



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

**Social Security Administration
May 2007**



SOCIAL SECURITY

The Commissioner

May 30, 2007

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

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, D.C.

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

Dear Mr. President, Madam Speaker, and Mr. Cheney:

It is my pleasure to submit to you the 2007 Annual Report of the Supplemental Security Income Program (the eleventh such report), in compliance with section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Sincerely,

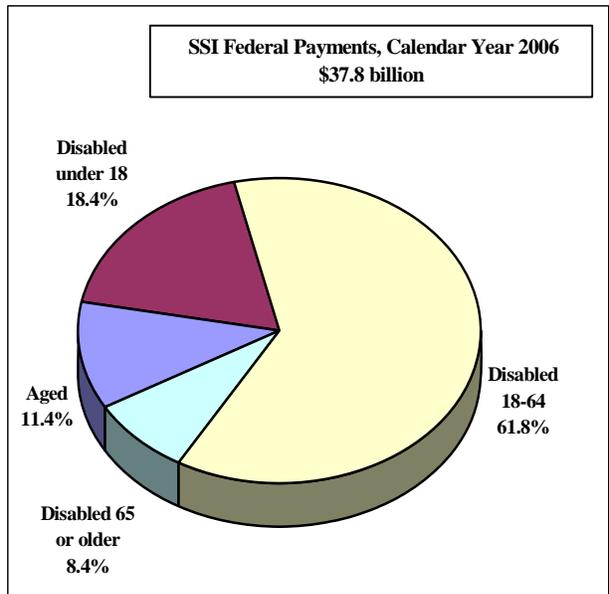
Michael J. Astrue

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 eleventh 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 2007, 7.0 million individuals received monthly Federal SSI payments averaging \$435 versus 6.9 million with an average payment of \$422 in January 2006.
- Federal expenditures for cash payments under the SSI program during calendar year 2006 increased 4.9 percent to \$37.8 billion, and the cost of administering the SSI program in fiscal year 2006 increased 4.6 percent to \$3.0 billion. In calendar year 2005 the corresponding Federal program expenditures and cost of administering the SSI program were \$36.0 billion and \$2.8 billion, respectively.



Major Findings of the Report

- By 2031, the end of the 25-year projection period, the Federal SSI recipient population is estimated to reach 9.2 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 rate of the 65 or older age groups projected to decline and the participation rate 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 from 2.25 percent in 2005 to 2.27 percent in 2006, and is projected to increase gradually to 2.52 percent of the population by 2031 due largely to the changing age distribution of the population.
- Federal expenditures for SSI payments in calendar year 2007 are estimated to increase by \$2.2 billion to \$40.0 billion, an increase of 5.9 percent from 2006 levels.
- In constant 2007 dollars, Federal expenditures for SSI payments are projected to increase to \$51.5 billion in 2031, a real increase of 1.2 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 2006 to 0.24 percent of GDP by 2031.

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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 2007 a monthly Federal cash payment of \$623 (\$934 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 supplementary 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 eleventh 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 2006, 1.9 million individuals applied for SSI benefits based on blindness or disability, a decrease of 1.5 percent over 2005. An additional 150,000 applied for SSI benefits based on age, a decrease of 4 percent from 2005. In 2006, 849,000 applicants were awarded SSI benefits, a decrease of 1 percent as compared to the 854,000 awarded benefits in 2005.
- On average during calendar year 2006, 6.9 million individuals received Federal SSI benefits on a monthly basis. This group was composed of 1.1 million aged recipients, 5.7 million disabled recipients, and 69,000 blind recipients. Of the 5.8 million blind or disabled recipients, 0.7 million were aged 65 or older. During the year, 7.8 million aged, blind, or disabled individuals received at least 1 month's Federal SSI benefit.
- Federal expenditures for payments under the SSI program in calendar year 2006 totaled \$37.8 billion, up from \$36.0 billion in 2005.
- On average during calendar year 2006, 2.3 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 2006, 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 2006, which is basically unchanged from 2005.
- The percentage of SSI recipients participating in direct deposit reached 56 percent in fiscal year 2006. SSI recipient participation in direct deposit has increased gradually in recent years after experiencing a period of sharp growth when it more than doubled from 24 percent in 1995 to 49 percent in 2000.
- The cost of administering the SSI program in fiscal year 2006 was \$3.0 billion, which was roughly 7 percent of total Federally-administered SSI expenditures.
- In January 2007, 7.3 million individuals received Federally-administered monthly SSI benefits averaging \$467. Of these, 7.0 million received monthly Federal SSI payments averaging \$435, and 2.3 million received monthly State supplementation payments averaging \$157.

B. SSI LEGISLATION SINCE THE 2006 ANNUAL REPORT

Since the 2006 SSI Annual Report was transmitted to the President and Congress on May 30, 2006, the following legislative change was made to the SSI program:

Public Law 109-432, enacted December 20, 2006

Extends consideration of combat pay as earned income for Earned Income Tax Credit (EITC) purposes for one additional year (for taxable years ending before January 1, 2008). For SSI purposes, EITC payments are excluded from income, and are not a countable resource for 9 calendar months following the month of receipt.

C. CURRENT ISSUES FACING THE SSI PROGRAM

Thirty-five years after the enactment of the original Supplemental Security Income legislation, the SSI program continues to play a pivotal role in the lives of low-income Americans, helping the aged, blind, and disabled meet their basic needs. SSI provides these individuals with a safety net—a means to achieve some measure of economic independence—while also providing incentives to enter or return to the workforce. To the extent the program meets these needs, SSI continues to provide the very important “last-resort” assistance intended by Congress. As of January 2007, SSI Federally-administered payments were being made to more than 1.2 million aged individuals and over 6 million blind or disabled individuals.

However, the SSI program continues to face challenges related to limited Agency resources and to structural constraints that affect program effectiveness. For example, how can SSA maintain, let alone improve, SSI payment accuracy in an environment where budget restrictions limit the funding available for program integrity reviews? Additionally, how well does the program reach its intended recipients when resource limits have remained static since 1989? Both the accomplishments and the challenges of current program structure must be properly assessed as SSA continues efforts to improve program efficiency and build upon SSI program successes.

Program simplification efforts

Perhaps the longest-running challenge of the SSI program is complexity. Complexity is inherent in the process of evaluating eligibility and payment levels for any means-tested assistance program, and in assessing the accuracy of payments that have already been made. In an effort to streamline program policy, SSA has published within the past year the following final regulations¹ related to consideration of income and resources.

- **Infrequent or Irregular Income** consideration has been simplified by changing the evaluation period from a monthly to a quarterly basis. Previously income received in a month that in total did not exceed \$10 of earned income or \$20 of unearned income was excluded, if the income was received only once in a calendar quarter from a single source, or if the SSI recipient could not have reasonably expected the income. Under the new regulations, the first \$30 of earned or \$60 of unearned infrequent or irregular income received in the calendar quarter is excluded.
- **Interest and Dividend Income** generally is no longer considered for program purposes. SSA experience has been that SSI recipients generally have very limited resources, and that documentation of such income very rarely leads to changes in eligibility or payment amounts. The program change streamlines the evaluation process by eliminating the need to document such income.
- **Gift Income Used to Pay Tuition, Fees or Other Necessary Educational Expenses** is now excluded, providing the same exemption for gift income that applies to grants, scholarships and fellowships used for such purposes. Gift income for educational expenses is now also an exempt resource for 9 months after the month in which the income is received.

¹ Final rules regarding these changes were published on August 9, 2006 (71 FR 45375), based upon legislative changes made in sections 430, 435, and 436 of the *Social Security Protection Act of 2004* (P.L. 108-203).

- **Wages and Unearned Income Received by Uniformed Service Members** can now be considered in the month earned instead of the month received, if such income treatment would allow for more effective administration of the SSI program. Income for SSI purposes is traditionally considered in the month received, but uniformed service members are paid twice per month, receiving one Leave and Earnings Statement per month (that reflects prior-month earnings). This new option for income consideration removes the need for SSA to use a complex formula to determine countable income for service members.

An additional consideration in any evaluation of SSI program complexity is the appropriateness of such complicated standards. While SSA continues efforts to streamline and consolidate elements of the program, the basic framework of SSI is the same today as it was in 1972. Payment eligibility and amounts due are based upon the fluctuating needs of millions of low-income individuals. Every month is a new set of individual circumstances that may require a new determination.

However this inherent complexity, and the administrative challenges that go along with this complexity, are not in themselves evidence of a problem that must be resolved. SSA has studied SSI simplification proposals for many years, and has found that only limited modifications can be made without adversely affecting SSI beneficiaries or program administration or adding substantial program cost. In a means-tested program, benefit amounts are determined by the degree of an individual's (or couple's) needs. Thus the program must take into account all income and resources that an individual has, or can, access. Such accounting is labor-intensive, but not without merit. In comparison to the array of State assistance programs that existed before SSI, with varying eligibility requirements and disproportionate payment levels, the current program is a considerable improvement. And when large-scale simplification proposals are considered in relation to increased program costs or diminished eligibility, the existing SSI structure appears more reasonable.

Helping beneficiaries return to work

Another crucial goal of the Agency's SSI program evaluation is the return to work of individuals who are capable of rejoining the workforce. To this end, SSA has updated regulations related to the duration of a plan to achieve self-support (PASS).¹ The PASS provisions contained in the original SSI legislation contained specific time frames that generally limited the plan's duration to 36 months. The new final regulations² tie this duration period more directly to the employment goals rather than to a specific number of months, allowing SSA to consider individual needs. They clarify that a PASS must always have a feasible employment goal and a viable plan to reach that goal, while also keeping with Congressional intent to provide every opportunity and encouragement for the blind and disabled to return to gainful employment.

Automation initiatives have also assisted SSA's efforts to make work attempts less burdensome on the SSI recipient. The Agency's new SSI Monthly Wage Verification (SSIMWV) application provides field employees with an efficient means of recording and posting monthly wages for SSI recipients. The SSIMWV reporting process allows these SSA employees to input pay stubs, produce receipts, post earnings to multiple SSI records, and archive records of work reports—all through one computer application. While this new tool will assist in prevention of the overpayments that can result when recipients return to work, the efficient and accurate processing of wage reports afforded by the new program is perhaps its greatest benefit.

Legislative efforts

In efforts to address emerging issues within the SSI program, the Agency has also pursued legislative remedies—most notably through a proposal within the President's FY 2008 Budget. Current law allows for a

¹ The PASS rules are explained in section III(E), *Incentives for Work and Opportunities for Rehabilitation*.

² Final rules regarding the PASS change were published on May 16, 2006 (71 FR 28262).

7-year maximum period of SSI eligibility for refugees and certain other noncitizens. Beyond the 7-year period, these individuals become ineligible for SSI unless they have attained U.S. citizenship. The FY 2008 Budget proposal would temporarily extend this eligibility to 8 years effective October 1, 2007 through September 30, 2010, acknowledging that many such individuals need additional time to complete the naturalization process. The plight of these individuals is significant because these immigrants often arrive in the United States with little or no immediate means of support.

Program integrity challenges

For more than 70 years, SSA has been committed to paying the right benefit to the right person at the right time. The challenge in meeting this goal is especially apparent in the administration of the SSI program because payment eligibility and amounts are so closely tied to the fluctuating circumstances of individual recipients. In spite of these obstacles, the Agency consistently maintains a high degree of program accuracy. In FY 2005, 93.6 percent of SSI outlays were free of overpayment errors, and 98.6 percent were free of underpayment errors. While this payment accuracy rate is commendable, the difficulty in maintaining and building upon this success remains a consistent challenge.

As first described in last year's report, SSA gained an important program integrity resource through the extension of the pre-effectuation review (PER) process from Social Security disability to SSI initial adult disability claims.¹ In the second year of its 3-year phase in, quality reviews are currently being performed on 40 percent of initial adult disability and blindness claims that are approved by a State Disability Determination Services (DDS).² SSA projects that these PER verifications could potentially save up to \$490 million over a 10-year period. However, it should also be noted that the savings attainable through the process can only be realized if funding is available to conduct such reviews.

Another extremely valuable tool in the maintenance of payment accuracy is the network of computer matching programs that SSA uses to verify eligibility and payment amounts. By establishing a process which provides for periodic (usually monthly) computer matches with financial institutions, social service agencies, and other entities, SSA has built an extensive means of verifying the income and resources reported by SSI recipients:

- SSA can frequently identify SSI recipients who have been recently hired, received wages, or become eligible for unemployment through computer matching with the Office of Child Support Enforcement (OCSE).
- A web-based application called the *Internet-Electronic Death Registration* (I-EDR) allows a State's Bureau of Vital Statistics to verify decedent Social Security numbers. Participating jurisdictions notify SSA, allowing the Agency to follow-up on the information, and stop benefits if necessary.
- SSA field personnel use the *SSA Access to State Records Online* (SASRO) to verify an SSI recipient's receipt of State-administered benefits, including *Temporary Aid to Needy Families* (TANF), unemployment and workers' compensation.

Other important computer matching programs include information exchanges with the Department of Veterans Affairs, law-enforcement agencies, the Centers for Medicare & Medicaid Services (CMS) and the Department of Homeland Security (DHS).

¹ The PER process for initial SSI adult disability claims was established with the *Deficit Reduction Act of 2005* (P.L. 109-171) which became law on February 8, 2006. SSI initial disability claims involving concurrent Social Security disability claims were already subject to PER.

² The 40 percent review rate is effective for 2007. In 2008, at full phase in, the review rate becomes 50 percent—the same rate that is currently applicable for Social Security initial disability claims.

Another Agency effort to prevent improper payments focuses on potential residency violations. SSI recipients are generally ineligible for benefits when outside the United States; thus SSA has taken a number of steps to verify that individuals currently on the rolls are within the country (or within the Northern Mariana Islands). In one review, Agency employees examined images of SSI checks, looking for any that were endorsed by a financial institution outside the U.S. In another program to double-check U.S. residency, SSA matches SSI beneficiary data with DHS records of deported individuals. SSA also has entered into agreements with a number of States (including Arkansas, California, Iowa, Louisiana, New Mexico, Oklahoma, Texas, and in 2006, Maine, New Hampshire, South Dakota and Wyoming) regarding the possible use of State Medicaid Investigators to conduct home visits for SSI recipients.

While these oversight mechanisms are all important parts of SSA's program integrity agenda, the most valuable payment accuracy tools available to the Agency are redeterminations—both nondisability redeterminations and continuing disability reviews (CDRs). Nondisability redeterminations are periodic reviews that verify living arrangement, income levels, and other factors related to SSI eligibility. The frequency of the reviews is based on the probability that changes affecting eligibility may occur. CDRs are reviews conducted to ensure that recipients are still disabled according to Agency rules. As with the redetermination policy, the frequency of CDRs is dependent upon the likelihood that a recipient's medical condition will change.

Both review programs are enormously cost-effective. Redeterminations are estimated to save 7 program dollars for every 1 dollar spent on processing. CDRs have an even higher return on investment, saving an estimated 10 dollars for every 1 dollar spent in processing. These tools are so effective because they are the best way to ensure that SSI recipients do not receive payments for which they are ineligible, and because they prevent future improper payments. In FY 2006, the Agency processed over 1 million SSI redeterminations, and over 1.3 million CDRs.¹

While these numbers are impressive, it is important to note that in recent years, as stewardship funding has waned, the number of redeterminations and CDRs processed has steadily decreased. Budget limitations have required the Agency to focus resources on front line service (such as field office personnel for new claims) as opposed to stewardship initiatives (such as eligibility reviews). In FY 2006, SSA performed 25 percent fewer CDRs than in FY 2001. Perhaps more importantly since CDR savings result primarily from full medical reviews, in FY 2006 SSA performed over 60 percent fewer full medical reviews than in FY 2001. Within that same period, redeterminations have also decreased dramatically—by more than 50 percent.

An alternative method to ensure resource availability for these important integrity reviews is through dedicated funding. During the 7-year period of FY 1996 through FY 2002, SSA had the authority² to increase discretionary spending caps on administrative expenses, when it performed program integrity functions. The President's Budget for FY 2008 contains a provision that would once again provide such authority. If enacted, this separate funding mechanism would allow SSA to prevent and recover more overpayments. Without such funding, however, improper payments may well increase faster than program outlays.

Sufficiency of benefits

Another very important issue regarding the SSI program is that of sufficiency itself. To what extent does the current program meet the needs of our lowest-income individuals who by definition are disabled, blind, or elderly?

¹ FY 2006 performance data is from SSA's *Performance and Accountability Report*, November 2006.

² Granted through the *Contract With America Advancement Act* (P.L. 104-121), March 1996.

- The 2007 Federal Benefit Rate of \$623 (for an individual) is equal to about 73 percent of Federal Poverty Guidelines.
- Approximately 36 percent of American families that received an SSI payment (or other cash public assistance) during 2005 lived below the poverty level. In single female parent families, 54 percent lived below the poverty level.¹

These statistics, in combination with SSI countable resource limits that have remained unchanged for over 20 years, would indicate a gap between the current program payment rates and the “safety net” envisioned by Congress 35 years ago. However, an analysis of these statistics yields some relevant qualifiers:

- SSI payment levels have historically approximated 70–75 percent of Federal Poverty Guidelines for an individual.² This may indicate that the SSI program was not intended as a full income subsidy, in much the same way as a Social Security benefit was not designed to fully replace income received during a beneficiary’s working years.
- Many SSI recipients are also eligible for State Supplementary Payments.³ These supplementary payments, where available, can substantially increase the value of total monthly benefits. In 2007, for example, SSI recipients in California receive a combined monthly payment equal to just over 100 percent of Federal Poverty Guidelines for an individual.
- SSI recipients are frequently eligible for additional Federal and State assistance, such as Food Stamps, Medicaid, and subsidized coverage under the new Medicare Part D prescription drug program.

