



SOCIAL SECURITY
The Commissioner

April 13, 2022

The Honorable Ron Wyden
Chair, Committee on Finance
U.S. Senate
Washington, D.C. 20510

Dear Committee Chair Wyden:

This letter transmits the annual *Report on the Occupational Information System Project*, jointly prepared by the Social Security Administration and the Department of Labor. This report is required per the Joint Statement of Managers accompanying the *Consolidated Appropriations Act, 2012*.

I will keep you informed of our progress annually as we continue to update the occupational information we use to adjudicate claims for disability benefits. If I may be of further assistance, please contact me or your staff may contact Tom Klouda, our Deputy Commissioner for Legislation and Congressional Affairs, at (202) 358-6030.

I am also sending this report to the Senate Committee on Appropriations, the House Committee on Ways and Means, and the House Committee on Appropriations.

Sincerely,

Kilolo Kijakazi, Ph.D., M.S.W.
Acting Commissioner

Enclosure

cc:
The Honorable Mike Crapo



SOCIAL SECURITY
The Commissioner

April 13, 2022

The Honorable Richard Neal
Chair, Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Committee Chair Neal:

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Sincerely,

Kilolo Kijakazi, Ph.D., M.S.W.
Acting Commissioner

Enclosure

cc:

The Honorable Kevin Brady

SOCIAL SECURITY ADMINISTRATION
REPORT ON THE OCCUPATIONAL INFORMATION SYSTEM PROJECT
XXXX, 2022

Why the Social Security Administration Needs Occupational Information

The Social Security Act defines disability as the inability to engage in any substantial gainful activity because of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.¹ The Social Security Administration’s (SSA) adjudicators follow a five-step sequential evaluation process, as defined in SSA’s regulations, to determine whether adult claimants are entitled to or eligible for disability benefits.² To determine whether a claimant meets the definition of disability, SSA’s adjudicators often need to consider whether the claimant is capable of performing either their past relevant work or other work that exists in significant numbers in the national economy (steps four and five of the sequential evaluation process). Therefore, SSA requires occupational information about a claimant’s past work and other work that exists in the national economy to determine whether a claimant can work despite their impairment(s). Adjudicators decide many disability claims at steps four and five of the sequential evaluation process.³

¹ 42 U.S.C. §§ [416\(i\)\(1\)\(A\)](#), [423\(d\)\(1\)](#), and [1382c\(a\)\(3\)\(A\)](#).

² The sequential evaluation process used to evaluate disability can be found in 20 C.F.R. §§ [404.1520](#) and [416.920](#). This definition applies generally only to adult disability claims, but it can be applied in certain limited circumstances to child claims based on disability for children under the age of 18.

³ The 2020 Supplemental Security Income (SSI) Annual Statistical Report shows that for adult claims, from applicants filing in 2016 aged 18 to 64, 33.9 percent of allowances and 62.5 percent of denials were made at steps four and five of the sequential evaluation process. See https://www.ssa.gov/policy/docs/statcomps/ssi_asr/ (Table 73, “Medical and vocational factors considered” and Table 74, “Able to do usual past work” and “Able to do other type of work”).

The 2020 Annual Statistical Report on the Social Security Disability Insurance (SSDI) Program shows that for worker claims initially filed in 2016, 39.2 percent of allowances and 54 percent of denials were made at steps four and five of the sequential evaluation process. See https://www.ssa.gov/policy/docs/statcomps/di_asr/2020/sect04.html (Table 64, “Medical and vocational factors considered” and Table 65, “Able to do usual past work” and “Able to do other type of work”).

Data for the initial and reconsideration levels are current through June 2020. Data for the hearing level or above are current through July 2020. We provided statistics for applications filed in 2016 since a number of applications remain pending for more recent years.

SSA currently uses the Department of Labor's (DOL) Dictionary of Occupational Titles (DOT) as the primary source of occupational information to make determinations and decisions at steps four and five of the sequential evaluation process.⁴ DOL stopped updating the DOT in 1991 and replaced it with the Occupational Information Network (O*NET), a system that was developed as a career exploration tool.⁵ Because O*NET does not measure strength and physical requirements in the way that the DOT does and SSA disability rules require, it is not a replacement for the DOT in SSA's disability adjudication process.

To ensure SSA continues to make accurate disability determinations and decisions, SSA funds the Bureau of Labor Statistics' (BLS) development and administration of the Occupational Requirements Survey (ORS). BLS designed the ORS with input from SSA to meet SSA's disability program needs. SSA plans to continue funding the ORS on an ongoing basis to ensure that the occupational data remain relevant and up to date. SSA intends to use the ORS data, along with specified information from other occupational sources, such as O*NET, the Military Occupational Classification, and BLS' Employment Projections data, to create the Occupational Information System (OIS). The OIS will classify occupations using the Standard Occupational Classification (SOC) system and include data elements relating to requirements of work, such as job-related education, training, and experience; physical, mental, and cognitive demands; and environmental conditions, which SSA needs for disability adjudication.

The OIS will be publicly available and relevant to SSA's disability adjudication needs.

