

C. ESTIMATED OPERATIONS AND STATUS OF THE TRUST FUNDS DURING THE PERIOD OCTOBER 1, 1982 TO DECEMBER 31, 1987

The following statement of the estimated operations and status of the trust funds during the period October 1, 1982, to December 31, 1987, is based on the assumptions described in the preceding sections. As previously stated, it is assumed that present statutory provisions and regulations affecting the program will remain unchanged in the period. The estimates reflect the effects of the Social Security Amendments of 1983 and the other legislative changes described in section IV.

The 1982 Annual Report emphasized the imminent depletion of the OASI Trust Fund and indicated that loans from the DI and HI Trust Funds would be necessary in the second half of 1982 in order to make OASI benefit payments on time. In November and December 1982, in fact, loans were made to the OASI Trust Fund amounting to \$17.5 billion — \$5.1 billion from the DI Trust Fund and \$12.4 billion from the HI Trust Fund. These amounts were intended to be sufficient to enable the timely payment of OASI benefits through June 1983, by which time it was anticipated that corrective legislation could be enacted. As described previously, the Social Security Amendments of 1983 were enacted on April 20, 1983, and have resulted in a substantial improvement in the financial outlook for the OASDI program. The differences between the estimates shown in this report and those shown in the 1982 report also reflect the net effects of (1) actual economic experience in 1982, which was worse than had been anticipated, and (2) changes in assumed economic growth rates in 1983-87.

Under the four alternative sets of assumptions used in this report, the OASI and DI Trust Funds would be able to make benefit payments on time throughout the short-range projection period. As discussed below, however, the assets of both trust funds would remain at low levels, relative to annual expenditures, through about 1987 under each set of assumptions.

The 1983 amendments included provisions requiring, under certain conditions, the automatic repayment of some or all of the amounts loaned to the OASI Trust Fund in 1982 (see section V). Under alternatives I, II-A, and II-B, growth in OASI Trust Fund assets would be sufficient to trigger the repayment process during 1984-87. Under alternative I, the amounts loaned to the OASI Trust Fund from the HI Trust Fund would be required by law to be fully repaid within this period. The growth in OASI assets under alternatives II-A and II-B would be sufficient to require partial repayment of the HI loans by the end of 1987, and the balance in 1988. Under alternative III, however, growth in OASI assets would be too slow to trigger the automatic repayment requirements prior to 1988.

In addition to the automatic requirements, the 1983 amendments specify that any interfund loans "shall be repaid at the earliest feasible date." In practice, this provision allows the Managing Trustee some discretion in the timing and amounts of the repayment, subject to the minimum standards of the automatic requirements. For purposes of calculating the estimated trust fund operations in this report and the concurrent 1983 Annual Report for the HI Trust Fund, repayment of

interfund loans is assumed to occur according to the automatic requirements only, unless (1) faster repayment is required to prevent or postpone the depletion of the HI Trust Fund, and (2) the assets of the OASI Trust Fund are sufficient to allow both the faster repayment of interfund loans and the timely payment of OASI benefits.

Under the alternative III assumptions, and in the absence of any repayment of interfund loans, the HI Trust Fund would be depleted in 1987. Consequently, it has been assumed that OASI would repay in 1987 the full \$12.4 billion owed to the HI Trust Fund. (Under alternative III, OASI assets would be sufficient to permit such repayment without affecting the timely payment of OASI benefits.) This repayment would delay the depletion of the HI Trust Fund until 1988.

The 1983 amendments contain a provision to stabilize OASDI benefit increases in periods when trust fund assets are at low levels and increases in the Consumer Price Index exceed increases in average wages. As indicated in the section on "Automatic Adjustments," this provision would be triggered under alternative III and would limit the benefit increases otherwise payable in December of 1984, 1985, and 1986. In the absence of this provision, the OASI and DI Trust Funds would be unable to pay benefits on time beginning in 1987 under the alternative III assumptions. As a result of the provision, however, the timely payment of benefits would be possible, and subsequent trust fund growth in 1988 and later would allow "catch-up" benefit increases in 1990 for those beneficiaries whose benefit increases had been restricted in 1984-86. Thus, during conditions of slow economic growth and high inflation, as assumed in alternative III, the stabilizer provision could prevent the depletion of the trust funds. Under other types of adverse conditions, however, such as high unemployment and slow growth in both wages and prices, the trust funds could experience serious financial problems in the near future.

At this time the recovery from the 1981-82 recession appears to be well under way. As indicated by the alternative projections, under most economic conditions the trust funds are expected to operate satisfactorily. Until the anticipated growth in assets during the late 1980's has actually occurred, however, the OASDI program will remain vulnerable to a severe economic downturn.

OASI Trust Fund operations

Estimates of the operations and status of the OASI Trust Fund during calendar years 1983-87 are shown in table 12 for each of the four alternative sets of assumptions that were described in the preceding sections. Actual data for calendar year 1982 are also shown in the table. Under each alternative, it is assumed that employment and earnings will increase in every year through 1987. The number of persons with taxable earnings under the OASDI program is expected to increase under alternatives I, II-A, II-B, and III, from 115 million during calendar year 1982 to about 131 million, 130 million, 129 million, and 127 million, respectively, by 1987. The total annual amount of taxable earnings is expected to increase from \$1,364 billion in 1982 to \$2,021 billion, \$1,972 billion, \$1,982 billion, and \$2,017 billion, in 1987, under alternatives I, II-A, II-B, and III, respectively. (In 1982 dollars—taking account of

assumed increases in the CPI from 1982 to 1987 under each alternative—the estimated amounts of taxable earnings in 1987 are \$1,730 billion, \$1,667 billion, \$1,598 billion, and \$1,497 billion, under alternatives I, II-A, II-B, and III, respectively.) These increases are due in part to the increases in the contribution and benefit base assumed to occur in 1983-87 under the automatic provisions. The increases in taxable earnings are also due to (1) projected increases in employment levels and average earnings in covered employment, and (2) various provisions in the Social Security Amendments of 1983, including the extensions of coverage, beginning in 1984, to all newly hired Federal civilian employees and all employees of nonprofit organizations.

TABLE 12.—ESTIMATED OPERATIONS OF THE OASI TRUST FUND DURING CALENDAR YEARS 1982-87 UNDER FOUR ALTERNATIVE SETS OF ASSUMPTIONS
[Amounts in billions]

| Calendar year | Income | Disbursements | Interfund borrowing transfers ¹ | Net increase in fund | Fund at end of year | Fund at beginning of year as a percentage of disbursements during year ² |
|-------------------------|---------|---------------|--|----------------------|---------------------|---|
| 1982 ³ | \$125.2 | \$142.1 | \$17.5 | \$0.6 | \$22.1 | 15 |
| Alternative I: | | | | | | |
| 1983..... | 151.6 | 151.5 | — | .1 | 22.2 | 15 |
| 1984..... | 165.9 | 162.0 | -1.0 | 2.9 | 25.1 | 21 |
| 1985..... | 183.4 | 172.7 | -1.6 | 9.1 | 34.2 | 22 |
| 1986..... | 199.3 | 184.6 | -9.1 | 5.6 | 39.8 | 26 |
| 1987..... | 215.7 | 195.8 | -7 | 19.2 | 58.9 | 28 |
| Alternative II-A: | | | | | | |
| 1983..... | 151.5 | 151.6 | — | -2 | 21.9 | 15 |
| 1984..... | 164.9 | 162.3 | -6 | 2.0 | 23.9 | 20 |
| 1985..... | 180.6 | 173.7 | — | 6.9 | 30.8 | 21 |
| 1986..... | 194.8 | 186.4 | -4.8 | 3.6 | 34.4 | 24 |
| 1987..... | 209.9 | 198.3 | -6.8 | 4.8 | 39.2 | 25 |
| Alternative II-B: | | | | | | |
| 1983..... | 151.4 | 151.6 | — | -3 | 21.8 | 15 |
| 1984..... | 163.9 | 162.3 | -5 | 1.0 | 22.8 | 20 |
| 1985..... | 180.4 | 175.2 | — | 5.2 | 28.1 | 20 |
| 1986..... | 194.9 | 190.2 | -1.1 | 3.6 | 31.7 | 22 |
| 1987..... | 210.2 | 204.6 | -2.4 | 3.2 | 34.9 | 23 |
| Alternative III: | | | | | | |
| 1983..... | 150.3 | 151.7 | — | -1.4 | 20.6 | 15 |
| 1984..... | 159.6 | 162.5 | — | -2.9 | 17.7 | 19 |
| 1985..... | 177.5 | 174.5 | — | 3.0 | 20.7 | 17 |
| 1986..... | 195.2 | 187.3 | — | 7.9 | 28.6 | 18 |
| 1987..... | 213.5 | 206.3 | -12.4 | -5.2 | 23.4 | 21 |

¹Positive figure represents amounts borrowed by the OASI Trust Fund from the DI and HI Trust Funds. Negative figures represent amounts repaid by the OASI Trust Fund to the HI Trust Fund.

²Assets at the beginning of the year are defined as the sum of assets at the end of the prior year plus advance tax transfers for January.

³Figures for 1982 represent actual experience.

Note: Totals do not necessarily equal the sum of rounded components. The major assumptions underlying the estimates are described in the preceding sections and are shown in tables 10 and 11.

