FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

Our agency's financial statements and additional information for fiscal years (FY) 2021 and 2020 consist of the following:

- The **Consolidated Balance Sheets** present, as of September 30, 2021 and 2020, amounts of economic benefits we owned or managed (assets), amounts we owed (liabilities), and residual amounts we retained, comprising the difference (net position). We provide a Balance Sheet by major program as additional information.
- The **Consolidated Statements of Net Cost** present the net cost of operations for the years ended September 30, 2021 and 2020. Our net cost of operations includes the gross costs incurred less any exchange revenue earned from activities presented by our major programs. By disclosing the gross cost and net cost of the entity's programs, the Consolidated Statements of Net Cost provide information that can be related to the outputs and outcomes of programs and activities. We provide a Schedule of Net Cost to show the components of net cost activity as additional information.
- The **Consolidated Statements of Changes in Net Position** present the change in net position for the years ended September 30, 2021 and 2020. Changes to the two components of net position, Unexpended Appropriations and Cumulative Results of Operations, affect its balance. The Statement format is designed to display both components of net position separately to enable the user to better understand the nature of changes to net position as a whole. We provide a Schedule of Changes in Net Position to present the change in net position by major program as additional information.
- The **Combined Statements of Budgetary Resources** present the budgetary resources available to us, the status of these resources, and the outlay of budgetary resources for the years ended September 30, 2021 and 2020. We provide an additional Schedule of Budgetary Resources as Required Supplementary Information to present budgetary resources by major program.
- The **Statements of Social Insurance** present the present value for the 75-year projection period of the estimated Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) future noninterest income and cost expected to arise from the formulas specified in current law for current and future program participants. We present the difference between these values on both an open group and a closed group basis, both including and excluding the value of the combined OASI and DI Trust Fund reserves at the beginning of the period. This information is presented for the current year and for each of the four preceding years.
- The **Statements of Changes in Social Insurance Amounts** reconcile the changes, from one 75-year valuation period to the next, in the present value for the 75-year projection period of the estimated OASI and DI future noninterest income less estimated future cost for current and future participants (the open group measure). The Statements show two reconciliations: (1) change from the period beginning on January 1, 2020 to the period beginning on January 1, 2021; and (2) change from the period beginning on January 1, 2019 to the period beginning on January 1, 2020. The Statements identify several categories of changes and provide reasons for significant changes in the accompanying notes.
- The **Required Supplementary Information: Social Insurance** presents required long-range cash flow projections, the long-range projections of the ratio of contributors to beneficiaries, and the sensitivity analysis illustrating the effect of the changes in the most significant assumptions on the actuarial projections and present values for the 75-year projection period of the OASI and DI programs. The financial and actuarial disclosures include a narrative describing the program, including how the program is financed and how benefits are calculated, as well as an interpretive analysis of trends revealed by the data.

Consolidated Balance Sheets as of September 30, 2021 and 2020
(Dollars in Millions)

Assets	2021	2020
Intragovernmental:		
Fund Balance with Treasury (Notes 3 and 4)	**$ 8,211**	$ 7,992
Investments (Note 5)	**2,870,625**	2,926,832
Accounts Receivable, Net (Note 6)	**1,365**	898
Advances and Prepayments (Note 8)	**108**	75
Total Intragovernmental	**2,880,309**	2,935,797
With the Public		
Accounts Receivable, Net (Notes 3 and 6)	**8,636**	9,500
General Property, Plant, and Equipment, Net (Note 7)	**4,372**	3,765
Total with the Public	**13,008**	13,265
Total Assets	**$ 2,893,317**	$ 2,949,062
Liabilities (Note 9)		
Intragovernmental:		
Accounts Payable	**$ 5,314**	$ 5,444
Advances from Others and Deferred Revenue	**1**	3
Other Liabilities	**3,812**	4,370
Total Intragovernmental	**9,127**	9,817
With the Public		
Accounts Payable	**305**	331
Federal Employee and Veteran Benefits	**715**	704
Benefits Due and Payable	**110,850**	108,106
Advances from Others and Deferred Revenue	**203**	215
Other Liabilities	**326**	316
Total with the Public	**112,399**	109,672
Total Liabilities	**$ 121,526**	$ 119,489
Contingencies (Note 9)		
Net Position		
Unexpended Appropriations - Funds from other than Dedicated Collections	**$ 4,889**	$ 5,048
Cumulative Results of Operations - Funds from Dedicated Collections (Note 10)	**2,761,448**	2,819,572
Cumulative Results of Operations - Funds from other than Dedicated Collections	**5,454**	4,953
Total Cumulative Results of Operations	**2,766,902**	2,824,525
Total Net Position	**$ 2,771,791**	$ 2,829,573
Total Liabilities and Net Position	**$ 2,893,317**	$ 2,949,062

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Net Cost for the Years Ended September 30, 2021 and 2020
(Dollars in Millions)

	2021	2020
OASI Program		
Benefit Payment Expense	**$ 986,398**	$ 944,494
Operating Expenses (Note 11)	**3,958**	3,732
Total Cost of OASI Program	**990,356**	948,226
Less: Exchange Revenues (Note 12)	**(20)**	(13)
Net Cost of OASI Program	**990,336**	948,213
DI Program		
Benefit Payment Expense	**139,818**	144,506
Operating Expenses (Note 11)	**2,846**	2,834
Total Cost of DI Program	**142,664**	147,340
Less: Exchange Revenues (Note 12)	**(34)**	(32)
Net Cost of DI Program	**142,630**	147,308
SSI Program		
Benefit Payment Expense	**53,918**	54,837
Operating Expenses (Note 11)	**4,704**	4,745
Total Cost of SSI Program	**58,622**	59,582
Less: Exchange Revenues (Note 12)	**(243)**	(241)
Net Cost of SSI Program	**58,379**	59,341
Other		
Benefit Payment Expense	**1**	1
Operating Expenses (Note 11)	**2,841**	2,884
Total Cost of Other Program	**2,842**	2,885
Less: Exchange Revenues (Note 12)	**(15)**	(9)
Net Cost of Other Program	**2,827**	2,876
Total Net Cost		
Benefit Payment Expense	**1,180,135**	1,143,838
Operating Expenses (Note 11)	**14,349**	14,195
Total Cost	**1,194,484**	1,158,033
Less: Exchange Revenues (Note 12)	**(312)**	(295)
Total Net Cost	**$ 1,194,172**	$ 1,157,738

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Changes in Net Position for the Years Ended September 30, 2021 and 2020

(Dollars in Millions)

	2021			2020		
	Funds from Dedicated Collections	**Funds from other than Dedicated Collections**	**Total**	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Total
Unexpended Appropriations:						
Beginning Balances	**$ 0**	**$ 5,048**	**$ 5,048**	$ 0	$ 4,416	$ 4,416
Appropriations Received	**34,801**	**60,145**	**94,946**	39,581	61,809	101,390
Other Adjustments	**0**	**(8)**	**(8)**	0	(16)	(16)
Appropriations Used	**(34,801)**	**(60,296)**	**(95,097)**	(39,581)	(61,161)	(100,742)
Net Change in Unexpended Appropriations	**0**	**(159)**	**(159)**	0	632	632
Total Unexpended Appropriations - Ending	**0**	**4,889**	**4,889**	0	5,048	5,048
Cumulative Results of Operations:						
Beginning Balances	**$ 2,819,572**	**$ 4,953**	**$ 2,824,525**	$ 2,818,817	$ 3,761	$ 2,822,578
Appropriations Used	**34,801**	**60,296**	**95,097**	39,581	61,161	100,742
Non-Exchange Revenue						
Tax Revenues (Note 13)	**972,319**	**0**	**972,319**	984,562	0	984,562
Interest Revenues	**71,650**	**0**	**71,650**	77,413	0	77,413
Total Non-Exchange Revenue	**1,043,969**	**0**	**1,043,969**	1,061,975	0	1,061,975
Transfers-In/Out - Without Reimbursement	**(10,014)**	**8,656**	**(1,358)**	(11,246)	8,495	(2,751)
Imputed Financing Sources (Note 14)	**0**	**595**	**595**	0	558	558
Other	**7**	**(1,761)**	**(1,754)**	101	(940)	(839)
Net Cost of Operations	**1,126,887**	**67,285**	**1,194,172**	1,089,656	68,082	1,157,738
Net Change in Cumulative Results of Operations	**(58,124)**	**501**	**(57,623)**	755	1,192	1,947
Cumulative Results of Operations - Ending	**$ 2,761,448**	**$ 5,454**	**$ 2,766,902**	$ 2,819,572	$ 4,953	$ 2,824,525
Net Position	**$ 2,761,448**	**$ 10,343**	**$ 2,771,791**	$ 2,819,572	$ 10,001	$ 2,829,573

The accompanying notes are an integral part of these financial statements.

Combined Statements of Budgetary Resources for the Years Ended September 30, 2021 and 2020
(Dollars in Millions)

	2021	2020
Budgetary Resources (Note 15)		
Unobligated Balance From Prior Year Budget Authority, Net	**$ 6,556**	$ 5,706
Appropriations (Discretionary and Mandatory)	**1,232,394**	1,200,535
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	**15,536**	15,852
Total Budgetary Resources	**$ 1,254,486**	$ 1,222,093
Status of Budgetary Resources		
New obligations and upward adjustments		
Direct	**$ 1,246,124**	$ 1,213,435
Reimbursable	**2,529**	2,591
New obligations and upward adjustments (total)	**1,248,653**	1,216,026
Unobligated Balance, End of Year		
Apportioned, unexpired accounts	**5,368**	5,692
Unapportioned, unexpired accounts	**27**	23
Unexpired unobligated balance, end of year	**5,395**	5,715
Expired unobligated balance, end of year	**438**	352
Unobligated balance, end of year (total)	**5,833**	6,067
Total Budgetary Resources	**$ 1,254,486**	$ 1,222,093
Outlays, Net		
Outlays, Net (Discretionary and Mandatory)	**$ 1,229,745**	$ 1,196,504
Distributed Offsetting Receipts	**(37,293)**	(42,589)
Agency Outlays, Net (Discretionary and Mandatory)	**$ 1,192,452**	$ 1,153,915

The accompanying notes are an integral part of these financial statements.

Statements of Social Insurance
Old-Age, Survivors, and Disability Insurance
as of January 1, 2021
(Dollars in Billions)

		Estimates Reported in Prior Years			
	2021	**2020**	**2019**	**2018**	**2017**
Present value for the 75-year projection period from or on behalf of: (Note 17)					
Participants who, in the starting year of the projection period, have attained eligibility age (age 62 and over):					
Noninterest income	**$ 1,766**	$ 1,720	$ 1,552	$ 1,451	$ 1,374
Cost for scheduled future benefits	**19,785**	18,269	16,895	15,862	14,668
Future noninterest income less future cost	**(18,019)**	(16,549)	(15,344)	(14,411)	(13,294)
Participants who have not yet attained retirement eligibility age (ages 15–61):					
Noninterest income	**37,465**	35,215	33,602	31,849	30,305
Cost for scheduled future benefits	**64,932**	59,784	55,826	52,248	50,181
Future noninterest income less future cost	**(27,467)**	(24,569)	(22,224)	(20,399)	(19,876)
Present value of future noninterest income less future cost for current participants (closed group measure)	**(45,486)**	(41,118)	(37,568)	(34,810)	(33,170)
Combined OASI and DI Trust Fund reserves at start of period	**2,908**	2,897	2,895	2,892	2,848
Closed group - Present value of future noninterest income less future cost for current participants *plus* combined OASI and DI Trust Fund reserves at start of period	**$ (42,578)**	$ (38,220)	$ (34,673)	$ (31,918)	$ (30,322)
Present value for the 75-year projection period from or on behalf of: (Note 17)					
Future participants (those under age 15, and to be born during period):					
Noninterest income	**$ 39,349**	$ 36,964	$ 35,311	$ 31,788	$ 30,452
Cost for scheduled future benefits	**16,604**	15,542	14,508	13,035	12,639
Future noninterest income less future cost	**22,745**	21,421	20,804	18,753	17,813
Present value of future noninterest income less future cost for current and future participants (open group` measure)	**(22,742)**	(19,696)	(16,764)	(16,057)	(15,357)
Combined OASI and DI Trust Fund reserves at start of period	**2,908**	2,897	2,895	2,892	2,848
Open group - Present value of future noninterest income less future cost for current and future participants *plus* combined OASI and DI Trust Fund reserves at start of period	**$ (19,833)**	$ (16,799)	$ (13,869)	$ (13,166)	$ (12,509)

Notes:

Components may not sum to totals because of rounding. The accompanying notes are an integral part of these financial statements.

Present values used in this presentation are based on the full amounts of estimated noninterest income and the cost of providing benefits at the levels scheduled under current law, even after the OASI and DI Trust Fund reserves are depleted.

Future noninterest income and future cost are estimated over the appropriate 75-year period.

Statements of Changes in Social Insurance Amounts
Old-Age, Survivors, and Disability Insurance
For Change from the 75-Year Valuation Period

January 1, 2020 to January 1, 2021
(Dollars in Billions)

	Present value of future noninterest income less future cost for current and future participants (open group measure) over the next 75 years	Combined OASI and DI Trust Fund reserves	Present value of future noninterest income less future cost for current and future participants *plus* combined OASI and DI Trust Fund reserves at start of period
As of January 1, 2020	$ (19,696)	$ 2,897	$ (16,799)
Reasons for changes between January 1, 2020 and January 1, 2021 (Note 17)			
Change in the valuation period	(713)	4	(709)
Changes in demographic data, assumptions, and methods	154	0	154
Changes in economic data, assumptions, and methods	(1,228)	0	(1,228)
Changes in programmatic data and methods	(1,182)	7	(1,176)
Changes in law or policy	(76)	0	(76)
Net change between January 1, 2020 and January 1, 2021	$ (3,045)	$ 11	$ (3,035)
As of January 1, 2021	**$ (22,742)**	**$ 2,908**	**$ (19,833)**

January 1, 2019 to January 1, 2020
(Dollars in Billions)

	Present value of future noninterest income less future cost for current and future participants (open group measure) over the next 75 years	Combined OASI and DI Trust Fund reserves	Present value of future noninterest income less future cost for current and future participants *plus* combined OASI and DI Trust Fund reserves at start of period
As of January 1, 2019	$ (16,764)	$ 2,895	$ (13,869)
Reasons for changes between January 1, 2019 and January 1, 2020 (Note 17)			
Change in the valuation period	(616)	1	(615)
Changes in demographic data, assumptions, and methods	(444)	0	(444)
Changes in economic data, assumptions, and methods	(1,825)	0	(1,825)
Changes in programmatic data and methods	273	2	274
Changes in law or policy	(321)	0	(321)
Net change between January 1, 2019 and January 1, 2020	$ (2,932)	$ 2	$ (2,930)
As of January 1, 2020	**$ (19,696)**	**$ 2,897**	**$ (16,799)**

Notes:

Components may not sum to totals because of rounding. The accompanying notes are an integral part of these financial statements.

Present values used in this presentation are based on the full amounts of estimated noninterest income and the cost of providing benefits at the levels scheduled under current law, even after the OASI and DI Trust Fund reserves are depleted.

Future noninterest income and future cost are estimated over the appropriate 75-year period.

We provide high-level descriptions of the reason for the change in present value from year to year in Note 17, Social Insurance Disclosures.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Social Security Administration (SSA), as an independent agency in the executive branch of the United States (U.S.) Government, is responsible for administering the Nation's Old-Age and Survivors and Disability Insurance (OASDI) programs and the Supplemental Security Income (SSI) program. SSA is considered a separate reporting entity for financial reporting purposes. Our financial statements have been prepared to report the financial position, net cost, changes in net position, budgetary resources, the present value for the 75-year projection period for social insurance, and the changes in the present value between the current valuation period and prior valuation period, as required by the Office of Management and Budget (OMB) in OMB Circular No. A-136, *Financial Reporting Requirements*.

The consolidated and combined financial statements include the accounts of all funds under SSA control, consisting primarily of the OASI and DI Trust Funds, SSA's Limitation on Administrative Expenses (LAE), four general fund appropriations, three receipt accounts, and one special fund. The OASI and DI Trust Funds consist of earmarked receipts used to fund benefit payment and other related expenditures. General fund appropriations represent activities that receive appropriation authority from the Department of the Treasury's (Treasury) General Fund based on law. SSA's receipt accounts contain funds from collections that are not identified by law for another account for a specific purpose; whereas, special fund accounts contain funds collected that are identified by law for a specific purpose.

LAE is a mechanism to fund our administrative operations and is considered a subset of the OASI and DI Trust Funds. The four general funds are the Payments to Social Security Trust Funds (PTF), SSI Program, Office of the Inspector General (OIG), and Special Veterans Benefits (Title VIII) Program. The three receipt accounts are SSI Overpayment Collections, the General Fund's portion of the SSI State Supplementation fees, and SSI Attorney fees. The one special fund is SSA's portion of the SSI State Supplementation fees. SSA's financial statements also include OASI and DI investment activities performed by Treasury.

