



# SOCIAL SECURITY ADMINISTRATION SUMMARY OF PERFORMANCE AND FINANCIAL INFORMATION REPORT

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FISCAL YEAR 2015



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# Introduction

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The goal of this Summary of Performance and Financial Information Report for Fiscal Year 2015 is to increase accountability by making our performance and financial information transparent and accessible. In this summary, we include performance and financial information to highlight our efforts identified in the full [Fiscal Year \(FY\) 2015 Agency Financial Report \(www.socialsecurity.gov/finance/\)](http://www.socialsecurity.gov/finance/) and the [Annual Performance Plan for FY 2016, Revised Performance Plan for FY 2015 and Annual Performance Report for FY 2014 \(www.socialsecurity.gov/agency/performance/\)](http://www.socialsecurity.gov/agency/performance/).

## Our Mission

*Deliver Social Security services that meet the changing needs of the public*

## Summary of Our Performance

### Who We Are and What We Do

We take great pride in providing disability, survivors, retirement, and Supplemental Security Income (SSI) benefits to workers and their families. The programs we administer provide a financial safety net for millions of Americans, and many people consider them the most successful large-scale Federal programs in our Nation's history.

Serving the American public requires a vast network of facilities, technology, and skilled staff. Every day, more than 65,000 Federal and State employees provide service to our customers. Nationwide, we have a network of about 1,500 offices, including regional offices, field offices, Social Security card centers, teleservice centers, processing centers, hearing offices (including satellite offices and National Hearing Centers), the Appeals Council, and our headquarters in Baltimore, Maryland. Internationally, we deliver services in U.S. embassies in hundreds of countries.

### How Social Security Benefited America in Fiscal Year 2015

- On average, about 65 million individuals received Social Security or Federal SSI benefits each month. We paid a combined total of about \$932 billion in Social Security and Federal SSI benefits;
- About 88 percent of the American population age 65 and over received Social Security benefits;
- Among elderly Social Security beneficiaries, 52 percent of married couples and 74 percent of unmarried individuals relied on Social Security for 50 percent or more of their income;
- About 96 percent of persons aged 20-49 who worked in covered employment had survivors protection for their young children and a surviving spouse caring for the children; and
- On average, more than 1.3 million blind or disabled children under age 18 received Federal SSI payments each month.

## How We Served America in Fiscal Year 2015

- Issued 17 million new and replacement Social Security cards;
- Performed over 1.9 billion automated Social Security number verifications;
- Posted over 275 million earnings items to workers' records;
- Handled more than 37 million calls on our National 800 Number;
- Assisted 41 million visitors in field offices;
- Mailed nearly 350 million notices;
- Registered 6.64 million users for *my Social Security*, a personalized online account;
- Processed over 87 million online transactions;
- Received approximately 5 million retirement, survivor, and Medicare applications;
- Completed over 2.7 million initial disability claims;
- Completed 723,485 reconsideration disability claims;
- Identified over \$49 million in estimated incorrect payments through data exchange partnerships with the Centers for Medicare and Medicaid Services;
- Used predictive modeling in the redetermination process to prevent and recover an estimated \$3.9 billion in expected retroactive and five-year future recurring SSI overpayments;
- Provided online access to the Social Security Benefit Statement, allowing beneficiaries to access their statements online more than 624,000 times;
- Completed 150,673 Appeals Council requests for review; and
- Completed 663,129 requests for hearings.

## How We Manage Performance

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### Our Performance Framework

The Government Performance and Results Act (GPRA) Modernization Act of 2010 specifies criteria for agency strategic plans to align with presidential terms and ensure that agency goals align with broader Federal efforts.

Setting goals and measuring their outcomes is vital to our performance success. We define our performance framework in the [Fiscal Year 2014-2018 Agency Strategic Plan \(www.socialsecurity.gov/asp\)](http://www.socialsecurity.gov/asp). Our Agency Strategic Plan (ASP) defines our strategic goals and details underlying objectives, strategies, and relevant risks and mitigation plans.

### Our Strategic Goals

- Strategic Goal 1: Deliver Innovative, Quality Services;
- Strategic Goal 2: Strengthen the Integrity of Our Programs;
- Strategic Goal 3: Serve the Public through a Stronger, More Responsive Disability Program;
- Strategic Goal 4: Build a Model Workforce to Deliver Quality Service; and
- Strategic Goal 5: Ensure Reliable, Secure, and Efficient Information Technology Services.

