

**Annual Report
of the
Supplemental
Security
Income Program**

**Social Security Administration
May 2004**



SOCIAL SECURITY

The Commissioner

May 28, 2004

President George W. Bush
The White House
Washington, D.C.

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, D.C.

The Honorable Richard B. Cheney
President of the Senate
Washington, D.C.

Gentlemen:

I have the honor of transmitting to you the 2004 Annual Report of the Supplemental Security Income Program (the eighth such report), in compliance with section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

In my commitment to SSA's mission of managing America's social security programs, two of my top goals are: (1) delivering quality citizen-centered service in a timely and efficient manner, and (2) providing accountable stewardship to taxpayers by ensuring superior financial, performance and budget management and integrity in all payments, records and processes. Emphasizing these two goals is particularly important for the SSI program. I hope that the contents of this report will enable you to understand how seriously we take our role in this area.

Sincerely,

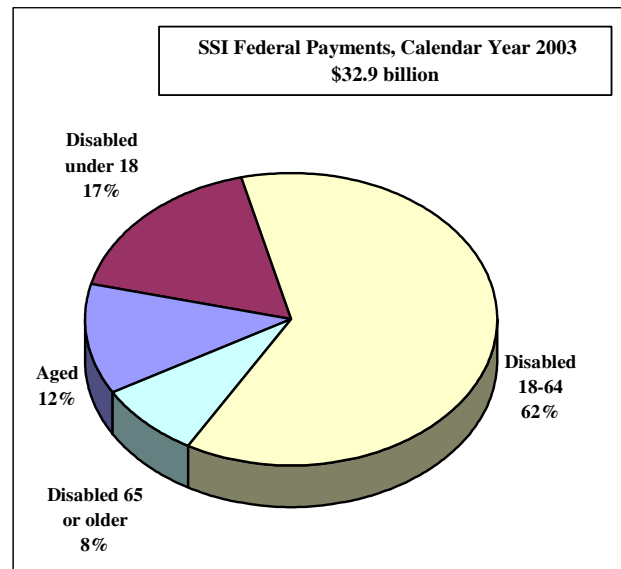
Jo Anne B. Barnhart

EXECUTIVE SUMMARY

In the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), the Congress required the Commissioner of Social Security to report annually to the President and to the Congress on the status of the Supplemental Security Income (SSI) program. A required element of these reports is to provide projections of program participation and costs through at least 25 years. This report is the eighth of such reports, and following are its major highlights and findings.

Highlights of the SSI Program

- The SSI program is a nationwide Federal assistance program administered by the Social Security Administration (SSA) that guarantees a minimum level of income for needy aged, blind, or disabled individuals. It acts as a safety net for individuals who have little or no Social Security or other income and limited resources.
- In January 2004, 6.6 million individuals received monthly Federal SSI payments averaging \$393 versus 6.5 million with an average payment of \$381 in January 2003.
- Federal expenditures for cash payments under the SSI program during calendar year 2003 increased 4.2 percent to \$32.9 billion, and the cost of administering the SSI program in fiscal year 2003 increased 4.5 percent to \$2.7 billion. In 2002 the corresponding Federal expenditures and cost of administering the SSI program were \$31.6 billion and \$2.6 billion, respectively.
- The Ticket to Work and Self-Sufficiency program, established to provide disabled beneficiaries with vocational rehabilitation, employment, and other support services, has been in operation nationwide since November 2003.
- With the enactment of the Social Security Protection Act of 2004, progress was made towards SSI program simplification by the inclusion of several SSI provisions that will make the administration of the program more efficient.



Major Findings of the Report

- By 2028, the end of 25-year projection period, the Federal SSI recipient population is estimated to reach 8.5 million. The projected growth in the SSI program over the 25-year period is largely due to the overall growth in the U.S. population. The rate of participation is projected to vary somewhat by age group, with the overall participation of the 65 or older age groups projected to decline and the participation of the under 65 age groups projected to increase slightly.
- Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients remained essentially level at 2.2 percent in 2003, and is projected to increase gradually to 2.4 percent of the population by 2028.

- Federal expenditures for SSI payments in calendar year 2004 are estimated to increase by \$1.7 billion to \$34.7 billion, an increase of 5.2 percent from 2003 levels.
- In constant 2004 dollars, Federal expenditures for SSI payments are projected to increase to \$43.8 billion in 2028, a real increase of 1.0 percent per year.
- When compared to the Gross Domestic Product (GDP), Federal SSI expenditures are projected to decline over time, from the current level of 0.30 percent of GDP in 2003 to 0.24 percent of GDP by 2028.

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I. INTRODUCTION

The Supplemental Security Income (SSI) program was established by Congress in 1972, with payments beginning in January 1974. It is administered by the Social Security Administration (SSA). SSI replaced the former Federal-State programs of Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD) in the 50 States and the District of Columbia. Residents of the Northern Mariana Islands became eligible for SSI in January 1978.

Under the SSI program, each eligible person living in his/her own household and having no other countable income is provided in 2004 a monthly Federal cash payment of \$564 (\$846 for a couple if both members are eligible). Since 1975, these Federal SSI benefit rates have been increased by applying the same cost-of-living adjustment that has been applied to benefits under the Old-Age, Survivors, and Disability Insurance (OASDI) program. In addition to setting a Federal benefit standard, the legislation establishing SSI also permitted individual States to supplement the Federal payment with an additional monthly amount. As described in section III, these State supplementation payments can be either voluntary at the option of the individual States or, in certain cases, mandatory under requirements in effect when the SSI program began.

Under section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the Commissioner of Social Security is required to submit a report on the SSI program to the President and Congress no later than May 30 of each year. This is the eighth annual report on the SSI program. The legislative mandate requires that the report include:

- A comprehensive description of the SSI program;
- Historical and current data relating to (1) claims intake and dispositions at all levels of decision making; (2) demographic information about recipients, including program cost and prior enrollment in other public benefit programs; (3) redeterminations, continuing disability reviews, and utilization of work incentives; (4) administrative costs; and (5) State supplementation program operations;
- 25-year projections of future participation rates and program costs;
- A historical summary of statutory changes to title XVI of the Social Security Act; and
- Summaries of any relevant research on the SSI program by SSA or others.

In addition, the legislation specified that the report may include views of the SSI program by the Social Security Advisory Board.

Much of the required information is the subject of extensive ongoing research. In responding to each of the specific requests for information, every effort has been made to provide the best information available at this time. SSA will continue to make improvements upon such information, in order to provide the President and Congress with the input necessary to effectively manage this important part of our society's social safety net.

II. HIGHLIGHTS

The Supplemental Security Income (SSI) program is a nationwide Federal assistance program administered by the Social Security Administration (SSA) that guarantees a minimum level of income for needy aged, blind, or disabled individuals. This section presents highlights of recent SSI program experience, a summary of important changes to the program in the last year, a discussion of current issues facing the SSI program, and a summary of the key results from the 25-year projections.

A. RECENT PROGRAM EXPERIENCE

SSI program experience during the past year included the following:

- During 2003, 1.8 million individuals applied for SSI benefits based on blindness or disability, an increase of 4 percent over 2002. An additional 0.1 million applied for SSI benefits based on age, a decrease of 5 percent from 2002. In calendar year 2003, 828 thousand applicants were awarded SSI benefits, an increase of almost 1 percent over the 821 thousand awarded benefits in 2002.
- On average during calendar year 2003, 6.6 million individuals received Federal SSI benefits on a monthly basis. This group was composed of 1.1 million aged recipients, 5.4 million disabled recipients, and 72 thousand blind recipients. Of the 5.4 million blind or disabled recipients, 0.7 million were aged 65 or older. An estimated 7.4 million aged, blind, or disabled individuals received at least 1 month's Federal SSI benefit during the year.
- Federal expenditures for cash payments under the SSI program in calendar year 2003 totaled \$32.9 billion, up from \$31.6 billion in 2002.
- On average during calendar year 2003, 2.5 million individuals received Federally-administered State supplementary payments on a monthly basis. This group was composed of 0.6 million aged recipients, 1.8 million disabled recipients, and fewer than 50 thousand blind recipients. An estimated 2.8 million individuals received at least 1 month's Federally-administered State supplementary payment during calendar year 2003.
- State expenditures for Federally-administered supplements, excluding fees for Federal administration, totaled \$4.0 billion in calendar year 2003, up from \$3.8 billion in 2002.
- The percentage of SSI recipients participating in direct deposit has more than doubled since 1995, reaching 52 percent in 2003.
- The cost of administering the SSI program in fiscal year 2003 was \$2.7 billion, which was roughly 7 percent of total Federally-administered SSI expenditures.
- In January 2004, 6.9 million individuals received Federally-administered monthly SSI benefits averaging \$426. Of these, 6.6 million received monthly Federal SSI payments averaging \$393, and 2.5 million received monthly State supplementation payments averaging \$138.

B. SSI LEGISLATION SINCE THE 2003 ANNUAL REPORT

Since the 2003 SSI Annual Report was transmitted to the President and Congress on May 30, 2003, the Social Security Protection Act of 2004 (Public Law 108-203) was enacted on March 2, 2004. The new law contains the following legislative changes to the SSI program:

Representative Payees

- Requires the Commissioner to reissue benefits under SSA-administered programs (including SSI) whenever an individual representative payee serving 15 or more beneficiaries, or an organizational representative payee, is found to have misused a beneficiary's funds. Defines "misuse" as when a representative payee converts benefits for use other than for the use and benefit of the beneficiary. Also excludes reissued benefits from resources under SSI for 9 months.
- Disqualifies an individual from serving as a representative payee if he/she has been convicted of an offense resulting in more than 1 year of imprisonment, unless the Commissioner determines that such certification would be appropriate notwithstanding such conviction. Also, disqualifies a person who is fleeing prosecution, custody, or confinement from serving as a representative payee.
- Requires representative payees to forfeit their fee from the beneficiary's benefits for the months during which the representative payee misused the funds.
- Treats misused benefits by a nongovernmental representative payee as overpayments to the representative payee, subject to overpayment recovery authorities.
- Provides SSA with the authority to redirect payments of SSI benefits to local Social Security field offices if a representative payee fails to provide an annual accounting of benefits report. The Commissioner is required to provide proper notice prior to redirecting benefits.
- Authorizes appropriations up to \$8.5 million to conduct statistically valid surveys to determine how payments made to representative payees are being used on behalf of OASDI and SSI beneficiaries.
- Authorizes imposition of civil monetary penalties and administrative sanctions for offenses involving misuse of SSA-administered program benefits (including SSI) received by a representative payee.
- Requires nongovernmental fee-for-service organizational representative payees to be both licensed and bonded, provided that licensing is available in the State.
- Requires the Commissioner to provide for periodic onsite reviews for all nonprofit fee-for-service payees, organizational payees (both governmental and nongovernmental) representing 50 or more beneficiaries, and individual payees representing 15 or more beneficiaries. Also, requires the Commissioner to report annually to Congress on the results of the onsite reviews.

Judicial Orders of Restitution

- Authorizes Federal courts to order a defendant convicted of defrauding SSA-administered benefit programs to make restitution to SSA.

Cross-Program Recovery for Benefit Overpayments

- Authorizes recovery of overpayments paid from one SSA-administered program from the benefits paid under another SSA-administered program. Provides for withholding up to 100 percent of any underpayment and 10 percent of ongoing monthly benefits, except that any recovery from ongoing SSI benefits would be limited to the lesser of 100 percent of the monthly benefit or 10 percent of the individual's total monthly income.

Fugitive Felons

- Revises the current prohibition of paying SSI benefits to fugitive felons and parole and probation violators if the Commissioner determines that good cause exists for paying such benefits.

- Requires the Commissioner to apply the good cause exception if a court of competent jurisdiction finds the person not guilty, charges are dismissed, a warrant for arrest is vacated, or there are similar exonerating circumstances identified by the court. The Commissioner would also apply the good cause exception if the individual establishes to the satisfaction of the Commissioner that he/she was the victim of identity fraud and the warrant was issued on such basis.
- Provides that the Commissioner may apply the good cause exception if the criminal offense was non-violent and not drug-related, and in the case of probation or parole violators, both the violation and the underlying offense were non-violent and not drug-related. In such cases, the Commissioner may establish good cause based on mitigating factors.

Attorney Fees

- Extends the current OASDI attorney fee withholding process to SSI for a period of 5 years. Caps the assessment for SSA processing attorney fees at \$75 or 6.3 percent of the attorney fee, whichever is lower.
- Authorizes a demonstration project to allow non-attorneys the option of fee withholding under both OASDI and SSI for 5 years.
- Requires the General Accounting Office (GAO) to study the results of extending fee withholding to SSI and to non-attorneys under both OASDI and SSI.

Federal and State Work Incentive Services

- Allows Benefits Planning, Assistance, and Outreach services and Protection and Advocacy systems services to be provided to those beneficiaries in section 1619(b) status, those beneficiaries receiving only a State Supplementary payment, and those beneficiaries in an extended period of Medicare eligibility under title XVIII after entitlement to disability benefits under title II has ended due to work activity.

Certain Infrequent and Irregular Income and Certain Interest or Dividend Income

- Changes the calculation of infrequent and irregular income from a monthly to a quarterly basis. Also, excludes from the determination of an individual's income all interest and dividend income earned on countable resources.

Uniform 9-Month Resource Exclusion

- Increases to 9 months and makes uniform the time period for excluding from resources amounts attributable to payments of past-due Social Security and SSI benefits and earned income and child tax credits.

Student Earned Income Exclusion

- Permits the student earned income exclusion to apply to any individual under age 22 who is a student.

Retrospective Month Accounting—Nonrecurring Income

- Eliminates triple counting of one-time, nonrecurring income by providing that this income will be counted only for the month that the income is received, and not for any other month during the transition to retrospective monthly accounting during the first 3 months of an individual's SSI eligibility.

Payments to Blind or Disabled Children of Military Parents Stationed Overseas

- Extends SSI eligibility to blind or disabled children who are U.S. citizens living with a parent assigned to permanent U.S. military duty outside of the United States, and who were not receiving SSI benefits while in the United States. Previously, only blind or disabled children who received an SSI benefit for the month before the parent reported for permanent duty abroad were eligible.

Education-Related Income and Resources

- Excludes from the determination of income any gift to an individual for use in paying tuition or educational fees, just as grants, scholarships and fellowships for such use are currently excluded from the determination of income.
- Excludes grants, scholarships, fellowships, or gifts to be used for tuition or educational fees from an individual's countable resources for 9 months after the month of receipt.

Treatment of Uniformed Service Compensation

- Allows the Commissioner to count military compensation as reported on a monthly leave and earnings statement issued by the military, which reflects compensation earned in a prior month as received in the prior month.

C. CURRENT ISSUES FACING THE SSI PROGRAM

Since May 2003, new issues facing the SSI program have emerged relating to improving the disability determination process, program simplifications, and outreach to homeless individuals. As has been the case in previous years, SSA continues to work on issues relating to program integrity and stewardship.

By any measure, the SSI program has been extremely successful over its 30 years of operation. Each month, it provides about 6.6 million of the nation's most vulnerable individuals with sufficient income to purchase the basic necessities of food, clothing, and shelter. For the low-income aged, blind, or disabled individuals, SSI is truly the program of last resort and is the safety net that protects them from impoverishment. Clearly the issue of what the SSI program should accomplish is a wide-ranging public policy issue, and one that Congress and other interested parties may want to consider with a broad view.

More than four out of every five individuals on the SSI rolls are either blind or under a disability. Most of these individuals underwent the rigorous and time-consuming process of having SSA evaluate their impairments and determine their disabilities. Many also have had to go through the Administrative-Law-Judge level of appeal before they came onto the SSI rolls.

When Jo Anne B. Barnhart became Commissioner of Social Security, she pledged to improve Social Security's disability process. The need for improvement in the disability process drew further attention when in January 2003 GAO added modernizing Federal disability programs—including SSI and OASDI—to its high-risk list. On September 25, 2003, during a hearing before the House Ways and Means Subcommittee on Social Security, the Commissioner demonstrated her commitment to improving the process by outlining a new approach to disability determination. Her vision includes changes that would shorten decision times, pay benefits to people who are obviously disabled much earlier in the process, and test new incentives for those with disabilities who wish to remain in, or return to, the workforce.

The Commissioner's approach incorporates insights and suggestions from a wide variety of important perspectives. The Commissioner met with SSA and Disability Determination Services (DDS) employees and public stakeholders, and reviewed reports issued by interested parties such as the Social Security Advisory

Board, advocacy groups and members of Congress. She considered all these recommendations when designing her new approach to disability determinations. This open dialogue and outreach will continue, and all interested parties can provide input as the Agency develops a final plan to improve the disability process. The proposed approach focuses on accountability, a better documented disability folder, improved medical and vocational expertise, and in-line quality reviews. The successful implementation of a new electronic disability claims processing system (eDib) will give SSA the ability to achieve these significant changes. In combination, these improvements should result in making the right decision as early in the process as possible.

