

C. ESTIMATED OPERATIONS AND STATUS OF THE TRUST FUNDS DURING THE PERIOD OCTOBER 1, 1990, TO DECEMBER 31, 2000

This subsection presents estimates of the operations and status of the OASI and DI Trust Funds during the period October 1, 1990, to December 31, 2000, based on the assumptions described in the preceding two subsections. No changes are assumed to occur in the present statutory provisions and regulations under which the OASDI program operates. The presentation of estimates for 10 years in this subsection represents a change from the practice in past annual reports of showing estimates for 5 years. This change is necessitated by the new test of short-range financial adequacy which has been adopted for use beginning with this annual report (as noted previously). The inclusion of additional years is also intended to facilitate the analysis of the near-term financial outlook for the OASDI program.

These estimates indicate that the assets of the OASI Trust Fund would continue to increase rapidly throughout the next 10 years under each of the three sets of assumptions shown. In contrast, DI assets are expected to increase rapidly in 1991-2000 only under the relatively favorable conditions assumed in alternative I. Based on the intermediate assumptions (alternative II), DI assets would be sufficient to permit the timely payment of benefits throughout the 10-year period, but would not increase significantly relative to annual expenditures. Under the adverse conditions assumed in alternative III, DI assets would cease growing by the end of 1992, and would be depleted early in 1997.

As will be shown later in this subsection, the OASI Trust Fund meets the requirements of the new test of short-range financial adequacy, but the DI Trust Fund fails to do so. The OASI and DI Trust Funds, if combined, would pass the test. The failure of the DI Trust Fund to meet the requirements of the test is an indication that the financing of the DI program needs to be strengthened. As will be seen, the financing of the DI program could be strengthened by reallocating contribution rates between OASI and DI without causing the OASI Trust Fund to fail the test.

The estimated operations of the OASI Trust Fund shown in this report under alternatives I, II, and III are significantly less favorable than the corresponding estimates in the 1990 Annual Report. This change is primarily attributable to the slowdown in the economy during 1990 and early 1991, together with somewhat higher inflation in 1990 than had been anticipated. These adverse economic effects were offset, to a relatively small degree, by another development that was more favorable than assumed in last year's report. Recent data indicate that the proportion of covered earnings that is taxable (i.e., the proportion that is below the contribution and benefit base) increased somewhat in

¹ The estimates shown in this subsection reflect 12 months of benefit payments in each year of the short-range projection period. In practice, 13 benefit payments can be made in certain years, with the next year having only 11 payments. This situation can result from the statutory requirement that benefit checks be delivered early when the normal check delivery date is a Saturday, Sunday, or legal public holiday. For example, the benefit checks for December 1992 would normally be delivered on January 3, 1993; however, because that day will be a Sunday, and the two preceding days a Saturday and a holiday, the checks will actually be delivered on December 31, 1992. The annual benefit figures are shown as if those benefit checks will be delivered on the usual date.

1989, thereby offsetting a portion of the decline experienced in prior years. Overall, however, estimated tax income in 1991 and later is substantially lower than the estimates in the 1990 Annual Report, while estimated OASI benefit payments are somewhat higher. Despite this less favorable outlook, OASI assets would still increase rapidly during 1991-2000 under each of the alternative sets of assumptions, as noted above.

For the DI Trust Fund during 1991-2000, the estimated operations in this report under all three alternatives are also significantly less favorable than the corresponding estimates from the 1990 report. In addition to the reasons cited above, the DI estimates are adversely affected by a more rapid increase in the number of disabled worker beneficiaries in 1990 than was anticipated in last year's report.

OASI Trust Fund operations

Estimates of the operations and status of the OASI Trust Fund during calendar years 1991-2000 are shown in table 13 based on each of the three alternative sets of assumptions. Actual operations for calendar year 1990 are also shown in the table.

The increases in estimated income shown in table 13 on the basis of each set of assumptions reflect increases in estimated taxable earnings. For each alternative, employment and earnings are assumed to increase in every year through the year 2000 (except that employment declines temporarily during each of the economic recessions assumed under alternative III). The number of persons with taxable earnings under the OASDI program is expected to increase on the basis of alternatives I, II, and III, from 133 million during calendar year 1990 to about 149 million, 145 million, and 142 million, respectively, by 2000. The total annual amount of taxable earnings is expected to increase from about \$2,378 billion in 1990 to \$4,282 billion, \$4,238 billion, and \$4,271 billion, in 2000, on the basis of alternatives I, II, and III, respectively. (In 1990 dollars—taking account of assumed increases in the CPI from 1990 to 2000 based on each alternative—the estimated amounts of taxable earnings in 2000 are \$3,144 billion, \$2,840 billion, and \$2,522 billion, on the basis of alternatives I, II, and III, respectively.) These increases are due in part to the increases in the contribution and benefit base in 1991-2000 under the automatic-adjustment provisions. The increases in taxable earnings are also due to (1) projected increases in employment levels and average earnings in covered employment, and (2) various provisions enacted in 1983-90, including the mandatory coverage of all newly hired Federal civilian employees, the voluntary coverage of certain Federal employees who were not previously covered, and the mandatory coverage of certain employees of State and local governments.

TABLE 13.—ESTIMATED OPERATIONS OF THE OASI TRUST FUND BY ALTERNATIVE,
CALENDAR YEARS 1990-2000
(Amounts in billions)

Calendar year	Income	Disbursements	Net increase in fund	Fund at end of year	Contingency fund	
					Amount ¹	Ratio ²
1990 ³	\$286.7	\$227.5	\$59.1	\$214.2	\$178.5	78
Alternative I:						
1991.....	300.8	245.1	55.7	269.9	214.2	87
1992.....	323.6	260.2	63.4	333.3	269.9	104
1993.....	346.6	272.2	74.4	407.7	333.3	122
1994.....	373.2	285.2	88.0	495.7	407.7	143
1995.....	398.2	297.8	100.4	596.1	495.7	166
1996.....	428.9	310.7	118.2	714.3	596.1	192
1997.....	459.4	324.2	135.3	849.6	714.3	220
1998.....	492.7	338.5	154.2	1,003.8	849.6	251
1999.....	528.3	353.8	174.5	1,178.3	1,003.8	284
2000.....	557.9	370.0	187.9	1,366.2	1,178.3	318
Alternative II:						
1991.....	299.6	245.4	54.2	268.4	214.2	87
1992.....	322.1	262.2	59.9	328.3	268.4	102
1993.....	344.7	277.7	66.9	395.2	328.3	118
1994.....	370.5	293.6	76.8	472.1	395.2	135
1995.....	396.1	310.0	86.1	558.1	472.1	152
1996.....	424.6	327.0	97.6	655.7	558.1	171
1997.....	454.1	345.0	109.1	764.8	655.7	190
1998.....	485.8	364.1	121.8	886.6	764.8	210
1999.....	519.7	384.5	135.2	1,021.7	886.6	231
2000.....	547.4	406.2	141.2	1,162.9	1,021.7	252
Alternative III:						
1991.....	296.1	245.7	50.4	264.6	214.2	87
1992.....	314.5	266.6	47.9	312.5	264.6	99
1993.....	340.0	286.7	53.3	365.8	312.5	109
1994.....	368.0	310.5	57.5	423.4	365.8	118
1995.....	386.3	334.2	52.0	475.4	423.4	127
1996.....	416.3	355.3	61.0	536.4	475.4	134
1997.....	447.7	378.3	69.3	605.7	536.4	142
1998.....	480.1	403.0	77.1	682.8	605.7	150
1999.....	513.1	429.5	83.6	766.4	682.8	159
2000.....	538.7	457.9	80.9	847.3	766.4	167

¹Except where noted, represents assets at beginning of year.

²Represents amounts shown in preceding column as a percentage of disbursements during the year. See text concerning interpretation of these ratios.

³Figures for 1990 represent actual experience.

⁴Represents assets at beginning of year, plus advance tax transfers for January.

