

TAX POLICY CENTER

Social Security and Medicare Lifetime Benefits and Taxes: 2025

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The report’s calculations are based on a model originally developed at the Urban Institute in 1992. We update the model annually to use the most recent Social Security and Medicare trustees’ demographic and economic assumptions. Many other people have contributed to the model’s development and updates over the years, including Jon Bakija, Gordon Mermin, Adam Carasso, Stephanie Rennane, Caleb Quakenbush, and Erald Kolasi.

Executive Summary

This report presents updated figures in 2025 dollars for the lifetime benefits earned and lifetime taxes paid by hypothetical workers participating in Social Security and Medicare. It allows comparisons across more than a century of past and projected future beneficiaries for individuals who have turned or will turn 65 between 1960 and 2065.

For a single male earning average wages every year and retiring in 2025 at age 65, his lifetime Social Security and Medicare benefits would equal about \$753,000; because of longer expected lives, female adults with the same earnings would receive about \$843,000. A couple with one average earner and one low-wage earner retiring the same year would receive about \$1,461,000. Those amounts rise and fall for other hypothetical households as their incomes rise and fall relative to average wages. Real benefits (that is, adjusted for inflation) are also scheduled to increase significantly for future retirees, rising with real wages in the case of Social Security and with higher health care costs and new health services in the case of Medicare. Relative to retirees in 2025, those benefits will increase by about 80 percent for individuals turning 65 in 2065.

As in our previous reports, lifetime Social Security and Medicare benefits are scheduled to be significantly higher for most workers in future decades than for current and past workers. This is partly because the Medicare component of the federal payroll tax was designed to cover hospital costs but not doctor, outpatient, and other health services costs—and even those hospital costs are beginning to rise well above the revenues required to fund them. More generally, no generation has been asked to provide the dedicated funds necessary to fully cover its benefits under Medicare and Social Security. Nor have these two programs been adequately adjusted to address the costs of longer lifespans or rapidly increasing health care costs.

Given the projected near-term depletion of the Social Security trust fund (expected in 2034) and Medicare hospital insurance trust fund (expected in 2033), these data allow policymakers to visualize how much scheduled lifetime Social Security and health benefits

- increase on a lifetime and annual basis,
- vary among people with different earnings and marriage histories, and
- vary across several decades of retirement cohorts.

They also make clear that reforms could scale back the growth rate of benefit increases and still allow lifetime benefits to increase significantly for each cohort of future retirees.

The tables also reveal how much lifetime Social Security taxes cover the cost of lifetime benefits that each cohort receives and how both benefits and taxes vary among different cohorts and people with different earnings and marriage histories.

Social Security and Medicare Lifetime Benefits and Taxes: 2025

Social Security and Medicare are central to the federal government’s efforts to promote economic security. In 2025, nearly 70 million people received about \$1.5 trillion in benefits from Social Security’s retirement, survivor, and disability programs (Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds 2025). In the same year, Medicare paid benefits totaling more than \$1 trillion on behalf of almost 68 million beneficiaries (Board of Trustees, Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds 2025). The two programs have an enormous social and economic impact, helping fund vital health care and keeping millions of people out of poverty in retirement.

In this report, we show how much hypothetical workers with specific income profiles and workers belonging to different retirement cohorts will receive in lifetime benefits and how much they will pay out in lifetime taxes.

We discourage people from using our data to draw simplistic conclusions about whether individuals got their “money’s worth” out of the current system. Social Security and Medicare, after all, operate primarily as pay-as-you-go systems, meaning that most taxes are not invested but are simply used to pay for benefits for current beneficiaries. In years when the trust funds approach zero, as occurred right before the 1983 reform and is happening now, almost all current tax collections go out immediately to pay current benefits. But even in years when income exceeded expenditures—such as when the baby boom generation was mostly fully employed and had not yet started retiring—the trust fund buildup was only a small percentage of current revenue collections and a tiny fraction of rising liabilities.

Though each generation’s taxes go toward supporting their parents’ and grandparents’ generations, this does not answer the question of what a new generation of retirees is owed by their children’s and grandchildren’s generations of taxpayers. If fewer workers are around to support each retiree, and the goal is to replace the same share of earnings for cohorts of retirees over time, then the tax rate from Social Security or other sources on those children and grandchildren must rise relative to what current and past beneficiaries had to pay. Once mortality and fertility rates change, it is

impossible to hold constant both the share of earnings replaced for each generation and the share of earnings necessary to finance those benefits.

Contrasting scheduled lifetime benefits with taxes, however, does offer a systematic way to compare how the system operates across generations. It can inform understandings of whether different cohorts and types of households are treated fairly and efficiently by the United States' old-age systems, under the existing or any reformed system. It also reveals how each generation might share in any increased burden from the reduced benefits or increased taxes required to financially balance those systems and ensure their continued solvency.

Results and Discussion

The tables in the next section of this report show the expected present value, at age 65, of benefits received in retirement and taxes paid over a career for households with different wage and marriage histories. The underlying data come from the 2025 Social Security and Medicare Trustees Reports and supplemental data published by the Social Security Administration and the Centers for Medicare & Medicaid Services (CMS).

In calculating expected present values, we use gender-adjusted probabilities to account for the chance of death after age 65 and a discount rate of 2 percent plus inflation. This discount rate is above what many private annuities currently pay, but it is close to a long-term real rate of return on bonds.¹ When lifetime Social Security and Medicare benefits exceed lifetime Social Security and Medicare taxes, as is true for most households, the value of benefits from those programs becomes greater than the value of an annuity the household would have been able to purchase with its lifetime taxes.

For Medicare lifetime benefits, we use an alternative 2025 cost scenario from CMS that overrides a “current law” scenario, wherein CMS assumes that Medicare reimbursement rates would decline relative to what private health insurance pays. If Medicare’s reimbursement of health providers falls too low, providers might stop accepting Medicare, which could threaten beneficiaries’ health and financial security. The CMS alternative scenario that we use effectively assumes that policymakers would act to prevent this from happening, as they have done in the past.

Changes from the last analysis we performed in 2023 are modest; the largest adjustment derives from presenting results in 2025 versus 2023 dollars. The COVID-19 pandemic also affected Medicare spending, temporarily raising health care spending on COVID care and reducing spending on non-COVID care—a pattern that is now reversing. Additionally, the Inflation Reduction Act, enacted in

August 2022, has put greater price pressures on future health cost increases. Other changes derive from updated mortality figures and two more years of historic data on the growth in average earnings and inflation.

We project that both real lifetime benefits and taxes will continue to rise for future workers and retirees, although they still vary among households at different income levels, as shown in each table. Benefit growth rates, which are designed to increase with earnings, slowed for people turning 65 after 2002 due to the scheduled increase in the full retirement age, which ends for those turning 67 in 2027. However, gains in life expectancy, wages, and medical costs continue to drive up real lifetime benefits.