SSA's financial activity has been classified and reported by the following program areas: OASI, DI, SSI, LAE, and Other. Other consists primarily of PTF appropriations activity, but also contains SSI Overpayment Collections and other non-material activities.

ACCOUNTING PRINCIPLES

The financial statements have been prepared from the accounting records of SSA on an accrual basis, in conformity with generally accepted accounting principles (GAAP) of the United States of America for Federal entities and the form and content for entity financial statements specified by OMB in Circular No. A-136. The Combined Statements of Budgetary Resources and related disclosures provide information about how budgetary resources were made available as well as the status at the end of the period. It is the only Statement predominately derived from an entity's budgetary general ledger in accordance with budgetary accounting rules, which are incorporated into GAAP for the Federal Government. GAAP for Federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB). The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

Fund Balance with Treasury

SSA's Fund Balance with Treasury, shown on the Consolidated Balance Sheets, is the aggregate amount of funds in SSA's accounts with Treasury for which SSA is authorized to make expenditures and pay liabilities. Refer to Note 3, Non-Entity Assets, and Note 4, Fund Balance with Treasury.

Investments

Daily deposits received by the OASI and DI Trust Funds that are not required to meet current expenditures are invested in interest-bearing obligations of the U.S. Government. The OASI and DI Trust Fund balances may be invested only in interest-bearing obligations of the U.S. or in obligations guaranteed as to both principal and interest by the U.S. as provided by Section 201 (d) of the *Social Security Act*. These investments consist of Treasury special-issue securities. Special-issue securities are special public debt obligations for purchase exclusively by the OASI and DI Trust Funds; therefore, they are non-marketable securities. They are purchased and redeemed at face value, which is the same as their carrying value on the Consolidated Balance Sheets. Refer to Note 5, Investments and Interest Receivable.

Accounts Receivable, Net

SSA accounts receivable represent unpaid amounts due to the agency. Intragovernmental Accounts Receivable, Net primarily represent amounts to be paid from the Hospital Insurance (HI) and Supplemental Medical Insurance (SMI) Trust Funds to the LAE Appropriation. Accounts Receivable, Net With the Public consist mainly of monies due to SSA from OASI, DI, and SSI beneficiaries who received benefits in excess of their entitlement, as well as amounts due from the States to cover underpayments due to the SSI recipients. Intragovernmental Accounts Receivable, Net also includes amounts related to Section 4003 of the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), Emergency Relief and Taxpayer Protection, which allows Treasury to make loans, loan guarantees, and other investments of up to $500 billion to eligible businesses, States, and municipalities impacted by the Coronavirus Disease 2019 (COVID-19) pandemic. This legislation designates the OASI Trust Fund as the recipient of any interest and other proceeds associated with the loans, loan guarantees, and other investments after repayments of any amounts provided are made to Treasury.

During FY 2020, we re-evaluated our program debt portfolio, specifically delinquent and uncollectible debt with the public that we were pursuing. We found that we were pursuing debt that was largely uncollectible, thereby inefficiently using our processing centers' limited resources. In FY 2020, we targeted and wrote-off a portion of our OASI and DI debt that we determined to be uncollectible to start our new debt write-off process, which contributed to the increase in write-offs compared to previous years. In FY 2021, we continued to evaluate our delinquent debt and have continued this write-off process for our SSI program debt, as well as additional OASI and DI debt. As part of this new debt write-off initiative, we have developed an automated process to evaluate debt going forward for potential write-offs.

While this debt is being written-off, it remains available for future collection. SSA can pursue collection efforts if the debtor becomes entitled to OASDI or SSI benefits. At that point, we would re-establish the accounts receivable, and pursue collections. In addition, if eligible, we will refer these delinquent debts to the Treasury Offset Program for external collection action.

SSA does not apply an allowance for doubtful accounts to determine the net value of Intragovernmental Accounts Receivable. According to FASAB's Statement of Federal Financial Accounting Standards (SFFAS) No. 1, *Accounting for Selected Assets and Liabilities*, an allowance for estimated uncollectible amounts should be recognized to reduce the gross amount of receivables to its net realizable value; however, no potential losses have been assessed on intragovernmental receivables based on individual account and program analysis. For programmatic accounts receivable with the public, SSA allows for all delinquent debt two years and older. SSA annually recalculates a ratio of allowance for doubtful accounts and applies the allowance ratios against any remaining debt that is not delinquent two years or more. This is calculated by applying a moving five-year average of uncollectible receivable ratios and, by comparing each program's collections to new debt while considering turnover rates, against outstanding receivables. Our total allowance for doubtful accounts includes the age-specific delinquent debt two years and older plus the uncollectible portion of our remaining accounts receivable, not delinquent two years or more, based on the allowance rates. Refer to Note 6, Accounts Receivable, Net.

General Property, Plant, and Equipment

SSA records property, plant, and equipment (PP&E) in the LAE program, but the PP&E represents the capital assets purchased by its funding sources. SFFAS No. 10, *Accounting for Internal Use Software*, requires the capitalization of internally developed, contractor-developed, and commercial off-the-shelf software. SSA classifies PP&E into several categories. The capitalization threshold for most PP&E categories is $100 thousand. Deferred Charges, which include fixtures and the Telephone Services Replacement Project, are capitalized with no threshold and $100 thousand, respectively. Site preparation for Automated Data Processing (ADP) and Telecommunications, Buildings and Other Structures, Internal Use Software, excluding commercial off-the-shelf software, and certain leasehold improvements for Federal leased buildings purchased by the Trust Funds are capitalized with no threshold. Refer to Note 7, Property, Plant, and Equipment, Net.

Benefits Due and Payable

SSA accrues liabilities for OASI and DI benefits due for the current month, which by statute, are not paid until the following month. In addition, SSA accrues liabilities on benefits for past periods that have not completed processing by the close of the period, such as adjudicated and unadjudicated hearings and appeals and civil litigation cases. Refer to Note 9, Liabilities.

Benefit Payments

SSA recognizes the cost associated with payments in the period the beneficiary or recipient is entitled to receive the payment. OASI and DI benefit disbursements are generally made after the end of each month. SSI disbursements are generally made on the first day of each month. By law, if the monthly disbursement date falls on a weekend or a federally recognized holiday, SSA is required to make the payment on the preceding business day. In these situations, the beneficiary or recipient is deemed entitled to receive the payment as of the payment date, as they have met all payment and eligibility requirements.

Administrative Expenses and Obligations

SSA administrative expenses are incurred in the LAE appropriation. Section 201 (g) of the *Social Security Act* requires the Commissioner of Social Security to determine the proper share of costs incurred during the fiscal year to be charged to the appropriate fund. Accordingly, SSA subsequently allocates administrative expenses during each month to the appropriate OASI, DI, HI, and SMI Trust Fund and general fund accounts on the Statements of Net Cost based on percentages developed by SSA's Cost Analysis System (CAS). CAS uses agency workload data to develop annual percentages that are used to allocate the expenses. SSA initially makes all such distributions on an estimated basis and adjusts to actual each year, as provided for in Section 1534 of Title 31, United States Code (U.S.C.).

SSA incurs obligations in the LAE accounts as activity is processed. SSA incurs obligations in each of the financing sources once we record LAE's authority. The Centers for Medicare and Medicaid Services reports obligations that SSA incurred in the HI and SMI Trust Funds. Because SSA reports LAE with our financing sources (other than the HI/SMI Trust Funds) on the Combined Statements of Budgetary Resources and this Statement does not allow eliminations, we record LAE's obligations twice. This presentation is in conformance with OMB Circular No. A-136 to have the Combined Statements of Budgetary Resources in agreement with the required Budget Execution Reports (SF-133).

Recognition of Financing Sources

Tax revenue, which consists of funds transferred from the Treasury to the OASI and DI Trust Funds for employment taxes (*Federal Insurance Contributions Act* (FICA) and *Self-Employment Contributions Act* (SECA)), represents SSA's largest financing source. Additional financing sources consist of interest revenue from the OASI and DI Trust Fund investments, taxation on benefits, drawdown of funds for benefit entitlement payments and administrative expenses, appropriations, gifts, and other miscellaneous receipts. On an as-needed basis, funds are drawn from the OASI and DI Trust Funds to cover benefit payments. As governed by limitations determined annually by the U.S. Congress, funds are also drawn from the OASI and DI Trust Funds for SSA's operating expenses. To cover SSA's costs to administer a portion of the Medicare program, funds are drawn from the HI/SMI Trust Funds.

Appropriations Used includes payments and accruals for the activities that are funded from Treasury's General Fund.

Employment tax revenues are made available daily based on a quarterly estimate of the amount of FICA taxes payable by employers and SECA taxes payable from the self-employed. Adjustments are made to the estimates for actual taxes payable and refunds made. Employment tax credits (the difference between the combined employee and employer rate and the self-employed rate) are also included in tax revenues. Refer to Note 13, Tax Revenues.

Exchange revenue from sales of goods and services primarily include payments of fees SSA receives from those States choosing to have SSA administer their State Supplementation of Federal SSI benefits. Refer to Note 12, Exchange Revenues. SSA may use exchange revenue financing sources to pay for current operating expenses as specified by law.

Funds from Dedicated Collections

SFFAS No. 43, *Funds from Dedicated Collections*, requires separate presentation and disclosure of funds from dedicated collections balances in the financial statements. Generally, funds from dedicated collections are financed by specifically identified revenues, provided to the Government by non-Federal sources, often supplemented by other financing sources, which remain available over time. Funds from dedicated collections must meet the following criteria:

- A statute committing the Federal Government to use specifically identified revenues and/or other financing sources that are originally provided to the Federal Government by a non-Federal source only for designated activities, benefits, or purposes;
- Explicit authority for the fund to retain revenues and/or other financing sources not used in the current period for future use to finance the designated activities, benefits, or purposes; and
- A requirement to account for and report on the receipt, use, and retention of the revenues and/or other financing sources that distinguishes the fund from the Federal Government's general revenues.

SSA's funds from dedicated collections are the OASI and DI Trust Funds, funds collected through the taxation of Social Security benefits, and fees collected to cover a portion of SSA's administrative costs for SSI State Supplementation. Refer to Note 10, Funds from Dedicated Collections, for additional information.

Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Application of Critical Accounting Estimates

The Statements of Social Insurance and Statements of Changes in Social Insurance Amounts are based on the selection of accounting policies and the application of significant accounting estimates, some of which require management to make significant assumptions. Further, the estimates are based on current conditions and expectations of future conditions. Actual results could differ materially from the estimated amounts. Each Statement includes information to assist in understanding the effect of changes in assumptions to the related information. Refer to Note 17, Social Insurance Disclosures.

Presentation Change

Effective FY 2021, the Consolidated Balance Sheets and Consolidated Statements of Changes in Net Position presentations have been modified to comply with the required format in OMB's Circular No. A-136 and the FY 2021 U.S. Standard General Ledger Crosswalk. Note 5, Investments and Interest Receivable; Note 9, Liabilities; and Note 10, Funds from Dedicated Collections presentations have been modified to reflect the changes. Note 16, Reconciliation of Net Cost to Net Outlays has also been modified to comply with the Treasury prescribed crosswalk guide published in FY 2021. The FY 2020 balances have been presented in the new format for comparison purposes.

2. Centralized Federal Financing Activities

SSA's financial activities interact with, and are dependent on, the financial activities of the centralized management functions of the Federal Government that are undertaken for the benefit of the whole Federal Government. These activities include public debt, employee retirement, life insurance, and health benefit programs. However, SSA's financial statements do not contain the results of centralized financial decisions and activities performed for the benefit of the entire Government.

Financing for general fund appropriations reported on the Consolidated Statements of Changes in Net Position may be from tax revenue, public borrowing, or both. The source of this funding, whether tax revenue or public borrowing, has not been allocated to SSA.

SSA occupies buildings that the General Services Administration (GSA) leased or have been constructed using Public Building Funds. These financial statements reflect our payments to GSA for their lease, operations maintenance, and depreciation expenses associated with these buildings.

SSA's employees participate in the Office of Personnel Management (OPM) administered contributory Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). SSA makes matching contributions to FERS. Pursuant to Public Law 99-335, *Federal Employees' Retirement System Act of 1986*, FERS went into effect on January 1, 1987. FERS automatically covers employees hired after December 31, 1983. Employees hired prior to that date could elect to either join FERS or remain in CSRS. Refer to Note 14, Imputed Financing, for additional information.

SSA contributed $15 and $18 million for the years ended September 30, 2021 and 2020 to CSRS. SSA contributed $838 and $760 million for the years ended September 30, 2021 and 2020 to the basic FERS plan. One of the primary differences between FERS and CSRS is that FERS offers a savings plan to which SSA is required to contribute one percent of pay and match employee contributions up to an additional four percent of basic pay. SSA contributed $220 and $211 million for the years ended September 30, 2021 and 2020 to the FERS savings plan. All contributions include amounts paid and due and payable as of the end of the reporting period. These Statements do not reflect CSRS or FERS assets or accumulated plan benefits applicable to SSA employees since this data is only reported in total by OPM.

3. NON-ENTITY ASSETS

Non-entity assets are those assets that are held by an entity, but are not available to the entity. SSA displays our Non-Entity Assets in Chart 3a. The Non-Entity Assets are composed of: (1) SSI Federal and State benefit overpayments and underpayments classified as SSI Accounts Receivable, Net; (2) fees collected to administer Title VIII State Supplementation; and (3) deferred payroll taxes owed by SSA employees due to Treasury.

Chart 3a - Non-Entity Assets as of September 30:
(Dollars in Millions)

	2021			2020		
	Non-Entity Assets	Intra-agency Elimination	Net Assets	Non-Entity Assets	Intra-agency Elimination	Net Assets
Intragovernmental:						
Title VIII State Supp Fees	2	0	2	2	0	2
With the Public:						
SSI Fed/State Accounts Receivable, Net	3,858	(476)	3,382	4,439	(415)	4,024
Deferred Payroll Taxes	18	0	18	0	0	0
Total with the Public	3,876	(476)	3,400	4,439	(415)	4,024
Total	$ 3,878	$ (476)	$ 3,402	$ 4,441	$ (415)	$ 4,026

SSA has reduced the SSI Accounts Receivable, Net, by intra-agency eliminations (see discussion in Note 6, Accounts Receivable, Net). SSI accounts receivable is recognized as a non-entity asset. Public Law 101-517, *Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1991*, requires that collections from repayment of SSI Federal benefit overpayments be deposited in Treasury's General Fund. These funds, upon deposit, are assets of Treasury's General Fund, and will not be used by SSA as an SSI budgetary resource to pay SSI benefits or administrative costs. Prior to their collection, these SSI Federal benefit overpayments are recorded as SSI Accounts Receivable from the beneficiaries. SSA recognizes this receivable due from the beneficiary as a non-entity asset since the amount owed is due to Treasury's General Fund. In FY 2021, we continued to evaluate agency delinquent programmatic debt to identify and write-off amounts deemed uncollectible. This resulted in a decrease in SSI Accounts Receivable, Net, which can be seen in Chart 3a above. As part of this new debt initiative, we have also implemented an automated process to evaluate debt going forward and identify potential write-offs. When a beneficiary does not receive a full SSI State Supplemental benefit, SSA establishes an underpayment receivable. This receivable reflects the reimbursement due to SSA from the States to cover the unpaid benefit. SSA recognizes this receivable due from the States as a non-entity asset since the amount owed is due to the beneficiary.

SSA collects fees for administering Title VIII Supplementation benefit payments on behalf of the State of California. These funds, upon deposit, are assets of Treasury's General Fund and are a non-entity asset. Amounts collected during the fiscal year are classified as exchange revenue, and are included in the Fund Balance with Treasury as of September 30, 2021 and 2020.

On August 8, 2020, the President issued the *Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster.* This Memorandum deferred certain payroll taxes owed by employees whose pre-tax bi-weekly payroll payments were less than $4,000 starting on September 1, 2020 through December 31, 2020. While the payroll tax is deferred, Treasury will be repaid any deferred taxes through employee payments beginning January 1, 2021 through December 31, 2021. SSA employees were informed that they will be responsible for repayment of the deferred taxes so a non-budgetary, non-federal receivable has been recorded. SSA recognizes the receivable owed by SSA employees due to Treasury as a non-entity asset.

Chart 3b provides a breakout between Non-Entity and Entity assets.