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

Rising disbursements during calendar years 1991-2000 reflect the assumed automatic benefit increases previously shown, as well as the long-range upward trend in the numbers of beneficiaries and in the amounts of average monthly earnings underlying benefits payable by the program. The growth in the number of beneficiaries in the past and the expected growth in the future result both from the increase in the aged population and from the increase in the proportion of the population which is eligible for benefits. The latter increase is primarily due to various amendments enacted after 1950, which modified eligibility provisions and extended coverage to additional categories of employment.

Growth has also occurred, and will continue to occur, in the proportion of eligible persons who, in fact, receive benefits. This growth is due to several factors, among which are (1) the amendments enacted since 1950 which affect the conditions governing the receipt of benefits and (2) the increasing percentage of eligible persons who are aged 70 and over and who therefore may receive benefits regardless of earnings.

The estimates shown in table 13 indicate that income would substantially exceed disbursements in every year of the short-range projection period, based on each of the three alternative sets of assumptions used in this report. The assets of the OASI Trust Fund at the beginning of 1990, including advance tax transfers for January, were equal to 78 percent of the fund's disbursements in 1990. As described in the introduction to this section, this ratio is known as the "contingency fund ratio;" it provides a useful measure of the relative level of trust fund assets. During 1990, income exceeded disbursements by \$59.1 billion. As a result, the contingency fund ratio increased to about 87 percent at the beginning of 1991. The increase in the OASI contingency fund ratio from 1990 to 1991 was restricted somewhat by the elimination of advance tax transfers as part of the "Omnibus Budget Reconciliation Act of 1990." As a result of this legislation, OASI and DI tax income for a given month is no longer transferred to the trust funds on the first day of the month (unless benefit payments could not be made on a timely basis without an advance transfer). Thus, tax income for a month will generally no longer be available on the first day of the month and is therefore excluded from trust fund assets, as used to calculate the contingency fund ratio.

Assets are estimated to increase substantially in each year of the short-range projection period, based on each of the three alternative sets of assumptions. The increase in the contingency fund ratio from 87 percent at the beginning of 1991 to the range of 167-318 percent at the beginning of the year 2000 is due, in part, to the increases in the OASI tax rate that became effective in 1988 and 1990. Asset growth is also assisted by the increases in taxable earnings during 1982-88 that exceeded the rate of growth in benefit payments and the expected continuation of this experience after 1991 (except for certain years under alternative III).

As noted in section IV, the portion of the OASI Trust Fund that is not needed to meet day-to-day expenditures is used to purchase investments, generally in special public-debt obligations of the U. S. Government. The cash used to make these purchases becomes part of the general fund of the Treasury and is used to meet various Federal outlays. Interest is paid to the trust fund on these securities and, when the securities mature or are redeemed prior to maturity, general fund revenues are used to repay the principal to the trust fund. Thus, the investment operations of the trust fund result in various cash flows between the trust fund and the general fund of the Treasury.

Currently, the excess of tax income to the OASI Trust Fund over the fund's expenditures results in a substantial net cash flow from the trust fund to the general fund (approximately \$43 billion in calendar year 1990). Sometime after the turn of the century, as shown in subsection VI.E, this cash flow will reverse; as trust fund securities are redeemed to meet benefit payments and other expenditures, revenue from the general fund of the Treasury will be drawn upon to provide the necessary cash. The accumulation and subsequent redemption of substantial trust fund assets has important public policy and economic implications that go well beyond the operation of the OASDI program itself. Discussion of these broader issues exceeds the scope of this report.

Based on the alternative II assumptions, assets of the OASI Trust Fund would exceed 100 percent of annual expenditures by the beginning of 1992, and would remain well above the 100-percent level through the end of the year 2000. Consequently, the OASI Trust Fund satisfies the short-range test of financial adequacy adopted for use beginning with this annual report. The estimates in table 13 also indicate that the test would be satisfied even under the adverse conditions assumed in alternative III.

In interpreting the contingency fund ratios in table 13, it should be noted that, at the beginning of any month, assets of at least 8-9 percent of annual expenditures are required to make the benefit payments that are due at the beginning of the month. Therefore, the difference between the estimated contingency fund ratios shown above, and the minimum level of 8-9 percent, represents the reserve available to handle adverse contingencies.

DI Trust Fund operations

The estimated operations and status of the DI Trust Fund during calendar years 1991-2000 on the basis of the three sets of assumptions are shown in table 14, together with figures on actual experience in 1990. On the basis of each alternative, income is estimated to increase steadily during 1991-2000. This increase reflects the same factors, insofar as they apply to income to the DI Trust Fund, that are reflected in the estimated increase in income to the OASI Trust Fund during the same period.

Disbursements are estimated to increase because of automatic benefit increases and because of projected increases in the amounts of average monthly earnings on which benefits are based. In addition, on the basis of all three sets of assumptions, the number of DI beneficiaries is projected to continue increasing throughout the short-range projection period.

The projected growth in the number of DI beneficiaries primarily reflects the effects of (1) gradual increases in the number of persons estimated to be insured for disability benefits and (2) assumed increases in the proportion of those insured who become disabled. The proportion of insured workers who become disabled in a given year has fluctuated substantially in past years, and the causes for the variation have not been precisely determined. The trend has generally been upward since 1982. Although an increasing trend has been projected in past annual reports, actual increases have frequently been larger than expected. In particular, the increase in this proportion during 1990 was substantially greater than assumed in the 1990 Annual Report. In this report, with the exception of alternative I, the proportion of workers becoming disabled is assumed to continue increasing somewhat beyond the short-range period but is not assumed to return to the highest levels experienced during the 1970s. Under alternative I, this proportion is assumed to decline slightly from its level in 1990.

TABLE 14.—ESTIMATED OPERATIONS OF THE DI TRUST FUND BY ALTERNATIVE,
CALENDAR YEARS 1990-2000
(Amounts in billions)

Calendar year	Income	Disbursements	Net increase in fund	Fund at end of year	Contingency fund	
					Amount ¹	Ratio ²
1990 ³	\$28.8	\$25.6	\$3.2	\$11.1	\$10.4	40
Alternative I:						
1991.....	30.6	27.7	3.0	14.1	11.1	40
1992.....	32.9	29.2	3.7	17.8	14.1	48
1993.....	35.3	30.3	5.0	22.7	17.8	58
1994.....	37.8	31.7	6.2	28.9	22.7	72
1995.....	40.4	33.1	7.3	36.1	28.9	87
1996.....	43.3	34.8	8.6	44.7	36.1	104
1997.....	46.4	36.7	9.7	54.4	44.7	122
1998.....	49.6	38.9	10.7	65.1	54.4	140
1999.....	53.0	41.3	11.7	76.8	65.1	158
2000.....	65.8	44.0	21.8	98.5	76.8	174
Alternative II:						
1991.....	30.5	28.0	2.5	13.6	11.1	40
1992.....	32.7	30.3	2.4	16.0	13.6	45
1993.....	34.9	32.3	2.6	18.5	16.0	49
1994.....	37.2	34.4	2.7	21.3	18.5	54
1995.....	39.5	36.8	2.7	24.0	21.3	58
1996.....	42.1	39.5	2.5	26.5	24.0	61
1997.....	44.7	42.6	2.1	28.6	26.5	62
1998.....	47.4	45.9	1.4	30.0	28.6	62
1999.....	50.1	49.7	.4	30.5	30.0	60
2000.....	62.1	53.8	8.3	38.8	30.5	57
Alternative III:						
1991.....	30.1	28.4	1.7	12.8	11.1	39
1992.....	31.7	31.6	.2	13.0	12.8	41
1993.....	34.1	34.6	-.5	12.5	13.0	37
1994.....	36.3	38.1	-1.8	10.7	12.5	33
1995.....	37.5	41.9	-4.4	6.2	10.7	25
1996.....	39.8	45.9	-6.1	.2	6.2	14
1997 ⁴	42.2	50.4	-8.2	-8.0	3.8	8
1998 ⁵	44.5	55.6	-11.1	-19.2	(⁶)	(⁶)
1999 ⁵	46.6	61.4	-14.8	-33.9	(⁶)	(⁶)
2000 ⁵	57.7	67.7	-10.0	-44.0	(⁶)	(⁶)

¹Except where noted, represents assets at beginning of year.

