

Actuarial Analysis

ratio would increase slowly during 1992-99, reaching 55 percent by the beginning of 2000, and would increase somewhat more rapidly after 1999.

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 starting 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 1997 and later, the DI Trust Fund does not satisfy the Trustees' short-range test of financial adequacy. Accordingly, in the opinion of the Trustees, the financial position of the DI program should be strengthened.

c. Combined OASI and DI Trust Fund Operations

The estimated operations and status of the OASI and DI Trust Funds, combined, during calendar years 1992-2001 on the basis of the three alternatives, are shown in table II.F.3, together with figures on actual experience in 1991. These amounts are generally the sums of the corresponding figures shown in tables II.F.1 and II.F.2. An exception is made for 1998 and later under alternative II, and for 1996 and later under alternative III, due to the depletion of the DI Trust Fund. For these years, 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.

TABLE II.F.3.—ESTIMATED OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, BY ALTERNATIVE, CALENDAR YEARS 1991-2001

[Amounts in billions]

Calendar year	Income	Disbursements	Net increase in funds	Funds at end of year	Trust fund	
					Amount ¹	Ratio ²
1991 ³	\$329.7	\$274.2	\$55.5	\$280.7	\$225.3	82
Alternative I:						
1992	340.9	290.5	50.4	331.1	280.7	97
1993	369.0	304.1	64.8	396.0	331.1	109
1994	396.6	318.4	78.2	474.2	396.0	124
1995	423.6	333.3	90.3	564.5	474.2	142
1996	456.3	348.7	107.6	672.1	564.5	162

TABLE II.F.3.—ESTIMATED OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, BY ALTERNATIVE, CALENDAR YEARS 1991-2001 (Cont.)

[Amounts in billions]

Calendar year	Income	Disbursements	Net increase in funds	Funds at end of year	Trust fund	
					Amount ¹	Ratio ²
Alternative I:						
(Cont.)						
1997.....	\$489.1	\$364.7	\$124.4	\$796.5	\$672.1	184
1998.....	524.7	381.7	143.0	939.6	796.5	209
1999.....	562.4	399.9	162.5	1,102.1	939.6	235
2000.....	602.7	419.3	183.5	1,285.6	1,102.1	263
2001.....	646.1	440.0	206.0	1,491.6	1,285.6	292
Alternative II:						
1992.....	338.4	291.4	47.0	327.8	280.7	96
1993.....	363.0	307.2	55.8	383.6	327.8	107
1994.....	387.3	324.4	62.9	446.5	383.6	118
1995.....	412.0	342.6	69.4	515.9	446.5	130
1996.....	440.8	363.0	77.8	593.7	515.9	142
1997 ³	470.3	384.4	85.9	679.6	593.7	154
1998 ⁴	502.6	407.1	95.5	775.1	⁵ 679.6	⁵ 167
1999 ⁴	537.2	431.4	105.8	880.9	⁵ 775.1	⁵ 180
2000 ⁴	574.4	457.3	117.1	998.0	⁵ 880.9	⁵ 193
2001 ⁴	614.0	484.9	129.1	1,127.1	⁵ 998.0	⁵ 206
Alternative III:						
1992.....	336.2	292.2	44.0	324.8	280.7	96
1993.....	361.9	311.3	50.6	375.4	324.8	104
1994.....	392.3	335.7	56.6	431.9	375.4	112
1995 ⁴	422.3	365.5	56.8	488.8	431.9	118
1996 ⁴	442.0	395.5	46.6	535.3	⁵ 488.8	⁵ 124
1997 ⁴	473.9	422.7	51.1	586.5	⁵ 535.3	⁵ 127
1998 ⁴	506.7	452.9	53.8	640.2	⁵ 586.5	⁵ 129
1999 ⁴	539.8	485.3	54.4	694.7	⁵ 640.2	⁵ 132
2000 ⁴	575.1	520.2	54.9	749.6	⁵ 694.7	⁵ 134
2001 ⁴	612.2	557.4	54.8	804.4	⁵ 749.6	⁵ 134

¹Represents 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 1991 represent actual experience.

