINED, CALENDAR YEARS 1983-2002  
 [Assets as a percentage of annual expenditures]

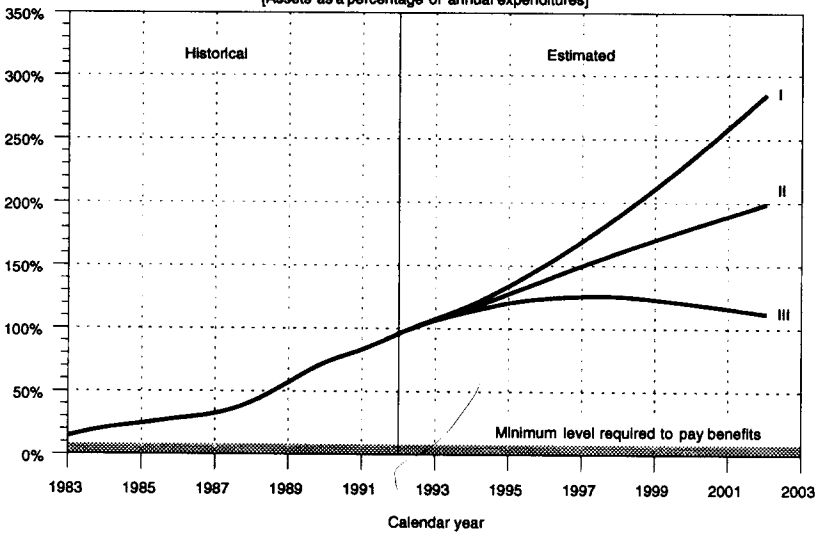


TABLE II.F.4.—TRUST FUND RATIOS<sup>1</sup> BY TRUST FUND, SELECTED CALENDAR YEARS 1950-92, AND ESTIMATED FUTURE RATIOS BY ALTERNATIVE, CALENDAR YEARS 1993-2002

[In percent]

Calendar year	OASI Trust Fund	DI Trust Fund	OASI and DI Trust Funds, combined
<b>Historical data:</b>			
1950	1,156	—	1,156
1955	405	—	405
1960	180	304	186
1965	109	121	110
1970	101	126	103
1975	63	92	66
1980	23	35	25
1985	24	27	24
1986	28	38	29
1987	30	44	31
1988	41	38	41
1989	59	38	57
1990	78	40	75
1991	87	39	82
1992	103	40	96
<b>Alternative I:</b>			
1993	117	35	108
1994	130	27	118
1995	149	21	134
1996	169	13	150
1997 <sup>2</sup>	192	313	4169
1998 <sup>2</sup>	217	(5)	4189
1999 <sup>2</sup>	244	(5)	4211
2000 <sup>2</sup>	273	(5)	4234
2001 <sup>2</sup>	301	(5)	4259
2002 <sup>2</sup>	331	(5)	4284

**TABLE II.F.4.—TRUST FUND RATIOS<sup>1</sup> BY TRUST FUND, SELECTED  
CALENDAR YEARS 1950-92, AND ESTIMATED FUTURE RATIOS  
BY ALTERNATIVE, CALENDAR YEARS 1993-2002 (Cont.)**

[In percent]

Calendar year	OASI Trust Fund	DI Trust Fund	OASI and DI Trust Funds, combined
<b>Alternative II:</b>			
1993 .....	117	35	107
1994 .....	129	24	116
1995 <sup>2</sup> .....	144	11	128
1996 <sup>2</sup> .....	160	(5)	4139
1997 <sup>2</sup> .....	176	(5)	4150
1998 <sup>2</sup> .....	193	(5)	4161
1999 <sup>2</sup> .....	209	(5)	4171
2000 <sup>2</sup> .....	225	(5)	4180
2001 <sup>2</sup> .....	239	(5)	4190
2002 <sup>2</sup> .....	254	(5)	4199
<b>Alternative III:</b>			
1993 .....	116	34	107
1994 .....	127	21	114
1995 <sup>2</sup> .....	138	311	4121
1996 <sup>2</sup> .....	147	(5)	4124
1997 <sup>2</sup> .....	154	(5)	4126
1998 <sup>2</sup> .....	160	(5)	4126
1999 <sup>2</sup> .....	164	(5)	4123
2000 <sup>2</sup> .....	168	(5)	4120
2001 <sup>2</sup> .....	171	(5)	4116
2002 <sup>2</sup> .....	173	(5)	4112

<sup>1</sup>Except where noted, represents assets at beginning of year as a percentage of expenditures during the year. For 1984-90, assets at beginning of year for each trust fund and the combined funds include the respective OASI and DI advance tax transfers for January.

<sup>2</sup>Figures for OASI and DI combined are theoretical because of the projected depletion of the DI Trust Fund.

<sup>3</sup>Assets at beginning of year include advance tax transfers for January.

<sup>4</sup>Assets at beginning of year exclude advance tax transfers to the DI Trust Fund that would be made under present law. See text for details.

<sup>5</sup>Fund depleted.

The estimated trust fund ratios for OASI, as shown in this report under alternative II, are virtually identical to the corresponding estimates in the 1992 Annual Report. The projected operations under alternative I are somewhat less favorable than those shown in the 1992 report, since actual conditions in 1992 were less favorable than assumed under the optimistic assumptions used in that report. Correspondingly, the current estimates based on alternative III are somewhat more favorable, through 1997, than those shown in the 1992 report. After 1997, however, the effects of the assumed second recession under alternative III produce somewhat less favorable estimates in this report than those shown in the 1992 report.

The factors underlying the changes in the financial outlook for the OASI Trust Fund, from last year's annual report to this year's, are analyzed in table II.F.5. In the 1992 Annual Report, the trust fund ratio for OASI was estimated to reach 245 percent at the beginning

*Actuarial Analysis*

of the year 2001—the tenth projection year from that report. The corresponding ratio shown in this report for the tenth projection year (2002) is 254 percent. As indicated in table II.F.5, if there had been no changes to the projections, then the estimated ratio at the beginning of 2002 would have been 18 percentage points higher than at the beginning of 2001. There were changes, however, to reflect the latest actual data as well as adjustments to the assumptions for future years. The changes in the demographic factors had a negative effect, resulting in an aggregate reduction by the beginning of the year 2002 of 8 percentage points in the OASI trust fund ratio. The net effect of actual economic conditions in 1992, and adjustments to the assumptions for 1993 and later, was to reduce the trust fund ratio by 1 additional percentage point. Together, these factors explain the overall change in the ratio for the tenth projection year.