²Represents amounts shown in preceding column as a percentage of disbursements during the year. See text concerning interpretation of these ratios.

³Figures for 1990 represent actual experience.

⁴Represents assets at beginning of year, plus advance tax transfers for January.

⁵Fund depleted in 1997. Figures for 1997 and later are therefore theoretical. See text for details.

⁶Fund depleted in 1997.

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

The continuing spread of Acquired Immunodeficiency Syndrome (AIDS) has contributed in recent years to a significant increase in both DI awards and terminations. Due to the extremely high mortality rates of affected individuals, the total number of disabled workers currently receiving benefits has not increased greatly as a result of AIDS. Although many aspects of AIDS are well understood, there remains considerable uncertainty regarding future medical advances and future incidence of the disease. To reflect this uncertainty, the projected numbers of benefit awards to AIDS patients (and their projected longevity) are varied by alternative. Through 1992, the projected range of results under the alternative sets of assumptions is very similar to the corresponding range developed by the Centers for Disease Control. Under the intermediate set of assumptions, benefit awards to people with AIDS are projected to continue to increase steadily in the short range. Under alternative I the number of new awards begins to decline in the

near future, while the number projected under alternative III increases at a very rapid rate throughout the short-range period.

At the beginning of 1990, the assets of the DI Trust Fund (including advance tax transfers for January) represented 40 percent of annual expenditures. During 1990, DI income exceeded DI expenditures by about \$3.2 billion. Although DI assets increased by this amount during the year, assets available at the beginning of 1991 increased only slightly (relative to the beginning of 1990) as a result of the elimination of advance tax transfers. The contingency fund ratio at the beginning of 1991 was about 40 percent. Income is estimated to exceed expenditures through the year 2000 under the alternative I assumptions, and the DI contingency fund ratio would increase steadily to over 170 percent by the beginning of 2000.

Under the intermediate assumptions, the DI contingency fund ratio would grow slowly during 1991-97, reaching a maximum of only 62 percent before declining somewhat in 1998 and 1999. As a result of the reallocation of tax rates between OASI and DI, scheduled in present law for the year 2000, DI assets would increase significantly in that year under the alternative II assumptions.

Because DI assets fail to reach the level of 1 year's expenditures under the alternative II assumptions, the DI Trust Fund does not satisfy the short-range test of financial adequacy. Accordingly, the financial position of the DI program should be strengthened. As will be seen in the description of the financial status of the combined OASI and DI Trust Funds, a reallocation of contribution rates between the two funds would enable DI to meet the requirements of the test without causing OASI to fail the test.

Under the conditions assumed for alternative III, DI assets would grow slowly in 1991-92, but decline thereafter. Assets would become insufficient to pay benefits when due starting late in 1996, thereby prompting reinstatement of advance tax transfers. Despite such transfers, the DI Trust Fund would be depleted early in 1997 under these assumptions, in the absence of corrective legislation.

Combined OASI and DI Trust Fund operations

The estimated operations and status of the OASI and DI Trust Funds, combined, during calendar years 1991-2000 on the basis of the three alternatives, are shown in table 15, together with figures on actual experience in 1990. These amounts are generally the sums of the corresponding figures shown in tables 13 and 14. An exception is made for 1997 and later under alternative III, due to the depletion of the DI Trust Fund. In this case, the contingency 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.

TABLE 15.—ESTIMATED OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, BY ALTERNATIVE, CALENDAR YEARS 1990-2000
(Amounts in billions)

Calendar year	Income	Disbursements	Net increase in funds	Funds at end of year	Contingency fund	
					Amount ¹	Ratio ²
1990 ¹	\$315.4	\$253.1	\$62.3	\$225.3	\$188.9	75
Alternative I:						
1991.....	331.5	272.8	58.7	283.9	225.3	83
1992.....	356.5	289.4	67.1	351.0	283.9	98
1993.....	381.9	302.6	79.3	430.4	351.0	116
1994.....	411.0	316.9	94.2	524.5	430.4	136
1995.....	438.6	330.9	107.7	632.3	524.5	159
1996.....	472.2	345.5	126.8	759.0	632.3	183
1997.....	505.8	360.9	145.0	904.0	759.0	210
1998.....	542.3	377.4	164.9	1,068.9	904.0	240
1999.....	581.3	395.1	186.1	1,255.1	1,068.9	271
2000.....	623.7	414.1	209.6	1,464.7	1,255.1	303
Alternative II:						
1991.....	330.1	273.4	56.7	281.9	225.3	82
1992.....	354.7	292.4	62.3	344.2	281.9	96
1993.....	379.6	310.1	69.5	413.8	344.2	111
1994.....	407.7	328.1	79.6	493.3	413.8	126
1995.....	435.6	346.8	88.7	582.1	493.3	142
1996.....	466.7	366.6	100.1	682.2	582.1	159
1997.....	498.8	387.5	111.2	793.4	682.2	176
1998.....	533.2	410.0	123.2	916.6	793.4	194
1999.....	569.8	434.2	135.6	1,052.2	916.6	211
2000.....	609.5	460.0	149.5	1,201.7	1,052.2	229
Alternative III:						
1991.....	326.2	274.1	52.2	277.4	225.3	82
1992.....	346.2	298.1	48.1	325.5	277.4	93
1993.....	374.1	321.3	52.8	378.2	325.5	101
1994.....	404.4	348.6	55.8	434.0	378.3	109
1995.....	423.7	376.2	47.6	481.6	434.0	115
1996.....	456.1	401.1	54.9	536.6	481.6	120
1997.....	489.9	428.8	61.1	597.7	536.6	125
1998.....	524.6	458.6	66.0	663.7	597.7	130
1999.....	559.7	490.9	68.8	732.5	663.7	135
2000.....	596.4	525.6	70.9	803.4	732.5	139

¹Except where noted, represents assets at beginning of year.

²Represents amounts shown in preceding column as a percentage of disbursements during the year. See text concerning interpretation of these ratios.

³Figures for 1990 represent actual experience.

⁴Represents assets at beginning of year, plus OASI and DI advance tax transfers for January.

⁵Figures are theoretical because of the depletion of the DI Trust Fund in 1997.

⁶Contingency fund amounts and ratios for 1997 and later do not reflect the reinstatement of advance tax transfers to the DI Trust Fund at the end of 1996. See text for details.

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

At the beginning of 1990, the contingency fund ratio for the OASI and DI Trust Funds combined was 75 percent, as shown in table 15. During 1990, total income to the two trust funds was \$62.3 billion higher than total expenditures, resulting in combined OASDI assets at the beginning of 1991 which represented about 82 percent of estimated combined expenditures for the year (after adjustment to reflect the general elimination of advance tax transfers, as noted previously). Based on alternative I, the contingency fund ratio for the combined funds is projected to increase substantially, reaching 303 percent at the beginning of the year 2000. Rapid growth is also projected under alternative II, with the fund ratio nearly tripling by 2000. Under the alternative III assumptions, assets would grow more slowly, but would still total 139 percent at the beginning of 2000 (excluding DI advance tax transfers, as noted).

Under the alternative II assumptions, the total assets of the OASI and DI Trust Funds, would exceed 100 percent of annual OASDI expenditures within 5 years, and would remain above that level through the remainder of the short-range projection period. Therefore, the combined trust funds meet the requirements of the short-range test of financial adequacy. This result indicates that a reallocation of tax rates between OASI and DI would be sufficient to enable each trust fund to comply with the test individually. Under the less favorable conditions assumed in alternative III, the fund ratio for OASI and DI combined would still increase to more than 100 percent within 5 years, and would remain above that level through 2000. Thus, the depletion of the DI Trust Fund under such conditions could be avoided through a tax rate reallocation without jeopardizing the financial status of the OASI program.

