



# SOCIAL SECURITY

The Commissioner

April 28, 2020

The Honorable Charles Grassley  
Chair, Committee on Finance  
U.S. Senate  
Washington, DC 20510

Dear Committee Chair Grassley:

This letter transmits the annual *Report on the Occupational Information System Project*, jointly prepared by the Social Security Administration and the Department of Labor. This report is required per the Joint Statement of Managers accompanying the *Consolidated Appropriations Act, 2012*.

I will keep you informed of our progress annually as we continue to update the occupational information we use to adjudicate claims for disability benefits. If I may be of further assistance, please contact me, or your staff may contact Eric Skidmore, our Deputy Commissioner for Legislation and Congressional Affairs, at (202) 358-6030.

I am also sending this report to the Committee on Ways and Means, the Senate Committee on Appropriations, and the House Committee on Appropriations.

Sincerely,

Andrew Saul  
Commissioner

Enclosure

cc:  
The Honorable Ron Wyden, Ranking Member



# SOCIAL SECURITY

The Commissioner

April 28, 2020

The Honorable Richard Neal  
Chair, Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

Dear Committee Chair Neal:

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Sincerely,

Andrew Saul  
Commissioner

Enclosure

cc:  
The Honorable Kevin Brady, Ranking Member

**SOCIAL SECURITY ADMINISTRATION**  
**REPORT ON THE OCCUPATIONAL INFORMATION SYSTEM PROJECT**  
**March 2020**

**Why the Social Security Administration (SSA) Needs Occupational Information**

The Social Security Act defines disability as the inability to engage in any substantial gainful activity because of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.<sup>1</sup> SSA's disability adjudicators follow a five-step sequential evaluation process, defined in SSA's regulations, to determine whether adult claimants are entitled to or eligible for disability benefits.<sup>2</sup> To determine whether an individual meets the definition of disability, SSA's adjudicators often need to consider whether a claimant is capable of performing either his or her past relevant work or other work that exists in significant numbers in the national economy (steps four and five of the sequential evaluation process). Therefore, SSA requires occupational information about a claimant's past work and other work that exists in the national economy to determine whether a claimant can work despite his or her impairment(s). Adjudicators decide many disability claims at steps four and five of the sequential evaluation process.<sup>3</sup>

For this occupational information, SSA currently uses the Department of Labor's (DOL) Dictionary of Occupational Titles (DOT)<sup>4</sup> as the primary source of occupational information to make determinations and decisions at steps four and five of the sequential evaluation process.<sup>5</sup> DOL stopped updating the DOT in 1991 and has replaced it with the Occupational Information Network (O\*NET),<sup>6</sup> a system that was developed as a career exploration tool. Because O\*NET does not measure strength and physical requirements in the way that

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<sup>1</sup> [42 U.S.C. §§ 416\(i\)\(1\)\(A\), 423\(d\)\(1\) and 1382c\(a\)\(3\)\(A\)](#).

<sup>2</sup> The sequential evaluation process used to evaluate disability can be found in 20 C.F.R. §§ [404.1520](#) and [416.920](#).

<sup>3</sup> The 2018 Supplemental Security Income (SSI) Annual Statistical Report shows that for adult claims filed at all levels of adjudication in 2017, 42 percent of allowances and 58.3 percent of denials were made at steps four and five of the sequential evaluation process. See [https://www.ssa.gov/policy/docs/statcomps/ssi\\_asr/](https://www.ssa.gov/policy/docs/statcomps/ssi_asr/) (Table 73, "medical and vocational factors considered;" and Table 74, "able to do usual past work," and "able to do other type of work").

The 2018 Annual Statistical Report on the Social Security Disability Insurance (SSDI) Program shows that for worker claims filed at all levels of adjudication in 2017, 50.1 percent of allowances and 50.5 percent of denials were made at steps four and five of the sequential evaluation process. See [https://www.ssa.gov/policy/docs/statcomps/di\\_asr/2018/sect04.html](https://www.ssa.gov/policy/docs/statcomps/di_asr/2018/sect04.html) (Table 64, "medical and vocational factors considered;" and Table 65, "able to do usual past work" and "able to do other type of work").

Data for the initial and reconsideration levels are current through June 2018. Data for the hearing level or above are current through July 2018. Because a number of applications filed in 2017 were still pending as of those dates, the numbers and percentages will change over time.

<sup>4</sup> SSA takes administrative notice of the DOT in 20 C.F.R. §§ [404.1566\(d\)\(1\)](#) and [416.966\(d\)\(1\)](#).

<sup>5</sup> Adjudicators may also rely on the other sources listed in 20 C.F.R. §§ [404.1566\(d\)](#) and [416.966\(d\)](#).