With regard to program simplification, SSI simplification provisions were included in the President's FY 2004 budget and in SSI draft bills that had been sent to Congress in 2002 and again in 2003. In March, 2004, several important provisions were enacted in Public Law 108-203, the Social Security Protection Act of 2004. One such provision would exclude the small amounts of income that are paid as interest or dividends on SSI beneficiaries' resources and change from \$20 a month to \$60 a quarter the amount of infrequent income an individual can receive without it affecting his/her SSI benefit. By eliminating the reporting and recording of these very small amounts of income, SSI overpayments are avoided and the program is simpler and more efficient. Another provision eliminates the situation in which income received in the first month of eligibility is counted three times even if it is only received once. This triple-counting caused beneficiary confusion and was very difficult for SSA employees to administer and explain. While the budget impact of these provisions is negligible, the provisions are important steps in simplifying the program. SSA will continue to look at ways to simplify the program.

SSA has had a long history of reaching out to homeless and other vulnerable individuals. In FY 2003, Congress appropriated \$8 million and directed SSA to use the appropriation to provide outreach to "homeless and under-served" populations. In April 2004, SSA awarded \$6.6 million in funding to 34 organizations to assist eligible chronic homeless individuals apply for SSI and Social Security disability benefits. These Homeless Outreach Projects and Evaluation (HOPE) awards are part of the Bush Administration's commitment to end chronic homelessness in the next decade. The target population for these funded projects is composed of homeless individuals who are members of under-served groups, which may include people with severe and persistent mental illness, HIV infection, limited English proficiency, multiple and co-occurring disorders or cognitive impairments, as well as homeless veterans with disabilities. Through these awards, SSA hopes to achieve faster claim decisions and higher allowance rates for those homeless individuals who are eligible for disability benefits. Staff of organizations awarded funding will receive training to improve their knowledge of Social Security's disability programs and application process.

The cooperative agreement grants are in addition to what SSA routinely does with regard to homelessness. SSA's over 1,300 field offices have established a variety of activities and special procedures to reduce the problems faced by homeless individuals in obtaining Social Security or SSI benefits for which they are eligible. The primary impediment known to field office and DDS staff is the difficulty of maintaining contact with the homeless individual. It is also difficult for homeless individuals to keep appointments and to maintain records of medical treatment. To address these impediments, SSA allows homeless individuals to receive their monthly checks at the local field office; assists individuals in establishing bank accounts for direct deposit of SSA benefits and using automatic teller machines; and allows individuals to use the field office as a message center, so that DDS appointments or requests for information are not missed. In addition, SSA has an ongoing program of distributing public information materials to appropriate agencies involved with the homeless and maintaining resource information from those agencies in field offices in order to provide referral services as needed.

Program stewardship remains a high priority at SSA, and the SSI program continues to be the focus of that priority. The SSI Corrective Action Plan, which the Commissioner released in June 2002, announced an

agenda of initiatives designed to improve the management of the program in several respects, including program simplification and enhanced management accountability. The initiatives outlined in the Plan also included actions to better prevent overpayment error (which targeted the root causes of the most important types of overpayment), and actions to better detect and collect those overpayments which are not prevented.

Progress on the actions included in the Corrective Action Plan is reviewed monthly by the SSI Improvement Team, chaired by the Deputy Commissioner. Major long-term initiatives under the Plan include (1) a test of monthly reporting of wages using touch-tone and voice-activated telephone technology, (2) a test of the feasibility of electronic verification of bank account balances, (3) accelerated electronic death matches and (4) improved debt collection strategies. The plan was also the catalyst for several changes that have already been implemented. These include collecting overpayments using new software that identifies unresolved overpayments when underpayments become payable on an individual's SSI record, mandatory cross-program recovery, and new administrative offset and credit bureau referrals. These improvements contributed to increased recovery of SSI overpayments at reduced cost. Specifically, SSI overpayment collections in FY 2002 totaled \$859.6 million and in FY 2003 they totaled \$941.6 million (up 9 percent), with almost \$100 million of that total stemming from the automated netting technique. SSA also proposed (and Congress then enacted) new authority for expanded cross-program recovery which included lifting the restriction on the amount of offset that can be applied to retroactive checks and authorizing the recovery of SSI overpayments from underpayments owed in the OASDI program. An estimated SSI savings over 10 years of nearly \$200 million is expected from the legislation.

Data on payment accuracy for FY 2003 are not yet available. In FY 2002 the payment accuracy rate (payments free from overpayment error as a percentage of total outlays) was 93.4 percent. The goal for FY 2003 was 95.4 percent. This was a very challenging target given the complexity of the SSI program and the difficulty of keeping up with all of the payment-affecting changes in the lives of more than 6.6 million SSI recipients. While we are not optimistic about reaching that goal, we do expect improvement since several substantial actions were taken to reduce overpayment error. The most important of these was a significant increase in the number of redeterminations of eligibility that were processed by the field offices (they were increased by about 200,000). These redeterminations produced an estimated \$270 million in additional overpayment preventions.

It is important to remember that the SSI program is a means-tested program, where an individual's current means and assets are measured against dollar limitations specified in the law. The monthly SSI benefit computation is also based on an individual's actual amount of income. Thus, any changes in an individual's income and assets that are not immediately known by SSA can cause overpayments. The very design of SSI as a program that provides for current needs leads to some amount of unpreventable overpayment. Certain amounts of overpayments are unpreventable because of due process notification requirements or because an individual's income increases during a month after the SSI benefit has already been paid for the month. Other causes of overpayments result from recipients reporting benefit-changing events late or not at all. In addition, some amount of preventable overpayment accrues because SSA is not able to act promptly on reports of changes due to insufficient resources and competing workloads. There are very few occurrences of fraud in the SSI program.

In recognition of SSA's experience with SSI, SSA has been given a significant role in determining individuals' incomes in connection with provisions in Public Law 108-173, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. SSA will calculate Part B premiums for high-income beneficiaries and withhold the premiums for this program from beneficiaries' Social Security checks. SSA will also determine eligibility of low-income seniors for drug benefit subsidies under Medicare Part D. While SSA has made income determinations since the inception of the SSI program, these new Part B and Part D provisions raise their own set of issues. Much of the planning for these responsibilities has been com-

pleted, but the actual impact on SSA's other workloads has not been determined as the Part D and Part B provisions are not in effect until January 2005 and January 2007, respectively.

D. KEY RESULTS FROM THE 25-YEAR PROJECTIONS

The major findings in the 25-year projections prepared for this report are summarized below:

- Following small declines in the SSI recipient population in the late 1990s due to the combined impact of Public Law 104-121 and Public Law 104-193, modest growth in the SSI rolls resumed in 2000, and is expected to continue throughout the projection period largely due to the growth in the U.S. population. By 2028, the Federal SSI recipient population is estimated to reach 8.5 million. Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients is projected to increase slightly from 2.2 percent of the population in 2003 to 2.4 percent by 2028.
- Federal expenditures for SSI payments in calendar year 2004 are estimated to increase by \$1.7 billion to \$34.7 billion, an increase of 5.2 percent from 2003 levels. In constant 2004 dollars, SSI program outlays are projected to increase to \$43.8 billion in 2028, a real increase of 1.0 percent per year.
- When compared to the Gross Domestic Product (GDP), Federal SSI expenditures are projected to decline over time, from the current level of 0.30 percent of GDP in 2003 to 0.24 percent of GDP by 2028.

III. THE SUPPLEMENTAL SECURITY INCOME PROGRAM

This section presents a brief history and comprehensive description of the SSI program. This section also includes information on the administration of the program and coordination with other programs.

A. BACKGROUND

Federal entitlement programs for the aged, blind, or disabled have their roots in the original Social Security Act of 1935. That Act established an old-age social insurance program to be administered by the Federal Government and an old-age means-tested assistance program to be administered by the States. Similar programs for the blind or disabled were added to the Act in later years. Means-tested assistance provided a safety net for individuals who were either ineligible for Social Security or whose benefits could not provide a basic level of income.

This means-tested assistance comprised three separate programs—Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD). Despite substantial Federal financing, these programs were essentially State programs. Federal law established only broad guidelines and assistance. Federal financing was open-ended in the sense that the Federal Government would provide matching funds to support whatever payment levels the States established, with no maximum or minimum standards. Consequently, each State was responsible for setting its own standards for determining who would get assistance and how much they would receive.

Beginning in the early 1960s, this State-operated, Federally-assisted welfare system drew criticism that was directed at the “crazy quilt” eligibility requirements and payment levels. Other criticism centered on specific requirements, such as lien laws and provisions that required certain relatives to bear responsibility for the maintenance of needy family members.

Responding to these concerns, Congress passed and the President approved the SSI program in 1972, reversing the Federal and State roles with regard to adult assistance. Under the new arrangement, SSI would provide a uniform Federal income floor while optional State programs supplemented that floor. The new program was historic in that it shifted from the States to the Federal Government the responsibility for determining who would receive assistance and how much assistance they would receive.

B. THE BASIC PLAN

The main objective of the SSI program is to provide the basic cash support of needy aged, blind, or disabled individuals. Congress designed the SSI program based on the following principles:

- Eligibility requirements and benefit standards that are nationally uniform and eligibility determinations based on objective criteria;
- An assistance source of last resort for the aged, blind, or disabled whose income and resources are below specified levels;
- Incentives and opportunities for those recipients able to work or to be rehabilitated that would enable them to reduce their dependency on public assistance;
- An efficient and economical method of providing assistance;
- Inducements to encourage States to provide supplementation of the basic Federal benefit and protection for former recipients of State adult assistance programs who were converted to the SSI program; and

- Appropriate coordination of the SSI program with the food stamp, medical assistance, and other programs.¹

C. UNIFORM STANDARDS AND OBJECTIVE CRITERIA

Prior to the SSI program, the eligibility of aged, blind, or disabled individuals for Federally-funded adult assistance depended on the State in which they lived. Benefit amounts varied from State to State. The SSI program replaced the State-run programs with a national program with uniform standards and objective eligibility criteria. These standards include:

- A uniform limitation on the dollar amount or value of income and resources that an individual can have and still qualify for SSI assistance. The countable income limits for individuals and couples are equal to their respective Federal benefit rates² and hence are increased annually according to changes in the cost of living. Effective January 1, 2004, the Federal benefit rate is \$564 a month for individuals and \$846 a month for couples. The resource limit is \$2,000 in countable resources for individuals and \$3,000 for couples.
- Sixty-five as the minimum age requirement for assistance based on age.
- A uniform definition of disability and blindness. The definitions for individuals 18 or older are the same as those used for the Social Security Disability Insurance program. In order to be considered disabled, an individual must have a medically determinable physical or mental impairment which is expected to last or has lasted at least 12 continuous months or is expected to result in death and (1) if 18 or older prevents him/her from doing any substantial gainful activity³ or (2) if under 18 results in marked and severe functional limitations.⁴ However, individuals for whom addiction to drugs or alcoholism is a contributing factor material to the determination of their disabilities are not eligible for benefits.⁵ In order to be considered blind, an individual must have central visual acuity of 20/200 or less in the better eye with the use of a correcting lens or have tunnel vision of 20 degrees or less.
- Uniform standards for citizenship and residency. In order to be eligible for SSI, an individual must be a citizen (or national) of the United States, an American Indian born in Canada who is under section 289 of the Immigration and Nationality Act (INA), an American Indian born outside the United States who is a member of a Federally recognized Indian tribe under section 4(e) of the Indian Self-Determination and Education Assistance Act, a noncitizen who was receiving SSI benefits on August 22, 1996, or be a qualified alien in one of the following categories:⁶

— Certain noncitizens who are blind or disabled and were lawfully residing in the United States on August 22, 1996;

¹ For example, as explained in section III.H, SSI recipients in most States are also automatically eligible for Medicaid, which generally provides for their medical needs.

² See table IV.A2 for historical and estimated future Federal benefit rates.

³ “Substantial gainful activity” (SGA) is used to describe a level of work activity that is both substantial—i.e., involves the performance of significant physical and/or mental duties which are productive—and gainful—i.e., performed for remuneration or profit. SGA rules do not apply to the SSI blind. Generally earnings from work activity of over \$810 a month is evidence of ability to engage in SGA. If an SSI *applicant* is earning over \$810 a month, he/she generally would not be considered disabled. However, if an SSI *recipient* is earning over \$810 a month, he/she could continue to be eligible for SSI. (See “Incentives for Work and Opportunities for Rehabilitation” section III.E.) The SGA level of \$810 was increased from \$800 effective January 1, 2004 (65 FR 82905). Increases in the SGA level in subsequent years will be based on increases in the national average wage index.

⁴ The definition of disability and blindness for individuals under age 18 reflects amendments made by Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Prior to this, the law required a medically determinable physical or mental impairment of comparable severity to that required for individuals 18 or older.

⁵ This provision reflects amendments made by title I of Public Law 104-121, the Senior Citizens’ Right to Work Act of 1996, enacted March 29, 1996.

⁶ These standards reflect amendments made by Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 as amended by Public Law 104-208, Public Law 105-33 and Public Law 105-306. Prior to this, the law permitted SSI eligibility for individuals who were residents of the United States and—citizens or nationals of the United States; aliens lawfully admitted for permanent residence in the United States; or aliens permanently residing in the United States under color of law.

- Refugees (eligibility generally limited to the 7-year period after their arrival in the United States);
- Asylees (eligibility generally limited to the 7-year period after the date they are granted asylum);
- Noncitizens who have had their deportations withheld under section 243(h) of the INA as in effect prior to April 1, 1997, or who have had their removals withheld under section 241(b)(3) of the INA (eligibility generally limited to the 7-year period after the date that deportation or removal is withheld);
- Cuban and Haitian entrants under section 501(e) of the Refugee Education Assistance Act of 1980 (eligibility generally limited to the 7-year period after the date that entrant status is granted);
- Amerasian immigrants admitted pursuant to section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, and subsequent amendments (eligibility generally limited to the 7-year period after their arrival in the United States);
- Noncitizen active duty Armed Forces personnel, honorably discharged veterans, and their spouses and dependent children; or
- Lawful permanent residents who have earned, or can be credited (from their spouses or parents) with, 40 qualifying quarters of earnings.

Note: Qualified alien status includes noncitizens (or their parents or children) who have been battered or subjected to extreme cruelty in the United States by a spouse or parent (or a member of the spouse's or parent's family) with whom they live, and who have an approved petition, or have a petition pending, setting forth a *prima facie* case for adjustment of their immigration status. A complete list of noncitizens who are considered qualified aliens can be found in the Glossary under "Qualified Alien". However, to be eligible to receive SSI benefits, these noncitizens also must be in one of the categories listed above.

Finally, certain noncitizens may be eligible for SSI regardless of their immigration status if they have been determined to be victims of trafficking in persons in the United States¹. Such individuals are treated for SSI purposes as refugees. That is, they are eligible for SSI for 7 years after a determination is made that they are trafficking victims.²

In addition to having to be a U.S. citizen (or national) or in one of the potentially eligible noncitizen categories, an individual must reside in the 50 States, the District of Columbia or the Northern Mariana Islands. An individual also must be physically present in the United States³ for 30 consecutive days, if he/she had been outside of the United States for 30 or more consecutive days.

¹ Generally defined as the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

² Public Law 106-386, the Victims of Trafficking and Violence Protection Act of 2000, enacted October 28, 2000.

³ Fifty States, the District of Columbia or the Northern Mariana Islands.

There are two exceptions to the residency and physical presence requirements:

- Blind or disabled children who are citizens of the United States may continue to be eligible for payments if they are living outside the United States with a parent who is on duty as a member of the U.S. Armed Forces. This exception also applies to blind and disabled children of military personnel who are born overseas, become blind or disabled overseas or applied for SSI benefits while overseas.
- Students studying abroad for not more than 1 year also may continue to be eligible for payments if the studies are sponsored by a U.S. educational institution but cannot be conducted in the United States.

D. ASSISTANCE OF LAST RESORT

As a means-tested program, SSI takes into account all income and resources that an individual has or can obtain. The amount of an individual's countable income and resources are the measure of his/her need for assistance.

1. Income

The amount of an individual's income is used to determine both eligibility for, and the amount of, his/her SSI benefit. As countable income increases, an individual's SSI benefit amount decreases. Generally, ineligibility for SSI occurs when countable income equals the Federal benefit rate plus the amount of applicable Federally-administered State supplementary payment (State supplementation is discussed later).

The monthly Federal benefit rate¹ is reduced dollar-for-dollar by the amount of the individual's "countable" income—i.e., income less all applicable exclusions. Countable income is determined on a calendar month basis. The result of this computation determines SSI eligibility and the amount of the benefit payable. These benefit rates are adjusted annually (in January) to reflect changes in the cost of living.

When an individual lives in the household of another and receives support and maintenance in kind (i.e., generally room and board) from the householder, the Federal SSI benefit rate is reduced by one-third in lieu of counting the actual value of the support and maintenance as unearned income. The value of food, clothing, or shelter-related items the individual receives in kind from persons other than the householder (including in-kind assistance from outside the household in which he/she lives) is counted as unearned income. However, the amount that is countable is limited to an amount equal to one-third of the applicable Federal benefit rate plus \$20.