The rise in estimated income shown in table 12 under each set of assumptions reflects the increases in estimated taxable earnings under the different alternatives, as described above. In addition, the estimated income to the fund is affected by the scheduled changes in contribution rates and the effects of the 1983 amendments.

Rising disbursements during calendar years 1983-87 reflect the effects of the assumed future automatic benefit increases previously shown, as well as the long-range upward trend in the numbers of beneficiaries and in the amounts of average monthly earnings underlying benefits payable

under the program. The growth in the number of beneficiaries in the past and the expected growth in the future result partly from the increase in the aged population and partly from two other factors—(1) in each succeeding year a larger proportion of the persons attaining age 62 are eligible for benefits and (2) the amendments during the period 1950-83 modified the eligibility provisions and extended coverage to additional categories of employment. On the other hand, this growth will be reduced somewhat by the effects of the Omnibus Budget Reconciliation Act of 1981.

There has also been, and will continue to be, a growth in the proportion of eligible persons who receive benefits. This growth is due to several factors, among which are (1) the amendments enacted during the period 1950-83 which affect the conditions governing the receipt of benefits and (2) the increasing percentage of eligible persons who are aged 70 and over and who therefore receive benefits regardless of earnings. As indicated in the previous section, the age at which eligible persons may begin to receive full benefits regardless of earnings was reduced from 72 to 70 beginning in 1983.

Under the two intermediate sets of assumptions, the estimates shown in table 12 indicate that income would exceed disbursements in every year after 1983. Under alternative I, income is estimated to exceed outgo in every year, and under alternative III, in every year after 1984. The assets of the OASI Trust Fund at the beginning of 1982 were equal to about 15 percent of the fund's disbursements in 1982. During 1982, disbursements exceeded income by \$16.9 billion, and \$17.5 billion was borrowed from the DI and HI Trust Funds at the end of the year. The assets of the OASI Trust Fund, including the borrowed amounts, again represented about 15 percent of estimated annual expenditures at the beginning of 1983. By the beginning of 1984, this percentage is estimated to increase to between 19 and 21 percent depending on actual economic conditions during the balance of 1983. This increase may seem contradictory, because expenditures are expected to exceed income during 1983 (except under alternative I). The explanation is that at the beginning of 1984, tax income for the month of January will be transferred to the trust fund on the first day of the month and will thus be available for the payment of benefits. As such, the advance tax transfer is reflected in assets at the beginning of the year. This provision, which was included in the Social Security Amendments of 1983, became effective in May 1983.

Assets are estimated to remain at roughly 20-25 percent of annual expenditures throughout the rest of the short-range projection period. This is a relatively low level, and it could limit the trust fund's ability to act as a contingency reserve during this period in the event of a significant economic downturn. In interpreting the trust fund ratios in table 12, it should be noted that at the beginning of any month, assets of at least 8-9 percent of annual expenditures are required to make the benefit payments that are due, generally, on the third day of the month. Therefore the difference between the estimated assets as a percentage of expenditures shown above, and the 8-9 percent minimum level, represents the reserve available to handle adverse contingencies.

DI Trust Fund operations

The estimated operations and status of the DI Trust Fund during calendar years 1983-87 under the four sets of assumptions are shown in table 13, together with figures on actual experience in 1982. Income will decrease initially from its level in 1982 as a result of the scheduled reductions in the combined employee-employer contribution rate allocated for DI, and accompanying decreases in contribution rates for self-employed persons. Income will increase after 1984 under each alternative, reflecting the same factors, insofar as they apply to income to the DI Trust Fund, that are reflected in the increase in income to the OASI Trust Fund during the same period.

Disbursements will increase because of automatic benefit increases and because of projected increases in the amounts of average monthly earnings on which benefits are based. These effects are offset, somewhat, by projected decreases in the numbers of beneficiaries. Since about 1978, the number of persons receiving benefits under the DI program has been declining. A continuing decline in the number of beneficiaries is projected for the next several years under all four sets of assumptions, reflecting the combined effects of (1) projected disability incidence rates that are somewhat lower than those of the last decade and (2) projected termination rates that are somewhat higher than those of the last decade. The higher termination rates reflect, in part, the increased reviews of the continuing eligibility of disabled beneficiaries, which are required by the Social Security Disability Amendments of 1980 (Public Law 96-265).

In 1982, \$5.1 billion was loaned from the DI Trust Fund to the OASI Trust Fund. This amount represented somewhat more than the excess of income over outgo experienced by the DI Trust Fund during 1982. The net effect on the assets of the DI fund, as a percentage of annual expenditures, was to cause a decrease from 17 percent at the beginning of 1982 to 15 percent at the beginning of 1983. As a percentage of expenditures, the assets of the DI Trust Fund are projected to recover substantially during 1983, primarily as a result of the lump-sum transfers from the general fund of the Treasury for noncontributory military service wage credits. During 1984-87, assets are projected to remain fairly level in the range of 25-40 percent of annual expenditures depending on the particular assumptions.

TABLE 13.—ESTIMATED OPERATIONS OF THE DI TRUST FUND DURING CALENDAR YEARS
1982-87 UNDER FOUR ALTERNATIVE SETS OF ASSUMPTIONS
(Amounts in billions)

| Calendar year | Income | Disbursements | Interfund borrowing transfers ¹ | Net increase in fund | Fund at end of year | Fund at begin- ning of year as a percentage of disburse- ments during year ² |
|-------------------------|--------|---------------|--|-------------------------|------------------------|--|
| 1982 ³ | \$22.7 | \$18.0 | -\$5.1 | -\$0.4 | \$2.7 | 17 |
| Alternative I: | | | | | | |
| 1983..... | 20.9 | 17.8 | — | 3.0 | 5.7 | 15 |
| 1984..... | 17.3 | 17.9 | — | -.6 | 5.1 | 38 |
| 1985..... | 18.6 | 18.3 | — | .3 | 5.4 | 35 |
| 1986..... | 20.0 | 18.9 | — | 1.1 | 6.5 | 35 |
| 1987..... | 21.6 | 19.6 | — | 2.0 | 8.5 | 40 |
| Alternative II-A: | | | | | | |
| 1983..... | 20.9 | 17.9 | — | 3.0 | 5.7 | 15 |
| 1984..... | 17.2 | 18.0 | — | -.8 | 4.9 | 38 |
| 1985..... | 18.3 | 18.5 | — | -.2 | 4.7 | 33 |
| 1986..... | 19.6 | 19.2 | — | .3 | 5.1 | 31 |
| 1987..... | 21.0 | 20.0 | — | 1.0 | 6.0 | 32 |
| Alternative II-B: | | | | | | |
| 1983..... | 20.9 | 17.9 | — | 3.0 | 5.7 | 15 |
| 1984..... | 17.1 | 18.0 | — | -.9 | 4.8 | 38 |
| 1985..... | 18.3 | 18.6 | — | -.4 | 4.4 | 32 |
| 1986..... | 19.6 | 19.6 | — | (*) | 4.4 | 29 |
| 1987..... | 21.0 | 20.6 | — | .4 | 4.8 | 28 |
| Alternative III: | | | | | | |
| 1983..... | 20.7 | 17.9 | — | 2.8 | 5.5 | 15 |
| 1984..... | 16.7 | 18.0 | — | -1.4 | 4.2 | 37 |
| 1985..... | 18.0 | 18.6 | — | -.7 | 3.5 | 29 |
| 1986..... | 19.6 | 19.5 | — | .1 | 3.6 | 25 |
| 1987..... | 21.3 | 21.1 | — | .2 | 3.8 | 24 |

¹Negative figure represents amounts loaned from the DI Trust Fund to the OASI Trust Fund. Repayment of amounts borrowed from the DI Trust Fund is assumed to occur in 1988 under alternative I and in 1989 under alternatives II-A, II-B, and III.

²See footnote 2 of table 12.

³See footnote 3 of table 12.

*Between \$0 and -\$50 million.

Note: Totals do not necessarily equal the sum of rounded components. The assumptions underlying the estimates are described in the preceding sections and are shown in tables 10 and 11.

Combined OASI and DI Trust Fund operations

The estimated operations and status of the OASI and DI Trust Funds, combined, during calendar years 1983-87 under the four alternatives, are shown in table 14 together with figures on actual experience in 1982. These figures are the sums of the corresponding figures shown in tables 12 and 13.

