

Annual Report of the Supplemental Security Income Program

**Social Security Administration
May 2006**



SOCIAL SECURITY

The Commissioner

May 30, 2006

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 2006 Annual Report of the Supplemental Security Income Program (the tenth such report), in compliance with section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

In my commitment to the Social Security Administration'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 Supplemental Security Income program. I hope that the contents of this report will enable you to understand how seriously we take our role in this area.

Sincerely,

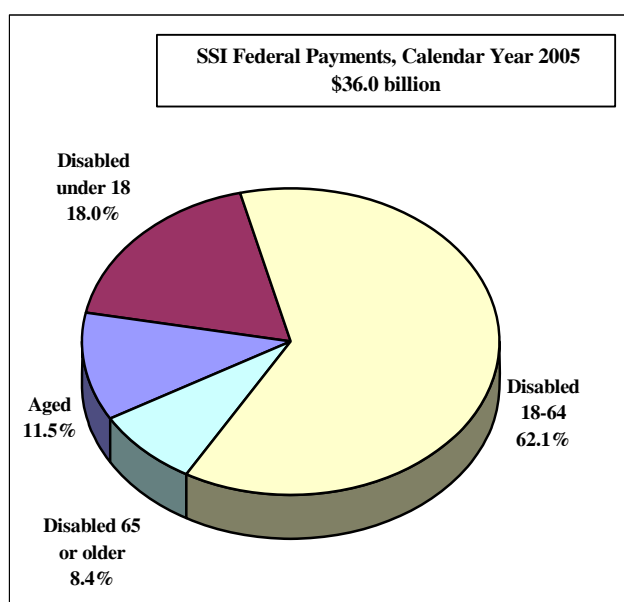
Jo Anne B. Barnhart

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 tenth of such reports, and following are 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 2006, 6.9 million individuals received monthly Federal SSI payments averaging \$422 versus 6.8 million with an average payment of \$404 in January 2005.
- Federal expenditures for cash payments under the SSI program during calendar year 2005 increased 5.2 percent to \$36.0 billion, and the cost of administering the SSI program in fiscal year 2005 remained level at \$2.8 billion. In calendar year 2004 the corresponding Federal program expenditures were \$34.2 billion.



Major Findings of the Report

- By 2030, the end of the 25-year projection period, the Federal SSI recipient population is estimated to reach 8.8 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 increase slightly.
- Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients increased slightly to 2.25 percent in 2005, and is projected to increase gradually to 2.45 percent of the population by 2030.
- Federal expenditures for SSI payments in calendar year 2006 are estimated to increase by \$2.1 billion to \$38.1 billion, an increase of 5.8 percent from 2005 levels.
- In constant 2006 dollars, Federal expenditures for SSI payments are projected to increase to \$48.5 billion in 2030, 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 0.29 percent of GDP in 2005 to 0.24 percent of GDP by 2030.

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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 2006 a monthly Federal cash payment of \$603 (\$904 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 tenth 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 projections.

A. RECENT PROGRAM EXPERIENCE

SSI program experience during the past year included the following:

- During calendar year 2005, 2.0 million individuals applied for SSI benefits based on blindness or disability, an increase of 2 percent over 2004. An additional 156,000 applied for SSI benefits based on age, an increase of 13 percent from 2004. In 2005, 854,000 applicants were awarded SSI benefits, a decrease of 1 percent as compared to the 862,000 awarded benefits in 2004.
- On average during calendar year 2005, 6.8 million individuals received Federal SSI benefits on a monthly basis. This group was composed of 1.1 million aged recipients, 5.6 million disabled recipients, and 71 thousand blind recipients. Of the 5.7 million blind or disabled recipients, 0.7 million were aged 65 or older. During the year, 7.7 million aged, blind, or disabled individuals received at least 1 month's Federal SSI benefit.
- Federal expenditures for cash payments under the SSI program in calendar year 2005 totaled \$36.0 billion, up from \$34.2 billion in 2004.
- On average during calendar year 2005, 2.2 million individuals received Federally-administered State supplementary payments on a monthly basis. This group was composed of 0.6 million aged recipients, 1.6 million disabled recipients, and fewer than 50 thousand blind recipients. During calendar year 2005, 2.5 million individuals received at least 1 month's Federally-administered State supplementary payment.
- State expenditures for Federally-administered supplements, excluding fees for Federal administration, totaled \$4.2 billion in calendar year 2005, unchanged from 2004.
- The percentage of SSI recipients participating in direct deposit more than doubled from 24 percent in 1995 to 49 percent in 2000, and has continued to increase, reaching 55 percent in 2005.
- The cost of administering the SSI program in fiscal year 2005 was \$2.8 billion, which was roughly 7 percent of total Federally-administered SSI expenditures.
- In January 2006, 7.2 million individuals received Federally-administered monthly SSI benefits averaging \$451. Of these, 6.9 million received monthly Federal SSI payments averaging \$422, and 2.2 million received monthly State supplementation payments averaging \$145.

B. SSI LEGISLATION SINCE THE 2005 ANNUAL REPORT

Since the 2005 SSI Annual Report was transmitted to the President and Congress on May 27, 2005, the following legislative changes were made to the SSI program:

Public Law 109-64, enacted September 20, 2005

- Amends the National Flood Insurance Act of 1968 to specify that assistance provided under a program for flood mitigation activities with respect to a property would not be considered income or a resource of the owner of the property when determining eligibility for or benefit levels under any income assistance or resource-tested program (including SSI) that is funded in whole or in part by a Federal agency or by appropriated Federal funds.

Public Law 109-163, enacted January 6, 2006

- Provides that individuals who were made ineligible for SSI because of their spouses or parents being called to active military duty would not have to file a new application for SSI benefits if they again could be eligible for benefits before the end of 24 consecutive months of ineligibility.

Public Law 109-171, enacted February 8, 2006

- Requires that past-due monthly SSI benefits that exceed three times the maximum monthly benefit (Federal benefit rate plus State supplementary payment amount, if any) payable to the individual be paid in up to three installment payments, 6 months apart. Also, limits the amount of the first two installment payments to three times the maximum monthly benefit, with all remaining benefits due paid in the third installment. Under prior law, past-due benefits that exceeded twelve times the maximum monthly benefit were subject to installment payments. Under both current and prior law, the amounts of the installment payments may be increased in certain cases, such as those in which the individual has outstanding debt relating to food, clothing, or shelter, or has necessary medical needs.
- Requires the Commissioner to conduct reviews of a specific percentage of SSI initial disability and blindness cases involving individuals aged 18 and older who are allowed by State Disability Determination Service (DDS) agencies. The legislation requires the reviews to be phased in as follows: for fiscal year 2006, the Commissioner is required to review 20 percent of DDS allowances; in fiscal year 2007, the requirement is 40 percent; and, for fiscal years 2008 and thereafter, 50 percent. These reviews are to be made before the allowance decision is implemented.
- Begins Medicaid coverage for children who are eligible for SSI effective the month the SSI application is filed or the first month of SSI eligibility, whichever is later. (Under prior law, Medicaid eligibility for such children began the month following the month of the SSI application or first eligibility.)

C. CURRENT ISSUES FACING THE SSI PROGRAM

During the past year, the SSI program has continued to provide cash assistance to more than 7 million aged, blind, or disabled individuals—individuals who frequently have nowhere else to turn. To the extent it serves this vital need for low-income Americans, SSI has been successful. But today's SSI program is also challenged to protect vulnerable beneficiaries and to maintain program integrity within an environment of diminishing budget resources and competing workloads. New programs such as the Medicare Part D low-income subsidy¹, and new responsibilities such as heightened Social Security number verification standards², make even more critical the need for SSA to focus on SSI program improvements that can provide the greatest return on investment.

¹ Authorized by the *Medicare Prescription Drug, Improvement and Modernization Act of 2003*, P.L. 108-173.

² Required by the *Intelligence Reform and Terrorism Prevention Act of 2004*, P.L. 108-458.

Maintaining Program Integrity

As mentioned in last year's report, one of SSA's new program integrity tools is the ability to verify applicant bank account balances electronically. Currently, SSA has to manually verify amounts within bank accounts (which count against SSI resource limits) through paper forms, which must be completed by both SSA and the financial institutions. The new "Access to Financial Information" pilot has allowed SSA to experiment with the use of electronic transmissions to obtain this information. The first stage of the pilot (conducted in 2004, using 20 test field offices in New York) showed the potential of such electronic verifications. In the second stage (February through November 2005) the system was expanded to all 110 field offices in New York and New Jersey. During the study, 3,429 SSI applicants or current beneficiaries were involved. Financial institutions received more than 65,500 bank account verification requests, including "negative" searches in cases where the applicants had alleged that they had no bank account. Preliminary results indicate that a national rollout of the electronic verification could have a significant impact in the prevention of erroneous payments.

In another effort to reduce overpayments, in January 2005 SSA began a centralized wage-reporting pilot. As with the "Access to Financial Information" study, one of the intents of the centralized wage-reporting pilot is to find less labor-intensive ways for SSA to ensure compliance with reporting responsibilities. By having beneficiaries in select service areas provide wage information to one location, SSA can compare the cost-effectiveness and accuracy of shifting this work away from the field offices to employees dedicated to this specific task. Since the wage-reporting pilot's inception, more than 4,800 beneficiaries and employers have provided more than 42,000 wage reports. Initial quality reviews have already shown that wage accuracy can be maintained even when reports are being processed remotely.

Another wage reporting pilot aimed at reducing SSI overpayments based on unreported wages began in January 2006. This pilot allows SSI recipients, deacons and representative payees to call a special toll-free number to report monthly wages by phone. Once SSA confirms the identity of the caller using knowledge-based authentication, the wage information is updated in the agency's records, a receipt is mailed to the reporter, and benefits are adjusted accordingly. This process shifts much of the manual effort associated with wage reporting away from field offices.

SSA gained another valuable tool in the effort to reduce improper payments with the President's signing of the *Deficit Reduction Act of 2005* on February 8, 2006. This new law instructs SSA to conduct reviews of a specific percentage of SSI initial disability and blindness cases of individuals aged 18 and older whose disability is determined by State agencies to meet SSA requirements. Such a quality review process has been strongly advocated by SSA, as similar proposals have been included in Administration bills sent to Congress in 2003 and 2005, and in the President's Fiscal Year (FY) 2006 Budget. A pre-effectuation review (PER) process is already a statutory requirement for 50 percent of Social Security disability insurance cases, and its extension to SSI disability applicants is estimated to prevent up to 3,000 erroneous SSI allowances per year, after a 2-year phase in. Assuming that sufficient administrative resources are provided by Congress to implement this review process as envisioned by the legislation, the SSA actuaries estimated that the SSI PER process could yield significant SSI and Medicaid program savings, estimated at more than one billion dollars over a 10-year period. However, SSA's appropriation for expenditures on administrative expenses in FY 2006 is very limited. The result of these limitations is that while we are starting up the SSI PER process, other cost effective stewardship activities such as the continuing disability review (CDR) process are being limited. If similar restrictions on administrative resources continue into future fiscal years, projected program savings due to SSI PER may be reduced.

Promoting Self-Sufficiency

Another primary focus of SSA is assisting disabled and blind beneficiaries in their efforts to return to the workforce. To this end, the agency has modified the Plan to Achieve Self-Support (PASS) policies.¹ Effective March 1, 2006, a PASS qualifies as an appropriate program of employment services for benefit continuation purposes.² This means that SSI beneficiaries who have medically recovered from a disability are potentially eligible for continued monthly payments if they comply with the self-sufficiency goals of their personalized PASS. As with vocational rehabilitation and other employment service programs, SSA encourages the completion of a PASS as a means by which beneficiaries can be permanently removed from the SSI rolls.

Streamlining of SSI Workloads

Simplification of both policy and process continues to be a focus of SSI improvement efforts. Regarding procedural improvements, a major contribution to the administration of SSI disability is the new Disability Service Improvement (DSI) process. Unveiled by Commissioner Barnhart in March 2006,³ the new process is designed to improve the accuracy, consistency and fairness of both SSI and OASDI disability determinations. Highlights of the new disability process include a quick determination for individuals who are clearly disabled, enhanced medical and vocational expertise, and improved oversight of all claims, ensuring consistent decisions at all levels of the disability process. The new process is expected to be phased in over several years, beginning in August 2006.

In conjunction with the new disability process, SSA is also replacing the existing paper disability approach with an electronic system that allows for faster and more accurate claim handling. This new electronic claims system, called eDib, prevents delays associated with locating and mailing paper folders. It also allows more than one employee (in more than one location) to work on a claim at the same time, shortening processing times and improving access to important documents. All 1,338 field offices are now using electronic data collection to take disability claims, and nationally 93 percent of State Disability Determination Service decision makers are adjudicating cases in an electronic environment.

In other process-related improvements, SSA is reexamining the labor-intensive nature of eligibility redeterminations, in hopes of making event reporting easier for beneficiaries. One such development in this process is the increased use of computerized data matching. By appropriately using computer matches with State and other Federal data sources (such as unemployment compensation databases and the Office of Child Support Enforcement New Hires Database), SSA hopes to improve payment accuracy while reducing the amount of time spent by employees and beneficiaries in reporting changes to the SSI record.

In another effort to ensure a cost-effective SSI program, in October 2006 SSA will begin mailing a special form to beneficiaries scheduled for a redetermination. The form asks beneficiaries specific questions which will help SSA determine how much additional development (work, living arrangements, etc.) is required. This approach is significant in that it allows SSA to monitor continued eligibility—a crucial program integrity function—in a more efficient manner. Through use of the new form, the beneficiaries themselves will assist SSA in prioritization of case reviews.

¹ For more information on the PASS rules, see Section III(E) *Incentives for Work and Opportunities for Rehabilitation*.

² This continued payment authority is sometimes referred to as “section 301,” as it originated in section 301 of the *Social Security Disability Amendments of 1980* (P.L. 96-265). Expanded by subsequent legislation, it allows continued payment of OASDI and SSI benefits to individuals whose disability or blindness is medically ceased, if the individual is participating in the Ticket to Work program or another approved program of vocational rehabilitation services, employment services, or other support services. Benefits continue if SSA determines that completion or continuation of the program will increase the likelihood that the individual will be permanently removed from the disability or blindness benefit rolls. Final rules regarding the expansion of payment authority were published on June 24, 2005 (70 FR 36494), with the PASS inclusion specified in SSA’s Program Operations Manual System, Section SI 00870.010 (February, 2006).

³ Final rules for the new process were published on March 31, 2006 (71 FR 16424).

SSA also continues to study the SSI program itself, examining various benefit restructuring proposals and discussing the implications of such restructuring in internal SSA workgroups and with other executive branch components. Simplification examples include the streamlining of current dedicated account requirements (by not requiring such accounts when a representative payee parent of a disabled child lives with that child), and the treating of most military cash compensation as earned income (thus eliminating the disadvantageous consideration of unearned income for SSI purposes). Both examples were included in a draft bill submitted by the Administration to Congress in 2005.

As the dialogue on these very important issues continues, examination of program intent, as well as program achievement, will be vital. The structure of a 21st century SSI program needs to relate to what we want this safety net to accomplish. Mindful of this challenge, SSA will continue our efforts to ensure an SSI program that is efficient and responsive to low-income beneficiaries, and effective in the eyes of American taxpayers.

D. KEY RESULTS FROM THE 25-YEAR PROJECTIONS

The major findings in the 25-year projections 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 2030, the Federal SSI recipient population is estimated to reach 8.8 million. Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients is projected to increase slightly from 2.25 percent of the population in 2005 to 2.45 percent by 2030.
- Federal expenditures for SSI payments in calendar year 2006 are estimated to increase by \$2.1 billion to \$38.1 billion, an increase of 5.8 percent from 2005 levels. In constant 2006 dollars, SSI program outlays are projected to increase to \$48.5 billion in 2030, 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 0.29 percent of GDP in 2005 to 0.24 percent of GDP by 2030.

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 for assistance. The Federal Government provided 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, 2006, the Federal benefit rate is \$603 a month for individuals and \$904 a month for couples. The resource limit is \$2,000 in countable resources for individuals and \$3,000 for couples.
- A uniform standard of 65 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 is expected to 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. 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. 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:
 - Certain noncitizens who are blind or disabled and were lawfully residing in the United States on August 22, 1996;
 - 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);

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 \$860 a month is evidence of ability to engage in SGA. If an SSI *applicant* is earning over \$860 a month, he/she generally would not be considered disabled. However, if an SSI *recipient* is earning over \$860 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 \$860 was increased from \$830 effective January 1, 2006 (70 FR 61682). Yearly increases in the SGA level are based on increases in the national average wage index.

- 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 as defined by Federal statute, including: 1) Section 501(e) of the Refugee Education Assistance Act of 1980; 2) former parolees and other aliens who became residents under the Cuban Adjustment Act of 1966; 3) aliens who became permanent residents under the Nicaraguan and Central American Relief Act; and 4) aliens who became permanent residents under the Haitian Refugee Immigration Fairness Act (eligibility for these categories is 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.

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.

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 States² for 30 consecutive days, if he/she had been outside of the United States for 30 or more consecutive days. 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. This exception also applies to blind and disabled children of military personnel who are born overseas, become blind or disabled overseas or applied for SSI benefits while overseas.

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

- 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 could not 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 access. 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 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.² 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 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.

² SSA simplified the SSI program (70 FR 6340) by generally eliminating clothing from the definition of income and from the definition of in-kind support and maintenance effective February 7, 2005.

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 (the first \$30 received in a quarter).

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 (the first \$60 received in a quarter).

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 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, if needed for maintenance, use and occupancy of the home, and personal effects²;
- An automobile, if used to provide necessary transportation;³
- 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 and recipients 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—in these situations, the SSI payment is limited to \$30;

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

² The \$2,000 value limit on household goods and personal effects was removed effective February 7, 2005 (70 FR 6340).

³ SSA also changed the evaluation of automobiles as an excludable resource, effective February 7, 2005 (70 FR 6340). Under the old rules, one automobile could be excluded (regardless of value) if necessary for employment, medical treatment or essential daily activities. If not excludable under this criteria, one automobile could be excluded to the extent its current market value did not exceed \$4,500. The revised exclusion, applicable to any one automobile used for transportation, simplifies the evaluation of this resource.

- 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);
- 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. In these situations, the recipient may continue to receive the full benefit for any of the first 3 full months of medical confinement if all other conditions for payment are met.

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.

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.

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 18 who is living in the household. Deeming 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 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 non-citizen 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 non-citizen 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.

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

² The Immigration and Naturalization Service now known as the United States Citizenship and Immigration Services (USCIS) 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.

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

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 costs 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 and regularly attending school. It is intended to help defray the cost of educational training. Under current regulations, up to \$1,460 of earned income per month but no more than \$5,910 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.

¹ Increased from \$1,410 and \$5,670, respectively, effective January 1, 2006 (70 FR 61679). Under current regulations this exclusion is increased yearly based on changes in the cost of living.

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 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 at or 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, State Vocational Rehabilitation (VR) agencies have provided services to those blind or disabled SSI recipients whom they accepted as clients. SSA has traditionally reimbursed the VR agency 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 referred to as an "employment network" (EN), or from a State VR agency. In addition, the Ticket legislation provided for a new procedure for compensating ENs under an outcome or outcome-milestone payment system¹. 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.

After being phased in gradually beginning in 2002, the Ticket to Work program has been in operation nationwide since November 2003. Under this program SSA provides eligible individuals who receive SSI benefits due to blindness or disability 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.

ENs and State VR agencies are the only providers of VR services to SSI disabled recipients that can be compensated for those services by SSA. All ENs are compensated through the outcome-based system. State VR agencies are compensated under the traditional VR reimbursement system for those cases where they have not elected to participate as an EN. Any services provided by the State VR agencies to SSI recipients who are not yet eligible for a ticket will be compensated under the traditional VR reimbursement 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 program of VR services, employment services, or other support services, 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 approved program is 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

¹ State VR agencies generally have the option on a case-by-case basis of electing to be paid under an EN payment system or under the traditional cost reimbursement payment system.

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 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 whereas each State's Disability Determination Services (DDS) makes determinations of the medical eligibility factors.¹

2. Determination of Eligibility for Benefits

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. (One-time, non-recurring income would only be counted in the month received.)

¹ The applicant can appeal unfavorable determinations of either the nonmedical or medical eligibility factors. The administrative review process consists of several steps, which must be requested within certain time periods. Under DSI, the new disability determination process for which final rules were published in March 2006, the administrative review process will be changed for appeals of unfavorable medical determinations. Implementation of DSI is scheduled to begin with the Boston region in August 2006.

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 working 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. Ensuring Continued Eligibility for Benefits

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.

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 monetary penalties or ineligibility for SSI benefits.

The basic "failure to report" 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. However, in cases of fraud or false representation of material facts, SSA's Inspector General can assess civil monetary penalties in amounts as large as \$5,000. SSA also has the authority to suspend eligibility to SSI benefits for periods of 6, 12, or 24 months.

Additionally, SSA may use an accelerated rate of overpayment recovery to encourage accurate reporting. Overpayments to SSI recipients are generally recovered by withholding from the monthly benefit an amount equal to 10 percent of the individual's countable monthly income. For many recipients whose only income is SSI, this amounts to 10 percent of their monthly SSI payment. However, if SSA determines that

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

misrepresentation or concealment of material information has occurred, 100 percent of the monthly SSI benefit may be subject to recovery.

5. 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 (\$33 a month in 2006 (\$64 a month for disabled recipients who also have a drug addiction or alcoholism condition)).

Representative payees may use an SSI recipient's benefit only 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 institution to maintain the retroactive payment. Expenditures from the account must be used primarily for certain expenses related to the child's impairment.

6. 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 while a decision at the first level of appeal is pending. 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.

7. Fees for Attorneys and Non-attorney Representatives

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 will be. While the Social Security Act does not establish a maximum fee, most attorneys use a 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 has traditionally differed from the Social Security program in that amounts could not be withheld from an individual's SSI benefits to pay for attorney fees. SSI claimants were responsible for paying such fees directly to their attorneys. However, beginning February 28, 2005, direct payment of attorney fees has temporarily been extended to the SSI program under the same process and in the same manner as fees are directly paid in the Social Security program. As in the fee process for the Social Security program, attorneys are now charged an assessment of the smaller of 6.3 percent of each authorized fee withheld or \$75. The flat-rate cap is adjusted based on annual cost-of-living adjustments, rounded down to the next lower dollar. In addition, the Commissioner is conducting a nationwide demonstration project

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

providing for extension of fee withholding for non-attorney representatives under Social Security and SSI. In order to be eligible to participate in the demonstration project, non-attorney representatives will have to meet specified prerequisites that include: having a bachelors' degree or equivalent; having experience in representing claimants before SSA; having liability insurance; passing a criminal background check; and, passing an examination given by SSA that tests relevant knowledge of the Social Security Act and recent court decisions. The SSI fee withholding and direct payment of fees, and the demonstration project provisions, are temporary in that their authority ends after 5 years.