The numbers we present are averages for hypothetical workers with specific work and marriage histories and longevity characteristics. Lifetime benefits and taxes experienced by specific households in the economy will vary based on several factors, including earnings patterns, health, and choices about marriage, divorce, children, and retirement. For instance, women have greater average expected lifetime benefits than men with the same earnings profile, stemming from their longer life expectancies.

Many single male adults with average earnings turning 65 in 2025 will receive about \$753,000 in lifetime benefits (table 2). Female adults with the same earnings will receive about \$843,000 in lifetime benefits (table 6). Women's longer life expectancy generates greater average lifetime benefits relative to men with the same earnings. A couple with one earner at average wages and one at low wages will receive about \$1.461 million in lifetime benefits (table 14).

While Social Security annual benefits have grown over time as wages have risen, lifetime Social Security and Medicare benefits reach this level largely because an average individual retiring in 2025 is projected to live close to two decades after reaching age 65 (about 4.6 years longer than the average individual retiring in 1960). The longer-living spouse of a couple, both age 65, will live close to three more decades. The growth in health benefits per household derives from both more years of benefits as individuals live longer and significant real (inflation-adjusted) increases in the levels of services and goods provided over time, along with their related costs.

Under scheduled law, millennials who retire around 2060 are scheduled to receive about 70 percent more benefits than baby boomers who retired in 2025: \$1.311 million for a single male earning an average income (table 2), \$1.433 million for a single female earning an average income (table 6), and \$2.519 million for a dual-earner couple with one spouse earning an average income and one earning a low income (table 14).

Lifetime benefits scheduled for some high-income couples retiring by 2060 exceed \$3.019 million (table 16). In addition, those estimates for higher-income retirees are probably low given our simplifying assumptions of a similar mortality rate for all men and, separately, for all women in given cohorts. After all, mortality rates tend to fall as income rises (Isaacs et al. 2021; Waldron 2007, 2013).

By the same token, the estimates for lower-income earners are probably too high. Unfortunately, we do not have enough data to adjust for mortality by income for the hundred years of cohorts in these tables. However, researchers at the Urban Institute conducted a related study to try to understand the effect of mortality on benefit levels (Steuerle, Cosic, and Quakenbush 2019). See the discussion in the appendix.

As for lifetime Social Security taxes, these too are rising in real terms: lifetime Social Security taxes recently have started to approximate benefits for some households at higher income levels (tables 7 and 16). But lifetime Social Security benefits far exceed lifetime taxes for low earners and single-earner couples (tables 1 and 9).

Lifetime Medicare benefits at all income levels, however, are still far in excess of anything that could be covered by the Medicare or hospital insurance tax component of the payroll tax for all the household examples in this study. At very high income levels, the extra 0.9 percent Medicare tax on earnings and a higher Medicare insurance premium in retirement through the Medicare income related monthly adjustment amount could lead some individuals to pay more in taxes than they receive in benefits.

Because existing revenue shortfalls in Social Security and Medicare must be covered somehow, these tables allow reformers to compare the extent to which benefit cuts and revenue increases within those programs might be allocated across generations and different income groups. While fiscal imbalances in Social Security, Medicare, and the rest of the federal budget may make this schedule of benefits hard to maintain, the numbers reveal substantial room for reformers to provide higher real levels of benefits over time, even if they pare down the growth rate in benefits.

Reform efforts often start by looking at one parameter at a time, such as annual benefits or the benefit rate structure. The advantage of looking at lifetime benefits and taxes together is that it offers a clear, complete picture of the choices being made for any given level of lifetime benefits. Trade-offs become apparent, such as those between more years of benefits or higher annual benefits, more costly health insurance or higher cash benefits, and higher taxes on future workers or lower benefit growth rates for future retirees.

Tables

TABLE 1

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes

Single male with low earnings (\$35,000 in 2025 dollars)

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	8,700	107,000	20,000	127,000	11,000	0	11,000
1965	9,000	118,000	37,000	155,000	19,000	0	19,000
1970	10,400	136,000	52,000	188,000	28,000	1,000	29,000
1975	12,100	151,000	70,000	221,000	41,000	3,000	44,000
1980	13,200	177,000	90,000	267,000	56,000	5,000	61,000
1985	12,500	166,000	113,000	279,000	70,000	9,000	79,000
1990	12,400	173,000	136,000	309,000	87,000	13,000	100,000
1995	13,200	188,000	162,000	350,000	105,000	18,000	123,000
2000	13,400	199,000	186,000	385,000	123,000	24,000	147,000
2005	14,900	226,000	211,000	437,000	141,000	31,000	172,000
2010	15,500	230,000	230,000	460,000	155,000	38,000	193,000
2015	15,400	230,000	254,000	484,000	165,000	43,000	208,000
2020	15,900	244,000	289,000	533,000	174,000	47,000	221,000
2025	15,700	251,000	339,000	590,000	185,000	51,000	236,000
2030	16,300	264,000	385,000	649,000	196,000	54,000	250,000
2035	17,700	289,000	430,000	719,000	205,000	57,000	262,000
2040	19,000	314,000	471,000	785,000	217,000	60,000	277,000
2045	20,200	338,000	509,000	847,000	228,000	63,000	291,000
2050	21,400	363,000	546,000	909,000	240,000	67,000	307,000
2055	22,600	388,000	586,000	974,000	256,000	71,000	327,000
2060	23,800	413,000	629,000	1,042,000	274,000	75,000	349,000
2065	25,200	441,000	675,000	1,116,000	291,000	80,000	371,000

Source: Authors' calculations.

Note: The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 2

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Single male with average earnings (\$72,300 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	13,100	161,000	20,000	181,000	25,000	0	25,000
1965	13,900	181,000	37,000	218,000	41,000	0	41,000
1970	16,200	213,000	52,000	265,000	63,000	2,000	65,000
1975	19,400	243,000	70,000	313,000	92,000	6,000	98,000
1980	22,000	295,000	90,000	385,000	125,000	12,000	137,000
1985	20,700	274,000	113,000	387,000	156,000	20,000	176,000
1990	20,500	285,000	136,000	421,000	193,000	30,000	223,000
1995	21,800	310,000	162,000	472,000	234,000	41,000	275,000
2000	22,200	328,000	186,000	514,000	274,000	53,000	327,000
2005	24,500	372,000	211,000	583,000	312,000	68,000	380,000
2010	25,600	380,000	230,000	610,000	343,000	84,000	427,000
2015	25,400	380,000	254,000	634,000	367,000	95,000	462,000
2020	26,300	403,000	289,000	692,000	386,000	104,000	490,000
2025	25,900	414,000	339,000	753,000	412,000	113,000	525,000
2030	27,000	436,000	385,000	821,000	436,000	120,000	556,000
2035	29,200	477,000	430,000	907,000	456,000	126,000	582,000
2040	31,300	519,000	471,000	990,000	482,000	133,000	615,000
2045	33,300	558,000	509,000	1,067,000	507,000	140,000	647,000
2050	35,300	599,000	546,000	1,145,000	534,000	148,000	682,000
2055	37,300	640,000	586,000	1,226,000	568,000	157,000	725,000
2060	39,300	682,000	629,000	1,311,000	608,000	168,000	776,000
2065	41,500	728,000	675,000	1,403,000	647,000	179,000	826,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 3

