



SOCIAL SECURITY ADMINISTRATION

Funding Highlights:

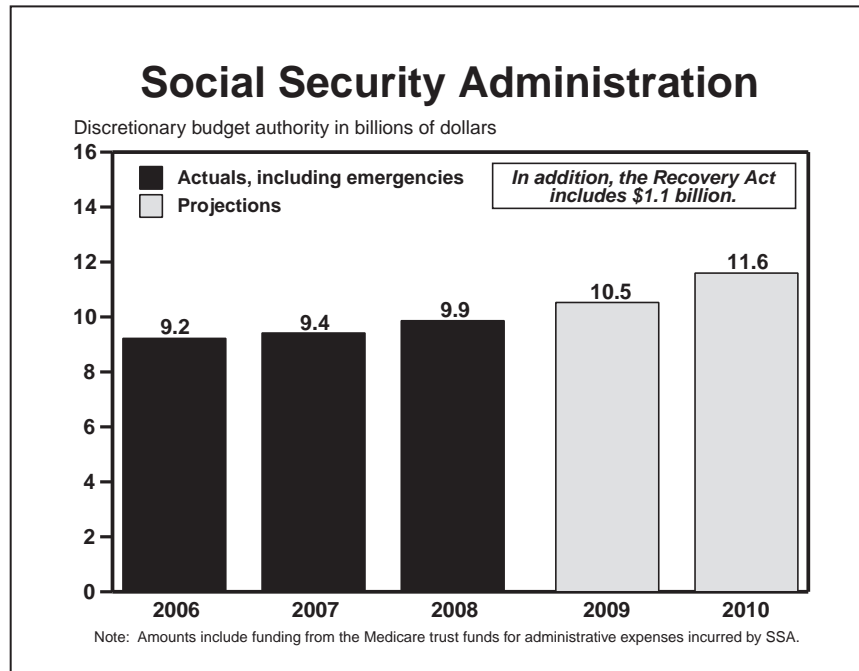
- Provides \$11.6 billion for the Social Security Administration, a 10-percent increase targeted at completing crucial workloads and providing the American public with better service.
- Enables processing of a rising number of retirement and disability claims.
- Provides funding for increasing program integrity efforts to ensure payments are made to the right person and in the correct amount.
- Modernizes rules for evaluating disability.
- Looks forward to working in a bipartisan way to preserve Social Security for future generations.

Protects Social Security. The President recognizes that Social Security is indispensable to workers, the disabled, seniors, and survivors and is probably the most important and most successful program that our country has ever established. Social Security can pay full benefits until 2041. The President is committed to ensuring that Social Security is solvent and viable for the American people, now and in the future. He is strongly opposed to privatizing Social Security and looks forward to working in a bipartisan way to preserve it for future generations.

Provides a 10 Percent Funding Increase to Target Crucial Workloads and Process a Rising Number of Claims for Disability and Retirement Benefits. The Social Security Administration (SSA) is responsible for paying benefits to more than 55 million people each month. Each year, SSA processes more than 4.2 million retirement, survivor, and Medicare claims; 2.6 million disability claims; and over 300,000 Supplemental Security Income (SSI) claims. The Budget proposes \$11.6

billion for SSA, an increase of \$1.1 billion, or 10 percent, above the 2009 likely enacted level of \$10.5 billion. This amount includes resources to ensure increased staffing in 2010 and will allow SSA to increase the level of work processed in key service delivery areas to the American public, such as processing initial retirement and disability claims, and disability appeals. In addition, this amount includes resources to enable SSA to more effectively and efficiently verify hundreds of millions of Social Security Numbers and issue about 18 million Social Security cards.

Significantly Increases Program Integrity Efforts. The President's 2010 Budget provides \$759 million for SSA program integrity that will reverse a decline in these activities. SSA's program integrity efforts will be part of a strong framework for making sure Government is spending tax dollars efficiently and that benefits are paid only to those beneficiaries who are eligible and are paid in the correct amounts. Continuing Disability Reviews ensure that Disability Insurance and



SSI recipients continue to meet the medical criteria. SSI redeterminations ensure that SSI recipients continue to meet the non-medical factors of eligibility.

