



Social Security Provisions in the American Recovery and Reinvestment Act of 2009

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Summary

The American Recovery and Reinvestment Act of 2009 (Conference Report to accompany H.R. 1), as passed by the House of Representatives and Senate provides over \$1 billion in supplemental appropriations to the Social Security Administration (SSA) and provides for a one-time \$250 payment to all SSI recipients and adult Social Security beneficiaries.

Of the over \$1 billion appropriated to the SSA for administrative functions, \$500 million is to replace the agency's National Computer Center and \$500 million is to be spent by the agency on the processing of Social Security retirement and disability cases with up to \$40 million of this amount available for health information technology research and activities. In addition, the SSA Inspector General (IG) is appropriated \$2 million to provide audit and oversight over SSA activities funded by the act.

Every SSI recipient and adult Social Security beneficiary will receive a one-time economic recovery payment \$250 under this act. The SSA is appropriated \$90 million to assist the Department of the Treasury with the administration of these payments.

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Introduction

On February 13, 2009, the House of Representative and Senate agreed to the Conference Report to Accompany H.R. 1, the “American Recovery and Reinvestment Act of 2009.” The House of Representatives had passed its version of H.R. 1 on January 28, 2009, and the Senate passed its version on February 10, 2009. The Conference Report, as agreed to by the House of Representatives and the Senate, makes supplemental appropriations to the Social Security Administration (SSA) and provides for a one-time economic recovery payment of \$250 to all Supplemental Security Income (SSI) recipients, all adult Social Security beneficiaries, all adult Railroad Retirement and disability beneficiaries, and all veterans compensation and pension beneficiaries.¹

Supplemental Appropriations to the SSA for Administrative Functions

Total Funding

The Conference Report to accompany H.R. 1, as agreed to by the House of Representatives and Senate, provides over \$1 billion to the SSA for administrative functions. These supplemental appropriations are made to the SSA’s Limitation on Administrative Expenses (LAE) account and to the SSA Inspector General (IG).² H.R. 1, as passed by the House of Representatives, includes supplemental appropriations to the SSA of \$902 million. H.R. 1, as passed by the Senate, includes \$983 million in supplemental appropriations to the SSA.

Table 1 and the sections that follow provide additional detail on these supplemental appropriations.

¹ This report focuses only on payments to SSI recipients and Social Security beneficiaries.

² For additional information on the administrative budget of the SSA, see CRS Report RS22677, *Social Security Administration: Administrative Budget Issues*, by Kathleen Romig.

Table I. Summary of Supplemental Appropriations to the SSA for Administrative Functions in The American Recovery and Reinvestment Act of 2009

(in millions of dollars)

Activity	Conference Report to Accompany H.R. 1, as agreed to by the House of Representatives and Senate	H.R. 1, as passed by the House of Representatives	H.R. 1, as passed by the Senate
New SSA National Computer Center	500	400	750 ^a
Processing of Retirement and Disability Workloads	500	500	—
Health Information Technology Research and Activities	— ^b	— ^c	140
SSA IG	2	2	3
Administrative Costs Associated with One-Time Payments	90	— ^d	90
Total	1,092	902	983

Source: Congressional Research Service (CRS).

- a. H.R. 1, as passed by the Senate, proposes that money appropriated, but not used, for the construction of the new SSA National Computer Center may be used for health information technology research and activities.
- b. The Conference Report provides that up to \$40 million of the \$500 million appropriated for the processing of retirement and disability workloads may be used for health information technology research and activities.
- c. H.R. 1, as passed by the House of Representatives, proposes that up to \$40 million of the \$500 million appropriated for the processing of retirement and disability workloads may be used for health information technology research and activities.
- d. Section 2102(d) of H.R. 1, as passed by the House of Representatives, proposes an appropriation for “such sums as may be necessary to carry out this section” rather than a specific appropriation to the SSA for the purposes of administering the one-time emergency SSI payment.

New SSA National Computer Center

Conference Report

The Conference Report to accompany H.R. 1, as agreed to by the House of Representatives and Senate, provides \$500 million for the replacement of the SSA’s National Computer Center and the information technology costs associated with this center.