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Single male with high earnings (\$115,700 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	14,600	179,000	20,000	199,000	33,000	0	33,000
1965	15,200	199,000	37,000	236,000	52,000	0	52,000
1970	18,300	240,000	52,000	292,000	80,000	3,000	83,000
1975	22,700	285,000	70,000	355,000	118,000	9,000	127,000
1980	27,500	368,000	90,000	458,000	168,000	18,000	186,000
1985	25,900	343,000	113,000	456,000	214,000	30,000	244,000
1990	25,900	362,000	136,000	498,000	271,000	45,000	316,000
1995	27,900	396,000	162,000	558,000	336,000	63,000	399,000
2000	28,800	426,000	186,000	612,000	401,000	83,000	484,000
2005	32,200	489,000	211,000	700,000	469,000	106,000	575,000
2010	33,800	502,000	230,000	732,000	532,000	131,000	663,000
2015	33,700	503,000	254,000	757,000	582,000	151,000	733,000
2020	34,800	533,000	289,000	822,000	618,000	166,000	784,000
2025	34,200	547,000	339,000	886,000	659,000	180,000	839,000
2030	35,700	576,000	385,000	961,000	698,000	191,000	889,000
2035	38,600	631,000	430,000	1,061,000	730,000	201,000	931,000
2040	41,400	686,000	471,000	1,157,000	772,000	213,000	985,000
2045	44,000	738,000	509,000	1,247,000	811,000	225,000	1,036,000
2050	46,700	792,000	546,000	1,338,000	855,000	239,000	1,094,000
2055	49,300	846,000	586,000	1,432,000	910,000	256,000	1,166,000
2060	52,000	902,000	629,000	1,531,000	973,000	277,000	1,250,000
2065	54,900	962,000	675,000	1,637,000	1,036,000	299,000	1,335,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 4

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Single male with maximum taxable earnings (\$176,100 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	14,600	179,000	20,000	199,000	38,000	0	38,000
1965	15,200	199,000	37,000	236,000	57,000	0	57,000
1970	18,300	240,000	52,000	292,000	85,000	3,000	88,000
1975	22,800	285,000	70,000	355,000	124,000	9,000	133,000
1980	27,900	374,000	90,000	464,000	177,000	18,000	195,000
1985	27,100	358,000	113,000	471,000	234,000	35,000	269,000
1990	27,700	387,000	136,000	523,000	314,000	56,000	370,000
1995	30,500	433,000	162,000	595,000	409,000	82,000	491,000
2000	32,200	477,000	186,000	663,000	507,000	111,000	618,000
2005	37,000	563,000	211,000	774,000	616,000	145,000	761,000
2010	39,900	593,000	230,000	823,000	725,000	183,000	908,000
2015	40,700	608,000	254,000	862,000	825,000	216,000	1,041,000
2020	42,300	649,000	289,000	938,000	916,000	247,000	1,163,000
2025	41,700	666,000	339,000	1,005,000	1,002,000	274,000	1,276,000
2030	43,600	703,000	385,000	1,088,000	1,067,000	293,000	1,360,000
2035	47,100	771,000	430,000	1,201,000	1,120,000	310,000	1,430,000
2040	50,600	838,000	471,000	1,309,000	1,183,000	332,000	1,515,000
2045	53,800	903,000	509,000	1,412,000	1,249,000	355,000	1,604,000
2050	57,000	967,000	546,000	1,513,000	1,314,000	380,000	1,694,000
2055	60,100	1,031,000	586,000	1,617,000	1,395,000	409,000	1,804,000
2060	63,400	1,099,000	629,000	1,728,000	1,490,000	444,000	1,934,000
2065	66,900	1,172,000	675,000	1,847,000	1,586,000	482,000	2,068,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 5

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Single female with low earnings (\$32,500 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	8,800	138,000	32,000	170,000	11,000	0	11,000
1965	9,200	157,000	54,000	211,000	19,000	0	19,000
1970	10,600	179,000	74,000	253,000	28,000	1,000	29,000
1975	12,500	196,000	95,000	291,000	41,000	3,000	44,000
1980	13,200	218,000	117,000	335,000	56,000	5,000	61,000
1985	12,500	198,000	141,000	339,000	70,000	9,000	79,000
1990	12,400	203,000	165,000	368,000	87,000	13,000	100,000
1995	13,200	215,000	190,000	405,000	105,000	18,000	123,000
2000	13,400	224,000	213,000	437,000	123,000	24,000	147,000
2005	14,900	253,000	240,000	493,000	141,000	31,000	172,000
2010	15,500	256,000	262,000	518,000	155,000	38,000	193,000
2015	15,400	257,000	291,000	548,000	165,000	43,000	208,000
2020	15,900	273,000	331,000	604,000	174,000	47,000	221,000
2025	15,700	278,000	383,000	661,000	185,000	51,000	236,000
2030	16,300	292,000	433,000	725,000	196,000	54,000	250,000
2035	17,700	319,000	480,000	799,000	205,000	57,000	262,000
2040	19,000	346,000	523,000	869,000	217,000	60,000	277,000
2045	20,200	371,000	563,000	934,000	228,000	63,000	291,000
2050	21,400	397,000	603,000	1,000,000	240,000	67,000	307,000
2055	22,600	423,000	645,000	1,068,000	256,000	71,000	327,000
2060	23,800	450,000	691,000	1,141,000	274,000	75,000	349,000
2065	25,200	478,000	740,000	1,218,000	291,000	80,000	371,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 6

