

SOCIAL SECURITY ADMINISTRATION FY 2013 PRESIDENT'S BUDGET

Key Tables

Table 1 – Administrative Budget Authority and Other Appropriated Funds ¹
(in millions)

	FY 2011 Actual	FY 2012 ² Estimate	FY 2013 Estimate	Change FY 12/FY 13
<u>Budget Authority</u>				
Base Limitation on Administrative Expenses (LAE)	\$10,754	\$10,536	\$10,565	\$29
Dedicated Program Integrity Funding [included in base]	[\$272]	N/A	N/A	N/A
Program Integrity Base Adjustment	N/A	\$273	\$273	\$0
Program Integrity Cap Adjustment	\$484	\$483 ³	\$751	\$268
User Fees ⁴	\$186	\$154 ⁵	\$171	\$17
Subtotal, LAE Appropriation	\$11,424⁶	\$11,446	\$11,760	\$314
Percent change from FY 2012				2.7%
Research	\$43	\$8	\$48	\$40
Office of the Inspector General (OIG)	\$102	\$102	\$108	\$6
Subtotal, Administrative Budget	\$11,569	\$11,556	\$11,916	\$360
Percent change from FY 2012				3.1%
<u>Other Available Funds</u>				
No-year Information Technology	\$461	\$162	\$0	-\$162
MIPPA – Low-Income Subsidy (LIS)	\$1	\$2	\$2	\$0
Recovery Act ⁷				
Workload Processing	\$4	\$0	\$0	\$0
Economic Recovery Payments – Admin	\$1	\$0	\$0	\$0
National Computer Center Replacement	\$388	\$21	\$88	\$67
OIG Oversight	\$0.2	\$0.8	\$0	-\$0.8
Subtotal, Other Funds Available	\$855	\$186	\$90	(\$96)
TOTAL BUDGETARY RESOURCES	\$12,424	\$11,742	\$12,006	\$264

¹ Totals may not add due to rounding

² Since the Consolidated Appropriations Act of 2012 (P.L. 112-74) did not fully fund the cap adjustment for FY 2012, the President's Budget proposes to provide an additional \$140 million in cap adjustment funding in FY 2012, consistent with section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. This additional funding, which is not included above, would allow SSA to complete 569,000 periodic medical CDRs in FY 2012 instead of the 435,000 currently projected.

³ Includes program integrity funding from the Disaster Relief Appropriations Act, 2012 (P.L. 112-77)

⁴ Includes SSI user fees and Social Security Protection Act user fees.

⁵ The FY 2012 enacted SSI user fees budget authority is \$161 million. However, effective April 1, 2012, Massachusetts will assume control of its State Supplementary payments reducing the estimated SSI user fees by approximately \$7.1 million. The resulting available SSI user fee funding for FY 2012 is approximately \$154 million.

⁶ The table does not display a \$200 million rescission of no-year information technology (IT) funds enacted in the Additional Continuing Appropriations Amendments, 2011 (P.L. 112-6) or a \$75 million rescission of no-year IT funds enacted in the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).

⁷ Funds provided in the American Recovery and Reinvestment Act of 2009 (Recovery Act) (P.L. 111-5).

Table 2 – SSA Full Time Equivalents and Workyears

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate	Change FY 12/FY 13
SSA Full Time Equivalents	67,030	64,545	62,761	-1,784
SSA Overtime/Lump Sum Leave	2,328	2,418	2,418	0
Subtotal, SSA Workyears	69,358	66,963	65,179	-1,784
Disability Determination Services (DDS) Workyears	16,739	14,825	14,391	-434
Subtotal, SSA and DDS Workyears	86,097	81,788	79,570	-2,218
OIG Full Time Equivalents	574	580	590	10
OIG Overtime/Lump Sum Leave	4	6	6	0
Subtotal, OIG Workyears	578	586	596	10
TOTAL SSA/DDS/OIG WORKYEARS	86,675	82,374	80,166	-2,208

