

**Annual Report of the
Supplemental Security Income Program**



Social Security Administration

May 2003



SOCIAL SECURITY

The Commissioner

May 30, 2003

President George W. Bush
The White House
Washington, D.C.

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, D.C.

The Honorable Richard B. Cheney
President of the Senate
Washington, D.C.

Gentlemen:

I have the honor of transmitting to you the 2003 Annual Report of the Supplemental Security Income Program (the seventh such report), in compliance with section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

In my commitment to SSA's mission of managing America's social security programs, two of my top goals are: (1) delivering quality citizen-centered service in a timely and efficient manner, and (2) providing accountable stewardship to taxpayers by ensuring superior financial, performance and budget management and integrity in all payments, records and processes. Emphasizing these two goals is particularly important for the SSI program. I hope that the contents of this report will enable you to understand how seriously we take our role in this area.

Sincerely,

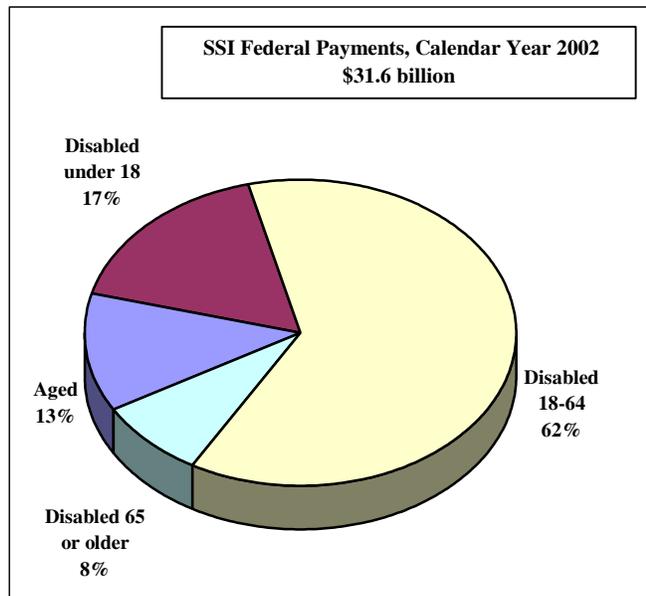
Jo Anne B. Barnhart

EXECUTIVE SUMMARY

In the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), the Congress required the Commissioner of Social Security to report annually to the President and to the Congress on the status of the Supplemental Security Income (SSI) program. A required element of these reports is to provide projections of program participation and costs through at least 25 years. This report is the seventh of such reports, and following are some of its major highlights and findings.

Highlights of the SSI Program

- The SSI program is a nationwide Federal assistance program administered by the Social Security Administration (SSA) that guarantees a minimum level of income for needy aged, blind, or disabled individuals. It acts as a safety net for individuals who have little or no Social Security or other income and limited resources.
- In January 2003, 6.5 million individuals received monthly Federal SSI payments averaging \$381 versus 6.4 million with an average payment of \$374 in January 2002.
- Federal expenditures for cash payments under the SSI program during calendar year 2002 totaled \$31.6 billion, and the cost of administering the SSI program in fiscal year 2002 was \$2.6 billion. The equivalent 2001 amounts were \$30.5 billion and \$2.4 billion, respectively.
- In January 2003, the General Accounting Office (GAO) took the SSI program off its list of programs at high risk for abuse, mismanagement, and overpayment. The SSI program had been included in GAO's list since 1997.
- The Ticket to Work and Self-Sufficiency program, established to provide disabled beneficiaries with vocational rehabilitation, employment, and other support services, was introduced in 33 States and the District of Columbia in 2002 and will be in operation nationwide by January 2004.



Major Findings of the Report

- By 2027, the end of 25-year projection period, the Federal SSI recipient population is estimated to reach 8.4 million. The projected growth in the SSI program over the 25-year period is largely due to the overall growth in the U.S. population. The rate of participation is projected to vary somewhat by age group, with the overall participation of the 65 or older age groups projected to decline and the participation of the under 65 age groups projected to slightly increase.
- Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients remained level at 2.2 percent in 2002, and is projected to grow slightly to 2.33 percent of the population by 2027.

- Federal expenditures for SSI payments in calendar year 2003 are estimated to increase by \$1.5 billion to \$33.1 billion, an increase of 4.7 percent from 2002 levels.
- In constant 2003 dollars, Federal expenditures for SSI payments are projected to increase to \$42.7 billion in 2027, a real increase of 1.1 percent per year.
- When compared to the Gross Domestic Product (GDP), Federal SSI expenditures are projected to decline over time, from the current level of 0.30 percent of GDP in 2002 to 0.25 percent of GDP by 2027.

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I. INTRODUCTION

The Supplemental Security Income (SSI) program was established by Congress in 1972, with payments beginning in January 1974. It is administered by the Social Security Administration (SSA). SSI replaced the former Federal-State programs of Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD) in the 50 States and the District of Columbia. Residents of the Northern Mariana Islands became eligible for SSI in January 1978.

Under the SSI program, each eligible person living in his/her own household and having no other countable income is provided in 2003 a monthly Federal cash payment of \$552 (\$829 for a couple if both members are eligible). Since 1975, these Federal SSI benefit rates have been increased by applying the same cost-of-living adjustment that has been applied to benefits under the Old-Age, Survivors, and Disability Insurance (OASDI) program. In addition to setting a Federal benefit standard, the legislation establishing SSI also permitted individual States to supplement the Federal payment with an additional monthly amount. As described in section III, these State supplementation payments can be either voluntary at the option of the individual States or, in certain cases, mandatory under requirements in effect when the SSI program began.

Under section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the Commissioner of Social Security is required to submit a report on the SSI program to the President and Congress no later than May 30 of each year. This is the seventh annual report on the SSI program. The legislative mandate requires that the report include:

- A comprehensive description of the SSI program;
- Historical and current data relating to (1) claims intake and dispositions at all levels of decision making; (2) demographic information about recipients, including program cost and prior enrollment in other public benefit programs; (3) redeterminations, continuing disability reviews, and utilization of work incentives; (4) administrative costs; and (5) State supplementation program operations;
- 25-year projections of future participation rates and program costs;
- A historical summary of statutory changes to title XVI of the Social Security Act; and
- Summaries of any relevant research on the SSI program by SSA or others.

In addition, the legislation specified that the report may include views of the SSI program by the Social Security Advisory Board.

Much of the required information is the subject of extensive ongoing research. In responding to each of the specific requests for information, every effort has been made to provide the best information available at this time. SSA will continue to make improvements upon such information, in order to provide the President and Congress with the input necessary to effectively manage this important part of our society's social safety net.

II. HIGHLIGHTS

The Supplemental Security Income (SSI) program is a nationwide Federal assistance program administered by the Social Security Administration (SSA) that guarantees a minimum level of income for needy aged, blind, or disabled individuals. This section presents highlights of recent SSI program experience, a summary of important changes to the program in the last year, a discussion of current issues facing the SSI program, and a summary of the key results from the 25-year forecasts.

A. RECENT PROGRAM EXPERIENCE

SSI program experience during the past year included the following:

- During 2002, 1.7 million individuals applied for SSI benefits based on blindness or disability, an increase of 10 percent over 2001. An additional 0.1 million applied for SSI benefits based on age, an increase of 6 percent from 2001.
- On average during calendar year 2002, 6.5 million individuals received Federal SSI benefits on a monthly basis. This group was composed of 1.2 million aged recipients, 5.2 million disabled recipients, and fewer than 0.1 million blind recipients. An estimated 7.3 million aged, blind, or disabled individuals received at least 1 month's Federal SSI benefit during the year.
- Federal expenditures for cash payments under the SSI program during calendar year 2002 totaled \$31.6 billion.
- On average during calendar year 2002, 2.5 million individuals received Federally-administered State supplementary payments on a monthly basis. This group was composed of 0.6 million aged recipients, 1.8 million disabled recipients, and fewer than 0.05 million blind recipients. An estimated 2.8 million individuals received at least 1 month's Federally-administered State supplementary payment during calendar year 2002.
- State expenditures for Federally-administered supplements during calendar year 2002 totaled \$3.8 billion, excluding fees for Federal administration.
- The percentage of SSI recipients participating in direct deposit has more than doubled since 1995, reaching 51 percent in 2002.
- The cost of administering the SSI program in fiscal year 2002 was \$2.6 billion, which was roughly 7 percent of total Federally-administered SSI expenditures.
- In January 2003, 6.8 million individuals received Federally-administered monthly SSI benefits averaging \$411. Of these, 6.5 million received monthly Federal SSI payments averaging \$381, and 2.4 million received monthly State supplementation payments averaging \$128.

B. SSI LEGISLATION SINCE THE 2002 ANNUAL REPORT

Since the 2002 SSI Annual Report was transmitted to the President and Congress on May 30, 2002, there have been no legislative changes enacted that would have a significant effect on Federal expenditures made under the SSI program.

C. CURRENT ISSUES FACING THE SSI PROGRAM

For several years, the current issues section of this report has noted that the stewardship and integrity of the SSI program are primary issues confronting SSA in its responsibility for administering the program.

While stewardship and program integrity remain major issues facing SSI in 2003, progress has been made toward achieving an immediate objective of President Bush's Management Plan to reduce erroneous SSI payments, a goal that SSA fully supports. SSA has a number of ongoing initiatives designed to prevent, identify, and correct erroneous payments, and continues to seek additional ways to protect the integrity of the SSI program. In last year's report, virtually this entire current issues section described SSA's program integrity challenges and successes, and the Corrective Action Plan to improve SSA's administration of the SSI program.

Since last year's report, SSA has implemented a number of initiatives in the Corrective Action Plan. For example, pilot projects have begun in the areas of birth and death on-line verification, monthly wage reporting using touch-tone and voice recognition technology, proof of identity to deter fraud in the disability process, and the use of credit bureau and other public database information to detect unreported income and resources. SSA made a number of enhancements in the area of debt collection including the implementation of automated netting of SSI overpayments and underpayments and the use of credit bureaus and tax refund offsets. Additionally, in order to measure progress of its program integrity initiatives, SSA has developed a new quality assurance system, which will provide SSI program managers with timely data to facilitate quality and accuracy.

The ongoing initiatives and the Corrective Action Plan have paid off. In January 2003, the General Accounting Office (GAO) took the SSI program off its list of programs at high risk for abuse, mismanagement, and overpayment. GAO stated that "SSA has made sufficient progress in improving the financial integrity and management to warrant removing its high-risk designation." GAO went on to say, however, that "sustained management attention is necessary to improve SSI program integrity" and that "SSA also has not addressed a key program vulnerability—program complexity—that is associated with SSI overpayments."

Included in the President's Fiscal Year 2004 Budget are several SSI proposals that would address program integrity and simplification. One provision in the President's Budget would require SSA to review 50 percent of all SSI disability and blindness allowance decisions made for individuals age 18 or older. The reviews, which are virtually the same as reviews already required in the Social Security program, would be conducted before payments are made. These preeffectuation reviews would make the SSI and Social Security programs more consistent, and further improve integrity in the SSI program through increased monitoring to ensure that only eligible individuals receive benefits.

Additional provisions in the President's Fiscal Year 2004 Budget would eliminate the need for counting small amounts of interest and dividend income and income that is received irregularly or infrequently in the SSI means test or benefit computation. These proposals would eliminate triple counting of certain income under retrospective accounting. The proposals also would provide that most compensation to military personnel be treated as earned rather than unearned income, which would reduce the likelihood of errors in eligibility and benefit determination in these cases. Finally, the proposals would allow more generous disregards and modestly increase benefits to most disabled or blind children or spouses of military personnel.

Provisions in the draft "Supplemental Security Income Amendments of 2002," which was sent to Congress on September 26, 2002, would eliminate the dedicated account requirement, make time-limited resource exclusions uniform at 9 months, and exclude gifts for educational expenses to the same extent grants and scholarships are currently excluded.

Admittedly, in the scope of the SSI program, enactment of these proposals would result in only modest program simplification. However, as part of the Corrective Action Plan, SSA is continuing to analyze proposals relating to the much larger issues of wages and in-kind support and maintenance, two areas often

cited as complex and error prone. Intercomponent workgroups overseen by SSA's highest management are working on these issues and plan to have recommendations completed later this year. It is not clear at this point whether the recommendations will include significant legislative or other policy-related proposals.

What has been clear in the larger program simplification effort is the difficulty of reaching consensus on how to achieve the goal of simplification while maintaining benefit adequacy, benefit equity, and program integrity. Over the 29-year life of the SSI program, there have been at least nine major internal and external studies undertaken specifically to determine how best to simplify SSI. Many of the administrative proposals generated by these study groups have been implemented, but none of the legislative recommendations relating to wages or in-kind income have been adopted. The reasons that the agency has not pursued these legislative recommendations for changes in how wages and in-kind income are counted vary according to the specific features of the proposals. However, it can be said generally that each of the proposals would either significantly increase program expenditures or reduce individuals' benefits.

Notwithstanding the inability to achieve significant program simplification in the past, SSA continues to search for ways in which complex policies might be simplified at reasonable cost and without disadvantaging applicants and recipients or sacrificing program integrity. SSA will look for ideas from within and outside the agency, including Social Security field office personnel, the Social Security Advisory Board, Congress, SSI recipients, and advocates for the aged, blind, and disabled. It is recognized that more efficient and effective administration of SSI leads to more public confidence in the program, which makes it easier for eligible aged, blind, and disabled individuals to access the benefits to which they are entitled.

SSA is one of the 18 Federal agencies that are members of the United States Interagency Council on Homelessness. SSA has a long history of providing service to the American public that includes access to the programs it administers by the homeless population. SSA is committed to supporting the President's initiative to end homelessness within 10 years. To this end, SSA's fiscal year 2003 appropriation includes \$8 million to conduct outreach to the homeless and other under-served populations. In developing plans for this outreach effort, SSA reviewed the evaluations of significant outreach efforts conducted during the 1990s, and met with leaders of national homeless advocacy organizations and members of the interagency council. SSA plans to prepare a Federal Register notice this summer that announces plans to fund cooperative agreements aimed at reaching potentially eligible homeless individuals. The notice will solicit proposals to help homeless people, including adults, children, and youth with disabilities who have difficulty navigating the disability application process, and will describe agency initiatives including the reduction of disability determination processing times and improvements in service quality.

D. KEY RESULTS FROM THE 25-YEAR FORECASTS

The major findings in the 25-year forecasts prepared for this report are summarized below:

- Following small declines in the SSI recipient population in the late 1990s due to the combined impact of Public Law 104-121 and Public Law 104-193, modest growth in the SSI rolls resumed in 2000, and is expected to continue throughout the projection period largely due to the growth in the U.S. population. By 2027, the Federal SSI recipient population is estimated to reach 8.4 million. Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients is projected to grow slightly from 2.18 percent of the population in 2002 to 2.33 percent by 2027.
- Federal expenditures for SSI payments in calendar year 2003 are estimated to increase by \$1.5 billion to \$33.1 billion, an increase of 4.7 percent from 2002 levels. In constant 2003 dollars, SSI program outlays are projected to increase to \$42.7 billion in 2027, a real increase of 1.1 percent per year.
- Furthermore, when compared to the Gross Domestic Product (GDP), Federal SSI expenditures are projected to decline over time, from the current level of 0.30 percent of GDP in 2002 to 0.25 percent of GDP by 2027.

III. THE SUPPLEMENTAL SECURITY INCOME PROGRAM

This section presents a brief history and comprehensive description of the SSI program. This section also includes information on the administration of the program and coordination with other programs.

A. BACKGROUND

Federal entitlement programs for the aged, blind, or disabled have their roots in the original Social Security Act of 1935. That Act established an old-age social insurance program to be administered by the Federal Government and an old-age means-tested assistance program to be administered by the States. Similar programs for the blind or disabled were added to the Act in later years. Means-tested assistance provided a safety net for individuals who were either ineligible for Social Security or whose benefits could not provide a basic level of income.

This means-tested assistance comprised three separate programs—Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD). Despite substantial Federal financing, these programs were essentially State programs. Federal law established only broad guidelines and assistance. Federal financing was open-ended in the sense that the Federal Government would provide matching funds to support whatever payment levels the States established, with no maximum or minimum standards. Consequently, each State was responsible for setting its own standards for determining who would get assistance and how much they would receive.

Beginning in the early 1960s, this State-operated, Federally-assisted welfare system drew criticism that was directed at the “crazy quilt” eligibility requirements and payment levels. Other criticism centered on specific requirements, such as lien laws and provisions that required certain relatives to bear responsibility for the maintenance of needy family members.

Responding to these concerns, Congress passed and the President approved the SSI program in 1972, reversing the Federal and State roles with regard to adult assistance. Under the new arrangement, SSI would provide a uniform Federal income floor while optional State programs supplemented that floor. The new program was historic in that it shifted from the States to the Federal Government the responsibility for determining who would receive assistance and how much assistance they would receive.

B. THE BASIC PLAN

The main objective of the SSI program is to provide the basic cash support of needy aged, blind, or disabled individuals. Congress designed the SSI program based on the following principles:

- Eligibility requirements and benefit standards that are nationally uniform and eligibility determinations based on objective criteria;
- An assistance source of last resort for the aged, blind, or disabled whose income and resources are below specified levels;
- Incentives and opportunities for those recipients able to work or to be rehabilitated that would enable them to reduce their dependency on public assistance;
- An efficient and economical method of providing assistance;
- Inducements to encourage States to provide supplementation of the basic Federal benefit and protection for former recipients of State adult assistance programs who were converted to the SSI program; and

- Appropriate coordination of the SSI program with the food stamp, medical assistance, and other programs.¹

C. UNIFORM STANDARDS AND OBJECTIVE CRITERIA

Prior to the SSI program, the eligibility of aged, blind, or disabled individuals for Federally-funded adult assistance depended on the State in which they lived. Benefit amounts varied from State to State. The SSI program replaced the State-run programs with a national program with uniform standards and objective eligibility criteria. These standards include:

- A uniform limitation on the dollar amount or value of income and resources that an individual can have and still qualify for SSI assistance. The countable income limits for individuals and couples are equal to their respective Federal benefit rates² and hence are increased annually according to changes in the cost of living. Effective January 1, 2003, the Federal benefit rate is \$552 a month for individuals and \$829 a month for couples. The resource limit is \$2,000 in countable resources for individuals and \$3,000 for couples.
- Sixty-five as the minimum age requirement for assistance based on age.
- A uniform definition of disability and blindness. The definitions for individuals 18 or older are the same as those used for the Social Security Disability Insurance program. In order to be considered disabled, an individual must have a medically determinable physical or mental impairment which is expected to last or has lasted at least 12 continuous months or result in death and (1) if 18 or older prevents him/her from doing any substantial gainful activity³ or (2) if under 18 results in marked and severe functional limitations.⁴ However, individuals for whom addiction to drugs or alcoholism is a contributing factor material to the determination of their disabilities are not eligible for benefits.⁵ In order to be considered blind, an individual must have central visual acuity of 20/200 or less in the better eye with the use of a correcting lens or have tunnel vision of 20 degrees or less.
- Uniform standards for citizenship and residency. In order to be eligible for SSI, an individual must be a citizen (or national) of the United States, an American Indian born in Canada who is under section 289 of the Immigration and Nationality Act (INA), an American Indian born outside the United States who is a member of a Federally recognized Indian tribe under section 4(e) of the Indian Self-Determination and Education Assistance Act, a noncitizen who was receiving SSI benefits on August 22, 1996, or be a qualified alien in one of the following categories:⁶

— Certain noncitizens who are blind or disabled and were lawfully residing in the United States on August 22, 1996;

¹ For example, as explained in section III.H, SSI recipients in most States are also automatically eligible for Medicaid, which generally provides for their medical needs.

² See table IV.A2 for historical and estimated future Federal benefit rates.

³ “Substantial gainful activity” (SGA) is used to describe a level of work activity that is both substantial—i.e., involves the performance of significant physical and/or mental duties which are productive—and gainful—i.e., performed for remuneration or profit. SGA rules do not apply to the SSI blind. Generally earnings from work activity of over \$800 a month is evidence of ability to engage in SGA. If an SSI *applicant* is earning over \$800 a month, he/she generally would not be considered disabled. However, if an SSI *recipient* is earning over \$800 a month, he/she could continue to be eligible for SSI. (See “Incentives for Work and Opportunities for Rehabilitation” section III.E.) The SGA level of \$800 was increased from \$780 effective January 1, 2003 (65 FR 82905). Increases in the SGA level in subsequent years will be based on increases in the national average wage index.

⁴ The definition of disability and blindness for individuals under age 18 reflects amendments made by Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Prior to this, the law required a medically determinable physical or mental impairment of comparable severity to that required for individuals 18 or older.

⁵ This provision reflects amendments made by title I of Public Law 104-121, the Senior Citizens’ Right to Work Act of 1996, enacted March 29, 1996.

⁶ These standards reflect amendments made by Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 as amended by Public Law 104-208, Public Law 105-33 and Public Law 105-306. Prior to this, the law permitted SSI eligibility for individuals who were residents of the United States and—citizens or nationals of the United States; aliens lawfully admitted for permanent residence in the United States; or aliens permanently residing in the United States under color of law.

- Refugees (eligibility generally limited to the 7-year period after their arrival in the United States);
- Asylees (eligibility generally limited to the 7-year period after the date they are granted asylum);
- Noncitizens who have had their deportations withheld under section 243(h) of the INA as in effect prior to April 1, 1997, or who have had their removals withheld under section 241(b)(3) of the INA (eligibility generally limited to the 7-year period after the date that deportation or removal is withheld);
- Cuban and Haitian entrants under section 501(e) of the Refugee Education Assistance Act of 1980 (eligibility generally limited to the 7-year period after the date that entrant status is granted);
- Amerasian immigrants admitted pursuant to section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, and subsequent amendments (eligibility generally limited to the 7-year period after their arrival in the United States);
- Noncitizen active duty Armed Forces personnel, honorably discharged veterans, and their spouses and dependent children; or
- Lawful permanent residents who have earned, or can be credited (from their spouses or parents) with, 40 qualifying quarters of earnings.

Note: Qualified alien status includes noncitizens (or their parents or children) who have been battered or subjected to extreme cruelty in the United States by a spouse or parent (or a member of the spouse's or parent's family) with whom they live, and who have an approved petition, or have a petition pending, setting forth a *prima facie* case for adjustment of their immigration status. A complete list of noncitizens who are considered qualified aliens can be found in the Glossary under "Qualified Alien". However, to be eligible to receive SSI benefits, these noncitizens also must be in one of the categories listed above.

Finally, certain noncitizens may be eligible for SSI regardless of their immigration status if they have been determined to be victims of trafficking in persons in the United States¹. Such individuals are treated for SSI purposes as refugees. That is, they are eligible for SSI for 7 years after a determination is made that they are trafficking victims.²

In addition to having to be a U.S. citizen (or national) or in one of the potentially eligible noncitizen categories, an individual must reside in the 50 States, the District of Columbia or the Northern Mariana Islands. An individual also must be physically present in the United States³ for 30 consecutive days, if he/she had been outside of the United States for 30 or more consecutive days.

¹ Generally defined as the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

² Public Law 106-386, the "Victims of Trafficking and Violence Protection Act of 2000," enacted October 28, 2000.

³ Fifty States, the District of Columbia or the Northern Mariana Islands.

There are two exceptions to the residency and physical presence requirements:

- Blind or disabled children who are citizens of the United States may continue to be eligible for payments if they are living outside the United States with a parent who is on duty as a member of the U.S. Armed Forces.
- Students studying abroad for not more than 1 year also may continue to be eligible for payments if the studies are sponsored by a U.S. educational institution but cannot be conducted in the United States.

D. ASSISTANCE OF LAST RESORT

As a means-tested program, SSI takes into account all income and resources that an individual has or can obtain. The amount of an individual's countable income and resources are the measure of his/her need for assistance.

1. Income

The amount of an individual's income is used to determine both eligibility for, and the amount of, his/her SSI benefit. As countable income increases, an individual's SSI benefit amount decreases. Generally, ineligibility for SSI occurs when countable income equals the Federal benefit rate plus the amount of applicable Federally-administered State supplementary payment (State supplementation is discussed later).

The monthly Federal benefit rate¹ is reduced dollar-for-dollar by the amount of the individual's "countable" income—i.e., income less all applicable exclusions. Countable income is determined on a calendar month basis. The result of this computation determines SSI eligibility and the amount of the benefit payable. These benefit rates are adjusted annually (in January) to reflect changes in the cost of living.

When an individual lives in the household of another and receives support and maintenance in kind (i.e., generally room and board) from the householder, the Federal SSI benefit rate is reduced by one-third in lieu of counting the actual value of the support and maintenance as unearned income. The value of food, clothing, or shelter-related items the individual receives in kind from persons other than the householder (including in-kind assistance from outside the household in which he/she lives) is counted as unearned income. However, the amount that is countable is limited to an amount equal to one-third of the applicable Federal benefit rate plus \$20.

SSI law defines two kinds of income—earned and unearned. Earned income is wages, net earnings from self-employment, remuneration for work in a sheltered workshop, royalties on published work, and honoraria for services. All other income is unearned including, for example, Social Security benefits, other pensions, and unemployment compensation. The distinction between earned and unearned income is significant because different exclusions apply to each type of income.

However, not everything an individual receives is considered to be income. Generally, if the item received cannot be used as, or to obtain, food, clothing, or shelter, it will not be considered as income. For example, if someone pays an individual's medical bills, or offers free medical care, or if the individual receives money from a social services agency that is a repayment of an amount he/she previously spent, that value is not considered income to the individual. In addition, some items that are considered to be income are excluded when determining the amount of an individual's benefit.

¹ See table IV.A2 for historical and estimated future Federal benefit rates.

Income Exclusions¹

The principal *earned* income exclusions are:

- The first \$65 per month plus one-half of the remainder,
- Impairment-related work expenses of the disabled and work expenses of the blind,
- Income set aside or being used to pursue a plan for achieving self-support by a disabled or blind individual, and
- Infrequent or irregularly received income (\$10 or less a month).

The principal *unearned* income exclusions are:

- The first \$20 per month,²
- Income set aside or being used to pursue a plan for achieving self-support by a disabled or blind individual,
- State or locally funded assistance based on need,
- Rent subsidies under the Department of Housing and Urban Development (HUD) programs and the value of food stamps, and
- Infrequent or irregularly received income (\$20 or less a month).

2. Resources

The amount of an individual's resources is used to determine whether he/she is eligible for SSI in any given month. SSI law states that eligibility is restricted to individuals who have countable resources, determined monthly, that do not exceed \$2,000 (\$3,000 for a couple). The law does not define what resources are, but does stipulate what items are not considered resources.

Regulations stipulate that a resource is cash or other liquid asset or any real or personal property that individuals (or their spouses) own and could convert to cash to be used for their support and maintenance. This definition is consistent with the general philosophy of the SSI program that only items that can be used for an individual's food, clothing or shelter should be used in determining his/her eligibility and benefit amount. Not all resources an individual owns are counted. The value of an item may be totally excluded or counted only to the extent that its value exceeds specified limits.

If an individual disposes of resources at less than fair market value within the 36-month period prior to his/her application for SSI or at any time thereafter, he/she may be penalized. The penalty is a loss of benefits for a number of months (up to a 36-month maximum) obtained by dividing the uncompensated value of disposed-of-resources by the Federal benefit rate plus the maximum State supplementary payment, if any, applicable to the individual's living arrangement. The penalty does not apply if, among other things, the individual can show that the resources were disposed of exclusively for a purpose other than establishing SSI eligibility.

¹ A complete list of the SSI income exclusions can be found in section V.B.

² Any portion of this \$20 amount not used to exclude unearned income may be used to exclude earned income.

Resource Exclusions¹

The principal resource exclusions are:

- The home and land appertaining to it, regardless of value;
- Life insurance policies whose total face value does not exceed \$1,500;
- Burial funds not in excess of \$1,500 each for an individual and spouse (plus accrued interest);
- Household goods and personal effects in which one's equity does not exceed \$2,000;
- An automobile depending upon its use, otherwise, the current market value not in excess of \$4,500;
- Property essential to self-support;
- Resources set aside to fulfill a plan to achieve self-support; and
- Amounts deposited into either a Temporary Assistance for Needy Families (TANF) or "Assets for Independence Act" individual development account (IDA), including matching funds, and interest earned on such amounts.

3. Filing for Other Benefits

As the "program of last resort," SSI benefits are provided to eligible individuals only to the extent that their needs are not met by other sources. That is, after evaluating all other income and resources, SSI pays what is necessary to bring an individual to the statutorily prescribed income "floor." In keeping with this principle, SSI law requires that SSI applicants file for other payments for which they may be entitled, such as annuities, pensions, retirement or disability benefits, worker's compensation, and unemployment insurance benefits.

SSA must provide an individual with written notice of potential eligibility for other benefits and of the requirement to take all appropriate steps to pursue these benefits. The individual has 30 days from receipt of the notice to file for the benefits involved.

4. Eligibility Issues for Residents of Public Institutions or Medical Facilities

State and local governments—rather than the Federal Government—traditionally have taken the financial responsibility for residents of their public institutions. The SSI program continues this long-standing public assistance policy. People who are residents of public institutions for a full calendar month are generally ineligible for SSI unless one of the following exceptions applies:

- The public institution is a medical treatment facility and Medicaid pays more than 50 percent of the cost of care, or in the case of a child under age 18, Medicaid and/or private health insurance pays more than 50 percent of the cost of care;
- The public institution is a publicly operated community residence which serves no more than 16 residents;
- The public institution is an emergency shelter for the homeless (payments are limited to no more than 6 months in any 9-month period);

¹ A complete list of the SSI resource exclusions can be found in section V.B.

- The recipient was eligible under section 1619(a) or (b)¹ for the month preceding the first full month in the public institution and is permitted by the institution to retain any benefits (payable for up to 2 months); or
- A physician certifies that the recipient's stay in a medical facility is likely not to exceed 3 months and continued SSI eligibility is needed to maintain and provide for the expenses of the home to which the individual will return.

5. Personal Needs Allowance

When individuals enter medical treatment facilities in which more than half of the bill is paid by the Medicaid program, their monthly Federal payment standard is generally reduced to \$30, beginning with the first full calendar month they are in the facility. In the case of an individual under age 18, the \$30 payment standard is also applicable if more than half of the bill is paid by private insurance or a combination of Medicaid and private insurance. The theory behind this provision is that the individual's basic needs are being met by the medical facility. In these cases, the SSI program provides up to \$30 a month, which is intended to take care of small comfort items not provided by the institution.

6. Deeming

In certain situations the income and resources of others are counted in determining whether an individual's income and resources fall below the levels established by law. This process is called "deeming" and is applied in cases where an eligible individual lives with an ineligible spouse, an eligible child lives with an ineligible parent, or an eligible noncitizen has a sponsor.² In concept, the practice takes into account the responsibility of the spouse, parent, or sponsor to provide for the basic needs of the eligible individual.

a. Spouse-to-Spouse Deeming

When an eligible individual lives in the same household with a spouse who is not eligible for SSI, the ineligible spouse's income and resources are deemed to be available to the eligible individual. In determining the amount of income and resources available to the eligible individual, all applicable exclusions are used. In addition, a living allowance is provided for the ineligible spouse, as well as any ineligible children under age 18³ living in the household. The allowance reduces the amount of income to be deemed. Spouse-to-spouse deeming is intended to result in the same amount of income available to the couple as would be available if both members of the couple were aged, blind, or disabled and eligible for SSI.

Deeming does not apply when the eligible individual is not living in the same household as the ineligible spouse. However, if the ineligible spouse's absence is temporary or is due solely to an active duty assignment as a member of the U.S. Armed Forces, deeming would continue to apply.

b. Parent-to-Child Deeming

A child under age 18 is subject to deeming from an ineligible natural or adoptive parent (and that parent's spouse, if any) living in the same household. Certain amounts of the parent's income are excluded, living allowances are provided for the parent(s) and an allocation is set aside for each ineligible child under age 18³ who is living in the household. Deeming from an eligible parent to a child would continue if the parent is absent from the household but the absence is temporary or is due solely to active duty assignment

¹ See section III.E.6 of this report for a description of the special section 1619 provisions for disabled people who work.

² Deeming also applies to an individual who lives with an essential person (a concept carried over from the former State assistance plans). However, there are fewer than 100 of these cases remaining.

³ Under age 21, if a student.

as a member of the U.S. Armed Forces. If a child lives in a household in which all members are receiving public assistance benefits, that child is not considered to be receiving any support and deeming would not apply.

c. Sponsor-to-Alien Deeming

The income and resources of noncitizens are deemed to include those of their sponsors. The way the income and resources are deemed and the length of the deeming period depend on whether the sponsor signed a legally enforceable affidavit of support¹ or the previous version of the affidavit. Generally, individuals who entered the country before 1998 did so under the old version of the affidavit.²

Under the old version of the affidavit, deeming of the sponsor's income and resources lasts until the noncitizen has been in the United States for 3 years.³ Living allowances equal to the Federal benefit rate are provided for the sponsor, and allowances equal to one-half of the Federal benefit rate are provided for each of the sponsor's dependents. Allowances are also provided for the sponsor and his/her family members in determining deemed resources. These allowances reduce the amount of the sponsor's income and resources deemed to the noncitizen.

For noncitizens admitted into the United States under a legally enforceable affidavit of support, deeming generally applies until the noncitizen becomes a U.S. citizen. Deeming ends before citizenship if the noncitizen has earned, or can be credited with, 40 qualifying quarters of earnings. Children and spouses of workers may be credited with quarters earned by the worker. A quarter otherwise earned after 1996 does not count as one of the required 40 if the noncitizen or worker received Federal means-tested public benefits during the relevant period.

Also for this group of noncitizens, deeming does not apply for specified periods if the noncitizens or their children or parents have been battered or subjected to extreme cruelty while in the United States or if sponsors leave the noncitizens indigent by not providing them with sufficient support.

E. INCENTIVES FOR WORK AND OPPORTUNITIES FOR REHABILITATION

SSI benefits provide a basic level of assistance for individuals who are blind or disabled with limited earnings ability due to their impairments. Nonetheless, for recipients who want to work, the SSI program is designed to encourage and support their work attempts in order to help them achieve greater degrees of independence. The SSI program includes a number of work incentive provisions that enable recipients who are blind or disabled to work and retain benefits or to increase their levels of work activity without the loss of SSI disability status or Medicaid. These incentives provide higher amounts of income or resource exclusions as recognition of the expenses associated with working or as inducements to seek rehabilitation services and support for work efforts.

The SSI program also includes provisions to help disabled beneficiaries obtain vocational rehabilitation and employment support services. These provisions were recently revised by legislation establishing the Ticket to Work program, which is described in section III.E.7.

¹ Legally enforceable affidavits of support are required by Public Law 104-208.

² The Immigration and Naturalization Service (INS) began using the new, legally enforceable affidavits on December 19, 1997. However, if a potential immigrant had a visa issued before that date, the sponsor would sign an old version of the affidavit even if the affidavit was signed after December 19, 1997.

³ For a temporary period—January 1994 through September 1996—the deeming period was 5 years.

1. Earned Income Exclusion

The first \$65 (\$85 if the individual has no income other than earnings) of any monthly earned income plus one-half of remaining earnings are excluded for SSI benefit computation purposes. This general earned income exclusion is intended to help offset expenses incurred when working. It assures that SSI recipients who are working will be rewarded for their efforts by having greater total income than those who do not work.

2. Impairment-Related Work Expense Exclusion

The cost of certain impairment-related services and items that a disabled (but not blind) individual needs in order to work are excluded from earned income in determining SSI eligibility and benefit amounts.

In calculating these expenses, amounts equal to the costs of certain attendant care services, medical devices, equipment, prostheses, vehicle modifications, residential modifications to accommodate wheelchairs and similar items and services are deductible from earnings. The costs of routine drugs and routine medical services are not deductible unless these drugs and services are necessary to control the disabling condition.

3. Work Expenses of the Blind Exclusion

Any earned income by a blind individual that is used to meet expenses needed to earn that income is excluded from earned income in determining SSI eligibility and benefit amounts. A deductible expense need not be directly related to the worker's blindness; it need only be an ordinary and necessary work expense of the worker.

Some frequently excluded work expenses include transportation to and from work, meals consumed during work hours, job equipment, licenses, income or FICA taxes, and costs of job training.

4. Student Earned Income Exclusion

The student earned income exclusion is an additional exclusion for an individual who is under age 22, regularly attending school and neither married nor the head of a household. It is intended to help defray the cost of educational training. Under current regulations, up to \$1,340 of earned income per month but no more than \$5,410 per year may be excluded.¹

5. Plan for Achieving Self-Support

A plan for achieving self-support (PASS) allows a disabled or blind individual to set aside income and resources to get a specific type of job or to start a business. This may involve setting aside funds for education or vocational training. Funds can even be set aside to purchase work-related equipment or pay for transportation related to the work goal. The income and resources that are set aside are excluded under the SSI income and resources tests.

The individual must have a feasible work goal, a specific savings or spending plan, and must provide for a clearly identifiable accounting for the funds which are set aside. The PASS must be approved by SSA. The individual must then follow the plan and negotiate revisions as needed. SSA monitors the plans once

¹ Increased from \$1,320 and \$5,340, respectively, effective January 1, 2003 (65 FR 82905). Under current regulations this exclusion is increased yearly based on changes in the cost of living.

approved by reviewing them periodically to ensure the individual's progress towards attaining the work goal.

6. Special Provisions for Disabled People Who Work

This work incentive generally is referred to by its section number in the Social Security Act, section 1619. Under section 1619(a), disabled individuals who would cease to be eligible because of earnings over the substantial gainful activity level can receive special cash benefits as long as they:

- Continue to have the disabling condition,
- Have income under the amount which would cause ineligibility for any payment under SSI income counting rules, and
- Meet all other nondisability requirements for SSI payment.

In many States, being a recipient of the special benefit permits the individual to be eligible for Medicaid benefits.

Under section 1619(b), "SSI recipient" status for Medicaid eligibility purposes also is provided to individuals:

- Whose earnings preclude any SSI payment but are not sufficient to provide a reasonable equivalent of the SSI, social services, and Medicaid benefits that the individuals would have in the absence of earnings; and
- Whose ability to continue working would be seriously inhibited by the loss of social services and Medicaid benefits.

To qualify for extended Medicaid coverage under section 1619(b) an individual must:

- Have a disabling condition,
- Need Medicaid in order to work,
- Not be able to afford equivalent medical coverage and publicly funded personal or attendant care which would be lost without assistance,
- Meet all nondisability requirements for SSI payment other than earnings, and
- Have received a regular SSI cash payment in a previous month within the current period of eligibility. (In some States, the individual must have qualified for Medicaid the month preceding the first month of 1619 eligibility.)

In determining whether individuals' earnings are not sufficient to provide them with the equivalent benefits they would be eligible for if they stopped working, their earnings are compared to a threshold amount for their State of residence. Section 1619(b) status continues if the earnings are below the threshold. If earnings exceed the State threshold, an individualized assessment of the need for Medicaid is made and 1619(b) status may continue.

7. Vocational Rehabilitation/Ticket to Work Program

Since the beginning of the SSI program, SSA has made provision for blind or disabled individuals who are receiving SSI benefits to be referred to State Vocational Rehabilitation (VR) agencies. If the State VR agency does not accept the referral, SSA can refer recipients to an alternate provider to receive vocational rehabilitation services. SSA reimburses the VR agency or alternate provider for services provided in situations where the services result in the individual's working at the substantial gainful activity level for a continuous period of 9 months, and in certain other limited situations.

The Ticket to Work and Work Incentives Improvement Act of 1999 ("the Ticket legislation") established a Ticket to Work and Self-Sufficiency program (Ticket to Work program) under which a blind or disabled beneficiary may obtain vocational rehabilitation, employment and other support services from a qualified private or public provider. Providers of such services in this new setting are referred to as "employment networks" (ENs). In addition, the Ticket legislation provided for a new procedure for compensating the ENs under an outcome or outcome-milestone payment system. By expanding the pool of providers and giving the providers incentives for achieving success, this program seeks to expand a disabled beneficiary's access to these services in order to assist the beneficiary in finding, entering, and retaining employment and reducing his/her dependence on cash benefits. Regulations issued by the Commissioner became effective January 2002.

The Ticket to Work program will be in operation nationwide by January 2004. Initially, 13 States participated, with tickets distributed in the first half of 2002. In November 2002, SSA extended the program to 20 more States and the District of Columbia. The remaining States and territories are scheduled in the final phase for 2003. Once the Ticket to Work program is implemented in a State, the traditional VR referral process described earlier will be eliminated in that State, and SSA will provide eligible individuals who receive SSI benefits due to blindness or disability in such State with a Ticket to Work document ("ticket"). These individuals may use the ticket to obtain the vocational rehabilitation services, employment services and other support services needed to return to work, or go to work for the first time. The Ticket to Work program provides that as long as the beneficiary is "using a ticket" as defined by the Commissioner, SSA will not initiate a continuing disability review. Individuals not eligible for a ticket may still request services from a State VR agency, which must decide whether they are eligible for services under the Rehabilitation Act of 1973.

Until the Ticket to Work program is implemented in their State, State VR agencies and alternate providers under the traditional system can continue to enroll beneficiaries under the cost reimbursement system described above. Any reimbursement for those cases will be made under that system. However, once the Ticket to Work program is fully implemented, only the State VR agencies will have the option (on a case-by-case basis) of being paid under the traditional VR reimbursement system. ENs other than State VR agencies will be compensated through the new outcome-based system.

Individuals receiving SSI benefits who improve medically and, therefore, are no longer considered disabled or blind can continue to receive SSI benefits if they are actively participating in the Ticket to Work program, or another approved VR program, and SSA determines that continuation or completion of the program will increase the likelihood that they will be permanently removed from the SSI rolls. SSI benefits and Medicaid generally continue until the rehabilitation services are completed or until the individual ceases to participate in the program.

8. Expedited Reinstatement

A disabled or blind individual whose eligibility for SSI payments was ended because of earnings can request expedited reinstatement of his/her SSI benefits without filing a new application. To qualify for

expedited reinstatement, the individual must make the request within 60 months after his/her eligibility ended and must have a disabling medical condition that (1) is the same as (or related to) the disabling medical condition that led to the previous period of eligibility and (2) prevents him/her from performing substantial gainful activity. In determining whether the individual is disabled or blind, the medical improvement review standard is applied. Normal nonmedical requirements for SSI eligibility still apply.

An individual requesting expedited reinstatement may receive up to 6 months of provisional benefits while his/her request is pending. These benefits generally are not considered an overpayment if the request is denied. Provisional benefits may include Medicaid but do not include any State supplementary payments. Provisional benefits also may be received by the individual's spouse at a couple's rate if the spouse was previously eligible for SSI as a spouse.

F. ADMINISTRATION OF THE SSI PROGRAM

The framers of the SSI program chose SSA to administer the SSI program because the basic system for paying monthly benefits to a large number of individuals was already in place in the form of the Social Security program, and SSA had a long-standing reputation for dealing with the public in a fair and humane manner.

1. Application Process

Individuals can make appointments to apply for SSI benefits at any one of the approximately 1,300 SSA field offices around the country or through SSA teleservice centers. The claims process includes the application interview, the obtaining of necessary evidence and documentation, and the adjudication of the claim. Although many of the eligibility requirements for the Social Security program and the SSI program are different, the application process is very similar. Many times, individuals file for benefits under both programs at the same time.

SSA corroborates information provided by applicants for SSI through independent or collateral sources. Generally, the basic responsibility for obtaining evidence lies with the claimant, although SSA often gives advice and assistance on ways to obtain the needed information. Because of the special circumstances of the SSI population (for example, financial need, old age, or illness), SSA makes special efforts to assist claimants in obtaining the necessary proofs.

With regard to disability and blindness claims, SSA makes determinations of all of the nonmedical eligibility factors while each State's Disability Determination Services (DDS) makes determinations of the medical eligibility factors.

Applicants and recipients are required to report events and changes of circumstances that may affect their SSI eligibility and benefit amounts. Such reports are required, for example, when an individual has a change in the amount of his/her income or resources, changes living arrangements, or leaves the United States. Failure or delay in submitting a required report can result in a penalty being assessed against the individual's SSI benefit. The penalty is \$25 for the first such failure or delay, \$50 for the second such failure or delay, and \$100 for each subsequent failure or delay.

2. Determination of Eligibility

SSI applications have no retroactivity and become effective in the month after the month of filing or the month after all eligibility requirements are met, whichever is later. Eligibility for benefits is determined on a current monthly basis. The amount of the monthly benefit generally is determined using income in the second month preceding the month for and in which the benefit is paid (a method called retrospective

monthly accounting). However, at the start of a period of eligibility or re-eligibility, the benefits for the first and second months are both determined using the income received in the first month.

SSI recipients are required to have their nonmedical eligibility factors redetermined periodically, generally every 1 to 6 years depending on their specific situation.

In addition to these nonmedical reviews, medical reviews are conducted on disabled or blind recipients in order to determine if they continue to be disabled or blind. For administrative efficiency the medical reviews are done most often on those disabled or blind recipients whose medical conditions are considered likely to improve. Medical reviews are required for disabled or blind recipients, for example, under the following circumstances:

- When earnings of recipients exceed the substantial gainful activity level;¹
- At least once every 3 years for recipients under age 18 whose medical conditions are considered likely to improve;
- Within 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability unless the Commissioner determines that the impairment is not expected to improve within 12 months of the child's birth; and
- Within 1 year after attainment of age 18 and using the adult eligibility criteria, for recipients whose eligibility for SSI benefits was established under the disabled child eligibility criteria.

3. Payment of Benefits

SSI benefits generally are paid on the first day of each month. If the first of the month falls on a weekend or legal public holiday, benefit payments are delivered on the first day preceding such Saturday, Sunday, or holiday. While SSA strongly encourages all SSI beneficiaries to receive their monthly benefits by direct deposit, benefit payments are also made by check if individuals do not wish to have their benefits sent directly to a financial institution. Monthly benefit payments include both the Federal SSI and State amounts if the recipient lives in a State in which SSA administers the State supplementary payment. (See section III.G.) Eligible couples generally receive their monthly benefits in one payment.

4. Representative Payees

When SSI recipients are incapable of managing their benefits or are declared legally incompetent, SSA appoints representative payees for them, and their SSI benefits are sent to the representative payees. In many cases the representative payee is a spouse, a parent, or other close relative who will act in the recipient's best interest. In some cases, an SSA-approved organization may be appointed and some organizations have been authorized by SSA to collect a fee from the benefit for acting as payee. The fee cannot exceed the lesser of 10 percent of the benefit amount or a specified amount (\$30 a month in 2003 (\$58 a month for disabled recipients who also have a drug addiction or alcoholism condition)).

Representative payees may only use an SSI recipient's benefit for the use and benefit of the recipient and must account for all benefits received. Representative payees also are required to report any changes that may affect SSI recipients' eligibility and payment amount and may be held liable for certain overpayments that occur. In cases in which a child is due a retroactive payment that exceeds six times the Federal benefit rate, the representative payee is required to establish a separate (dedicated) account at a financial institu-

¹ Medical review cannot be initiated while the SSI recipient is "using a ticket" under the Ticket to Work program.

tion to maintain the retroactive payment. Expenditures from the account must be used primarily for certain expenses related to the child's impairment.

5. Appeal Rights

Recipients must be informed in writing in advance of adverse actions SSA plans to take and must be given the opportunity to request that their benefits continue pending a decision at the first level of appeal. Recipients can qualify for payment continuation when they appeal an adverse action within 10 days of receiving the advance notice. Slightly different rules apply to medical cessation cases. When appealing medical cessation cases, individuals may elect to have their benefits continued at both the reconsideration and hearing levels of appeal.

6. Attorney Fees

At any time, an individual may appoint a representative in any dealings with the Social Security Administration. If such a representative is an attorney, he/she must be in good standing, have the right to practice law before a court, not be disqualified or suspended from acting as a representative in dealings with Social Security and not be prohibited by any law from acting as a representative. If the individual is not an attorney, he/she must meet qualifications specified by the Commissioner (e.g., be of good character and able to provide valuable service to claimants).

A representative may charge and receive a fee for his/her services, but the Social Security Administration generally decides how much the fee shall be. While the Social Security Act does not establish a maximum fee, most attorneys use an options process that limits their maximum fee to the lesser of 25 percent of the retroactive payment or \$5,300¹. A representative cannot charge or receive more than the fee amount authorized. The SSI program differs from the Social Security program in that amounts cannot be withheld from an individual's SSI benefits to pay for attorney fees. SSI claimants are responsible for paying such fees directly to their attorneys.

7. Advance Payments

The SSI program has provisions which help to respond to the immediate needs of new claimants. These procedures are in addition to State and local programs designed to help those in need pending decisions on their SSI status.

a. Emergency Advance Payments

A new claimant who faces a financial emergency, and for whom there is a strong likelihood to be found eligible, may receive up to 1 month's SSI benefits, the Federal payment amount plus any applicable State supplement. The amount paid is recovered from later SSI payments (in full from the first payment or in increments over no more than a 6-month period, depending upon the circumstances). However, if the claim is subsequently not allowed because of not finding disability or blindness, repayment would be waived. If the claim is disallowed for other reasons, the amount paid would be an overpayment and processed as such.

b. Presumptive Disability or Blindness

Up to 6 months' payments may be made to an individual applying for benefits based on disability or blindness when the available evidence reflects a high degree of probability that his/her impairment will meet the definition of disability or blindness and he/she is otherwise eligible. These payments are not considered overpayments if the individual is later determined not to be disabled or blind.

¹ Fee agreements prior to February 1, 2002, were limited to the lesser of 25 percent of the retroactive payment or \$4,000.

G. STATE¹ SUPPLEMENTATION

In designing the SSI program Congress recognized that States, in many instances, would want to provide a higher level of income maintenance than was available under the Federal program. At the same time States were given the option to either provide no supplementation to the Federal assistance payments or to supplement those payments based on their views of the needs of their citizens. They were mandated to assure that their citizens would not receive lower benefits under the Federal program than they had under the former State program. The following paragraphs describe the various forms of State supplementation that currently exist. Table III.H1 summarizes State-specific participation in these programs as well as other programs requiring State and Federal coordination as discussed in section III.H.

1. Optional State Supplementary Payment Programs

For individuals who first became eligible for SSI in 1974 or later, each State could supplement Federal payments to whatever extent it found appropriate with respect to the needs of its citizens and resources of the State. Currently, 45 States have optional State supplementary payment programs.