TABLE 14.—ESTIMATED OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, DURING CALENDAR YEARS 1982-87 UNDER FOUR ALTERNATIVE SETS OF ASSUMPTIONS
[Amounts in billions]

| Calendar year | Income | Disbursements | Interfund borrowing transfers ¹ | Net increase in funds | Funds at end of year | Funds at beginning of year as a percentage of disbursements during year ² |
|-------------------------|---------|---------------|--|-----------------------|----------------------|--|
| 1982 ³ | \$147.9 | \$160.1 | \$12.4 | \$0.2 | \$24.8 | 15 |
| Alternative I: | | | | | | |
| 1983..... | 172.5 | 169.3 | — | 3.1 | 27.9 | 15 |
| 1984..... | 183.2 | 179.9 | -1.0 | 2.3 | 30.2 | 22 |
| 1985..... | 202.0 | 191.0 | -1.6 | 9.4 | 39.6 | 23 |
| 1986..... | 219.3 | 203.6 | -9.1 | 6.7 | 46.2 | 27 |
| 1987..... | 237.3 | 215.4 | -7 | 21.2 | 67.4 | 29 |
| Alternative II-A: | | | | | | |
| 1983..... | 172.3 | 169.5 | — | 2.8 | 27.6 | 15 |
| 1984..... | 182.1 | 180.3 | -6 | 1.2 | 28.8 | 22 |
| 1985..... | 198.9 | 192.2 | — | 6.8 | 35.6 | 22 |
| 1986..... | 214.3 | 205.6 | -4.8 | 3.9 | 39.5 | 25 |
| 1987..... | 230.9 | 216.3 | -6.8 | 5.8 | 45.3 | 25 |
| Alternative II-B: | | | | | | |
| 1983..... | 172.2 | 169.5 | — | 2.7 | 27.5 | 15 |
| 1984..... | 180.9 | 180.3 | -5 | .1 | 27.6 | 22 |
| 1985..... | 198.7 | 193.8 | — | 4.9 | 32.5 | 21 |
| 1986..... | 214.5 | 209.9 | -1.1 | 3.6 | 36.1 | 23 |
| 1987..... | 231.2 | 225.2 | -2.4 | 3.6 | 39.7 | 23 |
| Alternative III: | | | | | | |
| 1983..... | 171.0 | 169.6 | — | 1.4 | 26.2 | 15 |
| 1984..... | 176.3 | 180.5 | — | -4.3 | 21.9 | 21 |
| 1985..... | 195.5 | 193.2 | — | 2.3 | 24.2 | 18 |
| 1986..... | 214.8 | 206.8 | — | 8.0 | 32.2 | 19 |
| 1987..... | 234.8 | 227.4 | -12.4 | -5.0 | 27.2 | 21 |

¹Positive figure represents amounts loaned from the HI Trust Fund to the OASI Trust Fund. Negative figures represent amounts repaid by the OASI Trust Fund to the HI Trust Fund.

²See footnote 2 of table 12.

³See footnote 3 of table 12.

Note: Totals do not necessarily equal the sum of rounded components. The assumptions underlying the estimates are described in the preceding sections and are shown in tables 10 and 11.

At the beginning of 1982, the assets of the combined OASI and DI Trust Funds were equal to 15 percent of the disbursements in 1982, as shown in table 14. During 1982, \$12.4 billion was loaned to the OASI Trust Fund from the HI Trust Fund. This amount approximately offset the combined net shortfall of OASDI outgo over income in 1982. By the beginning of 1983, combined assets again represented 15 percent of the expenditures in 1983 as estimated under each of the four alternatives. The combined funds are projected to be in the range of roughly 20-25 percent of combined expenditures through 1987.

As in last year's report, the amounts loaned to the OASI Trust Fund from the DI and HI Trust Funds are included in the invested assets of the OASI Trust Fund. This procedure is followed because such amounts are readily available for the payment of benefits and thus should be considered when determining the ability of the OASI program to meet its benefit payment obligations. Similarly, the interfund loans from the DI and HI Trust Funds are not included in DI or HI assets, since these amounts are not readily available for the payment of DI or HI benefits.

It can be argued that a more proper accounting treatment would be to exclude interfund loans from the borrowing fund's assets and to include them in the assets of the lending funds. This "net value" basis would recognize the obligation of the OASI Trust Fund to repay the amounts borrowed and would reflect the fact that, to the lending funds, such

amounts are investments for which interest is received and return of principal is promised. While these are sound arguments, the existing treatment is used to facilitate the evaluation of the trust funds' actual cash operations—in particular, whether sufficient invested assets (borrowed or otherwise) are available at the beginning of any given month to pay the benefits for that month.

For informational purposes, table 15 presents (1) the estimated assets of the OASI and DI Trust Funds, as shown elsewhere in this report, (2) the amount of loans outstanding, and (3) the "net value" of trust fund assets. For the OASI Trust Fund, this last figure represents invested assets plus cash balances less amounts borrowed. For the DI Trust Fund, the "net value" represents invested assets plus cash balances plus amounts loaned. Figures are shown at the end of each calendar year 1981-87 on the basis of the four sets of assumptions. As indicated, the "net value" of the OASI Trust Fund is very low at this time and will remain so for several years. It should be emphasized, however, that the low "net values" do not imply an inability to pay benefits on time, for the reasons described in the prior paragraphs. The "net value" of the DI Trust Fund, as indicated in table 15, exceeds the level of DI assets as regularly defined. Under certain conditions, however, it would be possible for the DI program to be unable to pay benefits on time, even though the "net value" of the DI Trust Fund might be relatively large. Thus the "net value" is not particularly useful as an indicator of a trust fund's ability to operate satisfactorily, although it may be of interest as an additional indicator of the trust fund's underlying financial status.

TABLE 15.—ESTIMATED ASSETS, INTERFUND LOANS OUTSTANDING, AND "NET VALUES" OF THE OASI AND DI TRUST FUNDS AT THE END OF CALENDAR YEARS 1981-87 UNDER FOUR ALTERNATIVE SETS OF ASSUMPTIONS
[In billions]

| Calendar year | OASI Trust Fund | | | DI Trust Fund | | |
|-------------------------|---------------------|---|--------------------------|---------------------|---|--------------------------|
| | Assets ¹ | Outstanding amounts borrowed ² | "Net value" ³ | Assets ¹ | Outstanding amounts loaned ⁴ | "Net value" ³ |
| 1981 ⁵ | \$21.5 | — | \$21.5 | \$3.0 | — | \$3.0 |
| 1982 ⁵ | 22.1 | \$17.5 | 4.6 | 2.7 | \$5.1 | 7.8 |
| Alternative I: | | | | | | |
| 1983..... | 22.2 | 17.5 | 4.7 | 5.7 | 5.1 | 10.8 |
| 1984..... | 25.1 | 16.5 | 8.6 | 5.1 | 5.1 | 10.2 |
| 1985..... | 34.2 | 14.9 | 19.3 | 5.4 | 5.1 | 10.4 |
| 1986..... | 39.8 | 5.8 | 33.9 | 6.5 | 5.1 | 11.5 |
| 1987..... | 58.9 | 5.1 | 53.8 | 8.5 | 5.1 | 13.6 |
| Alternative II-A: | | | | | | |
| 1983..... | 21.9 | 17.5 | 4.4 | 5.7 | 5.1 | 10.8 |
| 1984..... | 23.9 | 16.9 | 7.0 | 4.9 | 5.1 | 10.0 |
| 1985..... | 30.8 | 16.9 | 13.9 | 4.7 | 5.1 | 9.8 |
| 1986..... | 34.4 | 12.1 | 22.3 | 5.1 | 5.1 | 10.2 |
| 1987..... | 39.2 | 5.3 | 33.9 | 6.0 | 5.1 | 11.1 |
| Alternative II-B: | | | | | | |
| 1983..... | 21.8 | 17.5 | 4.3 | 5.7 | 5.1 | 10.8 |
| 1984..... | 22.8 | 17.0 | 5.8 | 4.8 | 5.1 | 9.9 |
| 1985..... | 28.1 | 17.0 | 11.1 | 4.4 | 5.1 | 9.5 |
| 1986..... | 31.7 | 15.9 | 15.8 | 4.4 | 5.1 | 9.5 |
| 1987..... | 34.9 | 13.5 | 21.3 | 4.8 | 5.1 | 9.9 |

TABLE 15.—ESTIMATED ASSETS, INTERFUND LOANS OUTSTANDING, AND "NET VALUES" OF THE OASI AND DI TRUST FUNDS AT THE END OF CALENDAR YEARS 1981-87 UNDER FOUR ALTERNATIVE SETS OF ASSUMPTIONS (Cont.)
[In billions]

| Calendar year | OASI Trust Fund | | | DI Trust Fund | | |
|------------------|---------------------|---|--------------------------|---------------------|---|--------------------------|
| | Assets ¹ | Outstanding amounts borrowed ² | "Net value" ³ | Assets ¹ | Outstanding amounts loaned ⁴ | "Net value" ³ |
| Alternative III: | | | | | | |
| 1983..... | \$20.6 | \$17.5 | \$3.1 | \$5.5 | \$5.1 | \$10.6 |
| 1984..... | 17.7 | 17.5 | .2 | 4.2 | 5.1 | 9.3 |
| 1985..... | 20.7 | 17.5 | 3.2 | 3.5 | 5.1 | 8.6 |
| 1986..... | 28.6 | 17.5 | 11.1 | 3.6 | 5.1 | 8.7 |
| 1987..... | 23.4 | 5.1 | 18.3 | 3.8 | 5.1 | 8.9 |

¹Represents invested assets plus cash balance at end of year.

²Represents total amounts borrowed from DI and HI Trust Funds less repayments made by end of calendar year.

³See text for description of "net value."

⁴Represents total amounts loaned to OASI Trust Fund less repayments made by end of calendar year.

*Figures for 1981 and 1982 represent actual experience.

Note: Totals do not necessarily equal the sum of rounded components. The major assumptions underlying these estimates are described in the preceding sections and are shown in tables 10 and 11.

Assets as a percentage of annual expenditures for selected years prior to 1983 are shown in table 16 for both funds combined and for each fund separately.