Restructures the Federal Wage Reporting Process. The President's 2010 Budget proposes to restructure the Federal wage reporting process to increase the frequency with which wages are reported to SSA. Currently,

wages are reported to the Federal Government once a year. Increasing the timeliness of wage reporting would enhance tax administration, improve program integrity for a range of programs, and facilitate implementation of automatic workplace pensions. The Administration will work with the States so that the overall reporting burden on employers is not increased.



SOCIAL SECURITY ADMINISTRATION

Funding Highlights:

- Provides \$12.5 billion for the Social Security Administration, an 8 percent increase, targeted at reducing backlogs and improving service for the American public.
- Expands program integrity efforts to make sure payments are made to the right person and in the right amount.
- Restructures Federal Wage Reporting.

The President believes that all Americans should be able to retire with dignity. He is committed to protecting Social Security and working in a bipartisan manner to preserve its original purpose as a reliable source of income for American seniors. The Social Security Administration (SSA) administers the Old Age, Survivors, and Disability Insurance program and the Supplemental Security Income (SSI) program. In 2009, more than 51 million retired or disabled workers, survivors, and their families received over \$659 billion in benefit payments. Nearly 8 million Americans received SSI benefits totaling \$49 billion.

Protects Social Security. The President recognizes that Social Security is indispensable to workers, people with disabilities, seniors, and survivors and is probably the most important and most successful program that our country has ever established. Based on current forecasts, Social Security can pay full benefits until 2037. The President is committed to making sure that Social Security is solvent and viable for the American people, now and in the future. He is strongly opposed to privatizing Social Security

and looks forward to working in a bipartisan way to preserve it for future generations.

Provides an 8 Percent Funding Increase to Provide Services Faster and Reduce Backlogs. This year, SSA will process almost 5 million retirement, survivor, and Medicare claims; 3.3 million disability claims; and over 326,000 Supplemental Security Income (SSI) aged claims. The Budget proposes \$12.5 billion for SSA, an increase of \$930 million, or (8 percent), above the 2010 enacted level of \$11.6 billion. This amount includes resources to increase staffing in 2011 and will allow SSA to provide services faster with a focus on key service delivery areas, such as processing initial retirement and disability claims, and disability appeals. At the end of 2010, the initial disability claims backlog is expected to reach record highs with over one million people waiting for a decision. This is unacceptable. The 2011 Budget funds SSA to lower the backlog below one million by processing over three million claims. The Budget also allows SSA to continue to reduce the appeals hearing backlog. By hearing approximately 799,000 cases in 2011, the backlog will

fall to 657,000 hearings pending. In addition, the Budget also includes resources to enable SSA to more effectively and efficiently verify hundreds of millions of Social Security Numbers and issue about 19 million Social Security cards.

Increases Significantly Program Integrity Efforts. SSA's program integrity efforts are part of a strong framework for making sure the Government is spending tax dollars efficiently and that benefits are paid only to those beneficiaries who are eligible and are paid in correct amounts. The President's 2011 Budget provides \$796 million for SSA program integrity, including an over 9 percent increase in the level of medical Continuing Disability Reviews over the prior year. Continuing Disability Reviews make sure

that Disability Insurance and SSI recipients continue to meet the medical criteria for those programs.

Restructures the Federal Wage Reporting Process. The President's 2011 Budget proposes to restructure the Federal wage reporting process by reverting to quarterly wage reporting. Currently, wages are reported to the Federal Government once a year. Increasing the timeliness of wage reporting would enhance tax administration, improve program integrity for a range of programs, and facilitate implementation of automatic workplace pensions. The Administration will work with the States so that the overall reporting burden on employers is not increased.

Social Security Administration
(In millions of dollars)

	Actual 2009	Estimate	
		2010	2011
Spending			
Discretionary Budget Authority:			
Limitation on Administrative Expenses (LAE) Base ^{1,2}	10,285	11,281	12,195
Office of Inspector General	100	103	106
Research and Development	28	42	36
Total, Discretionary budget authority	10,413	11,426	12,338
<i>Memorandum:</i>			
Budget authority from American Recovery and Reinvestment Act	1,092	—	—
Total, Discretionary outlays	10,163	11,124	12,142
<i>Memorandum: Outlays from American Recovery and Reinvestment Act ...</i>	165	389	31
Mandatory Outlays:			
Old-age, Survivors, and Disability Insurance	664,732	702,582	729,523
Supplemental Security Income	44,906	47,478	52,761
Special Benefits for Certain World War II Veterans	9	9	8
Offsetting collections	-24,452	-28,006	-30,285
Legislative proposals	—	12,543	569
All other	20,838	24,440	26,889
Total, Mandatory outlays	706,033	759,046	779,465