### Our Planned Performance

In February 2015, we published our [Annual Performance Plan for FY 2016, Revised Performance Plan for FY 2015, and Annual Performance Report for FY 2014 \(www.socialsecurity.gov/agency/performance\)](http://www.socialsecurity.gov/agency/performance) as a part of the [President's FY 2016 Budget Request \(www.socialsecurity.gov/budget\)](http://www.socialsecurity.gov/budget). Collectively, we refer to this combined document as our Annual Performance

Report (APR). The APR outlines our tactical plans for achieving the goals and objectives in our ASP and finalizes our performance commitments for FY 2015.

Each September, a draft of the APR accompanies our budget submission to the Office of Management and Budget (OMB). The draft APR provides our priorities and key initiatives for the next two fiscal years, the performance measures we will use to evaluate our success, and our progress to date on current fiscal year commitments. The budgeted workloads published in our APR correspond to the key workload measures contained in the [FY 2015 Operating Plan \(www.socialsecurity.gov/budget/FY15Files/2015OP.pdf\)](http://www.socialsecurity.gov/budget/FY15Files/2015OP.pdf).

## Our Actual Performance and Program Results

We update the APR after the close of the fiscal year to provide performance results for the previous fiscal year. We will issue the final APR, containing our actual FY 2015 results, in February 2016. The final APR will be available on our [Budget Estimates and Related Information website \(www.socialsecurity.gov/budget/\)](http://www.socialsecurity.gov/budget/)

## Our Priorities

In support of the GPRA Modernization Act of 2010, we established four Agency Priority Goals (APG). We routinely review our progress and take actions to improve our outcomes, stimulate innovation, and deliver favorable results.

### Our APGs for FY 2014-FY 2015

- APG 1: Improve access to our services by increasing the number of citizens who complete their business with us online;
- APG 2: Deliver a world-class customer experience by expanding the use of video technology to hold hearings;
- APG 3: Provide the public with access to personalized information by increasing the number of established my Social Security accounts; and
- APG 4: Reduce the percentage of improper payments made under the Supplemental Security Income program.

Our APGs are aggressive 24-month goals and reflect the performance improvement priorities of our executive leadership, as well as those of the Administration. You can find additional information on our APGs performance by visiting [Performance.gov \(www.performance.gov/\)](http://www.performance.gov/).

Established by the GPRA Modernization Act of 2010, Cross-Agency Priority (CAP) goals accelerate progress on presidential priority areas. Multiple agencies actively collaborate to achieve results in these areas.

OMB established CAP goals based on input from Federal agencies and congressional committees. These goals reflect the President's second-term priorities.

There are seven mission-oriented and eight management-focused CAP goals. Each CAP goal has two senior leaders – one within the Executive Office of the President and one within a key delivery agency. The Social Security Administration and OMB co-lead the Customer Service CAP goal.