SSI law defines two kinds of income—earned and unearned. Earned income is wages, net earnings from self-employment, remuneration for work in a sheltered workshop, royalties on published work, and honoraria for services. All other income is unearned including, for example, Social Security benefits, other pensions, and unemployment compensation. The distinction between earned and unearned income is significant because different exclusions apply to each type of income.

However, not everything an individual receives is considered to be income. Generally, if the item received cannot be used as, or to obtain, food, clothing, or shelter, it will not be considered as income. For example, if someone pays an individual's medical bills, or offers free medical care, or if the individual receives money from a social services agency that is a repayment of an amount he/she previously spent, that value

¹ See table IV.A2 for historical and estimated future Federal benefit rates.

is not considered income to the individual. In addition, some items that are considered to be income are excluded when determining the amount of an individual's benefit.

Income Exclusions¹

The principal *earned* income exclusions are:

- The first \$65 per month plus one-half of the remainder,
- Impairment-related work expenses of the disabled and work expenses of the blind,
- Income set aside or being used to pursue a plan for achieving self-support by a disabled or blind individual, and
- Infrequent or irregularly received income (\$30 or less a quarter).

The principal *unearned* income exclusions are:

- The first \$20 per month,²
- Income set aside or being used to pursue a plan for achieving self-support by a disabled or blind individual,
- State or locally funded assistance based on need,
- Rent subsidies under the Department of Housing and Urban Development (HUD) programs and the value of food stamps, and
- Infrequent or irregularly received income (\$60 or less a quarter).

2. Resources

The amount of an individual's resources is used to determine whether he/she is eligible for SSI in any given month. SSI law states that eligibility is restricted to individuals who have countable resources, determined monthly, that do not exceed \$2,000 (\$3,000 for a couple). The law does not define what resources are, but does stipulate what items are not considered resources.

Regulations stipulate that a resource is cash or other liquid asset or any real or personal property that individuals (or their spouses) own and could convert to cash to be used for their support and maintenance. This definition is consistent with the general philosophy of the SSI program that only items that can be used for an individual's food, clothing or shelter should be used in determining his/her eligibility and benefit amount. Not all resources an individual owns are counted. The value of an item may be totally excluded or counted only to the extent that its value exceeds specified limits.

If an individual disposes of resources at less than fair market value within the 36-month period prior to his/her application for SSI or at any time thereafter, he/she may be penalized. The penalty is a loss of benefits for a number of months (up to a 36-month maximum) obtained by dividing the uncompensated value of disposed-of-resources by the Federal benefit rate plus the maximum State supplementary payment, if any, applicable to the individual's living arrangement. The penalty does not apply if, among other things,

¹ A complete list of the SSI income exclusions can be found in section V.B.

² Any portion of this \$20 amount not used to exclude unearned income may be used to exclude earned income.

the individual can show that the resources were disposed of exclusively for a purpose other than establishing SSI eligibility.

Resource Exclusions¹

The principal resource exclusions are:

- The home and land appertaining to it, regardless of value;
- Life insurance policies whose total face value does not exceed \$1,500;
- Burial funds not in excess of \$1,500 each for an individual and spouse (plus accrued interest);
- Household goods and personal effects in which one's equity does not exceed \$2,000;
- An automobile depending upon its use, otherwise, the current market value not in excess of \$4,500;
- Property essential to self-support;
- Resources set aside to fulfill a plan to achieve self-support; and
- Amounts deposited into either a Temporary Assistance for Needy Families (TANF) or "Assets for Independence Act" individual development account (IDA), including matching funds, and interest earned on such amounts.

3. Filing for Other Benefits

As the "program of last resort," SSI benefits are provided to eligible individuals only to the extent that their needs are not met by other sources. That is, after evaluating all other income and resources, SSI pays what is necessary to bring an individual to the statutorily prescribed income "floor." In keeping with this principle, SSI law requires that SSI applicants file for other payments for which they may be entitled, such as annuities, pensions, retirement or disability benefits, worker's compensation, and unemployment insurance benefits.

SSA must provide an individual with written notice of potential eligibility for other benefits and of the requirement to take all appropriate steps to pursue these benefits. The individual has 30 days from receipt of the notice to file for the benefits involved.

4. Eligibility Issues for Residents of Public Institutions or Medical Facilities

State and local governments—rather than the Federal Government—traditionally have taken the financial responsibility for residents of their public institutions. The SSI program continues this long-standing public assistance policy. People who are residents of public institutions for a full calendar month are generally ineligible for SSI unless one of the following exceptions applies:

- The public institution is a medical treatment facility and Medicaid pays more than 50 percent of the cost of care, or in the case of a child under age 18, Medicaid and/or private health insurance pays more than 50 percent of the cost of care;
- The public institution is a publicly operated community residence which serves no more than 16 residents;

¹ A complete list of the SSI resource exclusions can be found in section V.B.

- The public institution is an emergency shelter for the homeless (payments are limited to no more than 6 months in any 9-month period);
- The recipient was eligible under section 1619(a) or (b)¹ for the month preceding the first full month in the public institution and is permitted by the institution to retain any benefits (payable for up to 2 months); or
- A physician certifies that the recipient's stay in a medical facility is likely not to exceed 3 months and continued SSI eligibility is needed to maintain and provide for the expenses of the home to which the individual will return.

5. Personal Needs Allowance

When individuals enter medical treatment facilities in which more than half of the bill is paid by the Medicaid program, their monthly Federal payment standard is generally reduced to \$30, beginning with the first full calendar month they are in the facility. In the case of an individual under age 18, the \$30 payment standard is also applicable if more than half of the bill is paid by private insurance or a combination of Medicaid and private insurance. The theory behind this provision is that the individual's basic needs are being met by the medical facility. In these cases, the SSI program provides up to \$30 a month, which is intended to take care of small comfort items not provided by the institution.

6. Deeming

In certain situations the income and resources of others are counted in determining whether an individual's income and resources fall below the levels established by law. This process is called "deeming" and is applied in cases where an eligible individual lives with an ineligible spouse, an eligible child lives with an ineligible parent, or an eligible noncitizen has a sponsor.² In concept, the practice takes into account the responsibility of the spouse, parent, or sponsor to provide for the basic needs of the eligible individual.

a. Spouse-to-Spouse Deeming

When an eligible individual lives in the same household with a spouse who is not eligible for SSI, the ineligible spouse's income and resources are deemed to be available to the eligible individual. In determining the amount of income and resources available to the eligible individual, all applicable exclusions are used. In addition, a living allowance is provided for the ineligible spouse, as well as any ineligible children under age 18³ living in the household. The allowance reduces the amount of income to be deemed. Spouse-to-spouse deeming is intended to result in the same amount of income available to the couple as would be available if both members of the couple were aged, blind, or disabled and eligible for SSI.

Deeming does not apply when the eligible individual is not living in the same household as the ineligible spouse. However, if the ineligible spouse's absence is temporary or is due solely to an active duty assignment as a member of the U.S. Armed Forces, deeming would continue to apply.

b. Parent-to-Child Deeming

A child under age 18 is subject to deeming from an ineligible natural or adoptive parent (and that parent's spouse, if any) living in the same household. Certain amounts of the parent's income are excluded, living

¹ See section III.E.6 of this report for a description of the special section 1619 provisions for disabled people who work.

² Deeming also applies to an individual who lives with an essential person (a concept carried over from the former State assistance plans). However, there are fewer than 100 of these cases remaining.

³ Under age 21, if a student.

allowances are provided for the parent(s) and an allocation is set aside for each ineligible child under age 18¹ who is living in the household. Deeming from an eligible parent to a child would continue if the parent is absent from the household but the absence is temporary or is due solely to active duty assignment as a member of the U.S. Armed Forces. If a child lives in a household in which all members are receiving public assistance benefits, that child is not considered to be receiving any support and deeming would not apply.

c. Sponsor-to-Alien Deeming

The income and resources of noncitizens are deemed to include those of their sponsors. The way the income and resources are deemed and the length of the deeming period depend on whether the sponsor signed a legally enforceable affidavit of support² or the previous version of the affidavit. Generally, individuals who entered the country before 1998 did so under the old version of the affidavit.³

Under the old version of the affidavit, deeming of the sponsor's income and resources lasts until the non-citizen has been in the United States for 3 years.⁴ Living allowances equal to the Federal benefit rate are provided for the sponsor, and allowances equal to one-half of the Federal benefit rate are provided for each of the sponsor's dependents. Allowances are also provided for the sponsor and his/her family members in determining deemed resources. These allowances reduce the amount of the sponsor's income and resources deemed to the noncitizen.

For noncitizens admitted into the United States under a legally enforceable affidavit of support, deeming generally applies until the noncitizen becomes a U.S. citizen. Deeming ends before citizenship if the non-citizen has earned, or can be credited with, 40 qualifying quarters of earnings. Children and spouses of workers may be credited with quarters earned by the worker. A quarter otherwise earned after 1996 does not count as one of the required 40 if the noncitizen or worker received Federal means-tested public benefits during the relevant period.

Also for this group of noncitizens, deeming does not apply for specified periods if the noncitizens or their children or parents have been battered or subjected to extreme cruelty while in the United States or if sponsors leave the noncitizens indigent by not providing them with sufficient support.

E. INCENTIVES FOR WORK AND OPPORTUNITIES FOR REHABILITATION

SSI benefits provide a basic level of assistance for individuals who are blind or disabled with limited earnings ability due to their impairments. Nonetheless, for recipients who want to work, the SSI program is designed to encourage and support their work attempts in order to help them achieve greater degrees of independence. The SSI program includes a number of work incentive provisions that enable recipients who are blind or disabled to work and retain benefits or to increase their levels of work activity without the loss of SSI disability status or Medicaid. These incentives provide higher amounts of income or resource exclusions as recognition of the expenses associated with working or as inducements to seek rehabilitation services and support for work efforts.

¹ Under age 21, if a student.

² Legally enforceable affidavits of support are required by Public Law 104-208.

³ The Immigration and Naturalization Service (INS) began using the new, legally enforceable affidavits on December 19, 1997. However, if a potential immigrant had a visa issued before that date, the sponsor would sign an old version of the affidavit even if the affidavit was signed after December 19, 1997.

⁴ For a temporary period—January 1994 through September 1996—the deeming period was 5 years.

The SSI program also includes provisions to help disabled beneficiaries obtain vocational rehabilitation and employment support services. These provisions were revised by legislation establishing the Ticket to Work program, which is described in section III.E.7.

1. Earned Income Exclusion

The first \$65 (\$85 if the individual has no income other than earnings) of any monthly earned income plus one-half of remaining earnings are excluded for SSI benefit computation purposes. This general earned income exclusion is intended to help offset expenses incurred when working. It assures that SSI recipients who are working will be rewarded for their efforts by having greater total income than those who do not work.

2. Impairment-Related Work Expense Exclusion

The cost of certain impairment-related services and items that a disabled (but not blind) individual needs in order to work are excluded from earned income in determining SSI eligibility and benefit amounts.

In calculating these expenses, amounts equal to the costs of certain attendant care services, medical devices, equipment, prostheses, vehicle modifications, residential modifications to accommodate wheelchairs and similar items and services are deductible from earnings. The costs of routine drugs and routine medical services are not deductible unless these drugs and services are necessary to control the disabling condition.

3. Work Expenses of the Blind Exclusion

Any earned income by a blind individual that is used to meet expenses needed to earn that income is excluded from earned income in determining SSI eligibility and benefit amounts. A deductible expense need not be directly related to the worker's blindness; it need only be an ordinary and necessary work expense of the worker.

Some frequently excluded work expenses include transportation to and from work, meals consumed during work hours, job equipment, licenses, income or FICA taxes, and costs of job training.

4. Student Earned Income Exclusion

The student earned income exclusion is an additional exclusion for an individual who is under age 22 and regularly attending school. It is intended to help defray the cost of educational training. Under current regulations, up to \$1,370 of earned income per month but no more than \$5,520 per year may be excluded.¹

5. Plan for Achieving Self-Support

A plan for achieving self-support (PASS) allows a disabled or blind individual to set aside income and resources to get a specific type of job or to start a business. This may involve setting aside funds for education or vocational training. Funds can even be set aside to purchase work-related equipment or pay for transportation related to the work goal. The income and resources that are set aside are excluded under the SSI income and resources tests.

¹ Increased from \$1,340 and \$5,410, respectively, effective January 1, 2004 (65 FR 82905). Under current regulations this exclusion is increased yearly based on changes in the cost of living.

The individual must have a feasible work goal, a specific savings or spending plan, and must provide for a clearly identifiable accounting for the funds which are set aside. The PASS must be approved by SSA. The individual must then follow the plan and negotiate revisions as needed. SSA monitors the plans once approved by reviewing them periodically to ensure the individual's progress towards attaining the work goal.

6. Special Provisions for Disabled People Who Work

This work incentive generally is referred to by its section number in the Social Security Act, section 1619. Under section 1619(a), disabled individuals who would cease to be eligible because of earnings over the substantial gainful activity level can receive special cash benefits as long as they:

- Continue to have the disabling condition,
- Have income under the amount which would cause ineligibility for any payment under SSI income counting rules, and
- Meet all other nondisability requirements for SSI payment.

In many States, being a recipient of the special benefit permits the individual to be eligible for Medicaid benefits.

Under section 1619(b), "SSI recipient" status for Medicaid eligibility purposes also is provided to individuals:

- Whose earnings preclude any SSI payment but are not sufficient to provide a reasonable equivalent of the SSI, social services, and Medicaid benefits that the individuals would have in the absence of earnings; and
- Whose ability to continue working would be seriously inhibited by the loss of social services and Medicaid benefits.

To qualify for extended Medicaid coverage under section 1619(b) an individual must:

- Have a disabling condition,
- Need Medicaid in order to work,
- Not be able to afford equivalent medical coverage and publicly funded personal or attendant care which would be lost without assistance,
- Meet all nondisability requirements for SSI payment other than earnings, and
- Have received a regular SSI cash payment in a previous month within the current period of eligibility. (In some States, the individual must have qualified for Medicaid the month preceding the first month of 1619 eligibility.)

In determining whether individuals' earnings are not sufficient to provide them with the equivalent benefits they would be eligible for if they stopped working, their earnings are compared to a threshold amount for their State of residence. Section 1619(b) status continues if the earnings are below the threshold. If earnings exceed the State threshold, an individualized assessment of the need for Medicaid is made and 1619(b) status may continue.

7. Vocational Rehabilitation/Ticket to Work Program

Since the beginning of the SSI program, State Vocational Rehabilitation (VR) agencies have provided services to those blind or disabled SSI recipients whom they accepted as a client. SSA has traditionally reimbursed the VR agency for services provided in situations where the services result in the individual's working at the substantial gainful activity level for a continuous period of 9 months, and in certain other limited situations.

The Ticket to Work and Work Incentives Improvement Act of 1999 ("the Ticket legislation") established a Ticket to Work and Self-Sufficiency program (Ticket to Work program) under which a blind or disabled beneficiary may obtain vocational rehabilitation, employment and other support services from a qualified private or public provider referred to as an "employment network" (EN), or from a State VR agency. In addition, the Ticket legislation provided for a new procedure for compensating ENs under an outcome or outcome-milestone payment system¹. By expanding the pool of providers and giving the providers incentives for achieving success, this program seeks to expand a disabled beneficiary's access to these services in order to assist the beneficiary in finding, entering, and retaining employment and reducing his/her dependence on cash benefits. Regulations issued by the Commissioner became effective January 2002.

After being phased in gradually beginning in 2002, the Ticket to Work program has been in operation nationwide since November 2003. Under this program SSA provides eligible individuals who receive SSI benefits due to blindness or disability with a Ticket to Work document ("ticket"). These individuals may use the ticket to obtain the vocational rehabilitation services, employment services and other support services needed to return to work, or go to work for the first time. The Ticket to Work program provides that as long as the beneficiary is "using a ticket" as defined by the Commissioner, SSA will not initiate a continuing disability review. Individuals not eligible for a ticket may still request services from a State VR agency, which must decide whether they are eligible for services under the Rehabilitation Act of 1973.

ENs and State VR agencies are the only providers of VR services to SSI disabled recipients who can be compensated for those services by SSA. All ENs are compensated through the new outcome-based system. State VR agencies are compensated under the traditional VR reimbursement system for those cases where they have not elected to participate as an EN. Any services provided by the State VR agencies to SSI recipients who are not yet eligible for a ticket will be compensated under the traditional VR reimbursement system.

Individuals receiving SSI benefits who improve medically and, therefore, are no longer considered disabled or blind can continue to receive SSI benefits if they are actively participating in the Ticket to Work program, or another approved program of VR services, employment services, or other support services, and SSA determines that continuation or completion of the program will increase the likelihood that they will be permanently removed from the SSI rolls. SSI benefits and Medicaid generally continue until the approved program is completed or until the individual ceases to participate in the program.