TABLE 16.—ASSETS AT THE BEGINNING OF THE YEAR AS A PERCENTAGE OF EXPENDITURES DURING THE YEAR, FOR THE OASDI PROGRAM, BY TRUST FUND, FOR SELECTED CALENDAR YEARS 1950-82

| Calendar year | OASI and DI Trust Funds, combined | OASI Trust Fund | DI Trust Fund |
|---------------|-----------------------------------|-----------------|---------------|
| 1950..... | 1,156 | 1,156 | — |
| 1955..... | 405 | 405 | — |
| 1960..... | 186 | 180 | 304 |
| 1965..... | 110 | 109 | 121 |
| 1970..... | 103 | 101 | 126 |
| 1975..... | 66 | 63 | 92 |
| 1976..... | 57 | 54 | 71 |
| 1977..... | 47 | 47 | 48 |
| 1978..... | 37 | 39 | 26 |
| 1979..... | 30 | 30 | 30 |
| 1980..... | 25 | 23 | 35 |
| 1981..... | 18 | 18 | 21 |
| 1982..... | 15 | 15 | 17 |

Expenditures in calendar year 1982 from both trust funds, combined, were 11.94 percent of taxable payroll for the year—1.08 percentage points more than the total income rate of 10.85 percent. The cost rates for both trust funds, combined, are estimated to decrease somewhat in 1983 under each alternative. Most of this initial decrease is attributable to the lump-sum transfer from the general fund of the Treasury in 1983, representing the amounts of payroll taxes that would have been paid on deemed military service wage credits in 1957-83 if such credits had been treated as covered earnings. As described previously, such credits have been included in covered payroll. In 1983, the effect of this procedure is a significant reduction in the ratio of expenditures to taxable payroll, due to the increase in payroll described.

Under alternatives I, II-A, and II-B, cost rates are estimated to decline slowly in 1984-87, reaching 10.68 percent, 11.09 percent, and 11.39 percent, respectively, in 1987. Under alternative III, cost rates would increase slightly from their level in 1983 but then decline to a somewhat lower level by 1987. These percentages are shown in table 17 for both

trust funds, combined, and for each trust fund separately. Table 17 also shows a comparison of the cost rates with the corresponding total income rates. As explained previously, the total income rate represents the sum of the combined employee-employer payroll tax rate and the income derived from the Federal income taxation of OASDI benefits, expressed as a percentage of effective taxable payroll. In 1983, the total income rate also includes the lump-sum payment from the general fund of the Treasury for the cost of military service wage credits for service performed prior to 1957.

TABLE 17.—COMPARISON OF ESTIMATED COST RATES AND TOTAL INCOME RATES FOR THE OASI AND DI TRUST FUNDS FOR CALENDAR YEARS 1982-87 UNDER FOUR ALTERNATIVE SETS OF ASSUMPTIONS
[As a percentage of taxable payroll]

| Calendar year | OASI Trust Fund | | | DI Trust Fund | | | OASI and DI Trust Funds, combined | | |
|-------------------------|-----------------|-------------------|---------|---------------|-------------------|---------|-----------------------------------|-------------------|---------|
| | Cost rate | Total income rate | Balance | Cost rate | Total income rate | Balance | Cost rate | Total income rate | Balance |
| 1982 ¹ | 10.59 | 9.19 | -1.40 | 1.34 | 1.66 | 0.32 | 11.94 | 10.85 | -1.08 |
| Alternative I: | | | | | | | | | |
| 1983 | 10.25 | 9.92 | -.34 | 1.21 | 1.33 | .12 | 11.46 | 11.24 | -.22 |
| 1984 | 10.16 | 10.55 | .39 | 1.12 | 1.02 | -.11 | 11.28 | 11.56 | .29 |
| 1985 | 9.95 | 10.56 | .61 | 1.05 | 1.02 | -.04 | 11.01 | 11.58 | .57 |
| 1986 | 9.86 | 10.58 | .72 | 1.01 | 1.02 | .01 | 10.87 | 11.60 | .72 |
| 1987 | 9.71 | 10.59 | .88 | .97 | 1.02 | .05 | 10.68 | 11.61 | .93 |
| Alternative II-A: | | | | | | | | | |
| 1983 | 10.28 | 9.92 | -.36 | 1.21 | 1.33 | .12 | 11.49 | 11.24 | -.24 |
| 1984 | 10.24 | 10.55 | .31 | 1.13 | 1.02 | -.12 | 11.37 | 11.57 | .19 |
| 1985 | 10.15 | 10.56 | .41 | 1.08 | 1.02 | -.06 | 11.24 | 11.58 | .35 |
| 1986 | 10.16 | 10.58 | .43 | 1.05 | 1.02 | -.03 | 11.20 | 11.60 | .40 |
| 1987 | 10.08 | 10.60 | .53 | 1.02 | 1.02 | (*) | 11.09 | 11.62 | .53 |
| Alternative II-B: | | | | | | | | | |
| 1983 | 10.28 | 9.92 | -.36 | 1.21 | 1.33 | .12 | 11.49 | 11.24 | -.24 |
| 1984 | 10.30 | 10.55 | .25 | 1.14 | 1.02 | -.12 | 11.44 | 11.57 | .12 |
| 1985 | 10.24 | 10.57 | .32 | 1.09 | 1.02 | -.07 | 11.33 | 11.58 | .25 |
| 1986 | 10.34 | 10.59 | .25 | 1.07 | 1.02 | -.05 | 11.40 | 11.60 | .20 |
| 1987 | 10.35 | 10.61 | .26 | 1.04 | 1.02 | -.02 | 11.39 | 11.63 | .24 |
| Alternative III: | | | | | | | | | |
| 1983 | 10.39 | 9.92 | -.47 | 1.22 | 1.33 | .10 | 11.62 | 11.25 | -.37 |
| 1984 | 10.57 | 10.55 | -.02 | 1.17 | 1.02 | -.15 | 11.75 | 11.57 | -.18 |
| 1985 | 10.33 | 10.57 | .24 | 1.10 | 1.02 | -.09 | 11.43 | 11.58 | .16 |
| 1986 | 10.13 | 10.58 | .46 | 1.05 | 1.02 | -.04 | 11.18 | 11.60 | .42 |
| 1987 | 10.25 | 10.60 | .35 | 1.05 | 1.02 | -.03 | 11.30 | 11.63 | .33 |

¹Percentages for 1982, though based on actual experience, are preliminary and subject to revision.

*Between 0 percent and 0.005 percent.

Note: The definitions of alternatives I, II-A, II-B, and III, and the terms cost rate, total income rate, balance, and taxable payroll, are provided in the text.

Cost rates for years prior to 1983 are shown in table 18.

TABLE 18.—COST RATES FOR THE OASI AND DI PROGRAMS FOR SELECTED CALENDAR YEARS 1950-82¹

| Calendar year | OASI and DI Trust Funds, combined | OASI Trust Fund | DI Trust Fund |
|---------------|-----------------------------------|-----------------|---------------|
| 1950..... | 1.17 | 1.17 | — |
| 1955..... | 3.34 | 3.34 | — |
| 1960..... | 5.89 | 5.59 | 0.30 |
| 1965..... | 7.93 | 7.23 | .70 |
| 1970..... | 8.12 | 7.32 | .81 |
| 1975..... | 10.65 | 9.29 | 1.36 |
| 1976..... | 10.86 | 9.42 | 1.44 |
| 1977..... | 10.97 | 9.46 | 1.50 |
| 1978..... | 10.74 | 9.29 | 1.45 |
| 1979..... | 10.26 | 8.90 | 1.36 |
| 1980..... | 10.75 | 9.36 | 1.38 |
| 1981..... | 11.30 | 9.92 | 1.38 |
| 1982..... | 11.94 | 10.59 | 1.34 |

¹For 1978-82, percentages are preliminary and subject to revision.

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

As stated previously, estimates of the operations of the trust funds during calendar years 1983-87 have been presented in the preceding tables of this section under four different sets of economic assumptions because of the uncertainty of future economic developments. Under the provisions of the Social Security Act, it is required that estimates of the expected operations and status of the trust funds during the next 5 fiscal years be shown in this report. Accordingly, detailed estimates of the expected operations and status of the trust funds during each fiscal year 1983-87 are shown in the remaining tables of this section for the two intermediate sets of assumptions (alternatives II-A and II-B) only. Similar detailed estimates are also shown on a calendar-year basis for 1983-87.

Data on the actual operations of the OASI Trust Fund for selected years during 1940-82, and estimates of the expected operations of the trust fund during 1983-87 under the intermediate sets of assumptions, are shown in tables 19 and 20 on a fiscal- and calendar-year basis, respectively. Corresponding figures on the operations of the DI Trust Fund are shown in tables 21 and 22. Operations of both trust funds combined are shown in tables 23 and 24.¹

¹Data relating to the operations of the two trust funds for years not shown in tables 19-24 are contained in earlier annual reports.