8. 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 of being 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.

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 either to 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.

¹ References to State include, in addition to the 50 States, the District of Columbia. The applicable State supplementation provisions would also apply to the Northern Mariana Islands if it began making State supplementary payments.

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 Passalong Provisions below).

2. Mandatory State Supplementary Payment Programs

States are required¹ 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. Over the years, many individuals who were converted to SSI from the State benefit rolls in December 1973 have died and others have had their incomes increased above the December 1973 level. As a result, 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 \$9.29 fee for each supplementary payment issued in fiscal year 2006. 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

When the SSI program began in 1974, there were no requirements that States maintain their efforts with regard to levels of State supplementary payments. However, in 1976 in reaction to States reducing their supplementary payment amounts when SSI payments were increased, Congress mandated that States pass along SSI benefit increases resulting from cost-of-living adjustments.

To meet the passalong (or maintenance-of-effort) 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, 41 States use the levels method and 9 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 administra-

¹ 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.

tion 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 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 or entitlement to disabled adult child 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

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

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.¹ Thirty-nine States have interim assistance agreements with SSA.

¹ 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. Beginning February 2005, when an authorized representative fee may be paid directly, SSA reimburses the State and then pays the approved fee. Any remainder will be paid into a special financial account, in installments, or the full remainder to the recipient. This change is a 5-year demonstration project.

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—		Agreement with SSA to determine eligibility	Interim assistance reimbursement agreement with SSA
	State	Federal (SSA)	Federal & State	“Payment levels”	“Total expenditures”	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	10	5	41	9	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, 2006-30

As described in section III, eligibility for payments under the SSI program depends on satisfying a collection of requirements 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 and expenditures will depend on a variety of difficult-to-predict factors including the performance of national and local economies, distribution of personal income, the prevalence of disability in the general population, and the determination of disability as defined by the Social Security Act. Nevertheless, for planning purposes it is important to develop projections of future program participation and expenditures to the extent that we can understand and model the impact of these factors on the SSI program. The projections presented in this section reflect the latest efforts in this regard.

This section includes projections of program participation and expenditures under the SSI program for a period of 25 years as required by the provisions of Public Law 104-193 which mandate this report. Our current projection model disaggregates the basic population by single year of age and gender in order to better understand and project the various transitions in and out of payment status. Transitions into payment status are projected separately for: (1) new entrants resulting from an application for program benefits and (2) returns to payment status from suspended status. Movements out of payment status are projected separately for (1) terminations due to death and (2) suspensions of payment due to all other reasons.¹ The assumptions and methods used in preparing these projections are reexamined each year in the light of recent experience and new information about future conditions, and revised if warranted. The presentation of projection results in the remainder of this section provides SSI population information by selected age groups. Where certain recipient categories have overlapping age distributions, recipient category totals are also 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. These estimates are based on the intermediate demographic projections and CPI assumptions developed for the 2006 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance (OASDI) Trust Funds.² Detailed discussion of these demographic and economic parameters is presented in sections V.A and V.B of that report.³ 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 for the age subgroups that are used in the presentation of SSI participant projections discussed in the next section.

¹ The two main reasons other than death for termination of SSI payments are (1) failure to satisfy income and resource limitations of the SSI program and (2) recovery from a qualifying disability.

² House Document 109-103, published May 1, 2006.

³ *Ibid*, Section V.A, *Demographic Assumptions and Methods* and Section V.B, *Economic Assumptions and Methods*.

Table IV.A1.—Historical and Projected Population in the Social Security Area based on the Intermediate Assumptions of the 2006 OASDI Trustees Report, as of July 1, 1974-2030
[In thousands]

	Age groups ¹						Total all ages
Year	0-17	18-34	35-49	50-64	65-74	75 or older	
Historical data:							
1974	70,713	60,129	36,328	32,819	13,883	8,883	222,755
1975	69,726	62,092	36,311	33,165	14,188	9,117	224,599
1976	68,736	63,980	36,478	33,437	14,509	9,362	226,501
1977	67,830	65,644	36,887	33,705	14,840	9,618	228,524
1978	67,001	67,223	37,470	33,940	15,167	9,886	230,687
1979	66,271	68,855	38,044	34,110	15,483	10,170	232,932
1980	65,747	70,443	38,565	34,240	15,773	10,464	235,233
1981	65,421	71,537	39,565	34,297	16,045	10,763	237,627
1982	65,209	72,120	41,104	34,246	16,332	11,093	240,104
1983	65,146	72,586	42,665	34,125	16,594	11,426	242,541
1984	65,233	72,912	44,170	34,030	16,834	11,743	244,922
1985	65,458	73,116	45,663	33,931	17,113	12,054	247,335
1986	65,747	73,222	47,273	33,754	17,448	12,356	249,800
1987	65,983	73,301	48,966	33,650	17,738	12,675	252,313
1988	66,184	73,426	50,663	33,666	17,961	12,993	254,892
1989	66,613	73,360	52,428	33,723	18,167	13,316	257,608
1990	67,474	72,883	54,229	33,842	18,371	13,658	260,458
1991	68,588	72,127	55,998	34,072	18,595	13,992	263,372
1992	69,706	71,312	57,642	34,552	18,805	14,324	266,342
1993	70,731	70,569	59,179	35,203	18,956	14,635	269,273
1994	71,633	69,853	60,784	35,840	19,032	14,938	272,081
1995	72,363	69,189	62,510	36,403	19,048	15,273	274,786
1996	72,978	68,684	63,832	37,397	18,981	15,638	277,511
1997	73,458	68,372	64,660	38,900	18,880	15,978	280,248
1998	73,799	68,208	65,474	40,390	18,748	16,279	282,898
1999	74,118	68,139	66,241	41,843	18,615	16,562	285,517
2000	74,416	68,353	66,827	43,260	18,554	16,876	288,287
2001	74,713	68,832	67,237	44,735	18,531	17,224	291,274
2002	75,026	69,415	67,501	46,265	18,548	17,529	294,284
2003 ²	75,273	70,015	67,667	47,796	18,613	17,760	297,125
2004 ²	75,479	70,398	67,811	49,463	18,732	17,893	299,777
2005 ²	75,689	70,506	67,956	51,269	18,934	17,968	302,323
Projected:							
2006	75,890	70,656	67,973	53,063	19,251	18,015	304,849
2007	75,993	71,088	67,717	54,757	19,760	18,026	307,340
2008	75,997	71,807	67,217	56,334	20,435	18,008	309,798
2009	76,008	72,590	66,613	57,943	21,109	18,001	312,264
2010	76,084	73,285	65,967	59,642	21,716	18,047	314,741
2011	76,230	73,918	65,343	61,094	22,528	18,112	317,226
2012	76,429	74,484	64,825	62,084	23,706	18,192	319,719
2013	76,658	74,951	64,436	62,919	24,941	18,310	322,215
2014	76,939	75,240	64,206	63,770	26,081	18,475	324,710
2015	77,280	75,312	64,223	64,478	27,211	18,699	327,202
2016	77,647	75,284	64,477	64,943	28,312	18,999	329,662
2017	78,000	75,306	64,833	65,201	29,319	19,427	332,086
2018	78,264	75,518	65,144	65,339	30,270	19,963	334,497
2019	78,416	75,907	65,301	65,448	31,317	20,502	336,892
2020	78,530	76,326	65,330	65,574	32,488	21,022	339,269
2021	78,621	76,749	65,407	65,601	33,534	21,715	341,626
2022	78,831	77,059	65,676	65,375	34,319	22,696	343,957
2023	79,180	77,203	66,168	64,928	35,045	23,733	346,256
2024	79,522	77,257	66,807	64,384	35,836	24,708	348,514
2025	79,852	77,220	67,507	63,807	36,642	25,701	350,729
2026	80,160	77,174	68,203	63,253	37,376	26,705	352,871
2027	80,441	77,177	68,815	62,797	37,993	27,712	354,936
2028	80,702	77,252	69,294	62,466	38,501	28,732	356,946
2029	80,942	77,380	69,599	62,290	38,884	29,805	358,899
2030	81,164	77,542	69,722	62,349	39,085	30,932	360,794

¹ Age as of last birthday.

² Preliminary or estimated.

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 in January of each year 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 the 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.—SSI Federal Benefit Rate Increases and Levels: Historical and Projected on the Basis of the Intermediate Assumptions of the 2006 OASDI Trustees Report, 1974-2030

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
2004.....	2.1	564.00	846.00	282.00
2005.....	2.7	579.00	869.00	290.00
2006.....	4.1	603.00	904.00	302.00
Projected:				
2007.....	2.3	617.00	925.00	309.00
2008.....	2.2	630.00	946.00	316.00
2009.....	2.6	647.00	970.00	324.00
2010.....	2.8	665.00	997.00	333.00
2011.....	2.8	683.00	1,025.00	342.00
2012.....	2.8	703.00	1,054.00	352.00
2013.....	2.8	722.00	1,084.00	362.00
2014.....	2.8	743.00	1,114.00	372.00
2015.....	2.8	763.00	1,145.00	382.00
2016.....	2.8	785.00	1,177.00	393.00
2017.....	2.8	807.00	1,210.00	404.00
2018.....	2.8	829.00	1,244.00	415.00
2019.....	2.8	853.00	1,279.00	427.00
2020.....	2.8	876.00	1,315.00	439.00
2021.....	2.8	901.00	1,352.00	451.00
2022.....	2.8	926.00	1,390.00	464.00
2023.....	2.8	952.00	1,428.00	477.00
2024.....	2.8	979.00	1,468.00	490.00
2025.....	2.8	1,006.00	1,510.00	504.00
2026.....	2.8	1,035.00	1,552.00	518.00
2027.....	2.8	1,063.00	1,595.00	533.00
2028.....	2.8	1,093.00	1,640.00	548.00
2029.....	2.8	1,124.00	1,686.00	563.00
2030.....	2.8	1,155.00	1,733.00	579.00

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

This section presents projections of the various subpopulations which lead to the numbers of persons receiving Federal SSI payments. As described above, the model that produces these projections is structured to handle population flows by single-year-of-age.¹ Correspondingly, the tables in this section present population totals by selected age groupings for the SSI recipient categories of (1) aged and (2) blind or disabled. The following paragraphs discuss these age groupings and recipient categories in more detail.

- The *aged* category includes those individuals whose eligibility for SSI benefits is established based on meeting the age-65²-or-older requirement for assistance, and other SSI eligibility requirements including income and resource limits. In December 2005, there were 1.214 million aged recipients of Federally-administered SSI payments.
- The *blind or disabled* category includes those individuals whose eligibility is established based on meeting the definition of blindness or disability and the applicable income and resource limits as well as any other SSI eligibility requirements. This category is often subdivided into two subcategories based on age: *blind or disabled adults* (age 18 or older) and *blind or disabled children* (under age 18). In December 2005, there were 5.9 million blind or disabled recipients of Federally-administered SSI payments
 - The *blind or disabled adults* subcategory includes those individuals age 18 or older who meet the definition of blindness or disability for individuals age 18 or older and SSI income and resource limits. Included in this category are students age 18 to 21 who must meet the adult definition of disability and differ from other adults only in that they qualify for a special student earned income exclusion. After attainment of age 65, these individuals generally continue to be classified as blind or disabled adults (rather than aged). In December 2005, there were 4.863 million blind or disabled recipients of Federally-administered SSI payments age 18 or older, including 7 thousand students who used the special student earned income exclusion and 780 thousand disabled or blind recipients age 65 or older.
 - The *blind or disabled children* subcategory includes those individuals whose eligibility is established based on meeting the definition of blindness or disability for individuals under age 18. These children are subject to parent-to-child deeming until they reach the age of 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 and, as a result, are reclassified as blind or disabled adults. In December 2005, there were 1.036 million blind or disabled recipients of Federally-administered SSI payments who were under age 18.

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 2005 were about 2.6 percent higher (1.8 percent higher for blind or disabled and 13.3 percent higher for aged) than were received in 2004 following increases of 3.4 percent and 7.3 percent in 2003 and 2004, respectively. The actual result for 2005 was 2.6 percent higher than estimated for 2005 in the 2005 Annual Report. This growth in applications in the past few years is likely partially related to the downturn in the economy that began early in 2001. However, some of the more recent growth in 2004 and 2005 is attributable to the signature proxy process³ introduced by SSA in June 2004.

¹ Population flows are projected on a calendar-year-age basis, with activity throughout a given year tabulated according to age at the end of the calendar year. Tabulations of recipients in current-payment status are provided as of December of each calendar year at which time calendar year of age and age last birthday are the same. However, the tabulations that reflect activity throughout the calendar year are summarized according to calendar year of age and will not correspond precisely to tabulations summarized according to age last birthday. For example, applications for the 0-17 age group for a given calendar year include applications only for those individuals who are under 18 at the end of the calendar year.

² Individuals may apply for SSI benefits based on age as of the day preceding their 65th birthday.

³ The signature proxy process eases the application process by eliminating the requirement for a signed paper application from SSI applicants filing claims via the telephone.

In the short term, our projections are for the numbers of applications to decline as the economy is assumed to continue its recovery; however, the overall level of applications reflects a projected permanent upward shift in applications due to signature proxy process. Following the short-term decline, applications are estimated to grow in the longer term 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 1974-2030
[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, 3}	125	590	626	1,303	158	20	1,434	1,496	2,822	2,931	5,752
1975 ^{2, 4}	94	276	258	443	15	5/	238	145	1,086	382	1,468
1976	82	260	250	384	8	5/	175	80	984	254	1,239
1977	100	286	246	401	7	1	174	84	1,040	259	1,298
1978	94	276	256	413	7	5/	170	88	1,046	258	1,304
1979	106	282	268	426	7	5/	178	84	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
2003	400	404	565	408	4	5/	100	36	1,781	135	1,916
2004	420	438	604	452	4	5/	101	37	1,919	138	2,057
2005	429	439	604	477	5	5/	112	44	1,954	156	2,110
Projected:											
2006	418	429	588	488	5	5/	111	40	1,929	151	2,080
2007	403	401	565	487	6	5/	111	38	1,863	149	2,012
2008	397	396	548	495	6	5/	116	38	1,844	153	1,997
2009	393	393	536	504	6	5/	119	38	1,832	156	1,988
2010	392	395	528	513	6	5/	121	38	1,834	158	1,992
2011	392	397	522	521	7	5/	128	38	1,839	165	2,005
2012	393	400	518	529	8	5/	136	38	1,847	174	2,021
2013	394	402	514	536	8	5/	141	38	1,854	179	2,033
2014	396	403	513	542	8	5/	146	38	1,862	184	2,046
2015	398	402	513	547	8	5/	151	39	1,868	190	2,059
2016	399	402	516	549	9	5/	156	39	1,874	196	2,070
2017	400	402	518	549	9	5/	160	41	1,879	201	2,079
2018	401	404	520	548	9	5/	165	42	1,883	206	2,089
2019	402	407	520	548	9	5/	171	43	1,888	214	2,101
2020	403	410	520	549	10	5/	177	44	1,892	221	2,113
2021	404	413	521	548	10	5/	181	46	1,896	227	2,123
2022	406	413	524	544	10	5/	185	48	1,898	233	2,131
2023	408	414	529	539	10	5/	189	50	1,900	239	2,138
2024	410	413	535	533	10	5/	193	52	1,902	245	2,147
2025	411	413	541	529	10	5/	197	54	1,904	251	2,155
2026	413	413	546	524	10	5/	199	56	1,906	255	2,162
2027	414	413	551	521	10	5/	201	58	1,909	259	2,168
2028	415	413	554	519	10	5/	202	60	1,912	262	2,174
2029	416	414	556	520	10	5/	203	62	1,917	265	2,181
2030	417	415	556	523	10	5/	202	65	1,921	266	2,188

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

² "All" column estimated by the Office of Research, Evaluation, and Statistics using a 10-percent sample and published in the SSI Annual Statistical Report.

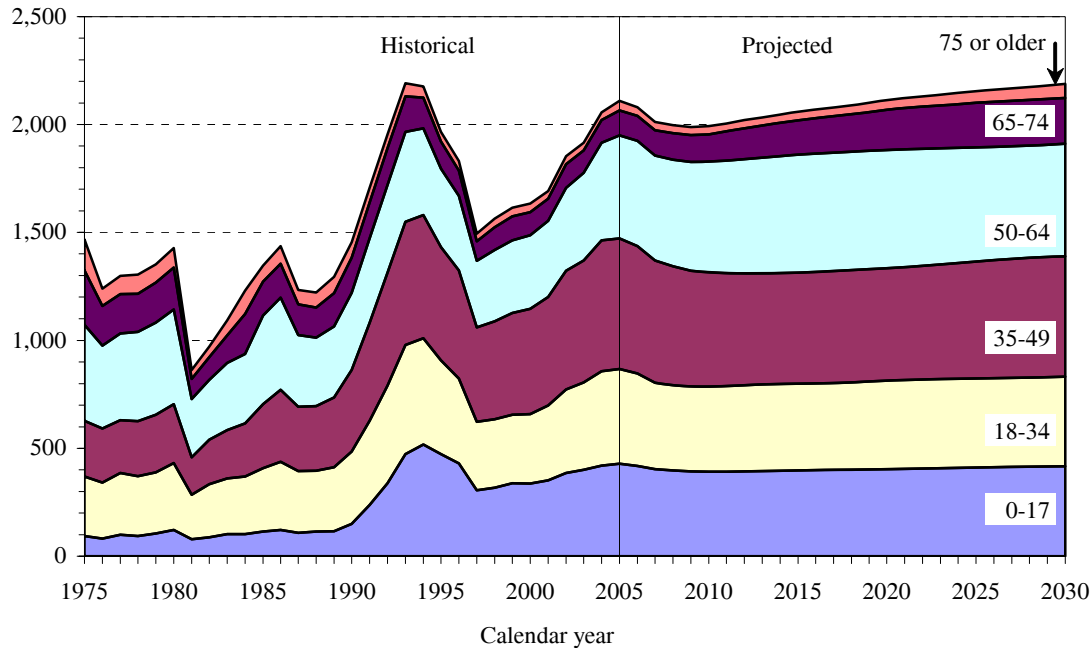
³ Includes conversions from State programs and applications received in 1973.

⁴ Estimated totals revised from prior SSI Annual Reports.

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 1975-2030
[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, over 90 percent of the applications are for disability benefits which generally require an evaluation of an alleged impairment by the appropriate State Disability Determination Service. An unfavorable disability determination may then be appealed by the applicant through several administrative levels of appeal.¹ 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.”² Following an increase of 4.1 percent in 2004, the numbers of new entrants into SSI payment status in 2005 decreased by 1.0 percent. As with applications, the experience varied by program category, with the blind or disabled new entrants decreasing by 1.8 percent and the aged new entrants increasing by 5.1 percent. The growth in awards in recent years has not kept pace with the growth in applications, and the number of claims pending adjudication has grown. In addition, since the introduction of the signature proxy process, there has been a significant increase in the number of denials for applications where the applicant does not meet the nonmedical criteria. Our projections assume that the level of new entrants will remain fairly high in the next 2 years, but will then decline for a few years following the projected decline in applications. Over the longer term the numbers of new entrants are estimated to increase gradually in line with the projected growth in applications.

¹ The administrative review process will be changed for appeals of unfavorable medical determinations under DSI, the new disability determination process for which the final regulations were published in March 2006. Our projections incorporate the assumed effects of implementing DSI in the SSA administrative regions of Boston, Denver, and Seattle by fiscal year 2009; however, the projections do not include any assumed effects for implementing DSI in the remaining seven regions since the implementation schedule for these regions has not yet been determined. We expect the estimated effect of the new process to be fully reflected in next year's report.

