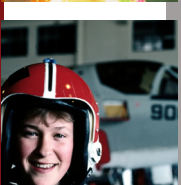


STRATEGIC PLAN
FISCAL YEARS 2008 — 2013

SOCIAL SECURITY
ADMINISTRATION





OUR VALUES

OUR MISSION

Deliver Social Security services that meet the changing needs of the public

OUR VISION

Provide the highest standard of considerate and thoughtful service for generations to come

OUR MOTTO

Social Security Benefits America

OUR SERVICE PRINCIPLES

We serve with empathy, creativity, integrity, and “an unbeatable determination to do the job at hand” by following these service principles:

- Adherence to the law
 - Clarity
- Commitment to best demonstrated practices
 - Cultural sensitivity
 - Honesty
- Prevention of waste, fraud, and abuse
- Protection of privacy and personal information
- Recruitment and training of the best public servants
 - Safety of the public and our employees

SUMMARY OF OUR GOALS AND OBJECTIVES

Eliminate Our Hearings Backlog and Prevent Its Recurrence

- Increase our capacity to hear and decide cases
- Improve our workload management practices throughout the hearings process

Improve the Speed and Quality of Our Disability Process

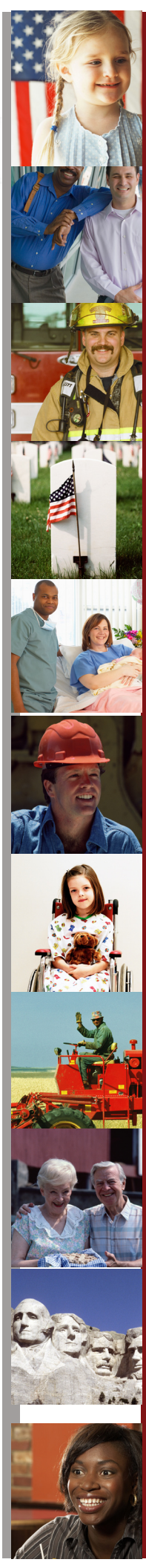
- Fast-track cases that obviously meet our disability standards
- Make it easier and faster to file for disability benefits online
- Regularly update our disability policies and procedures

Improve Our Retiree and Other Core Services

- Dramatically increase baby boomers' use of our online retirement services
 - Provide individuals with accurate, clear, up-to-date information
 - Improve our telephone service
 - Improve service for individuals who visit our field offices
- Process our Social Security Number workload more effectively and efficiently

Preserve the Public's Trust in Our Programs

- Curb improper payments
- Ensure privacy and security of personal information
 - Maintain accurate earnings records
 - Simplify and streamline how we do our work
- Protect our programs from waste, fraud, and abuse
- Use "green" solutions to improve our environment





MESSAGE FROM THE COMMISSIONER



I am pleased to present my first strategic plan as your Commissioner. A successful strategic plan maps out at a high level the steps we need to take over the next 5 years to achieve our vision of the future. This strategic plan does that. I also recognize that strategic planning is not static; it is an ongoing process of continuous improvement. We will need to adjust this plan as the world and the needs of the public continue to change.

We face many challenges as we publish this plan. Over three-quarters of a million individuals are waiting for hearings on their disability applications. This backlog is unacceptable, and immediately upon becoming Commissioner, I made eliminating our hearings backlog my first priority. We have already made some progress, but we have much more to do.

Due to the aging of the baby boomers, we are also being inundated with retirement and disability claims. An increasing number of these individuals expect that we will provide services in new ways made possible by the Internet. In addition, we have had to commit substantial resources to non-traditional Social Security workloads, including new elements of the Medicare program and immigration enforcement. These increased workloads strain our ability to deliver acceptable results in key performance areas. To preserve the public's trust and confidence in our programs, we must move forward aggressively with process, policy, systems, regulatory, and legislative improvements.

Our workforce is one of our greatest strengths. With each new challenge, our employees have responded, as President Truman said, with "an unbeatable determination to do the job at hand." I am encouraged that, despite the stresses, the challenges we face have not shaken our resolve to provide the vital services on which the Nation depends. As we go about our work, we must continue to be guided by our long-held service principles that we serve with empathy, creativity, and integrity. We can accomplish our mission only through continued teamwork and the contribution of every Social Security employee, as well as the employees of our State and territorial partners, the Disability Determination Services.

Our success, however, requires more than the hard work and dedication of our talented workforce. We also need to rigorously explore and wisely employ new technology. As the National Academy of Sciences noted in its 2006 report¹, our aging systems infrastructure further compounds our challenges. Our computers maintain demographic, earnings, and benefit information on almost every American. We process over 75 million transactions daily. We store more than 250 million medical records, and add 2 million more each week. As the Information Age surges on, the public increasingly expects our electronic services will be secure and user-friendly. Providing such service to the public has the added benefit of helping us better manage our workloads. While we have effectively maintained and augmented our systems infrastructure to meet current security standards, some of our key computer systems and our primary data center are more than 30 years old and will not be able to meet our future workload, security, and data management challenges. A strong and modern infrastructure requires new investments in technology.

The public expects us to get things done. We are an organization of great skill and accomplishment; we know what needs to be done and how to do it. That is what this strategic plan is all about – it is our roadmap to address the major challenges ahead. This strategic plan charts the course that will enable us to maintain a strong level of performance on core workloads and work toward long-term improvement of our service to the public by concentrating on four goals: 1) eliminate our hearings backlog and prevent its recurrence; 2) improve the speed and quality of our disability process; 3) improve our retiree and other core services; and 4) preserve the public’s trust in our programs. Additionally, the plan recognizes that our employees and information technology are absolutely critical to our success. Only by investing properly in both our employees and new technology can we hope to achieve our ambitious goals.

The plan also includes a special initiative to *Encourage Saving*. The Nation’s declining savings rate not only makes the goal of a secure retirement more difficult to achieve for millions of Americans, it also endangers the health of our overall economy.

We are confident that the President, Members of Congress, and all of our stakeholders will work with us to achieve our goals. Together we can provide world-class service for generations to come.


MICHAEL J. ASTRUE
COMMISSIONER

¹To access a full copy of the report, please visit the following link: http://books.nap.edu/openbook.php?record_id=11920

WHAT WE DO

We touch the lives of virtually every person in America, as well as many people living abroad. Whether it is after the loss of a loved one, at the onset of disability, or during the transition from work to retirement, our employees and programs support the people of this country, often during times of personal hardship, transition, and uncertainty. We run one of the Nation's largest entitlement programs – the Old-Age, Survivors, and Disability Insurance program. We also administer the Supplemental Security Income program, which provides financial support to aged, blind, or disabled adults and children with limited income and resources. Each year, we pay 60 million individuals a total of \$650 billion in Social Security benefits and Supplemental Security Income payments, and serve the public by processing:*

- 17.2 million Social Security cards
- 1 billion Social Security Number verifications
- 270 million earnings items posted to workers' records
- 57 million calls to our National 800 Number
- 3.9 million retirement, survivor, and Medicare applications
- 2.5 million disability applications
- 289,000 Supplemental Security Income aged applications
- 1.2 million Medicare subsidy applications
- 7.2 million representative payee accountings and other changes
- 147 million *Social Security Statements*
- 1 million Supplemental Security Income redeterminations
- 2.8 million overpayment actions
- 900,000 reconsiderations of denied applications
- 548,000 hearings
- 87,000 Appeals Council reviews
- 208,000 medical continuing disability reviews
- 23 million status changes (e.g., address, direct deposit, wage reports, etc.)
- 6 million requests for benefit verification
- 74,000 Food Stamp applications













CHALLENGES WE FACE

- Unacceptable hearings backlog
- Complex and outdated disability process
- Geographic, generational, and cultural population shifts
- Increasing demand for service
- Complex and cumbersome retirement process
- Increasing improper payments
- Limited resources
- Aging computer systems
- Threats to computer systems and personal information
- Loss of expertise as our employee retirements accelerate
- Limited public understanding of the role of Social Security benefits
- Increasing non-traditional workloads (e.g., Medicare and immigration)
- Infrastructure costs rising well over the rate of inflation

*Numbers based on FY 2007 workloads

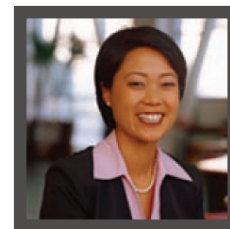
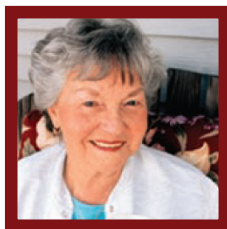
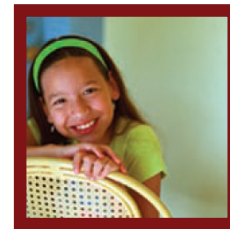
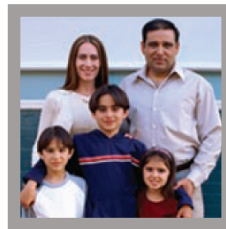
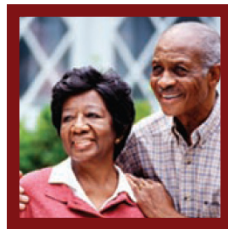
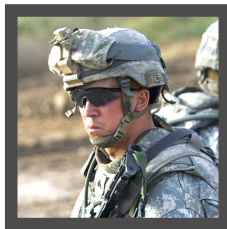
EXAMPLES OF INCREASING WORKLOADS

The following chart illustrates the expected increase in some of our key workloads over the next five years:

Key Workload	FY 2007	Percentage Increase	FY 2013 Estimate
Social Security Cards	17.2 million	 9%	18.8 million
Status Changes	23 million	 9%	25 million
Hearings	548,000	 15%	630,000
Overpayment Actions (All Programs)	2.8 million	 21%	3.4 million
Reconsiderations	900,000	 22%	1.1 million
Supplemental Security Income Aged Applications	289,000	 23%	355,000
Food Stamp Applications	74,000	 24%	92,000
Retirement, Survivor, and Medicare Applications	3.9 million	 28%	5 million
Representative Payee Accountings and Changes	7.2 million	 28%	9.2 million
Appeals Council Reviews	87,000	 39%	121,000
Supplemental Security Income Redeterminations	1 million	 150%	2.5 million
Medical Continuing Disability Reviews	208,000	 285%	800,000

the faces of Social Security

Social Security is about people – people striving to build economic security for when they retire, people facing loss of income due to severe disability, people holding their families together with the help of Social Security



STRATEGIC GOAL 1

ELIMINATE OUR HEARINGS BACKLOG AND PREVENT ITS RECURRENCE

Long-Term Outcomes:

- Reduce the number of pending hearings to 466,000 by Fiscal Year (FY) 2013;
- Reduce the time it takes an individual to receive a hearing decision to an average of 270 days;
- Increase productivity by automating labor-intensive tasks necessary to issue a hearing decision; and
- Establish standardized electronic hearings business processes.