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Single female with average earnings (\$72,300 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	13,300	210,000	32,000	242,000	25,000	0	25,000
1965	14,300	242,000	54,000	296,000	41,000	0	41,000
1970	16,800	282,000	74,000	356,000	63,000	2,000	65,000
1975	20,100	318,000	95,000	413,000	92,000	6,000	98,000
1980	22,000	362,000	117,000	479,000	125,000	12,000	137,000
1985	20,700	328,000	141,000	469,000	156,000	20,000	176,000
1990	20,500	335,000	165,000	500,000	193,000	30,000	223,000
1995	21,800	355,000	190,000	545,000	234,000	41,000	275,000
2000	22,200	370,000	213,000	583,000	274,000	53,000	327,000
2005	24,500	416,000	240,000	656,000	312,000	68,000	380,000
2010	25,600	423,000	262,000	685,000	343,000	84,000	427,000
2015	25,400	425,000	291,000	716,000	367,000	95,000	462,000
2020	26,300	450,000	331,000	781,000	386,000	104,000	490,000
2025	25,900	460,000	383,000	843,000	412,000	113,000	525,000
2030	27,000	482,000	433,000	915,000	436,000	120,000	556,000
2035	29,200	526,000	480,000	1,006,000	456,000	126,000	582,000
2040	31,300	571,000	523,000	1,094,000	482,000	133,000	615,000
2045	33,300	612,000	563,000	1,175,000	507,000	140,000	647,000
2050	35,300	655,000	603,000	1,258,000	534,000	148,000	682,000
2055	37,300	697,000	645,000	1,342,000	568,000	157,000	725,000
2060	39,300	742,000	691,000	1,433,000	608,000	168,000	776,000
2065	41,500	789,000	740,000	1,529,000	647,000	179,000	826,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 7

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Single female with high earnings (\$115,700 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	14,900	235,000	32,000	267,000	33,000	0	33,000
1965	15,700	266,000	54,000	320,000	52,000	0	52,000
1970	19,100	321,000	74,000	395,000	80,000	3,000	83,000
1975	23,900	378,000	95,000	473,000	118,000	9,000	127,000
1980	27,500	453,000	117,000	570,000	168,000	18,000	186,000
1985	25,900	411,000	141,000	552,000	214,000	30,000	244,000
1990	25,900	424,000	165,000	589,000	271,000	45,000	316,000
1995	27,900	455,000	190,000	645,000	336,000	63,000	399,000
2000	28,800	479,000	213,000	692,000	401,000	83,000	484,000
2005	32,200	548,000	240,000	788,000	469,000	106,000	575,000
2010	33,800	560,000	262,000	822,000	532,000	131,000	663,000
2015	33,700	562,000	291,000	853,000	582,000	151,000	733,000
2020	34,800	595,000	331,000	926,000	618,000	166,000	784,000
2025	34,200	606,000	383,000	989,000	659,000	180,000	839,000
2030	35,700	637,000	433,000	1,070,000	698,000	191,000	889,000
2035	38,600	696,000	480,000	1,176,000	730,000	201,000	931,000
2040	41,400	754,000	523,000	1,277,000	772,000	213,000	985,000
2045	44,000	810,000	563,000	1,373,000	811,000	225,000	1,036,000
2050	46,700	866,000	603,000	1,469,000	855,000	239,000	1,094,000
2055	49,300	922,000	645,000	1,567,000	910,000	256,000	1,166,000
2060	52,000	981,000	691,000	1,672,000	973,000	277,000	1,250,000
2065	54,900	1,044,000	740,000	1,784,000	1,036,000	299,000	1,335,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 8

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Single female with maximum taxable earnings (\$176,100 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	14,900	235,000	32,000	267,000	38,000	0	38,000
1965	15,700	266,000	54,000	320,000	57,000	0	57,000
1970	19,100	321,000	74,000	395,000	85,000	3,000	88,000
1975	24,000	379,000	95,000	474,000	124,000	9,000	133,000
1980	27,900	460,000	117,000	577,000	177,000	18,000	195,000
1985	27,100	429,000	141,000	570,000	234,000	35,000	269,000
1990	27,700	453,000	165,000	618,000	314,000	56,000	370,000
1995	30,500	497,000	190,000	687,000	409,000	82,000	491,000
2000	32,200	537,000	213,000	750,000	507,000	111,000	618,000
2005	37,000	630,000	240,000	870,000	616,000	145,000	761,000
2010	39,900	661,000	262,000	923,000	725,000	183,000	908,000
2015	40,700	679,000	291,000	970,000	825,000	216,000	1,041,000
2020	42,300	725,000	331,000	1,056,000	916,000	247,000	1,163,000
2025	41,700	739,000	383,000	1,122,000	1,002,000	274,000	1,276,000
2030	43,600	778,000	433,000	1,211,000	1,067,000	293,000	1,360,000
2035	47,100	850,000	480,000	1,330,000	1,120,000	310,000	1,430,000
2040	50,600	921,000	523,000	1,444,000	1,183,000	332,000	1,515,000
2045	53,800	990,000	563,000	1,553,000	1,249,000	355,000	1,604,000
2050	57,000	1,057,000	603,000	1,660,000	1,314,000	380,000	1,694,000
2055	60,100	1,125,000	645,000	1,770,000	1,395,000	409,000	1,804,000
2060	63,400	1,196,000	691,000	1,887,000	1,490,000	444,000	1,934,000
2065	66,900	1,272,000	740,000	2,012,000	1,586,000	482,000	2,068,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 9

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Married one-earner couple with low earnings (\$32,500 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	13,000	199,000	52,000	251,000	11,000	0	11,000
1965	13,600	224,000	91,000	315,000	19,000	0	19,000
1970	15,500	255,000	127,000	382,000	28,000	1,000	29,000
1975	18,200	281,000	166,000	447,000	41,000	3,000	44,000
1980	19,800	323,000	207,000	530,000	56,000	5,000	61,000
1985	18,800	297,000	253,000	550,000	70,000	9,000	79,000
1990	18,600	306,000	301,000	607,000	87,000	13,000	100,000
1995	19,900	328,000	352,000	680,000	105,000	18,000	123,000
2000	20,100	342,000	399,000	741,000	123,000	24,000	147,000
2005	22,300	386,000	452,000	838,000	141,000	31,000	172,000
2010	23,200	393,000	492,000	885,000	155,000	38,000	193,000
2015	23,100	393,000	545,000	938,000	165,000	43,000	208,000
2020	23,900	417,000	619,000	1,036,000	174,000	47,000	221,000
2025	23,500	425,000	722,000	1,147,000	185,000	51,000	236,000
2030	24,500	447,000	819,000	1,266,000	196,000	54,000	250,000
2035	26,500	488,000	911,000	1,399,000	205,000	57,000	262,000
2040	28,500	530,000	995,000	1,525,000	217,000	60,000	277,000
2045	30,300	568,000	1,072,000	1,640,000	228,000	63,000	291,000
2050	32,100	608,000	1,149,000	1,757,000	240,000	67,000	307,000
2055	33,900	648,000	1,231,000	1,879,000	256,000	71,000	327,000
2060	35,800	690,000	1,320,000	2,010,000	274,000	75,000	349,000
2065	37,800	734,000	1,415,000	2,149,000	291,000	80,000	371,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 10