⁴Under alternative II, the DI Trust Fund would be depleted in 1997, when assets would become insufficient to pay benefits on time. Under alternative 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.

⁵Trust fund amounts and ratios for 1998 and later under alternative II, and 1996 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 1991, the trust fund ratio for the OASI and DI Trust Funds combined was 82 percent, as shown in table II.F.3. During 1991, total income to the two trust funds was \$55.5 billion higher than total expenditures, resulting in combined OASDI assets at the beginning of 1992 which represented about 96 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, more than doubling by 2001. The ratio would grow at an even faster rate under the

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more optimistic conditions assumed in alternative I, reaching 292 percent at the beginning of the year 2001. Under the alternative III assumptions, assets would grow much more slowly, but would still total 134 percent at the beginning of 2001.

Under the alternative II assumptions, the total assets of the OASI and DI Trust Funds, would exceed 100 percent of annual OASDI expenditures within the first year, 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. 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 the first year, and would remain above that level through 2001. Thus, even under these conditions, the combined funds would satisfy the short-range test of financial adequacy.

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 1992-2001 would substantially exceed the applicable threshold. Thus, the stabilizer provision 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 1992-2001, based on the three sets of assumptions (together with actual assets at the end of each year 1982-91). 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 1992, and estimates for 1992-2001 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 8-9 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 1982-2001