While the question of sufficiency has been a subject of ongoing Agency and external review, it is nonetheless an important issue to revisit as the Congress, the Executive Branch, and SSA continue efforts to improve the SSI program. And while challenges are an inevitable part of any program as large and as situationally specific as SSI, modifications to the current program should be made with careful consideration of the effectiveness of existing SSI structure, as well as these challenges of the future.

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 2031, the Federal SSI recipient population is estimated to reach 9.2 million. Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients is projected to increase slightly from 2.27 percent of the population in 2006 to 2.52 percent by 2031 due largely to the changing age distribution of the population.
- Federal expenditures for SSI payments in calendar year 2007 are estimated to increase by \$2.2 billion to \$40.0 billion, an increase of 5.9 percent from 2006 levels. In constant 2007 dollars, SSI program outlays are projected to increase to \$51.5 billion in 2031, a real increase of 1.2 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 2006 to 0.24 percent of GDP by 2031.

¹ “Poverty Status in the Past 12 Months of Families,” *2005 American Community Survey*, U.S. Census Bureau.

² Couple rates have been slightly higher (just over 80 percent) as a percentage of Federal Poverty Guidelines.

³ See table III.H1 for a breakout of State Supplementary payment programs.

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 financial 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, 2007, the Federal benefit rate is \$623 a month for individuals and \$934 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 age 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 age 18 or older prevents him/her from doing any substantial gainful activity³ or (2) if under age 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 \$900 a month is evidence of ability to engage in SGA. If an SSI *applicant* is earning over \$900 a month, he/she generally would not be considered disabled. However, if an SSI *recipient* is earning over \$900 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 \$900 was increased from \$860 effective January 1, 2007 (71 FR 62641). 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 to achieve self-support (PASS) 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 PASS 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;
- The value of food stamps; and
- Infrequent or irregularly received income (the first \$60 received in a quarter).

2. Resources

The value 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 effects;²
- An automobile, if used to provide necessary transportation;³
- Property essential to self-support;
- Resources set aside to fulfill a PASS; 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 eligible, 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 and more detailed 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 individuals 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 about 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 noncitizen has been in the United States for 3 years.³ Living allowances equal to the Federal benefit rate are provided for the sponsor, and allowances equal to one-half of the Federal benefit rate are provided for each of the sponsor's dependents. Allowances are also provided for the sponsor and his/her family members in determining deemed resources. These allowances reduce the amount of the sponsor's income and resources deemed to the noncitizen.

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

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

E. INCENTIVES FOR WORK AND OPPORTUNITIES FOR REHABILITATION

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

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. They are paid for by the individual, and they are not reimbursable from another source such as Medicaid.

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 \$1,510 of earned income per month but no more than \$6,100 per year may be excluded.¹

5. Plan to Achieve Self-Support

A plan to achieve 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 \$1,460 and \$5,910, respectively, effective January 1, 2007 (71 FR 62636). 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 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 to determine whether the beneficiary has medically improved. Therefore the beneficiary's efforts under the Ticket to Work program to increase self-sufficiency will not be interrupted by a decision that his/her medical condition has improved. 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 disabled SSI 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 ended because of earnings can request expedited reinstatement of his/her SSI benefits without filing a new application. To qualify for expedited

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.

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

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

F. ADMINISTRATION OF THE SSI PROGRAM

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

1. Application Process

Individuals can 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.

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.)

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 (\$34 a month in 2007 (\$66 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 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.² 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 \$77. The flat-rate cap is adjusted based on annual cost-of-living adjustments, rounded down to

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

² P.L. 108-203, enacted March 2, 2004, granted temporary extension of the attorney fee payment system to title XVI claims for a period of 5 years.

the next lower dollar. In addition, the Commissioner is conducting a nationwide demonstration project 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. If the claim is disallowed for other reasons, the amount paid would be an overpayment and processed as such.

G. STATE SUPPLEMENTATION

In designing the SSI program, Congress recognized that States¹, 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. Congress also mandated that States 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, 46² 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.

² Georgia added an optional State supplementation program effective July 1, 2006.

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 \$9.69 fee for each supplementary payment issued in fiscal year 2007. 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 to title XVI recipients establish their own eligibility criteria for the supplementary payments. States with Federally-administered programs may supplement the Federal benefit among a limited number of geographical and living arrangement variations for title XVI recipients.²

4. Passalong Provisions

When the SSI program began in 1974, Congress did not require States to 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, 40 States use the levels method and 10 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 slid-

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.

² Includes, for this purpose, those eligible for title XVI benefits but for income.

ing further into poverty. SSA plays a limited but important role in helping States with regard to administration of Medicaid and food stamp programs, and provisions in the SSI statute ensure 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 childhood disability 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 the Commissioner of 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—			Interim assistance reimbursement agreement with SSA
	State	Federal (SSA)	Federal & State	“Payment levels”	“Total expenditures”	Based on:		Agreement with SSA to determine eligibility	
						Federal criteria	State criteria		
Alabama ²	*			*		*		*	
Alaska	*				*	*			*
Arizona	*			*		*		*	*
Arkansas ³				*		*		*	
California		*		*		*		*	*
Colorado	*				*	*		*	*
Connecticut ²	*			*			*		*
Delaware		*		*		*		*	*
District of Columbia		*			*	*		*	*
Florida ²	*			*		*		*	*
Georgia	*			*		*		*	*
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	31	10	5	40	10	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, 2007-31

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 in the Social Security Act. Nonetheless, for planning purposes it is important to develop the best possible projections of future SSI program participation and expenditures.

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. The current projection model uses estimates of the general population by single year of age and gender. Transitions into payment status are projected separately for: (1) new recipients 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 for 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 are revised if warranted. The presentation of projection results in the remainder of this section provides SSI recipient information by selected age groups. Where certain recipient categories have overlapping age distributions, recipient category totals are also shown.

A. DEMOGRAPHIC AND ECONOMIC ASSUMPTIONS

The estimates of program participation and Federal expenditures presented in this section have been prepared using the intermediate demographic and economic projections developed for the 2007 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance (OASDI) Trust Funds.² The most significant economic parameter is the Consumer Price Index for Urban Wage Earners and Clerical Workers (hereafter denoted as CPI)³, which is used for indexing the SSI Federal benefit rate. Detailed discussion of these demographic and economic parameters is presented in sections V.A and V.B of the Trustees Report.⁴ The most significant parameters utilized 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 110-30, published May 1, 2007.

³ Historical values of the CPI are developed and published by the Bureau of Labor Statistics.

⁴ *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 2007 OASDI Trustees Report, as of July 1, 1974-2031

[In thousands]

Year	Age groups ¹						Total all ages
	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	269,274
1994	71,633	69,853	60,784	35,841	19,032	14,938	272,081
1995	72,363	69,189	62,510	36,404	19,048	15,274	274,788
1996	72,978	68,685	63,833	37,398	18,982	15,639	277,514
1997	73,459	68,374	64,662	38,900	18,880	15,978	280,253
1998	73,800	68,209	65,476	40,390	18,748	16,279	282,902
1999	74,118	68,140	66,241	41,843	18,615	16,562	285,519
2000	74,479	68,275	66,833	43,272	18,557	16,868	288,284
2001	74,874	68,618	67,235	44,770	18,536	17,203	291,237
2002	75,230	69,071	67,467	46,336	18,567	17,505	294,176
2003	75,520	69,520	67,580	47,910	18,676	17,765	296,970
2004 ²	75,817	69,928	67,683	49,552	18,838	17,971	299,788
2005 ²	76,080	70,236	67,843	51,297	19,056	18,091	302,604
2006 ²	76,243	70,486	67,890	53,089	19,375	18,141	305,225
Projected:							
2007	76,313	70,966	67,647	54,795	19,881	18,162	307,765
2008	76,283	71,722	67,165	56,384	20,565	18,155	310,273
2009	76,229	72,569	66,581	57,973	21,253	18,148	312,754
2010	76,227	73,386	65,962	59,640	21,853	18,177	315,246
2011	76,303	74,124	65,353	61,106	22,629	18,234	317,749
2012	76,454	74,744	64,828	62,143	23,769	18,325	320,262
2013	76,671	75,239	64,409	63,019	24,973	18,472	322,783
2014	76,947	75,602	64,138	63,876	26,084	18,661	325,308
2015	77,253	75,853	64,103	64,555	27,185	18,885	327,833
2016	77,567	76,060	64,278	64,994	28,281	19,176	330,356
2017	77,864	76,260	64,567	65,232	29,326	19,600	332,848
2018	78,142	76,487	64,851	65,352	30,328	20,145	335,305
2019	78,447	76,729	65,041	65,433	31,404	20,692	337,746
2020	78,788	76,934	65,148	65,525	32,581	21,192	340,167
2021	79,118	77,138	65,270	65,540	33,650	21,848	342,564
2022	79,420	77,360	65,553	65,321	34,464	22,812	344,930
2023	79,750	77,505	66,062	64,883	35,210	23,850	347,261
2024	80,114	77,513	66,738	64,359	35,998	24,826	349,549
2025	80,460	77,431	67,518	63,806	36,777	25,799	351,792
2026	80,784	77,331	68,310	63,266	37,495	26,798	353,984
2027	81,076	77,268	69,005	62,807	38,104	27,835	356,096
2028	81,333	77,269	69,565	62,450	38,601	28,908	358,125
2029	81,564	77,346	69,979	62,236	38,958	30,012	360,095
2030	81,769	77,491	70,249	62,242	39,122	31,130	362,003
2031	81,951	77,698	70,426	62,443	39,074	32,257	363,850

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 for all recipients to reflect the increase in the level of consumer prices (the CPI) generally from the third quarter of the second prior calendar year to the third quarter of the prior calendar year. This cost-of-living adjustment is identical to the adjustment applied to Social Security benefits under the OASDI program after initial benefit eligibility. 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 2007 OASDI Trustees Report, 1974-2031

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
2007.....	3.3	623.00	934.00	312.00
Projected:				
2008.....	1.4	632.00	947.00	316.00
2009.....	2.3	646.00	969.00	324.00
2010.....	2.7	664.00	995.00	332.00
2011.....	2.8	682.00	1,023.00	342.00
2012.....	2.8	701.00	1,052.00	351.00
2013.....	2.8	721.00	1,081.00	361.00
2014.....	2.8	741.00	1,112.00	371.00
2015.....	2.8	762.00	1,143.00	382.00
2016.....	2.8	783.00	1,175.00	392.00
2017.....	2.8	805.00	1,208.00	403.00
2018.....	2.8	828.00	1,242.00	415.00
2019.....	2.8	851.00	1,276.00	426.00
2020.....	2.8	875.00	1,312.00	438.00
2021.....	2.8	899.00	1,349.00	450.00
2022.....	2.8	924.00	1,387.00	463.00
2023.....	2.8	950.00	1,426.00	476.00
2024.....	2.8	977.00	1,465.00	489.00
2025.....	2.8	1,004.00	1,507.00	503.00
2026.....	2.8	1,032.00	1,549.00	517.00
2027.....	2.8	1,061.00	1,592.00	532.00
2028.....	2.8	1,091.00	1,637.00	547.00
2029.....	2.8	1,122.00	1,683.00	562.00
2030.....	2.8	1,153.00	1,730.00	578.00
2031.....	2.8	1,185.00	1,778.00	594.00

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 about 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 demographic and economic parameters described in this section. For the purpose 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 numbers of persons receiving Federal SSI payments by category and age group.¹ SSI recipients are categorized as (1) aged or (2) blind or disabled. The following paragraphs discuss the 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, and other SSI eligibility requirements including income and resource limits. In December 2006, there were 1.212 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 2006, there were 6.024 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 2006, there were 4.945 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 793 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 as well as other eligibility criteria and, as a result, are reclassified as blind or disabled adults. In December 2006, there were 1.079 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 the same information in graphical form. Recent historical data indicate that applications have grown fairly rapidly beginning in calendar year 2002, and that this growth continued through calendar year 2005. The rate of growth in applications, however, slowed significantly in 2005, and for the 2006 Annual Report we projected a slight decline in the numbers of applications for calendar year 2006. The actual result for 2006 represented a slightly larger decline than was estimated last year, with the numbers of applications for 2006 coming in 0.3 percent lower than was estimated in the 2006 Annual Report.

¹ Recipient 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.

Table IV.B1.—SSI Federally-Administered Applications,¹ Calendar Years 1974-2031
 [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
2006	415	437	584	484	4	5/	109	41	1,925	150	2,075
Projected:											
2007	410	428	571	492	6	5/	107	39	1,906	147	2,053
2008	405	418	560	501	6	5/	114	39	1,890	154	2,043
2009	402	419	551	511	6	5/	117	39	1,889	156	2,045
2010	401	422	544	521	6	5/	119	39	1,894	158	2,053
2011	402	425	539	530	6	5/	127	39	1,902	165	2,067
2012	403	428	534	538	7	5/	135	38	1,909	174	2,083
2013	404	430	530	545	7	5/	140	38	1,916	178	2,094
2014	406	431	528	551	7	5/	145	38	1,923	183	2,106
2015	407	432	528	555	7	5/	150	39	1,929	188	2,117
2016	409	433	530	556	7	5/	155	40	1,935	194	2,129
2017	411	434	532	556	8	5/	159	41	1,940	200	2,140
2018	412	435	533	555	8	5/	164	42	1,944	206	2,150
2019	414	437	534	555	8	5/	170	43	1,947	213	2,160
2020	416	438	534	555	8	5/	175	44	1,950	219	2,169
2021	418	439	535	553	8	5/	180	46	1,953	225	2,179
2022	419	440	538	550	9	5/	183	48	1,956	231	2,187
2023	421	441	543	544	9	5/	187	50	1,958	237	2,195
2024	423	440	549	539	9	5/	190	52	1,960	242	2,202
2025	424	440	556	534	9	5/	194	54	1,962	247	2,210
2026	426	439	562	529	9	5/	196	56	1,965	252	2,217
2027	427	439	567	526	9	5/	198	58	1,968	256	2,223
2028	428	439	571	525	9	5/	199	60	1,971	259	2,230
2029	429	440	574	525	9	5/	199	62	1,976	261	2,237
2030	430	441	576	527	8	5/	198	64	1,981	262	2,243
2031	430	442	577	529	8	5/	195	66	1,987	262	2,249

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.

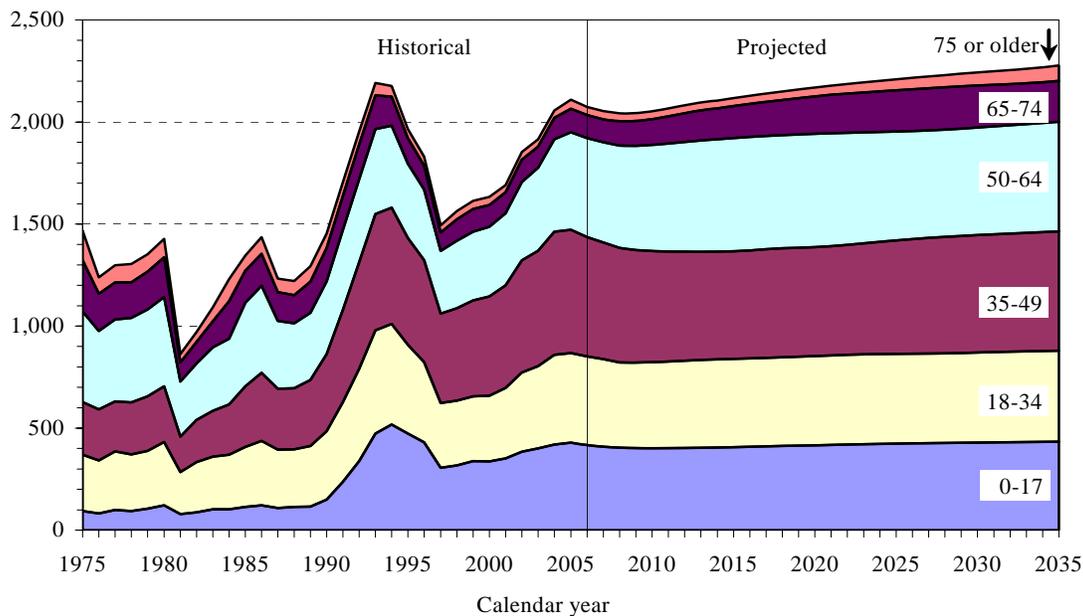
³ Includes conversions from State programs and applications received in 1973.

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 1975-2035
[In thousands]



The fairly rapid growth in applications from 2002 to 2004 was largely attributable to two main factors: (1) the downturn in the economy that began early in 2001 and (2) the signature proxy process¹ introduced by SSA in June 2004. The slower growth in 2005 and the slight decline in the numbers of applications in 2006 suggest that the growth from these two factors has come to an end. In the short term, our projections are for the numbers of applications to stay roughly level, with the overall level of applications reflecting a permanent upward shift due to the signature proxy process. In the longer term, applications are estimated to grow roughly in line with overall population growth.

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 Services. An unfavorable disability determination may then be appealed by the applicant through several administrative levels of appeal. If all administrative levels of appeal are exhausted, the applicant may in turn carry his/her appeal to the Federal courts. Data on recent historical experience for this disability decision process are presented in section V.C.

Table IV.B2 and figure IV.B2 present historical and projected numbers of persons who start receiving SSI payments as a result of this decision process. Individuals are counted as of the first month that they move into SSI payment status. For this reason, we refer to these individuals as “new recipients” rather than “awards.”² During the 2002 to 2004 period, growth in new recipients did not keep pace with the growth in applications. In both 2005 and 2006, the numbers of new recipients declined even though there was some growth in the applications in 2005. There are two important contributing factors to the slower growth for

¹ 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. Previously some portion of those telephone applicants never followed through with a signed paper application. Since the introduction of the signature proxy process, there has been a significant increase in the numbers of denials where the applicant does not meet the nonmedical criteria.

