



# SOCIAL SECURITY

The Commissioner

February 9, 2021

The Honorable Patrick Leahy  
Chair, Committee on Appropriations  
U.S. Senate  
Washington, DC 20510

Dear Committee Chair Leahy:

We are pleased to share our fiscal year (FY) 2021 Operating Plan, as required by Section 516 of the Consolidated Appropriations Act, 2021 (Public Law 116-260).

Our Operating Plan provides proposed spending and expenditures for each of our accounts through the end of FY 2021 under the funding levels provided in the law. We hope that you find the information regarding workload and performance measures, which incorporate current workload projections, helpful. We also included a General Statement, which provides highlights of our Operating Plan.

I am sending similar letters to the House Committee on Appropriations and the Senate and House Appropriations Subcommittees on Labor, Health and Human Services, Education, and Related Agencies.

We are happy to work with your staff to answer any questions about our Operating Plan. If you have questions or need additional information, please call me or have your staff call Chad Poist, our Associate Commissioner for Budget, at (410) 594-2374.

Sincerely,

Andrew Saul  
Commissioner

Enclosures

cc: The Honorable Richard Shelby, Ranking Member  
cc: The Honorable Patty Murray, Chair  
cc: The Honorable Roy Blunt, Ranking Member

## **SOCIAL SECURITY ADMINISTRATION GENERAL STATEMENT**

The Consolidated Appropriations Act, 2021 provides \$12.931 billion in administrative funding to operate our agency in fiscal year (FY) 2021. This amount includes \$50 million, which remains available through September 30, 2022, to address the disability hearings backlog; \$45 million, which is available until expended, for information technology (IT) modernization including related hardware and software infrastructure and equipment and directly associated administrative expenses; and \$1.575 billion, which is available through March 31, 2022, in dedicated program integrity funding.

Our goal is to provide timely, quality help in the manner most convenient to the public while also safeguarding our programs. However, the COVID-19 pandemic has caused unprecedented and long-ranging issues in nearly every business around the world. It has challenged our operations, and we continue to adjust to maintain critical services while keeping the people we serve and our employees safe.

At the start of the pandemic, we transitioned to remote work, focused on critical service workloads through online and telephone options, and suspended certain actions to protect the public during an especially critical time. The pandemic's impact on businesses, schools, and the medical community has delayed our ability to obtain needed records. It has also driven necessary operating adjustments to safely serve the public, reducing our ability to complete our workloads and contributing to increased backlogs and wait times in some priority service areas. These novel factors prevented us from achieving some of our goals in FY 2020 and continue to put our goals for FY 2021 and future years at risk.

The pandemic continues to put pressure on our disability process, from initial applications for disability benefits through continuing disability reviews (CDR). We are incurring processing delays in our disability workloads due to difficulties in reaching individuals, lags in receiving and processing mailed documents, and reductions or delays in obtaining consultative exams (more medical evidence for a claim).

These delays contributed to a backlog of initial disability claims. It will take a sustained, multi-year effort to work down these cases. While initial disability claims receipts in FY 2020 were lower than projected by about 186,000 claims, we had 110,000 more pending cases than we did at the end of FY 2019. In addition, we anticipate an increase in receipts to materialize as we move through FYs 2021 and 2022. Our plan is to process 2.33 million initial disability claims, but we must still address a large backlog of cases. Our payroll costs to maintain our frontline staff continue to increase, and we may need to implement a hiring freeze to stay within our enacted funding. A hiring freeze would limit our capacity to process cases and mitigate additional deterioration in service.

With our enacted funding, we will continue to reduce the wait time for a hearings decision. In FY 2021, we expect to reduce the average monthly wait time for a hearing decision by nearly 11 months from our high of 633 days in September 2017 to 305 days in September 2021. However, due to the pandemic, we will not achieve our FY 2021 goals of eliminating the hearings backlog and reducing the average wait for a hearing decision to 270 days. While our hearings offices are closed to the public during the pandemic, we have offered claimants and their representatives telephone and video hearings; however, not all of them have accepted, which slowed our progress.

The dedicated program integrity funding for FY 2021 supports our cost-effective program integrity work. The pandemic's impact to our disability process and our focus on completing initial disability claims means that we plan to perform a lower level of program integrity work this fiscal year than previously anticipated. In FY 2021, we expect to complete 495,000 full medical CDRs and 2.26 million Supplemental Security Income

redeterminations. We will continue to have a backlog of CDRs this year, which emerged after the pandemic started in FY 2020 as a result of SSA's temporary suspension of certain actions, like processing CDRs, that could have resulted in benefit cessation during part of the pandemic.