<sup>6</sup> See <https://www.onetonline.org/>.

the DOT does and that SSA disability rules require, it is not practical as a replacement for the DOT in SSA's disability adjudication process.

To ensure SSA continues to make accurate disability determinations and decisions, SSA funds the Bureau of Labor Statistics' (BLS) development and administration of the Occupational Requirements Survey (ORS), based on input from SSA about its disability program needs. SSA plans to continue funding the ORS on an ongoing basis to ensure that the occupational data remain relevant and up-to-date. SSA intends to use the ORS data, along with specified information from other occupational sources, to create the Occupational Information System (OIS). OIS will classify occupations using the O\*NET Standard Occupational Classification System (SOC) and include data elements relating to requirements of work such as job-related education, training, and experience; physical, mental and cognitive demands; and environmental conditions, which SSA needs for disability adjudication.

OIS will be publicly available and relevant to SSA's disability adjudication needs.

### **The OIS Project – Fiscal Years (FY) 2012 to 2018**

SSA and BLS began collaboration in mid FY 2012 with an interagency agreement outlining preparations to test whether the platform of BLS' existing National Compensation Survey (NCS)<sup>7</sup> could be used to collect occupational data for SSA. In FYs 2013 and 2014, BLS conducted three phases of feasibility testing and found that the NCS platform could be used to develop the ORS. During this time, SSA and BLS developed survey questions to capture the mental and cognitive requirements of work, which is information the DOT does not contain.

In FY 2015, BLS began a large-scale, nationwide pre-production test of the ORS to prepare for production data collection and later released a small set of test estimates to SSA. SSA and BLS worked together to refine the new mental and cognitive data elements based on the results of pre-production testing. In the summer of 2015, additional ORS testing included direct job observation to help determine the reliability and validity of the data collection methodology. The results showed a high level of inter-rater reliability and relatively high rates of agreement between observed data and data collected through the BLS interview method for most physical demand requirements.<sup>8</sup> In addition, BLS received clearance from the Office of Management and Budget to begin the first full-production data collection, which began in September 2015. SSA began discussions with stakeholders to develop a web-based information technology (IT) platform called the Vocational Information Tool (VIT) that would filter and display OIS data for adjudicators in support of policy needs.

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<sup>7</sup> The NCS is a BLS establishment survey of employee salaries, wages, and benefits. The survey produces the Employment Cost Index (ECI) as well as the Employer Costs for Employee Compensation (ECEC) along with employee benefit incidence and provision data. See <https://www.bls.gov/ncs/home.htm>.

<sup>8</sup> See <https://www.bls.gov/ors/research/collection/pdf/preproduction-job-observations-report-2015.pdf>.

In FY 2016, BLS completed the first year of production data collection and continued analysis of the pre-production test data to improve collection methods and ensure data quality. In May 2016, BLS began the second year of production data collection. BLS also contracted with an expert on worker skills and job requirements to complete an occupational data shelf-life study.<sup>9</sup> Based on the study, SSA decided to update the occupational data every five years after the completion of the initial three-year data collection.

In FY 2017, BLS completed the second year of production data collection and began collecting data for the third year. BLS published reference year 2016 estimates<sup>10</sup> from the first year of data collection, continued activities to improve survey methods, and conducted ongoing validity studies. SSA analyzed the reference year 2016 estimates to begin considering both policy and regulatory changes that might be necessary prior to OIS implementation and to inform improvements to BLS' sampling methods and survey procedures. SSA and BLS worked to improve the mental and cognitive data elements for use in future wave updates by convening a workgroup to assemble a new set of questions that more concisely defined the cognitive concepts, definitions, and thresholds that SSA needs for adjudication. BLS began testing the revised mental and cognitive questions recommended by the workgroup, which included in-house and field-testing.

In FY 2018, BLS completed the third year of production data collection to conclude the initial three-year collection. BLS published reference year 2017 estimates combining the first and second years of data collection, and finished testing the revised mental and cognitive questions. Testing indicated that the revised questions were yielding promising results, as they were easier for survey respondents to understand and answer. BLS began collecting data for the first year of the new five-year wave update. This collection included the revised mental and cognitive questions, incorporating updates based on the FY 2017 and FY 2018 testing.<sup>11</sup>

### **The OIS Project – FY 2019 and Beyond**

In FY 2019, BLS published reference year 2018 estimates encompassing the initial three-year collection wave. The occupations represented in the estimates account for 90 percent of civilian workers in the national economy.<sup>12</sup>

BLS finished collecting data for the first year of the five-year wave update. As part of the update, BLS is using a new sample design intended to capture requirements for a broader range of occupations in the national

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<sup>9</sup> See <https://www.bls.gov/ors/pdf/dynamics-occupational-change-2016.pdf>

<sup>10</sup> Reference year is a term used to identify a period for a particular set of estimates, and the period does not necessarily correspond with survey data collection. For example, Reference year 2016 ORS estimates include one sample of data collected from September 2015-July 2016 whereas Reference year 2017 ORS estimates include two samples of data collected from September 2015-July 2017.