TABLE 19.—OPERATIONS OF THE OASI TRUST FUND DURING SELECTED FISCAL YEARS 1940-82 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1983-87 UNDER THE INTERMEDIATE SETS OF ASSUMPTIONS
[In millions]

| Fiscal year ¹ | Income | | | | Disbursements | | | | | | Fund at end of period | |
|---|---------|--------------------------------|----------------------------------|---|---------------------------|---------|-------------------------------|-------------------------|--|--|-----------------------|----------------------|
| | Total | Net contributions ² | Income from taxation of benefits | Reimbursements from the general fund of the Treasury ³ | Net interest ⁴ | Total | Benefit payments ⁵ | Administrative expenses | Transfers to Railroad Retirement Account | Interfund borrowing transfers ⁶ | | Net increase in fund |
| Past experience: | | | | | | | | | | | | |
| 1940..... | \$592 | \$550 | — | — | \$42 | \$28 | \$16 | \$12 | — | — | \$564 | \$1,745 |
| 1945..... | 1,434 | 1,310 | — | — | 124 | 267 | 240 | 27 | — | — | 1,167 | 6,613 |
| 1950..... | 2,367 | 2,106 | — | — | 257 | 784 | 727 | 57 | — | — | 1,583 | 12,893 |
| 1955..... | 5,525 | 5,087 | — | — | 438 | 4,427 | 4,339 | 109 | -\$10 | — | 1,098 | 21,141 |
| 1960..... | 10,360 | 9,843 | — | — | 517 | 11,073 | 10,270 | 202 | 600 | — | -713 | 20,829 |
| 1965..... | 16,443 | 15,857 | — | — | 586 | 15,962 | 15,226 | 300 | 436 | — | 482 | 20,180 |
| 1970..... | 31,746 | 29,955 | — | 442 | 1,350 | 27,321 | 26,268 | 474 | 579 | — | 4,425 | 32,616 |
| 1975..... | 58,757 | 56,017 | — | 447 | 2,292 | 56,676 | 54,847 | 848 | 982 | — | 2,081 | 39,948 |
| 1976..... | 62,327 | 59,555 | — | 425 | 2,347 | 64,295 | 62,148 | 935 | 1,212 | — | -1,968 | 37,980 |
| July-Sept. 1976.. | 16,186 | 16,106 | — | — | 80 | 17,111 | 16,877 | 234 | — | — | -925 | 37,055 |
| 1977..... | 71,796 | 68,895 | — | 614 | 2,287 | 73,479 | 71,278 | 993 | 1,208 | — | -1,683 | 35,372 |
| 1978..... | 76,811 | 74,047 | — | 613 | 2,152 | 81,205 | 78,531 | 1,086 | 1,589 | — | -4,394 | 30,678 |
| 1979..... | 86,893 | 84,358 | — | 615 | 1,920 | 90,128 | 87,609 | 1,072 | 1,448 | — | -3,235 | 27,743 |
| 1980..... | 100,051 | 97,608 | — | 557 | 1,886 | 103,228 | 100,626 | 1,160 | 1,442 | — | -3,177 | 24,566 |
| 1981..... | 121,572 | 119,016 | — | 540 | 2,016 | 122,304 | 119,421 | 1,298 | 1,585 | — | -732 | 23,834 |
| 1982..... | 126,629 | 124,246 | — | 675 | 1,708 | 137,928 | 134,661 | 1,474 | 1,793 | — | -11,299 | 12,535 |
| Estimated future experience:⁷ | | | | | | | | | | | | |
| Alternative II-A: | | | | | | | | | | | | |
| 1983..... | 149,286 | 136,500 | — | 6,096 | 6,689 | 151,210 | 147,352 | 1,607 | 2,251 | \$17,519 | 15,594 | 28,129 |
| 1984..... | 158,128 | 156,079 | \$1,763 | 125 | 162 | 159,656 | 155,542 | 1,724 | 2,390 | -600 | -2,128 | 26,001 |
| 1985..... | 177,556 | 174,511 | 2,688 | 102 | 254 | 170,834 | 166,581 | 1,850 | 2,403 | — | 6,722 | 32,723 |
| 1986..... | 191,478 | 187,422 | 3,206 | 82 | 768 | 183,273 | 178,950 | 1,924 | 2,399 | -4,800 | 3,405 | 36,129 |
| 1987..... | 205,735 | 200,390 | 3,793 | 68 | 1,484 | 195,276 | 190,791 | 2,032 | 2,454 | -6,800 | 3,658 | 39,787 |
| Alternative II-B: | | | | | | | | | | | | |
| 1983..... | 149,284 | 136,500 | — | 6,096 | 6,688 | 151,211 | 147,353 | 1,607 | 2,251 | 17,519 | 15,592 | 28,127 |
| 1984..... | 157,211 | 155,163 | 1,763 | 125 | 160 | 159,658 | 155,546 | 1,724 | 2,388 | -500 | -2,947 | 25,180 |
| 1985..... | 177,081 | 174,108 | 2,706 | 103 | 164 | 171,944 | 167,675 | 1,854 | 2,415 | — | 5,137 | 30,317 |
| 1986..... | 191,785 | 187,909 | 3,265 | 82 | 530 | 186,547 | 182,168 | 1,936 | 2,443 | -1,100 | 4,138 | 34,455 |
| 1987..... | 206,114 | 201,241 | 3,904 | 69 | 900 | 200,987 | 196,398 | 2,053 | 2,536 | -2,400 | 2,726 | 37,181 |

See following page for footnotes.

¹Under the Congressional Budget Act of 1974 (Public Law 93-344), fiscal years 1977 and later consist of the 12 months ending on September 30 of each year. The act further provides that the calendar quarter July-September 1976 is a period of transition from fiscal year 1976, which ended on June 30, 1976, to fiscal year 1977, which began on October 1, 1976.

²Beginning in 1983, includes government contributions on wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$5,388 million representing (1) retroactive contributions on wage credits for military service in 1957-82 less (2) all reimbursements received prior to 1983 for the costs of such credits.

³Includes reimbursements (1) in 1947-52 and in 1967 and later, for costs of noncontributory wage credits for military service performed before 1957; (2) in 1972-83, for costs of noncontributory wage credits for military service performed after 1956; and (3) in 1969 and later, for costs of benefits to certain noninsured persons who attained age 72 before 1968. The amount shown for 1978 also includes \$2,724,000 as a single reimbursement for the estimated total costs of granting noncontributory wage credits to individuals who were interned during World War II at places within the United States operated by the Federal Government for the internment of persons of Japanese ancestry.

⁴Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a

final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments by a borrowing trust fund to a lending trust fund for interest on amounts transferred under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amount shown for 1983 includes \$6,943 million in interest on (1) retroactive government contributions on wage credits for military service in 1957-82 and (2) unnegotiated benefit checks issued before 1983.

⁵Beginning in 1967, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disability. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$720 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

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

⁷In interpreting the estimates, reference should be made to the underlying assumptions described in the preceding section and shown in tables 10 and 11.

TABLE 20.—OPERATIONS OF THE OASI TRUST FUND DURING SELECTED CALENDAR YEARS 1940-82 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1983-87 UNDER THE INTERMEDIATE SETS OF ASSUMPTIONS
[In millions]

| Calendar year | Income | | | | | Disbursements | | | | | | Fund at end of period |
|--|---------|--------------------------------|----------------------------------|---|---------------------------|---------------|-------------------------------|-------------------------|--|--|----------------------|-----------------------|
| | Total | Net contributions ¹ | Income from taxation of benefits | Reimbursements from the general fund of the Treasury ² | Net interest ³ | Total | Benefit payments ⁴ | Administrative expenses | Transfers to Railroad Retirement Account | Interfund borrowing transfers ⁵ | Net increase in fund | |
| Past experience: | | | | | | | | | | | | |
| 1940..... | \$368 | \$325 | — | — | \$43 | \$62 | \$35 | \$26 | — | — | \$306 | \$2,031 |
| 1945..... | 1,420 | 1,285 | — | — | 134 | 304 | 274 | 30 | — | — | 1,116 | 7,121 |
| 1950..... | 2,928 | 2,667 | — | \$4 | 257 | 1,022 | 961 | 61 | — | — | 1,905 | 13,721 |
| 1955..... | 6,167 | 5,713 | — | — | 454 | 5,079 | 4,968 | 119 | -\$7 | — | 1,087 | 21,663 |
| 1960..... | 11,382 | 10,866 | — | — | 516 | 11,198 | 10,677 | 203 | 318 | — | 184 | 20,324 |
| 1965..... | 16,610 | 16,017 | — | — | 593 | 17,501 | 16,737 | 328 | 436 | — | — | 18,235 |
| 1970..... | 32,220 | 30,256 | — | 449 | 1,515 | 29,848 | 28,798 | 471 | 579 | — | 2,371 | 32,454 |
| 1975..... | 59,605 | 56,816 | — | 425 | 2,364 | 60,395 | 58,517 | 896 | 962 | — | — | 36,987 |
| 1976..... | 66,276 | 63,362 | — | 614 | 2,301 | 67,876 | 65,705 | 959 | 1,212 | — | -1,600 | 35,388 |
| 1977..... | 72,412 | 69,572 | — | 613 | 2,227 | 75,309 | 73,121 | 981 | 1,208 | — | -2,897 | 32,491 |
| 1978..... | 78,094 | 75,471 | — | 615 | 2,008 | 83,064 | 80,361 | 1,115 | 1,589 | — | -4,971 | 27,520 |
| 1979..... | 90,274 | 87,919 | — | 557 | 1,797 | 93,133 | 90,573 | 1,113 | 1,448 | — | -2,860 | 24,660 |
| 1980..... | 105,841 | 103,456 | — | 540 | 1,845 | 107,678 | 105,083 | 1,154 | 1,442 | — | -1,837 | 22,823 |
| 1981..... | 125,361 | 122,627 | — | 675 | 2,060 | 126,695 | 123,803 | 1,307 | 1,585 | — | -1,334 | 21,490 |
| 1982..... | 125,198 | 123,673 | — | 680 | 845 | 142,119 | 138,806 | 1,519 | 1,793 | \$17,519 | 598 | 22,088 |
| Estimated future experience ⁶ : | | | | | | | | | | | | |
| Alternative II-A: | | | | | | | | | | | | |
| 1983..... | 151,475 | 138,889 | — | 5,541 | 7,046 | 151,647 | 147,759 | 1,637 | 2,251 | — | -172 | 21,916 |
| 1984..... | 164,890 | 162,319 | \$2,357 | 102 | 112 | 162,321 | 158,178 | 1,753 | 2,390 | -600 | 1,969 | 23,885 |
| 1985..... | 180,637 | 177,302 | 2,801 | 82 | 453 | 173,696 | 169,426 | 1,867 | 2,403 | — | 6,942 | 30,826 |
| 1986..... | 194,762 | 190,248 | 3,341 | 68 | 1,106 | 186,378 | 182,030 | 1,949 | 2,399 | -4,800 | 3,584 | 34,411 |
| 1987..... | 209,884 | 203,961 | 3,945 | 56 | 1,922 | 198,272 | 193,761 | 2,058 | 2,454 | -6,800 | 4,812 | 39,222 |
| Alternative II-B: | | | | | | | | | | | | |
| 1983..... | 151,366 | 138,769 | — | 5,541 | 7,057 | 151,649 | 147,761 | 1,637 | 2,251 | — | -283 | 21,805 |
| 1984..... | 163,864 | 161,331 | 2,357 | 103 | 73 | 162,326 | 158,184 | 1,754 | 2,388 | -500 | 1,037 | 22,842 |
| 1985..... | 180,421 | 177,179 | 2,825 | 82 | 335 | 175,174 | 170,886 | 1,873 | 2,415 | — | 5,247 | 28,090 |
| 1986..... | 194,937 | 190,747 | 3,410 | 69 | 710 | 190,239 | 185,833 | 1,963 | 2,443 | -1,100 | 3,598 | 31,688 |
| 1987..... | 210,163 | 204,927 | 4,071 | 58 | 1,107 | 204,591 | 199,973 | 2,082 | 2,536 | -2,400 | 3,172 | 34,860 |