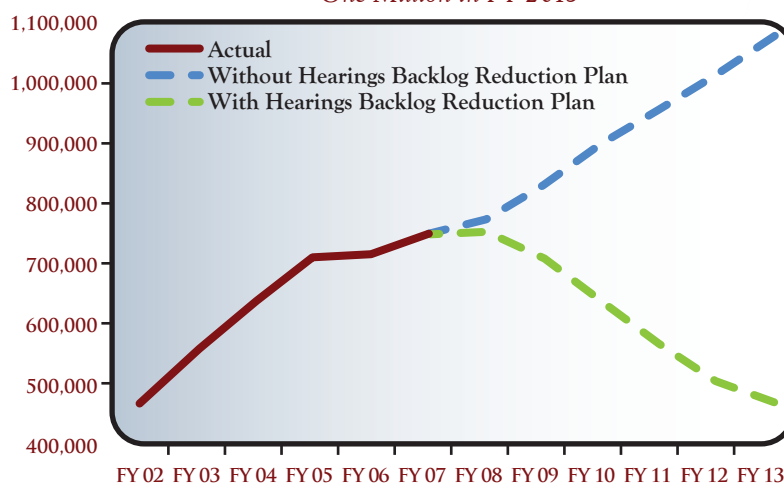
Issues:

For more than half a century, we have helped disabled workers and their families cope with the loss of income caused by severe disability. Unfortunately, many of today's applicants for disability benefits face an uphill battle to get a hearing before an administrative law judge (ALJ). For some, the long wait for a hearing leads to homelessness and the loss of family and friends. Tragically, individuals have died waiting for a hearing. The American people deserve better from their government.

Today, over 750,000 individuals are waiting for a hearing on their disability applications. Despite progress in the past year, on average an individual waits over 500 days to receive a decision. The backlog growth we have seen in this decade has resulted primarily from an environment of limited resources, combined with an increased demand for services as baby boomers reach their most disability-prone years. We were also slow to embrace the new technologies necessary to manage the largest social insurance system in the world. Eliminating the hearings backlog is a moral imperative and our highest priority.

We have taken a number of important steps to manage this workload better. In 2007, we implemented a major change in our business process which involved transitioning from paper

Without the Hearings Backlog Reduction Plan, Disability Hearings Pending Would Have Exceeded One Million in FY 2013



to electronic disability folders. We also developed and began implementing the *Hearings Backlog Reduction Plan*. A more detailed description of the plan is available at http://www.socialsecurity.gov/legislation/testimony_052307_addendum.htm. If fully funded, this plan will eliminate the backlog no later than FY 2013 and reduce the number of pending hearings to 466,000. This pending level ensures a sufficient “pipeline” of cases to maximize the efficiency of our hearings process and achieves an average processing time of 270 days. To accomplish this goal, we will focus on the following objectives:

Objective 1: Increase our capacity to hear and decide cases

To eliminate our hearings backlog, we must employ new and innovative strategies to increase our capacity to hear and decide cases:

- **Increase the number of ALJs and support staff at the hearing level:** Hiring additional ALJs is essential to the success of our *Hearings Backlog Reduction Plan*. We are increasing the size of our ALJ cadre to 1,250 by FY 2010, an increase of 15 percent from our FY 2007 low of 1,082 ALJs. We also, for the first time, have established individual annual expectations for ALJs, asking each ALJ to issue 500 to 700 hearing decisions each year. Additionally, we are working to eliminate significant caseload disparities between hearing offices and adding new hearing offices in locations where we cannot efficiently handle the pending caseload through other means.
- **Screen hearing requests to quickly identify possible allowances:** We will continue to refine computer models to screen and triage hearing requests to identify cases where we can issue a fully favorable decision without a hearing. In addition, to augment our decision-making capacity, non-ALJ decision-makers will screen pending hearing requests to determine if they can issue fully favorable decisions based on the evidence already in the file. This process conserves ALJ resources for the more complex cases requiring a hearing.
- **Increase the use of video hearings:** Video hearing technology will minimize travel to hearing sites for individuals, their representatives, and ALJs. In remote areas, this secure technology enables individuals to attend a video hearing rather than travel long distances to a hearing site. Additionally, video hearings allow ALJs to be more productive by providing them more time to hold hearings and issue decisions. We will increase the use of video hearing technology across the Nation.

We will also conduct a pilot to test the feasibility of individuals participating in video hearings from their representatives’ office. This pilot should offer convenience and comfort to many individuals who have a hearing pending, save time for their representatives, and reduce costs associated with maintaining hearing office space.



- **Open National Hearing Centers:** In early 2008, we opened our first fully electronic National Hearing Center in Falls Church, VA. The National Hearing Center concept allows us to capitalize on new technologies, such as electronic disability folders and video hearings. It also gives us flexibility in addressing our hearings backlog and swiftly targeting assistance to heavily backlogged areas across the country. We will open new National Hearing Centers in Albuquerque and Chicago.

The Urgency for Change in the Hearings Process

“I filed for Social Security back in October 2005. I still have not heard from Social Security regarding a hearing date. I am very sick and if I don’t get some help soon I am going to be dead before I get the chance to get in front of a judge. Please. My life depends on it.”

Letter from an individual who had been waiting 900 days for a hearing.

Our commitment to better management of the hearings process has already seen positive results. Our greatest accomplishment thus far has been issuing decisions on cases that have been pending for the longest period of time. We accomplished our FY 2007 goal of issuing decisions on 64,000 cases that were pending over 1,000 days. Continuing and building on our successful strategies, our goal in FY 2008 is to issue decisions on all 135,000 cases pending over 900 days. We will target cases over 850 days in FY 2009. We must issue decisions on the oldest cases. It is wrong to let individuals wait unacceptable lengths of time for a hearing decision. The American people deserve better from their government.

Objective 2: Improve our workload management practices throughout the hearings process

We must revisit the way we perform work in hearing offices by establishing best demonstrated practices, increasing automation, and testing a variety of models to determine the most efficient methods of doing our work. Our transition from paper to electronic disability folders allows us to further automate and standardize our hearings processes. We will use the following strategies to achieve this objective:

- **Streamline and automate case tasks:** One impediment to a timely hearing is the lengthy process used to prepare a case for an ALJ. We will introduce a number of electronic initiatives to reduce this case preparation time. We will pilot software with the potential to significantly decrease the time it takes staff to prepare and exhibit files, associate correspondence, prepare and send notices, schedule hearings, and transfer workloads. We will also implement centralized printing and mailing of notices to streamline the processing of the millions of notices hearing offices send annually.

- **Eliminate use of temporary hearing sites:** Currently we use a variety of sites to hold hearings, including temporary space in hotels, motels, courthouses, schools, and conference centers. Holding hearings in temporary sites is difficult, especially with electronic disability folders. Also, security in temporary space is difficult and expensive to provide. As quickly as we can, given the many constraints involved in acquiring and retrofitting space, we will eliminate use of temporary hearing sites and replace them with video hearing rooms in field offices and other Social Security facilities. This change will allow us to operate more efficiently, and provide individuals with a more convenient, secure, and dignified environment for their hearing.
- **Establish standardized electronic hearings business processes:** In every hearing office, we will implement standardized business processes that seamlessly integrate the most advanced information technology support for issuing hearing decisions. Standardized business processes will ensure we handle requests for hearings consistently within each office, reduce operating expenses, incorporate future technological advancements, reduce the time individuals wait to receive hearing decisions, improve the timeliness of our case-related activities, ensure the legal sufficiency of our decisions, and help us determine the ideal ratio of staff needed to support an ALJ in an electronic environment. In addition, we will continually revisit and revise our hearings business processes to make them as efficient as possible.
- **Prevent unintended backlogs:** Our administrative appeals process provides individuals the right to request an Appeals Council review of their hearing decision. We acknowledge that our efforts to eliminate the hearings backlog will result in increased Appeals Council receipts. We will closely monitor the Appeals Council workload and take necessary actions to prevent backlogs at that level and reduce the amount of time it takes to receive an Appeals Council decision.



STRATEGIC GOAL 2

IMPROVE THE SPEED AND QUALITY OF OUR DISABILITY PROCESS

Long-Term Outcomes:

- Ensure individuals who are clearly disabled receive a decision within 20 calendar days of filing;
- Reach an online filing rate of 25 percent for disability applications by 2012;
- Regularly update our regulations and policies to incorporate the most recent medical advances;
- Develop and implement a common case processing system for the Disability Determination Services; and
- Make it easier for disabled individuals to return to work.

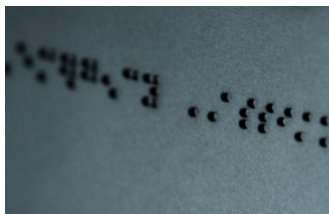
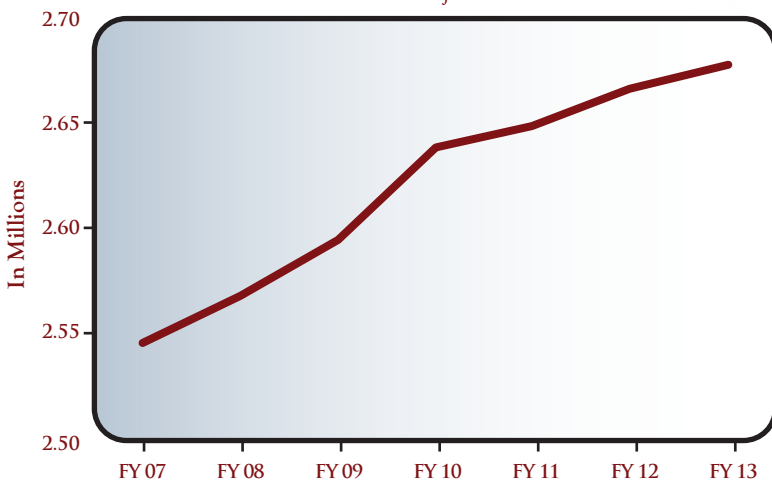
Issues:

We are responsible for the Nation's two primary federal disability programs: Disability Insurance and Supplemental Security Income. Over the last 5 years, our disability workloads have grown significantly; this trend will accelerate as baby boomers reach their most disability-prone years. Due to the significant growth in disability applications, the increased complexity of those applications, limited resources, medical advances, changing

health information technology, and outdated policies and procedures, our ability to process disability applications has fallen short of our own expectations.