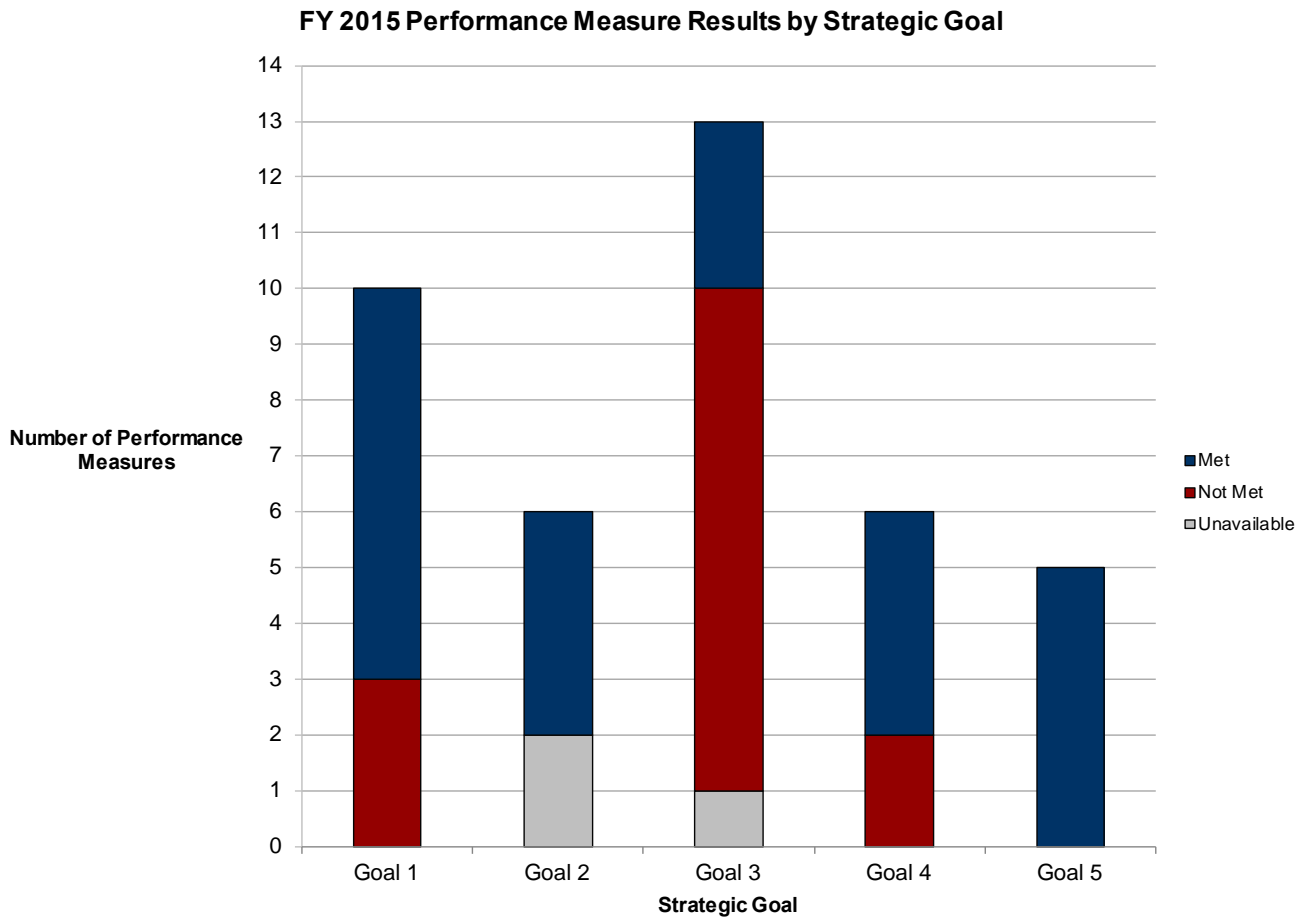
Additional information about CAP goals and our participation in them is available on [Performance.gov \(www.performance.gov/clear\\_goals\)](http://www.performance.gov/clear_goals).

# Summary of Our Fiscal Year 2015 Performance

This summary highlights how our FY 2015 results contribute to achieving our strategic goals and objectives. It also outlines some of the challenges we faced meeting these goals. We base our planned performance targets on our full budget request. If necessary, we adjust our resources accordingly to complete our budgeted workloads and agency goals.

We set aggressive targets for FY 2015. Our targets reflect the level of progress we strive to make, not the progress we know we can easily make. We met our target for 23 of the 36 performance measures with available data. Final data for 3 of our 40 performance measures was not available at the time this report was published. We will include those overall results in our FY 2016 Agency Financial Report.

Below is an assessment of our overall progress by strategic goal in FY 2015:





## Strategic Goal 1: Deliver Innovative, Quality Services

### Strategic Objectives:

- Develop and Increase the Use of Self-Service Options;
- Enhance the Customer Experience by Completing Customers' Business at First Point of Contact;
- Partner with Other Agencies and Organizations to Improve Customers' Experience and Align with the Administration's One-Government Approach; and
- Evaluate Our Physical Footprint to Incorporate Improved Service Options.



### Agency Priority Goals:

- Improve access to our services by increasing the number of citizens who complete their business with us online;
- Deliver world-class customer experience by expanding the use of video technology to hold hearings; and
- Provide the public with access to personalized information by increasing the number of established [my Social Security](#) accounts.

We serve the public through multiple service delivery channels: in-person, via telephone, and online. The following tables present our performance in four of our key performance measures. The first three performance measures are Agency Priority Goals (APG).