Section 215(i) of the Social Security Act defines an "OASDI fund ratio" for the purpose of determining automatic benefit increases in 1984 and later. If this ratio is below a specified threshold, the benefit increase would be based on the lesser of certain wage and price increases. Following the final repayment in January 1986 of amounts borrowed from the HI Trust Fund, the "OASDI fund ratio" specified for the purpose of determining benefit increases is generally equal to the contingency fund ratio shown in table 15. (Under alternative III, the ratio for 1997 and later would be approximately 1 percentage point greater than shown, reflecting the DI advance tax transfers that would be available under present law.) Under all three alternatives, this ratio would not be lower than the 20-percent threshold applicable in 1989 and later. Thus, the benefit-increase "stabilizer" provision would not be triggered during the short-range projection period under any of the sets of assumptions used in this report.

Figure 1 presents the estimated total assets of the OASI and DI Trust Funds at the end of each year 1991-2000, based on the three sets of assumptions (together with actual assets at the end of 1990). Figure 2 illustrates the pattern of the estimated future OASDI contingency fund ratios under the three alternatives. Contingency fund ratios for selected years prior to 1991, and estimates for 1991-2000 under the three alternatives, are shown in table 16 for OASI, DI, and both funds combined. In evaluating the ratios shown in figure 2 and table 16, it should be recalled that a minimum of 8-9 percent is needed to meet monthly cash-flow requirements. The shaded area in figure 2 depicts this requirement.

FIGURE 1.—ESTIMATED ASSETS AT END OF YEAR, FOR OASI AND DI TRUST FUNDS COMBINED, CALENDAR YEARS 1990-2000
[In billions]

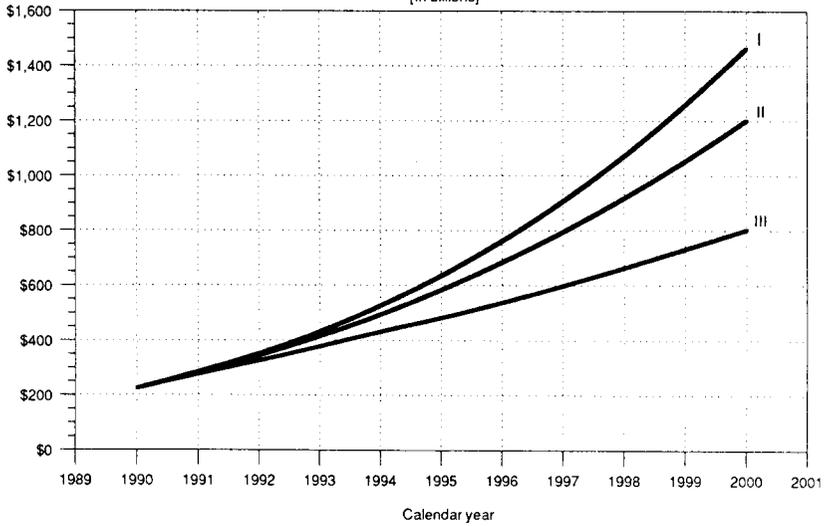


FIGURE 2.—ESTIMATED CONTINGENCY FUND RATIOS, FOR OASI AND DI TRUST FUNDS COMBINED, CALENDAR YEARS 1990-2000

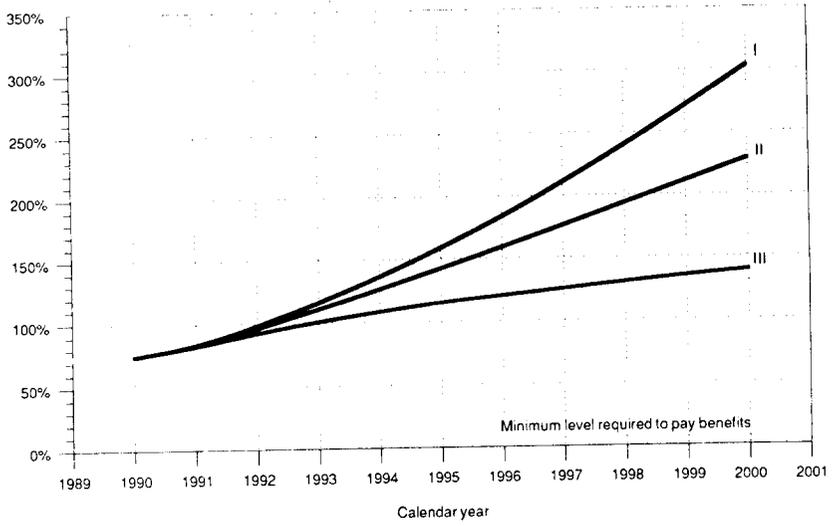


TABLE 16.—CONTINGENCY FUND RATIOS¹ BY TRUST FUND, SELECTED CALENDAR YEARS 1950-90, AND ESTIMATED FUTURE RATIOS BY ALTERNATIVE, CALENDAR YEARS 1991-2000
(In percent)

Calendar year	OASI Trust Fund	DI Trust Fund	OASI and DI Trust Funds, combined
Past experience:			
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
1981.....	18	21	18
1982.....	15	17	15
1983.....	15	14	14
1984.....	20	35	21
1985.....	24	27	24
1986.....	28	38	29
1987.....	30	44	31
1988.....	41	38	41
1989.....	59	38	57
1990.....	78	40	75
Alternative I:			
1991.....	87	40	83
1992.....	104	48	98
1993.....	122	58	116
1994.....	143	72	136
1995.....	166	87	159
1996.....	192	104	183
1997.....	220	122	210
1998.....	251	140	240
1999.....	284	158	271
2000.....	318	174	303
Alternative II:			
1991.....	87	40	82
1992.....	102	45	96
1993.....	118	49	111
1994.....	135	54	126
1995.....	152	58	142
1996.....	171	61	159
1997.....	190	62	176
1998.....	210	62	194
1999.....	231	60	211
2000.....	252	57	229
Alternative III:			
1991.....	87	39	82
1992.....	99	41	93
1993.....	109	37	101
1994.....	118	33	109
1995.....	127	25	115
1996.....	134	14	120
1997 ²	142	8	³ 125
1998 ²	150	(⁴)	³ 130
1999 ²	159	(⁴)	³ 135
2000 ²	167	(⁴)	³ 139

¹Represents assets at beginning of year as a percentage of disbursements 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.

²Figures for DI, and for OASI and DI combined, are theoretical because of the depletion of the DI Trust Fund in 1997.

³Does not reflect the reinstatement of advance tax transfers to the DI Trust Fund at the end of 1996. See text for details.

⁴Fund depleted in 1997.

Table 17 shows that expenditures in calendar year 1990 from both trust funds, combined, were 10.66 percent of taxable payroll for the year—1.95 percentage points less than the income rate of 12.61 percent. During much of the 1980s, the cost rate declined steadily—from 11.93 percent in 1982 to 10.49 percent in 1989. This reduction was primarily attributable to the combined effect of (1) favorable economic experience, which resulted in faster growth in covered earnings than in benefit payments, and (2) a declining proportion of beneficiaries with benefits determined under the computation method used prior to the 1977 amendments. As described in various other references, the benefit computation procedure in effect prior to the 1977 amendments had the unintended effect of increasing benefit levels for new beneficiaries at a faster rate than the increase in average wages. Other factors contributing to the recent decline in cost rates include rapid growth in the work force (as the last of the “baby boom” reached working age), declines in the number of certain types of beneficiaries (such as children of retired, disabled, or deceased workers) as a result of both demographic causes and various past amendments, and the provisions of the 1983 amendments that reduced benefits and expanded coverage of employment.

Several of these factors appear to be in the process of changing somewhat, compared to their trend since 1983. The cost rate for 1990 increased slightly, as a result of a percentage increase in aggregate benefit payments that exceeded the increase in taxable payroll. The higher-than-trend increase in benefit payments was attributable to the 4.7-percent benefit increase for December 1989, and the change to the “\$1-for-\$3” benefit offset rate for beneficiaries at ages 65 through 69 under the retirement test (effective in January 1990). Simultaneously, a lower-than-trend increase in taxable payroll occurred due to slower growth in covered workers, and to a decline in average net earnings from self-employment (resulting from the new deduction for 1990 and later, as described in section IV). These less favorable conditions were exacerbated by the December 1990 benefit increase of 5.4 percent and the economic recession that began in the fourth quarter of 1990.