Corresponding estimates of the factors underlying the changes in the financial projections for the DI Trust Fund, and for the OASI and DI Trust Funds combined, are also shown in table II.F.5. As indicated, most of the decline in the DI fund ratio for the tenth projection year is attributable to changes in the disability assumptions. These changes will be discussed further below.

**TABLE II.F.5.—CHANGE IN OASI AND DI TRUST FUND RATIOS AT THE BEGINNING OF THE TENTH YEAR OF PROJECTION, BASED ON THE INTERMEDIATE ASSUMPTIONS, BY REASON FOR CHANGE**

[In percent]			
Item	OASI Trust Fund	DI Trust Fund	OASI and DI Trust Funds, combined
Trust fund ratio shown in last year's report for calendar year 2001 <sup>1</sup> .....	245	2-42	2 206
Change in trust fund ratio due to changes in:			
Valuation period .....	18	-6	14
Demographic assumptions .....	-8	(3)	-8
Economic assumptions .....	-1	-1	-1
Disability assumptions .....	(3)	-66	-12
Total change in trust fund ratio .....	9	-73	-7
Trust fund ratio shown in this report for calendar year 2002 <sup>1</sup> .....	254	2-115	2 199

<sup>1</sup> Figures for DI, and for OASI and DI combined, are theoretical because of the depletion of the DI Trust Fund.

<sup>2</sup> Does not reflect advance tax transfers to the DI Trust Fund.

<sup>3</sup> Between -0.5 and 0.5 percent.

For the DI Trust Fund during 1993-2002, the estimated operations in this report under all three alternatives are significantly more adverse than the corresponding estimates from the 1992 report. In

particular, the DI estimates are adversely affected by a much more rapid increase in the number of new disability awards to insured workers in 1992 than was anticipated in last year's report, together with a slightly larger decline in the rate at which disability benefits terminate due to recovery, death, or attainment of normal retirement age. In addition, these developments have prompted revisions in the assumed rates of disability incidence and termination for future years.

As noted previously, the disability incidence rate in 1992 proved to be substantially greater than had been assumed in the 1992 Annual Report, in part as a result of the expedited processing of disability applications. In 1992, the actual incidence rate rose by 16 percent (on a relative basis), compared to assumed increases of 2 percent under alternative II and 8 percent under alternative III. In addition to the direct financial effect of the greater number of disability awards in 1992 (over 640,000 versus the prior estimated range of 518,000 to 598,000), the rapid growth in incidence necessitated a revision of the incidence rates assumed for future years. The assumed rates for the 1993 Annual Report are initially higher than the corresponding rates from the 1992 report by about the same actual-to-expected differential experienced in 1992; in later years, this difference in assumptions diminishes somewhat. Most of the higher cost estimated for the DI program in the 1993 Annual Report is attributable to the actual incidence experience in 1992 together with the associated revision in assumed future incidence rates.

The decline in the disability termination rate experienced in 1992 was slightly greater than assumed in the 1992 Annual Report. The termination rate assumptions for this annual report were not changed regarding terminations due to attainment of normal retirement age, but were revised to reflect a small decrease in the termination rates due to death and a smaller increase, relative to the prior assumptions, in the termination rates due to recovery.

As mentioned previously, reference may be made to the report "The Social Security Disability Insurance Program: An Analysis," prepared for the Board of Trustees, for further information on the factors believed to be contributing to the worsening financial outlook for the DI Trust Fund.

Table II.F.6 shows that total expenditures in calendar year 1992 from the OASI and DI Trust Funds increased to 11.55 percent of taxable



## *Actuarial Analysis*

payroll for the year—1.09 percentage points less than the income rate of 12.64 percent. This increase in the cost rate resulted primarily from the continuing weak economic growth and relatively high unemployment experienced in 1992. Based on alternative I, the OASDI cost rate is estimated to decline steadily during the short-range projection period, reaching 10.17 percent in 2002. Based on alternative II, the cost rate would remain in the neighborhood of 11.5-11.6 percent throughout the 10-year projection period. Under alternative III, it would increase significantly, to 13.36 percent in 2002.

These cost rate projections are shown in table II.F.6 for both trust funds, separately and combined. Table II.F.6 also shows a comparison of the cost rates with the corresponding income rates. As explained previously, the income rate represents the sum of the combined employee-employer payroll tax rate and the income derived from the Federal income taxation of OASDI benefits, expressed as a percentage of taxable payroll. The difference between the income rate and the cost rate for a given year is referred to as the “balance” for that year.

**TABLE II.F.6.—COMPARISON OF INCOME RATES AND COST RATES, BY TRUST FUND, SELECTED CALENDAR YEARS 1950-92, AND ESTIMATED RATES BY ALTERNATIVE, CALENDAR YEARS 1993-2002**

(As a percentage of taxable payroll)