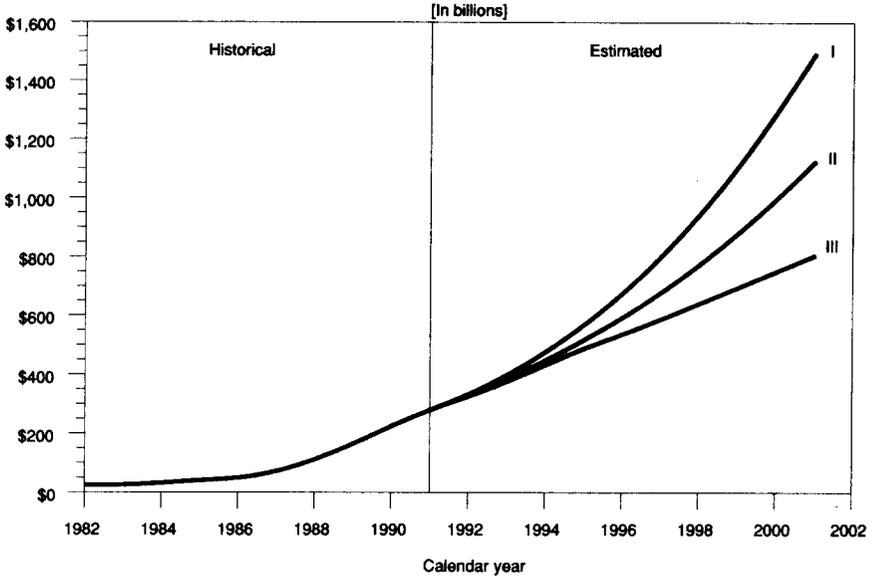


FIGURE II.F.2.—ESTIMATED TRUST FUND RATIOS, FOR OASI AND DI TRUST FUNDS COMBINED, CALENDAR YEARS 1982-2001

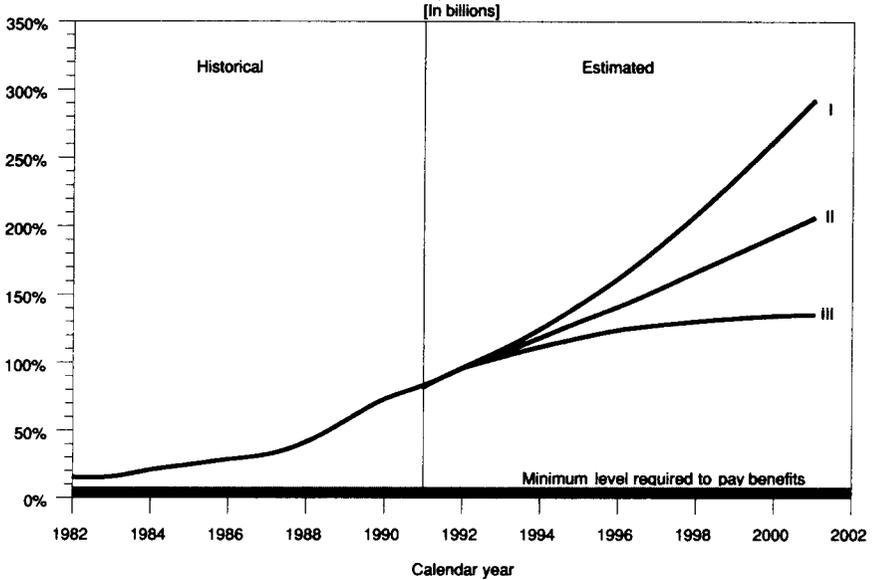


TABLE II.F.4.—TRUST FUND RATIOS¹ BY TRUST FUND, SELECTED CALENDAR YEARS 1950-91, AND ESTIMATED FUTURE RATIOS BY ALTERNATIVE, CALENDAR YEARS 1992-2001

[In percent]

Calendar year	OASI Trust Fund	DI Trust Fund	OASI and DI Trust Funds, combined
Historical data:			
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
Alternative I:			
1992.....	103	42	97
1993.....	117	41	109
1994.....	134	43	124
1995.....	154	45	142
1996.....	176	48	162
1997.....	201	50	184
1998.....	229	53	209
1999.....	259	54	235
2000.....	291	55	263
2001.....	323	72	292
Alternative II:			
1992.....	103	41	96
1993.....	115	37	107
1994.....	129	32	118
1995.....	144	26	130
1996.....	159	17	142
1997 ²	175	6	154
1998 ²	192	(³)	⁴ 167
1999 ²	210	(³)	⁴ 180
2000 ²	228	(³)	⁴ 193
2001 ²	245	(³)	⁴ 206
Alternative III:			
1992.....	103	40	96
1993.....	113	34	104
1994.....	123	24	112
1995 ²	133	12	118
1996 ²	142	(³)	⁴ 124
1997 ²	150	(³)	⁴ 127
1998 ²	158	(³)	⁴ 129
1999 ²	166	(³)	⁴ 132
2000 ²	174	(³)	⁴ 134
2001 ²	180	(³)	⁴ 134

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 projected depletion of the DI Trust Fund.

³Fund depleted.

⁴Does not reflect the advance tax transfers to the DI Trust Fund that would be made under present law. See text for details.

The estimated operations of the OASI Trust Fund shown in this report under alternatives I and II are somewhat less favorable than the corresponding estimates in the 1991 Annual Report. This change is primarily attributable to the continuing weakness in the economy during 1991, with higher unemployment and slower wage growth than had been anticipated. These effects were partly offset by a lower level of inflation. Overall, however, estimated tax income in 1992 and later is substantially lower than the estimates in the 1991 Annual Report, while estimated OASI benefit payments are only slightly lower. Despite this less favorable outlook, OASI assets would still increase rapidly during 1992-2001 under each of the alternative sets of assumptions, as noted above. The estimates for the OASI Trust Fund shown in this report based on alternative III are somewhat more favorable than those shown in the 1991 report, since actual conditions in 1991 were not as adverse as assumed under the pessimistic assumptions used in that report.