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 recipient” in the first month of presumptive disability payment.

Table IV.B2.—SSI Federally-Administered New Recipients, Calendar Years 1974-2031
[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
2006	175	128	190	243	3	4/	81	28	739	109	849
Projected:											
2007	175	134	197	258	6	4/	80	28	770	108	878
2008	175	134	197	267	7	4/	87	28	779	115	895
2009	171	132	189	269	7	4/	91	29	768	120	888
2010	170	133	185	273	6	4/	93	29	767	122	889
2011	170	133	182	276	7	4/	98	29	768	127	895
2012	171	133	180	279	8	4/	105	29	770	133	903
2013	171	133	178	282	7	4/	108	29	773	137	909
2014	172	133	177	286	7	4/	111	29	776	140	916
2015	173	133	177	287	8	4/	115	29	778	144	922
2016	174	133	177	287	8	4/	119	30	778	148	926
2017	173	132	176	285	8	4/	122	30	774	153	927
2018	174	132	176	285	8	4/	126	31	775	157	932
2019	174	133	176	285	8	4/	130	32	776	162	938
2020	175	133	176	285	9	4/	134	33	777	167	943
2021	176	133	176	284	9	4/	137	34	778	171	949
2022	176	134	177	282	9	4/	140	36	778	176	954
2023	177	134	179	279	9	4/	142	37	778	180	958
2024	178	134	181	277	9	4/	145	39	778	183	962
2025	178	134	183	274	9	4/	147	40	778	187	966
2026	179	134	185	272	9	4/	149	41	778	190	969
2027	179	133	187	270	9	4/	150	43	779	193	972
2028	180	134	188	269	9	4/	151	44	779	195	974
2029	180	134	189	268	9	4/	151	46	780	197	977
2030	180	134	190	269	9	4/	149	47	781	197	978
2031	180	135	190	270	8	4/	147	49	783	196	980

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

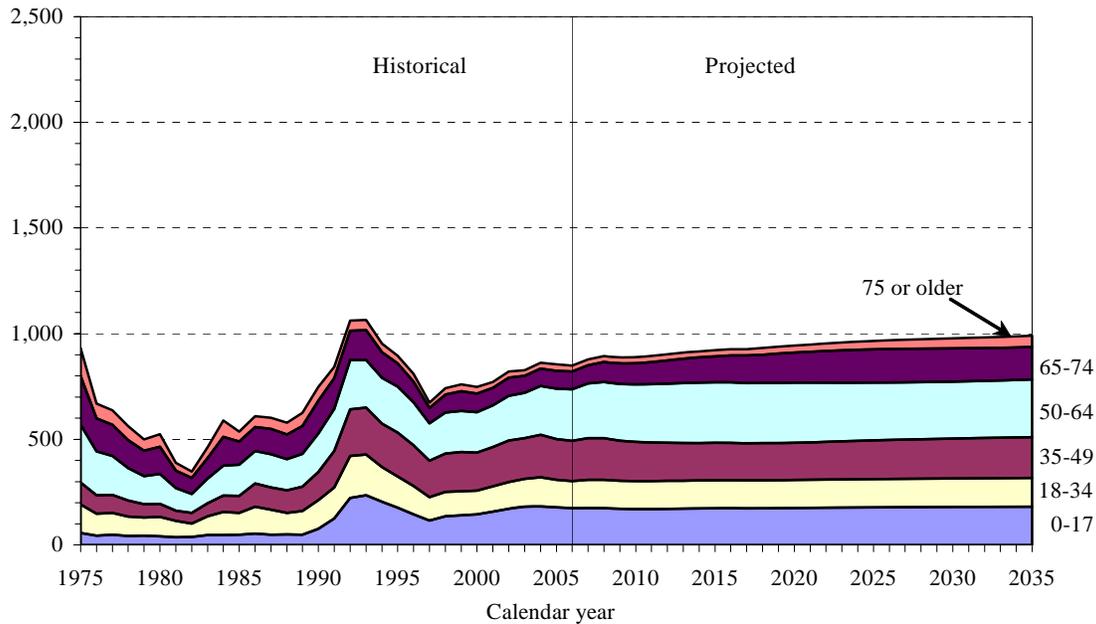
² Historical totals estimated based on 1-percent or 10-percent sample data.

³ Totals for 1974 include recipients converted from previous State programs as well as new recipients 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 Recipients by Age Group, Calendar Years 1975-2035
[In thousands]



new recipients as compared to applications: (1) since 2001 there has been substantial growth in the number of claims pending adjudication which is consistent with a longer lag time between application and the allowance decision; and (2) 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, causing a permanent downward shift in the allowance rate. However, the number of new recipients is projected to increase in the next 2 years under the assumption that there will be some reduction in the level of pending claims. After 2008, new recipients are projected to remain about level for a few years. Over the longer term the numbers of new recipients are estimated to increase gradually in line with the projected growth in applications.

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 a redetermination 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, as a result of a continuing disability review.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.

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 1974-2031

[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals ¹		All
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	
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
2006	5	8	27	55	25	22	9	54	143	62	205
Projected:											
2007	5	8	26	58	25	23	8	52	145	60	206
2008	5	9	26	60	26	23	8	52	148	61	209
2009	5	9	25	62	26	24	8	52	150	60	210
2010	5	9	25	63	26	24	8	52	152	60	212
2011	5	9	24	65	27	24	8	51	154	60	214
2012	5	10	24	66	28	25	8	51	156	59	215
2013	5	10	23	67	28	25	8	51	158	59	217
2014	4	10	23	68	29	26	9	51	159	59	219
2015	4	10	22	68	30	26	9	51	161	59	220
2016	4	10	22	68	31	26	9	50	162	59	221
2017	4	10	22	68	32	27	9	50	163	60	223
2018	4	10	22	68	33	27	10	50	164	60	224
2019	4	10	22	67	34	28	10	50	165	60	225
2020	4	10	22	67	35	28	10	50	165	60	226
2021	4	10	21	66	36	29	11	50	166	61	227
2022	4	9	21	65	36	30	11	51	167	62	228
2023	4	9	21	64	37	31	11	51	167	62	230
2024	4	9	22	63	38	32	11	52	168	63	231
2025	4	9	22	62	38	33	11	53	168	64	232
2026	4	9	22	61	39	34	11	54	169	65	234
2027	4	9	22	60	39	35	12	55	169	67	236
2028	4	9	22	59	39	36	12	56	169	68	237
2029	4	9	22	59	39	37	12	57	170	69	239
2030	4	9	22	58	39	39	12	59	170	71	241
2031	4	9	22	58	39	40	12	61	171	72	243

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 1974-2031
 [In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals ¹		All
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	
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
2006	56	96	131	162	21	8	19	30	473	50	522
Projected:											
2007	55	88	119	163	20	8	16	30	453	47	500
2008	60	101	118	167	22	8	20	32	476	53	529
2009	51	108	119	174	22	9	21	34	483	55	538
2010	51	107	116	177	23	9	21	34	483	55	538
2011	52	110	113	178	24	9	22	34	486	56	542
2012	66	115	111	177	24	9	23	34	503	57	560
2013	90	127	115	184	25	10	24	35	551	59	610
2014	87	134	114	188	27	10	24	36	560	60	620
2015	80	136	114	190	28	11	25	37	558	61	620
2016	78	135	114	191	29	11	26	37	558	63	621
2017	73	138	115	194	30	12	26	38	562	65	627
2018	73	137	115	193	31	12	27	39	562	66	627
2019	74	139	116	194	33	13	28	39	568	67	635
2020	75	139	116	193	33	13	29	39	569	68	637
2021	75	139	116	192	34	13	30	40	570	70	640
2022	75	139	117	191	35	14	31	41	571	72	643
2023	75	139	118	189	36	14	32	42	572	73	645
2024	75	139	120	187	37	15	32	43	573	75	648
2025	76	138	122	186	37	15	33	44	574	77	651
2026	76	138	123	184	38	16	33	45	575	79	654
2027	77	137	125	183	38	17	34	47	576	81	657
2028	77	137	126	182	39	17	34	49	578	83	661
2029	77	138	127	181	39	18	35	50	579	85	664
2030	77	138	127	182	39	18	35	52	581	87	668
2031	78	139	127	182	38	19	35	54	583	88	671

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 1974-2031
[In thousands]

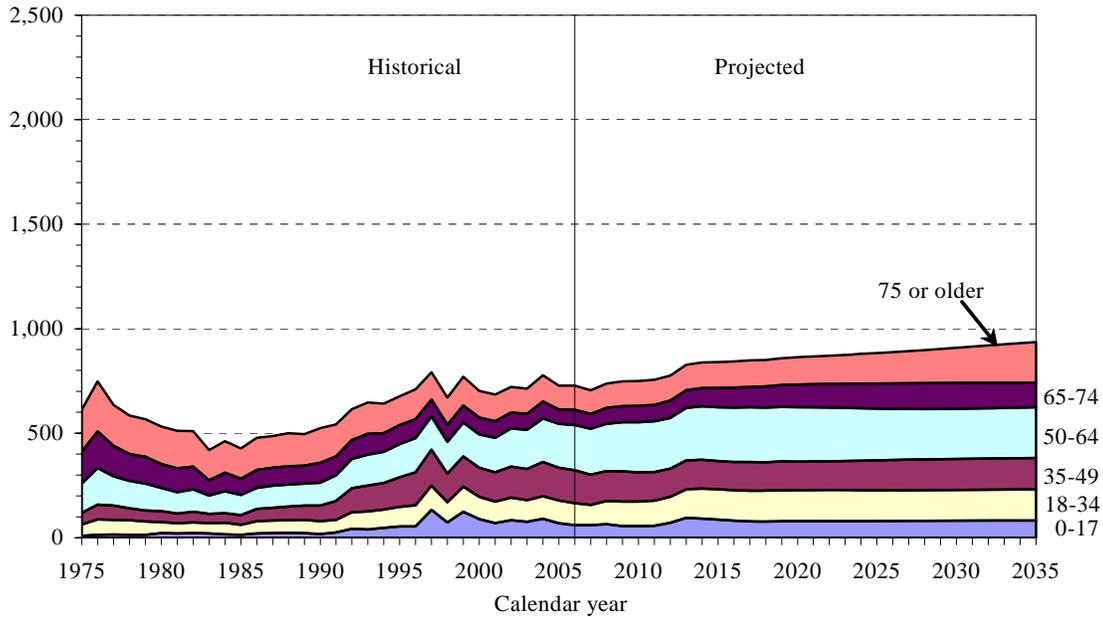
Calendar year	Blind or disabled, by age group					Aged, by age group			Totals ¹		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	5	36	42	103	19	4	67	126	209	193	402
1975	8	55	56	140	25	3	127	199	287	326	613
1976	13	75	71	174	35	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
2006	61	104	158	217	46	31	28	84	615	112	727
Projected:											
2007	60	96	145	221	45	32	25	82	598	107	706
2008	65	110	144	226	47	32	29	85	624	114	738
2009	55	117	144	236	48	32	29	86	633	115	748
2010	56	116	141	240	49	33	29	86	635	115	750
2011	57	120	137	242	50	34	30	86	640	116	755
2012	71	125	134	243	52	34	31	86	659	117	776
2013	95	137	138	251	54	35	32	86	709	118	828
2014	92	144	137	255	56	36	33	87	720	119	839
2015	85	145	136	258	58	37	33	87	719	121	840
2016	83	145	136	260	60	38	35	88	720	122	843
2017	78	148	137	262	62	39	36	89	725	124	849
2018	78	147	137	261	64	40	37	89	726	125	851
2019	79	148	138	261	67	40	38	89	733	127	860
2020	79	148	137	260	68	41	40	89	734	129	863
2021	79	148	137	259	70	42	41	90	736	131	867
2022	79	149	138	256	72	44	42	92	738	133	871
2023	79	148	140	254	73	45	42	93	739	136	875
2024	79	148	141	251	74	47	43	95	741	138	879
2025	80	147	143	248	76	48	44	97	742	141	883
2026	80	147	145	245	77	50	45	99	743	144	888
2027	80	146	147	243	78	52	46	102	745	148	893
2028	81	146	148	241	78	53	46	105	747	151	898
2029	81	146	149	240	78	55	46	108	749	154	903
2030	81	147	149	240	78	57	47	111	751	157	908
2031	81	147	149	240	77	59	46	114	754	160	914

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.

Actual numbers of terminations declined in 2006 compared to 2005. This decline resulted from declines in the terminations for reasons other than death, which were offset in part by small increases in the terminations due to death. The decline in the terminations for reasons other than death were essentially due to reductions in the numbers of continuing disability reviews (CDRs) and nonmedical redeterminations processed due to constraints on agency administrative resources. Some continued restraint on terminations over the next 5 years is expected due to continued resource limitations. Thereafter a gradual return to normal processing schedules for these reviews is assumed as resources are made available to SSA to carry out these legislatively mandated workloads.

Figure IV.B3.—SSI Federally-Administered Terminations by Age Group, Calendar Years 1975-2035
[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 2006 was that the number of Federal SSI recipients at the end of 2006 was about 1.8 percent higher than the corresponding number at the end of 2005.

Table IV.B6.—SSI Recipients with Federal Benefits in Current-Payment Status as of December, 1974-2031
[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	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

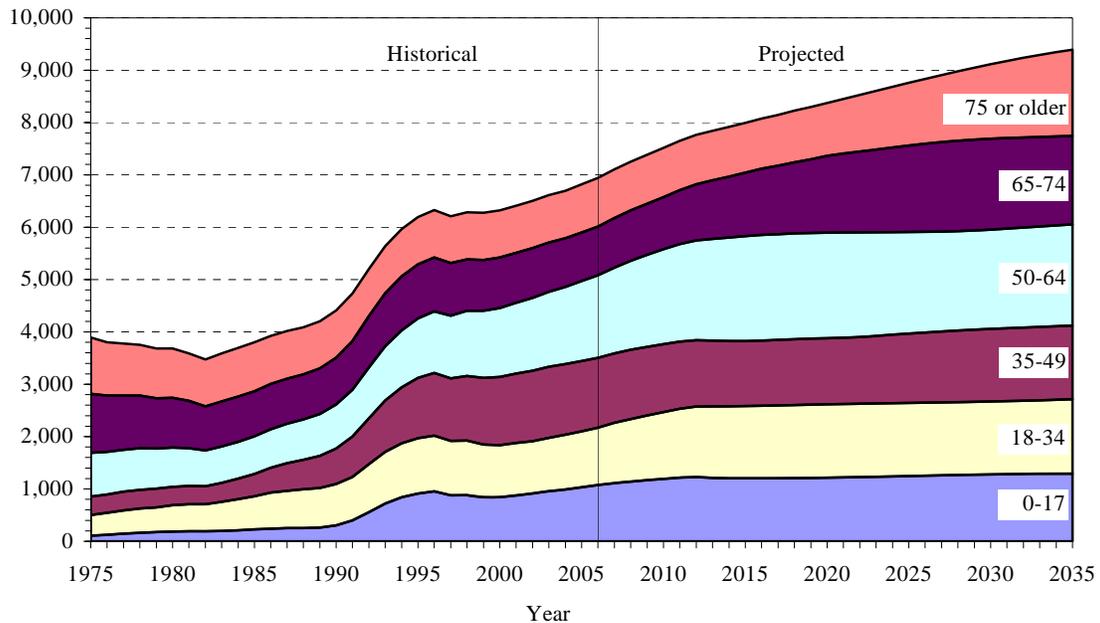
Table IV.B6.—SSI Recipients with Federal Benefits in Current-Payment Status as of December, 1974-2031 (Cont.)
[In thousands]

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: (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
2006	1,076	1,095	1,334	1,575	529	220	405	704	5,830	1,109	6,939
Projected:											
2007	1,114	1,150	1,329	1,636	543	225	405	704	5,997	1,109	7,106
2008	1,139	1,196	1,325	1,700	555	229	407	702	6,143	1,109	7,253
2009	1,167	1,236	1,310	1,759	566	234	412	700	6,272	1,112	7,383
2010	1,192	1,278	1,294	1,816	577	240	418	699	6,398	1,117	7,515
2011	1,216	1,316	1,281	1,865	598	244	429	697	6,521	1,127	7,648
2012	1,226	1,347	1,270	1,907	626	250	446	696	6,626	1,142	7,768
2013	1,212	1,365	1,257	1,945	651	255	464	695	6,684	1,159	7,843
2014	1,204	1,373	1,246	1,978	678	259	485	693	6,737	1,178	7,915
2015	1,203	1,379	1,244	2,002	704	262	506	693	6,794	1,200	7,994
2016	1,204	1,386	1,247	2,016	733	266	530	694	6,851	1,224	8,074
2017	1,207	1,389	1,252	2,021	759	272	551	699	6,899	1,250	8,149
2018	1,209	1,395	1,257	2,022	786	278	572	707	6,947	1,279	8,226
2019	1,212	1,399	1,258	2,021	815	285	595	715	6,989	1,310	8,299
2020	1,216	1,401	1,259	2,020	843	291	622	723	7,030	1,345	8,374
2021	1,220	1,404	1,263	2,013	868	302	640	742	7,069	1,381	8,451
2022	1,224	1,406	1,273	1,999	890	316	651	769	7,108	1,420	8,528
2023	1,231	1,404	1,288	1,982	912	328	666	794	7,145	1,460	8,605
2024	1,238	1,401	1,306	1,963	933	340	681	820	7,181	1,501	8,682
2025	1,246	1,396	1,325	1,943	953	353	696	847	7,216	1,543	8,759
2026	1,253	1,392	1,343	1,925	970	366	710	875	7,250	1,585	8,835
2027	1,260	1,390	1,358	1,911	984	379	721	905	7,282	1,626	8,908
2028	1,267	1,389	1,370	1,899	995	393	731	936	7,313	1,667	8,980
2029	1,273	1,391	1,379	1,893	1,001	407	737	969	7,343	1,706	9,049
2030	1,278	1,394	1,384	1,895	1,000	421	741	1,001	7,372	1,742	9,114
2031	1,283	1,398	1,388	1,902	994	435	740	1,035	7,401	1,775	9,176

