

# US Social Security funds run out in 17 years: Treasury

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The US government retirement program for the elderly will be exhausted starting in 17 years unless policies are changed, the US Treasury said Thursday.

Social Security, the Depression-era retirement fund, will be exhausted in 2034 under current policy, according to the annual report.

Meanwhile, the Medicare trust fund supporting hospital insurance will be able to pay full benefits only until 2029, a year longer than forecast in 2016.

Social Security and the Medicare health insurance programs together are the largest source of federal spending in the United States. About 50 million Americans receive retirement benefits annually, while 57 million are covered by Medicare.

"Tens of millions of Americans rely on these programs, and it is important that we ensure their long-term stability," Treasury said in a statement.

"A combination of an aging population and tepid economic growth has produced the projected shortfalls for both Social Security and Medicare."

A disability insurance fund under Social Security is projected to be fully funded through 2028, five [years](#) more than last year's estimate.

## To avoid future cuts

While the funds do not face an immediate crisis, officials say lawmakers should act now to prevent problems in the future.

Once the funds are no longer sufficient for full benefits, payouts will be cut. Medicare payouts could be reduced to 88 percent of benefits starting in 2029, if no changes are made to shore up the program.

"The number one way to grow the assets of the trust funds is to grow the economy," Treasury Secretary Steven Mnuchin told reporters.

The Trump administration has proposed slashing taxes to boost growth, expecting that economic growth will make up for lost revenues, something economists say is unrealistic.

Mnuchin questioned as unreliable those forecasts which say the administration's plans could bring a sharp drop in revenues and harm Medicare and Social Security.

"There's no point to look at outside scoring of the president's tax plan since we haven't fully released the president's tax plan," he said.

Mnuchin reiterated that the administration hoped to see tax cuts enacted this year, helping return the US to yearly [growth](#) of three percent or more—a target that Federal Reserve Chair Janet Yellen said Thursday would be "quite challenging" to reach.

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