RETIREMENT PLANNING WHITE PAPER

Social Security Solvency and Income Planning

What the 2026 Trustees Report means - and why a resilient retirement plan should prepare for more than one outcome.

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Executive Summary

Social Security is not projected to disappear, but the retirement program faces a financing gap under current law. The 2026 Trustees Report projects that the Old-Age and Survivors Insurance (OASI) Trust Fund can pay full scheduled benefits until the fourth quarter of 2032. If Congress made no changes, continuing income at that point is projected to cover about 78% of scheduled OASI benefits.

The combined OASI and Disability Insurance trust funds are projected to pay full scheduled benefits until 2034, with about 83% payable at combined reserve depletion. Congress can change taxes, benefits, retirement ages, or other program rules before those dates, so the projections are not a prediction of a specific benefit cut.

Planning principle

The right decision depends on the household's complete circumstances. Use this guide to identify the questions that should be answered before money is moved, benefits are claimed, or long-term income choices are locked in.

Why this matters for households retiring now

A person retiring in the late 2020s could still be in the early years of retirement when the OASI reserve-depletion date arrives. That does not mean the person should claim early solely because of the Trustees Report. Claiming decisions still depend on longevity, earnings, marital status, survivor needs, taxes, and other income sources.

The practical lesson is diversification of income. A plan that depends on one benefit check can be more vulnerable to legislative changes than a plan that coordinates Social Security with pensions, cash reserves, retirement accounts, and other dependable income sources.

Stress-test instead of predict

A useful planning exercise is to model more than one Social Security scenario. One scenario can use scheduled benefits under current law. Another can test a partial benefit amount, such as 78%, after the projected OASI depletion date. The difference reveals how much additional annual income the household would need from savings or other sources.

A stress test is not a forecast. Its purpose is to identify whether the plan has enough flexibility if future law differs from today's scheduled-benefit assumptions.

What to remember

Retirement planning is a coordination exercise. Taxes, liquidity, market risk, longevity, income guarantees, and survivor needs should be evaluated together rather than one account at a time.

Claiming strategy still matters

The solvency debate does not erase the normal claiming tradeoffs. Starting benefits earlier generally produces smaller monthly payments, while delaying can increase the monthly retirement benefit up to age 70 for those eligible for delayed retirement credits. Spousal and survivor benefits can make the household decision different from an individual break-even calculation.

For married couples, survivor planning is especially important because one Social Security benefit typically ends at the first death, leaving the surviving spouse with the higher eligible benefit rather than both checks.

Build the income plan around ranges, not a single number

Retirement plans work better when they can tolerate changes in taxes, inflation, markets, and government programs. Instead of assuming one precise Social Security outcome, use a range and identify which expenses must be covered even if benefits or taxes change.

The closer a household is to retirement, the more useful it becomes to connect Social Security timing with portfolio withdrawals, required minimum distributions, Medicare-related income thresholds, and survivor income.

Questions to Ask Before You Act

- ✓ What is my current Social Security estimate at several claiming ages?
- ✓ How would the plan change if future benefits were temporarily or permanently lower than scheduled?
- ✓ Which essential expenses are covered by dependable lifetime income?
- ✓ What happens to household income after the first spouse dies?
- ✓ How will IRA withdrawals and taxes interact with Social Security?
- ✓ Is the claiming decision being made from a household plan rather than fear about one projection?

A useful next step

Bring recent statements, plan documents, Social Security estimates, pension information, tax returns when relevant, and your expected monthly spending to a retirement-income review. The goal is to understand what you already own, what the money needs to accomplish, and which risks need to be addressed before a transaction is made.

Schedule a Retirement Income Review

Visit **www.retirementincomesolutionsnc.com** to request a review.

Sources and Further Reading

Social Security Administration - 2026 OASDI Trustees Report - Highlights
https://www.ssa.gov/oact/TR/2026/II_A_highlights.html

Social Security Administration - 2026 Trustees Report Summary
https://www.ssa.gov/oact/trsum/index.html?level=1

Social Security Administration - June 9, 2026 press release
https://www.ssa.gov/news/en/press/releases/2026-06-09.html

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