The Occupational Information System Project – Fiscal Years 2012 to 2020

SSA and BLS started collaborating in mid fiscal year (FY) 2012 under an interagency agreement outlining preparations to test whether BLS' existing National Compensation Survey (NCS) platform could be used to collect occupational data for SSA.⁶ In FYs 2013 and 2014, BLS conducted three phases of feasibility testing and found that the NCS platform could be used to develop the ORS. SSA identified the job requirements in the DOT most important to the disability adjudication process, such as strength, other physical requirements, and vocational

⁴ SSA takes administrative notice of the DOT in 20 C.F.R. §§ [404.1566\(d\)\(1\)](#) and [416.966\(d\)\(1\)](#). Adjudicators may also rely on the other sources listed in 20 C.F.R. §§ [404.1566\(d\)](#) and [416.966\(d\)](#).

⁵ See <https://www.onetonline.org/>.

⁶ The NCS is a BLS establishment survey of employee salaries, wages, and benefits. The survey produces the Employment Cost Index (ECI), the Employer Costs for Employee Compensation (ECEC), and employee benefit incidence and provision data. See <https://www.bls.gov/ncs/home.htm>.

requirements, and worked closely with BLS to incorporate these requirements into ORS. During this time, SSA and BLS also developed and started testing survey questions to capture the mental and cognitive requirements of work, which is information the DOT does not contain.

In FY 2015, BLS began a large-scale, nationwide pre-production test of the ORS to prepare for production data collection and later released a small set of test estimates to SSA. SSA and BLS worked together to refine the new mental and cognitive data elements based on the results of pre-production testing. In the summer of 2015, additional ORS testing included direct job observation to help determine the reliability and validity of the data collection methodology. The results showed a high level of inter-rater reliability and relatively high rates of agreement between observed data and data collected through the BLS interview method for most physical demand requirements.⁷ In addition, BLS received clearance from the Office of Management and Budget to begin the first full-production data collection, which began in September 2015. SSA began discussions with stakeholders to develop a web-based information technology (IT) platform called the Vocational Information Tool (VIT) that would filter and display OIS data for adjudicators in support of policy needs.

In FY 2016, BLS completed the first year of an initial three-year production data collection wave (Wave 1) and continued analysis of the pre-production test data to improve collection methods and ensure data quality. In May 2016, BLS began the second year of Wave 1 production data collection. BLS also contracted with an expert on worker skills and job requirements to complete an occupational data shelf-life study.⁸ Based on the study, SSA decided to update the occupational data every five years after the completion of Wave 1.

In FY 2017, BLS completed the second year of production data collection and began collecting the third year of production data for Wave 1. BLS published reference year 2016 estimates from the first year of production data collection, continued improving survey methods, and conducted ongoing validity studies.⁹ SSA analyzed the reference year 2016 estimates to begin considering both policy and regulatory changes that might be necessary prior to OIS implementation and to inform improvements to BLS' sampling methods and survey procedures. SSA and BLS worked to improve the mental and cognitive data elements for use in future wave updates by convening a workgroup to assemble a new set of questions that more concisely defined the mental and cognitive concepts, definitions, and thresholds that SSA needs for adjudication. BLS began

⁷ See <https://www.bls.gov/ors/research/collection/pdf/preproduction-job-observations-report-2015.pdf>.

⁸ See <https://www.bls.gov/ors/research/sample-design/pdf/dynamics-occupational-change-2016.pdf>.

⁹ "Reference year" is a term used to identify a period for a particular set of estimates, and the period does not necessarily correspond with survey data collection. For example, reference year 2016 ORS estimates include one sample of data collected from September 2015-July 2016, whereas reference year 2017 ORS estimates include two samples of data collected from September 2015-July 2017.

testing the revised mental and cognitive questions recommended by the workgroup, which included in-house and field-testing.

In FY 2018, BLS completed the third year of production data collection to conclude Wave 1. BLS published reference year 2017 estimates and finished testing the revised mental and cognitive questions. The testing indicated that the revised questions were yielding promising results, as they were easier for survey respondents to understand and answer. BLS began collecting data for the first year of the new five-year wave update (Wave 2), using a new sample design to better capture information across occupations. This update includes the revised mental and cognitive questions, incorporating revisions based on the FY 2017 and 2018 testing.¹⁰

In FY 2019, BLS published reference year 2018 estimates encompassing Wave 1. The occupations represented in the estimates accounted for 90 percent of civilian workers in the national economy.¹¹ BLS also finished collecting data for the first year and began collecting data for the second year of Wave 2. SSA continued to analyze the published ORS estimates and began extensively analyzing ORS microdata.¹² SSA used the analysis, as well as research on the residual functional capacity (RFC) to assess the feasibility of updating its disability policy.¹³ This work continued in FY 2020 and 2021.

SSA also completed an accelerated product discovery process in support of the VIT development efforts and produced a detailed set of necessary capabilities and a product road map for implementation.

¹⁰ The mental and cognitive data elements that BLS collected during the first two years of Wave 1 will not be used in the OIS. No mental and cognitive data were collected during the third year of Wave 1.