There is no single solution to improve our disability process; many improvements are necessary. To achieve this goal, we will focus on the following objectives:

The Number of Initial Disability Applications Received is Projected to Rise



Objective 1: Fast-track cases that obviously meet our disability standards

We have an obligation to provide benefits quickly to individuals whose medical conditions obviously meet our disability standards. We will expand and refine two initiatives that use computer technology to identify cases where the decision is highly likely or certain to be favorable:

- **Quick Disability Determinations (QDD):** The first initiative, QDD, is now in use across the country. Right now, we identify almost 3 percent of all new applications waiting for an initial decision for QDD processing. We favorably decide over 96 percent of them in an average of 6 to 8 days. Many QDD cases involve low birth-weight babies, cancer, and end-stage renal disease. We will continue to increase the percentage and types of cases identified for QDD processing by enhancing our computer model and using it to its maximum capacity to accurately identify these cases.
- **Compassionate Allowances:** The second initiative, Compassionate Allowances, will allow us to quickly identify individuals who are clearly disabled by the nature of their disease or condition. We will be able to favorably decide these applications based on confirmation of the diagnosis alone for such diseases as acute leukemia, amyotrophic lateral sclerosis, and pancreatic cancer. We will pilot this concept in the fall of 2008 and plan to implement it nationally in 2009.

Since these initiatives are new territory for us, we do not know the eventual mix of QDD and Compassionate Allowances cases. However, we expect by the end of FY 2012, we will be able to fast-track 6 to 9 percent of our initial applications, which will benefit nearly a quarter million Americans each year.

A Glimpse of What the Future Holds for Our Disability Process

“We must commend the Hot Springs Social Security Office for its speed and efficiency in processing our application. We filed online for disability January 25th and had a check deposited into our account on February 5th. The application had to be processed with some local office assistance, but I don’t think you could ask for better service than this.”

Letter to the editor of the *Sentinel Record* in Hot Springs, AR.

The writer above benefited from our Quick Disability Determination process, now in use throughout the country, which identifies highly likely allowances.

A second initiative, Compassionate Allowances, involves cases where the disease or condition is so consistently devastating that we can presume the individual is disabled. When we combine these two initiatives with the benefits of direct deposit, as many as a quarter million Americans applying for disability each year can be awarded and paid benefits in a matter of days – just as the writer described in his letter.

Objective 2: Make it easier and faster to file for disability benefits online

In the next 10 years, initial disability application receipts will grow by 10 percent. To address this workload growth, we will implement *Disability Direct*, a new initiative that will allow individuals to apply online for Disability Insurance and Supplemental Security Income. *Disability Direct* will use a simplified, user-friendly application process that will make it easier and faster for individuals to file for disability benefits. It will also simplify or eliminate questions on the current application and include links, prompts, and other tools to assist the user.

Increasingly, representatives (such as attorneys, non-attorneys, representative payees, third parties, etc.) transact business with us on behalf of individuals filing for disability benefits. In FY 2007, approximately 90 percent of all hearings involved representatives. To meet this demand for service from representatives and alleviate workloads in our field offices, as a second element of *Disability Direct*, we will build a comprehensive package of online services for representatives. Ultimately representatives will have the capability to conduct all aspects of their business with us online. This comprehensive package of online services will include: a streamlined, one-time online registration process that satisfies our security and privacy concerns; the ability to file applications and submit documents electronically; secure online access to a read-only copy of the electronic folder for the individual they represent; and the ability to file appeals online (i.e. *iAppeal*). Additionally, since many representatives have created software to take disability applications, we will build an online data interface to accept data and documentation directly from their system to ours. These features will provide greater convenience for representatives and allow our employees to focus on other critical work.

Objective 3: Regularly update our disability policies and procedures

With the growth in our disability rolls, we cannot continue to process cases as we have in the past even with a dramatic increase in our resources. Testing and treatment of impairments have changed over the years. By comparison, the way we process medical information to define disability has not changed in any fundamental way in years. Therefore, we will update our disability policies and procedures and use automation as outlined below:

- **Update the *Listings of Impairments*:** The *Listings* describe impairments considered severe enough to prevent an individual from working and earning above a defined level. The *Listings* are a critical factor in our disability determination process, yet we have not updated some of them for decades. We will update the *Listings* on a regular basis and have developed a schedule to ensure we update all of them at least once every 5 years. Additionally, we will expand the *Listings* to include rare diseases and conditions that clearly represent permanently disabling conditions. Updating the *Listings* will improve the consistency and accuracy of our decisions throughout all levels of the disability process.

- **Develop an Occupational Information System:** The *Dictionary of Occupational Titles* (DOT), produced by the Department of Labor (DOL), is a cornerstone of our disability policy. We rely on the descriptions of work in the DOT to determine whether individuals can do their usual work or any other work in the U.S. economy. However, DOL has not updated the DOT since 1991 and has no plans to do so. It is critical that we base disability determinations on current job information. We are exploring tools to update, on an interim basis, the type of information currently in the DOT. In addition, we are developing a long-term strategy to replace the DOT with updated definitions and objective measures of the requirements of work.
- **Simplify work incentive programs:** One of our key work incentive programs is the *Ticket to Work* program that Congress enacted in 1999 to encourage disabled individuals to return to work. We recently issued final rules designed to improve this program based on our experiences and input from interested parties. Although individuals with disabilities will have greater flexibility in obtaining the services they need to achieve their employment goals, we have concerns that these improvements will fall short of Congressional expectations. We will monitor the results of this recent regulation and, as necessary, revisit the statute to ensure we achieve the goals Congress intended.

We will conduct research and demonstration projects to study ways to improve our services, tie objective medical data to functionality, and address the varied needs of individuals with disabilities. We will also collaborate with Congress to reauthorize our critically important demonstration authority.

- **Assess the value of the reconsideration step:** Reconsideration is the first step in the appeals process after denial of an individual's initial disability application. A team of employees at the Disability Determination Services makes the initial medical determination, and a team that did not participate in the initial decision makes the reconsideration decision. Some stakeholders have questioned the value of the reconsideration step. We will evaluate the reconsideration step and continue to look at alternatives to the current model, as we are doing now in a small pilot in Michigan.
- **Develop and implement a Disability Determination Services common case processing system:** Each of the 54 Disability Determination Services has its own unique case processing system, many of them COBOL-based. Virtually any time we make a change that affects a Disability Determination Services system, we have to address each of the 54 customized systems individually. Much of the code in the current systems is more than 30 years old; the systems are rigid, outdated, and resource-intensive. After a year of planning and consultation with the Disability Determination Services, we plan, with their continued support, to develop and implement a common system. This new system will incorporate additional functionality, such as decision support tools, improved quality checks, high availability, improved management information, and compatibility with industry standards for electronic medical records.

The possible inclusion of decision support tools, such as the electronic case analysis tool (known as eCAT), could guide decision-makers through the steps of the decision-making process and allow us to use cutting-edge technology to support faster, more consistent, and better documented decisions. From a strategic standpoint, a common system will position us to take advantage of rapidly changing health care industry technology and

provide the foundation for a seamless electronic disability case processing system from the point of application to the final level of appeal.

- **Expedite records requests in disability cases:** Each year, we request over 15 million records on behalf of individuals applying for disability benefits. We contact hospitals, clinics, physicians, psychologists, schools, and other health professionals to obtain evidence of an individual's medical condition as it relates to functional ability. Currently, various federal and state laws require most sources of such personal information to obtain the individual's signed authorization prior to disclosure. For this purpose, we obtain multiple signed copies of a carefully worded authorization, Form SSA-827, which is the single remaining paper document required in our otherwise fully electronic disability case processing system.

An electronic copy of a signed SSA-827 meets all requirements of the *Health Insurance Portability and Accountability Act* (HIPAA) and other laws imposed on custodians of personal information regarding disclosure. Many sources, however, will not accept an electronic copy of the signed SSA-827 and instead require an original signature not required by law. Some sources even require use of their own forms, and some do not respond at all. As a result, we are forced to obtain and retain paper originals, and must often recontact individuals to obtain additional signed authorization forms or to schedule consultative examinations when medical sources do not respond to our request for medical records. The current process is a significant burden on applicants, providers, and us, resulting in delays for individuals eager to receive a timely and accurate decision.

We will explore options that would allow a custodian of records to disclose relevant personal information to us when we make a request on behalf of an individual who has filed an application for initial or continuing benefits. We would obtain and document the individual's verbal consent as part of our application process without use of any paper authorization forms. Such changes will relieve health care institutions and professionals of liability for making the requested disclosure. The changes will also enable us to reduce the burden on all parties involved and provide more timely decisions to disabled individuals while respecting the confidentiality of their personal information.

- **Adapt our systems to Health Information Technology:** We manage the largest repository of imaged medical information in the world; we collect and currently store more than 250 million medical documents, and weekly we add 2 million more. In order to effectively manage the largest social insurance system in the world, we must be at the forefront of the health care industry's transition to electronic record keeping and data sharing. Health information technology is an important initiative that the Department of Health and Human Services leads to standardize the storage and transmission of medical records in a uniform electronic format. This initiative (<http://www.hhs.gov/healthit/>) will revolutionize the health care industry, and we need to be fully engaged in its development.