Chart 3b - Non-Entity/Entity Asset Breakdown as of September 30:
(Dollars in Millions)

	2021		2020	
Non-Entity Assets	$	3,402	$	4,026
Entity Assets		2,889,915		2,945,036
Total Assets	$	2,893,317	$	2,949,062

4. FUND BALANCE WITH TREASURY

The Fund Balance with Treasury, shown on the Consolidated Balance Sheets, represents the total of all of SSA's undisbursed account balances with Treasury. Fund Balance with Treasury is an asset to SSA, but not to the Government as a whole, because SSA's asset is offset by a liability of the General Fund. When disbursements are made, Treasury finances those disbursements in the same way it finances all other disbursements, which is to borrow from the public if there is a budget deficit (and to use current receipts if there is a budget surplus). Chart 4, Status of Fund Balances, presents SSA's Fund Balance with Treasury through the status of budgetary resources. The amounts in Chart 4, Status of Funds Unobligated (Available, Unavailable) and Obligated Balance Not Yet Disbursed represent budgetary authority for SSI and Other program general fund budgetary sources. OASI, DI, and LAE Trust Fund budgetary accounts are not used in Chart 4 since OASI and DI Trust Fund cash balances are held in investments until needed and do not directly correspond with the budgetary lines shown in the chart. Therefore, amounts in Chart 4 will not match corresponding activity on the Combined Statements of Budgetary Resources.

Chart 4 - Status of Fund Balances as of September 30:
(Dollars in Millions)

	2021		2020	
Unobligated Balance				
Available	$	4,875	$	5,065
Unavailable		47		42
Obligated Balance Not Yet Disbursed		3,111		3,041
OASI, DI, and LAE		138		(195)
Non-Budgetary Fund Balance with Treasury		40		39
Total Status of Fund Balances	$	8,211	$	7,992

The Unobligated Balance, Available in Chart 4 contains Category C funding which is an amount apportioned by OMB, for multi-year or no-year accounts, that is available for use in a future fiscal year. SSA Category C funding is $255 and $265 million as of September 30, 2021 and 2020. These funds are related to the SSI State Supplemental advances for the October 1st benefit payments, SSI Beneficiary Services, and SSI Research & Demonstration activity.

The fund balance reported in Chart 4 for the total OASI, DI, and LAE Trust Funds as of September 30, 2021 and 2020 can be positive or negative as the result of the policy to protect the OASI and DI Trust Fund investments by not liquidating the investments until the cash is needed. Transfers between the OASI and DI Trust Funds and Treasury are managed to favor the financial position of the OASI and DI Trust Funds. Therefore, investments held by the OASI and DI Trust Funds are liquidated only as needed by Treasury to cover benefit and administrative payments. To maintain consistency with the amounts reported by Treasury for OASI and DI, SSA does not reclassify a negative balance as a liability on the Consolidated Balance Sheets.

5. INVESTMENTS AND INTEREST RECEIVABLE

The cash receipts collected from the public for the OASI and DI Trust Funds are invested in interest-bearing securities backed by the full faith and credit of the Federal Government, generally U.S. par-value Treasury special securities. The Secretary of the Treasury directly issues Treasury special securities to the OASI and DI Trust Funds. The securities are non-negotiable and non-transferable in the secondary market. Par-value Treasury special securities are issued with a stated rate of interest applied to its par amount and are purchased and redeemed at par plus accrued interest at or before maturity. Therefore, there are no premiums or discounts associated with the redemption of these securities.

SSA displays investments in Special-Issue U.S. Treasury Securities, and the corresponding interest receivable, reported as Intragovernmental Investments on the Consolidated Balance Sheets, in Chart 5.

Chart 5 - Investments as of September 30:
(Dollars in Millions)

	2021			2020		
	Special Issue Securities	Interest Receivable	Total Investments	Special Issue Securities	Interest Receivable	Total Investments
OASI	$ 2,755,785	$ 16,180	$ 2,771,965	$ 2,811,213	$ 17,744	$ 2,828,957
DI	98,032	628	98,660	97,210	665	97,875
Total	$ 2,853,817	$ 16,808	$ 2,870,625	$ 2,908,423	$ 18,409	$ 2,926,832

The interest rates on these investments range from 0.750 to 5.000 percent. The accrued interest is paid on June 30, December 31, and at maturity or redemption. Investments held for the OASI and DI Trust Funds mature at various dates ranging from the year 2022 to the year 2036.

Treasury special securities are an asset to the OASI and DI Trust Funds and a liability to the Treasury. Because the OASI and DI Trust Funds and the Treasury are both part of the Government, these assets and liabilities offset each other for consolidation purposes in the U.S. government-wide financial statements. For this reason, they do not represent a net asset or a net liability in the U.S. government-wide financial statements.

The Treasury does not set aside financial assets to cover its liabilities associated with the OASI and DI Trust Funds. Treasury uses the cash received from the OASI and DI Trust Funds for investment in these securities for general Government purposes. Treasury special securities provide the OASI and DI Trust Funds with authority to draw upon the Treasury to make future benefit payments or other expenditures. When the OASI and DI Trust Funds require redemption of these securities to make expenditures, the Government finances those expenditures out of accumulated cash balances by raising taxes or other receipts, by borrowing from the public or repaying less debt, or by curtailing other expenditures. This is the same way that the Government finances all other expenditures.

6. ACCOUNTS RECEIVABLE, NET

INTRAGOVERNMENTAL

Intragovernmental Accounts Receivable, Net, reported on the Consolidated Balance Sheets in the amounts of $1,365 and $898 million as of September 30, 2021 and 2020 primarily represent amounts to be paid from the HI/SMI Trust Funds to the LAE Appropriation. SSA reduced the gross accounts receivable by $3,219 and $3,534 million as of September 30, 2021 and 2020 as an intra-agency elimination. This elimination is primarily to offset SSA's LAE receivable to be paid from the appropriate funds with corresponding payables set up for anticipated LAE disbursements. Intragovernmental Accounts Receivable, Net also includes amounts related to the Section 4003 of the CARES Act, Emergency Relief and Taxpayer Protection, which allows Treasury to make loans, loan guarantees, and other investments to eligible businesses, States, and municipalities impacted by the COVID-19 pandemic. This legislation designates the OASI Trust Fund as the recipient of any interest and other proceeds associated with the loans, loan guarantees, and other investments after repayments of any amounts provided are made to Treasury. We have recorded $483 million in Intragovernmental Accounts Receivable, Net for this activity as of September 30, 2021 based on Treasury's estimate of their liability owed to OASI.

SSA does not apply an allowance for doubtful accounts to determine the net value of Intragovernmental Accounts Receivable. According to SFFAS No. 1, *Accounting for Selected Assets and Liabilities*, an allowance for estimated uncollectible amounts should be recognized to reduce the gross amount of receivables to its net realizable value; however, no potential losses have been assessed on intragovernmental receivables based on individual account and program analysis.

WITH THE PUBLIC

Accounts Receivable, Net, reported on the Consolidated Balance Sheets is shown by SSA major program in Chart 6a. Amounts in the OASI and DI programs consist mainly of monies due to SSA from individuals who received benefits in excess of their entitlement. The amount of SSI Accounts Receivable represents Federal and State activity. The SSI Federal and State portions consist of overpayments due from SSI recipients who are no longer eligible to receive benefit payments or received benefits in excess of their eligibility. Additionally, the SSI State portion consists of amounts due from the States to cover underpayments due to the SSI recipients. Refer to Note 3, Non-Entity Assets, for a discussion of the SSI Federal and State overpayments and underpayments. Section 215 of the *Economic Growth, Regulatory Relief, and Consumer Protection Act* (Banking Bill) requires SSA to provide a "permitted entity" a confirmation (or non-confirmation) of fraud protection data (i.e., Social Security number verification) based on the number holder's written consent, including by electronic signature. The Banking Bill requires SSA to fully recover all costs from the users of the verification process by way of advances, reimbursements, user fees, or other recoveries as determined by the Commissioner. To comply with the Banking Bill, SSA used its LAE account to cover non-mission costs with the expectation that these costs will be fully recovered from the users of the verification process as required by law. To account for these costs SSA has recorded a non-budgetary accounts receivable of $37 and $30 million as of September 30, 2021 and 2020, which is included in the LAE Gross and Net Receivable amounts in Chart 6a. Since the agency expects to fully recover these costs, SSA has not applied an allowance for doubtful accounts against this accounts receivable. Our LAE receivable also contains $20 and $17 million as of September 30, 2021 and 2020 that is due from employees for deferred payroll taxes based on the President's August 8, 2020 *Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster*.

Chart 6a - Accounts Receivable with the Public by Major Program as of September 30:
(Dollars in Millions)

	2021			2020		
	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable
OASI	$ 3,046	$ (969)	$ 2,077	$ 3,100	$ (962)	$ 2,138
DI	5,963	(2,831)	3,132	6,395	(3,076)	3,319
SSI*	11,815	(7,957)	3,858	14,853	(10,414)	4,439
LAE	60	0	60	50	0	50
Subtotal	20,884	(11,757)	9,127	24,398	(14,452)	9,946
Less: Eliminations**	(491)	0	(491)	(446)	0	(446)
Total	$ 20,393	$ (11,757)	$ 8,636	$ 23,952	$ (14,452)	$ 9,500

Notes:

*See discussion in Note 3, Non-Entity Assets

**Intra-Agency Eliminations

Chart 6a shows that in FY 2021 and FY 2020, SSA reduced gross accounts receivable by $491 and $446 million as an intra-agency elimination. This intra-agency activity results primarily from the Windfall Offset and KZ Diary activity. Windfall Offset is the amount of SSI that would not have been paid if retroactive OASI and DI benefits had been paid timely to eligible beneficiaries. The KZ Diary process identifies SSI recipients eligible for prior entitlement of OASI and DI benefits, and determines SSA's liability for retroactive benefits owed to beneficiaries. For each activity, SSA recognizes a receivable in the SSI program with offsetting payables for both the OASI and DI programs.

During FY 2020, as a result of the COVID-19 pandemic, SSA temporarily deferred certain workloads, such as processing certain programmatic overpayments, resulting in lower new debt than in previous years. In FY 2021, the agency resumed the majority of these suspended activities resulting in an increase in new debt established. However, this increase in gross receivables is offset by increased write-offs.

During FY 2020, we re-evaluated our program debt portfolio, specifically delinquent and uncollectible debt that we were pursuing. We found that we were pursuing debt that was largely uncollectible, thereby inefficiently using our processing centers' limited resources. In FY 2020, we targeted and wrote-off a portion of our OASI and DI debt that we determined to be uncollectible to start our new debt write-off process, which contributed to the increase in write-offs compared to previous years. In FY 2021, we continued to evaluate our delinquent debt and have continued this write-off process for our SSI program debt, as well as additional OASI and DI debt. As part of this new debt write-off initiative, we have developed an automated process to evaluate debt going forward for potential write-offs. By writing-off collection activity on uncollectible debt, we are better reflecting current receivables on our financial statements as well as reducing the number of actions from the processing center pending backlog. Please note that any debt terminated is still eligible for collection in the future.

As part of our Allowance for Doubtful Accounts methodology, SSA allows all delinquent debt two years and older as we estimate this debt is uncollectable based on the age of the debt. For our remaining debt, SSA annually recalculates a ratio of allowance for doubtful accounts on programmatic accounts receivable with the public. We apply a moving five-year average of uncollectible receivable ratios, based on comparing each program's collections to new debt while considering turnover rates, against outstanding receivables that are not delinquent two years and older. We add this calculated uncollectible ratio-based value to the allowed delinquent debt two years and older value to compute the total amount of allowance for doubtful accounts.

2049 System Limitation

A Title II system design limitation prevents us from capturing and tracking long-term withholding agreements for debts owed by the public scheduled for collection beyond the year 2049. Current policy allows for repayment periods based on the ability of beneficiaries to repay on a periodic basis. This allows for the establishment of payment terms, which may exceed the expected life span of the beneficiary.

When the projected collection extends beyond December 31, 2049, we perform a manual action to establish withholding through December 31, 2049, causing the system to delete the remaining debts owed by the public balance from the record. Current policy requires us to post an overpayment diary to control for follow-up of the remaining balance in December 2049. However, because our records do not reflect the post 2049 balance, subsequent correspondence to the debtor only presents the pre-2049 balance of the debts owed by the public established for withholding. The only control mechanism in place for the post 2049 balance is the manual establishment of a diary.

We do not include these balances in the Chart 6a gross receivable amounts as they are not material to the consolidated financial statements. We estimate that the total gross value of the post year 2049 amount not captured in our gross receivables, is approximately $731 and $718 million as of September 30, 2021 and 2020.

7. General Property, Plant, and Equipment, Net

General Property, Plant, and Equipment, Net, as reported on the Consolidated Balance Sheets, is reflected by major class in Chart 7a.

Chart 7a - General Property, Plant, and Equipment as of September 30:
(Dollars in Millions)

Major Classes:	2021 Cost	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost	2020 Accumulated Depreciation	2020 Net Book Value
Buildings and Other Structures	$ 47	$ (22)	$ 25	$ 48	$ (21)	$ 27
Equipment (incl. ADP Hardware)	1,483	(1,117)	366	1,293	(993)	300
Internal Use Software	8,887	(5,907)	2,980	8,029	(5,463)	2,566
Leasehold Improvements	1,589	(786)	803	1,426	(711)	715
Deferred Charges*	1,146	(948)	198	1,076	(919)	157
Total	$ 13,152	$ (8,780)	$ 4,372	$ 11,872	$ (8,107)	$ 3,765

Major Classes:	Estimated Useful Life	Method of Depreciation	Capitalization Threshold
Buildings and Other Structures	50 years	Straight Line	$0
Equipment (incl. ADP Hardware)	5 years	Straight Line	$100 thousand
Internal Use Software	5-10 years	Straight Line	$0-100 thousand
Leasehold Improvements	6-33 years	Straight Line	$0-100 thousand
Deferred Charges*	12 years	Straight Line	$0-100 thousand

Note:

*Deferred Charges include fixtures (no threshold) and Telephone Services Replacement Project ($100 thousand).

Chart 7b - Reconciliation of General Property, Plant, and Equipment, Net as of September 30:
(Dollars in Millions)

	2021	2020
Balance beginning of year	$ 3,765	$ 3,438
Capitalized acquisitions	1,280	939
Depreciation expense	(673)	(612)
Balance at end of year	$ 4,372	$ 3,765

8. Advances and Prepayments

Intragovernmental Advances and Prepayments

Intragovernmental Advances and Prepayments amounts include advances provided to Federal agencies for goods and services that will be furnished to SSA. Intragovernmental Advances and Prepayments are $108 and $75 million as of September 30, 2021 and 2020.

9. Liabilities

Liabilities of Federal agencies are classified as liabilities Covered by, Not Covered by, or Not Requiring budgetary resources and are recognized when incurred. Charts 9a and 9b disclose SSA's liabilities Covered by budgetary resources, Not Covered by budgetary resources, and Not Requiring budgetary resources. Liabilities Covered by budgetary resources use available budget authority when SSA incurs the liabilities. Liabilities Not Covered by budgetary resources do not use available budget authority in the current period; these liabilities will be funded in future periods. Liabilities Not Requiring budgetary resources represent cash or receivables due to the General Fund and States, which do not require budgetary authority.

Chart 9a - Liabilities as of September 30:
(Dollars in Millions)

	2021			
	Covered	Not Covered	Not Requiring	Total
Intragovernmental:				
Accounts Payable	$ 5,314	$ 0	$ 0	$ 5,314
Advances from Others and Deferred Revenue	1	0	0	1
Other Liabilities	96	67	3,649	3,812
Total Intragovernmental	5,411	67	3,649	9,127
With the Public				
Accounts Payable	93	54	158	305
Federal Employee and Veteran Benefits	12	703	0	715
Benefits Due and Payable	108,942	1,908	0	110,850
Advances from Others and Deferred Revenue	203	0	0	203
Other Liabilities	288	0	38	326
Total with the Public	109,538	2,665	196	112,399
Total Liabilities	$ 114,949	$ 2,732	$ 3,845	$ 121,526

Chart 9b - Liabilities as of September 30:
(Dollars in Millions)

	2020			
	Covered	Not Covered	Not Requiring	Total
Intragovernmental:				
Accounts Payable	$ 5,444	$ 0	$ 0	$ 5,444
Advances from Others and Deferred Revenue	3	0	0	3
Other Liabilities	86	68	4,216	4,370
Total Intragovernmental	5,533	68	4,216	9,817
With the Public				
Accounts Payable	106	48	177	331
Federal Employee and Veteran Benefits	11	693	0	704
Benefits Due and Payable	106,078	2,028	0	108,106
Advances from Others and Deferred Revenue	215	0	0	215
Other Liabilities	269	0	47	316
Total with the Public	106,679	2,769	224	109,672
Total Liabilities	$ 112,212	$ 2,837	$ 4,440	$ 119,489

Intragovernmental Liabilities

Accounts Payable

Intragovernmental Accounts Payable Covered by budgetary resources primarily includes an accrued liability for amounts due to the Railroad Retirement Board for the annual interchange from the OASI and DI Trust Funds. This annual interchange is required to place the OASI and DI Trust Funds in the same position they would have been if SSA had covered railroad employment. The *Railroad Retirement Act of 1974* requires the transfer, including interest accrued from the end of the preceding fiscal year, to be made in June. SSA's Railroad Retirement Interchange liability is $5,285 and $5,396 as of September 30, 2021 and 2020

Advances from Others and Deferred Revenue

Intragovernmental Advances from Others and Deferred Revenue Covered by budgetary resources include advances from the Department of Homeland Security for services to be performed by SSA.