Social Security Administration—Continued
(In millions of dollars)

	Actual 2009	Estimate	
		2010	2011
<i>Memorandum: Outlays from American Recovery and Reinvestment Act ...</i>	13,079	300	45
Total, Outlays	716,173	770,379	791,681

¹ The LAE account includes funding from the Hospital Insurance and Supplementary Medical Insurance trust funds for services that support the Medicare program, including implementation of Medicare Reform.

² This amount reflects offsetting collections from SSI State Supplemental Fees.



SOCIAL SECURITY ADMINISTRATION

Funding Highlights:

- Provides \$12.5 billion, an increase of \$1 billion above 2010, to keep the President's promise to reduce the backlog of disability claims. To pursue cost savings, the Budget provides resources to more effectively and efficiently process disability reviews and to enhance long-term program integrity.
- Invests in increased program integrity by providing \$938 million, targeted at expanding efforts that ensure the agency makes payments to the right person and in the right amount, in order to generate cost savings.
- Proposes an interagency pilot to improve outcomes for children in the Supplemental Security Income program.
- Proposes a pilot program to explore ways to help disabled Americans return to work.

The Social Security Administration (SSA) administers the Old Age, Survivors, and Disability Insurance program and the Supplemental Security Income (SSI) program. The President believes that all Americans should have the opportunity to retire with dignity. To fund this commitment, the President's Budget includes \$12.5 billion for SSA operations; an increase of \$1 billion above 2010 to keep the President's commitment to reduce the backlog of disability claims. The Budget also reflects the need to find areas for cost savings wherever possible. Accordingly, the Budget includes funding to more effectively and efficiently process thousands of continuing disability reviews to enhance program integrity for long-term savings, and supports disability pilot programs to help ensure that only successful and cost-effective programs are implemented.

Protects Social Security. The President recognizes that Social Security is indispensable to workers, people with disabilities, seniors, and survivors and is probably the most important and most successful program ever established in the United States. Based on current forecasts, Social Security can pay full benefits until 2037. The President is committed to making sure that Social Security is solvent and viable for the American people, now and in the future. He is strongly opposed to privatizing Social Security and looks forward to working in a bipartisan way to preserve it for future generations. The President has laid out six principles for reform, which will guide bipartisan talks on strengthening Social Security in the long term.

Pursues New Ways to Improve Service Delivery

Pilots a Simpler Approach to Disability Work Rules. The Administration proposes a new Disability Insurance Work Incentives Simplification Pilot (WISP) to provide beneficiaries a simpler set of work rules that no longer terminates benefits based solely on earnings. As a result, beneficiaries would have more flexibility to try working when it is best for their needs, without fear of losing their benefits. The Administration also proposes five-year reauthorization of SSA's section 234 demonstration authority for the Disability Insurance program, allowing SSA to test other program innovations. The Administration will work with the Congress to develop a fully offset legislative package for these proposals.

Improves Services for Children with Disabilities. The Administration proposes an interagency pilot, Promoting Readiness of Minors in SSI (PROMISE), to improve outcomes for children in the SSI program. With \$40 million in funding between Department of Education and SSA, the Budget will provide competitive grants to test and evaluate interventions that successfully improve child and family outcomes and result in children leaving the SSI program.

Improves Tax Administration by Restructuring the Federal Wage Reporting Process. The Administration proposes to restructure the Federal wage reporting process by reverting to quarterly wage reporting. Currently, wages are reported to the Federal Government once a year. Increasing the timeliness of wage reporting would enhance tax administration and improve program integrity for a range of programs. The

Administration will work with the States to ensure that the overall reporting burden on employers is not increased.