In partnership with other agencies, health care providers, and insurers, we will collaborate to create uniform diagnostic codes, medical report formats, and other data fields for standardized electronic storage of medical records. Such standardization will allow us to not only identify disabling conditions quickly and automatically, but will allow us to search our vast database of medical records to track trends in disability cases and design more objective methods to identify disabling conditions. We will also continue



to participate in the Nationwide Health Information Network trials that will develop the standards for exchanging medical data.

In late 2008, we will collaborate with a Boston hospital to test an automated process to request and receive medical data. When an individual receiving treatment at this hospital files a disability application, our system will automatically send out a medical record request. Almost immediately, the hospital will electronically transmit back to us the individual's medical record. Our early receipt of this evidence will allow the decision-maker at the Disability Determination Services to start evaluating the case right away. This collaboration will also test decision support tools that interpret medical data and recommend actions for the decision-maker's consideration.

- **Promote electronic exchange of records with the federal courts:** Current law allows individuals to request judicial review of the agency's final decision. In recent years, individuals appealed 12,000 to 14,000 Social Security and Supplemental Security Income cases annually to the federal courts. We will work with the courts to improve the process for transmitting our electronic disability records to their electronic systems. This electronic exchange will save scarce agency and judicial resources and provide better service to the public, the courts, and the Department of Justice.
- **Achieve consistent policy application:** We will expand use of the Integrated Disability Process, a collaborative intra-agency initiative, to identify and resolve important disability policy and procedural issues across all decision-making levels. This endeavor will result in clearer and more consistent policies, procedures, and processes. It will also help us address differences and difficulties in applying our disability policies and procedures.
- **Pilot a policy feedback tool to improve disability program accuracy and efficiency:** While we collect a lot of information, it has been historically challenging for us to use it to identify trends. We will pilot a new data collection and analysis tool which will allow us to identify trends that indicate a potential need to change or clarify disability policy. This tool will allow us to do a better job of answering Congressional and other stakeholder questions about our disability process and allow agency executives to make more data-driven decisions.



STRATEGIC GOAL 3

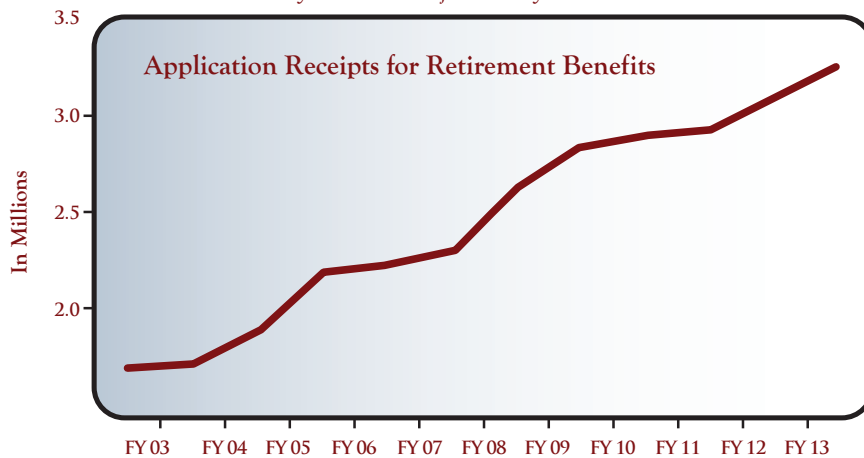
IMPROVE OUR RETIREE AND OTHER CORE SERVICES

Long-Term Outcomes:

- Achieve an online filing rate of 50 percent for retirement applications by 2012;
- Improve the clarity of our correspondence;
- Improve telephone service on our National 800 Number and in our field offices; and
- Further automate our Social Security card application process.

Issues:

The Number of Retirement Applications is Projected to Increase Dramatically as a Result of the Baby Boom Retirement Wave



Over the last few years, as staffing levels decreased and our workload volumes increased, our service to the public has suffered. It has taken us longer to issue decisions and process applications. The public has faced longer lines in our field offices and increased telephone busy rates. With millions of baby

boomers becoming eligible for Social Security benefits, we must transform the way we deliver service by developing a wide-range of online and automated services.

As individuals accept and use the Internet to conduct more complex and sensitive transactions, quality online service options are essential to providing world-class service. The public expects and increasingly demands the convenience of online services. We intend to meet that expectation because wider acceptance of online services will help us handle our dramatically increasing workloads. To achieve this goal of complementing our traditional services, we will focus on the following objectives:

Objective 1: Dramatically increase baby boomers' use of our online retirement services

Nearly 80 million baby boomers will file for retirement benefits over the next 20 years — an average of 10,000 per day. To address this workload growth, we will introduce a new Internet application, *Ready Retirement*, which will simplify the filing process and shorten the time it takes to file online from 45 to 15 minutes, while also eliminating the need for most individuals to visit their local field office. *Ready Retirement* will simplify or eliminate many questions on the current application and include prompts, links, streaming videos, and other techniques to give the user a friendlier, faster, and easier experience. *Ready Retirement* is a transformational initiative that will establish the foundation for all future Internet applications including Disability, Survivors, and Supplemental Security Income applications. This package of Internet applications will be known as *iClaim*.

Ultimately, *Ready Retirement* will streamline the processing of our less complex applications. For some applications, if the information contained in our records matches the information provided in the application, we will be able to minimize the amount of manual review necessary to process the application to completion. To promote use of *Ready Retirement* and other future online applications, we will:

- **Expand the use of automated data exchanges:** Increasing electronic data exchanges will eliminate the need for individuals who file online to visit their local field office to submit evidentiary documents, such as birth certificates, marriage certificates, death certificates, and W-2 forms. Eliminating the need to submit paper copies of required documentation will make filing an online application a fully electronic process for the user.
- **Simplify policies and procedures:** To maximize the benefits from our electronic service initiatives, we must update, simplify, and streamline policies and procedures. We will

A New Generation Embraces Applying for Retirement Online



“Filing for Social Security benefits online is easy and convenient. I urge my fellow baby boomers to give Social Security’s online services a try. Save a trip and do business with Social Security from the comfort of your home or office.”

~Kathy Casey-Kirschling,
America’s First Baby Boomer

Kathy Casey-Kirschling was born one second after midnight on January 1, 1946 and is thus America’s first baby boomer. Kathy is leading what is referred to as America’s “silver tsunami.” Over the next two decades, nearly 80 million Americans will become eligible for Social Security retirement benefits, an average of 10,000 per day. Late in 2007, Kathy filed for her Social Security retirement benefits online at www.socialsecurity.gov and we issued her first benefit payment by direct deposit in February 2008.

For most of this decade, less than 10 percent of the public chose to apply for retirement online. Although this percentage is rising, it must increase dramatically or we will be overwhelmed by the millions of baby boomers following Kathy into retirement.

ask only those essential questions for which we do not already have the answers in one of our systems or databases.

- **Provide online tools to plan for retirement:** We have greatly improved the information available to an individual who is trying to decide the optimum date for retirement. Using our enhanced *Retirement Estimator*, individuals can now obtain highly accurate and secure monthly retirement benefit estimates based upon their actual earnings record. We will include links to our *Retirement Estimator* in the *Ready Retirement* application, allowing the user to immediately obtain a benefit estimate prior to or during the application process. We will also continue to refine and enhance our *Retirement Estimator* based on feedback from users.
- **Expand marketing efforts:** We are marketing our current online applications at both the national and local levels. To achieve dramatic increases in the use of our electronic service options, we will intensify our efforts to develop creative outreach strategies.

Our ultimate goal is to provide individuals and their representatives with the ability to apply for all types of benefits and to update their records online.

“It’s so easy ... Go Online”

www.socialsecurity.gov



Academy Award winning actress, Patty Duke, has generously agreed to be Social Security’s spokeswoman to help encourage members of the baby boomer generation to file online for their retirement benefits. She will be featured in public service announcements later this year to promote our new, improved online *Ready Retirement* application.

Objective 2: Provide individuals with accurate, clear, up-to-date information

We issue 350 million notices annually, which makes notice correspondence our most common form of service delivery. Our notices communicate decisions, payment, and other important information, and inform individuals of their rights and responsibilities under our programs, including appeal rights. It is critical that our notices be clear, concise, and easily understood; too often they fall short of that standard. Notices that do not meet this standard result in individuals calling or visiting us for clarification – an unnecessary drain on their time, as well as on our resources. To address this service shortcoming, we are establishing a notice improvement office to assess and improve our notices.

We will also develop and test a new Internet-based feature to allow individuals to follow the progress of their application for benefits. Each year, we receive two million calls requesting case status. This feature will provide individuals the status information they want when they want it, which will free us to do other critical work.

Additionally, we will explore the possibility of providing individuals with secure online access to their personal Social Security information using a feature similar to an online banking statement. This feature could include such things as earnings history, Social Security benefit payment history, Medicare entitlement information, and direct deposit data. We will work closely with our privacy and authentication experts as we explore the feasibility of this online feature.

Objective 3: Improve our telephone service

Although we are focusing on improving our online services, our telephone service remains a primary service option for providing effective and efficient service to the public. Each year, we handle over 57 million calls on our National 800 Number and a comparable number in our field offices. We will improve our telephone service through a variety of technologies, such as speech recognition, and other initiatives designed to enhance the caller experience. We will replace our aging field office telephone equipment with what will be the Nation's largest Voice over Internet Protocol (VoIP) network. A single system that carries voice and data will save administrative costs and support other technological improvements, particularly in our field offices. For example, local offices will be able to re-route calls during disasters and other emergencies and provide the public with the option to access their office of choice from any location within the continental United States. We will also replace our National 800 Number infrastructure with a VoIP network.

These new networks will enable us to improve our telephone service and support our website visitors. We will implement technologies such as "click-to-talk" and web page collaboration to enable our website visitors to interact, as needed, with a telephone agent to help them conduct their business while online. These initiatives will provide the public with more choice and convenience.