8. Expedited Reinstatement

A disabled or blind individual whose eligibility for SSI payments was ended because of earnings can request expedited reinstatement of his/her SSI benefits without filing a new application. To qualify for expedited reinstatement, the individual must make the request within 60 months after his/her eligibility ended and must have a disabling medical condition that (1) is the same as (or related to) the disabling medical condition that led to the previous period of eligibility and (2) prevents him/her from performing

¹ State VR agencies generally have the option on a case-by-case basis of electing to be paid under an EN payment system or under the traditional cost reimbursement payment system.

substantial gainful activity. In determining whether the individual is disabled or blind, the medical improvement review standard is applied. Normal nonmedical requirements for SSI eligibility still apply.

An individual requesting expedited reinstatement may receive up to 6 months of provisional benefits while his/her request is pending. These benefits generally are not considered an overpayment if the request is denied. Provisional benefits may include Medicaid but do not include any State supplementary payments. Provisional benefits also may be received by the individual's spouse at a couple's rate if the spouse was previously eligible for SSI as a spouse.

F. ADMINISTRATION OF THE SSI PROGRAM

The framers of the SSI program chose SSA to administer the SSI program because the basic system for paying monthly benefits to a large number of individuals was already in place in the form of the Social Security program, and SSA had a long-standing reputation for dealing with the public in a fair and humane manner.

1. Application Process

Individuals can apply for SSI benefits at any one of the approximately 1,300 SSA field offices around the country or through SSA teleservice centers. The claims process includes the application interview, the obtaining of necessary evidence and documentation, and the adjudication of the claim. Although many of the eligibility requirements for the Social Security program and the SSI program are different, the application process is very similar. Many times, individuals file for benefits under both programs at the same time.

SSA corroborates information provided by applicants for SSI through independent or collateral sources. Generally, the basic responsibility for obtaining evidence lies with the claimant, although SSA often gives advice and assistance on ways to obtain the needed information. Because of the special circumstances of the SSI population (for example, financial need, old age, or illness), SSA makes special efforts to assist claimants in obtaining the necessary proofs.

With regard to disability and blindness claims, SSA makes determinations of all of the nonmedical eligibility factors while each State's Disability Determination Services (DDS) makes determinations of the medical eligibility factors.

Applicants and recipients are required to report events and changes of circumstances that may affect their SSI eligibility and benefit amounts. Such reports are required, for example, when an individual has a change in the amount of his/her income or resources, changes living arrangements, or leaves the United States. Failure or delay in submitting a required report can result in a penalty being assessed against the individual's SSI benefit. The penalty is \$25 for the first such failure or delay, \$50 for the second such failure or delay, and \$100 for each subsequent failure or delay.

2. Determination of Eligibility

SSI applications have no retroactivity and become effective in the month after the month of filing or the month after all eligibility requirements are met, whichever is later. Eligibility for benefits is determined on a current monthly basis. The amount of the monthly benefit generally is determined using income in the second month preceding the month for and in which the benefit is paid (a method called retrospective monthly accounting). However, at the start of a period of eligibility or re-eligibility, the benefits for the first and second months are both determined using the income received in the first month. (One-time, non-recurring income would only be counted in the month received.)

SSI recipients are required to have their nonmedical eligibility factors redetermined periodically, generally every 1 to 6 years depending on their specific situation.

In addition to these nonmedical reviews, medical reviews are conducted on disabled or blind recipients in order to determine if they continue to be disabled or blind. For administrative efficiency the medical reviews are done most often on those disabled or blind recipients whose medical conditions are considered likely to improve. Medical reviews are required for disabled or blind recipients, for example, under the following circumstances:

- When earnings of recipients exceed the substantial gainful activity level;¹
- At least once every 3 years for recipients under age 18 whose medical conditions are considered likely to improve;
- Within 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability unless the Commissioner determines that the impairment is not expected to improve within 12 months of the child's birth; and
- Within 1 year after attainment of age 18 and using the adult eligibility criteria, for recipients whose eligibility for SSI benefits was established under the disabled child eligibility criteria.

3. Payment of Benefits

SSI benefits generally are paid on the first day of each month. If the first of the month falls on a weekend or legal public holiday, benefit payments are delivered on the first day preceding such Saturday, Sunday, or holiday. While SSA strongly encourages all SSI beneficiaries to receive their monthly benefits by direct deposit, benefit payments are also made by check if individuals do not wish to have their benefits sent directly to a financial institution. Monthly benefit payments include both the Federal SSI and State amounts if the recipient lives in a State in which SSA administers the State supplementary payment. (See section III.G.) Eligible couples generally receive their monthly benefits in one payment.

4. Representative Payees

When SSI recipients are incapable of managing their benefits or are declared legally incompetent, SSA appoints representative payees for them, and their SSI benefits are sent to the representative payees. In many cases the representative payee is a spouse, a parent, or other close relative who will act in the recipient's best interest. In some cases, an SSA-approved organization may be appointed and some organizations have been authorized by SSA to collect a fee from the benefit for acting as payee. The fee cannot exceed the lesser of 10 percent of the benefit amount or a specified amount (\$31 a month in 2004 (\$59 a month for disabled recipients who also have a drug addiction or alcoholism condition)).

Representative payees may only use an SSI recipient's benefit for the use and benefit of the recipient and must account for all benefits received. Representative payees also are required to report any changes that may affect SSI recipients' eligibility and payment amount and may be held liable for certain overpayments that occur. In cases in which a child is due a retroactive payment that exceeds six times the Federal benefit rate, the representative payee is required to establish a separate (dedicated) account at a financial institution to maintain the retroactive payment. Expenditures from the account must be used primarily for certain expenses related to the child's impairment.

¹ Medical review cannot be initiated while the SSI recipient is "using a ticket" under the Ticket to Work program.

5. Appeal Rights

Recipients must be informed in writing in advance of adverse actions SSA plans to take and must be given the opportunity to request that their benefits continue pending a decision at the first level of appeal. Recipients can qualify for payment continuation when they appeal an adverse action within 10 days of receiving the advance notice. Slightly different rules apply to medical cessation cases. When appealing medical cessation cases, individuals may elect to have their benefits continued at both the reconsideration and hearing levels of appeal.

6. Attorney Fees

At any time, an individual may appoint a representative in any dealings with the Social Security Administration. If such a representative is an attorney, he/she must be in good standing, have the right to practice law before a court, not be disqualified or suspended from acting as a representative in dealings with Social Security and not be prohibited by any law from acting as a representative. If the individual is not an attorney, he/she must meet qualifications specified by the Commissioner (e.g., be of good character and able to provide valuable service to claimants).

A representative may charge and receive a fee for his/her services, but the Social Security Administration generally decides how much the fee shall be. While the Social Security Act does not establish a maximum fee, most attorneys use a process that limits their maximum fee to the lesser of 25 percent of the retroactive payment or \$5,300¹. A representative cannot charge or receive more than the fee amount authorized. The SSI program differs from the Social Security program in that amounts cannot be withheld from an individual's SSI benefits to pay for attorney fees. SSI claimants are responsible for paying such fees directly to their attorneys. However, beginning no later than March 2005, direct payment of attorney fees will be extended to the SSI program under the same process and in the same manner as fees are directly paid in the Social Security program. Like the fee process in the Social Security program, attorneys will be charged an assessment of the smaller of 6.3 percent of each authorized fee withheld or \$75. The flat-rate cap will be adjusted based on annual cost-of-living adjustments, rounded down to the next lower dollar. In addition, beginning no later than March 2005, the Commissioner will conduct a nationwide demonstration project providing for extension of fee withholding for non-attorney representatives under Social Security and SSI. The SSI fee withholding and direct payment of fees, and the demonstration project provisions, are temporary in that their authority ends after 5 years.

7. Advance Payments

The SSI program has provisions which help to respond to the immediate needs of new claimants. These procedures are in addition to State and local programs designed to help those in need, pending decisions on their SSI status.

a. Emergency Advance Payments

A new claimant who faces a financial emergency, and for whom there is a strong likelihood to be found eligible, may receive up to 1 month's SSI benefits, the Federal payment amount plus any applicable State supplement. The amount paid is recovered from later SSI payments (in full from the first payment or in increments over no more than a 6-month period, depending upon the circumstances). However, if the claim is subsequently not allowed because of not finding disability or blindness, repayment would be waived. If the claim is disallowed for other reasons, the amount paid would be an overpayment and processed as such.

¹ Fee agreements prior to February 1, 2002, were limited to the lesser of 25 percent of the retroactive payment or \$4,000.

b. Presumptive Disability or Blindness

Up to 6 months' payments may be made to an individual applying for benefits based on disability or blindness when the available evidence reflects a high degree of probability that his/her impairment will meet the definition of disability or blindness and he/she is otherwise eligible. These payments are not considered overpayments if the individual is later determined not to be disabled or blind.

G STATE¹ SUPPLEMENTATION

In designing the SSI program Congress recognized that States, in many instances, would want to provide a higher level of income maintenance than was available under the Federal program. At the same time States were given the option to either provide no supplementation to the Federal assistance payments or to supplement those payments based on their views of the needs of their citizens. They were mandated to assure that their citizens would not receive lower benefits under the Federal program than they had under the former State program. The following paragraphs describe the various forms of State supplementation that currently exist. Table III.H1 summarizes State-specific participation in these programs as well as other programs requiring State and Federal coordination as discussed in section III.H.

1. Optional State Supplementary Payment Programs

For individuals who first became eligible for SSI in 1974 or later, each State could supplement Federal payments to whatever extent it found appropriate with respect to the needs of its citizens and resources of the State. Currently, 45 States have optional State supplementary payment programs.

Some States provide supplementary payments to all individuals eligible for SSI benefits, while others may limit them to certain SSI recipients such as the blind or residents of domiciliary-care facilities, or may extend them to persons ineligible for SSI because of excess income. States' flexibility in setting supplementary payments, however, has been significantly restricted by the passalong provisions (see section 4 below).

2. Mandatory State Supplementary Payment Programs

States are required² to maintain the December 1973 income levels of individuals who were transferred from the former State adult assistance programs to the SSI program in 1974, except for Texas which has a constitutional bar against mandatory State supplementation. Because of the increases in Federal benefits over the years, there are few individuals who continue to receive mandatory State supplementary payments.

3. Administration of State Supplementary Payments

A State may administer its supplementary program or enter into an agreement under which SSA will make eligibility determinations and payments on behalf of the State. Under State administration, the State pays its own program benefits and absorbs the full administrative costs. Under Federal administration States are required to pay SSA a \$8.77 fee for each supplementary payment issued in fiscal year 2004. Fees are projected to rise in succeeding fiscal years, based on changes in the consumer price index.

¹ References to State include, in addition to the 50 States, the District of Columbia.

² Requirement does not affect West Virginia, since, in 1973, SSI Federal benefit rates exceeded the applicable income standards under the State's adult assistance programs.

States that administer their own supplementary payment programs establish their own eligibility criteria. States with Federally-administered programs must adhere to SSI eligibility criteria in all aspects except that they may establish additional income exclusions.

4. Passalong Provisions

It was originally Congress' view that increases in the Federal SSI benefit rate eventually would replace State supplementary payments. However, public reaction to States reducing their supplementary payment amounts when SSI payments were increased led Congress to mandate that States pass along SSI benefit increases resulting from cost-of-living adjustments.

To meet the passalong requirement, a State may either maintain each State payment level from year-to-year—the “payment levels” method—or it may spend the same amount of money, in the aggregate, that it spent for supplementary benefits in the 12-month period preceding the increase in the SSI benefit rate—the “total expenditures” method. Currently, 42 States use the levels method and 8 use the expenditure method. West Virginia has no optional supplementary plan and was not required to establish a mandatory plan because Federal SSI income standards exceeded all payments made under the State's adult assistance programs in 1973.

H. COORDINATION WITH OTHER PROGRAMS

SSI benefits are not the only form of assistance available to needy aged, blind, or disabled individuals. Medicaid, food stamps, and temporary State assistance also are important in keeping individuals from sliding further into poverty. SSA plays a limited but important role in helping States with regard to administration of Medicaid and food stamp programs, and provisions in the SSI statute assure that payments made by States or under the Social Security program are not duplicated by SSI benefits.

1. Windfall Offset

If a person receives SSI payments, and is later determined to be entitled to retroactive Social Security benefits, such retroactive benefits are reduced by the amount of SSI payments the person would not have been eligible for had the Social Security benefits been paid in the month they were due. This process is called the “windfall offset” and was enacted to prevent windfall payments to individuals when Social Security and SSI payments were paid for the same period.

2. Medicaid Determinations

Generally, SSI recipients are categorically eligible for Medicaid. A State may either use SSI eligibility criteria for determining Medicaid eligibility, or use its own criteria as long as the criteria are no more restrictive than the State's January 1972 medical assistance standards. Forty States use SSI criteria and 11 States use eligibility criteria more restrictive than those of the SSI program.

States also may enter into agreements with SSA for SSA to make Medicaid eligibility determinations on their behalf as long as the eligibility requirements of the State's Medicaid plans are the same as those for the SSI program. Under these agreements, SSA determines only when an individual is eligible for Medicaid; SSA does not determine Medicaid ineligibility. SSA has Medicaid determination agreements with 33 States.

Continued Medicaid eligibility is provided in SSI law for certain Social Security beneficiaries who lose SSI eligibility due to entitlement to Social Security benefits, or due to a change in Social Security benefits resulting from:

- Cost-of-living adjustments,
- Actuarial increases in disabled widow(er)s benefits before age 60,
- Changes in the definition of disability for widow(er)s benefits, or
- Increases in disabled adult child benefits.

Also, Medicaid continues for beneficiaries who lose SSI because of disabled adult child benefits entitlement if they would remain eligible for SSI without those title II benefits.

3. Food Stamp Applications

SSI recipients in all States, except California,¹ may be eligible for food stamps. Under agreements entered into by the Secretary of Agriculture and SSA, Social Security offices notify Social Security and SSI applicants and recipients of their potential benefits under the Food Stamp program and make food stamp applications available to them.

The law also provides for Social Security offices to take food stamp applications from potentially eligible or eligible SSI households which are not already receiving food stamps and which do not have a food stamp application pending. Food stamp applications from SSI households may be taken in connection with initial SSI claims or at the time of a redetermination. Food stamp applicants have the option of applying at Social Security offices or applying at State food stamp offices if expedited service is required. Social Security offices forward the food stamp applications and any supporting documents to the local food stamp offices within 1 day of taking the application. Eligibility is determined by the food stamp office.

4. Interim Assistance Reimbursement

SSA may enter into agreements under which States or local governments are reimbursed for basic needs assistance provided during the period that either an eligible individual's SSI application for benefits was pending, or the individual's SSI benefits were suspended and subsequently reinstated (the interim period).

Under these interim assistance reimbursement agreements, if the individual has given SSA written authorization, SSA sends an individual's first SSI benefit check relating to the interim period to the State or local jurisdiction that had provided the interim assistance. The State then deducts the amount it is owed and is required to forward the remainder to the claimant within 10 days.² Thirty-nine States have interim assistance agreements with SSA.

¹ California "cashes out" food stamps and SSI recipients there receive a cash payment in their State supplementary payment in lieu of food stamps.

² Beginning in August, 1996, in certain disabled children's cases, SSA first reimburses the State, then pays the remainder into special dedicated financial institution accounts for the children. In all other cases where the retroactive benefits exceed a certain amount, SSA reimburses the State, then pays the remainder in installments to the recipient or his/her representative payee.