Some States provide supplementary payments to all individuals eligible for SSI benefits, while others may limit them to certain SSI recipients such as the blind or residents of domiciliary-care facilities, or may extend them to persons ineligible for SSI because of excess income. States' flexibility in setting supplementary payments, however, has been significantly restricted by the passalong provisions (see section 4 below).

2. Mandatory State Supplementary Payment Programs

States are required² to maintain the December 1973 income levels of individuals who were transferred from the former State adult assistance programs to the SSI program in 1974, except for Texas which has a constitutional bar against mandatory State supplementation. Because of the increases in Federal benefits over the years, there are few individuals who continue to receive mandatory State supplementary payments.

3. Administration of State Supplementary Payments

A State may administer its supplementary program or enter into an agreement under which SSA will make eligibility determinations and payments on behalf of the State. Under State administration, the State pays its own program benefits and absorbs the full administrative costs. Under Federal administration States are required to pay SSA a \$8.59 fee for each supplementary payment issued in fiscal year 2003. Fees are projected to rise in succeeding fiscal years, based on changes in the consumer price index.

States that administer their own supplementary payment programs establish their own eligibility criteria. States with Federally-administered programs must adhere to SSI eligibility criteria in all aspects except that they may establish additional income exclusions.

4. Passalong Provisions

It was originally Congress' view that increases in the Federal SSI benefit rate eventually would replace State supplementary payments. However, public reaction to States reducing their supplementary payment

¹ References to State include, in addition to the 50 States, the District of Columbia.

² Requirement does not affect West Virginia, since, in 1973, SSI Federal benefit rates exceeded the applicable income standards under the State's adult assistance programs.

amounts when SSI payments were increased led Congress to mandate that States pass along SSI benefit increases resulting from cost-of-living adjustments.

To meet the passalong requirement, a State may either maintain each State payment level from year-to-year—the “payment levels” method—or it may spend the same amount of money, in the aggregate, that it spent for supplementary benefits in the 12-month period preceding the increase in the SSI benefit rate—the “total expenditures” method. Currently, 42 States use the levels method and 8 use the expenditure method. West Virginia has no optional supplementary plan and was not required to establish a mandatory plan because Federal SSI income standards exceeded all payments made under the State’s adult assistance programs in 1973.

H. COORDINATION WITH OTHER PROGRAMS

SSI benefits are not the only form of assistance available to needy aged, blind, or disabled individuals. Medicaid, food stamps, and temporary State assistance also are important in keeping individuals from sliding further into poverty. SSA plays a limited but important role in helping States with regard to administration of Medicaid and food stamp programs, and provisions in the SSI statute assure that payments made by States or under the Social Security program are not duplicated by SSI benefits.

1. Windfall Offset

If a person receives SSI payments, and is later determined to be entitled to retroactive Social Security benefits, such retroactive benefits are reduced by the amount of SSI payments the person would not have been eligible for had the Social Security benefits been paid in the month they were due. This process is called the “windfall offset” and was enacted to prevent windfall payments to individuals when Social Security and SSI payments were paid for the same period.

2. Medicaid Determinations

Generally, SSI recipients are categorically eligible for Medicaid. A State may either use SSI eligibility criteria for determining Medicaid eligibility, or use its own criteria as long as the criteria are no more restrictive than the State’s January 1972 medical assistance standards. Forty States use SSI criteria and 11 States use eligibility criteria more restrictive than those of the SSI program.

States also may enter into agreements with SSA for SSA to make Medicaid eligibility determinations on their behalf as long as the eligibility requirements of the State’s Medicaid plans are the same as those for the SSI program. Under these agreements, SSA determines only when an individual is eligible for Medicaid; SSA does not determine Medicaid ineligibility. SSA has Medicaid determination agreements with 33 States.

Continued Medicaid eligibility is provided in SSI law for certain Social Security beneficiaries who lose SSI eligibility due to entitlement to Social Security benefits, or due to a change in Social Security benefits resulting from:

- Cost-of-living adjustments,
- Actuarial increases in disabled widow(er)s benefits before age 60,
- Changes in the definition of disability for widow(er)s benefits, or
- Increases in disabled adult child benefits.

Also, Medicaid continues for beneficiaries who lose SSI because of disabled adult child benefits entitlement if they would remain eligible for SSI without those title II benefits.

3. Food Stamp Applications

SSI recipients in all States, except California,¹ may be eligible for food stamps. Under agreements entered into by the Secretary of Agriculture and SSA, Social Security offices notify Social Security and SSI applicants and recipients of their potential benefits under the Food Stamp program and make food stamp applications available to them.

The law also provides for Social Security offices to take food stamp applications from potentially eligible or eligible SSI households which are not already receiving food stamps and which do not have a food stamp application pending. Food stamp applications from SSI households may be taken in connection with initial SSI claims or at the time of a redetermination. Food stamp applicants have the option of applying at Social Security offices or applying at State food stamp offices if expedited service is required. Social Security offices forward the food stamp applications and any supporting documents to the local food stamp offices within 1 day of taking the application. Eligibility is determined by the food stamp office.

4. Interim Assistance Reimbursement

SSA may enter into agreements under which States or local governments are reimbursed for basic needs assistance provided during the period that either an eligible individual's SSI application for benefits was pending, or the individual's SSI benefits were suspended and subsequently reinstated (the interim period).

Under these interim assistance reimbursement agreements, if the individual has given SSA written authorization, SSA sends an individual's first SSI benefit check relating to the interim period to the State or local jurisdiction that had provided the interim assistance. The State then deducts the amount it is owed and is required to forward the remainder to the claimant within 10 days.² Thirty-nine States have interim assistance agreements with SSA.

¹ California "cashes out" food stamps and SSI recipients there receive a cash payment in their State supplementary payment in lieu of food stamps.

² Beginning in August, 1996, in certain disabled children's cases, SSA first reimburses the State, then pays the remainder into special dedicated financial institution accounts for the children. In all other cases where the retroactive benefits exceed a certain amount, SSA reimburses the State, then pays the remainder in installments to the recipient or his/her representative payee.

Table III.H1.—SSI State Supplementation¹ and Coordination with Other Programs

| United States and District of Columbia | Optional State program— Administered by: | | | Method of mandatory passalong of benefit increases from cost-of-living adjustments | | Medicaid eligibility determination— | | | Interim assistance reimbursement agreement with SSA |
|--|---|---------------|-----------------|--|----------------------|-------------------------------------|----------------|---|---|
| | State | Federal (SSA) | Federal & State | “Payment levels” | “Total expenditures” | Based on: | | Agreement with SSA to determine eligibility | |
| | | | | | | Federal criteria | State criteria | | |
| Alabama ² | * | | | * | | * | | * | |
| Alaska | * | | | * | | * | | * | * |
| Arizona | * | | | * | | * | | * | * |
| Arkansas ³ | | | | * | | * | | * | |
| California | | * | | * | | * | | * | * |
| Colorado | * | | | | * | * | | * | * |
| Connecticut ² | * | | | * | | | * | | * |
| Delaware | | * | | * | | * | | * | * |
| District of Columbia | | * | | | * | * | | * | * |
| Florida ² | * | | | * | | * | | * | * |
| Georgia ³ | | | | * | | * | | * | * |
| Hawaii | | * | | | * | | * | | * |
| Idaho | * | | | * | | * | | | |
| Illinois | * | | | * | | | * | | * |
| Indiana ² | * | | | * | | | * | | * |
| Iowa | | | * | * | | * | | * | * |
| Kansas ³ | | | | * | | * | | | * |
| Kentucky ² | * | | | * | | * | | * | * |
| Louisiana ⁴ | * | | | * | | * | | * | |
| Maine | * | | | * | | * | | * | * |
| Maryland ⁴ | * | | | * | | * | | * | * |
| Massachusetts | | * | | * | | * | | * | * |
| Michigan | | | * | * | | * | | * | * 5 |
| Minnesota ² | * | | | * | | | * | | * |
| Mississippi ³ | | | | * | | * | | * | |
| Missouri | * | | | * | | | * | | * |
| Montana | | * | | * | | * | | * | * |
| Nebraska | * | | | | * | * | | | * |
| Nevada ² | | * | | * | | * | | | * |
| New Hampshire | * | | | * | | | * | | * 5 |
| New Jersey | | * | | * | | * | | * | * |
| New Mexico | * | | | * | | * | | * | * 5 |
| New York | | | * | * | | * | | * | * |
| North Carolina | * | | | * | | * | | * | * |
| North Dakota ² | * | | | * | | | * | | |
| Ohio ⁴ | * | | | * | | | * | | * |
| Oklahoma | * | | | | * | | * | | |
| Oregon | * | | | | * | * | | | * |
| Pennsylvania | | * | | * | | * | | * | * |
| Rhode Island ² | | * | | * | | * | | * | * 5 |
| South Carolina ² | * | | | * | | * | | * | |
| South Dakota ⁴ | * | | | * | | * | | * | |
| Tennessee ³ | | | | * | | * | | * | * |
| Texas ⁶ | * | | | * | | * | | * | |
| Utah ² | | * | | * | | * | | | * |
| Vermont ² | | | * | * | | * | | * | * |
| Virginia ² | * | | | * | | | * | | * |
| Washington | * | | | | * | * | | * | * |
| West Virginia ⁶ | | | | | | * | | * | |
| Wisconsin | * | | | | * | * | | * | * |
| Wyoming | * | | | * | | * | | * | |
| Total number of States | 30 | 11 | 4 | 42 | 8 | 40 | 11 | 33 | 39 |

¹ See body of text for description of the various forms of State supplementation.
² State no longer has any recipients receiving mandatory minimum State supplementation.
³ Mandatory minimum State supplementation program is Federally-administered. No optional program.
⁴ Mandatory minimum State supplementation program is Federally-administered.
⁵ State provides assistance only in initial application cases. No assistance provided during periods that SSI benefits are suspended or terminated.
⁶ State does not have a mandatory minimum State supplementation program.

IV. ESTIMATES OF PROGRAM PARTICIPATION AND FEDERAL EXPENDITURES UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM, 2003-27

As described in section III, eligibility for payments under the SSI program depends on a collection of provisions related to the socioeconomic status of the individual, as well as the evaluation of disability or blindness for all persons under age 65, and for certain individuals at ages 65 or older. Consequently, future SSI program participation will depend on a variety of difficult-to-predict factors including the performance of national and local economies, distribution of personal income within that macroeconomic framework, the prevalence of disability in the general population, and the determination of disability as defined by the Social Security Act.

Estimates of expenditures under the SSI program, prior to the issuance of the first SSI Annual Report in May 1997, were of a short-term nature prepared in conjunction with the President's Budget. These short-term projections relied exclusively on the evaluation of recent historical trends in the SSI program, and the extrapolation of such trends into the next few years. The provisions of Public Law 104-193 mandating this report required that such projections of future program participation be prepared for a period of at least 25 years. As was discussed in the 1997 Annual Report, due to the complex interaction between the economy and the SSI program, models for projecting SSI program participation over such an extended time period should incorporate more sophisticated concepts than the trend analysis traditionally used for budget purposes. In the 1998 Annual Report, the Office of the Chief Actuary announced the beginning of a multi-year program of research intended to develop the appropriate data and models to reflect the impact of the relevant cofactors on the future of the SSI program. We expect to incorporate partial improvements to our models on an annual basis, and the estimates presented in this and future reports will reflect such step-wise improvements.

For this seventh annual report, our estimates are based on the revised structural model introduced in the 1999 Annual Report. As described in that report, the revised model disaggregated the basic population by single year-of-age and gender in order to better understand and forecast the various transitions in and out of payment status. In addition, movements out of payment status were further examined by reason for such movements, although at this stage the analysis was limited to two broad groups: (1) terminations due to death and (2) suspension of payment due to all other reasons.¹ The additional detail in the revised model enabled us to better analyze the transition from disabled child status to status as a disabled adult at age 18, and provided us with an enhanced ability to analyze the age structure of the historical and forecasted disabled adult population. In the 4 years since the 1999 Annual Report, we have analyzed certain age subgroups in greater detail, with the result that our longer term assumptions with respect to the growth in the SSI population better reflect the growth patterns to be expected of the respective age groups.

The presentation of forecast results in the remainder of this section corresponds to our revised model structure. In particular, all tables present SSI population information by selected age groups, rather than groups based exclusively on SSI recipient categories. Where certain recipient categories have overlapping age distributions, recipient category totals are still shown.

A. DEMOGRAPHIC AND ECONOMIC ASSUMPTIONS

As in previous annual reports, the estimates presented in this section have been prepared in a manner which accounts for the basic demographic changes expected to occur over the next 25 years. In addition, the indexation of the Federal benefit rate depends on a projection of the Consumer Price Index (CPI) over that same 25-year period. For purposes of developing these estimates, we have relied on the demographic

¹ The two main reasons other than death for termination of SSI payments are failure to satisfy income and resource limitations of the SSI program and recovery from a qualifying disability.

projections and CPI assumptions underlying the intermediate estimates prepared for the 2003 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance (OASDI) Trust Funds.¹ Detailed discussion of these demographic and economic parameters is presented in sections V.A and V.B of that report.² The key assumptions utilized directly for the projections presented in this report are summarized in the following two tables.

Table IV.A1 presents population projections summarized by certain age subgroups that correspond to the age subgroups in the presentation of SSI participant projections discussed in the next section. As discussed in the Social Security Trustees Report, both historical and projected population estimates have been revised upward since last year's report, reflecting the impact of the recently available 2000 Census which indicated a significantly higher population than the Census Bureau had earlier estimated.

¹ House Document 108-49, published March 17, 2003.

² *Ibid*, Section V.A, *Demographic Assumptions and Methods* and Section V.B, *Economic Assumptions and Methods*.

Table IV.A1.—Historical and Estimated Population in the Social Security Area as Projected for the Intermediate Assumptions of the 2003 OASDI Trustees Report, as of July 1, 1974-2027

| Year | Age groups ¹ | | | | | | Total all ages |
|------------------|-------------------------|--------|--------|--------|--------|-------------|-------------------|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | |
| Historical data: | | | | | | | |
| 1974 | 70,714 | 60,135 | 36,339 | 32,809 | 13,865 | 8,871 | 222,734 |
| 1975 | 69,727 | 62,097 | 36,322 | 33,154 | 14,164 | 9,102 | 224,566 |
| 1976 | 68,736 | 63,985 | 36,488 | 33,425 | 14,480 | 9,343 | 226,457 |
| 1977 | 67,830 | 65,649 | 36,897 | 33,694 | 14,805 | 9,595 | 228,470 |
| 1978 | 67,001 | 67,227 | 37,479 | 33,931 | 15,127 | 9,860 | 230,625 |
| 1979 | 66,271 | 68,859 | 38,053 | 34,102 | 15,437 | 10,140 | 232,861 |
| 1980 | 65,746 | 70,454 | 38,557 | 34,245 | 15,721 | 10,428 | 235,150 |
| 1981 | 65,419 | 71,564 | 39,518 | 34,319 | 15,991 | 10,721 | 237,531 |
| 1982 | 65,213 | 72,167 | 41,020 | 34,276 | 16,278 | 11,044 | 239,997 |
| 1983 | 65,164 | 72,649 | 42,550 | 34,151 | 16,544 | 11,370 | 242,428 |
| 1984 | 65,272 | 72,990 | 44,010 | 34,057 | 16,793 | 11,680 | 244,803 |
| 1985 | 65,527 | 73,210 | 45,449 | 33,959 | 17,082 | 11,983 | 247,210 |
| 1986 | 65,849 | 73,318 | 47,030 | 33,756 | 17,438 | 12,277 | 249,668 |
| 1987 | 66,124 | 73,382 | 48,708 | 33,617 | 17,752 | 12,587 | 252,169 |
| 1988 | 66,358 | 73,482 | 50,398 | 33,595 | 17,998 | 12,896 | 254,726 |
| 1989 | 66,809 | 73,395 | 52,167 | 33,588 | 18,241 | 13,209 | 257,408 |
| 1990 | 67,786 | 72,889 | 54,023 | 33,687 | 18,462 | 13,560 | 260,408 |
| 1991 | 69,072 | 72,135 | 55,881 | 33,981 | 18,673 | 13,923 | 263,666 |
| 1992 | 70,297 | 71,381 | 57,637 | 34,468 | 18,900 | 14,283 | 266,965 |
| 1993 | 71,381 | 70,714 | 59,330 | 35,085 | 19,080 | 14,626 | 270,215 |
| 1994 | 72,309 | 70,116 | 61,012 | 35,746 | 19,184 | 14,968 | 273,335 |
| 1995 | 73,070 | 69,597 | 62,624 | 36,484 | 19,224 | 15,348 | 276,348 |
| 1996 | 73,719 | 69,214 | 63,924 | 37,599 | 19,164 | 15,753 | 279,374 |
| 1997 | 74,245 | 68,992 | 64,947 | 39,020 | 19,071 | 16,128 | 282,403 |
| 1998 | 74,642 | 68,900 | 65,838 | 40,533 | 18,951 | 16,463 | 285,327 |
| 1999 | 74,944 | 68,982 | 66,566 | 42,074 | 18,844 | 16,789 | 288,199 |
| 2000 | 75,178 | 69,189 | 67,155 | 43,627 | 18,796 | 17,069 | 291,015 |
| 2001 | 75,359 | 69,499 | 67,635 | 45,259 | 18,748 | 17,295 | 293,795 |
| 2002 | 75,528 | 69,947 | 67,958 | 46,927 | 18,746 | 17,504 | 296,610 |
| Estimated: | | | | | | | |
| 2003 | 75,722 | 70,453 | 68,105 | 48,625 | 18,828 | 17,674 | 299,408 |
| 2004 | 75,945 | 70,952 | 68,106 | 50,375 | 18,966 | 17,824 | 302,168 |
| 2005 | 76,144 | 71,482 | 67,978 | 52,145 | 19,183 | 17,962 | 304,894 |
| 2006 | 76,286 | 72,081 | 67,730 | 53,920 | 19,526 | 18,047 | 307,591 |
| 2007 | 76,326 | 72,795 | 67,382 | 55,674 | 19,985 | 18,100 | 310,263 |
| 2008 | 76,291 | 73,597 | 66,963 | 57,352 | 20,589 | 18,117 | 312,910 |
| 2009 | 76,310 | 74,358 | 66,496 | 58,909 | 21,300 | 18,163 | 315,536 |
| 2010 | 76,408 | 75,052 | 65,990 | 60,320 | 22,114 | 18,254 | 318,137 |
| 2011 | 76,589 | 75,668 | 65,462 | 61,573 | 23,090 | 18,330 | 320,712 |
| 2012 | 76,850 | 76,198 | 64,955 | 62,665 | 24,160 | 18,440 | 323,269 |
| 2013 | 77,150 | 76,636 | 64,535 | 63,594 | 25,280 | 18,596 | 325,791 |
| 2014 | 77,507 | 76,932 | 64,261 | 64,355 | 26,428 | 18,791 | 328,273 |
| 2015 | 77,929 | 77,080 | 64,174 | 64,946 | 27,559 | 19,049 | 330,736 |
| 2016 | 78,354 | 77,137 | 64,280 | 65,371 | 28,665 | 19,370 | 333,177 |
| 2017 | 78,776 | 77,121 | 64,550 | 65,635 | 29,745 | 19,762 | 335,591 |
| 2018 | 79,100 | 77,152 | 64,937 | 65,750 | 30,794 | 20,242 | 337,975 |
| 2019 | 79,315 | 77,261 | 65,385 | 65,733 | 31,806 | 20,828 | 340,329 |
| 2020 | 79,537 | 77,368 | 65,843 | 65,601 | 32,771 | 21,528 | 342,649 |
| 2021 | 79,756 | 77,506 | 66,287 | 65,364 | 33,682 | 22,337 | 344,932 |
| 2022 | 79,966 | 77,625 | 66,767 | 65,040 | 34,539 | 23,236 | 347,173 |
| 2023 | 80,153 | 77,680 | 67,315 | 64,656 | 35,342 | 24,196 | 349,342 |
| 2024 | 80,313 | 77,625 | 67,975 | 64,232 | 36,097 | 25,191 | 351,434 |
| 2025 | 80,449 | 77,502 | 68,727 | 63,779 | 36,810 | 26,203 | 353,471 |
| 2026 | 80,561 | 77,440 | 69,440 | 63,312 | 37,475 | 27,222 | 355,449 |
| 2027 | 80,645 | 77,464 | 70,070 | 62,869 | 38,066 | 28,254 | 357,369 |

¹ Age as of last birthday.

Note: Totals do not necessarily equal the sums of rounded components. Historical population data subject to revision.

As described in section III.D.1, the monthly Federal benefit rate is adjusted annually in January to reflect changes in the level of consumer prices. The adjustment factor is based on the year-to-year increase in the CPI for the third quarter of the calendar year. This cost-of-living adjustment is identical to the adjustment of Social Security benefits under the OASDI program. In previous years, occasional ad hoc increases were also applied to the Federal benefit rates, either in place of or in addition to such automatic adjustments. The history of legislation affecting the Federal benefit rates is presented in table V.A1. Table IV.A2 presents a complete history of the cost-of-living adjustment factors and Federal benefit rates since the inception of the program, along with projections of such amounts consistent with the economic assumptions underlying the SSI expenditure estimates discussed in section IV.C.

Table IV.A2.—Social Security Cost-of-Living Adjustments and Federal Benefit Rates Estimated on the Basis of the Intermediate Assumptions of the 2003 OASDI Trustees Report, 1974-2027

| Year | Benefit rate increase ¹ | Federal benefit rate | | |
|---|------------------------------------|----------------------|----------|-------------------------------|
| | | Individual | Couple | Essential person ² |
| Historical data: | | | | |
| Initial benefit paid January 1, 1974 ³ | — | \$140.00 | \$210.00 | \$70.00 |
| 1974..... | ⁴ 4.3% | 146.00 | 219.00 | 73.00 |
| 1975..... | 8.0 | 157.70 | 236.60 | 78.90 |
| 1976..... | 6.4 | 167.80 | 251.80 | 84.00 |
| 1977..... | 5.9 | 177.80 | 266.70 | 89.00 |
| 1978..... | 6.5 | 189.40 | 284.10 | 94.80 |
| 1979..... | 9.9 | 208.20 | 312.30 | 104.20 |
| 1980..... | 14.3 | 238.00 | 357.00 | 119.20 |
| 1981..... | 11.2 | 264.70 | 397.00 | 132.60 |
| 1982..... | 7.4 | 284.30 | 426.40 | 142.50 |
| 1983..... | ⁴ 7.0 | 304.30 | 456.40 | 152.50 |
| 1984..... | 3.5 | 314.00 | 472.00 | 157.00 |
| 1985..... | 3.5 | 325.00 | 488.00 | 163.00 |
| 1986..... | 3.1 | 336.00 | 504.00 | 168.00 |
| 1987..... | 1.3 | 340.00 | 510.00 | 170.00 |
| 1988..... | 4.2 | 354.00 | 532.00 | 177.00 |
| 1989..... | 4.0 | 368.00 | 553.00 | 184.00 |
| 1990..... | 4.7 | 386.00 | 579.00 | 193.00 |
| 1991..... | 5.4 | 407.00 | 610.00 | 204.00 |
| 1992..... | 3.7 | 422.00 | 633.00 | 211.00 |
| 1993..... | 3.0 | 434.00 | 652.00 | 217.00 |
| 1994..... | 2.6 | 446.00 | 669.00 | 223.00 |
| 1995..... | 2.8 | 458.00 | 687.00 | 229.00 |
| 1996..... | 2.6 | 470.00 | 705.00 | 235.00 |
| 1997..... | 2.9 | 484.00 | 726.00 | 242.00 |
| 1998..... | 2.1 | 494.00 | 741.00 | 247.00 |
| 1999..... | 1.3 | 500.00 | 751.00 | 250.00 |
| 2000..... | ⁵ 2.5 | ⁶ 513.00 | 769.00 | 257.00 |
| 2001..... | 3.5 | ⁶ 531.00 | 796.00 | 266.00 |
| 2002..... | 2.6 | 545.00 | 817.00 | 273.00 |
| 2003..... | 1.4 | 552.00 | 829.00 | 277.00 |
| Estimated: | | | | |
| 2004..... | 2.3 | 565.00 | 848.00 | 283.00 |
| 2005..... | 2.4 | 579.00 | 868.00 | 290.00 |
| 2006..... | 2.8 | 595.00 | 892.00 | 298.00 |
| 2007..... | 2.9 | 612.00 | 918.00 | 306.00 |
| 2008..... | 3.0 | 630.00 | 946.00 | 316.00 |
| 2009..... | 3.0 | 649.00 | 974.00 | 325.00 |
| 2010..... | 3.0 | 669.00 | 1,003.00 | 335.00 |
| 2011..... | 3.0 | 689.00 | 1,033.00 | 345.00 |
| 2012..... | 3.0 | 710.00 | 1,065.00 | 355.00 |
| 2013..... | 3.0 | 731.00 | 1,096.00 | 366.00 |
| 2014..... | 3.0 | 753.00 | 1,129.00 | 377.00 |
| 2015..... | 3.0 | 775.00 | 1,163.00 | 388.00 |
| 2016..... | 3.0 | 799.00 | 1,198.00 | 400.00 |
| 2017..... | 3.0 | 823.00 | 1,234.00 | 412.00 |
| 2018..... | 3.0 | 847.00 | 1,271.00 | 424.00 |
| 2019..... | 3.0 | 873.00 | 1,309.00 | 437.00 |
| 2020..... | 3.0 | 899.00 | 1,349.00 | 450.00 |
| 2021..... | 3.0 | 926.00 | 1,389.00 | 464.00 |
| 2022..... | 3.0 | 954.00 | 1,431.00 | 478.00 |
| 2023..... | 3.0 | 982.00 | 1,474.00 | 492.00 |
| 2024..... | 3.0 | 1,012.00 | 1,518.00 | 507.00 |
| 2025..... | 3.0 | 1,042.00 | 1,564.00 | 522.00 |
| 2026..... | 3.0 | 1,074.00 | 1,610.00 | 538.00 |
| 2027..... | 3.0 | 1,106.00 | 1,659.00 | 554.00 |

¹ Increases prior to 1984 were effective for the payment due on July 1 of the year. Increases shown for 1984 and later are effective for the payment due on January 1 of the year.

² A concept carried over from the former State assistance plans. There are currently fewer than 100 of those cases remaining.

³ Benefits paid in January, 1974 were based on the Federal benefit rates established by Public Law 92-603, enacted October 30, 1972: \$130.00 for individuals; \$195.00 for couples; and \$65.00 for essential persons. Retroactive payments were subsequently made to adjust initial payments to the higher Federal benefit rates established by Public Law 93-233, enacted December 31, 1973.

⁴ Ad hoc increases as specified in the law.

⁵ Originally determined as 2.4 percent, but pursuant to Public Law 106-554, enacted December 21, 2000, is effectively now 2.5 percent.

⁶ Benefits originally paid in 2000 and through July 2001 were based on Federal benefit rates of \$512.00 and \$530.00, respectively. Pursuant to Public Law 106-554, monthly payments beginning in August 2001 were effectively based on the higher \$531 amount. Lump-sum compensation payments were made based on an adjusted benefit rate for months prior to August 2001.

Estimates presented in the sections that follow are based on the assumptions described in this section. Furthermore, for purposes of making these estimates, it is assumed that no changes will occur during the projection period in the present statutory provisions and regulations under which the SSI program operates.

B. NUMBERS OF PARTICIPANTS IN THE SSI PROGRAM

In this section, we present our projections of the various subpopulations which lead to the numbers of persons receiving Federal SSI payments. As described above, the forecasting models that produce these projections are structured to handle population flows by single-year-of-age. Correspondingly, the tables in this section present these population totals by selected age groupings. This is in contrast with annual reports prior to 1999 which presented forecast results exclusively by recipient categories of *aged*, *blind or disabled adults*, and *blind or disabled children*. Since these recipient categories are in large part based on age, the additional age breakouts shown in this report can be viewed as a refinement of the information presented in the first two SSI Annual Reports. The following paragraphs discuss a few of the subtle points in the translation between the previous recipient categories and current age categories.

- The *aged* category includes those individuals whose eligibility for SSI benefits is established based on meeting the age-65-or-older requirement for assistance, and the income and resource limits applicable for adults. In December 2002, there were 1.252 million aged recipients of Federally-administered SSI payments.
- The *blind or disabled adults* category includes those individuals whose eligibility is established based on meeting the definition of blindness or disability for individuals age 18 or older, and the income and resource limits applicable for adults. After attainment of age 65, these individuals generally continue to be classified as blind or disabled adults (rather than aged). In December 2002, there were 4.611 million blind or disabled adult recipients of Federally-administered SSI payments, including 726 thousand disabled and 18 thousand blind recipients aged 65 or older.
- The *blind or disabled children* category includes those individuals whose initial eligibility is established based on meeting the definition of blindness or disability for individuals under age 18. At age 18 these individuals continue to be eligible for SSI if they meet the definition of blindness or disability for individuals age 18 or older. As a result, blind or disabled children are generally reclassified as blind or disabled adults at age 18. However, students aged 18 to 21 are still classified as blind or disabled children, but only for purposes of applying a special student earned income exclusion.¹ The numbers of students, however, represent a small percentage of the total number of disabled children. For example, in December 2002, there were 925 thousand blind or disabled child recipients of Federally-administered SSI payments, including 10 thousand students aged 18 to 21. Since these students are small in number, and for most purposes treated under the program as disabled adults, most agency management information is moving in the direction of equating disabled children with the age grouping 0 to 17. As in the past four annual reports, our tables showing historical and projected SSI data conform to this new standard.

Table IV.B1 presents historical and projected numbers of persons applying for SSI benefits, by calendar year of application. Figure IV.B1 presents this same information in graphical form. Actual numbers of applications received in 2002 were about 9.6 percent higher than were received in 2001. The actual result for 2002 was 0.2 percent higher than estimated for 2002 in the 2002 Annual Report. This growth in applications during 2002 is likely related to the downturn in the economy that began early in 2001. Our short-term projections of numbers of applications reflect a continuation of that higher level of applications over the next 2 years, but return to a path consistent with longer term historical trends as the economy is

¹ Parent-to-child deeming ends in all cases when an individual turns 18.

assumed to recover. Longer term trends in applications are estimated to continue to grow from current levels roughly in line with overall population growth, as was assumed in last year's report.

Table IV.B1.—SSI Federally-Administered Applications,¹ Calendar Years 1974-2027

[In thousands]

| Calendar year | Blind or disabled, by age group | | | | | | Aged, by age group | | Totals | | |
|---------------------------|---------------------------------|-------|-------|-------|-------|-------------|--------------------|-------------|-------------------|------|-------|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled | Aged | All |
| Historical data: | | | | | | | | | | | |
| 1974 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ |
| 1975 ³ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 1,075 | 325 | 1,400 |
| 1976 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 984 | 254 | 1,239 |
| 1977 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 1,040 | 259 | 1,298 |
| 1978 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 1,046 | 258 | 1,304 |
| 1979 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 1,090 | 262 | 1,352 |
| 1980 | 122 | 310 | 272 | 438 | 8 | 1 | 187 | 89 | 1,151 | 276 | 1,427 |
| 1981 | 78 | 206 | 173 | 271 | 5 | 5/ | 88 | 42 | 733 | 130 | 864 |
| 1982 | 88 | 246 | 206 | 278 | 11 | 1 | 93 | 48 | 830 | 141 | 971 |
| 1983 | 102 | 258 | 225 | 311 | 5 | 1 | 122 | 68 | 902 | 190 | 1,092 |
| 1984 | 103 | 267 | 247 | 321 | 7 | 5/ | 178 | 108 | 944 | 286 | 1,230 |
| 1985 | 114 | 294 | 297 | 409 | 7 | 5/ | 151 | 73 | 1,122 | 223 | 1,345 |
| 1986 | 122 | 316 | 334 | 426 | 7 | 1 | 150 | 81 | 1,205 | 231 | 1,437 |
| 1987 | 108 | 287 | 299 | 331 | 7 | 1 | 134 | 66 | 1,033 | 200 | 1,233 |
| 1988 | 114 | 282 | 301 | 317 | 7 | 1 | 131 | 69 | 1,021 | 200 | 1,221 |
| 1989 | 116 | 297 | 323 | 329 | 7 | 5/ | 146 | 76 | 1,072 | 222 | 1,294 |
| 1990 | 149 | 335 | 380 | 356 | 6 | 5/ | 156 | 71 | 1,226 | 227 | 1,454 |
| 1991 | 237 | 391 | 453 | 391 | 7 | 5/ | 159 | 68 | 1,479 | 227 | 1,706 |
| 1992 | 339 | 453 | 522 | 407 | 8 | 5/ | 163 | 64 | 1,728 | 226 | 1,955 |
| 1993 | 473 | 506 | 570 | 416 | 7 | 5/ | 158 | 61 | 1,973 | 218 | 2,191 |
| 1994 | 517 | 492 | 571 | 402 | 6 | 5/ | 136 | 52 | 1,989 | 188 | 2,177 |
| 1995 | 473 | 435 | 524 | 363 | 6 | 5/ | 121 | 44 | 1,801 | 165 | 1,966 |
| 1996 | 431 | 393 | 500 | 345 | 9 | 1 | 108 | 44 | 1,678 | 153 | 1,831 |
| 1997 | 306 | 317 | 438 | 307 | 8 | 1 | 82 | 35 | 1,377 | 117 | 1,494 |
| 1998 | 318 | 317 | 453 | 331 | 9 | 1 | 96 | 39 | 1,428 | 136 | 1,563 |
| 1999 | 338 | 317 | 470 | 336 | 6 | 5/ | 107 | 39 | 1,468 | 145 | 1,614 |
| 2000 | 337 | 321 | 486 | 341 | 6 | 5/ | 102 | 39 | 1,493 | 140 | 1,633 |
| 2001 | 351 | 346 | 502 | 354 | 4 | 5/ | 98 | 35 | 1,558 | 134 | 1,691 |
| 2002 | 385 | 388 | 550 | 384 | 4 | 5/ | 105 | 38 | 1,711 | 142 | 1,853 |
| Estimated: | | | | | | | | | | | |
| 2003 | 393 | 406 | 544 | 395 | 5 | 5/ | 102 | 37 | 1,744 | 139 | 1,882 |
| 2004 | 391 | 404 | 541 | 410 | 4 | 5/ | 106 | 38 | 1,751 | 144 | 1,895 |
| 2005 | 383 | 395 | 531 | 427 | 5 | 5/ | 108 | 38 | 1,741 | 147 | 1,887 |
| 2006 | 372 | 384 | 514 | 438 | 5 | 5/ | 111 | 38 | 1,713 | 149 | 1,862 |
| 2007 | 366 | 377 | 499 | 446 | 6 | 5/ | 113 | 38 | 1,694 | 152 | 1,846 |
| 2008 | 359 | 370 | 484 | 454 | 6 | 5/ | 115 | 38 | 1,674 | 153 | 1,827 |
| 2009 | 356 | 366 | 472 | 463 | 7 | 5/ | 116 | 38 | 1,664 | 154 | 1,818 |
| 2010 | 357 | 370 | 469 | 472 | 7 | 5/ | 119 | 37 | 1,675 | 156 | 1,831 |
| 2011 | 358 | 372 | 465 | 481 | 8 | 5/ | 124 | 37 | 1,684 | 161 | 1,845 |
| 2012 | 360 | 375 | 461 | 489 | 8 | 5/ | 128 | 37 | 1,693 | 165 | 1,858 |
| 2013 | 362 | 377 | 458 | 495 | 8 | 5/ | 132 | 38 | 1,700 | 170 | 1,870 |
| 2014 | 364 | 378 | 456 | 500 | 9 | 5/ | 138 | 38 | 1,707 | 176 | 1,883 |
| 2015 | 365 | 379 | 456 | 504 | 9 | 5/ | 143 | 39 | 1,712 | 181 | 1,894 |
| 2016 | 367 | 379 | 457 | 506 | 9 | 5/ | 147 | 39 | 1,717 | 187 | 1,904 |
| 2017 | 368 | 378 | 459 | 507 | 9 | 5/ | 152 | 40 | 1,721 | 192 | 1,913 |
| 2018 | 369 | 379 | 461 | 506 | 9 | 5/ | 156 | 41 | 1,726 | 197 | 1,923 |
| 2019 | 370 | 380 | 464 | 505 | 10 | 5/ | 161 | 42 | 1,729 | 203 | 1,932 |
| 2020 | 371 | 381 | 467 | 503 | 10 | 5/ | 165 | 44 | 1,733 | 209 | 1,942 |
| 2021 | 372 | 383 | 470 | 500 | 10 | 5/ | 170 | 46 | 1,735 | 215 | 1,951 |
| 2022 | 373 | 383 | 474 | 497 | 10 | 5/ | 174 | 48 | 1,738 | 221 | 1,959 |
| 2023 | 374 | 384 | 479 | 493 | 10 | 5/ | 177 | 50 | 1,739 | 227 | 1,966 |
| 2024 | 374 | 383 | 484 | 489 | 11 | 5/ | 180 | 51 | 1,741 | 232 | 1,973 |
| 2025 | 374 | 382 | 489 | 486 | 11 | 5/ | 183 | 53 | 1,742 | 237 | 1,979 |
| 2026 | 375 | 381 | 494 | 482 | 11 | 5/ | 186 | 55 | 1,743 | 241 | 1,985 |
| 2027 | 375 | 381 | 499 | 479 | 11 | 5/ | 188 | 57 | 1,745 | 245 | 1,990 |

¹ Based on data reported in the Integrated Workload Management System (formerly known as the District Office Workload Report).

² Consistent data on applications for 1974 (the first year of operation of the program) are not available.

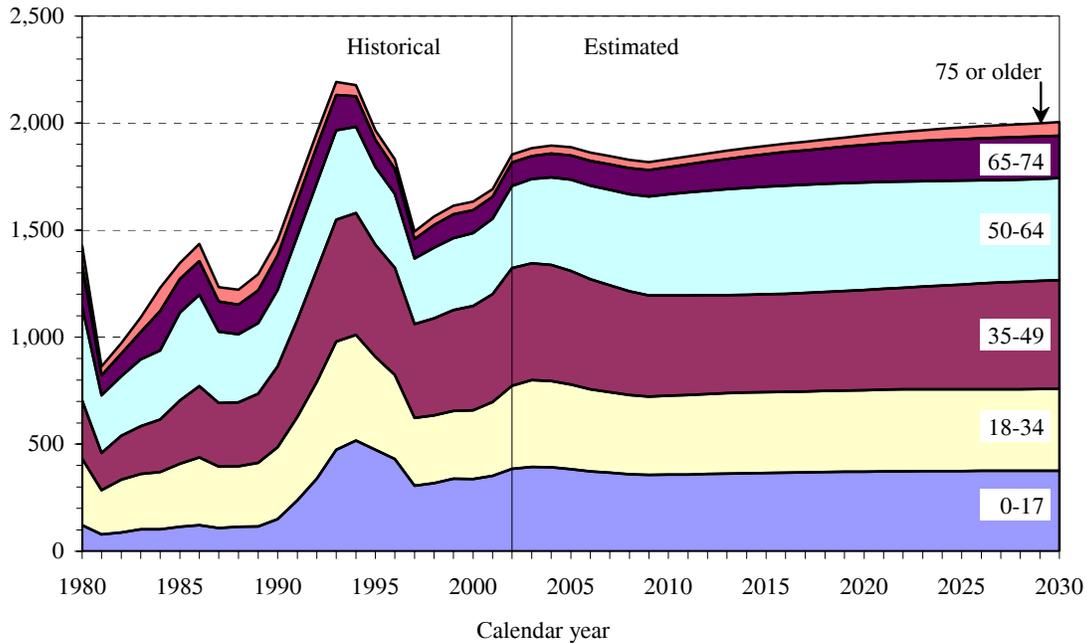
³ Totals estimated using a 1-percent sample.

⁴ Age-specific information for these years not yet available.

⁵ Fewer than 500.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Figure IV.B1.—SSI Federally-Administered Applications by Age Group, Calendar Years 1980-2030
[In thousands]



The adjudication of these applications involves an evaluation of levels of income and resources available to the applicants, as well as other eligibility factors including marital and citizenship status and living arrangements. In addition, in over 90 percent of the cases, an evaluation of an alleged impairment must be done by the appropriate State Disability Determination Service. An unfavorable disability determination may then be appealed by the applicant through several administrative levels of appeal. If all administrative levels of appeal are exhausted, the applicant may in turn carry his/her appeal to the Federal courts. Data on recent historical experience for this disability decision process are presented in section V.C.

Table IV.B2 and figure IV.B2 present historical and projected numbers of persons who are ultimately awarded SSI eligibility as a result of this decision process. In that table and graph, we are essentially counting individuals as being awarded in the first month that they move into SSI payment status. For this reason, we refer to these individuals as “new entrants” rather than “awards.”¹ The numbers of new entrants into SSI payment status increased in 1998 and again slightly in 1999 following a period of decline ending in 1997. In 2000, the numbers of new entrants experienced a small decrease but resumed growing in 2001 and continued growing in 2002 with an increase of 6.4 percent over the 2001 level. As mentioned earlier in the discussion of applications, this increase is likely related to the continued poor performance of the economy in 2002. As with applications, our projections in the near term assume a somewhat higher level of new entrants than experienced in the years just prior to 2001. Over the longer term the numbers of new entrants are estimated to increase gradually in line with projected growth in applications.

¹ In addition, these counts differ slightly from other similar totals identified as “awards” and published by the Office of Research, Evaluation, and Statistics (ORES) in the *Annual Statistical Supplement to the Social Security Bulletin*. The ORES totals are similar in concept to those used in this report, but differ slightly due to the timing of the action being tabulated. For example, ORES does not count a disability benefit as being awarded until the disability decision is made. In contrast, under the procedures used in this report, individuals first coming on the SSI rolls through a finding of presumptive disability would be counted as a “new entrant” in the first month of presumptive disability payment.

Table IV.B2.—SSI Federally-Administered New Entrants, Calendar Years 1974-2027
[In thousands]

| Calendar year ¹ | Blind or disabled, by age group | | | | | Aged, by age group | | | Totals ² | | |
|----------------------------|---------------------------------|-------|-------|-------|-------|--------------------|-------|-------------|---------------------|-------|-------|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled | Aged | All |
| Historical data: | | | | | | | | | | | |
| 1974 ³ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 1,919 | 2,479 | 4,398 |
| 1975 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 584 | 347 | 931 |
| 1976 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 452 | 218 | 669 |
| 1977 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 429 | 209 | 637 |
| 1978 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 370 | 193 | 563 |
| 1979 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 330 | 169 | 499 |
| 1980 | 41 | 92 | 61 | 142 | 4 | 5/ | 125 | 59 | 341 | 184 | 524 |
| 1981 | 37 | 77 | 49 | 106 | 3 | 5/ | 80 | 37 | 272 | 117 | 389 |
| 1982 | 38 | 63 | 51 | 90 | 4 | 5/ | 72 | 31 | 245 | 103 | 348 |
| 1983 | 47 | 88 | 62 | 117 | 3 | 5/ | 95 | 51 | 317 | 146 | 463 |
| 1984 | 47 | 109 | 78 | 142 | 4 | 5/ | 131 | 78 | 380 | 209 | 589 |
| 1985 | 48 | 104 | 80 | 148 | 4 | 5/ | 106 | 46 | 384 | 152 | 536 |
| 1986 | 55 | 127 | 109 | 153 | 5 | 5/ | 110 | 51 | 449 | 161 | 610 |
| 1987 | 48 | 119 | 106 | 157 | 5 | 5/ | 116 | 52 | 435 | 167 | 602 |
| 1988 | 50 | 101 | 108 | 146 | 5 | 1 | 112 | 56 | 412 | 167 | 579 |
| 1989 | 48 | 113 | 115 | 155 | 5 | 5/ | 127 | 62 | 436 | 189 | 625 |
| 1990 | 76 | 136 | 134 | 182 | 5 | 5/ | 149 | 66 | 533 | 215 | 748 |
| 1991 | 126 | 146 | 172 | 200 | 6 | 5/ | 139 | 54 | 650 | 193 | 844 |
| 1992 | 221 | 199 | 221 | 233 | 6 | 5/ | 133 | 48 | 881 | 181 | 1,062 |
| 1993 | 235 | 194 | 221 | 225 | 6 | 5/ | 136 | 49 | 881 | 185 | 1,066 |
| 1994 | 204 | 164 | 207 | 215 | 6 | 5/ | 116 | 42 | 796 | 157 | 953 |
| 1995 | 177 | 147 | 207 | 218 | 5 | 5/ | 105 | 36 | 755 | 141 | 895 |
| 1996 | 145 | 134 | 193 | 203 | 6 | 1 | 93 | 35 | 681 | 128 | 809 |
| 1997 | 116 | 111 | 171 | 178 | 4 | 5/ | 68 | 25 | 580 | 93 | 673 |
| 1998 | 135 | 117 | 181 | 194 | 7 | 1 | 78 | 30 | 634 | 108 | 742 |
| 1999 | 140 | 114 | 186 | 195 | 5 | 5/ | 88 | 33 | 640 | 120 | 760 |
| 2000 | 145 | 112 | 180 | 191 | 5 | 5/ | 84 | 31 | 633 | 115 | 748 |
| 2001 | 157 | 121 | 185 | 198 | 4 | 5/ | 79 | 28 | 665 | 107 | 772 |
| 2002 | 171 | 128 | 195 | 212 | 4 | 5/ | 82 | 29 | 710 | 111 | 821 |
| Estimated: | | | | | | | | | | | |
| 2003 | 178 | 139 | 199 | 219 | 5 | 5/ | 82 | 29 | 740 | 111 | 851 |
| 2004 | 177 | 141 | 203 | 228 | 4 | 5/ | 86 | 30 | 754 | 116 | 870 |
| 2005 | 171 | 136 | 197 | 235 | 5 | 5/ | 88 | 30 | 743 | 118 | 861 |
| 2006 | 166 | 133 | 191 | 242 | 6 | 5/ | 90 | 30 | 737 | 120 | 857 |
| 2007 | 164 | 131 | 187 | 248 | 6 | 5/ | 92 | 30 | 735 | 122 | 857 |
| 2008 | 161 | 129 | 182 | 253 | 6 | 5/ | 93 | 30 | 731 | 123 | 854 |
| 2009 | 160 | 127 | 177 | 256 | 7 | 5/ | 93 | 30 | 726 | 123 | 849 |
| 2010 | 160 | 126 | 174 | 259 | 7 | 5/ | 95 | 30 | 727 | 125 | 852 |
| 2011 | 161 | 126 | 172 | 262 | 7 | 5/ | 99 | 29 | 728 | 129 | 857 |
| 2012 | 162 | 127 | 170 | 266 | 7 | 5/ | 102 | 30 | 731 | 132 | 863 |
| 2013 | 162 | 127 | 169 | 270 | 7 | 5/ | 106 | 30 | 735 | 136 | 871 |
| 2014 | 163 | 128 | 168 | 272 | 8 | 5/ | 110 | 30 | 739 | 140 | 879 |
| 2015 | 164 | 128 | 168 | 275 | 8 | 5/ | 114 | 31 | 742 | 145 | 887 |
| 2016 | 164 | 128 | 168 | 276 | 8 | 5/ | 118 | 31 | 744 | 149 | 894 |
| 2017 | 165 | 128 | 169 | 277 | 8 | 5/ | 122 | 32 | 747 | 153 | 900 |
| 2018 | 166 | 128 | 169 | 277 | 8 | 5/ | 125 | 33 | 749 | 158 | 906 |
| 2019 | 166 | 129 | 171 | 277 | 9 | 5/ | 129 | 34 | 751 | 162 | 913 |
| 2020 | 166 | 129 | 172 | 276 | 9 | 5/ | 132 | 35 | 752 | 167 | 919 |
| 2021 | 167 | 130 | 173 | 274 | 9 | 5/ | 136 | 36 | 753 | 172 | 925 |
| 2022 | 167 | 130 | 174 | 273 | 9 | 5/ | 139 | 38 | 754 | 177 | 931 |
| 2023 | 167 | 130 | 176 | 271 | 9 | 5/ | 142 | 39 | 754 | 181 | 935 |
| 2024 | 168 | 130 | 178 | 269 | 9 | 5/ | 145 | 41 | 754 | 186 | 940 |
| 2025 | 168 | 130 | 180 | 267 | 9 | 5/ | 147 | 43 | 755 | 190 | 944 |
| 2026 | 168 | 130 | 182 | 265 | 10 | 5/ | 149 | 44 | 755 | 193 | 948 |
| 2027 | 168 | 130 | 184 | 263 | 10 | 5/ | 151 | 46 | 754 | 196 | 951 |

¹ Represents period in which first payment was made, not date of first eligibility for payments.

² Historical totals estimated based on 1-percent or 10-percent sample data.

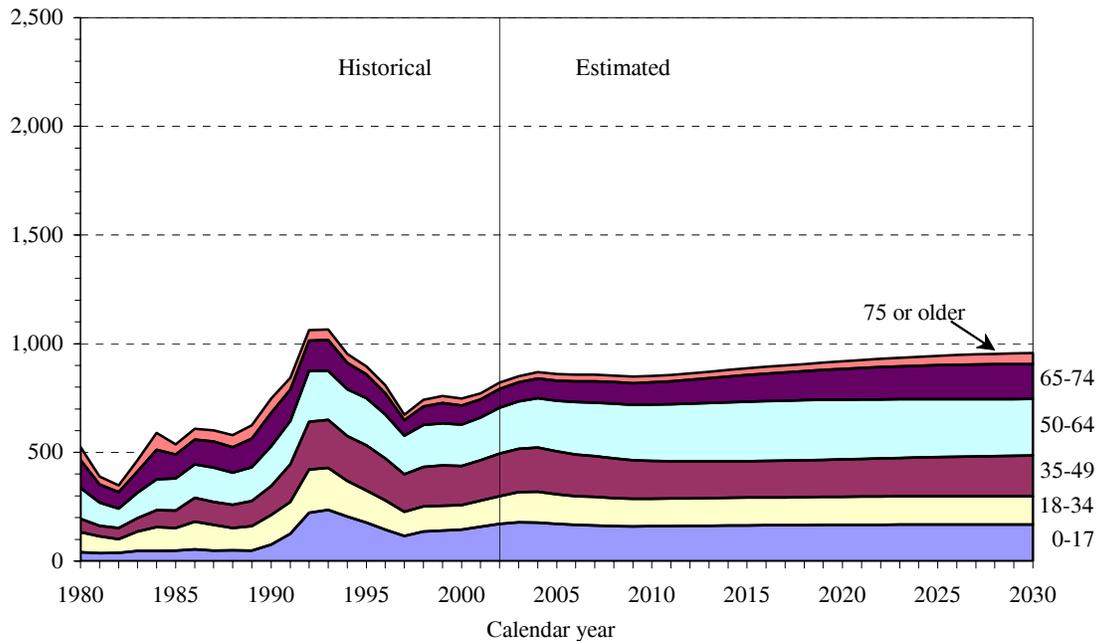
³ Totals for 1974 include recipients converted from previous State programs as well as new entrants to the SSI program during 1974.