The dedicated program integrity funding will allow us to add new cooperative disability investigations (CDI) units, which are highly successful at detecting suspected fraud before we award benefits and throughout the CDR process. Along with the Office of the Inspector General, we jointly operate CDI units with State disability determination services offices, and State and local law enforcement. We currently have 49 CDI units covering 44 States, the District of Columbia, and 5 U.S. territories. Our goal is to cover all 50 States and U.S. territories by October 1, 2022.

We have made progress in some priority service areas. For example, in FY 2020, we reduced wait times on our National 800 Number by 20 percent compared to FY 2019, and cut our busy rates in half. In FY 2021, we will build on our recent progress in improving National 800 Number service and continue reducing wait times and busy rates to make us more accessible to our customers. However, in the event of a hiring freeze, we would have fewer employees to provide service to the public due to attrition.

While the COVID-19 pandemic presents new challenges, it has also illuminated opportunities to develop solutions, including providing the public with additional online, remote service, and self-service options. Information technology is fundamental to service, as the pandemic has made clearer than ever. We must continue modernization, which will provide customers with increased service options and higher quality service, and improve the accuracy of our work while providing efficiencies for our technicians who directly serve the public.

With the funding we received, we will continue to implement our updated [IT Modernization Plan \(2020 Update\)](#). However, our progress may be slowed so as not to exceed our overall funding level this year. This plan focuses on developing additional online services, and improving and expanding automated, expedited, and self-service options. We are prioritizing self-service solutions for the most frequently requested services on the National 800 Number and in our field offices, including those services related to issuing Social Security cards.

With the enacted funding, we are striving to maintain service, accelerate our IT modernization, and balance our stewardship activities, but we face another challenging year.

**Social Security Administration (SSA) Fiscal Year (FY) 2021**  
**Operating Plan**

**(Appropriated FY 2021 Funds and Carryover / Transfers  
of Unobligated Prior-Year Funds)  
(\$ in millions)**

**Budget Authority:**

	<b><u>FY 2021</u></b> <b><u>President's</u></b> <b><u>Budget</u></b>	<b><u>FY 2021</u></b> <b><u>Available</u></b> <b><u>Funding</u></b>
<b><u>Payments to the Social Security Trust Funds (PTF)</u></b>		
Pension Reform	\$6.0	\$6.0
Unnegotiated Checks	5.0	5.0
<b>Total Appropriation (P.L. 116-260)</b>	<b>\$11.0</b>	<b>\$11.0</b>
	<b><u>FY 2021</u></b> <b><u>President's</u></b> <b><u>Budget</u></b>	<b><u>FY 2021</u></b> <b><u>Available</u></b> <b><u>Funding</u></b>
<b><u>Supplemental Security Income (SSI)</u></b>		
FY 2021 Benefit Payments, Total	\$55,451.4	\$55,451.4
FY 2021 First Quarter Advance (P.L. 116-94)	19,000.0	19,000.0
FY 2021 Appropriation	35,551.4	35,551.4
	<b><u>FY 2021</u></b> <b><u>President's</u></b> <b><u>Budget</u></b>	<b><u>FY 2021</u></b> <b><u>Available</u></b> <b><u>Funding</u></b>
<b><u>Supplemental Security Income (SSI)</u></b>		
Administrative Expenses, Total	\$4,625.7	\$4,476.3
Administrative Expenses (Regular)	3,357.2	3,207.8
Program Integrity (Base)	216.1	216.1
Additional Program Integrity	1,052.5	1,052.5
	<b><u>FY 2021</u></b> <b><u>President's</u></b> <b><u>Budget</u></b>	<b><u>FY 2021</u></b> <b><u>Available</u></b> <b><u>Funding</u></b>
<b><u>Supplemental Security Income (SSI)</u></b>		
Beneficiary Services	45.0	45.0
Research and Demonstration (R&D) Projects (FY 21 / FY 22 / FY 23)	86.0	86.0
<b>Total Appropriations (P.L. 116-94 and P.L. 116-120)</b>	<b>\$60,208.2</b>	<b>\$60,058.8</b>