For the DI Trust Fund during 1992-2001, the estimated operations in this report under all three alternatives are substantially less favorable than the corresponding estimates from the 1991 report. In addition to the economic factors cited above, the DI estimates are adversely affected by a much more rapid increase in the number of new disability awards to insured workers in 1991 than was anticipated in last year's report, together with a further 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 1991 proved to be substantially greater than had been assumed in the 1991 Annual Report. In particular, the actual incidence rate rose by 13 percent (on a relative basis), compared to assumed increases of 2 percent under alternative II and 6 percent under alternative III. In addition to the direct financial effect of the greater number of disability awards in 1991 (542,000 versus the prior estimated range of 466,000 to 512,000), the rapid growth in incidence necessitated a revision of the incidence rates assumed for future years. The assumed rates for the 1992 Annual Report are initially higher than the corresponding rates from the 1991 report by about the same actual-to-expected differential experienced in 1991; in later years, this difference in assumptions diminishes somewhat. Thus, a significant portion of the higher cost estimated for the DI program in the 1992 Annual Report is attributable to the actual incidence experience in 1991 together with the associated revision in assumed future incidence rates.

The decline in the disability termination rate experienced in 1991 was not substantial, but it contrasted sharply with the termination rates assumed for 1991 and later in the 1991 Annual Report. Specifically, the prior report had assumed that termination rates would increase from the relatively low levels of 1984-90, to levels comparable to the average experienced over the prior decade. The continuing decline in termination rates prompted a special study to determine the underlying causes. In addition, the methodology used to estimate the future number of disability beneficiaries was modified extensively to allow the termination rate to be projected separately by reason for termination.

The results of the study indicated that termination rates due to death and attainment of normal retirement age have followed a gradually decreasing trend in recent years, in part because of the lower average age of new beneficiaries. In addition, benefit terminations as a result of recovery from disability have occurred at very low rates over the last 6 years. The improved estimation methodology enables precise modeling of the terminations due to attainment of normal retirement age. It is clear that this component of the overall termination rate will continue to decrease gradually for approximately another 10 years before leveling off. In addition, because terminations due to attainment of normal retirement age represent more than half of all terminations, it is clear that the overall termination rate is very likely to continue decreasing even if terminations due to other factors increase somewhat to more normal levels (by historical standards).

As noted previously, the termination rate assumptions for this annual report were revised significantly to incorporate a continued decline in terminations due to attainment of normal retirement age and a small increase, relative to 1991, in the termination rates due to death or recovery. (The assumed terminations due to death or recovery, however, are still lower than were implicitly assumed in the 1991 Annual Report.) Thus, the overall termination rates assumed in the 1992 Annual Report are considerably lower—and more realistic—than those assumed in prior reports. Consequently, the actual termination experience in 1991 together with the changes in assumed future termination rates result in a substantial increase in the projected number of disabled worker beneficiaries, as compared to the projections shown in prior annual reports.

It should be noted that the projected exhaustion of the DI Trust Fund is not attributable solely to the large revision in assumed disability termination rates. If the assumptions had been updated only to reflect the actual

1991 experience, and not the improved recognition of the underlying trends, then exhaustion of the DI Trust Fund within the short-range projection period would still be projected (although it would occur approximately 1 year later). The substantial deterioration in the financial outlook for the DI Trust Fund, compared to the projections shown in the 1991 report, is due to the combined effect of the weaker economy, the 1991 disability incidence experience and associated change in assumptions, and the 1991 termination experience together with revised assumptions.

The factors underlying the changes in the financial outlook for the OASI and DI Trust Funds, from last year's annual report to this year's, are analyzed in table II.F.5. In the 1991 Annual Report, the trust fund ratio for OASI was estimated to reach 252 percent at the beginning of the year 2000—the tenth projection year from that report. The corresponding ratio shown in this report for the tenth projection year (2001) is 245 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 2001 would have been 19 percentage points higher than at the beginning of 2000. 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 were favorable, resulting in an aggregate improvement by the beginning of the year 2001 of 6 percentage points in the OASI trust fund ratio. The net effect of actual economic conditions in 1991, and adjustments to the assumptions for 1992 and later, was to reduce the trust fund ratio by 32 percentage points. Together, these factors explain the overall change in the ratio for the tenth projection year.