Table III.H1.—SSI State Supplementation ¹ and Coordination with Other Programs

United States and District of Columbia	Optional State program— Administered by:			Method of mandatory passalong of benefit increases from cost-of-living adjustments		Medicaid eligibility determination—			Interim assistance reimbursement agreement with SSA
	State	Federal (SSA)	Federal & State	“Payment levels”	“Total expenditures”	Based on:		Agreement with SSA to determine eligibility	
						Federal criteria	State criteria		
Alabama ²	*			*		*		*	
Alaska	*			*		*		*	*
Arizona	*			*		*		*	*
Arkansas ³				*		*		*	
California		*		*		*		*	*
Colorado	*				*	*		*	*
Connecticut ²	*			*			*		*
Delaware		*		*		*		*	*
District of Columbia		*			*	*		*	*
Florida ²	*			*		*		*	*
Georgia ³				*		*		*	*
Hawaii		*			*		*		*
Idaho	*			*		*			
Illinois	*			*			*		*
Indiana ²	*			*			*		*
Iowa			*	*		*		*	*
Kansas ³				*		*			*
Kentucky ²	*			*		*		*	*
Louisiana ⁴	*			*		*		*	
Maine	*			*		*		*	*
Maryland ⁴	*			*		*		*	*
Massachusetts		*		*		*		*	*
Michigan			*	*		*		*	* 5
Minnesota ²	*			*			*		*
Mississippi ³				*		*		*	
Missouri	*			*			*		*
Montana		*		*		*		*	*
Nebraska	*				*	*			*
Nevada ²		*		*		*			*
New Hampshire	*			*			*		* 5
New Jersey		*		*		*		*	*
New Mexico	*			*		*		*	* 5
New York			*	*		*		*	*
North Carolina	*			*		*		*	*
North Dakota ²	*			*			*		
Ohio ⁴	*			*			*		*
Oklahoma	*				*		*		
Oregon	*				*	*			*
Pennsylvania		*		*		*		*	*
Rhode Island ²		*		*		*		*	* 5
South Carolina ²	*			*		*		*	
South Dakota ⁴	*			*		*		*	
Tennessee ³				*		*		*	*
Texas ⁶	*			*		*		*	
Utah ²		*		*		*			*
Vermont ²			*	*		*		*	*
Virginia ²	*			*			*		*
Washington	*				*	*		*	*
West Virginia ⁶						*		*	
Wisconsin	*				*	*		*	*
Wyoming	*			*		*		*	
Total number of States	30	11	4	42	8	40	11	33	39

¹ See body of text for description of the various forms of State supplementation.
² State no longer has any recipients receiving mandatory minimum State supplementation.
³ Mandatory minimum State supplementation program is Federally-administered. No optional program.
⁴ Mandatory minimum State supplementation program is Federally-administered.
⁵ State provides assistance only in initial application cases. No assistance provided during periods that SSI benefits are suspended or terminated.
⁶ State does not have a mandatory minimum State supplementation program.

IV. ESTIMATES OF PROGRAM PARTICIPATION AND FEDERAL EXPENDITURES UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM, 2004-28

As described in section III, eligibility for payments under the SSI program depends on satisfying a collection of requirements related to the socioeconomic status of the individual, as well as the evaluation of disability or blindness for all persons under age 65, and for certain individuals at ages 65 or older. Consequently, future SSI program participation will depend on a variety of difficult-to-predict factors including the performance of national and local economies, distribution of personal income, the prevalence of disability in the general population, and the determination of disability as defined by the Social Security Act.

Estimates of expenditures under the SSI program, prior to the issuance of the first SSI Annual Report in May 1997, were prepared in conjunction with the President's Budget for only a short-term projection period. These short-term projections relied exclusively on the evaluation of recent historical trends in the SSI program, and the extrapolation of such trends into the next few years. The provisions of Public Law 104-193 which mandate this report now require that such projections of future program participation be prepared for a period of at least 25 years. Due to the complex interaction between the economy and the SSI program, a model for projecting SSI program participation over such an extended time period should incorporate more sophisticated concepts than the trend analysis traditionally used for budget purposes. Therefore, the Office of the Chief Actuary began a multiyear program of research to develop the appropriate data and model to reflect the impact of the relevant factors on the future of the SSI program. We have incorporated improvements to our model on an annual basis, and the estimates presented in this report reflect this progression of improvements.

Our current model disaggregates the basic population by single year of age and gender in order to better understand and project the various transitions in and out of payment status. In addition, movements out of payment status are further examined by reason for such movements. This analysis is currently limited to two broad groups: (1) terminations due to death and (2) suspension of payment due to all other reasons.¹ Disaggregating by age enables us to better analyze the transition from disabled child status to status as a disabled adult at age 18, and provides us with an enhanced ability to analyze the age structure of the historical and projected disabled adult population. Recently, we have analyzed certain age subgroups in greater detail, with the result that our longer term assumptions with respect to the growth in the SSI population better reflect the growth patterns to be expected of the respective age groups. The presentation of projection results in the remainder of this section provides SSI population information by selected age groups. Where certain recipient categories have overlapping age distributions, recipient category totals are also shown.

A. DEMOGRAPHIC AND ECONOMIC ASSUMPTIONS

As in previous annual reports, the estimates presented in this section have been prepared in a manner which accounts for the basic demographic changes expected to occur over the next 25 years. In addition, the indexation of the Federal benefit rate depends on a projection of the Consumer Price Index (CPI) over that same 25-year period. These estimates are based on the intermediate demographic projections and CPI assumptions developed for the 2004 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance (OASDI) Trust Funds.² Detailed discussion of these demographic and economic parameters is presented in sections V.A and V.B of that report.³ The key assumptions utilized directly for the projections presented in this report are summarized in the following two tables. Table IV.A1 presents population projections summarized for the age subgroups that are used in the presentation of SSI participant projections discussed in the next section.

¹ The two main reasons other than death for termination of SSI payments are (1) failure to satisfy income and resource limitations of the SSI program and (2) recovery from a qualifying disability.

² House Document 108-176, published March 23, 2004.

³ *Ibid*, Section V.A, *Demographic Assumptions and Methods* and Section V.B, *Economic Assumptions and Methods*.

Table IV.A1.—Historical and Projected Population in the Social Security Area based on the Intermediate Assumptions of the 2004 OASDI Trustees Report, as of July 1, 1974-2028

[In thousands]

Year	Age groups ¹						Total all ages
	0-17	18-34	35-49	50-64	65-74	75 or older	
Historical data:							
1974	70,713	60,129	36,328	32,819	13,883	8,883	222,755
1975	69,726	62,092	36,311	33,165	14,188	9,117	224,599
1976	68,736	63,980	36,478	33,437	14,509	9,362	226,501
1977	67,830	65,644	36,887	33,705	14,840	9,618	228,524
1978	67,001	67,223	37,470	33,940	15,167	9,886	230,687
1979	66,271	68,855	38,044	34,110	15,483	10,170	232,932
1980	65,746	70,450	38,548	34,256	15,772	10,463	235,234
1981	65,419	71,560	39,511	34,339	16,046	10,759	237,634
1982	65,213	72,164	41,013	34,304	16,339	11,087	240,119
1983	65,164	72,646	42,544	34,186	16,609	11,418	242,566
1984	65,273	72,988	44,005	34,098	16,861	11,733	244,958
1985	65,528	73,208	45,444	34,003	17,156	12,041	247,380
1986	65,851	73,317	47,025	33,800	17,519	12,340	249,852
1987	66,126	73,382	48,703	33,657	17,842	12,656	252,365
1988	66,360	73,481	50,394	33,630	18,097	12,971	254,933
1989	66,812	73,395	52,163	33,616	18,349	13,290	257,625
1990	67,686	72,884	54,009	33,689	18,550	13,643	260,461
1991	68,793	72,095	55,846	33,938	18,711	13,998	263,382
1992	69,890	71,264	57,550	34,417	18,894	14,340	266,355
1993	70,883	70,502	59,153	35,060	19,032	14,658	269,288
1994	71,747	69,790	60,803	35,694	19,097	14,963	272,096
1995	72,443	69,147	62,546	36,267	19,100	15,299	274,801
1996	73,028	68,654	63,879	37,284	19,014	15,664	277,523
1997	73,486	68,355	64,707	38,816	18,894	16,000	280,259
1998	73,812	68,201	65,506	40,341	18,750	16,295	282,906
1999	74,121	68,139	66,252	41,826	18,614	16,570	285,522
2000	74,413	68,386	66,853	43,242	18,560	16,868	288,322
2001	74,761	68,903	67,360	44,666	18,541	17,179	291,411
2002	75,050	69,408	67,707	46,218	18,551	17,393	294,326
2003	75,241	69,688	67,849	47,911	18,621	17,533	296,844
Projected:							
2004	75,447	69,851	67,954	49,676	18,767	17,653	299,348
2005	75,646	69,992	68,068	51,490	18,985	17,754	301,935
2006	75,777	70,268	68,052	53,253	19,320	17,821	304,491
2007	75,808	70,804	67,793	54,932	19,828	17,858	307,023
2008	75,762	71,548	67,316	56,561	20,464	17,882	309,533
2009	75,709	72,361	66,712	58,204	21,124	17,914	312,025
2010	75,695	73,147	66,056	59,822	21,806	17,972	314,498
2011	75,732	73,893	65,430	61,195	22,661	18,039	316,951
2012	75,833	74,550	64,888	62,252	23,741	18,130	319,394
2013	75,995	75,049	64,449	63,162	24,905	18,275	321,835
2014	76,212	75,349	64,151	64,012	26,049	18,473	324,247
2015	76,477	75,488	64,075	64,710	27,158	18,718	326,625
2016	76,744	75,626	64,224	65,165	28,201	19,032	328,992
2017	76,967	75,860	64,460	65,403	29,194	19,461	331,345
2018	77,104	76,206	64,654	65,529	30,207	19,980	333,681
2019	77,139	76,652	64,747	65,640	31,301	20,520	335,998
2020	77,299	76,961	64,774	65,743	32,423	21,092	338,292
2021	77,617	77,103	64,890	65,726	33,417	21,803	340,556
2022	77,923	77,228	65,195	65,483	34,255	22,699	342,784
2023	78,226	77,288	65,692	65,041	35,036	23,688	344,970
2024	78,509	77,240	66,346	64,485	35,820	24,684	347,084
2025	78,767	77,105	67,087	63,887	36,608	25,667	349,120
2026	79,002	76,968	67,852	63,323	37,325	26,631	351,100
2027	79,210	76,877	68,551	62,841	37,919	27,623	353,021
2028	79,390	76,844	69,102	62,462	38,403	28,678	354,879

¹ Age as of last birthday.

Note: Totals do not necessarily equal the sums of rounded components. Historical population data subject to revision.

As described in section III.D.1, the monthly Federal benefit rate is adjusted in January of each year to reflect changes in the level of consumer prices. The adjustment factor is based on the year-to-year increase in the CPI for the third quarter of the calendar year. This cost-of-living adjustment is identical to the adjustment of Social Security benefits under the OASDI program. In previous years, occasional ad hoc increases were also applied to the Federal benefit rates, either in place of or in addition to the automatic adjustments. The history of legislation affecting the Federal benefit rates is presented in table V.A1. Table IV.A2 presents a complete history of the cost-of-living adjustment factors and Federal benefit rates since the inception of the program, along with projections of such amounts consistent with the economic assumptions underlying the SSI expenditure estimates discussed in section IV.C.

Table IV.A2.—SSI Federal Benefit Rate Increases and Levels: Historical and Projected on the Basis of the Intermediate Assumptions of the 2004 OASDI Trustees Report, 1974-2028

Year	Benefit rate increase ¹	Federal benefit rate		
		Individual	Couple	Essential person ²
Historical data:				
Initial benefit paid January 1, 1974 ³	—	\$140.00	\$210.00	\$70.00
1974	⁴ 4.3%	146.00	219.00	73.00
1975	8.0	157.70	236.60	78.90
1976	6.4	167.80	251.80	84.00
1977	5.9	177.80	266.70	89.00
1978	6.5	189.40	284.10	94.80
1979	9.9	208.20	312.30	104.20
1980	14.3	238.00	357.00	119.20
1981	11.2	264.70	397.00	132.60
1982	7.4	284.30	426.40	142.50
1983	⁴ 7.0	304.30	456.40	152.50
1984	3.5	314.00	472.00	157.00
1985	3.5	325.00	488.00	163.00
1986	3.1	336.00	504.00	168.00
1987	1.3	340.00	510.00	170.00
1988	4.2	354.00	532.00	177.00
1989	4.0	368.00	553.00	184.00
1990	4.7	386.00	579.00	193.00
1991	5.4	407.00	610.00	204.00
1992	3.7	422.00	633.00	211.00
1993	3.0	434.00	652.00	217.00
1994	2.6	446.00	669.00	223.00
1995	2.8	458.00	687.00	229.00
1996	2.6	470.00	705.00	235.00
1997	2.9	484.00	726.00	242.00
1998	2.1	494.00	741.00	247.00
1999	1.3	500.00	751.00	250.00
2000	⁵ 2.5	⁶ 513.00	769.00	257.00
2001	3.5	⁶ 531.00	796.00	266.00
2002	2.6	545.00	817.00	273.00
2003	1.4	552.00	829.00	277.00
2004	2.1	564.00	846.00	282.00
Projected:				
2005	1.1	570.00	855.00	285.00
2006	1.6	579.00	869.00	290.00
2007	2.0	591.00	886.00	296.00
2008	2.5	606.00	909.00	303.00
2009	2.8	623.00	934.00	312.00
2010	2.8	640.00	960.00	320.00
2011	2.8	658.00	987.00	329.00
2012	2.8	676.00	1,015.00	339.00
2013	2.8	695.00	1,043.00	348.00
2014	2.8	715.00	1,072.00	358.00
2015	2.8	735.00	1,102.00	368.00
2016	2.8	755.00	1,133.00	378.00
2017	2.8	777.00	1,165.00	389.00
2018	2.8	798.00	1,198.00	400.00
2019	2.8	821.00	1,231.00	411.00
2020	2.8	844.00	1,266.00	423.00
2021	2.8	867.00	1,301.00	434.00
2022	2.8	892.00	1,338.00	447.00
2023	2.8	917.00	1,375.00	459.00
2024	2.8	942.00	1,414.00	472.00
2025	2.8	969.00	1,453.00	485.00
2026	2.8	996.00	1,494.00	499.00
2027	2.8	1,024.00	1,536.00	513.00
2028	2.8	1,052.00	1,579.00	527.00

¹ Increases prior to 1984 were effective for the payment due on July 1 of the year. Increases shown for 1984 and later are effective for the payment due on January 1 of the year.

² A concept carried over from the former State assistance plans. There are currently fewer than 100 of those cases remaining.

³ Benefits paid in January, 1974 were based on the Federal benefit rates established by Public Law 92-603, enacted October 30, 1972: \$130.00 for individuals; \$195.00 for couples; and \$65.00 for essential persons. Retroactive payments were subsequently made to adjust initial payments to the higher Federal benefit rates established by Public Law 93-233, enacted December 31, 1973.

⁴ Ad hoc increases as specified in the law.

⁵ Originally determined as 2.4 percent, but pursuant to Public Law 106-554, enacted December 21, 2000, is effectively now 2.5 percent.

⁶ Benefits originally paid in 2000 and through July 2001 were based on Federal benefit rates of \$512.00 and \$530.00, respectively. Pursuant to Public Law 106-554, monthly payments beginning in August 2001 were effectively based on the higher \$531 amount. Lump-sum compensation payments were made based on an adjusted benefit rate for months prior to August 2001.

Estimates presented in the sections that follow are based on the assumptions described in this section. Furthermore, for purposes of making these estimates, it is assumed that no changes will occur during the projection period in the present statutory provisions and regulations under which the SSI program operates.

B. NUMBERS OF PARTICIPANTS IN THE SSI PROGRAM

This section presents projections of the various subpopulations which lead to the numbers of persons receiving Federal SSI payments. As described above, the model that produces these projections is structured to handle population flows by single-year-of-age.¹ Correspondingly, the tables in this section present population totals by selected age groupings for the SSI recipient categories of (1) *aged* and (2) *blind or disabled*. The following paragraphs discuss these age groupings and recipient categories in more detail.

- The *aged* category includes those individuals whose eligibility for SSI benefits is established based on meeting the age-65²-or-older requirement for assistance, and other SSI eligibility requirements including income and resource limits. In December 2003, there were 1.233 million aged recipients of Federally-administered SSI payments.
- The *blind or disabled* category includes those individuals whose eligibility is established based on meeting the definition of blindness or disability and the applicable income and resource limits as well as any other SSI eligibility requirements. This category is often subdivided into two subcategories based on age: *blind or disabled adults* (age 18 or older) and *blind or disabled children* (under age 18). In December 2003, there were 5.670 million blind or disabled recipients of Federally-administered SSI payments
 - The *blind or disabled adults* subcategory includes those individuals age 18 or older who meet the definition of blindness or disability for individuals age 18 or older and SSI income and resource limits. Included in this category are students aged 18 to 21 who must meet the adult definition of disability and differ from other adults only in that they qualify for a special student earned income exclusion. After attainment of age 65, these individuals generally continue to be classified as blind or disabled adults (rather than aged). In December 2003, there were 4.710 million blind or disabled recipients of Federally-administered SSI payments age 18 or older, including 7 thousand students who used the special student earned income exclusion and 757 thousand disabled or blind recipients aged 65 or older
 - The *blind or disabled children* subcategory includes those individuals whose eligibility is established based on meeting the definition of blindness or disability for individuals under age 18. These children are subject to parent-to-child deeming until they reach the age of 18. At age 18 these individuals continue to be eligible for SSI if they meet the definition of blindness or disability for individuals age 18 or older and, as a result, are reclassified as blind or disabled adults. In December 2003, there were 959 thousand blind or disabled recipients of Federally-administered SSI payments who were under age 18.

Table IV.B1 presents historical and projected numbers of persons applying for SSI benefits, by calendar year of application. Figure IV.B1 presents this same information in graphical form. Actual numbers of applications received in 2003 were about 3.4 percent higher than were received in 2002 following an increase of 9.6 percent from 2001 to 2002. The actual result for 2003 was 1.8 percent higher than esti-

¹ Population flows are projected on a calendar-year-age basis, with activity throughout a given year tabulated according to age at the end of the calendar year. Tabulations of recipients in current-payment status are provided as of December of each calendar year at which time calendar year of age and age last birthday are the same. However, the tabulations that reflect activity throughout the calendar year are summarized according to calendar year of age and will not correspond precisely to tabulations summarized according to age last birthday. For example, applications for the 0-17 age group for a given calendar year include applications only for those individuals who are under 18 at the end of the calendar year.