**Table 3 – SSA Outlays by Program
(in millions)**

	FY 2011 Actual	FY 2012¹ Estimate	FY 2013 Estimate	Change FY 12/FY 13
<u>Trust Fund Programs</u>				
Old-Age and Survivors Insurance (OASI)	\$599,372	\$638,520	\$679,096	\$40,576
Disability Insurance (DI)	\$131,571	\$140,049	\$146,596	\$6,547
Subtotal, Trust Fund Programs	\$730,943	\$778,569	\$825,692	\$47,123
<u>Proposed OASDI Legislation:</u>				
Reauthorization of DI Demonstration Authority ²	\$0	\$0	\$5	\$5
Subtotal, Proposed OASDI Legislation	\$0	\$0	\$5	\$5
<u>General Fund Programs</u>				
Supplemental Security Income (SSI)	\$56,462	\$51,609	\$58,209	\$6,600
Special Benefits for Certain World War II Veterans	\$7	\$7	\$7	\$0
Recovery Act: Recovery Payments	\$17	\$0	\$0	\$0
Recovery Act: Administrative Expenses	\$36	\$25	\$129	\$104
Subtotal, General Fund Programs	\$56,522	\$51,641	\$58,345	\$6,704
<u>Proposed General Fund Legislation:</u>				
WEP/GPO Enforcement	\$0	\$0	\$13	\$13
W/C Enforcement	\$0	\$0	\$5	\$5
SSI Refugee Extension	\$0	\$0	\$41	\$41
Federal Wage Reporting	\$0	\$0	\$20	\$20
Subtotal, Proposed General Fund Legislation	\$0	\$0	\$79	\$79
TOTAL SSA Outlays, Current Law	\$787,465	\$830,210	\$884,037	\$53,827
Percent change from FY 2012				6.5%
TOTAL SSA Outlays, Proposed Law	\$0	\$0	\$84	\$84
TOTAL SSA Outlays, Current & Proposed Law	\$787,465	\$830,210	\$884,121	\$53,911

¹ Since the Consolidated Appropriations Act, 2012 (P.L. 112-74) did not fully fund the cap adjustment for FY 2012, the President's Budget proposes to provide an additional \$140 million in funding in FY 2012 allowed by the cap adjustment, consistent with section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. This additional funding would allow us to complete 569,000 periodic medical CDRs in FY 2012 instead of the 435,000 that we currently expect to handle.

² Reauthorization for 5 years of DI demonstration authority under Section 234 of the Social Security Act, which would allow use of trust fund monies to conduct demonstration projects, including the Work Incentives Simplification Pilot (WISP).

**Table 4 – Current Law Old Age Survivors and Disability Insurance Outlays and Income
(in millions)**

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate	Change FY 12/FY 13
<u>Outlays</u>				
OASI Benefits	\$591,490	\$631,189	\$671,996	\$40,807
DI Benefits	\$128,005	\$136,277	\$142,824	\$6,547
Other ¹	\$11,448	\$11,103	\$10,872	-\$231
TOTAL OUTLAYS, Current Law	\$730,943	\$778,569	\$825,692	\$47,123
<u>Income</u>				
OASI	\$692,650	\$729,935	\$751,748	\$21,813
DI	\$106,308	\$110,969	\$113,236	\$2,267
TOTAL INCOME, Current Law	\$798,958	\$840,904	\$864,984	\$24,080

¹ Other" includes SSA & non-SSA administrative expenses, beneficiary services, payments to the Railroad Retirement Board, demonstration projects, and FY 2011 quinquennial military service credits.