Calendar year	OASI Trust Fund			DI Trust Fund			OASI and DI, combined		
	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance
Historical data:									
1950...	3.00	1.17	1.83	—	—	—	3.00	1.17	1.83
1955...	4.00	3.34	.66	—	—	—	4.00	3.34	.66
1960...	5.50	5.59	-.09	0.50	0.30	0.20	6.00	5.89	.11
1965...	6.75	7.23	-.48	.50	.70	-.20	7.25	7.93	-.68
1970...	7.30	7.32	-.02	1.10	.81	.29	8.40	8.12	.28
1975...	8.75	9.29	-.54	1.15	1.36	-.21	9.90	10.65	-.75
1980...	9.04	9.36	-.32	1.12	1.38	-.26	10.16	10.74	-.58
1985...	110.71	9.93	.78	11.07	1.13	-.06	111.79	11.06	.72
1986...	10.59	9.83	.76	1.01	1.11	-.10	11.60	10.94	.66
1987...	10.57	9.59	.98	1.00	1.10	-.10	11.56	10.69	.88
1988 <sup>2</sup> ...	11.22	9.59	1.63	1.06	1.08	-.02	12.29	10.67	1.62
1989 <sup>2</sup> ...	11.17	9.49	1.68	1.06	1.06	(3)	12.23	10.55	1.69
1990 <sup>2</sup> ...	111.32	9.65	1.67	11.17	1.09	.09	112.49	10.74	1.75
1991 <sup>2</sup> ...	11.44	10.17	1.28	1.21	1.18	.03	12.65	11.35	1.30
1992 <sup>2</sup> ...	11.43	10.28	1.15	1.21	1.27	-.06	12.64	11.55	1.09
Alternative I:									
1993...	11.42	10.19	1.23	1.21	1.29	-.08	12.63	11.48	1.15
1994...	11.42	9.96	1.46	1.21	1.30	-.09	12.63	11.26	1.37
1995...	111.37	9.74	1.64	11.21	1.31	-.10	112.58	11.05	1.54
1996...	11.41	9.56	1.85	1.21	1.32	-.11	12.62	10.87	1.74
1997...	11.40	9.39	2.01	1.21	1.33	-.12	12.61	10.72	1.89
1998...	11.40	9.24	2.15	1.21	1.34	-.13	12.61	10.58	2.03
1999...	11.39	9.12	2.27	1.21	1.35	-.14	12.60	10.47	2.13
2000...	111.17	9.01	2.16	11.43	1.35	.08	112.60	10.37	2.23
2001...	11.17	8.90	2.27	1.43	1.36	.07	12.60	10.26	2.33
2002...	11.17	8.79	2.37	1.43	1.38	.06	12.60	10.17	2.43
Alternative II:									
1993...	11.42	10.30	1.13	1.21	1.33	-.12	12.63	11.63	1.00
1994...	11.42	10.18	1.24	1.21	1.38	-.17	12.63	11.56	1.07
1995...	111.40	10.10	1.30	11.21	1.43	-.22	112.61	11.53	1.08
1996...	11.42	10.06	1.36	1.21	1.48	-.27	12.63	11.54	1.09
1997...	11.41	10.01	1.40	1.21	1.53	-.32	12.63	11.55	1.08
1998...	11.41	9.99	1.42	1.21	1.58	-.37	12.62	11.57	1.05
1999...	11.41	9.96	1.45	1.21	1.63	-.42	12.62	11.59	1.03
2000...	111.19	9.94	1.25	11.43	1.67	-.24	112.62	11.61	1.02
2001...	11.19	9.91	1.28	1.43	1.71	-.27	12.62	11.62	1.00
2002...	11.19	9.87	1.31	1.43	1.74	-.31	12.62	11.62	1.00
Alternative III:									
1993...	11.42	10.35	1.07	1.21	1.36	-.15	12.63	11.71	.92
1994...	11.43	10.49	.94	1.21	1.46	-.25	12.64	11.96	.68
1995...	111.45	10.55	.90	11.21	1.56	-.35	112.66	12.11	.55
1996...	11.43	10.55	.88	1.21	1.65	-.44	12.64	12.20	.44
1997...	11.43	10.92	.52	1.21	1.80	-.59	12.65	12.72	-.07
1998...	11.44	11.10	.34	1.21	1.92	-.71	12.65	13.02	-.37
1999...	11.43	11.12	.32	1.22	2.01	-.80	12.65	13.13	-.48
2000...	111.21	11.09	.13	11.44	2.09	-.66	112.65	13.18	-.53
2001...	11.21	11.10	.12	1.44	2.17	-.73	12.65	13.26	-.61
2002...	11.21	11.12	.09	1.44	2.24	-.80	12.65	13.36	-.71

<sup>1</sup>Income rates for 1985, 1990, 1995, and 2000 are modified to include adjustments to the lump-sum payments received in 1983 from the general fund of the Treasury for the cost of noncontributory wage credits for military service in 1940-56.

<sup>2</sup>Figures shown are preliminary.

<sup>3</sup>Between -0.005 and 0.005 percent of taxable payroll.

Notes:

1. The income rate excludes interest income and certain transfers from the general fund of the Treasury.
2. Totals do not necessarily equal the sums of rounded components.

## *Actuarial Analysis*

Estimates of the operations of the trust funds during calendar years 1993-2002 have been presented in the preceding tables on the basis of three different sets of economic assumptions, because of the uncertainty of future economic and demographic developments. Under the provisions of the Social Security Act, estimates of the expected operations and status of the trust funds during the next 5 *fiscal* years are required to be shown in this report. Accordingly, detailed estimates of the expected operations and status of the trust funds during fiscal years 1993-97 are shown in the remaining tables of this section for the intermediate set of assumptions (alternative II) only. Similar detailed estimates are also shown for 5 additional fiscal years (1998-2002) and on a calendar-year basis for 1993-2002.

Data on the actual operations of the OASI Trust Fund for selected years during 1940-92, and estimates of the expected operations of the trust fund during 1993-2002 on the basis of the intermediate set of assumptions, are shown in tables II.F.7 and II.F.8 on a fiscal- and calendar-year basis, respectively. Corresponding figures on the operations of the DI Trust Fund are shown in tables II.F.9 and II.F.10. Operations of both trust funds combined are shown in tables II.F.11 and II.F.12. (Data relating to the operations of the two trust funds for years not shown in tables II.F.7-II.F.12 are contained in past annual reports.) The figures shown in tables II.F.8, II.F.10, and II.F.12 for 1987, 1988, and 1992 are adjusted to reflect 12 months of benefit payments in each year. The amounts estimated for 1993, 1998, and 1999 are similarly adjusted.