See following page for footnotes.

¹Beginning in 1983, includes government contributions on wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$5,388 million representing (1) retroactive contributions on wage credits for military service in 1957-82 less (2) all reimbursements received prior to 1983 for the costs of such credits.

²Includes reimbursements (1) in 1947-51 and in 1966 and later, for costs of noncontributory wage credits for military service performed before 1957; (2) in 1971-82, for costs of noncontributory wage credits for military service performed after 1956; and (3) in 1968 and later, for costs of benefits to certain noninsured persons who attained age 72 before 1968. The amount shown for 1977 also includes \$2,724,000 as a single reimbursement for the estimated total costs of granting noncontributory wage credits to individuals who were interned during World War II at places within the United States operated by the Federal Government for the internment of persons of Japanese ancestry.

³Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report.

Beginning in 1983, these figures reflect payments by a borrowing trust fund to a lending trust fund for interest on amounts transferred under the interfund borrowing provisions. Also beginning in 1983, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amount shown for 1983 includes \$6,943 million in interest on (1) retroactive government contributions on wage credits for military service in 1957-82 and (2) unnegotiated benefit checks issued before 1983.

⁴Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disability. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$720 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

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

⁶In interpreting the estimates, reference should be made to the underlying assumptions described in the preceding section and shown in tables 10 and 11.

TABLE 21.—OPERATIONS OF THE DI TRUST FUND DURING SELECTED FISCAL YEARS 1960-82 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1983-87 UNDER THE INTERMEDIATE SETS OF ASSUMPTIONS
[In millions]

| Fiscal year ¹ | Income | | | | | Disbursements | | | | | | |
|---|---------|--------------------------------|----------------------------------|---|---------------------------|---------------|-------------------------------|-------------------------|--|--|----------------------|-----------------------|
| | Total | Net contributions ² | Income from taxation of benefits | Reimbursements from the general fund of the Treasury ⁴ | Net interest ⁵ | Total | Benefit payments ⁶ | Administrative expenses | Transfers to Railroad Retirement Account | Interfund borrowing transfers ⁷ | Net increase in fund | Fund at end of period |
| Past experience: | | | | | | | | | | | | |
| 1960 | \$1,034 | \$987 | — | — | \$47 | \$533 | \$528 | \$32 | -\$27 | — | \$501 | \$2,167 |
| 1965 | 1,237 | 1,175 | — | — | 62 | 1,495 | 1,392 | 79 | 24 | — | -257 | 2,007 |
| 1970 | 4,380 | 4,141 | — | \$16 | 223 | 2,954 | 2,795 | 149 | 10 | — | 1,426 | 5,104 |
| 1975 | 7,920 | 7,356 | — | 52 | 512 | 7,982 | 7,701 | 253 | 29 | — | -62 | 8,191 |
| 1976 | 8,355 | 7,797 | — | 90 | 468 | 9,606 | 9,314 | 266 | 26 | — | -1,251 | 6,939 |
| July-Sept. 1976 .. | 2,172 | 2,159 | — | — | 13 | 2,653 | 2,582 | 71 | — | — | -481 | 6,459 |
| 1977 | 9,374 | 8,900 | — | 103 | 372 | 11,590 | 11,212 | 378 | (⁸) | — | -2,215 | 4,243 |
| 1978 | 12,784 | 12,404 | — | 128 | 251 | 12,655 | 12,298 | 327 | 30 | — | 129 | 4,372 |
| 1979 | 15,196 | 14,750 | — | 142 | 305 | 13,944 | 13,507 | 407 | 30 | — | 1,252 | 5,624 |
| 1980 | 17,376 | 16,805 | — | 118 | 453 | 15,320 | 14,998 | 334 | -12 | — | 2,056 | 7,680 |
| 1981 | 12,993 | 12,589 | — | 130 | 273 | 17,280 | 16,846 | 405 | 29 | — | -4,288 | 3,392 |
| 1982 | 21,398 | 20,866 | — | 168 | 363 | 18,035 | 17,437 | 572 | 26 | — | 3,363 | 6,755 |
| Estimated future experience:⁹ | | | | | | | | | | | | |
| Alternative II-A: | | | | | | | | | | | | |
| 1983 | 21,835 | 19,155 | — | 1,295 | 1,385 | 18,015 | 17,322 | 665 | 28 | -\$5,081 | -1,262 | 5,493 |
| 1984 | 17,605 | 16,375 | \$204 | — | 1,025 | 17,905 | 17,129 | 697 | 79 | — | -300 | 5,193 |
| 1985 | 18,043 | 16,781 | 299 | — | 963 | 18,323 | 17,480 | 729 | 114 | — | -280 | 4,913 |
| 1986 | 19,299 | 18,025 | 340 | — | 934 | 19,045 | 18,178 | 766 | 101 | — | 254 | 5,168 |
| 1987 | 20,605 | 19,270 | 388 | — | 947 | 19,816 | 18,904 | 810 | 102 | — | 788 | 5,956 |
| Alternative II-B: | | | | | | | | | | | | |
| 1983 | 21,837 | 19,157 | — | 1,295 | 1,384 | 18,015 | 17,322 | 665 | 28 | -5,081 | -1,260 | 5,496 |
| 1984 | 17,512 | 16,280 | 204 | — | 1,027 | 17,911 | 17,134 | 697 | 79 | — | -399 | 5,096 |
| 1985 | 17,997 | 16,741 | 301 | — | 954 | 18,448 | 17,602 | 732 | 114 | — | -451 | 4,846 |
| 1986 | 19,327 | 18,070 | 346 | — | 911 | 19,372 | 18,496 | 773 | 103 | — | -45 | 4,601 |
| 1987 | 20,649 | 19,351 | 399 | — | 899 | 20,337 | 19,408 | 822 | 107 | — | 311 | 4,912 |

See following page for footnotes.

¹Under the Congressional Budget Act of 1974 (Public Law 93-344), fiscal years 1977 and later consist of the 12 months ending on September 30 of each year. The act further provides that the calendar quarter July-September 1976 is a period of transition from fiscal year 1976, which ended on June 30, 1976, to fiscal year 1977, which began on October 1, 1976.

²Beginning in 1983, includes government contributions on wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$402 million representing (1) retroactive contributions on wage credits for military service in 1957-82 less (2) all reimbursements received prior to 1983 for the costs of such credits.

³Includes reimbursements (1) in 1967 and later, for costs of noncontributory wage credits for military service performed before 1957; and (2) in 1972-83, for costs of noncontributory wage credits for military service performed after 1956. The amount shown for 1978 also includes \$3,000 as a single reimbursement for the estimated total costs of granting noncontributory wage credits to individuals who were interned during World War II at places within the United States operated by the Federal Government for the internment of persons of Japanese ancestry.