² Individuals may apply for SSI benefits based on age of the day preceding their 65th birthday.

mated for 2003 in the 2003 Annual Report. This 2-year growth in applications is likely related to the downturn in the economy that began early in 2001. Our short-term projections of numbers of applications reflect a continuation of that higher level of applications over the next 2 years, but return to a path consistent with longer term historical trends as the economy is assumed to recover. Longer term trends in applications are estimated to continue to grow from current levels roughly in line with overall population growth, as was assumed in last year's report.

Table IV.B1.—SSI Federally-Administered Applications,¹ Calendar Years 1974-2028
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/
1975 ³	4/	4/	4/	4/	4/	4/	4/	4/	1,075	325	1,400
1976	4/	4/	4/	4/	4/	4/	4/	4/	984	254	1,239
1977	4/	4/	4/	4/	4/	4/	4/	4/	1,040	259	1,298
1978	4/	4/	4/	4/	4/	4/	4/	4/	1,046	258	1,304
1979	4/	4/	4/	4/	4/	4/	4/	4/	1,090	262	1,352
1980	122	310	272	438	8	1	187	89	1,151	276	1,427
1981	78	206	173	271	5	5/	88	42	733	130	864
1982	88	246	206	278	11	1	93	48	830	141	971
1983	102	258	225	311	5	1	122	68	902	190	1,092
1984	103	267	247	321	7	5/	178	108	944	286	1,230
1985	114	294	297	409	7	5/	151	73	1,122	223	1,345
1986	122	316	334	426	7	1	150	81	1,205	231	1,437
1987	108	287	299	331	7	1	134	66	1,033	200	1,233
1988	114	282	301	317	7	1	131	69	1,021	200	1,221
1989	116	297	323	329	7	5/	146	76	1,072	222	1,294
1990	149	335	380	356	6	5/	156	71	1,226	227	1,454
1991	237	391	453	391	7	5/	159	68	1,479	227	1,706
1992	339	453	522	407	8	5/	163	64	1,728	226	1,955
1993	473	506	570	416	7	5/	158	61	1,973	218	2,191
1994	517	492	571	402	6	5/	136	52	1,989	188	2,177
1995	473	435	524	363	6	5/	121	44	1,801	165	1,966
1996	431	393	500	345	9	1	108	44	1,678	153	1,831
1997	306	317	438	307	8	1	82	35	1,377	117	1,494
1998	318	317	453	331	9	1	96	39	1,428	136	1,563
1999	338	317	470	336	6	5/	107	39	1,468	145	1,614
2000	337	321	486	341	6	5/	102	39	1,493	140	1,633
2001	351	346	502	354	4	5/	98	35	1,558	134	1,691
2002	385	388	550	384	4	5/	105	38	1,711	142	1,853
2003	400	404	565	408	4	5/	100	36	1,781	135	1,916
Projected:											
2004	397	403	563	425	5	5/	100	36	1,793	136	1,929
2005	392	392	558	432	5	5/	104	37	1,779	141	1,920
2006	381	378	540	443	5	5/	108	37	1,747	145	1,892
2007	371	367	520	451	6	5/	113	37	1,715	150	1,865
2008	366	362	505	460	6	5/	116	37	1,700	153	1,853
2009	362	360	494	470	6	5/	117	37	1,694	154	1,848
2010	362	364	490	481	7	5/	118	37	1,705	155	1,860
2011	363	368	485	490	7	5/	124	37	1,714	160	1,874
2012	364	371	481	498	8	5/	130	37	1,721	167	1,888
2013	365	372	478	505	8	5/	135	37	1,728	172	1,901
2014	366	373	476	511	8	5/	140	38	1,735	178	1,913
2015	367	373	476	515	8	5/	145	38	1,740	183	1,923
2016	368	374	478	516	8	5/	149	39	1,744	188	1,932
2017	369	375	479	517	9	5/	154	40	1,749	193	1,942
2018	370	378	480	516	9	5/	159	41	1,753	200	1,953
2019	371	380	480	517	9	5/	164	42	1,757	206	1,964
2020	372	381	480	517	10	5/	169	43	1,760	213	1,972
2021	374	382	481	515	10	5/	173	45	1,762	218	1,980
2022	375	382	484	512	10	5/	178	47	1,764	225	1,988
2023	376	382	489	507	10	5/	181	49	1,765	230	1,995
2024	378	382	494	502	10	5/	185	51	1,766	236	2,002
2025	379	381	500	497	10	5/	189	53	1,767	242	2,009
2026	380	381	505	493	10	5/	191	55	1,769	245	2,014
2027	380	380	510	489	10	5/	192	57	1,770	249	2,019
2028	381	380	514	488	10	5/	194	59	1,773	252	2,025

¹ Based on data reported in the Integrated Workload Management System (formerly known as the District Office Workload Report).

² Consistent data on applications for 1974 (the first year of operation of the program) are not available.

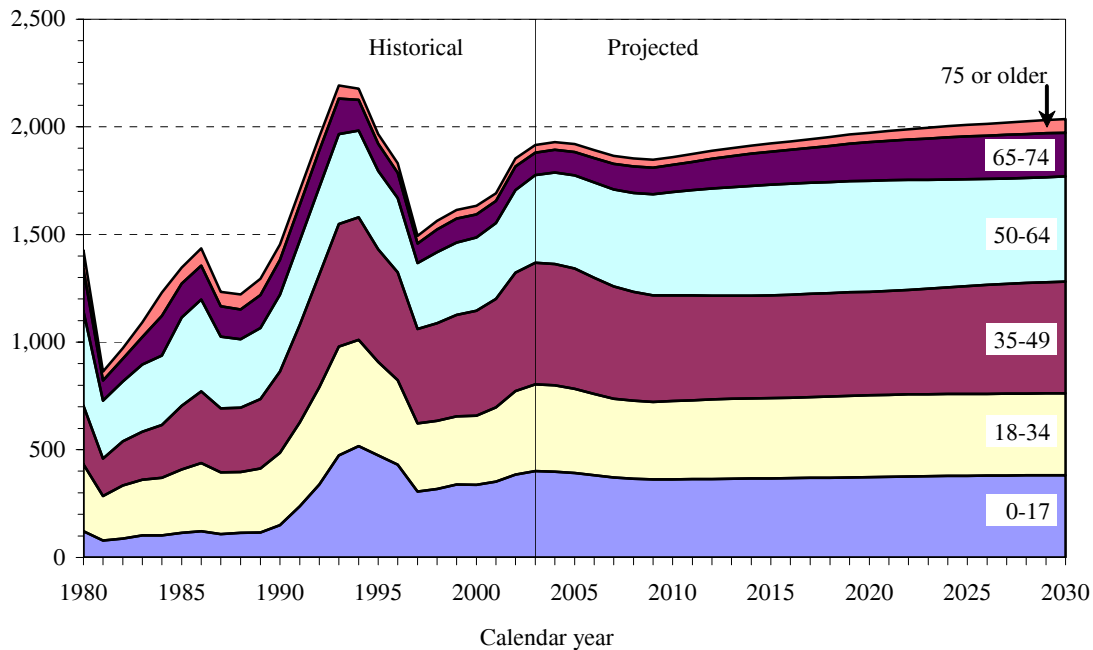
³ Totals estimated using a 1-percent sample.

⁴ Age-specific information for these years not yet available.

⁵ Fewer than 500.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Figure IV.B1.—SSI Federally-Administered Applications by Age Group, Calendar Years 1980-2030
[In thousands]



The adjudication of these applications involves an evaluation of levels of income and resources available to the applicants, as well as other eligibility factors including marital and citizenship status and living arrangements. In addition, in over 90 percent of the cases, an evaluation of an alleged impairment must be done by the appropriate State Disability Determination Service. An unfavorable disability determination may then be appealed by the applicant through several administrative levels of appeal. If all administrative levels of appeal are exhausted, the applicant may in turn carry his/her appeal to the Federal courts. Data on recent historical experience for this disability decision process are presented in section V.C.

Table IV.B2 and figure IV.B2 present historical and projected numbers of persons who are ultimately awarded SSI eligibility as a result of this decision process. In that table and graph, we are essentially counting individuals as being awarded in the first month that they move into SSI payment status. For this reason, we refer to these individuals as “new entrants” rather than “awards.”¹ The numbers of new entrants into SSI payment status increased in 1998 and again slightly in 1999 following a period of decline ending in 1997. In 2000, the numbers of new entrants experienced a small decrease but resumed growing in 2001 and continued growing in 2002 and 2003 with an increase in 2003 of 0.8 percent following an increase of 6.4 percent in 2002. The growth in awards in 2002 and 2003 did not keep pace with the growth in applications, and the number of claims pending adjudication has grown. Our projections assume that the level of new entrants will continue at a somewhat higher level for the next few years, reflecting both the continued assumed higher level of applications in the next couple of years and the reduction in pending claims, as more administrative resources become available to process claims. Over the longer term the numbers of new entrants are estimated to increase gradually in line with the projected growth in applications.

¹ In addition, these counts differ slightly from other similar totals identified as “awards” and published by the Office of Research, Evaluation, and Statistics (ORES) in the *Annual Statistical Supplement to the Social Security Bulletin*. The ORES totals are similar in concept to those used in this report, but differ slightly due to the timing of the action being tabulated. For example, ORES does not count a disability benefit as being awarded until the disability decision is made. In contrast, under the procedures used in this report, individuals first coming on the SSI rolls through a finding of presumptive disability would be counted as a “new entrant” in the first month of presumptive disability payment.

Table IV.B2.—SSI Federally-Administered New Entrants, Calendar Years 1974-2028
[In thousands]

Calendar year ¹	Blind or disabled, by age group					Aged, by age group			Totals ²		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974 ³	4/	4/	4/	4/	4/	4/	4/	4/	1,919	2,479	4,398
1975	4/	4/	4/	4/	4/	4/	4/	4/	584	347	931
1976	4/	4/	4/	4/	4/	4/	4/	4/	452	218	669
1977	4/	4/	4/	4/	4/	4/	4/	4/	429	209	637
1978	4/	4/	4/	4/	4/	4/	4/	4/	370	193	563
1979	4/	4/	4/	4/	4/	4/	4/	4/	330	169	499
1980	41	92	61	142	4	5/	125	59	341	184	524
1981	37	77	49	106	3	5/	80	37	272	117	389
1982	38	63	51	90	4	5/	72	31	245	103	348
1983	47	88	62	117	3	5/	95	51	317	146	463
1984	47	109	78	142	4	5/	131	78	380	209	589
1985	48	104	80	148	4	5/	106	46	384	152	536
1986	55	127	109	153	5	5/	110	51	449	161	610
1987	48	119	106	157	5	5/	116	52	435	167	602
1988	50	101	108	146	5	1	112	56	412	167	579
1989	48	113	115	155	5	5/	127	62	436	189	625
1990	76	136	134	182	5	5/	149	66	533	215	748
1991	126	146	172	200	6	5/	139	54	650	193	844
1992	221	199	221	233	6	5/	133	48	881	181	1,062
1993	235	194	221	225	6	5/	136	49	881	185	1,066
1994	204	164	207	215	6	5/	116	42	796	157	953
1995	177	147	207	218	5	5/	105	36	755	141	895
1996	145	134	193	203	6	1	93	35	681	128	809
1997	116	111	171	178	4	5/	68	25	580	93	673
1998	135	117	181	194	7	1	78	30	634	108	742
1999	140	114	186	195	5	5/	88	33	640	120	760
2000	145	112	180	191	5	5/	84	31	633	115	748
2001	157	121	185	198	4	5/	79	28	665	107	772
2002	171	128	195	212	4	5/	82	29	710	111	821
2003	180	132	194	214	4	5/	77	27	724	104	828
Projected:											
2004	179	137	206	233	5	5/	78	27	760	105	864
2005	179	140	215	249	5	5/	84	29	788	113	900
2006	175	137	211	257	6	5/	87	29	786	117	902
2007	168	128	195	254	7	5/	91	29	751	120	871
2008	165	125	188	258	7	5/	94	29	743	123	866
2009	163	124	184	263	7	5/	94	29	740	124	864
2010	163	124	180	266	6	5/	95	29	739	124	864
2011	163	124	178	269	7	5/	99	29	740	128	868
2012	163	124	176	272	7	5/	104	29	743	133	876
2013	164	125	174	277	7	5/	108	29	747	138	885
2014	164	125	173	280	7	5/	113	30	751	142	893
2015	165	125	173	283	8	5/	116	30	754	147	900
2016	165	125	174	284	8	5/	120	31	756	150	907
2017	166	126	174	285	8	5/	123	32	759	155	913
2018	166	126	175	285	8	5/	127	32	761	160	921
2019	166	128	175	286	8	5/	132	33	763	165	929
2020	167	128	175	286	9	5/	136	34	764	170	935
2021	168	128	175	285	9	5/	139	36	765	175	940
2022	168	128	176	283	9	5/	143	37	765	180	945
2023	169	128	178	281	9	5/	146	39	765	184	950
2024	169	128	180	279	9	5/	149	40	765	189	955
2025	170	128	182	276	9	5/	152	42	766	194	959
2026	170	128	184	274	9	5/	153	44	766	197	962
2027	171	128	186	272	9	5/	154	45	765	199	965
2028	171	128	187	270	9	5/	155	47	766	202	968

¹ Represents period in which first payment was made, not date of first eligibility for payments.

² Historical totals estimated based on 1-percent or 10-percent sample data.

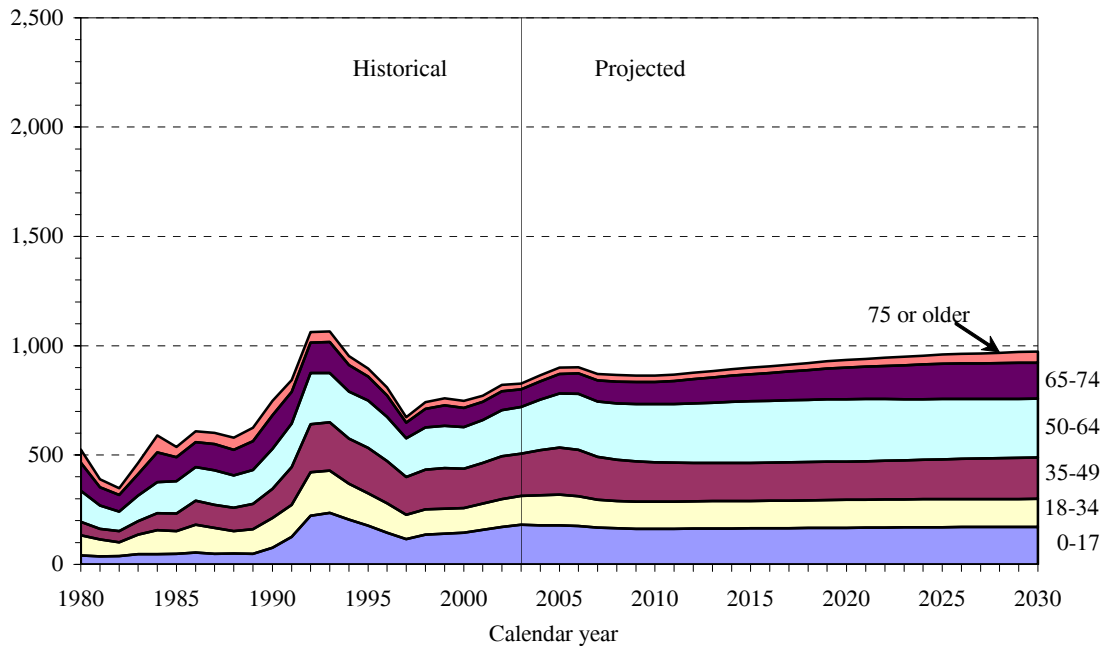
³ Totals for 1974 include recipients converted from previous State programs as well as new entrants to the SSI program during 1974.

⁴ Age-specific information for these years not yet available.

⁵ Fewer than 500.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Figure IV.B2.—SSI Federally-Administered New Entrants by Age Group, Calendar Years 1980-2030
[In thousands]



Some of the persons receiving SSI benefits in a year will be removed from current-payment status during the year because of death or the loss of SSI eligibility. The loss of eligibility can occur either as the result of an evaluation of the individual's nonmedical factors of eligibility, including income and resources, or due to a determination that he/she is no longer disabled as defined under the Social Security Act.¹ For example, disabled children, upon attainment of age 18, lose eligibility if they do not qualify for benefits under the disabled adult eligibility criteria. For purposes of this presentation, we refer to the net reduction in the number of SSI recipients in payment status during a period as the number of SSI terminations for that period.