² 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 1974-2030
[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	63	390	381	925	141	18	1,211	1,268	1,919	2,479	4,398
1975	58	133	105	272	16	4/	216	131	584	347	931
1976	43	105	88	207	9	4/	147	70	452	218	669
1977	48	104	84	184	8	1	140	69	429	209	637
1978	43	92	76	154	6	4/	127	66	370	193	563
1979	44	87	62	133	4	4/	116	53	330	169	499
1980	41	92	61	142	4	4/	125	59	341	184	524
1981	37	77	49	106	3	4/	80	37	272	117	389
1982	38	63	51	90	4	4/	72	31	245	103	348
1983	47	88	62	117	3	4/	95	51	317	146	463
1984	47	109	78	142	4	4/	131	78	380	209	589
1985	48	104	80	148	4	4/	106	46	384	152	536
1986	55	127	109	153	5	4/	110	51	449	161	610
1987	48	119	106	157	5	4/	116	52	435	167	602
1988	50	101	108	146	5	1	112	56	412	167	579
1989	48	113	115	155	5	4/	127	62	436	189	625
1990	76	136	134	182	5	4/	149	66	533	215	748
1991	126	146	172	200	6	4/	139	54	650	193	844
1992	221	199	221	233	6	4/	133	48	881	181	1,062
1993	235	194	221	225	6	4/	136	49	881	185	1,066
1994	204	164	207	215	6	4/	116	42	796	157	953
1995	177	147	207	218	5	4/	105	36	755	141	895
1996	145	134	193	203	6	1	93	35	681	128	809
1997	116	111	171	178	4	4/	68	25	580	93	673
1998	135	117	181	194	7	1	78	30	634	108	742
1999	140	114	186	195	5	4/	88	33	640	120	760
2000	145	112	180	191	5	4/	84	31	633	115	748
2001	157	121	185	198	4	4/	79	28	665	107	772
2002	171	128	195	212	4	4/	82	29	710	111	821
2003	180	132	194	214	4	4/	77	27	724	104	828
2004	183	138	202	231	4	4/	78	27	757	105	862
2005	178	131	192	238	4	4/	81	29	744	111	854
Projected:											
2006	178	140	208	259	5	4/	82	28	789	110	899
2007	177	141	217	275	7	4/	86	28	818	114	932
2008	173	136	205	273	7	4/	91	28	794	119	914
2009	169	131	193	272	7	4/	94	29	772	122	895
2010	168	129	186	274	7	4/	95	29	763	124	887
2011	168	128	182	275	7	4/	100	29	761	129	890
2012	169	128	180	277	8	4/	107	29	762	135	897
2013	170	129	178	281	8	4/	110	29	765	139	904
2014	170	129	178	284	8	4/	114	29	769	143	912
2015	171	128	178	287	8	4/	118	30	772	148	920
2016	172	128	178	288	8	4/	122	30	774	152	926
2017	172	128	179	289	8	4/	125	31	777	156	933
2018	173	129	179	289	8	4/	129	32	778	161	939
2019	173	130	179	289	9	4/	133	33	780	166	946
2020	174	130	179	289	9	4/	138	34	781	172	953
2021	174	132	179	289	9	4/	142	35	783	177	960
2022	175	132	181	287	9	4/	145	37	784	181	965
2023	176	132	183	285	9	4/	147	38	784	186	970
2024	176	132	185	282	10	4/	151	40	785	190	975
2025	177	132	187	280	10	4/	154	42	785	195	980
2026	178	132	189	278	10	4/	156	43	785	199	984
2027	178	132	190	276	10	4/	157	45	786	201	987
2028	179	132	192	274	10	4/	158	46	786	204	990
2029	179	132	192	274	10	4/	158	48	787	206	993
2030	179	133	192	275	9	4/	157	50	789	207	996

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

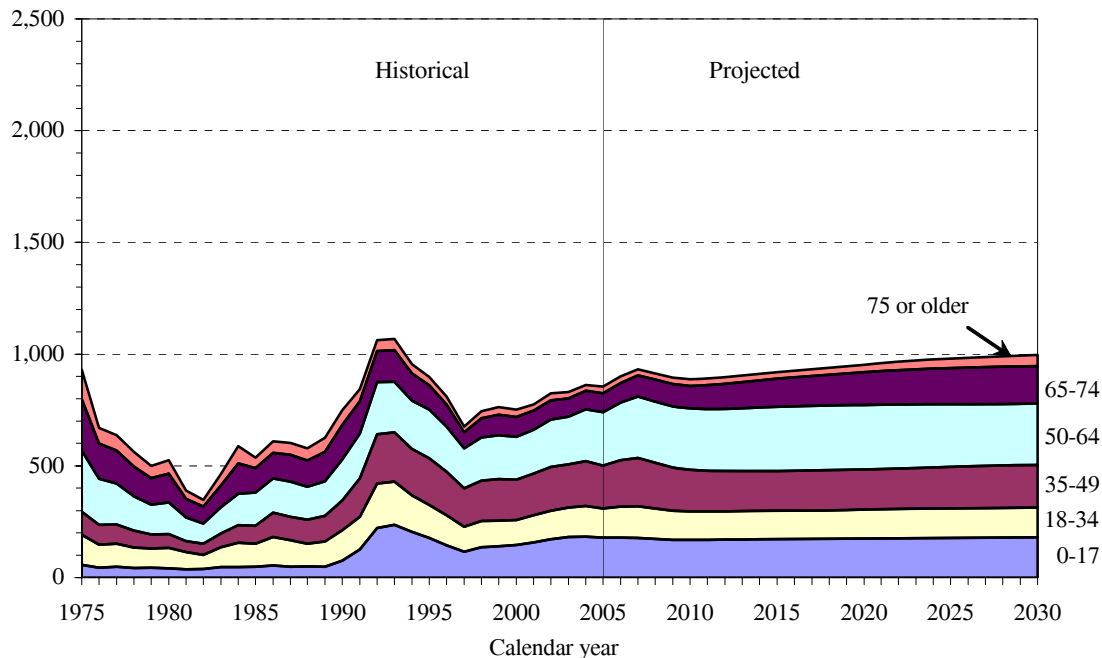
² Historical totals estimated based on 1-percent or 10-percent sample data.

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

⁴ 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 1975-2030
[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 2005 was 0.5 percent lower than anticipated in the 2005 Annual Report. Terminations due to death were 2.9 percent lower than anticipated, and terminations due to reasons other than death were 0.5 percent higher than estimated last year. When aggregated by category, total aged terminations in 2005 were 6.7 percent lower than estimated, while blind or disabled terminations were 0.7 percent higher.

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 1974-2030

[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/	3	8	34	7	2	40	97	55	137	192
1975	1	5	12	35	10	2	39	108	65	147	212
1976	2	5	9	36	12	1	34	103	64	137	201
1977	1	5	12	30	15	1	36	101	65	137	203
1978	2	5	8	34	16	2	31	95	67	126	193
1979	2	6	9	32	18	2	29	92	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
2003	5	9	28	51	26	21	10	56	138	66	204
2004	5	8	27	52	25	22	10	56	140	65	205
2005	5	8	28	54	25	22	9	54	141	63	204
Projected:											
2006	5	8	27	55	26	22	9	56	144	65	209
2007	5	8	27	57	26	23	10	57	148	66	214
2008	5	9	28	60	27	23	10	57	152	67	219
2009	5	9	27	62	28	24	10	57	155	67	222
2010	5	9	27	64	29	24	10	57	158	67	225
2011	5	9	26	65	30	25	10	57	161	67	228
2012	5	10	26	67	31	25	10	57	164	67	231
2013	5	10	26	68	32	25	11	56	166	67	233
2014	5	10	25	69	34	26	11	56	168	67	236
2015	5	10	25	69	35	26	12	56	171	68	238
2016	6	10	25	70	36	27	12	56	173	68	241
2017	6	10	25	70	37	27	13	56	175	68	244
2018	6	10	25	70	39	28	13	56	177	69	246
2019	6	10	25	71	40	28	14	56	179	70	249
2020	6	10	25	71	41	29	14	56	181	70	252
2021	6	10	25	70	42	30	15	57	183	71	255
2022	6	10	25	70	43	31	15	58	185	73	258
2023	6	10	26	69	44	32	15	59	187	74	261
2024	6	10	26	69	45	33	16	60	188	76	264
2025	6	10	26	68	46	34	16	61	190	77	267
2026	6	10	27	67	47	35	17	62	191	79	270
2027	6	10	27	67	48	36	17	64	193	81	274
2028	6	10	27	66	48	37	17	66	194	83	277
2029	6	10	27	66	48	38	18	68	195	85	281
2030	6	10	27	66	48	39	18	70	197	88	284

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

Table IV.B4.—SSI Federally-Administered Terminations Due to Reasons Other Than Death, Calendar Years 1974-2030
[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	5	33	34	69	12	2	27	29	154	56	210
1975	7	50	44	104	15	2	88	91	221	180	401
1976	11	70	61	139	24	1	107	133	306	240	546
1977	13	65	56	110	19	1	76	92	265	168	433
1978	11	64	49	97	18	1	64	86	241	150	391
1979	12	59	43	96	23	1	58	85	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
2003	72	95	122	135	20	9	20	36	453	56	509
2004	85	101	136	156	23	9	24	38	510	62	572
2005	64	101	129	157	20	8	15	30	479	45	524
Projected:											
2006	61	96	130	168	22	9	18	32	486	50	536
2007	71	99	123	166	21	9	19	32	489	51	540
2008	77	106	123	172	21	10	20	32	508	52	560
2009	77	110	123	178	22	10	20	32	520	52	572
2010	81	114	121	182	22	10	20	33	529	54	583
2011	76	119	118	182	23	10	21	34	530	55	585
2012	73	122	117	182	25	10	22	35	528	57	585
2013	73	126	116	184	25	10	23	35	534	58	593
2014	74	128	115	187	27	11	24	35	542	59	601
2015	74	130	115	189	28	11	25	35	546	59	606
2016	74	127	115	190	29	11	26	35	547	60	607
2017	75	128	116	191	30	11	27	35	552	61	613
2018	75	129	117	191	31	11	27	35	554	62	616
2019	75	130	117	191	32	12	29	35	556	63	620
2020	75	131	116	191	33	12	30	35	558	65	623
2021	75	132	117	190	34	12	30	36	560	66	626
2022	75	132	117	188	34	13	31	37	561	68	629
2023	75	133	119	187	35	13	32	38	562	70	631
2024	76	132	120	185	36	14	32	39	563	71	634
2025	76	132	122	183	36	14	33	40	563	73	636
2026	76	132	123	181	37	15	34	41	564	75	639
2027	77	132	124	180	37	15	34	42	565	77	642
2028	77	133	125	179	37	16	35	44	567	79	645
2029	77	134	125	178	37	16	35	45	568	80	648
2030	77	134	126	179	37	17	35	47	570	82	652

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

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.

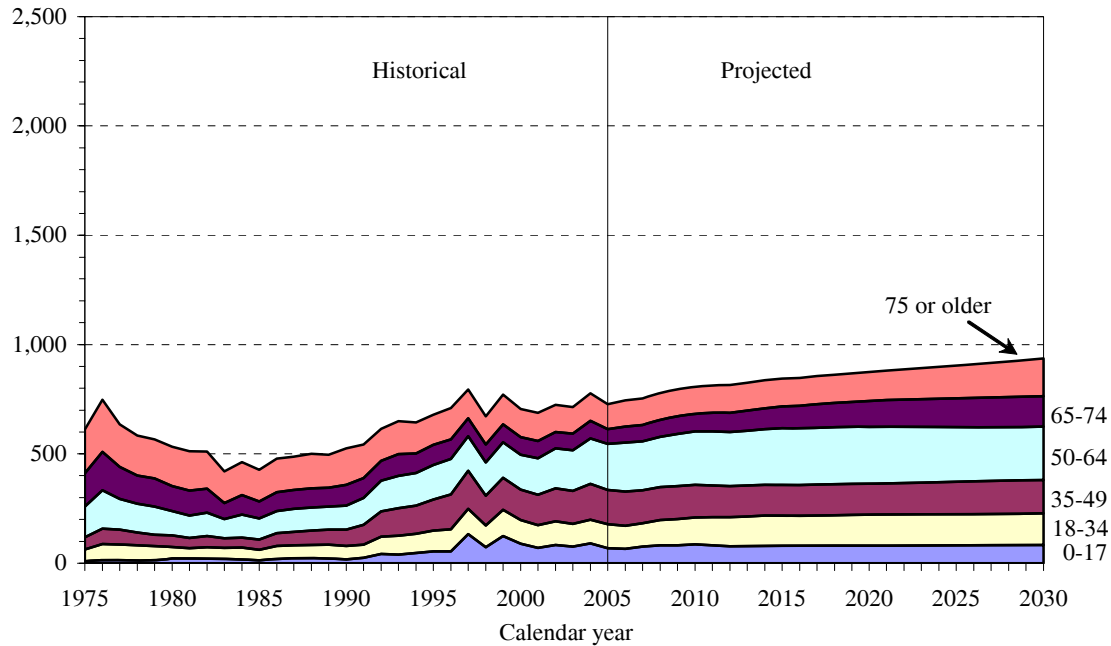
Table IV.B5.—SSI Federally-Administered Terminations for All Reasons, Calendar Years 1974-2030
[In thousands]

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	5	36	42	103	19	4	67	126	209	193	402
1975	8	55	56	140	25	3	127	199	287	326	613
1976	13	75	71	174	35	3	141	236	371	377	748
1977	14	71	68	140	34	3	112	194	330	305	636
1978	14	70	58	130	34	3	94	181	308	276	584
1979	13	65	52	128	41	2	88	177	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
2003	76	104	149	186	46	30	31	92	591	122	713
2004	90	109	163	208	48	31	34	93	650	127	777
2005	69	109	157	211	45	30	24	84	621	107	728
Projected:											
2006	66	104	158	223	48	32	27	88	630	115	745
2007	76	107	150	223	48	33	29	88	637	117	754
2008	82	115	150	232	48	33	29	89	660	118	778
2009	82	119	150	240	50	33	30	90	675	119	794
2010	86	124	148	245	51	34	30	90	688	121	808
2011	82	129	145	248	53	34	31	91	691	122	813
2012	78	132	143	248	56	35	32	92	692	124	816
2013	78	136	142	251	58	36	34	92	701	125	826
2014	79	138	141	256	60	36	35	91	711	126	837
2015	79	139	140	259	63	37	37	90	717	127	844
2016	80	137	140	260	65	37	38	90	720	128	848
2017	80	138	142	262	67	38	39	90	727	130	857
2018	80	139	142	261	69	39	41	90	731	131	862
2019	80	140	142	261	72	40	42	91	735	133	868
2020	81	141	141	261	74	41	44	91	739	135	875
2021	81	142	142	260	76	42	45	92	743	138	881
2022	81	142	143	258	78	44	46	94	746	141	886
2023	81	143	144	256	79	45	47	96	748	144	892
2024	81	142	146	253	81	47	48	98	751	147	898
2025	82	142	148	251	82	48	49	101	753	150	903
2026	82	142	150	248	84	50	51	104	756	154	910
2027	82	143	151	246	85	51	52	106	758	158	916
2028	83	143	152	245	85	53	52	110	761	162	923
2029	83	144	153	244	86	54	53	113	764	166	929
2030	83	144	153	245	86	56	53	116	766	170	936

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

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 1975-2030
[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 2005 was that there were roughly 0.8 percent fewer Federal SSI recipients at the end of 2005 than estimated for the 2005 Annual Report.

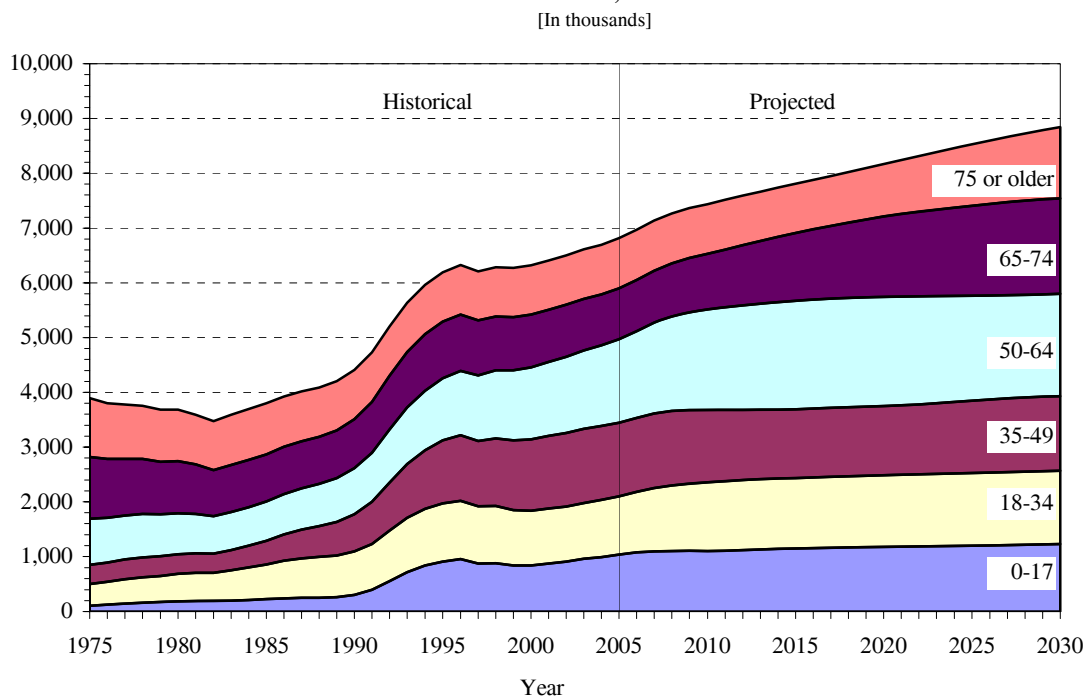
Table IV.B6.—SSI Recipients with Federal Benefits in Current-Payment Status as of December, 1974-2030
[In thousands]

Year	Blind or disabled, by age group					75 or older	Aged, by age group		Totals		
	0-17	18-34	35-49	50-64	65-74		65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	70	338	321	756	109	13	1,010	1,019	1,606	2,029	3,635
1975	106	395	352	838	164	14	963	1,062	1,869	2,025	3,893
1976	124	420	352	813	208	14	864	1,003	1,932	1,867	3,799
1977	147	442	358	800	249	16	785	980	2,013	1,765	3,778
1978	165	460	361	791	277	16	728	958	2,069	1,686	3,755
1979	176	472	359	764	307	16	656	938	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

Table IV.B6.—SSI Recipients with Federal Benefits in Current-Payment Status as of December, 1974-2030 (Cont.)

[In thousands]											
Blind or disabled, by age group							Aged, by age group		Totals		
Year	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: (Cont.)											
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
2003	956	1,023	1,353	1,436	511	204	430	703	5,482	1,133	6,614
2004	990	1,044	1,350	1,476	515	208	412	699	5,584	1,111	6,695
2005	1,034	1,065	1,347	1,523	522	215	408	705	5,706	1,113	6,819
Projected:											
2006	1,074	1,105	1,351	1,586	530	218	407	700	5,865	1,106	6,971
2007	1,094	1,157	1,362	1,663	542	222	406	695	6,041	1,101	7,142
2008	1,101	1,199	1,360	1,728	558	224	412	689	6,170	1,101	7,271
2009	1,103	1,231	1,343	1,784	574	228	419	683	6,263	1,103	7,366
2010	1,102	1,253	1,322	1,837	587	232	427	678	6,335	1,106	7,440
2011	1,107	1,269	1,302	1,878	610	236	441	670	6,401	1,112	7,513
2012	1,117	1,279	1,285	1,908	639	240	460	662	6,468	1,122	7,590
2013	1,128	1,284	1,270	1,938	665	243	480	655	6,528	1,135	7,663
2014	1,139	1,286	1,259	1,964	691	245	501	650	6,583	1,151	7,734
2015	1,149	1,285	1,255	1,982	717	248	524	647	6,635	1,170	7,805
2016	1,158	1,286	1,257	1,993	741	252	547	645	6,687	1,192	7,879
2017	1,165	1,289	1,261	1,997	764	258	566	650	6,734	1,216	7,950
2018	1,169	1,296	1,265	1,997	787	264	585	657	6,778	1,243	8,021
2019	1,171	1,305	1,265	1,997	812	271	608	665	6,821	1,273	8,093
2020	1,173	1,312	1,264	1,995	839	276	633	673	6,861	1,306	8,166
2021	1,175	1,320	1,267	1,989	862	286	650	691	6,899	1,341	8,240
2022	1,181	1,323	1,276	1,975	880	299	662	716	6,935	1,378	8,313
2023	1,187	1,326	1,290	1,958	899	309	677	739	6,969	1,416	8,385
2024	1,194	1,325	1,307	1,938	919	320	693	762	7,002	1,456	8,458
2025	1,200	1,324	1,323	1,917	938	330	709	787	7,032	1,497	8,529
2026	1,206	1,325	1,338	1,899	952	340	724	813	7,061	1,537	8,598
2027	1,212	1,327	1,351	1,885	963	350	738	838	7,088	1,577	8,664
2028	1,217	1,331	1,360	1,873	971	360	750	865	7,112	1,615	8,727
2029	1,222	1,336	1,364	1,867	976	371	758	893	7,135	1,651	8,787
2030	1,226	1,342	1,365	1,869	974	382	762	923	7,158	1,685	8,843

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, 1975-2030

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. Since 2000, the growth rate for the Federal SSI recipient population has averaged over 1.5 percent per year. Our projections indicate that by 2010 we expect to gradually return to a modest growth rate of about 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.

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, 1974-2030

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:											
1974	0.10	0.55	0.89	2.29	0.77	0.14	7.18	11.26	0.72	8.77	1.63
1975 ....	.15	.63	.97	2.51	1.14	.15	6.69	11.42	.83	8.55	1.73
1976 ....	.18	.65	.96	2.42	1.41	.14	5.87	10.51	.85	7.70	1.67
1977 ....	.22	.67	.96	2.36	1.66	.17	5.21	9.99	.88	7.10	1.65
1978 ....	.25	.68	.95	2.32	1.80	.16	4.73	9.50	.89	6.62	1.62
1979 ....	.27	.68	.94	2.23	1.96	.15	4.18	9.03	.90	6.11	1.58
1980 ....	.29	.70	.90	2.19	2.14	.16	3.82	8.66	.91	5.76	1.56
1981 ....	.30	.72	.87	2.10	2.26	.16	3.34	8.09	.91	5.26	1.50
1982 ....	.29	.71	.83	2.00	2.34	.19	2.78	7.68	.89	4.77	1.44
1983 ....	.30	.76	.84	2.03	2.46	.24	2.68	7.64	.92	4.71	1.47
1984 ....	.32	.81	.88	2.06	2.39	.40	2.72	7.38	.96	4.65	1.50
1985 ....	.35	.87	.92	2.11	2.32	.58	2.67	7.00	1.00	4.47	1.53
1986 ....	.37	.94	.99	2.19	2.25	.72	2.63	6.57	1.05	4.27	1.56
1987 ....	.38	.98	1.05	2.25	2.19	.87	2.59	6.22	1.09	4.12	1.59
1988 ....	.38	1.00	1.09	2.30	2.14	.96	2.59	5.87	1.11	3.97	1.60
1989 ....	.40	1.03	1.15	2.36	2.09	1.07	2.66	5.60	1.14	3.91	1.63
1990 ....	.45	1.09	1.23	2.47	2.10	1.12	2.74	5.38	1.21	3.87	1.69
1991 ....	.57	1.16	1.35	2.62	2.08	1.17	2.89	5.17	1.30	3.88	1.79
1992 ....	.79	1.30	1.50	2.78	2.12	1.19	3.05	4.99	1.46	3.89	1.94
1993	1.02	1.41	1.63	2.91	2.15	1.20	3.17	4.84	1.59	3.90	2.08
1994	1.17	1.49	1.74	3.01	2.22	1.20	3.19	4.72	1.70	3.87	2.18
1995	1.26	1.54	1.81	3.09	2.28	1.21	3.15	4.59	1.77	3.80	2.25
1996	1.31	1.56	1.86	3.08	2.34	1.21	3.09	4.46	1.80	3.72	2.27
1997	1.20	1.52	1.84	3.02	2.42	1.19	2.90	4.34	1.76	3.56	2.21
1998	1.20	1.52	1.88	3.02	2.48	1.19	2.78	4.26	1.78	3.48	2.21
1999	1.14	1.48	1.91	3.00	2.55	1.16	2.68	4.19	1.77	3.40	2.19
2000	1.14	1.45	1.94	2.98	2.60	1.14	2.60	4.10	1.77	3.32	2.18
2001	1.18	1.44	1.97	2.97	2.66	1.12	2.49	4.02	1.79	3.23	2.19
2002	1.22	1.44	1.99	2.96	2.70	1.12	2.40	3.96	1.81	3.17	2.20
2003	1.27	1.46	2.00	2.95	2.73	1.13	2.30	3.92	1.84	3.09	2.22
2004	1.32	1.48	1.99	2.93	2.73	1.15	2.19	3.87	1.86	3.01	2.23
2005	1.37	1.51	1.98	2.92	2.73	1.19	2.14	3.89	1.88	2.99	2.25
Projected:											
2006	1.42	1.56	1.99	2.94	2.72	1.20	2.09	3.86	1.92	2.94	2.28
2007	1.45	1.62	2.02	2.99	2.70	1.22	2.02	3.83	1.96	2.88	2.32
2008	1.46	1.66	2.03	3.02	2.68	1.24	1.98	3.80	1.99	2.83	2.34
2009	1.46	1.69	2.03	3.03	2.67	1.26	1.95	3.77	2.00	2.79	2.35
2010	1.45	1.70	2.01	3.03	2.66	1.28	1.94	3.73	2.01	2.75	2.36
2011	1.46	1.71	2.00	3.04	2.64	1.29	1.91	3.67	2.01	2.69	2.36
2012	1.47	1.71	1.99	3.05	2.62	1.30	1.89	3.61	2.02	2.62	2.37
2013	1.48	1.71	1.98	3.06	2.60	1.31	1.88	3.54	2.02	2.58	2.37
2014	1.48	1.71	1.96	3.06	2.59	1.31	1.88	3.48	2.02	2.54	2.37
2015	1.49	1.71	1.95	3.06	2.58	1.31	1.88	3.41	2.02	2.50	2.38
2016	1.49	1.71	1.94	3.06	2.57	1.31	1.89	3.34	2.02	2.47	2.38
2017	1.50	1.71	1.94	3.06	2.56	1.30	1.90	3.28	2.02	2.45	2.39
2018	1.50	1.71	1.94	3.05	2.56	1.30	1.90	3.23	2.02	2.43	2.39
2019	1.50	1.71	1.94	3.05	2.54	1.30	1.90	3.18	2.02	2.41	2.40
2020	1.50	1.72	1.93	3.04	2.53	1.29	1.91	3.14	2.02	2.39	2.40
2021	1.50	1.72	1.93	3.03	2.53	1.28	1.91	3.10	2.01	2.38	2.40
2022	1.50	1.72	1.94	3.03	2.54	1.28	1.91	3.06	2.01	2.37	2.41
2023	1.50	1.72	1.94	3.03	2.53	1.27	1.91	3.03	2.01	2.37	2.42
2024	1.51	1.72	1.95	3.02	2.53	1.26	1.91	3.01	2.00	2.36	2.42
2025	1.51	1.72	1.95	3.02	2.53	1.25	1.91	2.99	2.00	2.36	2.43
2026	1.51	1.72	1.95	3.01	2.52	1.24	1.92	2.97	2.00	2.36	2.43
2027	1.51	1.72	1.96	3.01	2.51	1.23	1.93	2.96	1.99	2.36	2.44
2028	1.51	1.72	1.96	3.00	2.50	1.22	1.93	2.94	1.99	2.37	2.44
2029	1.51	1.73	1.96	3.00	2.49	1.21	1.94	2.93	1.98	2.37	2.44
2030	1.52	1.73	1.96	2.99	2.49	1.21	1.94	2.91	1.98	2.38	2.45