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, 1975-2035

[In thousands]



As illustrated in figure IV.B4, the implementation of Public Law 104-121 and Public Law 104-193 resulted in a decline in the Federal recipient population from 1996 to 1997. From the end of 1997 through the end of 2000, the Federal SSI recipient population grew at an annual rate of less than 1 percent. Since 2000, the growth rate for the Federal SSI recipient population has averaged over 1.5 percent per year. Our projections indicate that by 2013 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, 1974-2031

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	1.15	2.60	4.10	1.77	3.32	2.18
2001	1.18	1.45	1.97	2.97	2.65	1.12	2.48	4.03	1.79	3.23	2.19
2002	1.22	1.45	1.99	2.96	2.69	1.12	2.40	3.97	1.81	3.16	2.20
2003	1.27	1.47	2.00	2.95	2.72	1.13	2.29	3.91	1.84	3.08	2.22
2004	1.31	1.49	1.99	2.93	2.71	1.15	2.17	3.84	1.86	2.99	2.22
2005	1.36	1.51	1.98	2.92	2.71	1.18	2.12	3.86	1.88	2.97	2.25
2006	1.42	1.55	1.97	2.92	2.70	1.20	2.06	3.85	1.90	2.93	2.27
Projected:											
2007	1.47	1.61	1.97	2.94	2.68	1.23	2.00	3.85	1.94	2.88	2.30
2008	1.50	1.66	1.98	2.97	2.65	1.25	1.94	3.84	1.97	2.83	2.33
2009	1.54	1.69	1.98	2.99	2.62	1.28	1.91	3.83	2.00	2.79	2.35
2010	1.57	1.73	1.97	3.00	2.60	1.31	1.88	3.82	2.02	2.76	2.38
2011	1.60	1.77	1.97	3.02	2.58	1.33	1.85	3.79	2.05	2.71	2.40
2012	1.61	1.80	1.97	3.05	2.56	1.35	1.82	3.76	2.06	2.66	2.42
2013	1.59	1.81	1.96	3.06	2.55	1.36	1.81	3.72	2.06	2.62	2.42
2014	1.57	1.81	1.95	3.08	2.54	1.37	1.82	3.67	2.06	2.59	2.43
2015	1.56	1.82	1.94	3.09	2.53	1.37	1.82	3.62	2.07	2.56	2.43
2016	1.56	1.82	1.94	3.09	2.54	1.36	1.83	3.56	2.07	2.53	2.44
2017	1.56	1.82	1.93	3.09	2.54	1.36	1.84	3.50	2.07	2.51	2.44
2018	1.55	1.82	1.93	3.09	2.55	1.35	1.85	3.44	2.07	2.49	2.45
2019	1.55	1.82	1.93	3.08	2.54	1.35	1.86	3.39	2.06	2.47	2.45
2020	1.55	1.82	1.93	3.08	2.53	1.35	1.87	3.35	2.06	2.45	2.45
2021	1.55	1.82	1.93	3.07	2.54	1.35	1.87	3.31	2.06	2.44	2.46
2022	1.55	1.82	1.94	3.07	2.55	1.34	1.87	3.27	2.05	2.43	2.47
2023	1.55	1.81	1.94	3.06	2.56	1.34	1.87	3.24	2.05	2.43	2.47
2024	1.55	1.81	1.95	3.06	2.56	1.34	1.87	3.22	2.05	2.42	2.48
2025	1.55	1.81	1.95	3.06	2.56	1.33	1.87	3.20	2.05	2.42	2.48
2026	1.56	1.80	1.96	3.05	2.56	1.33	1.87	3.19	2.04	2.43	2.49
2027	1.56	1.80	1.96	3.05	2.56	1.33	1.88	3.17	2.04	2.43	2.50
2028	1.56	1.80	1.96	3.05	2.56	1.33	1.88	3.16	2.04	2.43	2.50
2029	1.57	1.80	1.97	3.04	2.56	1.32	1.88	3.15	2.03	2.44	2.51
2030	1.57	1.80	1.97	3.04	2.55	1.32	1.89	3.14	2.03	2.45	2.51
2031	1.57	1.80	1.97	3.04	2.55	1.32	1.89	3.14	2.03	2.46	2.52

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

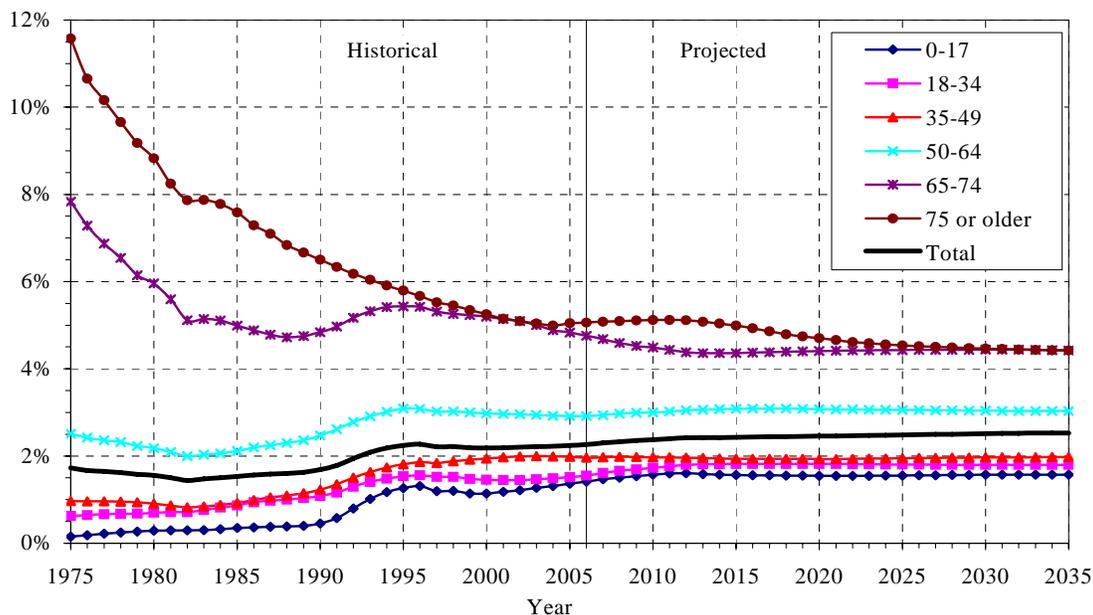
² Aged recipients as a percentage of the 65 or older Social Security Area population.

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, due largely to the changing age distribution of the underlying population.

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 period and most of the projection period, with the decline leveling off near 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 2011 and then level off at slightly more than 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, 1975-2035



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, 1974-2031

[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
2006	3	18	55	76	32	12	45	58	194	103	297
Projected:											
2007	3	18	54	78	33	12	45	58	199	103	302
2008	3	20	54	83	35	12	47	59	207	105	312
2009	3	21	54	86	37	13	48	60	213	107	321
2010	3	21	54	90	38	13	48	60	219	109	328
2011	3	22	53	93	40	13	49	61	225	110	335
2012	3	23	54	95	42	14	51	61	231	112	343
2013	4	23	54	97	43	14	52	61	235	113	349
2014	3	24	54	99	45	14	54	61	238	115	353
2015	3	24	53	99	46	15	55	61	240	117	357
2016	3	24	53	100	47	15	57	62	242	119	360
2017	3	24	53	99	48	15	59	62	242	121	363
2018	3	24	53	99	50	15	60	63	244	124	367
2019	3	24	53	99	51	16	63	64	246	127	372
2020	3	24	53	99	53	16	65	65	248	130	378
2021	3	24	53	99	54	16	67	67	250	134	383
2022	3	25	53	98	56	17	68	69	252	137	389
2023	3	25	54	97	57	18	70	72	253	141	395
2024	3	24	55	96	58	18	71	74	255	145	401
2025	3	24	55	95	59	19	73	77	257	149	406
2026	3	24	56	94	60	20	74	79	258	153	412
2027	3	24	57	94	61	20	75	82	260	157	417
2028	3	24	57	93	62	21	76	85	261	161	422
2029	3	24	58	93	62	22	77	88	262	165	427
2030	3	24	58	93	62	23	77	91	263	168	431
2031	3	24	58	93	61	23	77	94	264	171	435

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, 1974-2031
[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
2006	1,079	1,113	1,388	1,651	560	232	450	762	6,024	1,212	7,236
Projected:											
2007	1,117	1,168	1,383	1,714	576	237	450	762	6,195	1,213	7,408
2008	1,142	1,215	1,379	1,782	590	241	454	760	6,350	1,215	7,565
2009	1,170	1,257	1,364	1,846	603	246	460	759	6,485	1,219	7,704
2010	1,196	1,299	1,348	1,906	615	253	466	760	6,617	1,226	7,843
2011	1,219	1,338	1,335	1,958	638	258	479	758	6,746	1,237	7,983
2012	1,229	1,370	1,324	2,003	668	264	497	757	6,856	1,254	8,110
2013	1,216	1,388	1,310	2,042	695	269	516	756	6,920	1,272	8,192
2014	1,207	1,397	1,300	2,076	722	273	538	755	6,976	1,293	8,269
2015	1,207	1,403	1,297	2,101	750	277	562	755	7,035	1,316	8,351
2016	1,207	1,410	1,300	2,115	780	280	587	756	7,093	1,342	8,435
2017	1,210	1,413	1,305	2,120	807	287	610	761	7,142	1,371	8,512
2018	1,213	1,419	1,309	2,121	836	294	632	770	7,191	1,402	8,593
2019	1,215	1,423	1,311	2,120	866	300	658	779	7,234	1,437	8,672
2020	1,219	1,425	1,312	2,119	895	307	687	788	7,277	1,475	8,752
2021	1,223	1,428	1,315	2,112	922	318	707	808	7,319	1,515	8,834
2022	1,227	1,431	1,326	2,097	946	333	719	838	7,360	1,557	8,917
2023	1,234	1,429	1,342	2,079	969	346	736	866	7,399	1,601	9,000
2024	1,241	1,426	1,360	2,059	991	359	752	894	7,437	1,646	9,083
2025	1,249	1,421	1,380	2,039	1,013	372	769	923	7,473	1,692	9,165
2026	1,256	1,416	1,399	2,020	1,031	385	784	955	7,508	1,738	9,246
2027	1,264	1,414	1,415	2,004	1,045	399	797	987	7,541	1,784	9,325
2028	1,271	1,413	1,427	1,992	1,056	414	807	1,021	7,573	1,828	9,402
2029	1,277	1,415	1,436	1,986	1,063	429	814	1,057	7,605	1,871	9,475
2030	1,282	1,418	1,442	1,987	1,062	443	818	1,092	7,635	1,910	9,545
2031	1,286	1,423	1,446	1,995	1,056	459	818	1,129	7,664	1,946	9,611

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 1974-2007
[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.....	6,948	6,656	7,760	8,943	2,235	924	1,413	2,895	33,467	4,308	37,775
2007 ³	7,424	7,216	7,980	9,627	2,356	980	1,425	2,981	35,582	4,405	39,987

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

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.

actually paid. In particular, since January 1 of each year is a Federal holiday, SSI payments due on January 1 of years 1979 and later are actually paid in December of the previous year. Thus, for example, the calendar year 2006 payment amounts shown in table IV.C1 reflect payments made in January-December, 2006, and include the payments due on January 1, 2007 (which were actually paid in December, 2006), but not the payments due on January 1, 2006 (which were actually paid in December, 2005). 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 1978-2007. 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 1978-2007
[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	6,832	6,560	7,739	8,813	2,207	908	1,404	2,863	33,060	4,267	37,327
2007 ^{1, 2} ..	6,724	6,521	7,283	8,707	2,154	898	1,311	2,746	32,287	4,058	36,344

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

² 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 2007 payments include payments made from October 1, 2006 through September 30, 2007.

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 CPI, as discussed in section IV.A, 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 1974-2006, and the full 25-year projection period, 2007-31. This same information is presented in graphical form in figure IV.C1. Projections of the CPI used for this standardization are based on the intermediate economic assumptions of the 2007 OASDI Trustees Report.

The future growth in the “constant dollar” estimates is primarily attributable to the underlying growth in the U.S. population as shown in table IV.A1. However, an additional contributing factor is the projected growth in the number of SSI recipients as a percent of the population, as shown in table IV.B7.

Figure IV.C1.—SSI Federal Payments, by Age Group, in Constant 2007 Dollars, Calendar Years 1975-2035
[In billions]

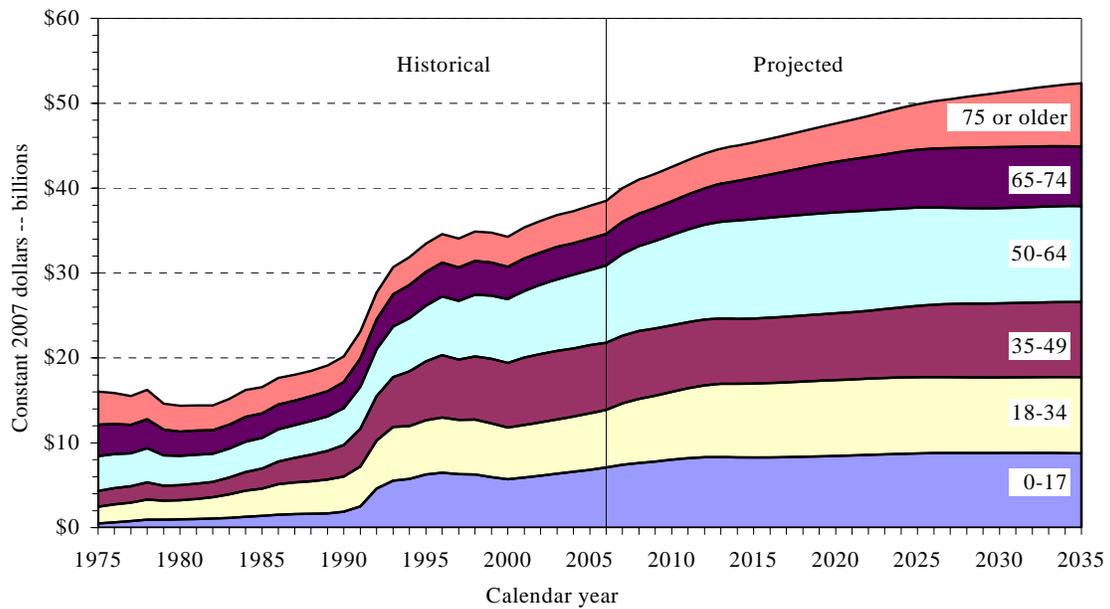


Table IV.C3.—SSI Federal Payments in Constant 2007 Dollars, Calendar Years 1974-2031
 [Payment amounts in millions]