Objective 4: Improve service for individuals who visit our field offices

Our field offices are our front door for the American public. To better serve the public, we will upgrade our field office reception areas and use new technologies to offer services not easily available in rural areas. We will pilot the use of kiosks in field office reception areas to provide a modern, fast, and user-friendly way for the public to register the reason for their visit, so we can direct them to the appropriate service representative while protecting their privacy. These kiosks will incorporate touch screen technology and are similar to, but easier to use, than airport kiosks many airline travelers use. We will also pilot the use of personal computers in field office reception areas to provide the public with connectivity to our online services. Reception area personal computers will provide an option for individuals who may not have access to a personal computer at home. For individuals using these computers, we will provide a wide-range of support services as they complete their transactions online. These services will range from instructional videos to employees offering technical assistance. We will also improve reception area seating, layout, privacy, signage, and other small, but important, enhancements to make visiting a field office a better experience.



Additionally, we will continue to expand the use of video conferencing to serve individuals residing in rural areas of the country. We are testing its use in a number of locations across the country, including Belcourt, ND, the home of the Turtle Mountain Band of Chippewa Indians. Their reservation is 112 miles from the nearest field office in Minot, ND; transportation is limited and often costly for individuals. Video conferencing offers this community a convenient and low-cost option for obtaining a full-range of our services, which are equivalent to face-to-face services. Where possible, we will use the same equipment for video hearings.

Objective 5: Process our Social Security Number workload more effectively and efficiently

Each year we issue almost 6 million original and 12 million replacement Social Security cards. We also verify more than one billion Social Security Numbers (SSN) through a variety of electronic exchanges with public and private organizations. The process of assigning and issuing SSNs is referred to as enumeration. One of our core functions, this workload is highly sensitive and often complex. As Congress continues to debate immigration reform, we expect additional work and complexity in this area. If we do not develop efficient ways to handle this workload electronically, we could easily overwhelm our field offices with dramatic increases in requests for replacement cards and SSN verifications. To handle our SSN workload, we will:

- **Strengthen the enumeration systems process:** We are in the midst of a major overhaul of the processes and systems that support our enumeration workload. We are developing a fully integrated electronic process that will serve as the foundation for changes in technology and additional requirements driven by legislation and policy changes. This effort will protect the SSN and improve service to the public
- **Build an online application for individuals to request the replacement of their Social Security cards:** We will assess the feasibility of building an online application for requesting the replacement of a Social Security card. As part of this effort, we will work closely with subject matter experts to ensure this online application provides the highest level of security, privacy, and identity assurance.

- **Expand use of SSN Verification Service:** The Social Security Number Verification Service (SSNVS) allows employers to determine, almost instantaneously, if the reported name and SSN of an employee matches our records. SSNVS, however, does not verify work eligibility. We will work with the business community to encourage additional employers and private sector companies to use SSNVS. Use of this service will reduce the role of SSN misuse in identity theft, minimize fraud, and ensure the accuracy of individuals' earnings records. We will also continue to add death and fraud indicators to SSNVS to minimize opportunities for fraudulent use of the SSN.
- **Support E-Verify:** Because our SSN Verification Service does not verify work eligibility, we also support E-Verify, a voluntary Department of Homeland Security (DHS) program that allows employers to electronically verify the employment eligibility status of newly hired employees. DHS sends us information submitted by employers to verify that the employee's SSN, name, and date of birth match information in our records. For individuals alleging U.S. citizenship, we confirm citizenship status, thereby confirming work authorization status. For non-citizens, if the identifying information matches our records, DHS determines the employee's current work authorization status and notifies the employer of the results. E-Verify confirms 93 percent of these initial verifications within seconds.

We will continue to work with DHS to improve the current system to make it more efficient for employers and employees. We have also begun to lay the groundwork to increase E-Verify's capacity to handle substantially heavier volumes of verification transactions.

- **Expand Enumeration-at-Entry:** Enumeration-at-Entry allows certain non-citizens to apply for an SSN with the Department of State once they arrive at their U.S. port of entry. We will collaborate with the Department of State to expand this process to additional non-citizens. Not only will this initiative reduce traffic in our field offices, it will also reduce opportunities for fraud.
- **Implement use of Auto Cards:** Certain changes in alien and citizenship status, such as changes in work authorization, require a replacement Social Security card with a different legend or name. When DHS notifies us of these changes, we will automatically and securely update our records and generate a replacement card directly to the individual.

We will continue to assess our policies and technical controls to protect the valuable and important personal information the public entrusts to us to prevent SSN misuse and fraud.



STRATEGIC GOAL 4

PRESERVE THE PUBLIC'S TRUST IN OUR PROGRAMS

Long-Term Outcomes:

- Minimize improper payments;
- Improve protection of personally identifiable information;
- Increase the electronic filing of wage reports;
- Strengthen our efforts to protect program dollars from waste, fraud, and abuse; and
- Increase the use of “green” solutions in our daily operations.

Issues:

Individuals who contribute to the Social Security Trust Funds through payroll deductions and self-employment taxes, or pay income taxes, must be confident we manage their tax dollars wisely. Likewise, those receiving Social Security or Supplemental Security Income must be sure we pay their benefits timely and accurately. Since we take our stewardship of these programs seriously, we will continue to demonstrate an unyielding commitment to sound management practices. We take pride in our ability to protect and carefully manage the resources, assets, and programs entrusted to us. We have earned the public's trust, and we intend to do everything we can to keep it. To achieve this goal, we will focus on the following objectives:

Objective 1: Curb improper payments

As good stewards of the programs entrusted to us, we must ensure that we pay individuals the correct amount – neither overpaying nor underpaying them. To accomplish this, we conduct ongoing, extensive stewardship reviews to not only confirm individuals receive the benefits they are due, but also to build public confidence that we are properly managing our resources and program dollars. With few exceptions, our track record is excellent.

One area where we can improve our stewardship is by reducing improper payments in the Supplemental Security Income program. Issuing incorrect Supplemental Security Income payments is partly due to the complexity of the program and the large number of factors that can affect an individual's payment amount

Did you know...

Social Security pays \$650 billion in benefits to 60 million people annually?

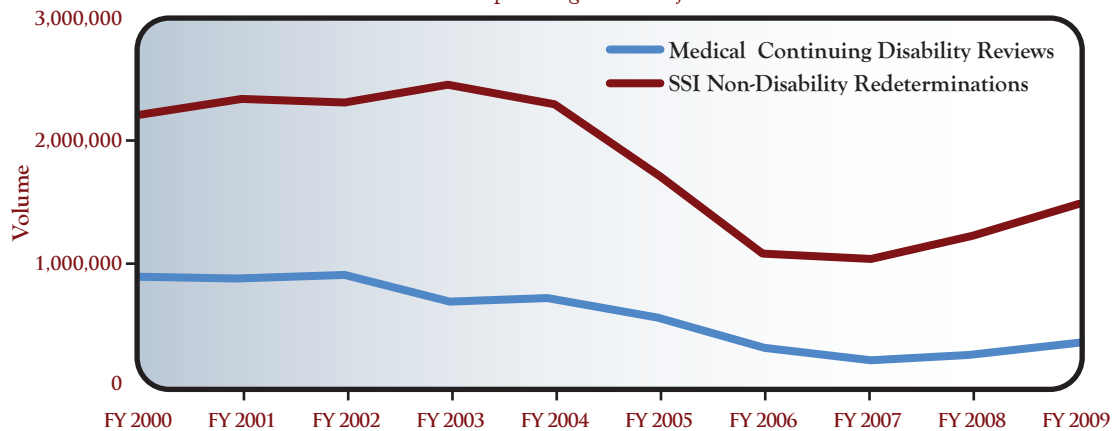
This amount is equal to 20 percent of all federal spending and 5 percent of the Nation's gross domestic product?

When Medicare and Medicaid spending is added to Social Security and Supplemental Security Income outlays, the share of federal spending for these programs is almost 44 percent?

and eligibility. One of the ways we prevent overpayments is by periodically completing non-disability redeterminations to review the individuals' circumstances, ensure we are paying them the correct amount, and determine whether they have continued eligibility.

Another area of stewardship concern is ensuring that we pay disability program benefits only to those individuals who continue to be disabled. We do this by periodically completing continuing disability reviews. These reviews determine whether a disabled individual still meets our medical requirements to receive disability benefits.

*Program Integrity Work Has Significantly Declined
Despite High Rates of Return*



In recent years, we have had to gradually scale back both of these program integrity efforts due to budget constraints and increasing core and non-traditional workloads. We know our program integrity workloads are critical to ensuring well-run programs and accurate payments. To continue to improve the accuracy of the payments we issue, we will:

- **Increase our program integrity workloads:** With timely and adequate funding, we will increase the number of continuing disability reviews and Supplemental Security Income non-disability redeterminations we perform. These workloads, which allow us to detect and prevent improper payments and determine if factors affecting eligibility or monthly benefit amounts have changed, are highly cost effective. For example, our experience shows that continuing disability reviews and redeterminations produce program savings far in excess of administrative costs, because every \$1 spent produces a \$10 return.
- **Initiate new data exchanges:** We have an extensive computer data exchange program in place to ensure the accurate payment of benefits. However, we will continue our aggressive emphasis on the use of these data exchanges and take advantage of new data exchange opportunities to increase detection of improper payments.
- **Expand the development and use of new tools for avoiding improper payments:** In the Supplemental Security Income program, undisclosed resources in financial accounts and fluctuating earnings are primary factors contributing to many overpayments. As funding allows, we will continue to utilize an electronic process, known as *Access to Financial*

Information, to efficiently check account balances directly with financial institutions. This process will help us identify individuals who have financial accounts exceeding the Supplemental Security Income resource limits. We will also expand an automated telephone system for Supplemental Security Income recipients to regularly report their earnings.

Additionally, we will continue to pursue appropriate legislative changes in order to make program requirements less complex and improve payment accuracy.

Objective 2: Ensure privacy and security of personal information

Since the enactment of the *Social Security Act* in 1935, one of our priorities continues to be protecting the privacy of personally identifiable information in our records. We consider privacy protection so important it was the subject of our first regulation in 1936. The regulation details our privacy policy and the permissible disclosures of personally identifiable information. It reflects our commitment to maintaining the confidentiality and integrity of such information.

We have an ongoing program to review policies and processes so we can take corrective actions to prevent intentional or negligent misuse of, or unauthorized access to, personally identifiable information. We have also established procedures for reporting the loss or potential loss of personally identifiable information and issued instructions clarifying responsibilities concerning its security.