For the DI Trust Fund, the substantial deterioration in the projected trust fund ratio is primarily attributable to the combined effects of the less favorable economic experience and the changes in the disability incidence and termination assumptions as described previously. The combined effects of the changes for OASI and DI are shown in the final column of table II.F.5.

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 2000.....	252	57	229
Change in trust fund ratio due to changes in:			
Valuation period.....	19	10	18
Demographic assumptions.....	6	(¹)	5
Economic assumptions.....	-32	-24	-31
Disability assumptions.....	(¹)	-85	-15
Total change in trust fund ratio.....	-7	-99	-23
Trust fund ratio shown in this report for calendar year 2001 ²	245	³ -42	³ 206

¹ Between -0.5 and 0.5 percent.

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

³ Does not reflect advance tax transfers to the DI Trust Fund in 1997. See text for details.

Table II.F.6 shows that expenditures in calendar year 1991 from both trust funds, combined, increased to 11.27 percent of taxable payroll for the year—1.38 percentage points less than the income rate of 12.65 percent. During much of the 1980s, the cost rate declined steadily—from 11.93 percent in 1982 to 10.54 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, (2) a declining proportion of beneficiaries with benefits determined under the computation method used prior to the 1977 amendments,¹ and (3) rapid growth in the work force (as the last of the post-World War II “baby-boom” generation reached working age). Other factors contributing to the recent decline in cost rates include 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 1982. The cost rate increased slightly in 1990 and by a significant amount in 1991, as a result of increases in aggregate benefit payments that exceeded the corresponding

¹ 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.

increases in taxable payroll. The higher-than-trend increases in benefit payments were attributable to the 4.7-percent benefit increase for December 1989 and the 5.4-percent increase for December 1990, 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 wages together with a decline in average net earnings from self-employment.

Based on alternative I, the OASDI cost rate is estimated to decline slowly during the short-range projection period, reaching 9.86 percent in 2001. Based on alternative II, the cost rate would remain in the neighborhood of 11.2-11.5 percent throughout the 10-year projection period. Under alternative III, it would increase gradually, to 12.67 percent in 2001. These percentages 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 1950-91, AND ESTIMATED RATES BY ALTERNATIVE, CALENDAR YEARS 1992-2001