⁴ Age-specific information for these years not yet available.

⁵ Fewer than 500.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Figure IV.B2.—SSI Federally-Administered New Entrants by Age Group, Calendar Years 1980-2030
[In thousands]



Some of the persons receiving SSI benefits in a year will be removed from current-payment status during the year because of death or the loss of SSI eligibility. The loss of eligibility can occur either as the result of an evaluation of the individual's nonmedical factors of eligibility, including income and resources, or due to a determination that he/she is no longer disabled as defined under the Social Security Act.¹ For example, disabled children, upon attainment of age 18, lose eligibility if they do not qualify for benefits under the disabled adult eligibility criteria. For purposes of this presentation, we refer to the net reduction in the number of SSI recipients in payment status during a period as the number of SSI terminations for that period.

In the following tables, we have separated the numbers of people moving out of payment status into those leaving due to death (table IV.B3), and those leaving for all other reasons (table IV.B4). Table IV.B5 and figure IV.B3 present historical and projected numbers of total terminations by calendar year.

Actual experience for terminations in 2002 was 2.1 percent higher than anticipated in the 2002 Annual Report. Terminations due to death were 1.1 percent lower than anticipated, but terminations due to reasons other than death were 3.4 percent higher than estimated last year. Almost half of the difference between actual 2002 results and the values estimated in last year's report is due to an underestimate of terminations among disabled child recipients.

¹ Some historical details on income and resource redeterminations and the results of continuing disability reviews are presented in section V.D. Section V.E presents information on certain incentive programs intended to encourage disabled SSI recipients to return to work.

Table IV.B3.—SSI Federally-Administered Terminations Due to Death, Calendar Years 1974-2027
[In thousands]

| Calendar year | Blind or disabled, by age group | | | | | Aged, by age group | | | Totals ¹ | | |
|------------------|---------------------------------|-------|-------|-------|-------|--------------------|-------|-------------|---------------------|------|-----|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled | Aged | All |
| Historical data: | | | | | | | | | | | |
| 1974 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ |
| 1975 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 65 | 147 | 212 |
| 1976 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 64 | 137 | 201 |
| 1977 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 65 | 137 | 203 |
| 1978 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 67 | 126 | 193 |
| 1979 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 67 | 121 | 189 |
| 1980 | 3 | 5 | 9 | 31 | 22 | 1 | 27 | 100 | 71 | 127 | 198 |
| 1981 | 3 | 5 | 8 | 31 | 24 | 2 | 21 | 92 | 73 | 112 | 186 |
| 1982 | 3 | 4 | 8 | 28 | 21 | 2 | 16 | 80 | 65 | 96 | 161 |
| 1983 | 3 | 6 | 8 | 25 | 21 | 3 | 15 | 79 | 65 | 94 | 158 |
| 1984 | 3 | 4 | 9 | 29 | 18 | 5 | 13 | 83 | 67 | 96 | 163 |
| 1985 | 2 | 6 | 10 | 29 | 24 | 6 | 17 | 84 | 77 | 101 | 178 |
| 1986 | 2 | 8 | 12 | 28 | 22 | 8 | 15 | 83 | 80 | 98 | 178 |
| 1987 | 3 | 8 | 13 | 30 | 23 | 10 | 15 | 82 | 87 | 97 | 184 |
| 1988 | 5 | 8 | 14 | 31 | 25 | 12 | 16 | 81 | 95 | 97 | 191 |
| 1989 | 3 | 8 | 16 | 33 | 23 | 12 | 15 | 78 | 95 | 93 | 187 |
| 1990 | 4 | 9 | 18 | 36 | 22 | 14 | 16 | 75 | 103 | 92 | 194 |
| 1991 | 4 | 9 | 20 | 39 | 23 | 17 | 17 | 74 | 112 | 91 | 203 |
| 1992 | 4 | 11 | 22 | 38 | 22 | 15 | 16 | 69 | 111 | 84 | 195 |
| 1993 | 6 | 13 | 27 | 41 | 23 | 17 | 16 | 72 | 127 | 88 | 215 |
| 1994 | 6 | 14 | 27 | 41 | 23 | 17 | 16 | 69 | 127 | 85 | 212 |
| 1995 | 6 | 13 | 30 | 43 | 24 | 18 | 16 | 65 | 135 | 81 | 216 |
| 1996 | 7 | 12 | 30 | 44 | 24 | 18 | 16 | 67 | 135 | 83 | 218 |
| 1997 | 5 | 10 | 24 | 43 | 24 | 19 | 15 | 64 | 127 | 79 | 206 |
| 1998 | 5 | 9 | 24 | 43 | 25 | 20 | 14 | 64 | 127 | 78 | 205 |
| 1999 | 5 | 9 | 25 | 45 | 25 | 21 | 13 | 63 | 131 | 76 | 207 |
| 2000 | 5 | 8 | 27 | 46 | 25 | 21 | 12 | 61 | 132 | 73 | 205 |
| 2001 | 5 | 8 | 28 | 47 | 25 | 22 | 11 | 60 | 135 | 71 | 207 |
| 2002 | 5 | 8 | 28 | 49 | 24 | 21 | 11 | 58 | 135 | 70 | 205 |
| Estimated: | | | | | | | | | | | |
| 2003 | 6 | 9 | 29 | 51 | 26 | 21 | 11 | 59 | 140 | 70 | 211 |
| 2004 | 6 | 9 | 29 | 53 | 27 | 21 | 11 | 60 | 146 | 72 | 217 |
| 2005 | 6 | 9 | 29 | 55 | 28 | 21 | 11 | 60 | 149 | 71 | 220 |
| 2006 | 6 | 9 | 29 | 57 | 28 | 22 | 11 | 60 | 152 | 71 | 223 |
| 2007 | 6 | 9 | 29 | 59 | 29 | 22 | 11 | 60 | 155 | 70 | 225 |
| 2008 | 6 | 10 | 29 | 61 | 30 | 22 | 11 | 59 | 158 | 70 | 228 |
| 2009 | 6 | 10 | 28 | 62 | 31 | 23 | 11 | 59 | 160 | 70 | 230 |
| 2010 | 6 | 10 | 28 | 64 | 32 | 23 | 11 | 58 | 163 | 70 | 232 |
| 2011 | 6 | 10 | 27 | 66 | 33 | 23 | 11 | 58 | 165 | 69 | 235 |
| 2012 | 6 | 10 | 27 | 67 | 34 | 24 | 12 | 57 | 168 | 69 | 237 |
| 2013 | 6 | 10 | 26 | 68 | 35 | 24 | 12 | 57 | 170 | 69 | 239 |
| 2014 | 7 | 10 | 26 | 69 | 36 | 25 | 12 | 56 | 172 | 69 | 241 |
| 2015 | 7 | 10 | 26 | 70 | 37 | 25 | 13 | 56 | 174 | 69 | 244 |
| 2016 | 7 | 10 | 26 | 70 | 38 | 26 | 13 | 56 | 177 | 69 | 246 |
| 2017 | 7 | 10 | 26 | 70 | 39 | 26 | 14 | 56 | 179 | 70 | 248 |
| 2018 | 7 | 10 | 26 | 70 | 41 | 27 | 14 | 56 | 181 | 70 | 251 |
| 2019 | 7 | 10 | 26 | 70 | 42 | 28 | 15 | 56 | 183 | 71 | 254 |
| 2020 | 7 | 10 | 26 | 70 | 43 | 28 | 15 | 56 | 185 | 72 | 256 |
| 2021 | 7 | 10 | 26 | 70 | 44 | 29 | 16 | 57 | 186 | 73 | 259 |
| 2022 | 7 | 11 | 26 | 69 | 45 | 30 | 16 | 58 | 188 | 74 | 262 |
| 2023 | 7 | 11 | 27 | 69 | 46 | 31 | 17 | 58 | 190 | 75 | 265 |
| 2024 | 7 | 11 | 27 | 68 | 47 | 32 | 17 | 60 | 191 | 77 | 268 |
| 2025 | 7 | 11 | 27 | 68 | 48 | 32 | 17 | 61 | 193 | 78 | 271 |
| 2026 | 7 | 11 | 27 | 67 | 49 | 33 | 18 | 62 | 194 | 80 | 274 |
| 2027 | 7 | 11 | 28 | 66 | 50 | 34 | 18 | 64 | 195 | 82 | 278 |

¹ Historical totals estimated based on 1-percent or 10-percent sample data.

² Data not available.

³ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Table IV.B4.—SSI Federally-Administered Terminations Due to Reasons Other Than Death, Calendar Years 1974-2027
[In thousands]

| Calendar year | Blind or disabled, by age group | | | | | Aged, by age group | | | Totals ¹ | | |
|------------------|---------------------------------|-------|-------|-------|-------|--------------------|-------|-------------|---------------------|------|-----|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled | Aged | All |
| Historical data: | | | | | | | | | | | |
| 1974 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ |
| 1975 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 221 | 180 | 401 |
| 1976 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 306 | 240 | 546 |
| 1977 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 265 | 168 | 433 |
| 1978 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 241 | 150 | 391 |
| 1979 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 234 | 144 | 378 |
| 1980 | 19 | 48 | 43 | 80 | 23 | 1 | 44 | 77 | 214 | 121 | 334 |
| 1981 | 17 | 43 | 39 | 72 | 21 | 1 | 49 | 86 | 192 | 134 | 326 |
| 1982 | 19 | 48 | 43 | 79 | 23 | 1 | 50 | 87 | 212 | 137 | 348 |
| 1983 | 18 | 43 | 36 | 63 | 14 | 1 | 25 | 61 | 175 | 86 | 261 |
| 1984 | 13 | 51 | 37 | 77 | 21 | 1 | 37 | 60 | 200 | 98 | 298 |
| 1985 | 11 | 42 | 37 | 68 | 13 | 2 | 23 | 54 | 172 | 77 | 249 |
| 1986 | 18 | 49 | 47 | 73 | 16 | 3 | 34 | 60 | 206 | 94 | 300 |
| 1987 | 19 | 51 | 48 | 75 | 17 | 3 | 32 | 57 | 214 | 89 | 302 |
| 1988 | 19 | 52 | 51 | 74 | 15 | 5 | 33 | 59 | 216 | 93 | 309 |
| 1989 | 19 | 55 | 52 | 72 | 16 | 4 | 33 | 58 | 218 | 91 | 308 |
| 1990 | 14 | 52 | 57 | 73 | 17 | 8 | 40 | 68 | 221 | 108 | 330 |
| 1991 | 20 | 50 | 70 | 84 | 18 | 5 | 33 | 58 | 248 | 91 | 339 |
| 1992 | 39 | 68 | 94 | 103 | 19 | 8 | 34 | 56 | 329 | 90 | 419 |
| 1993 | 34 | 73 | 97 | 106 | 22 | 8 | 37 | 55 | 340 | 92 | 433 |
| 1994 | 41 | 73 | 101 | 107 | 18 | 8 | 32 | 49 | 348 | 81 | 429 |
| 1995 | 47 | 81 | 111 | 115 | 20 | 7 | 32 | 48 | 382 | 80 | 461 |
| 1996 | 47 | 89 | 128 | 119 | 21 | 8 | 29 | 49 | 413 | 78 | 491 |
| 1997 | 128 | 105 | 147 | 115 | 18 | 8 | 24 | 40 | 522 | 64 | 586 |
| 1998 | 67 | 89 | 112 | 110 | 19 | 8 | 22 | 38 | 406 | 61 | 466 |
| 1999 | 119 | 111 | 120 | 116 | 20 | 9 | 24 | 43 | 495 | 68 | 563 |
| 2000 | 84 | 99 | 111 | 112 | 22 | 9 | 22 | 38 | 437 | 61 | 498 |
| 2001 | 65 | 95 | 111 | 118 | 20 | 9 | 22 | 38 | 418 | 60 | 478 |
| 2002 | 78 | 100 | 122 | 133 | 20 | 9 | 20 | 35 | 463 | 55 | 517 |
| Estimated: | | | | | | | | | | | |
| 2003 | 70 | 98 | 119 | 135 | 20 | 9 | 17 | 37 | 451 | 55 | 505 |
| 2004 | 67 | 105 | 122 | 138 | 20 | 9 | 19 | 37 | 461 | 56 | 517 |
| 2005 | 70 | 110 | 125 | 144 | 20 | 9 | 19 | 36 | 478 | 56 | 534 |
| 2006 | 76 | 112 | 125 | 149 | 20 | 9 | 20 | 36 | 491 | 56 | 547 |
| 2007 | 78 | 111 | 123 | 154 | 21 | 9 | 20 | 36 | 496 | 56 | 552 |
| 2008 | 74 | 113 | 122 | 159 | 22 | 9 | 20 | 36 | 499 | 56 | 555 |
| 2009 | 70 | 113 | 119 | 161 | 23 | 9 | 21 | 36 | 496 | 57 | 553 |
| 2010 | 66 | 115 | 117 | 164 | 24 | 9 | 21 | 37 | 495 | 58 | 553 |
| 2011 | 65 | 116 | 116 | 168 | 25 | 10 | 22 | 36 | 500 | 58 | 558 |
| 2012 | 66 | 117 | 114 | 171 | 26 | 10 | 22 | 36 | 504 | 58 | 563 |
| 2013 | 67 | 116 | 112 | 173 | 27 | 10 | 23 | 36 | 505 | 59 | 563 |
| 2014 | 68 | 117 | 111 | 175 | 28 | 10 | 24 | 35 | 509 | 59 | 568 |
| 2015 | 68 | 118 | 110 | 177 | 29 | 10 | 25 | 35 | 512 | 60 | 572 |
| 2016 | 69 | 119 | 110 | 177 | 29 | 10 | 26 | 35 | 515 | 60 | 575 |
| 2017 | 69 | 119 | 111 | 177 | 30 | 11 | 26 | 35 | 517 | 61 | 578 |
| 2018 | 69 | 120 | 111 | 177 | 31 | 11 | 27 | 35 | 520 | 62 | 582 |
| 2019 | 69 | 121 | 112 | 177 | 32 | 11 | 28 | 35 | 522 | 63 | 585 |
| 2020 | 69 | 122 | 112 | 176 | 33 | 11 | 29 | 36 | 524 | 64 | 589 |
| 2021 | 69 | 123 | 113 | 175 | 34 | 12 | 30 | 36 | 526 | 66 | 592 |
| 2022 | 69 | 124 | 114 | 174 | 34 | 12 | 30 | 37 | 527 | 67 | 595 |
| 2023 | 69 | 124 | 115 | 172 | 35 | 12 | 31 | 38 | 529 | 69 | 597 |
| 2024 | 69 | 125 | 116 | 171 | 36 | 13 | 32 | 39 | 530 | 70 | 600 |
| 2025 | 69 | 125 | 118 | 169 | 36 | 13 | 32 | 40 | 531 | 72 | 603 |
| 2026 | 70 | 125 | 119 | 168 | 37 | 14 | 33 | 41 | 532 | 74 | 606 |
| 2027 | 70 | 126 | 120 | 167 | 37 | 14 | 34 | 42 | 533 | 75 | 609 |

¹ Historical totals estimated based on 1-percent or 10-percent sample data.

² Data not available.

³ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Table IV.B5.—SSI Federally-Administered Terminations for All Reasons, Calendar Years 1974-2027
[In thousands]

| Calendar year | Blind or disabled, by age group | | | | | Aged, by age group | | | Totals ¹ | | |
|-------------------------|---------------------------------|-------|-------|-------|-------|--------------------|-------|-------------|---------------------|------|-----|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled | Aged | All |
| Historical data: | | | | | | | | | | | |
| 1974 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ |
| 1975 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 287 | 326 | 613 |
| 1976 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 371 | 377 | 748 |
| 1977 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 330 | 305 | 636 |
| 1978 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 308 | 276 | 584 |
| 1979 | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 3/ | 301 | 265 | 566 |
| 1980 | 22 | 53 | 52 | 111 | 45 | 2 | 70 | 177 | 284 | 248 | 532 |
| 1981 | 20 | 48 | 47 | 103 | 45 | 3 | 69 | 177 | 266 | 246 | 512 |
| 1982 | 21 | 52 | 51 | 107 | 43 | 2 | 65 | 168 | 277 | 233 | 510 |
| 1983 | 21 | 49 | 44 | 87 | 34 | 4 | 39 | 140 | 240 | 180 | 419 |
| 1984 | 16 | 55 | 46 | 106 | 39 | 6 | 50 | 144 | 267 | 194 | 461 |
| 1985 | 13 | 47 | 47 | 97 | 37 | 8 | 40 | 138 | 249 | 178 | 427 |
| 1986 | 21 | 58 | 59 | 101 | 38 | 11 | 48 | 143 | 287 | 192 | 478 |
| 1987 | 22 | 59 | 61 | 106 | 40 | 13 | 47 | 138 | 301 | 185 | 486 |
| 1988 | 24 | 60 | 65 | 105 | 39 | 18 | 49 | 140 | 311 | 189 | 500 |
| 1989 | 22 | 63 | 69 | 105 | 39 | 15 | 47 | 136 | 312 | 183 | 496 |
| 1990 | 18 | 61 | 75 | 109 | 39 | 22 | 56 | 144 | 324 | 200 | 524 |
| 1991 | 25 | 60 | 90 | 123 | 40 | 22 | 50 | 132 | 360 | 182 | 542 |
| 1992 | 42 | 78 | 115 | 140 | 41 | 23 | 50 | 125 | 440 | 175 | 614 |
| 1993 | 40 | 86 | 124 | 148 | 45 | 24 | 54 | 127 | 467 | 181 | 648 |
| 1994 | 47 | 87 | 128 | 148 | 41 | 24 | 48 | 118 | 475 | 166 | 642 |
| 1995 | 54 | 94 | 142 | 158 | 44 | 25 | 47 | 113 | 517 | 160 | 677 |
| 1996 | 54 | 101 | 158 | 163 | 45 | 27 | 45 | 116 | 548 | 161 | 710 |
| 1997 | 133 | 116 | 172 | 159 | 43 | 26 | 39 | 105 | 648 | 143 | 792 |
| 1998 | 73 | 98 | 136 | 153 | 44 | 29 | 36 | 102 | 533 | 138 | 671 |
| 1999 | 124 | 120 | 146 | 161 | 45 | 31 | 38 | 106 | 626 | 144 | 770 |
| 2000 | 89 | 107 | 138 | 159 | 46 | 29 | 35 | 99 | 569 | 134 | 703 |
| 2001 | 70 | 103 | 139 | 166 | 45 | 31 | 34 | 98 | 554 | 132 | 685 |
| 2002 | 83 | 108 | 150 | 182 | 44 | 30 | 31 | 93 | 598 | 124 | 722 |
| Estimated: | | | | | | | | | | | |
| 2003 | 75 | 107 | 148 | 185 | 46 | 29 | 29 | 96 | 591 | 125 | 716 |
| 2004 | 73 | 114 | 151 | 191 | 48 | 30 | 30 | 97 | 607 | 128 | 735 |
| 2005 | 76 | 119 | 154 | 199 | 48 | 30 | 30 | 97 | 627 | 127 | 754 |
| 2006 | 82 | 121 | 155 | 206 | 49 | 31 | 30 | 96 | 643 | 127 | 770 |
| 2007 | 84 | 120 | 152 | 212 | 51 | 31 | 31 | 96 | 650 | 126 | 777 |
| 2008 | 80 | 122 | 151 | 219 | 52 | 31 | 31 | 95 | 657 | 126 | 783 |
| 2009 | 76 | 123 | 148 | 224 | 54 | 32 | 32 | 95 | 656 | 127 | 783 |
| 2010 | 72 | 124 | 145 | 228 | 56 | 33 | 32 | 95 | 658 | 127 | 785 |
| 2011 | 71 | 126 | 143 | 234 | 58 | 33 | 33 | 94 | 665 | 127 | 793 |
| 2012 | 72 | 127 | 141 | 238 | 60 | 34 | 34 | 93 | 672 | 127 | 799 |
| 2013 | 73 | 126 | 138 | 241 | 62 | 34 | 35 | 92 | 674 | 127 | 802 |
| 2014 | 74 | 127 | 137 | 244 | 64 | 35 | 36 | 92 | 681 | 128 | 809 |
| 2015 | 75 | 128 | 136 | 246 | 66 | 35 | 38 | 91 | 686 | 129 | 815 |
| 2016 | 75 | 129 | 136 | 247 | 68 | 36 | 39 | 91 | 691 | 130 | 821 |
| 2017 | 76 | 129 | 136 | 248 | 70 | 37 | 40 | 91 | 696 | 131 | 827 |
| 2018 | 76 | 131 | 137 | 248 | 72 | 38 | 42 | 91 | 701 | 132 | 833 |
| 2019 | 76 | 132 | 138 | 247 | 74 | 39 | 43 | 91 | 705 | 134 | 839 |
| 2020 | 76 | 133 | 139 | 246 | 76 | 40 | 44 | 92 | 709 | 136 | 845 |
| 2021 | 76 | 134 | 139 | 245 | 78 | 41 | 46 | 93 | 713 | 138 | 851 |
| 2022 | 76 | 134 | 140 | 243 | 80 | 42 | 47 | 94 | 716 | 141 | 857 |
| 2023 | 76 | 135 | 142 | 241 | 82 | 43 | 48 | 96 | 719 | 144 | 862 |
| 2024 | 76 | 135 | 143 | 239 | 83 | 44 | 49 | 98 | 721 | 147 | 868 |
| 2025 | 76 | 136 | 145 | 237 | 85 | 46 | 50 | 100 | 724 | 150 | 874 |
| 2026 | 76 | 136 | 146 | 235 | 86 | 47 | 51 | 103 | 726 | 154 | 880 |
| 2027 | 77 | 137 | 148 | 233 | 87 | 48 | 52 | 106 | 729 | 158 | 887 |

¹ Historical totals estimated based on 1-percent or 10-percent sample data.

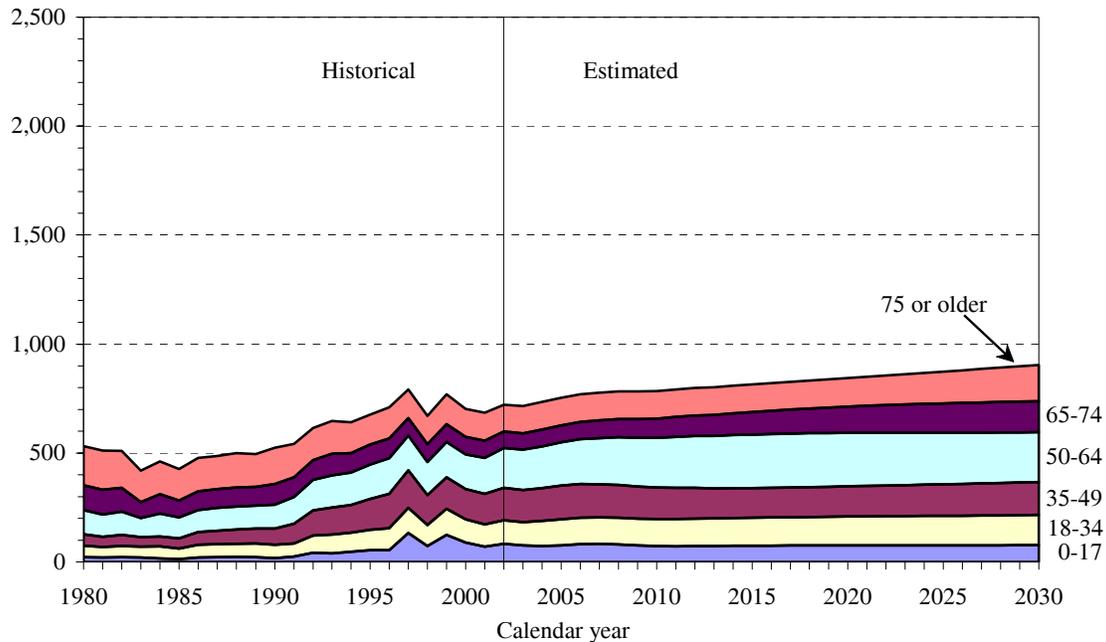
² Data not available.

³ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Figure IV.B3.—SSI Federally-Administered Terminations by Age Group, Calendar Years 1980-2030

[In thousands]



Combining the number of persons coming on the SSI payment rolls during a year with the number of those already receiving benefits at the beginning of the year, and subtracting the number leaving the rolls during the year, yields the number of persons receiving Federally-administered SSI payments at the end of the specified period. Individuals receiving Federal SSI payments, who comprise the great majority of Federally-administered recipients, are presented in table IV.B6 and in figure IV.B4. The net effect of actual experience in 2002 was that there were roughly 0.1 percent fewer Federal SSI recipients at the end of 2002 than estimated for the 2002 Annual Report.

Table IV.B6.—SSI Recipients with Federal Benefits in Current-Payment Status as of December, 1974-2027

[In thousands]

| Year | Blind or disabled, by age group | | | | | Aged, by age group | | | Totals | | |
|------------------|---------------------------------|-------|-------|-------|-------|--------------------|-------|-------------|-------------------|-------|-------|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled | Aged | All |
| Historical data: | | | | | | | | | | | |
| 1974 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ |
| 1975 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 1,869 | 2,025 | 3,893 |
| 1976 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 1,932 | 1,867 | 3,799 |
| 1977 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2,013 | 1,765 | 3,778 |
| 1978 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2,069 | 1,686 | 3,755 |
| 1979 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2,094 | 1,593 | 3,687 |
| 1980 | 188 | 500 | 351 | 750 | 342 | 17 | 609 | 925 | 2,149 | 1,533 | 3,682 |
| 1981 | 194 | 514 | 349 | 720 | 366 | 17 | 541 | 888 | 2,160 | 1,430 | 3,590 |
| 1982 | 191 | 517 | 346 | 683 | 386 | 21 | 459 | 871 | 2,144 | 1,329 | 3,473 |
| 1983 | 198 | 555 | 366 | 692 | 412 | 28 | 449 | 890 | 2,250 | 1,339 | 3,590 |
| 1984 | 210 | 595 | 393 | 700 | 406 | 48 | 463 | 884 | 2,352 | 1,347 | 3,699 |
| 1985 | 226 | 634 | 426 | 717 | 402 | 72 | 462 | 860 | 2,477 | 1,322 | 3,799 |
| 1986 | 240 | 688 | 475 | 739 | 397 | 91 | 465 | 827 | 2,630 | 1,291 | 3,922 |
| 1987 | 249 | 717 | 524 | 756 | 392 | 113 | 464 | 804 | 2,751 | 1,268 | 4,019 |
| 1988 | 254 | 738 | 564 | 774 | 387 | 127 | 468 | 777 | 2,844 | 1,245 | 4,089 |
| 1989 | 263 | 757 | 613 | 799 | 382 | 145 | 488 | 760 | 2,959 | 1,247 | 4,206 |
| 1990 | 306 | 788 | 677 | 840 | 389 | 156 | 508 | 749 | 3,156 | 1,257 | 4,412 |
| 1991 | 395 | 833 | 769 | 897 | 390 | 166 | 542 | 736 | 3,451 | 1,279 | 4,730 |
| 1992 | 555 | 920 | 877 | 970 | 402 | 173 | 577 | 727 | 3,898 | 1,304 | 5,202 |
| 1993 | 721 | 990 | 979 | 1,034 | 410 | 179 | 604 | 720 | 4,312 | 1,324 | 5,636 |
| 1994 | 839 | 1,032 | 1,071 | 1,089 | 425 | 182 | 610 | 716 | 4,638 | 1,326 | 5,965 |
| 1995 | 915 | 1,058 | 1,150 | 1,134 | 435 | 188 | 601 | 713 | 4,880 | 1,315 | 6,194 |
| 1996 | 954 | 1,066 | 1,198 | 1,176 | 444 | 192 | 586 | 711 | 5,029 | 1,296 | 6,326 |
| 1997 | 878 | 1,039 | 1,196 | 1,198 | 457 | 193 | 547 | 704 | 4,960 | 1,251 | 6,212 |
| 1998 | 885 | 1,038 | 1,238 | 1,243 | 464 | 197 | 521 | 705 | 5,063 | 1,226 | 6,289 |
| 1999 | 845 | 1,005 | 1,274 | 1,278 | 474 | 195 | 499 | 704 | 5,072 | 1,203 | 6,275 |
| 2000 | 844 | 994 | 1,303 | 1,313 | 484 | 196 | 483 | 703 | 5,134 | 1,186 | 6,320 |
| 2001 | 879 | 995 | 1,329 | 1,353 | 493 | 196 | 461 | 703 | 5,245 | 1,165 | 6,410 |
| 2002 | 912 | 1,002 | 1,344 | 1,394 | 502 | 200 | 447 | 705 | 5,354 | 1,152 | 6,505 |

Table IV.B6.—SSI Recipients with Federal Benefits in Current-Payment Status as of December, 1974-2027 (Cont.)
[In thousands]

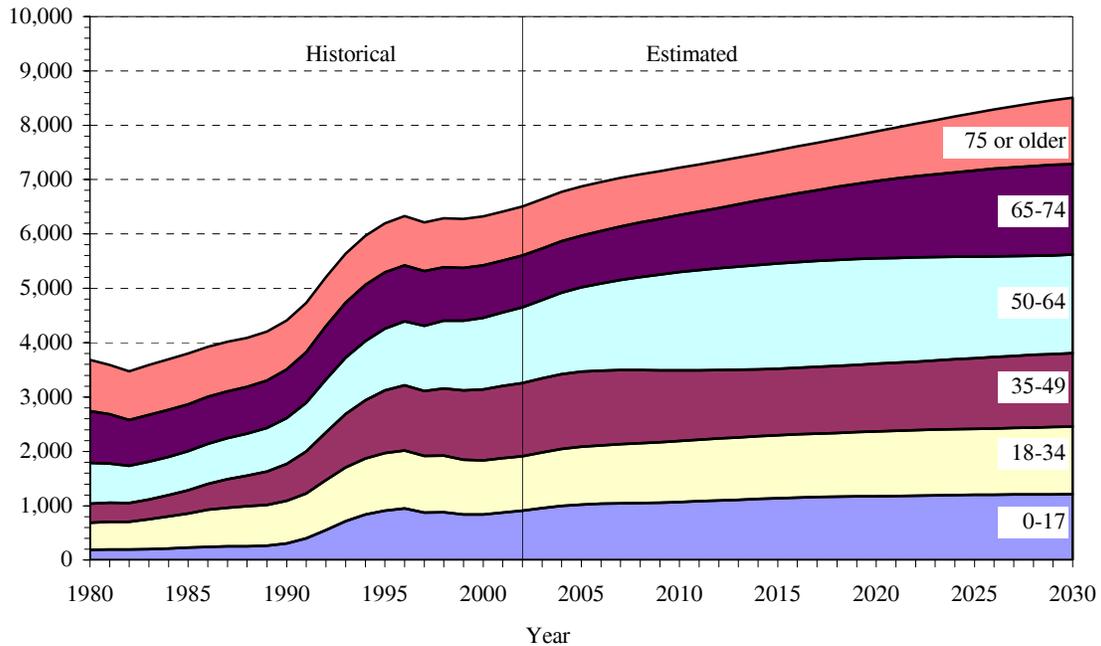
| Year | Blind or disabled, by age group | | | | | Aged, by age group | | | Totals | | All |
|--------------|---------------------------------|-------|-------|-------|-------|--------------------|-------|-------------|-------------------|-------|-------|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled | Aged | |
| Estimated: | | | | | | | | | | | |
| 2003 | 957 | 1,026 | 1,361 | 1,441 | 511 | 204 | 437 | 701 | 5,500 | 1,138 | 6,638 |
| 2004 | 997 | 1,048 | 1,377 | 1,496 | 517 | 208 | 429 | 697 | 5,643 | 1,126 | 6,770 |
| 2005 | 1,026 | 1,060 | 1,380 | 1,550 | 525 | 214 | 423 | 694 | 5,756 | 1,117 | 6,872 |
| 2006 | 1,041 | 1,071 | 1,373 | 1,605 | 539 | 217 | 424 | 685 | 5,846 | 1,110 | 6,955 |
| 2007 | 1,047 | 1,087 | 1,361 | 1,658 | 553 | 221 | 428 | 677 | 5,927 | 1,105 | 7,032 |
| 2008 | 1,052 | 1,101 | 1,343 | 1,709 | 569 | 224 | 435 | 666 | 5,997 | 1,101 | 7,098 |
| 2009 | 1,059 | 1,114 | 1,321 | 1,759 | 583 | 227 | 440 | 657 | 6,062 | 1,098 | 7,160 |
| 2010 | 1,070 | 1,125 | 1,299 | 1,804 | 597 | 232 | 447 | 648 | 6,127 | 1,095 | 7,222 |
| 2011 | 1,085 | 1,132 | 1,277 | 1,841 | 617 | 235 | 458 | 638 | 6,186 | 1,097 | 7,283 |
| 2012 | 1,099 | 1,138 | 1,257 | 1,871 | 638 | 238 | 470 | 631 | 6,243 | 1,101 | 7,343 |
| 2013 | 1,113 | 1,145 | 1,242 | 1,899 | 659 | 243 | 485 | 623 | 6,301 | 1,108 | 7,409 |
| 2014 | 1,127 | 1,151 | 1,230 | 1,921 | 681 | 246 | 502 | 617 | 6,357 | 1,119 | 7,476 |
| 2015 | 1,140 | 1,157 | 1,224 | 1,937 | 702 | 251 | 520 | 614 | 6,410 | 1,133 | 7,543 |
| 2016 | 1,151 | 1,163 | 1,223 | 1,946 | 722 | 256 | 539 | 612 | 6,461 | 1,151 | 7,612 |
| 2017 | 1,161 | 1,167 | 1,226 | 1,949 | 743 | 263 | 558 | 614 | 6,509 | 1,171 | 7,680 |
| 2018 | 1,167 | 1,175 | 1,231 | 1,949 | 765 | 269 | 576 | 618 | 6,555 | 1,194 | 7,749 |
| 2019 | 1,173 | 1,182 | 1,238 | 1,944 | 787 | 275 | 594 | 625 | 6,599 | 1,220 | 7,819 |
| 2020 | 1,178 | 1,189 | 1,244 | 1,937 | 810 | 282 | 612 | 637 | 6,640 | 1,248 | 7,888 |
| 2021 | 1,183 | 1,197 | 1,251 | 1,926 | 831 | 290 | 628 | 651 | 6,679 | 1,279 | 7,958 |
| 2022 | 1,189 | 1,203 | 1,261 | 1,913 | 851 | 300 | 643 | 668 | 6,715 | 1,312 | 8,027 |
| 2023 | 1,194 | 1,208 | 1,271 | 1,898 | 869 | 308 | 658 | 687 | 6,749 | 1,346 | 8,095 |
| 2024 | 1,199 | 1,211 | 1,285 | 1,882 | 887 | 318 | 673 | 708 | 6,781 | 1,381 | 8,162 |
| 2025 | 1,203 | 1,213 | 1,300 | 1,865 | 902 | 327 | 687 | 729 | 6,810 | 1,417 | 8,227 |
| 2026 | 1,206 | 1,217 | 1,314 | 1,848 | 916 | 336 | 701 | 752 | 6,837 | 1,453 | 8,290 |
| 2027 | 1,209 | 1,222 | 1,326 | 1,833 | 927 | 345 | 714 | 774 | 6,862 | 1,488 | 8,350 |

¹ Data not available.

² Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Figure IV.B4.—SSI Recipients with Federal Benefits in Current-Payment Status, by Age Group, as of December, 1980-2030
[In thousands]



As illustrated in figure IV.B4, the implementation of Public Law 104-121 and Public Law 104-193 resulted in a decline in the Federal recipient population from 1996 to 1997. From the end of 1997 through the end of 2000, the Federal SSI recipient population grew at an annual rate of less than 1 percent. In 2001 and 2002 the experience resulted in a slightly higher rate of increase (1.4 to 1.5 percent). Our projections indicate that we expect to gradually return to the modest growth rate of less than 1 percent per year over the remainder of the 25-year projection period. In order to place this projected growth in the context of overall population growth, table IV.B7 and figure IV.B5 present Federal SSI recipients as percentages of selected Social Security Area population totals. These percentages, of course, reflect the significant revisions in the historical and projected population totals which were discussed in section IV.A.

Table IV.B7.—SSI Recipients with Federal Benefits in Current-Payment Status as a Percentage of Selected Social Security Area Population Totals, as of December, 1975-2027

| Year | Blind or disabled, by age group | | | | | | Aged, by age group | | | Totals | |
|------------------|---------------------------------|-------|-------|-------|-------|-------------|--------------------|-------------|--------------------------------|-------------------|------------------|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled ¹ | Aged ² | All ³ |
| Historical data: | | | | | | | | | | | |
| 1975 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 0.83 | 8.62 | 1.73 |
| 1976 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | .85 | 7.76 | 1.67 |
| 1977 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | .88 | 7.16 | 1.65 |
| 1978 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | .89 | 6.68 | 1.62 |
| 1979 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | .90 | 6.17 | 1.58 |
| 1980 | 0.29 | 0.70 | 0.91 | 2.19 | 2.16 | 0.17 | 3.84 | 8.78 | .91 | 5.82 | 1.56 |
| 1981 | .30 | .72 | .87 | 2.10 | 2.27 | .16 | 3.36 | 8.20 | .91 | 5.31 | 1.50 |
| 1982 | .29 | .71 | .83 | 1.99 | 2.35 | .19 | 2.80 | 7.79 | .89 | 4.82 | 1.44 |
| 1983 | .30 | .76 | .85 | 2.03 | 2.47 | .24 | 2.70 | 7.75 | .92 | 4.76 | 1.47 |
| 1984 | .32 | .81 | .88 | 2.06 | 2.40 | .40 | 2.74 | 7.49 | .96 | 4.69 | 1.50 |
| 1985 | .34 | .87 | .92 | 2.11 | 2.33 | .59 | 2.68 | 7.11 | 1.00 | 4.51 | 1.53 |
| 1986 | .36 | .94 | 1.00 | 2.20 | 2.26 | .74 | 2.64 | 6.67 | 1.05 | 4.31 | 1.56 |
| 1987 | .38 | .98 | 1.06 | 2.25 | 2.20 | .89 | 2.60 | 6.33 | 1.09 | 4.15 | 1.59 |
| 1988 | .38 | 1.00 | 1.10 | 2.30 | 2.14 | .98 | 2.59 | 5.97 | 1.11 | 4.00 | 1.60 |
| 1989 | .39 | 1.03 | 1.16 | 2.38 | 2.08 | 1.08 | 2.66 | 5.70 | 1.14 | 3.94 | 1.63 |
| 1990 | .45 | 1.09 | 1.23 | 2.49 | 2.09 | 1.14 | 2.74 | 5.46 | 1.21 | 3.90 | 1.69 |
| 1991 | .57 | 1.16 | 1.36 | 2.63 | 2.08 | 1.18 | 2.89 | 5.24 | 1.30 | 3.89 | 1.78 |
| 1992 | .78 | 1.29 | 1.50 | 2.79 | 2.12 | 1.20 | 3.04 | 5.04 | 1.45 | 3.90 | 1.94 |
| 1993 | 1.00 | 1.40 | 1.63 | 2.92 | 2.14 | 1.21 | 3.16 | 4.88 | 1.59 | 3.91 | 2.08 |
| 1994 | 1.16 | 1.48 | 1.74 | 3.02 | 2.21 | 1.20 | 3.17 | 4.74 | 1.69 | 3.86 | 2.17 |
| 1995 | 1.25 | 1.52 | 1.82 | 3.08 | 2.26 | 1.21 | 3.13 | 4.60 | 1.76 | 3.79 | 2.23 |
| 1996 | 1.29 | 1.54 | 1.86 | 3.08 | 2.32 | 1.21 | 3.06 | 4.47 | 1.79 | 3.70 | 2.25 |
| 1997 | 1.18 | 1.51 | 1.83 | 3.02 | 2.40 | 1.18 | 2.87 | 4.33 | 1.75 | 3.54 | 2.19 |
| 1998 | 1.18 | 1.51 | 1.87 | 3.02 | 2.45 | 1.19 | 2.76 | 4.25 | 1.77 | 3.45 | 2.19 |
| 1999 | 1.13 | 1.46 | 1.91 | 2.99 | 2.52 | 1.15 | 2.65 | 4.16 | 1.75 | 3.37 | 2.17 |
| 2000 | 1.12 | 1.43 | 1.93 | 2.96 | 2.57 | 1.14 | 2.57 | 4.10 | 1.76 | 3.30 | 2.16 |
| 2001 | 1.17 | 1.43 | 1.96 | 2.94 | 2.63 | 1.13 | 2.46 | 4.05 | 1.78 | 3.23 | 2.17 |
| 2002 | 1.21 | 1.43 | 1.98 | 2.93 | 2.67 | 1.14 | 2.38 | 4.01 | 1.80 | 3.17 | 2.18 |
| Estimated: | | | | | | | | | | | |
| 2003 | 1.26 | 1.45 | 2.00 | 2.92 | 2.70 | 1.15 | 2.31 | 3.96 | 1.83 | 3.11 | 2.21 |
| 2004 | 1.31 | 1.47 | 2.02 | 2.93 | 2.72 | 1.16 | 2.26 | 3.90 | 1.86 | 3.05 | 2.23 |
| 2005 | 1.35 | 1.48 | 2.03 | 2.93 | 2.72 | 1.19 | 2.19 | 3.86 | 1.88 | 2.99 | 2.25 |
| 2006 | 1.36 | 1.48 | 2.03 | 2.94 | 2.73 | 1.20 | 2.15 | 3.79 | 1.89 | 2.94 | 2.25 |
| 2007 | 1.37 | 1.49 | 2.02 | 2.94 | 2.74 | 1.22 | 2.12 | 3.74 | 1.90 | 2.88 | 2.26 |
| 2008 | 1.38 | 1.49 | 2.01 | 2.95 | 2.72 | 1.23 | 2.08 | 3.68 | 1.91 | 2.82 | 2.26 |
| 2009 | 1.39 | 1.49 | 1.99 | 2.95 | 2.70 | 1.25 | 2.04 | 3.61 | 1.91 | 2.76 | 2.26 |
| 2010 | 1.40 | 1.49 | 1.98 | 2.96 | 2.65 | 1.27 | 1.99 | 3.55 | 1.92 | 2.69 | 2.26 |
| 2011 | 1.41 | 1.49 | 1.96 | 2.97 | 2.62 | 1.28 | 1.95 | 3.48 | 1.92 | 2.62 | 2.26 |
| 2012 | 1.43 | 1.49 | 1.94 | 2.97 | 2.59 | 1.29 | 1.91 | 3.41 | 1.92 | 2.55 | 2.26 |
| 2013 | 1.44 | 1.49 | 1.93 | 2.97 | 2.56 | 1.30 | 1.88 | 3.34 | 1.93 | 2.49 | 2.27 |
| 2014 | 1.45 | 1.49 | 1.92 | 2.97 | 2.53 | 1.30 | 1.86 | 3.27 | 1.93 | 2.44 | 2.27 |
| 2015 | 1.46 | 1.50 | 1.91 | 2.97 | 2.50 | 1.31 | 1.85 | 3.20 | 1.93 | 2.40 | 2.27 |
| 2016 | 1.47 | 1.51 | 1.90 | 2.97 | 2.48 | 1.31 | 1.85 | 3.14 | 1.93 | 2.37 | 2.28 |
| 2017 | 1.47 | 1.51 | 1.89 | 2.97 | 2.46 | 1.32 | 1.85 | 3.08 | 1.93 | 2.34 | 2.28 |
| 2018 | 1.47 | 1.52 | 1.89 | 2.96 | 2.45 | 1.31 | 1.85 | 3.02 | 1.93 | 2.31 | 2.29 |
| 2019 | 1.48 | 1.53 | 1.89 | 2.96 | 2.44 | 1.31 | 1.84 | 2.97 | 1.93 | 2.29 | 2.29 |
| 2020 | 1.48 | 1.54 | 1.88 | 2.96 | 2.44 | 1.29 | 1.84 | 2.92 | 1.93 | 2.27 | 2.30 |
| 2021 | 1.48 | 1.54 | 1.88 | 2.95 | 2.44 | 1.28 | 1.84 | 2.87 | 1.93 | 2.25 | 2.30 |
| 2022 | 1.48 | 1.55 | 1.88 | 2.95 | 2.44 | 1.27 | 1.84 | 2.83 | 1.93 | 2.24 | 2.31 |
| 2023 | 1.49 | 1.55 | 1.88 | 2.94 | 2.44 | 1.25 | 1.85 | 2.80 | 1.93 | 2.23 | 2.31 |
| 2024 | 1.49 | 1.56 | 1.88 | 2.94 | 2.44 | 1.24 | 1.85 | 2.77 | 1.92 | 2.23 | 2.32 |
| 2025 | 1.49 | 1.57 | 1.88 | 2.93 | 2.43 | 1.23 | 1.85 | 2.74 | 1.92 | 2.22 | 2.32 |
| 2026 | 1.50 | 1.57 | 1.88 | 2.93 | 2.43 | 1.21 | 1.86 | 2.72 | 1.92 | 2.22 | 2.33 |
| 2027 | 1.50 | 1.58 | 1.89 | 2.92 | 2.42 | 1.20 | 1.86 | 2.70 | 1.92 | 2.22 | 2.33 |

¹ Blind or disabled recipients as a percentage of the total Social Security Area population.

² Aged recipients as a percentage of the 65 or older Social Security Area population.

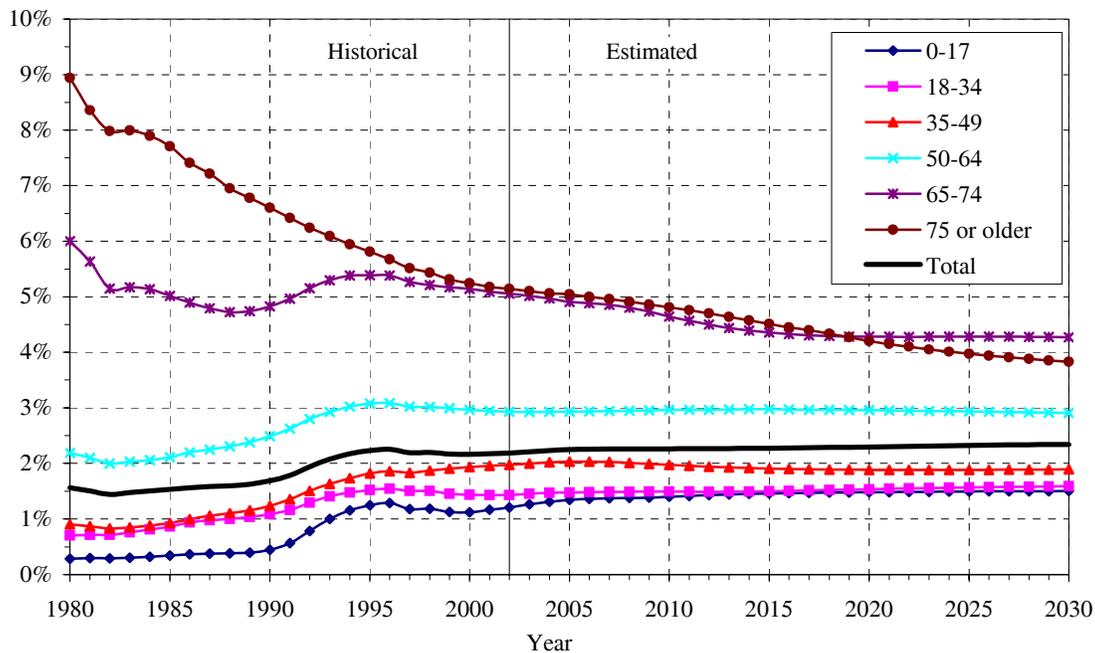
³ Total recipients as a percentage of the total Social Security Area population. Totals do not equal sums of components due to overlapping populations.

⁴ Age-specific information for these years not yet available.

For the totals shown in table IV.B7, the percentages are calculated using the population age group totals corresponding to the age groups in the Federal recipient categories. Because the ratios for the separate recipient categories are computed as percentages of differing base populations, the percentage for the total SSI recipient population is not the arithmetic sum of the percentages for the respective recipient categories. As indicated in the table, the percentage of the total Social Security Area population who were receiving Federal SSI payments declined from the inception of the program through the early 1980s. In 1983, this percentage started increasing and continued to increase through 1996. Due to factors described previously, the percentage of the total population receiving Federal SSI payments declined in 1997, but has leveled out since and is expected to increase only slightly over the projection period.

The various subcategories of Federal SSI recipients, however, follow significantly different growth patterns in relationship to their respective population totals. The aged Federal SSI recipient population declines steadily as a percentage of the 65 or older population. In contrast, except for recent decreases due to the eligibility redeterminations and continuing disability reviews mandated by Public Law 104-193, the number of blind or disabled children receiving Federal SSI payments increased steadily as a percentage of the under age 18 population, with the increase being quite steep in the early 1990s. The total blind or disabled Federal SSI recipient population as a percentage of the total population remained fairly level until the early 1980s when it started increasing and continued to increase through 1996. After the recent modest decreases due to the implementation of legislation described in other sections the number of blind or disabled persons receiving Federal SSI payments is estimated to increase very gradually as a percentage of the total population.

Figure IV.B5.—SSI Recipients with Federal Benefits in Current-Payment Status as a Percentage of Selected Social Security Area Population Age Groups, as of December, 1980-2030



Historical and projected numbers of individuals who receive only a Federally-administered State supplement are presented in table IV.B8.