Reduces the Disability Claims Backlog. Disability programs are at the forefront of the agency's operations. The Budget funds SSA to lower the initial claims backlog to 632,000 by processing over three million claims. By hearing approximately 822,500 cases in 2012, the backlog will fall to 597,000 hearings pending. The wait time for a hearings decision will fall below a year for the first time in a decade. In addition, the Administration will establish a Disability Research Center through the Social Security Administration's research office. This Center will work across agencies and in collaboration with outside researchers to improve the quality of disability research.

Cuts Waste

Steps up Efforts to Reduce Payment Errors and Boost Program Integrity. SSA's program integrity efforts are part of a strong framework for making sure the Government is spending tax dollars efficiently and that SSA pays benefits only to eligible beneficiaries and in the correct amounts. The President's Budget provides \$938 million for SSA program integrity, including an increase of more than 60 percent in the level of medical Continuing Disability Reviews over the prior year. Continuing Disability Reviews make sure that Disability Insurance and SSI recipients continue to meet the medical criteria for those programs. The Budget includes additional processing capacity within the agency devoted to program integrity, which will lead to over \$260 million in further savings.

Social Security Administration

(In millions of dollars)

	Actual 2010	Estimate	
		2011	2012
Spending			
Discretionary Budget Authority:			
Limitation on Administrative Expenses (LAE) Base ¹	11,304		12,358
Office of Inspector General	103		107
Research and Development.....	42		31
Total, Discretionary budget authority.....	11,449	12,169	12,496
<i>Memorandum:</i>			
American Recovery and Reinvestment Act rescission ²	-47	—	—
Total, Discretionary outlays	11,298	12,538	12,506
Mandatory Outlays:			
Old-age, Survivors, and Disability Insurance	700,719	727,617	760,669
Supplemental Security Income ³	47,255	52,720	47,565
Special Benefits for Certain World War II Veterans	8	9	7
Offsetting Collections	-26,313	-106,027	-58,614
Economic Recovery Payments	117	30	—
Legislative proposals.....	—	14,270	-45
All other	22,862	102,354	55,056
Total, Mandatory outlays.....	744,648	790,973	804,638
Total, Outlays	755,946	803,511	817,144

¹ The LAE account includes funding from the Hospital Insurance and Supplementary Medical Insurance trust funds for services that support the Medicare program, including implementation of Medicare Reform.

² Section 318 of P.L. 111-26 rescinded \$47 million from SSA's ARRA funds.

³ This amount does not include the effect of State Supplementation offsetting collections.



SOCIAL SECURITY ADMINISTRATION

Funding Highlights:

- Provides \$11.7 billion in discretionary funding, a slight increase over the 2012 level, to maintain core services to workers, retirees, survivors, and people with disabilities.
- Continues investment in program integrity by providing \$1 billion to ensure benefits are paid to the right person and in the right amount. In particular, the Budget invests in disability reviews that enhance the long-term integrity of the agency's programs.
- Restores the agency's authority to test disability program changes and funds innovative pilots to help improve educational and employment outcomes for Americans with disabilities.
- Cuts waste by improving efficiency and avoiding unnecessary expenditures.

The Social Security Administration (SSA) administers the Old Age, Survivors, and Disability Insurance program and the Supplemental Security Income (SSI) program. The President believes that Social Security is critical to ensuring that all Americans have the opportunity to retire with dignity and that Americans with disabilities do not have to experience economic hardship. To fund this commitment, the President's 2013 Budget includes \$11.7 billion for SSA operations, a slight increase over the 2012 level. It supports disability pilot programs to improve education and employment outcomes for people with disabilities and enhancements to program integrity to cut down on waste, fraud, and abuse.

Protects Social Security for Future Generations

The President recognizes that Social Security is indispensable to workers, retirees, survivors, and people with disabilities and that it is one of the most important and most successful programs ever established in the United States. Although current forecasts maintain the solvency of Social Security paying full benefits until 2036, the President is committed to making sure that Social Security is solvent and viable for the American people, now and in the future. He is strongly opposed to privatizing Social Security and looks forward to working on a bipartisan basis to preserve it for future generations.

Reduces the Disability Appeals Hearing Backlog and Improves Customer Service.