TABLE I.L.F.7.—OPERATIONS OF THE OASI TRUST FUND DURING SELECTED FISCAL YEARS 1940-92 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1993-2002, ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS

Fiscal year <sup>1</sup>	[In millions]											
	Income					Expenditures						
	Total	Net contributions <sup>2</sup>	Income from taxation of benefits	Payments from the general fund of the Treasury <sup>3</sup>	Net interest <sup>4</sup>	Total	Benefit payments <sup>5</sup>	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers <sup>6</sup>	Net increase in fund	Fund at end of period
Historical data:												
1940 ..	\$592	\$550	—	—	\$42	\$28	\$16	\$12	—	—	\$564	\$1,745
1945 ..	1,434	1,310	—	—	124	267	240	27	—	—	1,167	6,613
1950 ..	2,367	2,106	—	\$4	257	784	727	57	—	—	1,583	12,893
1955 ..	5,525	5,087	—	—	438	4,427	4,333	103	—	—	1,098	21,141
1960 ..	10,360	9,843	—	—	517	11,073	10,270	202	600	—	-713	20,829
1965 ..	16,443	15,857	—	—	586	15,962	15,226	300	436	—	482	20,180
1970 ..	31,746	29,955	—	442	1,350	27,321	26,268	474	579	—	4,425	32,616
1975 ..	58,757	56,017	—	447	2,292	56,676	54,847	848	982	—	2,081	39,948
1980 ..	100,051	97,608	—	557	1,886	103,228	100,626	1,160	1,442	—	-3,177	24,566
1985 ..	179,881	175,305	\$3,151	105	1,321	169,210	165,310	1,589	2,310	-\$4,364	6,308	33,877
1986 ..	195,331	187,007	3,329	2,293	2,701	178,534	174,340	1,609	2,585	-13,155	3,642	37,519
1987 ..	206,846	199,554	3,323	69	3,900	186,101	182,003	1,541	2,557	—	20,745	58,265
1988 ..	235,720	226,409	3,335	55	5,922	197,021	192,502	1,729	2,790	—	38,700	96,964
1989 ..	260,457	247,116	3,638	43	9,660	209,102	204,600	1,657	2,845	—	51,355	148,319
1990 ..	278,607	261,506	2,924	34	14,143	223,481	218,948	1,564	2,969	—	55,126	203,445
1991 ..	293,288	270,841	5,790	-2,089	18,746	241,316	236,195	1,746	3,375	—	51,972	255,417
1992 ..	307,102	278,506	6,019	19	22,557	256,239	251,268	1,823	3,148	—	50,862	306,280
Estimates:												
1993 ..	319,309	287,566	5,900	14	25,829	270,240	264,843	2,009	3,388	—	49,070	355,349
1994 ..	346,839	312,084	6,169	10	28,575	283,594	278,002	2,070	3,521	—	63,245	418,594
1995 ..	366,612	328,235	6,512	8	31,858	297,182	291,465	2,078	3,639	—	69,430	488,024
1996 ..	388,835	347,068	6,774	-562	35,555	311,817	305,934	2,111	3,772	—	77,018	565,042
1997 ..	411,389	364,567	7,034	5	39,783	327,454	321,379	2,159	3,915	—	83,935	648,977
1998 ..	436,600	384,838	7,318	4	44,440	344,104	337,855	2,218	4,031	—	92,495	741,473
1999 ..	464,050	406,638	7,658	3	49,751	362,176	355,730	2,287	4,159	—	101,873	843,346
2000 ..	487,464	423,635	8,079	2	55,748	382,131	375,418	2,363	4,350	—	105,334	948,680
2001 ..	517,371	446,629	8,520	2	62,220	403,649	396,694	2,442	4,512	—	113,722	1,062,402
2002 ..	551,512	473,010	8,978	1	69,522	426,292	419,094	2,528	4,670	—	125,220	1,187,621

See following page for footnotes.

<sup>1</sup>Under the Congressional Budget Act of 1974 (Public Law 93-344), fiscal years 1977 and later consist of the 12 months ending on September 30 of each year. Fiscal years prior to 1977 consisted of the 12 months ending on June 30 of each year.

<sup>2</sup>Beginning in 1983, includes transfers from general fund of Treasury representing contributions that would have been paid on deemed wage credits for military service in 1957 and later, if such credits were considered to be covered wages.

<sup>3</sup>Includes payments (1) in 1947-52 and in 1967 and later, for costs of non-contributory wage credits for military service performed before 1957; (2) in 1972-83, for costs of deemed wage credits for military service performed after 1956; and (3) in 1969 and later, for costs of benefits to certain uninsured persons who attained age 72 before 1968.

<sup>4</sup>Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following

fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in October 1973, the figures shown include relatively small amounts of gifts to the fund. Figures for 1983-86 reflect payments from a borrowing trust fund to a lending trust fund for interest on amounts owed under the interfund borrowing provisions. During 1983-91, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amounts shown for 1985 and 1986 include interest adjustments of \$76.5 million and \$11.5 million, respectively, on unnegotiated checks issued before April 1985.

<sup>5</sup>Beginning in 1967, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for un-negotiated benefit checks.

<sup>6</sup>Negative figures represent amounts repaid from the OASI Trust Fund to the DI and HI Trust Funds.

**TABLE II.F.8.—OPERATIONS OF THE OASI TRUST FUND DURING SELECTED CALENDAR YEARS 1940-92 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1993-2002, ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS**