### Improve access to our services by increasing the number of citizens who complete their business with us online (APG)

FY 2015 Target	FY 2015 Performance	Target Achieved
77.8 million online transactions	87 million online transactions	Met

#### Historical Performance

Fiscal Year	2010	2011	2012	2013	2014
Performance	13.5 million transactions	16.0 million transactions	21.8 million transactions	46.3 million transactions	70.8 million transactions

We processed over 87 million online transactions in FY 2015. In the past few decades, advances in technology have revolutionized the business world, changing the pace of our business processes and increasing our ability to offer innovative service options. We improved access to our services in FY 2015 by increasing the number of citizens who complete their business with us online by more than 23 percent over FY 2014.

### Deliver a world-class customer experience by expanding the use of video technology to hold hearings (APG)

FY 2015 Target	FY 2015 Performance	Target Achieved
30%	27%	Not Met

#### Historical Performance

Fiscal Year	2010	2011	2012	2013	2014
Performance	20.3%	20.1%	22.8%	26.1%	28.0%

We did not meet our target for FY 2015. Video hearings play a critical role in our disability adjudication process by enabling some claimants to participate in a hearing nearer to their homes. Video hearings allow our administrative law judges (ALJ) to spend less time traveling to hearings and more time hearing and deciding cases. Additionally, we are able to balance our hearings workloads by electronically transferring cases to offices that have shorter wait times. In FY 2015,

we conducted 27 percent of our hearings by video technology. Out of 563,893 hearings, we held 152,880 of those hearings by video.

**Provide the public with access to personalized information by increasing the number of established *my Social Security* accounts (APG)**

FY 2015 Target	FY 2015 Performance	Target Achieved
7.06 million new accounts	6.64 million new accounts	Not Met

**Historical Performance**

Fiscal Year	2010	2011	2012	2013	2014
Performance	Data not available	Data not available	Data not available	6.32 million new accounts	6.14 million new accounts

In FY 2015, we increased the number of customers who sign up for *my Social Security* by 8.14 percent over FY 2014. We did not meet our goal of 7.06 million new accounts. We expanded the services available under *my Social Security* by implementing an online Medicare Replacement Card application in May 2015. We also enhanced the i1099 application in February 2015, allowing beneficiaries to access their Social Security Benefit Statement online. We released the online Social Security Number Replacement Card application in November 2015.

**Maintain high customer satisfaction with our online services**

FY 2015 Target	FY 2015 Performance	Target Achieved
Maintain an average customer satisfaction score of at least 80	84	Met

**Historical Performance**

Fiscal Year	2010	2011	2012	2013	2014
Performance	81	81	82	82	83

One of our highest priorities is delivering world-class customer service to all of our customers, including our online users. We use average ForeSee Customer Satisfaction scores for the Social Security Administration’s online services. According to ForeSee, “a score of 80 or higher is considered to be the threshold for excellence and can only be achieved if the organization is doing an outstanding job of meeting and exceeding citizen expectations.” We exceeded our target for FY 2015.

**Strategic Goal 2: Strengthen the Integrity of Our Programs**

**Strategic Objectives:**

- Transform the Way We Record Earnings to Enhance Data Accuracy;
- Protect the Public’s Data and Provide Secure Online Services; and
- Increase Payment Accuracy.

**Agency Priority Goal:**

- Reduce the percentage of improper payments made under the Supplemental Security Income program.

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We selected the following APG to indicate our progress in strengthening the integrity of our programs:

**Reduce the percentage of improper payments made under the SSI program (APG)**

FY 2015 Target	FY 2015 Performance	Target Achieved
No more than 6.2% of all payments made under the SSI program are improper payments (i.e. overpayments and underpayments)	Data available April 2016	To be determined (TBD)

**Historical Performance**

Fiscal Year	2010	2011	2012	2013	2014
Performance	9.1%	9.1%	8.1%	9.3%	8.5%

Paying the right person, the right amount, at the right time is critical and we take this responsibility very seriously. We are committed to protecting our programs from waste, fraud, and abuse. In FY 2014, our target was to reduce the percentage of improper payments (overpayments and underpayments) to no more than 6.2 percent of all payments made under the SSI program. We did not meet our target for FY 2014. We will receive FY 2015 results in April 2016.