Calendar year	Adjusted ¹ CPI	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	24.66	\$164	\$1,774	\$1,832	\$3,927	\$548	\$70	\$3,345	\$3,884	\$8,315	\$7,229	\$15,544
1975	26.92	477	1,995	1,854	4,082	706	65	3,017	3,829	9,178	6,846	16,024
1976	28.46	618	2,127	1,901	4,030	848	59	2,677	3,596	9,583	6,273	15,856
1977	30.30	751	2,214	1,910	3,875	982	57	2,380	3,351	9,789	5,731	15,520
1978 ²	32.61	927	2,394	2,007	4,023	1,170	56	2,256	3,408	10,577	5,664	16,241
1979	36.33	935	2,228	1,790	3,567	1,182	58	1,835	3,009	9,760	4,844	14,604
1980	41.24	963	2,258	1,773	3,443	1,320	67	1,557	2,983	9,824	4,539	14,363
1981	45.46	1,008	2,373	1,806	3,392	1,439	69	1,414	2,905	10,087	4,318	14,406
1982	48.18	1,063	2,512	1,832	3,299	1,461	79	1,307	2,831	10,247	4,138	14,384
1983	49.65	1,155	2,763	1,984	3,432	1,559	116	1,257	2,900	11,009	4,157	15,166
1984	51.35	1,284	3,070	2,197	3,574	1,628	198	1,305	2,945	11,950	4,250	16,200
1985	53.17	1,384	3,214	2,351	3,619	1,567	301	1,315	2,819	12,435	4,134	16,569
1986	53.99	1,540	3,573	2,690	3,784	1,570	387	1,353	2,739	13,544	4,092	17,636
1987	55.93	1,608	3,720	2,893	3,856	1,512	463	1,368	2,582	14,052	3,950	18,002
1988	58.16	1,642	3,831	3,126	3,959	1,503	523	1,400	2,491	14,584	3,891	18,475
1989	60.96	1,682	3,987	3,359	4,069	1,536	600	1,446	2,427	15,234	3,872	19,106
1990	64.17	1,871	4,146	3,733	4,352	1,509	634	1,539	2,387	16,244	3,926	20,170
1991	66.76	2,514	4,687	4,443	4,951	1,589	693	1,751	2,453	18,876	4,204	23,079
1992	68.70	4,590	5,677	5,207	5,517	1,636	709	1,896	2,460	23,337	4,357	27,694
1993	70.64	5,534	6,320	5,895	5,929	1,710	726	2,083	2,490	26,114	4,572	30,686
1994	72.42	5,754	6,219	6,443	6,260	1,759	743	2,163	2,504	27,177	4,667	31,844
1995	74.47	6,254	6,414	6,923	6,574	1,822	759	2,147	2,552	28,746	4,699	33,445
1996	76.65	6,454	6,529	7,324	6,912	1,862	770	2,144	2,580	29,850	4,724	34,574
1997	78.35	6,280	6,421	7,102	6,905	1,921	783	2,024	2,611	29,412	4,635	34,047
1998	79.39	6,253	6,487	7,433	7,277	2,000	800	1,943	2,690	30,251	4,633	34,884
1999	81.17	5,957	6,322	7,619	7,438	2,045	805	1,852	2,718	30,187	4,570	34,756
2000	83.98	5,702	6,097	7,626	7,493	2,044	804	1,750	2,750	29,766	4,500	34,266
2001	86.28	5,915	6,205	7,900	7,861	2,130	827	1,704	2,844	30,837	4,548	35,386
2002	87.46	6,121	6,270	8,059	8,154	2,182	843	1,638	2,881	31,630	4,520	36,150
2003	89.41	6,359	6,391	8,101	8,424	2,219	863	1,575	2,909	32,358	4,483	36,841
2004	91.74	6,580	6,490	8,049	8,658	2,239	882	1,489	2,896	32,897	4,386	37,283
2005	94.97	6,832	6,625	8,028	8,884	2,262	917	1,430	2,926	33,548	4,355	37,904
2006	98.14	7,080	6,782	7,908	9,113	2,278	941	1,439	2,950	34,101	4,390	38,491
Projected:												
2007	100.00	7,424	7,216	7,980	9,627	2,356	980	1,425	2,981	35,582	4,405	39,987
2008	102.37	7,621	7,535	8,012	10,009	2,412	994	1,433	2,984	36,585	4,417	41,002
2009	105.11	7,791	7,760	7,920	10,317	2,454	1,013	1,443	2,981	37,256	4,424	41,680
2010	108.05	7,989	8,011	7,843	10,640	2,508	1,041	1,465	2,994	38,031	4,459	42,490
2011	111.08	8,177	8,256	7,783	10,925	2,605	1,064	1,500	2,993	38,810	4,493	43,303
2012	114.19	8,311	8,464	7,737	11,174	2,734	1,094	1,553	2,997	39,513	4,549	44,063
2013	117.39	8,319	8,615	7,691	11,416	2,855	1,120	1,618	3,001	40,015	4,619	44,635
2014	120.67	8,268	8,678	7,636	11,601	2,977	1,140	1,690	3,004	40,300	4,694	44,994
2015	124.05	8,274	8,716	7,638	11,733	3,103	1,160	1,765	3,013	40,624	4,778	45,403
2016	127.52	8,289	8,760	7,670	11,807	3,235	1,179	1,847	3,024	40,941	4,871	45,812
2017	131.09	8,323	8,800	7,723	11,844	3,363	1,215	1,925	3,052	41,268	4,978	46,246
2018	134.76	8,364	8,854	7,782	11,869	3,500	1,249	2,001	3,095	41,618	5,096	46,714
2019	138.54	8,403	8,897	7,824	11,882	3,641	1,282	2,087	3,134	41,930	5,221	47,152
2020	142.42	8,452	8,932	7,862	11,899	3,782	1,318	2,183	3,176	42,245	5,359	47,605
2021	146.41	8,497	8,962	7,905	11,878	3,909	1,371	2,248	3,259	42,524	5,506	48,030
2022	150.50	8,545	8,991	7,993	11,814	4,023	1,442	2,288	3,378	42,808	5,666	48,474
2023	154.72	8,614	9,004	8,121	11,741	4,142	1,507	2,341	3,493	43,129	5,834	48,962
2024	159.05	8,687	9,007	8,263	11,660	4,258	1,572	2,397	3,610	43,446	6,006	49,453
2025	163.50	8,753	8,986	8,401	11,558	4,363	1,634	2,452	3,730	43,695	6,182	49,877
2026	168.08	8,789	8,953	8,520	11,450	4,446	1,698	2,502	3,862	43,855	6,364	50,219
2027	172.79	8,797	8,915	8,602	11,344	4,507	1,760	2,546	4,002	43,926	6,548	50,474
2028	177.63	8,807	8,894	8,668	11,260	4,554	1,825	2,583	4,148	44,007	6,731	50,738
2029	182.60	8,815	8,886	8,711	11,211	4,581	1,891	2,611	4,300	44,096	6,910	51,006
2030	187.71	8,812	8,887	8,732	11,199	4,574	1,957	2,627	4,451	44,161	7,078	51,239
2031	192.97	8,809	8,899	8,747	11,219	4,544	2,023	2,629	4,607	44,241	7,237	51,478

¹ The adjusted CPI is the CPI-W indexed to calendar year 2007. Projections of the adjusted CPI are based on the intermediate economic assumptions of the 2007 OASDI Trustees Report.

² Payment amounts include 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 administered by SSA is presented in table IV.C4. 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 1974-2006
[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	1,128	3,050	4,178
2006 ¹	1,147	3,006	4,153

¹ Split between recipient categories is a preliminary estimate.

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

Historical information on State-administered State supplementary payments was previously included in this report, but is no longer included since complete data for all States is generally not available. Information on selected characteristics of State assistance programs for SSI recipients can be found in the Social Security Administration publication, *State Assistance Programs for SSI Recipients*.¹

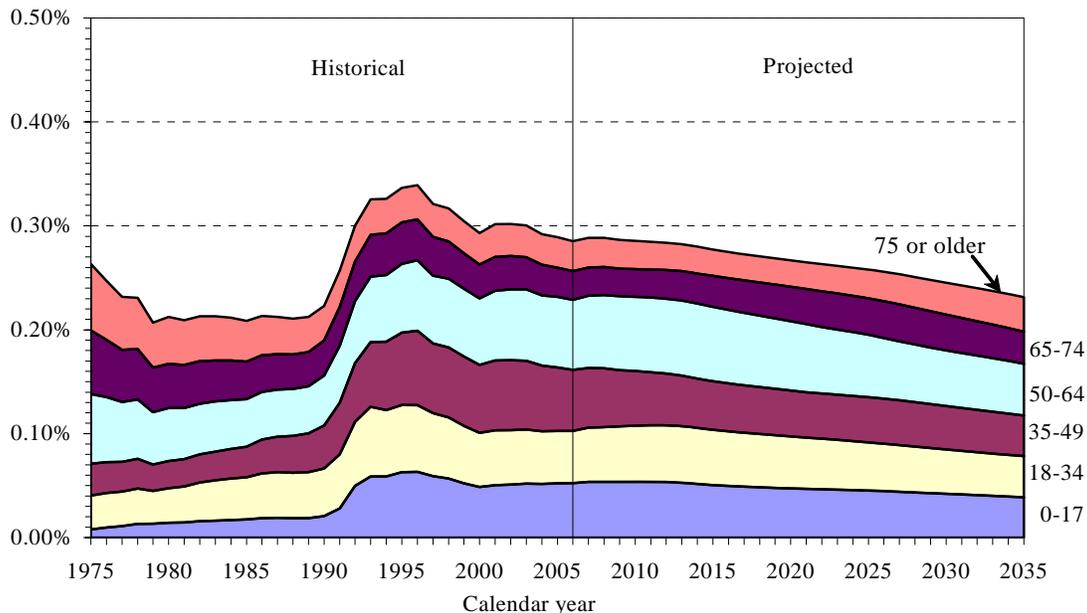
¹ Publication No. 13-11975, prepared by the Office of Research, Evaluation, and Statistics, is available on the internet at http://www.socialsecurity.gov/policy/docs/progdesc/ssi_st_asst.

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 some estimated growth in the SSI recipient population as a percentage of the overall U.S. population, as discussed previously in section IV.C. Since the real growth projected for GDP under the 2007 Trustees Report intermediate assumptions is greater than the effect of increases in SSI participation, Federal SSI payments are projected to decline as a percentage of GDP over the next 25 years, reaching 0.24 percent of GDP by 2031.

Figure IV.D1.—SSI Federal Payments, by Age Group, as a Percentage of GDP, Calendar Years 1975-2035



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 1974-2031

Calendar year	GDP ¹ (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	10,961	.052	.052	.066	.069	.018	.007	.013	.024	.264	.037	.301
2004	11,712	.052	.051	.063	.068	.018	.007	.012	.023	.258	.034	.292
2005	12,456	.052	.051	.061	.068	.017	.007	.011	.022	.256	.033	.289
2006	13,245	.052	.050	.059	.068	.017	.007	.011	.022	.253	.033	.285
Projected:												
2007	13,858	.054	.052	.058	.069	.017	.007	.010	.022	.257	.032	.289
2008	14,550	.054	.053	.056	.070	.017	.007	.010	.021	.257	.031	.288
2009	15,302	.054	.053	.054	.071	.017	.007	.010	.020	.256	.030	.286
2010	16,083	.054	.054	.053	.071	.017	.007	.010	.020	.256	.030	.285
2011	16,900	.054	.054	.051	.072	.017	.007	.010	.020	.255	.030	.285
2012	17,721	.054	.055	.050	.072	.018	.007	.010	.019	.255	.029	.284
2013	18,550	.053	.055	.049	.072	.018	.007	.010	.019	.253	.029	.282
2014	19,398	.051	.054	.048	.072	.019	.007	.011	.019	.251	.029	.280
2015	20,304	.051	.053	.047	.072	.019	.007	.011	.018	.248	.029	.277
2016	21,253	.050	.053	.046	.071	.019	.007	.011	.018	.246	.029	.275
2017	22,243	.049	.052	.046	.070	.020	.007	.011	.018	.243	.029	.273
2018	23,260	.048	.051	.045	.069	.020	.007	.012	.018	.241	.030	.271
2019	24,317	.048	.051	.045	.068	.021	.007	.012	.018	.239	.030	.269
2020	25,415	.047	.050	.044	.067	.021	.007	.012	.018	.237	.030	.267
2021	26,558	.047	.049	.044	.065	.022	.008	.012	.018	.234	.030	.265
2022	27,739	.046	.049	.043	.064	.022	.008	.012	.018	.232	.031	.263
2023	28,970	.046	.048	.043	.063	.022	.008	.013	.019	.230	.031	.261
2024	30,253	.046	.047	.043	.061	.022	.008	.013	.019	.228	.032	.260
2025	31,596	.045	.047	.043	.060	.023	.008	.013	.019	.226	.032	.258
2026	32,991	.045	.046	.043	.058	.023	.009	.013	.020	.223	.032	.256
2027	34,447	.044	.045	.043	.057	.023	.009	.013	.020	.220	.033	.253
2028	35,964	.043	.044	.043	.056	.022	.009	.013	.020	.217	.033	.251
2029	37,553	.043	.043	.042	.055	.022	.009	.013	.021	.214	.034	.248
2030	39,216	.042	.043	.042	.054	.022	.009	.013	.021	.211	.034	.245
2031	40,951	.042	.042	.041	.053	.021	.010	.012	.022	.208	.034	.243

¹ Projected values based on the intermediate economic assumptions of the 2007 OASDI Trustees Report.

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 1978-2007
[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.....	2,916	38.9
2007 (estimated).....	3,029	90.0

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 2007 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

1981

*Public Law 97-35,
enacted August 13*

c. Retrospective Monthly Accounting

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.
	—	⁸ 157.70	⁸ 236.60	Effective July 1, 1975.
1983 ⁹	—	304.30	456.40	Effective July 1, 1983 (general benefit increase).
	—	⁸ 314.00	⁸ 472.00	Effective January 1, 1984.
1973 ⁵	Increment for "essential person" in household	65.00	—	Was to be effective January 1, 1974. For persons transferred from OAA, AB, or APTD programs who were receiving payments in December 1973 under a State plan that took account of "essential persons" in the household.
	—	70.00	—	Was to be effective July 1, 1974.
1973 ⁶	—	70.00	—	Effective January 1, 1974.
	—	73.00	—	Effective July 1, 1974.
1974 ⁷	—	—	—	Mechanism established for providing cost-of-living adjustments.
	—	⁸ 78.90	—	Effective July 1, 1975.
1983 ⁹	—	152.50	—	Effective July 1, 1983 (general benefit increase).
	—	⁸ 157.00	—	Effective January 1, 1984.
1972 ³	Receiving institutional care covered by Medicaid	25.00	50.00	Effective January 1, 1974. Must be receiving more than 50 percent of the cost of the care from Medicaid (title XIX of the Social Security Act).
1987 ¹⁰	—	30.00	60.00	Effective July 1, 1988. Must be receiving more than 50 percent of the cost of the care from Medicaid (title XIX of the Social Security Act).

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

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

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

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

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

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

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

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

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

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

Act

5. Exclusions from Income

a. General Exclusions

1972

*Public Law 92-603,
enacted October 30*

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

1981

*Public Law 97-35,
enacted August 13*

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

2000

*Public Law 106-554,
enacted December 21*

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

b. Special Exclusions

1972

*Public Law 92-603,
enacted October 30*

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

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

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

Work expenses of blind persons.

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

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

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

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

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

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

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.

2006

*Public-Law 109-432,
enacted December 20*

Extends the present law that allows combat pay to be considered for Earned Income Tax Credit (EITC) purposes for one additional year (for taxable years ending before January 1, 2008). For SSI purposes, EITC payments are excluded from income, and are not a countable resource for 9 calendar months following the month of receipt.

Act

1972

*Public Law 92-603,
enacted October 30*

6. Resources

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

1984

*Public Law 98-369,
enacted July 18*

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

1999

*Public Law 106-169,
enacted December 14*

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

a. General Exclusions

1972

*Public Law 92-603,
enacted October 30*

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

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

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

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

Act

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.

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.

Act

1990

*Public Law 101-508,
enacted November 5*

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

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

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

Payments received under the Radiation Exposure Compensation Act.

1993

*Public Law 103-66,
enacted August 10*

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

1994

*Public Law 103-286,
enacted August 1*

Payments to victims of Nazi persecution.

1996

*Public Law 104-193,
enacted August 22*

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

1998

*Public Law 105-285,
enacted October 27*

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

*Public Law 105-306,
enacted October 28*

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

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

*Public Law 105-369,
enacted November 12*

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

2000

*Public Law 106-554,
enacted December 21*

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

2001

*Public Law 107-16,
enacted June 7*

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

Act

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-Resources 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.

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.

Act

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.

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.

Act

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.

*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.

Act

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.)

9. State Supplementation

1972

*Public Law 92-603,
enacted October 30*

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.

Act

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.

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 authority for the recovery of overpayments from tax refunds.

Act

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. 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.

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.

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. The 10 percent 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.

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;
- The first \$30 of earned income in a quarter if it is infrequent or irregular, that is, (1) if it is received only once in a calendar quarter from a single source and is not also received in the month immediately preceding or the month immediately following the month of receipt regardless of whether or not these payments occur in different calendar quarters or (2) if its receipt cannot reasonably be expected;
- Up to \$1,510 per month but not more than \$6,100 in a calendar year received by a blind or disabled recipient who is a working student under age 22 and regularly attending school;
- Any portion of the monthly \$20 exclusion for unearned income that has not been used;
- \$65 of earned income in a month;
- Amounts used to pay impairment-related work expenses if a recipient is disabled (but not blind) and under age 65 or is disabled (but not blind) and receiving SSI (or disability payments under a former State plan) before age 65¹;
- One-half of remaining earned income in a month;
- Earned income used to meet any expenses reasonably attributable to the earning of the income if the recipient is blind and under age 65 or if he/she received SSI as a blind person prior to age 65¹;
- Any earned income received and used to fulfill an approved plan to achieve self-support if the recipient is blind or disabled and under age 65 or is blind or disabled and received SSI as a blind or disabled individual in the month before he/she attained age 65;
- Any earned income deposited into either a Temporary Assistance for Needy Families (TANF) or “Assets for Independence Act” individual development account (IDA); and
- Some Federal laws other than the Social Security Act provide for the exclusion of earned income for SSI purposes. For the most part, the income received under these laws relates to assistance received in the form of food, housing and utilities, educational and employment benefits or benefits derived from being a member of a Native American tribe. A complete list of laws which exclude earned income under SSI can be found in the Federal Regulations Appendix to Subpart K 20 CFR 416.

2. Unearned Income Exclusions

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

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

- Assistance based on need which is wholly funded by a State or one of its political subdivisions. This includes State supplementation of Federal SSI benefits but does not include payments under a Federal/State grant program such as Temporary Assistance for Needy Families (TANF);
- Any portion of a grant, scholarship, 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;
- The first \$60 of unearned income in a quarter if it is infrequent or irregular, that is, (1) if it is received only once in a calendar quarter from a single source and is not also received in the month immediately preceding or the month immediately following the month of receipt regardless of whether or not these payments occur in different calendar quarters or (2) if its receipt 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 (effective April 1, 1990) and any interest earned on the value of nonexcludable burial funds and burial space purchase agreements is excluded from income (effective July 1, 2004);
- 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
- Generally, all interest and dividend income earned on countable resources.

3. Resource Exclusions

- The home in which an individual has ownership interest and which serves as the individual’s principal place of residence (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 used in a trade or business which is essential to self-support;
- Up to \$6,000 of nonbusiness property which is essential to self-support;
- Resources of a blind or disabled individual which are necessary to fulfill an approved plan to achieve 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 the month of 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 the month of receipt);
- Refundable child tax credit (for 9 months following the month of receipt);
- Grants, scholarships, fellowships or gifts to be used for tuition or educational fees (for 9 months following the month of receipt);
- Payments received as compensation for expenses incurred or losses suffered as a result of a crime (for 9 months following the month of receipt);
- Relocation assistance from a State or local government (for 9 months following the month of receipt);
- 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 2006, 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 2006.

Methods used for estimating results (through February 2007) for claims filed in 2006—Although decision counts are available for 2006 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 2007) for 2006 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 2007, whereas the final research files will reflect information through June 2007. Actual data for 2006 will be available to replace these estimates in the 2008 Annual Report.