	<u>FY 2021 President's Budget</u>	<u>FY 2021 Available Funding</u>
<b><u>Supplemental Security Income (SSI) – Carryover of Unobligated FY 2017 Balances and Recoveries</u></b>		
Benefits	\$2,110.0	\$2,480.9
Administrative Expenses	2,201.0	2,214.0
Beneficiary Services	92.0	63.6
R&D (No Year)	8.0	10.9
R&D (FY 19 / FY 20 / FY 21)	0.0	4.0
R&D (FY 20 / FY 21 / FY 22)	0.0	50.4
<b>Total, Carryover of Unobligated FY 2017 Balances and Actual Recoveries</b>	<b>\$4,411.0 <sup>1</sup></b>	<b>\$4,823.9</b>
	<u>FY 2021 President's Budget</u>	<u>FY 2021 Available Funding</u>
<b><u>Supplemental Security Income (SSI) – Total Funds Available for FY 2021</u></b>	<b>\$64,619.2</b>	<b>\$64,882.7</b>
	<u>FY 2021 President's Budget</u>	<u>FY 2021 Available Funding</u>
<b><u>Limitation on Administrative Expenses (LAE)</u></b>		
Regular LAE	\$11,637.8	\$11,122.4 <sup>2</sup>
Program Integrity (Base) (through March 31, 2021)	273.0	273.0
Additional Program Integrity (through March 31, 2021)	1,302.0	1302.0
SSA Advisory Board	2.7	2.5
SSI User Fees	135.0	135.0
Non-Attorney Certification User Fee	1.0	1.0
<b>Total Appropriated (P.L. 116-260)</b>	<b>\$13,351.0</b>	<b>\$12,835.9</b>
	<u>FY 2021 President's Budget</u>	<u>FY 2021 Available Funding</u>
<b>American Recovery and Reinvestment Act (P.L. 111-5)</b>		
National Support Center Replacement	\$0.0	\$2.9
	<u>FY 2021 President's Budget</u>	<u>FY 2021 Available Funding</u>
<b>Medicare Improvement for Patients and Providers Act (P.L. 110-275)</b>		
Low Income Subsidy	\$5.8	\$11.5

<sup>1</sup> The total does not include \$218 million in carryover for State supplementary payments, which is not part of the annual appropriation

<sup>2</sup> Includes \$114.7 million for operation and maintenance of specific facilities delegated to SSA by the General Services Administration.

	<u><b>FY 2021 President's Budget</b></u>	<u><b>FY 2021 Available Funding</b></u>
<b>Other Available Funds:</b>		
<u>Information Technology Systems (ITS) (No-Year) –</u>		
Carryover/Recoveries from Unobligated ITS Balances	\$150.0	\$98.9
Carryover/Recoveries of Other Unobligated Balances	\$42.1 <sup>3</sup>	\$54.5 <sup>4</sup>
IT Modernization	\$74.2	\$121.3
Hearing Backlog within Office of Hearings Operations:		
FY 2020 / FY 2021 (P.L. 116-94)	\$0.0	\$87.1
FY 2021 / FY 2022 (P.L. 116-260)	\$0.0	\$50.0
Economic Impact Payment Admin Expenses (P.L. 116-136)	\$0.0	\$2.8
Emergency Approp. For Coronavirus Health Response & Agency Operations (P.L. 116-136)	\$0.0	\$24.0
Second Economic Impact Payment Admin Expenses (P.L. 116-260)	\$0.0	\$38.0
Additional Program Integrity FY 20 / FY 21 (P.L. 116-94) ) (through March 31, 2021)	\$26.2	\$172.6
	<u><b>FY 2021 President's Budget</b></u>	<u><b>FY 2021 Available Funding</b></u>
<b>Medicare Access and CHIP Reauthorization Act (P.L. 114-10)</b>		
Carryover/Recoveries from Unobligated MACRA Balances (No-Year)	\$25.6	\$25.9
	<u><b>FY 2021 President's Budget</b></u>	<u><b>FY 2021 Available Funding</b></u>
<b><u>Office of the Inspector General (OIG), SSA</u></b>		
Federal Funds	\$33.0	\$30.0
Trust Funds	\$83.0	\$75.5
<b>Total Appropriated (P.L. 116-260)</b>	<b>\$105.0</b>	<b>\$105.5</b>

<sup>3</sup> Reflects \$35.075 million in Delegations authority and \$7 million for the renovation and modernization of the Arthur J. Altmeyer Building from prior years, estimated to be carried over into FY 2021.

<sup>4</sup> Includes authority from prior years estimated to be carried over for the following purposes: \$50.2 million for operation and maintenance of specific facilities delegated to SSA by the General Services Administration, \$4.1 million for the renovation and modernization of the Arthur J. Altmeyer Building, and \$196.5 thousand for construction.