Table IV.B8.—SSI Recipients with Federally-Administered State Supplementary Benefits Only, in Current-Payment Status as of December, 1974-2027

[In thousands]

| Year | Blind or disabled, by age group | | | | | Aged, by age group | | Totals | | | |
|------------------|---------------------------------|-------|-------|-------|-------|--------------------|-------|-------------|-------------------|------|-----|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled | Aged | All |
| Historical data: | | | | | | | | | | | |
| 1974 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ |
| 1975 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 139 | 282 | 421 |
| 1976 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 156 | 280 | 437 |
| 1977 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 174 | 286 | 460 |
| 1978 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 180 | 282 | 462 |
| 1979 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 184 | 278 | 462 |
| 1980 | 2 | 20 | 26 | 82 | 52 | 2 | 112 | 162 | 185 | 274 | 460 |
| 1981 | 1 | 19 | 26 | 75 | 58 | 2 | 94 | 155 | 181 | 248 | 429 |
| 1982 | 1 | 18 | 23 | 68 | 53 | 2 | 82 | 137 | 165 | 219 | 384 |
| 1983 | 1 | 17 | 19 | 50 | 44 | 4 | 65 | 111 | 136 | 176 | 312 |
| 1984 | 1 | 18 | 23 | 50 | 47 | 7 | 68 | 116 | 147 | 184 | 331 |
| 1985 | 1 | 21 | 28 | 53 | 45 | 8 | 67 | 115 | 157 | 182 | 339 |
| 1986 | 1 | 23 | 31 | 55 | 45 | 11 | 66 | 116 | 166 | 182 | 348 |
| 1987 | 1 | 26 | 36 | 60 | 43 | 12 | 72 | 115 | 178 | 187 | 366 |
| 1988 | 1 | 26 | 42 | 59 | 44 | 14 | 74 | 114 | 187 | 188 | 375 |
| 1989 | 2 | 28 | 45 | 60 | 45 | 16 | 76 | 115 | 195 | 192 | 387 |
| 1990 | 2 | 31 | 54 | 60 | 44 | 17 | 82 | 116 | 208 | 197 | 405 |
| 1991 | 2 | 29 | 54 | 59 | 42 | 17 | 78 | 108 | 203 | 186 | 389 |
| 1992 | 2 | 29 | 55 | 59 | 37 | 16 | 70 | 97 | 197 | 167 | 364 |
| 1993 | 2 | 29 | 58 | 59 | 34 | 15 | 64 | 88 | 197 | 151 | 348 |
| 1994 | 2 | 28 | 59 | 56 | 32 | 14 | 59 | 81 | 192 | 139 | 331 |
| 1995 | 3 | 25 | 59 | 56 | 32 | 14 | 54 | 77 | 188 | 131 | 320 |
| 1996 | 2 | 21 | 54 | 53 | 29 | 13 | 49 | 68 | 172 | 116 | 288 |
| 1997 | 2 | 20 | 55 | 53 | 29 | 13 | 46 | 65 | 172 | 111 | 283 |
| 1998 | 2 | 18 | 54 | 55 | 28 | 13 | 43 | 63 | 171 | 106 | 277 |
| 1999 | 2 | 18 | 57 | 58 | 28 | 13 | 43 | 62 | 177 | 105 | 282 |
| 2000 | 2 | 17 | 57 | 60 | 29 | 13 | 42 | 61 | 179 | 103 | 282 |
| 2001 | 2 | 17 | 56 | 62 | 29 | 12 | 41 | 59 | 179 | 100 | 278 |
| 2002 | 3 | 17 | 57 | 64 | 30 | 12 | 42 | 58 | 183 | 100 | 283 |
| Estimated: | | | | | | | | | | | |
| 2003 | 3 | 18 | 56 | 67 | 30 | 12 | 41 | 58 | 186 | 99 | 285 |
| 2004 | 3 | 18 | 56 | 70 | 30 | 12 | 42 | 58 | 189 | 100 | 289 |
| 2005 | 3 | 18 | 56 | 73 | 31 | 12 | 42 | 58 | 193 | 100 | 293 |
| 2006 | 3 | 18 | 56 | 75 | 32 | 12 | 42 | 58 | 197 | 100 | 296 |
| 2007 | 3 | 19 | 55 | 78 | 33 | 13 | 42 | 58 | 200 | 100 | 300 |
| 2008 | 3 | 19 | 55 | 81 | 34 | 13 | 43 | 57 | 204 | 100 | 304 |
| 2009 | 3 | 19 | 55 | 84 | 36 | 13 | 43 | 57 | 209 | 100 | 309 |
| 2010 | 3 | 20 | 54 | 87 | 37 | 13 | 43 | 57 | 213 | 100 | 313 |
| 2011 | 3 | 20 | 53 | 89 | 39 | 13 | 44 | 56 | 217 | 100 | 317 |
| 2012 | 3 | 20 | 53 | 91 | 40 | 13 | 45 | 56 | 220 | 101 | 321 |
| 2013 | 3 | 20 | 52 | 92 | 42 | 14 | 47 | 55 | 222 | 102 | 324 |
| 2014 | 3 | 20 | 51 | 93 | 43 | 14 | 48 | 55 | 225 | 103 | 328 |
| 2015 | 3 | 21 | 51 | 94 | 45 | 14 | 50 | 55 | 227 | 105 | 332 |
| 2016 | 3 | 21 | 51 | 95 | 46 | 14 | 52 | 55 | 230 | 107 | 336 |
| 2017 | 3 | 21 | 51 | 95 | 47 | 15 | 54 | 55 | 232 | 109 | 341 |
| 2018 | 3 | 21 | 51 | 95 | 49 | 15 | 56 | 56 | 234 | 111 | 345 |
| 2019 | 3 | 21 | 51 | 95 | 50 | 16 | 58 | 57 | 236 | 114 | 350 |
| 2020 | 3 | 21 | 52 | 94 | 51 | 16 | 59 | 58 | 238 | 117 | 355 |
| 2021 | 3 | 21 | 52 | 94 | 53 | 16 | 61 | 59 | 240 | 120 | 360 |
| 2022 | 3 | 21 | 52 | 93 | 54 | 17 | 62 | 61 | 241 | 123 | 365 |
| 2023 | 3 | 22 | 53 | 93 | 55 | 18 | 64 | 63 | 243 | 127 | 370 |
| 2024 | 3 | 21 | 53 | 92 | 56 | 18 | 65 | 65 | 244 | 130 | 375 |
| 2025 | 3 | 21 | 54 | 91 | 57 | 19 | 67 | 67 | 246 | 134 | 379 |
| 2026 | 3 | 21 | 55 | 90 | 58 | 19 | 68 | 69 | 247 | 137 | 384 |
| 2027 | 3 | 21 | 55 | 89 | 59 | 20 | 69 | 72 | 248 | 141 | 388 |

¹ Data not available.² Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

The combined numbers of persons receiving either a Federal SSI payment or a Federally-administered State supplement are displayed in table IV.B9.

In examining the recent history of SSI participation and the projections of such participation in the near future, certain patterns are worth noting. The rapid increase in the total number of SSI participants in the early 1990s is a function of the growth in the numbers of disabled adults and children. The growth in the numbers of children receiving SSI resulted in large part from the Supreme Court decision in the case of *Sullivan v. Zebley*, which greatly expanded the criteria used for determining disability for children. The

growth in the numbers of disabled adults is a more complicated phenomenon which is still not completely understood. However, extensive research conducted under contract to SSA and the Department of Health and Human Services suggested that this growth was the result of a combination of factors including (1) demographic trends, (2) a downturn in the economy in the late 1980s and early 1990s, (3) long-term structural changes in the economy, and (4) changes in other support programs (in particular the reduction or elimination of general assistance programs in certain States). The recent modest changes in program participation reflects the combined effects of recent legislation described in previous sections, along with changes in some of the factors mentioned above.

Table IV.B9.—SSI Recipients with Federally-Administered Benefits in Current-Payment Status as of December, 1974-2027
[In thousands]

| Year | Blind or disabled, by age group | | | | | Aged, by age group | | | Totals | | |
|------------------|---------------------------------|-------|-------|-------|-------|--------------------|-------|-------------|-------------------|-------|-------|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled | Aged | All |
| Historical data: | | | | | | | | | | | |
| 1974 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1,710 | 2,286 | 3,996 |
| 1975 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 2,007 | 2,307 | 4,314 |
| 1976 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 2,088 | 2,148 | 4,236 |
| 1977 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 2,187 | 2,051 | 4,238 |
| 1978 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 2,249 | 1,968 | 4,217 |
| 1979 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 2,278 | 1,872 | 4,150 |
| 1980 | 190 | 521 | 377 | 833 | 393 | 20 | 721 | 1,086 | 2,334 | 1,808 | 4,142 |
| 1981 | 195 | 533 | 375 | 795 | 424 | 19 | 635 | 1,043 | 2,341 | 1,678 | 4,019 |
| 1982 | 192 | 535 | 369 | 751 | 439 | 23 | 541 | 1,008 | 2,309 | 1,549 | 3,858 |
| 1983 | 198 | 572 | 386 | 742 | 456 | 32 | 514 | 1,001 | 2,386 | 1,515 | 3,901 |
| 1984 | 212 | 613 | 417 | 751 | 453 | 54 | 531 | 999 | 2,499 | 1,530 | 4,029 |
| 1985 | 227 | 655 | 454 | 769 | 447 | 80 | 530 | 975 | 2,634 | 1,504 | 4,138 |
| 1986 | 241 | 711 | 506 | 794 | 442 | 102 | 531 | 942 | 2,796 | 1,473 | 4,269 |
| 1987 | 251 | 743 | 560 | 816 | 436 | 124 | 536 | 920 | 2,930 | 1,455 | 4,385 |
| 1988 | 255 | 764 | 606 | 833 | 431 | 142 | 543 | 891 | 3,030 | 1,433 | 4,464 |
| 1989 | 265 | 785 | 658 | 859 | 427 | 160 | 564 | 875 | 3,154 | 1,439 | 4,593 |
| 1990 | 309 | 819 | 731 | 900 | 432 | 172 | 589 | 865 | 3,363 | 1,454 | 4,817 |
| 1991 | 397 | 863 | 823 | 956 | 432 | 183 | 620 | 845 | 3,654 | 1,465 | 5,118 |
| 1992 | 556 | 949 | 932 | 1,029 | 440 | 189 | 647 | 824 | 4,095 | 1,471 | 5,566 |
| 1993 | 723 | 1,019 | 1,036 | 1,093 | 445 | 194 | 667 | 808 | 4,509 | 1,475 | 5,984 |
| 1994 | 841 | 1,060 | 1,130 | 1,146 | 457 | 196 | 669 | 797 | 4,830 | 1,466 | 6,296 |
| 1995 | 917 | 1,083 | 1,209 | 1,190 | 467 | 202 | 656 | 790 | 5,068 | 1,446 | 6,514 |
| 1996 | 955 | 1,087 | 1,252 | 1,229 | 472 | 205 | 634 | 778 | 5,201 | 1,413 | 6,614 |
| 1997 | 880 | 1,059 | 1,251 | 1,252 | 486 | 205 | 593 | 770 | 5,133 | 1,362 | 6,495 |
| 1998 | 887 | 1,056 | 1,292 | 1,298 | 492 | 209 | 564 | 768 | 5,234 | 1,332 | 6,566 |
| 1999 | 847 | 1,024 | 1,331 | 1,336 | 503 | 208 | 543 | 765 | 5,249 | 1,308 | 6,557 |
| 2000 | 847 | 1,011 | 1,360 | 1,373 | 513 | 209 | 525 | 764 | 5,312 | 1,289 | 6,602 |
| 2001 | 882 | 1,012 | 1,385 | 1,415 | 522 | 209 | 502 | 762 | 5,424 | 1,264 | 6,688 |
| 2002 | 915 | 1,019 | 1,401 | 1,458 | 532 | 212 | 489 | 763 | 5,536 | 1,252 | 6,788 |
| Estimated: | | | | | | | | | | | |
| 2003 | 959 | 1,044 | 1,417 | 1,508 | 541 | 216 | 478 | 759 | 5,685 | 1,237 | 6,923 |
| 2004 | 1,000 | 1,066 | 1,433 | 1,566 | 547 | 221 | 471 | 755 | 5,833 | 1,226 | 7,058 |
| 2005 | 1,029 | 1,078 | 1,436 | 1,623 | 556 | 227 | 464 | 752 | 5,948 | 1,216 | 7,165 |
| 2006 | 1,044 | 1,089 | 1,429 | 1,680 | 570 | 230 | 466 | 743 | 6,042 | 1,210 | 7,252 |
| 2007 | 1,050 | 1,105 | 1,416 | 1,736 | 586 | 234 | 470 | 735 | 6,127 | 1,205 | 7,332 |
| 2008 | 1,055 | 1,120 | 1,398 | 1,790 | 603 | 236 | 478 | 723 | 6,201 | 1,201 | 7,403 |
| 2009 | 1,062 | 1,133 | 1,376 | 1,842 | 619 | 240 | 483 | 714 | 6,271 | 1,198 | 7,469 |
| 2010 | 1,073 | 1,144 | 1,353 | 1,891 | 634 | 244 | 491 | 705 | 6,340 | 1,195 | 7,536 |
| 2011 | 1,088 | 1,152 | 1,330 | 1,930 | 655 | 248 | 503 | 694 | 6,403 | 1,197 | 7,600 |
| 2012 | 1,102 | 1,158 | 1,310 | 1,962 | 679 | 252 | 515 | 686 | 6,463 | 1,201 | 7,664 |
| 2013 | 1,116 | 1,165 | 1,294 | 1,991 | 700 | 256 | 532 | 678 | 6,524 | 1,210 | 7,733 |
| 2014 | 1,130 | 1,172 | 1,281 | 2,014 | 724 | 260 | 550 | 672 | 6,581 | 1,222 | 7,804 |
| 2015 | 1,143 | 1,177 | 1,275 | 2,031 | 746 | 265 | 570 | 668 | 6,637 | 1,238 | 7,875 |
| 2016 | 1,154 | 1,183 | 1,273 | 2,040 | 768 | 271 | 591 | 667 | 6,690 | 1,258 | 7,948 |
| 2017 | 1,164 | 1,188 | 1,277 | 2,044 | 790 | 278 | 612 | 669 | 6,741 | 1,280 | 8,021 |
| 2018 | 1,170 | 1,196 | 1,282 | 2,044 | 813 | 284 | 632 | 673 | 6,789 | 1,305 | 8,094 |
| 2019 | 1,176 | 1,203 | 1,289 | 2,039 | 837 | 291 | 652 | 682 | 6,835 | 1,334 | 8,169 |
| 2020 | 1,181 | 1,210 | 1,296 | 2,031 | 861 | 298 | 671 | 694 | 6,878 | 1,365 | 8,243 |
| 2021 | 1,186 | 1,218 | 1,303 | 2,020 | 884 | 307 | 689 | 710 | 6,918 | 1,399 | 8,317 |
| 2022 | 1,192 | 1,224 | 1,313 | 2,006 | 905 | 317 | 706 | 729 | 6,956 | 1,435 | 8,391 |
| 2023 | 1,197 | 1,229 | 1,324 | 1,991 | 925 | 326 | 722 | 750 | 6,992 | 1,473 | 8,464 |
| 2024 | 1,202 | 1,232 | 1,338 | 1,974 | 943 | 336 | 738 | 773 | 7,025 | 1,511 | 8,536 |
| 2025 | 1,206 | 1,235 | 1,354 | 1,956 | 960 | 345 | 754 | 797 | 7,056 | 1,551 | 8,606 |
| 2026 | 1,209 | 1,239 | 1,368 | 1,939 | 974 | 355 | 769 | 821 | 7,084 | 1,590 | 8,674 |
| 2027 | 1,212 | 1,243 | 1,381 | 1,922 | 985 | 365 | 783 | 846 | 7,109 | 1,629 | 8,738 |

¹ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

C. FEDERAL PAYMENTS UNDER SSI

In order to estimate future amounts of Federal expenditures under SSI, the projected Federal benefit rates shown in table IV.A2 are first modified to reflect actual payment levels, taking into account historical and projected levels of adjustments for other actual or deemed income. Combining these actual payment levels with the projected numbers of persons receiving Federal SSI payments yields estimates of the amounts of Federal SSI payments. Historical amounts of such payments on a calendar year basis are shown in table IV.C1. For purposes of this presentation, these payment amounts are computed on a cash-flow basis consistent with the concepts used to define SSI obligations for the Federal Budget. As a result, for months after January 1978, SSI payments due on the first of the month are tabulated in the previous month, if the first of the month falls on a weekend or Federal holiday.¹

Table IV.C1.—SSI Federal Payments in Current Dollars,¹ Calendar Years 1974-2003
[In millions]

| Calendar year | Blind or disabled, by age group | | | | | Aged, by age group | | | Totals | | |
|-------------------------|---------------------------------|-------|-------|---------|-------|--------------------|-------|-------------|-------------------|---------|---------|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled | Aged | All |
| 1974 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | \$2,050 | \$1,783 | \$3,833 |
| 1975 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2,471 | 1,843 | 4,314 |
| 1976 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2,727 | 1,785 | 4,512 |
| 1977 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2,966 | 1,737 | 4,703 |
| 1978 ³ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 3,449 | 1,847 | 5,296 |
| 1979 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 3,546 | 1,760 | 5,306 |
| 1980 | \$397 | \$931 | \$731 | \$1,420 | \$544 | \$28 | \$642 | \$1,230 | 4,051 | 1,872 | 5,923 |
| 1981 | 458 | 1,079 | 821 | 1,542 | 654 | 32 | 643 | 1,320 | 4,586 | 1,963 | 6,549 |
| 1982 | 512 | 1,211 | 883 | 1,590 | 704 | 38 | 630 | 1,364 | 4,937 | 1,994 | 6,931 |
| 1983 | 574 | 1,372 | 985 | 1,704 | 774 | 58 | 624 | 1,440 | 5,466 | 2,064 | 7,530 |
| 1984 | 659 | 1,576 | 1,128 | 1,835 | 836 | 102 | 670 | 1,512 | 6,136 | 2,182 | 8,318 |
| 1985 | 736 | 1,709 | 1,250 | 1,924 | 833 | 160 | 699 | 1,499 | 6,611 | 2,198 | 8,809 |
| 1986 | 831 | 1,929 | 1,452 | 2,043 | 848 | 209 | 731 | 1,479 | 7,312 | 2,210 | 9,522 |
| 1987 | 900 | 2,081 | 1,618 | 2,157 | 846 | 259 | 765 | 1,444 | 7,860 | 2,210 | 10,069 |
| 1988 | 955 | 2,228 | 1,818 | 2,303 | 874 | 304 | 814 | 1,449 | 8,481 | 2,263 | 10,744 |
| 1989 | 1,025 | 2,431 | 2,048 | 2,481 | 936 | 366 | 881 | 1,479 | 9,286 | 2,361 | 11,647 |
| 1990 | 1,201 | 2,660 | 2,395 | 2,792 | 969 | 407 | 987 | 1,532 | 10,423 | 2,519 | 12,943 |
| 1991 | 1,678 | 3,129 | 2,966 | 3,305 | 1,060 | 463 | 1,169 | 1,637 | 12,601 | 2,806 | 15,407 |
| 1992 | 3,154 | 3,900 | 3,577 | 3,790 | 1,124 | 487 | 1,303 | 1,690 | 16,033 | 2,993 | 19,026 |
| 1993 | 3,909 | 4,465 | 4,164 | 4,188 | 1,208 | 513 | 1,471 | 1,759 | 18,447 | 3,230 | 21,677 |
| 1994 | 4,167 | 4,504 | 4,666 | 4,533 | 1,274 | 538 | 1,566 | 1,814 | 19,682 | 3,380 | 23,063 |
| 1995 | 4,657 | 4,777 | 5,155 | 4,896 | 1,357 | 565 | 1,599 | 1,900 | 21,407 | 3,499 | 24,906 |
| 1996 | 4,947 | 5,004 | 5,614 | 5,298 | 1,427 | 590 | 1,643 | 1,977 | 22,880 | 3,621 | 26,501 |
| 1997 | 4,920 | 5,031 | 5,564 | 5,410 | 1,505 | 614 | 1,586 | 2,046 | 23,044 | 3,632 | 26,675 |
| 1998 | 4,965 | 5,150 | 5,901 | 5,777 | 1,588 | 635 | 1,542 | 2,136 | 24,017 | 3,678 | 27,695 |
| 1999 | 4,835 | 5,132 | 6,185 | 6,037 | 1,660 | 654 | 1,503 | 2,206 | 24,503 | 3,709 | 28,212 |
| 2000 | 4,789 | 5,121 | 6,404 | 6,293 | 1,717 | 675 | 1,470 | 2,309 | 24,999 | 3,779 | 28,778 |
| 2001 | 5,104 | 5,354 | 6,817 | 6,783 | 1,838 | 713 | 1,470 | 2,454 | 26,608 | 3,924 | 30,532 |
| 2002 | 5,353 | 5,484 | 7,048 | 7,131 | 1,909 | 738 | 1,433 | 2,520 | 27,663 | 3,953 | 31,616 |
| 2003 ⁴ | 5,712 | 5,745 | 7,284 | 7,598 | 1,988 | 771 | 1,408 | 2,598 | 29,097 | 4,006 | 33,103 |

¹ Total historical payments for 1974-77 agree with those presented in the *Annual Statistical Supplement to the Social Security Bulletin*. Total historical payments for 1978-83 are estimated.

² Age-specific information for these years not yet available.

³ Includes 13 months of payments since payments due on January 1, 1978 and January 1, 1979 were both paid in calendar year 1978.

⁴ Partially estimated.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Using this cash-flow concept causes these payments to differ from similar amounts shown in other Social Security Administration publications, such as the *Annual Statistical Supplement to the Social Security Bulletin*, in two main ways. First, the payments shown in the *Annual Statistical Supplement* are tabulated for the month the payment is due, while the amounts shown in table IV.C1 are tabulated for the month they are actually paid. In particular, since January 1 of each year is a Federal holiday, SSI payments due on January 1 of years 1979 and later are actually paid in December of the previous year. Thus, for example,

¹ Public Law 95-216, the Social Security Amendments of 1977, enacted December 20, 1977, added a statutory requirement that SSI payments, which are normally due on the first of the month, be delivered early when the normal delivery date falls on a Saturday, Sunday or Federal holiday. When the first of the month falls on a weekend or Federal holiday, all payments due on that day are paid in the previous month. Payments presented on a cash-flow basis are tabulated according to the month in which they are actually paid.

the calendar year 2002 payment amounts shown in table IV.C1 reflect payments made in January-December, 2002, and include the payments due on January 1, 2003 (which were actually paid in December, 2002), but not the payments due on January 1, 2002 (which were actually paid in December, 2001). Second, beginning in 1991, SSI obligations as accounted for in the Federal Budget are not reduced for certain recovered overpayments which are remitted directly to the Department of the Treasury. The payments shown in the *Annual Statistical Supplement* continue to report an amount which is reduced by such overpayment recoveries as was done for the Budget prior to 1991.

Corresponding amounts of SSI outlays on a fiscal year¹ basis are presented in table IV.C2 for fiscal years 1978-2003. Fiscal years prior to 1978 are omitted from table IV.C2 since historical SSI payment amounts on a fiscal year basis for years prior to 1978 are not readily available. As with the calendar year figures, these fiscal year amounts are shown on a cash-flow basis. Consequently, fiscal years 1979 and later may contain 11, 12, or 13 months of payments, depending on whether October 1 of the current and succeeding fiscal years falls on a weekend.² Fiscal year 1978 contains 13 months of payments.

Table IV.C2.—SSI Federal Payments in Current Dollars, Fiscal Years 1978-2003

[In millions]

| Fiscal year | Blind or disabled, by age group | | | | | Aged, by age group | | Totals | | | |
|-------------------------|---------------------------------|-------|-------|---------|-------|--------------------|-------|-------------|-------------------|---------|---------|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled | Aged | All |
| 1978..... | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | \$3,386 | \$1,848 | \$5,234 |
| 1979 ² | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 3,172 | 1,610 | 4,782 |
| 1980..... | \$372 | \$877 | \$698 | \$1,360 | \$506 | \$26 | \$629 | \$1,184 | 3,840 | 1,813 | 5,653 |
| 1981..... | 442 | 1,039 | 797 | 1,508 | 625 | 31 | 647 | 1,307 | 4,442 | 1,954 | 6,396 |
| 1982..... | 499 | 1,181 | 861 | 1,570 | 693 | 36 | 640 | 1,356 | 4,840 | 1,996 | 6,836 |
| 1983..... | 596 | 1,416 | 1,024 | 1,783 | 806 | 56 | 660 | 1,510 | 5,680 | 2,170 | 7,850 |
| 1984 ² | 588 | 1,411 | 1,005 | 1,665 | 760 | 85 | 613 | 1,391 | 5,514 | 2,004 | 7,517 |
| 1985..... | 713 | 1,662 | 1,215 | 1,895 | 828 | 145 | 691 | 1,502 | 6,459 | 2,193 | 8,652 |
| 1986..... | 800 | 1,864 | 1,386 | 1,995 | 840 | 196 | 723 | 1,487 | 7,080 | 2,209 | 9,290 |
| 1987..... | 880 | 2,030 | 1,565 | 2,119 | 845 | 242 | 755 | 1,448 | 7,681 | 2,203 | 9,884 |
| 1988..... | 1,009 | 2,356 | 1,898 | 2,425 | 932 | 316 | 860 | 1,559 | 8,935 | 2,419 | 11,354 |
| 1989 ² | 1,012 | 2,378 | 1,997 | 2,452 | 910 | 345 | 862 | 1,473 | 9,094 | 2,335 | 11,430 |
| 1990 ² | 1,039 | 2,378 | 2,115 | 2,479 | 876 | 362 | 879 | 1,394 | 9,247 | 2,273 | 11,521 |
| 1991..... | 1,519 | 2,975 | 2,772 | 3,141 | 1,032 | 447 | 1,120 | 1,608 | 11,886 | 2,728 | 14,614 |
| 1992..... | 2,684 | 3,621 | 3,398 | 3,653 | 1,099 | 476 | 1,269 | 1,680 | 14,932 | 2,949 | 17,881 |
| 1993..... | 3,817 | 4,377 | 3,977 | 4,033 | 1,175 | 502 | 1,420 | 1,730 | 17,880 | 3,150 | 21,029 |
| 1994..... | 4,328 | 4,771 | 4,866 | 4,756 | 1,344 | 569 | 1,659 | 1,930 | 20,635 | 3,588 | 24,223 |
| 1995 ² | 4,554 | 4,719 | 5,031 | 4,822 | 1,341 | 560 | 1,596 | 1,884 | 21,027 | 3,480 | 24,507 |
| 1996 ² | 4,543 | 4,595 | 5,123 | 4,830 | 1,305 | 540 | 1,510 | 1,808 | 20,936 | 3,317 | 24,254 |
| 1997..... | 4,933 | 5,004 | 5,529 | 5,340 | 1,478 | 606 | 1,602 | 2,027 | 22,890 | 3,629 | 26,519 |
| 1998..... | 4,915 | 5,114 | 5,816 | 5,688 | 1,567 | 630 | 1,548 | 2,110 | 23,729 | 3,658 | 27,387 |
| 1999..... | 4,901 | 5,152 | 6,123 | 5,975 | 1,638 | 648 | 1,506 | 2,180 | 24,438 | 3,685 | 28,123 |
| 2000..... | 5,152 | 5,500 | 6,827 | 6,692 | 1,822 | 718 | 1,599 | 2,453 | 26,710 | 4,052 | 30,763 |
| 2001 ² | 4,597 | 4,869 | 6,170 | 6,125 | 1,670 | 652 | 1,352 | 2,236 | 24,083 | 3,588 | 27,671 |
| 2002..... | 5,290 | 5,456 | 6,998 | 7,041 | 1,889 | 731 | 1,444 | 2,500 | 27,405 | 3,944 | 31,349 |
| 2003 ³ | 5,576 | 5,653 | 7,204 | 7,441 | 1,965 | 761 | 1,419 | 2,580 | 28,601 | 3,998 | 32,600 |

¹ Age-specific information for these years not yet available.

² Payment due on October 1 of fiscal year paid in previous fiscal year.

³ Partially estimated.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

When projecting dollar amounts over longer periods of time, the changing value of the dollar due to inflation can make meaningful comparisons of such amounts difficult. For this reason, in projecting SSI expen-

¹ Fiscal years 1977 and later cover the period from October 1 of the previous calendar year to September 30 of the year. For example, fiscal year 2003 payments include payments made from October 1, 2002 through September 30, 2003.

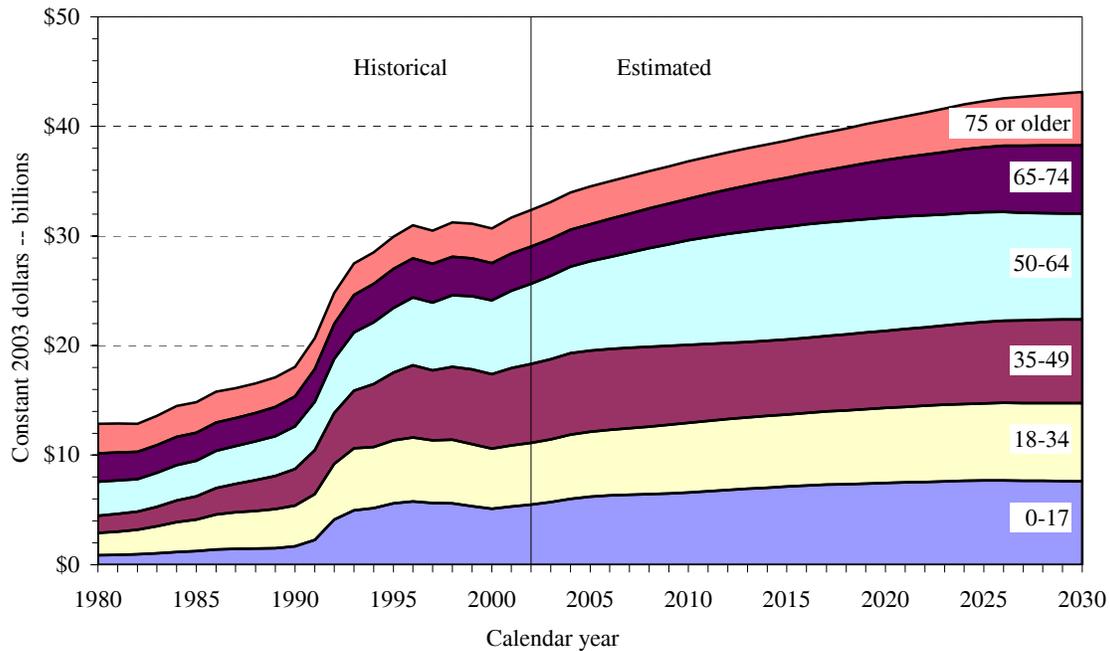
² Generally, for fiscal years 1979 and later, the number of months of payments included in the fiscal year is:

- 11 months if October 1 of the current, but not the succeeding fiscal year falls on a weekend;
- 12 months if October 1 of both the current and succeeding fiscal years falls during the week (all payments made in the fiscal year due);
- 12 months if October 1 of both the current and succeeding fiscal years falls on a weekend (both payments due on October 1 paid in preceding fiscal year); and
- 13 months if October 1 of the succeeding, but not current, fiscal year falls on a weekend.

ditures for 25 years, some means of removing inflation is generally desirable. The Consumer Price Index for Urban Wage Earners and Clerical Workers, published by the Bureau of Labor Statistics and used to determine annual increases in the SSI Federal benefit rate as described in table IV.A2, is an appropriate means of standardizing projected SSI costs over time. Constant-dollar values of Federal SSI benefit payments (those adjusted by the CPI) are presented in table IV.C3 for both the historical period, calendar years 1974-2002, and the full 25-year projection period, 2003-27. This same information is presented in graphical form in figure IV.C1.

The future growth in the “constant dollar” estimates is attributable primarily to the underlying growth in the U.S. population as shown in table IV.A1, since, after the spike in terminations in 1997, the SSI recipient population is projected to remain fairly constant as a percentage of the total U.S. population. However, a small part of the growth in estimated payments is due to some underlying real growth in the assumed average SSI benefit. This results from an estimated increase in the disabled child recipients and a decrease in aged recipients as a percentage of the total SSI recipient population, along with the fact that disabled children typically have a much larger SSI benefit than do aged recipients.¹

Figure IV.C1.—SSI Federal Payments, by Age Group, in Constant 2003 Dollars, Calendar Years 1980-2030
[In billions]



¹ Disabled children typically have higher monthly Federal payment amounts because they have, on average, much lower countable income than do adult recipients.

Table IV.C3.—SSI Federal Payments in Constant 2003 Dollars, Calendar Years 1974-2027
[In millions]

| Calendar year | Blind or disabled, by age group | | | | | Aged, by age group | | | Totals | | |
|-------------------------|---------------------------------|---------|---------|---------|---------|--------------------|---------|-------------|-------------------|---------|----------|
| | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled | Aged | All |
| Historical data: | | | | | | | | | | | |
| 1974 | / | / | / | / | / | / | / | / | \$7,445 | \$6,473 | \$13,918 |
| 1975 | / | / | / | / | / | / | / | / | 8,225 | 6,135 | 14,360 |
| 1976 | / | / | / | / | / | / | / | / | 8,586 | 5,620 | 14,207 |
| 1977 | / | / | / | / | / | / | / | / | 8,773 | 5,136 | 13,909 |
| 1978 ² | / | / | / | / | / | / | / | / | 9,469 | 5,070 | 14,540 |
| 1979 | / | / | / | / | / | / | / | / | 8,737 | 4,336 | 13,073 |
| 1980 | \$863 | \$2,022 | \$1,588 | \$3,085 | \$1,182 | \$60 | \$1,395 | \$2,672 | 8,801 | 4,067 | 12,867 |
| 1981 | 903 | 2,126 | 1,617 | 3,039 | 1,289 | 62 | 1,266 | 2,602 | 9,037 | 3,868 | 12,905 |
| 1982 | 952 | 2,250 | 1,641 | 2,954 | 1,308 | 71 | 1,170 | 2,535 | 9,177 | 3,706 | 12,882 |
| 1983 | 1,035 | 2,476 | 1,778 | 3,075 | 1,396 | 104 | 1,126 | 2,598 | 9,864 | 3,724 | 13,588 |
| 1984 | 1,149 | 2,748 | 1,967 | 3,199 | 1,457 | 177 | 1,169 | 2,636 | 10,698 | 3,805 | 14,503 |
| 1985 | 1,240 | 2,879 | 2,106 | 3,242 | 1,404 | 269 | 1,178 | 2,525 | 11,139 | 3,703 | 14,841 |
| 1986 | 1,378 | 3,199 | 2,408 | 3,388 | 1,406 | 347 | 1,212 | 2,452 | 12,127 | 3,664 | 15,791 |
| 1987 | 1,440 | 3,331 | 2,590 | 3,453 | 1,354 | 415 | 1,225 | 2,312 | 12,583 | 3,537 | 16,120 |
| 1988 | 1,471 | 3,433 | 2,800 | 3,547 | 1,347 | 468 | 1,255 | 2,232 | 13,067 | 3,486 | 16,553 |
| 1989 | 1,506 | 3,570 | 3,008 | 3,644 | 1,376 | 537 | 1,294 | 2,173 | 13,641 | 3,468 | 17,109 |
| 1990 | 1,676 | 3,714 | 3,344 | 3,898 | 1,352 | 568 | 1,379 | 2,139 | 14,552 | 3,517 | 18,070 |
| 1991 | 2,250 | 4,196 | 3,978 | 4,432 | 1,422 | 620 | 1,567 | 2,196 | 16,898 | 3,763 | 20,662 |
| 1992 | 4,110 | 5,083 | 4,662 | 4,940 | 1,465 | 635 | 1,698 | 2,203 | 20,894 | 3,901 | 24,794 |
| 1993 | 4,955 | 5,659 | 5,278 | 5,308 | 1,531 | 650 | 1,865 | 2,229 | 23,380 | 4,093 | 27,474 |
| 1994 | 5,154 | 5,571 | 5,771 | 5,608 | 1,576 | 666 | 1,937 | 2,244 | 24,346 | 4,181 | 28,527 |
| 1995 | 5,599 | 5,743 | 6,198 | 5,886 | 1,631 | 680 | 1,923 | 2,285 | 25,737 | 4,207 | 29,944 |
| 1996 | 5,782 | 5,849 | 6,561 | 6,191 | 1,668 | 689 | 1,921 | 2,311 | 26,740 | 4,232 | 30,972 |
| 1997 | 5,622 | 5,749 | 6,359 | 6,183 | 1,720 | 701 | 1,812 | 2,338 | 26,334 | 4,150 | 30,484 |
| 1998 | 5,599 | 5,808 | 6,655 | 6,515 | 1,791 | 717 | 1,739 | 2,408 | 27,085 | 4,148 | 31,233 |
| 1999 | 5,336 | 5,663 | 6,825 | 6,663 | 1,832 | 721 | 1,659 | 2,435 | 27,040 | 4,093 | 31,133 |
| 2000 | 5,107 | 5,460 | 6,829 | 6,710 | 1,831 | 720 | 1,567 | 2,462 | 26,657 | 4,030 | 30,686 |
| 2001 | 5,298 | 5,557 | 7,076 | 7,041 | 1,908 | 740 | 1,526 | 2,547 | 27,620 | 4,074 | 31,693 |
| 2002 | 5,481 | 5,615 | 7,216 | 7,301 | 1,954 | 755 | 1,467 | 2,580 | 28,323 | 4,047 | 32,371 |
| Estimated: | | | | | | | | | | | |
| 2003 | 5,712 | 5,745 | 7,284 | 7,598 | 1,988 | 771 | 1,408 | 2,598 | 29,097 | 4,006 | 33,103 |
| 2004 | 6,008 | 5,879 | 7,403 | 7,892 | 2,009 | 789 | 1,388 | 2,610 | 29,980 | 3,997 | 33,977 |
| 2005 | 6,205 | 5,931 | 7,411 | 8,139 | 2,032 | 807 | 1,367 | 2,619 | 30,524 | 3,987 | 34,511 |
| 2006 | 6,327 | 5,983 | 7,377 | 8,409 | 2,082 | 817 | 1,374 | 2,607 | 30,995 | 3,981 | 34,976 |
| 2007 | 6,386 | 6,080 | 7,337 | 8,698 | 2,144 | 833 | 1,385 | 2,585 | 31,477 | 3,970 | 35,447 |
| 2008 | 6,434 | 6,184 | 7,279 | 8,995 | 2,210 | 845 | 1,406 | 2,559 | 31,948 | 3,966 | 35,914 |
| 2009 | 6,497 | 6,279 | 7,199 | 9,283 | 2,275 | 862 | 1,424 | 2,540 | 32,396 | 3,963 | 36,359 |
| 2010 | 6,589 | 6,364 | 7,116 | 9,548 | 2,343 | 881 | 1,446 | 2,518 | 32,841 | 3,963 | 36,804 |
| 2011 | 6,697 | 6,428 | 7,029 | 9,769 | 2,432 | 897 | 1,477 | 2,487 | 33,252 | 3,964 | 37,216 |
| 2012 | 6,810 | 6,482 | 6,951 | 9,956 | 2,528 | 916 | 1,512 | 2,463 | 33,644 | 3,976 | 37,619 |
| 2013 | 6,917 | 6,529 | 6,887 | 10,110 | 2,617 | 936 | 1,557 | 2,438 | 33,996 | 3,994 | 37,990 |
| 2014 | 7,024 | 6,570 | 6,838 | 10,229 | 2,712 | 952 | 1,608 | 2,420 | 34,324 | 4,029 | 38,353 |
| 2015 | 7,119 | 6,604 | 6,817 | 10,305 | 2,800 | 972 | 1,664 | 2,410 | 34,618 | 4,074 | 38,692 |
| 2016 | 7,213 | 6,652 | 6,833 | 10,362 | 2,893 | 997 | 1,726 | 2,410 | 34,951 | 4,136 | 39,087 |
| 2017 | 7,294 | 6,693 | 6,869 | 10,385 | 2,986 | 1,026 | 1,787 | 2,419 | 35,252 | 4,205 | 39,458 |
| 2018 | 7,343 | 6,747 | 6,913 | 10,381 | 3,082 | 1,053 | 1,846 | 2,437 | 35,519 | 4,283 | 39,801 |
| 2019 | 7,403 | 6,804 | 6,970 | 10,371 | 3,185 | 1,083 | 1,905 | 2,471 | 35,818 | 4,376 | 40,193 |
| 2020 | 7,450 | 6,859 | 7,022 | 10,337 | 3,288 | 1,113 | 1,959 | 2,517 | 36,069 | 4,475 | 40,544 |
| 2021 | 7,500 | 6,916 | 7,079 | 10,288 | 3,385 | 1,151 | 2,010 | 2,576 | 36,320 | 4,585 | 40,905 |
| 2022 | 7,548 | 6,961 | 7,144 | 10,224 | 3,477 | 1,193 | 2,058 | 2,644 | 36,548 | 4,702 | 41,250 |
| 2023 | 7,594 | 7,006 | 7,223 | 10,161 | 3,568 | 1,234 | 2,105 | 2,720 | 36,786 | 4,825 | 41,611 |
| 2024 | 7,642 | 7,039 | 7,322 | 10,097 | 3,654 | 1,277 | 2,152 | 2,803 | 37,031 | 4,955 | 41,986 |
| 2025 | 7,677 | 7,061 | 7,412 | 10,014 | 3,728 | 1,317 | 2,198 | 2,888 | 37,208 | 5,086 | 42,295 |
| 2026 | 7,689 | 7,083 | 7,491 | 9,926 | 3,790 | 1,357 | 2,246 | 2,978 | 37,337 | 5,224 | 42,560 |
| 2027 | 7,664 | 7,093 | 7,543 | 9,823 | 3,828 | 1,394 | 2,287 | 3,070 | 37,345 | 5,357 | 42,702 |

¹ Age-specific information for these years not yet available.

² Includes 13 months of payments since payments due on January 1, 1978 and January 1, 1979 were both paid in calendar year 1978.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Although detailed projections of SSI State supplementary payments are not prepared, historical information on the amounts of such supplements is presented in tables IV.C4 and IV.C5. These amounts are consistent with those presented in the *Annual Statistical Supplement to the Social Security Bulletin* and are shown only for the two broad recipient categories.

Table IV.C4.—SSI Federally-Administered State Supplementary Payments in Current Dollars, Calendar Years 1974-2002
[In millions]

| Calendar year | Aged | Blind or disabled | Total |
|---------------|-------|-------------------|---------|
| 1974 | \$631 | \$632 | \$1,264 |
| 1975 | 674 | 729 | 1,403 |
| 1976 | 635 | 753 | 1,388 |
| 1977 | 627 | 804 | 1,431 |
| 1978 | 636 | 855 | 1,491 |
| 1979 | 661 | 928 | 1,590 |
| 1980 | 757 | 1,091 | 1,848 |
| 1981 | 731 | 1,108 | 1,839 |
| 1982 | 694 | 1,104 | 1,798 |
| 1983 | 645 | 1,066 | 1,711 |
| 1984 | 645 | 1,148 | 1,792 |
| 1985 | 694 | 1,278 | 1,973 |
| 1986 | 759 | 1,484 | 2,243 |
| 1987 | 849 | 1,714 | 2,563 |
| 1988 | 873 | 1,798 | 2,671 |
| 1989 | 954 | 2,001 | 2,955 |
| 1990 | 1,038 | 2,201 | 3,239 |
| 1991 | 999 | 2,232 | 3,231 |
| 1992 | 1,023 | 2,412 | 3,435 |
| 1993 | 934 | 2,336 | 3,270 |
| 1994 | 876 | 2,240 | 3,116 |
| 1995 | 864 | 2,253 | 3,118 |
| 1996 | 833 | 2,155 | 2,988 |
| 1997 | 824 | 2,090 | 2,913 |
| 1998 | 838 | 2,165 | 3,003 |
| 1999 | 921 | 2,380 | 3,301 |
| 2000 | 943 | 2,439 | 3,381 |
| 2001 | 956 | 2,505 | 3,460 |
| 2002 | 1,051 | 2,768 | 3,820 |

Note: Totals do not necessarily equal the sums of rounded components.

Table IV.C5.—SSI State-Administered Payments¹ in Current Dollars, Calendar Years 1974-2002
[In millions]

| Calendar year | Aged | Blind or disabled | Total ² |
|---------------|------|-------------------|--------------------|
| 1974 | \$89 | \$49 | \$149 |
| 1975 | 88 | 74 | 162 |
| 1976 | 88 | 77 | 166 |
| 1977 | 85 | 87 | 172 |
| 1978 | 91 | 88 | 180 |
| 1979 | 105 | 100 | 207 |
| 1980 | 117 | 106 | 226 |
| 1981 | 120 | 113 | 237 |
| 1982 | 125 | 119 | 276 |
| 1983 | 135 | 132 | 270 |
| 1984 | 141 | 152 | 299 |
| 1985 | 138 | 165 | 311 |
| 1986 | 147 | 185 | 340 |
| 1987 | 146 | 205 | 359 |
| 1988 | 150 | 224 | 381 |
| 1989 | 160 | 251 | 419 |
| 1990 | 177 | 281 | 466 |
| 1991 | 200 | 310 | 529 |
| 1992 | 216 | 323 | 550 |
| 1993 | 219 | 341 | 566 |
| 1994 | 225 | 354 | 585 |
| 1995 | 228 | 356 | 590 |
| 1996 | 225 | 307 | 539 |
| 1997 | 228 | 303 | 681 |
| 1998 | 259 | 429 | 808 |
| 1999 | 271 | 461 | 853 |
| 2000 | 283 | 488 | 893 |
| 2001 | 295 | 494 | 895 |
| 2002 | 283 | 507 | 911 |

¹ Data provided by individual States are partially estimated, and may be incomplete.

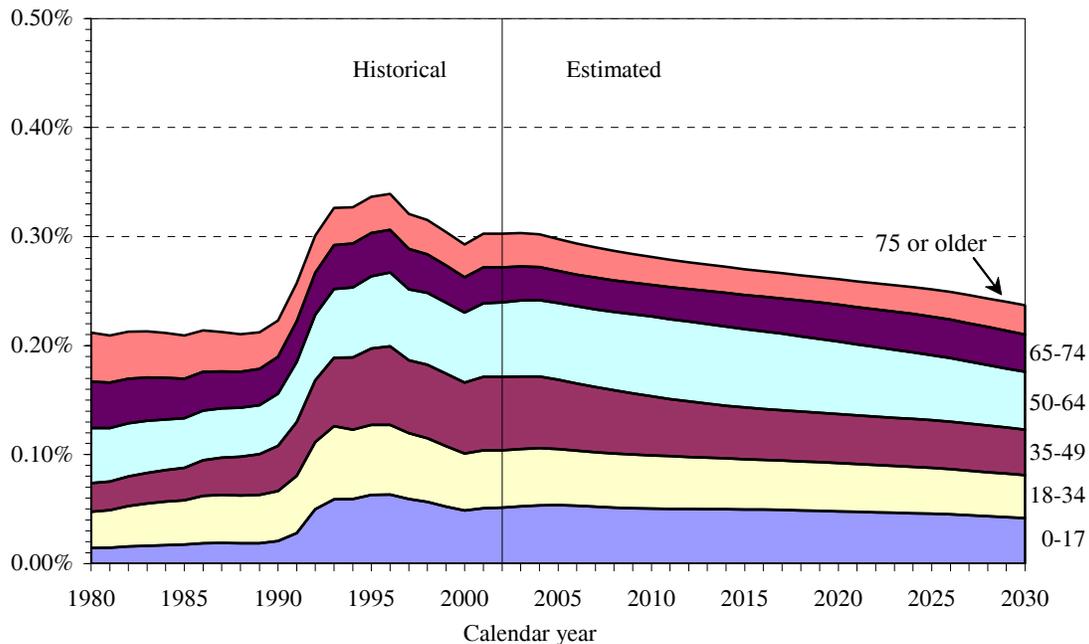
² Includes amounts not distributed by recipient category.

D. FEDERAL SSI PAYMENTS AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT

For SSI, an appropriate relative measure of program costs is produced by comparing estimated annual SSI costs to the Gross Domestic Product (GDP)¹. In addition to providing an inflation-independent measure of the cost of the SSI program, this provides a useful perspective on the proportion of the total output of the U.S. economy needed to provide Federal SSI benefits. As is shown in table IV.D1 and figure IV.D1, the total cost of the SSI program after 2002 is projected to decline relative to GDP.

Table IV.D1 and figure IV.D1 present a concise summary of Federal expenditures under the SSI program. Following the initial higher costs of the program, total Federal SSI payments during the 1980s were a fairly constant percentage of GDP (0.21 percent). During the early 1990s, SSI experienced rather rapid growth (to 0.34 percent of GDP in 1996) due to a combination of factors discussed earlier in section IV. Welfare reform legislation resulted in a drop in the cost of SSI as a percentage of GDP in 1997. As mentioned earlier, the estimates prepared for this report project total participation in the SSI program to remain a stable proportion of the U.S. population. Federal SSI expenditures, after adjusting for growth in prices, are projected to grow slightly faster than the population due to the estimated small amount of real growth in the SSI average benefit, as discussed previously in section IV.C. Since the real growth projected for GDP under the 2003 Trustees Report intermediate assumptions is greater than the combined effects of increases in SSI participation and the estimated real increase in the SSI average benefit, Federal SSI payments are projected to decline as a percentage of GDP over the next 25 years, reaching 0.25 percent of GDP by 2027.

Figure IV.D1.—SSI Federal Payments, by Age Group, as a Percentage of GDP, Calendar Years 1980-2030



¹ The total value of goods and services produced in the United States.