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Married one-earner couple with average earnings (\$72,300 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	19,700	300,000	52,000	352,000	25,000	0	25,000
1965	20,800	343,000	91,000	434,000	41,000	0	41,000
1970	24,300	399,000	127,000	526,000	63,000	2,000	65,000
1975	29,100	451,000	166,000	617,000	92,000	6,000	98,000
1980	33,000	537,000	207,000	744,000	125,000	12,000	137,000
1985	31,000	491,000	253,000	744,000	156,000	20,000	176,000
1990	30,700	505,000	301,000	806,000	193,000	30,000	223,000
1995	32,700	540,000	352,000	892,000	234,000	41,000	275,000
2000	33,300	565,000	399,000	964,000	274,000	53,000	327,000
2005	36,700	637,000	452,000	1,089,000	312,000	68,000	380,000
2010	38,300	648,000	492,000	1,140,000	343,000	84,000	427,000
2015	38,200	649,000	545,000	1,194,000	367,000	95,000	462,000
2020	39,400	688,000	619,000	1,307,000	386,000	104,000	490,000
2025	38,900	703,000	722,000	1,425,000	412,000	113,000	525,000
2030	40,500	737,000	819,000	1,556,000	436,000	120,000	556,000
2035	43,700	806,000	911,000	1,717,000	456,000	126,000	582,000
2040	47,000	874,000	995,000	1,869,000	482,000	133,000	615,000
2045	49,900	938,000	1,072,000	2,010,000	507,000	140,000	647,000
2050	52,900	1,003,000	1,149,000	2,152,000	534,000	148,000	682,000
2055	55,900	1,069,000	1,231,000	2,300,000	568,000	157,000	725,000
2060	59,000	1,138,000	1,320,000	2,458,000	608,000	167,000	775,000
2065	62,300	1,212,000	1,415,000	2,627,000	647,000	178,000	825,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 11

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Married one-earner couple with high earnings (\$115,700 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	21,900	334,000	52,000	386,000	33,000	0	33,000
1965	22,900	376,000	91,000	467,000	52,000	0	52,000
1970	27,500	452,000	127,000	579,000	80,000	3,000	83,000
1975	34,100	527,000	166,000	693,000	118,000	9,000	127,000
1980	41,200	672,000	207,000	879,000	168,000	18,000	186,000
1985	38,900	616,000	253,000	869,000	214,000	30,000	244,000
1990	38,900	640,000	301,000	941,000	271,000	45,000	316,000
1995	41,900	691,000	352,000	1,043,000	336,000	63,000	399,000
2000	43,200	733,000	399,000	1,132,000	401,000	83,000	484,000
2005	48,400	838,000	452,000	1,290,000	469,000	106,000	575,000
2010	50,700	857,000	492,000	1,349,000	532,000	131,000	663,000
2015	50,500	859,000	545,000	1,404,000	582,000	151,000	733,000
2020	52,100	911,000	619,000	1,530,000	618,000	166,000	784,000
2025	51,300	927,000	722,000	1,649,000	659,000	180,000	839,000
2030	53,500	975,000	819,000	1,794,000	698,000	191,000	889,000
2035	57,800	1,065,000	911,000	1,976,000	730,000	201,000	931,000
2040	62,100	1,155,000	995,000	2,150,000	772,000	213,000	985,000
2045	66,000	1,240,000	1,072,000	2,312,000	811,000	225,000	1,036,000
2050	70,000	1,327,000	1,149,000	2,476,000	855,000	237,000	1,092,000
2055	73,900	1,414,000	1,231,000	2,645,000	910,000	253,000	1,163,000
2060	78,000	1,505,000	1,320,000	2,825,000	973,000	272,000	1,245,000
2065	82,400	1,602,000	1,415,000	3,017,000	1,036,000	292,000	1,328,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 12

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Married one-earner couple with maximum taxable earnings (\$176,100 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	21,900	334,000	52,000	386,000	38,000	0	38,000
1965	22,900	376,000	91,000	467,000	57,000	0	57,000
1970	27,500	452,000	127,000	579,000	85,000	3,000	88,000
1975	34,200	528,000	166,000	694,000	124,000	9,000	133,000
1980	41,900	683,000	207,000	890,000	177,000	18,000	195,000
1985	40,600	642,000	253,000	895,000	234,000	35,000	269,000
1990	41,600	684,000	301,000	985,000	314,000	56,000	370,000
1995	45,800	755,000	352,000	1,107,000	409,000	82,000	491,000
2000	48,300	821,000	399,000	1,220,000	507,000	111,000	618,000
2005	55,600	963,000	452,000	1,415,000	616,000	145,000	761,000
2010	59,800	1,011,000	492,000	1,503,000	725,000	183,000	908,000
2015	61,000	1,038,000	545,000	1,583,000	825,000	216,000	1,041,000
2020	63,500	1,108,000	619,000	1,727,000	916,000	247,000	1,163,000
2025	62,600	1,131,000	722,000	1,853,000	1,002,000	274,000	1,276,000
2030	65,300	1,190,000	819,000	2,009,000	1,067,000	293,000	1,360,000
2035	70,700	1,301,000	911,000	2,212,000	1,120,000	309,000	1,429,000
2040	75,900	1,411,000	995,000	2,406,000	1,183,000	328,000	1,511,000
2045	80,700	1,516,000	1,072,000	2,588,000	1,249,000	350,000	1,599,000
2050	85,500	1,621,000	1,149,000	2,770,000	1,314,000	373,000	1,687,000
2055	90,200	1,725,000	1,231,000	2,956,000	1,395,000	400,000	1,795,000
2060	95,100	1,834,000	1,320,000	3,154,000	1,490,000	433,000	1,923,000
2065	100,400	1,952,000	1,415,000	3,367,000	1,586,000	469,000	2,055,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 13

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Married couple with two low earners (\$65,000 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	17,500	241,000	52,000	293,000	23,000	0	23,000
1965	18,300	274,000	91,000	365,000	37,000	0	37,000
1970	20,900	315,000	127,000	442,000	57,000	2,000	59,000
1975	24,600	348,000	166,000	514,000	83,000	6,000	89,000
1980	26,500	395,000	207,000	602,000	112,000	11,000	123,000
1985	25,000	364,000	253,000	617,000	140,000	18,000	158,000
1990	24,800	375,000	301,000	676,000	174,000	27,000	201,000
1995	26,500	403,000	352,000	755,000	211,000	36,000	247,000
2000	26,900	422,000	399,000	821,000	246,000	48,000	294,000
2005	29,700	478,000	452,000	930,000	281,000	61,000	342,000
2010	31,000	486,000	492,000	978,000	309,000	75,000	384,000
2015	30,800	488,000	545,000	1,033,000	330,000	85,000	415,000
2020	31,800	517,000	619,000	1,136,000	348,000	93,000	441,000
2025	31,400	529,000	722,000	1,251,000	371,000	101,000	472,000
2030	32,700	556,000	819,000	1,375,000	392,000	108,000	500,000
2035	35,300	608,000	911,000	1,519,000	411,000	113,000	524,000
2040	38,000	660,000	995,000	1,655,000	434,000	120,000	554,000
2045	40,400	709,000	1,072,000	1,781,000	456,000	126,000	582,000
2050	42,800	760,000	1,149,000	1,909,000	481,000	133,000	614,000
2055	45,200	810,000	1,231,000	2,041,000	512,000	141,000	653,000
2060	47,700	863,000	1,320,000	2,183,000	547,000	150,000	697,000
2065	50,300	919,000	1,415,000	2,334,000	582,000	159,000	741,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 14