**Strategic Goal 3: Serve the Public Through a Stronger, More Responsive Disability Program**

**Strategic Objectives:**

- Improve the Quality, Consistency, and Timeliness of Our Disability Decisions;
- Maximize Efficiencies throughout the Disability Program; and
- Enhance Employment Support Programs and Create New Opportunities for Returning Beneficiaries to Work.



We continue to balance timeliness with an emphasis on quality and consistency in decision-making. We remain committed to meeting the public’s needs by using technology and tools that are cost effective for the taxpayer and convenient for our customers.

We selected the following performance measures to demonstrate our efforts to serve the public through a stronger, more responsive disability program:

**Ensure the quality of our decisions by achieving the disability determination services decisional accuracy rate for initial disability decisions**

FY 2015 Target	FY 2015 Performance	Target Achieved
97% decisional accuracy	98% decisional accuracy	Met

**Historical Performance**

Fiscal Year	2010	2011	2012	2013	2014
Performance	98% decisional accuracy	98% decisional accuracy	98% decisional accuracy	98% decisional accuracy	98% decisional accuracy

While our customers expect us to make timely decisions, they also expect us to make the right decisions, appropriately and consistently applying our rules and regulations. We have met our target for this measure since FY 2010. In FY 2014, we ensured the quality of our decisions by achieving the disability determination services decisional accuracy rate of 98 percent for initial disability decisions, exceeding our target of 97 percent. In FY 2015, we exceeded our target.

**Increase our ability to provide timely decisions by reducing the percentage of pending Appeals Council requests for review 365 days old or older**

FY 2015 Target	FY 2015 Performance	Target Achieved
80% of cases pending less than 365 days	82% of cases pending less than 365 days	Met

**Historical Performance**

Fiscal Year	2010	2011	2012	2013	2014
Performance	Data not available	Data not available	88% of cases pending less than 365 days	91.1% of cases pending less than 365 days	84% of cases pending less than 365 days

From FY 2007 to FY 2015, our hearings workload increased to record numbers. These increases stem from the record number of initial disability applications we received between FY 2007 through FY 2011, budget constraints, staffing challenges, and the refocused attention on the quality of our hearings decisions. In FY 2015, we exceeded our target.

**Strategic Goal 4: Build a Model Workforce to Deliver Quality Service**

**Strategic Objectives:**

- Attract and Acquire a Talented and Diverse Workforce That Reflects the Public We Serve;
- Strengthen the Competency, Agility, and Performance of Our Workforce to Align with the Needs of the Public;
- Foster an Inclusive Culture that Promotes Employee Well-Being, Innovation, and Engagement; and
- Enhance Planning and Alignment of Human Resources to Address Current and Future Public Service Needs.



The following performance measure demonstrates our efforts to build a model workforce to deliver quality service:

**Maintain status as one of the Top 10 Best Places to Work among large agencies in the Federal Government**

FY 2015 Target	FY 2015 Performance	Target Achieved
Top 10 Rank	Top 10 Ranking	Met

**Historical Performance**

Fiscal Year	2010	2011	2012	2013	2014
Performance	Top 10 Rank	Top 10 Rank	Top 10 Rank	Top 10 Rank	Top 10 Rank

Maintaining our status as one of the top 10 Best Places to Work in the Federal Government is essential to helping us attract, train, and retain exceptional employees. Each year since 2007, our employees have ranked us in the top 10 [Best Places to Work in the Federal Government \(bestplacetowork.org\)](http://bestplacetowork.org). In FY 2015, we ranked number six among large agencies in the Federal Government.

## Strategic Goal 5: Ensure Reliable, Secure, and Efficient Information Technology Services

### Strategic Objectives:

- Maintain System Performance and the Continuity of Information Technology Services
- Enhance and Execute Plans to Modernize Our Systems
- Incorporate Innovative Advances in Service Delivery
- Continuously Strengthen Our Cyber Security Program



We selected the following performance measures to demonstrate our efforts to ensure reliable, secure, and efficient information technology (IT) services:

### **Provide uninterrupted access to our systems during scheduled times of operation**

FY 2015 Target	FY 2015 Performance	Target Achieved
99.5% availability	99.96% availability	Met

### **Historical Performance**

Fiscal Year	2010	2011	2012	2013	2014
<b>Performance</b>	99.84% availability	99.89% availability	99.90% availability	99.96% availability	99.97% availability

We rely on a large and complex technology infrastructure. Our infrastructure includes dual data centers, extensive national databases, hundreds of software applications, large supporting computing platforms, and thousands of networked computers, printers, telephones, and other devices. Maintaining strong IT performance, while meeting rising demands, increasing cyber security risks, and constant industry changes, is vital. Since FY 2012, we have exceeded the target for this measure.