The Budget maintains services to the public, which SSA provides through multiple avenues, including the Internet, over the phone, and in-person at hundreds of local offices. A core function for SSA is processing benefit claims from Americans who apply for Disability Insurance or Supplemental Security programs. While the volume of applicants remains high, the Budget provides sufficient resources to prevent large increases in the length of time that people must wait for a decision about whether they qualify for benefits.

The Budget also provides for SSA to continue its progress in lowering the number of people waiting for a disability appeal hearing. In addition, the agency will continue to increase efficiency by holding hearings via video conference for areas of the country with the most cases and increasing the use of online services. By hearing approximately 960,000 cases in 2013, the average processing time will be reduced to SSA's target level of 270 days in September 2013.

Builds the Evidence Base for Disability Program Improvements.

The Administration proposes five-year reauthorization of SSA's demonstration authority for the Disability Insurance program. This proposal would allow SSA to test a new round of program innovations. One such innovation would be the Work Incentives Simplification Pilot (WISP), which will test changes in the Disability Insurance return-to-work rules, subject to rigorous evaluation protocols. WISP would eliminate current barriers to employment by simplifying the treatment of beneficiary earnings, potentially increasing the number of beneficiaries that seek and sustain employment.

Improves Services for Children with Disabilities.

The Budget supports the continued implementation of the interagency Promoting Readiness of Minors in SSI (PROMISE) pilot, initiated in 2012 to improve outcomes for children in

the SSI program. The Department of Education and SSA, in consultation with the Department of Labor and the Department of Health and Human Services, will provide competitive grants to test and evaluate interventions that successfully improve child and family outcomes and reduce the need for children to remain in the SSI program.

Improves Tax Administration by Restructuring the Federal Wage Reporting Process.

The Administration proposes to restructure the Federal wage reporting process by reverting to quarterly wage reporting. Currently, wages are reported to the Federal Government once a year. Increasing the timeliness of wage reporting would enhance tax administration and improve program integrity for a range of programs. The Administration will work with the States to ensure that the overall reporting burden on employers is not increased.

Steps up Efforts to Reduce Payment Errors and Boost Program Integrity.

The Social Security Administration's program integrity efforts are part of a strong framework for making sure the Government is spending tax dollars efficiently and that SSA pays benefits only to eligible beneficiaries and in the correct amounts.

In 2013, the President's Budget provides \$1 billion for SSA program integrity, including completing over 650,000 medical Continuing Disability Reviews that make sure that Disability Insurance and SSI recipients continue to meet the medical criteria for those programs. The Budget includes additional processing capacity within the agency devoted to program integrity, which will lead to over \$47.9 billion in further savings. The Budget also requests an additional \$140 million in 2012 to fully fund the cap adjustment level of \$623 million, as authorized in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011. This will save an additional \$800 million when compared to the current enacted amount for 2012.

Social Security Administration
(In millions of dollars)

	Actual 2011	Estimate	
		2012	2013
Spending			
Discretionary Budget Authority:			
Limitation on Administrative Expenses (LAE) Base ¹	10,550	10,817	10,840
Office of the Inspector General	102	102	108
Research and Development.....	36	1	41
Total, Discretionary budget authority.....	10,688	10,920	10,989
Discretionary Cap Adjustment: ²			
Program Integrity	484	623	751
Total, Discretionary outlays	11,888	11,678	11,723
Mandatory Outlays:			
Old-age, Survivors, and Disability Insurance	725,121	772,812	820,037
Supplemental Security Income ³	52,681	47,918	54,319
Special Benefits for Certain World War II Veterans	8	6	6
Economic Recovery Payments	17	—	—
Offsetting Collections	-105,338	-80,585	-35,983
All other	101,997	77,322	32,547
Legislative Proposals		—	84
Total, Mandatory outlays	774,486	817,473	871,010
Total, Outlays	786,374	817,473	882,733

¹ The LAE account includes funding, approximately \$2 billion each year, from the Hospital Insurance and Supplementary Medical Insurance trust funds for services that support the Medicare program, including implementation of Medicare Reform. The budget authority total for 2011 includes approximately \$161 million that is misclassified as discretionary rather than mandatory.

² The Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended by the Budget Control Act of 2011, limits—or caps—budget authority available for discretionary programs each year through 2021. Section 251(b)(2) of BBEDCA authorizes certain adjustments to the caps after the enactment of appropriations. Amounts in 2011 are not so designated but are shown for comparability purposes.