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Married couple with one average earner and one low earner (\$104,800 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	21,900	320,000	52,000	372,000	36,000	0	36,000
1965	23,100	366,000	91,000	457,000	60,000	0	60,000
1970	26,800	426,000	127,000	553,000	92,000	3,000	95,000
1975	31,900	478,000	166,000	644,000	133,000	9,000	142,000
1980	35,200	562,000	207,000	769,000	181,000	18,000	199,000
1985	33,200	514,000	253,000	767,000	226,000	29,000	255,000
1990	32,800	529,000	301,000	830,000	280,000	43,000	323,000
1995	35,100	567,000	352,000	919,000	340,000	59,000	399,000
2000	35,600	593,000	399,000	992,000	397,000	77,000	474,000
2005	39,300	669,000	452,000	1,121,000	453,000	99,000	552,000
2010	41,000	681,000	492,000	1,173,000	498,000	121,000	619,000
2015	40,800	682,000	545,000	1,227,000	532,000	137,000	669,000
2020	42,200	723,000	619,000	1,342,000	560,000	151,000	711,000
2025	41,600	739,000	722,000	1,461,000	597,000	163,000	760,000
2030	43,300	776,000	819,000	1,595,000	632,000	173,000	805,000
2035	46,800	847,000	911,000	1,758,000	661,000	182,000	843,000
2040	50,300	920,000	995,000	1,915,000	699,000	193,000	892,000
2045	53,500	987,000	1,072,000	2,059,000	735,000	203,000	938,000
2050	56,700	1,056,000	1,149,000	2,205,000	775,000	215,000	990,000
2055	59,900	1,126,000	1,231,000	2,357,000	824,000	228,000	1,052,000
2060	63,200	1,199,000	1,320,000	2,519,000	882,000	245,000	1,127,000
2065	66,700	1,276,000	1,415,000	2,691,000	938,000	265,000	1,203,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 15

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Married couple with two average earners (\$144,600 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	26,400	365,000	52,000	417,000	50,000	0	50,000
1965	28,200	422,000	91,000	513,000	83,000	0	83,000
1970	33,000	496,000	127,000	623,000	126,000	4,000	130,000
1975	39,500	562,000	166,000	728,000	184,000	13,000	197,000
1980	44,000	657,000	207,000	864,000	250,000	24,000	274,000
1985	41,400	601,000	253,000	854,000	312,000	39,000	351,000
1990	40,900	620,000	301,000	921,000	387,000	59,000	446,000
1995	43,700	665,000	352,000	1,017,000	469,000	81,000	550,000
2000	44,400	698,000	399,000	1,097,000	547,000	106,000	653,000
2005	49,000	788,000	452,000	1,240,000	625,000	136,000	761,000
2010	51,100	803,000	492,000	1,295,000	687,000	168,000	855,000
2015	50,900	805,000	545,000	1,350,000	734,000	190,000	924,000
2020	52,500	853,000	619,000	1,472,000	772,000	208,000	980,000
2025	51,900	874,000	722,000	1,596,000	824,000	225,000	1,049,000
2030	54,000	918,000	819,000	1,737,000	872,000	239,000	1,111,000
2035	58,300	1,003,000	911,000	1,914,000	912,000	252,000	1,164,000
2040	62,600	1,090,000	995,000	2,085,000	964,000	267,000	1,231,000
2045	66,600	1,171,000	1,072,000	2,243,000	1,014,000	281,000	1,295,000
2050	70,600	1,253,000	1,149,000	2,402,000	1,068,000	299,000	1,367,000
2055	74,600	1,337,000	1,231,000	2,568,000	1,137,000	321,000	1,458,000
2060	78,700	1,424,000	1,320,000	2,744,000	1,217,000	347,000	1,564,000
2065	83,100	1,517,000	1,415,000	2,932,000	1,294,000	378,000	1,672,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 16

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Married couple with one high earner and one average earner (\$188,000 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	27,900	389,000	52,000	441,000	58,000	0	58,000
1965	29,500	445,000	91,000	536,000	94,000	0	94,000
1970	35,100	532,000	127,000	659,000	143,000	5,000	148,000
1975	42,800	617,000	166,000	783,000	211,000	15,000	226,000
1980	49,500	761,000	207,000	968,000	293,000	30,000	323,000
1985	46,600	698,000	253,000	951,000	370,000	49,000	419,000
1990	46,400	724,000	301,000	1,025,000	464,000	75,000	539,000
1995	49,800	781,000	352,000	1,133,000	570,000	103,000	673,000
2000	51,000	826,000	399,000	1,225,000	674,000	136,000	810,000
2005	56,700	942,000	452,000	1,394,000	781,000	174,000	955,000
2010	59,400	962,000	492,000	1,454,000	875,000	215,000	1,090,000
2015	59,100	965,000	545,000	1,510,000	949,000	246,000	1,195,000
2020	61,000	1,022,000	619,000	1,641,000	1,004,000	270,000	1,274,000
2025	60,200	1,044,000	722,000	1,766,000	1,071,000	293,000	1,364,000
2030	62,700	1,097,000	819,000	1,916,000	1,134,000	311,000	1,445,000
2035	67,700	1,199,000	911,000	2,110,000	1,186,000	327,000	1,513,000
2040	72,700	1,302,000	995,000	2,297,000	1,254,000	349,000	1,603,000
2045	77,300	1,398,000	1,072,000	2,470,000	1,318,000	371,000	1,689,000
2050	82,000	1,496,000	1,149,000	2,645,000	1,389,000	398,000	1,787,000
2055	86,600	1,595,000	1,231,000	2,826,000	1,478,000	432,000	1,910,000
2060	91,300	1,699,000	1,320,000	3,019,000	1,582,000	473,000	2,055,000
2065	96,500	1,809,000	1,415,000	3,224,000	1,683,000	518,000	2,201,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

TABLE 17

Expected Present Value of Lifetime Social Security and Medicare Benefits and Taxes*Married couple with two maximum taxable earners (\$352,200 in 2025 dollars)*

