

American Payroll Association

Social Security Trustees Project \$2,100 Wage Base Increase for 2015

The Board of Trustees of the Social Security Trust Fund reports each year on the financial condition of the social security program. The *2014 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, issued on July 28, includes both short- and long-term projections about the social security system. The projections, which are only an indication of the expected trend, are based on social security program provisions in current law and do not take into account any changes in these provisions that might be made in the future. The report is available on the Social Security Administration's website at www.ssa.gov/OACT/TR/2014/.

Short-term projections: wage base

Using "intermediate" forecasting assumptions (described as "best estimates") and projecting out 10 years, the report estimates that the social security wage base will be \$119,100 in 2015 (up \$2,100 from this year's wage base of \$117,000) and will increase to \$168,900 by 2023. Note that these numbers are only estimates. The formal announcement of the 2015 wage base will not come until mid-October.

Calendar Year	Estimated Wage Base (Intermediate Estimate)
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2015	\$119,100
2016	\$123,600
2017	\$129,600
2018	\$136,200
2019	\$142,800
2020	\$149,400
2021	\$156,000
2022	\$162,300
2023	\$168,900

Long-term projections: trust fund solvency

Again using "intermediate" forecasting assumptions, the report projects a mixed picture for the social security trust funds (the Old-Age and Survivors Insurance trust fund and the Disability Insurance trust fund) over the next several years. Annual cost exceeded non-interest income in 2010 and is projected to continue to exceed non-interest income throughout the remainder of the 75-year valuation period. Nevertheless, through 2019 total trust fund income, including interest income, is more than is necessary to cover costs, so trust fund assets will continue to grow during that time period. Beginning in 2020, trust fund assets will diminish until they become exhausted in 2033 – no change from the date projected last year. Non-interest income is projected to be sufficient to cover 77% of scheduled benefit payments for the rest of 2033, declining to 72% for 2088.

"The projected depletion dates of the Social Security Trust Funds have not

changed, and three-fourths of benefits would still be payable after depletion. But the fact remains that Congress can ensure the long-term solvency of this vital program by taking action,” said Carolyn W. Colvin, Acting Commissioner of Social Security, as the *2014 Report* was released.