<sup>11</sup> The mental and cognitive data elements that BLS collected during the initial three-year collection wave will not be used in the OIS.

<sup>12</sup> As defined for the ORS, civilian workers include individuals employed in private industry and state and local governments. Reference year 2018 estimates include at least one published estimate for 397 O\*NET-SOC 2010 detailed occupations.

economy. After a year of data collection, SSA and BLS found that the new sample design collected data across a broader range of occupations as designed. SSA continued to analyze the published ORS estimates and began analyzing ORS microdata extensively.<sup>13</sup> SSA used the analysis, as well as research on Residual Functional Capacity (RFC) to assess the feasibility of modernizing its disability policy. This work has continued in FY 2020.

SSA also completed an accelerated product discovery process in support of IT platform development efforts. This process produced a detailed set of necessary capabilities and a product road map for implementation. Activities included developing functionality to query:

- ORS and BLS employment projections using SOC codes, occupational titles, alternative titles and job descriptions; and
- The crosswalk military occupation classification codes to post-employment training or on-the-job training data in order to identify whether a claimant can perform his or her past work.

In FY 2020, BLS will finish collecting data for the second year of the five-year wave update and publish preliminary reference year 2019 estimates from the first year of collection. SSA and BLS will discuss and determine joint program development activities to ensure that the ORS estimates meet SSA’s needs. Staff from both agencies will develop the project materials for these program development activities, which will determine the next steps in conducting agreed-upon research and analyses. At the end of FY 2020, BLS will begin data collection for the third year of the five-year wave update. SSA activities related to IT platform development will include developing functionality that will facilitate matching claimant limitations to ORS requirements. This functionality will assist adjudicators in determining whether work exists in the national economy in significant numbers that an individual can perform.

BLS and SSA developed the following costs based on these plans:

<b>Fiscal Year</b>	<b>Cost<sup>14</sup> (millions)</b>	<b>Project Activities</b>
<b>2012</b>	<b>\$0.4 (actual)</b>	<b>Project planning</b>
<b>2013</b>	<b>\$10.2 (actual)</b>	<b>Initial testing</b>
<b>2014</b>	<b>\$13.1 (actual)</b>	<b>Feasibility testing continues</b>
<b>2015</b>	<b>\$16.5 (actual)</b>	<b>Nationwide pre-production testing</b>
<b>2016</b>	<b>\$21.3 (actual)</b>	<b>Survey production</b>

<sup>13</sup> Microdata are unit-level data obtained from sample surveys, censuses, and administrative systems. They provide information about characteristics of individual people or entities such as households or business enterprises. ORS microdata is comprised of data from each respondent to the survey before it is aggregated, summarized, and published as occupational requirements estimates by BLS.

<sup>14</sup> Actual costs (FYs 2012-2019) reflect final project funding and take into account any funds returned by BLS to SSA. Costs do not include SSA employee salaries. FY 2017 costs are revised to reflect actual obligations of \$2.2 million for VIT development.

<b>2017</b>	<b>\$26.3 (actual)</b>	<b>Survey production; IT platform development</b>
<b>2018</b>	<b>\$27.7 (actual)</b>	<b>Survey production; IT platform development</b>
<b>2019</b>	<b>\$29.7 (actual)</b>	<b>Survey production; IT platform development</b>
<b>2020</b>	<b>\$33.3 (estimate)</b>	<b>Survey production; IT platform development</b>

SSA and BLS estimate lifecycle costs for the current five-year wave to be \$162 million.<sup>15</sup>

Signatories

The signatories below certify by their concurrence that the information presented in the OIS report accurately represents the joint efforts of their respective agencies.

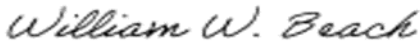
Social Security Administration



\_\_\_\_\_  
 Andrew Saul  
 Commissioner

\_\_\_\_\_  
 4/28/2020  
 Date

Bureau of Labor Statistics



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 William W. Beach  
 Commissioner

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 4/28/2020  
 Date

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<sup>15</sup> To determine the lifecycle estimate for survey production for the five-year wave update (FY 2019-FY 2023), FY 2019 actual costs and the FY 2020 cost estimate for BLS survey production (\$27.5 million and \$31.1 million, respectively) were adjusted for expected inflation (5 percent per year) for subsequent years and combined.