Other Liabilities

Intragovernmental Other Liabilities include amounts Covered by budgetary resources for payroll taxes, excluding deferred payroll taxes. Intragovernmental Other Liabilities Covered, shown in Charts 9a and 9b, are current liabilities. Intragovernmental Other Liabilities, Not Covered by budgetary resources includes amounts for deferred payroll taxes based on the President's August 8, 2020 *Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster* due to Treasury. SSA's payroll tax deferral liability is $18 and $17 million as of September 30, 2021 and 2020. Intragovernmental Other Liabilities Not Covered by budgetary resources also includes amounts for *Federal Employees' Compensation Act* (FECA), administered by the Department of Labor (DOL). FECA provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related injury or occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. For payment purposes, claims incurred for benefits for SSA employees under FECA are divided into current and non-current portions. The current portion represents SSA's accrued liability due to the DOL's FECA Special Benefits Fund for payments made on SSA's behalf. The funding for the liability will be made from a future appropriation. SSA's current portions of FECA liability are $49 and $51 million as of September 30, 2021 and 2020. Intragovernmental Other Liabilities Not Requiring budgetary resources includes amounts due to Treasury's General Fund, which primarily consists of a payable for SSI Federal benefit overpayments. SSA records a payable equal to the SSI Federal benefit overpayments receivable when the agency identifies overpayments. Refer to Note 3, Non-Entity Assets, for additional information on the SSI receivables established for the repayment of SSI benefit overpayments. Intragovernmental Other Liabilities Not Requiring budgetary resources are current and non-current depending on when the benefit overpayment collections are received. Chart 9c displays a breakout of Intragovernmental Other Liabilities as of September 30, 2021 and 2020.

Chart 9c - Intragovernmental Other Liabilities as of September 30:
(Dollars in Millions)

	2021	2020
Employer Contributions and Payroll Taxes Payable	$ 95	$ 85
Unemployment Compensation Liability	1	1
Unfunded FECA Liability	49	51
Liability to the General Fund for Non-Entity Assets	3,649	4,216
Other Liabilities w/o related budgetary obligations	18	17
Total Other Liabilities	$ 3,812	$ 4,370

Liabilities with the Public

Accounts Payable

Accounts Payable Not Requiring budgetary resources consists of SSI State Supplemental overpayments due to States. States are entitled to any overpayment that SSA expects to collect because the States fund the actual payments made to the beneficiaries. Accounts Payable Not Covered by budgetary resources consist of SSI State Supplemental underpayments due to the SSI recipients. These amounts are set up as an accounts payable until payment is made.

Federal Employee and Veteran Benefits

Federal Employee and Veteran Benefits Not Covered by budgetary resources includes amounts for leave earned but not taken and the non-current portion of FECA, which is an actuarial liability. The non-current portion of $274 and $281 million as of September 30, 2021 and 2020 represents the expected liability from FECA claims for the next 23-year period. DOL calculated this actuarial liability using historical payment data to project future costs.

Benefits Due and Payable

Benefits Due and Payable are amounts owed to program recipients that have not yet been paid as of the balance sheet date. Chart 9d shows the amounts for SSA's major programs as of September 30, 2021 and 2020. These amounts include an estimate for unadjudicated cases that will be payable in the future. Except for the SSI program, budgetary resources cover the unadjudicated cases.

Chart 9d - Benefits Due and Payable as of September 30:
(Dollars in Millions)

	2021	2020
OASI	$ 87,397	$ 83,717
DI	20,472	21,432
SSI	3,472	3,403
Subtotal	111,341	108,552
Less: Intra-agency eliminations	(491)	(446)
Total Benefits Due and Payable	$ 110,850	$ 108,106

Chart 9d also shows that as of FY 2021 and FY 2020, SSA reduced gross Benefits Due and Payable by $491 and $446 million as an intra-agency elimination. This intra-agency activity results primarily from the Windfall Offset and KZ Diary activity. Refer to Note 6, Accounts Receivable, Net.

Advances from Others and Deferred Revenue

SSA's Advances from Others and Deferred Revenue Covered by budgetary resources is primarily comprised of SSI State Supplemental amounts collected in advance of future SSI benefit payments made by SSA on the State's behalf.

Other Liabilities

SSA's Other Liabilities consist of liabilities Covered by and Not Requiring budgetary resources. Other Liabilities Covered by budgetary resources is primarily comprised of accrued payroll. Other liabilities Not Requiring budgetary resources consists of unapplied deposit funds. Other Liabilities are current in nature with the exception of $18 million of Not Requiring unapplied deposit funds as of September 30, 2021 and 2020. Chart 9e displays a breakout of Other Liabilities with the Public as of September 30, 2021 and 2020.

Chart 9e - Other Liabilities as of September 30:
(Dollars in Millions)

	2021	2020
Accrued Funded Payroll and Leave	$ 288	$ 269
Other Liabilities w/o related budgetary obligations	38	47
Total Other Liabilities	$ 326	$ 316

Federal Leases

SSA has Occupancy Agreements (OA) with GSA for each space that we occupy. The OA is a complete, concise statement of the business terms governing the tenancy relationship between SSA and GSA. The OA is not a lease, but rather a formal agreement between the signing parties. For accounting purposes, these OAs are treated as lease activity. GSA charges rental rates for space that approximates commercial rental rates for similar properties. The terms of the OAs vary according to whether the Federal Government directly owns the underlying assets or if GSA rents the underlying asset from third party commercial property owners, though each OA may have slightly different terms. SSA executes cancellable and non-cancellable OAs with GSA. Periods of occupancy on OAs vary, and can generally be cancelled with four months' notice following the first year of occupancy. OAs must be coterminous with the underlying lease term. For non-cancellable OAs, SSA is financially responsible for rental payments on vacated space until the expiration of the OA, the termination of the OA permitted under the lease terms, or the occupancy by a replacement tenant covers the total rent obligation. OAs do not include renewal options that may be in the lease, as GSA makes a determination as to whether such options are fair and reasonable relative to the market when the option matures. Chart 9f shows the future estimated rental payments required under OAs that have initial or remaining non-cancellable terms in excess of one year. SSA does not include the amounts reported in our financial statements. SSA expenses OAs as incurred, and does not record liabilities for future years' costs.

Chart 9f- Future Operating Lease/Occupancy Agreement Commitments as of September 30:
(Dollars in Millions)

Fiscal Year	GSA OAs	
2022	$	138
2023		136
2024		123
2025		108
2026		103
2027 and Thereafter (In total)*		434
Total Future Lease Payments	$	1,042

Note:

*OAs go through the year 2036.

CONTINGENT LIABILITIES

SSA's Contingent Liabilities include pending claims with estimated potential losses that are deemed reasonably possible of having an adverse outcome. According to SFFAS 5, *Accounting for Liabilities of the Federal Government*, for legal contingencies deemed reasonably possible of having an adverse outcome, no liability is recognized; however, disclosure of the contingency is required. See disclosures of Contingent Liabilities described below:

- Various cases challenge the constitutionality of excluding residents of Puerto Rico and Guam from certain Federal assistance programs. The amount of the potential loss that could arise out of these cases may or may not be material, depending on the scope of any adverse outcome. The relative recency of two of these cases, which are on hold pending a separate Supreme Court decision, prevents us from defining the reasonable scope of any adverse outcome, including certain aspects of eligibility that affect the materiality, and thus an estimate cannot be developed at this time.
- Cases contest the application of the Windfall Elimination Provision to reduce their Social Security benefits due to the receipt of foreign government retirement benefits from 25 countries with which the United States has entered into totalization agreements. The amount of potential loss arising out of these cases is estimated to be approximately $2,197 million and $17 million for the OASI and DI Trust Funds, respectively. There is no contingent liability for the SSI program.
- Case contests SSA's method of reducing benefits under the family maximum provision for auxiliary children of retired workers whose benefits are reduced due to becoming entitled to such benefits before attaining Normal Retirement Age. Due to the relative recency of this case, we are unable to determine the estimated amount of potential loss at this time.

- Case contests the interim final rule related to SSA's implementation of a streamlined waiver process for certain overpayment debts that accrued during a defined COVID-19 pandemic period. The relative recency of this case prevents us from defining a reasonable scope of any adverse outcome and thus an estimate cannot be developed at this time.

10. Funds from Dedicated Collections

The OASI and DI Trust Funds, Taxation on Social Security Benefits, and SSI State Administrative Fees are classified as funds from dedicated collections. These funds obtain revenues primarily through non-Federal receipts, such as Social Security payroll taxes and, to a lesser extent, offsetting collections.

OASI and DI Trust Funds

The OASI Trust Fund provides retirement and survivors benefits to qualified workers and their families. The DI Trust Fund provides disability benefits to individuals who cannot work because they have a medical condition expected to last one year or result in death.

Payroll and self-employment taxes primarily fund the OASI and DI Trust Funds. Interest earnings on Treasury securities, Federal agencies' payments for the Social Security benefits earned by military and Federal civilian employees, and Treasury payments for a portion of income taxes paid on Social Security benefits provide additional income to the OASI and DI Trust Funds. The law establishing the OASI and DI Trust Funds is set forth in 42 U.S.C. § 401. Refer to Note 13, Tax Revenues, for a discussion on employment taxes credited to the OASI and DI Trust Funds, and Note 5, Investments and Interest Receivable, for a discussion on interest.

Funds not withdrawn for current expenses (benefits, the financial interchange with the Railroad Retirement program, and administrative expenses) are invested in interest-bearing Federal securities, as required by law. See Note 5, Investments and Interest Receivable, for a discussion on Treasury securities.

Taxation on Social Security Benefits

Taxation on Social Security Benefits is also classified as funds from dedicated collections. The *Social Security Amendments of 1983* (Public Law 98-21) provides that the OASI and DI Trust Funds receive income related to Federal income taxation of benefits. The taxes are collected as Federal income taxes, and a subsequent payment is then made to the OASI and DI Trust Funds from the General Fund of the Treasury. These collections are warranted from the General Fund and transferred to the OASI and DI Trust Funds via an intragovernmental transfer. These transfers are to be reserved for specific purposes in the future. Thus, Taxation on Social Security Benefits is considered dedicated collections.

SSI State Administrative Fees

Administrative Fees collected from States are also classified as funds from dedicated collections. Section 42 U.S.C. 1616 authorizes the Commissioner of Social Security to assess each State an administrative fee in an amount equal to the number of Supplemental payments made by SSA on behalf of the State for any month in a fiscal year, multiplied by the applicable rate for the fiscal year. See Note 12, Exchange Revenues, for a discussion of SSI State Administrative Fees.

See Charts 10a and 10b for balances of funds from dedicated collections as reported in the Consolidated Financial Statements for the years ended September 30, 2021 and 2020. The Other Dedicated Funds column in Charts 10a and 10b consist of Taxation on Social Security Benefits and SSI State Administrative Fees activity.

Chart 10a - Funds from Dedicated Collections as of September 30: Consolidating Schedule

(Dollars in Millions)

	2021					
	OASI Trust Fund	DI Trust Fund	Other Dedicated Funds	Total Funds from Dedicated Collections (Combined)	Eliminations Between Dedicated Collections	Total Funds from Dedicated Collections (Consolidated)
Balance Sheet						
Assets						
Intragovernmental:						
Fund Balance with Treasury	$ 14	$ 30	$ 0	$ 44	$ 0	$ 44
Investments	2,771,965	98,660	0	2,870,625	0	2,870,625
Accounts Receivable, Federal	484	0	0	484	0	484
Total Intragovernmental Assets	2,772,463	98,690	0	2,871,153	0	2,871,153
With the Public:						
Accounts Receivable, Non-Federal	2,077	3,132	0	5,209	(4)	5,205
Total Assets	$ 2,774,540	$ 101,822	$ 0	$ 2,876,362	$ (4)	$ 2,876,358
Liabilities and Net Position						
Intragovernmental:						
Accounts Payable, Federal	$ 6,173	$ 867	$ 0	$ 7,040	$ 0	$ 7,040
With the Public:						
Accounts Payable, Non-Federal	1	4	0	5	0	5
Benefits Due and Payable	87,397	20,472	0	107,869	(4)	107,865
Total with the Public	87,398	20,476	0	107,874	(4)	107,870
Total Liabilities	93,571	21,343	0	114,914	(4)	114,910
Cumulative Results of Operations	2,680,969	80,479	0	2,761,448	0	2,761,448
Total Liabilities and Net Position	$ 2,774,540	$ 101,822	$ 0	$ 2,876,362	$ (4)	$ 2,876,358
Statement of Net Cost						
Program Costs	$ 986,398	$ 139,818	$ 0	$ 1,126,216	$ 0	$ 1,126,216
Operating Expenses	540	278	0	818	0	818
Less Earned Revenue	(1)	(20)	(126)	(147)	0	(147)
Net Cost of Operations	$ 986,937	$ 140,076	$ (126)	$ 1,126,887	$ 0	$ 1,126,887
Statement of Changes in Net Position						
Net Position Beginning of Period	$2,741,021	$ 78,551	$ 0	$ 2,819,572	$ 0	$ 2,819,572
Non-Exchange Revenue						
Tax Revenue	831,124	141,195	0	972,319	0	972,319
Interest Revenue	68,971	2,679	0	71,650	0	71,650
Total Non-Exchange Revenue	$ 900,095	$ 143,874	$ 0	$ 1,043,969	$ 0	$ 1,043,969
Net Transfers In/Out	26,783	(1,870)	(34,927)	(10,014)	0	(10,014)
Other	7	0	34,801	34,808	0	34,808
Net Cost of Operations	986,937	140,076	(126)	1,126,887	0	1,126,887
Net Change	(60,052)	1,928	0	(58,124)	0	(58,124)
Net Position End of Period	$ 2,680,969	$ 80,479	$ 0	$ 2,761,448	$ 0	$ 2,761,448

The above Chart 10a for FY 2021 includes eliminations between SSA's funds from dedicated collections, which primarily represent eliminations for activity between the OASI and DI Trust Funds. However, $2,244 million of receivables and liabilities in the funds from dedicated collections for the year ended September 30, 2021 must be eliminated against LAE (Accounts Payable, Federal), SSI (Benefits Due and Payable and Accounts Receivables, Non-Federal), and PTF, excluding Taxation on Benefits (Accounts Receivable, Federal), which are not classified as funds from dedicated collections. Therefore, due to the separate presentation of funds from dedicated collections only in this note, SSA does not include eliminations between funds from dedicated collections and LAE, SSI, and PTF, excluding Taxation on Benefits in Chart 10a.

Chart 10b - Funds from Dedicated Collections as of September 30: Consolidating Schedule
(Dollars in Millions)

	2020					
	OASI Trust Fund	DI Trust Fund	Other Dedicated Funds	Total Funds from Dedicated Collections (Combined)	Eliminations Between Dedicated Collections	Total Funds from Dedicated Collections (Consolidated)
Balance Sheet						
Assets						
Intragovernmental:						
Fund Balance with Treasury	$ (32)	$ (146)	$ 0	$ (178)	$ 0	$ (178)
Investments	2,828,957	97,875	0	2,926,832	0	2,926,832
Accounts Receivable, Federal	1	0	0	1	0	1
Total Intragovernmental Assets	2,828,926	97,729	0	2,926,655	0	2,926,655
With the Public:						
Accounts Receivable, Non-Federal	2,138	3,319	0	5,457	(4)	5,453
Total Assets	$ 2,831,064	$ 101,048	$ 0	$ 2,932,112	$ (4)	$ 2,932,108
Liabilities and Net Position						
Intragovernmental:						
Accounts Payable, Federal	$ 6,326	$ 1,062	$ 0	$ 7,388	$ 0	$ 7,388
With the Public:						
Accounts Payable, Non-Federal	0	3	0	3	0	3
Benefits Due and Payable	83,717	21,432	0	105,149	(4)	105,145
Total with the Public	83,717	21,435	0	105,152	(4)	105,148
Total Liabilities	90,043	22,497	0	112,540	(4)	112,536
Cumulative Results of Operations	2,741,021	78,551	0	2,819,572	0	2,819,572
Total Liabilities and Net Position	$ 2,831,064	$ 101,048	$ 0	$2,932,112	$ (4)	$ 2,932,108
Statement of Net Cost						
Program Costs	$ 944,494	$ 144,506	$ 0	$ 1,089,000	$ 0	$ 1,089,000
Operating Expenses	528	282	0	810	0	810
Less Earned Revenue	(1)	(23)	(130)	(154)	0	(154)
Net Cost of Operations	$ 945,021	$ 144,765	$ (130)	$ 1,089,656	$ 0	$ 1,089,656
Statement of Changes in Net Position						
Net Position Beginning of Period	$2,740,248	$ 78,569	$ 0	$ 2,818,817	$ 0	$ 2,818,817
Non-Exchange Revenue						
Tax Revenue	841,664	142,898	0	984,562	0	984,562
Interest Revenue	74,638	2,775	0	77,413	0	77,413
Total Non-Exchange Revenue	$ 916,302	$ 145,673	$ 0	$ 1,061,975	$ 0	$ 1,061,975
Net Transfers In/Out	29,468	(1,003)	(39,711)	(11,246)	0	(11,246)
Other	24	77	39,581	39,682	0	39,682
Net Cost of Operations	945,021	144,765	(130)	1,089,656	0	1,089,656
Net Change	773	(18)	0	755	0	755
Net Position End of Period	$ 2,741,021	$ 78,551	$ 0	$ 2,819,572	$ 0	$ 2,819,572

Chart 10b for FY 2020 includes eliminations between SSA's funds from dedicated collections, which primarily represent eliminations for activity between the OASI and DI Trust Funds. However, $2,434 million of receivables and liabilities in the funds from dedicated collections for the year ended September 30, 2020 must be eliminated against LAE (Accounts Payable, Federal), SSI (Benefits Due and Payable and Accounts Receivables, Non-Federal), and PTF, excluding Taxation on Benefits (Accounts Receivable, Federal), which are not classified as funds from dedicated collections. Therefore, due to the separate presentation of funds from dedicated collections only in this note, SSA does not include eliminations between funds from dedicated collections and LAE, SSI, and PTF, excluding Taxation on Benefits in Chart 10b.