In the following tables, we have separated the numbers of people moving out of payment status into those leaving due to death (table IV.B3), and those leaving for all other reasons (table IV.B4). Table IV.B5 and figure IV.B3 present historical and projected numbers of total terminations by calendar year.

Actual experience for terminations in 2003 was 0.4 percent lower than anticipated in the 2003 Annual Report. Terminations due to death were 3.1 percent lower than anticipated, but terminations due to reasons other than death were 0.7 percent higher than estimated last year. When aggregated by category, the difference between actual 2003 results and the estimated terminations in last year's report is attributable to the aged.

¹ Some historical details on income and resource redeterminations and the results of continuing disability reviews are presented in section V.D. Section V.E presents information on certain incentive programs intended to encourage disabled SSI recipients to return to work.

Table IV.B3.—SSI Federally-Administered Terminations Due to Death, Calendar Years 1974-2028
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals ¹		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/
1975	3/	3/	3/	3/	3/	3/	3/	3/	65	147	212
1976	3/	3/	3/	3/	3/	3/	3/	3/	64	137	201
1977	3/	3/	3/	3/	3/	3/	3/	3/	65	137	203
1978	3/	3/	3/	3/	3/	3/	3/	3/	67	126	193
1979	3/	3/	3/	3/	3/	3/	3/	3/	67	121	189
1980	3	5	9	31	22	1	27	100	71	127	198
1981	3	5	8	31	24	2	21	92	73	112	186
1982	3	4	8	28	21	2	16	80	65	96	161
1983	3	6	8	25	21	3	15	79	65	94	158
1984	3	4	9	29	18	5	13	83	67	96	163
1985	2	6	10	29	24	6	17	84	77	101	178
1986	2	8	12	28	22	8	15	83	80	98	178
1987	3	8	13	30	23	10	15	82	87	97	184
1988	5	8	14	31	25	12	16	81	95	97	191
1989	3	8	16	33	23	12	15	78	95	93	187
1990	4	9	18	36	22	14	16	75	103	92	194
1991	4	9	20	39	23	17	17	74	112	91	203
1992	4	11	22	38	22	15	16	69	111	84	195
1993	6	13	27	41	23	17	16	72	127	88	215
1994	6	14	27	41	23	17	16	69	127	85	212
1995	6	13	30	43	24	18	16	65	135	81	216
1996	7	12	30	44	24	18	16	67	135	83	218
1997	5	10	24	43	24	19	15	64	127	79	206
1998	5	9	24	43	25	20	14	64	127	78	205
1999	5	9	25	45	25	21	13	63	131	76	207
2000	5	8	27	46	25	21	12	61	132	73	205
2001	5	8	28	47	25	22	11	60	135	71	207
2002	5	8	28	49	24	21	11	58	135	70	205
2003	5	9	28	51	26	21	10	56	138	66	204
Projected:											
2004	6	9	29	54	27	22	11	60	147	71	218
2005	6	9	30	55	28	21	11	60	149	71	220
2006	6	9	30	58	29	22	11	60	154	71	224
2007	6	10	30	60	30	22	11	60	158	70	228
2008	6	10	29	62	31	22	11	59	161	70	231
2009	6	10	29	64	32	23	11	59	163	70	233
2010	6	10	28	66	32	23	11	59	166	70	236
2011	6	10	28	68	33	23	12	58	168	70	238
2012	6	10	27	68	35	24	12	58	171	69	240
2013	6	10	27	69	36	24	12	57	173	69	242
2014	6	10	26	70	37	25	13	57	175	69	244
2015	7	10	26	71	38	25	13	56	177	69	247
2016	7	10	26	72	40	25	14	56	180	70	249
2017	7	10	26	72	41	26	14	56	182	70	252
2018	7	11	26	72	42	27	15	56	184	71	255
2019	7	11	26	72	43	28	15	56	186	71	257
2020	7	11	26	72	44	28	16	56	188	72	260
2021	7	11	26	72	46	29	16	57	190	73	263
2022	7	11	26	72	47	30	17	58	192	75	266
2023	7	11	26	71	48	31	17	59	193	76	269
2024	7	11	26	70	49	32	17	60	195	78	273
2025	7	11	27	70	50	33	18	62	196	79	276
2026	7	11	27	69	50	34	18	63	198	81	279
2027	7	11	27	68	51	35	19	65	199	83	282
2028	7	11	28	68	52	36	19	67	200	86	286

¹ Historical totals estimated based on 1-percent or 10-percent sample data.

² Data not available.

³ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Table IV.B4.—SSI Federally-Administered Terminations Due to Reasons Other Than Death, Calendar Years 1974-2028
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals ¹		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/
1975	3/	3/	3/	3/	3/	3/	3/	3/	221	180	401
1976	3/	3/	3/	3/	3/	3/	3/	3/	306	240	546
1977	3/	3/	3/	3/	3/	3/	3/	3/	265	168	433
1978	3/	3/	3/	3/	3/	3/	3/	3/	241	150	391
1979	3/	3/	3/	3/	3/	3/	3/	3/	234	144	378
1980	19	48	43	80	23	1	44	77	214	121	334
1981	17	43	39	72	21	1	49	86	192	134	326
1982	19	48	43	79	23	1	50	87	212	137	348
1983	18	43	36	63	14	1	25	61	175	86	261
1984	13	51	37	77	21	1	37	60	200	98	298
1985	11	42	37	68	13	2	23	54	172	77	249
1986	18	49	47	73	16	3	34	60	206	94	300
1987	19	51	48	75	17	3	32	57	214	89	302
1988	19	52	51	74	15	5	33	59	216	93	309
1989	19	55	52	72	16	4	33	58	218	91	308
1990	14	52	57	73	17	8	40	68	221	108	330
1991	20	50	70	84	18	5	33	58	248	91	339
1992	39	68	94	103	19	8	34	56	329	90	419
1993	34	73	97	106	22	8	37	55	340	92	433
1994	41	73	101	107	18	8	32	49	348	81	429
1995	47	81	111	115	20	7	32	48	382	80	461
1996	47	89	128	119	21	8	29	49	413	78	491
1997	128	105	147	115	18	8	24	40	522	64	586
1998	67	89	112	110	19	8	22	38	406	61	466
1999	119	111	120	116	20	9	24	43	495	68	563
2000	84	99	111	112	22	9	22	38	437	61	498
2001	65	95	111	118	20	9	22	38	418	60	478
2002	78	100	122	133	20	9	20	35	463	55	517
2003	72	95	122	135	20	9	20	36	453	56	509
Projected:											
2004	71	95	122	137	18	9	16	34	452	51	503
2005	73	101	120	138	19	9	17	34	460	52	512
2006	79	105	123	147	19	10	17	34	483	51	535
2007	79	110	124	156	20	10	18	34	500	52	551
2008	75	114	124	164	22	10	19	34	509	53	562
2009	70	117	122	169	23	10	20	35	511	54	566
2010	68	118	118	171	24	10	20	36	509	56	565
2011	67	120	116	174	25	11	21	36	512	57	569
2012	68	120	115	177	26	11	22	35	516	57	573
2013	68	121	113	179	27	11	23	35	519	58	576
2014	69	121	112	181	27	11	24	35	522	58	580
2015	69	121	111	182	28	11	25	34	522	59	581
2016	70	122	111	183	29	11	25	34	526	60	585
2017	70	123	111	183	30	12	26	34	528	60	589
2018	70	125	111	183	30	12	27	34	531	61	592
2019	69	126	111	183	31	12	28	35	533	63	596
2020	70	127	111	183	32	13	29	35	535	64	599
2021	70	127	111	182	33	13	30	36	536	65	602
2022	70	128	112	181	34	14	30	36	537	67	604
2023	70	128	113	179	35	14	31	37	538	68	607
2024	70	128	114	177	35	14	32	38	539	70	609
2025	70	128	116	175	36	15	33	39	540	72	612
2026	71	128	117	173	36	15	33	40	541	74	615
2027	71	129	118	172	37	16	34	42	542	75	617
2028	71	129	119	171	37	16	34	43	543	77	620

¹ Historical totals estimated based on 1-percent or 10-percent sample data.

² Data not available.

³ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Table IV.B5.—SSI Federally-Administered Terminations for All Reasons, Calendar Years 1974-2028
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals ¹		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/
1975	3/	3/	3/	3/	3/	3/	3/	3/	287	326	613
1976	3/	3/	3/	3/	3/	3/	3/	3/	371	377	748
1977	3/	3/	3/	3/	3/	3/	3/	3/	330	305	636
1978	3/	3/	3/	3/	3/	3/	3/	3/	308	276	584
1979	3/	3/	3/	3/	3/	3/	3/	3/	301	265	566
1980	22	53	52	111	45	2	70	177	284	248	532
1981	20	48	47	103	45	3	69	177	266	246	512
1982	21	52	51	107	43	2	65	168	277	233	510
1983	21	49	44	87	34	4	39	140	240	180	419
1984	16	55	46	106	39	6	50	144	267	194	461
1985	13	47	47	97	37	8	40	138	249	178	427
1986	21	58	59	101	38	11	48	143	287	192	478
1987	22	59	61	106	40	13	47	138	301	185	486
1988	24	60	65	105	39	18	49	140	311	189	500
1989	22	63	69	105	39	15	47	136	312	183	496
1990	18	61	75	109	39	22	56	144	324	200	524
1991	25	60	90	123	40	22	50	132	360	182	542
1992	42	78	115	140	41	23	50	125	440	175	614
1993	40	86	124	148	45	24	54	127	467	181	648
1994	47	87	128	148	41	24	48	118	475	166	642
1995	54	94	142	158	44	25	47	113	517	160	677
1996	54	101	158	163	45	27	45	116	548	161	710
1997	133	116	172	159	43	26	39	105	648	143	792
1998	73	98	136	153	44	29	36	102	533	138	671
1999	124	120	146	161	45	31	38	106	626	144	770
2000	89	107	138	159	46	29	35	99	569	134	703
2001	70	103	139	166	45	31	34	98	554	132	685
2002	83	108	150	182	44	30	31	93	598	124	722
2003	76	104	149	186	46	30	31	92	591	122	713
Projected:											
2004	77	104	151	190	45	31	27	94	599	122	720
2005	80	110	150	193	47	31	28	94	609	122	732
2006	86	115	153	205	48	31	28	94	637	122	759
2007	86	119	154	216	50	32	29	93	657	122	779
2008	81	124	154	226	52	32	30	93	669	123	792
2009	77	127	151	233	54	33	31	94	674	124	799
2010	74	128	147	237	56	33	32	94	674	126	800
2011	73	130	144	241	58	34	33	94	680	127	807
2012	74	130	142	245	60	34	34	93	686	127	813
2013	75	131	140	248	63	35	35	92	692	127	818
2014	75	131	138	251	65	36	36	91	697	128	824
2015	76	131	137	253	67	36	38	91	699	128	828
2016	76	132	137	254	68	37	39	90	705	129	835
2017	76	134	137	255	70	38	40	90	710	131	841
2018	76	135	137	255	72	39	42	91	715	132	847
2019	76	137	137	255	75	40	43	91	719	134	853
2020	76	137	137	255	77	41	45	91	723	136	859
2021	76	138	137	254	79	42	46	93	726	139	865
2022	77	138	138	252	80	44	47	94	729	142	871
2023	77	139	139	250	82	45	48	96	731	145	876
2024	77	139	141	247	84	46	49	99	734	148	882
2025	77	139	142	245	85	48	51	101	736	151	887
2026	77	139	144	242	87	49	52	103	739	155	894
2027	78	140	146	240	88	50	53	106	741	159	900
2028	78	140	147	238	88	52	53	110	743	163	906

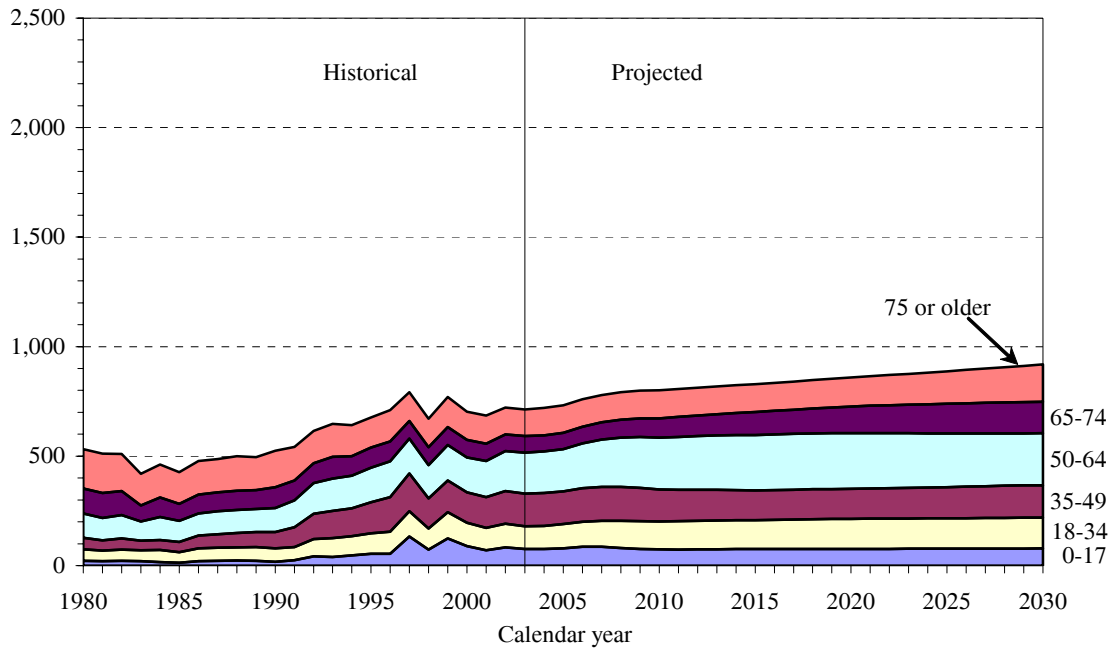
¹ Historical totals estimated based on 1-percent or 10-percent sample data.

² Data not available.

³ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Figure IV.B3.—SSI Federally-Administered Terminations by Age Group, Calendar Years 1980-2030
[In thousands]



Combining the number of persons coming on the SSI payment rolls during a year with the number of those already receiving benefits at the beginning of the year, and subtracting the number leaving the rolls during the year, yields the number of persons receiving Federally-administered SSI payments at the end of the specified period. Individuals receiving Federal SSI payments, who comprise the great majority of Federally-administered recipients, are presented in table IV.B6 and in figure IV.B4. The net effect of actual experience in 2003 was that there were roughly 0.4 percent fewer Federal SSI recipients at the end of 2003 than estimated for the 2003 Annual Report.