Table IV.D1.—SSI Federal Payments as a Percentage of GDP, Calendar Years 1974-2027

| Calendar year | GDP (In billions) | Blind or disabled, by age group | | | | | Aged, by age group | | | Totals | | | |
|------------------|-------------------|---------------------------------|-------|-------|-------|-------|--------------------|-------|-------------|-------------------|-------|-------|-------|
| | | 0-17 | 18-34 | 35-49 | 50-64 | 65-74 | 75 or older | 65-74 | 75 or older | Blind or disabled | Aged | All | |
| Historical data: | | | | | | | | | | | | | |
| 1974 | \$1,501 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 0.137 | 0.119 | 0.255 |
| 1975 | 1,635 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | .151 | .113 | .264 |
| 1976 | 1,824 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | .150 | .098 | .247 |
| 1977 | 2,031 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | .146 | .085 | .232 |
| 1978 | 2,296 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | .150 | .080 | .231 |
| 1979 | 2,566 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | .138 | .069 | .207 |
| 1980 | 2,796 | 0.014 | 0.033 | 0.026 | 0.051 | 0.019 | 0.001 | 0.023 | 0.044 | .145 | .067 | .212 | |
| 1981 | 3,131 | .015 | .034 | .026 | .049 | .021 | .001 | .021 | .042 | .146 | .063 | .209 | |
| 1982 | 3,259 | .016 | .037 | .027 | .049 | .022 | .001 | .019 | .042 | .151 | .061 | .213 | |
| 1983 | 3,535 | .016 | .039 | .028 | .048 | .022 | .002 | .018 | .041 | .155 | .058 | .213 | |
| 1984 | 3,933 | .017 | .040 | .029 | .047 | .021 | .003 | .017 | .038 | .156 | .055 | .212 | |
| 1985 | 4,213 | .017 | .041 | .030 | .046 | .020 | .004 | .017 | .036 | .157 | .052 | .209 | |
| 1986 | 4,453 | .019 | .043 | .033 | .046 | .019 | .005 | .016 | .033 | .164 | .050 | .214 | |
| 1987 | 4,742 | .019 | .044 | .034 | .045 | .018 | .005 | .016 | .030 | .166 | .047 | .212 | |
| 1988 | 5,108 | .019 | .044 | .036 | .045 | .017 | .006 | .016 | .028 | .166 | .044 | .210 | |
| 1989 | 5,489 | .019 | .044 | .037 | .045 | .017 | .007 | .016 | .027 | .169 | .043 | .212 | |
| 1990 | 5,803 | .021 | .046 | .041 | .048 | .017 | .007 | .017 | .026 | .180 | .043 | .223 | |
| 1991 | 5,986 | .028 | .052 | .050 | .055 | .018 | .008 | .020 | .027 | .211 | .047 | .257 | |
| 1992 | 6,319 | .050 | .062 | .057 | .060 | .018 | .008 | .021 | .027 | .254 | .047 | .301 | |
| 1993 | 6,642 | .059 | .067 | .063 | .063 | .018 | .008 | .022 | .026 | .278 | .049 | .326 | |
| 1994 | 7,054 | .059 | .064 | .066 | .064 | .018 | .008 | .022 | .026 | .279 | .048 | .327 | |
| 1995 | 7,401 | .063 | .065 | .070 | .066 | .018 | .008 | .022 | .026 | .289 | .047 | .337 | |
| 1996 | 7,813 | .063 | .064 | .072 | .068 | .018 | .008 | .021 | .025 | .293 | .046 | .339 | |
| 1997 | 8,318 | .059 | .060 | .067 | .065 | .018 | .007 | .019 | .025 | .277 | .044 | .321 | |
| 1998 | 8,782 | .057 | .059 | .067 | .066 | .018 | .007 | .018 | .024 | .273 | .042 | .315 | |
| 1999 | 9,274 | .052 | .055 | .067 | .065 | .018 | .007 | .016 | .024 | .264 | .040 | .304 | |
| 2000 | 9,825 | .049 | .052 | .065 | .064 | .017 | .007 | .015 | .024 | .254 | .038 | .293 | |
| 2001 | 10,082 | .051 | .053 | .068 | .067 | .018 | .007 | .015 | .024 | .264 | .039 | .303 | |
| 2002 | 10,445 | .051 | .053 | .067 | .068 | .018 | .007 | .014 | .024 | .265 | .038 | .303 | |
| Estimated: | | | | | | | | | | | | | |
| 2003 | 10,915 | .052 | .053 | .067 | .070 | .018 | .007 | .013 | .024 | .267 | .037 | .303 | |
| 2004 | 11,518 | .053 | .052 | .066 | .070 | .018 | .007 | .012 | .023 | .267 | .036 | .302 | |
| 2005 | 12,182 | .054 | .051 | .064 | .070 | .018 | .007 | .012 | .023 | .263 | .034 | .298 | |
| 2006 | 12,888 | .053 | .050 | .062 | .071 | .017 | .007 | .012 | .022 | .260 | .033 | .294 | |
| 2007 | 13,625 | .052 | .050 | .060 | .071 | .018 | .007 | .011 | .021 | .258 | .032 | .290 | |
| 2008 | 14,372 | .051 | .049 | .058 | .072 | .018 | .007 | .011 | .020 | .255 | .032 | .287 | |
| 2009 | 15,137 | .051 | .049 | .056 | .073 | .018 | .007 | .011 | .020 | .253 | .031 | .284 | |
| 2010 | 15,925 | .050 | .049 | .054 | .073 | .018 | .007 | .011 | .019 | .251 | .030 | .282 | |
| 2011 | 16,740 | .050 | .048 | .053 | .073 | .018 | .007 | .011 | .019 | .249 | .030 | .279 | |
| 2012 | 17,575 | .050 | .048 | .051 | .073 | .019 | .007 | .011 | .018 | .247 | .029 | .277 | |
| 2013 | 18,437 | .050 | .047 | .050 | .073 | .019 | .007 | .011 | .018 | .245 | .029 | .274 | |
| 2014 | 19,326 | .050 | .047 | .049 | .073 | .019 | .007 | .011 | .017 | .243 | .029 | .272 | |
| 2015 | 20,245 | .050 | .046 | .048 | .072 | .020 | .007 | .012 | .017 | .241 | .028 | .270 | |
| 2016 | 21,196 | .049 | .046 | .047 | .071 | .020 | .007 | .012 | .017 | .240 | .028 | .268 | |
| 2017 | 22,194 | .049 | .045 | .046 | .070 | .020 | .007 | .012 | .016 | .238 | .028 | .266 | |
| 2018 | 23,231 | .049 | .045 | .046 | .069 | .020 | .007 | .012 | .016 | .236 | .028 | .264 | |
| 2019 | 24,320 | .048 | .044 | .046 | .068 | .021 | .007 | .012 | .016 | .234 | .029 | .263 | |
| 2020 | 25,453 | .048 | .044 | .045 | .066 | .021 | .007 | .013 | .016 | .232 | .029 | .261 | |
| 2021 | 26,638 | .047 | .044 | .045 | .065 | .021 | .007 | .013 | .016 | .230 | .029 | .259 | |
| 2022 | 27,873 | .047 | .043 | .045 | .064 | .022 | .007 | .013 | .016 | .228 | .029 | .257 | |
| 2023 | 29,162 | .047 | .043 | .044 | .062 | .022 | .008 | .013 | .017 | .226 | .030 | .255 | |
| 2024 | 30,506 | .046 | .043 | .044 | .061 | .022 | .008 | .013 | .017 | .224 | .030 | .254 | |
| 2025 | 31,911 | .046 | .042 | .044 | .060 | .022 | .008 | .013 | .017 | .221 | .030 | .252 | |
| 2026 | 33,383 | .045 | .041 | .044 | .058 | .022 | .008 | .013 | .017 | .219 | .031 | .249 | |
| 2027 | 34,927 | .044 | .041 | .043 | .057 | .022 | .008 | .013 | .018 | .215 | .031 | .246 | |

¹ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical GDP amounts subject to revision.

**E. THE SSI PROGRAM'S SHARE OF SSA'S ADMINISTRATIVE COSTS
AND BENEFICIARY SERVICES COSTS**

The SSI program is administered by the Social Security Administration. Section 201(g)(1) of the Social Security Act provides that administrative expenses for the SSI program, including Federal administration of State supplementation payments, may be financed from the OASDI Trust Funds. The trust funds are reimbursed from the General Fund of the Treasury for any such SSI administrative expenditures. These reimbursements include adjustments for any interest losses the trust funds may have incurred as a result of such expenditures. The legislative history of the 1972 amendments (which established this funding mechanism) indicates a desire to obtain economy of administration by giving SSA the responsibility for the SSI program because of its existing field office network and its administrative and automated data processing facilities. Because of the integration of the administration of the SSI and OASDI programs, it was desirable to fund them from a single source, with reimbursement to the trust funds based on a General Accounting Office-approved method of cost analysis of the respective expenses of the SSI and OASDI programs, and a final settlement by the end of the subsequent fiscal year required by law. Table IV.E1 provides historical data on selected administrative costs of the SSI program.

Table IV.E1.—Selected SSI Administrative Costs, Fiscal Years 1978-2003
[Outlays in millions]

| Fiscal year | Payments to the trust funds ¹ | Beneficiary services ² |
|-----------------------|---|--------------------------------------|
| 1978..... | \$539 | \$31.6 |
| 1979..... | 611 | 57.0 |
| 1980..... | 668 | 33.1 |
| 1981..... | 717 | 37.3 |
| 1982..... | 780 | 12.0 |
| 1983..... | 846 | 8.0 |
| 1984..... | 864 | ³ 84.0 |
| 1985..... | 956 | 3.0 |
| 1986..... | 1,023 | 7.2 |
| 1987..... | 977 | 9.5 |
| 1988..... | 976 | 12.9 |
| 1989..... | 1,052 | 20.0 |
| 1990..... | 1,075 | 28.3 |
| 1991..... | 1,230 | 33.1 |
| 1992..... | 1,426 | 36.0 |
| 1993..... | 1,468 | 32.3 |
| 1994..... | 1,780 | 33.8 |
| 1995..... | 1,978 | 48.2 |
| 1996..... | 1,953 | 71.8 |
| 1997..... | 2,055 | 77.3 |
| 1998..... | 2,304 | 46.0 |
| 1999..... | 2,493 | 52.0 |
| 2000..... | 2,321 | 53.7 |
| 2001..... | 2,397 | 43.9 |
| 2002..... | 2,522 | 54.0 |
| 2003 (estimated)..... | 3,063 | 85.1 |

¹ This activity funds the reimbursement to the OASI and DI Trust Funds from the General Fund of the Treasury for the SSI program's share of SSA's administrative expenses.

² Includes payments to State Vocational Rehabilitation (VR) agencies for VR services and payments for referral and monitoring services for Drug Addicts and Alcoholics, which terminated effective January, 1997.

³ Reflects a one-time payment to State VR agencies for prior year expenses.

V. APPENDICES

A. HISTORY OF PROVISIONS

Act

1. Basic Eligibility Requirements

1972

*Public Law 92-603,
enacted October 30*

An individual may qualify for payments on the basis of age, blindness, or disability.

Aged: Any person aged 65 or older.

Blind: Any person with 20/200 or less vision in the better eye with the use of correcting lenses, or with tunnel vision of 20 degrees or less. An individual transferred from a State Aid to the Blind (AB) program is eligible if he/she received such State aid in December 1973 and continues to meet the October 1972 State definition of blindness.

Disabled: Any person unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months. For a child under age 18, eligibility is based on disability of severity comparable with that of an adult. An individual transferred from a State Aid to the Permanently and Totally Disabled (APTD) program to SSI is also eligible if he/she received such State aid in December 1973 and continues to meet the October 1972 State definition of disability.

1973

*Public Law 93-233,
enacted December 31*

Only persons who had received APTD before July 1973 and were on the rolls in December 1973 may receive SSI on the basis of the State definition of disability; those who became eligible for State aid from July to December 1973 must meet the Federal definition of disability.

1980

*Public Law 96-265,
enacted June 9*

A disabled recipient who loses Federal SSI eligibility because of earnings at the substantial gainful activity level may continue to receive a special benefit under section 1619 and retain eligibility for Medicaid under title XIX of the Social Security Act. This special benefit status may continue as long as the recipient has the disabling impairment and meets all nondisability SSI eligibility criteria. States have the option of supplementing this special benefit.

This provision of the law was in effect from January 1, 1981, through December 31, 1983. Beginning in January 1984, under a 1-year demonstration project, this provision was continued for persons already eligible for either regular SSI payments or special monthly benefits.

1984

*Public Law 98-460,
enacted October 9*

The special benefit and Medicaid provisions of the 1980 legislation were extended through June 30, 1987 (retroactive to January 1, 1984).

1986

*Public Law 99-643,
enacted November 10*

The special benefit and Medicaid provisions of the 1980 amendments are made permanent. The provisions were amended effective July 1, 1987, with significant modifications to simplify administration and to allow free movement between regular SSI disability payments and either the special cash benefit or Medicaid eligibility under section 1619. The distinction between a disabled person eligible for regular SSI payments and one eligible for 1619(a) is that the latter has several months with gross earnings above the SGA level. Previously, section 1619(a) status required completion of a trial work period and the determination that the work was SGA.

Act

1996

*Public Law 104-193,
enacted August 22*

For individuals under age 18, the “comparable severity” standard is eliminated and replaced with a requirement that a child be considered disabled if he/she has a medically determinable impairment that results in “marked and severe functional limitations,” and meets the existing statutory duration requirement. The law also eliminates references to “maladaptive behaviors” in the Listing of Impairments for children, and discontinues the use of individualized functional assessments for children.

SSI eligibility is prohibited for an individual in any month during which such an individual is a fugitive felon, fleeing prosecution, or violating State or Federal conditions of probation or parole. In addition, SSI eligibility is prohibited for 10 years for those convicted of fraudulently claiming residence to obtain benefits simultaneously in two or more States.¹

2. Other Eligibility Provisions

a. Citizenship and Residence

1972

*Public Law 92-603,
enacted October 30*

The individual must reside within one of the 50 States or the District of Columbia and be a citizen or an alien lawfully admitted for permanent residence or permanently residing in the United States under color of law. Persons living outside the United States for an entire calendar month lose their eligibility for such a month.

1976

*Public Law 94-241,
enacted March 24*

Eligibility for SSI is extended to residents of the Northern Mariana Islands, effective January 9, 1978.

1980

*Public Law 96-265,
enacted June 9*

The income and resources of the immigration sponsors of aliens applying for SSI are considered in determining eligibility for and the amount of payment. After allowances for the needs of the sponsor and his/her family, the remainder is deemed available for the support of the alien applicant for a 3-year period after admission to the United States for permanent residence. This provision does not apply to those who become blind or disabled after admission, to refugees, or to persons granted political asylum. (See section 2.g. for subsequent changes to sponsor-to-alien deeming provisions.)

1989

*Public Law 101-239,
enacted December 19*

SSI eligibility is continued for a disabled or blind child who was receiving SSI benefits while living in the United States and is now living with a parent who is a member of the U.S. Armed Forces assigned to permanent duty ashore outside the United States, but not where the parent is stationed in Puerto Rico or the territories and possessions of the United States.

1993

*Public Law 103-66,
enacted August 10*

Above provision made applicable where the parent is a member of the U.S. Armed Forces and stationed in Puerto Rico or the territories and possessions of the United States.

¹This last provision was repealed in 1999 by Public Law 106-169 and replaced with a provision providing for non-payment of benefits for up to 24 months for knowingly making false or misleading statements regarding material facts.

*Act***1996**

*Public Law 104-193,
enacted August 22*

Prohibits SSI eligibility for anyone who is not a U.S. citizen or national unless they are in a “qualified alien” category and meet one of certain exceptions such as lawful permanent residents who earn or can be credited with 40 qualifying quarters of earnings, certain refugee type categories eligible for up to 5 years of time limited eligibility, or active duty U.S. military or veterans and their spouses and children. Extends eligibility for aliens receiving SSI as of August 22, 1996 (the enactment date of the law) for 1 year after the enactment date for those aliens found ineligible under the new standards.

*Public Law 104-208,
enacted September 30*

Amends Public Law 104-193 to add to the list of “qualified aliens” certain non-citizens (and their children) who have been battered or subjected to extreme cruelty by a spouse or parent or a member of the spouse’s or parent’s family living in the same household.

1997

*Public Law 105-18,
enacted June 12*

Extends eligibility for aliens receiving SSI as of August 22, 1996, until September 30, 1997, for those found ineligible under the new alien standards of Public Law 104-193.

*Public Law 105-33,
enacted August 5*

Further amends Public Law 104-193 to add Cuban and Haitian entrants, and the child of a parent who has been battered or subjected to extreme cruelty, to the list of qualified aliens. Provides that Cuban and Haitian entrants and Amerasian immigrants qualify for time limited eligibility, and increases the time limit from 5 to 7 years for all time-limited categories. Additional exceptions are added for qualified aliens: (1) lawfully residing in the United States and receiving SSI benefits on August 22, 1996; and (2) lawfully residing in the United States on August 22, 1996 and meeting the definition of blind or disabled in the Social Security Act.

Certain noncitizen American Indians are excepted from the alien nonpayment provisions of Public Law 104-193.

Extends eligibility for “nonqualified aliens” receiving SSI as of August 22, 1996, until September 30, 1998.

1998

*Public Law 105-306,
enacted October 28*

Permanently extends eligibility of all remaining “nonqualified aliens” who were receiving SSI benefits when Public Law 104-193 was enacted on August 22, 1996.

2000

*Public Law 106-386,
enacted October 28*

Noncitizens, regardless of their immigration status, may be eligible for SSI to the same extent as refugees, if they are determined to be victims of “severe forms of trafficking in persons.”

b. Other Benefits**1980**

*Public Law 96-272,
enacted June 17*

SSI applicants and recipients are not required as a condition of eligibility to elect to receive Veterans Administration pensions under the Veterans and Survivors’ Pension Improvement Act of 1978 if the State of residence lacks a medically-needy program under title XIX.

Act

1972

*Public Law 92-603,
enacted October 30*

c. Drug Addiction and Alcoholism (DA&A)

Any disabled individual who has been medically determined to be an alcoholic or drug addict must accept appropriate treatment, if available, in an approved facility and demonstrate compliance with conditions and requirements for treatment.

SSI payments are required to be made through a representative payee—another person or public or private agency designated by SSA to manage the recipient's benefit on his/her behalf.

1994

*Public Law 103-296,
enacted August 15*

Any individual who is receiving SSI based on a disability where drug addiction or alcoholism is a contributing factor material to the finding of disability must comply with the DA&A treatment requirements. The individual must accept appropriate treatment when it is available and comply with the conditions and terms of treatment. Instances of noncompliance with the requirements result in progressively longer payment suspensions. Before payments can resume, the individual must demonstrate compliance for specific periods; 2 months, 3 months, and 6 months, respectively, for the first, second, third and subsequent instances of noncompliance. An individual who is not in compliance with the DA&A treatment requirements for 12 consecutive months shall not be eligible for payments; however, this does not prevent such individuals from reapplying and again becoming eligible for payments.

SSI disability payments based on DA&A are also limited to a total of 36 benefit months (beginning March 1995) regardless of whether appropriate treatment is available. Months for which benefits are not due and received do not count towards the 36-month limit.

Payments based on DA&A must be made to a representative payee. Preference is required to be given to community based nonprofit social service agencies and Federal, State, or local government agencies in representative payee selection. These agencies when serving as payees for individuals receiving payments based on DA&A may retain the lesser of 10 percent of the monthly benefit or \$58 (indexed to the Consumer Price Index (CPI)) as compensation for their services.

Establishment of one or more referral and monitoring agencies for each State is required.

1996

*Public Law 104-121,
enacted March 29*

An individual is not considered disabled if DA&A is a contributing factor material to a finding of disability.

Applies DA&A representative payee requirements enacted under Public Law 103-296 to disabled SSI recipients who have a DA&A condition and are incapable of managing their benefits. In addition, these recipients shall be referred to the appropriate State agency administering the State plan for substance abuse treatment.

*Act***1972**

*Public Law 92-603,
enacted October 30*

1976

*Public Law 94-566,
enacted October 20*

1983

*Public Law 98-21,
enacted April 20*

1986

*Public Law 99-643,
enacted November 10*

1987

*Public Law 100-203,
enacted December 22*

1996

*Public Law 104-193,
enacted August 22*

1972

*Public Law 92-603,
enacted October 30*

1976

*Public Law 94-566,
enacted October 20*

d. Institutionalization

An individual who is an inmate of a public institution is ineligible for SSI payments unless the institution is a facility approved for Medicaid payments and is receiving such payments on behalf of the person. Under *regulations*, the Medicaid payment must represent more than 50 percent of the cost of services provided by the facility to the individual.

An inmate of a publicly operated community residence serving no more than 16 persons may, if otherwise eligible, receive SSI.

Payments may be made to persons who are residents of public emergency shelters for the homeless for a period of up to 3 months in any 12-month period.

Effective July 1, 1987, disabled or blind recipients who were receiving special SSI payments or had special SSI recipient status under section 1619 in the month preceding the first full month of institutionalization, may receive payments based on the full Federal benefit rate for the initial 2 full months of institutionalization, if they reside in certain public medical, psychiatric or Medicaid facilities, or in private Medicaid facilities.

Effective January 1, 1988, payments may be made to persons who are residents of public emergency shelters for the homeless, for up to 6 months in a 9-month period.

Effective July 1, 1988, continued payment of SSI benefits for up to 3 months is permitted, at the rate that was applicable in the month prior to the first full month of institutionalization, for individuals whose expected institutional stay on admission is not likely to exceed 3 months, as certified by a physician, and for whom the receipt of benefits is necessary to maintain living arrangements to which they may return.

Effective December 1996, institutionalized children under age 18 whose private health insurance is making payments to the institution may receive no more than \$30 per month in Federal SSI.

e. Vocational Rehabilitation and Treatment

Blind or disabled individuals receiving Federal SSI benefits who are under age 65, must be referred to the State agency providing services under the Vocational Rehabilitation Act and must accept the services offered. States are reimbursed for the cost of services.

Blind or disabled children under age 16 must be referred to the State agency administering crippled children's services or to another agency designated by the State. States are reimbursed for the cost of services.

Of funds provided for these services, at least 90 percent must be used for children under age 6 or for those who have never attended public schools.

Act

1980

*Public Law 96-265,
enacted June 9*

Disabled SSI recipients who medically recover while enrolled in approved vocational rehabilitation programs of State VR agencies, may continue to receive benefits during their participation in such programs if the Commissioner of Social Security determines that continuation in the program will increase the probability that they leave the rolls permanently.

1981

*Public Law 97-35,
enacted August 13*

Funding no longer provided under title XVI for medical, social, developmental and rehabilitative services to disabled or blind children.

Reimbursement for the cost of rehabilitation services will only be made if the services result in the recipient's return to work for a continuous period of 9 months. The work must be at the substantial gainful activity earnings level.

1984

*Public Law 98-460,
enacted October 9*

Authorizes the reimbursement of States for the cost of VR services provided to individuals who (1) continue to receive benefits after medical recovery because they are participating in a State VR program or (2) refuse, without good cause, to continue in or cooperate with the VR program in which they had been participating.

1987

*Public Law 100-203,
enacted December 22*

Extends the provision for continuation of payments to disabled SSI recipients who have medically recovered while enrolled in an approved vocational rehabilitation program to include blind SSI recipients.

1990

*Public Law 101-508,
enacted November 5*

Reimbursement authorized for the cost of vocational rehabilitation services provided in months in which the individual was not receiving Federal SSI payments, if:

- SSI recipient status for Medicaid eligibility purposes was retained under work incentive provisions, or
- Benefits were in suspense¹ status (for a reason other than cessation of disability or blindness), or
- Federally-administered State supplementation was received.

Extends benefit continuation provision to disabled SSI recipients who medically recover while participating in a non-State VR program.

¹ Recipients who have lost eligibility for SSI benefits for fewer than 13 consecutive months are in suspended payment status.

Act

1999

*Public Law 106-170,
enacted December 17*

Establishes a Ticket to Work and Self-Sufficiency program which will provide SSI (and OASDI) disability beneficiaries with a ticket that can be used to obtain vocational rehabilitation services, employment services, or other support services, from an employment network (EN) of their choice.

An EN chooses one of the two EN payment options at the time it submits an application to SSA to become an EN. The chosen payment system will apply to all beneficiaries served. An EN can elect to receive payment under the:

- Outcome payment system, under which it can receive payment for up to 60 outcome payment months; or
- Outcome-milestone payment system, under which it can receive payment for up to four milestones in addition to outcome payments. These milestones must occur before the EN enters the first month for which it is eligible for an outcome payment. Four milestone payments plus 60 months of reduced outcome payments equal 85 percent of the total that would be available if the EN chose the outcome payment system.

The four milestones are based on gross earnings exceeding the substantial gainful activity level for specified months. An outcome payment month is any month in which SSA does not pay any Federal cash disability cash benefits to a beneficiary because of work or earnings.

f. Continuing Disability Reviews and Eligibility Redeterminations

1994

*Public Law 103-296,
enacted August 15*

During each of fiscal years 1996, 1997, and 1998, requires SSA to conduct continuing disability reviews (CDRs) on a minimum of 100,000 SSI recipients. In addition, during the same period, requires SSA to redetermine the SSI eligibility of at least one-third of all child SSI recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18. Redeterminations for persons turning age 18 could count toward the 100,000 CDR requirement.

1996

*Public Law 104-193,
enacted August 22*

Repeals the requirement that SSA redetermine the eligibility of at least one-third of all child SSI recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18.

Requires a CDR:

- At least once every 3 years for SSI recipients under age 18 who are eligible by reason of an impairment which is likely to improve, and
- Not later than 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability.

Requires eligibility redetermination for all child SSI recipients eligible for the month before the month in which they attain age 18.

Requires redetermination of eligibility for children considered disabled based on an individual functional assessment and/or consideration of maladaptive behavior.

Requires the representative payee of a child SSI recipient whose continuing eligibility is being reviewed to present evidence that the recipient is receiving treatment which is considered medically necessary and available for the condition which was the basis for providing SSI benefits.

Act

1997

*Public Law 105-33,
enacted August 5*

Modifies provision of Public Law 104-193 to extend from 12 to 18 months the period for redetermining the disability of children under age 18 under the new childhood disability standard.

Modifies provision of Public Law 104-193 to permit SSA to schedule a CDR for a disabled child for whom low birth weight is a contributing factor material to the determination of disability, at a date after the child's first birthday if the Commissioner determines the impairment is not expected to improve within 12 months of the child's birth.

Modifies provision of Public Law 104-193 to provide SSA the authority to make redeterminations of disabled childhood recipients who attain age 18, more than 1 year after the date such recipient attains age 18.

1999

*Public Law 106-170,
enacted December 17*

Prohibits the initiation of a CDR during the period that a recipient is "using a ticket" under the Ticket to Work program.

g. Deeming of Income and Resources

1972

*Public Law 92-603,
enacted October 30*

Deeming occurs when the income and resources of certain family members living in the same household with the SSI recipient are considered in determining the amount of the SSI payment. These family members are the ineligible spouse of an adult recipient and the ineligible parents of a child recipient under age 21.

After deduction of personal allocations for the spouse (or parents) and for ineligible children in the home, and after application of income exclusions, any remaining income of the spouse (or parents) is added to the income of the eligible person.

1980

*Public Law 96-265,
enacted June 9*

Children aged 18 or older are not subject to parental deeming.

Sponsor's income and resources deemed to an alien for 3 years.

1989

*Public Law 101-239,
enacted December 19*

Disabled children receiving home care services under State Medicaid programs, who are ineligible for SSI because of deeming of parental income, and who received SSI benefits limited to \$30 while in a medical treatment facility, may receive the \$30 monthly allowance that would be payable if the recipient were institutionalized.

1993

*Public Law 103-152,
enacted November 24*

Sponsor-to-alien deeming period extended from 3 years to 5 years, effective January 1, 1994, through September 30, 1996.

Considers an ineligible spouse or parent who is absent from the household due to active military service to be a member of the household for deeming purposes.

Act

1996

*Public Law 104-193,
enacted August 22*

Deeming of income and resources from an immigration sponsor to a noncitizen continues until citizenship, with exceptions for those who earn, or can be credited with, 40 qualifying quarters of earnings. Effective for those whose sponsor signs a new legally enforceable affidavit of support.

*Public Law 104-208,
enacted September 30*

Amends Public Law 104-193 to add two exceptions to the sponsor-to-alien deeming:

- Provides that if the noncitizen is indigent and would be unable to obtain food and shelter without SSI benefits even after receiving support from the sponsor, then only the amount of income and resources actually provided by the sponsor will be counted for a 12-month period after a determination of indigence; and
- Provides that in certain cases, deeming would not apply for a 12-month period (with some options for extension) if the noncitizen (or his/her children) has been battered, or subjected to extreme cruelty by family members.

1997

*Public Law 105-33,
enacted August 5*

Amends Public Law 104-208 to add an additional exception to sponsor-to-alien deeming when the parent of a noncitizen has been battered or subjected to extreme cruelty by family members.

3. Federal Benefit Payments

a. Windfall Offset

1980

*Public Law 96-265,
enacted June 9*

Offset (by reduction of retroactive Social Security benefits) to prevent persons whose initial OASDI payment is retroactive from receiving more in total benefits than if they were paid the benefits when regularly due.

1984

*Public Law 98-617,
enacted November 8*

Offset provision expanded to allow for reduction of retroactive SSI benefits and to apply in cases of OASDI benefit reinstatement.

b. Proration of Benefit

1982

*Public Law 97-248,
enacted September 3*

Benefit for first month of eligibility to be prorated by the number of days in the month for which an application has been filed and there is eligibility.

1996

*Public Law 104-193,
enacted August 22*

Changes the effective date of an SSI application to the first day of the month following the date on which the application was filed or on which the individual first becomes eligible, whichever is later. This, in effect, eliminates prorated payments in initial claims.

c. Retrospective Monthly Accounting

1981

*Public Law 97-35,
enacted August 13*

Changes the method of computing the SSI benefit to one under which the benefit amount is computed on a monthly basis and is based on income and other characteristics in the previous (or second previous) month.

Act

1984

*Public Law 98-369,
enacted July 18*

Changes the method of computing the SSI benefit to persons receiving title II payments. The effect of the increased title II income at the time of the cost-of-living increase is not delayed as it otherwise would be.

1987

*Public Law 100-203,
enacted December 22*

Provides an exception to retrospective monthly accounting so that amounts received under Aid to Families With Dependent Children (AFDC), foster care, refugee cash assistance, Cuban-Haitian entrant assistance, or general and child welfare assistance provided by the Bureau of Indian Affairs are counted only in the month received.

1993

*Public Law 103-66,
enacted August 10*

Changes the method of computing the SSI benefit to persons receiving the value of the one-third reduction. The effect of the increased value at the time of the cost-of-living increase is not delayed as it otherwise would be. Effective January 1995.

d. Uncashed Checks

1981

*Public Law 97-35,
enacted August 13*

States that have Federally-administered supplements to be credited their share of SSI checks that remain unnegotiated for 180 days.

1987

*Public Law 100-86,
enacted August 10*

SSI checks now unnegotiable after 1 year. States are credited their share of SSI checks after 1 year rather than 180 days.

e. Rounding of Payment Amounts

1982

*Public Law 97-248,
enacted September 3*

Cost-of-living adjustments in the Federal SSI benefit and income eligibility levels are to be rounded to the next lower whole dollar, after the adjustment is calculated. Subsequent cost-of-living adjustments will be calculated on the previous year's benefit standard before rounding.

f. Penalties Resulting in Nonpayment of Benefits for False or Misleading Statements

1999

*Public Law 106-169,
enacted December 14*

Provides for the nonpayment of OASDI and SSI benefits (6, 12 and 24 months, respectively, for the first, second, and third or subsequent violations) for individuals found to have knowingly made a false or misleading statement of material fact for use in determining eligibility for benefits.

4. Federal Benefit Rates

Basic benefit standards are used in computing the amount of Federal SSI payments. Benefit levels differ for individuals and couples living in households and for persons in Medicaid institutions. Individuals or couples living in their own households receive the full Federal benefit. If an individual or couple is living in another person's household and receiving support and maintenance there, the Federal benefit is reduced by one-third. The Federal benefit rates for persons in households are increased annually to reflect increases in the cost of living. Legislation affecting the level of Federal benefit rates since the inception of the SSI program are summarized in table V.A1.

Table V.A1.—Federal Benefit Rates Set by Legislation

| Act | Living arrangements ¹ | Amount ² | | Conditions |
|--------------------------|--|---------------------|---------------------|--|
| | | Individual | Couple | |
| 1972 ³ | Own household ⁴ | \$130.00 | \$195.00 | Was to be effective January 1, 1974; superseded by Public Law 93-233. |
| 1973 ⁵ | — | 140.00 | 210.00 | Was to be effective January 1, 1974; superseded by Public Law 93-233. |
| 1973 ⁶ | — | 140.00 | 210.00 | Effective January 1, 1974. |
| 1973 ⁶ | — | 146.00 | 219.00 | Effective July 1, 1974. |
| 1974 ⁷ | — | — | — | Mechanism established for providing cost-of-living adjustments coordinated with earlier legislation applying to OASDI cash benefits. SSI payments to be increased by the same percentage as OASDI benefits and at the same time. |
| | — | ⁸ 157.70 | ⁸ 236.60 | Effective July 1, 1975. |
| 1983 ⁹ | — | 304.30 | 456.40 | Effective July 1, 1983 (general benefit increase). |
| | — | ⁸ 314.00 | ⁸ 472.00 | Effective January 1, 1984. |
| 1973 ⁵ | Increment for "essential person" in household | 65.00 | — | Was to be effective January 1, 1974. For persons transferred from OAA, AB, or APTD programs who were receiving payments in December 1973 under a State plan that took account of "essential persons" in the household. |
| | — | 70.00 | — | Was to be effective July 1, 1974. |
| 1973 ⁶ | — | 70.00 | — | Effective January 1, 1974. |
| | — | 73.00 | — | Effective July 1, 1974. |
| 1974 ⁷ | — | — | — | Mechanism established for providing cost-of-living adjustments. |
| | — | ⁸ 78.90 | — | Effective July 1, 1975. |
| 1983 ⁹ | — | 152.50 | — | Effective July 1, 1983 (general benefit increase). |
| | — | ⁸ 157.00 | — | Effective January 1, 1984. |
| 1972 ³ | Receiving institutional care covered by Medicaid | 25.00 | 50.00 | Effective January 1, 1974. Must be receiving more than 50 percent of the cost of the care from Medicaid (title XIX of the Social Security Act). |
| 1987 ¹⁰ | — | 30.00 | 60.00 | Effective July 1, 1988. Must be receiving more than 50 percent of the cost of the care from Medicaid (title XIX of the Social Security Act). |

¹ For those in another person's household receiving support and maintenance there, the Federal benefit rate is reduced by one-third.

² For those without countable income. These payments are reduced by the amount of countable income of the individual or couple.

³ Public Law 92-603, enacted October 30, 1972.

⁴ Includes persons in private institutions whose care is not provided by Medicaid.

⁵ Public Law 93-66, enacted July 9, 1973.

⁶ Public Law 93-233, enacted December 31, 1973.

⁷ Public Law 93-368, enacted August 7, 1974.

⁸ Subject to automatic provisions, see table IV.A2.

⁹ Public Law 98-21, enacted April 20, 1983.

¹⁰ Public Law 100-203, enacted December 22, 1987.

Act

5. Exclusions from Income

a. General Exclusions

1972

*Public Law 92-603,
enacted October 30*

The first \$60 of earned or unearned income per calendar quarter for an individual or couple; the next \$195 and one-half the remainder of quarterly earned income. Unearned income includes Social Security benefits, other government or private pensions, veterans' benefits, and workers' compensation.

1981

*Public Law 97-35,
enacted August 13*

The first \$20 of earned or unearned income per month for an individual or couple; the next \$65 and one-half the remainder of monthly earned income. Unearned income includes Social Security benefits, other government or private pensions, veterans' benefits, and workers' compensation.

2000

*Public Law 106-554,
enacted December 21*

Earnings of persons defined as Social Security statutory employees are treated as self-employment income for SSI purposes.

b. Special Exclusions

1972

*Public Law 92-603,
enacted October 30*

Any amount of tax rebate issued to an individual by any public agency that is based on either real property or food purchase taxes.

Grants, scholarships, and fellowships used to pay tuition and fees at an educational institution.

Income required for achieving an approved self-support plan for blind or disabled persons.

Work expenses of blind persons.

For blind persons transferred from State programs to SSI, income exclusions equal to the maximum amount permitted as of October 1972 under the State programs.

Irregularly or infrequently received income totaling \$60 or less of unearned income and \$30 of earned income in a calendar quarter.

Payment for foster care of ineligible child residing in recipient's home through placement by a public or private nonprofit child care agency.

One-third of any payment received from an absent parent for the support of a child eligible for SSI.

Certain earnings of a blind or disabled child under age 22 regularly attending an educational institution.

State or local government cash payments based on need and designed to supplement SSI payments.

1976

*Public Law 94-331,
enacted June 30*

Disaster assistance from income for 9 months and application of one-third reduction for 6 months for certain victims of disasters occurring between January 1, 1976 and December 31, 1976.

*Public Law 94-566,
enacted October 20*

Any assistance based on need (including vendor payments) made to or on behalf of SSI recipients, which is paid and wholly funded by State or local governments.

The value of assistance provided under certain Federal housing programs.

Act

1977

*Public Law 95-113,
enacted September 29*

Food stamps, Federally donated food, and the value of free or reduced price food for women and children under the Child Nutrition Act and National School Lunch Act.

*Public Law 95-171,
enacted November 12*

Provisions for exclusions for support and maintenance under the Disaster Relief and Emergency Assistance Act of 1974 extended on a permanent basis. Effective January 1, 1978.

1980

*Public Law 96-222,
enacted April 1*

Earned income tax credit treated as earned income (temporarily excluded from 1975 through 1980).

*Public Law 96-265,
enacted June 9*

Remunerations received in sheltered workshops and work activity centers are considered earned income and qualify for earned income exclusions.

Impairment-related work expenses paid by the individual (including cost for attendant care, medical equipment, drugs, and services necessary to control an impairment) are deducted from earnings when determining if an individual is engaging in substantial gainful activity. Impairment-related work expenses are excluded in calculating income for benefit purposes if initial eligibility for benefits exists on the basis of countable income without applying this exclusion.

1981

*Public Law 97-35,
enacted August 13*

Modifies provision under which irregularly or infrequently received income is excluded to conform to change from quarterly to monthly accounting; amounts excludable: \$20 or less of unearned income and \$10 of earned income in a month.

1982

*Public Law 97-377,
enacted December 21*

From December 18, 1982, to September 30, 1983, certain home energy assistance payments are excluded if a State agency certified that they are based on need.

1983

*Public Law 97-424,
enacted January 6*

Support or maintenance assistance (including home energy assistance) provided in kind by a nonprofit organization or in cash or in kind by certain providers of home energy is excluded if the State determines that the assistance is based on need. Provision is applicable through September 1984.

Certain home energy assistance payments are excluded if a State agency certified that the assistance is based on need. Provision is applicable through June 1985.

1984

*Public Law 98-369,
enacted July 18*

The 1983 provisions for support and maintenance and home energy assistance continue to October 1, 1987.

1986

*Public Law 99-498,
enacted October 17*

Educational assistance used for educational expenses under the Higher Education Act of 1965 as amended.

Act

1987

*Public Law 100-203,
enacted December 22*

The 1983 provisions for support and maintenance and home energy assistance made permanent.

Excludes death payments (for example, proceeds from life insurance) from SSI income determinations to the extent they were spent on last illness and burial.

Modifies the 1982 resource exclusion for burial funds to extend the exclusion to any burial fund of \$1,500 or less maintained separately from all other assets, thereby allowing interest to be excluded from income if retained in the fund.

1988

*Public Law 100-383,
enacted August 10*

Restitution payments made to Japanese internees and relocated Aleutians.

1989

*Public Law 101-239,
enacted December 19*

Interest on agreements representing the purchase of an excluded burial space.

Payments from the Agent Orange Settlement.

Value of a ticket for domestic travel received as a gift and not cashed.

1990

*Public Law 101-508,
enacted November 5*

Earned income tax credit (including the child health insurance portion).

Payments received from a State-administered fund established to aid victims of crime.

Impairment-related work expenses excluded from income in determining initial eligibility for benefits.

Payments received as State or local government relocation assistance.

Payments received under the Radiation Exposure Compensation Act.

Redefines as earned income, royalties earned in connection with any publication of the individual's work, and honoraria received for services rendered (previously defined as unearned income).

1993

*Public Law 103-66,
enacted August 10*

Hostile fire pay to members of the uniformed services.

Payments received as State or local government relocation assistance made permanent.

1994

*Public Law 103-286,
enacted August 1*

Payments to victims of Nazi persecution.

1998

*Public Law 105-285,
enacted October 27*

Funds made available to an SSI recipient by a State or local government or a nonprofit organization as part of the Individual Development Account demonstration project.

*Public Law 105-306,
enacted October 28*

In-kind gifts to children with life-threatening conditions by tax-exempt organizations not converted to cash.

The first \$2,000 annually of cash gifts by tax-exempt organizations to, or for the benefit of, individuals under age 18 with life-threatening conditions.

*Public Law 105-369,
enacted November 12*

Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998.

Act

2000

*Public Law 106-554,
enacted December 21*

Interest on funds deposited in an individual development account.

Any adjustments made to prior payments from other Federal programs to account for the error in the computation of the Consumer Price Index during 1999.

2001

*Public Law 107-16,
enacted June 7*

The refundable child tax credit is excluded in determining eligibility for means-tested programs, including SSI.

6. Resources

1972

*Public Law 92-603,
enacted October 30*

Countable resources limited to \$1,500 or less for an individual and to \$2,250 or less for a couple.

1984

*Public Law 98-369,
enacted July 18*

Limit on countable resources raised by \$100 a year for individuals and \$150 a year for couples, beginning in calendar year 1985 through 1989. The respective limits would become \$2,000 for an individual and \$3,000 for a couple in 1989 and thereafter.

1999

*Public Law 106-169,
enacted December 14*

Includes generally in the countable resources of an individual the assets of a trust which could be used for the benefit of the individual or spouse.

a. General Exclusions

1972

*Public Law 92-603,
enacted October 30*

A home of reasonable value—established *by regulation* as not exceeding a fair-market value of \$25,000 (\$35,000 in Alaska and Hawaii).

Personal effects and household goods of reasonable value established by *regulation* as not exceeding a total market value of \$1,500.

An automobile of reasonable value—established *by regulation* as not exceeding a market value of \$1,200.

An automobile may be excluded, regardless of value, if the individual's household uses it for employment or medical treatment, or if it is modified to be operated by or for transportation of a handicapped person.

Life insurance with face value of \$1,500 or less.

1976

*Public Law 94-569,
enacted October 20*

The recipient's home, regardless of value, is excluded from consideration in determining resources.

1977

*Public Law 95-171,
enacted November 12*

Assistance received under the Disaster Relief and Emergency Assistance Act of 1974 for 9 months following receipt.

1979

Reasonable value for an automobile increased *by regulation* to \$4,500 of current-market value; personal goods and household effects increased to \$2,000 of equity value.

Act

1982

*Public Law 97-248,
enacted September 3*

The value, within prescribed limits, of a burial space for the recipient, spouse, and immediate family is excluded. In addition, \$1,500 each (less the value of already excluded life insurance and any amount in an irrevocable burial arrangement) may be set aside for the burial of the recipient and spouse.

1984

*Public Law 98-369,
enacted July 18*

The unspent portion of any retroactive title II or title XVI payment is excluded for 6 months following its receipt, and the individual must be given written notice of the time limit on the exclusion.

1985

Regulations permit exclusion, regardless of value, of an automobile needed for essential transportation or modified for a handicapped person. The \$4,500 current market value limit applies only if no automobile could be excluded based on the nature of its use.

1987

*Public Law 100-203,
enacted December 22*

Provides for suspension of the 1980 transfer of assets provision, in any month that it is determined that undue hardship would result.

Real property that cannot be sold for the following reasons: it is jointly owned; its sale would cause the other owner(s) undue hardship due to loss of housing; its sale is barred by a legal impediment; or, the owner's reasonable efforts to sell have been unsuccessful.

Temporarily extends the 1984 exclusion of retroactive title II and title XVI benefits from 6 months to 9 months (the longer exclusion applies to benefits paid in fiscal years 1988 and 1989).

1988

*Public Law 100-707,
enacted November 23*

Removes the time limit for exclusion of disaster assistance.

b. Special Exclusions

1972

*Public Law 92-603,
enacted October 30*

Assets of a blind or disabled individual that are necessary to an approved plan of self-support.

Tools and other property essential to self-support (PESS), within reasonable limits. Shares of nonnegotiable stock in regional or village corporations held by natives of Alaska.

For persons transferred from State programs to SSI, resource exclusions equal to the maximum amount permitted as of October 1972 under the State program.

1988

*Public Law 100-383,
enacted August 10*

Restitution payments made to Japanese internees and relocated Aleutians.

1989

*Public Law 101-239,
enacted December 19*

Specifies that no limitation can be placed on property essential to self-support used in a trade or business, or by an individual as an employee (including the tools of a tradesperson and the machinery and livestock of a farmer).

Payments from the Agent Orange Settlement.

Act

1990

*Public Law 101-508,
enacted November 5*

Earned income tax credit excluded for the month following the month the credit is received.

Payments received from a State-administered fund established to aid victims of crime excluded for a 9-month period. Individual not required to file for such benefits.

Payments received as State or local government relocation assistance excluded for a 9-month period. (The provision expired 3 years after its effective date.)

Payments received under the Radiation Exposure Compensation Act.

1993

*Public Law 103-66,
enacted August 10*

Makes permanent the 9-month exclusion of payments received as State or local government relocation assistance.

1994

*Public Law 103-286,
enacted August 1*

Payments to victims of Nazi persecution.

1996

*Public Law 104-193,
enacted August 22*

Dedicated financial institution accounts required to be established for large past-due benefits for disabled individuals under age 18 with a representative payee.

1998

*Public Law 105-285,
enacted October 27*

Funds made available to an SSI recipient by a State or local government or a nonprofit organization as part of the Individual Development Account demonstration project.

*Public Law 105-306,
enacted October 28*

In-kind gifts to children with life-threatening conditions by tax-exempt organizations not converted to cash.

The first \$2,000 annually of cash gifts by tax-exempt organizations to, or for the benefit of, individuals under age 18 with life-threatening conditions.

*Public Law 105-369,
enacted November 12*

Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998.

2000

*Public Law 106-554,
enacted December 21*

Funds deposited by an individual in an individual development account and the interest on those funds.

2001

*Public Law 107-16,
enacted June 7*

The refundable child tax credit in the month of receipt and in the following month.

c. *Transfer-of-Assets Penalties*

1980

*Public Law 96-611,
enacted December 28*

Assets transferred for less than fair market value for the purpose of establishing eligibility for benefits under the Social Security Act are counted as resources for 24 months after transfer.

1988

*Public Law 100-360,
enacted July 1*

Removes the transfer-of-assets penalty for transfers made July 1, 1988, or later.

Act

1999

*Public Law 106-169,
enacted December 14*

Provides a penalty under the SSI program for the disposal of resources at less than fair market value. The penalty is a loss of benefits for up to 36 months. A formula is provided to determine the number of months.

7. Presumptive and Emergency Payments and Interim Assistance Reimbursement

a. Presumptive Payments

1972

*Public Law 92-603,
enacted October 30*

A person applying on the basis of disability who meets all other criteria of eligibility, and is likely to be disabled, may receive payments for 3 months pending the disability determination.

1976

*Public Law 94-569,
enacted October 20*

Presumptive payment provision was extended to persons applying on the basis of blindness.

1990

*Public Law 101-508,
enacted November 5*

Extends the period for receipt of payments to 6 months.

b. Emergency Advance Payments

1972

*Public Law 92-603,
enacted October 30*

Any applicant who can be presumed to meet the criteria of eligibility, but has not yet been determined eligible, and who is faced with a financial emergency may receive an immediate cash advance of up to \$100.

1987

*Public Law 100-203,
enacted December 22*

Increases the maximum emergency advance payment amount to the maximum amount of the regular Federal SSI monthly benefit rate, plus, if any, the Federally-administered State supplementary payment.

1996

*Public Law 104-193,
enacted August 22*

Applicants who have a financial emergency may receive an emergency advance payment in the month of application, which, effective with this law, is always prior to the first month of eligibility. These advance payments are recouped by proportional reductions in the recipient's first 6 months of SSI benefits.

c. Interim Assistance Reimbursement

1974

*Public Law 93-368,
enacted August 7*

SSA may enter into agreements with the States to repay them directly for assistance payments made to an SSI applicant while his/her claim is being adjudicated. The repayment is made from the first check due to the individual. This legislation expires June 30, 1976.

1976

*Public Law 94-365,
enacted July 14*

The authority to repay the State for interim assistance is made permanent.

Act

1987

*Public Law 100-203,
enacted December 22*

Extends interim assistance reimbursement to situations in which payments are made by States or political subdivisions to persons whose SSI payments were suspended or terminated and who subsequently are found to be eligible for such benefits. Also clarifies that the payment from which the interim assistance reimbursement is paid must be the first payment of benefits relating to the interim period.

8. Medicaid Eligibility

1972

*Public Law 92-603,
enacted October 30*

States can provide Medicaid coverage to all recipients of SSI payments. Alternatively, they can limit coverage by applying more restrictive criteria from the State Medicaid plan in effect on January 1, 1972.

States can accept SSA determination of eligibility, or make their own determination.

1976

*Public Law 94-566,
enacted October 20*

Preserves the Medicaid eligibility of recipients who become ineligible for cash SSI payments due to the cost-of-living increases in Social Security benefits.

1980

*Public Law 96-265,
enacted June 9*

Blind or disabled recipients under age 65 no longer eligible for either regular or special SSI payments because of their earnings may retain SSI recipient status for Medicaid eligibility purposes under the following conditions: (1) they continue to have the disabling impairment, (2) they meet all nondisability eligibility criteria except for earned income, (3) they would be seriously inhibited from continuing employment without Medicaid services, and (4) their earnings are insufficient to provide a reasonable equivalent of SSI payments and Medicaid.

In States that do not provide Medicaid coverage categorically to all SSI recipients, qualification for Medicaid benefits depends on the State's specific eligibility and program requirements.

The Medicaid provision of the 1980 legislation was in effect from January 1, 1981, through December 31, 1983. Under a 1-year demonstration project, beginning January 1, 1984, this provision was continued for persons already eligible for regular or special SSI payments or for retention of Medicaid eligibility.

1984

*Public Law 98-460,
enacted October 9*

Medicaid provision of 1980 legislation extended through June 30, 1987 (retroactive to January 1, 1984).

1986

*Public Law 99-272,
enacted April 7*

Restores Medicaid eligibility for some disabled widow(er)s who became ineligible for SSI when their title II benefits increased in 1984 because of a change in the Social Security disabled widow(er)s benefits reduction factor.

Act

1986

*Public Law 99-643,
enacted November 10*

The SSI recipient status for Medicaid eligibility provision of the 1980 amendments is made permanent.

Effective July 1, 1987, certain expenses are excluded from earnings when determining sufficiency of earnings to establish SSI recipient status eligibility for Medicaid purposes:

- Impairment-related work expenses of disabled persons,
- Work expenses of blind persons,
- Income required for achieving an approved self-support plan, and
- The value of publicly funded attendant care services.

Effective July 1, 1987, preserves the Medicaid eligibility of recipients who become ineligible for SSI payments because of entitlement to, or an increase in, Social Security disabled adult child benefits on or after the effective date.

Effective July 1, 1987, requires all States to provide Medicaid coverage for recipients in special SSI status (either receiving special SSI payments or in the special recipient status described for 1980) if they received Medicaid coverage the month before special SSI status.