2. General Considerations

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

- Data for 1988-2005 filers are as of June 2006. Results for those years' filers have been updated to include ODAR results through August 2006.
- Data for 2006 filers are preliminary estimates as of February 2007, and reflect larger numbers of claims still pending. February 2007 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	357,972	43.8
1998	1,108,957	—	322,734	29.1	786,223	70.9	339,287	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	1,403,442	—	378,538	27.0	1,024,904	73.0	424,698	41.4
2004	1,476,100	—	383,032	25.9	1,093,068	74.1	424,230	38.8
2005	1,472,953	23,250	360,651	24.9	1,089,052	75.1	367,954	33.8
2006	1,482,558	209,577	372,810	29.3	900,171	70.7	264,001	29.3

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	242,407	67.9	—	133,323	55.0	109,084
1997	—	47,573	13.4	306,561	213,869	69.8	—	121,565	55.8	96,142
1998	—	46,507	13.7	292,272	203,188	69.5	—	115,208	56.6	88,488
1999	—	42,135	13.3	274,269	194,644	71.0	2,109	118,564	56.9	89,802
2000	—	39,522	14.3	237,714	170,264	71.6	3,093	125,064	56.1	97,806
2001	—	38,987	13.9	241,200	172,082	71.3	5,210	134,684	55.7	107,166
2002	—	40,290	12.9	271,278	193,416	71.3	12,862	149,299	55.8	118,269
2003	—	40,861	12.2	293,433	208,070	70.9	50,700	139,000	56.1	108,774
2004	—	37,849	11.4	294,765	204,886	69.5	161,792	77,956	57.9	56,754
2005	36,914	24,692	9.9	225,591	135,701	60.2	189,357	16,315	60.2	10,786
2006	59,986	16,011	11.4	124,972	64,222	51.4	120,853	4,451	69.5	1,950

Selected summary case information by decision status: Numbers of cases						
Calendar year of filing	Total claims filed	Initial decisions pending	Total initial decisions	Denials		
				Allowances	Appeal decision pending	No appeal pending
1988	946,603	—	946,603	393,003	—	553,600
1989	969,218	—	969,218	425,718	—	543,500
1990	1,099,805	—	1,099,805	508,976	—	590,829
1991	1,288,331	—	1,288,331	614,191	—	674,140
1992	1,415,624	—	1,415,624	654,791	—	760,833
1993	1,503,278	—	1,503,278	644,640	—	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	487,937	—	759,989
1997	1,110,898	—	1,110,898	461,977	—	648,921
1998	1,108,957	—	1,108,957	484,449	—	624,508
1999	1,104,975	—	1,104,975	487,306	2,109	615,560
2000	1,139,571	—	1,139,571	508,749	3,093	627,729
2001	1,216,182	—	1,216,182	539,603	5,210	671,369
2002	1,322,683	—	1,322,683	560,822	12,862	748,999
2003	1,403,442	—	1,403,442	558,399	50,700	794,343
2004	1,476,100	—	1,476,100	498,837	161,792	815,471
2005	1,472,953	23,250	1,449,703	401,658	226,271	821,774
2006	1,482,558	209,577	1,272,981	393,272	180,839	698,870

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	—	56.3	43.7	—	56.3	
1999	—	44.1	0.2	55.7	44.1	0.2	55.7	
2000	—	44.6	.3	55.1	44.6	.3	55.1	
2001	—	44.4	.4	55.2	44.4	.4	55.2	
2002	—	42.4	1.0	56.6	42.4	1.0	56.6	
2003	—	39.8	3.6	56.6	39.8	3.6	56.6	
2004	—	33.8	11.0	55.2	33.8	11.0	55.2	
2005	1.6	27.3	15.4	55.8	27.7	15.6	56.7	
2006	14.1	26.5	12.2	47.1	30.9	14.2	54.9	

¹ Data for claims filed in 1988-2005 reflect results as of June 2006 at the DDS level and as of August 2006 at the ODAR level. The numbers of total claims filed for 2003-05 are subject to change. Data for claims filed in 2006 are preliminary estimates as of February 2007. 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	51,493	22.8
1998	335,732	—	123,249	36.7	212,483	63.3	50,109	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	425,365	—	171,183	40.2	254,182	59.8	59,431	23.4
2004	435,984	—	173,465	39.8	262,519	60.2	58,006	22.1
2005	425,690	4,780	161,112	38.3	259,798	61.7	49,983	19.2
2006	433,612	50,803	160,316	41.9	222,493	58.1	35,895	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	27,920	42.5	—	8,853	31.7	19,067
1997	—	8,266	16.2	42,705	18,912	44.3	—	7,026	36.2	12,408
1998	—	7,799	15.6	42,237	18,701	44.3	—	7,029	37.4	11,745
1999	—	7,196	15.5	39,377	17,934	45.5	193	7,824	37.7	12,929
2000	—	6,932	18.3	31,051	14,428	46.5	291	8,904	36.6	15,419
2001	—	6,807	18.7	29,643	13,576	45.8	407	9,269	35.9	16,539
2002	—	7,426	17.9	34,024	15,329	45.1	1,082	10,136	35.4	18,524
2003	—	7,690	17.1	37,211	16,374	44.0	5,016	9,174	35.4	16,714
2004	—	7,094	16.2	36,750	15,693	42.7	16,730	4,886	37.2	8,239
2005	4,112	5,768	17.0	28,194	10,518	37.3	20,123	1,089	47.3	1,215
2006	6,920	2,601	13.0	17,385	5,463	31.4	13,905	191	34.9	356

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	145,624	—	307,849
1997	332,032	—	332,032	121,820	—	210,212
1998	335,732	—	335,732	138,077	—	197,655
1999	342,153	—	342,153	143,563	193	198,397
2000	349,288	—	349,288	152,825	291	196,172
2001	367,751	—	367,751	167,364	407	199,980
2002	402,130	—	402,130	181,334	1,082	219,714
2003	425,365	—	425,365	188,047	5,016	232,302
2004	435,984	—	435,984	185,445	16,730	233,809
2005	425,690	4,780	420,910	167,969	24,235	228,706
2006	433,612	50,803	382,809	163,108	20,825	198,876

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

Calendar year of filing	Selected summary case information by decision status						
	Numbers as a percentage of total claims filed				Numbers as a percentage of total initial decisions		
	Initial decision pending	Allowances	Denials		Allowances	Denials	
			Appeal decision pending	No appeal pending		Appeal decision pending	No appeal pending
1991	—	62.8	—	37.2	62.8	—	37.2
1992	—	55.2	—	44.8	55.2	—	44.8
1993	—	47.2	—	52.8	47.2	—	52.8
1994	—	37.4	—	62.6	37.4	—	62.6
1995	—	33.9	—	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	—	58.9	41.1	—	58.9
1999	—	42.0	0.1	58.0	42.0	0.1	58.0
2000	—	43.8	.1	56.2	43.8	.1	56.2
2001	—	45.5	.1	54.4	45.5	.1	54.4
2002	—	45.1	.3	54.6	45.1	.3	54.6
2003	—	44.2	1.2	54.6	44.2	1.2	54.6
2004	—	42.5	3.8	53.6	42.5	3.8	53.6
2005	1.1	39.5	5.7	53.7	39.9	5.8	54.3
2006	11.7	37.6	4.8	45.9	42.6	5.4	52.0

¹ Data for claims filed in 1991-2005 reflect results as of June 2006 at the DDS level and as of August 2006 at the ODAR level. The numbers of total claims filed for 2003-05 are subject to change. Data for claims filed in 2006 are preliminary estimates as of February 2007. 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 1986-2006
[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
2006	³ 1,071

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 years 2005 and 2006 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 indicator to the Supplemental Security Record of the SSI recipient. The limited issue case is then selected for a field office review of the issue for which the indicator was posted. In fiscal year 2006, SSA released over 350,000 limited issue cases for development by field offices. Ninety-nine percent of limited issues released to the field offices were processed.

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 215,050 cases for which a scheduled title XVI CDR was processed in fiscal year 2006.

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

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 5, 2006, presenting estimates of the effects of CDRs conducted in fiscal year 2005.

- 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.

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	6,851	57.9
2001	110,341	99,666	90.3	10,675	9.7	6,296	59.0
2002	103,947	92,069	88.6	11,878	11.4	7,102	59.8
2003	72,175	63,021	87.3	9,154	12.7	5,465	59.7
2004	84,622	75,047	88.7	9,575	11.3	5,928	61.9
2005	80,597	70,687	87.7	9,910	12.3	6,188	62.4
2006	71,825	63,789	88.8	8,036	11.2	4,875	60.7
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	10,292	67.0
2000	173,470	156,065	90.0	17,405	10.0	10,925	62.8
2001	143,902	126,610	88.0	17,292	12.0	10,271	59.4
2002	172,527	150,837	87.4	21,690	12.6	13,385	61.7
2003	213,212	191,061	89.6	22,151	10.4	14,738	66.5
2004	221,129	199,938	90.4	21,191	9.6	14,661	69.2
2005	110,072	97,330	88.4	12,742	11.6	8,363	65.6
2006	40,605	35,957	88.6	4,648	11.4	2,794	60.1
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	16,494	63.9
2000	279,257	250,027	89.5	29,230	10.5	17,776	60.8
2001	254,243	226,276	89.0	27,967	11.0	16,567	59.2
2002	276,474	242,906	87.9	33,568	12.1	20,487	61.0
2003	285,387	254,082	89.0	31,305	11.0	20,203	64.5
2004	305,751	274,985	89.9	30,766	10.1	20,589	66.9
2005	190,669	168,017	88.1	22,652	11.9	14,551	64.2
2006	112,430	99,746	88.7	12,684	11.3	7,669	60.5

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	Reconsiderations						Appeals beyond reconsideration ⁴			
	Pending	Continuations		Cessations	Appeals to beyond reconsideration		Pending	Continuations		
		Number	Percent ²		Number ⁵	Percent ³		Number	Percent	Cessations
Reviews of concurrent title II/XVI cases initiated under title II										
1993	—	22	42.3	30	14	46.7	—	9	64.3	5
1994	—	541	43.2	712	399	56.0	—	177	44.4	222
1995	—	1,245	42.9	1,660	1,007	60.7	—	382	37.9	625
1996	—	1,875	45.5	2,244	1,313	58.5	—	427	32.5	886
1997	—	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	3	4,427	64.6	2,421	1,557	64.3	1	659	42.4	897
2001	8	4,177	66.4	2,111	1,240	58.7	—	494	39.8	746
2002	26	4,787	67.7	2,289	1,450	63.3	5	582	40.3	863
2003	26	3,575	65.7	1,864	1,182	63.4	37	456	39.8	689
2004	54	3,781	64.4	2,093	1,385	66.2	288	432	39.4	665
2005	374	3,828	65.8	1,986	1,279	64.4	691	228	38.8	360
2006	949	2,664	67.9	1,262	626	49.6	534	35	38.0	57
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	—	6,610	64.2	3,682	2,508	68.1	—	973	38.8	1,535
2000	2	6,823	62.5	4,100	2,778	67.8	—	1,056	38.0	1,722
2001	9	6,224	60.7	4,038	2,621	64.9	3	928	35.4	1,690
2002	76	8,160	61.3	5,149	3,336	64.8	17	1,085	32.7	2,234
2003	77	9,656	65.9	5,005	3,358	67.1	87	1,158	35.4	2,113
2004	42	9,406	64.3	5,213	3,722	71.4	778	1,038	35.3	1,906
2005	329	5,232	65.1	2,802	1,853	66.1	1,001	281	33.0	571
2006	361	1,627	66.9	806	373	46.3	304	15	21.7	54
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	1	10,584	64.2	5,909	4,050	68.5	—	1,652	40.8	2,398
2000	5	11,250	63.3	6,521	4,335	66.5	1	1,715	39.6	2,619
2001	17	10,401	62.8	6,149	3,861	62.8	3	1,422	36.9	2,436
2002	102	12,947	63.5	7,438	4,786	64.3	22	1,667	35.0	3,097
2003	103	13,231	65.8	6,869	4,540	66.1	124	1,614	36.5	2,802
2004	96	13,187	64.3	7,306	5,107	69.9	1,066	1,470	36.4	2,571
2005	703	9,060	65.4	4,788	3,132	65.4	1,692	509	35.3	931
2006	1,310	4,291	67.5	2,068	999	48.3	838	50	31.1	111

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

		Selected summary case information by decision status as of March 2007					
		Numbers of cases			Numbers as a percentage of total initial decisions		
Fiscal year of initial DDS decision	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	99,048	4	6,735	93.6	6/	6.4
2001	110,341	104,337	8	5,996	94.6	6/	5.4
2002	103,947	97,438	31	6,478	93.7	6/	6.2
2003	72,175	67,052	63	5,060	92.9	0.1	7.0
2004	84,622	79,260	342	5,020	93.7	.4	5.9
2005	80,597	74,743	1,065	4,789	92.7	1.3	5.9
2006	71,825	66,488	1,483	3,854	92.6	2.1	5.4
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	132,662	—	7,767	94.5	—	5.5
2000	173,470	163,944	2	9,524	94.5	6/	5.5
2001	143,902	133,762	12	10,128	93.0	6/	7.0
2002	172,527	160,082	93	12,352	92.8	.1	7.2
2003	213,212	201,875	164	11,173	94.7	.1	5.2
2004	221,129	210,382	820	9,927	95.1	.4	4.5
2005	110,072	102,843	1,330	5,899	93.4	1.2	5.4
2006	40,605	37,599	665	2,341	92.6	1.6	5.8
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	207,668	1	13,576	93.9	6/	6.1
2000	279,257	262,992	6	16,259	94.2	6/	5.8
2001	254,243	238,099	20	16,124	93.7	6/	6.3
2002	276,474	257,520	124	18,830	93.1	6/	6.8
2003	285,387	268,927	227	16,233	94.2	.1	5.7
2004	305,751	289,642	1,162	14,947	94.7	.4	4.9
2005	190,669	177,586	2,395	10,688	93.1	1.3	5.6
2006	112,430	104,087	2,148	6,195	92.6	1.9	5.5

¹ Data reflect results as of March 2007. 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	1,562	27.8
2001	9,086	4,152	45.7	4,934	54.3	1,406	28.5
2002	12,732	5,869	46.1	6,863	53.9	1,969	28.7
2003	7,283	3,516	48.3	3,767	51.7	1,034	27.4
2004	12,060	6,075	50.4	5,985	49.6	1,784	29.8
2005	13,710	6,540	47.7	7,170	52.3	2,103	29.3
2006	8,303	4,030	48.5	4,273	51.5	1,253	29.3
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	10,880	49.1
2000	51,713	28,863	55.8	22,850	44.2	11,024	48.2
2001	48,944	28,167	57.5	20,777	42.5	10,066	48.4
2002	54,947	32,388	58.9	22,559	41.1	11,604	51.4
2003	53,905	31,862	59.1	22,043	40.9	11,822	53.6
2004	53,232	31,890	59.9	21,342	40.1	11,597	54.3
2005	55,331	31,434	56.8	23,897	43.2	12,828	53.7
2006	40,640	21,796	53.6	18,844	46.4	9,467	50.2
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	28,411	52.8
2000	140,699	106,583	75.8	34,116	24.2	17,020	49.9
2001	95,835	72,896	76.1	22,939	23.9	11,837	51.6
2002	163,768	130,434	79.6	33,334	20.4	17,991	54.0
2003	127,444	100,522	78.9	26,922	21.1	14,976	55.6
2004	103,437	80,748	78.1	22,689	21.9	12,868	56.7
2005	61,387	45,597	74.3	15,790	25.7	8,713	55.2
2006	19,384	14,428	74.4	4,956	25.6	2,525	50.9
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	40,930	50.2
2000	202,590	140,012	69.1	62,578	30.9	29,606	47.3
2001	153,865	105,215	68.4	48,650	31.6	23,309	47.9
2002	231,447	168,691	72.9	62,756	27.1	31,564	50.3
2003	188,632	135,900	72.0	52,732	28.0	27,832	52.8
2004	168,729	118,713	70.4	50,016	29.6	26,249	52.5
2005	130,428	83,571	64.1	46,857	35.9	23,644	50.5
2006	68,327	40,254	58.9	28,073	41.1	13,245	47.2

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

Fiscal year of initial DDS decision	Reconsiderations						Appeals beyond reconsideration ⁴			
	Pending	Continuations		Cessations	Appeals to beyond reconsideration		Pending	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	1	609	39.0	952	452	47.5	—	99	21.9	353
2001	3	504	35.9	899	405	45.1	—	61	15.1	344
2002	16	698	35.7	1,255	557	44.4	8	111	20.2	438
2003	10	364	35.5	660	302	45.8	11	58	19.9	233
2004	8	644	36.3	1,132	544	48.1	133	55	13.4	356
2005	144	700	35.7	1,259	571	45.4	340	30	13.0	201
2006	272	375	38.2	606	209	34.5	181	7	25.0	21
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	—	3,070	28.1	7,845	4,388	55.9	—	1,026	23.4	3,362
1999	2	3,356	30.9	7,522	4,304	57.2	1	1,058	24.6	3,245
2000	4	3,575	32.4	7,445	4,035	54.2	2	1,014	25.1	3,019
2001	17	3,256	32.4	6,793	3,734	55.0	12	957	25.7	2,765
2002	57	3,819	33.1	7,728	4,165	53.9	43	1,077	26.1	3,045
2003	87	3,818	32.5	7,917	4,338	54.8	132	1,055	25.1	3,151
2004	38	3,532	30.6	8,027	4,608	57.4	947	921	25.2	2,740
2005	769	3,766	31.2	8,293	4,524	54.6	2,442	499	24.0	1,583
2006	2,211	2,245	30.9	5,011	1,993	39.8	1,611	85	22.3	297
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	—	1,305	23.7	4,206
1999	1	9,324	32.8	19,086	11,712	61.4	1	2,615	22.3	9,096
2000	6	6,434	37.8	10,580	6,239	59.0	2	1,425	22.8	4,812
2001	30	4,619	39.1	7,188	4,273	59.4	17	954	22.4	3,302
2002	106	7,239	40.5	10,646	6,209	58.3	67	1,349	22.0	4,793
2003	104	6,248	42.0	8,624	5,046	58.5	145	1,079	22.0	3,822
2004	41	4,871	38.0	7,956	4,925	61.9	1,128	817	21.5	2,980
2005	499	3,117	37.9	5,097	2,982	58.5	1,732	243	19.4	1,007
2006	351	863	39.7	1,311	602	45.9	503	20	20.2	79
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	—	8,757	31.5	19,065	11,041	57.9	—	2,575	23.3	8,466
1999	3	13,287	32.5	27,640	16,504	59.7	2	3,756	22.8	12,746
2000	11	10,618	35.9	18,977	10,726	56.5	4	2,538	23.7	8,184
2001	50	8,379	36.0	14,880	8,412	56.5	29	1,972	23.5	6,411
2002	179	11,756	37.5	19,629	10,931	55.7	118	2,537	23.5	8,276
2003	201	10,430	37.7	17,201	9,686	56.3	288	2,192	23.3	7,206
2004	87	9,047	34.6	17,115	10,077	58.9	2,208	1,793	22.8	6,076
2005	1,412	7,583	34.1	14,649	8,077	55.1	4,514	772	21.7	2,791
2006	2,834	3,483	33.5	6,928	2,804	40.5	2,295	112	22.0	397