³ This amount does not include the effect of State Supplementation of offsetting collections.



SOCIAL SECURITY ADMINISTRATION

Funding Highlights:

- Provides \$12.3 billion in funding for the operations of the Social Security Administration, a seven percent increase over the 2012 enacted level, with the increased funding directed at expanding program integrity investments.
- Establishes a dependable source of funding for Continuing Disability Reviews and Supplemental Security Income Redeterminations, which ensure that only those eligible for benefits receive them and generate significant deficit reduction.
- Proposes reforms to improve Disability Insurance and Supplemental Security Income program integrity and give the agency the authority to test new ways of encouraging and supporting employment for people with disabilities.

The Social Security Administration (SSA) administers the Old Age, Survivors, and Disability Insurance program and the Supplemental Security Income (SSI) program. The President believes that Social Security is critical to ensuring that all Americans have the opportunity to retire with dignity and that Americans with disabilities do not have to experience economic hardship. To fund this commitment, the 2014 Budget includes \$12.3 billion for SSA operations, a seven percent increase over the 2012 enacted level. It supports pilot programs to improve education and employment outcomes for people with disabilities and enhancements to program integrity to cut down on waste, fraud, and abuse.

Protects Social Security for Future Generations

The President recognizes that Social Security is indispensable to workers, retirees, survivors, and people with disabilities and that it is one of the most important and successful programs ever established in the United States. Although current forecasts indicate that Social Security can pay full benefits until 2033, the President is committed to making sure that it is solvent and viable for the American people, now and in the future. He is strongly opposed to privatizing Social Security and looks forward to working in a bipartisan way to preserve it for future generations.

Enhances Program Integrity in Disability Programs and Pilots Pro-Work Interventions

Locks in Savings by Providing Reliable Funding for Program Integrity Work. The Budget proposes to establish a dependable source of mandatory funding for Continuing Disability Reviews (CDRs) and SSI Redeterminations, which ensure that only those eligible for benefits continue to receive them. To date, the annual appropriations process has failed to provide SSA with the resources necessary to conduct scheduled CDRs and Redeterminations. SSA estimates that each additional \$1 spent on CDRs would save the Federal Government \$9, yet SSA has a backlog of 1.3 million overdue CDRs. Compared to continued shortfalls in program integrity funding, this proposal would save \$38 billion over 10 years.

Tests New Ways to Boost Employment. The Budget calls for providing SSA and partner agencies with authority to test innovative techniques to help people with disabilities remain in the workforce. These measures have the potential to achieve long-term improvements in the employment and the quality of life of people with disabilities, while reducing Government expenditures on income support. In addition to providing new authority to test early interventions, the Budget also proposes reauthorization of SSA's demonstration authority for the Disability Insurance (DI) program, allowing SSA to continue to test effective ways to boost employment and support current DI and SSI beneficiaries who are seeking to return to work.

Improves Services for Children with Disabilities. The Budget supports the continued implementation of the interagency Promoting Readiness of Minors in SSI (PROMISE) pilot, initiated in 2012. The Department of Education and SSA, in consultation with the Department of Labor and the Department of Health and Human Services, will provide competitive grants to test and evaluate interventions that successfully improve child and family outcomes and reduce the need for children to remain in the SSI program.

Improves Tax Administration by Restructuring the Federal Wage Reporting Process. The Budget proposes to restructure the Federal wage reporting process by moving from an annual reporting process to quarterly wage reporting. Increasing the timeliness of wage reporting will enhance tax administration and improve program integrity for a range of programs. The Administration will work with States to ensure that the overall reporting burden on employers is not increased. The Budget also proposes to lower the Electronic Wage Reporting Threshold for W-2/3s from 250 employees to 50. The vast majority of employers with between 50 and 250 employees already choose to report electronically.

Maintains Services to the Public. The Budget maintains services to the public, which SSA provides through multiple avenues, including through the Internet, over the phone, and in-person at hundreds of local offices. SSA will continue to handle high volumes of work and focus on providing quality services, while significantly increasing program integrity efforts. The Budget also allows SSA to maintain and improve its information technology systems, which will help SSA be as efficient as possible, saving time not only for the agency, but also for the public.