To continue to safeguard such information, we will improve our encryption practices for data moving outside our facilities and networks, train employees and contractors and hold them accountable for safeguarding personally identifiable information with which they work, and strictly control access to systems containing such information. We will also conduct rigorous annual security reviews of systems and programs, and ensure our data exchange activities adhere to the National Institute of Standards and Technology requirements.

Objective 3: Maintain accurate earnings records

Each year we process and post nearly 270 million reports of earnings to individuals' records. We base individuals' Social Security benefit amounts on their lifetime earnings; therefore, our records must be accurate. Our aging earnings system was last modernized in 1994. This system was originally built for diskette, tape, and paper annual wage reporting and is unable to keep up with the volume of electronic transactions we now receive. To address this, we will redesign our earnings system to provide greater flexibility along with the improved accuracy and timeliness necessary to process this ever-growing workload. We will also continue to issue annual *Social Security Statements* to eligible individuals age 25 and older so they can review their earnings record for accuracy and completeness.

We place in an electronic holding file, called the *Earnings Suspense File*, any earnings we cannot post to an individual's earnings record because of a name or Social Security Number

mismatch. While we cannot control many of the factors causing inaccurate wage reports, we are doing what we can to provide employers with tools for improving the quality of their wage submissions and minimizing the need for manual corrections. We will also refine and employ computer matching processes to enable us to post greater numbers of *Earnings Suspense File* items to the correct individuals' earnings records, thereby removing millions of wage items from the *Earnings Suspense File*. These efforts will produce information to help us better manage the earnings posting process.

Similar to our other business processes, we are working to eliminate paper wage reports and migrate to a fully electronic earnings record process. Annually, we receive over 44 million paper wage reports from approximately 5 million employers. Since paper wage reports are more error-prone and expensive to process, we will continue to encourage employers to use our online service, *Business Services Online*, to file W-2s for their employees electronically. We will inform employers about electronic wage reporting through online information and resources, promotional materials, payroll conferences, articles in trade publications, and direct contact. Additionally, we will continue to work and collaborate with the Internal Revenue Service to improve all aspects of wage reporting.

Objective 4: Simplify and streamline how we do our work

To meet the challenges of our growing workloads and provide the best service possible, we will simplify and streamline our policies, procedures, and business processes, as well as maximize use of automation. While we continue to improve productivity year after year, productivity improvements alone cannot overcome the workload challenges we face. Our processes, policies, regulatory, and statutory requirements are oftentimes complicated and difficult to explain to the public; and years of legislation and litigation have made our requirements even more complex. In addition to the initiatives described elsewhere in this plan, we will establish a broad-based effort to analyze our workloads, simplify how we do our work, ensure consistency in our service, and improve our process flow and speed. As necessary, we will work with Congress and all stakeholders to simplify our statutory and regulatory requirements.

Objective 5: Protect our programs from waste, fraud, and abuse

Social Security programs are a tempting target for fraud and abuse because of the value of monthly payments and the additional benefits of entitlement for such programs as Medicaid, Medicare, and Food Stamps. When fraud does occur, it receives wide publicity and can diminish the public's confidence in the programs we administer. A strong fraud detection and prevention program is critical to deterring those contemplating fraudulent activities and demonstrating we take fraud seriously. Through an ongoing partnership with our Office of the Inspector General (OIG), we have worked to reduce the instances of fraud and have vigorously pursued prosecution of individuals and groups who harm our programs.

In partnership with our OIG, we will continue to expand our Cooperative Disability Investigations program, one of our most successful anti-fraud initiatives. Our Cooperative Disability Investigations units, located in 17 States, investigate issues of fraud and abuse related to initial disability applications and continuing disability reviews. As funding allows, we will continue to expand these units.

We will also continue special projects that our Office of the General Counsel has initiated in eight regional offices where our attorneys are appointed as Special Assistant United States Attorneys to support the Department of Justice in prosecuting fraud and abuse cases identified by our own OIG. Additionally, we will continue to aggressively prevent fraud and abuse in our programs by collaborating with other federal agencies to investigate and prosecute fraud, expanding forensic computer crime detection capabilities, and strengthening fraud prevention by adding new controls in our processes.

Objective 6: Use “green” solutions to improve our environment

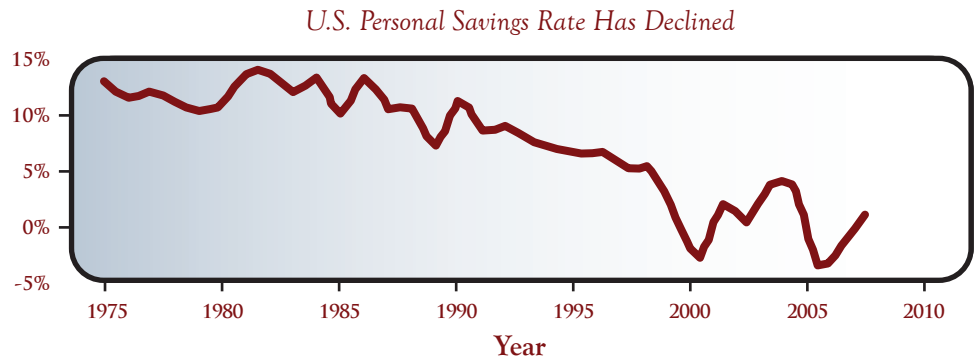
We have a responsibility to the public to conduct business in an efficient, economical, and environmentally sound manner. “Going green” benefits the environment and saves taxpayer dollars by minimizing waste and reducing energy consumption. For years, we have implemented projects benefiting the environment: we recycle; purchase environmentally friendly products; use energy efficient lighting, electronics, and appliances; and power our vehicles with alternative fuels. We have always been mindful that resource waste is taxpayer waste.

As outlined in *Executive Order 13423*, we will continue our tradition of “going green” by expanding on projects that: reduce petroleum consumption; increase usage of alternative fuels; reduce greenhouse gas emissions; reduce water consumption; increase our procurement of biobased or environmentally sound products; reduce use of chemicals and toxic materials; ensure our computers and monitors have Energy Star® features; and reuse, donate, sell, or recycle all of our electronic products using environmentally sound management practices. We will also build or renovate our facilities in accordance with environmentally sustainable strategies. Using these “green” solutions in our daily operations is a sound environmental and stewardship decision that we will continue to embrace. The agency will lead by example in advancing these energy and environmental practices.



SPECIAL INITIATIVE—ENCOURAGE SAVING

Many individuals are in danger of having insufficient savings for retirement and other life events that interrupt their income. In the past decade, for the first time since the Great Depression, the



Source: Flow of Funds Accounts, Federal Reserve Board

personal savings rate fell below zero. Inadequate planning places two-thirds of households at risk of not having enough retirement income. Less than half of American workers have estimated how much money they will need to live comfortably during retirement. Studies show that individuals do not have enough information or lack skills to effectively plan for a secure retirement. Studies also show that increased awareness can improve attitudes toward saving, expand participation in retirement savings plans, and increase retirement asset accumulation. These factors are particularly relevant to Social Security’s mission and programs.

Due to our existing relationship with the public and the nature of our work, Social Security is uniquely positioned to encourage saving. We believe the agency has a responsibility to help individuals understand the role of Social Security benefits and the need for them to save as they plan for their future. Consequently, to ensure Americans of every age understand the importance of preparing for retirement, we will expand our outreach efforts to encourage saving.

Starting in 2009, we will launch a research initiative to develop and refine print, web, and other products that we can use to better inform the public about retirement planning options. Due to the importance of this individualized decision, we will encourage the public to consider their savings, other income, life expectancy, and health care needs when they make their decision about when to take Social Security retirement benefits. We will target our products at diverse segments of the American public and will encourage saving among all age groups. For example, we will take advantage of existing vehicles like our annual *Social Security Statement* and our website to provide age-specific information to encourage saving. We will focus on the importance of saving early for those aged 18 to 35. The message will shift, for those aged 36 to 50, to saving during peak earning years. For those aged 51 to 70, the topic will be sound retirement planning practices. We will also work with the public and private sector to develop new and innovative methods to inform workers of all ages about their need to save.

Did you know...

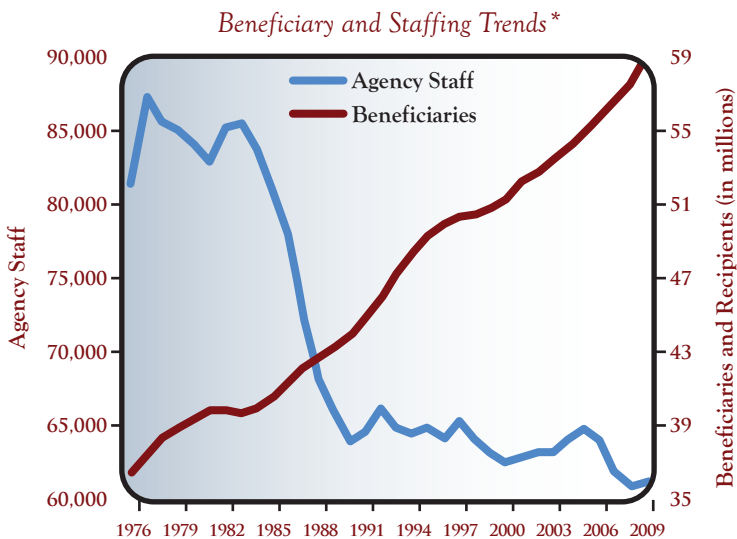
Only 18 percent of workers can correctly identify the age at which they will be eligible for full Social Security retirement benefits?

Workers expect their personal savings to account for 50 percent of their retirement income, while retirees report savings account for only 24 percent?

KEY FOUNDATIONAL ELEMENTS

Our success in achieving our strategic goals depends on two key elements: our employees and information technology. We must make the investments necessary to develop and support our employees and information technology because they are essential to everything we do.

Key Foundational Element: Our employees



*Productivity increases have allowed us to handle some of our increased workloads despite lower staffing levels.

Social Security employees, as well as the employees of our partners, the Disability Determination Services, are key to ensuring we are positioned to deliver world-class service. They are the foundation of this agency and our most valuable asset for providing the service the public expects and deserves. We want to be the finest public service organization in government, with a diverse workforce and a workplace second to none.

