

**COMPARISON OF ACTUAL EXPERIENCE UNDER OASDHI SYSTEM WITH  
SHORT-RANGE COST ESTIMATES**

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This is the eighth in a series of notes comparing actual experience under the Old-Age, Survivors, Disability, and Health Insurance system with the short-range cost estimates (for both fiscal and calendar years), which are contained in the annual Trustees Reports. These short-range estimates are based on the assumptions that no legislative changes will be made in the period under consideration and that economic activity will expand, with increases occurring in employment and in earnings rates. Therefore, it should be recognized that these estimates may vary from actual experience to some extent because of changing economic conditions. Statutory changes, changes in reporting and appropriating procedures, and over- or under-appropriation of taxes to the trust funds (which are adjusted subsequently) also may account for some of the differences between actual and estimated experience.

Table 1 presents a comparison of actual experience for calendar year 1969 with the estimates shown in the 1969 Trustees Reports. For the OASI Trust Fund, the estimates of the income items were \$365 million higher than the actual experience, and the estimates of the outgo items were lower than the actual experience by \$62 million. The assets at the end of the calendar year exceeded the estimate by \$415 million. For the DI Trust Fund, income was \$54 million lower than the estimate, and outgo was \$7 million

higher than the estimate, so that the fund at the end of the calendar year was \$61 million lower than the estimate.

For the HI Trust Fund, income for calendar year 1969 was \$37 million lower than the estimate, and outgo was \$179 million higher than the estimate. The balance in the fund at the end of the calendar year was \$158 million lower than estimated. The difference in outgo was due primarily to higher hospital costs and utilization than had been estimated. For the SMI Trust Fund, no new estimates were made for calendar year 1969.

Table 2 presents a comparison of the balances in the trust funds at the end of calendar years 1960-69 with the estimates made at about the beginning of each of the same years. In each year the estimates have been very close to the actual experience, with the greatest variation being for calendar year 1966. Since these estimates are generally made at the beginning of each calendar year, it is to be expected that there would be greater variation than in a fiscal-year comparison (where the estimates project only about 6 months into the future). The 1969 estimates, however, were prepared at the end of 1968, before actual data for 1969 were known. Therefore, the estimates differed from the actual amounts of the balances in the funds at the beginning of 1969, and these differences are necessarily reflected in the balances at the end of the year.

**Table 1**  
**COMPARISON OF PROGRESS OF OASDHI TRUST FUNDS,**  
**CALENDAR YEAR 1969**

<i>Item</i>	<i>Amount (in millions)</i>		<i>Estimate as Percent of Actual</i>
	<i>Actual</i>	<i>Estimate</i>	
OASI Trust Fund			
Contributions <sup>1</sup>	\$28,025	\$28,454	102%
Benefit Payments	24,209	24,165	100
Administrative Expenses	474	479	101
Interest Income	1,165	1,101	95
Transfer to Railroad Retirement	491	468	95
Federal Payment for Special Benefits	364	364	100
Payments for Vocational Rehabilitation Services	1	—	—
Fund at End of Year	30,082	30,497	101
DI Trust Fund			
Contributions <sup>1</sup>	\$3,615	\$ 3,681	102%
Benefit Payments	2,542	2,530	100
Administrative Expenses	137	141	103
Interest Income	177	165	93
Transfer to Railroad Retirement	21	18	86
Payments for Vocational Rehabilitation Services	15	19	127
Fund at End of Year	4,100	4,161	101
HI Trust Fund			
Contributions <sup>2</sup>	\$4,545	\$ 4,599	101%
Benefit Payments	4,739	4,577	97
Administrative Expenses	118	101	86
Interest Income	116	107	92
Reimbursement for Uninsured Persons	617	609	99
Fund at End of Year	2,505	2,663	106
SMI Trust Fund			
Premiums	\$914	s	—
Government Contributions	907	s	—
Benefit Payments	1,865	s	—
Administrative Expenses	196	s	—
Interest Income	18	s	—
Fund at End of Year	199	s	—

<sup>1</sup>Includes transfer from General Fund for military service credits (\$78 million to OASI and \$16 million to DI).

<sup>2</sup>Includes transfers of \$11 million for military service credits from the General Fund and \$61 million from the Railroad Retirement Account.

<sup>3</sup>No comparable estimate was made for the SMI Trust Fund for calendar year 1969.

**Table 2**  
**COMPARISON OF BALANCES IN FUND AT END OF**  
**CALENDAR YEAR, 1960-69**

<i>Calendar</i> <u>Year</u>	<i>Amount (in millions)</i>		<i>Estimate</i> <i>as Percent</i> <i>of Actual</i>
	<u>Actual</u>	<u>Estimate</u>	
OASI Trust Fund			
1960	\$20,324	\$20,203	99.4%
1961	19,725	20,001	101.4
1962	18,337	18,713	102.1
1963	18,480	18,426	99.7
1964	19,125	18,615	97.3
1965	18,235	17,936	98.4
1966	20,570	18,787	91.3
1967	24,222	24,005	99.1
1968	25,704	25,639	99.7
1969	30,082	30,497	101.4
DI Trust Fund			
1960	\$ 2,289	\$ 2,303	100.6%
1961	2,437	2,494	102.3
1962	2,368	2,466	104.1
1963	2,235	2,232	99.9
1964	2,047	2,038	99.6
1965	1,606	1,576	98.1
1966	1,739	1,617	93.0
1967	2,029	2,070	102.0
1968	3,025	2,907	96.1
1969	4,100	4,161	101.5
HI Trust Fund			
1966	\$ 944	\$ 618	65.5%
1967	1,073	*	*
1968	2,083	*	*
1969	2,505	2,663	106.3
SMI Trust Fund			
1966	\$ 122	\$ 223	182.8%
1967	412	288	69.9
1968	421	337	80.0
1969	199	*	*

\* No comparable estimates were made for the HI Trust Fund for calendar years 1967 and 1968 or for the SMI Trust Fund for calendar year 1969.

*Note:* Estimate for 1961 contained in actuarial cost report dated July 10, 1961; estimate for 1965 contained in actuarial cost report dated July 30, 1965; estimates for other years contained in annual Trustees Reports.