Calendar year	Income					Expenditures						Fund at end of period
	Total	Net contributions <sup>1</sup>	Income from taxation of benefits	Payments from the general fund of the Treasury <sup>2</sup>	Net interest <sup>3</sup>	Total	Benefit payments <sup>4</sup>	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers <sup>5</sup>	Net increase in fund	
Historical data:												
1940 ..	\$368	\$325	—	—	\$43	\$62	\$35	\$26	—	—	\$306	\$2,031
1945 ..	1,420	1,285	—	—	134	304	274	30	—	—	1,116	7,121
1950 ..	2,928	2,667	—	\$4	257	1,022	961	61	—	—	1,905	13,721
1955 ..	6,167	5,713	—	—	454	5,079	4,968	119	—	—	1,087	21,663
1960 ..	11,382	10,866	—	—	516	11,198	10,677	203	—	—	184	20,324
1965 ..	16,610	16,017	—	—	593	17,501	16,737	328	—	—	—890	18,235
1970 ..	32,220	30,256	—	449	1,515	29,848	28,798	471	—	—	2,371	32,454
1975 ..	59,605	56,816	—	425	2,364	60,395	58,517	896	—	—	—790	36,987
1980 ..	105,841	103,456	—	540	1,845	107,678	105,083	1,154	—	—	—1,837	22,823
1985 ..	184,239	176,958	\$3,208	2,203	1,871	171,150	167,248	1,592	—	—	—4,364	35,842
1986 ..	197,393	190,741	3,424	160	3,069	181,000	176,813	1,601	—	—	2,585	39,081
1987 ..	210,736	202,735	3,257	55	4,690	187,668	183,587	1,524	—	—	2,557	62,149
1988 ..	240,770	229,775	3,384	43	7,568	200,020	195,454	1,776	—	—	2,790	102,899
1989 ..	264,653	250,195	2,439	34	11,985	212,489	207,971	1,673	—	—	2,845	155,063
1990 ..	286,653	267,530	4,848	—2,089	16,363	227,519	222,987	1,563	—	—	2,969	214,197
1991 ..	299,286	272,574	5,864	19	20,829	245,634	240,467	1,792	—	—	3,375	267,849
1992 ..	311,162	280,992	5,852	14	24,303	259,861	254,883	1,830	—	—	3,148	319,150
Estimates:												
1993 ..	323,587	290,534	5,921	10	27,122	273,643	268,187	2,068	—	—	3,388	369,094
1994 ..	351,582	315,171	6,254	8	30,149	286,846	281,253	2,072	—	—	3,521	433,830
1995 ..	371,643	331,963	6,599	—562	33,644	300,619	294,893	2,087	—	—	3,639	504,854
1996 ..	395,438	350,998	6,832	5	37,603	315,536	309,640	2,123	—	—	3,772	584,757
1997 ..	417,955	368,825	7,102	4	42,025	331,422	325,332	2,175	—	—	3,915	671,290
1998 ..	443,551	389,151	7,391	3	47,006	348,326	342,059	2,236	—	—	4,031	766,515
1999 ..	471,686	411,255	7,748	2	52,681	366,826	360,360	2,307	—	—	4,159	871,375
2000 ..	494,197	427,089	8,192	2	58,915	387,245	380,511	2,384	—	—	4,350	978,327
2001 ..	526,577	452,169	8,631	1	65,776	409,105	402,128	2,465	—	—	4,512	1,095,798
2002 ..	561,229	478,819	9,095	1	73,314	432,015	424,794	2,551	—	—	4,670	1,225,012

See following page for footnotes.

<sup>1</sup>Beginning in 1983, includes transfers from general fund of Treasury representing contributions that would have been paid on deemed wage credits for military service in 1957 and later, if such credits were considered to be covered wages.

<sup>2</sup>Includes payments (1) in 1947-51 and in 1966 and later, for costs of non-contributory wage credits for military service performed before 1957; (2) in 1971-82, for costs of deemed wage credits for military service performed after 1956; and (3) in 1968 and later, for costs of benefits to certain uninsured persons who attained age 72 before 1968.

<sup>3</sup>Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for admin-

istrative expenses is contained in the 1970 Annual Report. Beginning in October 1973, the figures shown include relatively small amounts of gifts to the fund. Figures for 1983-86 reflect payments from a borrowing trust fund to a lending trust fund for interest on amounts owed under the interfund borrowing provisions. During 1983-90, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amount shown for 1985 includes an interest adjustment of \$88 million on unnegotiated checks issued before April 1985.

<sup>4</sup>Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for un-negotiated benefit checks.

<sup>5</sup>Negative figures represent amounts repaid from the OASI Trust Fund to the DI and HI Trust Funds.



TABLE IIF.9.—OPERATIONS OF THE DI TRUST FUND DURING SELECTED FISCAL YEARS 1960-92 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1993-2002, ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS

Fiscal year <sup>1</sup>	Income					Expenditures						Fund at end of period
	Total	Net contributions <sup>2</sup>	Income from taxation of benefits	Payments from the general fund of the Treasury <sup>3</sup>	Net interest <sup>4</sup>	Total	Benefit payments <sup>5</sup>	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers <sup>6</sup>	Net increase in fund	
Historical data:												
1960 ..	\$1,034	\$987	—	—	\$47	\$533	\$528	\$32	-\$27	—	\$501	\$2,167
1965 ..	1,237	1,175	—	—	62	1,495	1,392	79	24	—	-257	2,007
1970 ..	4,380	4,141	—	\$16	223	2,954	2,795	149	10	—	1,426	5,104
1975 ..	7,920	7,356	—	52	512	7,982	7,701	253	29	—	-62	8,191
1980 ..	17,376	16,805	—	118	453	15,320	14,998	334	-12	—	2,056	7,680
1985 ..	17,984	16,876	\$217	—	891	19,294	18,648	603	43	\$2,540	1,230	5,873
1986 ..	20,130	18,139	229	1,017	746	20,196	19,529	600	68	2,541	2,475	8,348
1987 ..	20,047	19,324	7-16	—	738	21,222	20,427	738	57	—	-1,175	7,173
1988 ..	22,369	21,736	56	—	577	22,269	21,405	803	61	—	100	7,273
1989 ..	24,479	23,694	135	—	650	23,389	22,550	751	88	—	1,090	8,363
1990 ..	28,215	27,291	158	—	766	25,124	24,327	717	80	—	3,091	11,455
1991 ..	29,322	28,953	131	-775	1,014	27,780	26,909	789	82	—	1,543	12,997
1992 ..	31,168	29,871	218	—	1,080	31,285	30,382	845	58	—	-116	12,881
Estimates:												
1993 ..	32,061	30,818	268	—	975	34,315	33,361	900	54	—	-2,254	10,627
1994 ..	34,426	33,436	295	—	696	37,974	37,052	861	62	—	-3,548	7,079
1995 ..	35,810	35,170	325	—	315	41,646	40,641	938	68	—	-5,837	1,242
1996 <sup>8</sup> ..	37,389	37,186	352	-33	-116	45,519	44,419	1,021	79	—	-8,130	-6,888
1997 <sup>8</sup> ..	38,785	39,064	381	—	-660	49,702	48,533	1,078	92	—	-10,917	-17,805
1998 <sup>8</sup> ..	40,280	41,239	411	—	-1,369	54,126	52,890	1,135	102	—	-13,846	-31,651
1999 <sup>8</sup> ..	41,742	43,577	447	—	-2,282	58,834	57,522	1,197	115	—	-17,093	-48,744
2000 <sup>8</sup> ..	49,376	52,254	487	—	-3,365	63,811	62,420	1,265	126	—	-14,436	-63,180
2001 <sup>8</sup> ..	53,999	57,764	531	—	-4,297	69,105	67,651	1,337	117	—	-15,107	-78,286
2002 <sup>8</sup> ..	56,392	61,176	581	—	-5,365	74,807	73,271	1,416	120	—	-18,415	-96,701