As we prepare for the workforce of the future, our greatest challenge is the projected retirement of many of our

employees. Over 53 percent of our total workforce, including 70 percent of our supervisors, will be eligible to retire by FY 2017. This loss of institutional knowledge is even more striking because staff levels are at their lowest since 1972, before the Supplemental Security Income program began, and the number of individuals we serve is at an all-time high and growing. Although we have a history of productivity improvements, such improvements alone cannot fully offset the increase in our workloads and loss of staff.

To meet this human capital challenge, we will refine our innovative human capital management strategies to enhance our ability to attract, retain, develop, motivate, and reward a diverse workforce and foster a culture of continuous improvement. Our efforts will include:

- Capitalizing on recruitment programs that will attract a multi-generational, multi-cultural workforce with the competencies needed to achieve our mission;
- Developing leaders at all levels through comprehensive succession management, outstanding development programs, and an extensive array of learning opportunities;
- Improving employee performance by fostering better management-employee communication and rewarding excellence; and

- Providing an environment and culture that fosters employee retention, promotes achievement in public service, and encourages the pursuit of personal excellence through continual learning.

We must continue to invest in a strong and productive workforce that, when combined with our information technology investment, will equip our employees with the skills to tackle our challenges. We cannot achieve the goals and strategies in this plan without steady investment in our employees.



Key Foundational Element: Information technology

Technology is the foundation of our ability to provide the services so vital to the Nation's economic well-being and to ensure we are positioned to deliver world-class service. For these reasons, information technology is a critical priority for us, and achievement of the goals set forth in this plan, as well as the accomplishment of our day-to-day business, requires a state-of-the-art systems infrastructure.

Our computers currently maintain demographic, earnings, and benefit information on almost every American. We are processing an all-time high of over 75 million business transactions per day, and we currently store nearly 250 million medical records, while adding 2 million more each week. We exchange over 1 billion data files annually with government and business entities for benefit management and homeland security purposes. As the 21st century moves forward, the public increasingly expects that our electronic services will be secure, easy-to-use, and available 24 hours a day, 7 days a week.



While once a state-of-the-art data center, our National Computer Center is approaching 30 years of age, and its design is no longer optimal for the systems necessary to accomplish our mission. The National Computer Center's capacity to keep up with increasing volumes of work, new and expanded responsibilities, and new ways of doing business is severely limited. All of our plans depend upon a strong, 21st century data center. As a result, we will begin to evaluate options to build or lease a new primary data support center with a modern infrastructure and the capability for further expansion as our workloads and data needs continue to grow.

In addition to building a new primary data support center, we must modernize the rest of our information technology infrastructure. Our field offices cannot accommodate growing workloads and responsibilities unless we automate wherever possible and offer more modern service delivery channels. We need to bring our information technology structure into the 21st century to address workload increases, maintain service levels, support future productivity improvements, and protect the sensitive information entrusted to us. Our information technology infrastructure is currently resting on a foundation of aging computer programs, many COBOL-based, which will make it increasingly difficult to implement new business processes and service delivery models unless we make necessary updates now. We must develop new and improved web-based technologies to support enhanced online services and third-party information exchanges, available at all times, day or night. We must improve telephone service delivery by moving toward a new intelligent system with the capability for integrated e-mail and web-based communications – a system that will not only be more convenient and timely for the public to use, but also more cost-effective for us.

We must continue to position our information technology systems to respond to changing security threats that demand greater and more sophisticated protections. Recent cyber-attacks on U.S. government computer assets have proven that these threats are real and that all agencies are vulnerable. For that reason, we will continue to implement new security procedures and systems to better protect against such threats.



In summary, we must modernize our information technology infrastructure to be prepared for 21st century workload volumes and responsibilities, new service delivery modes, and increasing security and privacy threats. We must have a state-of-the-art information technology infrastructure to allow us to provide citizen-centered services that are available, accurate, adaptable, and secure, and will ensure we can effectively respond to the changing needs of the public.

CONCLUSION

Social Security is at a crossroads. As Congress and the Government Accountability Office have noted, we are in a fragile state. If we are to preserve our position as a world-class service provider, we must change the way we do business over the next 5 years. This plan charts our course to achieve our vision of providing the highest standards of considerate and thoughtful service for generations to come.

To meet our challenges, we will maintain a strong level of performance in our core workload areas while focusing on: eliminating our hearings backlog and preventing its recurrence; improving the speed and quality of our disability process; improving our retiree and other core services; and preserving the public's trust in our programs. There is no "magic bullet" to resolve all our challenges. Consequently, our strategy will pursue a wide array of process, policy, systems, regulatory, and legislative improvements. We are confident that with the necessary resources, we can achieve our goals. With the support of the President, Congress, and our stakeholders, we will continue to successfully serve America for the 21st century and beyond.



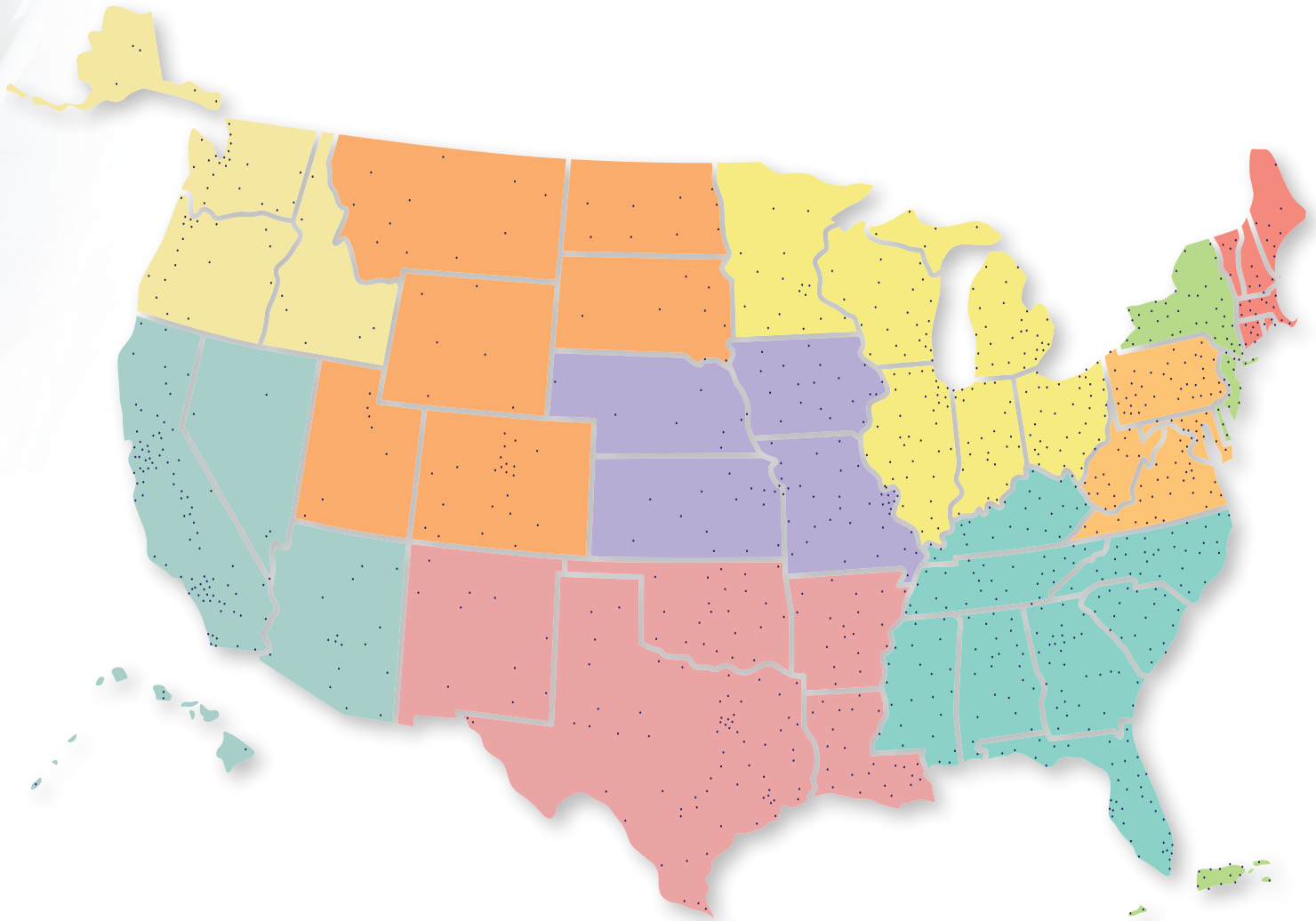
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WHO WE ARE

We deliver services through a nationwide network of over 1,400 offices that include regional offices, field offices, card centers, teleservice centers, processing centers, hearing offices, and the Appeals Council. We also have a presence in U.S. embassies around the globe.