1987

*Public Law 100-203,
enacted December 22*

Effective July 1, 1988, restores or preserves the Medicaid eligibility of persons aged 60 or older who are eligible for Social Security benefits as widows or widowers (but not eligible for Medicare) and who become ineligible for SSI payments or State supplementation because of the receipt of old-age or survivors insurance benefits under Social Security.

1990

*Public Law 101-508,
enacted November 5*

Age limit for retention of SSI recipient status for Medicaid eligibility purposes (1980 and subsequent work incentive provisions, above) is eliminated.

Preserves the Medicaid eligibility of SSI recipients who become ineligible for payments when they become entitled to Social Security disabled widow(er)s benefits following the revised definition used for their disability.

1997

*Public Law 105-33,
enacted August 5*

Requires States to continue Medicaid coverage for disabled children who were receiving SSI payments as of August 22, 1996 and would have continued to be eligible for such payments except that their eligibility terminated because they did not meet the revised SSI childhood disability standard established under Public Law 104-193.

Act

1972

*Public Law 92-603,
enacted October 30*

9. State Supplementation

States are given the option of providing supplementary payments both to recipients transferred from the State program and to those newly eligible for SSI.

States may either administer the payments themselves or have the Social Security Administration make payments on their behalf. When State supplementary payments are Federally-administered, the Social Security Administration makes eligibility and payment determinations for the State and assumes administrative costs.

“Hold harmless” protection, which limits a State’s fiscal liability to its share of OAA, AB, and APTD expenditures for calendar year 1972, is provided to States electing Federal administration of their supplementary plans. This provision applies only to supplementary payments that do not, on the average, exceed a State’s “adjusted payment level.” (The adjusted payment level is the average of the payments that individuals with no other income received in January 1972; it may include the bonus value of food stamps. Adjustments are provided for payments that had been below State standards.)

1973

*Public Law 93-66,
enacted July 9*

Provides for mandatory State supplementation as assurance against reduction of income for persons who received State assistance in December 1973 and were transferred to SSI. These supplementary payments must equal the difference between (1) the amount of the State assistance payment that the individual received in December 1973 plus other income and (2) his/her Federal SSI payment plus other income.

1976

*Public Law 94-585,
enacted October 21*

After June 30, 1977, when the Federal SSI payment level is increased by a cost-of-living increase, such an increase will be excluded in calculating the “hold harmless” amount.

Requires States to maintain State supplementation payments at the level of December 1976 (“maintenance of payments”) or to continue to pay in supplements the same total annual amounts (“maintenance of expenditures”) when the Federal SSI payment level is increased and thereby pass through any increases in Federal benefits without reducing State supplements.

1982

*Public Law 97-248,
enacted September 3*

Begins a 3-year phase out of “hold harmless” protection. Effective with fiscal year 1985, Wisconsin and Hawaii (the only remaining “hold harmless” States) assumed the full cost of their supplementary payments.

1983

*Public Law 98-21,
enacted April 20*

Federal pass-through law is adjusted (1) by substituting the State supplementary payment levels in effect in March 1983 for those in effect in December 1976 as the levels that States must maintain in complying with the pass-through requirements, and (2) with regard to the \$20 (individual) and \$30 (couple) increase in the Federal SSI standard in July 1983, by requiring States to pass through only as much as would have been required if the SSI cost-of-living adjustment had been made in July 1983.

Act

1987

*Public Law 100-203,
enacted December 22*

Provides for Federal administration of State supplements to residents of medical institutions.

Provides for required pass through of \$5 increase in Federal rate for persons whose care in institutions is paid in substantial part by Medicaid.

1993

*Public Law 103-66,
enacted August 10*

Requires States to pay fees for Federal administration of their State supplementation payments. The fees are \$1.67 for each monthly supplementary payment in fiscal year 1994, \$3.33 in fiscal year 1995, and \$5.00 in fiscal year 1996. Fees for subsequent fiscal years will be \$5.00 or another amount determined by the Commissioner to be appropriate. The Commissioner may charge the States additional fees for services they request that are beyond the level customarily provided in administering State supplementary payments.

1997

*Public Law 105-33,
enacted August 5*

Revises the schedule of per-payment fees for Federal administration of State supplementation for fiscal years 1998 (\$6.20) through 2002 (\$8.50) and provides a formula for determining the fee beyond fiscal year 2002.

1999

*Public Law 106-170,
enacted December 17*

A State which has an agreement with SSA to administer its supplementation payments, must remit both payments and fees prior to the SSI payment date.

2000

*Public Law 106-554,
enacted December 21*

Changes the effective date of above provision from 2009 to 2001.

10. Overpayment Recovery

1984

*Public Law 98-369,
enacted July 18*

Limits the rate of recovering overpayments from monthly payments to the lesser of: (1) the monthly payment, or (2) 10 percent of a recipient's monthly income. Permits a higher or lower adjustment at the request of the recipient subject to the agreement of the Commissioner. The limit does not apply if fraud, willful misrepresentation, or concealment of material information was involved on the part of the recipient or spouse in connection with the overpayment.

Waives recovery of certain overpayments due to amount of excess resources of \$50 or less.

Provides temporary authority for the recovery of overpayments from tax refunds.

1988

*Public Law 100-485,
enacted October 13*

Grants permanent authority to recover overpayments from tax refunds.

1998

*Public Law 105-306,
enacted October 28*

Authorizes SSA to collect SSI overpayments by offsetting Social Security benefits, with a maximum monthly offset of no more than 10 percent of the Social Security benefit.

Act

1999

*Public Law 106-169,
enacted December 14*

Makes representative payees liable for an SSI overpayment caused by a payment made to a recipient who has died, and requires SSA to establish an overpayment control record under the representative payee's Social Security number.

Requires SSA to recover SSI overpayments from SSI lump-sum amounts by withholding at least 50 percent of the lump-sum payment or the amount of the overpayment, whichever is less.

Extends all of the debt collection authorities currently available for the collection of overpayments under the OASDI program to the SSI program.

2001

*Public Law 107-16,
enacted June 7*

Subjects one-time tax refund payments provided under this Act to overpayment recovery under tax refund offset provisions.

B. INCOME AND RESOURCE EXCLUSIONS

1. Earned Income Exclusions

- Any refund of Federal income taxes received under section 32 of the Internal Revenue Code (relating to earned income tax credit) and any payment received under section 3507 of the Internal Revenue Code (relating to advance payment of earned income tax credit);
- Any refundable child tax credit (which increases gradually from the current amount of \$600 for each child to \$1,000 per child in 2010);
- Up to \$10 of earned income in a month if it is infrequent or irregular, that is, if it is received only once in a calendar quarter from a single source or if its receipt cannot reasonably be expected (If the total amount of the infrequent or irregular income exceeds \$10, this exclusion cannot be used.);
- Up to \$1,340 per month but not more than \$5,410 in a calendar year received by a blind or disabled child who is a student regularly attending school;
- Any portion of the monthly \$20 exclusion for unearned income that has not been used;
- \$65 of earned income in a month;
- Amounts used to pay impairment-related work expenses if a recipient is disabled (but not blind) and under age 65 or is disabled (but not blind) and receiving SSI (or disability payments under a former State plan) before age 65¹;
- One-half of remaining earned income in a month;
- Earned income used to meet any expenses reasonably attributable to the earning of the income if the recipient is blind and under age 65 or if he/she received SSI as a blind person prior to age 65¹;
- Any earned income received and used to fulfill an approved plan to achieve self-support if the recipient is blind or disabled and under age 65 or is blind or disabled and received SSI as a blind or disabled individual in the month before he/she attained age 65;
- Any earned income deposited into either a Temporary Assistance for Needy Families (TANF) or “Assets for Independence Act” individual development account (IDA); and
- Some Federal laws other than the Social Security Act provide for the exclusion of earned income for SSI purposes. For the most part, the income received under these laws relates to assistance received in the form of food, housing and utilities, educational and employment benefits or benefits derived from being a member of a Native American tribe. A complete list of laws which exclude earned income under SSI can be found in the Federal Regulations Appendix to Subpart K 20 CFR 416.

2. Unearned Income Exclusions

- Any public agency’s refund of taxes on real property or food;

¹ Amounts used to pay impairment-related work expenses are deducted before the one-half of earned income deduction, whereas amounts used to pay the work expenses of the blind are deducted after the one-half of earned income deduction. In effect, amounts of blind work expenses reduce SSI earned income twice as much as the same amounts of impairment-related work expenses.

- Assistance based on need which is wholly funded by a State or one of its political subdivisions. This includes State supplementation of Federal SSI benefits but does not include payments under a Federal/State grant program such as Temporary Assistance for Needy Families (TANF);
- Any portion of a grant, scholarship or fellowship used for paying tuition, fees or other necessary educational expenses. Portions set aside for food, clothing or shelter are counted;
- Food raised by a household if it is consumed by that household;
- Assistance received under the Disaster Relief and Emergency Assistance Act and assistance provided under any Federal statute because of a catastrophe which the President of the United States declares to be a major disaster;
- Up to \$20 of unearned income in a month if it is infrequent or irregular; that is, if a type of unearned income is received only once during a calendar quarter from a single source or if it cannot reasonably be expected;
- Any unearned income received and used to fulfill an approved plan to achieve self-support if the recipient is blind or disabled and under age 65 or is blind or disabled and received SSI as a blind or disabled individual in the month before he/she attained age 65;
- Periodic payments made by a State under a program established before July 1, 1973, and based solely on the recipient's length of residence and attainment of age 65;
- Payments for providing foster care to an ineligible child who was placed in the recipient's home by a public or private nonprofit child placement or child care agency;
- Any interest earned on excluded burial funds and any appreciation in the value of an excluded burial arrangement which are left to accumulate and become part of the separately identifiable burial fund;
- Certain support and maintenance assistance provided in the form of home energy assistance;
- One-third of support payments made by an absent parent if the recipient is a child;
- The first \$20 of unearned income in a month other than income in the form of in-kind support and maintenance received in the household of another and income based on need;
- The value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, title V of the Housing Act of 1949, or section 202(h) of the Housing Act of 1959;
- Any interest accrued on and left to accumulate as part of the value of an excluded burial space purchase agreement (after April 1, 1990);
- The value of any commercial transportation ticket, for travel by a recipient or his/her spouse among the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands, which is received as a gift and is not converted to cash;
- Payments received from a fund established by a State to aid victims of crime;
- Relocation assistance provided by a State or local government that is comparable to assistance provided under title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

- Hostile fire pay received from one of the uniformed services pursuant to 37 U.S.C. 310 and other kinds of additional pay received by military personnel in a combat zone;
- Interest or other earnings on a dedicated account excluded from resources;
- In-kind gifts not converted to cash and the first \$2,000 annually of cash gifts made by tax-exempt organizations, such as the Make-A-Wish Foundation, to, or for the benefit of, individuals under age 18 with life-threatening conditions;
- Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998;
- TANF funds made available to an SSI recipient as part of an individual development account (IDA);
- Deposits made by a participating individual or a sponsoring nonprofit organization or State or local government into an IDA under the "Assets for Independence Act" IDA demonstration project and interest earned on these deposits; and
- Unearned income excluded by other Federal laws. See Federal Regulations Appendix to Subpart K 20 CFR 416.

3. Resource Exclusions

- The home (including the land appertaining thereto);
- Household goods and personal effects to the extent that their total value does not exceed \$2,000;
- An automobile may be totally excluded if: (1) it is necessary for employment; (2) it is necessary for the medical treatment of a specific or regular medical problem; (3) it is modified for the operation by or transportation of, a handicapped individual; or (4) it is necessary to perform essential daily activities. If the automobile does not meet any of the above requirements, it may be excluded to the extent that its current-market value does not exceed \$4,500;
- Property of a trade or business which is essential to the means of self-support;
- Nonbusiness property which is essential to the means of self-support;
- Resources of a blind or disabled individual which are necessary to fulfill an approved plan for achieving self-support;
- Stock in regional or village corporations held by natives of Alaska during the 20-year period in which the stock is inalienable pursuant to the Alaska Native Claims Settlement Act;
- Life insurance owned by an individual (and spouse, if any) provided that all life insurance on any person does not exceed a face value of \$1,500;
- Restricted allotted Indian lands;
- Disaster relief assistance;
- Burial spaces and certain funds up to \$1,500 for burial expenses;
- Title XVI or title II retroactive payments (for 6 months following receipt);
- Housing assistance;

- Refunds of Federal income taxes and advances made by an employer relating to an earned income tax credit, (for the month following receipt);
- Refundable child tax credit (\$600 per child in the current year, gradually increasing to \$1,000 per child in 2010) in the month of receipt and in the following month;
- Payments received as compensation for expenses incurred or losses suffered as a result of a crime (for 9 months);
- Relocation assistance from a State or local government (for 9 months);
- Dedicated financial institution accounts for disabled children;
- In-kind gifts not converted to cash and the first \$2,000 annually of cash gifts made by tax-exempt organizations, such as the Make-A-Wish Foundation, to, or for the benefit of, individuals under age 18 with life-threatening conditions;
- Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998;
- Amounts deposited into either a TANF or “Assets for Independence Act” IDA, including matching funds and interest earned on such amounts;
- Certain trusts (e.g., those established by will or certain Medicaid trusts that will repay the State, upon the death of the beneficiary, for the costs of medical assistance provided to that individual); and
- Payments or benefits provided under a Federal statute other than title XVI of the Social Security Act where exclusion is provided by such statute.

C. HISTORICAL ALLOWANCE DATA

At the end of 2002, 82 percent of SSI recipients were receiving benefits based on a determination of disability. Claims are filed at a local Social Security office and claims requiring an evaluation of disability are sent to the State Disability Determination Services (DDS) for a decision. Initial DDS decisions that are unfavorable to the applicant may be appealed. Until recently, all appeals were initiated at the DDS level with a request for reconsideration of that initial denial. Persons denied at the reconsideration level could then apply to the Office of Hearings and Appeals (OHA) for a hearing before an Administrative Law Judge (ALJ), and if dissatisfied with the hearing decision could request a review by the Appeals Council. Those dissatisfied with the Appeals Council's action could seek further relief via the Federal court system. This appeals process is still in effect for the majority of new applicants. However, in recent years SSA has conducted small pilots testing revisions to this process and introduced a modification of this process that has been utilized in 10 States for applications filed on or after October 1, 1999. Under this revised process appeals of initial denials are made directly to OHA, thereby eliminating the reconsideration step. The options for appeal beyond the OHA level are unchanged.

Such a process of application and appeal can, in some cases, span several years. However, before 1993, the only data available on the disability determination process resided in files compiled at each separate stage of the process and only captured various point-in-time snapshots. A complete picture of the disability determination process can be fully understood only by compiling a longitudinal database from administrative records at all levels of appeal. Beginning in 1993, such a longitudinal database (the "Disability Research File") was constructed by SSA's Office of Disability Programs to assist the agency in understanding and managing this process. In the process of constructing this database, some problems were encountered due to inconsistencies in the data collected from all the respective levels of appeal. The following sections present some additional details and qualifications essential to a complete understanding of the resulting data. Following these technical notes are tables based on the Disability Research File which show the latest available summary of results on disability determinations under title XVI.

1. Technical Notes on the Disability Research File

Methods used to build the title XVI Disability Research File—The "base" file for the title XVI research file is the Supplemental Security Record (SSR). This "base" file is matched against records from various other administrative sources, including transactions from the disability determination (SSA-831) files, Social Security number identification records and earnings data, and OHA case control data.

The process used to build this research file is cumbersome, involving about 190 steps, and generally requiring about 4 months to complete. Much of this complexity flows from the fact that the file is assembled based on filing date cohorts, even though many of the source files do not contain a filing date. The three most recent calendar year cohorts are completely reassembled from the basic data sources. Older calendar year cohorts are updated to reflect activity since the last time the file was built. Since the process is so time consuming, the research file is updated only annually (usually beginning in July). Therefore, research file data are not yet available for claims filed in 2002.

Methods used for estimating results (through February 2003) for claims filed in 2002—Although decision counts are available for 2002 filers (from many of the "source" files), those counts do not translate directly into the claims/appeals counts included in the following tables, due to the consolidation of multiple transactions (and application of claims-based tolerance rules) which occurs when the research file is built.

To prepare preliminary estimates of results (through February 2003) for 2002 filers, we started from the latest available transaction data, such as the SSA-831 data, and took into account recent years' experience of the relationship between corresponding earlier transaction data and the resulting claims/appeals data in

completed research files. We also considered claims counts from an extract file from the SSR. While we believe that the methods used are reasonable, it must be emphasized that the resulting estimates may prove to be of limited reliability, especially in light of the fact that the estimates give results only through February 2003, whereas the final research files will reflect information through June 2003. Actual data for 2002 will be available to replace these estimates in the 2004 Annual Report.

2. General Considerations

Some general points that apply to tables V.C1 and V.C2 are as follows:

- Data for 1988-2001 filers are as of June 2002. Results for those years' filers have been updated to include OHA results through July 2002.
- Data for 2002 filers are preliminary estimates as of February 2003, and reflect larger numbers of claims still pending. February 2003 data on number of claims appealed may be too low because larger numbers of claimants are still within the period allowed for filing an appeal (i.e., larger numbers of recently denied claimants who have not yet filed an appeal may appeal before the time limit runs out).
- Remaining appeals will affect the results. Since allowances are generally processed more quickly than denials, we expect that the percent allowed will ultimately be lower as all cases are processed.
- In certain pilot activities and under the revised process introduced October 1, 1999 in 10 States, initial denials can be appealed directly to OHA without a separate reconsideration step. As a result the appeals of initial denials shown in these tables include cases which will not receive a decision at the reconsideration level.

Table V.C1.—Disabled Adult Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing¹ and Level of Decision

| Calendar year of filing | Total claims filed | Initial decisions | | | | | | |
|-------------------------|--------------------|-------------------|------------|----------------------|-----------|----------------------|----------------------------|----------------------|
| | | Pending | Allowances | | Denials | | Appeals of initial denials | |
| | | | Number | Percent ² | Number | Percent ² | Number ³ | Percent ⁴ |
| 1988 | 946,603 | — | 272,204 | 28.8 | 674,399 | 71.2 | 265,151 | 39.3 |
| 1989 | 969,218 | — | 292,044 | 30.1 | 677,174 | 69.9 | 274,823 | 40.6 |
| 1990 | 1,099,805 | — | 347,823 | 31.6 | 751,982 | 68.4 | 320,207 | 42.6 |
| 1991 | 1,288,331 | — | 415,336 | 32.2 | 872,995 | 67.8 | 383,669 | 43.9 |
| 1992 | 1,415,624 | — | 436,888 | 30.9 | 978,736 | 69.1 | 433,244 | 44.3 |
| 1993 | 1,503,278 | — | 416,300 | 27.7 | 1,086,978 | 72.3 | 485,166 | 44.6 |
| 1994 | 1,436,958 | — | 353,995 | 24.6 | 1,082,963 | 75.4 | 482,533 | 44.6 |
| 1995 | 1,318,416 | — | 323,084 | 24.5 | 995,332 | 75.5 | 439,166 | 44.1 |
| 1996 | 1,247,926 | — | 305,351 | 24.5 | 942,575 | 75.5 | 406,425 | 43.1 |
| 1997 | 1,110,898 | — | 292,839 | 26.4 | 818,059 | 73.6 | 357,999 | 43.8 |
| 1998 | 1,108,957 | — | 322,734 | 29.1 | 786,223 | 70.9 | 339,290 | 43.2 |
| 1999 | 1,104,975 | — | 326,607 | 29.6 | 778,368 | 70.4 | 332,235 | 42.7 |
| 2000 | 1,137,989 | — | 343,492 | 30.2 | 794,497 | 69.8 | 329,526 | 41.5 |
| 2001 | 1,212,943 | 18,519 | 357,828 | 30.0 | 836,596 | 70.0 | 320,862 | 38.4 |
| 2002 | 1,438,200 | 285,600 | 366,700 | 31.8 | 785,900 | 68.2 | 217,300 | 27.6 |

| Calendar year of filing | Reconsiderations | | | | | | Appeals beyond reconsideration ⁵ | | | |
|-------------------------|------------------|------------|----------------------|---------|------------------------------------|----------------------|---|------------|----------------------|----------------------|
| | Pending | Allowances | | Denials | Appeals of reconsideration denials | | Pending ⁷ | Allowances | | Denials ⁹ |
| | | Number | Percent ² | | Number ⁶ | Percent ⁴ | | Number | Percent ⁸ | |
| 1988 | — | 38,385 | 14.5 | 226,766 | 140,663 | 62.0 | — | 82,414 | 58.6 | 58,249 |
| 1989 | — | 43,505 | 15.8 | 231,318 | 146,082 | 63.2 | — | 90,169 | 61.7 | 55,913 |
| 1990 | — | 52,055 | 16.3 | 268,152 | 175,520 | 65.5 | — | 109,098 | 62.2 | 66,422 |
| 1991 | — | 59,157 | 15.4 | 324,512 | 221,816 | 68.4 | — | 139,698 | 63.0 | 82,118 |
| 1992 | — | 58,819 | 13.6 | 374,425 | 260,554 | 69.6 | — | 159,084 | 61.1 | 101,470 |
| 1993 | — | 57,938 | 11.9 | 427,228 | 294,538 | 68.9 | — | 170,273 | 57.8 | 124,265 |
| 1994 | — | 55,822 | 11.6 | 426,711 | 292,961 | 68.7 | — | 164,291 | 56.1 | 128,670 |
| 1995 | — | 51,697 | 11.8 | 387,469 | 266,241 | 68.7 | 2,811 | 143,122 | 54.3 | 120,308 |
| 1996 | — | 49,263 | 12.1 | 357,162 | 244,209 | 68.4 | 3,622 | 132,334 | 55.0 | 108,253 |
| 1997 | — | 47,573 | 13.4 | 306,561 | 215,414 | 70.3 | 5,236 | 119,748 | 55.9 | 94,295 |
| 1998 | — | 46,507 | 13.7 | 292,272 | 204,910 | 70.1 | 9,487 | 111,718 | 57.0 | 84,216 |
| 1999 | — | 42,135 | 13.3 | 274,269 | 194,644 | 71.0 | 20,431 | 110,708 | 58.3 | 79,336 |
| 2000 | — | 38,549 | 14.0 | 237,078 | 167,176 | 70.5 | 68,719 | 88,421 | 58.0 | 63,935 |
| 2001 | 37,626 | 25,964 | 11.9 | 191,385 | 123,477 | 64.5 | 151,205 | 23,243 | 60.9 | 14,916 |
| 2002 | 53,500 | 16,390 | 13.3 | 106,410 | 38,850 | 36.5 | 74,120 | 3,940 | 68.8 | 1,790 |

Selected summary case information by decision status: *Numbers of cases*

| Calendar year of filing | Total claims filed | Initial decisions pending | Total initial decisions | Denials | | |
|-------------------------|--------------------|---------------------------|-------------------------|------------|-------------------------|-------------------|
| | | | | Allowances | Appeal decision pending | No appeal pending |
| 1988 | 946,603 | — | 946,603 | 393,003 | — | 553,600 |
| 1989 | 969,218 | — | 969,218 | 425,718 | — | 543,500 |
| 1990 | 1,099,805 | — | 1,099,805 | 508,976 | — | 590,829 |
| 1991 | 1,288,331 | — | 1,288,331 | 614,191 | — | 674,140 |
| 1992 | 1,415,624 | — | 1,415,624 | 654,791 | — | 760,833 |
| 1993 | 1,503,278 | — | 1,503,278 | 644,511 | — | 858,767 |
| 1994 | 1,436,958 | — | 1,436,958 | 574,108 | — | 862,850 |
| 1995 | 1,318,416 | — | 1,318,416 | 517,903 | 2,811 | 797,702 |
| 1996 | 1,247,926 | — | 1,247,926 | 486,948 | 3,622 | 757,356 |
| 1997 | 1,110,898 | — | 1,110,898 | 460,160 | 5,236 | 645,502 |
| 1998 | 1,108,957 | — | 1,108,957 | 480,959 | 9,487 | 618,511 |
| 1999 | 1,104,975 | — | 1,104,975 | 479,450 | 20,431 | 605,094 |
| 2000 | 1,137,989 | — | 1,137,989 | 470,462 | 68,719 | 598,808 |
| 2001 | 1,212,943 | 18,519 | 1,194,424 | 407,035 | 188,831 | 598,558 |
| 2002 | 1,438,200 | 285,600 | 1,152,600 | 387,030 | 127,620 | 637,950 |

Table V.C1.—Disabled Adult Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing¹ and Level of Decision (Cont.)

| Calendar year of filing | Selected summary case information by decision status | | | | | | |
|-------------------------|--|------------|-------------------------|-------------------|--|-------------------------|-------------------|
| | Numbers as a percentage of total claims filed | | | | Numbers as a percentage of total initial decisions | | |
| | Initial decision pending | Allowances | Denials | | Allowances | Denials | |
| | | | Appeal decision pending | No appeal pending | | Appeal decision pending | No appeal pending |
| 1988 | — | 41.5 | — | 58.5 | 41.5 | — | 58.5 |
| 1989 | — | 43.9 | — | 56.1 | 43.9 | — | 56.1 |
| 1990 | — | 46.3 | — | 53.7 | 46.3 | — | 53.7 |
| 1991 | — | 47.7 | — | 52.3 | 47.7 | — | 52.3 |
| 1992 | — | 46.3 | — | 53.7 | 46.3 | — | 53.7 |
| 1993 | — | 42.9 | — | 57.1 | 42.9 | — | 57.1 |
| 1994 | — | 40.0 | — | 60.0 | 40.0 | — | 60.0 |
| 1995 | — | 39.3 | 0.2 | 60.5 | 39.3 | 0.2 | 60.5 |
| 1996 | — | 39.0 | .3 | 60.7 | 39.0 | .3 | 60.7 |
| 1997 | — | 41.4 | .5 | 58.1 | 41.4 | .5 | 58.1 |
| 1998 | — | 43.4 | .9 | 55.8 | 43.4 | .9 | 55.8 |
| 1999 | — | 43.4 | 1.8 | 54.8 | 43.4 | 1.8 | 54.8 |
| 2000 | — | 41.3 | 6.0 | 52.6 | 41.3 | 6.0 | 52.6 |
| 2001 | 1.5 | 33.6 | 15.6 | 49.3 | 34.1 | 15.8 | 50.1 |
| 2002 | 19.9 | 26.9 | 8.9 | 44.4 | 33.6 | 11.1 | 55.3 |

¹ Data for claims filed in 1988-2001 reflect results as of June 2002 at the DDS level and as of July 2002 at the OHA level. The numbers of total claims filed for 1999-2001 are subject to change. Data for claims filed in 2002 are preliminary estimates as of February 2003. The ultimate number of allowances and denials are subject to change until all initial decisions have been completed and all appeals are final.

² Percentage of decisions at this level.

³ Includes certain cases which can be appealed directly to OHA.

⁴ Percentage of denials at this level appealed to next level.

⁵ Includes cases appealed to OHA, as well as beyond OHA to the Federal courts.

⁶ Number of persons appealing beyond the reconsideration level.

⁷ Includes cases remanded to OHA from the Federal courts.

⁸ Percentage of decisions at this level. For years where decisions are still pending, the preliminary percentage shown is expected to ultimately be lower as all cases are processed. This occurs because allowances are generally processed more quickly than denials.

⁹ Includes denied claims where the final administrative action was a dismissal of an appeal request (e.g., the appeal was not filed timely or the applicant failed to appear at the scheduled hearing).

Table V.C2.—Disabled Child Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing¹ and Level of Decision

| Calendar year of filing | Total claims filed | Initial decisions | | | | | | |
|-------------------------|--------------------|-------------------|------------|----------------------|---------|----------------------|----------------------------|----------------------|
| | | Pending | Allowances | | Denials | | Appeals of initial denials | |
| | | | Number | Percent ² | Number | Percent ² | Number ³ | Percent ⁴ |
| 1991 | 250,962 | — | 148,220 | 59.1 | 102,742 | 40.9 | 24,702 | 24.0 |
| 1992 | 372,971 | — | 189,079 | 50.7 | 183,892 | 49.3 | 49,297 | 26.8 |
| 1993 | 496,131 | — | 212,268 | 42.8 | 283,863 | 57.2 | 75,967 | 26.8 |
| 1994 | 525,013 | — | 172,219 | 32.8 | 352,794 | 67.2 | 92,093 | 26.1 |
| 1995 | 487,730 | — | 144,231 | 29.6 | 343,499 | 70.4 | 86,841 | 25.3 |
| 1996 | 453,473 | — | 127,416 | 28.1 | 326,057 | 71.9 | 75,013 | 23.0 |
| 1997 | 332,032 | — | 106,528 | 32.1 | 225,504 | 67.9 | 51,496 | 22.8 |
| 1998 | 335,732 | — | 123,249 | 36.7 | 212,483 | 63.3 | 50,111 | 23.6 |
| 1999 | 342,153 | — | 128,543 | 37.6 | 213,610 | 62.4 | 49,585 | 23.2 |
| 2000 | 349,477 | — | 137,216 | 39.3 | 212,261 | 60.7 | 47,890 | 22.6 |
| 2001 | 368,185 | 5,186 | 150,011 | 41.3 | 212,988 | 58.7 | 44,935 | 21.1 |
| 2002 | 406,400 | 84,300 | 144,500 | 44.9 | 177,600 | 55.1 | 29,480 | 16.6 |

| Calendar year of filing | Reconsiderations | | | | | Appeals beyond reconsideration ⁵ | | | | |
|-------------------------|------------------|------------|----------------------|---------|------------------------------------|---|----------------------|------------|----------------------|----------------------|
| | Pending | Allowances | | Denials | Appeals of reconsideration denials | | Pending ⁷ | Allowances | | Denials ⁹ |
| | | Number | Percent ² | | Number ⁶ | Percent ⁴ | | Number | Percent ⁸ | |
| 1991 | — | 5,605 | 22.7 | 19,097 | 9,196 | 48.2 | — | 3,884 | 42.2 | 5,312 |
| 1992 | — | 9,463 | 19.2 | 39,834 | 19,770 | 49.6 | — | 7,523 | 38.1 | 12,247 |
| 1993 | — | 11,338 | 14.9 | 64,629 | 31,177 | 48.2 | — | 10,634 | 34.1 | 20,543 |
| 1994 | — | 11,332 | 12.3 | 80,761 | 38,383 | 47.5 | — | 12,936 | 33.7 | 25,447 |
| 1995 | — | 10,287 | 11.8 | 76,554 | 35,776 | 46.7 | 244 | 10,897 | 30.7 | 24,635 |
| 1996 | — | 9,355 | 12.5 | 65,658 | 28,070 | 42.8 | 295 | 8,794 | 31.7 | 18,981 |
| 1997 | — | 8,266 | 16.2 | 42,705 | 19,028 | 44.6 | 333 | 6,936 | 36.1 | 12,284 |
| 1998 | — | 7,799 | 15.6 | 42,237 | 18,843 | 44.6 | 700 | 6,855 | 37.6 | 11,363 |
| 1999 | — | 7,196 | 15.5 | 39,377 | 17,934 | 45.5 | 1,791 | 7,323 | 38.2 | 11,832 |
| 2000 | — | 6,866 | 18.1 | 31,000 | 14,251 | 46.0 | 7,674 | 6,214 | 37.4 | 10,387 |
| 2001 | 4,307 | 5,129 | 17.6 | 24,090 | 10,059 | 41.8 | 17,471 | 1,639 | 41.0 | 2,358 |
| 2002 | 6,100 | 2,400 | 14.5 | 14,100 | 2,950 | 20.9 | 9,230 | 190 | 31.7 | 410 |

Selected summary case information by decision status: *Numbers of cases*

| Calendar year of filing | Total claims filed | Initial decisions pending | Total initial decisions | Denials | | |
|-------------------------|--------------------|---------------------------|-------------------------|------------|-------------------------|-------------------|
| | | | | Allowances | Appeal decision pending | No appeal pending |
| 1991 | 250,962 | — | 250,962 | 157,709 | — | 93,253 |
| 1992 | 372,971 | — | 372,971 | 206,065 | — | 166,906 |
| 1993 | 496,131 | — | 496,131 | 234,240 | — | 261,891 |
| 1994 | 525,013 | — | 525,013 | 196,487 | — | 328,526 |
| 1995 | 487,730 | — | 487,730 | 165,415 | 244 | 322,071 |
| 1996 | 453,473 | — | 453,473 | 145,565 | 295 | 307,613 |
| 1997 | 332,032 | — | 332,032 | 121,730 | 333 | 209,969 |
| 1998 | 335,732 | — | 335,732 | 137,903 | 700 | 197,129 |
| 1999 | 342,153 | — | 342,153 | 143,062 | 1,791 | 197,300 |
| 2000 | 349,477 | — | 349,477 | 150,296 | 7,674 | 191,507 |
| 2001 | 368,185 | 5,186 | 362,999 | 156,779 | 21,778 | 184,442 |
| 2002 | 406,400 | 84,300 | 322,100 | 147,090 | 15,330 | 159,680 |

Table V.C2.—Disabled Child Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing¹ and Level of Decision (Cont.)

| Calendar year of filing | Selected summary case information by decision status | | | | | | |
|-------------------------|--|------------|-------------------------|-------------------|--|-------------------------|-------------------|
| | Numbers as a percentage of total claims filed | | | | Numbers as a percentage of total initial decisions | | |
| | Initial decision pending | Allowances | Denials | | Allowances | Denials | |
| | | | Appeal decision pending | No appeal pending | | Appeal decision pending | No appeal pending |
| 1991 | — | 62.8 | — | 37.2 | 62.8 | — | 37.2 |
| 1992 | — | 55.2 | — | 44.8 | 55.2 | — | 44.8 |
| 1993 | — | 47.2 | — | 52.8 | 47.2 | — | 52.8 |
| 1994 | — | 37.4 | — | 62.6 | 37.4 | — | 62.6 |
| 1995 | — | 33.9 | 0.1 | 66.0 | 33.9 | 0.1 | 66.0 |
| 1996 | — | 32.1 | .1 | 67.8 | 32.1 | .1 | 67.8 |
| 1997 | — | 36.7 | .1 | 63.2 | 36.7 | .1 | 63.2 |
| 1998 | — | 41.1 | .2 | 58.7 | 41.1 | .2 | 58.7 |
| 1999 | — | 41.8 | .5 | 57.7 | 41.8 | .5 | 57.7 |
| 2000 | — | 43.0 | 2.2 | 54.8 | 43.0 | 2.2 | 54.8 |
| 2001 | 1.4 | 42.6 | 5.9 | 50.1 | 43.2 | 6.0 | 50.8 |
| 2002 | 20.7 | 36.2 | 3.8 | 39.3 | 45.7 | 4.8 | 49.6 |

¹ Data for claims filed in 1991-2001 reflect results as of June 2002 at the DDS level and as of July 2002 at the OHA level. The numbers of total claims filed for 1999-2001 are subject to change. Data for claims filed in 2002 are preliminary estimates as of February 2003. The ultimate number of allowances and denials are subject to change until all initial decisions have been completed and all appeals are final.

² Percentage of decisions at this level.

³ Includes certain cases which can be appealed directly to OHA.

⁴ Percentage of denials at this level appealed to next level.

⁵ Includes cases appealed to OHA, as well as beyond OHA to the Federal courts.

⁶ Number of persons appealing beyond the reconsideration level.

⁷ Includes cases remanded to OHA from the Federal courts.

⁸ Percentage of decisions at this level. For years where decisions are still pending, the preliminary percentage shown is expected to ultimately be lower as all cases are processed. This occurs because allowances are generally processed more quickly than denials.

⁹ Includes denied claims where the final administrative action was a dismissal of an appeal request (e.g., the appeal was not filed timely or the applicant failed to appear at the scheduled hearing).

D. HISTORICAL REDETERMINATION AND CONTINUING DISABILITY REVIEW DATA**1. Redeterminations**

Redeterminations are reviews of all of the nonmedical factors of eligibility to determine whether a recipient is still eligible for SSI and still receiving the correct payment amount. There are two types of redeterminations: scheduled and unscheduled. Scheduled redeterminations are selected annually or once every 6 years depending on the likelihood of payment error in the case. Except for certain institutionalized individuals, all recipients are periodically scheduled for a redetermination. Unscheduled redeterminations are completed on an as needed basis when recipients report, or we discover, certain changes in circumstances that could affect the continuing SSI payment amount. The numbers of redeterminations completed are subject to some year-to-year fluctuation because of variation in the numbers of unscheduled redeterminations completed and in the numbers of scheduled redeterminations that were selected but not completed during the fiscal year due to the impact of other workload requirements on the field offices. When redeterminations cannot be completed in the fiscal year scheduled, they are carried over into the next fiscal year. Table V.D1 provides historical data on numbers of redeterminations completed by fiscal year.

Table V.D1.—SSI Redeterminations Completed, Fiscal Years 1986-2002
[In thousands]

| Fiscal year | Number of redeterminations |
|-------------|----------------------------|
| 1986 | 2,278 |
| 1987 | 2,244 |
| 1988 | 1,997 |
| 1989 | 2,226 |
| 1990 | 2,103 |
| 1991 | 2,138 |
| 1992 | 2,321 |
| 1993 | 2,223 |
| 1994 | ¹ 1,900 |
| 1995 | ² 1,597 |
| 1996 | 1,763 |
| 1997 | 1,773 |
| 1998 | 1,853 |
| 1999 | 2,122 |
| 2000 | 2,182 |
| 2001 | 2,316 |
| 2002 | 2,311 |

¹ Decrease in number of redeterminations completed in fiscal year 1994 due to low-error profile redeterminations not being completed from January through September 1994.

² Effective fiscal year 1995, approximately 200,000 fewer redeterminations were selected annually due to a change from a 3-year to a 6-year redetermination cycle for low-error profile cases.

During periods between scheduled redeterminations, SSA uses the limited issue process to detect situations that have the potential to affect the continuing eligibility of SSI recipients and SSI payment amounts. SSA conducts periodic computer matches between its own systems and the systems of other Federal and State agencies to determine if the income and resources information on SSI recipients' records is in conflict with data obtained from the other systems. Matches detecting conflicting information usually result in the posting of an identifier to the Supplemental Security Record of the SSI recipient. The case is then selected and scheduled for a field office review of the issue for which the indicator was posted. In fiscal year 2002, SSA released over 550,000 limited issue cases for development by field offices.

2. Continuing Disability Reviews

Following enactment of the Social Security Disability Amendments of 1980, section 221(i) of the Social Security Act generally requires SSA to review the continuing eligibility of title II disabled beneficiaries at least every 3 years. A similar requirement was not put in place at that time for disabled title XVI recipients. Although the Committee on Finance of the Senate stated in its report on this legislation that the same

continuing disability reviews (CDRs) procedures should be applied with respect to both the title II and title XVI programs, title XVI was not amended to accomplish this. In 1994 and again in 1996 legislation was enacted adding some mandates for the performance of CDRs under the SSI program.

Public Law 103-296 specified that during each of fiscal years 1996, 1997, and 1998, SSA was required to conduct CDRs on a minimum of 100,000 SSI recipients. In addition, during the same period, SSA was required to redetermine the SSI eligibility of at least one-third of all SSI child recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18. Such redeterminations for persons turning age 18 could count toward the 100,000 CDR requirement.

Public Law 104-193 extended the requirement of redetermination of SSI eligibility to all SSI child recipients who reach age 18, with such redetermination being based on an adult eligibility criteria. This law also added the requirement that a CDR be performed:

- At least once every 3 years for SSI recipients under age 18 who are eligible by reason of an impairment which is likely to improve, and
- Not later than 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability unless the Commissioner determines that the impairment is not expected to improve within 12 months of the child's birth.

Public Law 105-33 gave SSA some additional flexibility in the scheduling of these categories of CDRs.

In order to handle the large CDR workload mandated under these various provisions, SSA developed, beginning in 1993, a process by which certain title II cases scheduled for a CDR would be screened using the results of a profiling process which included a mailer interview for some cases. In 1996 the profiling process was extended to title XVI adults who were scheduled for a CDR. The screening process resulted in the deferral of full medical reviews for 204,872 cases for which a scheduled title XVI CDR was processed in 2002.

For cases involving individuals who receive both title II and title XVI benefits, CDRs are typically initiated as title II CDRs with the results of the review affecting eligibility for benefits under both programs. Tables V.D2 and V.D3 present the latest available summary of results¹ on CDRs of title XVI recipients performed under titles II and XVI since 1993. These tables include only cases for which a full medical review was conducted. In particular they do not include:

- Cases for which a mailer was completed, but for which a full medical review was deferred;
- CDRs initiated as the result of work activity on the part of the beneficiary/recipient; and
- Miscellaneous other CDRs processed by the State Disability Determination Services but not as part of the normal CDR scheduling process (such as voluntary and third party reports of medical improvement, post-transplant end-stage renal disease cases, and vocational rehabilitation reports).

In contrast with the allowance data presented in section V.C, the CDR data is tabulated on a cohort basis by the date of initial decision.

¹ The numbers of SSI recipients whose benefits are ceased as a result of CDRs are included in these tables. Estimates of Federal SSI program savings resulting from the cessation of benefits are reported to Congress in the Annual Report of Continuing Disability Reviews. The most recent such report was issued September 12, 2002, presenting estimates of the effects of CDRs conducted in fiscal year 2001.

Table V.D2.—SSI Disabled Adult Reviews: Disposition¹ of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision and Level of Decision

| Fiscal year of initial DDS decision | Initial decisions | | | | | | | | | |
|---|-----------------------------|---------------|----------------------|------------|-----------------------------------|---|----------------------|---------------|---------|------------|
| | Total initial DDS decisions | Continuations | | Cessations | | Appeals to reconsideration | | | | |
| | | Number | Percent ² | Number | Percent ² | Number | Percent ³ | | | |
| Reviews of concurrent title II/XVI cases initiated under title II | | | | | | | | | | |
| 1993 | 1,143 | 1,083 | 94.8 | 60 | 5.2 | 52 | 86.7 | | | |
| 1994 | 10,945 | 9,127 | 83.4 | 1,818 | 16.6 | 1,253 | 68.9 | | | |
| 1995 | 16,736 | 12,484 | 74.6 | 4,252 | 25.4 | 2,905 | 68.3 | | | |
| 1996 | 26,884 | 20,636 | 76.8 | 6,248 | 23.2 | 4,119 | 65.9 | | | |
| 1997 | 51,466 | 40,741 | 79.2 | 10,725 | 20.8 | 7,436 | 69.3 | | | |
| 1998 | 81,185 | 68,533 | 84.4 | 12,652 | 15.6 | 8,839 | 69.9 | | | |
| 1999 | 80,816 | 70,353 | 87.1 | 10,463 | 12.9 | 6,412 | 61.3 | | | |
| 2000 | 105,787 | 93,962 | 88.8 | 11,825 | 11.2 | 7,119 | 60.2 | | | |
| 2001 | 110,341 | 99,666 | 90.3 | 10,675 | 9.7 | 6,595 | 61.8 | | | |
| 2002 | 103,947 | 92,069 | 88.6 | 11,878 | 11.4 | 6,822 | 57.4 | | | |
| Title XVI initiated reviews | | | | | | | | | | |
| 1993 | — | — | — | — | — | — | — | | | |
| 1994 | — | — | — | — | — | — | — | | | |
| 1995 | 4,287 | 3,277 | 76.4 | 1,010 | 23.6 | 665 | 65.8 | | | |
| 1996 | 55,025 | 46,273 | 84.1 | 8,752 | 15.9 | 6,146 | 70.2 | | | |
| 1997 | 69,557 | 57,662 | 82.9 | 11,895 | 17.1 | 8,838 | 74.3 | | | |
| 1998 | 75,071 | 64,829 | 86.4 | 10,242 | 13.6 | 7,374 | 72.0 | | | |
| 1999 | 140,429 | 125,079 | 89.1 | 15,350 | 10.9 | 10,587 | 69.0 | | | |
| 2000 | 173,470 | 156,065 | 90.0 | 17,405 | 10.0 | 11,201 | 64.4 | | | |
| 2001 | 143,902 | 126,610 | 88.0 | 17,292 | 12.0 | 10,623 | 61.4 | | | |
| 2002 | 172,527 | 150,837 | 87.4 | 21,690 | 12.6 | 12,987 | 59.9 | | | |
| Total reviews, SSI disabled adults | | | | | | | | | | |
| 1993 | 1,143 | 1,083 | 94.8 | 60 | 5.2 | 52 | 86.7 | | | |
| 1994 | 10,945 | 9,127 | 83.4 | 1,818 | 16.6 | 1,253 | 68.9 | | | |
| 1995 | 21,023 | 15,761 | 75.0 | 5,262 | 25.0 | 3,570 | 67.8 | | | |
| 1996 | 81,909 | 66,909 | 81.7 | 15,000 | 18.3 | 10,265 | 68.4 | | | |
| 1997 | 121,023 | 98,403 | 81.3 | 22,620 | 18.7 | 16,274 | 71.9 | | | |
| 1998 | 156,256 | 133,362 | 85.3 | 22,894 | 14.7 | 16,213 | 70.8 | | | |
| 1999 | 221,245 | 195,432 | 88.3 | 25,813 | 11.7 | 16,999 | 65.9 | | | |
| 2000 | 279,257 | 250,027 | 89.5 | 29,230 | 10.5 | 18,320 | 62.7 | | | |
| 2001 | 254,243 | 226,276 | 89.0 | 27,967 | 11.0 | 17,218 | 61.6 | | | |
| 2002 | 276,474 | 242,906 | 87.9 | 33,568 | 12.1 | 19,809 | 59.0 | | | |
| Fiscal year of initial DDS decision | Reconsiderations | | | | | Appeals beyond reconsideration ⁴ | | | | |
| | Pending | Continuations | | Cessations | Appeals to beyond reconsideration | | Pending ⁶ | Continuations | | |
| | | Number | Percent ² | | Number ⁵ | Percent ³ | | Number | Percent | Cessations |
| Reviews of concurrent title II/XVI cases initiated under title II | | | | | | | | | | |
| 1993 | — | 22 | 42.3 | 30 | 14 | 46.7 | — | 9 | 64.3 | 5 |
| 1994 | — | 541 | 43.2 | 712 | 399 | 56.0 | — | 177 | 44.4 | 222 |
| 1995 | — | 1,245 | 42.9 | 1,660 | 1,007 | 60.7 | — | 382 | 37.9 | 625 |
| 1996 | — | 1,875 | 45.5 | 2,244 | 1,313 | 58.5 | — | 427 | 32.5 | 886 |
| 1997 | 91 | 4,297 | 58.5 | 3,048 | 2,315 | 76.0 | 64 | 953 | 42.3 | 1,298 |
| 1998 | 102 | 5,512 | 63.1 | 3,225 | 2,500 | 77.5 | 72 | 1,110 | 45.7 | 1,318 |
| 1999 | 214 | 3,974 | 64.1 | 2,224 | 1,574 | 70.8 | 59 | 651 | 43.0 | 864 |
| 2000 | 284 | 4,428 | 64.8 | 2,407 | 1,640 | 68.1 | 224 | 584 | 41.2 | 832 |
| 2001 | 353 | 4,178 | 66.9 | 2,064 | 1,377 | 66.7 | 713 | 256 | 38.6 | 408 |
| 2002 | 1,503 | 3,788 | 71.2 | 1,531 | 703 | 45.9 | 629 | 30 | 40.5 | 44 |
| Title XVI initiated reviews | | | | | | | | | | |
| 1993 | — | — | — | — | — | — | — | — | — | — |
| 1994 | — | — | — | — | — | — | — | — | — | — |
| 1995 | — | 241 | 36.2 | 424 | 267 | 63.0 | — | 87 | 32.6 | 180 |
| 1996 | — | 3,289 | 53.5 | 2,857 | 1,946 | 68.1 | — | 623 | 32.0 | 1,323 |
| 1997 | 116 | 5,271 | 60.4 | 3,451 | 2,662 | 77.1 | 86 | 977 | 37.9 | 1,599 |
| 1998 | 142 | 4,530 | 62.6 | 2,702 | 2,066 | 76.5 | 102 | 746 | 38.0 | 1,218 |
| 1999 | 295 | 6,610 | 64.2 | 3,682 | 2,540 | 69.0 | 49 | 943 | 37.9 | 1,548 |
| 2000 | 288 | 6,827 | 62.6 | 4,086 | 2,813 | 68.8 | 268 | 918 | 36.1 | 1,627 |
| 2001 | 432 | 6,221 | 61.0 | 3,970 | 2,577 | 64.9 | 1,236 | 443 | 33.0 | 898 |
| 2002 | 3,585 | 6,291 | 66.9 | 3,111 | 1,444 | 46.4 | 1,241 | 62 | 30.5 | 141 |
| Total reviews, SSI disabled adults | | | | | | | | | | |
| 1993 | — | 22 | 42.3 | 30 | 14 | 46.7 | — | 9 | 64.3 | 5 |
| 1994 | — | 541 | 43.2 | 712 | 399 | 56.0 | — | 177 | 44.4 | 222 |
| 1995 | — | 1,486 | 41.6 | 2,084 | 1,274 | 61.1 | — | 469 | 36.8 | 805 |
| 1996 | — | 5,164 | 50.3 | 5,101 | 3,259 | 63.9 | — | 1,050 | 32.2 | 2,209 |
| 1997 | 207 | 9,568 | 59.6 | 6,499 | 4,977 | 76.6 | 150 | 1,930 | 40.0 | 2,897 |
| 1998 | 244 | 10,042 | 62.9 | 5,927 | 4,566 | 77.0 | 174 | 1,856 | 42.3 | 2,536 |
| 1999 | 509 | 10,584 | 64.2 | 5,906 | 4,114 | 69.7 | 108 | 1,594 | 39.8 | 2,412 |
| 2000 | 572 | 11,255 | 63.4 | 6,493 | 4,453 | 68.6 | 492 | 1,502 | 37.9 | 2,459 |
| 2001 | 785 | 10,399 | 63.3 | 6,034 | 3,954 | 65.5 | 1,949 | 699 | 34.9 | 1,306 |
| 2002 | 5,088 | 10,079 | 68.5 | 4,642 | 2,147 | 46.3 | 1,870 | 92 | 33.2 | 185 |

Table V.D2.—SSI Disabled Adult Reviews: Disposition¹ of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision and Level of Decision (Cont.)

| | | Selected summary case information by decision status as of January 2003 | | | | | |
|---|-------------------------|---|---------------------------------------|-----------------------------------|--|---------------------------------------|-----------------------------------|
| Fiscal year of initial DDS decision | Total initial decisions | Numbers of cases | | | Numbers as a percentage of total initial decisions | | |
| | | Continuations | Cessations pending an appeal decision | Cessations with no appeal pending | Continuations | Cessations pending an appeal decision | Cessations with no appeal pending |
| Reviews of concurrent title II/XVI cases initiated under title II | | | | | | | |
| 1993 | 1,143 | 1,114 | — | 29 | 97.5 | — | 2.5 |
| 1994 | 10,945 | 9,845 | — | 1,100 | 89.9 | — | 10.1 |
| 1995 | 16,736 | 14,111 | — | 2,625 | 84.3 | — | 15.7 |
| 1996 | 26,884 | 22,938 | — | 3,946 | 85.3 | — | 14.7 |
| 1997 | 51,466 | 45,991 | 155 | 5,320 | 89.4 | 0.3 | 10.3 |
| 1998 | 81,185 | 75,155 | 174 | 5,856 | 92.6 | .2 | 7.2 |
| 1999 | 80,816 | 74,978 | 273 | 5,565 | 92.8 | .3 | 6.9 |
| 2000 | 105,787 | 98,974 | 508 | 6,305 | 93.6 | .5 | 6.0 |
| 2001 | 110,341 | 104,100 | 1,066 | 5,175 | 94.3 | 1.0 | 4.7 |
| 2002 | 103,947 | 95,887 | 2,132 | 5,928 | 92.2 | 2.1 | 5.7 |
| Title XVI initiated reviews | | | | | | | |
| 1993 | — | — | — | — | — | — | — |
| 1994 | — | — | — | — | — | — | — |
| 1995 | 4,287 | 3,605 | — | 682 | 84.1 | — | 15.9 |
| 1996 | 55,025 | 50,185 | — | 4,840 | 91.2 | — | 8.8 |
| 1997 | 69,557 | 63,910 | 202 | 5,445 | 91.9 | .3 | 7.8 |
| 1998 | 75,071 | 70,105 | 244 | 4,722 | 93.4 | .3 | 6.3 |
| 1999 | 140,429 | 132,632 | 344 | 7,453 | 94.4 | .2 | 5.3 |
| 2000 | 173,470 | 163,810 | 556 | 9,104 | 94.4 | .3 | 5.2 |
| 2001 | 143,902 | 133,274 | 1,668 | 8,960 | 92.6 | 1.2 | 6.2 |
| 2002 | 172,527 | 157,190 | 4,826 | 10,511 | 91.1 | 2.8 | 6.1 |
| Total reviews, SSI disabled adults | | | | | | | |
| 1993 | 1,143 | 1,114 | — | 29 | 97.5 | — | 2.5 |
| 1994 | 10,945 | 9,845 | — | 1,100 | 89.9 | — | 10.1 |
| 1995 | 21,023 | 17,716 | — | 3,307 | 84.3 | — | 15.7 |
| 1996 | 81,909 | 73,123 | — | 8,786 | 89.3 | — | 10.7 |
| 1997 | 121,023 | 109,901 | 357 | 10,765 | 90.8 | .3 | 8.9 |
| 1998 | 156,256 | 145,260 | 418 | 10,578 | 93.0 | .3 | 6.8 |
| 1999 | 221,245 | 207,610 | 617 | 13,018 | 93.8 | .3 | 5.9 |
| 2000 | 279,257 | 262,784 | 1,064 | 15,409 | 94.1 | .4 | 5.5 |
| 2001 | 254,243 | 237,374 | 2,734 | 14,135 | 93.4 | 1.1 | 5.6 |
| 2002 | 276,474 | 253,077 | 6,958 | 16,439 | 91.5 | 2.5 | 5.9 |

¹ Data reflect results as of January 2003. The ultimate number of continuations and cessations are subject to change until all appeals are final.