### **Provide secure and effective services to the public by improving cyber security performance**

FY 2015 Target	FY 2015 Performance	Target Achieved
Meet the performance requirements of the Department of Homeland Security's Federal Network Security Compliance and Assurance program and the Cyber Security CAP Goals	We are compliant with all requirements. Hardware Asset Management – result 100% Software Asset Management – result 100% Vulnerability and Weakness Management – result 100% Unprivileged Network Users – result 86% Privileged Network Users – result 99% Anti-Phishing Defense – result 100% Malware Defense – result 100% Blended Defense – result 100%	Met

**Historical Performance**

Fiscal Year	2010	2011	2012	2013	2014
<b>Performance</b>	Data not available	Data not available	Data not available	Homeland Security Presidential Directive 12 Compliance – result 85% Information Security Continuous Monitoring – result 96% Trusted Internet Connections Consolidation – result 100% Trusted Internet Connections 2.0 Capabilities – result 96%	We met 3 out of 4 targets: Homeland Security Presidential Directive 12 Compliance – target 75%; result 87% Information Security Continuous Monitoring – target 95%; result 98% Trusted Internet Connections Consolidation – target 95%; result 100% Trusted Internet Connections 2.0 Capabilities – target 100%; result 94%Rank

Since 2013, we have met the Department of Homeland Security cyber security standards and requirements. We continue to strengthen our information security program to meet the standards and requirements of the Federal Information Security Management Act of 2002, as amended by the Federal Information Security Modernization Act of 2014, by training our employees and implementing effective cybersecurity technologies.

## Our Management and Performance Challenges

As we strive to improve our performance, we face a variety of challenges. Each year the Office of the Inspector General (OIG) identifies what it sees as our top management and performance challenges. In addition, our management identifies challenges, which often overlap with the OIG report.

In fiscal year 2015, OIG identified seven significant challenges facing the Social Security Administration (SSA), summarized below. For additional information, please refer to the [Fiscal Year 2015 Inspector General Statement on SSA's Major Management and Performance Challenges \(http://oig.ssa.gov/audits-and-investigations/audit-work-plans/FY2015\)](http://oig.ssa.gov/audits-and-investigations/audit-work-plans/FY2015).

Below is a listing of the challenges we have collectively identified. To avoid redundancy, the OIG report findings are listed first, since they also reflect challenges our management has identified. Management challenges identified by our leadership follow.

**Improve the Responsiveness and Oversight of the Hearings Process:** While SSA continues focusing on the quality and consistency of hearing decisions, it is facing worsening average processing times and increasing pending hearings.

**Improve the Timeliness and Quality of the Disability Process:** SSA needs to address the receipt of millions of initial disability and reconsideration claims and backlogs of initial disability claims and continuing disability reviews, while also protecting its disability programs from fraud and encouraging beneficiaries to return to work.

**Reduce Improper Payments and Increase Overpayment Recoveries:** SSA is responsible for issuing over \$932 billion in benefit payments, annually, to about 65 million people.<sup>1</sup> Given the amount of overall dollars involved in SSA's payments, even the slightest error in the overall process can result in millions of dollars in overpayments or underpayments.

**Improve Customer Service:** SSA faces several challenges, such as increasing workloads and representative payee oversight, as it pursues its mission to deliver services that meet the public's changing needs.

**Invest in Information Technology Infrastructure to Support Current and Future Workloads:** SSA faces the challenge of determining how best to use technology to accomplish its mission within its budget and resource constraints, while ensuring its information systems are secure and sensitive data are protected.

**Strengthen the Integrity and Protection of the Social Security Number:** Protecting the Social Security number and properly posting the wages reported under Social Security numbers are critical to ensuring eligible individuals receive the full benefits they are due.

**Strengthen Planning, Transparency, and Accountability:** Planning, transparency, and accountability are critical factors in effective management. Failure to plan properly to meet its mission and challenges will lessen the Agency's ability to provide its services efficiently and effectively now and in the future. Similarly, mismanagement and waste as well as a lack of transparency for citizens in Government operations, can erode trust in SSA's ability to tackle the challenges it faces.