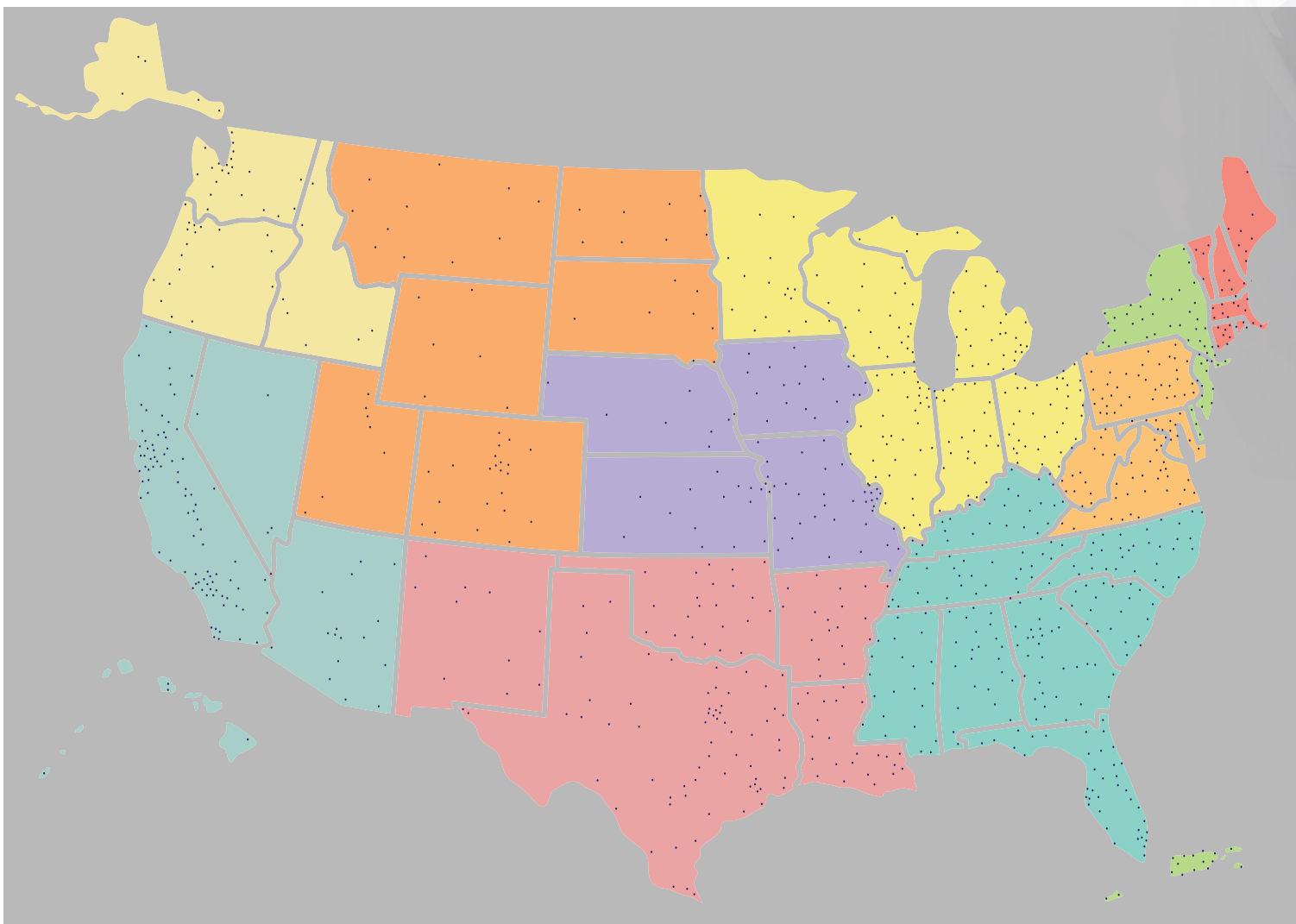
Field offices and card centers are the primary points for face-to-face contact with the public. Teleservice centers offer National 800 Number telephone service (1-800-772-1213). Processing centers perform a wide-range of workloads and handle 800 Number calls. The hearing offices and the Appeals Council decide appeals of Social Security benefit and Supplemental Security



Income payment determinations. Additionally, the public can conduct business and obtain information via the Internet at our website www.socialsecurity.gov.

Most of our 60,000 employees deliver direct service to the public or directly support the services provided by front-line workers. Additionally, the disability programs depend on the work of about 15,000 individuals employed by our State and territorial partners, the Disability Determination Services.

For the public, we are the “face of the government.” The rich diversity of our employees mirrors the public we serve.

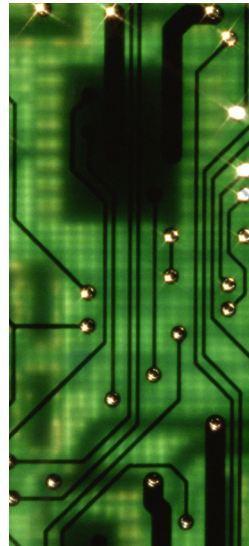
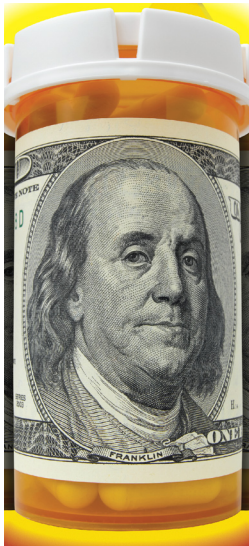


WHERE WE ARE

EXTERNAL FACTORS WE MUST WATCH

The following factors could affect our ability to achieve our strategic goals in the next 5 years:

- **Health Care:** Trends in health care affect our work. Our workloads are growing rapidly as the baby boomer generation enters its most disability-prone years. Studies show Americans in their early to mid-50s today are in poorer health than 50-year-olds were in years past. From 2000 to 2006, the number of individuals filing for disability benefits increased over 60 percent. Increases in the number of individuals with chronic diseases, coupled with the fact that the medical community is still developing standards for electronic medical records, challenge our ability to deliver service in our disability programs. Additionally, our supporting role for Medicare will be impacted as the Medicare rolls grow and could be further impacted if changes to the Medicare program are enacted.
- **Immigration:** The current number of undocumented immigrants in this country is about 12 million. Legislative proposals for immigration reform often include an expanded role for us in enforcement, oftentimes creating additional non-core workloads. As the legislative process continues, we will ensure that Congress is fully informed about the implications of its decisions on our agency.
- **Technology:** Just as health care and immigration reform are fast moving targets, so is technology. What we think may be coming within the next 5 years may be completely different when it arrives. On the other hand, it may not arrive at all. We must continue to monitor technological change for viable options to improve our service.
- **Funding Levels:** While we will pursue process, policy, systems, regulatory, and legislative improvements to address current and future challenges, all our strategies depend on adequate and sustained funding. Funding will be critical to our ability to achieve our goals. We also must maintain a strong level of performance in all our core workload areas, as well as provide the level of service the public expects and deserves every day.



HOW WE EVALUATE OUR PROGRAMS

We conduct independent evaluations of our programs to determine if they are effective. We continue to build on our collection of program data, research, and analyses to identify our program strengths and weaknesses. We use information from program evaluations to develop strategies to address the major challenges we face and to improve the day-to-day administration of our programs. We complete many of our evaluations annually, while others may be one-time efforts. The following chart lists some of our significant evaluations, a description of these evaluations, and the timeframes for completion.

Evaluation	Description	Completed
<i>Annual Employee Survey/Federal Human Capital Survey</i>	Provides an assessment of employee perspectives of organizational performance across several major human capital areas; including recruitment, development, performance culture, leadership, job satisfaction, and personal work experiences	Annually
<i>Congressional Report on the Evaluation of the Ticket to Work Program and Adequacy of Incentives</i>	Evaluates the progress of activities and the success of the <i>Ticket to Work</i> program and any recommendations for program modifications	Biennially in December
<i>Disability Initial Claims and Appeals Satisfaction Surveys</i>	Surveys individuals filing for disability benefits at the initial and appeal levels to obtain a “report card” on satisfaction with the initial application and hearings processes	Annually
<i>Enumeration Review</i>	Reviews the enumeration process to determine the quality of Social Security Number issuance	Annually
<i>Evaluation of Changing Benefit Structures</i>	Evaluates the distributional impact of changing Supplemental Security Income payments and Old-Age, Survivors, and Disability Insurance benefits	Ongoing
<i>Federal Information Security Management Act Report to the Office of Management and Budget</i>	Reports the status of our information security program	Annually
<i>Human Capital Accountability Plan</i>	Provides us with a system by which we can monitor and evaluate the results of our human capital strategies, policies, and programs, as well as our adherence to merit system principles	Annually

Evaluation	Description	Completed
<i>Internet Services Satisfaction Surveys</i>	Surveys satisfaction related to new or expanded Internet services made available to the public or other issues related to Internet service delivery	Contingent on agency information needs
<i>Retirement, Survivors, and Disability Insurance Stewardship Review</i>	Reports on dollar accuracy of payment outlays	Annually
<i>Retirement Wave Report</i>	Projects likely employee retirement rates in mission-critical occupations and in our components	Annually
<i>Safeguard Procedures Report/Activity Report</i>	Reports to the Internal Revenue Service (IRS) on security procedures in place for our systems using or storing IRS data	Annually
<i>Service Satisfaction Survey</i>	Surveys overall public satisfaction with our service	Annually in September
<i>Supplemental Security Income Annual Report</i>	Reports on the status of the Supplemental Security Income program	Annually in May
<i>Strategic Leadership Succession Plan</i>	Identifies how our succession management strategies for the recruitment, selection, and development of leaders will be implemented and evaluated	Annually
<i>Supplemental Security Income Stewardship Report</i>	Reports on dollar accuracy of payment outlays	Annually
<i>Telephone Services Satisfaction Surveys</i>	Surveys satisfaction related to improvements in telephone service made available to the public through our National 800 Number or in local field offices	Contingent on agency information needs
<i>Trustees Report</i>	Presents the current and projected financial status of the Old-Age, Survivors, and Disability Insurance Trust Funds	Annually in April

WHAT WE WILL DO...

Eliminate Our Hearings Backlog and Prevent Its Recurrence

- Hire more administrative law judges
- Streamline and automate case processing
- Increase video hearings

Preserve the Public's Trust in Our Programs

- Prevent waste, fraud, and abuse
- Protect personally identifiable information
- Minimize improper payments
- Use "green" solutions
- Simplify and streamline how we do our work

Improve the Speed and Quality of Our Disability Process

- Fast-track obvious allowances
- Update disability policies and procedures
- Roll-out an easy-to-use online disability application
- Enhance representative online services
- Offer online application status
- Simplify work incentive programs
- Increase use of electronic medical records

Improve Our Retiree and Other Core Services

- Roll-out an easy-to-use online retirement application
- Improve notices
- Enhance telephone service
- Improve field office reception areas
- Expand Enumeration-at-Entry
- Offer online Social Security Number replacement card applications

HOW AMERICA BENEFITS:

- No hearings backlog
- Faster disability decisions
- Convenient video hearings
- Accurate disability decisions
- Secure, easy-to-use online services 24/7
- Online retirement planning tools
- Easy-to-understand correspondence
- Better telephone service
- Fewer busy signals
- More self-service options
- Personal privacy protected
- Improved payment accuracy
- Improved protection of Trust Funds
- Better public understanding of the role of Social Security benefits
- Reduced energy consumption
- Courteous and knowledgeable employees
- Secure and robust systems to support workloads



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