House of Representatives Bill

H.R. 1, as passed by the House of Representatives, provides \$400 million for construction and other costs associated with establishing a new National Computer Center for the SSA.

Senate Bill

H.R. 1, as passed by the Senate, provides \$750 million for a new SSA National Computer Center. The Senate version permits the SSA to use any balance of funds not needed for the new National Computer Center for health information technology research and activities.

Processing of Retirement and Disability Workloads

Conference Report

The Conference Report to accompany H.R. 1, as agreed to by the House of Representatives and Senate, provides \$500 million to the SSA for the processing of Social Security retirement and disability workloads.

House of Representatives Bill

H.R. 1, as passed by the House of Representatives, provides \$500 million for the processing of Social Security retirement and disability workloads.

Senate Bill

The Senate version does not provide any funding for the processing of Social Security retirement and disability workloads.

Health Information Technology Research and Activities

Conference Report

The Conference Report to accompany H.R. 1, as agreed to by the House of Representatives and Senate, provides that up to \$40 million of the \$500 million appropriated to the SSA for the purpose of processing retirement and disability workloads may be spent by the SSA on health information technology research and activities, including Supplemental Security Income (SSI) cooperative research and demonstration projects, to facilitate the use of electronic medical records for disability claims

House of Representatives Bill

H.R. 1, as passed by the House of Representatives, provides that the SSA may use up to \$40 million of the \$500 million appropriated for the processing of retirement and disability workloads for health information technology research and activities

Senate Bill

H.R. 1, as passed by the Senate, provides a \$140 million appropriation to the SSA for health information technology research and activities.

Inspector General (IG)

Conference Report

The Conference Report to accompany H.R. 1, as agreed to by the House of Representatives and Senate, appropriates \$2 million for the SSA Inspector General (IG). This funding is to remain available until September 30, 2012, and is to be used by the SSA IG to audit and provide oversight of SSA activities funded as part of the act.

House of Representatives Bill

H.R. 1, as passed by the House of Representatives, provides \$2 million for the SSA IG.

Senate Bill

The Senate bill provides \$3 million for the SSA IG.

One-Time Payment to SSI Recipients and Social Security Beneficiaries

The Conference Report to accompany H.R. 1, as agreed to by the House of Representatives and Senate, provides for a one-time economic recovery payment of \$250 to all SSI recipients and adult Social Security retirement and disability beneficiaries.³ This payment will be made by the Department of the Treasury at the “earliest practicable date,” but not more than 120 days after enactment of the act.

H.R. 1, as passed by the House of Representatives, provides a one-time emergency payment to be made to all SSI recipients.

H.R. 1, as passed by the Senate, provides a one-time economic recovery payment of \$300 to all SSI recipients and adult Social Security beneficiaries.

Table 2 and the sections that follow provide additional details on the one-time economic recovery payments to SSI recipients and adult Social Security beneficiaries.

³ These economic recovery payments will also be made to adult Railroad Retirement and disability beneficiaries and veterans compensation and pension beneficiaries.

Table 2. Summary of One-Time Payments to SSI Recipients and Social Security Beneficiaries in The American Recovery and Reinvestment Act of 2009

Provision	Conference Report to accompany H.R. 1, as agreed to by the House of Representatives and Senate	H.R. 1, as passed by the House of Representatives	H.R. 1, as passed by the Senate
Eligibility	All SSI recipients, adult Social Security beneficiaries, and child Social Security beneficiaries with disabilities that began before age 22	All SSI recipients	All SSI recipients, adult Social Security beneficiaries, and child Social Security beneficiaries with disabilities that began before age 22
Amount of payment	\$250	Equal to the average of all federal SSI payments paid to individuals and couples in the aggregate in the month prior to the month of the payment	\$300
Period after receipt that payment is exempt from means-tested program resource limits	9 months	6 months	9 months
Residency requirement	United States and territories	None	United States and territories
Deadline for applicability to retroactive benefits	December 31, 2010	December 31, 2009	December 31, 2010
Supplemental appropriation to the SSA for administrative costs associated with payments	\$90 million	None	\$90 million
Payment administration	Department of the Treasury	SSA	Department of the Treasury

Source: Congressional Research Service (CRS).