See following page for footnotes.

<sup>1</sup>Under the Congressional Budget Act of 1974 (Public Law 93-344), fiscal years 1977 and later consist of the 12 months ending on September 30 of each year. Fiscal years prior to 1977 consisted of the 12 months ending on June 30 of each year.

<sup>2</sup>Beginning in 1983, includes transfers from general fund of Treasury representing contributions that would have been paid on deemed wage credits for military service in 1957 and later, if such credits were considered to be covered wages.

<sup>3</sup>Includes payments (1) in 1967 and later, for costs of noncontributory wage credits for military service performed before 1957; and (2) in 1972-83, for costs of deemed wage credits for military service performed after 1956.

<sup>4</sup>Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in July 1974, the figures shown include relatively small amounts of gifts to the fund. Figures for 1983-86 reflect payments from a borrowing trust fund to a lending

trust fund for interest on amounts owed under the interfund borrowing provisions. During 1983-91, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amount shown for 1985 includes an interest adjustment of \$14.8 million on unnegotiated checks issued before April 1985. Figures for 1995-2002 reflect theoretical interest paid from the trust fund to the general fund on theoretical debt borrowings.

<sup>5</sup>Beginning in 1967, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for un-negotiated benefit checks.

<sup>6</sup>Figures represent repayment of amounts lent by the DI Trust Fund to the OASI Trust Fund in calendar year 1982.

<sup>7</sup>Reflects \$195 million in transfers from the DI Trust Fund to the general fund of the Treasury to correct estimated amounts transferred for calendar years 1984 and 1985.

<sup>8</sup>The DI Trust Fund would be depleted in fiscal year 1996, when assets would become insufficient to pay benefits on time. Thus, figures shown for year of depletion and later are theoretical. See text for details.

TABLE II.F.10.—OPERATIONS OF THE DI TRUST FUND DURING SELECTED CALENDAR YEARS 1960-92 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1993-2002, ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS

[In millions]

Calendar year	Income					Expenditures						Fund at end of period
	Total	Net contributions <sup>1</sup>	Income from taxation of benefits	Payments from the general fund of the Treasury <sup>2</sup>	Net interest <sup>3</sup>	Total	Benefit payments <sup>4</sup>	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers <sup>5</sup>	Net increase in fund	
Historical data:												
1960 ..	\$1,063	\$1,010	—	—	\$53	\$600	\$568	\$36	-\$5	—	\$464	\$2,289
1965 ..	1,247	1,188	—	—	59	1,687	1,573	90	24	—	-440	1,606
1970 ..	4,774	4,481	—	\$16	277	3,259	3,085	164	10	—	1,514	5,614
1975 ..	8,035	7,444	—	90	502	8,790	8,505	256	29	—	-754	7,354
1980 ..	13,871	13,255	—	130	485	15,872	15,515	368	-12	—	-2,001	3,629
1985 ..	19,301	17,191	\$222	1,017	870	19,478	18,827	608	43	\$2,540	2,363	6,321
1986 ..	19,439	18,399	238	—	803	20,522	19,853	600	68	2,541	1,459	7,780
1987 ..	20,303	19,691	6-36	—	648	21,425	20,519	849	57	—	-1,122	6,658
1988 ..	22,699	22,039	61	—	600	22,494	21,695	737	61	—	206	6,864
1989 ..	24,795	23,993	95	—	707	23,753	22,911	754	88	—	1,041	7,905
1990 ..	28,791	28,539	144	-775	883	25,616	24,829	707	80	—	3,174	11,079
1991 ..	30,390	29,137	190	—	1,063	28,571	27,695	794	82	—	1,819	12,898
1992 ..	31,430	30,136	232	—	1,062	32,004	31,112	834	58	—	-574	12,324
Estimates:												
1993 ..	32,256	31,136	274	—	846	35,414	34,429	931	54	—	-3,158	9,166
1994 ..	34,595	33,768	302	—	525	38,871	37,929	881	62	—	-4,277	4,889
1995 ..	35,984	35,568	333	-33	116	42,567	41,540	959	68	—	-6,583	-1,693
1996 ..	37,593	37,608	359	—	-374	46,491	45,377	1,035	79	—	-8,899	-10,592
1997 ..	38,918	39,521	388	—	-992	50,778	49,594	1,092	92	—	-11,861	-22,453
1998 ..	40,321	41,702	418	—	-1,799	55,255	54,003	1,151	102	—	-14,934	-37,387
1999 ..	41,701	44,071	456	—	-2,827	60,019	58,690	1,215	115	—	-18,319	-55,706
2000 ..	51,384	54,730	498	—	-3,843	65,076	63,666	1,284	126	—	-13,691	-69,397
2001 ..	54,223	58,483	542	—	-4,803	70,468	68,993	1,358	117	—	-16,245	-85,642
2002 ..	56,538	61,902	595	—	-5,958	76,269	74,712	1,437	120	—	-19,731	-105,373

See following page for footnotes.