11. Operating Expenses

Classification of Operating Expenses by Major Program

Charts 11a and 11b display SSA's operating expenses for each major program. LAE SSA operating expenses recorded in Other primarily represent the HI/SMI Trust Funds' shares of SSA's operating expenses, including the Medicare Prescription Drug Program. LAE operating expenses related to the *American Recovery and Reinvestment Act of 2009* (ARRA) are recorded in the Other program, and primarily represent expenses associated with the National Support Center. LAE operating expenses related to the CARES Act are recorded in the Other program, and primarily represent expenses to prevent, prepare for, and respond to the COVID-19 pandemic, and to assist Treasury with economic impact payments. OASI and DI Trust Fund Operations include expenses of Treasury to assist in managing the OASI and DI Trust Funds. Vocational Rehabilitation includes expenditures of State agencies for vocational rehabilitation of OASI, DI, and SSI beneficiaries.

Chart 11a - SSA's Operating Expenses by Major Program as of September 30:
(Dollars in Millions)

	2021						
	LAE						
	SSA	OIG	CARES Act	ARRA	OASI and DI Trust Fund Operations	Vocational Rehabilitation & Other	Total
OASI	$ 3,372	$ 46	$ 0	$ 0	$ 524	$ 16	$ 3,958
DI	2,534	34	0	0	94	184	2,846
SSI	4,490	0	0	0	0	214	4,704
Other	2,747	32	55	7	0	0	2,841
Total	$ 13,143	$ 112	$ 55	$ 7	$ 618	$ 414	$ 14,349

Chart 11a - SSA's Operating Expenses by Major Program as of September 30:
(Dollars in Millions)

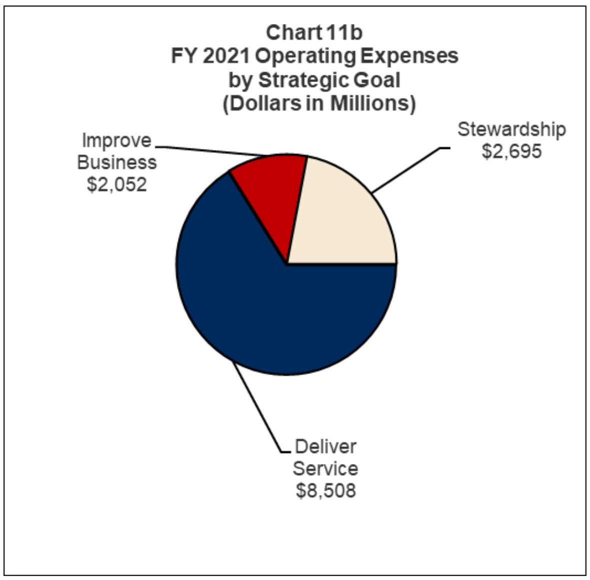
	2020						
	LAE						
	SSA	OIG	CARES Act	ARRA	OASI and DI Trust Fund Operations	Vocational Rehabilitation & Other	Total
OASI	$ 3,158	$ 46	$ 0	$ 0	$ 512	$ 16	$ 3,732
DI	2,516	36	0	0	93	189	2,834
SSI	4,507	0	0	0	0	238	4,745
Other	2,556	33	287	8	0	0	2,884
Total	$ 12,737	$ 115	$ 287	$ 8	$ 605	$ 443	$ 14,195

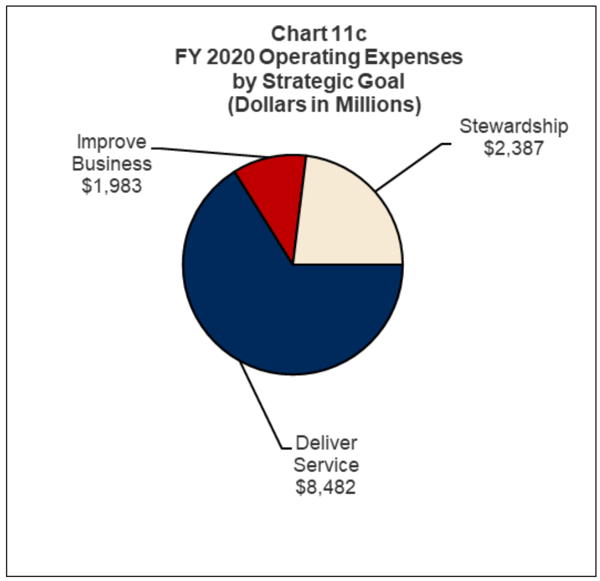
Classification of Operating Expenses by Strategic Goal

SSA's *Annual Performance Plan* (APP) sets forth expected levels of performance the agency is committed to achieving, and includes proposed levels of performance for future fiscal years. Our APP is characterized by broad-based Strategic Goals that the entire agency supports. The three Strategic Goals are:

- Deliver Services Effectively (Deliver Service);
- Improve the Way We Do Business (Improve Business); and
- Ensure Stewardship (Stewardship).

Charts 11b and 11c exhibit the distribution of FY 2021 and FY 2020 SSA and OIG LAE operating expenses to the three APP Strategic Goals, which agree to the agency's LAE budget appropriation. The operating expenses are allocated to each goal using percentages developed using data from SSA's CAS. The percentages are calculated using agency workload data.





For Charts 11b and 11c, we subtracted LAE ARRA and CARES Act expenses from total SSA LAE operating expenses before distributing the operating expenses to the agency's APP Strategic Goals. We do not include OASI and DI Trust Fund Operations and Vocational Rehabilitation expenses (see Chart 11a) in LAE by Strategic Goal as these amounts are disbursed from the OASI and DI Trust Funds and are not directly linked to the budget authority.

12. Exchange Revenues

SSA recognizes revenue from exchange transactions when goods and services are provided. The goods and services provided are priced so that charges do not exceed the agency's cost. Total exchange revenue is $312 and $295 million for the years ended September 30, 2021 and 2020. SSA's exchange revenue primarily consists of fees collected to administer SSI State Supplementation. The fees charged to the States are $12.49 and $12.41, per payment, for the years ended September 30, 2021 and 2020. SSA has agreements with 20 States and the District of Columbia to administer some or all of the States' supplement to Federal SSI benefits. Additional fees are collected for handling OASI and DI Trust Fund and SSI attorney fees. Other exchange revenue consists of reimbursement for performing non-mission work for Federal and non-Federal entities. Chart 12 discloses SSA's exchange revenue by activity.

Chart 12 - Exchange Revenue as of September 30:
(Dollars in Millions)

	2021	2020
SSI State Supplementation Fees	$ 211	$ 217
SSI Attorney Fees	7	8
DI Attorney Fees	20	23
OASI Attorney Fees	1	1
Other Exchange Revenue	73	46
Total Exchange Revenue	$ 312	$ 295

SSI administrative fees are split between fees that SSA can use and fees that are entitled to Treasury's General Fund. The General Fund's portion of these administrative fees are $91 and $95 million for the years ended September 30, 2021 and 2020. Of these amounts, $84 and $87 million were collected to administer SSI State Supplementation for the years ended September 30, 2021 and 2020. SSA maintains the remainder of the SSI administrative fees, which meet the criteria of a fund from dedicated collections, in the amounts of $127 and $130 million for the years ended September 30, 2021 and 2020, to defray expenses in carrying out the SSI program.

13. Tax Revenues

Treasury estimates monthly employment tax revenues based on SSA's quarterly estimate of taxable earnings. Treasury uses these estimates to credit the OASI and DI Trust Funds with tax receipts received during the month. Treasury makes adjustments to the amounts previously credited to the OASI and DI Trust Funds based on actual wage data SSA certified quarterly.

As required by current law, the OASI and DI Trust Funds are due the total amount of employment taxes payable regardless of whether they have been collected. These estimated amounts are subject to adjustments for wages that were previously unreported, employers misunderstanding the wage reporting instructions, businesses terminating operations during the year, or errors made and corrected with either the Internal Revenue Service (IRS) or SSA. Revenues to the OASI and DI Trust Funds are reduced for excess employment taxes, which are refunded by offset against income taxes.

During FY 2020, due to the impact of the COVID-19 pandemic, the IRS did not process Single and Multiple Employer Refunds. The IRS usually processes these refunds of employment taxes paid in September. The refunds are the result of employers reporting wages in excess of the applicable taxable maximum (Single Employer Refunds), or employees whose combined wages from multiple employers exceeded the applicable taxable maximum (Multiple Employer Refunds). These refunds are deducted from employment tax revenues reported in Chart 13. The FY 2020 refunds were processed in FY 2021 totaling $75 and $13 million for Single Employer Refunds, and $3,265 and $552 million for Multiple Employer Refunds, for OASI and DI respectively.

Chart 13 displays SSA's Tax Revenue, as reported on the Consolidated Statements of Changes in Net Position, by major program.

Chart 13 - Tax Revenue as of September 30:
(Dollars in Millions)

	2021	2020
OASI	$ 831,124	$ 841,664
DI	141,195	142,898
Total Tax Revenue	$ 972,319	$ 984,562

14. Imputed Financing

SSA recognizes the full cost of goods and services that we receive from other entities on our Consolidated Statements of Net Cost. In some instances, goods or services provided by one Federal entity to another may not be fully reimbursed by the receiving entity. The unreimbursed portion of these costs is considered an imputed cost, and must be recognized on the receiving entity's Statement of Net Cost. The funding for these imputed costs is recognized as an imputed financing source on the receiving entity's Statement of Changes in Net Position. SSA has activities with OPM and Treasury that require imputed costs and financing sources to be recognized. While the imputed financing sources are shown on the face of the Consolidated Statements of Changes in Net Position, the imputed costs are included in the operating expense amounts reported on the Consolidated Statements of Net Cost.

OPM administers three earned benefit programs for civilian Federal employees: (1) the Retirement Program, comprised of the CSRS and the FERS; (2) the Federal Employees Health Benefits Program (FEHBP); and (3) the Federal Employee Group Life Insurance Program (FEGLI). The total service costs for SSA employee pensions, life, and health insurance are financed by contributions of SSA, participating employees, and OPM. The Consolidated Statements of Net Cost recognize post-employment benefit expenses of $1,428 and $1,318 million for the years ended September 30, 2021 and 2020, as a portion of operating expenses. The expense represents the current and estimated future costs of SSA and OPM for SSA employee pensions, life, and health insurance. SSA is responsible for a portion of the costs of each benefit program during the fiscal year, while the remaining costs are covered by OPM. SSA recognizes these costs on our financial statements as an imputed cost, with a corresponding imputed financing source.

Treasury, on SSA's behalf, processes the payments for SSI benefits. While the majority of the administrative costs associated with processing these payments are recorded as imputed costs with an associated imputed financing source, SSA is responsible for the costs related to postage. In addition, when funds are not legally available to pay monetary awards from SSA's own appropriations, Treasury issues payments from the Judgment Fund on behalf of SSA for court judgments and Department of Justice compromise settlements of actual or imminent lawsuits against SSA. These costs are also recorded as imputed costs with a corresponding imputed financing source.

Chart 14 discloses SSA's imputed financing sources by activity.

Chart 14 - Imputed Financing Sources as of September 30:
(Dollars in Millions)

	2021	2020
Employee Benefits (OPM)		
CSRS*	$ 58	$ 45
FERS	3	0
FEHBP	514	494
FEGLI	1	1
Total Employee Benefits	576	540
SSI Benefit Payments (Treasury)	17	17
Judgment Fund (Treasury)	2	1
Total Imputed Financing Sources	$ 595	$ 558

Note:

*The FY 2020 CSRS amounts are offset by $19 million of excess FY 2020 FERS employer contributions over program service cost.

15. Budgetary Resources

Appropriations Received

The Combined Statements of Budgetary Resources discloses Appropriations Received of $1,232,394 and $1,200,535 million for the years ended September 30, 2021 and 2020. Appropriations Received on the Consolidated Statements of Changes in Net Position are $94,946 and $101,390 million for the same periods. The differences of $1,137,448 and $1,099,145 million primarily represent appropriated OASI and DI Trust Fund receipts. The Consolidated Statements of Changes in Net Position reflect new appropriations received during the year; however, those amounts do not include dedicated receipts in the OASI and DI Trust Funds.

Appropriations Received for PTF are recorded based on warrants received from the General Fund and presented as Other in the financial statements. These amounts are transferred to the Bureau of Fiscal Service where they are also recorded as Appropriations Received in the OASI and DI Trust Funds. Because OASI and DI Trust Fund activity is combined with Other on SSA's Combined Statements of Budgetary Resources, Appropriations Received for PTF are duplicated. This is in compliance with OMB's Circular No. A-136 to have the Combined Statements of Budgetary Resources in agreement with the required SF-133. These amounts are also included on the Consolidated Statements of Changes in Net Position for Other in Appropriations Received.

Permanent Indefinite Appropriation

SSA has three Permanent Indefinite Appropriations: OASI and DI Trust Funds and Title VIII. The OASI Trust Fund provides retirement and survivors benefits to qualified workers and their families. The DI Trust Fund provides disability benefits to individuals who cannot work because they have a medical condition expected to last one year or result in death. The authority remains available as long as there are qualified beneficiaries.

The Title VIII Program was established as part of Public Law 106-169, *Foster Care Independence Act of 1999*. It provides special benefits to World War II Philippine veterans receiving SSI, who wanted to spend their remaining years outside the U.S. Prior to the passage of Public Law 106-169, the veterans' SSI benefits would terminate the month after leaving the U.S. Under the new law, these veterans will receive 75 percent of their benefits. The authority remains available as long as there are qualified recipients.

Legal Arrangements Affecting Use of Unobligated Balances

During the year, the OASI and DI Trust Funds collect receipts and incur obligations. The receipts are primarily made up of tax and interest revenues. As beneficiaries pass the various entitlement tests prescribed by the *Social Security Act*, benefit payments and other outlays are obligated against the OASI and DI Trust Funds. During a given year, when receipts collected exceed the amount needed to pay benefits and other valid obligations, the excess authority becomes precluded by law from being available for obligations, as of September 30. While this amount is precluded from obligation at the end of one fiscal year, the excess receipts remain assets of the OASI and DI Trust Funds and can become available in future periods as needed.

Chart 15a provides an overview of fiscal year budgetary receipt and obligation information for the OASI and DI Trust Funds. SSA compares the current year receipts to the current year obligations incurred to determine the excess or shortfall for a fiscal year.

Chart 15a - OASI and DI Trust Fund Activities as of September 30:
(Dollars in Millions)

	2021			2020		
	OASI	DI	Total	OASI	DI	Total
Receipts	$ 935,997	$ 144,413	$ 1,080,410	$ 955,597	$ 147,489	$ 1,103,086
Less: Obligations	994,976	142,452	1,137,428	953,157	145,861	1,099,018
Excess of Receipts Over Obligations	$ (58,979)	$ 1,961	$ (57,018)	$ 2,440	$ 1,628	$ 4,068

The overall Net Position of the OASI and DI Trust Funds included in Net Position, on the Consolidated Statements of Changes in Net Position, are $2,680,486 and $80,479 million for the year ended September 30, 2021, compared to $2,741,021 and $78,551 million for the year ended September 30, 2020.

Undelivered Orders at the End of the Period

Undelivered orders consist of orders of goods and services that SSA has not actually or constructively received. The total undelivered orders contain unpaid undelivered orders and advances, with unpaid orders making up the majority of the total. Chart 15b provides the undelivered orders amount by Federal, non-Federal, paid, and unpaid.