Below are additional challenges identified by our leadership.

**Prevent Waste, Fraud, and Abuse:** Waste, fraud and abuse erode the public's trust in our ability to efficiently and effectively provide vital services. Prevention is critical to conserving valuable resources and meeting our mission to meet the changing needs of the public.

**Have Enough Employees with the Right Skills in the Right Place at the Right Time:** Having exceptional employees with the right skills in the right place at the right time is critical to our vision for a superior customer experience and an innovative organization. Employee turnover challenges our ability to develop and retain empowered, knowledgeable, compassionate, and engaged employees.

**Innovate the Future of Service Delivery:** We must innovate the future of service delivery to better serve the American public. We are constantly improving current, and developing new service delivery options. Our customers expect exceptional customer service, regardless of the service delivery option they use to complete their business with us.

**Keep Pace in the Disability Program with Medicine, Technology, and World of Work:** Medicine, technology, and the world of work are constantly evolving. We must keep pace creating a more agile, responsive organization committed to meeting the public's needs and maximizing efficiencies throughout the disability program.

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<sup>1</sup> The figures were updated to reflect FY 2015 data, and differ from the OIG report.

# Summary of Our Financial Information

We received an unmodified audit opinion for the 22<sup>nd</sup> consecutive year on our fiscal year (FY) 2015 financial statements. Our financial statements combined the results from the programs we administer, which include the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) programs (referred to as OASDI when discussing them in combination), and the Supplemental Security Income (SSI) program. OASI and DI have separate funds, which are financed by payroll taxes, interest on investments, and income taxes on benefits. General revenues from the U.S. Treasury finance SSI. The following table presents key amounts from our basic financial statements for FYs 2013 through 2015. Our financial statements, notes, and additional information appear on pages 49 through 106 of our full [FY 2015 Agency Financial Report \(www.socialsecurity.gov/finance\)](#).

## Table of Key Measures<sup>1</sup>

(Dollars in Billions)

### Net Position (end of fiscal year)

	2015	2014	2013
<b>Total Assets</b>	\$2,856.7	\$2,828.9	\$2,799.6
<b>Less Total Liabilities</b>	\$112.4	\$107.1	\$102.0
<b>Net Position (assets net of liabilities)</b>	\$2,744.3	\$2,721.8	\$2,697.6

### Change in Net Position (end of fiscal year)

	2015	2014	2013
<b>Net Costs</b>	\$945.0	\$906.8	\$867.4
<b>Total Financing Sources<sup>2</sup></b>	\$967.5	\$931.1	\$899.9
<b>Change in Net Position</b>	\$22.5	\$24.2	\$32.6

### Statement of Social Insurance Old-Age, Survivors, and Disability Insurance (calendar year basis)

	2015	2014	2013
<b>Present value of future net cashflows<sup>3</sup> for current and future participants over the next 75 years (open group measure), current year valuation</b>	-\$13,440	-\$13,330	-\$12,294
<b>Present value of future net cashflows<sup>3</sup> for current and future participants over the next 75 years (open group measure), prior year valuation</b>	-\$13,330	-\$12,294	-\$11,278
<b>Change in present value</b>	-\$110	-\$1,035	-\$1,016

Notes:

1. Totals do not necessarily equal the sum of rounded components.
2. Total Financing Sources includes both the Total Financing Sources and Total Budgetary Financing Sources lines from the Statement of Changes in Net Position.
3. Future net cashflows are estimated over the appropriate 75-year period.

**Assets:** Of our FY 2015 total assets identified in the Table of Key Measures above, \$2,837.6 billion relates to funds from dedicated collections for the OASI and DI programs. Approximately 98.3 percent of our assets are investments, which increased \$25.4 billion over the previous year.

**Liabilities:** Liabilities grew in FY 2015 by \$5.3 billion, primarily because of the growth in benefits due and payable, which is attributable to the 1.7 percent Cost of Living Adjustment (COLA) provided to beneficiaries as of January 1, 2015,



as well as an increase in the number of OASI beneficiaries. The majority of our liabilities (87.7 percent) consist of benefits that have accrued as of the end of the fiscal year, but have not been paid.

