



## SOCIAL SECURITY ADMINISTRATION

### **The President's 2009 Budget will:**

- Support the President's framework for Social Security reform that strengthens the safety net for future generations, protects those most dependent on Social Security, and offers workers the opportunity of ownership through voluntary personal retirement accounts;
- Reduce wait times and cut backlogs in the disability hearings process;
- Increase program integrity efforts to ensure benefits are provided to the right beneficiaries—preventing improper payments; and
- Increase productivity by two percent while enhancing service to the public.

### ***Strengthening Social Security***

- *Encourages a bipartisan approach to strengthening Social Security.*
  - Highlights the coming financial challenge facing the Social Security program and outlines the President's approach to reform.
  - Proposes voluntary personal accounts funded by a portion of the worker's Social Security payroll taxes. Account contributions will be capped at four percent of Social Security taxable earnings up to a \$1,400 limit in 2013, increasing by \$100 more than the average-wage growth each year through 2018.
  - The President has also embraced the idea of progressive indexing as part of a solution to restore the system to sustainable solvency. Progressive indexing would tie the future benefits of the highest wage workers to inflation while providing a higher rate of benefit growth for lower-wage workers.
  - Promotes consideration of long-term reforms to entitlement programs that are essential to strengthen them for younger generations and maintain fiscal responsibility.

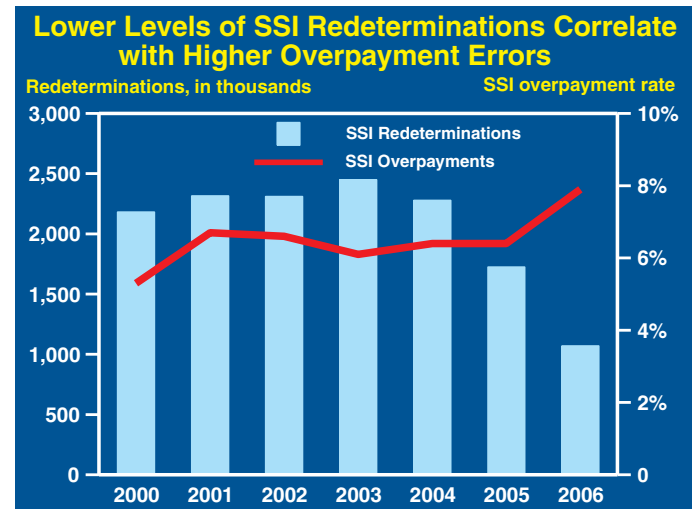
### ***Enhancing Customer Service***

- *Reduces wait times.* Improves processing times and works to reduce the number of applicants waiting for a decision in the Disability Insurance (DI) and Supplemental Security Income (SSI) programs.
  - Continues ambitious initiatives to reduce the number of disability appeals that are awaiting a decision from an Administrative Law Judge.
  - Provides funding for projects that identify those cases most likely to be allowed so that severely ill applicants can begin receiving benefits on an expedited basis.

- Increases the capacity to process disability appeals by hiring additional Administrative Law Judges and support staff.
- Boosts the overall productivity of hearings and targets overtime to critical areas.
- *Improves service to the public.* Assists more than 40 million visitors to nearly 1,300 Agency field offices in communities across America.
  - Prepares for the coming retirement wave by modernizing applications and service delivery, processing approximately 67 million 800–number transactions.

### **Major Savings and Reforms**

- Provides \$504 million for important program integrity activities that ensure benefits are paid to eligible people in the correct amounts.
  - Funds two cost-effective program integrity activities that have a clear impact on improper payments: continuing disability reviews and SSI redeterminations.
  - Expands efforts to improve the disability process and SSI asset verification to reduce improper payments.



- Highlights the fiscal problems facing DI with a “funding warning” to draw attention to the growing fiscal pressure that the program will exert on the Federal budget.
- Proposes legislation to synchronize the treatment of retroactive DI payments with Old-Age and Survivors Insurance payments, and to make additional modifications to the distribution of other retroactive payments.
- Proposes legislation to encourage children to stay in school by lowering to 16 the age at which full-time school attendance is a condition of entitlement for Social Security child’s benefits.
- Eliminates the current self-reporting burden on individuals and improves payment accuracy by proposing a mandatory system for collecting data on pension income from non-covered State and local employment.
- Proposes to replace the existing complicated offset with a uniform offset for DI beneficiaries also receiving workers’ compensation. The proposal would limit the length of the offset to not more than five years.

### **Since 2001, the Social Security Administration has:**

- Improved productivity by 15 percent, enabling the Agency to provide more effective and timely services with fewer resources than would otherwise be required.
- Increased work opportunities for individuals with disabilities.
- Continued to work with other agencies to expand processes that help employers verify work authorization of employees.

**SOCIAL SECURITY ADMINISTRATION**

(In millions of dollars)

	2007 Actual	Estimate	
		2008	2009
<b>Spending</b>			
Discretionary Budgetary Resources:			
Limitation on Administrative Expenses (LAE) Base <sup>1</sup> .....	9,298	9,745	10,327
Office of the Inspector General .....	92	92	98
Research and Development .....	20	20	28
Total, Discretionary budgetary resources .....	9,410	9,857	10,453
Total, Discretionary outlays .....	9,220	9,783	10,386
Mandatory Outlays:			
Old-age, Survivors, and Disability Insurance <sup>2</sup> .....	581,518	610,426	645,136
Supplemental Security Income <sup>3</sup> .....	36,021	41,338	43,302
Special Benefits for Certain World War II Veterans .....	8	10	10
Offsetting collections .....	-2,957	-3,149	-3,116
Legislative proposals.....	—	—	-914
Total, Mandatory outlays .....	614,590	648,625	684,418
Total, Outlays .....	623,810	658,408	694,804

<sup>1</sup> The LAE account includes funding from the Hospital Insurance and Supplementary Medical Insurance trust funds for services that support the Medicare program, including implementation of Medicare Reform.

<sup>2</sup> In 2007, Treasury refunded the OASI and DI Trust funds \$1,297 million due to the overpayment of voluntary income tax withholding. This did not impact beneficiary payments. The mandatory total does not include the refund.

<sup>3</sup> Does not include the effect of State supplementation offsetting collections.