<sup>1</sup>Beginning in 1983, includes transfers from general fund of Treasury representing contributions that would have been paid on deemed wage credits for military service in 1957 and later, if such credits were considered to be covered wages.

<sup>2</sup>Includes payments (1) in 1966 and later, for costs of noncontributory wage credits for military service performed before 1957; and (2) in 1971-82, for costs of deemed wage credits for military service performed after 1956.

<sup>3</sup>Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in July 1974, the figures shown include relatively small amounts of gifts to the fund. Figures for 1983-86 reflect payments from a borrowing trust fund to a lending trust fund for interest on amounts owed under the interfund borrowing provisions. During 1983-90, interest paid from the trust fund to the general fund on advance

tax transfers is reflected. The amount shown for 1985 includes an interest adjustment of \$14.8 million on unnegotiated checks issued before April 1985. Figures for 1995-2002 reflect theoretical interest paid from the trust fund to the general fund on theoretical debt borrowings.

<sup>4</sup>Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks.

<sup>5</sup>Figures represent repayment of amounts lent by the DI Trust Fund to the OASI Trust Fund in calendar year 1982.

<sup>6</sup>Reflects \$195 million in transfers from the DI Trust Fund to the general fund of the Treasury to correct estimated amounts transferred for calendar years 1984 and 1985.

<sup>7</sup>The DI Trust Fund would be depleted in calendar year 1995, when assets would become insufficient to pay benefits on time. Thus, figures shown for year of depletion and later are theoretical. See text for details.

TABLE II.F.11.—OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, DURING SELECTED FISCAL YEARS 1960-92 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1993-2002, ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS

[In millions]

Fiscal year <sup>1</sup>	Income					Expenditures						Funds at end of period
	Total	Net contributions <sup>2</sup>	Income from taxation of benefits	Payments from the general fund of the Treasury <sup>3</sup>	Net interest <sup>4</sup>	Total	Benefit payments <sup>5</sup>	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers <sup>6</sup>	Net increase in funds	
Historical data:												
1960 ..	\$11,394	\$10,830	—	—	\$564	\$11,606	\$10,798	\$234	\$574	—	-\$212	\$22,996
1965 ..	17,681	17,032	—	—	648	17,456	16,618	379	459	—	224	22,187
1970 ..	36,127	34,096	—	\$458	1,572	30,275	29,063	623	589	—	5,851	37,720
1975 ..	66,677	63,374	—	499	2,804	64,658	62,547	1,101	1,010	—	2,018	48,138
1980 ..	117,427	114,413	—	675	2,339	118,548	115,624	1,494	1,430	—	-1,121	32,246
1985 ..	197,865	192,181	\$3,368	105	2,211	188,504	183,959	2,192	2,353	-\$1,824	7,538	39,750
1986 ..	215,461	205,146	3,558	3,310	3,447	198,730	193,869	2,209	2,653	-10,613	6,117	45,867
1987 ..	226,893	218,878	3,307	69	4,638	207,323	202,430	2,279	2,614	—	19,570	65,437
1988 ..	258,090	248,145	3,390	55	6,500	219,290	213,907	2,532	2,851	—	38,800	104,237
1989 ..	284,936	270,811	3,772	43	10,310	232,491	227,150	2,407	2,934	—	52,445	156,682
1990 ..	306,822	288,797	3,081	34	14,909	248,605	243,275	2,280	3,049	—	58,217	214,900
1991 ..	322,611	299,794	5,921	-2,864	19,759	269,096	263,104	2,535	3,457	—	53,515	268,415
1992 ..	338,270	308,377	6,237	18	23,637	287,524	281,650	2,668	3,206	—	50,746	319,161
Estimates:												
1993 ..	351,370	318,384	6,167	14	26,804	304,555	298,204	2,909	3,442	—	46,815	365,976
1994 ..	381,265	345,520	6,464	10	29,271	321,568	315,054	2,931	3,583	—	59,697	425,673
1995 ..	402,422	363,405	6,837	8	32,172	338,829	332,106	3,016	3,707	—	63,594	489,266
1996 <sup>7</sup> ..	426,224	384,254	7,126	-595	35,439	357,336	350,353	3,131	3,851	—	68,888	558,155
1997 <sup>7</sup> ..	450,174	403,631	7,415	5	39,123	377,156	369,912	3,237	4,007	—	73,017	631,172
1998 <sup>7</sup> ..	476,880	426,077	7,729	4	43,071	398,230	390,745	3,353	4,133	—	78,650	709,822
1999 <sup>7</sup> ..	505,791	450,215	8,104	3	47,469	421,010	413,252	3,484	4,274	—	84,781	794,603
2000 <sup>7</sup> ..	536,840	475,889	8,567	2	52,382	445,942	437,839	3,627	4,476	—	90,898	885,501
2001 <sup>7</sup> ..	571,370	504,393	9,051	2	57,924	472,755	464,345	3,780	4,629	—	98,616	984,116
2002 <sup>7</sup> ..	607,904	534,186	9,560	1	64,157	501,100	492,365	3,945	4,790	—	106,805	1,090,920

See following page for footnotes.

<sup>1</sup>Under the Congressional Budget Act of 1974 (Public Law 93-344), fiscal years 1977 and later consist of the 12 months ending on September 30 of each year. Fiscal years prior to 1977 consisted of the 12 months ending on June 30 of each year.

<sup>2</sup>Beginning in 1983, includes transfers from general fund of Treasury representing contributions that would have been paid on deemed wage credits for military service in 1957 and later, if such credits were considered to be covered wages.

<sup>3</sup>Includes payments (1) in 1947-52 and in 1967 and later, for costs of non-contributory wage credits for military service performed before 1957; (2) in 1972-83, for costs of deemed wage credits for military service performed after 1956; and (3) in 1969 and later, for costs of benefits to certain uninsured persons who attained age 72 before 1968.