¹¹ As defined for the ORS, civilian workers include individuals employed in private industry and state and local governments. Reference year 2018 estimates include at least one published estimate for 397 O*NET-SOC 2010 detailed occupations.

¹² Microdata are unit-level data obtained from sample surveys, censuses, and administrative systems. They provide information about characteristics of individuals or entities such as households or business enterprises. ORS microdata is comprised of data from each respondent to the survey before it is aggregated, summarized, and published as occupational requirements estimates by BLS. Since 2018, SSA and BLS have had a “Memorandum of Understanding” allowing SSA researchers to access confidential ORS microdata exclusively for statistical purposes to answer BLS-approved research questions.

¹³ RFC describes the most an individual is able to do, despite functional limitations resulting from a medically determinable impairment(s) and impairment-related symptoms. It is an administrative determination of an individual’s capacity to perform work-related physical and mental activities. See 20 C.F.R. §§ [404.1545-1546](#) and [416.945-946](#).

In FY 2020, BLS finished collecting data for the second year of Wave 2 and published preliminary reference year 2019 estimates from the first year of Wave 2. The estimates included the revised mental and cognitive elements of occupations. SSA and BLS held quarterly executive meetings to discuss data collection, SSA measurement needs, and research topics, including small domain estimation and publication criteria. BLS and SSA also collaborated to produce a program development plan that ensures the ORS meets SSA's needs. At the end of FY 2020, BLS began data collection for the third year of Wave 2. SSA activities related to the VIT development included developing functionality that will facilitate matching claimant limitations to ORS requirements. This functionality will assist adjudicators in determining whether work exists in the national economy in significant numbers that an individual can perform.

The Occupational Information System Project – Fiscal Year 2021 and Beyond

In FY 2021, BLS finished collecting data for the third year of Wave 2, began collecting data for the fourth year of Wave 2, and published preliminary reference year 2020 estimates. BLS and SSA executives continued quarterly meetings and reached an agreement on the proposed changes for measurement objectives for the second five-year wave update (Wave 3), with data collection projected to begin in late FY 2023. BLS produced a detailed project plan that specified development activities and timelines for research and testing of the proposed changes. Following measurement development, BLS began testing the proposed new or revised survey questions. SSA also analyzed the ORS Wave 1 and Wave 2 microdata to determine the number of workers in the national economy who fulfill combinations of RFC and Specific Vocational Preparation (SVP) elements; to identify the most prevalent occupations of those workers who met the RFC and SVP combinations; and to evaluate mental and cognitive ORS requirements.¹⁴ The VIT development included upgrading the system's architecture to comply with SSA's new user experience framework, incorporating the latest policy requirements, and conducting detailed user experience testing.

In FY 2022, BLS will finish collecting data for the fourth year of Wave 2, begin collecting data for the fifth and final year of Wave 2, and publish preliminary reference year 2021 estimates. SSA and BLS will assess the results of BLS testing and research on the proposed Wave 3 measurement changes. We will collaborate on the sample design for Wave 3.

¹⁴ SSA defines SVP as the amount of time required to learn the techniques, acquire information, and develop the facility needed for average performance in a specific job-worker situation. See Program Operations Manual System (POMS) § [DI 25001.001A.77](#), effective 11/16/2021.

BLS and SSA developed the following costs based on these plans:

Fiscal Year	Cost¹⁵ (millions)	Project Activities
2012	\$0.4 (actual)	Project planning
2013	\$10.2 (actual)	Initial testing
2014	\$13.1 (actual)	Feasibility testing continues
2015	\$16.5 (actual)	Nationwide pre-production testing
2016	\$21.2 (actual)	Survey production
2017	\$26.3 (actual)	Survey production; IT platform development
2018	\$27.7 (actual)	Survey production; IT platform development
2019	\$29.7 (actual)	Survey production; IT platform development
2020	\$30.5 (actual)	Survey production; IT platform development
2021	\$30.2 (actual)	Survey production
2022	\$39.1 (estimate)	Survey production; IT platform development

SSA and BLS estimate lifecycle costs for the ongoing survey production of Wave 2 to be \$160 million.¹⁶

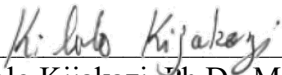
¹⁵ Actual costs (FYs 2012-2021) reflect final SSA research project funding and take into account any funds returned by BLS to SSA. Costs do not include SSA employee salaries.

¹⁶ The lifecycle estimate for survey production for the current Wave 2 update (FYs 2019-2023) reflects FY 2019-2021 actual costs (\$27.5 million, \$28.0 million, and \$30.2 million, respectively), FY 2022 estimated costs (\$36.5 million), and FY 2023 estimated costs (adjusted for expected inflation of five percent).

Signatories

The signatories below certify by their concurrence that the information presented in the OIS report accurately represents the joint efforts of their respective agencies.


Social Security Administration



Kilolo Kijakazi, Ph.D., M.S.W.
Acting Commissioner

April 13, 2022
Date

Bureau of Labor Statistics



William W. Beach
Commissioner

April 13, 2022
Date