Based on alternative I, the OASDI cost rate is estimated to decline slowly during the short-range projection period, reaching 9.69 percent in 2000. Based on alternative II, the cost rate would remain in the neighborhood of 11 percent throughout the 10-year projection period. Under alternative III, it would increase somewhat, to 12.33 percent in 2000. These percentages are shown in table 17 for both trust funds, separately and combined. Table 17 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 contribution rate and the income derived from the Federal income taxation of OASDI benefits, expressed as a percentage of effective 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 17.—COMPARISON OF INCOME RATES AND COST RATES, BY TRUST FUND, SELECTED CALENDAR YEARS 1950-90, AND ESTIMATED RATES BY ALTERNATIVE, CALENDAR YEARS 1991-2000
(As a percentage of taxable payroll)

Calendar year	OASI Trust Fund			DI Trust Fund			Total		
	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance
Past experience:									
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	9.32	-.28	1.12	1.37	-.25	10.16	10.69	-.53
1981	9.40	9.96	-.56	1.30	1.39	-.09	10.70	11.35	-.65
1982	9.15	10.59	-1.44	1.65	1.34	.31	10.80	11.93	-1.13
1983	9.91	10.27	-.36	¹ 1.33	1.22	.10	¹ 11.24	11.49	-.25
1984	10.58	10.08	.49	1.01	1.16	-.14	11.59	11.24	.35
1985	¹ 10.71	9.95	.77	¹ 1.07	1.13	-.06	¹ 11.79	11.08	.71
1986 ²	10.59	9.83	.76	1.01	1.11	-.10	11.60	10.94	.66
1987 ²	10.57	9.59	.98	1.00	1.09	-.10	11.56	10.68	.88
1988 ²	11.22	9.57	1.65	1.06	1.08	-.01	12.28	10.65	1.64
1989 ²	11.17	9.43	1.74	1.06	1.05	.01	12.23	10.49	1.75
1990 ²	¹ 11.40	9.58	1.82	¹ 1.21	1.08	.13	¹ 12.61	10.66	1.95
Alternative I:									
1991	11.40	9.91	1.50	1.21	1.12	.09	12.61	11.03	1.59
1992	11.41	9.90	1.51	1.21	1.11	.10	12.62	11.01	1.61
1993	11.41	9.72	1.69	1.21	1.08	.12	12.62	10.80	1.82
1994	11.41	9.56	1.85	1.21	1.06	.15	12.62	10.63	2.00
1995	¹ 11.37	9.38	1.98	¹ 1.21	1.04	.16	¹ 12.57	10.43	2.14
1996	11.41	9.22	2.20	1.21	1.03	.18	12.62	10.25	2.37
1997	11.41	9.06	2.36	1.21	1.03	.18	12.62	10.08	2.54
1998	11.42	8.91	2.51	1.21	1.02	.18	12.63	9.94	2.69
1999	11.42	8.78	2.64	1.21	1.03	.18	12.63	9.81	2.82
2000	¹ 11.21	8.66	2.55	¹ 1.43	1.03	.40	¹ 12.64	9.69	2.94
Alternative II:									
1991	11.41	9.96	1.44	1.21	1.14	.07	12.61	11.10	1.51
1992	11.41	10.03	1.39	1.21	1.16	.05	12.62	11.18	1.44
1993	11.42	9.98	1.44	1.21	1.16	.05	12.63	11.14	1.48
1994	11.42	9.93	1.49	1.21	1.16	.04	12.63	11.10	1.53
1995	¹ 11.42	9.86	1.56	¹ 1.21	1.17	.04	¹ 12.63	11.04	1.59
1996	11.43	9.80	1.63	1.21	1.19	.02	12.64	10.99	1.65
1997	11.43	9.74	1.69	1.21	1.20	.01	12.64	10.94	1.69
1998	11.44	9.69	1.74	1.21	1.22	-.01	12.65	10.92	1.73
1999	11.45	9.65	1.80	1.21	1.25	-.04	12.66	10.90	1.76
2000	¹ 11.23	9.61	1.63	¹ 1.43	1.27	.16	¹ 12.66	10.88	1.79
Alternative III:									
1991	11.41	10.11	1.30	1.21	1.17	.04	12.62	11.28	1.34
1992	11.42	10.47	.96	1.21	1.24	-.03	12.63	11.71	.93
1993	11.43	10.45	.98	1.21	1.26	-.05	12.64	11.71	.93
1994	11.44	10.59	.84	1.21	1.30	-.09	12.65	11.89	.75
1995	¹ 11.45	10.94	.51	¹ 1.21	1.37	-.16	¹ 12.66	12.31	.35
1996	11.45	10.82	.63	1.21	1.40	-.19	12.66	12.22	.45
1997	11.45	10.75	.70	1.21	1.43	-.22	12.67	12.18	.48
1998	11.46	10.71	.75	1.21	1.48	-.27	12.67	12.19	.49
1999	11.47	10.72	.75	1.21	1.53	-.32	12.69	12.25	.44
2000	¹ 11.26	10.74	.52	¹ 1.43	1.59	-.16	¹ 12.70	12.33	.37

¹Income rates for 1983, 1985, 1990, 1995, and 2000 are adjusted to include the lump-sum payments from the general fund of the Treasury (or adjustments to such payments) for the cost of noncontributory wage credits for military service in 1940-56.

²Figures shown are preliminary.

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

Estimates of the operations of the trust funds during calendar years 1991-2000 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, however, 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 each fiscal year 1991-95 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 (1996-2000) and on a calendar-year basis for 1991-2000.

Data on the actual operations of the OASI Trust Fund for selected years during 1940-90, and estimates of the expected operations of the trust fund during 1991-2000 on the basis of the intermediate set of assumptions, are shown in tables 18 and 19 on a fiscal- and calendar-year basis, respectively. Corresponding figures on the operations of the DI Trust Fund are shown in tables 20 and 21. Operations of both trust funds combined are shown in tables 22 and 23. (Data relating to the operations of the two trust funds for years not shown in tables 18-23 are contained in past annual reports.) The figures shown in tables 19, 21, and 23 for 1981, 1982, 1987, and 1988 are adjusted to reflect 12 months of benefit payments in each year. The amounts estimated for 1992, 1993, 1998, and 1999 are similarly adjusted.

TABLE 18.—OPERATIONS OF THE OASI TRUST FUND DURING SELECTED FISCAL YEARS 1940-90 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1991-2000 ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS
(In millions)

Fiscal year ¹	Income					Disbursements						Fund at end of period
	Total	Net contributions ²	Income from taxation of benefits	Payments from the general fund of the Treasury ³	Net interest ⁴	Total	Benefit payments ⁵	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers ⁶	Net increase in fund	
Past experience:												
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	—	—	257	784	727	57	—	—	1,583	12,893
1955	5,525	5,087	—	—	438	4,427	4,333	103	-\$10	—	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
1981	121,572	119,016	—	540	2,016	122,304	119,421	1,298	1,585	—	-732	23,834
1982	126,629	124,246	—	675	1,708	137,928	134,661	1,474	1,793	—	-11,299	12,535
1983	148,434	136,127	—	6,096	6,210	151,827	148,025	1,551	2,251	\$17,519	14,125	26,661
1984	160,729	156,553	\$2,132	125	1,919	159,820	155,831	1,585	2,404	—	909	27,570
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
Estimated future experience:												
1991	293,429	271,412	5,354	-2,089	18,751	241,137	235,963	1,706	3,467	—	52,292	255,737
1992	315,205	286,979	5,440	19	22,767	257,942	252,699	1,876	3,367	—	57,263	319,000
1993	338,636	305,733	5,934	15	26,954	273,892	268,443	1,941	3,508	—	64,744	377,744
1994	364,608	326,815	6,432	12	31,350	289,723	284,069	2,005	3,648	—	74,885	452,629
1995	388,769	345,701	6,946	9	36,113	305,949	300,103	2,075	3,771	—	82,820	535,449
1996	416,733	367,879	7,481	-114	41,487	322,798	316,764	2,146	3,887	—	93,935	629,385
1997	445,713	390,136	8,031	5	47,540	340,487	334,281	2,218	3,987	—	105,226	734,611
1998	476,844	413,892	8,744	4	54,204	359,314	352,802	2,292	4,220	—	117,530	852,140
1999	510,054	439,078	9,570	3	61,443	379,382	372,634	2,367	4,382	—	130,711	982,852
2000	538,896	458,931	10,479	2	69,485	400,749	393,751	2,444	4,554	—	138,147	1,120,998

See following page for footnotes.