Chart 15b - Undelivered Orders as of September 30:
(Dollars in Millions)

	2021			2020		
	Federal	Non-Federal	Total	Federal	Non-Federal	Total
Unpaid Undelivered Orders	$ 777	$ 2,085	$ 2,862	$ 905	$ 2,161	$ 3,066
Paid Undelivered Orders	108	0	108	76	0	76
Total Undelivered Orders	$ 885	$ 2,085	$ 2,970	$ 981	$ 2,161	$ 3,142

Explanation of Differences Between the Combined Statement of Budgetary Resources and the Budget of the U.S. Government

SSA conducted a reconciliation of budgetary resources, new obligations and upward adjustments, distributed offsetting receipts, and net outlays as presented in the Combined Statements of Budgetary Resources, to amounts included in the Budget of the U.S. Government for the year ended September 30, 2020. All differences shown in the chart below are recognized as accepted differences. Expired activity is not included in the Budget of the U.S. Government. Distributed offsetting receipts are not included in the net outlay calculation within the Budget of the U.S. Government.

Chart 15c presents a reconciliation of budgetary resources, new obligations and upward adjustments, distributed offsetting receipts, and outlays as presented in the Combined Statements of Budgetary Resources, to amounts included in the Budget of the U.S. Government for the year ended September 30, 2020.

Chart 15c - Explanation of Differences Between Combined Statement of Budgetary Resources and the Budget of the U.S. Government for FY 2020:
(Dollars in Millions)

	Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	$ 1,222,093	$ 1,216,026	$ 42,589	$ 1,153,915
Expired activity not in President's Budget	(422)	0	0	0
Offsetting Receipts activity not in President's Budget	0	0	0	42,589
Other	2	2	1	1
Budget of the U.S. Government	$ 1,221,673	$ 1,216,028	$ 42,590	$ 1,196,505

A reconciliation has not been conducted for the year ended September 30, 2021 since the actual budget data for FY 2021 will not be available until the President's Budget is published. Once available, the actual budget data will be located on OMB's Appendix website (www.whitehouse.gov/omb/appendix/).

16. Reconciliation of Net Cost to Net Outlays

Chart 16 presents a reconciliation between SSA's budgetary and financial accounting. Budgetary accounting is used for planning and spending control purposes. The net outlays portion of budgetary accounting focuses on the receipt and use of cash. Financial accounting is intended to provide a picture of the government's financial operations and financial position, so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The net costs portion of financial accounting focuses on expenses and revenue.

The reconciliation below shows the relationship between SSA's net outlays, presented on a budgetary cash basis and derived from the Combined Statements of Budgetary Resources, and net costs, presented on an accrual basis and derived from the Consolidated Statements of Net Cost, by identifying and explaining key items that affect one statement but not the other. Examples of this include transfers of authority, which affect net outlays but not net cost, or depreciation of capitalized assets that affect net cost, but not net outlays.

Chart 16 - Reconciliation of Net Cost to Net Outlays for the Years Ended September 30, 2021 and 2020

(Dollars in Millions)

	2021			2020		
	Intra-governmental	**With the Public**	**Total**	Intra-governmental	With the Public	Total
Net Cost	**$ 4,652**	**$ 1,189,520**	**$ 1,194,172**	$ 4,392	$ 1,153,346	$ 1,157,738
Components of Net Cost That Are Not Part of Net Outlays:						
Property, plant, and equipment depreciation	**0**	**(673)**	**(673)**	0	(612)	(612)
Increase/(decrease) in assets:						
Accounts receivable	**482**	**(820)**	**(338)**	(4)	(4,076)	(4,080)
Other assets	**33**	**0**	**33**	21	0	21
(Increase)/decrease in liabilities:						
Accounts payable	**15**	**27**	**42**	7	98	105
Benefits Due and Payable	**0**	**(2,789)**	**(2,789)**	0	(1,932)	(1,932)
Federal Employee and Veteran Benefits Payable	**0**	**(11)**	**(11)**	0	(62)	(62)
Other liabilities	**561**	**(7)**	**554**	1,780	(47)	1,733
Financing sources						
Imputed Costs	**(594)**	**0**	**(594)**	(558)	0	(558)
Total Components of Net Cost That Are Not Part of Net Outlays	**$ 497**	**$ (4,273)**	**$ (3,776)**	$ 1,246	$ (6,631)	$ (5,385)
Components of Net Outlays That Are Not Part of Net Cost:						
Acquisition of capital assets	**0**	**1,280**	**1,280**	155	784	939
Financing Sources						
Transfers out(in) without reimbursement	**(484)**	**0**	**(484)**	7	0	7
Expenditure Transfers Collected/Disbursed	**1,940**	**0**	**1,940**	2,515	0	2,515
Total Components of Net Outlays That Are Not Part of Net Cost	**$ 1,456**	**$ 1,280**	**$ 2,736**	$ 2,677	$ 784	$ 3,461
Miscellaneous Items						
Custodial/Non-Exchange Revenue	**(106)**	**(98)**	**(204)**	(1)	(193)	(194)
Non-Entity Activity	**(476)**	**0**	**(476)**	(1,705)	0	(1,705)
Total Other Reconciling Items	**(582)**	**(98)**	**(680)**	(1,706)	(193)	(1,899)
Net Outlays	**$ 6,023**	**$ 1,186,429**	**$ 1,192,452**	$ 6,609	$ 1,147,306	$ 1,153,915

The $2,789 million increase in Benefits Due and Payable for the year ended September 30, 2021, is primarily related to amounts owed to program recipients that have not yet been paid as of the balance sheet date. The increased Benefits Due and Payable when comparing FY 2021 to FY 2020 is due primarily to a 1.3 percent Cost of Living Adjustment beneficiaries received in 2021 and an increase in the number of beneficiaries during FY 2021. This accrued payable is included in net cost, but not included in net outlays. The $1,280 million in Acquisition of Capital Assets for the year ended September 30, 2021, primarily consists of capitalized costs associated with Internal Use Software. The purchases of assets are part of net outlays, but not part of net cost. For additional information, refer to Note 7, General Property, Plant, and Equipment, Net. The $1,940 million in Expenditure Transfers Disbursed for the year ended September 30, 2021, is primarily related to disbursements from the OASI/DI Trust Funds to cover SSA's costs of the Railroad Retirement Interchange. The disbursements are part of net outlays, but not part of net cost. Refer to Note 9, Liabilities, for additional information on the Railroad Retirement Interchange.

For FY 2020, the $4,080 million decrease in Accounts Receivable, $1,733 million in Other Liabilities, and negative $1,705 million in Non-Entity Activity, represent a decrease in Accounts Receivable and related liabilities and transfers-out to the General Fund. This is the result of our Allowance for Doubtful Accounts methodology change and our suspension of some processing of overpayments due to the COVID-19 pandemic in FY 2020.

17. Social Insurance Disclosures

Statements of Social Insurance

The Statements of Social Insurance present the present value for the 75-year projection period of the estimated future noninterest income, estimated future cost, and the excess of income over cost for both the "open group" and "closed group" of participants. The open group of participants includes all current and future participants (including those born during the projection period) who are now participating or are expected to eventually participate in the OASDI social insurance program. The closed group of participants includes only current participants (i.e., those who attain age 15 or older in the first year of the projection period). The closed group disclosure is not relevant to the financial status because the program is financed largely on a pay-as-you-go basis.

Present values are computed based on the intermediate economic and demographic assumptions described in *The 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds* (2021 Trustees Report) (www.ssa.gov/OACT/TR/2021/index.html) for the 75-year projection period beginning January 1, 2021. These assumptions represent the Trustees' reasonable estimate of likely future economic and demographic conditions. Similar present values are shown in the Statements of Social Insurance based on the prior four Trustees Reports reflecting present values on January 1 of the applicable year. Note that the projections in the 2021 Trustees Report are the first to include the Trustees' best estimates of the effects of the COVID-19 pandemic and ensuing recession on the OASDI program.

Estimated future noninterest income consists of payroll taxes from employers, employees, and self-employed persons; revenue from Federal income-taxation of scheduled OASDI benefits; and miscellaneous reimbursements from the General Fund of the Treasury. It does not include interest income on reserves held in the combined OASI and DI Trust Funds, because the present value calculation discounts all cash flows at the effective yield on OASI and DI Trust Fund reserves. The estimated future cost includes benefit amounts scheduled under current law, administrative expenses, and net transfers with the Railroad Retirement program.

The present value of the estimated future excess of noninterest income over cost is shown in the Statements of Social Insurance, not only for the open group of participants, but also for the closed group of participants. The closed group of participants consists of those who, in the starting year of the projection period, have attained age 15 or older. This closed group is further divided into those who have attained retirement eligibility age (i.e., age 62 and over) in the starting year of the projection period and those who attained age 15 through 61 in the starting year of the projection period. The Statements of Social Insurance also present the present value of estimated future noninterest income less estimated future cost *plus* the combined OASI and DI Trust Fund reserves at the start of the period on both an open and closed group basis.

Combined OASI and DI Trust Fund reserves represent the accumulated excess of all past income, including interest on prior combined OASI and DI Trust Fund reserves, over all past expenditures for the OASDI program. The combined OASI and DI Trust Fund reserves as of January 1, 2021 totaled $2,908 billion and were comprised entirely of investment securities that are backed by the full faith and credit of the Federal Government.

The present value for a 75-year projection period of estimated future excess of noninterest income over cost, plus the combined OASI and DI Trust Fund reserves at the start of the period, is shown as a negative value. Its magnitude is commonly referred to as the "open group unfunded obligation" of the OASDI program over the 75-year projection period. This value is included in the applicable Trustees Report and is shown in the Report as a percentage of taxable payroll and as a percentage of gross domestic product (GDP) over the period.

Because the OASDI program lacks borrowing authority, the open group unfunded obligation represents the amount of benefits scheduled in the law that would not be payable in the years after the reserves in the combined OASI and DI Trust Funds become depleted. Thus, if the reserves in the combined OASI and DI Trust Funds become depleted, the amount of money available to pay benefits and other expenses would be limited to continuing noninterest income. Therefore, barring legislative action, this unfunded obligation represents a financial shortfall that would be accommodated by either paying benefits that are less than the amount scheduled or by delaying the payment of scheduled benefits.

Assumptions Used for the Statements of Social Insurance

The present values used in this presentation for the current year (2021) are based on the full amounts of estimated noninterest income and the cost of providing benefits at the levels scheduled under current law, even after the OASI and DI Trust Fund reserves are depleted. Estimates are also based on various economic and demographic assumptions, including those in the following table:

Table 1: Significant Assumptions and Summary Measures Used for the Statement of Social Insurance 2021

	Total Fertility Rate[1]	Age-Sex-Adjusted Death Rate[2] (per 100,000)	Period Life Expectancy At Birth[3]		Net Annual Immigration (persons per year)[4]	Real Wage Differential[5] (percentage points)	Annual Percentage Change In:				Average Annual Interest Rate[10]
			Male	Female			Average Annual Wage in Covered Employment[6]	CPI[7]	Total Employment[8]	Real GDP[9]	
2021	1.54	908.3	74.6	79.9	680,000	3.16	6.22	3.06	2.7	4.4	1.5%
2030	1.87	741.5	77.0	82.0	1,339,000	1.21	3.61	2.40	0.5	2.0	4.7%
2040	1.98	683.0	78.1	82.9	1,288,000	1.19	3.59	2.40	0.3	1.9	4.7%
2050	2.00	630.3	79.2	83.8	1,256,000	1.12	3.52	2.40	0.4	2.0	4.7%
2060	2.00	583.7	80.2	84.6	1,240,000	1.16	3.56	2.40	0.4	2.0	4.7%
2070	2.00	542.3	81.1	85.4	1,229,000	1.16	3.56	2.40	0.3	1.9	4.7%
2080	2.00	505.5	82.0	86.1	1,222,000	1.13	3.53	2.40	0.4	2.0	4.7%
2090	2.00	472.7	82.8	86.7	1,218,000	1.14	3.54	2.40	0.5	2.1	4.7%
2100[11]	2.00	443.3	83.6	87.4	1,216,000	1.15	3.55	2.40	0.4	2.0	4.7%

Notes:

1. The total fertility rate for any year is the average number of children that would be born to a woman if she were to experience, at each age of her life, the birth rate observed in, or assumed for, the selected year, and if she were to survive the entire childbearing period.
2. The age-sex-adjusted death rate is based on the enumerated total population as of April 1, 2010, if that population were to experience the death rates by age and sex observed in, or assumed for, the selected year. It is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived.
3. The period life expectancy at birth for a given year is the average number of years expected prior to death for a person born on January 1 in that year, using the mortality rates for that year over the course of his or her remaining life. It is a summary measure and not a basic assumption; it summarizes the effects of the basic assumptions from which it is derived.
4. Net annual immigration is the number of persons who enter during the year (both as lawful permanent residents and otherwise) minus the number of persons who leave during the year. It is a summary measure and not a basic assumption; it summarizes the effects of the basic assumptions from which it is derived.
5. The real wage differential is the annual percentage change in the average annual wage in covered employment less the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Values are rounded after all computations.
6. The average annual wage in covered employment is the total amount of wages and salaries for all employment covered by the OASDI program in a year, divided by the number of employees with any such earnings during the year. It is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived.
7. The CPI is CPI-W.
8. Total employment is total U.S. military and civilian employment. It is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived.
9. The real GDP is the value of the total output of goods and services in 2012 dollars. It is a summary measure and not a basic assumption; it summarizes the effects of the basic assumptions from which it is derived.
10. The average annual interest rate is the average of the nominal interest rates, compounded semiannually, for special public-debt obligations issuable to the OASI and DI Trust Funds in each of the 12 months of the year. After trust fund depletion, there would continue to be immediate investments of income in short-term certificates of indebtedness. The average annual interest rate is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived.
11. The valuation period used for the 2021 Statement of Social Insurance extends to 2095.

The present values used in the Statement of Social Insurance for the current year and in corresponding Statements in prior years are based on various economic and demographic assumptions. The values for each of these assumptions move from recently experienced levels or trends toward long-range ultimate values. These ultimate values are summarized in Table 2. Detailed information, similar to that denoted within Table 1, is available on our *Agency Financial Report* (AFR) website (www.ssa.gov/finance) for the prior four years.

Table 2: Significant Long-Range Assumptions and Summary Measures Used for the Statements of Social Insurance for Current and Prior Years

Year of Statement	Total Fertility Rate[1]	Average Annual Percentage Reduction in the Age-Sex-Adjusted Death Rates[2]	Average Annual Net Immigration (persons per year)[3]	Average Annual Real Wage Differential[4] (percentage points)	Average Annual Percentage Change In: Average Annual Wage in Covered Employment[5]	CPI[6]	Total Employment[7]	Average Annual Real Interest Rate[8]
FY 2021	1.99	0.74	1,248,000	1.15	3.55	2.40	0.5	2.3
FY 2020	1.95	0.76	1,261,000	1.14	3.54	2.40	0.4	2.3
FY 2019	2.00	0.77	1,265,000	1.21	3.81	2.60	0.5	2.5
FY 2018	2.00	0.77	1,272,000	1.20	3.80	2.60	0.5	2.7
FY 2017	2.00	0.77	1,286,000	1.20	3.80	2.60	0.5	2.7

Notes:

1. The total fertility rate for any year is the average number of children that would be born to a woman if she were to experience, at each age of her life, the birth rate observed in, or assumed for, the selected year, and if she were to survive the entire childbearing period. For the Statements prior to 2021, the value presented is the ultimate total fertility rate. For the 2021 Statement, the value shown is the average annual total fertility rate for the last 65 years of the 75-year projection period.
2. The age-sex-adjusted death rate is based on the enumerated total population as of a standard date if that population were to experience the death rates by age and sex observed in, or assumed for, the selected year. For each of the listed Statements, the standard date was April 1, 2010. It is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived. For the Statements prior to FY 2021, the value presented is the average annual percentage reduction for each 75-year projection period. For the 2021 Statement, the value shown is the average annual percentage reduction for the last 65 years of the 75-year projection period.
3. Net annual immigration is the number of persons who enter during the year (both as lawful permanent residents and otherwise) minus the number of persons who leave during the year. The value in the table is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived. For the Statements prior to FY 2021, the value shown is the average net immigration level projected for the 75-year projection period. For the 2021 Statement, the value presented is the average net immigration level projected for the last 65 years of the 75-year projection period.
4. The annual real wage differential is the annual percentage change in the average annual wage in covered employment less the annual percentage change in the CPI-W. The value presented is the average of annual real wage differentials for the last 65 years of the 75-year projection period.
5. The average annual wage in covered employment is the total amount of wages and salaries for all employment covered by the OASDI program in a year divided by the number of employees with any such earnings during the year. It is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived. The value presented is the average annual percentage change from the 10th year of the 75-year projection period to the 75th year.
6. The CPI is the CPI-W. The ultimate assumption is reached within the first 10 years of the projection period.
7. Total employment is total U.S. military and civilian employment. It is a summary measure and not a basic assumption; it summarizes the basic assumptions from which it is derived. The average annual percentage change in total employment is for the entire 75-year projection period. The annual rate of increase tends to decline through the period reflecting the slowing growth rate of the working-age population. Thus, no ultimate rate of change is achieved.
8. The average annual real interest rate reflects the expected annual real yield for each year on securities issuable in the prior year. The ultimate rate is reached within the first 11 years of the projection period.