**Table 5 – Current Law – OASDI Beneficiaries and Average Benefit Payments
(Beneficiaries in thousands)**

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate	Change FY 12/FY 13
<u>Average Number of Beneficiaries</u>				
OASI	44,094	45,304	46,656	1,352
DI	10,298	10,733	11,064	331
TOTAL BENEFICIARIES	54,392	56,037	57,720	1,683
<u>Average Monthly Benefit</u>				
Retired Worker	\$1,178	\$1,222	\$1,262	\$40
Disabled Worker	\$1,066	\$1,100	\$1,129	\$29
Projected COLA Payable in January	0.0%	3.6%	1.9%	-1.7%

**Table 6 – Current Law – Supplemental Security Income Outlays
(in millions)**

	FY 2011 Actual	FY 2012¹ Estimate	FY 2013 Estimate	Change FY 12/FY 13
Federal Benefits	\$52,354	\$48,117 ²	\$54,245	\$6,128
Other ³	\$3,819	\$3,744	\$3,979	\$235
Subtotal, Federal Outlays	\$56,173	\$51,861	\$58,224	\$6,363
State Supplementary Benefits	\$3,844	\$3,245	\$3,630	\$385
State Supplementary Reimbursements	\$3,555	\$3,497	\$3,645	\$148
Subtotal, Net State Supp Payments⁴	\$289	\$252	-\$15	\$237
TOTAL OUTLAYS, Current Law	\$56,462	\$51,609	\$58,209	\$6,600

¹ The President's Budget proposes to provide \$140 million in cap adjustment funding in FY 2012, consistent with section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. Of the \$140 million, the SSI portion totals \$46 million.

² SSI payments due on October 1st in FY 2012 are included with payments for FY 2011. There were 13 monthly payments in FY 2011. There will be 11 payments in FY 2012 and 12 payments in FY 2013

³ Other includes beneficiary services, research, and administrative costs.

⁴ States must reimburse us in advance for State Supplementary Payments. There will always be 12 state reimbursements in each fiscal year, but there can be 11, 12 or 13 benefit payments per fiscal year because a monthly payment is advanced into the end of the previous month anytime the due date falls on a weekend or holiday. Hence, the "Net State Supplementary Payment" numbers vary from year-to-year depending on the timing of the October benefit payments at the beginning and end of each fiscal year.

Table 7 – SSI Recipients and Benefit Payments¹
(Recipients in thousands)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Budget	Change FY 12/FY 13
<u>Average Number of SSI Recipients</u>				
Federal Recipients				
Aged	1,105	1,107	1,114	7
Blind or Disabled	6,652	6,866	7,075	209
SUBTOTAL, FEDERAL RECIPIENTS	7,756	7,972	8,189	217
State Supplement Recipients (with no Federal SSI payment)	254	253	263	10
TOTAL SSI RECIPIENTS, Current Law	8,010	8,225	8,452	227
<i>SSI Recipients Concurrently Receiving OASDI Benefits (included above)</i>	2,741	2,807	2,878	71
<u>Average Monthly Benefit</u>	\$358	\$369	\$380	\$11
Aged				
Blind and Disabled	\$542	\$557	\$570	\$13
AVERAGE, All SSI Recipients	\$516	\$531	\$544	\$13
Projected COLA Payable in January	0.0%	3.6%	1.9%	-1.7%

¹ Totals may not add due to rounding

**Table 8 – Special Benefits for Certain WWII Veterans Overview
(Outlays in millions)**

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate	Change FY 12/FY 13
Federal Benefits	\$7	\$6	\$6	\$0
Administration	*	\$1	\$1	\$0
TOTAL OUTLAYS	\$7	\$7	\$7	\$0
Average Number of Beneficiaries (in thousands)	2	1	1	0
Average Monthly Benefit	\$389	\$400	\$408	\$8

**Less than \$500,000*

**Table 9 – Administrative Outlays as a Percent of
Trust Fund Income and Benefit Payments – FY 2013**

	Percent of Income	Percent of Benefit Payments
OASI	0.3%	0.4%
DI	2.7%	2.1%
OASDI (combined)	0.7%	0.7%
SSI (Federal and State)	N/A	7.0%
TOTAL SSA		1.4%