Year cohort turns age 65	First-year Social Security benefit	Lifetime Benefits			Lifetime Taxes		
		Social Security	Medicare (net of premiums)	Total	Social Security	Medicare	Total
1960	29,500	408,000	52,000	460,000	75,000	0	75,000
1965	30,900	463,000	91,000	554,000	114,000	0	114,000
1970	37,400	563,000	127,000	690,000	170,000	6,000	176,000
1975	46,800	667,000	166,000	833,000	249,000	17,000	266,000
1980	55,900	835,000	207,000	1,042,000	355,000	37,000	392,000
1985	54,200	787,000	253,000	1,040,000	468,000	69,000	537,000
1990	55,400	840,000	301,000	1,141,000	628,000	113,000	741,000
1995	61,000	929,000	352,000	1,281,000	819,000	164,000	983,000
2000	64,400	1,013,000	399,000	1,412,000	1,015,000	222,000	1,237,000
2005	74,100	1,193,000	452,000	1,645,000	1,232,000	290,000	1,522,000
2010	79,800	1,253,000	492,000	1,745,000	1,449,000	366,000	1,815,000
2015	81,300	1,287,000	545,000	1,832,000	1,649,000	433,000	2,082,000
2020	84,600	1,374,000	619,000	1,993,000	1,831,000	495,000	2,326,000
2025	83,400	1,406,000	722,000	2,128,000	2,004,000	551,000	2,555,000
2030	87,100	1,481,000	819,000	2,300,000	2,134,000	595,000	2,729,000
2035	94,200	1,621,000	911,000	2,532,000	2,240,000	639,000	2,879,000
2040	101,200	1,760,000	995,000	2,755,000	2,366,000	695,000	3,061,000
2045	107,600	1,892,000	1,072,000	2,964,000	2,498,000	759,000	3,257,000
2050	114,000	2,024,000	1,149,000	3,173,000	2,628,000	830,000	3,458,000
2055	120,200	2,156,000	1,231,000	3,387,000	2,789,000	914,000	3,703,000
2060	126,800	2,295,000	1,320,000	3,615,000	2,981,000	1,013,000	3,994,000
2065	133,800	2,444,000	1,415,000	3,859,000	3,173,000	1,122,000	4,295,000

Source: Authors' calculations.**Note:** The calculations assume scheduled benefits are paid after trust fund assets are depleted.

Appendix A. Basic Data and Assumptions

Data

Program rules, economic projections, and mortality assumptions are taken from the 2025 annual reports of the Social Security and Medicare trustees and from supplemental data provided in the Social Security Bulletin and the Centers for Medicare & Medicaid Services actuaries. Our assumptions come from the intermediate cost scenarios provided in the Trustees Reports, except for Medicare benefits as described below.

Work and Earnings Histories

Following Social Security's use of hypothetical workers, individuals start working at age 22 and work continuously until they retire on their 65th birthdays. Their wage levels are set according to the Social Security Administration's national average wage index.² An average worker earns the average wages of all workers as adjusted annually by the national wage index in every year of work. Low-earning workers earn 45 percent of the index, and high-earning workers earn 160 percent of the index each year. A maximum taxable worker earns the maximum taxable wage for Social Security taxes every year.³ The national average wage index was estimated as \$72,300 in 2025. Each hypothetical worker stays at the same earnings level relative to the index in each year, except for the worker earning the maximum taxable wage, which, although indexed currently, has also changed with legislation.

We use the Social Security definition of average wage because of its common use as a standard in many Social Security publications. Many workers have varied labor force participation over their careers, and the average wage is calculated only for people who have earnings for that year. Because many individuals have some years with zero earnings—because of child care, unemployment or other circumstances—they would have lower average lifetime earnings than the person who earned the average wage every year.

We examined this phenomenon in an earlier report (Steuerle, Cosic, and Quakenbush 2019) using the DYNASIM microsimulation model that allowed us to examine the distribution of taxes and benefits for the population. Unfortunately, we have no reliable historical and projected data to

perform that type of analysis over long periods, such as the hundred years included in this report. Accordingly, hypothetical households remain most useful for making like-to-like and easy-to-understand comparisons of people in similar circumstances over a large part of history and the scheduled future. A comparison of results from these two methods in the 2019 report showed that the largest impact of assuming a constant work history and retirement was to overstate lifetime taxes paid, but only modestly overstate lifetime benefits. These differences reflect the fact that Social Security only counts 35 years of earnings in determining retired worker benefits. Furthermore, spousal and survivor benefits are add-ons that require no earnings or taxes by those spouses, nor a reduction in annual benefit by the worker on whose earnings those additional benefits are determined. Therefore, for presentational purposes, we suggest that users of this report consider the couple with one average earner and one low earner to roughly represent lifetime benefits for a typical couple.

Marriage

Spouses in the calculations for couples are assumed to be the same age and to marry at age 24. For the purpose of our analysis, couples are considered to be continuously married throughout their careers and retirement. Therefore, we do not include divorce benefits in the calculation of lifetime benefits. Because real-life spouses often differ by age, our projections of total years of benefit for the same-aged couple will generally be lower than the total years of benefits for couples of different ages. For the same reason, we also modestly understate the years of survivorship and availability of survivor benefits. We also do not include child benefits in these calculations.

Mortality

All individuals are assumed to live to age 65. After age 65, we apply sex-adjusted mortality probabilities to retirees receiving benefits to arrive at expected values of benefits received. These values are derived from cohort life tables provided by the Social Security Administration to the Urban Institute and used in the 2025 Trustees Report. They do not include adjustments for income or other factors; for example, a female worker with high lifetime earnings is assumed to have the same life expectancy as a female worker with low lifetime earnings. However, because women on average have longer life expectancies than men, expected lifetime benefits for women are shown in the report to be higher than for men with identical earnings histories.

Discount Rates

The model applies a 2 percent real (inflation-adjusted) discount rate for both benefits and taxes. A higher discount rate would lead to estimates of higher lifetime taxes and lower lifetime benefits, while a lower discount rate would lead to lower lifetime taxes and higher lifetime benefits. We use the Social Security Administration's historical and projected series for the consumer price index for urban wage earners and clerical workers to adjust all numbers for inflation.

Calculating Lifetime Taxes

Included Taxes

Workers pay payroll taxes every year they earn wages. Calculated lifetime taxes include contributions to the retirement portion of Social Security (OASI) and to the hospital insurance (HI) portion of Medicare, also known as Part A Medicare taxes, also include the 0.9 percent “surtax” (which took effect in 2013) paid by individual workers earning \$200,000 or more and married couples earning more than \$250,000 combined. Congress did not adjust those minimum earnings levels for inflation; still, only a few high earners in the distant future pay the surtax at the earnings levels examined in our study.

