



SOCIAL SECURITY ADMINISTRATION

The President's 2016 Budget is designed to bring middle class economics into the 21st Century. This Budget shows what we can do if we invest in America's future and commit to an economy that rewards hard work, generates rising incomes, and allows everyone to share in the prosperity of a growing America. It lays out a strategy to strengthen our middle class and help America's hard-working families get ahead in a time of relentless economic and technological change. And it makes the critical investments needed to accelerate and sustain economic growth in the long run, including in research, education, training, and infrastructure.

These proposals will help working families feel more secure with paychecks that go further, help American workers upgrade their skills so they can compete for higher-paying jobs, and help create the conditions for our businesses to keep generating good new jobs for our workers to fill, while also fulfilling our most basic responsibility to keep Americans safe. We will make these investments, and end the harmful spending cuts known as sequestration, by cutting inefficient spending and reforming our broken tax code to make sure everyone pays their fair share. We can do all this while also putting our Nation on a more sustainable fiscal path. The Budget achieves about \$1.8 trillion in deficit reduction, primarily from reforms to health programs, our tax code, and immigration.

The Social Security Administration is charged with implementing key programs including Social Security and the Supplemental Security Income (SSI) Program. Social Security helps provide workers with a secure retirement, protects workers and their families from a loss of earnings due to a serious disability, and provides critical support to the families of workers who die, while SSI provides critical aid to low-income seniors and people with disabilities. To support this mission, the Budget provides \$12.717 billion in discretionary funding for the Social Security Administration. This funding level will allow the agency to balance its important service and stewardship work, and test innovative strategies to help people with disabilities remain in the workforce.

Funding Highlights:

- The President's FY 2016 Budget provides \$12.717 billion in discretionary funding for the Social Security Administration to improve service and combat fraud, waste, and abuse. This includes:
 - Improving and Modernizing Customer Service by Including Resources to Reduce 1-800 Number Wait Time, Staff Field Offices, and Provide More Online Services.
 - Addressing Increasing Wait Times for Disability Appeals by Reviewing the Hiring Process for Administrative Law Judges.
 - Increasing Cost-Effective Program Integrity Work by Establishing a Dependable Source of Funding.
 - Helping People with Disabilities Remain in the Workforce by Testing Innovative Strategies.

Reforms:

- Proposes to reallocate existing payroll tax collections between the Old-Age and Survivors Insurance (OASI) and the Social Security Disability Insurance (DI) trust funds to protect against reserve depletion in the DI Trust Fund, while a longer term solution to overall Social Security solvency is developed with the Congress.
- Proposes to establish a dependable source of mandatory funding in 2017 for Continuing Disability Reviews (CDRs) and SSI Redeterminations to strengthen the integrity and accuracy of Social Security.
- Provides new authority and new resources for SSA, in partnership with other Federal agencies, to test innovative strategies to help people with disabilities remain in the workforce.

Improving Service for the American Public

Improves and Modernizes Customer Service. The Budget provides resources for SSA to reduce wait times on its National 800 Number and to staff its field offices that serve millions of Americans each year. In addition, the Budget includes funding to help SSA continue to

modernize its services, such as by providing more online services, for Americans who prefer service from the comfort of their homes.

Addresses Increasing Wait Times for a Disability Appeal Decision. The Budget calls for hiring of additional Administrative Law Judges (ALJ). SSA's workloads continue to increase as the baby boom generation enters its most disability-prone years. SSA was able to reduce the wait time down to a ten year low in 2011 and 2012, but due to years of funding constraints, the wait time has again begun to grow and is anticipated to rise to 470 days in 2015. Currently there are over one million people waiting for a disability appeals hearing decision from an ALJ. The Budget commits increased resources to hire more ALJs. But resources alone will not be enough. The process for hiring ALJs has not operated as efficiently as needed to fill vacancies even when funding is available. Therefore, the Administration is creating a workgroup led by the Administrative Conference of the United States and the Office of Personnel Management, along with SSA, the Department of Justice and the Office of Management and Budget to review the process of hiring ALJs and recommend ways to eliminate roadblocks, which may include proposing administrative reforms or legislative changes.

Investing in Cost-Effective Program Integrity Work

Continues to Increase Program Integrity Work. The Budget proposes to replace the current discretionary cap adjustment funding for program integrity (PI) efforts, authorized in the Budget Control Act, with a more reliable stream of mandatory PI funding beginning in FY 2017. PI activities include Continuing Disability Reviews (CDRs), which focus on assessing whether a beneficiary has medically improved and is now capable of working, and Redeterminations, which focus on an individual's eligibility for the means-tested Supplemental Security Income (SSI) program. These reviews may result in a reduction or termination of benefits. The Budget provides funding for SSA to handle 908,000 CDRs and 2.622 million SSI non-medical determinations in FY 2016, up from 790,000 and 2.255 million in FY 2015, respectively. SSA estimates that CDRs conducted in 2016 will yield net Federal program savings over the next ten years of roughly \$9 on average per \$1 budgeted for dedicated program integrity funding, including OASDI, SSI, Medicare and Medicaid effects. Similarly, SSA estimates indicate that non-medical redeterminations conducted in 2016 will yield a return on investment of about \$4 on average of net Federal program savings over ten years per \$1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects.

Reforms to Strengthen Social Security and Help People with Disabilities Remain in the Workforce

Ensures Solvency of the Social Security Disability Insurance Trust Fund.

To address reserve depletion of the Social Security Disability Insurance (DI) Trust Fund, the Budget proposes to reallocate existing payroll tax collections between the Old-Age and Survivors Insurance (OASI) and DI trust funds while a longer term solution to overall Social Security solvency is developed with the Congress. At various points over the course of Social Security's history, Congress has passed reallocation legislation as the need arose for reallocating revenue from OASI to DI, and vice versa. This proposed reallocation will have no effect on the overall health of the OASI and DI trust funds on a combined basis.

Improves the Quality of Life of People with Disabilities. The Budget also includes initiatives to help people with disabilities remain in the workforce. Building on the bipartisan support for these efforts in the Consolidated and Further Continuing Appropriations Act, 2015, the Budget provides \$50 million for early intervention demonstrations in FY 2016, as well as a \$350 million legislative proposal for mandatory funding in FYs 2017-2020. With this funding, SSA, in partnership with other Federal agencies, will test innovative strategies to help people with disabilities remain in the workforce. Early intervention measures – such as supportive employment services for individuals with mental impairments, targeted incentives for employers to help workers with disabilities remain on the job, and incentives and opportunities for States to better coordinate services – have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities. The proposed demonstrations will help build the evidence base for future program improvements.

Equalizing Social Security Benefits for Same-Sex Married Couples

The Budget proposes to amend the Social Security Act to ensure all lawfully married same-sex couples will be eligible to receive Social Security spousal benefits, regardless of where they live. Currently, if a legally married same-sex couple lives in a state that does not recognize the marriage, these Social Security benefits are unavailable under federal law. This means that for a couple that marries in one state where same-sex marriage is recognized and then moves to another state where it is not, the protection that Social Security spousal benefits provides to families is unavailable. Under this proposal, such married couples would have access to these benefits.