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

Fiscal year of initial DDS decision		Selected summary case information by decision status as of March 2007					
		Numbers of cases			Numbers as a percentage of total initial decisions		
		Total initial decisions	Continuations	Cessations pending an appeal decision	Cessations with no appeal pending	Continuations	Cessations pending an appeal decision
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	1	4,903	51.8	6/	48.2
2001	9,086	4,717	3	4,366	51.9	6/	48.1
2002	12,732	6,678	24	6,030	52.5	0.2	47.4
2003	7,283	3,938	21	3,324	54.1	.3	45.6
2004	12,060	6,774	141	5,145	56.2	1.2	42.7
2005	13,710	7,270	484	5,956	53.0	3.5	43.4
2006	8,303	4,412	453	3,438	53.1	5.5	41.4
Redeterminations at age 18							
1994	—	—	—	—	—	—	—
1995	71	67	—	4	94.4	—	5.6
1996	12,640	8,984	—	3,656	71.1	—	28.9
1997	48,834	28,539	—	20,295	58.4	—	41.6
1998	40,945	25,549	—	15,396	62.4	—	37.6
1999	49,557	31,827	3	17,727	64.2	6/	35.8
2000	51,713	33,452	6	18,255	64.7	6/	35.3
2001	48,944	32,380	29	16,535	66.2	.1	33.8
2002	54,947	37,284	100	17,563	67.9	.2	32.0
2003	53,905	36,735	219	16,951	68.1	.4	31.4
2004	53,232	36,343	985	15,904	68.3	1.9	29.9
2005	55,331	35,699	3,211	16,421	64.5	5.8	29.7
2006	40,640	24,126	3,822	12,692	59.4	9.4	31.2
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	—	18,193	80.0	—	20.0
1999	183,211	141,359	2	41,850	77.2	6/	22.8
2000	140,699	114,442	8	26,249	81.3	6/	18.7
2001	95,835	78,469	47	17,319	81.9	6/	18.1
2002	163,768	139,022	173	24,573	84.9	.1	15.0
2003	127,444	107,849	249	19,346	84.6	.2	15.2
2004	103,437	86,436	1,169	15,832	83.6	1.1	15.3
2005	61,387	48,957	2,231	10,199	79.8	3.6	16.6
2006	19,384	15,311	854	3,219	79.0	4.4	16.6
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	—	43,642	70.9	—	29.1
1999	242,541	177,990	5	64,546	73.4	6/	26.6
2000	202,590	153,168	15	49,407	75.6	6/	24.4
2001	153,865	115,566	79	38,220	75.1	.1	24.8
2002	231,447	182,984	297	48,166	79.1	.1	20.8
2003	188,632	148,522	489	39,621	78.7	.3	21.0
2004	168,729	129,553	2,295	36,881	76.8	1.4	21.9
2005	130,428	91,926	5,926	32,576	70.5	4.5	25.0
2006	68,327	43,849	5,129	19,349	64.2	7.5	28.3

¹ Data reflect results as of March 2007. 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 or blind 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 to achieve 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, 1987-2006

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
2006	860	17,394	242,676	89,350	349,420

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, 1987-2006

[In thousands]

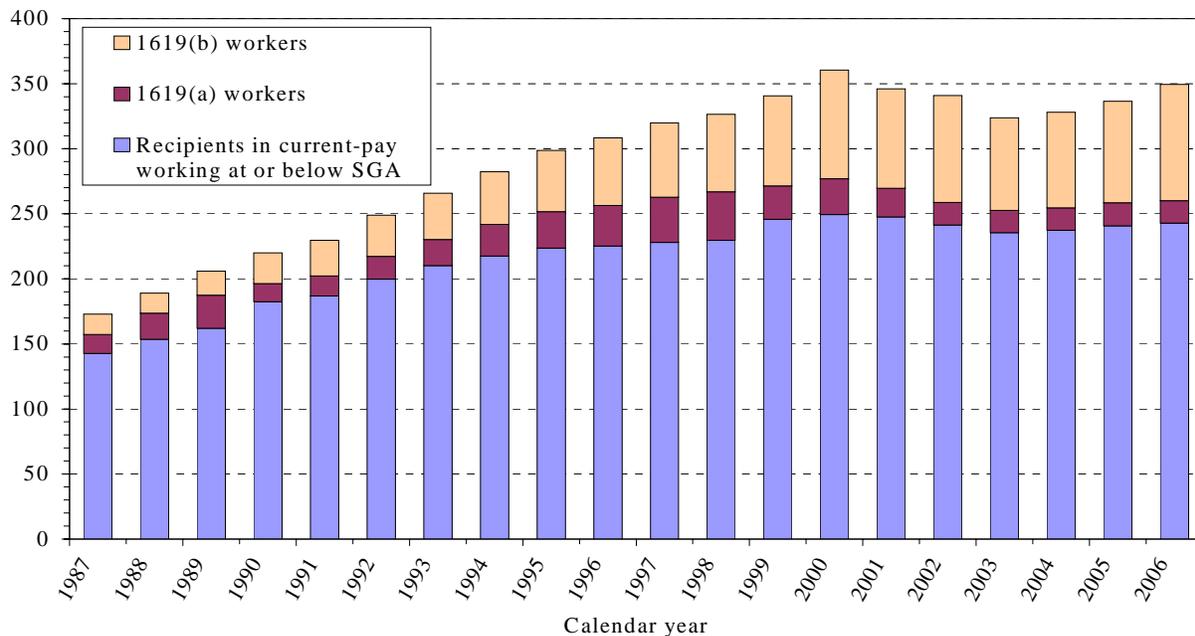


Table V.E2 presents historical numbers of SSI recipients who benefit from other selected work incentive provisions: (1) plan to achieve self-support (PASS), (2) impairment-related work expense exclusion (IRWE), and (3) blind work expense exclusion (BWE). These recipients may be benefiting from more than 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, 1990-2006

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
2006	1,098	485	1,583	5,650	2,370

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, 1987-2006

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
2006	1,166	258	1,193	542

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 2007 the SGA level was increased to \$900.

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 as well as 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. As of fiscal year 2007, there are 51 AWICs on duty.
- 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 developed a web-based application, the SSI Monthly Wage Verification (SSIMWV), to process and control SSI work reports. The SSIMWV allows SSA employees to issue the mandated work report receipt in addition to processing the wage report. The SSIMWV was released nationally in November 2006.
- In fiscal year 2006, SSA awarded cooperative agreements under the new Work Incentives Planning and Assistance (WIPA) program, which replaced and enhanced the former Benefits Planning, Assistance, and Outreach (BPAO) program. The WIPA program provides information as well as planning and assistance services in all States and Territories to SSA's beneficiaries with disabilities who want to work.

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; WIPAs; 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 1987-2006

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
2006.....	2,581	10,382	2,257	28,597	4,838	38,979

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 generally based on a 100-percent extract; however, information on previous participation in other programs by SSI recipients is based 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, 2006

	Age groups			All
	0-17	18-64	65 or older	
Number of Federally-administered recipients, December, 2006 (in thousands)	1,079	4,152	2,004	7,236
	Program			
	(In percent)			
Program participation by SSI recipients, December, 2006				
Federal SSI	99.8	96.4	92.7	95.9
Federally-administered State SSI supplementation	20.4	28.0	44.2	31.4
OASDI	7.2	31.5	57.0	35.0
Black Lung	2/	2/	2/	2/
Railroad Retirement	2/	2/	0.1	2/
Veterans Affairs disability cash benefits	0.1	0.5	1.9	0.8
Worker’s Compensation	2/	0.1	2/	0.1
Previous program participation by SSI recipients, December, 2006				
TANF/AFDC	38.0	26.9	9.3	23.7
Interim Assistance Reimbursement	0.6	14.8	10.2	11.4

¹ SSI recipients or the households of SSI recipients may participate in more than one of these programs.
² Less than 0.05 percent of SSI recipients in this gender/age grouping participate in the program.
 Note: Total numbers of recipients do not necessarily equal the sums of rounded components.

There are other potential sources for information on SSI recipients when that information is 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 last presented in the 2005 SSI Annual Report. The SIPP is being phased out, and the Census Bureau has started planning for a replacement survey called the Dynamics of Economic Well-Being System (DEWS). SSA staff are participating in the DEWS planning process to ensure that data needed for studying the characteristics and behavior of SSI recipients are collected.

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 regarding SSI payment levels, recipients, and reform proposals that were published in the past 10 years by both public and private entities.

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 resources 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). 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 working-aged model allows for the identification of working-aged persons by their SSI financial eligibility, DI insured status, and participation in both programs. The model is currently being used to assess SSI’s role in complementing and enhancing the safety net for the working-aged disabled. The model has been 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. 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 extensively utilized to estimate the size of the population potentially eligible for the Medicare Part D low income subsidy.

Additional research using the matched SIPP records focused on the estimation of the prevalence of households and families with multiple SSI recipients and on the assessment of the poverty status of multirecipient households (Koenig and Rupp, 2003/2004). In another study, 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). Currently ongoing work using the 1996 SIPP survey matched to SSI and DI administrative records replicates key results from this analysis of the 1984 matched data set, and expands the analysis on the basis of month-to-month SSI and DI participation data through the end of 2006.

In 2003 and again in 2005 SSA provided funding for interviewing supplemental samples of SSI and DI beneficiaries to increase the SIPP sample size available for analyses of these target groups. SSA is also providing substantial technical expertise to efforts by the Census Bureau to design a SIPP replacement sur-

vey, to be called the Dynamics of Economic Well-Being System. SSA's input into the redesign effort includes critical data needs for future relevant research on the SSI program.

b. National Survey of SSI 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 the nature and severity of the child's disabilities 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 the sample size available in 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 to examine employment and program outcomes among young adults after their eligibility redetermination at age 18, and to analyze factors affecting out-of-pocket medical expenses and unmet health care needs of disabled children.

The NSCF is providing valuable insights into SSA priorities. Although it was a cross-sectional data collection effort, longitudinal data on SSI program participation are being added to the NSCF through continuing efforts to update the match between NSCF and SSI administrative records.

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 to Congress in 2004 and found low but growing participation rates, but with State vocational rehabilitation agencies dominating ticket assignments. The report 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)¹.

SSA also published the first interim evaluation report early in 2006 (see Thornton, et al. 2006)¹. That report included early survey results which found only about 36 percent of ticket-eligible beneficiaries were aware of the ticket program even though many beneficiaries have personal goals that include work and career advancement. Growth in EN participation in the ticket program was also found to be difficult and there was evidence provider interest in the program is waning due to concerns that the program is too risky.

Rounds one, two, and three of the National Beneficiary Survey (NBS) have concluded with an overall response rate of 78 percent. SSA now has completed interviews with more than 20,000 beneficiaries with disabilities. Comprehensive analysis of the first round survey data will be included in the next evaluation report for Congress, expected in 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 October 31, 2006, HOPE grantees assisted 6,764 homeless individuals with their applications for SSI. Of those, 1,982 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)

The Youth Transition Demonstration (YTD) began in 2003 with seven cooperative agreements in six States: one each in California, Colorado, Iowa, Maryland, and Mississippi, and two in New York. The YTD will add three new projects to the three current projects (Colorado, New York CUNY and New York Erie) that have elected to use random assignment. The three new sites will be selected from five projects (Florida, Maryland, Vermont, Washington, and West Virginia) that will conduct six-month pilots beginning in 2007. Site selection criteria are under development, but central elements for selection include a site's ability to create strong service delivery projects that can be effectively evaluated using random assignment.

The purpose of each YTD project is to develop 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.

¹ Available at <http://www.socialsecurity.gov/disabilityresearch/research.htm>.

The projects 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 January 2007, 232 of 866 YTD participants (27 percent) were employed full-time or part-time. Most are students, so the nature of the work varies widely and some of it is short term (8 percent summer employment). By way of rough comparison, approximately 11 percent of SSI recipients aged 18-21 were working at the end of December 2005 (*SSI Disabled Recipients Who Work, 2005*).

In March 2007, all of the YTD projects met for the YTD Annual Conference in Denver, Colorado.

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. In June 2006, DOL awarded funds to an additional 13 States and the District of Columbia. As of November 2006, there were approximately 372 DPN positions in 30 States and the District of Columbia.

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)

SSA has begun the second year of a multi-year project to design, implement, and evaluate PMUs and test their ability to make pediatric medical expertise available to State and Federal adjudicators to assist them to develop and review the most complex childhood disability cases. PMUs are designed to provide adjudicators with sufficient medical documentation to make the right disability determination as early as possible in the process. The Association of University Centers on Disabilities (AUCD) is conducting this demonstration project. AUCD has been working with SSA on the childhood disability determination process since 1999. Four pilot sites are currently operational. The Disability Determination Services (DDS) in six States—Iowa, Kansas, Nebraska, Missouri, Tennessee and Washington—have been referring cases to three PMU sites since the first quarter of fiscal year 2006. New PMU sites have recently been selected to begin operation this spring serving DDSs in Colorado, Florida, Illinois, Montana, North Dakota, Ohio, South Dakota, Utah and Wyoming.

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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 periods.

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 2007 OASDI Trustees Report.

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

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

Automatic Cost-of-Living Increase. The annual increase in SSI Federal benefit rates, effective for January of the current year, reflecting the change in the cost of living. The increase equals the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers measured from the average over July, August, and September of the second preceding year to the average for the same 3 months in the preceding year. If the increase is less than one-tenth of 1 percent, when rounded, there is

no automatic increase for the current year; the increase for the next year would reflect the increase in the cost of living over a 2-year period.

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

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

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

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

Child. A blind or disabled individual who is neither married nor the head of household and who is (1) under age 18 or (2) under the age of 22 and a student regularly attending a school, college or university, or a course of vocational or technical training designed to prepare him/her for gainful employment. A child 18 or older is subject to the adult definition of disability and is not subject to parental deeming.

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). An official measure of inflation in consumer prices. In this report, all references to the CPI relate to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Historical values for the CPI-W are published by the Bureau of Labor Statistics, Department of Labor.

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). Representative payees may only use dedicated account funds for the following allowable expenses:

- Education or job skills training;
- 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 five items, is related to the child's impairment. Money from a dedicated account which is knowingly 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 2007 began October 1, 2006 and will end September 30, 2007.

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 and is not also received in the month immediately preceding or the month immediately following the month of receipt, regardless of whether or not these payments occur in different calendar quarters.¹ "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.

¹ The definition of infrequent income was modified in final rules published on August 9, 2006 (71 FR 45375). Previously, infrequent income was defined as income not received more than once a quarter from a single source.

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 Recipient. 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 to Achieve 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. Effective with claims filed August 22, 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 for the Homeless. 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 2007, a worker receives one quarter of coverage (up to four a year) for each \$1,000 of annual earnings reported from employment or self-employment. This dollar amount is subject to annual automatic increases in proportion to increases in average earnings.

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

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

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

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

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

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

Representative Payee. A person who receives SSI payments on behalf of an SSI recipient. SSA will pay benefits to a representative payee on behalf of an individual 18 years old or older when it appears that such method of payment will be in the interest of the individual. A representative payee will be appointed if the individual is legally incompetent or mentally or physically incapable of managing or directing the management of his/her benefits. Also, in general, if the individual is under the age of 18, a representative payee will be appointed. The law and regulations require that every beneficiary under age 15 must have a representative payee.

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

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

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

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

Retrospective Monthly Accounting (RMA). The calculation method used in the SSI program to determine an individual’s eligibility for each month. RMA has two parts: an eligibility determination and a 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, 2007, pays a \$9.69 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 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 individual who is regularly attending a school, college or university, or a course of vocational or technical training designed to prepare him/her for gainful employment.

Student Earned Income Exclusion (SEIE). An earned income exclusion for a student under age 22 with certain limitations established by regulations. For 2007, up to \$1,510 earned income in a month, but no more than \$6,100 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 2007, a person who is not statutorily blind and is earning more than \$900 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.

Ticket to Work Program. The Ticket to Work and Work Incentives Improvement Act of 1999 established a voluntary Ticket to Work and Self-Sufficiency program (Ticket to Work program) under which a blind or disabled beneficiary may obtain vocational rehabilitation (VR), employment and other support services from a qualified private or public provider referred to as an “employment network,” or from a State VR agency.

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;
- Section 1619 benefits; and
- Ticket to Work program.