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

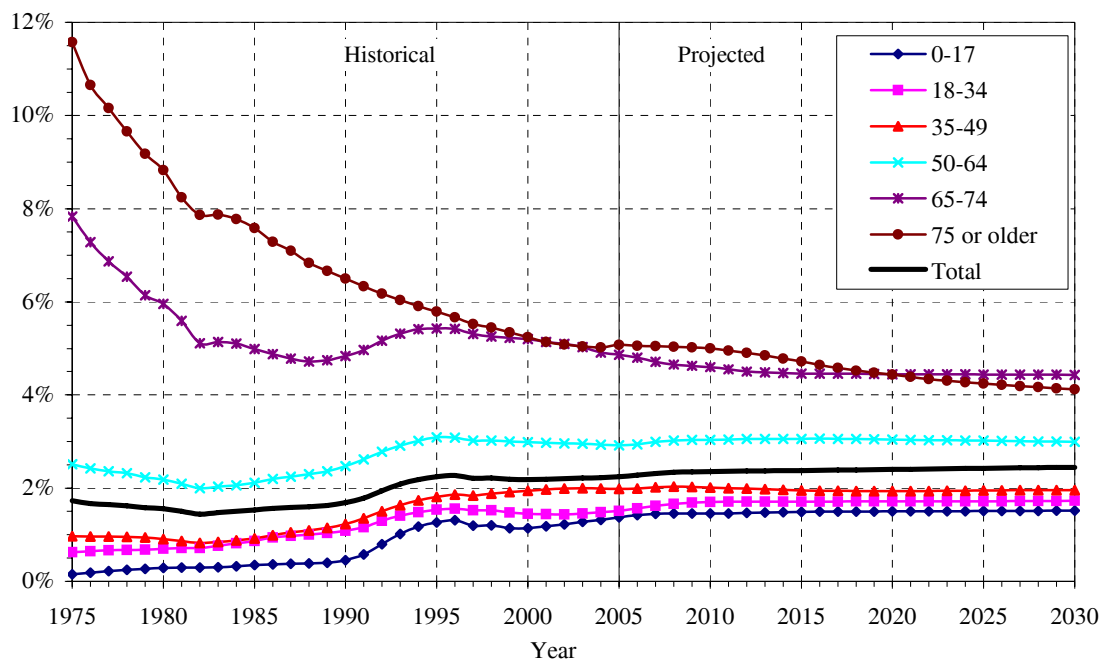
² Aged recipients as a percentage of the 65 or older Social Security Area population.

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

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 1975 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 leveled out over the next few years. It has increased slightly over the past few years and is expected to increase gradually 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 throughout the historical and projection periods, with the decline leveling off at the end of the projection period. 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 modest decrease in the late 1990s due to the implementation of legislation described in other sections, the number of blind or disabled persons receiving Federal SSI payments began a gradual increase as a percentage of the total population that is estimated to continue through 2008 and then level off at about 2 percent 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, 1975-2030



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, 1974-2030**
[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	12	20	57	13	1	138	120	104	257	361
1975	1	15	25	74	21	2	144	138	139	282	421
1976	1	14	27	87	26	2	134	146	156	280	437
1977	1	16	27	94	35	2	136	150	174	286	460
1978	1	16	26	93	41	2	127	155	180	282	462
1979	1	18	25	89	49	2	121	157	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
2003	3	18	58	67	30	12	42	58	188	100	288
2004	3	18	58	70	31	12	43	58	193	100	293
2005	3	18	56	73	31	12	44	58	193	102	295
Projected:											
2006	3	18	55	75	31	12	45	58	194	103	297
2007	3	19	55	79	32	12	47	58	199	105	304
2008	3	20	55	82	33	11	48	59	204	107	311
2009	3	20	54	85	34	11	49	59	208	108	316
2010	3	21	54	88	35	12	49	59	212	108	320
2011	3	21	53	90	37	12	49	59	216	109	324
2012	3	21	53	92	39	12	50	59	219	109	329
2013	3	21	53	93	41	12	51	59	223	110	333
2014	3	22	52	94	42	12	53	58	226	111	337
2015	3	22	52	95	44	12	54	58	229	113	342
2016	3	22	52	96	46	13	57	58	231	115	347
2017	3	22	52	96	47	13	58	59	234	118	352
2018	3	22	53	97	49	14	60	60	236	120	357
2019	3	22	53	97	50	14	63	61	239	123	362
2020	3	22	52	97	52	14	65	62	241	127	367
2021	3	22	53	97	53	15	67	63	243	130	373
2022	3	22	53	96	54	16	68	66	244	134	378
2023	3	23	54	95	55	16	70	68	246	138	384
2024	3	22	54	94	57	17	71	70	247	142	389
2025	3	22	55	93	58	17	73	73	249	146	395
2026	3	22	56	92	59	18	75	75	250	150	400
2027	3	22	56	92	59	18	76	78	251	154	404
2028	3	22	56	91	60	19	77	80	252	157	409
2029	3	22	57	90	60	19	78	83	252	161	413
2030	3	23	57	90	60	20	78	86	253	164	417

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 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, 1974-2030

[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	71	349	341	813	122	14	1,148	1,138	1,710	2,286	3,996
1975	107	410	378	911	185	16	1,107	1,200	2,007	2,307	4,314
1976	125	434	379	900	234	15	999	1,149	2,088	2,148	4,236
1977	147	458	385	893	284	18	921	1,130	2,187	2,051	4,238
1978	166	476	387	884	319	17	855	1,113	2,249	1,968	4,217
1979	177	490	384	852	357	17	777	1,095	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
2003	959	1,040	1,410	1,503	541	216	471	761	5,670	1,233	6,902
2004	993	1,062	1,408	1,546	546	221	455	756	5,777	1,211	6,988
2005	1,036	1,083	1,404	1,596	553	228	452	763	5,900	1,214	7,114
Projected:											
2006	1,077	1,124	1,406	1,661	561	230	452	758	6,059	1,210	7,268
2007	1,097	1,176	1,417	1,741	574	234	453	753	6,240	1,207	7,446
2008	1,104	1,219	1,415	1,809	591	236	460	748	6,374	1,208	7,582
2009	1,106	1,251	1,397	1,869	608	239	468	743	6,471	1,211	7,682
2010	1,105	1,274	1,376	1,925	622	244	476	738	6,547	1,214	7,760
2011	1,110	1,290	1,355	1,968	647	247	491	730	6,617	1,220	7,837
2012	1,120	1,300	1,338	2,000	678	251	510	721	6,687	1,231	7,919
2013	1,131	1,306	1,323	2,031	705	255	531	714	6,751	1,245	7,996
2014	1,142	1,307	1,311	2,058	733	258	554	708	6,809	1,262	8,071
2015	1,152	1,306	1,307	2,077	761	261	578	705	6,864	1,283	8,147
2016	1,161	1,308	1,309	2,089	787	265	603	704	6,919	1,307	8,226
2017	1,168	1,311	1,314	2,093	811	271	625	709	6,968	1,334	8,302
2018	1,172	1,318	1,318	2,094	836	278	646	717	7,015	1,363	8,378
2019	1,174	1,327	1,318	2,093	862	284	671	725	7,059	1,396	8,455
2020	1,176	1,335	1,317	2,092	891	291	698	734	7,101	1,432	8,534
2021	1,178	1,343	1,320	2,086	915	301	717	754	7,141	1,471	8,612
2022	1,184	1,345	1,329	2,071	935	314	730	782	7,179	1,512	8,691
2023	1,190	1,348	1,344	2,053	955	326	747	807	7,215	1,554	8,769
2024	1,197	1,348	1,361	2,032	975	336	765	833	7,249	1,598	8,847
2025	1,203	1,347	1,378	2,011	995	347	782	860	7,281	1,642	8,924
2026	1,210	1,347	1,394	1,992	1,011	358	799	888	7,311	1,687	8,998
2027	1,215	1,350	1,407	1,976	1,022	368	814	916	7,338	1,730	9,069
2028	1,220	1,354	1,416	1,964	1,031	379	827	945	7,364	1,772	9,136
2029	1,225	1,359	1,421	1,957	1,036	390	836	976	7,388	1,812	9,200
2030	1,229	1,364	1,421	1,959	1,034	402	841	1,009	7,410	1,849	9,260

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 1974-2006
[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.....	\$40	\$438	\$452	\$968	\$135	\$17	\$825	\$958	\$2,050	\$1,783	\$3,833
1975.....	128	537	499	1,099	190	17	812	1,031	2,471	1,843	4,314
1976.....	176	605	541	1,147	241	17	762	1,023	2,727	1,785	4,512
1977.....	227	671	579	1,174	298	17	721	1,016	2,966	1,737	4,703
1978 ²	302	781	655	1,312	381	18	736	1,111	3,449	1,847	5,296
1979.....	340	809	650	1,296	429	21	667	1,093	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.....	5,686	5,715	7,243	7,532	1,984	771	1,408	2,601	28,932	4,009	32,941
2004.....	6,036	5,954	7,384	7,943	2,054	809	1,366	2,657	30,179	4,023	34,202
2005.....	6,488	6,291	7,624	8,437	2,148	871	1,358	2,778	31,859	4,136	35,995
2006 ³	6,941	6,755	7,835	9,076	2,264	928	1,396	2,893	33,799	4,290	38,089

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

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.

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

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.

January 1 of years 1979 and later are actually paid in December of the previous year. Thus, for example, the calendar year 2005 payment amounts shown in table IV.C1 reflect payments made in January-December, 2005, and include the payments due on January 1, 2006 (which were actually paid in December, 2005), but not the payments due on January 1, 2005 (which were actually paid in December, 2004). 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 1978-2006. 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 1978-2006
[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.....	\$206	\$740	\$668	\$1,438	\$312	\$22	\$772	\$1,076	\$3,386	\$1,848	\$5,234
1979 ¹	226	711	620	1,265	331	20	656	954	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 ¹	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 ¹	1,012	2,378	1,997	2,452	910	345	862	1,473	9,094	2,335	11,430
1990 ¹	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 ¹	4,554	4,719	5,031	4,822	1,341	560	1,596	1,884	21,027	3,480	24,507
1996 ¹	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 ¹	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.....	5,558	5,623	7,170	7,390	1,957	759	1,417	2,572	28,456	3,989	32,445
2004.....	5,910	5,868	7,327	7,797	2,031	796	1,380	2,638	29,729	4,018	33,748
2005.....	6,856	6,669	8,150	8,928	2,282	916	1,463	2,945	33,800	4,409	38,208
2006 ^{1, 2, 3}	6,826	6,631	7,779	8,911	2,234	916	1,390	2,872	33,296	4,262	37,558

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

² Includes estimated payment due on October 1 of fiscal year 2007.

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.

¹ Fiscal years 1977 and later cover the 12-month period ending September 30. For example, fiscal year 2006 payments include payments made from October 1, 2005 through September 30, 2006.

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);

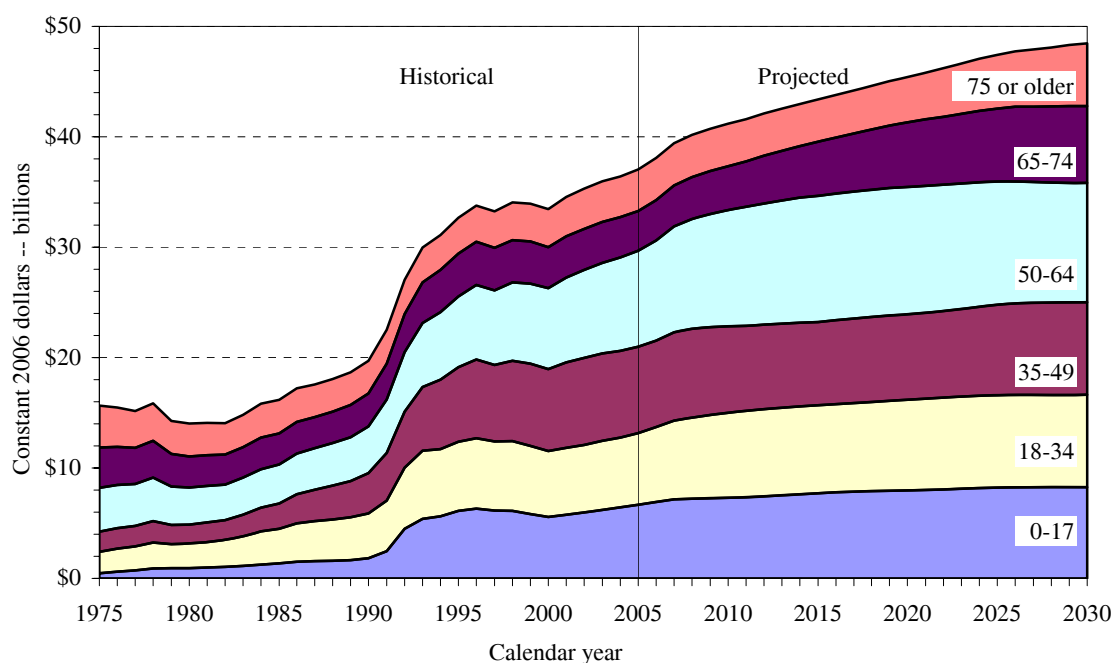
12 months if October 1 of both the current and succeeding fiscal years falls on a weekend (both payments due on October 1 paid in preceding fiscal year); and

13 months if October 1 of the succeeding, but not current, fiscal year falls on a weekend.

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 expenditures 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 1974-2005, and the full 25-year projection period, 2006-30. 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 a projected 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 2006 Dollars, Calendar Years 1975-2030
[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 2006 Dollars, Calendar Years 1974-2030
[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	\$160	\$1,733	\$1,789	\$3,834	\$535	\$69	\$3,266	\$3,793	\$8,119	\$7,059	\$15,178
1975	466	1,950	1,811	3,989	690	63	2,949	3,742	8,969	6,691	15,659
1976	604	2,079	1,858	3,938	828	58	2,616	3,513	9,364	6,129	15,492
1977	734	2,163	1,867	3,787	960	56	2,326	3,275	9,567	5,601	15,168
1978 ¹	905	2,337	1,960	3,928	1,142	54	2,203	3,327	10,326	5,529	15,855
1979	913	2,175	1,747	3,482	1,154	56	1,791	2,937	9,528	4,729	14,256
1980	941	2,205	1,732	3,364	1,289	66	1,521	2,914	9,597	4,435	14,032
1981	985	2,318	1,764	3,314	1,406	68	1,381	2,837	9,854	4,218	14,073
1982	1,039	2,454	1,789	3,222	1,427	77	1,276	2,765	10,007	4,041	14,048
1983	1,129	2,700	1,938	3,353	1,523	114	1,228	2,833	10,757	4,061	14,818
1984	1,253	2,997	2,145	3,489	1,589	193	1,274	2,875	11,666	4,149	15,815
1985	1,352	3,139	2,296	3,535	1,531	294	1,284	2,753	12,147	4,038	16,184
1986	1,503	3,489	2,626	3,695	1,533	378	1,321	2,674	13,224	3,996	17,220
1987	1,570	3,632	2,825	3,765	1,477	452	1,336	2,521	13,722	3,857	17,579
1988	1,604	3,743	3,054	3,868	1,468	511	1,368	2,434	14,249	3,802	18,051
1989	1,643	3,894	3,280	3,974	1,500	586	1,412	2,370	14,876	3,781	18,657
1990	1,828	4,050	3,647	4,251	1,475	619	1,503	2,332	15,870	3,836	19,705
1991	2,454	4,576	4,338	4,833	1,551	676	1,709	2,394	18,428	4,104	22,532
1992	4,482	5,543	5,084	5,387	1,597	692	1,852	2,402	22,785	4,254	27,038
1993	5,403	6,171	5,755	5,788	1,670	709	2,033	2,431	25,496	4,464	29,960
1994	5,621	6,076	6,294	6,115	1,718	726	2,113	2,447	26,550	4,559	31,109
1995	6,106	6,262	6,759	6,419	1,779	741	2,097	2,491	28,066	4,588	32,654
1996	6,305	6,378	7,155	6,752	1,819	752	2,095	2,520	29,161	4,615	33,775
1997	6,131	6,269	6,934	6,742	1,875	765	1,976	2,549	28,717	4,526	33,243
1998	6,106	6,334	7,257	7,105	1,953	781	1,897	2,626	29,536	4,523	34,059
1999	5,819	6,176	7,443	7,266	1,998	787	1,809	2,655	29,487	4,464	33,951
2000	5,569	5,954	7,447	7,318	1,996	785	1,709	2,685	29,069	4,394	33,464
2001	5,777	6,060	7,716	7,678	2,080	807	1,664	2,778	30,120	4,442	34,562
2002	5,977	6,123	7,869	7,962	2,131	824	1,600	2,814	30,887	4,413	35,300
2003	6,211	6,242	7,912	8,228	2,167	843	1,538	2,841	31,604	4,378	35,982
2004	6,425	6,338	7,860	8,455	2,186	861	1,454	2,828	32,126	4,283	36,408
2005	6,674	6,472	7,844	8,680	2,210	896	1,397	2,858	32,777	4,255	37,032
Projected:											
2006	6,941	6,755	7,835	9,076	2,264	928	1,396	2,893	33,799	4,290	38,089
2007	7,167	7,120	8,015	9,581	2,321	946	1,393	2,890	35,150	4,283	39,433
2008	7,221	7,368	8,031	9,942	2,381	952	1,403	2,870	35,895	4,272	40,167
2009	7,268	7,556	7,939	10,249	2,448	968	1,426	2,859	36,428	4,285	40,713
2010	7,297	7,703	7,831	10,544	2,513	988	1,454	2,852	36,875	4,306	41,181
2011	7,340	7,810	7,732	10,777	2,619	1,005	1,494	2,826	37,284	4,321	41,604
2012	7,432	7,897	7,667	10,976	2,755	1,027	1,555	2,803	37,754	4,357	42,112
2013	7,525	7,947	7,607	11,159	2,873	1,044	1,623	2,778	38,155	4,401	42,556
2014	7,624	7,970	7,567	11,320	2,996	1,058	1,694	2,763	38,534	4,457	42,991
2015	7,709	7,963	7,561	11,416	3,112	1,073	1,766	2,753	38,833	4,520	43,352
2016	7,795	7,983	7,600	11,483	3,229	1,094	1,847	2,755	39,185	4,602	43,787
2017	7,864	8,019	7,654	11,516	3,340	1,124	1,915	2,779	39,518	4,694	44,212
2018	7,904	8,077	7,696	11,525	3,451	1,155	1,981	2,811	39,808	4,793	44,601
2019	7,944	8,154	7,724	11,541	3,577	1,188	2,062	2,847	40,127	4,908	45,035
2020	7,970	8,209	7,732	11,535	3,703	1,219	2,145	2,884	40,367	5,029	45,397
2021	8,004	8,275	7,776	11,514	3,815	1,268	2,203	2,965	40,651	5,168	45,819
2022	8,063	8,300	7,850	11,441	3,911	1,328	2,240	3,071	40,893	5,312	46,205
2023	8,121	8,334	7,962	11,359	4,010	1,382	2,293	3,169	41,169	5,462	46,631
2024	8,184	8,353	8,086	11,268	4,115	1,435	2,349	3,272	41,440	5,621	47,061
2025	8,239	8,353	8,195	11,155	4,209	1,485	2,403	3,379	41,636	5,782	47,418
2026	8,271	8,355	8,294	11,051	4,280	1,532	2,459	3,492	41,784	5,951	47,735
2027	8,260	8,344	8,350	10,942	4,320	1,575	2,508	3,604	41,791	6,112	47,902
2028	8,256	8,350	8,391	10,862	4,350	1,619	2,550	3,722	41,828	6,272	48,100
2029	8,254	8,366	8,404	10,814	4,367	1,668	2,580	3,850	41,875	6,431	48,305
2030	8,247	8,382	8,392	10,805	4,353	1,717	2,598	3,980	41,896	6,578	48,475

¹ 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 1974-2005
[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
2003	1,098	2,906	4,005
2004	1,133	3,045	4,178
2005	1,147	3,030	4,178

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

Table IV.C5.—SSI State-Administered Payments¹ in Current Dollars, Calendar Years 1974-2005
[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
2003	291	546	912
2004	266	521	895
2005	266	521	892

¹ Data provided by individual States are partially estimated. In addition, a few States do not provide updated payment data in particular years. In those cases, data for the previous year are used.