(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.....	¹ 10.71	9.95	.76	¹ 1.07	1.13	-.06	¹ 11.79	11.09	.70
1986 ² ..	10.59	9.83	.76	1.01	1.11	-.10	11.60	10.94	.66
1987 ² ..	10.57	9.60	.97	1.00	1.10	-.10	11.56	10.69	.87
1988 ² ..	11.22	9.59	1.63	1.06	1.08	-.02	12.29	10.67	1.62
1989 ² ..	11.17	9.48	1.69	1.06	1.06	(³)	12.23	10.54	1.69
1990 ² ..	¹ 11.32	9.61	1.70	¹ 1.17	1.08	.09	¹ 12.49	10.69	1.79
1991 ² ..	11.44	10.09	1.35	1.21	1.17	.03	12.65	11.27	1.38
Alternative I:									
1992.....	11.43	10.17	1.26	1.21	1.21	(³)	12.64	11.38	1.26
1993.....	11.43	10.01	1.42	1.21	1.20	.01	12.64	11.21	1.43
1994.....	11.43	9.81	1.61	1.21	1.19	.02	12.63	11.00	1.64
1995.....	¹ 11.39	9.61	1.78	¹ 1.21	1.18	.03	¹ 12.59	10.79	1.80
1996.....	11.42	9.41	2.01	1.21	1.18	.03	12.63	10.59	2.04
1997.....	11.41	9.22	2.20	1.21	1.18	.03	12.62	10.40	2.23
1998.....	11.41	9.04	2.37	1.21	1.18	.03	12.62	10.23	2.40
1999.....	11.41	8.89	2.52	1.21	1.19	.02	12.62	10.08	2.54
2000.....	¹ 11.19	8.76	2.43	¹ 1.43	1.20	.23	¹ 12.62	9.96	2.66
2001.....	11.19	8.65	2.54	1.43	1.21	.22	12.62	9.86	2.75
Alternative II:									
1992.....	11.43	10.26	1.17	1.21	1.24	-.03	12.64	11.50	1.14
1993.....	11.43	10.25	1.19	1.21	1.27	-.06	12.64	11.51	1.13
1994.....	11.43	10.19	1.25	1.21	1.30	-.09	12.64	11.48	1.16
1995.....	¹ 11.42	10.10	1.33	¹ 1.21	1.32	-.11	¹ 12.63	11.42	1.22
1996.....	11.43	10.03	1.40	1.21	1.36	-.15	12.64	11.39	1.26
1997.....	11.43	9.96	1.47	1.21	1.39	-.18	12.64	11.35	1.29
1998.....	11.43	9.88	1.55	1.21	1.43	-.22	12.64	11.31	1.33
1999.....	11.43	9.81	1.62	1.21	1.46	-.25	12.64	11.27	1.37
2000.....	¹ 11.21	9.74	1.47	¹ 1.43	1.50	-.07	¹ 12.64	11.24	1.40
2001.....	11.21	9.69	1.52	1.43	1.53	-.10	12.64	11.22	1.42
Alternative III:									
1992.....	11.43	10.35	1.08	1.21	1.27	-.06	12.64	11.62	1.02
1993.....	11.44	10.38	1.05	1.21	1.32	-.11	12.65	11.70	.94
1994.....	11.44	10.36	1.08	1.21	1.38	-.17	12.65	11.73	.92
1995.....	¹ 11.47	10.51	.96	¹ 1.21	1.46	-.24	¹ 12.69	11.97	.72
1996.....	11.45	10.86	.59	1.21	1.57	-.36	12.67	12.44	.23
1997.....	11.45	10.75	.70	1.21	1.63	-.42	12.66	12.38	.28
1998.....	11.45	10.74	.71	1.21	1.71	-.49	12.67	12.44	.22
1999.....	11.45	10.72	.73	1.21	1.78	-.57	12.67	12.51	.16
2000.....	¹ 11.24	10.73	.51	¹ 1.44	1.86	-.42	¹ 12.67	12.58	.09
2001.....	11.24	10.74	.49	1.44	1.93	-.49	12.67	12.67	(³)

¹Income 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.

²Figures shown are preliminary.

³Between -0.005 and 0.005 percent of taxable payroll.

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

Estimates of the operations of the trust funds during calendar years 1992-2001 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 1992-96 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 (1997-2001) and on a calendar-year basis for 1992-2001.

Data on the actual operations of the OASI Trust Fund for selected years during 1940-91, and estimates of the expected operations of the trust fund during 1992-2001 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 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 II.F.7.—OPERATIONS OF THE OASI TRUST FUND DURING SELECTED FISCAL YEARS 1940-91 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1992-2001, 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	
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
Estimates:												
1992....	303,393	274,826	5,997	19	22,552	256,302	251,104	1,877	3,322	—	47,091	302,508
1993....	325,107	293,724	6,099	14	25,269	270,056	264,658	1,900	3,498	—	55,051	357,559
1994....	347,366	312,586	6,509	11	28,260	284,221	278,643	1,945	3,633	—	63,144	420,703
1995....	369,053	330,302	6,970	8	31,773	299,175	293,441	2,005	3,729	—	69,878	490,582
1996....	394,599	351,646	7,367	-347	35,934	315,553	309,621	2,070	3,863	—	79,045	569,627
1997....	421,825	373,191	7,743	5	40,886	332,928	326,765	2,137	4,026	—	88,896	658,523
1998....	451,184	396,538	8,221	4	46,420	351,118	344,778	2,206	4,134	—	100,065	758,588
1999....	483,062	421,603	8,755	3	52,701	370,462	363,857	2,278	4,327	—	112,600	871,189
2000....	510,497	441,498	9,297	2	59,700	391,044	384,206	2,352	4,486	—	119,453	990,642
2001....	544,311	467,293	9,834	2	67,183	413,017	405,925	2,427	4,665	—	131,295	1,121,936

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. Fiscal years prior to 1977 consisted of the 12 months ending on June 30 of each year.