Table 10 – Tax Rates, Wage Base and Economic Assumptions

	CY 2011	CY 2012	CY 2013	Change CY 12/CY 13
<u>Employer/Employee Rates (each)</u>				
OASDI (Social Security)	6.20% /4.20% ¹	6.20% / 4.20% ¹	6.20%	0.0 % / 2.0%
Hospital Insurance (HI) (Medicare)	1.45%	1.45%	1.45%	0.0%
EMPLOYEE TOTAL	5.65%	5.65%	7.65%	2.0%
<u>Self-Employment Rates</u>				
OASDI (Social Security)	10.40% ¹	10.40% ¹	12.40%	2.0%
HI (Medicare)	2.90%	2.90%	2.90% ²	0.0%
TOTAL	13.30%	13.30%	15.30%	2.0%
<u>Cost of Living Adjustments (COLAs)</u>				
January	0.0%	3.6%	1.9% ³	-1.7%
<u>Contribution and Benefit Base</u>				
OASDI	\$106,800	\$110,100	\$114,000 ³	\$3,900
HI	(no cap)	(no cap)	(no cap)	
<u>Annual Retirement Test</u>				
Year Individual Reaches Full Retirement Age	\$37,680	\$38,880	\$40,200 ³	\$1,320
Under Full Retirement Age	\$14,160	\$14,640	\$15,120 ³	\$480
<u>Wages Required for a Quarter of Coverage</u>	\$1,120	\$1,130	\$1,170³	\$40

¹ For calendar year 2011 and the first two months of 2012, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312) and the Temporary Payroll Tax Cut Continuation Act of 2011 (P.L. 112-78), reduced employee FICA and SECA contributions from 6.2 percent to 4.2 percent. The self-employed rate was reduced from 12.4 percent to 10.4 percent. There is currently a proposal in Congress to maintain the lower rates for the remainder of the year.

² Two sections in the Affordable Care Act will affect the HI (Medicare rate) beginning in January 2013:

- Broaden Medicare Hospital Insurance Tax Base for High-Income Taxpayers will add an additional HI tax of 0.9% on earned income in excess of \$200,000/\$250,000 (unindexed); and
- Unearned Income Medicare Contribution will add an additional HI tax of 3.8% on investment income for taxpayers with adjusted gross income in excess of \$200,000/\$250,000 (unindexed).

³ Estimate.

Table 11-Selected Performance Measures

	FY 2011 Actual	FY 2012 Estimate^{1,2}	FY 2013 Estimate
<u>Selected Workload Measures</u>			
Retirement and Survivors Claims Completed (thousands)	4,878	4,918	5,049
Initial Disability Claims Completed (thousands)	3,391	3,173	2,847
Reconsiderations Completed (thousands)	832	787	663
Hearings Completed (thousands)	795	875	960
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	1,409	1,285	1,550
Periodic Medical CDRs (included above, thousands)	345	435	650
SSI Non-Disability Redeterminations Completed (thousands)	2,457	2,622	2,622
800-Number Transactions Handled (millions)	63	63	62
Average Speed of Answer (seconds)	180	285	300
Agent Busy Rate	3%	6%	7%
Social Security Numbers Issued (millions)	17	17	16
Annual Earnings Items Completed (millions)	241	242	251
Social Security Statements Issued (millions)	74	14	158
<u>Selected Outcome Measures</u>			
Initial Disability Claims Pending (thousands)	759	861	1,164
Reconsiderations Pending (thousands) ³	176	184	242
Hearings Pending (thousands)	787	746	544
Average Processing Time for Initial Disability Claims (days)	109	111	137
Annual Average Processing Time for Hearings Decisions (days)	360	338	293
September Average Processing Time for Hearings Decisions (days)	345	321	270
Disability Determination Services Production per Workyear	287	322	322
Office of Disability Adjudication and Review Production per Workyear	109	114	115
Other Work/Service in Support of the Public - Annual Growth of Backlog (workyears)		(3,800)	(6,000)

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³ Reconsiderations Average Processing Times are currently under development.