⁴Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the

method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments by a borrowing trust fund to a lending trust fund for interest on amounts transferred under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amount shown for 1983 includes \$690 million in interest on (1) retroactive government contributions on wage credits for military service in 1957-82 and (2) unnegotiated benefit checks issued before 1983.

⁵Beginning in 1967, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disability. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$80 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

⁶Negative figure represents amounts loaned by the DI Trust Fund to the OASI Trust Fund. It is assumed that repayment of these loans would not occur until 1989.

⁷Less than \$500,000 was transferred from the Railroad Retirement Account to the DI Trust Fund.

⁸In interpreting the estimates, reference should be made to the underlying assumptions described in the preceding section and shown in tables 10 and 11.

TABLE 22.—OPERATIONS OF THE DI TRUST FUND DURING SELECTED CALENDAR YEARS 1960-82 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1983-87 UNDER THE INTERMEDIATE SETS OF ASSUMPTIONS
(In millions)

| Calendar year | Income | | | | | Disbursements | | | | | | Fund at end of period |
|---|---------|--------------------------------|----------------------------------|---|---------------------------|---------------|-------------------------------|-------------------------|--|--|----------------------|-----------------------|
| | Total | Net contributions ¹ | Income from taxation of benefits | Reimbursements from the general fund of the Treasury ² | Net interest ³ | Total | Benefit payments ⁴ | Administrative expenses | Transfers to Railroad Retirement Account | Interfund borrowing transfers ⁵ | Net increase in fund | |
| Past experience: | | | | | | | | | | | | |
| 1960 | \$1,063 | \$1,010 | — | — | \$53 | \$600 | \$568 | \$36 | -\$5 | — | \$464 | \$2,289 |
| 1965 | 1,247 | 1,188 | — | — | 59 | 1,687 | 1,573 | 90 | 24 | — | -440 | 1,606 |
| 1970 | 4,774 | 4,481 | — | \$16 | 277 | 3,259 | 3,085 | 164 | 10 | — | 1,514 | 5,614 |
| 1975 | 8,035 | 7,444 | — | 90 | 502 | 8,790 | 8,505 | 256 | 29 | — | -754 | 7,354 |
| 1976 | 8,757 | 8,233 | — | 103 | 422 | 10,366 | 10,055 | 285 | 26 | — | -1,609 | 5,745 |
| 1977 | 9,570 | 9,138 | — | 128 | 304 | 11,945 | 11,547 | 399 | (9) | — | -2,375 | 3,370 |
| 1978 | 13,810 | 13,413 | — | 142 | 256 | 12,954 | 12,599 | 325 | 30 | — | 856 | 4,226 |
| 1979 | 15,590 | 15,114 | — | 118 | 358 | 14,186 | 13,786 | 371 | 30 | — | 1,404 | 5,630 |
| 1980 | 13,871 | 13,255 | — | 130 | 485 | 15,872 | 15,515 | 368 | -12 | — | -2,001 | 3,629 |
| 1981 | 17,078 | 16,738 | — | 168 | 172 | 17,658 | 17,192 | 436 | 29 | — | -580 | 3,049 |
| 1982 | 22,715 | 21,995 | — | 174 | 546 | 17,992 | 17,376 | 590 | 26 | -\$5,081 | -358 | 2,691 |
| Estimated future experience:⁷ | | | | | | | | | | | | |
| Alternative II-A: | | | | | | | | | | | | |
| 1983 | 20,874 | 18,146 | — | 1,121 | 1,607 | 17,852 | 17,144 | 681 | 28 | — | 3,022 | 5,712 |
| 1984 | 17,172 | 15,894 | \$273 | — | 1,004 | 17,964 | 17,180 | 705 | 79 | — | -792 | 4,920 |
| 1985 | 18,302 | 17,050 | 308 | — | 944 | 18,486 | 17,635 | 737 | 114 | — | -184 | 4,736 |
| 1986 | 19,580 | 18,295 | 350 | — | 934 | 19,239 | 18,362 | 776 | 101 | — | 341 | 5,077 |
| 1987 | 20,983 | 19,613 | 401 | — | 969 | 20,025 | 19,102 | 821 | 102 | — | 958 | 6,035 |
| Alternative II-B: | | | | | | | | | | | | |
| 1983 | 20,861 | 18,131 | — | 1,121 | 1,609 | 17,852 | 17,144 | 681 | 28 | — | 3,009 | 5,699 |
| 1984 | 17,072 | 15,797 | 273 | — | 1,002 | 17,972 | 17,187 | 705 | 79 | — | -900 | 4,800 |
| 1985 | 18,277 | 17,037 | 311 | — | 929 | 18,649 | 17,794 | 741 | 114 | — | -372 | 4,427 |
| 1986 | 19,600 | 18,341 | 358 | — | 901 | 19,616 | 18,729 | 784 | 103 | — | -16 | 4,411 |
| 1987 | 21,023 | 19,705 | 413 | — | 905 | 20,590 | 19,649 | 834 | 107 | — | 433 | 4,845 |

See following page for footnotes.

¹Beginning in 1983, includes government contributions on wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$402 million representing (1) retroactive contributions on wage credits for military service in 1957-82 less (2) all reimbursements received prior to 1983 for the costs of such credits.

²Includes reimbursements (1) in 1966 and later, for costs of noncontributory wage credits for military service performed before 1957; and (2) in 1971-82, for costs of noncontributory wage credits for military service performed after 1956. The amount shown for 1977 also includes \$3,000 as a single reimbursement for the estimated total costs of granting noncontributory wage credits to individuals who were interned during World War II at places within the United States operated by the Federal Government for the internment of persons of Japanese ancestry.

³Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments by a borrowing trust fund to a lending trust

fund for interest on amounts transferred under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amount shown for 1983 includes \$690 million in interest on (1) retroactive government contributions on wage credits for military service in 1957-82 and (2) unnegotiated benefit checks issued before 1983.

⁴Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disability. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$80 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

⁵Negative figure represents amounts loaned by the DI Trust Fund to the OASI Trust Fund. It is assumed that repayment of these loans would not occur until 1989.

⁶Less than \$500,000 was transferred from the Railroad Retirement Account to the DI Trust Fund.

⁷In interpreting the estimates, reference should be made to the underlying assumptions described in the preceding section and shown in tables 10 and 11.

TABLE 23.—OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, DURING SELECTED FISCAL YEARS 1960-82 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1983-87 UNDER THE INTERMEDIATE SETS OF ASSUMPTIONS

[In millions]

| Fiscal year ¹ | Income | | | | | Disbursements | | | | | | |
|---|----------|--------------------------------|----------------------------------|---|---------------------------|---------------|-------------------------------|-------------------------|--|--|-----------------------|------------------------|
| | Total | Net contributions ² | Income from taxation of benefits | Reimbursements from the general fund of the Treasury ³ | Net interest ⁴ | Total | Benefit payments ⁵ | Administrative expenses | Transfers to Railroad Retirement Account | Interfund borrowing transfers ⁶ | Net increase in funds | Funds at end of period |
| Past experience: | | | | | | | | | | | | |
| 1960..... | \$11,394 | \$10,830 | — | — | \$564 | \$11,606 | \$10,798 | \$234 | \$574 | — | -\$212 | \$22,996 |
| 1965..... | 17,681 | 17,032 | — | — | 648 | 17,456 | 16,618 | 379 | 459 | — | 224 | 22,187 |
| 1970..... | 36,127 | 34,096 | — | \$458 | 1,572 | 30,275 | 29,063 | 623 | 589 | — | 5,851 | 37,720 |
| 1975..... | 66,677 | 63,374 | — | 499 | 2,804 | 64,658 | 62,547 | 1,101 | 1,010 | — | 2,018 | 48,138 |
| 1976..... | 70,682 | 67,352 | — | 515 | 2,815 | 73,901 | 71,462 | 1,200 | 1,239 | — | -3,219 | 44,919 |
| July-Sept. 1976 . | 18,359 | 18,265 | — | — | 94 | 19,764 | 19,460 | 304 | — | — | -1,405 | 43,514 |
| 1977..... | 81,170 | 77,794 | — | 717 | 2,659 | 85,068 | 82,490 | 1,370 | 1,208 | — | -3,898 | 39,615 |
| 1978..... | 89,595 | 86,451 | — | 741 | 2,403 | 93,861 | 90,829 | 1,413 | 1,618 | — | -4,265 | 35,350 |
| 1979..... | 102,089 | 99,108 | — | 757 | 2,225 | 104,072 | 101,116 | 1,479 | 1,477 | — | -1,983 | 33,367 |
| 1980..... | 117,427 | 114,413 | — | 675 | 2,339 | 118,548 | 115,624 | 1,494 | 1,430 | — | -1,121 | 32,246 |
| 1981..... | 134,565 | 131,606 | — | 670 | 2,289 | 139,584 | 136,267 | 1,703 | 1,614 | — | -5,019 | 27,226 |
| 1982..... | 148,027 | 145,113 | — | 843 | 2,072 | 155,963 | 152,097 | 2,046 | 1,820 | — | -7,936 | 19,290 |
| Estimated future experience⁷: | | | | | | | | | | | | |
| Alternative II-A: | | | | | | | | | | | | |
| 1983..... | 171,120 | 155,655 | — | 7,391 | 8,074 | 169,226 | 164,674 | 2,272 | 2,279 | \$12,437 | 14,332 | 33,622 |
| 1984..... | 175,733 | 172,454 | \$1,967 | 125 | 1,187 | 177,561 | 172,670 | 2,422 | 2,469 | -600 | -2,428 | 31,194 |
| 1985..... | 195,599 | 191,292 | 2,988 | 102 | 1,217 | 189,157 | 184,061 | 2,579 | 2,517 | — | 6,442 | 37,636 |
| 1986..... | 210,778 | 205,447 | 3,546 | 82 | 1,703 | 202,318 | 197,128 | 2,690 | 2,500 | -4,800 | 3,660 | 41,296 |
| 1987..... | 226,339 | 219,660 | 4,181 | 68 | 2,431 | 215,093 | 209,695 | 2,842 | 2,556 | -6,800 | 4,446 | 45,742 |
| Alternative II-B: | | | | | | | | | | | | |
| 1983..... | 171,121 | 155,657 | — | 7,391 | 8,073 | 169,226 | 164,674 | 2,272 | 2,279 | 12,437 | 14,332 | 33,623 |
| 1984..... | 174,722 | 171,443 | 1,967 | 125 | 1,188 | 177,569 | 172,680 | 2,422 | 2,467 | -500 | -3,347 | 30,276 |
| 1985..... | 195,078 | 190,849 | 3,008 | 103 | 1,118 | 190,391 | 185,277 | 2,586 | 2,529 | — | 4,686 | 34,963 |
| 1986..... | 211,113 | 205,979 | 3,611 | 82 | 1,441 | 205,919 | 200,664 | 2,709 | 2,546 | -1,100 | 4,093 | 39,056 |
| 1987..... | 226,762 | 220,592 | 4,303 | 69 | 1,798 | 221,325 | 215,807 | 2,875 | 2,643 | -2,400 | 3,038 | 42,094 |