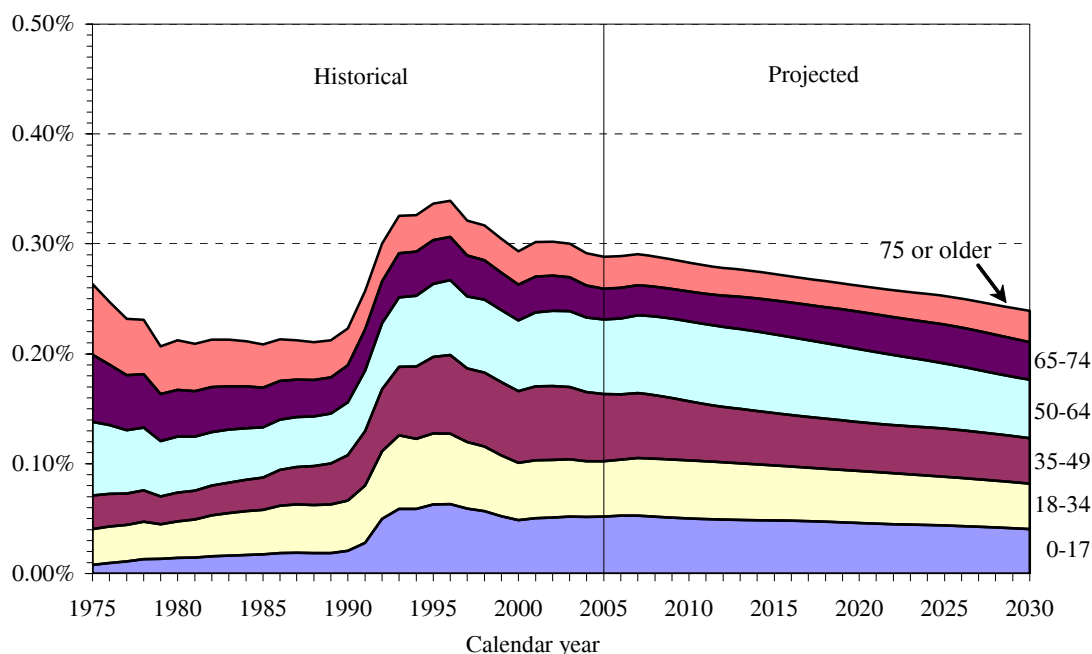
² Includes amounts not distributed by recipient category.

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 2007 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. Legislation enacted in 1996² 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 2006 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 0.24 percent of GDP by 2030.

Figure IV.D1.—SSI Federal Payments, by Age Group, as a Percentage of GDP, Calendar Years 1975-2030



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

² Public Law 104-121 and Public Law 104-193.

Table IV.D1.—SSI Federal Payments as a Percentage of GDP, Calendar Years 1974-2030

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	\$1,500	0.003	0.029	0.030	0.065	0.009	0.001	0.055	0.064	0.137	0.119	0.256
1975	1,638	.008	.033	.030	.067	.012	.001	.050	.063	.151	.112	.263
1976	1,825	.010	.033	.030	.063	.013	.001	.042	.056	.149	.098	.247
1977	2,031	.011	.033	.029	.058	.015	.001	.036	.050	.146	.086	.232
1978	2,295	.013	.034	.029	.057	.017	.001	.032	.048	.150	.080	.231
1979	2,563	.013	.032	.025	.051	.017	.001	.026	.043	.138	.069	.207
1980	2,790	.014	.033	.026	.051	.020	.001	.023	.044	.145	.067	.212
1981	3,128	.015	.034	.026	.049	.021	.001	.021	.042	.147	.063	.209
1982	3,255	.016	.037	.027	.049	.022	.001	.019	.042	.152	.061	.213
1983	3,537	.016	.039	.028	.048	.022	.002	.018	.041	.155	.058	.213
1984	3,933	.017	.040	.029	.047	.021	.003	.017	.038	.156	.055	.211
1985	4,220	.017	.040	.030	.046	.020	.004	.017	.036	.157	.052	.209
1986	4,463	.019	.043	.033	.046	.019	.005	.016	.033	.164	.050	.213
1987	4,739	.019	.044	.034	.046	.018	.005	.016	.030	.166	.047	.212
1988	5,104	.019	.044	.036	.045	.017	.006	.016	.028	.166	.044	.211
1989	5,484	.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	5,996	.028	.052	.049	.055	.018	.008	.019	.027	.210	.047	.257
1992	6,338	.050	.062	.056	.060	.018	.008	.021	.027	.253	.047	.300
1993	6,657	.059	.067	.063	.063	.018	.008	.022	.026	.277	.049	.326
1994	7,072	.059	.064	.066	.064	.018	.008	.022	.026	.278	.048	.326
1995	7,398	.063	.065	.070	.066	.018	.008	.022	.026	.289	.047	.337
1996	7,817	.063	.064	.072	.068	.018	.008	.021	.025	.293	.046	.339
1997	8,304	.059	.061	.067	.065	.018	.007	.019	.025	.277	.044	.321
1998	8,747	.057	.059	.067	.066	.018	.007	.018	.024	.275	.042	.317
1999	9,268	.052	.055	.067	.065	.018	.007	.016	.024	.264	.040	.304
2000	9,817	.049	.052	.065	.064	.017	.007	.015	.024	.255	.038	.293
2001	10,128	.050	.053	.067	.067	.018	.007	.015	.024	.263	.039	.301
2002	10,470	.051	.052	.067	.068	.018	.007	.014	.024	.264	.038	.302
2003	10,971	.052	.052	.066	.069	.018	.007	.013	.024	.264	.037	.300
2004	11,734	.051	.051	.063	.068	.018	.007	.012	.023	.257	.034	.291
2005	12,485	.052	.050	.061	.068	.017	.007	.011	.022	.255	.033	.288
Projected:												
2006	13,191	.053	.051	.059	.069	.017	.007	.011	.022	.256	.033	.289
2007	13,886	.053	.052	.059	.071	.017	.007	.010	.021	.259	.032	.290
2008	14,620	.052	.053	.058	.071	.017	.007	.010	.021	.258	.031	.288
2009	15,366	.051	.053	.056	.072	.017	.007	.010	.020	.256	.030	.286
2010	16,141	.050	.053	.054	.072	.017	.007	.010	.020	.253	.030	.283
2011	16,937	.049	.053	.052	.073	.018	.007	.010	.019	.251	.029	.280
2012	17,748	.049	.052	.051	.072	.018	.007	.010	.019	.249	.029	.278
2013	18,544	.049	.052	.049	.072	.019	.007	.011	.018	.248	.029	.276
2014	19,378	.049	.051	.048	.072	.019	.007	.011	.018	.246	.028	.275
2015	20,274	.048	.050	.047	.072	.020	.007	.011	.017	.244	.028	.272
2016	21,216	.048	.049	.047	.071	.020	.007	.011	.017	.242	.028	.270
2017	22,190	.048	.049	.046	.070	.020	.007	.012	.017	.240	.028	.268
2018	23,204	.047	.048	.046	.069	.021	.007	.012	.017	.237	.029	.266
2019	24,262	.047	.048	.045	.068	.021	.007	.012	.017	.235	.029	.264
2020	25,369	.046	.047	.045	.066	.021	.007	.012	.017	.233	.029	.262
2021	26,507	.045	.047	.044	.065	.022	.007	.012	.017	.230	.029	.260
2022	27,696	.045	.046	.044	.064	.022	.007	.012	.017	.228	.030	.258
2023	28,926	.045	.046	.044	.062	.022	.008	.013	.017	.226	.030	.256
2024	30,211	.044	.045	.044	.061	.022	.008	.013	.018	.224	.030	.254
2025	31,536	.044	.044	.044	.059	.022	.008	.013	.018	.222	.031	.252
2026	32,918	.043	.044	.043	.058	.022	.008	.013	.018	.219	.031	.250
2027	34,362	.043	.043	.043	.056	.022	.008	.013	.019	.216	.032	.247
2028	35,879	.042	.042	.043	.055	.022	.008	.013	.019	.213	.032	.244
2029	37,466	.041	.042	.042	.054	.022	.008	.013	.019	.209	.032	.242
2030	39,112	.041	.041	.041	.053	.021	.008	.013	.020	.206	.032	.239

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 Government Accountability 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 1978-2006
[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.....	2,656	37.0
2004.....	2,806	38.6
2005.....	2,795	30.4
2006 (estimated).....	2,850	76.0

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, as well as reimbursements from participating States for SSA's administration of the SSI State Supplementation Program.

² Includes payments to State Vocational Rehabilitation (VR) agencies and Employment Networks for VR services and payments under the Ticket to Work program. Payments for referral and monitoring services for Drug Addicts and Alcoholics are also included through December 1996. These payments were terminated effective January 1997. The increase in the estimate for fiscal year 2006 reflects an assumption that State budgets will continue to improve, enabling the States to restore some lost vocational rehabilitation service capacity and serve a greater number of SSI beneficiaries.

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 to SSI 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” from the personal/behavioral domain of the mental disorders 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

2006

*Public Law 109-171,
enacted February 8*

Requires the Commissioner to conduct reviews of a specific percentage of SSI initial disability and blindness cases involving individuals aged 18 and older that are allowed by State Disability Determination Service agencies (DDS). The provision is phased in as follows—for fiscal year 2006, the Commissioner is required to review 20 percent of DDS allowances; in fiscal year 2007, the requirement is 40 percent; and, for fiscal years 2008 and thereafter, 50 percent of all DDS allowances are required to be reviewed. These reviews are to be made before the allowance decision is implemented.

2. Other Eligibility Provisions

a. Citizenship and U.S. Residency

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.)

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

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.

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.”

Act

2004

*Public Law 108-203,
enacted March 2*

Extends SSI eligibility to blind or disabled children who are U.S. citizens living with a parent assigned to permanent U.S. military duty outside of the United States, and who were not receiving SSI benefits while in the United States. Previously, only blind or disabled children who received an SSI benefit for the month before the parent reported for permanent duty abroad were eligible. Effective April 2004 for applications filed after enactment.

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.

c. Drug Addiction and Alcoholism (DA&A)

1972

*Public Law 92-603,
enacted October 30*

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 \$50 (adjusted annually after 1995 by the Consumer Price Index (CPI)) as compensation for their services.

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

Act

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.

d. Institutionalization

1972

*Public Law 92-603,
enacted October 30*

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.

1976

*Public Law 94-566,
enacted October 20*

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

1983

*Public Law 98-21,
enacted April 20*

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.

1986

*Public Law 99-643,
enacted November 10*

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.

1987

*Public Law 100-203,
enacted December 22*

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.

1996

*Public Law 104-193,
enacted August 22*

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

1972

*Public Law 92-603,
enacted October 30*

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.

Act

1976

*Public Law 94-566,
enacted October 20*

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.

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 be made only 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 (established by regulation) 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 disability cash benefits to a beneficiary because of work or earnings.

Also eliminates the requirement that blind or disabled SSI recipients age 16 through 64 be referred to the State VR agency and accept the services offered.

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 under the adult disability standard 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.

Act

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.

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.

1996

*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.

2006

*Public Law 109-163,
enacted January 6*

Provides that individuals who were made ineligible for SSI because of their spouses or parents being called to active military duty would not have to file a new application for SSI benefits if they again could be eligible for benefits before the end of 24 consecutive months of ineligibility.

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.

Act

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.

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.

2004

*Public Law 108-203,
enacted March 2*

Eliminates triple counting of one-time, nonrecurring income by providing that this income will be counted only for the month that the income is received, and not for any other month during the transition to retrospective monthly accounting, which occurs during the first 3 months of an individual's SSI eligibility. Effective April 2005.

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 for False or Misleading Statements or Withholding of Information

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.

Act

2004

*Public Law 108-203,
enacted March 2*

Expands the administrative sanction of nonpayment of benefits to situations where an individual has failed to disclose material information, if the person knew or should have known that such failure was misleading.

Authorizes Federal courts to order a defendant convicted of defrauding Social Security, Special Veterans' Benefits, or SSI to make restitution to SSA. Restitution funds would be deposited to the trust funds or General Fund of the Treasury, as appropriate. Effective with respect to violations occurring on or after the date of enactment.

g. Installment Payments

1996

*Public Law 104-193,
enacted August 22*

Establishes a schedule for paying retroactive SSI benefit amounts that exceed 12 times the FBR plus the State supplement level. Payments would be made at 6-month intervals:

- The first installment would be 12 times the FBR plus any Federally administered State supplement.
- Any remaining retroactive benefits would be paid in a second installment (not to exceed the first payment amount).
- All remaining retroactive benefits would be paid in the third installment.

Provides that where an underpaid individual has incurred debts to provide for food, clothing or shelter, has expenses for disability-related items and services that exceed the installment amount, or has entered into a contract to purchase a home, the installment payment would be increased by the amount needed to cover those debts, expenses and obligations.

Provides that full retroactive payments be paid to an individual who is terminally ill or, if currently ineligible, is likely to remain so for the next 12 months.

2006

*Public Law 109-171,
enacted February 8*

Requires that past-due monthly SSI benefits that exceed three times the maximum monthly benefit (Federal benefit rate plus State supplementary payment amount, if any) payable to the individual be paid in up to three installment payments, 6 months apart. Also, limits the amount of the first two installment payment to three times the maximum monthly benefit. All remaining benefits due are to be paid in the third installment. As under current law, the amounts of the installment payments may be increased in certain cases, such as those in which the individual has outstanding debt relating to food, clothing, or shelter, or has necessary medical needs.

Effective 3 months after February 8, 2006.

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 are eligible for 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.
1983 ⁹	—	⁸ 157.70	⁸ 236.60	Effective July 1, 1975.
	—	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.
1973 ⁶	—	70.00	—	Was to be effective July 1, 1974.
	—	70.00	—	Effective January 1, 1974.
	—	73.00	—	Effective July 1, 1974.
1974 ⁷	—	—	—	Mechanism established for providing cost-of-living adjustments.
1983 ⁹	—	⁸ 78.90	—	Effective July 1, 1975.
	—	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.

Act

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.

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.

Act

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.

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.

Act

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*

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.

2004

*Public Law 108-203,
enacted March 2*

Changes the calculation of infrequent and irregular income from a monthly to a quarterly basis. Excludes from the determination of an individual's income all interest and dividend income earned on countable resources. Effective July 2004.

Permits the student earned income exclusion to apply to any individual under age 22 who is a student. Thus, students under age 22 who are married or heads of households would be eligible for the exclusion. Effective April 2005.

Excludes from the determination of income any gift to an individual for use in paying tuition or educational fees, just as grants, scholarships, and fellowships for such use are currently excluded from the determination of income. Effective June 2004.

2005

*Public Law 109-64,
enacted September 20*

Amends the National Flood Insurance Act of 1968 to specify that assistance provided under a program for flood mitigation activities with respect to a property would not be considered income or a resource of the owner of the property when determining eligibility for or benefit levels under any income assistance or resource-tested program (including SSI) that is funded in whole or in part by a Federal agency or by appropriated Federal funds.

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.

Act

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 person with a disability.

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.

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 person with a disability. 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.

Act

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.

2004

*Public Law 108-203,
enacted March 2*

Increases to 9 months and makes uniform the time period for excluding from resources amounts attributable to payments of past-due Social Security and SSI benefits and earned income and child tax credits. Effective for such payments received on or after the date of enactment.

2005

Regulations permit exclusion, regardless of value, of:

- One automobile if used for transportation for the beneficiary or a member of the beneficiary's household; and
- Personal goods and household effects.

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.

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.

Act

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.

2004

*Public Law 108-203,
enacted March 2*

Excludes grants, scholarships, fellowships, or gifts to be used for tuition or educational fees from an individual's countable resources for 9 months after the month of receipt.

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.

2006

*Public Law 109-171,
enacted February 8*

Begins Medicaid coverage for children who are eligible for SSI effective the month the SSI application is filed or the first month of SSI eligibility, whichever is later. (Under prior law, Medicaid eligibility for such children began the month following the month of the SSI application or first eligibility.)

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 for individuals not currently eligible for SSI cash benefits by offsetting Old-Age, Survivors, and Disability Insurance (OASDI) 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 a representative payee liable for an SSI overpayment caused by a payment made to the representative payee on behalf of a recipient, after the recipient's death 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.

2004

*Public Law 108-203,
enacted March 2*

Provides for recovery of overpayment of SSI benefits by withholding from OASDI and Special Veterans' benefits up to 100 percent of any underpayment of benefits and 10 percent of ongoing monthly benefits.

Also provides for recovery of overpayment of OASDI or Special Veterans' benefits by withholding from SSI up to 100 percent of any underpayment of benefits, but limits any recovery from SSI benefits to the lesser of 100 percent of the monthly benefit or 10 percent of the individual's total monthly income.

Effective with respect to overpayments that are outstanding at the time of enactment.

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;
- Up to the first \$30 of earned income in a quarter 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;
- Up to \$1,460 per month but not more than \$5,910 in a calendar year received by a blind or disabled recipient 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;
- 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);

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.

- Any portion of a grant, scholarship, fellowship, or gift to an individual used for paying tuition, fees or other necessary educational expenses. Portions set aside for food 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;
- Assistance received under a program for flood mitigation activities;
- Up to the first \$60 of unearned income in a quarter 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;
- Unearned income excluded by other Federal laws. See Federal Regulations Appendix to Subpart K 20 CFR 416; and
- All interest and dividend income earned on countable resources.

3. Resource Exclusions

- The home (including the land appertaining thereto);
- Household goods and personal effects;
- One automobile if used for transportation for the beneficiary or a member of the beneficiary’s household;
- 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;
- Assistance received under a program for flood mitigation activities;
- Burial spaces and certain funds up to \$1,500 for burial expenses;
- Title XVI or title II retroactive payments (for 9 months following receipt);
- Housing assistance;
- Refunds of Federal income taxes and advances made by an employer relating to an earned income tax credit, (for 9 months following receipt);

- Refundable child tax credit for 9 months following receipt;
- Grants, scholarships, fellowships or gifts to be used for tuition or educational fees (for 9 months);
- 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 2005, 83 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 Disability Adjudication and Review (ODAR), formerly known as 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 ODAR, thereby eliminating the reconsideration step. The options for appeal beyond the ODAR 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 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 ODAR case control data.

The process used to build this research file is cumbersome, involving about 200 steps, and generally requiring 2 to 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 2005.

Methods used for estimating results (through February 2006) for claims filed in 2005—Although decision counts are available for 2005 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 2006) for 2005 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. Estimates of ODAR appeals activity are taken from a file which tracks individual claimants, rather than individual claims. Therefore, this may result in a slight undercount of ODAR activity.

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 2006, whereas the final research files will reflect information through June 2006. Actual data for 2005 will be available to replace these estimates in the 2007 Annual Report.

2. General Considerations

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

- Data for 1988-2004 filers are as of June 2005. Results for those years' filers have been updated to include ODAR results through July 2005.
- Data for 2005 filers are preliminary estimates as of February 2006, and reflect larger numbers of claims still pending. February 2006 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 ODAR 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	1,139,571	—	344,163	30.2	795,408	69.8	332,935	41.9
2001	1,216,182	—	365,932	30.1	850,250	69.9	355,165	41.8
2002	1,322,683	—	371,233	28.1	951,450	71.9	398,582	41.9
2003	1,403,363	—	377,623	26.9	1,025,740	73.1	421,904	41.1
2004	1,475,758	21,886	376,224	25.9	1,077,648	74.1	387,875	36.0
2005	1,471,994	255,997	365,887	30.1	850,110	69.9	247,422	29.1

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	294,801	69.0	—	170,402	57.8	124,399
1994	—	55,822	11.6	426,711	293,448	68.8	—	164,537	56.1	128,911
1995	—	51,697	11.8	387,469	264,270	68.2	—	143,582	54.3	120,688
1996	—	49,263	12.1	357,162	242,298	67.8	—	133,269	55.0	109,029
1997	—	47,573	13.4	306,561	213,666	69.7	—	121,462	55.8	96,069
1998	—	46,507	13.7	292,272	204,910	70.1	2,024	115,057	56.6	88,340
1999	—	42,135	13.3	274,269	194,644	71.0	2,735	118,253	56.9	89,487
2000	—	39,522	14.3	237,714	170,264	71.6	4,788	124,250	56.2	96,925
2001	—	38,987	13.9	241,200	172,082	71.3	10,883	132,153	56.0	104,024
2002	—	40,290	12.9	271,278	193,416	71.3	39,114	136,345	56.5	104,971
2003	—	40,049	12.0	292,761	203,866	69.6	142,224	87,144	57.8	63,592
2004	40,616	27,383	10.4	236,099	147,556	62.5	201,576	18,354	61.7	11,403
2005	53,743	16,102	11.8	120,373	58,221	48.4	108,582	5,052	73.8	1,791

Selected summary case information by decision status: Numbers of cases						
Calendar year of filing	Total claims filed	Initial decisions pending	Total initial decisions	Allowances	Denials	
					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	644,640	—	858,638
1994	1,436,958	—	1,436,958	574,354	—	862,604
1995	1,318,416	—	1,318,416	518,363	—	800,053
1996	1,247,926	—	1,247,926	487,883	—	760,043
1997	1,110,898	—	1,110,898	461,874	—	649,024
1998	1,108,957	—	1,108,957	484,298	2,024	622,635
1999	1,104,975	—	1,104,975	486,995	2,735	615,245
2000	1,139,571	—	1,139,571	507,935	4,788	626,848
2001	1,216,182	—	1,216,182	537,072	10,883	668,227
2002	1,322,683	—	1,322,683	547,868	39,114	735,701
2003	1,403,363	—	1,403,363	504,816	142,224	756,323
2004	1,475,758	21,886	1,453,872	421,961	242,192	789,719
2005	1,471,994	255,997	1,215,997	387,041	162,325	666,631

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	—	60.7	39.3	—	60.7
1996	—	39.1	—	60.9	39.1	—	60.9
1997	—	41.6	—	58.4	41.6	—	58.4
1998	—	43.7	0.2	56.1	43.7	0.2	56.1
1999	—	44.1	.2	55.7	44.1	.2	55.7
2000	—	44.6	.4	55.0	44.6	.4	55.0
2001	—	44.2	.9	54.9	44.2	.9	54.9
2002	—	41.4	3.0	55.6	41.4	3.0	55.6
2003	—	36.0	10.1	53.9	36.0	10.1	53.9
2004	1.5	28.6	16.4	53.5	29.0	16.7	54.3
2005	17.4	26.3	11.0	45.3	31.8	13.3	54.8

¹ Data for claims filed in 1988-2004 reflect results as of June 2005 at the DDS level and as of July 2005 at the ODAR level. The numbers of total claims filed for 2002-04 are subject to change. Data for claims filed in 2005 are preliminary estimates as of February 2006. The ultimate numbers 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 ODAR.