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.

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. 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.

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.

⁶Negative 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 1940-91 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1992-2001, ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS

[In millions]

Calendar year	Income					Disbursements						
	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	Fund at end of period
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	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
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
1991....	299,286	272,574	5,864	19	20,829	245,634	240,467	1,792	3,375	—	53,652	267,849
Estimates:												
1992....	307,338	277,554	5,829	14	23,941	260,000	254,787	1,891	3,322	—	47,338	315,187
1993....	329,939	296,990	6,193	11	26,746	273,333	267,923	1,912	3,498	—	56,607	371,794
1994....	352,301	315,755	6,614	8	29,924	287,773	282,180	1,961	3,633	—	64,527	436,321
1995....	375,244	334,742	7,089	-347	33,760	302,923	297,173	2,022	3,729	—	72,320	508,641
1996....	401,958	356,186	7,459	5	38,308	319,731	313,780	2,087	3,863	—	82,227	590,869
1997....	429,472	378,074	7,838	4	43,556	337,302	331,121	2,155	4,026	—	92,170	683,039
1998....	459,631	401,826	8,350	3	49,452	355,734	349,375	2,225	4,134	—	103,897	786,936
1999....	492,094	427,079	8,892	2	56,121	375,378	368,754	2,297	4,327	—	116,716	903,652
2000....	518,443	445,631	9,434	2	63,977	396,298	389,441	2,371	4,486	—	122,145	1,025,797
2001....	554,218	473,129	9,969	1	71,119	418,603	411,491	2,447	4,665	—	135,615	1,161,412

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.

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. 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.

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.

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

TABLE II.F.9.—OPERATIONS OF THE DI TRUST FUND DURING SELECTED FISCAL YEARS 1960-91 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1992-2001, 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	
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	-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
Estimates:												
1992....	30,777	29,473	228	—	1,076	30,622	29,694	847	81	—	155	13,152
1993....	32,749	31,467	252	—	1,030	33,215	32,219	900	96	—	-466	12,686
1994....	34,694	33,489	275	—	930	35,905	34,829	968	108	—	-1,212	11,475
1995....	36,454	35,390	303	—	761	38,913	37,766	1,028	119	—	-2,459	9,016
1996....	38,482	37,675	330	-22	499	42,348	41,125	1,091	132	—	-3,866	5,150
1997....	40,515	39,989	359	—	167	46,149	44,844	1,158	147	—	-5,634	-484
1998....	42,632	42,492	395	—	-254	50,320	48,929	1,229	162	—	-7,688	-8,172
1999....	44,822	45,178	435	—	-791	54,852	53,371	1,305	176	—	-10,029	-18,201
2000....	53,516	54,455	481	—	-1,420	59,724	58,148	1,386	190	—	-6,208	-24,409
2001....	59,168	60,440	532	—	-1,804	64,931	63,275	1,471	185	—	-5,763	-30,172

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. Fiscal years prior to 1977 consisted of the 12 months ending on June 30 of each year.

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.

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. 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.

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.

