To the Chief Executive Officer of the
Member and Nonmember Banks in the
Seventh Federal Reserve District:

SUPPLEMENTAL SECURITY INCOME PROGRAM

The enclosed circular, issued by the United States Treasury Department, is a reminder that a new Treasury check will be issued after January 1, 1974, under the Supplemental Security Income Program. This program was announced in our letter dated November 30, 1973.

Payments under this program will be directed to aged, blind, and disabled persons who have been determined eligible for financial assistance. Because of the critical nature of the payments, the Social Security Administration and the Department of the Treasury are expending every effort to expedite the issuance, payment, and where necessary, replacement of these items.

SSI payments will be made with a distinctive color check (yellow) to facilitate expeditious check processing by organizations involved in the payment cycle.

Robert E. Mayo
President
Expeditious Handling of Treasury Checks Issued
Under the New Supplemental Security Income Program

A Supplemental Security Income (SSI) Program was established by the Social Security Amendments of 1972, P.L. 92-603. Effective January 1, 1974, this new Federal program will replace the existing State programs for old-age assistance, aid to the blind, and aid to the permanently and totally disabled. It is estimated that initially about 5.5 million people will receive supplemental security income payments each month.

While the Social Security Administration has the responsibility for the administration of the new SSI Program, the Treasury Department will be responsible for making payments based upon check-issue information furnished by the Social Security Administration. A distinctive color check (yellow) will be used for making SSI payments. The purpose of the distinctive color is to differentiate SSI checks from all other Treasury checks. The unique color was adopted to facilitate expeditious check processing by the various organizations involved in the payment cycle.

The Treasury will implement certain changes in its operating procedures and computer programs to provide for paying and reconciling SSI checks and processing related claims on a priority basis. Arrangements are being made for expeditious processing of these checks through the Federal Reserve Banks and branches and shipment to the Treasurer of the United States by the fastest means available. This will assure that SSI checks will be paid as soon as possible after they have been cashed. The ultimate objective in handling these checks on a priority basis is to permit the earliest possible issuance of replacement or settlement checks.

In addition to the yellow color, the SSI check will have certain other unique distinguishing features, which are designed to facilitate machine processing operations. The checks will bear an "on us" symbol in MICR position 22 and the digit "1" in MICR position 23 of the MICR encoding line at the bottom of the checks. There will be a high punch (12 zone) in card column 2, which will not be in any other Treasury checks. The purpose of these two features is to facilitate internal processing operations to segregate the yellow checks from all other Treasury card checks.

The timely processing of SSI checks and of related non-receipt claims is mandated by the special needs of recipients of these payments. Many of the recipients will be totally dependent on the proceeds of the checks for daily subsistence. It is extremely important for all commercial banks and other financial organizations involved in collecting the proceeds of Treasury checks to process and dispatch the yellow checks on a priority basis.

If there are any questions about the SSI check or the processing arrangements planned for it, interested parties may write to the Operations Planning and Research Staff, Treasury Annex No. 1, Washington, D.C. 20226. The telephone number is 964-5275 or 2525 (area code 202).