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

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

⁶ Number of persons appealing beyond the reconsideration level.

⁷ Includes cases remanded to ODAR from the Federal courts.

⁸ Percentage of decisions at this level. For years in which 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	349,288	—	136,989	39.2	212,299	60.8	48,169	22.7
2001	367,751	—	151,288	41.1	216,463	58.9	49,089	22.7
2002	402,130	—	163,772	40.7	238,358	59.3	55,863	23.4
2003	425,671	—	171,531	40.3	254,140	59.7	59,216	23.3
2004	436,201	5,020	172,184	39.9	258,997	60.1	53,872	20.8
2005	423,915	62,075	157,275	43.5	204,565	56.5	32,846	16.1

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	31,193	48.3	—	10,638	34.1	20,555
1994	—	11,332	12.3	80,761	38,433	47.6	—	12,954	33.7	25,479
1995	—	10,287	11.8	76,554	35,592	46.5	—	10,924	30.7	24,668
1996	—	9,355	12.5	65,658	27,915	42.5	—	8,850	31.7	19,065
1997	—	8,266	16.2	42,705	18,900	44.3	—	7,024	36.2	12,401
1998	—	7,799	15.6	42,237	18,843	44.6	168	7,022	37.5	11,728
1999	—	7,196	15.5	39,377	17,934	45.5	247	7,804	37.7	12,895
2000	—	6,932	18.3	31,051	14,428	46.5	423	8,861	36.6	15,330
2001	—	6,807	18.7	29,643	13,576	45.8	908	9,119	36.0	16,188
2002	—	7,426	17.9	34,024	15,329	45.1	4,019	9,247	35.9	16,476
2003	—	7,626	17.0	37,133	16,091	43.3	15,165	5,568	36.2	9,815
2004	4,925	5,685	15.9	30,161	11,709	38.8	21,964	1,283	45.1	1,563
2005	6,177	2,476	13.5	15,809	4,708	29.8	12,568	164	31.3	360

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	234,244	—	261,887
1994	525,013	—	525,013	196,505	—	328,508
1995	487,730	—	487,730	165,442	—	322,288
1996	453,473	—	453,473	145,621	—	307,852
1997	332,032	—	332,032	121,818	—	210,214
1998	335,732	—	335,732	138,070	168	197,494
1999	342,153	—	342,153	143,543	247	198,363
2000	349,288	—	349,288	152,782	423	196,083
2001	367,751	—	367,751	167,214	908	199,629
2002	402,130	—	402,130	180,445	4,019	217,666
2003	425,671	—	425,671	184,725	15,165	225,781
2004	436,201	5,020	431,181	179,152	26,889	225,140
2005	423,915	62,075	361,840	159,915	18,745	183,180

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

Selected summary case information by decision status							
Calendar year of filing	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	—	66.1	33.9	—	66.1
1996	—	32.1	—	67.9	32.1	—	67.9
1997	—	36.7	—	63.3	36.7	—	63.3
1998	—	41.1	0.1	58.8	41.1	0.1	58.8
1999	—	42.0	.1	58.0	42.0	.1	58.0
2000	—	43.7	.1	56.1	43.7	.1	56.1
2001	—	45.5	.2	54.3	45.5	.2	54.3
2002	—	44.9	1.0	54.1	44.9	1.0	54.1
2003	—	43.4	3.6	53.0	43.4	3.6	53.0
2004	1.2	41.1	6.2	51.6	41.5	6.2	52.2
2005	14.6	37.7	4.4	43.2	44.2	5.2	50.6

¹ Data for claims filed in 1991-2004 reflect results as of June 2005 at the DDS level and as of July 2005 at the ODAR level. The numbers of total claims filed for 2002-04 are subject to change. Data for claims filed in 2005 are preliminary estimates as of February 2006. The ultimate numbers 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 ODAR.

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

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

⁶ Number of persons appealing beyond the reconsideration level.

⁷ Includes cases remanded to ODAR from the Federal courts.

⁸ Percentage of decisions at this level. For years in which 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. Except for certain institutionalized individuals, all recipients are periodically scheduled for a redetermination. Every year SSA schedules for redetermination the cases most likely to have payment error, but even the cases unlikely to have payment error are scheduled for review at least once every 6 years. 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 completed during the fiscal year due to administrative resource limitations and 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 1986-2005
[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
2003	2,450
2004	2,279
2005	³ 1,725

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.

³ Fewer redeterminations were selected in fiscal year 2005 due to limitations on administrative funding.

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 2005, SSA released over 800,000 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 review (CDR) procedures should be applied with respect to both the title II and title XVI programs, title XVI was not amended to accomplish this. Section 1614(a)(4) of the Act gives SSA discretionary authority to conduct periodic CDRs on SSI recipients. On September 28, 1994, SSA issued a Federal Register notice that periodic SSI CDRs would begin on October 1, 1994. 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 reached 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 the 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 345,402 cases for which a scheduled title XVI CDR was processed in fiscal year 2005.

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 October 17, 2005, presenting estimates of the effects of CDRs conducted in fiscal year 2004.

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	7,344	68.5
1998	81,185	68,533	84.4	12,652	15.6	8,723	68.9
1999	80,816	70,353	87.1	10,463	12.9	6,202	59.3
2000	105,787	93,962	88.8	11,825	11.2	6,853	58.0
2001	110,341	99,666	90.3	10,675	9.7	6,305	59.1
2002	103,947	92,069	88.6	11,878	11.4	7,139	60.1
2003	72,175	63,021	87.3	9,154	12.7	5,488	60.0
2004	84,622	75,047	88.7	9,575	11.3	5,964	62.3
2005	80,597	70,687	87.7	9,910	12.3	5,849	59.0
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	8,722	73.3
1998	75,071	64,829	86.4	10,242	13.6	7,239	70.7
1999	140,429	125,079	89.1	15,350	10.9	10,293	67.1
2000	173,470	156,065	90.0	17,405	10.0	10,929	62.8
2001	143,902	126,610	88.0	17,292	12.0	10,293	59.5
2002	172,527	150,837	87.4	21,690	12.6	13,457	62.0
2003	213,212	191,061	89.6	22,151	10.4	14,804	66.8
2004	221,129	199,938	90.4	21,191	9.6	14,810	69.9
2005	110,072	97,330	88.4	12,742	11.6	7,805	61.3
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	16,066	71.0
1998	156,256	133,362	85.3	22,894	14.7	15,962	69.7
1999	221,245	195,432	88.3	25,813	11.7	16,495	63.9
2000	279,257	250,027	89.5	29,230	10.5	17,782	60.8
2001	254,243	226,276	89.0	27,967	11.0	16,598	59.3
2002	276,474	242,906	87.9	33,568	12.1	20,596	61.4
2003	285,387	254,082	89.0	31,305	11.0	20,292	64.8
2004	305,751	274,985	89.9	30,766	10.1	20,774	67.5
2005	190,669	168,017	88.1	22,652	11.9	13,654	60.3

Table V.D2.—SSI Disabled Adult Reviews: *Disposition*¹ 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	Continuations		Cessations
		Number	Percent ²		Number ⁵	Percent ³		Number	Percent	
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	—	4,297	58.5	3,047	2,257	74.1	—	973	43.1	1,284
1998	—	5,503	63.1	3,220	2,466	76.6	—	1,158	47.0	1,308
1999	1	3,974	64.1	2,227	1,542	69.2	—	679	44.0	863
2000	5	4,427	64.6	2,421	1,558	64.4	2	658	42.3	898
2001	19	4,178	66.5	2,108	1,237	58.7	—	491	39.7	746
2002	66	4,788	67.7	2,285	1,497	65.5	84	564	39.9	849
2003	94	3,571	66.2	1,823	1,187	65.1	275	361	39.6	551
2004	300	3,674	64.9	1,990	1,264	63.5	807	181	39.6	276
2005	1,346	3,099	68.8	1,404	664	47.3	593	31	43.7	40
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	—	5,271	60.4	3,451	2,575	74.6	—	986	38.3	1,589
1998	—	4,527	62.5	2,712	1,987	73.3	—	781	39.3	1,206
1999	1	6,610	64.2	3,682	2,511	68.2	3	971	38.7	1,537
2000	6	6,823	62.5	4,100	2,779	67.8	2	1,055	38.0	1,722
2001	33	6,224	60.7	4,036	2,627	65.1	14	924	35.4	1,689
2002	154	8,161	61.3	5,142	3,416	66.4	158	1,045	32.1	2,213
2003	206	9,641	66.0	4,957	3,414	68.9	696	921	33.9	1,797
2004	508	9,278	64.9	5,024	3,441	68.5	2,076	472	34.6	893
2005	1,374	4,424	68.8	2,007	958	47.7	839	27	22.7	92
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	—	9,568	59.6	6,498	4,832	74.4	—	1,959	40.5	2,873
1998	—	10,030	62.8	5,932	4,453	75.1	—	1,939	43.5	2,514
1999	2	10,584	64.2	5,909	4,053	68.6	3	1,650	40.7	2,400
2000	11	11,250	63.3	6,521	4,337	66.5	4	1,713	39.5	2,620
2001	52	10,402	62.9	6,144	3,864	62.9	14	1,415	36.8	2,435
2002	220	12,949	63.6	7,427	4,913	66.2	242	1,609	34.4	3,062
2003	300	13,212	66.1	6,780	4,601	67.9	971	1,282	35.3	2,348
2004	808	12,952	64.9	7,014	4,705	67.1	2,883	653	35.8	1,169
2005	2,720	7,523	68.8	3,411	1,622	47.6	1,432	58	30.5	132

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

Fiscal year of initial DDS decision	Total initial decisions	Selected summary case information by decision status as of February 2006					
		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	46,011	—	5,455	89.4	—	10.6
1998	81,185	75,194	—	5,991	92.6	—	7.4
1999	80,816	75,006	1	5,809	92.8	6/	7.2
2000	105,787	99,047	7	6,733	93.6	6/	6.4
2001	110,341	104,335	19	5,987	94.6	6/	5.4
2002	103,947	97,421	150	6,376	93.7	0.1	6.1
2003	72,175	66,953	369	4,853	92.8	.5	6.7
2004	84,622	78,902	1,107	4,613	93.2	1.3	5.5
2005	80,597	73,817	1,939	4,841	91.6	2.4	6.0
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	63,919	—	5,638	91.9	—	8.1
1998	75,071	70,137	—	4,934	93.4	—	6.6
1999	140,429	132,660	4	7,765	94.5	6/	5.5
2000	173,470	163,943	8	9,519	94.5	6/	5.5
2001	143,902	133,758	47	10,097	93.0	6/	7.0
2002	172,527	160,043	312	12,172	92.8	.2	7.1
2003	213,212	201,623	902	10,687	94.6	.4	5.0
2004	221,129	209,688	2,584	8,857	94.8	1.2	4.0
2005	110,072	101,781	2,213	6,078	92.5	2.0	5.5
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	109,930	—	11,093	90.8	—	9.2
1998	156,256	145,331	—	10,925	93.0	—	7.0
1999	221,245	207,666	5	13,574	93.9	6/	6.1
2000	279,257	262,990	15	16,252	94.2	6/	5.8
2001	254,243	238,093	66	16,084	93.6	6/	6.3
2002	276,474	257,464	462	18,548	93.1	.2	6.7
2003	285,387	268,576	1,271	15,540	94.1	.4	5.4
2004	305,751	288,590	3,691	13,470	94.4	1.2	4.4
2005	190,669	175,598	4,152	10,919	92.1	2.2	5.7

¹ Data reflect results as of February 2006. The ultimate numbers 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 The status and disposition of cases in the Federal courts are not reflected here. However, for cases remanded by the courts to the Office of Disability Adjudication and Review, the status and disposition at ODAR are included. The excluded experience in the Federal courts has a minimal impact on the number of continuations.⁵ Number of persons appealing beyond the reconsideration level.⁶ Less than 0.05 percent.

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	Initial decisions						
	Total initial DDS 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	821	31.5
1998	17,620	6,092	34.6	11,528	65.4	3,640	31.6
1999	9,773	4,114	42.1	5,659	57.9	1,639	29.0
2000	10,178	4,566	44.9	5,612	55.1	1,565	27.9
2001	9,086	4,152	45.7	4,934	54.3	1,408	28.5
2002	12,732	5,869	46.1	6,863	53.9	1,989	29.0
2003	7,283	3,516	48.3	3,767	51.7	1,036	27.5
2004	12,060	6,075	50.4	5,985	49.6	1,795	30.0
2005	13,710	6,540	47.7	7,170	52.3	2,032	28.3
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	16,741	63.4
1998	40,945	21,453	52.4	19,492	47.6	10,915	56.0
1999	49,557	27,413	55.3	22,144	44.7	10,881	49.1
2000	51,713	28,863	55.8	22,850	44.2	11,034	48.3
2001	48,944	28,167	57.5	20,777	42.5	10,095	48.6
2002	54,947	32,388	58.9	22,559	41.1	11,692	51.8
2003	53,905	31,862	59.1	22,043	40.9	11,873	53.9
2004	53,232	31,890	59.9	21,342	40.1	11,678	54.7
2005	55,331	31,434	56.8	23,897	43.2	12,500	52.3
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	3	50.0
1998	91,157	67,203	73.7	23,954	26.3	13,267	55.4
1999	183,211	129,420	70.6	53,791	29.4	28,419	52.8
2000	140,699	106,583	75.8	34,116	24.2	17,036	49.9
2001	95,835	72,896	76.1	22,939	23.9	11,896	51.9
2002	163,768	130,434	79.6	33,334	20.4	18,139	54.4
2003	127,444	100,522	78.9	26,922	21.1	15,028	55.8
2004	103,437	80,748	78.1	22,689	21.9	12,915	56.9
2005	61,387	45,597	74.3	15,790	25.7	8,343	52.8
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	17,565	60.5
1998	149,722	94,748	63.3	54,974	36.7	27,822	50.6
1999	242,541	160,947	66.4	81,594	33.6	40,939	50.2
2000	202,590	140,012	69.1	62,578	30.9	29,635	47.4
2001	153,865	105,215	68.4	48,650	31.6	23,399	48.1
2002	231,447	168,691	72.9	62,756	27.1	31,820	50.7
2003	188,632	135,900	72.0	52,732	28.0	27,937	53.0
2004	168,729	118,713	70.4	50,016	29.6	26,388	52.8
2005	130,428	83,571	64.1	46,857	35.9	22,875	48.8

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

Final Decision and Delay of Decision (Cont'd)										
Fiscal year of initial DDS decision	Reconsiderations						Appeals beyond reconsideration ⁴			
	Pending	Continuations		Cessations	Appeals to beyond reconsideration		Pending	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	—	292	35.6	529	235	44.4	—	50	21.3	185
1998	—	1,231	33.8	2,409	1,142	47.4	—	244	21.4	898
1999	—	607	37.0	1,032	488	47.3	—	83	17.0	405
2000	4	609	39.0	952	452	47.5	—	99	21.9	353
2001	5	504	35.9	899	410	45.6	6	61	15.1	343
2002	38	698	35.8	1,253	571	45.6	28	110	20.3	433
2003	25	364	36.0	647	299	46.2	62	47	19.8	190
2004	119	619	36.9	1,057	497	47.0	320	25	14.1	152
2005	674	545	40.1	813	244	30.0	214	4	13.3	26
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	—	4,591	27.4	12,150	6,429	52.9	—	1,517	23.6	4,912
1998	2	3,070	28.1	7,843	4,388	55.9	5	1,026	23.4	3,357
1999	3	3,356	30.9	7,522	4,307	57.3	5	1,058	24.6	3,244
2000	14	3,575	32.4	7,445	4,041	54.3	10	1,011	25.1	3,020
2001	46	3,256	32.4	6,793	3,762	55.4	52	944	25.4	2,766
2002	158	3,819	33.1	7,715	4,280	55.5	228	1,041	25.7	3,011
2003	225	3,815	32.8	7,833	4,436	56.6	1,003	827	24.1	2,606
2004	535	3,461	31.1	7,682	4,282	55.7	2,617	425	25.5	1,240
2005	3,781	2,989	34.3	5,730	2,356	41.1	2,045	79	25.4	232
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	33.3	2	1	50.0	—	—	—	1
1998	—	4,456	33.6	8,811	5,511	62.5	1	1,305	23.7	4,205
1999	9	9,324	32.8	19,086	11,714	61.4	3	2,613	22.3	9,098
2000	22	6,434	37.8	10,580	6,244	59.0	7	1,425	22.8	4,812
2001	90	4,619	39.1	7,187	4,283	59.6	33	947	22.3	3,303
2002	268	7,240	40.5	10,631	6,353	59.8	325	1,302	21.6	4,726
2003	271	6,239	42.3	8,518	5,115	60.0	1,084	861	21.4	3,170
2004	533	4,760	38.4	7,622	4,588	60.2	3,021	333	21.3	1,234
2005	2,264	2,525	41.5	3,554	1,525	42.9	1,366	18	11.3	141
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	—	4,884	27.8	12,681	6,665	52.6	—	1,567	23.5	5,098
1998	2	8,757	31.5	19,063	11,041	57.9	6	2,575	23.3	8,460
1999	12	13,287	32.5	27,640	16,509	59.7	8	3,754	22.8	12,747
2000	40	10,618	35.9	18,977	10,737	56.6	17	2,535	23.6	8,185
2001	141	8,379	36.0	14,879	8,455	56.8	91	1,952	23.3	6,412
2002	464	11,757	37.5	19,599	11,204	57.2	581	2,453	23.1	8,170
2003	521	10,418	38.0	16,998	9,850	57.9	2,149	1,735	22.5	5,966
2004	1,187	8,840	35.1	16,361	9,367	57.3	5,958	783	23.0	2,626
2005	6,719	6,059	37.5	10,097	4,125	40.9	3,625	101	20.2	399

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 February 2006							
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	—	2,267	68.0	—	32.0
1998	17,620	7,567	—	10,053	42.9	—	57.1
1999	9,773	4,804	—	4,969	49.2	—	50.8
2000	10,178	5,274	4	4,900	51.8	6/	48.1
2001	9,086	4,717	11	4,358	51.9	0.1	48.0
2002	12,732	6,677	66	5,989	52.4	.5	47.0
2003	7,283	3,927	87	3,269	53.9	1.2	44.9
2004	12,060	6,719	439	4,902	55.7	3.6	40.6
2005	13,710	7,089	888	5,733	51.7	6.5	41.8
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	28,539	—	20,295	58.4	—	41.6
1998	40,945	25,549	7	15,389	62.4	6/	37.6
1999	49,557	31,827	8	17,722	64.2	6/	35.8
2000	51,713	33,449	24	18,240	64.7	6/	35.3
2001	48,944	32,367	98	16,479	66.1	.2	33.7
2002	54,947	37,248	386	17,313	67.8	.7	31.5
2003	53,905	36,504	1,228	16,173	67.7	2.3	30.0
2004	53,232	35,776	3,152	14,304	67.2	5.9	26.9
2005	55,331	34,502	5,826	15,003	62.4	10.5	27.1
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	—	5	64.3	—	35.7
1998	91,157	72,964	1	18,192	80.0	6/	20.0
1999	183,211	141,357	12	41,842	77.2	6/	22.8
2000	140,699	114,442	29	26,228	81.3	6/	18.6
2001	95,835	78,462	123	17,250	81.9	.1	18.0
2002	163,768	138,976	593	24,199	84.9	.4	14.8
2003	127,444	107,622	1,355	18,467	84.4	1.1	14.5
2004	103,437	85,841	3,554	14,042	83.0	3.4	13.6
2005	61,387	48,140	3,630	9,617	78.4	5.9	15.7
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	33,372	—	22,567	59.7	—	40.3
1998	149,722	106,080	8	43,634	70.9	6/	29.1
1999	242,541	177,988	20	64,533	73.4	6/	26.6
2000	202,590	153,165	57	49,368	75.6	6/	24.4
2001	153,865	115,546	232	38,087	75.1	.2	24.8
2002	231,447	182,901	1,045	47,501	79.0	.5	20.5
2003	188,632	148,053	2,670	37,909	78.5	1.4	20.1
2004	168,729	128,336	7,145	33,248	76.1	4.2	19.7
2005	130,428	89,731	10,344	30,353	68.8	7.9	23.3

¹ Data reflect results as of February 2006. The ultimate numbers 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 The status and disposition of cases in the Federal courts are not reflected here. However, for cases remanded by the courts to the Office of Disability Adjudication and Review, the status and disposition at ODAR are included. The excluded experience in the Federal courts has a minimal impact on the number of continuations.

⁵ Number of persons appealing beyond the reconsideration level.

⁶ Less than 0.05 percent.

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), plan 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 this information in graphical form.

¹ More detailed information on participation by SSI recipients in work incentive programs is provided in the *SSI Disabled Recipients Who Work*. Pub. No. 13-11829, 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, 1987-2005

Year	SGA level ¹	In current-payment status		1619(b) workers ⁴	Total workers
		1619(a) workers ²	Other workers ³		
1987	\$300	14,559	142,664	15,632	172,855
1988	300	19,920	153,599	15,625	189,144
1989	300	25,655	161,928	18,254	205,837
1990	500	13,994	182,421	23,517	219,932
1991	500	15,531	186,824	27,264	229,619
1992	500	17,603	199,665	31,649	248,917
1993	500	20,028	210,322	35,299	265,649
1994	500	24,315	217,478	40,683	282,476
1995	500	28,060	223,573	47,002	298,635
1996	500	31,085	225,310	51,905	308,300
1997	500	34,673	228,093	57,089	319,855
1998	500	37,271	229,662	59,542	326,475
1999	⁵ 700	25,528	245,825	69,265	340,618
2000	700	27,542	249,313	83,572	360,427
2001	740	22,100	247,555	76,455	346,110
2002	780	17,271	241,462	82,177	340,910
2003	800	17,132	235,453	71,097	323,682
2004	810	17,114	237,409	73,681	328,204
2005	830	17,621	240,744	78,205	336,570

¹ Increases in 2001 and subsequent years are based on increases in the national average wage index.

² Workers' earnings are above SGA level.

³ Workers' earnings are at or below SGA level.