¹Under 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. The act further provides that the calendar quarter July-September 1976 is a period of transition from fiscal year 1976, which ended on June 30, 1976, to fiscal year 1977, which began on October 1, 1976.

²Beginning 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. The amount shown for 1983 includes, in addition to the annual transfer for 1983 wage credits, a net amount of \$5,388 million representing (1) retroactive transfers for deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$466 million was transferred to the trust fund from the general fund of the Treasury in 1984.

³Includes payments (1) in 1947-52 and in 1967 and later, for costs of noncontributory 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.

⁴Net 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. Beginning in 1983, these figures 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 1983 includes \$6,677 million in interest on (1) retroactive general fund transfers for deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$1,732 million on general fund transfers for deemed wage credits for military service in 1957-83. 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.

⁵Beginning 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 unnegotiated benefit checks. The amount shown for 1983 is reduced by \$288 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

⁶Positive figure represents amounts lent to the OASI Trust Fund from the DI and HI Trust Funds. Negative figures represent amounts repaid from the OASI Trust Fund to the DI and HI Trust Funds.

TABLE 19.—OPERATIONS OF THE OASI TRUST FUND DURING SELECTED CALENDAR YEARS 1940-90 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1991-2000 ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS
(In millions)

Calendar year	Income					Disbursements					Fund at end of period	
	Total	Net contributions ¹	Income from taxation of benefits	Payments from the general fund of the Treasury ²	Net interest ³	Total	Benefit payments ⁴	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers ⁵		Net increase in fund
Past experience:												
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	—	—	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	318	—	184	20,324
1965	16,610	16,017	—	—	593	17,501	16,737	328	436	—	-890	18,235
1970	32,220	30,256	—	449	1,515	29,848	28,798	471	579	—	2,371	32,454
1975	59,605	56,816	—	425	2,364	60,395	58,517	896	982	—	-790	36,987
1980	105,841	103,456	—	540	1,845	107,678	105,083	1,154	1,442	—	-1,837	22,823
1981	125,361	122,627	—	675	2,060	126,695	123,803	1,307	1,585	—	-1,334	21,490
1982	125,198	123,673	—	680	845	142,119	138,806	1,519	1,793	\$17,519	598	22,088
1983	150,584	138,337	—	5,541	6,706	152,999	149,221	1,528	2,251	—	-2,416	19,672
1984	169,328	164,122	\$2,835	105	2,266	161,883	157,841	1,638	2,404	—	7,445	27,117
1985	184,239	176,958	3,208	2,203	1,871	171,150	167,248	1,592	2,310	-4,364	8,725	35,842
1986	197,393	190,741	3,424	160	3,069	181,000	176,813	1,601	2,585	-13,155	3,239	39,081
1987	210,736	202,735	3,257	55	4,690	187,668	183,587	1,524	2,557	—	23,068	62,149
1988	240,770	229,775	3,384	43	7,568	200,020	195,454	1,776	2,790	—	40,750	102,899
1989	264,653	250,195	2,439	34	11,985	212,489	207,971	1,673	2,845	—	52,164	155,063
1990	286,653	267,530	4,848	-2,089	16,363	227,519	222,987	1,563	2,969	—	59,134	214,197
Estimated future experience:												
1991	299,587	273,654	5,068	19	20,846	245,411	240,205	1,740	3,467	—	54,175	268,373
1992	322,075	291,658	5,569	15	24,833	262,154	256,895	1,893	3,367	—	59,921	328,293
1993	344,677	309,496	6,055	12	29,114	277,731	272,266	1,957	3,508	—	66,946	395,239
1994	370,468	330,252	6,557	9	33,650	293,648	287,977	2,023	3,648	—	76,820	472,059
1995	396,072	350,401	7,076	-114	38,709	310,009	304,145	2,093	3,771	—	86,063	558,122
1996	424,620	372,570	7,617	5	44,427	327,048	320,996	2,164	3,887	—	97,572	655,694
1997	454,098	395,156	8,171	4	50,767	344,982	338,758	2,237	3,987	—	109,116	764,810
1998	485,835	419,168	8,937	3	57,727	364,080	357,549	2,311	4,220	—	121,755	886,564
1999	519,685	444,516	9,784	2	65,384	384,503	377,736	2,386	4,382	—	135,182	1,021,746
2000	547,404	463,122	10,714	2	73,567	406,200	399,182	2,464	4,554	—	141,204	1,162,950

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See following page for footnotes.

¹Beginning 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. The amount shown for 1983 includes, in addition to the annual transfer for 1983 wage credits, a net amount of \$5,388 million representing (1) retroactive transfers for deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$466 million was transferred to the trust fund from the general fund of the Treasury in 1984.

²Includes payments (1) in 1947-51 and in 1966 and later, for costs of noncontributory 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.

³Net 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. Beginning in 1983, these figures 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 1983 includes \$6,677 million in interest on (1) retroactive general fund transfers for deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$1,732 million on general fund transfers for deemed wage credits for military service in 1957-83. The amount shown for 1985 includes an interest adjustment of \$88 million on unnegotiated checks issued before April 1985.

⁴Beginning 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. The amount shown for 1983 is reduced by \$288 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

⁵Positive figure represents amounts lent to the OASI Trust Fund from the DI and HI Trust Funds. Negative figures represent amounts repaid from the OASI Trust Fund to the DI and HI Trust Funds.

TABLE 20.—OPERATIONS OF THE DI TRUST FUND DURING SELECTED FISCAL YEARS 1960-90 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1991-2000 ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS
(In millions)

Fiscal year ¹	Income					Disbursements						Fund at end of period
	Total	Net contributions ²	Income from taxation of benefits	Payments from the general fund of the Treasury ³	Net interest ⁴	Total	Benefit payments ⁵	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers ⁶	Net increase in fund	
Past experience:												
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
1981	12,993	12,589	—	130	273	17,280	16,846	405	29	—	-4,288	3,392
1982	21,398	20,866	—	168	363	18,035	17,437	572	26	—	3,363	6,755
1983	21,846	19,036	—	1,295	1,515	18,231	17,544	659	28	-\$5,081	-1,466	5,290
1984	17,732	16,394	\$143	—	1,195	18,379	17,772	585	22	—	-647	4,643
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	-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
Estimated future experience:												
1991	29,388	29,017	146	-775	1,000	27,352	26,521	765	66	—	2,036	13,490
1992	31,988	30,622	217	—	1,150	29,693	28,789	849	55	—	2,295	15,786
1993	34,463	32,918	229	—	1,315	31,814	30,805	953	57	—	2,549	18,434
1994	36,736	35,013	241	—	1,483	33,900	32,826	1,014	59	—	2,836	21,270
1995	38,943	37,041	253	—	1,650	36,225	35,078	1,081	66	—	2,719	23,989
1996	41,496	39,416	280	-2	1,803	38,853	37,632	1,151	70	—	2,643	26,632
1997	44,062	41,806	313	—	1,943	41,790	40,488	1,225	77	—	2,272	28,904
1998	46,750	44,352	351	—	2,047	45,073	43,686	1,303	83	—	1,677	30,582
1999	49,537	47,051	394	—	2,092	48,735	47,258	1,386	90	—	802	31,384
2000	59,175	56,579	443	—	2,153	52,763	51,192	1,474	97	—	6,412	37,796

See following page for footnotes.

¹Under 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. The act further provides that the calendar quarter July-September 1976 is a period of transition from fiscal year 1976, which ended on June 30, 1976, to fiscal year 1977, which began on October 1, 1976.