By statute, the payroll tax, except for the HI surtax, is split evenly between workers and employers, with each paying 5.3 percent for the OASI tax and 1.45 percent for the HI tax (tax rates varied before 2019).⁴ The combined 6.75 percent rate constitutes most of the 7.65 percent OASDHI (Old-Age, Survivors, Disability, and Hospital Insurance) tax, usually referred to as the Social Security tax, but excludes the 0.9 percent disability portion. A standard economic assumption is that employers pass the employer portion of this payroll tax onto workers in the long run by slowing wage growth or offering fewer fringe benefits. Therefore, we assume that workers pay both the employer and employee shares of the payroll tax.

We do not adjust for the provision, now made permanent in the One Big Beautiful Bill Act (OBBBA) of 2025, allowing a 20 percent deduction for individual income arising from “pass-through” arrangements as partnerships, self-employment, and Subchapter S corporations, because it was designed as a deduction only against income, not Social Security taxes.

Excluded Taxes

We exclude disability insurance payroll taxes because our model does not include calculation of disability insurance benefits. We also exclude the partial income taxation of Social Security benefits, as this would require additional assumptions about people's non-Social Security income after age 65. This income also mingles with other income subject to tax. While the Treasury formally makes transfers to the Social Security trust fund on the liberal assumption that this income gets stacked last at the marginal (not average) tax rate, such an assumption for all government programs would lead to a substantial overstatement of the total tax paid by individuals for all government services and benefits received.

For related reasons, such as how to determine who eventually pays for Social Security and non-Social Security debt, we exclude both transfers from the general fund used to finance non-HI Medicare benefits and any shortfalls in trust fund obligations. Our examples only extend to the maximum per worker Social Security taxable earnings level (\$176,100 in 2025); workers with earnings above that level pay additional HI tax with no corresponding increase in benefits.

Calculating Expected Lifetime Benefits

Social Security Benefits

The model calculates a first-year Social Security benefit based on rules in effect for a cohort at the time of retirement. Because all workers are assumed to retire at age 65, retirees born after 1937 and turning 65 after 2002 receive a phased-in reduction in annual benefits for retiring before the full retirement age. The choice of age 65 as the age of retirement has only a modest effect on the calculation of lifetime benefits for each cohort. That is, the annual penalty reduction for early retirement is designed to be roughly actuarially neutral, so this has only a small effect on lifetime benefits (i.e., the reduction for early retirement roughly offsets the gain from collecting benefits for additional years). In years after age 65, we increase benefits by the cost-of-living adjustment assumed in the Social Security Trustees Report and discount back to age 65 using the 2 percent real discount rate.

Medicare Benefits

To calculate annual Medicare benefits, the model uses average Medicare expenditures per Medicare enrollee for both HI and supplemental medical insurance (parts A, B, and D). As with Social Security lifetime benefits, the stream of Medicare benefits is adjusted for probability of dying each year after age 65 and discounted using the 2 percent real rate back to age 65.

In reality, the distribution of both annual and lifetime Medicare expenditures is highly uneven, though less so in the latter case, with most expenditures in any given year focused on a relatively small number of high-cost people. However, the estimates here should be considered as rough estimates of the insurance cost of Medicare, calculated as the average cost of providing those benefits across the beneficiary population. In addition, average expenditures normally increase with age, as people who are just turning 65 are, on average, healthier than those at more advanced ages. The lifetime value of health benefits would be higher if we had provided an age-adjusted measure of insurance value (Steuerle and Quakenbush 2012).

Medicare Premiums

To account for premiums paid for enrollees in Medicare parts B and D, we subtract average premiums from average Medicare expenditures to calculate benefits net of premiums. Higher premiums for high-income beneficiaries—formally labeled an income-related monthly adjustment amount—are not included here since they generally do not apply to people with incomes at the levels shown. A Medicare beneficiary who pays an income-related monthly adjustment amount in 2025 would have received substantial income from continued work, distributions from their retirement accounts, or other sources that raise the modified adjusted gross income on income tax returns above \$212,000 for couples or \$106,000 for singles.⁵ Over time, more households become subject to income-based premium adjustments because the income thresholds were not indexed to inflation until 2020 and because real wages will rise over time, pushing more households above the thresholds (Cubanski and Neuman 2017).

Medicare Cost Scenario

Lifetime Medicare benefits are estimated using an “illustrative alternative scenario” published by CMS actuaries (Shatto and Clemens 2025). Before the 2015 Trustees Report, the intermediate current law scenario assumed that deep cuts in physician payment rates scheduled in law would take effect, resulting in lower projected Medicare expenditures. In reality, Congress prevented most of these cuts,

which could have resulted in fewer service providers accepting Medicare. The CMS actuaries produce a supplemental analysis with the Medicare Trustees Report each year to illustrate cost effects, assuming that physician payment rates would not be cut and that several other cost-reducing measures, many introduced in the Affordable Care Act, would not be fully implemented. This alternative scenario formed the basis of our updates from 2012 forward.

The Medicare Access and CHIP Reauthorization Act of 2015 introduced a permanent adjustment to the formulas used to calculate physician reimbursement rates so these periodic “doc fixes” would no longer be required. However, the CMS actuaries report that under the new formulas, the reimbursement rate for physicians accepting Medicare will continue to fall over time relative to the reimbursement rate of private insurance, and this decline may not be sustainable over the long run. The actuaries’ illustrative scenario, used here, assumes higher projected Medicare expenditures and, therefore, higher estimated lifetime benefits compared with current law (8.8 percent of GDP under the illustrative alternative, compared with 6.7 percent of GDP by 2099).

Notes

- ¹ Aswath Damodaran, “Historical Returns: Stocks, Bonds & T.Bills with Premiums,” New York University, Stern School of Business, last updated January 1, 2025, <https://www.stern.nyu.edu/~adamodar/pc/datasets/histretSP.xls>.
- ² The national average wage index is available at “The 2025 OASDI Trustees report,” Social Security Administration, <https://www.ssa.gov/oact/cola/AWI.html> and <https://www.ssa.gov/OACT/TR/2025/index.html>, table VI.G6, accessed August 2025.
- ³ Social Security contribution and benefit base (taxable maximum) is available at “2025 OASDI Trustees report: C. Program-Specific Assumptions and Methods,” Social Security Administration, <https://www.ssa.gov/oact/cola/cbb.html> and https://www.ssa.gov/OACT/TR/2025/V_C_prog.html#1047210, accessed August 2025.
- ⁴ Historic OASDI tax rates are available at “Social Security Tax Rates,” Social Security Administration, <https://www.ssa.gov/oact/progdata/oasdiRates.html>, accessed August 2025.
- ⁵ Notice of 2025 Medicare Part B Rates and Amounts, 89 Fed. Reg. 90,002 (Nov. 14, 2024), <https://public-inspection.federalregister.gov/2024-26474.pdf>.

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