Eligibility for One-Time Payments

Conference Report

In order to be eligible for the one-time economic recovery payment provided by the Conference Report, a person must fall into one of the following categories:

1. The person must have been entitled to a cash benefit, other than a personal needs allowance, under the SSI program for at least one month during the three month period that ends with the month prior to the month in which the act containing the provision is enacted;
2. The person must have been entitled to one of the following types of Social Security benefits for at least one month during the three month period that ends

with the month prior to the month in which the act containing the provision is enacted:

- Old-age (retirement) benefits;
- Disability insurance (SSDI) benefits;⁴
- Husband's or Wife's insurance benefits;
- Child's insurance benefits based on a disability that began before the age of 22;
- Widow's or Widower's insurance benefits;⁵
- Mother's, Father's, and Parent's insurance benefits;
- Benefits based on transitional insured status as provided by Section 227 of the Social Security Act; or
- Benefits for certain uninsured persons age 72 or older as provided by Section 228 of the Social Security Act.

Limitations on Eligibility

No person may receive a recovery payment if his or her SSI or Social Security benefits are suspended because of his or her status as a prisoner, public institution inmate, parole or probation violator, fugitive, or illegal alien or if his or her benefits have been suspended because of fraud.

House of Representatives Bill

In order to be eligible for the emergency SSI payment provided by the House of Representatives version of H.R. 1, a person must fall into one of the following two categories:

1. The person must be entitled to a cash benefit, other than a personal needs allowance, under the SSI program for at least one day during the month in which the emergency payment is made;⁶ or
2. The person must have been entitled to a cash benefit, other than a personal needs allowance, under the SSI program for at least one day in the two-month period prior to the month in which the emergency payment is made; and the person's eligibility for SSI must have ended during that two-month period solely because he or she exceeded the SSI income limits.

⁴ For additional information on SSDI benefits see CRS Report RL32279, *Primer on Disability Benefits: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI)*.

⁵ For additional information on Social Security Widow's or Widower's benefits see CRS Report RS22294, *Social Security Survivors Benefits*, by Kathleen Romig and Scott Szymendera.

⁶ A person living in a Medicaid-funded facility is not eligible for full SSI benefits but may receive a personal needs allowance of \$30 per month. The amount of the personal needs allowance is set by Section 1611(e)(1)(B) of the Social Security Act [42 U.S.C. § 1382(e)(1)(B)] and is not subject to an annual cost of living adjustment. For additional information on the SSI program see CRS Report RL32279, *Primer on Disability Benefits: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI)*, by Scott Szymendera.

Senate Bill

H.R. 1, as passed by the Senate, contains eligibility requirements that are the same as those in the Conference Report.

One-Time Payment Amounts

Conference Report

The Conference Report to accompany H.R. 1, as agreed to by the House of Representatives and Senate, provides a \$250 economic recovery payment to all eligible persons. No person may receive more than one payment, even if he or she is eligible under multiple categories.

House of Representatives Bill

For an individual eligible for SSI benefits, the amount of the emergency SSI payment provided by H.R. 1 would be equal to the average amount of federal SSI benefits paid in the aggregate to individuals in the most recent month in which data are available.

For an individual eligible for SSI benefits who has an eligible spouse, the amount of the emergency SSI payment provided by H.R. 1 would be equal to the average amount of federal SSI benefits paid in the aggregate to individuals with eligible spouses in the most recent month in which data are available.

Senate Bill

The Senate version of H.R. 1 provides a \$300 payment to all eligible persons and prohibits any person from receiving more than one payment.

Residency Requirement

Conference Report

The Conference Report to accompany H.R. 1, as agreed to by the House of Representatives and Senate, requires that in order to receive an economic recovery payment, a person must be a resident of the United States or its territories.