² Percentage of decisions at this level.

³ Percentage of cessations at this level appealed to next level.

⁴ Includes cases appealed to the Office of Hearings and Appeals, but not cases appealed beyond OHA to the Federal courts. These excluded cases have a minimal impact on the number of continuations.

⁵ Number of persons appealing beyond the reconsideration level.

⁶ Includes cases remanded to OHA from the Federal courts.

Table V.D3.—SSI Disabled Child Reviews: Disposition¹ of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision and Level of Decision

| Fiscal year of initial DDS decision | Total initial DDS decisions | Initial decisions | | | | | |
|---|-----------------------------|-------------------|----------------------|------------|----------------------|----------------------------|----------------------|
| | | Continuations | | Cessations | | Appeals to reconsideration | |
| | | Number | Percent ² | Number | Percent ² | Number | Percent ³ |
| Reviews of low-birth-weight children | | | | | | | |
| 1994 | 1,225 | 771 | 62.9 | 454 | 37.1 | 159 | 35.0 |
| 1995 | 4,231 | 2,083 | 49.2 | 2,148 | 50.8 | 665 | 31.0 |
| 1996 | 5,709 | 2,491 | 43.6 | 3,218 | 56.4 | 904 | 28.1 |
| 1997 | 7,091 | 4,482 | 63.2 | 2,609 | 36.8 | 842 | 32.3 |
| 1998 | 17,620 | 6,092 | 34.6 | 11,528 | 65.4 | 3,692 | 32.0 |
| 1999 | 9,773 | 4,114 | 42.1 | 5,659 | 57.9 | 1,666 | 29.4 |
| 2000 | 10,178 | 4,566 | 44.9 | 5,612 | 55.1 | 1,625 | 29.0 |
| 2001 | 9,086 | 4,152 | 45.7 | 4,934 | 54.3 | 1,446 | 29.3 |
| 2002 | 12,732 | 5,869 | 46.1 | 6,863 | 53.9 | 1,895 | 27.6 |
| Redeterminations at age 18 | | | | | | | |
| 1994 | — | — | — | — | — | — | — |
| 1995 | 71 | 64 | 90.1 | 7 | 9.9 | 5 | 71.4 |
| 1996 | 12,640 | 8,158 | 64.5 | 4,482 | 35.5 | 2,055 | 45.9 |
| 1997 | 48,834 | 22,431 | 45.9 | 26,403 | 54.1 | 16,992 | 64.4 |
| 1998 | 40,945 | 21,453 | 52.4 | 19,492 | 47.6 | 11,088 | 56.9 |
| 1999 | 49,557 | 27,413 | 55.3 | 22,144 | 44.7 | 11,052 | 49.9 |
| 2000 | 51,713 | 28,863 | 55.8 | 22,850 | 44.2 | 11,238 | 49.2 |
| 2001 | 48,944 | 28,167 | 57.5 | 20,777 | 42.5 | 10,355 | 49.8 |
| 2002 | 54,947 | 32,388 | 58.9 | 22,559 | 41.1 | 11,493 | 50.9 |
| All other reviews of SSI disabled children | | | | | | | |
| 1994 | — | — | — | — | — | — | — |
| 1995 | 3,535 | 2,501 | 70.7 | 1,034 | 29.3 | 541 | 52.3 |
| 1996 | 789 | 399 | 50.6 | 390 | 49.4 | 210 | 53.8 |
| 1997 | 14 | 8 | 57.1 | 6 | 42.9 | 4 | 66.7 |
| 1998 | 91,157 | 67,203 | 73.7 | 23,954 | 26.3 | 13,381 | 55.9 |
| 1999 | 183,211 | 129,420 | 70.6 | 53,791 | 29.4 | 28,957 | 53.8 |
| 2000 | 140,699 | 106,583 | 75.8 | 34,116 | 24.2 | 17,445 | 51.1 |
| 2001 | 95,835 | 72,896 | 76.1 | 22,939 | 23.9 | 12,294 | 53.6 |
| 2002 | 163,768 | 130,434 | 79.6 | 33,334 | 20.4 | 17,693 | 53.1 |
| Total reviews, SSI disabled children | | | | | | | |
| 1994 | 1,225 | 771 | 62.9 | 454 | 37.1 | 159 | 35.0 |
| 1995 | 7,837 | 4,648 | 59.3 | 3,189 | 40.7 | 1,211 | 38.0 |
| 1996 | 19,138 | 11,048 | 57.7 | 8,090 | 42.3 | 3,169 | 39.2 |
| 1997 | 55,939 | 26,921 | 48.1 | 29,018 | 51.9 | 17,838 | 61.5 |
| 1998 | 149,722 | 94,748 | 63.3 | 54,974 | 36.7 | 28,161 | 51.2 |
| 1999 | 242,541 | 160,947 | 66.4 | 81,594 | 33.6 | 41,675 | 51.1 |
| 2000 | 202,590 | 140,012 | 69.1 | 62,578 | 30.9 | 30,308 | 48.4 |
| 2001 | 153,865 | 105,215 | 68.4 | 48,650 | 31.6 | 24,095 | 49.5 |
| 2002 | 231,447 | 168,691 | 72.9 | 62,756 | 27.1 | 31,081 | 49.5 |

Table V.D3.—SSI Disabled Child Reviews: Disposition¹ of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision and Level of Decision (Cont.)

| Fiscal year of initial DDS decision | Reconsiderations | | | | | Appeals beyond reconsideration ⁴ | | | | |
|--|------------------|---------------|----------------------|------------|-----------------------------------|---|----------------------|---------------|---------|------------|
| | Pending | Continuations | | Cessations | Appeals to beyond reconsideration | | Pending ⁶ | Continuations | | Cessations |
| | | Number | Percent ² | | Number ⁵ | Percent ³ | | Number | Percent | |
| Reviews of low-birth-weight children | | | | | | | | | | |
| 1994 | — | 44 | 27.7 | 115 | 51 | 44.3 | — | 15 | 29.4 | 36 |
| 1995 | — | 184 | 27.7 | 481 | 219 | 45.5 | — | 53 | 24.2 | 166 |
| 1996 | — | 329 | 36.4 | 575 | 232 | 40.3 | — | 44 | 19.0 | 188 |
| 1997 | 21 | 292 | 35.6 | 529 | 238 | 45.0 | 3 | 50 | 21.3 | 185 |
| 1998 | 49 | 1,234 | 33.9 | 2,409 | 1,146 | 47.6 | 12 | 237 | 20.9 | 897 |
| 1999 | 27 | 607 | 37.0 | 1,032 | 498 | 48.3 | 23 | 82 | 17.3 | 393 |
| 2000 | 63 | 610 | 39.1 | 952 | 453 | 47.6 | 58 | 86 | 21.8 | 309 |
| 2001 | 57 | 503 | 36.2 | 886 | 403 | 45.5 | 243 | 18 | 11.3 | 142 |
| 2002 | 613 | 514 | 40.1 | 768 | 233 | 30.3 | 204 | 6 | 20.7 | 23 |
| Redeterminations at age 18 | | | | | | | | | | |
| 1994 | — | — | — | — | — | — | — | — | — | — |
| 1995 | — | 2 | 40.0 | 3 | 2 | 66.7 | — | 1 | 50.0 | 1 |
| 1996 | — | 707 | 34.4 | 1,348 | 584 | 43.3 | — | 119 | 20.4 | 465 |
| 1997 | 252 | 4,591 | 27.4 | 12,149 | 6,486 | 53.4 | 92 | 1,466 | 22.9 | 4,928 |
| 1998 | 170 | 3,074 | 28.2 | 7,844 | 4,408 | 56.2 | 73 | 974 | 22.5 | 3,361 |
| 1999 | 170 | 3,364 | 30.9 | 7,518 | 4,397 | 58.5 | 200 | 991 | 23.6 | 3,206 |
| 2000 | 255 | 3,578 | 32.6 | 7,405 | 4,131 | 55.8 | 545 | 874 | 24.4 | 2,712 |
| 2001 | 421 | 3,250 | 32.7 | 6,684 | 3,737 | 55.9 | 1,804 | 462 | 23.9 | 1,471 |
| 2002 | 3,287 | 2,996 | 36.5 | 5,210 | 2,219 | 42.6 | 1,922 | 86 | 29.0 | 211 |
| All other reviews of SSI disabled children | | | | | | | | | | |
| 1994 | — | — | — | — | — | — | — | — | — | — |
| 1995 | — | 177 | 32.7 | 364 | 202 | 55.5 | — | 52 | 25.7 | 150 |
| 1996 | — | 69 | 32.9 | 141 | 55 | 39.0 | — | 17 | 30.9 | 38 |
| 1997 | 1 | 1 | 33.3 | 2 | 1 | 50.0 | — | — | 0.0 | 1 |
| 1998 | 106 | 4,460 | 33.6 | 8,815 | 5,575 | 63.2 | 95 | 1,280 | 23.4 | 4,200 |
| 1999 | 561 | 9,325 | 32.8 | 19,071 | 11,931 | 62.6 | 472 | 2,486 | 21.7 | 8,973 |
| 2000 | 478 | 6,439 | 38.0 | 10,528 | 6,342 | 60.2 | 888 | 1,228 | 22.5 | 4,226 |
| 2001 | 621 | 4,615 | 39.5 | 7,058 | 4,269 | 60.5 | 2,277 | 437 | 21.9 | 1,555 |
| 2002 | 5,323 | 5,501 | 44.5 | 6,869 | 3,184 | 46.4 | 2,878 | 60 | 19.6 | 246 |
| Total reviews, SSI disabled children | | | | | | | | | | |
| 1994 | — | 44 | 27.7 | 115 | 51 | 44.3 | — | 15 | 29.4 | 36 |
| 1995 | — | 363 | 30.0 | 848 | 423 | 49.9 | — | 106 | 25.1 | 317 |
| 1996 | — | 1,105 | 34.9 | 2,064 | 871 | 42.2 | — | 180 | 20.7 | 691 |
| 1997 | 274 | 4,884 | 27.8 | 12,680 | 6,725 | 53.0 | 95 | 1,516 | 22.9 | 5,114 |
| 1998 | 325 | 8,768 | 31.5 | 19,068 | 11,129 | 58.4 | 180 | 2,491 | 22.8 | 8,458 |
| 1999 | 758 | 13,296 | 32.5 | 27,621 | 16,826 | 60.9 | 695 | 3,559 | 22.1 | 12,572 |
| 2000 | 796 | 10,627 | 36.0 | 18,885 | 10,926 | 57.9 | 1,491 | 2,188 | 23.2 | 7,247 |
| 2001 | 1,099 | 8,368 | 36.4 | 14,628 | 8,409 | 57.5 | 4,324 | 917 | 22.4 | 3,168 |
| 2002 | 9,223 | 9,011 | 41.2 | 12,847 | 5,636 | 43.9 | 5,004 | 152 | 24.1 | 480 |

Table V.D3.—SSI Disabled Child Reviews: Disposition¹ of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision and Level of Decision (Cont.)

| | | Selected summary case information by decision status as of January 2003 | | | | | |
|---|-------------------------|---|---------------------------------------|-----------------------------------|--|---------------------------------------|-----------------------------------|
| Fiscal year of initial DDS decision | Total initial decisions | Numbers of cases | | | Numbers as a percentage of total initial decisions | | |
| | | Continuations | Cessations pending an appeal decision | Cessations with no appeal pending | Continuations | Cessations pending an appeal decision | Cessations with no appeal pending |
| Reviews of low-birth-weight children | | | | | | | |
| 1994 | 1,225 | 830 | — | 395 | 67.8 | — | 32.2 |
| 1995 | 4,231 | 2,320 | — | 1,911 | 54.8 | — | 45.2 |
| 1996 | 5,709 | 2,864 | — | 2,845 | 50.2 | — | 49.8 |
| 1997 | 7,091 | 4,824 | 24 | 2,243 | 68.0 | 0.3 | 31.6 |
| 1998 | 17,620 | 7,563 | 61 | 9,996 | 42.9 | .3 | 56.7 |
| 1999 | 9,773 | 4,803 | 50 | 4,920 | 49.1 | .5 | 50.3 |
| 2000 | 10,178 | 5,262 | 121 | 4,795 | 51.7 | 1.2 | 47.1 |
| 2001 | 9,086 | 4,673 | 300 | 4,113 | 51.4 | 3.3 | 45.3 |
| 2002 | 12,732 | 6,389 | 817 | 5,526 | 50.2 | 6.4 | 43.4 |
| Redeterminations at age 18 | | | | | | | |
| 1994 | — | — | — | — | — | — | — |
| 1995 | 71 | 67 | — | 4 | 94.4 | — | 5.6 |
| 1996 | 12,640 | 8,984 | — | 3,656 | 71.1 | — | 28.9 |
| 1997 | 48,834 | 28,488 | 344 | 20,002 | 58.3 | .7 | 41.0 |
| 1998 | 40,945 | 25,501 | 243 | 15,201 | 62.3 | .6 | 37.1 |
| 1999 | 49,557 | 31,768 | 370 | 17,419 | 64.1 | .7 | 35.1 |
| 2000 | 51,713 | 33,315 | 800 | 17,598 | 64.4 | 1.5 | 34.0 |
| 2001 | 48,944 | 31,879 | 2,225 | 14,840 | 65.1 | 4.5 | 30.3 |
| 2002 | 54,947 | 35,470 | 5,209 | 14,268 | 64.6 | 9.5 | 26.0 |
| All other reviews of SSI disabled children | | | | | | | |
| 1994 | — | — | — | — | — | — | — |
| 1995 | 3,535 | 2,730 | — | 805 | 77.2 | — | 22.8 |
| 1996 | 789 | 485 | — | 304 | 61.5 | — | 38.5 |
| 1997 | 14 | 9 | 1 | 4 | 64.3 | 7.1 | 28.6 |
| 1998 | 91,157 | 72,943 | 201 | 18,013 | 80.0 | .2 | 19.8 |
| 1999 | 183,211 | 141,231 | 1,033 | 40,947 | 77.1 | .6 | 22.3 |
| 2000 | 140,699 | 114,250 | 1,366 | 25,083 | 81.2 | 1.0 | 17.8 |
| 2001 | 95,835 | 77,948 | 2,898 | 14,989 | 81.3 | 3.0 | 15.6 |
| 2002 | 163,768 | 135,995 | 8,201 | 19,572 | 83.0 | 5.0 | 12.0 |
| Total reviews, SSI disabled children | | | | | | | |
| 1994 | 1,225 | 830 | — | 395 | 67.8 | — | 32.2 |
| 1995 | 7,837 | 5,117 | — | 2,720 | 65.3 | — | 34.7 |
| 1996 | 19,138 | 12,333 | — | 6,805 | 64.4 | — | 35.6 |
| 1997 | 55,939 | 33,321 | 369 | 22,249 | 59.6 | .7 | 39.8 |
| 1998 | 149,722 | 106,007 | 505 | 43,210 | 70.8 | .3 | 28.9 |
| 1999 | 242,541 | 177,802 | 1,453 | 63,286 | 73.3 | .6 | 26.1 |
| 2000 | 202,590 | 152,827 | 2,287 | 47,476 | 75.4 | 1.1 | 23.4 |
| 2001 | 153,865 | 114,500 | 5,423 | 33,942 | 74.4 | 3.5 | 22.1 |
| 2002 | 231,447 | 177,854 | 14,227 | 39,366 | 76.8 | 6.1 | 17.0 |

¹ Data reflect results as of January 2003. The ultimate number of continuations and cessations are subject to change until all appeals are final.

² Percentage of decisions at this level.

³ Percentage of cessations at this level appealed to next level.

⁴ Includes cases appealed to the Office of Hearings and Appeals, but not cases appealed beyond OHA to the Federal courts. These excluded cases have a minimal impact on the number of continuations.

⁵ Number of persons appealing beyond the reconsideration level.

⁶ Includes cases remanded to OHA from the Federal courts.

E. INCENTIVES FOR WORK AND OPPORTUNITIES FOR REHABILITATION

1. Work Incentives

Since the beginning of the SSI program, a number of disabled recipients have worked and received SSI payments. Initially, the program contained a basic earned income exclusion that recognized the additional costs associated with employment. In addition, the law contained a number of special income exclusions which were intended as work incentives. Among these provisions were the income exclusion for blind work expenses (BWE), plans for achieving self-support (PASS), and student earned income exclusion (SEIE).

In the 1980 amendments to the Social Security Act, Congress provided additional incentives to help SSI disabled recipients become self-supporting. These incentives included:

- Providing for an earned income exclusion for impairment-related work expenses (IRWE);
- Changing the treatment of sheltered workshop earnings from unearned income to earned income, thereby qualifying sheltered workshop earnings for the earned income exclusion;
- Providing for the continuation of SSI payments for certain disabled individuals enrolled in vocational rehabilitation programs whose disability ceased due to medical recovery (extended to SSI blind recipients, effective April, 1988);
- Establishing section 1619 which provided:
 - In subsection 1619(a), special SSI cash benefits to disabled individuals who lose eligibility for SSI payments because they have earnings exceeding the level that is ordinarily considered to represent substantial gainful activity (SGA), and
 - In subsection 1619(b), special SSI recipient status for Medicaid purposes to working disabled or blind individuals when their earnings make them ineligible for cash payments.

The incentives for work and opportunities for rehabilitation are discussed in more detail in section III.E. In the tables that follow we provide historical information on participation by SSI recipients in work incentive programs.¹

a. Numbers of Participants in Work Incentive Programs

In this section, we present historical data on participation by SSI recipients in work incentive programs. Table V.E1 presents historical numbers of SSI recipients categorized according to their section 1619 status. Figure V.E1 presents the same information in graphical form.

¹ More detailed information on participation by SSI recipients in work incentive programs is provided in the *Quarterly Report on SSI Disabled Workers and Work Incentive Provisions* prepared by the Office of Research, Evaluation and Statistics, Social Security Administration.

Table V.E1.—SSI Federally-Administered Blind or Disabled Working Recipients as of December, 1987-2002

| Year | In current-payment status | | 1619(b) workers ³ | Total workers |
|------|------------------------------|----------------------------|------------------------------|---------------|
| | 1619(a) workers ¹ | Other workers ² | | |
| 1987 | 14,559 | 142,664 | 15,632 | 172,855 |
| 1988 | 19,920 | 153,599 | 15,625 | 189,144 |
| 1989 | 25,655 | 161,928 | 18,254 | 205,837 |
| 1990 | 13,994 | 182,421 | 23,517 | 219,932 |
| 1991 | 15,531 | 186,824 | 27,264 | 229,619 |
| 1992 | 17,603 | 199,665 | 31,649 | 248,917 |
| 1993 | 20,028 | 210,322 | 35,299 | 265,649 |
| 1994 | 24,315 | 217,478 | 40,683 | 282,476 |
| 1995 | 28,060 | 223,573 | 47,002 | 298,635 |
| 1996 | 31,085 | 225,310 | 51,905 | 308,300 |
| 1997 | 34,673 | 228,093 | 57,089 | 319,855 |
| 1998 | 37,271 | 229,662 | 59,542 | 326,475 |
| 1999 | 25,528 | 245,825 | 69,265 | 340,618 |
| 2000 | 27,542 | 249,313 | 83,572 | 360,427 |
| 2001 | 22,100 | 247,555 | 76,455 | 346,110 |
| 2002 | 17,271 | 241,462 | 82,177 | 340,910 |

¹ In January, 1990, the SGA level was raised from \$300 to \$500 and section 1619(a) participants with earnings at or below \$500 became eligible for regular SSI benefits rather than the special cash payments under section 1619(a). The SGA level was further increased to \$700 in July 1999, \$740 in January 2001, \$780 in January 2002, and \$800 in January 2003. Increases in the SGA level in subsequent years will be based on increases in the national average wage index.

² Workers' earnings are at or below the SGA level.

³ 1619(b) recipients are not in current-payment status but retain SSI recipient status for Medicaid purposes.

Note: Totals do not necessarily equal the sums of rounded components.

Figure V.E1.—SSI Federally-Administered Blind or Disabled Working Recipients as of December, 1987-2002

[In thousands]

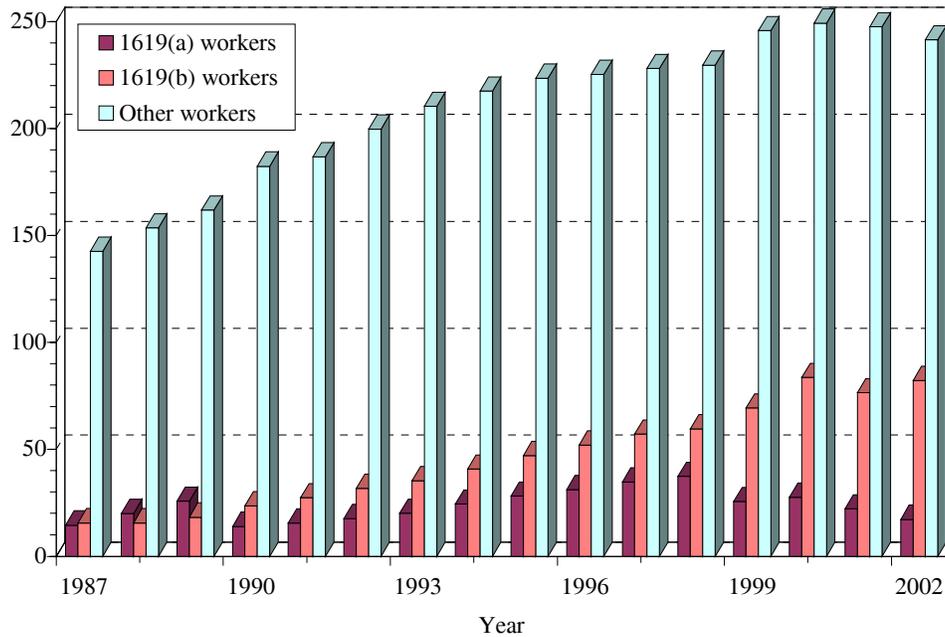


Table V.E2 presents historical numbers of SSI recipients who benefit from other selected work incentive provisions: (1) plan for achieving self-support (PASS), (2) impairment-related work expense exclusion (IRWE), and (3) blind work expense exclusion (BWE). These recipients may be benefiting from more than one of these selected work incentive provisions. This information is available only for calendar years 1990 and later.

Table V.E2.—SSI Federally-Administered Blind or Disabled Individuals with SSI Recipient Status Participating in Other Work Incentives as of December, 1990-2002

| Year | PASS ¹ | | | IRWE | BWE |
|------|-------------------|---------|--------|-------|-------|
| | Non-workers | Workers | Total | | |
| 1990 | 1,215 | 1,040 | 2,255 | 5,384 | 4,385 |
| 1991 | 1,969 | 1,601 | 3,570 | 6,546 | 4,330 |
| 1992 | 3,189 | 2,658 | 5,847 | 7,813 | 4,454 |
| 1993 | 4,528 | 3,602 | 8,130 | 8,629 | 4,406 |
| 1994 | 5,842 | 4,487 | 10,329 | 9,484 | 4,380 |
| 1995 | 5,719 | 4,603 | 10,322 | 9,940 | 4,433 |
| 1996 | 2,760 | 1,944 | 4,704 | 9,799 | 4,230 |
| 1997 | 1,290 | 708 | 1,998 | 9,637 | 4,116 |
| 1998 | 712 | 362 | 1,074 | 9,301 | 3,802 |
| 1999 | 698 | 347 | 1,045 | 9,520 | 3,971 |
| 2000 | 862 | 520 | 1,382 | 9,422 | 3,895 |
| 2001 | 1,024 | 576 | 1,600 | 8,798 | 3,642 |
| 2002 | 1,150 | 571 | 1,721 | 8,047 | 3,386 |

¹ For years 1990 through 1996, data do not include PASS plans which exclude only resources.

Note: Working recipients participating in these other work incentives may be 1619(a) recipients, 1619(b) recipients or working recipients whose earnings are at or below the SGA level.

b. Average Earnings of Participants in Work Incentive Programs

In this section, we present historical data on average earnings of SSI working recipients. Table V.E3 presents average earnings of SSI recipients categorized according to their section 1619 status.

Table V.E3.—Average Monthly Earnings of SSI Federally-Administered Blind or Disabled Working Recipients, as of December, 1987-2002

| Year | Blind or disabled workers with SSI recipient status | | | |
|------|---|----------------------------|------------------------------|--------------------|
| | In current-payment status | | 1619(b) workers ³ | Total workers |
| | 1619(a) workers ¹ | Other workers ² | | |
| 1987 | \$494 | ⁴ \$124 | \$739 | ⁴ \$211 |
| 1988 | 522 | ⁴ 127 | 721 | ⁴ 218 |
| 1989 | 518 | ⁴ 131 | 712 | ⁴ 231 |
| 1990 | 712 | 145 | 746 | 245 |
| 1991 | 724 | 148 | 780 | 262 |
| 1992 | 726 | 150 | 781 | 271 |
| 1993 | 728 | 153 | 784 | 280 |
| 1994 | 746 | 157 | 803 | 301 |
| 1995 | 754 | 160 | 834 | 322 |
| 1996 | 764 | 162 | 881 | 344 |
| 1997 | 772 | 164 | 932 | 367 |
| 1998 | 772 | 182 | 954 | 390 |
| 1999 | 926 | 207 | 980 | 418 |
| 2000 | 945 | 239 | 1,048 | 481 |
| 2001 | 1,004 | 252 | 1,043 | 475 |
| 2002 | 1,043 | 253 | 1,094 | 495 |

¹ In January, 1990, the SGA level was raised from \$300 to \$500 and section 1619(a) participants with earnings at or below \$500 became eligible for regular SSI benefits rather than the special cash payments under section 1619(a). The SGA level was further increased to \$700 in July 1999, \$740 in January 2001, \$780 in January 2002, and \$800 in January 2003. Increases in the SGA level in subsequent years will be based on increases in the national average wage index.

² Workers' earnings are at or below the SGA level.

³ 1619(b) recipients are not in current-payment status but retain SSI recipient status for Medicaid purposes.

⁴ Estimated.

2. Vocational Rehabilitation/Ticket to Work Program

Since the inception of the SSI program, SSA has made provision for blind or disabled individuals who are receiving SSI benefits to be referred to State Vocational Rehabilitation (VR) agencies. The 1980 amendments provided for the continuation of SSI payments for certain disabled individuals enrolled in VR programs whose disability ceased due to medical recovery. This benefit continuation provision applied only if the VR program was approved by SSA and SSA determined that continuation or completion of such program would increase the likelihood that the individual will be permanently removed from the SSI rolls. This provision was extended to SSI blind recipients effective April, 1988. In 1994, regulations were amended to provide access to alternate private and non-State public VR providers when a State VR agency does not serve an SSI recipient whom SSA refers for services.

From the beginning of the SSI program through 1981, SSA made block grants to VR agencies to fund services to disabled beneficiaries. The 1981 amendments established reimbursement provisions so that VR agencies would be reimbursed for the cost of VR services furnished to blind or disabled SSI recipients only if the services result in the recipient returning to work. The 1984 amendments authorized reimbursement in other circumstances.¹ In 1994, these reimbursement procedures were amended by regulation to include reimbursement of alternate providers. For reimbursement purposes, recipients are considered to have returned to work if they have had earnings exceeding the SGA level for 9 continuous months. Effective with the 1990 amendments, reimbursement for the cost of VR services was authorized for services provided in months in which the individual was not receiving Federal SSI benefits if the individual:

- Had special SSI recipient status for Medicaid purposes under section 1619(b) of the Social Security Act,
- Received a Federally-administered State supplementary payment, or
- Had SSI benefits suspended for fewer than 13 consecutive months for a reason other than cessation of disability or blindness.

The Ticket to Work and Work Incentives Improvement Act of 1999 (“the Ticket legislation”) established a Ticket to Work and Self-Sufficiency program (Ticket to Work program) under which a disabled beneficiary may obtain vocational rehabilitation, employment and other support services from a qualified private or public provider. Providers of such services in this new setting are referred to as “employment networks” (ENs). In addition, the Ticket legislation provides for a new procedure for paying the ENs under an outcome or outcome-milestone payment system specified under regulations published by the Commissioner December 28, 2001, effective January 28, 2002. By expanding the pool of providers and giving the providers incentives for achieving success, this program expands a disabled beneficiary’s access to these services in order to assist the beneficiary in finding, entering, and retaining employment and reducing his/her dependence on cash benefits.

The Ticket to Work program is being implemented on a State-by-State basis and will be in operation nationwide by January 2004. Once the Ticket to Work program is implemented in a State, the traditional VR referral process described earlier is eliminated in that State, and SSA provides eligible individuals who receive SSI benefits due to blindness or disability in such State with a Ticket to Work document (“ticket”). These individuals may use the ticket to obtain the vocational rehabilitation services, employment services and other support services needed to return to work, or go to work for the first time. Individuals not eligible for a ticket may still request services from a State VR agency, which must decide whether they are eligible for services under the Rehabilitation Act of 1973.

¹ Reimbursement may be made in cases where the recipient medically recovers while engaged in a program of rehabilitation services approved by SSA and SSA determines that continuation or completion of such program increases the likelihood the individual will be permanently removed from the rolls.

Until the Ticket to Work program is implemented in their State, State VR agencies and alternate providers under the traditional system can continue to enroll beneficiaries under the cost reimbursement system described above. Any reimbursement for those cases will be made under that system. However, once the Ticket to Work program is fully implemented, only the State VR agencies will have the option (on a case-by-case basis) of being paid under the traditional VR reimbursement system. ENs other than State VR agencies will be compensated through the new outcome-based system.

Pursuant to the Ticket legislation requirement that SSA establish a corps of work incentives specialists to disseminate accurate information with respect to work incentives, SSA piloted the Employment Support Representative (ESR) position and three distinct models for providing employment support programs and services. Based on the pilot experience and positive feedback from the disability community, as well as our business partners, SSA has decided on a multifaceted strategy for administering employment support programs. Automation enhancements designed to improve workload management controls are ongoing, and efforts are underway to provide all direct service employees customized training on work incentives, thereby establishing a wider network of technical expertise. In fiscal year 2003, SSA will also establish a dedicated corps of experts specializing in employment supports and allocate a minimum of one expert position under the jurisdiction of each Area Director.

Table V.E4 provides historical data on the number of reimbursement claims allowed and the amount of such awards for SSI recipients.

Table V.E4.—Vocational Rehabilitation Reimbursement Claims Allowed, Fiscal Years 1987-2002

| Fiscal year | Concurrent title II/XVI claims | | Title XVI only claims | | Total claims | |
|-------------|--------------------------------|---------------------------------------|-----------------------|--------------------------|--------------|---------------------------------------|
| | Number | Amount ¹ (in thousands) | Number | Amount (in thousands) | Number | Amount ¹ (in thousands) |
| 1987..... | 2/ | 2/ | 1,493 | \$10,010 | 2/ | 2/ |
| 1988..... | 2/ | 2/ | 1,720 | 14,831 | 2/ | 2/ |
| 1989..... | 2/ | 2/ | 1,871 | 18,366 | 2/ | 2/ |
| 1990..... | 1,267 | \$3,290 | 2,819 | 22,832 | 4,086 | \$26,122 |
| 1991..... | 1,445 | 4,325 | 2,171 | 20,615 | 3,616 | 24,940 |
| 1992..... | 1,634 | 5,312 | 2,834 | 28,276 | 4,468 | 33,588 |
| 1993..... | 1,928 | 6,670 | 2,158 | 22,264 | 4,086 | 28,934 |
| 1994..... | 1,880 | 7,057 | 2,074 | 23,400 | 3,954 | 30,457 |
| 1995..... | 2,140 | 7,761 | 2,229 | 26,402 | 4,369 | 34,162 |
| 1996..... | 2,033 | 6,518 | 2,138 | 24,334 | 4,171 | 30,852 |
| 1997..... | 2,735 | 8,541 | 2,914 | 31,532 | 5,649 | 40,073 |
| 1998..... | 3,329 | 10,089 | 3,446 | 36,313 | 6,775 | 46,402 |
| 1999..... | 3,572 | 11,403 | 4,046 | 42,281 | 7,618 | 53,684 |
| 2000..... | 3,260 | 11,357 | 3,589 | 40,793 | 6,849 | 52,150 |
| 2001..... | 2,388 | 9,590 | 2,763 | 34,842 | 5,151 | 44,432 |
| 2002..... | 3,241 | 12,201 | 3,474 | 43,244 | 6,715 | 55,445 |

¹ For concurrent title II/XVI claims, amounts shown represent title XVI portion of claim.

² For fiscal years 1987-89, data on title II reimbursement claims involving concurrent title XVI reimbursement claims are not available.

Note: Totals do not necessarily equal the sums of rounded components.

F. INVOLVEMENT OF SSI RECIPIENTS IN OTHER PROGRAMS

In this appendix we present data on participation by SSI recipients in other programs. Certain information is available from the Supplemental Security Record (SSR), the main administrative file for the SSI program. Data summarized from the SSR are very representative of the overall SSI recipient population since the information is based on a 100-percent extract or, for certain information, on a 10-percent extract from the SSR. Data from the SSR are presented in section 1 below.

There are other potential sources for information on SSI recipients that are not available on the SSI administrative files. One source in particular is the Survey of Income and Program Participation (SIPP)¹, a U.S. Census Bureau sample survey that collects information such as the source and amount of income, program participation and general demographic characteristics for the U.S. civilian noninstitutionalized population. Data from the SIPP are presented in section 2.

1. Program Participation Data from the Supplemental Security Record (SSR)

Since the amount of an individual's income is used to determine both the eligibility for, and the amount of his/her SSI benefit, it is necessary for the SSR to contain information on participation by SSI recipients in certain other programs which may provide countable income to the SSI recipient. A significant number of SSI recipients are Social Security beneficiaries whose total countable income, including OASDI benefits, is less than the Federal benefit rate plus the amount of applicable Federally-administered State supplementary payment. A smaller number of SSI recipients participate in other programs and receive income such as Worker's Compensation benefits or disability cash benefits from the Department of Veterans Affairs.

SSA does not maintain complete information in its administrative files concerning the involvement of SSI recipients in other assistance programs, because under the law payments from such programs are excluded from countable income attributable to the individual. We do, however, have some data with regard to entitlement to benefits under two other programs—Temporary Assistance for Needy Families (TANF) (which replaced Aid to Families with Dependent Children (AFDC)) and State Interim Assistance Reimbursement—at the point that the individual applied for SSI benefits. TANF (and AFDC previously) is a State program funded under Part A of title IV of the Social Security Act. Interim assistance is assistance a State gives to SSI applicants in cash or vendor payments for meeting basic needs while they are awaiting the outcome of the SSI eligibility determination process.

Table V.F1 presents percentages of SSI recipients who (1) concurrently receive payments from certain other selected programs or (2) have previously been enrolled in TANF/AFDC or received Interim Assistance Reimbursement.

¹ The SIPP is a sample survey conducted by the U.S. Census Bureau, which collects data on the U.S. civilian noninstitutionalized population. The SIPP is comprised of a continuous series of national panels which are identified by the year in which interviewing began for that panel. The participants in the panel are divided into four rotation groups, with each group being interviewed monthly on a rotating basis concerning the 4 months prior to the month of interview. The data are released in waves, where 4 months of interviews comprise a wave. The data presented here are for December 1999 and are taken from Wave 12 of the 1996 Panel. Only three of the four rotation groups were interviewed in December 1999. However, since individuals are assigned to rotation groups randomly, the sample used for this table is still nationally representative. Sample weights were adjusted to reflect the missing rotation group.

Table V.F1.—Percentage of SSI Federally-Administered Recipients in Current-Payment Status with Participation¹ in Selected Programs Based on SSA Administrative Records, December, 2002

| | Male | | | Female | | | All |
|--|--------------|-------|-------------|--------|-------|-------------|-------|
| | 0-17 | 18-64 | 65 or older | 0-17 | 18-64 | 65 or older | |
| Number of Federally-administered recipients, December, 2002 (in thousands) | 588 | 1,682 | 583 | 326 | 2,196 | 1,413 | 6,788 |
| Program | (In percent) | | | | | | |
| Program participation by SSI recipients, December, 2002 | | | | | | | |
| Federal SSI | 99.8 | 95.7 | 91.6 | 100.0 | 97.0 | 93.4 | 95.8 |
| Federally-administered State SSI supplementation | 27.2 | 35.0 | 50.3 | 26.4 | 32.7 | 43.5 | 36.3 |
| OASDI | 7.1 | 32.2 | 55.4 | 7.1 | 29.5 | 58.7 | 35.4 |
| Black Lung | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ |
| Railroad Retirement | 2/ | 2/ | 0.1 | 2/ | 2/ | 0.1 | 2/ |
| Veterans Affairs disability cash benefits | 0.2 | 0.6 | 0.8 | 0.2 | 0.7 | 3.4 | 1.2 |
| Worker's Compensation | 2/ | 0.1 | 0.1 | 2/ | 0.1 | 2/ | 0.1 |
| Previous program participation by SSI recipients, December, 2002 | | | | | | | |
| TANF/AFDC | 46.1 | 16.5 | 7.5 | 43.9 | 32.4 | 8.4 | 23.1 |
| Interim Assistance Reimbursement | 0.3 | 17.1 | 9.1 | 0.3 | 14.1 | 8.7 | 11.4 |

¹ SSI recipients or the households of SSI recipients may participate in more than one of these programs.

² Less than 0.05 percent of SSI recipients in this gender/age grouping participate in the program.

Note: Total numbers of recipients do not necessarily equal the sums of rounded components.

2. Program Participation Data from the Survey of Income and Program Participation (SIPP)

In this section we present information on program participation by SSI recipients or households of SSI recipients which is not available from SSA administrative files. This information is based on data collected by interviews conducted under Wave 12 of the 1996 SIPP Panel and then matched to SSA administrative records. The reference month of December, 1999 is used since that is the most recent December for which data are available. Since the 1996 Panel consists of 36,700 households, the sample of households including SSI recipients is small. The individuals in the sample represent only 0.02 percent of SSI noninstitutionalized recipients in December, 1999. Therefore great care should be taken in using this information to make generalizations about the overall SSI recipient population. The data are presented in table V.F2.

Table V.F2.—Percentage of Noninstitutionalized SSI Federally-Administered Recipients in Current-Payment Status with Participation¹ in Selected Programs Based on Data Collected Under Wave 12 of the 1996 Survey of Income and Program Participation, December, 1999²

| | Male | | | Female | | | All |
|---|--------------|-------|-------------|--------|-------|-------------|-------|
| | 0-17 | 18-64 | 65 or older | 0-17 | 18-64 | 65 or older | |
| Number of surveyed individuals reporting SSI Income, December, 1999 | 73 | 244 | 106 | 45 | 360 | 272 | 1,100 |
| Number of surveyed individuals as a percentage of noninstitutionalized Federally-administered recipients, December, 1999 (in percent) | 0.01 | 0.02 | 0.02 | 0.01 | 0.02 | 0.02 | 0.02 |
| Program | (In percent) | | | | | | |
| Program participation by SSI recipients, December, 1999 | | | | | | | |
| General assistance | 2/ | 0.6 | 1.1 | 2/ | 3.4 | 1.3 | 1.6 |
| Medicaid ⁴ | 95.4 | 96.1 | 99.1 | 89.6 | 96.7 | 97.6 | 96.5 |
| Medicare | 2/ | 31.5 | 72.1 | 2/ | 29.3 | 85.1 | 39.9 |
| School breakfast/lunch | 74.2 | 2/ | 2/ | 78.0 | 2/ | 2/ | 10.1 |
| TANF | 2/ | 1.2 | 0.7 | 2/ | 11.0 | 1.8 | 4.3 |
| Unemployment insurance | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ |
| Special Supplemental Food Program for Women, Infants and Children (WIC) | 2/ | 2/ | 2/ | 2/ | 6.3 | 2/ | 2.1 |
| Program participation by households of SSI recipients, December, 1999 | | | | | | | |
| Energy assistance | 8.7 | 11.8 | 10.5 | 11.8 | 13.3 | 10.1 | 11.6 |
| Housing assistance | 15.1 | 6.4 | 7.0 | 14.0 | 14.0 | 9.4 | 10.6 |
| Food stamps | 40.1 | 39.4 | 29.4 | 31.3 | 54.4 | 41.4 | 43.5 |

¹ SSI recipients or the households of SSI recipients may participate in more than one of these programs.

² Data unchanged from the 2002 Annual Report since the match for a later SIPP file is not yet available.

³ Less than 0.05 percent of SSI recipients in this gender/age grouping participate in the program.

⁴ Medicaid participation is automatic for SSI recipients in 33 States. For SSI recipients in these States, the self-reported Medicaid variable is recoded to indicate participation. In the remaining States, self-reported Medicaid participation is used.

G. RESEARCH ON RELATED TOPICS

The legislative mandate for this report requires inclusion of information about “relevant research on the SSI program by the Social Security Administration (SSA) and others.” Section 1 of this appendix describes major ongoing projects. Section 2 presents a bibliography of studies that have been conducted by public and private entities regarding SSI payment levels, recipients, and reform proposals.

1. Ongoing Research

a. Analyses Using SSA’s Model of Financial Eligibility for SSI

Using Survey of Income and Program Participation (SIPP) data matched to administrative records, SSA researchers have developed a model of financial eligibility for SSI that has been used to estimate the rate of participation among eligible elderly and the effects of various options to modify the SSI program (see Davies *et al.* 2001/2002). The model suggests that the rate of participation among eligible elderly was about 63 percent in 1991. The model was also utilized to simulate the potential effects of several approaches to expand the SSI program to fight poverty among the elderly. Approaches focusing on incremental changes in the Federal benefit rate, the general income exclusion, and the asset test appear roughly equally effective in reducing the poverty gap among the elderly on a cost-equivalent basis, while two approaches focusing on relaxing the earned income exclusion are less effective (Davies, Rupp, and Strand, forthcoming). The financial eligibility model has also been utilized to study eligibility for Medicare buy-in programs (see Rupp and Sears 2000; Sears 2001/2002).

b. National Survey of Children with Families

Due to the widely acknowledged shortcomings of existing data sources for evaluating the effects of welfare reform on SSI children and for tracking SSI children unaffected by welfare reform, SSA has conducted a national survey of children with disabilities. Among the questions the survey answers are the following:

- What is the cost of caring for a disabled child?
- What are the uses of SSI benefits?
- What alternative sources of care are available to disabled children who lose SSI benefits?
- How is quality of life and utilization of medical services impacted by gaining or losing SSI benefits?
- What is the impact of receiving childhood SSI benefits on parental labor force participation?

The data from the survey will allow SSA to evaluate future changes to the SSI program that may affect children and to further evaluate the effects of welfare reform on SSI children and their families. Data collection for the survey was completed in summer, 2002. SSA received an edited and weighted data file in fall 2002, and SSA expects imputed and recoded data files in spring, 2003.

c. Evaluation of the State Partnership Initiative Return-to-Work Demonstrations

In the fall of 1998, the Social Security Administration and the Department of Education announced the award of 12 SSA cooperative agreements and 6 Rehabilitation Service Administration systems-change grants under State Partnership Initiatives (SPI). SPI projects are designed to assist States in developing alternative program structures and service delivery systems to increase employment of persons with disabilities who are receiving SSI or SSDI.

Mathematica Policy Research, Inc. (MPR), under contract to SSA, designed and tested an evaluation methodology for the SSA SPI projects. The core evaluation will rely on SSA administrative data and will use appropriate methods to define comparison groups and determine the net impact of SPI interventions on participants. A supplemental net-outcome evaluation will take advantage of any additional data provided by individual SPI projects. MPR provided its final report in September 2002.

The majority of the SPI projects will end in 2004. However, four SPI projects will be continued until the end of 2005 because these projects focused on SSI waivers to increase the incentives to return to work. The final net-outcome evaluations will occur in 2006.

d. Evaluation of the Ticket to Work

The evaluation of the Ticket to Work and Self-Sufficiency program will examine the following:

- Total and net costs of the program,
- The impact of the program on beneficiary work outcomes and reliance on SSA benefits,
- The individual and service provision characteristics of service providers and provider networks,
- The adequacy of incentives for providers to supply services,
- The appeal of the program among the eligible population, and
- The satisfaction of participants with the program in general.

To the degree possible, the evaluation will utilize information from SSA administrative data and from the Ticket to Work program implementation process. Such data will be insufficient, however, to cover many of the evaluation topics required under the legislation, particularly the analysis of nonparticipation among eligible beneficiaries. A significant survey effort will therefore be required to supply the necessary supplemental information to meet these evaluation requirements. The design of the evaluation is complete (The Lewin Group), and SSA expects to issue a contract to implement the evaluation in spring 2003. SSA held a technical workshop in May 2002 to obtain advice from outside experts on the adequacy of incentives for providers to supply services to people with significant disabilities (Rupp and Bell, 2003). The initial process evaluation detailing the start-up issues being faced by the Ticket program has also been completed (The Lewin Group, 2003).

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H. GLOSSARY

Administrative Expenses (or Costs). Expenses incurred by the Social Security Administration (SSA) in administering the Supplemental Security Income (SSI) program. Such administrative expenses are initially paid from the OASI and DI Trust Funds as provided for in section 201(g)(1) of the Social Security Act. The trust funds are subsequently reimbursed for such expenditures, including any interest lost, from the General Fund of the Treasury.

Affidavit of Support. A contract under which a United States citizen or legal resident agrees to provide support to maintain (i.e., to sponsor) an immigrant as a condition of the immigrant's admission into the United States.

Aged. Individuals aged 65 or older.

Aid—Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD). The former Federal-State programs of adult cash assistance under titles I, X, and XVI respectively, that were replaced in the 50 States and the District of Columbia by the SSI program in 1974. These programs still operate in Guam, the Virgin Islands, and Puerto Rico and are administered at the Federal level by the Secretary of Health and Human Services.

Alien Lawfully Admitted for Permanent Residence. A noncitizen lawfully accorded the privilege of residing permanently in the United States. Such individuals may be issued immigrant visas overseas by the Department of State, or adjusted to permanent resident status while living in the United States by the Immigration and Naturalization Service.

Appeal Rights Process. The administrative review process followed by SSA in determining an individual's rights under the Social Security Act. The administrative review process consists of several steps, which must be requested after the unfavorable initial determination within certain time periods and in the following order: (1) reconsideration, (2) hearing before an administrative law judge, and (3) an Appeals Council review. SSA introduced a modification of this process in 10 States for disability applications filed October 1, 1999 and later. Under this revised process appeals of initial disability denials are made directly to the Office of Hearings and Appeals (OHA), thereby eliminating the reconsideration step. The options for appeal beyond the OHA level are unchanged.

Assistance Based on Need. Assistance that is provided by certain programs which use income as a factor of eligibility. The assistance must be funded wholly by a State, a political subdivision of a State, or a combination of such jurisdictions.

Assumptions. Values relating to future trends in certain key factors which affect the eligibility for SSI benefits and the level of such SSI payments. Demographic assumptions include fertility, mortality, net immigration, marriage, divorce, retirement patterns, disability incidence and termination rates, and changes in the labor force. Economic assumptions include unemployment, average earnings, inflation, interest rates, and productivity. The assumptions underlying the projections presented in this report are consistent with the intermediate assumptions of the 2003 OASDI Trustees Report.