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

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 II.F.10.—OPERATIONS OF THE DI TRUST FUND DURING SELECTED CALENDAR YEARS 1960-91 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1992-2001, 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	
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	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
Estimates:												
1992....	31,069	29,765	239	—	1,065	31,371	30,403	887	81	—	-302	12,596
1993....	33,060	31,817	256	—	987	33,830	32,816	918	96	—	-770	11,826
1994....	34,966	33,829	281	—	856	36,604	35,511	984	108	—	-1,638	10,188
1995....	36,792	35,865	311	-22	638	39,696	38,532	1,045	119	—	-2,904	7,283
1996....	38,831	38,162	337	—	332	43,251	42,009	1,109	132	—	-4,420	2,863
1997....	40,875	40,514	367	—	-6	47,133	45,809	1,177	147	—	-6,258	-3,395
1998....	42,964	43,059	405	—	-500	51,410	49,998	1,250	162	—	-8,446	-11,841
1999....	45,088	45,764	446	—	-1,121	56,012	54,510	1,327	176	—	-10,924	-22,765
2000....	55,945	57,086	493	—	-1,634	60,978	59,379	1,409	190	—	-5,033	-27,798
2001....	59,751	61,196	545	—	-1,990	66,271	64,591	1,496	185	—	-6,520	-34,318

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.

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. 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.

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.

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

⁶Reflects \$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 II.F.11.—OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, DURING SELECTED FISCAL YEARS 1960-91 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1992-2001, 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	
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
Estimates:												
1992....	334,171	304,299	6,225	19	23,628	286,925	280,798	2,724	3,403	—	47,246	315,660
1993....	357,856	325,191	6,351	14	26,299	303,271	296,877	2,800	3,594	—	54,585	370,245
1994....	382,059	346,075	6,784	11	29,190	320,127	313,472	2,913	3,741	—	61,933	432,178
1995....	405,507	365,692	7,273	8	32,534	338,088	331,207	3,033	3,848	—	67,420	499,598
1996....	433,081	389,321	7,697	-369	36,432	357,902	350,745	3,161	3,995	—	75,179	574,777
1997....	462,340	413,180	8,102	5	41,053	379,077	371,609	3,295	4,173	—	83,263	658,039
1998....	493,816	439,030	8,617	4	46,166	401,438	393,707	3,435	4,296	—	92,378	750,417
1999....	527,885	466,781	9,191	3	51,910	425,314	417,228	3,583	4,503	—	102,571	852,988
2000....	564,013	495,953	9,778	2	58,280	450,768	442,354	3,738	4,676	—	113,245	966,233
2001....	603,479	527,733	10,366	2	65,379	477,948	469,199	3,898	4,850	—	125,532	1,091,764

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. Fiscal years prior to 1977 consisted of the 12 months ending on June 30 of each year.

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.

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. 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.

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.

⁶Negative figures represent amounts repaid from the OASI Trust Fund to the HI Trust Fund.

TABLE II.F.12.—OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, DURING SELECTED CALENDAR YEARS 1960-91 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1992-2001, 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	
Historical data:												
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
Estimates:												
1992....	338,407	307,319	6,068	14	25,005	291,371	285,190	2,778	3,403	—	47,036	327,783
1993....	362,999	328,807	6,449	11	27,732	307,163	300,739	2,830	3,594	—	55,836	383,619
1994....	387,267	349,584	6,895	8	30,779	324,377	317,691	2,945	3,741	—	62,889	446,509
1995....	412,036	370,607	7,400	-369	34,399	342,620	335,705	3,067	3,848	—	69,416	515,925
1996....	440,789	394,348	7,796	5	38,639	362,981	355,790	3,197	3,995	—	77,807	593,732
1997....	470,347	418,588	8,205	4	43,550	384,435	376,930	3,332	4,173	—	85,912	679,644
1998....	502,595	444,885	8,755	3	48,952	407,143	399,373	3,474	4,296	—	95,452	775,095
1999....	537,182	472,843	9,338	2	54,999	431,390	423,264	3,624	4,503	—	105,792	880,887
2000....	574,388	502,717	9,927	2	61,742	457,276	448,820	3,780	4,676	—	117,112	997,999
2001....	613,969	534,325	10,514	1	69,128	484,874	476,081	3,942	4,850	—	129,095	1,127,094

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.

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. 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.

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.

⁵Negative figures represent amounts repaid from the OASI Trust Fund to the HI Trust Fund.