²Beginning 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. The amount shown for 1983 includes, in addition to the annual transfer for 1983 wage credits, a net amount of \$402 million representing (1) retroactive transfers for deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$62 million was transferred to the trust fund from the general fund of the Treasury in 1984.

³Includes 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.

⁴Net 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. Beginning in 1983, these figures 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 1983 includes \$660 million in interest on (1) retroactive general fund transfers for deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$169 million on general fund transfers for deemed wage credits for military service in 1957-83. The amount shown for 1985 includes an interest adjustment of \$14.8 million on unnegotiated checks issued before April 1985.

⁵Beginning 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 unnegotiated benefit checks. The amount shown for 1983 is reduced by \$48 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

⁶Negative figure represents amounts lent by the DI Trust Fund to the OASI Trust Fund. Positive figures represent repayment of these amounts.

⁷Reflects \$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.

TABLE 21.—OPERATIONS OF THE DI TRUST FUND DURING SELECTED CALENDAR YEARS 1960-90 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1991-2000 ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS
(In millions)

Calendar year	Income					Disbursements							Fund at end of period
	Total	Net contributions ¹	Income from taxation of benefits	Payments from the general fund of the Treasury ²	Net interest ³	Total	Benefit payments ⁴	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers ⁵	Net increase in fund		
Past experience:													
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	
1981	17,078	16,738	—	168	172	17,658	17,192	436	29	—	-580	3,049	
1982	22,715	21,995	—	174	546	17,992	17,376	590	26	-\$5,081	-358	2,691	
1983	20,682	17,991	—	1,121	1,569	18,177	17,524	625	28	—	2,505	5,195	
1984	17,309	15,945	\$190	—	1,174	18,546	17,898	626	22	—	-1,237	3,959	
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	-36	—	648	21,425	20,519	849	57	—	-1,122	6,658	
1988	22,899	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	
Estimated future experience:													
1991	30,502	29,223	207	—	1,072	28,024	27,137	821	66	—	2,477	13,557	
1992	32,651	31,197	220	—	1,233	30,251	29,316	880	55	—	2,399	15,956	
1993	34,913	33,280	232	—	1,400	32,327	31,299	971	57	—	2,586	18,542	
1994	37,190	35,382	243	—	1,565	34,444	33,350	1,034	59	—	2,747	21,289	
1995	39,524	37,544	256	-2	1,726	36,838	35,671	1,102	66	—	2,686	23,975	
1996	42,082	39,919	288	—	1,875	39,548	38,305	1,173	70	—	2,534	26,509	
1997	44,666	42,345	322	—	1,999	42,562	41,237	1,248	77	—	2,104	28,612	
1998	47,355	44,918	361	—	2,076	45,939	44,528	1,328	83	—	1,415	30,027	
1999	50,135	47,633	405	—	2,096	49,698	48,195	1,413	90	—	437	30,464	
2000	62,105	59,299	456	—	2,350	53,813	52,214	1,502	97	—	8,292	38,756	

See following page for footnotes.

¹Beginning 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. The amount shown for 1983 includes, in addition to the annual transfer for 1983 wage credits, a net amount of \$402 million representing (1) retroactive transfers for deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$62 million was transferred to the trust fund from the general fund of the Treasury in 1984.

²Includes 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.

³Net 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. Beginning in 1983, these figures 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 1983 includes \$660 million in interest on (1) retroactive general fund transfers for deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$169 million on general fund transfers for deemed wage credits for military service in 1957-83. The amount shown for 1985 includes an interest adjustment of \$14.8 million on unnegotiated checks issued before April 1985.

⁴Beginning 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. The amount shown for 1983 is reduced by \$48 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

⁵Negative figure represents amounts lent by the D1 Trust Fund to the OASI Trust Fund. Positive figures represent repayment of these amounts.

⁶Reflects \$195 million in transfers from the D1 Trust Fund to the general fund of the Treasury to correct estimated amounts transferred for calendar years 1984 and 1985.

TABLE 22.—OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, DURING SELECTED FISCAL YEARS 1960-90 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1991-2000 ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS
(In millions)

Fiscal year ¹	Income					Disbursements						Funds at end of period
	Total	Net contributions ²	Income from taxation of benefits	Payments from the general fund of the Treasury ³	Net interest ⁴	Total	Benefit payments ⁵	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers ⁶	Net increase in funds	
Past experience:												
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
1981	134,565	131,606	—	670	2,289	139,584	136,267	1,703	1,614	—	-5,019	27,226
1982	148,027	145,113	—	843	2,072	155,963	152,097	2,046	1,820	—	-7,936	19,290
1983	170,280	155,163	—	7,391	7,725	170,058	165,569	2,210	2,279	\$12,437	12,660	31,950
1984	178,461	172,946	\$2,275	125	3,114	178,199	173,603	2,170	2,426	—	262	32,212
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
Estimated future experience:												
1991	322,817	300,429	5,500	-2,864	19,751	268,489	262,484	2,472	3,533	—	54,328	269,228
1992	347,193	317,601	5,657	19	23,916	287,635	281,488	2,725	3,422	—	59,558	328,785
1993	373,099	338,652	6,163	15	28,268	305,706	299,248	2,894	3,565	—	67,393	396,178
1994	401,344	361,828	6,672	12	32,633	323,623	316,896	3,020	3,708	—	77,721	473,899
1995	427,712	382,742	7,199	9	37,763	342,174	335,181	3,156	3,837	—	85,539	559,438
1996	458,230	407,295	7,761	-116	43,290	361,651	354,397	3,297	3,957	—	96,579	656,017
1997	489,775	431,942	8,345	5	49,483	382,277	374,770	3,444	4,064	—	107,498	763,515
1998	523,594	458,244	9,095	4	56,252	404,387	396,489	3,595	4,303	—	119,207	882,722
1999	559,631	486,129	9,964	3	63,535	428,117	419,892	3,753	4,472	—	131,513	1,014,235
2000	598,072	515,510	10,922	2	71,638	453,512	444,943	3,918	4,651	—	144,559	1,158,794

See following page for footnotes.

¹Under 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. The act further provides that the calendar quarter July-September 1976 is a period of transition from fiscal year 1976, which ended on June 30, 1976, to fiscal year 1977, which began on October 1, 1976.

²Beginning 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. The amount shown for 1983 includes, in addition to the annual transfer for 1983 wage credits, a net amount of \$5,790 million representing (1) retroactive transfers for deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$528 million was transferred to the trust funds from the general fund of the Treasury in 1984.

³Includes payments (1) in 1947-52 and in 1967 and later, for costs of noncontributory 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.

⁴Net 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. Beginning in 1983, these figures 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 amount shown for 1983 includes \$7,337 million in interest on (1) retroactive general fund transfers for deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$1,901 million on general fund transfers for deemed wage credits for military service in 1957-83. 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.

⁵Beginning 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 unnegotiated benefit checks. The amount shown for 1983 is reduced by \$336 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

⁶Positive figure represents amounts lent to the OASI Trust Fund from the HI Trust Fund. Negative figures represent amounts repaid from the OASI Trust Fund to the HI Trust Fund.