SOCIAL SECURITY ADVISORY BOARD

STATEMENT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM

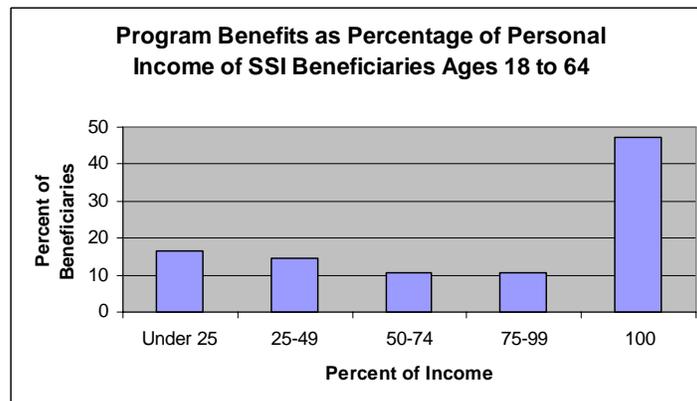
Public Law 104-193 requires that members of the Social Security Advisory Board be given an opportunity, either individually or jointly, to include their views in the Social Security Administration's annual report to the President and the Congress on the Supplemental Security Income (SSI) program.

We appreciate the opportunity to present our views on this important program, and we have asked the Social Security Administration (SSA) to include in this year's annual report the following statement of views, which focuses on the interactions between the SSI program and the Temporary Assistance for Needy Families (TANF) program.

SSI as part of the national economic safety net

As part of our national economic safety net, the SSI program provides a monthly income to help meet the basic needs of people who have little or no income and are age 65 or over, have a severe disability, or are blind. The SSI program has a strict disability standard. To qualify as disabled, an applicant must show that he or she is unable to engage in any substantial gainful employment as a result of a medically determinable impairment that can be expected to result in death or has lasted, or can be expected to last, at least 12 months. SSI also has strict income and resource limits. In 2007 the maximum federal SSI monthly benefit amount is \$623 for an individual and \$934 for a couple. Most states supplement these amounts; state supplements account for about 14 percent of total benefits.

SSI beneficiaries rely to a large extent on these benefits. According to SSA statistical reports, for non-institutionalized SSI beneficiaries between the ages of 18 and 64, SSI benefits account for more than three-quarters of their income. For 47 percent of them, SSI was their sole income.



Source: Social Security Administration, *SSI Annual Statistical Report*, 2004, table 36.

By themselves, federal SSI benefits are not enough to raise beneficiaries out of poverty. The federal benefit level for an individual is about 74 percent of the poverty level for non-elderly persons, and the federal benefit for a couple is about 82 percent of that poverty level. SSI benefits do, however, reduce the extent and the depth of poverty. Some families are lifted above the poverty line when other benefits or the earnings of family members are added to their SSI benefits. For others, their SSI benefits reduce the distance between their income and the poverty line.

Both TANF and SSI serve individuals with physical and mental impairments

The population served by SSI overlaps to some extent the population served by Temporary Assistance for Needy Families. TANF is a block grant program established in 1996 to replace Aid to Families with Dependent Children (AFDC). TANF was not designed specifically for people with disabilities, but many TANF recipients have physical and mental impairments.

National studies have found relatively high levels of disability among TANF recipients. A Government Accountability Office (GAO) analysis of 1999 data found that 44 percent of TANF recipients reported at least one physical or mental impairment (three times the rate of impairments among adults not receiving TANF), and 38 percent reported a severe impairment.¹ Studies by the Urban Institute and the Manpower Demonstration Research Corporation also found relatively high rates of impairments among TANF recipients.²

GAO analysis of 1999 data also found that TANF recipients with impairments tend to rely on TANF benefits for longer periods than recipients without impairments. Adult recipients with impairments were half as likely to leave TANF as adult recipients without impairments. Recipients caring for children with impairments were less than half as likely to leave TANF as all other recipients.³

Administrative data have long shown an overlap in the populations served by TANF and SSI.⁴ More recent research has shown that the overlap is even greater than had been thought. The law establishing TANF included what are known as maintenance-of-effort (MOE) requirements. These required that states sustain a certain level of spending, relative to their spending in 1994, on TANF-related programs. One way that states could

¹ *Welfare Reform: More Coordinated Federal Effort Could Help States and Localities Move TANF Recipients with Impairments Toward Employment*, GAO-02-37. <http://www.gao.gov/new.items/d0237.pdf>

² Sheila R. Zedlewski and Donald W. Alderson, *Before and After Reform: How Have Families on Welfare Changed?*, Urban Institute, April 2001, http://www.urban.org/UploadedPDF/anf_b32.pdf; Denise F. Polit, Andrew S. London, and John M. Martinez, *The Health of Poor Urban Women: Findings from the Project on Devolution and Urban Change*, Manpower Demonstration Research Corporation, May 2001, <http://www.mdrc.org/Reports2001/UC-HealthReport/UC-HealthRpt-FullRpt2001.pdf>.

³ *Welfare Reform: Former TANF Recipients with Impairments Less Likely to Be Employed and More Likely to Receive Federal Supports*, GAO-03-210. <http://www.gao.gov/new.items/d03210.pdf>

⁴ TANF recipients who have sufficient work credits may also qualify for Social Security Disability Insurance (SSDI) benefits. Applicants for SSI benefits are also screened for SSDI eligibility. For the sake of simplicity, we will refer in this paper only to the SSI program, but it should be understood that some SSI applicants will also apply for SSDI.

use this MOE requirement to their advantage was by establishing Separate State Programs (SSPs), administered by TANF agencies but paid for from state funds. State money spent on these programs can count toward the state's MOE requirement. The advantage to states was that families receiving income support through SSPs were not subject to TANF work participation requirements. Using SSPs to pay benefits to families with adults who have disabilities, therefore, removed those families from the work-participation calculations and made it easier for states to meet work participation goals. Some states assign families with adults who are applying for SSI to SSPs while their SSI applications are pending. SSPs accounted for only 6.8 percent of total TANF-related cash assistance cases in 2003, but they accounted for almost 15 percent of adult recipients, up from 9 percent in 2000.⁵

Including data for SSPs with those for TANF gives a more accurate picture of the impact of TANF on SSI. A recent study estimates that from 2001 through 2003, 34 percent of SSI awards to children and 12 percent of SSI awards to adults came from TANF/SSP households. The study estimates that as many as a third of SSI awards to women ages 22 through 39 are to TANF/SSP recipients. It also notes that the incidence of SSI awards among TANF/SSP recipients in the early part of the current decade was much higher than the incidence among recipients of AFDC, the welfare program that preceded TANF, in the early 1990s.⁶

Potential for an increased flow from TANF to SSI

Because of changes to the program in the 2005 reauthorization of TANF, we may see an increased flow of applicants from TANF to SSI. There were already financial incentives to urge TANF recipients to apply for SSI and to facilitate those applications. Under the AFDC program that preceded TANF, if an AFDC recipient became entitled to SSI and left the AFDC rolls, the state saved its share of the federal-state benefit cost. TANF, by contrast, is funded by a block grant, so the state saves the full amount of the TANF benefit cost when a recipient goes from TANF to SSI.

TANF imposes financial penalties on states that do not meet goals for having recipients participate in work. Helping recipients move onto SSI increases states' prospects of avoiding those penalties. Disability is not taken into consideration in measuring this performance; consequently, removing from TANF rolls disabled recipients who are not likely to work improves the measures of state performance.

Recipients also gain by moving to SSI, because their benefits are higher. The gain to recipients has been increasing, as TANF benefits have been declining in value, while SSI benefits, indexed to the cost of living, have maintained their value. SSI also offers more security, as most states have time limits on the receipt of TANF and require recipients to perform work or work-related activities.

⁵ Steve Wamhoff and Michael Wiseman, "The TANF/SSI Connection," *Social Security Bulletin*, 66(4), 2005/2006, 1-17. (Because of delays in publication, this issue of the 2005/2006 volume was not published until 2007.)

⁶ Wamhoff and Wiseman.

Recent changes provide further incentives for states to facilitate the movement of TANF/SSP recipients onto SSI. The *Deficit Reduction Act of 2005* (DRA) reauthorized the TANF program through FY2010. That act increased federal work participation requirements for TANF recipients, increasing the importance to states of assuring that disabled recipients apply for SSI. The act also made the work participation requirements apply to recipients in SSPs that are funded by maintenance-of-effort funds. Those SSPs, therefore, will no longer provide exemption from work requirements for disabled recipients who are in the process of applying for SSI benefits. States can, however, exclude from the work rate calculation families in which a parent is receiving SSI, again increasing the incentive to assist recipients in establishing eligibility for the SSI program.

The need to improve TANF services provided to people with disabilities

We are concerned that the TANF program may be failing to provide TANF recipients with disabilities and parents of children with disabilities the services and supports which will help them to secure employment. The National Council on Disability (NCD) has noted that disabled TANF recipients face many employment challenges that non-disabled recipients do not. The NCD has cited anecdotal evidence that TANF recipients with disabilities have been shifted off TANF and onto SSI before they could benefit from TANF supports and services that could have led to employment.

The National Council on Disability has noted that “TANF creates a great opportunity to creatively design programs that can give parents with disabilities, and parents of children with disabilities, the training and support they need to secure and maintain employment. Some states and communities are already collaboratively working to help people with disabilities prepare for and sustain employment. Greater national emphasis on systemic collaboration and review of policies and legislation among federal, state, and local entities that bring consumers with disabilities to the table and begin dialogue and actions would serve to remove barriers and create real opportunities for people with disabilities to transition from welfare to work.”⁷

A report published by the Urban Institute comments on the disjointed nature of programs for low-income adults with disabilities and the tendency of administrators and policymakers to view them in isolation rather than in the context of the larger safety net. It comments specifically on the movement of TANF recipients to SSI as an example of the lack of coordinated disability policy and observes, “While this transition might have improved the short-term income prospects of some people, it is unclear if this transition is always the best long-term economic outcome for all recipients, particularly those who might have some future employment potential.”⁸ Clearly, there is a need for TANF to improve its employment services to those recipients who would benefit from them as

⁷ “TANF and Disability – Importance of Supports for Families with Disabilities in Welfare Reform,” March 14, 2003. <http://www.ncd.gov/newsroom/publications/2003/familysupports.htm>

⁸ David Wittenburg and Melissa Favreault, *Safety Net or Tangled Web? An Overview of Programs and Services for Adults with Disabilities*, Occasional Paper Number 68, Urban Institute, November 2003, pp. 18-19. http://www.urban.org/UploadedPDF/310884_OP68.pdf

well as a need for TANF agencies and SSA to enhance their interactions on behalf of individuals whose impairments are severe enough to make them eligible for SSI.

Need for collaboration between TANF and SSA offices

In September 2004, GAO issued a report containing a survey of county TANF offices. In that survey, 86 percent of offices reported that they either sometimes or always exempt from work requirements adult TANF recipients who have applied for SSI. GAO reported that, about 51 percent of county TANF offices did not require adult TANF recipients awaiting SSI determinations to participate in any type of job services, education services, work experience programs, or other employment services. Among those counties that reported offering services, utilization of services was low. GAO found that 40 percent of county TANF offices reported one of the reasons adult TANF recipients with impairments, who were awaiting SSI eligibility determinations, were not participating in work activities was that there were an insufficient number of job training or related services available for them to use. In addition, some TANF offices interviewed by GAO believed that SSI applicants were afraid that participating in work activities or even in work-related services would jeopardize their chances of receiving SSI benefits. However, 41 percent of county TANF offices reported that their recipients with impairments, awaiting SSI eligibility determinations, were unsure whether or not the demonstration of any work ability would hinder or disqualify their chances for SSI eligibility. It should be noted that, in order to qualify for SSI, adult applicants under age 65 have to show that they are unable to perform work at the level of substantial gainful employment, currently \$900 per month. “One county TANF official we interviewed said that on one hand, recipients are being told about using TANF services to obtain employment, and then, on the other hand, recipients are being told to apply for SSI benefits, which require an applicant to focus on his or her inability to work.”⁹

The same GAO report of a survey of county TANF offices noted that 97 percent of all counties refer at least some of the adult TANF recipients with impairments to SSA to apply for SSI. All offices rely on the individual to disclose his or her impairment, but 96 percent of the counties also rely on caseworker observation. More than half the offices also rely on screening tools and intensive assessments. In deciding whether to refer the impaired individual to SSI, 94 percent of the offices use physician documentation and 95 percent use self-reported information.¹⁰

In response to the GAO report, the U.S. Department of Health and Human Services (HHS), which is responsible for administering the TANF program, has pointed out that promoting self-sufficiency through work is inherently in conflict with helping TANF recipients apply for SSI. It noted that when TANF agencies identify a TANF recipient as being potentially eligible for SSI, they frequently stop their work-oriented efforts for those recipients.¹¹ Both HHS and SSA agreed with GAO that TANF agencies should

⁹ *TANF and SSI: Opportunities Exist to Help People with Impairments Become Self-Sufficient*. GAO-04-878, September 2004. <http://www.gao.gov/new.items/d04878.pdf>

¹⁰ *TANF and SSI*.

¹¹ DHHS comments in GAO, *TANF and SSI*, p. 26.

establish closer relationships with SSA offices in order to improve services for those potentially eligible for SSI.

In 2002, Representative Benjamin Cardin, Ranking Member of the Human Resources Subcommittee of the Ways and Means Committee, asked GAO to provide information on how people with impairments fare in the current welfare environment, specifically: (1) how prevalent impairments were among TANF recipients; (2) whether recipients with impairments were as likely to exit TANF as recipients without impairments; and (3) what sources of income people with impairments had after leaving TANF, compared with people without impairments. As we have noted already, GAO reported that TANF recipients who had impairments were half as likely to exit TANF as recipients without impairments, and recipients caring for children with impairments were less than half as likely to exit TANF as recipients not caring for children with impairments. In addition, GAO noted that, after leaving TANF, people with impairments were one-third as likely to be employed as people without impairments and that 40 percent of families with impairments who left TANF received SSI. GAO also stated, “TANF often serves, as did AFDC, as a temporary stopping point for low-income individuals with physical or mental impairments that may be considered severe enough to make them eligible for the federal SSI program.”¹²

GAO concluded: “a key challenge will be to ensure that recipients with impairments and those caring for children with impairments receive the supports they need to meet the work-focused goals and requirements of TANF. Our findings underscore the magnitude and complexity of this challenge. Our findings that both adult recipients with impairments and recipients caring for children with impairments are less likely to exit TANF, and that adult leavers with impairments are less likely to be employed, suggest that in the early years of welfare reform at least, these families were not as successful as those without impairments at leaving welfare through work. Our finding that 40 percent of families with impairments who did leave welfare received SSI after leaving TANF shows that SSI is an important source of support for many of these families. This finding raises the difficult question of how best to use their time on TANF while awaiting SSI eligibility determination, such as what work expectations to have for these recipients. These findings also raise the more general question for policymakers about how best to promote work and personal responsibility – through work requirements and time limits – while at the same time taking into consideration the particular needs of recipients with impairments and those caring for children with impairments. While our analysis provides descriptive information on outcomes for TANF recipients with impairments, much remains unknown about how best to help people with different types of impairments become self-sufficient.”¹³

These GAO reports demonstrate a need for, not only improved TANF employment services for the disabled, but enhanced cooperation between TANF and SSI offices.

¹² *Welfare Reform: Former TANF Recipients with Impairments Less Likely to Be Employed and More Likely to Receive Federal Supports*, GAO-03-210, p 5-6. <http://www.gao.gov/new.items/d03210.pdf>

¹³ *Ibid.*, p. 19-20.

Recommendation for improved collaboration

In its response to the September 2004 GAO report on TANF and SSI, the U.S. Department of Health and Human Services acknowledged that better coordination and collaboration between TANF and SSA offices could help individuals with impairments become more self-sufficient. It offered to have its Administration for Children and Families (ACF) work with SSA to develop tools and processes to accomplish this. SSA agreed that such an approach had potential to help people become self-sufficient. In December 2006, SSA and ACF met for the first time to discuss such a collaborative effort. They met again in January 2007. As this is written in early May 2007, they have not met again and no meeting is scheduled.

There is too much at stake here and time is being squandered while ACF and SSA continue leisurely discussions, without sufficient concern about the individuals they are charged with assisting. The SSI and TANF programs both are grounded in the Social Security Act and to a significant extent serve overlapping populations. They should be aggressively pursuing program coordination and enhancements that will improve the outcomes for people with disabilities. There are clear gaps in the nation's safety net, some of which the Board highlighted in its September 2005 report, *A Disability System for the 21st Century*. Old paradigms must be set aside and we must look more broadly at what is possible. It is time to reexamine our national disability programs with a view to investing in human capital – our most valuable asset. There needs to be a larger systemic change that facilitates coordination and integration of services and supports. ACF and SSA should be charged with conducting research and developing demonstrations that will provide 21st century policy guidance. For example, research that explores viable options for people with disabilities should be considered.

- Are there demonstrations that could be designed to test program changes in TANF and/or SSI that address program restrictions that limit an individual's ability to achieve self-sufficiency?
- What is the most cost-effective way to serve this overlapping population at the federal and state level?
- Are there lessons to be learned from European systems that are more effective in linking rehabilitation services to cash benefits?

At the same time, we want to assure that new barriers are not erected to programs such as SSI and SSDI. Therefore, the administering agencies should make certain that individuals with disabilities severe enough to make them eligible for SSI and SSDI are not impeded in obtaining the benefits they need.

We urge the administering agencies to resume and strengthen their efforts to work collaboratively and to improve their understanding of each other's roles and responsibilities. They must identify and remove obstacles in the current system that keep disabled applicants from obtaining on an integrated basis the benefits and services they need, including services that will assist them in seeking to attain the maximum feasible levels of independence and self-support. It is time to develop a national disability system

based on the best interests of recipients and not on a desire to shift financial responsibility among levels of government.

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