<b><u>Estimated Outlays</u></b>	<b><u>FY 2021 President's Budget</u></b>	<b><u>FY 2021 Available Funding</u></b>
PTF	\$11.0	\$11.0
LAE	\$13,271.0	\$13,549.0
SSI	\$62,327.0	\$61,751.0
OIG	\$115.0	\$105.5

Note: Totals may not add due to rounding.

## FY 2021 Congressional Operating Plan Performance Table

Social Security Administration Workload and Outcome Measures	FY 2020 Enacted	FY 2020 Actual <sup>1</sup>	FY 2021 Enacted
<b>Retirement and Survivor Claims</b>			
Retirement and Survivor Claims Completed (thousands)	6,222	6,120	6,306
<b>Disability Claims</b>			
Initial Disability Claims Receipts (thousands) <sup>2</sup>	2,399	2,213	2,514
Initial Disability Claims Completed (thousands)	2,289	2,037	2,333
Initial Disability Claims Pending (thousands) <sup>2</sup>	704	764	945
Average Processing Time for Initial Disability Claims (days) <sup>3</sup>	125	131	171
<b>Disability Reconsiderations</b>			
Disability Reconsiderations Receipts (thousands) <sup>4</sup>	664	568	685
Disability Reconsiderations Completed (thousands)	554	553	601
Disability Reconsiderations Pending (thousands)	244	144	228
Average Processing Time for Disability Reconsiderations (days) <sup>3</sup>	118	122	152
<b>Hearings</b>			
Hearings Receipts (thousands) <sup>4</sup>	464	429	417
Hearings Completed (thousands)	688	586	465
Hearings Pending (thousands)	352	418	370
Annual Average Processing Time for Hearings Decisions (days) <sup>3,5</sup>	380	386	310
<b>National 800 Number</b>			
National 800 Number Calls Handled (millions)	36	34	37
Average Speed of Answer (ASA) (minutes)	17	16	15
Agent Busy Rate (percent)	12%	7%	2%
<b>Program Integrity</b>			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	1,803	1,493	1,595
Full Medical CDRs (included above, thousands)	703	463	495
SSI Non-Medical Redeterminations Completed (thousands)	2,150	2,153	2,260
<b>Selected Other Agency Workload Measures</b>			
Social Security Numbers (SSN) Completed (millions)	18	13	13
Annual Earnings Items Completed (millions)	288	289	284
Social Security Statements Issued (millions) <sup>6</sup>	14	19	15
<b>Selected Production Workload Measures</b>			
Disability Determination Services Production per Workyear	304	255	264
Disability Determination Services Accuracy Rate	97%	96%	97%
Office of Hearings Operations Production per Workyear	106	93	80

<sup>1/</sup> In response to the COVID-19 pandemic, which began in mid-March of 2020, we took steps to protect the public and our employees. We encouraged online, automated, and telephone services, limited in-person service in field offices, and suspended certain actions that would normally result in a reduction, suspension, or termination of Social Security or SSI benefits.

<sup>2/</sup> The estimates for disability claims receipts and claims pending in FY 2021 are highly variable due to COVID-19 and SSA's operational status. While FY 2021 Q1 claims receipts are more in line with the pace of claims in FY 2020, we anticipate an increase in FY 2021.

<sup>3/</sup> Average processing times for our initial disability claims and appeals workloads will be dependent on the ability to obtain timely medical evidence and effectively schedule consultative exams. Delays in obtaining medical evidence due to the COVID-19 pandemic could have an impact on the overall wait time in our disability workloads.

<sup>4/</sup> In March of FY 2020, we completed our two-year rollout of the reinstatement of the reconsideration level of appeal in the 10 prototype States. As a result, we have instituted a more unified, consistent administrative review process across the country. FY 2021 is the first full year of nationwide implementation. While reinstating the reconsideration step has increased the annual number of reconsiderations we receive and process, it has also reduced the number of claimants who would otherwise be waiting for a hearing decision by an administrative law judge.

<sup>5/</sup> Average processing time for hearings is an annual figure. End of year (September) processing time for hearings was 355 days in FY 2020 and is estimated at 305 days for FY 2021.

<sup>6/</sup> The Social Security Statements Issued measure includes paper statements only; it does not include electronic statements issued. In FY 2020, *my Social Security* users accessed their Social Security Statements 64 million times. In FY 2021, we will send paper statements to people age 60 and over who are not receiving Social Security benefits and who are not registered for a *my Social Security* account at a cost of approximately \$7.9 million. In FY 2021, it would cost approximately an additional \$75 million to send statements to individuals aged 25 and older who are not receiving Social Security benefits.