**Net Position:** Our net position grew \$22.5 billion in FY 2015 to \$2,744.3 billion, which is attributable to financing sources in excess of our net cost. At this time, the total of all tax revenues and interest earned continue to exceed benefit payments made to OASDI beneficiaries, keeping the agency’s programs solvent; however, DI’s benefit payments currently exceed its receipts, causing the DI Trust Fund to use its reserves. As a result, DI’s net position has decreased \$29.7 billion from \$47.7 billion to \$18.0 billion.

**Net Cost:** Our total net cost of operations increased \$38.2 billion during FY 2015 to \$945.0 billion, primarily due to the 1.7 percent COLA provided to beneficiaries as of January 1, 2015, as well as an increase in the number of OASI beneficiaries. In FY 2015, our total benefit payment expenses increased by \$37.9 billion, a 4.2 percent increase.

The following table shows our operating expenses by strategic goal.

**FY 2015 Operating Expenses by Strategic Goal  
(Dollars in Millions)**

Strategic Goal	Dollars in Millions
<b>Strategic Goal 1: Deliver Innovative, Quality Services</b>	\$2,710
<b>Strategic Goal 2: Strengthen the Integrity of Our Programs</b>	\$2,007
<b>Strategic Goal 3: Serve the Public through a Stronger, More Responsive Disability Program</b>	\$5,557
<b>Strategic Goal 4: Build a Model Workforce to Deliver Quality Service</b>	\$661
<b>Strategic Goal 5: Ensure Reliable, Secure, and Efficient Information Technology Services</b>	\$1,038

**Social Insurance Information:** The present value of estimated future net cashflows (estimated noninterest income less estimated cost) for all current and future participants over the next 75 years (open group measure) decreased from -\$13.3 trillion, as of January 1, 2014, to -\$13.4 trillion, as of January 1, 2015. The deficit, therefore, increased in magnitude by about \$0.1 trillion. Including the asset reserves in the combined OASI and DI Trust Fund increases this open group measure to -\$10.7 trillion for the 75-year valuation period. Therefore, including the asset reserves decreases the open group measure, in magnitude, by about \$2.8 trillion.

**OASI and DI Trust Fund Solvency:** A trust fund for a program is deemed adequately financed for the short term when actuarial estimates of its asset reserves for the beginning of each calendar year are at least as large as the program’s obligations for the year. Estimates in the 2015 Trustees Report indicate that, on a theoretical combined basis, the OASI and DI Trust Funds are adequately financed over the next 10 years. Under the intermediate assumptions of the 2015 Trustees Report, OASDI estimated cost and income for 2024 are 82 percent and 66 percent higher than the corresponding amounts in 2014 (\$859 billion and \$884 billion, respectively). From the end of 2014 to the end of 2024, asset reserves are projected to decrease by 6 percent, from \$2.8 trillion to \$2.6 trillion. In addition, under those assumptions, the DI Trust Fund asset reserves were expected to deplete at the end of 2016. However, with the passage of the *Bipartisan Budget Act of 2015*, the DI Trust Fund is expected to have sufficient asset reserves to pay full scheduled benefits into 2022.

Social Security’s financing is not projected to be sustainable over the long term with the tax rates and benefit levels scheduled in current law. Program cost will exceed noninterest income in all years of the 75-year projection period. In 2034, the combined OASI and DI Trust Fund asset reserves will be depleted according to the projections by Social Security’s Trustees. Tax revenues are projected to be sufficient to support expenditures at a level of 79 percent of scheduled benefits after the combined OASI and DI Trust Fund depletion in 2034, declining to 73 percent of scheduled benefits in 2089. The primary reasons for the projected long-term inadequacy of financing under current law relate to changes in the demographics of the United States: birth rates dropping substantially after 1965, retirees living longer, and baby boomers approaching retirement. In present value terms, the 75-year shortfall is \$10.7 trillion, which is 2.5 percent of taxable payroll and 0.9 percent of Gross Domestic Product over the same period.

For more information, please see the [2015 Trustees Report \(www.socialsecurity.gov/oact/TR/2015/index.html\)](http://www.socialsecurity.gov/oact/TR/2015/index.html) and our full [FY 2015 Agency Financial Report \(www.socialsecurity.gov/finance\)](http://www.socialsecurity.gov/finance).



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