These assumptions and the other values on which Table 2 is based reflect the intermediate assumptions of the 2017–2021 Trustees Reports. The values shown in the FY 2021 row of Table 2 are consistent with the data shown in Table 1. Estimates made prior to this year may differ substantially because of revisions to the assumptions based on changes in conditions or experience, and to changes in actuarial methodology. It is reasonable to expect changes to actuarial assumptions and methodology in future reports.

Additional information on social insurance is contained in the *Required Supplementary Information: Social Insurance* section of this report.

Statements of Changes in Social Insurance Amounts

The Statements of Changes in Social Insurance Amounts reconcile changes, from the beginning of one 75-year valuation period to the next, in the: (1) present value of estimated future noninterest income less estimated future cost for current and future participants (the open group measure) over the next 75 years; (2) starting reserves of the combined OASI and DI Trust Funds; and (3) present value of estimated future noninterest income less estimated future cost for current and future participants over the next 75 years plus the reserves of the combined OASI and DI Trust Funds. These values are included in the Statements of Social Insurance. The Statements of Changes in Social Insurance Amounts show two reconciliations: (1) change from the period beginning on January 1, 2020 to the period beginning on January 1, 2021; and (2) change from the period beginning on January 1, 2019 to the period beginning on January 1, 2020. The reconciliation identifies several changes that are significant and provides reasons for the changes.

The five changes considered in the Statements of Changes in Social Insurance Amounts are, in order:

- Change in the valuation period;
- Changes in demographic data, assumptions, and methods;
- Changes in economic data, assumptions, and methods;
- Changes in programmatic data and methods; and
- Changes in law or policy.

All estimates in the Statements of Changes in Social Insurance Amounts represent values that are incremental to the prior change. As an example, the present values shown for economic data, assumptions, and methods represent the additional effect of these new data, assumptions, and methods after considering the effects from demography and the change in the valuation period. In general, an increase in the present value of net cash flows represents a positive change (improving financing), while a decrease in the present value of net cash flows represents a negative change (worsening financing).

Change in the Valuation Period

From the period beginning on January 1, 2020 to the period beginning on January 1, 2021

The effect on the 75-year present values of changing the valuation period from the prior valuation period (2020–2094) to the current valuation period (2021–2095) is measured by using the assumptions for the prior valuation and extending them to cover the current valuation. Changing the valuation period removes a small negative estimated net cash flow for 2020, replaces it with a much larger negative estimated net cash flow for 2095, and measures the present values as of January 1, 2021, one year later. Thus, the present value of estimated future net cash flows (excluding the combined OASI and DI Trust Fund reserves at the start of the period) decreased (i.e., became more negative) when the 75-year valuation period changed from 2020–2094 to 2021–2095. In addition, the effect on the level of reserves in the combined OASI and DI Trust Funds of changing the valuation period is measured by assuming all values projected in the prior valuation for the year 2020 are realized. The change in valuation period decreased the starting level of reserves in the combined OASI and DI Trust Funds. As a result, the present value of the estimated future net cash flows decreased by $0.7 trillion.

From the period beginning on January 1, 2019 to the period beginning on January 1, 2020

The effect on the 75-year present values of changing the valuation period from the prior valuation period (2019–2093) to the current valuation period (2020–2094) is measured by using the assumptions for the prior valuation and extending them to cover the current valuation. Changing the valuation period removes a small negative estimated net cash flow for 2019, replaces it with a much larger negative estimated net cash flow for 2094, and measures the present values as of January 1, 2020, one year later. Thus, the present value of estimated future net cash flows (excluding the combined OASI and DI Trust Fund reserves at the start of the period) decreased (i.e., became more negative) when the 75-year valuation period changed from 2019–2093 to 2020–2094. In addition, the effect on the level of reserves in the combined OASI and DI Trust Funds of changing the valuation period is measured by assuming all values projected in the prior valuation for the year 2019 are realized. The change in valuation period decreased the starting level of reserves in the combined OASI and DI Trust Funds. As a result, the present value of the estimated future net cash flows decreased by $0.6 trillion.

CHANGES IN DEMOGRAPHIC DATA, ASSUMPTIONS, AND METHODS

From the period beginning on January 1, 2020 to the period beginning on January 1, 2021

For the current valuation (beginning on January 1, 2021), there were two changes to the ultimate demographic assumptions and an associated change in methodology.

- The ultimate total fertility rate was increased from 1.95 to 2.00 children per woman. At the same time, the projection method was improved to project future birth rates using a cohort-based model, rather than a period-based model as used in the prior valuation.
- A cause of death category was added, by separating dementia out from the all-other-causes category, and ultimate mortality improvement rates were updated for cardiovascular disease for all age groups and for the all-other-causes category at ages 85 and over.

The combined effect of the change in the ultimate total fertility rate and the new cohort-based fertility model decreased the present value of estimated future net cash flows. The changes to ultimate mortality improvement rates increased the present value of estimated future net cash flows.

In addition to these changes in ultimate demographic assumptions and the associated methodology change, the starting demographic values and the way these values transition to the ultimate assumptions were changed. The most significant are identified below.

- Birth rate data through the third quarter of 2020 indicated somewhat lower birth rates than were assumed in the prior valuation.
- Death rates were increased significantly for 2020 and 2021, and to a lesser extent for 2022 and 2023, to account for the elevated deaths during the COVID-19 pandemic period.

Incorporating new birth rate data decreases the present value of the estimated future net cash flows, and the higher historical and near-term death rates due to the COVID-19 pandemic increase the present value of the estimated future net cash flows.

There were no additional notable changes in demographic methodology. Overall, changes in demographic data, assumptions, and methods caused the present value of the estimated future net cash flows to increase by $0.2 trillion.

From the period beginning on January 1, 2019 to the period beginning on January 1, 2020

For the current valuation (beginning on January 1, 2020), there was one change to the ultimate demographic assumptions. The ultimate total fertility rate was lowered from 2.00 to 1.95 children per woman, reflecting a continued decline in fertility rates since 2007. The decline in the total fertility rate decreased the present value of estimated future net cash flows.

In addition to this ultimate demographic assumption change, the starting demographic values and the way these values transition to the ultimate assumptions were changed.

- Final birth rate data for 2018 and the first quarter of 2019 indicated somewhat lower birth rates than were assumed in the prior valuation.
- Incorporating 2017 mortality data obtained from the National Center for Health Statistics for ages under 65 in addition to final 2016, preliminary 2017, and preliminary 2018 mortality data from Medicare experience for ages 65 and older resulted in higher death rates for all future years than were projected in the prior valuation.

There were no notable changes in demographic methodology. Overall, changes to these assumptions caused the present value of the estimated future net cash flows to decrease by $0.4 trillion.

Changes in Economic Data, Assumptions, and Methods

From the period beginning on January 1, 2020 to the period beginning on January 1, 2021

For the current valuation (beginning on January 1, 2021), there were two changes to the ultimate economic assumptions and an associated change in methodology.

- The ultimate average real wage differential was slightly increased from 1.14 percentage points in the prior valuation to 1.15 percentage points in the current valuation. Additionally, the real wage differential assumptions for the first ten years of the projection period were also increased.
- The ultimate age-sex-adjusted unemployment rate was reduced from 5.0 percent for the prior valuation to 4.5 percent in the current valuation. At the same time, the labor force participation model was updated to incorporate data from the latest complete economic cycle, thereby putting more weight on the recent relationships among the various factors affecting labor force participation.

The higher real wage differential and the combined changes to the unemployment assumption and the labor force methodology both increased the present value of estimated future net cash flows.

In addition to these changes in ultimate economic assumptions and the associated methodology change, the starting economic values and the way these values transition to the ultimate assumptions were changed. The most significant are identified below.

- Near-term real interest rates were adjusted downward significantly. Real interest rates are now assumed to be negative for calendar years 2021 through 2024, with a gradual rise to the ultimate real interest rate after the economy has fully recovered from the recession.
- There were several changes in starting values and near-term economic growth assumptions primarily related to the COVID-19 pandemic and ensuing recession. In particular, the level of potential GDP is assumed to be roughly 1 percent lower than the level in the prior valuation beginning with the second quarter of 2020.

The changes to near-term real interest rates and the starting values and near-term economic growth assumptions decrease the present value of the estimated future net cash flows. The change to near-term real interest rates alone decreased the present value of the estimated future net cash flows by $0.8 trillion.

There were no additional notable changes in economic methodology. Overall, changes to economic data, assumptions, and methods caused the present value of the estimated future net cash flows to decrease by $1.2 trillion.

From the period beginning on January 1, 2019 to the period beginning on January 1, 2020

For the current valuation (beginning on January 1, 2020), there were four changes to the ultimate economic assumptions.

- The ultimate rate of price inflation (CPI-W) was lowered by 0.2 percentage point, from 2.6 percent in the prior valuation to 2.4 percent in the current valuation.
- The ultimate average real wage differential was decreased from 1.21 percentage points in the prior valuation to 1.14 percentage points in the current valuation. Most of this decrease is due to the repeal of the *Affordable Care Act* (ACA) excise tax, the effect of which is accounted for in the "Changes in Law or Policy" section. However, a small portion is due to faster assumed growth in employer-sponsored group health insurance premiums separate from this repeal.
- The ultimate age-sex-adjusted unemployment rate was reduced from 5.5 percent for the prior valuation to 5.0 percent in the current valuation. At the same time, long-term labor force participation rates were reduced by age and sex for the current valuation, such that projected employment rates remained essentially unchanged from the prior valuation to the current valuation.
- The ultimate real interest rate was lowered by 0.2 percentage point, from 2.5 percent in the prior valuation to 2.3 percent in the current valuation.

The lower ultimate price inflation rate, lower ultimate real interest rate, and the portion of the lower ultimate average real wage differential attributable to factors other than the repeal of the ACA decreased the present value of estimated future net cash flows. The combination of the lower ultimate unemployment rate and the lower long-term labor force participation rates had a negligible effect on the present value of estimated future net cash flows.

In addition to these changes in ultimate assumptions, the starting economic values and the way these values transition to the ultimate assumptions were changed. The most notable change was to include a 0.7 percent decrease in the estimated level of potential GDP for the fourth quarter of 2019 and thereafter. This and other smaller changes in starting values and near-term growth assumptions combined to decrease the present value of estimated future net cash flows.

There were no notable changes in economic methodology. Overall, changes to these assumptions caused the present value of the estimated future net cash flows to decrease by $1.8 trillion.

CHANGES IN PROGRAMMATIC DATA AND METHODS

From the period beginning on January 1, 2020 to the period beginning on January 1, 2021

Several methodological improvements and updates of program-specific data are included in the current valuation (beginning on January 1, 2020). The most significant are identified below.

- As in the prior valuation, the current valuation uses a 10 percent sample of all newly entitled worker beneficiaries in a recent year to project average benefit levels of retired-worker and disabled-worker beneficiaries. The sample used for the current valuation is for worker beneficiaries newly entitled in 2017, one year later than the 2016 sample used for the prior valuation. There was also an improvement made to the average benefits model to assign projected earnings by age of initial entitlement, better reflecting the change between historical and projected retired worker distributions by entitlement age.
- Recent data and estimates provided by the Office of Tax Analysis at Treasury indicate lower near-term and ultimate levels of revenue from taxation of OASDI benefits than projected in the prior valuation.
- The methodology for projecting retroactive benefits for retired workers was improved to better capture the different rules for workers who become newly entitled prior to normal retirement age versus those who become entitled at or after normal retirement age.

All three of these methodological improvements decreased the present value of estimated cash flows. Overall, changes to programmatic data and methods caused the present value of the estimated future net cash flows to decrease by $1.2 trillion.

From the period beginning on January 1, 2019 to the period beginning on January 1, 2020

Several methodological improvements and updates of program-specific data are included in the current valuation (beginning on January 1, 2020). The most significant are identified below.

- The ultimate disability incidence rate was lowered from 5.2 per thousand exposed in the prior valuation to 5.0 in the current valuation. In addition, near-term assumed disability incidence rates, in the period of transition from recent historical values to the ultimate rates, are somewhat lower in the current valuation than in the prior valuation.
- The current valuation includes an improvement in the long-range model used for projecting the percentage of the population that has fully insured status.
- As in the prior valuation, the current valuation uses a 10 percent sample of all newly entitled worker beneficiaries in a recent year to project average benefit levels of retired-worker and disabled-worker beneficiaries. The sample used for the current valuation is for worker beneficiaries newly entitled in 2016, one year later than the 2015 sample used for the prior valuation.

Lowering the disability incidence rates and the updated worker newly entitled worker sample year increased the present value of estimated future net cash flows. Updating the model for projecting the percentage of the population with fully insured status decreased the present value of estimated cash flows. Overall, changes to these assumptions and methods caused the present value of the estimated future net cash flows to increase by $0.3 trillion.

CHANGES IN LAW OR POLICY

From the period beginning on January 1, 2020 to the period beginning on January 1, 2021

Between the prior valuation (the period beginning on January 1, 2020) and the current valuation (the period beginning on January 1, 2021), one change in policy is expected to have a significant effect on the long-range cost of the OASDI program.

On January 20, 2021, President Biden issued a memorandum directing the Secretary of Homeland Security to take appropriate action, in consultation with the Attorney General, to preserve and fortify the Deferred Action for Childhood Arrivals (DACA) policy consistent with applicable law. This change to preserve DACA extends indefinitely the ability of those qualifying to remain in the country and work lawfully. The effect over the next 75 years is to increase future benefits slightly more than future payroll tax revenue because: (1) a significant portion of the payroll taxes from this group has already been credited to the OASI and DI Trust Funds, while the vast majority of the OASDI benefits they will earn will be in the future, dependent on their preserving DACA status; and (2) currently scheduled payroll tax rates are not sufficient to fully finance future benefits for this group and in general.

The change to preserve DACA indefinitely decreased the present value of estimated future net cash flows by less than $0.1 trillion.

From the period beginning on January 1, 2019 to the period beginning on January 1, 2020

Between the prior valuation (the period beginning on January 1, 2019) and the current valuation (the period beginning on January 1, 2020), one new law and one new regulation are expected to have significant effects on the long-range cost of the OASDI program.

- The ACA was enacted in 2010 and specified an excise tax on employer-sponsored group health insurance premiums above a given level (commonly referred to as the "Cadillac" tax). On December 20, 2019, the

ACA's excise tax provision was repealed. The repeal of the excise tax is expected to result in an increase in the rate of growth in the average cost of employer-sponsored group health insurance. Faster growth in these premiums, which are not subject to the payroll tax, is assumed to reduce the share of employee compensation that is provided in the form of wages, which are subject to the payroll tax. As a result, the rate of growth in average real covered earnings will be reduced relative to the prior valuation.

- On February 25, 2020, SSA published a final rule in the *Federal Register* that eliminates the inability to communicate in English as an educational category in the disability determination and medical review processes. This rule is estimated to reduce the number of disabled worker beneficiaries in the long-term by 0.25 percent.

The repeal of the ACA excise tax provision decreased the present value of estimated future cash flows. The implementation of the rule eliminating the inability to communicate in English as an educational category in the disability determination and medical review processes increased the present value of estimate future cash flows. Overall, changes to laws, regulations, and policies caused the present value of the estimated future net cash flows to decrease by $0.3 trillion.

Assumptions Used for the Statements of Changes in Social Insurance Amounts

The present values included in the Statements of Changes in Social Insurance Amounts are for the current and prior years and are based on various economic and demographic assumptions used for the intermediate assumptions in the Trustees Reports for those years. Table 1 summarizes these assumptions for the current year. Our AFR website (www.ssa.gov/finance) provides tabulated assumptions for the prior year in a similar manner.

Period Beginning on January 1, 2020 and Ending January 1, 2021

Present values as of January 1, 2020 are calculated using interest rates from the intermediate assumptions of the 2020 Trustees Report. All other present values in this part of the Statement are calculated as a present value as of January 1, 2021. Estimates of the present value of changes in social insurance amounts due to changing the valuation period and changing demographic data, assumptions, and methods are presented using the interest rates under the intermediate assumptions of the 2020 Trustees Report. Because interest rates are an economic estimate and all estimates in the table are incremental to the prior change, all other present values in this part of the Statement are calculated using the interest rates under the intermediate assumptions of the 2021 Trustees Report.

Period Beginning on January 1, 2019 and Ending January 1, 2020

Present values as of January 1, 2019 are calculated using interest rates from the intermediate assumptions of the 2019 Trustees Report. All other present values in this part of the Statement are calculated as a present value as of January 1, 2020. Estimates of the present value of changes in social insurance amounts due to changing the valuation period and changing demographic data, assumptions, and methods are presented using the interest rates under the intermediate assumptions of the 2019 Trustees Report. Because interest rates are an economic estimate and all estimates in the table are incremental to the prior change, all other present values in this part of the Statement are calculated using the interest rates under the intermediate assumptions of the 2020 Trustees Report.