⁴ 1619(b) recipients are not in current-payment status but retain SSI recipient status for Medicaid purposes.

⁵ Increased to \$700 in July 1999.

Figure V.E1.—SSI Federally-Administered Blind or Disabled Working Recipients as of December, 1987-2005

[In thousands]

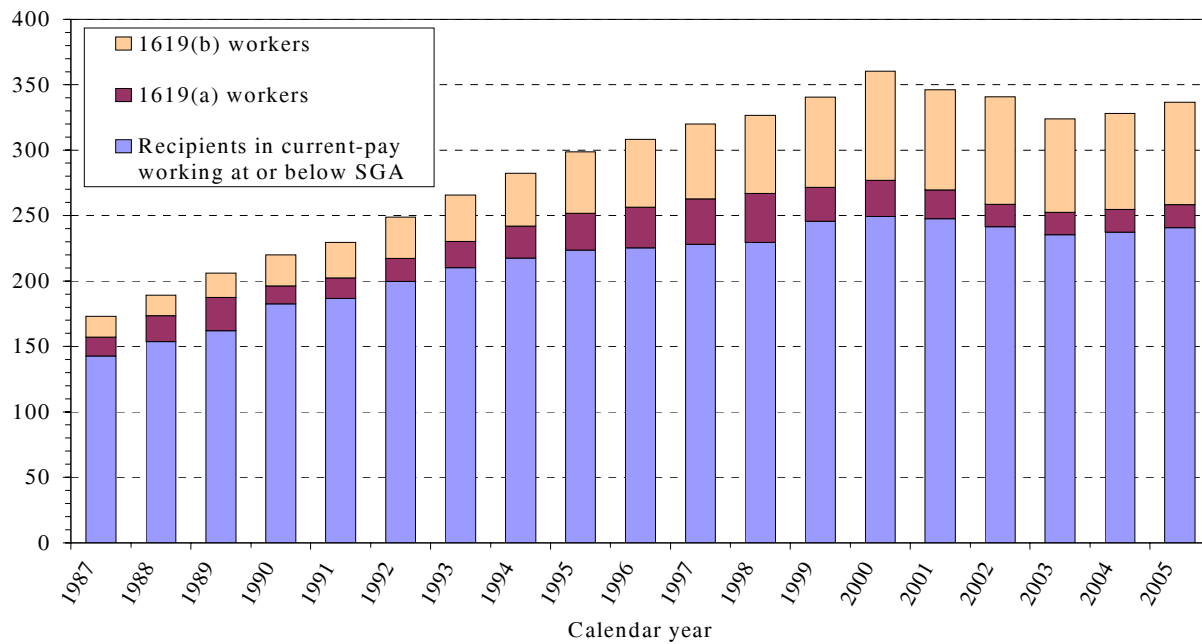


Table V.E2 presents historical numbers of SSI recipients who benefit from other selected work incentive provisions: (1) plan for achieving self-support (PASS), (2) impairment-related work expense exclusion (IRWE), and (3) blind work expense exclusion (BWE). These recipients may be benefiting from more 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, 1990-2005

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
2003	1,181	524	1,705	7,604	3,074
2004	1,112	486	1,598	6,874	2,827
2005	1,089	493	1,582	6,310	2,552

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, 1987-2005

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
2003	1,059	241	1,081	469
2004	1,076	246	1,070	474
2005	1,111	255	1,118	500

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, with increases in 2001 and subsequent years based on increases in the national average wage index. In January 2006 the SGA level was increased to \$860.

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

Provisions designed to make vocational rehabilitation (VR) services available to SSI blind or disabled recipients have been part of the SSI program since its inception. From the beginning, SSI recipients were referred to State VR agencies, which provided services to those recipients who were accepted as clients. Prior to 1981, SSA made block grants to VR agencies to fund services to disabled beneficiaries. The 1981 amendments changed this and established a “cost” reimbursement provision. VR agencies would be reimbursed for the cost of VR services furnished to blind or disabled SSI recipients only if the services resulted in the recipient returning to work. For reimbursement purposes, recipients are considered to have returned to work if they have had earnings exceeding the SGA level for 9 continuous months.

The 1984 amendments authorized reimbursement for cases¹ 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 a program would increase the likelihood the individual will be permanently removed from the rolls. 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.

In 1994, the regulations were amended to include reimbursement to alternate private and non-State public VR providers (referred to as “alternate participants”) that provided VR services to recipients that a State VR agency had not accepted as clients. The alternate provider program has subsequently been replaced by the Ticket to Work and Self-Sufficiency program (Ticket to Work program) established by the Ticket to Work and Work Incentives Improvement Act of 1999.

Under the Ticket to Work program, a disabled beneficiary may obtain vocational rehabilitation, employment and other support services from qualified private or public providers that are referred to as “Employment Networks” (ENs). The Ticket to Work program authorized the Commissioner to provide payments to ENs under either an outcome payment system or an outcome-milestone payment system. (State VR agencies were provided the option to elect on a case-by-case basis to be paid either under the traditional VR reimbursement system, or either the outcome or outcome-milestone payment system.) By expanding the pool of providers and giving the providers incentives for achieving success, this program expands access to these services for persons with disabilities to assist them in finding, entering, and retaining employment and reducing their dependence on cash benefits.

The Ticket to Work program was implemented on a State-by-State basis beginning in February 2002 and has been fully implemented nationwide since November 2003. As the Ticket to Work program was implemented in a State, the alternate provider and the traditional VR referral process described earlier were eliminated. SSA provided eligible individuals who received SSI benefits due to blindness or disability in such State with a Ticket to Work document (“ticket”). Beneficiaries who receive a ticket may use it to obtain from ENs or their State VR agencies vocational rehabilitation services, employment services and other support services needed to return to work or go to work for the first time. Individuals

¹ The 1980 amendments provided for benefit continuation for such SSI recipients who were continuing in a VR program after their disability had ceased. The provision was extended to blind recipients effective April, 1988.

not eligible for a ticket may still request services from a State VR agency; the VR agency continues to decide whether each beneficiary is eligible for services under the Rehabilitation Act of 1973.

The Ticket legislation required that SSA establish a corps of work incentives specialists to disseminate accurate information about work incentives. In addition, the Social Security Protection Act of 2004 mandated that SSA provide a work report receipt to the beneficiary. In response to these mandates, SSA:

- In fiscal year 2003, established the Area Work Incentives Coordinator (AWIC) position and trained a total of 58 AWICs, with at least one AWIC being assigned to each Area Office. The AWIC position was created to improve the quality of employment support services provided to beneficiaries through training, outreach, and better coordination of support services.
- In fiscal year 2004, released a web-based design application known as eWork that provides the agency with a uniform electronic system to process and control title II return to work cases. Since eWork does not communicate with any title XVI systems, the agency is developing a web-based application, the SSI Monthly Wage Verification (SSIMWV), to process and control SSI work reports. The SSIMWV will allow the user to issue the mandated work report receipt in addition to processing the wage report. The SSIMWV is expected to be released in late 2006.

In fiscal year 2003, AWIC employees provided refresher training on employment supports to the local Work Incentive Liaisons (WIL) located in each of the 1,335 local field offices. The systems application phase of this training was updated beginning in fiscal year 2004 with the release of eWork. Training has been provided to all direct service employees in field offices, teleservice centers and the payment processing centers. This training initiative was completed in November 2004.

AWICs have also been very active in participating in outreach activities in their local areas and continue to be the primary point of contact for public information outreach in the communities. They have strengthened the relationship with our Ticket to Work partners: the ENs; Benefits Planning, Assistance and Outreach (BPAO) organizations; Protection and Advocacy (P&A) agencies and Disability Program Navigators. AWICs also work closely with the regional Plan to Achieve Self-Support (PASS) cadres in SSA to make joint educational presentations to the community about our employment support programs. The partnership has strengthened support of one of the objectives of the Ticket to Work program which is to educate the public about the benefits of returning to work and becoming self-sufficient. Presentations that have been made directly to persons with disabilities and/or entities that provide services to this target group include presentations at:

- Disability Employment Fairs
- Disability Forums and Expos
- Technical Colleges
- Universities
- Disability Resource Centers
- One Stop Centers
- Small Business Administration Groups
- Workforce Investment Fairs
- Independent Living Councils' Conferences

- United Way Agencies
- State Advocacy Groups

See section V.G.1.c for information on the evaluation of the Ticket to Work program.

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 1987-2005

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
2003	2,139	8,110	1,993	25,238	4,132	33,348
2004	1,999	7,759	2,150	26,390	4,149	34,149
2005	1,883	7,420	1,692	21,866	3,575	29,286

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 statistics on participation by SSI recipients in other programs based on data from the Supplemental Security Record (SSR), the main administrative file for the SSI program. Data summarized from the SSR are 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 below. 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.

Table V.F1.—Percentage of SSI Federally-Administered Recipients in Current-Payment Status with Participation¹ in Selected Programs Based on SSA Administrative Records, December, 2005

	Age groups			
	0-17	18-64	65 or older	All
Number of Federally-administered recipients, December, 2005 (in thousands)	1,036	4,083	1,995	7,114
Program	(In percent)			
Program participation by SSI recipients, December, 2005				
Federal SSI	99.7	96.4	92.7	95.9
Federally-administered State SSI supplementation	20.7	28.3	43.8	31.5
OASDI	7.2	31.5	57.1	35.2
Black Lung	2/	2/	2/	2/
Railroad Retirement	2/	2/	0.1	2/
Veterans Affairs disability cash benefits.	0.1	0.5	2.1	0.9
Worker's Compensation	2/	0.1	2/	0.1
Previous program participation by SSI recipients, December, 2005				
TANF/AFDC.	40.5	26.7	9.1	23.8
Interim Assistance Reimbursement	0.6	15.0	10.0	11.5

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.

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), 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 were presented in the 2005 SSI Annual Report. However, since the SIPP is being phased out by the Census Bureau and updated data are not available, data from the SIPP are not included in this report.

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 Survey of Income and Program Participation Data

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 the 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 the eligible elderly was about 62 percent in 1991. The comparable participation rate estimate at the end of 1996 was also 62 percent.

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, 2004). The financial eligibility model has also been utilized to study eligibility for Medicare buy-in programs (see Rupp and Sears 2000; Sears 2001/2002). More recently, the model has been expanded to address SSI participation and financial eligibility among the working-age disabled, and to assess SSI benefit restructuring options for the entire SSI population. The model is currently being used to simulate the effects of several approaches to changing in-kind support and maintenance rules and options for altering the calculation of the Federal benefit rate for certain living arrangement categories. Simulation results are applied to current elderly, working-age, and child SSI populations in order to provide up-to-date estimates for potential program changes,

Additional research using the matched SIPP records focused on the estimation of the prevalence of households and families with multiple SSI recipients and to assess the poverty status of multirecipient households (Koenig and Rupp, 2003/2004). The 1984 SIPP survey respondents were followed up for 14 years based on administrative records on SSI and DI participation and death events to assess the relationship between self-reported health status, disabilities, mortality, and participation in the SSI and DI programs (Rupp and Davies, 2004).

b. National Survey of Children and Families

The National Survey of SSI Children and Families (NSCF) was designed to address a number of SSA policy and program objectives. Originally, the NSCF was envisioned to address issues specifically pertaining to the effects of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (welfare reform). However, the survey as designed is useful for the study of a broader range of issues of current interest to policy makers. Most importantly it allows for the analysis of a nationally representative cross-section of SSI beneficiary children aged 0-17 and young-adults aged 18-23. Among the questions the survey answers are the following:

- What are the characteristics of SSI children?
- 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 cost of caring for a child with disabilities?
- What are the uses of SSI benefits?
- What is the impact of receiving childhood SSI benefits on parental labor force participation?

The first NSCF data collection began July 2001 and concluded June 2002. The NSCF sample size was considerably larger for SSI children and young adults than other surveys. Altogether, 8,535 interviews were completed for the NSCF, including 5,006 who received SSI benefits in December 2000 and 5,033 who received SSI benefits in December 1996. A public use file and documentation from the NSCF are available on the SSA website at <http://www.socialsecurity.gov/disabilityresearch/nscf.htm>. In addition, two papers have been published in the *Social Security Bulletin*. Davies and Rupp (2005/2006) provides an overview of the survey and describes some key features. Rupp et al. (2005/2006) presents highlights from the survey characterizing SSI children with disabilities and their families. Research with NSCF data is currently underway to study employment and caregiving patterns of parents of SSI children and to examine employment and program outcomes among young adults after their eligibility redetermination at age 18.

The first NSCF is providing valuable insights into SSA priorities. However, it was a cross-sectional effort. Therefore, SSA will be conducting another round of the NSCF to provide longitudinal information and enhance its capability to better address SSA goals. The second NSCF data collection is in the preliminary planning stages.

c. Evaluation of the Ticket to Work Program

The Ticket to Work and Work Incentives Improvement Act of 1999 requires the Commissioner of Social Security to provide for independent evaluations to assess the effectiveness of the Ticket to Work program, and to submit three separate evaluation reports to Congress. In May 2003, SSA awarded two 5-year contracts to Mathematica Policy Research to conduct the evaluation of the Ticket to Work program. The first contract focuses on data development, qualitative data collection, and implementation of the comprehensive evaluation analyses. The second contract focuses on a survey of beneficiaries which is designed to collect information on the health and well-being of beneficiaries and on how beneficiaries use the Ticket to Work program.

The first evaluation report was submitted in 2004 and included recommendations for methods to adjust payment rates to ensure adequate incentives for the provision of services by employment networks (see Thornton, et al. 2004). The remaining evaluation reports will be submitted in 2006 and 2007. The initial survey was sent into the field in 2004 and is being repeated annually through 2007.

d. Homeless Outreach Projects and Evaluation (HOPE)

In fiscal years 2003-05, SSA's appropriations included earmarked funds totaling \$24 million to conduct outreach to homeless and other under-served populations in support of the President's initiative to end chronic homelessness within 10 years. In 2004, SSA awarded funds to 41 service providers in 20 States and the District of Columbia that currently provide outreach services to the homeless population. The service providers began enrolling project participants in September 2004. As of January 2006, HOPE grantees assisted 6,709 homeless individuals with their applications for SSI. Of those, 1,635 have been awarded SSI benefits based on disability.

The HOPE initiative is focused on assisting eligible, homeless individuals in applying for SSI and DI benefits. The HOPE projects will help SSA demonstrate the effectiveness of using skilled medical and social service providers to identify and engage homeless individuals with disabilities as well as assist them with the application process.

e. Youth Transition Demonstration (YTD)

In September 2003, to further the President's New Freedom Initiative goal of increasing employment of individuals with disabilities, SSA awarded cooperative agreements to six States (California, Colorado, Iowa, New York, Maryland, and Mississippi) for the purpose of developing innovative systems to assist youth with disabilities to successfully transition from school to work. During this critical period of transition to adulthood, the services provided to youth with disabilities will prepare them for postsecondary education, employment, and economic self-sufficiency.

The States have established partnerships to improve employment outcomes for youth ages 14-25 who receive SSI or DI payments on the basis of their own disability. The projects provide a broad array of transition-related services and supports to youth who receive or are at risk of becoming eligible to receive SSI or DI benefits. As of May 2006, 234 of 730 YTD participants (32 percent) were employed full or part-time. For a rough comparison, approximately 11 percent of SSI recipients aged 18-21 were working at the end of December 2005.

f. Disability Program Navigators (DPNs)

In September 2002, SSA and the Department of Labor's (DOL) Employment and Training Administration agreed to fund a 2-year pilot and evaluation of the DPN. In October 2005, DOL and SSA agreed to fund the project for a third year. As of April 25, 2006, there were approximately 273 DPN positions in 17 States.

Disability Program Navigators operate in DOL's One-Stop Career Centers and provide seamless employment services to individuals seeking to enter the workforce. They also provide an important link to the local employment market and facilitate access to programs and services that impact the success of individuals with disabilities who are seeking employment.

g. Pediatric Medical Units (PMUs)

Building on its current studies of determining disability in childhood disability cases, SSA is funding a multi-year project to design, implement, and evaluate PMUs and test their ability to assist State Disability Determination Services (DDSs). PMUs will be designed to take the most complex childhood disability applications and assist DDSs in obtaining the appropriate medical evidence and documentation to allow disability examiners to make a decision as early in the adjudication process as possible.

SSA has selected the Association of University Centers on Disabilities (AUCD) to conduct this demonstration project. AUCD has been working with SSA on the childhood disability determination process since 1999. We have selected four pilot sites to test different models of assistance and support for State DDSs and expect these sites to begin serving State DDSs by the end of the calendar year.

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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 U.S. Citizenship and Immigration Services (USCIS).

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 periods¹.

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 2006 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.

¹ Under DSI, the new disability determination process for initial claims for which final rules were published in March 2006, the administrative review process will be changed for appeals of unfavorable medical determinations. Implementation of DSI is scheduled to begin with the Boston region in August 2006.

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. A blind or disabled individual who is under age 18.

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 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.

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.

Essential Person. An individual whose presence in the home of an SSI recipient who was transferred from a State assistance program to SSI in January 1974 results in an increase in the FBR of the SSI recipient. The essential person must have been (1) living in the household of the SSI recipient in December 1973 and continuously thereafter; (2) never eligible for SSI; (3) not eligible for State assistance in December 1973; and (4) taken into account when the SSI recipient’s need for State assistance was determined in December 1973.

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 2006 began October 1, 2005 and will end September 30, 2006.

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. In any given quarter up to \$30 of earned and \$60 of unearned infrequent or irregular income is excluded.

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 or shelter or something an individual can use to obtain food or shelter.

In-Kind Support and Maintenance (ISM). Unearned income in the form of food or shelter.

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 USCIS 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).

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 1 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 by Federal statute, including Section 501(e) of the Refugee Education Assistance Act of 1980;
 - Former parolees and other aliens who became residents under the Cuban Adjustment Act of 1966;
 - Aliens who became permanent residents under the Nicaraguan and Central American Relief Act; or
 - Aliens who became permanent residents under the Haitian Refugee Immigration Fairness Act.
- 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 USCIS 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 2006, a worker receives one quarter of coverage (up to four a year) for each \$970 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.¹

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.

¹ Under DSI, the new disability determination process for initial claims for which final rules were published in March 2006, the administrative process for appeals of unfavorable medical determinations does not include the reconsideration step.

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 payment 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, 2006, pays a \$9.29 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. An unmarried blind or disabled individual who is not the head of a household, but is under age 22 and regularly attending school. Effective April 2005, a blind or disabled individual who is under age 22 and regularly attending school.

Student Earned Income Exclusion (SEIE). An earned income exclusion for a student with certain limitations established by regulations. For 2006, up to \$1,460 earned income in a month, but no more than \$5,910 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 2006, a person who is not statutorily blind and is earning more than \$860 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 (24 months for individuals who were made ineligible because of their spouses or parent being called to active military duty) 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 perspectives on this important program, and we have asked the Social Security Administration (SSA) to include the following statement in this year's annual report.

The impetus for this statement came out of our renewed study of the disability program. During the course of this most recent work it has become clear that there is a need to strengthen our national policies relative to youth with disabilities. In presenting our views this year, we want to focus on the impacts of the SSI age-18 redetermination policy and how it affects the transition of youth from SSI benefits to the world of work and adulthood.

SSI applicants under age 18 have to meet different disability standards from those for applicants ages 18 and above. Beginning in 1996, all SSI beneficiaries who turn 18 have had to have their cases redetermined under the adult standards. Between 1996 and 2004, more than 400 thousand beneficiaries have had these age-18 redeterminations. About one-third of these redeterminations result in termination of benefits. The Board believes that it is crucial that parents and children be made aware of this so that they can better prepare for this eventuality. The job of children is to learn and grow and the role of the educational system is paramount. Schools play a large part in preparing SSI youth, especially those who will be able to work as adults, for their transition to adulthood. We will recommend some steps that SSA can take that can help make that preparation more effective.

SSI: TRANSITION FROM CHILDHOOD TO ADULTHOOD

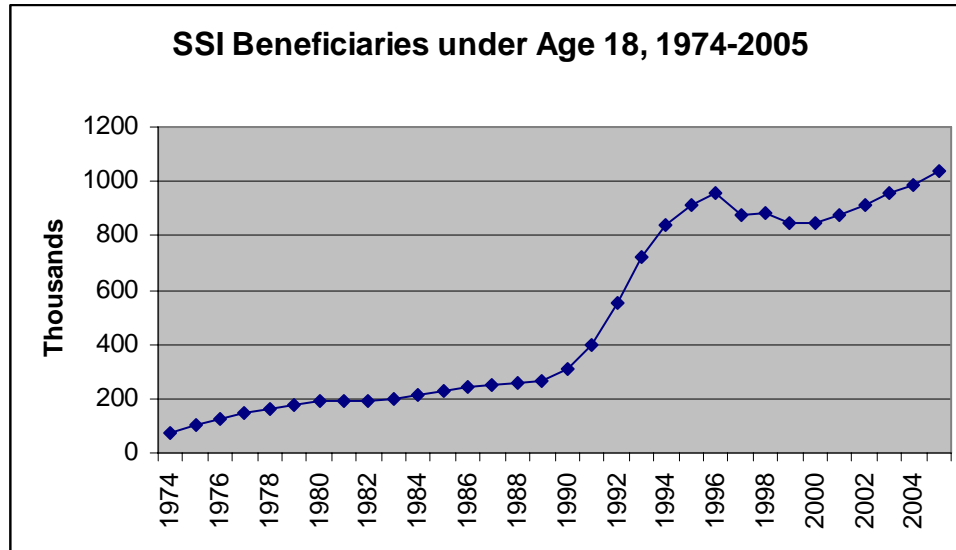
Age-18 Redeterminations

The number of SSI beneficiaries under age 18 grew slowly from the program's inception until the early 1990s, when it began to increase rapidly. (See Chart 1.) This rapid growth has been attributed mainly to a Supreme Court decision that loosened the eligibility requirements for children. A recession in the early 1990s, changes in State welfare programs, and efforts by disability advocates may also have been factors in the growth of the child SSI rolls.

Concerns over this rapid growth and over media reports of children being coached to meet eligibility requirements led to restrictions on program access. In 1996 Congress tightened the child disability requirements and ordered SSA to redetermine the cases of SSI children whose eligibility might be affected by the new requirements. Congress also added a requirement that all 18-year-old SSI beneficiaries have their eligibility

redetermined to see if they meet the adult disability criteria. These redeterminations are different from continuing disability reviews (CDRs) that beneficiaries go through from time to time. Instead of determining whether the beneficiary's medical condition has improved to the point that he or she no longer meets the definition of disability, as is the case with CDRs, medical improvement is not a factor in the age-18 redeterminations. Rather, the age-18 redeterminations measure against adult disability criteria beneficiaries who had earlier been approved based on the childhood criteria.