House of Representatives Bill

H.R. 1, as passed by the House of Representatives does not contain a residency requirement for receipt of the one-time emergency SSI payment. However, only residents of the 50 states, the District of Columbia and the Commonwealth of the Northern Mariana Islands are eligible for SSI benefits.

Senate Bill

The Senate version of H.R. 1 requires that in order to receive the economic recovery payment a person must be a resident of the United States or its territories.

Limited Applicability to Retroactive Benefits

Conference Report

The Conference Report to accompany H.R. 1, as agreed to by the House of Representatives and Senate, limits the eligibility of SSI recipients and Social Security beneficiaries who are awarded benefits after the date of the recovery payment but who are eligible for benefits retroactive to the three-month period before the enactment of the act. No recovery payment may be made for any reason after December 31, 2010, thus limiting eligibility to those who are awarded SSI or Social Security benefits before that date.

House of Representatives Bill

H.R. 1 limits the eligibility of SSI recipients who are awarded benefits after the date of the emergency payment but who are eligible for benefits retroactive to the month of the emergency payment. Only persons who are determined by the Commissioner of Social Security in calendar year 2009 to fall into one of the categories described above are eligible for the emergency payment. Thus, a person who is awarded SSI benefits anytime after 2009 would not be eligible for the emergency SSI payment, even if he or she is awarded benefits retroactive to a date before the date of the emergency payment.

Senate Bill

The Senate version of H.R. 1 contains the same retroactivity provision as the Conference Report.

Assignment and Offset of Benefits

Conference Report

The Conference Report to accompany H.R. 1, as agreed to by the House of Representatives and Senate, provides that the non-assignment clause of the Social Security Act applies to economic recovery payments.⁷ Economic recovery payments may, however, be subject to an offset to collect delinquent debts owed to the United States government.

The amount of a person's "Making Work Pay" tax credit provided by Section 1001 of Division B of the Conference Report would be reduced by the value of any economic recovery payment he or she receives.

⁷ Sections 207 and 1631(d)(1) of the Social Security Act [42 U.S.C. §§ 407 and 1383(d)(1)]. With limited exception, benefits paid under Titles II and XVI of the Social Security Act may not be subject to assignment, attachment, garnishment, levy or any other legal process.

House of Representatives Bill

H.R. 1, as passed by the House of Representatives, provides that the non-assignment clause of the Social Security Act would apply to emergency SSI payments. The House of Representatives bill did not specify whether or not the emergency SSI payment may be subject to an offset to collect debts owed to the United States government.

H.R. 1 allows the Commissioner of Social Security to withhold some or all of the emergency SSI payment to recover an SSI overpayment. However, under this provision, the amount of the emergency payment would not be considered for the purposes of determining if a person has received an underpayment of SSI benefits.

Senate Bill

The Senate version of H.R. 1 contains the same assignment and offset provisions as the Conference Report.

Treatment of One-Time Payments by Other Means-Tested Programs and for the Purposes of Taxation

Conference Report

The Conference Report to accompany H.R. 1, as agreed to by the House of Representatives and Senate, provides that the amount of the economic recovery payment may not be treated as income, or for the month of receipt and the following nine months as a resource, for the purposes of determining an individual's eligibility or the eligibility of his or her family for or the amount of benefits or assistance from any federal program or any state or local government program funded entirely or in part with federal funds. The economic recovery payment is not considered income for the purposes of taxation.⁸

House of Representatives Bill

H.R. 1 provides that the amount of the emergency SSI payment may not be treated as income, or for the month of receipt and the following six months as a resource, for the purposes of determining an individual's eligibility for or the amount of benefits or assistance from any federal program or any state or local government program funded entirely or in part with federal funds.

H.R. 1, as passed by the House of Representatives, did not specify whether or not the one-time emergency SSI payment is to be treated as income for the purposes of taxation. SSI benefits are generally not taxed as income.

⁸ For additional information on the taxation of Social Security benefits see CRS Report RL32552, *Social Security: Calculation and History of Taxing Benefits*, by Janemarie Mulvey and Christine Scott.

Senate Bill

The Senate version of H.R. 1 contains the same provisions regarding the treatment of economic recovery payments as the Conference Report.

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