<sup>4</sup>Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust funds on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in October

1973, the figures shown include relatively small amounts of gifts to the funds. Figures for 1983-86 reflect payments from a borrowing trust fund to a lending trust fund for interest on amounts owed under the interfund borrowing provisions. During 1983-91, interest paid from the trust funds to the general fund of the Treasury on advance tax transfers is reflected. The amounts shown for 1985 and 1986 include interest adjustments of \$91.3 million and \$11.5 million, respectively, on unnegotiated checks issued before April 1985. Figures for 1995-2002 reflect theoretical interest paid from the DI Trust Fund to the general fund on theoretical debt borrowings.

<sup>5</sup>Beginning in 1967, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for un-negotiated benefit checks.

<sup>6</sup>Negative figures represent amounts repaid from the OASI Trust Fund to the HI Trust Fund.

<sup>7</sup>The DI Trust Fund would be depleted in fiscal year 1996 when assets would become insufficient to pay benefits on time. Thus, figures shown for the combined trust funds for the year of depletion and later are theoretical. See text for details.

TABLE II.F.12.—OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, DURING SELECTED CALENDAR YEARS 1960-92 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1993-2002, ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS

[In millions]

Calendar year	Income					Expenditures						Funds at end of period
	Total	Net contributions <sup>1</sup>	Income from taxation of benefits	Payments from the general fund of the Treasury <sup>2</sup>	Net interest <sup>3</sup>	Total	Benefit payments <sup>4</sup>	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers <sup>5</sup>	Net increase in funds	
<b>Historical data:</b>												
1960 ..	\$12,445	\$11,876	—	—	\$569	\$11,798	\$11,245	\$240	\$314	—	\$647	\$22,613
1965 ..	17,857	17,205	—	—	651	19,187	18,311	418	459	—	-1,331	19,841
1970 ..	36,993	34,737	—	\$465	1,791	33,108	31,884	635	589	—	3,886	38,068
1975 ..	67,640	64,259	—	515	2,866	69,184	67,022	1,152	1,010	—	-1,544	44,342
1980 ..	119,712	116,711	—	670	2,330	123,550	120,598	1,522	1,430	—	-3,838	26,453
1985 ..	203,540	194,149	\$3,430	3,220	2,741	190,628	186,075	2,200	2,353	-\$1,824	11,088	42,163
1986 ..	216,833	209,140	3,662	160	3,871	201,522	196,667	2,202	2,653	-10,613	4,698	46,861
1987 ..	231,039	222,425	3,221	55	5,338	209,093	204,106	2,373	2,614	—	21,946	68,807
1988 ..	263,469	251,814	3,445	43	8,168	222,514	217,149	2,513	2,851	—	40,955	109,762
1989 ..	289,448	274,189	2,534	34	12,692	236,242	230,882	2,427	2,934	—	53,206	162,968
1990 ..	315,443	296,070	4,992	-2,864	17,245	253,135	247,816	2,270	3,049	—	62,309	225,277
1991 ..	329,676	301,711	6,054	19	21,892	274,205	268,162	2,587	3,457	—	55,471	280,747
1992 ..	342,591	311,128	6,084	14	25,365	291,865	285,995	2,664	3,206	—	50,726	331,473
<b>Estimates:</b>												
1993 ..	355,843	321,670	6,194	10	27,968	309,056	302,615	2,999	3,442	—	46,786	378,260
1994 ..	386,176	348,939	6,556	8	30,673	325,717	319,181	2,953	3,583	—	60,459	438,719
1995 <sup>6</sup> ..	407,627	367,531	6,932	-595	33,760	343,186	336,433	3,046	3,707	—	64,442	503,161
1996 <sup>6</sup> ..	433,031	388,606	7,191	5	37,229	362,027	355,017	3,159	3,851	—	71,004	574,165
1997 <sup>6</sup> ..	456,873	408,346	7,490	4	41,033	382,201	374,926	3,267	4,007	—	74,672	648,837
1998 <sup>6</sup> ..	483,871	430,853	7,809	3	45,207	403,581	396,061	3,387	4,133	—	80,290	729,128
1999 <sup>6</sup> ..	513,387	455,326	8,204	2	49,855	426,845	419,049	3,522	4,274	—	86,542	815,669
2000 <sup>6</sup> ..	545,581	481,819	8,689	2	55,072	452,321	444,177	3,667	4,476	—	93,261	908,930
2001 <sup>6</sup> ..	580,800	510,652	9,173	1	60,974	479,573	471,121	3,823	4,629	—	101,227	1,010,156
2002 <sup>6</sup> ..	617,767	540,721	9,690	1	67,356	508,285	499,506	3,989	4,790	—	109,483	1,119,639

See following page for footnotes.

<sup>1</sup>Beginning in 1983, includes transfers from general fund of Treasury representing contributions that would have been paid on deemed wage credits for military service in 1957 and later, if such credits were considered to be covered wages.

<sup>2</sup>Includes payments (1) in 1947-51 and in 1966 and later, for costs of non-contributory wage credits for military service performed before 1957; (2) in 1971-82, for costs of deemed wage credits for military service performed after 1956; and (3) in 1968 and later, for costs of benefits to certain uninsured persons who attained age 72 before 1968.

<sup>3</sup>Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust funds on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in October 1973, the figures shown include relatively small amounts of gifts to the funds. Figures for 1983-86 reflect payments from a borrowing trust fund to a lending

trust fund for interest on amounts owed under the interfund borrowing provisions. During 1983-90, interest paid from the trust funds to the general fund of the Treasury on advance tax transfers is reflected. The amount shown for 1985 includes an interest adjustment of \$102.8 million on unnegotiated checks issued before April 1985. Figures for 1995-2002 reflect theoretical interest paid from the DI Trust Fund to the general fund on theoretical debt borrowings.

<sup>4</sup>Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for un-negotiated benefit checks.

<sup>5</sup>Negative figures represent amounts repaid from the OASI Trust Fund to the HI Trust Fund.

<sup>6</sup>The DI Trust Fund would be depleted in calendar year 1995 when assets would become insufficient to pay benefits on time. Thus, figures shown for the combined trust funds for the year of depletion and later are theoretical. See text for details.