TABLE 23.—OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, DURING SELECTED CALENDAR YEARS 1960-90 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1991-2000 ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS
(In millions)

Calendar year	Income					Disbursements						Funds at end of period
	Total	Net contributions ¹	Income from taxation of benefits	Payments from the general fund of the Treasury ²	Net interest ¹	Total	Benefit payments ¹	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers	Net increase in funds	
Past experience:												
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
1981	142,438	139,364	—	843	2,231	144,352	140,995	1,743	1,614	—	-1,914	24,539
1982	147,913	145,667	—	854	1,391	160,111	156,182	2,109	1,820	\$12,437	239	24,778
1983	171,266	156,328	—	6,662	8,276	171,177	166,744	2,153	2,279	—	89	24,867
1984	186,637	180,066	\$3,025	105	3,440	180,429	175,739	2,264	2,426	—	6,208	31,075
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
Estimated future experience:												
1991	330,088	302,877	5,275	19	21,917	273,436	267,342	2,561	3,533	—	56,653	281,929
1992	354,725	322,855	5,790	15	26,066	292,405	286,211	2,772	3,422	—	62,320	344,249
1993	379,590	342,776	6,288	12	30,514	310,058	303,565	2,928	3,565	—	69,532	413,781
1994	407,658	365,634	6,800	9	35,215	328,092	321,327	3,057	3,708	—	79,567	493,348
1995	435,596	387,945	7,332	-116	40,435	346,847	339,816	3,195	3,837	—	88,748	582,096
1996	466,701	412,489	7,905	5	46,302	366,595	359,301	3,337	3,957	—	100,106	682,202
1997	498,764	437,501	8,493	4	52,766	387,544	379,995	3,485	4,064	—	111,220	793,422
1998	533,189	464,086	9,298	3	59,803	410,019	402,078	3,639	4,303	—	123,170	916,591
1999	569,820	492,149	10,189	2	67,480	434,201	425,931	3,799	4,472	—	135,619	1,052,211
2000	609,509	522,421	11,169	2	75,917	460,012	451,395	3,966	4,651	—	149,496	1,201,706

See following page for footnotes.

¹Beginning 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. The amount shown for 1983 includes, in addition to the annual transfer for 1983 wage credits, a net amount of \$5,790 million representing (1) retroactive transfers for deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$528 million was transferred to the trust funds from the general fund of the Treasury in 1984.

²Includes payments (1) in 1947-51 and in 1966 and later, for costs of noncontributory 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.

³Net 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. Beginning in 1983, these figures 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 1983 includes \$7,337 million in interest on (1) retroactive general fund transfers for deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$1,901 million on general fund transfers for deemed wage credits for military service in 1957-83. The amount shown for 1985 includes an interest adjustment of \$102.8 million on unnegotiated checks issued before April 1985.

⁴Beginning 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. The amount shown for 1983 is reduced by \$336 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

⁵Positive figure represents amounts lent to the OASI Trust Fund from the HI Trust Fund. Negative figures represent amounts repaid from the OASI Trust Fund to the HI Trust Fund.

D. ACTUARIAL ANALYSIS OF BENEFIT DISBURSEMENTS FROM THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND WITH RESPECT TO DISABLED BENEFICIARIES

(Required by section 201(c) of the Social Security Act)

Effective January 1957, monthly benefits have been payable from the OASI Trust Fund to disabled children aged 18 and over of retired and deceased workers in those cases for which the disability began before age 18. The age before which disability is required to have begun was subsequently changed to age 22. Effective February 1968, reduced monthly benefits have been payable from this trust fund to disabled widows and widowers at ages 50 and above.

On December 31, 1990, about 662,000 persons were receiving monthly benefits from the OASI Trust Fund because of their disabilities or the disabilities of children. This total includes 50,000 mothers and fathers (wives or husbands under age 65 of retired-worker beneficiaries and widows or widowers of deceased insured workers) who met all other qualifying requirements and were receiving unreduced benefits solely because they had disabled-child beneficiaries (or disabled children aged 16 or 17) in their care. Benefits paid from this trust fund to the persons described above totaled \$2,875 million in calendar year 1990. Table 24 shows these and similar figures for selected calendar years during 1960-90, and estimated experience for 1991-2000.

TABLE 24.— BENEFIT DISBURSEMENTS FROM THE OASI TRUST FUND WITH RESPECT TO DISABLED BENEFICIARIES, SELECTED CALENDAR YEARS 1960-2000
(Beneficiaries in thousands; benefit payments in millions)

Calendar year	Disabled beneficiaries, end of year			Amount of benefit payments ¹		
	Total	Children ²	Widows-widowers	Total	Children ²	Widows-widowers ³
Past experience:						
1960.....	117	117	—	\$59	\$59	—
1965.....	214	214	—	134	134	—
1970.....	316	281	36	301	280	\$41
1975.....	435	376	58	664	560	104
1980.....	519	460	59	1,223	1,097	126
1981.....	527	473	54	1,421	1,296	125
1982.....	533	484	49	1,566	1,451	115
1983.....	550	504	46	1,691	1,581	110
1984.....	574	528	47	1,882	1,707	175
1985.....	594	547	47	2,043	1,860	183
1986.....	614	565	49	2,198	2,001	197
1987.....	629	580	49	2,314	2,111	203
1988.....	640	591	49	2,503	2,292	211
1989.....	651	602	49	2,669	2,448	221
1990.....	662	613	49	2,875	2,642	233
Estimated future experience:						
1991.....	683	632	51	3,157	2,903	254
1992.....	706	653	53	3,437	3,156	281
1993.....	730	675	56	3,712	3,402	310
1994.....	755	697	58	4,004	3,667	337
1995.....	779	719	60	4,318	3,951	367
1996.....	798	735	63	4,636	4,239	397
1997.....	818	752	66	4,969	4,535	435
1998.....	838	769	69	5,330	4,854	476
1999.....	859	787	72	5,720	5,200	520
2000.....	879	805	75	6,137	5,569	568

¹Beginning in 1966, includes payments for vocational rehabilitation services.

²Also includes certain mothers and fathers (see text).

³In 1983 and prior years, reflects the offsetting effect of lower benefits payable to disabled widows and widowers who continue to receive benefits after attaining age 60 (62, for disabled widowers, prior to 1973) as compared to the higher nondisabled widow's and widower's benefits that would otherwise be payable.

Total benefit payments from the OASI Trust Fund with respect to disabled beneficiaries are estimated to increase from \$3,157 million in calendar year 1991 to \$6,137 million in calendar year 2000, based on alternative II.

In calendar year 1990, benefit payments (including expenditures for vocational rehabilitation services) with respect to disabled persons from the OASI Trust Fund and from the DI Trust Fund (including payments from the latter fund to all children and spouses of disabled-worker beneficiaries) totaled \$27,710 million, of which \$2,875 million, or 10.4 percent, represented payments from the OASI Trust Fund. These and similar figures for selected calendar years during 1960-90 and estimates for calendar years 1991-2000 are presented in table 25.

TABLE 25.—BENEFIT DISBURSEMENTS UNDER THE OASDI PROGRAM WITH RESPECT TO DISABLED BENEFICIARIES, BY TRUST FUND, SELECTED CALENDAR YEARS 1960-2000
(Amounts in millions)

Calendar year	Total ¹	DI Trust Fund ²	OASI Trust Fund	
			Amount ¹	Percentage of total
Past experience:				
1960.....	\$627	\$568	\$59	9.4
1965.....	1,707	1,573	134	7.9
1970.....	3,386	3,085	301	8.9
1975.....	9,169	8,505	664	7.2
1980.....	16,738	15,515	1,223	7.3
1981.....	18,613	17,192	1,421	7.6
1982.....	18,942	17,376	1,566	8.3
1983.....	19,215	17,524	1,691	8.8
1984.....	19,782	17,900	1,882	9.5
1985.....	20,879	18,836	2,043	9.8
1986.....	22,054	19,856	2,198	10.0
1987.....	22,841	20,527	2,314	10.1
1988.....	24,211	21,708	2,503	10.3
1989.....	25,581	22,911	2,669	10.4
1990.....	27,710	24,835	2,875	10.4
Estimated future experience:				
1991.....	30,294	27,137	3,157	10.4
1992.....	32,758	29,320	3,437	10.5
1993.....	35,015	31,303	3,712	10.6
1994.....	37,358	33,354	4,004	10.7
1995.....	39,993	35,675	4,318	10.8
1996.....	42,945	38,309	4,636	10.8
1997.....	46,211	41,242	4,969	10.8
1998.....	49,862	44,533	5,330	10.7
1999.....	53,920	48,200	5,720	10.6
2000.....	58,356	52,219	6,137	10.5

¹Beginning in 1966, includes payments for vocational rehabilitation services.

²Benefit payments to disabled workers and their children and spouses.

³Benefit payments to disabled children aged 18 and over, to certain mothers and fathers (see text), and to disabled widows and widowers (see footnote 3, table 24).