Asylee. A noncitizen already in the United States or at a port-of-entry who is granted asylum in the United States. Asylum may be granted to an individual who is unable or unwilling to return to his/her country of nationality, or to seek the protection of that country, because of persecution (or a well-founded fear of persecution) based on the noncitizen's race, religion, nationality, membership in a particular social group or political opinion.

Attendant Care Services. Services (including personal care assistance) that are paid for from Federal, State or local funds and which are provided by a paid attendant required to assist with work related and/or personal functions.

Automatic Cost-of-Living Increase. The annual increase in SSI Federal benefit rates, effective for January of the current year, reflecting the change in the cost of living. The increase equals the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers measured from the average over July, August, and September of the second preceding year to the average for the same 3 months in the preceding year. If the increase is less than one-tenth of 1 percent, when rounded, there is no automatic increase for the current year; the increase for the next year would reflect the increase in the cost of living over a 2-year period.

Award. An administrative determination that an individual is eligible for an SSI benefit.

Blind. For purposes of the SSI program, an individual is considered to be blind if he/she has 20/200 or less vision in the better eye with the use of a correcting lens, has tunnel vision of 20 degrees or less, or met the October 1972 State definition of blindness and received benefits under the State's former program of Aid to the Blind in December 1973.

Blind Work Expenses (BWE). Any expenses incurred by a blind individual that are reasonably attributable to earning income. The BWE provision permits the exclusion of these expenses from the earned income of a blind individual. (See "Impairment-Related Work Expenses (IRWE)" for the related exclusions for disabled individuals.)

Burial Funds. A comprehensive term that for SSI purposes includes revocable burial contracts, trusts and other burial arrangements (including amounts paid on installment sales contracts for burial spaces), cash, accounts, or other financial instruments with a definite cash value clearly designated for the individual's burial expenses.

Child. An unmarried blind or disabled individual who is not the head of a household and who is either under age 18 or aged 18-21 and regularly attending school.

Comparable Severity. The phrase in the Social Security Act that defined disability for children prior to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). Under prior law, an individual under age 18 would have been considered disabled if he/she had an impairment of comparable severity to that required for individuals 18 or older.

Constant Dollars. Dollar amounts adjusted by the CPI to the value of the dollar in a particular year.

Consumer Price Index (CPI). Relative measure of inflation. In this report, all references to the CPI relate to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

Continuing Disability Review (CDR). An evaluation of an individual's impairment(s) to determine whether the person is still disabled within the meaning of the law for purposes of eligibility for SSI and OASDI benefits.

Cost-of-Living Adjustment (COLA). See "Automatic Cost-of-Living Increase."

Countable Income. An individual's income less all-applicable exclusions. This amount is used to determine SSI eligibility and benefit amount.

Countable Resources. The amount of resources after all exclusions. This amount is used in determining an individual's or couple's SSI eligibility. A resource may be cash or other liquid assets or any real or personal property that an individual (or his/her spouse) owns and could convert to cash to be used for support and maintenance. SSI law stipulates what items are to be excluded from resources.

Current Dollars. Amounts expressed in nominal dollars with no adjustment for inflationary changes in the value of the dollar over time.

Current-Payment Status. Status of an SSI recipient to whom a benefit is being paid for a given month. SSI benefits for a month are usually payable on the first day of that month.

Dedicated Account. An account in a financial institution established for a disabled or blind child to contain retroactive SSI payments that exceed six times the Federal benefit rate (FBR) plus State supplementation (certain smaller retroactive payments may be placed in the account once it is established). Funds may be used for:

- Education,
- Personal needs assistance,
- Special equipment or housing modifications,
- Medical treatment,
- Therapy or rehabilitation, or
- Other items or services that the Commissioner deems appropriate—

provided that the expense benefits the child and, in the case of the last four items, is related to the child's impairment. Money from a dedicated account which is misapplied must be repaid. These accounts are excluded from resources and the interest earned is excluded from income.

Deeming. The process by which the income and resources of an ineligible individual are considered to be available to a recipient when determining eligibility or payment amount. Deeming applies only between:

- The living-with ineligible spouse and the eligible spouse,
- The living-with ineligible parent(s) and eligible child(ren) under age 18, and
- The immigration sponsors of some noncitizens and the noncitizen(s).

Demographic Assumptions. See "Assumptions."

Disability. For individuals aged 18 or older, the inability to engage in any substantial gainful activity (SGA) by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months. An individual under age 18 must have a medically determinable physical or mental impairment, which results in marked and severe functional limitations and which has lasted or can be expected to last for a continuous period of not less than 12 months.

Disability Determination Services (DDS). Federally funded State agencies that make disability determinations for SSA.

Disaster Assistance. Assistance from Federal programs and agencies, joint Federal and State programs, State or local government programs, and private organizations (e.g., the Red Cross) provided to victims of a Presidentially declared disaster.

Disposal of Resources for Less Than Fair Market Value. Transferring resources, either liquid, real, or personal property, for less than the resources are worth.

Earned Income. For SSI purposes, wages, net earnings from self-employment, remuneration for work in a sheltered workshop, royalties on published work, and honoraria for services rendered are considered earned income. The distinction between earned and unearned income is significant because more liberal exclusions are applied to earned income.

Earned Income Exclusion. The first \$65 of a recipient's monthly earnings and one-half of the earnings in excess of \$65 are excluded in computing the SSI benefit payable.

Earned Income Tax Credit (EITC). A special tax credit that reduces the Federal tax liability of certain low-income working taxpayers. This tax credit may or may not result in a payment to the taxpayer.

Economic Assumptions. See "Assumptions."

Effective Date of Application. An application for SSI benefits is effective on the first day of the month following the date on which the application is filed, or on which the individual first becomes eligible, whichever is later.

Eligible Couple. Two persons married and living together in the same household or living together as married, both being aged, blind, or disabled and eligible for SSI.

Eligible Individual. An aged, blind or disabled person who meets all the requirements for eligibility under the SSI program, including filing an application.

Emergency Advance Payments (EAP). Special SSI payments that are available only at the time of initial application for eligible individuals who face financial emergencies and need assistance before their first benefits would otherwise be received. The amount of the EAP an individual receives is recovered from subsequent benefit payments.

Federal Benefit Rate (FBR). The basic standard used in computing the amount of Federal SSI benefits for individuals and couples. The FBRs are increased annually to reflect increases in the cost of living. (See table IV.A2.)

Fiscal Year (FY). The accounting year of the United States Government. Since 1976, a fiscal year is the 12-month period ending September 30. For example, fiscal year 2003 began October 1, 2002 and will end September 30, 2003.

Food Stamps. The U.S. Department of Agriculture (USDA), under cooperative Federal-State agreements, issues Food Stamp Program benefits in the form of paper food coupons (commonly known as food stamps) and through electronic benefit transfer, to provide nutrition for low-income families. Food stamps can be used only to buy food at stores authorized by USDA to accept them.

General Fund of the Treasury. Funds held by the Treasury of the United States, other than receipts collected for a specific purpose (such as Social Security) and maintained in a separate account for that purpose.

Gross Domestic Product (GDP). The total market value of goods and services produced by labor and property located in the United States, regardless of who supplies the labor or property.

Holding-Out Marriage. A situation in which a man and woman who are not legally married to each other are living together in the same household and holding out to the community that they are husband and wife and, as such, are treated as a couple for purposes of determining eligibility and payment amount under SSI.

Home Energy Assistance. A Federal Government block grant program that provides funds to States for energy assistance (including weatherization) to low-income households. This assistance may be provided by a variety of agencies (e.g., State or local welfare offices, community action agencies, special energy offices, etc.) and may be known by a variety of names (e.g., Low Income Home Energy Assistance Program (LIHEAP), Project Safe, etc.).

Household. A group of two or more individuals who use a single dwelling unit as primary quarters for living and eating separate from other individuals' living units.

Household of Another. An individual is considered to be living in the household of another when the individual lives with others, does not own or rent the shelter, and does not pay a pro rata share of the household's food and shelter expenses. An individual who provides all of his/her own food, or lives in a

public assistance household or in noninstitutional care, is not considered to be living in the household of another. An individual who is determined to be living in the household of another is considered to be receiving in-kind support and maintenance from that household, and his/her SSI benefit is reduced by one-third of the FBR.

Impairment-Related Work Expenses (IRWE). The provision that permits the exclusion from earnings of the costs of items and services which are needed in order for a disabled individual to work, which are paid for by the individual, and which are necessarily incurred by that individual because of a physical or mental impairment. These IRWEs are excluded from earnings when determining substantial gainful activity (SGA) or computing eligibility and ongoing SSI monthly payments. (See “Blind Work Expenses (BWE)” for the related exclusions for blind individuals.)

Income. See—“Earned Income,” “In-Kind Income” and “Unearned Income.”

Individual Development Account (IDA). A savings account which low-income individuals, including SSI recipients, may establish in order to save for purchasing a first home, meeting the costs of post-secondary education, or capitalizing a business. An individual’s deposits into an IDA are matched by a sponsoring nonprofit organization, or State or local government participating in the program.

Ineligible Spouse. The husband or wife of an eligible individual who is not eligible for SSI benefits.

Inflation. An increase in the volume of money and credit relative to available goods, resulting in an increase in the general price level.

Infrequent or Irregular Income. Income that is received either infrequently or irregularly that can be excluded from the determination of an individual’s income. Infrequent means that it is not received more than once in a calendar quarter from a single source. Irregular means that an individual could not reasonably expect to receive the income. Each occurrence of infrequent or irregular income is excluded if it does not exceed \$10 per month of earned income and \$20 per month of unearned income.

Initial Determination. A determination SSA makes about an individual’s eligibility for benefits or about any other matter that gives that person a right to further administrative and/or judicial review.

In-Kind Income. Income that is not cash, but is food, clothing or shelter or something an individual can use to obtain food, clothing or shelter.

In-Kind Support and Maintenance (ISM). Unearned income in the form of food, clothing, or shelter or any combination of these.

Interim Assistance Reimbursement (IAR). The process used for reimbursing for basic assistance provided by a State to an individual either while the individual’s application for SSI was pending or during the period in which an individual’s SSI benefits were suspended. SSA may reimburse a State that has provided this assistance. The individual’s retroactive SSI payment is sent to the State as reimbursement if: (1) the State has an agreement with SSA to participate in IAR, (2) the individual has given SSA written authorization to have his/her retroactive payment sent to the State as reimbursement, and (3) the individual is found eligible for SSI benefits or has had his/her benefits reinstated for the same period of suspense.

Under IAR, after States reimburse themselves from an individual’s retroactive benefit, they must forward any remainder to the individual within 10 days.

Living With. A required condition for parent-to-child and spouse-to-spouse deeming. Deeming of income and resources occurs if an eligible child lives with his/her ineligible parent(s) or an eligible individual lives with his/her ineligible spouse.

Maintenance-of-Effort. See “Passalong.”

Mandatory State Supplementation. See “State Supplementation.”

Means-Testing. The measuring of income and resources against specified amounts as eligibility factors for certain assistance benefits. SSI is a means-tested benefit program.

Medicaid. The program authorized under title XIX of the Social Security Act, which provides medical assistance to certain low-income individuals and families and certain disabled and medically needy individuals. Medicaid is administered by the States with support from the Federal Government in the form of matching grants. The Federal Government provides guidelines to the States for formulating their programs. Because these guidelines afford great leeway, Medicaid programs vary widely among the States.

Medicaid Facility. A medical treatment facility such as a hospital, extended care facility, nursing home, or intermediate care facility, where Medicaid pays more than 50 percent of the cost of a person's care.

Medical Facility. An establishment that makes available some treatment or services in addition to food and shelter to four or more persons who are not related to the proprietor.

New Entrant. An SSI recipient in the first month of SSI payment receipt.

Noncitizen. An individual who is not a United States citizen. Also referred to in welfare and immigration law as an alien. (See "Alien Lawfully Admitted for Permanent Residence," "Asylee," "Parolee" and "Refugee.")

Nonqualified Alien. A noncitizen who is not in a qualified alien category for SSI eligibility purposes.

OASDI. The Old-Age, Survivors, and Disability Insurance programs established under title II of the Social Security Act.

One-Third Reduction. The reduction of an individual's SSI payment that occurs when an individual is living in the household of another. Instead of determining the actual dollar value of in-kind support and maintenance, one-third of the Federal benefit rate is counted as additional income to an individual living in another person's household for a full calendar month and receiving both food and shelter from the household.

Optional State Supplementation. See "State Supplementation."

Overpayment. The payment of more than the amount due for any period, including any amounts of Federally-administered State supplementary payments.

Parent. For SSI purposes, the natural mother or father of the child, or the person who legally adopted the child, or the stepparent who lives in the same household as the child.

Parolee. A noncitizen, who appears to be inadmissible to the inspecting INS officer, but is allowed to enter the United States under emergency humanitarian conditions or when the noncitizen's entry is determined to be in the public interest. Parole does not constitute a formal admission to the United States and confers temporary admission status only, requiring parolees to leave when the conditions supporting their parole cease to exist.

Passalong. A requirement that States must meet in order to be eligible for Medicaid reimbursement. Any State making supplementary payments (see "State Supplementation") after June 30, 1977, must continue making such payments and must pass along any cost-of-living increase to the Federal benefit rate. Two methods are available to ensure that cost-of-living increases are passed on to the recipients.

- *Total Expenditures Method*—State expenditures for supplementary payments in the current calendar year must at least equal expenditures in the preceding calendar year. If expenditures are less in the current year (shortfall), the State must increase expenditures in the next calendar year by an amount at least equal to the shortfall.

- *Payment Levels Method*—States may not lower their supplementary payment for any of the living arrangement categories below their adjusted March 1983 levels. The adjusted level is the State's March 1983 payment level minus that portion of the July 1983 increase in the Federal benefit rate that was not attributable to the increase in the cost of living (i.e., \$10.30 per individual and \$15.40 per couple).

Payment Accuracy. The accuracy rate reflects the percent of dollars in SSI benefits that are paid correctly. One measure of the quality of the SSI program and SSA's stewardship of it, based on reviews conducted by SSA to determine the accuracy of the payment and compliance with national instructions and goals.

Personal Needs Allowance. The amount allowed for an institutionalized recipient's personal needs (currently \$30). If an SSI recipient is in a Medicaid facility, the law requires that the SSI benefit be used only for the recipient's personal needs (i.e., that the institution cannot retain the benefit in repayment of the cost of the individual's care).

Plan for Achieving Self-Support (PASS). A plan that permits a disabled or blind SSI recipient to set aside income (earned and/or unearned) and/or resources for a work goal. The income and resources set aside under a PASS are used to pay for goods or services needed to reach that goal, such as education, vocational training, starting a business, or purchasing work-related equipment. Income and resources set aside under a PASS are excluded from SSI income and resources. SSA must approve an individual's PASS.

Population in the Social Security Area. The population comprised of (i) residents of the 50 States and the District of Columbia (adjusted for net census undercount); (ii) civilian residents of Puerto Rico, the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands; (iii) Federal civilian employees and persons in the Armed Forces abroad and their dependents; (iv) crew members of merchant vessels; and (v) all other U.S. citizens abroad.

Presumptive Disability or Blindness. A finding that SSI payments may be made before SSA makes a formal determination as to whether or not the individual is disabled or blind. The individual's impairment must be apparent and meet specified criteria. In addition, the individual must meet all other requirements for eligibility. These payments may be made for no more than 6 months. The presumptive payments will not be considered overpayments if SSA later finds that the individual is not blind or disabled.

Property Essential for Self-Support (PESS). The real and personal property used in a trade or business, nonbusiness income-producing property and property used to produce goods or services essential to the individual's daily activities. PESS may be excluded from resources under certain conditions.

Proration of Benefits. The method of computing benefit amounts in months in which the individual reacquires eligibility after a month or more of ineligibility. In such months, an individual's SSI benefit will be paid according to the number of days in the month that he/she is eligible, beginning with the first day in the month on which all eligibility requirements are met. In order to determine the benefit payable in a prorated month SSA counts the number of days an individual is eligible in the month. The amount of the individual's regular monthly payment is multiplied by the number of days for which he/she is eligible for benefits. That figure is divided by the number of days in the month for which the benefit is being determined. The resulting amount is the amount due for the prorated month. After 1996, proration for months of initial eligibility was eliminated.

Public Educational Institution. An institution that is operated by or controlled by the Federal Government, a State, or a political subdivision of a State such as a city or county for the primary purpose of providing educational or vocational training.

Public Emergency Shelter. A shelter for individuals whose homelessness poses a threat to their life or health.

Public Institution. An institution that is operated by or controlled by the Federal Government, a State, or a political subdivision of a State such as a city or county.

Publicly Operated Community Residence. A facility that provides food and shelter and some other service such as social services, help with personal living activities, training in socialization and life skills, or occasional or incidental medical or remedial care. In order to be publicly operated it must be operated or controlled by the Federal Government, a State, or a political subdivision of a State such as a city or county. The facility must serve no more than 16 residents and must be located in a community setting.

Qualified Alien. An individual who is:

- Lawfully admitted for permanent residence under the Immigration and Nationality Act (INA);
- A refugee under section 207 of the INA;
- An asylee under section 208 of the INA;
- A person whose deportation is withheld under section 243(h) of the INA as in effect prior to April 1, 1997, or whose removal has been withheld under section 241(b)(3) of the INA;
- A parolee under section 212(d)(5) of the INA for at least one year;
- A person granted conditional entry under section 203(a)(7) of the INA as in effect prior to April 1, 1980;
- A Cuban or Haitian entrant as defined in section 501(e) of the Refugee Education Assistance Act of 1980; or
- A certain alien, or an alien parent of a child, or an alien child of a parent who:
 - Has been battered or subjected to extreme cruelty in the United States by a spouse, parent, or certain other family members the alien, parent and/or child lived with;
 - Is not living in the same household with the abusive individual;
 - Has been determined to need SSI because of this abuse; and
 - Has a determination from the INS for a certain change in status.

Qualifying Quarter of Earnings. Credit for a requisite amount of earnings assigned to a calendar quarter for the purpose of determining the SSI eligibility of a lawfully admitted permanent resident.

Quarter of Coverage. The crediting of coverage needed for insured status under the Social Security program. In 2003, a worker receives one quarter of coverage (up to four a year) for each \$890 of annual earnings reported from employment or self-employment. This dollar amount is subject to annual automatic increases in proportion to increases in average earnings.

Recipient. A person who has been awarded SSI payments based on an evaluation of his/her own countable income and resources, age, and disability status.

Reconsideration. The first step in the administrative review process if an individual is dissatisfied with SSA's initial determination.

Redetermination. A periodic review of eligibility for SSI recipients to assure that requirements for eligibility continue to be met and that payment levels are in the proper amount. Income, resources, living arrangements and other factors are reviewed. The redetermination process does not review the determination of disability.

Refugee. A noncitizen outside of his/her country of nationality who is unable or unwilling to return to his/her country of nationality or to seek the protection of that country because of persecution (or a well-founded fear of persecution) based on the noncitizen's race, religion, nationality, membership in a particular social group or political opinion. Unlike asylees, refugees apply for and receive this status prior to entry into the United States.

Relocation Assistance. A type of assistance provided to persons displaced by projects that acquire real property. Examples of types of reimbursement, allowances, and help provided are:

- Moving expenses,
- Reimbursement for losses of tangible property,
- Displacement allowances,
- Amounts required to replace a dwelling which exceed the agency's acquisition cost for the prior dwelling,
- Rental expenses for displaced tenants,
- Amounts for down payments on replacement housing for tenants who decide to buy,
- Mortgage insurance through Federal programs with waiver of requirements that borrowers must usually meet, and
- Replacement housing.

Representative Payee. A person who receives SSI payments on behalf of an SSI recipient. SSA will pay benefits to a representative payee on behalf of an individual 18 years old or older when it appears that such method of payment will be in the interest of the individual. A representative payee will be appointed if the individual is legally incompetent or mentally or physically incapable of managing or directing the management of his/her benefits. Also, in general, if the individual is under the age of 18, a representative payee will be appointed.

Resident of a Public Institution. An individual who can receive substantially all of his/her food and shelter while living in a public institution is considered a resident of the public institution. Generally, an individual who is a resident of a public institution throughout a month is ineligible for SSI.

Resident of the United States. A person who has established an actual dwelling place within the geographical limits of the United States with the intent to continue to live in the United States. (See "United States.")

Resource. The cash or other liquid assets or any real or personal property of an individual (or his/her spouse, if any) that he/she could use or could convert to cash to be used for his/her support and maintenance.

Retroactive Payments. The SSI payments made in a month later than the month or months in which they were due. Also referred to as "past-due" benefits.

Retrospective Monthly Accounting (RMA). The calculation method used in the SSI program to determine an individual's eligibility for each month. RMA has two parts: an eligibility determination and a pay-

ment computation. If the individual is ineligible based on the current month's factors (including the current month's countable income), no payment is due and none is paid. If the individual is eligible based on the current month's factors, payment is computed. The benefit for a month is generally based on the countable income from the second month before the current month. The basic formula is to subtract the countable income from 2 months previous from the current month's Federal benefit rate.

Section 1619(a) Status. The special SSI cash benefits provided to disabled individuals who lose eligibility for SSI benefits under the regular rules because they have earnings at the level that is ordinarily considered to represent substantial gainful activity.

Section 1619(b) Status. The special SSI recipient status for Medicaid purposes provided to working disabled or blind individuals when their earnings make them ineligible for regular or special cash payments.

Sponsor. An individual who has signed an affidavit of support for a noncitizen entering the country.

State Supplementation. The payments made by a State or one of its political subdivisions to aged, blind, or disabled individuals.

- *Administration*—The governmental unit responsible for administering State supplementary payments may be either a State or local agency or SSA. Under State administration, the State must absorb both program benefits and administrative costs. Under Federal administration, the State is responsible for the program benefits and, as of January 1, 2003, pays an \$8.59 administrative fee for each benefit paid.
- *Mandatory Supplementation*—The supplementary payments that are made only to beneficiaries who were converted to the SSI program from former State assistance programs at the inception of the SSI program. Mandatory minimum State supplementary payments are required to maintain the December 1972 payment levels that these beneficiaries received under the former State assistance programs. States are required to provide the supplementation to maintain their Federal matching funds for Medicaid.
- *Optional Supplementation*—The payments made by States to help persons meet needs not fully covered by Federal SSI benefits. The State determines whether it will make a payment, to whom, and in what amount. These supplements, paid on a regular monthly basis, are intended to cover such items as food, shelter, clothing, utilities, and other daily necessities. Some States provide optional supplementary payments to all persons eligible for SSI benefits, while others may limit them to certain SSI recipients such as the blind or residents of domiciliary-care facilities, or they may extend payments to persons ineligible for SSI because of SSI income.

Statutory Blindness. See "Blind."

Student Earned Income Exclusion (SEIE). An earned income exclusion for an individual who is under age 22, regularly attending school and neither married nor the head of a household, with certain limitations established by regulations. For 2003, up to \$1,340 earned income in a month, but no more than \$5,410 per year, may be excluded.

Substantial Gainful Activity (SGA). The level of work activity used to establish disability. A finding of disability requires that a person be unable to engage in SGA. For 2003, a person who is not statutorily blind and is earning more than \$800 a month (net of impairment-related work expenses) is ordinarily considered to be engaging in substantial gainful activity.

Supplemental Security Record (SSR). The computerized database maintained by SSA and containing identifying information, income, resources and other eligibility factors, for all SSI recipients. The SSR includes the history of SSI payments made to an individual.

Suspension. An ineligibility status which causes the nonpayment of benefits for a period of anywhere from 1 to 12 months for any of a number of reasons such as income or resources over allowable levels, absence from the United States, residence in a public institution, etc. Benefits can resume without reapplication, when all requirements for entitlement are again met. Suspense that lasts more than 12 months results in a termination of the SSI record. (Once a record is terminated, reapplication is necessary.)

TANF. See “Temporary Assistance for Needy Families (TANF).”

Temporary Absence. An individual’s physical move from his/her permanent place of residence that does not constitute a change in living arrangement. In general, a temporary absence is an absence from a permanent residence which is not intended to, and does not, exceed a full calendar month.

Temporary Assistance for Needy Families (TANF). The State grant program of assistance for needy families established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). TANF replaced the Aid to Families with Dependent Children program.

Termination. For an individual, cessation of benefits, which can occur for a number of reasons, including death, medical improvement, or a period of suspension lasting longer than 12 months.

Terminations. As used in section IV, the net reduction (after accounting for new entrants) in the number of SSI recipients in current-payment status during a period.

Trusts. A legal arrangement involving property and ownership interests. Generally, property held in a trust will be considered a resource for SSI purposes if the assets of the trust could be used for the benefit of the individual or spouse.

Unearned Income. The income that is not earned income. Unearned income may be in cash or in-kind. Some examples of unearned income are:

- Annuities, pensions, and other periodic payments;
- Retirement and disability benefits;
- Veterans’, workers’ and unemployment compensation;
- Alimony and support payments;
- Dividends, interest and certain royalties; and
- Rents.

United States. For purposes of the SSI program, the United States consists of the 50 States, District of Columbia and the Northern Mariana Islands.

Vocational Rehabilitation (VR). The process of restoring individuals with disabilities to full capabilities. VR services are designed to provide an individual with the training or other services that are needed to return to work, begin working or to enter a new line of work.

Windfall Offset. A provision to prevent a person from receiving monthly SSI and OASDI benefits in excess of the total amount which would have been paid if the OASDI benefits had been paid when they were due rather than retroactively.

Work Incentives. Provisions in the SSI program that are intended to act as incentives for disabled or blind individuals to work. Examples of work incentives under the SSI program are:

- Earned income exclusions,
- Impairment related work expenses,
- Blind work expenses,
- PASS, and
- Section 1619 benefits.

SOCIAL SECURITY ADVISORY BOARD

STATEMENT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM

Public Law 104-193 requires that members of the Social Security Advisory Board be given an opportunity, either individually or jointly, to include their views in the Social Security Administration's annual report to the President and the Congress on the Supplemental Security Income (SSI) program.

We appreciate the opportunity to present our views on this important program, and we have asked the Social Security Administration to include the following statement of views in this year's annual report, due May 30, 2003.

VIEWS OF THE BOARD REGARDING PROGRAM STEWARDSHIP AND THE DISABILITY DETERMINATION PROCESS

In its comments in previous annual reports, the Board has discussed a broad range of issues and recommendations. In this report, we will confine our comments to two aspects of the SSI program.

The first is program stewardship, SSA's obligation to ensure that the public's funds are responsibly expended. Taxpayers who support the SSI program must be confident that their tax dollars are accurately expended. Claimants and beneficiaries must know that program rules are followed correctly and that benefits are accurately paid.

The second is the disability determination process. It is important to the SSI program, because most SSI beneficiaries receive benefits on the basis of disability. It has long been one of SSA's most challenging areas to administer. Our comments focus on both program administration and the need to transform the program to meet current and future realities.

Program Stewardship

In 1997 the General Accounting Office (GAO) designated SSI a high-risk program because of its vulnerability to abuse and mismanagement, increasing overpayments, and poor recovery of outstanding overpayments. This January, GAO removed the program from its high-risk list, noting SSA's progress in improving the financial integrity and management of the program. GAO noted SSA's actions in obtaining legislation to prevent and to collect overpayments as well as administrative actions to strengthen SSI program integrity.

As GAO noted, however, the impacts of SSA's actions are not yet fully realized. A look at some recent data shows that the SSI program continues to need attention.

Payment Accuracy

SSA conducts an annual stewardship study of the SSI program. The study examines a monthly sample of non-medical reviews of SSI cases in current pay status. The FY 2001 study, the most recent available, shows a statistically significant decrease in accuracy. The FY 2001 overpayment accuracy rate for preventable errors was 93.3 percent, down from 94.7 percent in FY 2000. Applying this rate to the universe of \$32.7 billion in SSI payments, the study projects \$2.2 billion dollars in SSI overpayments in FY 2001, a 29 percent increase from \$1.7 billion in FY 2000.

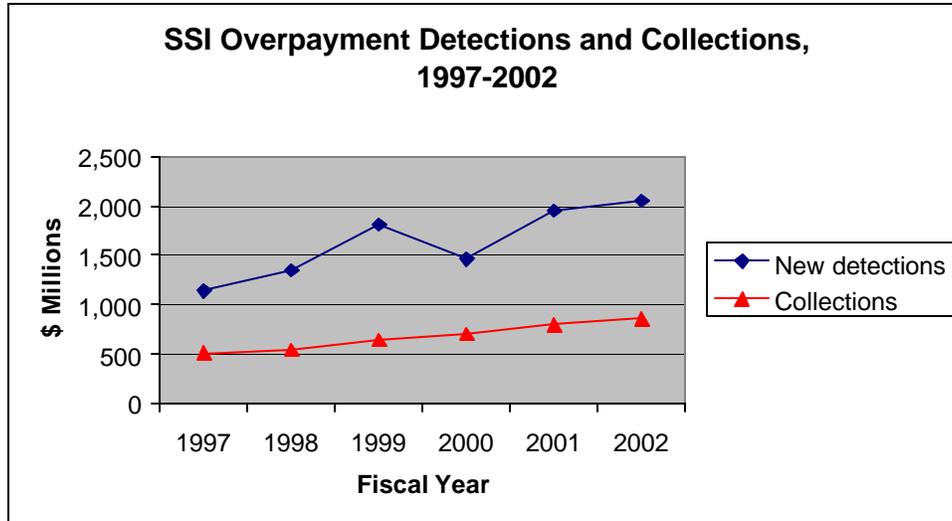
As the stewardship report points out, SSA has been more effective at detecting overpayments that have occurred than in the more difficult task of preventing them. The annual amount of overpayment dollars detected has increased by 80 percent since the SSI program was put on the high-risk list in 1997.

Field office managers have consistently expressed to the Board their concerns about the quality of SSI work done in their offices. They say that pressures for a high volume of production prevent their employees from taking the time and care needed to ensure quality. They add that because of the reduction in management positions in field offices, they are unable to do quality reviews. We hope that SSA's new Transaction Review quality review system will help improve the quality of work done in field offices by giving them useful and timely feedback.

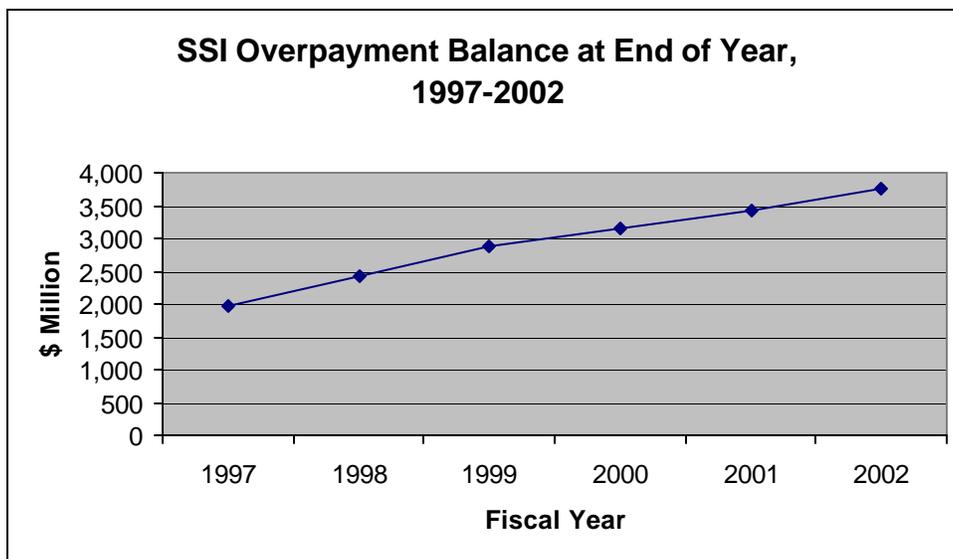
In order to improve accuracy, SSA has increased the number of computer interfaces with other sources of information on SSI beneficiaries' income and resources. While the source of the data is automated, it still takes staff time to resolve the issues the interfaces raise. The interfaces generate diary alerts that go to local field offices. Field office employees have told us that they are unable to process workloads of this type because of competing priorities. And members of the public have told us that SSA often does not act promptly on beneficiaries' work reports. We have heard that the fear of overpayments caused by such inaction is a major obstacle to beneficiaries attempting to return to work.

Overpayment Collection

While the overpayment dollars detected have increased 80 percent since 1997, collections of those overpayments have increased by only 68 percent. Collections were 45 percent of new detections in 1997 but only 42 percent in 2002.



As a result, the overpayment balance at the end of the fiscal year nearly doubled during that period, from \$1.97 billion at the end of 1997 to \$3.77 billion at the end of 2002.



SSA has been gradually implementing new tools for debt collection. Because of resource limitations, SSA has followed a policy of prioritizing those that the agency thinks will have the biggest payoff, but progress has been slow.

The law provides that overpaid beneficiaries may request a waiver of collection of the overpayment, which the agency may grant under certain conditions. The Office of the Inspector General has raised questions about SSA's waiver practices. An SSA executive has told the Board that field offices often do not pursue overpayment collection because the staffs are too busy. It is easier for them to waive collection of the debt.

Collecting overpayments is highly cost effective. According to SSA, it costs about eleven cents to collect a dollar of overpayments. SSA should be moving more effectively to collect overpayments as part of properly discharging its stewardship responsibilities.

Disability Determination Process

The disability determination process is important to the SSI program, since four out of five SSI beneficiaries are receiving benefits because of disability. As SSA's annual report on the program points out, the number of SSI disability beneficiaries is expected to grow by 17 percent over the next 10 years, and SSA will have to process an average of 1.7 million disability applications per year. The Board has issued reports and testified to Congress on the issues that need to be addressed in SSA's disability programs.¹ In recognition of the challenges facing SSA's disability programs, the GAO in January added these programs to its high-risk list.

In these comments on the SSI program, the Board would like to briefly consider two aspects of the SSI disability program: issues that need to be addressed in how the current program is administered and the need to adapt the program to meet current and future needs.

Issues in Program Administration

Are disability decisions consistent and fair?

For many years, both Members of Congress and others who have studied SSA's disability programs have expressed concerns about inconsistencies in decision making. These inconsistencies continue to be a concern. For example, in FY 2002, while the average allowance rate for initial SSI disability claims was 38.5 percent, the allowance rate ranged from 27.8 percent in Tennessee to 57.6 percent in New Hampshire. While economic and demographic differences among states explain some of this difference, they do not explain all of it.

There are other indications that the difference in outcomes reflects differences in how claims are adjudicated. For example, the percentage of SSI disability beneficiaries in 2001 with a diagnosis of mental retardation varied from 14 percent in Massachusetts to 36 percent in West Virginia. And the percentage with a diagnosis of other mental disorders ranged from 22 percent in Louisiana to 49 percent in Massachusetts. There are

¹ SSA's *Obligation to Ensure that the Public's Funds are Responsibly Collected and Expended*, March 2002; *Agenda for Social Security: Challenges for the New Congress and the New Administration*, February 2001; *Charting the Future of Social Security's Disability Programs: The Need for Fundamental Change*, January 2001; "Reforming the Disability Insurance and the Supplemental Security Income Disability Programs," testimony before the House Ways and Means Committee, Subcommittee on Social Security, June 11, 2002; Statement by Hal Daub, Chairman, Social Security Advisory Board to the House Ways and Means Committee, Subcommittee on Human Resources, July 25, 2002.

apparent inconsistencies in denials as well as in allowances. In FY 2002, the percentage of claims denied because the disability was not expected to last for 12 months ranged from 2 percent in Rhode Island to 17 percent in Nevada. And the percentage of denials because the disability was not considered severe ranged from 2 percent in New Hampshire to 37 percent in Mississippi.

There also seem to be inconsistencies within State agencies. A study done for SSA under contract² examined the range of initial allowance rates across examiners in four State agencies. It found that the range of allowance rates was 10 to 19 percent greater than could be explained by random variations in the claims they examined.

A large percentage of claims that are denied at the initial level are appealed to the hearing level, where the majority of decisions reverse the lower-level denial of benefits. There are also geographic differences at the hearing level. In FY 2002, the national hearing-level allowance rate for SSI claims was 58 percent, with a range from 42 percent in Louisiana to 78 percent in Maine. There does not seem to be a correlation between high State agency allowance rates and low hearing reversal rates. In fact, the hearing-level allowance rate for New Hampshire, which had the highest initial-level allowance rate, was 74 percent, the third highest in the country.³

Despite the long-standing concern about consistency, SSA has no effective mechanism to provide the information needed to understand the degree to which the program's own policies and procedures – including their uneven implementation – are causing inconsistent outcomes in different parts of the country and at different levels of adjudication. As long as variations in decision making remain unexplained, the integrity and fairness of the disability program are open to question. This program is too important to the American public for this issue not to be addressed.

Some recent quality review reports also raise questions of decision quality at the hearing level. A peer review of hearing decisions on initial claims between October 1998 and July 2000 showed that reviewing judges found substantial evidence for ALJ decisions in only 85 percent of the favorable decisions reviewed and found errors of law in 38 percent of the cases reviewed. While both of these figures represent improvements over earlier reports, improvement is still needed. A report on hearing decisions on continuing disability reviews during FY 2000 and FY 2001 showed that reviewing judges found substantial evidence for the ALJ decision in only 75 percent of the favorable decisions reviewed and errors of law in 31 percent of the decisions. The review also showed that in unrepresented cases, ALJs had adequately informed the claimants of their right to representation only 81 percent of the time.

² *Evaluation of SSA's Quality Assurance (QA) Processes and Development of QA Options That Will Support the Long-Term Management of the Disability Program*, Prepared by The Lewin Group, Inc.; Pugh Ettinger McCarthy Associates, L.L.C.; and Cornell University, Final Report, March 16, 2001.

³ Hearing data is based on state of claimant's residence.

Is disability policy being developed coherently and in accord with the intent of the Congress?

Although Congress has not changed the law defining disability for adults for more than 30 years, the determination of what constitutes disability has changed in fundamental ways. For example, there has been a gradual but persistent trend away from decisions based on the medical listings to decisions that increasingly involve assessment of function. Today, many more decisions involve mental impairments than in the past. In addition, changes in agency rules mean that now all adjudicators must adhere to more complex and intricate requirements regarding such matters as determining the weight that should be given to the opinion of a treating source and making a finding as to the credibility of claimants' statements about the effect of pain and other symptoms on their ability to function. All of these changes have made decision making more subjective and difficult. These policy changes have been made through changes in regulations and rulings. A number of the most significant changes have grown out of court decisions, many of which have not been appealed. None of them have been reviewed by the Congress as to their effect on decision making or whether they are operationally sustainable for a program that must process massive numbers of cases.

Can today's administrative structure support future program needs?

Since the original Federal-State structure was established to administer the Disability Insurance (DI) program half a century ago, it has had to accommodate a growth in program size and complexity that it has been ill equipped to handle. In addition to working within a fragmented administrative structure, employees at all levels have been buffeted by periodic surges in workloads and funding shortfalls.

At the present time, all parts of the applications and appeals structure are experiencing great stress, and there is every indication that the difficulties will continue to grow unless changes are made. There are more than 15,000 disability adjudicators throughout the disability system. Their qualifications and the rules and procedures they follow differ, sometimes dramatically. For example, adjudicators at the State agency and ALJ levels may receive vastly different training and draw upon very different resources. Factors such as these raise questions about how well the administrative structure will be able to handle the growing workload.

Adapting the Program to Meet Current and Future Needs

When the SSI program began in 1974, it adopted the definition of disability used by the DI program. That definition was enacted in 1956, to meet the needs of a country with a manufacturing economy in which most work involved physical labor. The workforce then had a much lower educational level than is now the case. Some of the fastest-growing jobs in today's economy did not exist then. Nor did much of the medical, rehabilitative, and assistive technology that we now take for granted. Our society has also changed and now expects greater inclusion of and participation by people with disabilities. The Americans with Disabilities Act reflects these changing social

expectations and supports the view that people with disabilities can work and have the right to work.

Despite all these changes that could have resulted in expanded opportunity and employment for people with disabilities, the number of recipients of SSI disability benefits has tripled since the program began. Some of that increase, of course, is due to the growth of the population. But even viewed as a percentage of the eligible population, SSI disability beneficiaries have more than doubled in the same period.

To the extent that this growth has occurred because we as a society have not used the means at hand to keep people productive, we have failed. We have placed an inappropriate burden on the taxpayers who pay for these programs. We are undermining our economy, which faces severe labor shortages in the coming years. And we have denied the individuals involved the opportunities they should have to work and be productive.

SSA is conducting some valuable demonstration projects and research that may lay the groundwork for a transformation of its disability programs. For example, it is conducting a demonstration project to test the effectiveness of providing earlier return-to-work services to applicants, and it is conducting research on the transition to employment of childhood SSI beneficiaries and on how the change in distribution of occupations and industries has affected the probability of employment of persons with disabilities. Efforts such as these offer hope for the eventual transformation of the program, but we must continue to keep that goal in mind.

What Needs to Be Done

The Board's reports contain a range of recommendations for improving SSA's stewardship of its programs and its disability determination process, and we will not repeat all of them here. Rather, we will focus on principles of reform and some actions that are especially relevant to the SSI program.

Goals and objectives of reform of the disability process

At the time this is being written, we are looking forward to an announcement of SSA's plan to reform its disability process. We believe that reform of the disability programs should be evaluated within the context of clear goals and objectives:

- All who are truly disabled and cannot work should receive benefits.
- Those who can work but need assistance to do so should receive it.
- Vocational rehabilitation and employment services should be readily available, and claimants and beneficiaries should be helped to take advantage of them.
- Claimants should be helped to understand the disability rules and the determination process.
- The disability system should provide fair and consistent treatment for all.

- The disability system should ensure high quality decisions by well-qualified and trained adjudicators.
- The disability system should provide expeditious processing of claims.

Maintaining the accuracy of the SSI rolls

SSI redeterminations -- reviews of the income, resources, and other factors affecting SSI eligibility and payment amounts -- are an important tool in preventing and identifying payment errors. Over the last decade, however, program growth has outstripped the growth in the number of redeterminations. Over the period 1990-2002, the number of SSI beneficiaries increased by 40 percent, but the number of redeterminations increased by only 10 percent. It is encouraging, however, to see a recent increase in emphasis on the use of redeterminations, with nearly 300 more work years going to redeterminations in 2002 than in 2001. The agency has attempted to make the process more effective by using profiling to identify the cases at greatest risk of error. SSA plans to increase the number of high-error profile redeterminations by 21 percent in FY 2003. However, unless more staff is made available, SSA may have to put other important workloads on hold, creating other problems.

Continuing disability reviews (CDRs) examine the beneficiaries' conditions to ensure that only those who continue to be disabled remain on the rolls. With the help of special funding from Congress, SSA completed in FY 2002 a seven-year effort to become current with its CDR workload. SSI CDRs conducted in FY 2001 alone are estimated to save the SSI program \$1.7 billion over a ten-year period, with another \$800 million in savings to the Medicaid program. SSA projects that it would continue to be cost-effective to keep current with its CDRs. For FYs 2003-2011 the return on each dollar invested in CDRs is projected to be \$7. However, the agency expects to do only about 650,000 CDRs this year (both DI and SSI), rather than the 827,000 it would need to do to stay current.

SSA's Service Delivery Budget includes earmarked funding to enable it to carry out program integrity initiatives, such as SSI redeterminations and CDRs, that will pay for themselves. Congress should ensure SSA has the funds it needs to carry out these important cost-saving activities.

Improve SSI and disability program policies

Over the last three decades, SSI policy has tended to become more complex. This complexity makes the program more difficult and time-consuming to administer, more error-prone, and harder for beneficiaries to understand. The degree of complexity is reflected in the fact that in FY 2002, SSA spent nearly 34 percent of its administrative resources on the SSI program, which accounted for slightly more than 6 percent of its benefit payments.

Some of this complexity is inevitable in a program in which benefit amounts depend on, among other things, the beneficiary's other income and living arrangements. Unlike the OASDI benefit programs, SSI requires the agency to update its records to reflect changes in factors that may affect payments. SSA relies heavily on beneficiaries to report relevant changes, but it also initiates redeterminations. Benefit amounts can depend on such factors as the relationship of members of a household and the share of food, utility, and other expenses the beneficiary pays.

Over the life of the program, policies have been made more complex by legislation and court decisions. They have also been complicated by SSA's efforts to apply its rules fairly to people in differing circumstances. Simplifying SSI policies could do much to make the program more manageable and improve payment accuracy.

We understand that SSA plans to propose legislation to simplify some of its rules on the treatment of income for the SSI program. These proposals are a step in the right direction, and we encourage further efforts to simplify the SSI program.

SSA should also thoroughly review its disability policy rules and regulations to determine where changes can be made to improve the quality and consistency of decision making. Both medical listings and vocational guidelines should be included in this review. Where possible SSA should write these rules and regulations more clearly and simply so that adjudicators in different states and different levels of decision making will interpret and use them in the same way. SSA should follow up with regular training across all levels of the process.

As the Board has previously recommended, SSA should bring together into a single policy unit individuals with knowledge and experience in the Office of Disability, the Office of Hearings and Appeals, and the State agencies. We urge the agency to move forward as quickly as possible to strengthen its capacity to develop and oversee the implementation of disability program policy.

The Board is particularly concerned that, in a program where most decisions are based on vocational factors, the policy regulations in that area have not been revised for many years despite major changes in the nature of the national workplace. The Board is also concerned that vocational assessments continue to rely in large measure on an outdated Labor Department publication that is not being updated. The recently issued SSA strategic plan indicates a commitment on the part of the agency to remedying this situation. The Board believes the agency should place a high priority on fulfilling that commitment.

In addition, given the history of the many difficulties that SSA has had in carrying out the disability policies it has formulated, there is a demonstrable need for the agency to rigorously assess the potential impact of major policy changes before they are implemented.

Improve the quality of disability program processes

SSA has announced a new agency-wide quality management initiative but has not yet implemented an overall quality improvement process. SSA's new quality management initiative uses a definition of quality that balances the five elements of accuracy, timeliness, productivity, cost, and service. The message announcing the quality initiative stated that quality is too often equated only with accuracy or resources. It is certainly appropriate to adopt a balanced definition of quality. What the Board hears from the front lines of the agency, however, is that in practice accuracy is not valued as highly as productivity and timeliness. Getting things done is seen as more important than doing them right. As one manager told us recently, "SSA puts all its eggs in the productivity basket."

The Board has heard from many throughout the agency that the measures SSA uses skew activity toward productivity and timeliness and away from accuracy. Because productivity influences allocation of staff, managers have an overwhelming incentive to process work as quickly as possible, with no counterbalancing incentive for accuracy.

In order to improve payment accuracy, it is essential to put in place a more balanced set of incentives to reflect the agency's new balanced definition of quality. Incentives should encourage employees at all levels to do things right the first time.

The current system of pre-effectuation reviews, according to many observers, skews initial disability systems toward denials. Current law requires pre-effectuation review of a substantial percentage of DI claims that are awarded at the DDS level; in practice, 50 percent are reviewed. Legislation has been proposed and is currently pending in Congress for a similar pre-effectuation review of awarded SSI claims. Since pre-effectuation review is focused entirely on claims that have been allowed and since only a small number of denied claims are reviewed (about 70 a month for each DDS, regardless of size), it is not surprising that denial accuracy is significantly lower than allowance accuracy.

An outside evaluation of the disability quality system completed in 2001 highlighted the need for change in that system. It concluded that SSA's current system is of limited value in analyzing overall performance and in providing information that can be used to improve the quality of decisions. The evaluators recommended replacing the present quality assurance system with a totally new quality management system. The new system would provide information that could be used to improve disability policy and the disability system. It would identify variations in decision making by various components in the system and provide the information needed to address them.

Ensure that resources are appropriately applied at each level of the process

We cannot say what the appropriate level of resources would be for the disability determination process. Some would say that the disability determination process is already too costly. But the average present value of an award of adult SSI disability

benefits is in excess of \$75,000, including Medicaid. The cost of an initial disability claim decision in FY 2002 was \$569. The cost of a hearing was \$2,007.

If we look at Table V.C1 in this volume, showing dispositions of claims by year of filing and level of decision, we see some fairly stable patterns. Translating the data in these tables to a simpler, though rough, representation:

- Out of 100 adult applicants for SSI disability claims, 30 are allowed at the initial level.
- Of the 70 denied at the initial level, 32 request a reconsideration, and 5 are allowed.
- Of the 27 denied at reconsideration, 19 request a hearing.
- Of those 19, 11 are eventually allowed at the hearing level or beyond.

So, from the original 100, 46 are allowed, 30 at the initial level, 5 at reconsideration, and 11 past reconsideration. The cost of the initial decision for the 30 allowed at that level was \$17,070. The cost of the hearing decision for the 11 allowed at the hearing level was \$22,077.

Of the original 100, another 46 dropped out of the process, 38 after the initial decision and 8 after reconsideration. Another 8 were denied all the way through the process.

Looking at the numbers this way raises several concerns:

- Would it save money in the long run to spend more on the initial process, to collect more evidence, or to develop a more thorough rationale? SSA's process unification and prototype initiatives were intended to answer these questions, but were not adequately funded to do so. We have heard anecdotally that many claims are allowed at the hearing level that could have been allowed on the basis of evidence in the file at the initial level. We have also heard that many of the claims allowed at the hearing level could have been allowed at the initial level if they had been fully developed. We have not been able to quantify those claims. SSA should attempt to quantify these issues.
- No feedback is provided to the relevant State agency on these "on the record" allowances at the hearing level. This is a loss of potentially valuable information to the system that SSA should remedy.
- Of the illustrative group of 100 applicants described above, the largest sub-group is the 38 who drop out of the process after the initial decision. SSA should also look more closely at this group to ensure that they are being appropriately denied.

The SSI Annual Report

SSA's seventh *Annual Report of the Supplemental Security Income Program* provides a useful review of some program data. It could and should do much more. The report should also address broad policy issues. We believe policy makers would find it

helpful if the annual report were also an annual forum for communicating a comprehensive overview of the program and a vision for its future direction.

We recommend again that the agency use its SSI annual report to bring to the attention of policy makers both the policy issues that it believes need to be resolved and the difficulties that the agency is encountering in administering the program. We do note that this year's report makes a small but useful step in this direction by including a general discussion of program simplification issues. Providing more of this type of information would help the Congress, the Administration, and the public to understand the challenges the agency faces and the need to address them.

Hal Daub
Chairman

Dorcas R. Hardy Martha Keys David Podoff

Sylvester J. Schieber Gerald M. Shea