Chart 1

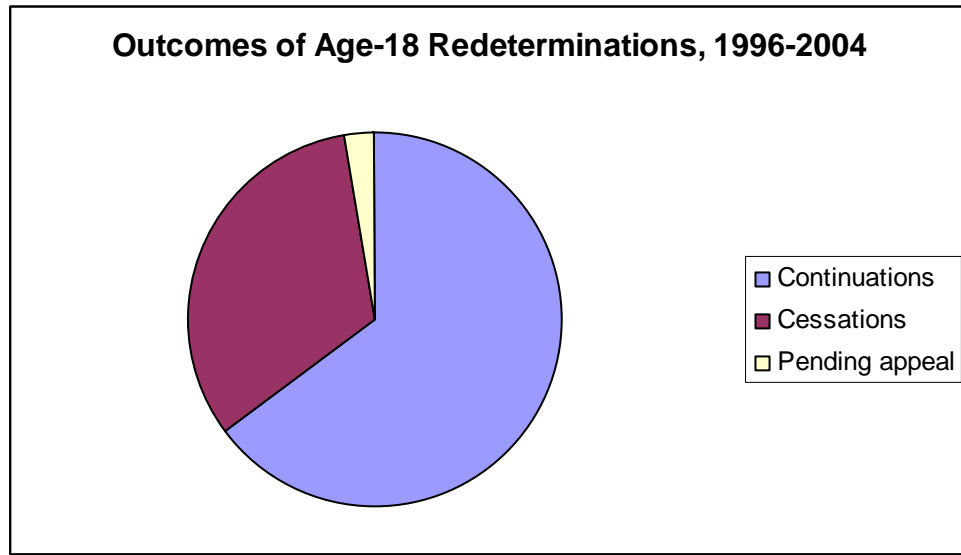


Outcomes of Age-18 Redeterminations

The age-18 redeterminations are conducted by the State agencies that make disability determinations for SSA. Between 1996 and 2004 those State agencies made more than 400 thousand such redeterminations. Of those determinations, 56 percent were decisions to continue benefits, and 44 percent were to cease benefits. Beneficiaries who received a decision to cease benefits could ask for a reconsideration of that decision by the State agency. Those who still received a cessation decision at the reconsideration level could request a hearing by an SSA administrative law judge. Those who received a cessation decision at the hearing level could ask for a review by SSA's Appeals Council. Those dissatisfied with the outcome at that level could take their case to the Federal courts. After appeals (as shown in Chart 2), 65 percent of these 1996 through 2004 age-18 redeterminations resulted in continuation of benefits, and 33 percent resulted in a cessation of benefits. (Two percent were still awaiting an appeal decision in January 2005).¹ By contrast, more than 90 percent of SSI adult beneficiaries whose cases received a full medical review over the same period had their benefits continued.

¹ There is considerable State-to-State variation in cessation rates by States. See Appendix.

Chart 2



Characteristics of Beneficiaries

Recent data from the National Survey of SSI Children and Families (NSCF) provides a snapshot of who the SSI childhood beneficiaries are. The NSCF is a nationally representative survey – the first since 1978 – of noninstitutionalized children and young adults who currently or formerly received SSI. It was funded by SSA, and data were collected between July 2001 and July 2002. The following description of SSI beneficiaries between the ages of 14 and 17, the years immediately before the age-18 redetermination, is based on NSCF data:²

- 37 percent are female, 63 percent male.
- 25 percent live in a 2-parent family, 60 percent in a single-parent family, 14 percent live with another relative or guardian, and 1 percent live alone or in an institution.
- Parent's education level is less than high school for 43 percent, high school or GED for 36 percent, and more than high school for 22 percent.
- In 51 percent of the households, at least 1 parent is working.
- The total average monthly household income, including SSI, is \$1,528. Average household income is 6 percent above the poverty level, and 38 percent of households are below the poverty line.
- Household income sources other than earnings and SSI payments include welfare (17 percent of households), Social Security benefits (21 percent), child support (19 percent), and pensions and annuities (2 percent).
- Non-cash benefits include Food Stamps (31 percent of households), Medicaid (93 percent), and housing assistance (11 percent).
- Almost 6 percent had dropped out of school.

² Pamela Loprest and David Wittenburg, "Choices, Challenges, and Options: Child SSI Recipients Preparing for the Transition to Adult Life," Urban Institute, May 2005.

- Of those who had not dropped out, 32 percent had been suspended or expelled in the last 12 months.
- Of 17 year olds, 16 percent reported ever having been arrested.

Another rich source of data on youth with disabilities is the National Longitudinal Transition Study-2 (NLTS2), sponsored by the Department of Education. That study looks at a nationally representative sample of students who were 13 to 16 years old and received special education in December 2000. The study will follow them until 2010 to understand their experiences as they transition into adulthood. A report on early findings from that study makes the point that youths from low-income families, as SSI youth are, are different from those from wealthier families in some important respects. Youths from low-income families are less likely to have had their disabilities identified at an early age or to have received services to ameliorate the negative impacts of those disabilities. Low-income youth are more likely to have limitations in communication and social skills and to have vision problems even when they use glasses or contact lenses. They are less likely to have mastered basic functional cognitive skills such as reading common signs and counting change.

Over the last 40 years, the transition to adulthood in American society has become longer and more difficult. Young people are more likely to depend on parents for financial help, health insurance, or a place to live between jobs. Not all parents can provide such help, and supports from other sources often end at 18 or 21. Youth with disabilities are often the least able to assume adult responsibilities. They may lack work skills, or maturity, or life skills, or may have limitations that affect their work. They are more likely to be unemployed, to have children outside of marriage, to be socially isolated, to commit crimes, and to live in poverty.³

The transition to adulthood can be challenging, and is more challenging for youth with disabilities. The picture of SSI youth that emerges from survey data indicates that the transition to adulthood is especially challenging for them.

Impact on Beneficiaries

The NSCF sheds light on what happens to beneficiaries after their redetermination. Loprest and Wittenburg look at a group who were receiving benefits in 1996 and were ages 19 to 23 in 2000, a group they refer to as their post-transition cohort. They divide that group into 2 subgroups, those remaining on SSI and those who were cut off or left SSI at the age-18 redetermination. They find that some of the group off SSI found other sources of income, but many are struggling to get by. Both those remaining on SSI and those removed from the SSI rolls have incomes, on average, only a little above the poverty line. Following are some of Loprest and Wittenburg's findings about these subgroups:

³ D. Wayne Osgood, E. Michael Foster, Constance Flanagan, and Gretchen Ruth, "Programs and Policy Goals for Helping Vulnerable Youth as They Move into Adulthood," *Network on Transitions to Adulthood Policy Brief*, Issue 18, February 2005.

	On SSI	Off SSI
Gender		
Female	44.9%	32.6%
Male	55.1%	67.4%
Living Arrangement		
2-parent family	27.0%	17.1%
Single-parent family	37.3%	40.1%
Other relative/guardian	23.9%	26.4%
Alone/institution	10.6%	15.3%
Ratio of total household income to poverty level	1.17	1.10
Percent below poverty	37.0%	28.7%
Sources of household income		
<u>Earnings</u>		
Parental earnings	41.1%	35.0%
Own earnings	13.2%	38.4%
Any earnings	46.3%	61.7%
<u>Government transfers</u>		
Welfare	13.5%	8.0%
General assistance	1.1%	1.9%
Other SSA benefits	19.0%	11.4%
Any government transfer	30.9%	19.4%
<u>Other income</u>		
Child support	9.6%	10.9%
Pension and annuity	3.3%	4.3%
<u>Other supports</u>		
Food Stamps	29.4%	29.2%
Housing assistance	7.7%	10.9%
<u>Health insurance</u>		
Medicaid	92.5%	24.8%
Any private insurance	10.5%	15.3%
No insurance	3.5%	55.2%
Education		
Graduated, in post-secondary school	7.0%	4.4%
Graduated secondary school	41.2%	45.3%
In secondary school	16.7%	2.1%
Dropout	35.0%	48.2%
Current activities		
Employed full-time	1.9%	21.9%
Employed part-time	10.1%	15.1%
Enrolled in school	23.7%	6.5%
In vocational training	13.6%	9.1%
None of the above	59.3%	51.7%
Ever arrested	18.6%	31.8%

While more of the group off SSI are working and a smaller percentage of the group off SSI are in households below the poverty level, their total household income is below

that of the group still on SSI and is only slightly above the poverty level. More than half have no health insurance. Only half of them have graduated from secondary school. More than half of the off-SSI group are neither employed, enrolled in school, nor in vocational training. Nearly a third of them have been arrested.

The NSCF also provides data on the health and disability of the post-transition group. Those off SSI have fewer health care needs than those still on SSI, but they still have a significant level of needs.

	On SSI	Off SSI
Has a special care need	88.3%	71.4%
Needs or uses more services compared with children of same age	66.5%	43.6%
Needs or uses medicine prescribed by a doctor	56.4%	36.3%
Limited in ability to do things like most children of same age	69.7%	48.7%
Needs or gets special therapy	27.2%	13.8%
Needs or gets mental health treatment or counseling	41.5%	33.0%
Uses special medical equipment	16.1%	7.8%
Needs help with personal care needs (eating, bathing, dressing, getting around inside home)	28.9%	5.4%
Needs help with handling routine needs (preparing meals, managing money, doing housework, managing medication)	74.8%	41.1%

THE ROLE OF THE EDUCATIONAL SYSTEM

The cash benefits that SSI youth receive, and the Medicaid health insurance that almost all of them also receive, are clearly important to them and to their families. But those benefits do not themselves prepare SSI youth for adulthood. Other institutions, particularly the educational system, play a greater role in that preparation.

Individuals with Disabilities Education Act Requirements

The Individuals with Disabilities Education Act (IDEA) establishes school systems' responsibilities for special education students. IDEA was passed in 1975 and became effective in 1978. Major amendments were passed in 1997. Congressional findings accompanying those amendments state: "Disability is a natural part of the human experience and in no way diminishes the right of individuals to participate in or contribute to society. Improving educational results for children with disabilities is an essential element of our national policy of ensuring equality of opportunity, full participation, independent living, and economic self-sufficiency for individuals with disabilities."

IDEA guarantees that all students with disabilities aged 3 through 21 have the right to a "free and appropriate public education," ending when a student graduates with a regular high school diploma. IDEA applies to students who have a disability resulting in a need for special education and related services. The written Individualized Education Program (IEP) is the focal point of the IDEA. Developing the IEP begins with a comprehensive

individual evaluation. The IEP is to set out in detail the nature of the student's educational needs, the services to be provided, and specific goals for the student. The IEP must also include provisions to assist students in making the transition from school to adult living. Beginning at 16, the IEP is to include a full transition services plan, including identifying the responsibilities of agencies other than the schools to provide services.

The Individuals with Disabilities Education Improvement Act, passed in 2004, reauthorized IDEA. It clarified that one of the primary purposes of the law is to ensure a free appropriate public education designed to meet each student's unique needs and to "prepare them for further education, employment and independent living." Schools were required to set clear and specific transition goals beyond secondary school.

The requirements of IDEA are clearly of great potential benefit to SSI beneficiaries who receive special education as they approach the transition to adulthood. Not all SSI youth are in special education, but a large percentage are. It is estimated that about two-thirds to three-quarters of SSI youth ages 14 to 17 are in special education. Data from school staff in the NLTS2 indicate that transition planning does in fact take place for special education students and that 96 percent of 17 to 18 year olds have transition plans.

Individuals with Disabilities Education Act Performance

The quality of this planning, however, is probably not what Congress envisioned when it passed the IDEA legislation. School staff reported in the NLTS2 that nearly 20 percent of secondary school students have transition programs that are only somewhat well suited or not at all well suited to meet their transition goals. Research has shown that parent participation in transition planning is an important element in successful transitions. School staff reported in the NLTS2 that students in the lowest household income group were less likely to have parents that actively participated in transition planning. Parents reported that they were not as involved as they would like in IEP decisions. They said that the school mostly decides students' goals for about half the students.

The content of the IEPs is often defective. A National Council on Disability (NCD) report in 2000 stated that the Department of Education had found 20 States out of compliance with standards on the content of IEPs.⁴ For example, of 17 IEPs reviewed in a New Jersey school district, 16 showed identical goals and objectives. In Kentucky, 14 of 53 IEPs reviewed did not include goals and objectives to address each of the students' needs identified on the IEP. State violations of content requirements were often widespread, affecting a large percentage of IEPs in the State.

Whatever the quality of the planning process or the IEPs, the services themselves may not be available. SSI children, especially those in low-income areas, may not have sufficient supports available for their IEPs. This lack of availability, in turn, may reduce the expectations that parents and school staff have for many children. A student in a poor

⁴ National Council on Disability, *Back to School on Civil Rights*, January 25, 2000.

school district may not have access to needed services, reducing expectations for independent living and employment after age 18.

KNOWLEDGE GAPS IN THE TRANSITION PROCESS

Studies of the transition process have questioned whether school personnel have, or should be expected to have, the needed level of knowledge about SSI work incentives and the redetermination process to help youth and their families make informed decisions. Uncertainty about program rules is likely to make beneficiaries and families reluctant to take steps that they fear may jeopardize their eligibility for SSI or for Medicaid. Students and their families lack knowledge as well. The NCD's Youth Advisory Committee reported that students and their families lacked information about IDEA, preventing them from obtaining needed support services.⁵

Beneficiaries and their families also lack information about the transition process, work incentives, and the impact of work on benefits. The Benefits Assistance Resource Center at Virginia Commonwealth University reports that beneficiaries and their families ordinarily do not know that the age-18 redetermination is required or how it differs from regularly scheduled continuing disability reviews that they may have had under the childhood disability standard. The Center reports that folklore about disability benefits is very influential and that most of the information spread among families about disability benefits is either incomplete or incorrect. This misinformation is often reinforced, the Center says, by school personnel, vocational rehabilitation counselors, and even SSA employees.

Under the Ticket to Work and Work Incentives Improvement Act of 1999, SSA awarded cooperative agreements to community organizations in every State, known as Benefits Planning, Assistance, and Outreach (BPAO) projects. These BPAO projects were established to provide all disability beneficiaries, including transition-aged youth, access to benefits planning and assistance services. As of September 30, 2005, these projects had provided services to about 14 thousand persons between ages 14 and 22, only 7.3 percent of the total population served and a small fraction of the transition-aged population.⁶

Other observers have also commented on the lack of accurate information on the part of beneficiaries and caregivers. It has been reported that frequently misinformation and fear of losing benefits have led beneficiaries to limit work alternatives, refusing employment despite a desire to enter the workforce.⁷ Others speak of a need to "demystify" the age-18 redetermination process. "When the child or young adult is receiving SSI, the usual myths about benefits and work often persist, with parents often resistant to having their child work for fear of an immediate end to cash benefits and

⁵ *Perspectives on the Individuals with Disabilities Education Act: Youth with Disabilities and Others Respond*, November 20, 2002.

⁶ *Social Security Disability Benefit Issues Affecting Transition Aged Youth*, January 2006.

⁷ Valerie Brooke, "Benefits Planning and Outreach Projects: Providing Beneficiaries with Information," in V. Gaylord, T.P. Golden, S. O'Mara, and D.R. Johnson (eds.), *Impact: Feature Issue on Young Adults with Disabilities & Social Security Administration Employment Support Programs*, Minneapolis: University of Minnesota, Institute on Community Integration, 2002.

Medicaid.”⁸ The National Center on Secondary Education and Transition lists myths that may discourage SSI youth from taking a job: that people who work are not eligible for SSI; that people who work will lose cash benefits and/or Medicaid; and that benefits will stop if they enter a training program.⁹ NSCF data support these statements about lack of information. Loprest and Wittenburg report that only 22 percent of pre-transition SSI recipients surveyed said that they had ever heard of SSA work incentives or discussed them with an SSA representative.

CLOSING THE KNOWLEDGE GAPS

SSA and its partners should implement an early notification process.

SSA has a limited but clear and important role in transitioning SSI youth to adulthood. The educational system must continue to play the leading role in the transition process, but SSA can help both educators and beneficiaries and their families by making information available. We have frequently stated that SSA’s disability programs should be more work-oriented. The experience of the age-18 redeterminations since 1996 has been that about a third of SSI youth have their benefits stopped at age 18 because it is determined that they do not have a disability that prevents them from working. Unfortunately, they are transitioning into a young adulthood in which recent data show only 22 percent of them employed full-time and 15 percent employed part-time. This represents a waste of their young lives and a waste of a valuable national asset.

The SSI youth transition process is an opportunity to change this gloomy picture by helping a portion of SSI youth make a transition to self-supporting employment. Beneficiaries and their families and the educators who assist them need good information in order to make good choices.

We recommend that SSA begin a process of early notification of SSI youth and their parents or caregivers on the subject of the age-18 redetermination. The first notice should be sent to beneficiaries when they turn 14, to let them know that the age-18 redetermination will take place and to inform them about IDEA and how an IEP can help them prepare for the transition to adulthood. The second notice should be sent at age 16, reminding them about the age-18 redetermination, giving them further information about the IEP process and the transition plan it should include, and providing information about SSI work incentives and the effect of work on SSI benefits. The notice should also tell them how to contact their local SSA work incentive liaison as a knowledgeable source of information on work and benefits.

SSA should also work with the Department of Education to identify appropriate persons in the educational system to receive information about the age-18 redetermination process, work incentives, and the effect of work on benefits. The

⁸ James R. Sheldon, Jr., and Thomas P. Golden, *Conducting Outreach to Transition-Aged Youth*, Cornell University Work Incentive Support Center, Policy and Practice Brief 25.

⁹ National Center on Secondary Education and Transition, *Parent Brief*, March 2003.

appropriate educators should also be told how to contact their local SSA work incentive liaison for further information or for consultation about specific cases.

ADDITIONAL RECOMMENDATIONS

A fresh look at work incentives for youth in transition is needed.

SSI work incentives are complex, and interactions with other means-tested programs make beneficiaries' decisions about work even more complex. The effect of SSI work incentives is reduced by potential reductions of benefits from other transfer programs, plus Federal, State, and local taxes, as well as the potential loss of medical insurance. This combination is equivalent to a high cumulative marginal tax rate for individuals receiving benefits from multiple programs. In our comments on the SSI program last year, we referred to a demonstration project known as Work Incentives for Participants in the Florida Freedom Initiative, which will end in March 2007. Participating SSI beneficiaries will have an earned income disregard of \$280, 4 times the amount in current law. This means that the first \$280 of earnings per month will have no effect on their SSI benefits. We look forward to the results of this demonstration project. Increasing work incentives for all program participants would be expensive, but the expense could be offset somewhat by some of the program simplifications we suggested last year in our statement on the SSI program. Other work incentives should also be re-examined. For example, the student earned income exclusion ends at age 22, but the average age of entry to postsecondary education for students with disabilities who receive SSI benefits is 40.¹⁰

SSA is currently conducting youth transition demonstration projects in 6 States: California, Colorado, Iowa, Maryland, Mississippi, and New York. The demonstration projects will provide empirical evidence on the impacts of changes in SSI rules and enhanced coordination of services on work activity and earnings. SSA has recently awarded a contract for a national evaluation of these projects. While we recognize that, because of the age of the target population, evaluating the implications for work for these young people will be a long process, we do believe that the ultimate findings will be valuable to researchers and public policymakers in the long term.

Publication and analysis of a broader range of data will foster better decisions by beneficiaries, families and policymakers.

The data on age-18 redeterminations published in the *Annual Report of the Supplemental Security Income Program* are helpful, but limited. To assist SSI youth, their families, and educators, SSA should add to the data it already publishes data on cessations and continuations by State and by type of disability. Given what we know about their health limitations, lack of health insurance, and low income, it is possible that the health of those

¹⁰ The National Postsecondary Student Aid Survey obtained information on 50,000 undergraduate students in 2000. The mean age of postsecondary enrollment for all undergraduates with disabilities was 33 years; for SSI beneficiaries it was 40 years of age. Hugh Berry, Megan A. Conway, and Kelly B.T. Chang, "Social Security and Undergraduates with Disabilities: An Analysis of the National Postsecondary Student Aid Survey," National Center on Secondary Education and Transition *Information Brief*, October 2004.

whose benefits are terminated at age 18 may worsen to the point that they are eligible for benefits. SSA should also include in the *Annual Report of the Supplemental Security Income Program* data on the extent to which those terminated at 18 later apply for and receive benefits again. Policymakers may want to consider options to assist that group in the transition process and prevent later dependence on benefits.

The NSCF is an important resource that can provide policymakers with a great deal of insight into the workings of the SSI program and how it can be improved. SSA is to be commended for funding the survey. It should encourage researchers to make use of the public use data from the survey. Linking administrative data to the survey data makes the NSCF an even more powerful resource. SSA should use this resource and publish results for use by the wider research community. It should also make linked survey and administrative data available to qualified researchers to the greatest extent possible, consistent with privacy concerns.

CONCLUSION

The age-18 redetermination is a critical time in the life of a vulnerable population. Data from the NSCF show that most of those ages 19 to 23 whose SSI benefits have been stopped are not employed nor are they enrolled in school or in vocational training. Nearly half of them have dropped out of secondary school. Many have a significant level of health needs, but a majority have no health insurance. The educational system has a major responsibility to prepare them for the transition to adulthood, but educators are not sufficiently informed about the SSI program and the advantages of work for SSI beneficiaries. Parents and caregivers also lack information.

By taking a more active role in informing educators, parents, and caregivers, SSA can help make an improvement in the lives of at least some of those who transition off benefits. We are aware that SSA is already hard-pressed to meet its current commitments. But we believe that the agency can help SSI youth transition to a more productive adulthood by taking on this more active role and that the Congress should support it in doing so.

Hal Daub, Chairman

Dorcas R. Hardy

Barbara B. Kennelly

David Podoff

Sylvester J. Schieber

APPENDIX TO SOCIAL SECURITY ADVISORY BOARD STATEMENT

SSI Age-18 Redeterminations— Outcomes by State

Data on outcomes by State show a considerable variation in cessation rates among the States. The following chart displays the initial and ultimate cessation rates for each State for FY 2003. The national cessation rate for the initial decision was 40.8 percent, and the State rates varied from 13.2 percent in Vermont to 54.9 percent in Mississippi. The ultimate cessation rate is the cessation rate after all appeals. The national rate was 30.5 percent, and State rates ranged from 2.6 percent in Vermont to 43.7 percent in Delaware.

As with other aspects of decision making on disability, we are concerned by State-to-State variations in this national program. We hope that the Disability Service Improvement plan that SSA will soon begin to implement will reduce this variation.