18. Reclassification of the Statement of Net Cost and Statement of Changes in Net Position for the Federal Financial Report Compilation Process

To prepare the *Financial Report of the U.S. Government* (FR), Treasury requires agencies to submit in the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) an adjusted trial balance, which lists the amounts by U.S. Standard General Ledger accounts that appear in the agency financial statements. Treasury uses the trial balance reported in GTAS to develop a reclassified Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position for each agency. Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to compile to the FR statements. Effective FY 2021, SSA modified the Consolidated Balance Sheets and Note 10, Funds from Dedicated Collections to comply with the required format in OMB Circular No. A-136. Therefore, per OMB's guidance, SSA is not required to compile a reclassified Balance Sheet. This note includes the Statement of Net Cost and Statement of Net Position line items and the reclassified statement line items prior to Treasury's elimination of intragovernmental differences and aggregation of FR lines. The term "non-Federal" is used in this note to refer to Federal Government amounts that result from transactions with non-Federal entities. These include transactions with individuals, businesses, non-profit entities, and State, local, and foreign governments. A copy of the FY 2020 FR is available on Treasury's website (www.fiscal.treasury.gov/reports-statements/financial-report/) and a copy of the FY 2021 FR will be posted to this site as soon as it is released.

SSA's FY 2021 reconciliation of agency Statement of Net Cost and Statement of Changes in Net Position amounts to Treasury's reclassified statements is included in Charts 18a and 18b. The Reclassified Net Position in Chart 18a includes intradepartmental eliminations processed by Treasury to present the Net Position at a consolidated level. The Net Position is presented at a combined level in Agency Financial Reports.

Chart 18a - Reclassification of Statement of Net Cost to Line Items Used for the Government-wide Statement of Net Cost for the Year Ended September 30, 2021

(Dollars in Millions)

FY 2021 Statement of Net Cost		Line Items Used to Prepare FY 2021 Government-wide Statement of Net Cost			
Financial Statement Line	**Amount**	**Dedicated Collections**	**All Other Amounts**	**Total**	**Reclassified Financial Statement Line**
Benefit Payment Expense	$ 1,180,135				
Operating Expenses (Note 11)	14,349				
		$ 1,126,417	$ 63,362	$ 1,189,779	Non-Federal Costs
					Intragovernmental Costs
			1,426	1,426	Benefit Program Costs
			595	595	Imputed Costs
		617	1,691	2,308	Buy/Sell Costs
			376	376	Other Expenses (without Reciprocals)
		617	4,088	4,705	Total Intragovernmental Costs
Total Cost	1,194.484	1,127,034	67,450	1,194,484	Total Reclassified Gross Costs
		(147)	(112)	(259)	Non-Federal Earned Revenue
			(53)	(53)	Buy/Sell Revenue
Less: Exchange Revenues (Note 12)	(312)	(147)	(165)	(312)	Total Reclassified Earned Revenue
Total Net Cost	$ 1,194,172	$ 1,126,887	$ 67,285	$ 1,194,172	**Net Cost**

Note:

* The chart above does not contain any columns for eliminations as SSA does not have eliminations within our Statement of Net Cost.

Chart 18b - Reclassification of Statement of Changes in Net Position to Line Items Used for the Government-wide Statement of Changes in Net Position for the Year Ended September 30, 2021

(Dollars in Millions)

FY 2021 Statement of Changes in Net Position		Line Items Used to Prepare FY 2021 Government-wide Statement of Changes in Net Position					
Financial Statement Line	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations between Dedicated and All Other	Total	Reclassified Financial Statement Line
Unexpended Appropriations:							**Unexpended Appropriations:**
Beginning Balances	**$ 5,048**	**$**		**$ 5,048**		**$ 5,048**	Net Position, Beginning of Period - Adjusted
							Financing Sources
Appropriations Received	**94,946**	**34,801**		**60,145**		**94,946**	Appropriations Received as Adjusted (Recissions and Other Adjustments)
Other Adjustments	**(8)**			**(8)**		**(8)**	Appropriations Received as Adjusted (Recissions and Other Adjustments)
Appropriations Used	**(95,097)**	**(34,801)**		**(60,296)**		**(95,097)**	Appropriations Used
Net Change in Unexpended Appropriations	**(159)**			**(159)**		**(159)**	**Total Financing Sources**
Total Unexpended Appropriations - Ending	**4,889**			**4,889**		**4,889**	**Total Unexpended Appropriations - Ending**
Cumulative Results of Operations:							**Cumulative Results:**
Beginning Balances	**$ 2,824,525**	**$ 2,819,572**		**$ 4,953**		**$2,824,525**	Net Position, Beginning of Period - Adjusted
							Financing Sources
Appropriations Used	**95,097**	**34,801**		**60,296**		**95,097**	Appropriation Expended
Non-Exchange Revenue							**Federal Non-Exchange Revenue**
Tax Revenues (Note 13)	**972,319**	**972,319**				**972,319**	Other Taxes and Receipts
Interest Revenues	**71,650**	**71,650**				**71,650**	Federal Securities Interest Revenue Including Associated Gains and Losses (Non-Exchange)
Total Non-Exchange Revenue	**1,043,969**	**1,043,969**				**1,043,969**	**Total Federal Non-Exchange Revenue**
Transfers-In/Out - Without Reimbursement	**(1,358)**						**Transfers-In and Out Without Reimbursement**
				126	**(126)**	**-**	Appropriation of Unavailable Special or Trust Fund Receipt Transfers-In
		(126)			**126**	**-**	Appropriation of Unavailable Special or Trust Fund Receipts Transfers-Out
		1,126,161	**(1,126,161)**			**-**	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources
		(1,126,161)	**1,126,161**			**-**	Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing Sources
		34,812	**(34,801)**	**8,539**	**(5,603)**	**2,947**	Expenditure Transfers-In of Financing Sources
		(45,183)	**34,801**	**(9)**	**5,603**	**(4,788)**	Expenditure Transfers-Out of Financing Sources
		483				**483**	Transfers-In Without Reimbursement
Total Transfers-In/Out –Without Reimbursement	**(1,358)**	**(10,014)**	**-**	**8,656**	**-**	**(1,358)**	**Total Reclassified Transfers In/Out - Without Reimbursement**
Imputed Financing (Note 14)	**595**			**595**		**595**	Imputed Financing Sources
Other	**(1,754)**						**Non-Entity Financing Sources**
				(2,328)		**(2,328)**	Non-entity collections transferred to the General Fund of the U.S. Government
				567		**567**	Accrual for non-entity amounts to be collected/transferred to the General Fund of the U.S. Government
							Non-Federal Non-Exchange Revenue
		7				**7**	Other Taxes and Receipts
Total Other	**(1,754)**	**7**		**(1,761)**		**(1,754)**	**Total Reclassified Non-Entity Financing Sources and Non-Federal Non-Exchange Revenue**
Net Cost of Operations	**1,194,172**	**1,126,887**		**67,285**		**1,194,172**	**Net Cost of Operations**
Net Change in Cumulative Results of Operations	**(57,623)**	**(58,124)**		**501**		**(57,623)**	**Net Change**
Cumulative Results of Operations - Ending	**$ 2,766,902**	**$ 2,761,448**	**$ -**	**$5,454**	**$ -**	**$ 2,766,902**	**Reclassified Cumulative Results of Operations - Ending**
Net Position	**$ 2,771,791**	**$ 2,761,448**	**$ -**	**$10,343**	**$ -**	**$ 2,771,791**	**Total Reclassified Net Position**

Other Information: Balance Sheet by Major Program as of September 30, 2021
(Dollars in Millions)

Assets	OASI	DI	SSI	Other	LAE	Intra-Agency Eliminations	Consolidated
Intragovernmental:							
Fund Balance with Treasury	$ 14	$ 30	$ 7,963	$ 110	$ 94	$ 0	$ 8,211
Investments	2,771,965	98,660	0	0	0	0	2,870,625
Accounts Receivable, Net	484	0	0	0	4,100	(3,219)	1,365
Advances and Prepayments	0	0	81	0	27	0	108
Total Intragovernmental	2,772,463	98,690	8,044	110	4,221	(3,219)	2,880,309
With the Public							
Accounts Receivable, Net	2,077	3,132	3,858	0	60	(491)	8,636
General Property, Plant, and Equipment, Net	0	0	0	0	4,372	0	4,372
Total with the Public	2,077	3,132	3,858	0	4,432	(491)	13,008
Total Assets	$2,774,540	$ 101,822	$ 11,902	$ 110	$ 8,653	$ (3,710)	$ 2,893,317
Liabilities							
Intragovernmental:							
Accounts Payable	$ 6,173	$ 867	$ 1,423	$ 39	$ 31	$ (3,219)	$ 5,314
Advances from Others and Deferred Revenue	0	0	0	0	1	0	1
Other Liabilities	0	0	3,646	3	163	0	3,812
Total Intragovernmental	6,173	867	5,069	42	195	(3,219)	9,127
With the Public							
Accounts Payable	1	4	214	0	86	0	305
Federal Employee and Veteran Benefits	0	0	0	0	715	0	715
Benefits Due and Payable	87,397	20,472	3,472	0	0	(491)	110,850
Advances from Others and Deferred Revenue	0	0	201	0	2	0	203
Other Liabilities	0	0	36	1	289	0	326
Total with the Public	87,398	20,476	3,923	1	1,092	(491)	112,399
Total Liabilities	$ 93,571	$ 21,343	$ 8,992	$ 43	$ 1,287	$ (3,710)	$ 121,526
Contingencies (Note 9)							
Net Position							
Unexpended Appropriations - Funds from other than Dedicated Collections	$ 0	$ 0	$ 4,818	$ 67	$ 4	$ 0	$ 4,889
Cumulative Results of Operations - Funds from Dedicated Collections	2,680,969	80,479	0	0	0	0	2,761,448
Cumulative Results of Operations - Funds from other than Dedicated Collections	0	0	(1,908)	0	7,362	0	5,454
Total Cumulative Results of Operations	2,680,969	80,479	(1,908)	0	7,362	0	2,766,902
Total Net Position	$2,680,969	$ 80,479	$ 2,910	$ 67	$ 7,366	$ 0	$ 2,771,791
Total Liabilities and Net Position	$2,774,540	$ 101,822	$ 11,902	$ 110	$ 8,653	$ (3,710)	$ 2,893,317

Other Information: Schedule of Net Cost for the Year Ended September 30, 2021

(Dollars in Millions)

	Program	LAE	Total
OASI Program			
Benefit Payment Expense	$ 986,398	$ 0	$ 986,398
Operating Expenses	540	3,418	3,958
Total Cost of OASI Program	986,938	3,418	990,356
Less: Exchange Revenues	(1)	(19)	(20)
Net Cost of OASI Program	986,937	3,399	990,336
DI Program			
Benefit Payment Expense	139,818	0	139,818
Operating Expenses	278	2,568	2,846
Total Cost of DI Program	140,096	2,568	142,664
Less: Exchange Revenues	(20)	(14)	(34)
Net Cost of DI Program	140,076	2,554	142,630
SSI Program			
Benefit Payment Expense	53,918	0	53,918
Operating Expenses	214	4,490	4,704
Total Cost of SSI Program	54,132	4,490	58,622
Less: Exchange Revenues	(218)	(25)	(243)
Net Cost of SSI Program	53,914	4,465	58,379
Other			
Benefit Payment Expense	1	0	1
Operating Expenses	0	2,841	2,841
Total Cost of Other	1	2,841	2,842
Less: Exchange Revenues	0	(15)	(15)
Net Cost of Other Program	1	2,826	2,827
Total Net Cost			
Benefit Payment Expense	1,180,135	0	1,180,135
Operating Expenses	1,032	13,317	14,349
Total Cost	1,181,167	13,317	1,194,484
Less: Exchange Revenues	(239)	(73)	(312)
Total Net Cost	$ 1,180,928	$ 13,244	$ 1,194,172

Other Information: Schedule of Changes in Net Position for the Year Ended September 30, 2021

(Dollars in Millions)

	OASI	DI	SSI		Other	
	Funds from Dedicated Collections	Funds from Dedicated Collections	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Funds from Dedicated Collections	Funds from other than Dedicated Collections
Unexpended Appropriations:						
Beginning Balances	$ 0	$ 0	$ 0	$ 4,976	$ 0	$ 68
Appropriations Received	0	0	0	60,059	34,801	56
Other Adjustments	0	0	0	0	0	(8)
Appropriations Used	0	0	0	(60,217)	(34,801)	(49)
Net Change in Unexpended Appropriations	0	0	0	(158)	0	(1)
Total Unexpended Appropriations - Ending	0	0	0	4,818	0	67
Cumulative Results of Operations:						
Beginning Balances	$ 2,741,021	$ 78,551	$ 0	$ (2,028)	$ 0	$ 0
Appropriations Used	0	0	0	60,217	34,801	49
Non-Exchange Revenue						
Tax Revenues	831,124	141,195	0	0	0	0
Interest Revenues	68,971	2,679	0	0	0	0
Total Non-Exchange Revenue	900,095	143,874	0	0	0	0
Transfers In/Out - Without Reimbursement	26,783	(1,870)	(126)	(6,549)	(34,801)	2,188
Imputed Financing Sources	0	0	0	17	0	0
Other	7	0	0	475	0	(2,236)
Net Cost of Operations	986,937	140,076	(126)	54,040	0	1
Net Change	(60,052)	1,928	0	120	0	0
Cumulative Results of Operations - Ending	$ 2,680,969	$ 80,479	$ 0	$ (1,908)	$ 0	$ 0
Net Position	$ 2,680,969	$ 80,479	$ 0	$ 2,910	$ 0	$ 67

Other Information: Schedule of Changes in Net Position for the Year Ended September 30, 2021 (Continued)
(Dollars in Millions)

	LAE	Consolidated		Consolidated
	Funds from other than Dedicated Collections	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Total
Unexpended Appropriations:				
Beginning Balances	$ 4	$ 0	$ 5,048	$ 5,048
Appropriations Received	30	34,801	60,145	94,946
Other Adjustments	0	0	(8)	(8)
Appropriations Used	(30)	(34,801)	(60,296)	(95,097)
Net Change in Unexpended Appropriations	0	0	(159)	(159)
Total Unexpended Appropriations - Ending	4	0	4,889	4,889
Cumulative Results of Operations:				
Beginning Balances	$ 6,981	$ 2,819,572	$ 4,953	$ 2,824,525
Appropriations Used	30	34,801	60,296	95,097
Non-Exchange Revenue				
Tax Revenues	0	972,319	0	972,319
Interest Revenues	0	71,650	0	71,650
Total Non-Exchange Revenue	0	1,043,969	0	1,043,969
Transfers In/Out Without Reimbursement	13,017	(10,014)	8,656	(1,358)
Imputed Financing Sources	578	0	595	595
Other	0	7	(1,761)	(1,754)
Net Cost of Operations	13,244	1,126,887	67,285	1,194,172
Net Change	381	(58,124)	501	(57,623)
Cumulative Results of Operations - Ending	$ 7,362	$ 2,761,448	$ 5,454	$ 2,766,902
Net Position	$ 7,366	$ 2,761,448	$ 10,343	$ 2,771,791

Required Supplementary Information: Combining Schedule of Budgetary Resources for the Year Ended September 30, 2021

(Dollars in Millions)

	OASI	DI	SSI	Other	LAE	Combined
Budgetary Resources (Note 15)						
Unobligated Balance From Prior Year Budget Authority, Net	$ 88	$ 18	$ 5,054	$ 60	$ 1,336	$ 6,556
Appropriations (Discretionary and Mandatory)	994,888	142,434	60,185	34,857	30	1,232,394
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	0	0	2,430	0	13,106	15,536
Total Budgetary Resources	$ 994,976	$ 142,452	$ 67,669	$ 34,917	$ 14,472	$ 1,254,486
Status of Budgetary Resources						
New obligations and upward adjustments						
Direct	$ 994,976	$ 142,452	$ 60,372	$ 34,851	$ 13,473	$ 1,246,124
Reimbursable	0	0	2,441	0	88	2,529
New obligations and upward adjustments (total)	994,976	142,452	62,813	34,851	13,561	1,248,653
Unobligated Balance , End of Year						
Apportioned, unexpired accounts	0	0	4,839	36	493	5,368
Unapportioned, unexpired accounts	0	0	11	0	16	27
Unexpired unobligated balance, end of year	0	0	4,850	36	509	5,395
Expired unobligated balance, end of year	0	0	6	30	402	438
Unobligated balance, end of year (total)	0	0	4,856	66	911	5,833
Total Budgetary Resources	$ 994,976	$ 142,452	$ 67,669	$ 34,917	$ 14,472	$ 1,254,486
Outlays, Net						
Outlays, Net (Discretionary and Mandatory)	$ 991,291	$ 143,396	$ 60,280	$ 34,869	$ (91)	$ 1,229,745
Distributed Offsetting Receipts	(34,338)	(501)	(218)	(2,236)	0	(37,293)
Agency Outlays, Net (Discretionary and Mandatory)	$ 956,953	$ 142,895	$ 60,062	$ 32,633	$ (91)	$ 1,192,452