See following page for footnotes.

¹Under the Congressional Budget Act of 1974 (Public Law 93-344), fiscal years 1977 and later consist of the 12 months ending on September 30 of each year. The act further provides that the calendar quarter July-September 1976 is a period of transition from fiscal year 1976, which ended on June 30, 1976, to fiscal year 1977, which began on October 1, 1976.

²Beginning in 1983, includes government contributions on wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$5,790 million representing (1) retroactive contributions on wage credits for military service in 1957-82 less (2) all reimbursements received prior to 1983 for the costs of such credits.

³Includes reimbursements, (1) in 1947-52 and in 1967 and later, for costs of noncontributory wage credits for military service performed before 1957; (2) in 1972-83, for costs of noncontributory wage credits for military service performed after 1956; and (3) in 1969 and later, for costs of benefits to certain noninsured persons who attained age 72 before 1968. The amount shown for 1978 also includes \$2,727,000 as a single reimbursement for the estimated total costs of granting noncontributory wage credits to individuals who were interned during World War II at places within the United States operated by the Federal Government for the internment of persons of Japanese ancestry.

⁴Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a

final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments by a borrowing trust fund to a lending trust fund for interest on amounts transferred under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust funds to the general fund of the Treasury on advance tax transfers is reflected. The amount shown for 1983 includes \$7,633 million in interest on (1) retroactive government contributions on wage credits for military service in 1957-82 and (2) unnegotiated benefit checks issued before 1983.

⁵Beginning in 1967, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disability. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$800 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

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

⁷In interpreting the estimates, reference should be made to the underlying assumptions described in the preceding section and shown in tables 10 and 11.

TABLE 24.—OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, DURING SELECTED CALENDAR YEARS 1960-82 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1983-87 UNDER THE INTERMEDIATE SETS OF ASSUMPTIONS
[In millions]

| Calendar year | Income | | | | | Disbursements | | | | | | Funds at end of period |
|---|----------|--------------------------------|----------------------------------|---|---------------------------|---------------|-------------------------------|-------------------------|--|--|-----------------------|------------------------|
| | Total | Net contributions ¹ | Income from taxation of benefits | Reimbursements from the general fund of the Treasury ² | Net interest ³ | Total | Benefit payments ⁴ | Administrative expenses | Transfers to Railroad Retirement Account | Interfund borrowing transfers ⁵ | Net increase in funds | |
| Past experience: | | | | | | | | | | | | |
| 1960 | \$12,445 | \$11,876 | — | — | \$569 | \$11,798 | \$11,245 | \$240 | \$314 | — | \$647 | \$22,613 |
| 1965 | 17,857 | 17,205 | — | — | 651 | 19,187 | 18,311 | 418 | 459 | — | -1,331 | 19,841 |
| 1970 | 36,993 | 34,737 | — | \$465 | 1,791 | 33,108 | 31,884 | 635 | 589 | — | 3,886 | 38,068 |
| 1975 | 67,640 | 64,259 | — | 515 | 2,866 | 69,184 | 67,022 | 1,152 | 1,010 | — | -1,544 | 44,342 |
| 1976 | 75,034 | 71,595 | — | 717 | 2,722 | 78,242 | 75,759 | 1,244 | 1,239 | — | -3,209 | 41,133 |
| 1977 | 81,982 | 78,710 | — | 741 | 2,531 | 87,254 | 84,667 | 1,379 | 1,208 | — | -5,272 | 35,861 |
| 1978 | 91,903 | 88,883 | — | 757 | 2,264 | 96,018 | 92,960 | 1,440 | 1,618 | — | -4,115 | 31,746 |
| 1979 | 105,864 | 103,034 | — | 675 | 2,155 | 107,320 | 104,359 | 1,483 | 1,477 | — | -1,456 | 30,291 |
| 1980 | 119,712 | 116,711 | — | 670 | 2,330 | 123,550 | 120,598 | 1,522 | 1,430 | — | -3,838 | 26,453 |
| 1981 | 142,438 | 139,364 | — | 843 | 2,231 | 144,352 | 140,995 | 1,743 | 1,614 | — | -1,914 | 24,539 |
| 1982 | 147,913 | 145,667 | — | 854 | 1,391 | 160,111 | 156,182 | 2,109 | 1,820 | \$12,437 | 239 | 24,778 |
| Estimated future experience⁶: | | | | | | | | | | | | |
| Alternative II-A: | | | | | | | | | | | | |
| 1983 | 172,349 | 157,035 | — | 6,662 | 8,653 | 169,500 | 164,903 | 2,318 | 2,279 | — | 2,850 | 27,628 |
| 1984 | 182,062 | 178,213 | \$2,630 | 102 | 1,116 | 180,285 | 175,358 | 2,458 | 2,469 | -600 | 1,177 | 28,805 |
| 1985 | 198,940 | 194,352 | 3,109 | 82 | 1,397 | 192,182 | 187,061 | 2,604 | 2,517 | — | 6,757 | 35,582 |
| 1986 | 214,342 | 206,543 | 3,692 | 68 | 2,040 | 205,617 | 200,393 | 2,725 | 2,500 | -4,800 | 3,925 | 39,487 |
| 1987 | 230,867 | 223,574 | 4,346 | 56 | 2,891 | 218,297 | 212,862 | 2,879 | 2,558 | -6,800 | 5,770 | 45,257 |
| Alternative II-B: | | | | | | | | | | | | |
| 1983 | 172,227 | 156,900 | — | 6,662 | 8,666 | 169,501 | 164,904 | 2,318 | 2,279 | — | 2,726 | 27,504 |
| 1984 | 180,936 | 177,128 | 2,630 | 103 | 1,075 | 180,298 | 175,372 | 2,459 | 2,467 | -500 | 138 | 27,642 |
| 1985 | 198,698 | 194,216 | 3,136 | 82 | 1,264 | 193,823 | 188,680 | 2,614 | 2,529 | — | 4,875 | 32,517 |
| 1986 | 214,537 | 209,088 | 3,768 | 69 | 1,612 | 209,855 | 204,562 | 2,747 | 2,546 | -1,100 | 3,582 | 36,089 |
| 1987 | 231,187 | 224,632 | 4,484 | 58 | 2,012 | 225,181 | 219,622 | 2,916 | 2,643 | -2,400 | 3,606 | 39,705 |

See following page for footnotes.

¹Beginning in 1983, includes government contributions on wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$5,790 million representing (1) retroactive contributions on wage credits for military service in 1957-82 less (2) all reimbursements received prior to 1983 for the costs of such credits.

²Includes reimbursements, (1) in 1947-51 and in 1966 and later, for costs of noncontributory wage credits for military service performed before 1957; (2) in 1971-82, for costs of noncontributory wage credits for military service performed after 1956; and (3) in 1968 and later, for costs of benefits to certain noninsured persons who attained age 72 before 1968. The amount shown for 1977 also includes \$2,727,000 as a single reimbursement for the estimated total costs of granting noncontributory wage credits to individuals who were interned during World War II at places within the United States operated by the Federal Government for the internment of persons of Japanese ancestry.

³Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report.

Beginning in 1983, these figures reflect payments by a borrowing trust fund to a lending trust fund for interest on amounts transferred under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust funds to the general fund of the Treasury on advance tax transfers is reflected. The amount shown for 1983 includes \$7,633 million in interest on (1) retroactive government contributions on wage credits for military service in 1957-82 and (2) unnegotiated benefit checks issued before 1983.

⁴Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disability. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$800 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

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

⁶In interpreting the estimates, reference should be made to the underlying assumptions described in the preceding section and shown in tables 10 and 11.