Table IV.B6.—SSI Recipients with Federal Benefits in Current-Payment Status as of December, 1974-2028
[In thousands]

Year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/
1975	2/	2/	2/	2/	2/	2/	2/	2/	1,869	2,025	3,893
1976	2/	2/	2/	2/	2/	2/	2/	2/	1,932	1,867	3,799
1977	2/	2/	2/	2/	2/	2/	2/	2/	2,013	1,765	3,778
1978	2/	2/	2/	2/	2/	2/	2/	2/	2,069	1,686	3,755
1979	2/	2/	2/	2/	2/	2/	2/	2/	2,094	1,593	3,687
1980	188	500	351	750	342	17	609	925	2,149	1,533	3,682
1981	194	514	349	720	366	17	541	888	2,160	1,430	3,590
1982	191	517	346	683	386	21	459	871	2,144	1,329	3,473
1983	198	555	366	692	412	28	449	890	2,250	1,339	3,590
1984	210	595	393	700	406	48	463	884	2,352	1,347	3,699
1985	226	634	426	717	402	72	462	860	2,477	1,322	3,799
1986	240	688	475	739	397	91	465	827	2,630	1,291	3,922
1987	249	717	524	756	392	113	464	804	2,751	1,268	4,019
1988	254	738	564	774	387	127	468	777	2,844	1,245	4,089
1989	263	757	613	799	382	145	488	760	2,959	1,247	4,206
1990	306	788	677	840	389	156	508	749	3,156	1,257	4,412
1991	395	833	769	897	390	166	542	736	3,451	1,279	4,730
1992	555	920	877	970	402	173	577	727	3,898	1,304	5,202
1993	721	990	979	1,034	410	179	604	720	4,312	1,324	5,636
1994	839	1,032	1,071	1,089	425	182	610	716	4,638	1,326	5,965
1995	915	1,058	1,150	1,134	435	188	601	713	4,880	1,315	6,194
1996	954	1,066	1,198	1,176	444	192	586	711	5,029	1,296	6,326
1997	878	1,039	1,196	1,198	457	193	547	704	4,960	1,251	6,212
1998	885	1,038	1,238	1,243	464	197	521	705	5,063	1,226	6,289
1999	845	1,005	1,274	1,278	474	195	499	704	5,072	1,203	6,275

Table IV.B6.—SSI Recipients with Federal Benefits in Current-Payment Status as of December, 1974-2028 (Cont.)
[In thousands]

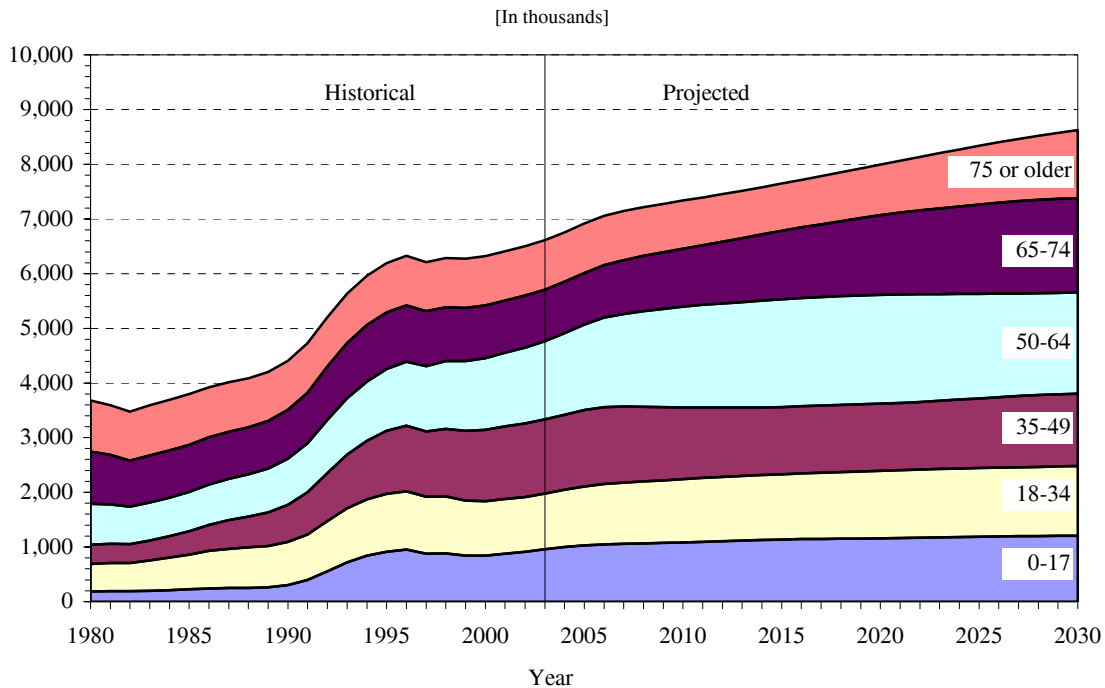
Year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data: (Cont.)											
2000	844	994	1,303	1,313	484	196	483	703	5,134	1,186	6,320
2001	879	995	1,329	1,353	493	196	461	703	5,245	1,165	6,410
2002	912	1,002	1,344	1,394	502	200	447	705	5,354	1,152	6,505
2003	956	1,023	1,353	1,436	511	204	430	703	5,482	1,133	6,614
Projected:											
2004	998	1,049	1,369	1,496	519	207	420	697	5,639	1,117	6,756
2005	1,030	1,078	1,393	1,571	529	213	413	694	5,813	1,108	6,921
2006	1,049	1,103	1,402	1,645	542	216	416	686	5,957	1,102	7,059
2007	1,058	1,120	1,387	1,700	562	220	421	678	6,047	1,100	7,147
2008	1,066	1,133	1,364	1,751	581	223	430	668	6,117	1,099	7,216
2009	1,074	1,145	1,337	1,802	596	226	439	659	6,179	1,098	7,277
2010	1,084	1,156	1,311	1,849	610	230	447	650	6,240	1,096	7,337
2011	1,096	1,166	1,287	1,884	630	233	459	639	6,296	1,098	7,394
2012	1,107	1,174	1,267	1,909	656	237	473	631	6,350	1,104	7,454
2013	1,118	1,180	1,250	1,934	680	240	489	624	6,402	1,113	7,516
2014	1,128	1,186	1,235	1,958	703	244	508	619	6,454	1,127	7,580
2015	1,137	1,191	1,229	1,975	724	249	528	616	6,505	1,143	7,648
2016	1,144	1,199	1,229	1,985	743	254	546	616	6,554	1,162	7,716
2017	1,149	1,207	1,231	1,988	763	262	564	620	6,600	1,184	7,784
2018	1,151	1,219	1,232	1,989	785	269	583	626	6,644	1,209	7,854
2019	1,151	1,231	1,231	1,989	809	276	604	633	6,686	1,238	7,924
2020	1,158	1,236	1,230	1,988	833	282	626	642	6,726	1,268	7,995
2021	1,163	1,242	1,233	1,981	854	290	644	657	6,763	1,301	8,065
2022	1,169	1,247	1,240	1,967	873	301	659	677	6,798	1,336	8,134
2023	1,175	1,251	1,252	1,950	892	311	674	699	6,830	1,372	8,203
2024	1,181	1,254	1,265	1,929	911	321	689	721	6,860	1,410	8,271
2025	1,186	1,255	1,280	1,909	929	329	706	743	6,889	1,449	8,337
2026	1,192	1,257	1,296	1,890	942	338	722	765	6,915	1,487	8,401
2027	1,196	1,260	1,309	1,875	952	347	735	789	6,938	1,524	8,462
2028	1,201	1,263	1,319	1,862	960	357	745	815	6,960	1,559	8,520

¹ Data not available.

² Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Figure IV.B4.—SSI Recipients with Federal Benefits in Current-Payment Status, by Age Group, as of December, 1980-2030



As illustrated in figure IV.B4, the implementation of Public Law 104-121 and Public Law 104-193 resulted in a decline in the Federal recipient population from 1996 to 1997. From the end of 1997 through the end of 2000, the Federal SSI recipient population grew at an annual rate of less than 1 percent. Since 2000 the growth rate for the Federal SSI recipient population has averaged over 1.5 percent per year. Our projections indicate that by 2008 we expect to gradually return to the modest growth rate of less than 1 percent per year over the remainder of the 25-year projection period. In order to place this projected growth in the context of overall population growth, table IV.B7 and figure IV.B5 present Federal SSI recipients as percentages of selected Social Security Area population totals.

Table IV.B7.—SSI Recipients with Federal Benefits in Current-Payment Status as a Percentage of Selected Social Security Area Population Totals, as of December, 1975-2028

Year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled ¹	Aged ²	All ³
Historical data:											
1975	4/	4/	4/	4/	4/	4/	4/	4/	0.83	8.60	1.73
1976	4/	4/	4/	4/	4/	4/	4/	4/	.85	7.75	1.67
1977	4/	4/	4/	4/	4/	4/	4/	4/	.88	7.15	1.65
1978	4/	4/	4/	4/	4/	4/	4/	4/	.89	6.67	1.62
1979	4/	4/	4/	4/	4/	4/	4/	4/	.90	6.15	1.58
1980	0.29	0.70	0.91	2.19	2.15	0.16	3.83	8.75	.91	5.80	1.56
1981	.30	.72	.87	2.10	2.26	.16	3.35	8.17	.91	5.29	1.50
1982	.29	.71	.83	1.99	2.34	.19	2.79	7.76	.89	4.80	1.44
1983	.30	.76	.85	2.03	2.46	.24	2.69	7.71	.92	4.74	1.47
1984	.32	.81	.88	2.05	2.39	.40	2.73	7.46	.96	4.67	1.50
1985	.34	.87	.92	2.11	2.32	.59	2.67	7.08	1.00	4.49	1.53
1986	.36	.94	1.00	2.19	2.25	.73	2.63	6.64	1.05	4.28	1.56
1987	.38	.98	1.06	2.25	2.19	.88	2.58	6.29	1.09	4.13	1.59
1988	.38	1.00	1.10	2.30	2.12	.97	2.57	5.94	1.11	3.98	1.60
1989	.39	1.03	1.16	2.38	2.07	1.08	2.64	5.66	1.14	3.91	1.63
1990	.45	1.09	1.24	2.49	2.09	1.13	2.73	5.43	1.21	3.88	1.69
1991	.57	1.16	1.36	2.63	2.08	1.18	2.89	5.21	1.30	3.88	1.79
1992	.79	1.30	1.51	2.80	2.12	1.20	3.04	5.03	1.46	3.90	1.94
1993	1.01	1.41	1.64	2.93	2.15	1.21	3.17	4.87	1.59	3.91	2.08
1994	1.16	1.48	1.74	3.03	2.22	1.21	3.19	4.75	1.70	3.88	2.18
1995	1.26	1.54	1.82	3.11	2.28	1.22	3.15	4.62	1.77	3.81	2.25
1996	1.30	1.56	1.86	3.10	2.34	1.22	3.09	4.50	1.80	3.73	2.27
1997	1.19	1.52	1.84	3.04	2.42	1.20	2.90	4.37	1.76	3.58	2.21
1998	1.20	1.52	1.88	3.03	2.48	1.20	2.79	4.30	1.78	3.49	2.21
1999	1.14	1.48	1.92	3.01	2.55	1.17	2.69	4.22	1.77	3.41	2.19
2000	1.13	1.45	1.94	3.00	2.61	1.15	2.60	4.14	1.77	3.34	2.18
2001	1.17	1.44	1.97	2.99	2.66	1.14	2.49	4.07	1.79	3.25	2.19
2002	1.21	1.44	1.98	2.97	2.70	1.14	2.41	4.04	1.81	3.20	2.20
2003	1.27	1.47	1.99	2.95	2.73	1.16	2.30	4.00	1.84	3.13	2.22
Projected:											
2004	1.32	1.50	2.01	2.97	2.75	1.17	2.23	3.94	1.88	3.06	2.25
2005	1.36	1.54	2.04	3.01	2.77	1.20	2.16	3.91	1.92	3.00	2.28
2006	1.38	1.57	2.06	3.05	2.78	1.21	2.13	3.85	1.95	2.95	2.31
2007	1.40	1.58	2.05	3.06	2.80	1.23	2.10	3.80	1.96	2.90	2.32
2008	1.41	1.58	2.03	3.06	2.80	1.24	2.07	3.74	1.97	2.84	2.32
2009	1.42	1.57	2.01	3.06	2.79	1.26	2.05	3.68	1.97	2.79	2.32
2010	1.43	1.57	1.99	3.06	2.76	1.28	2.02	3.61	1.98	2.73	2.33
2011	1.45	1.57	1.97	3.05	2.73	1.29	1.99	3.54	1.98	2.67	2.33
2012	1.46	1.57	1.96	3.05	2.71	1.30	1.95	3.47	1.98	2.60	2.33
2013	1.47	1.57	1.94	3.04	2.68	1.31	1.93	3.40	1.98	2.55	2.33
2014	1.48	1.57	1.93	3.04	2.65	1.32	1.92	3.33	1.98	2.50	2.33
2015	1.48	1.58	1.92	3.04	2.62	1.32	1.91	3.27	1.99	2.46	2.33
2016	1.49	1.58	1.91	3.04	2.60	1.33	1.91	3.21	1.99	2.43	2.34
2017	1.49	1.59	1.91	3.04	2.58	1.33	1.90	3.16	1.99	2.40	2.34
2018	1.49	1.60	1.90	3.03	2.56	1.33	1.90	3.10	1.99	2.38	2.35
2019	1.49	1.60	1.90	3.03	2.55	1.33	1.90	3.05	1.98	2.36	2.35
2020	1.50	1.60	1.90	3.02	2.53	1.32	1.90	3.01	1.98	2.34	2.36
2021	1.50	1.61	1.90	3.02	2.53	1.31	1.91	2.97	1.98	2.33	2.36
2022	1.50	1.61	1.90	3.01	2.52	1.30	1.90	2.93	1.98	2.32	2.37
2023	1.50	1.62	1.90	3.01	2.52	1.29	1.90	2.90	1.97	2.31	2.37
2024	1.50	1.62	1.90	3.00	2.52	1.28	1.91	2.87	1.97	2.30	2.38
2025	1.50	1.63	1.90	3.00	2.51	1.26	1.91	2.85	1.97	2.30	2.38
2026	1.51	1.63	1.90	3.00	2.50	1.25	1.92	2.83	1.96	2.30	2.39
2027	1.51	1.64	1.90	2.99	2.49	1.24	1.93	2.81	1.96	2.30	2.39
2028	1.51	1.64	1.90	2.99	2.49	1.23	1.93	2.80	1.96	2.30	2.40

¹ Blind or disabled recipients as a percentage of the total Social Security Area population.

² Aged recipients as a percentage of the 65 or older Social Security Area population.

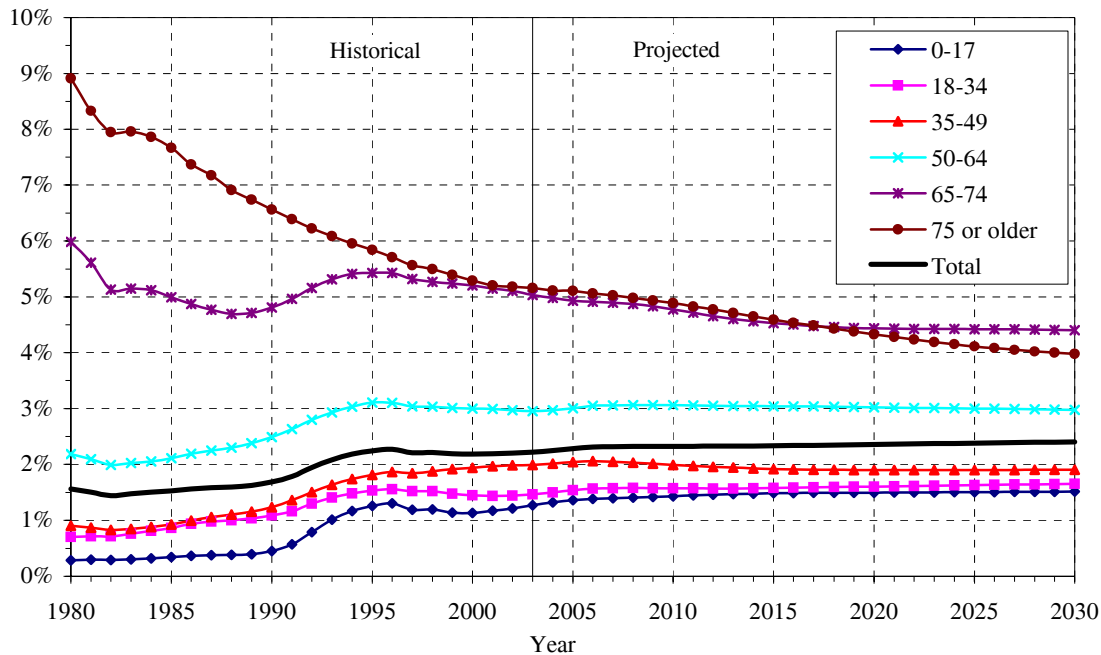
³ Total recipients as a percentage of the total Social Security Area population. Totals do not equal sums of components due to overlapping populations.

⁴ Age-specific information for these years not yet available.

For the totals shown in table IV.B7, the percentages are calculated using the population age group totals corresponding to the age groups in the Federal recipient categories. Because the ratios for the separate recipient categories are computed as percentages of differing base populations, the percentage for the total SSI recipient population is not the arithmetic sum of the percentages for the respective recipient categories. As indicated in the table, the percentage of the total Social Security Area population who were receiving Federal SSI payments declined from the inception of the program through the early 1980s. In 1983, this percentage started increasing and continued to increase through 1996. Due to factors described previously, the percentage of the total population receiving Federal SSI payments declined in 1997, but has leveled out since and is expected to increase gradually over the projection period.

The various subcategories of Federal SSI recipients, however, follow significantly different growth patterns in relationship to their respective population totals. The aged Federal SSI recipient population declines steadily as a percentage of the 65 or older population throughout the historical and projection periods. In contrast, except for recent decreases due to the eligibility redeterminations and continuing disability reviews mandated by Public Law 104-193, the number of blind or disabled children receiving Federal SSI payments increased steadily as a percentage of the under age 18 population, with the increase being quite steep in the early 1990s. The total blind or disabled Federal SSI recipient population as a percentage of the total population remained fairly level until the early 1980s when it started increasing and continued to increase through 1996. After the recent modest decreases due to the implementation of legislation described in other sections, the number of blind or disabled persons receiving Federal SSI payments is projected to increase gradually as a percentage of the total population.

Figure IV.B5.—SSI Recipients with Federal Benefits in Current-Payment Status as a Percentage of Selected Social Security Area Population Age Groups, as of December, 1980-2030



Historical and projected numbers of individuals who receive only a Federally-administered State supplement are presented in table IV.B8.

Table IV.B8.—SSI Recipients with Federally-Administered State Supplementary Benefits Only, in Current-Payment Status as of December, 1974-2028
[In thousands]

Year	Blind or disabled, by age group					Aged, by age group		Totals			
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/
1975	2/	2/	2/	2/	2/	2/	2/	2/	139	282	421
1976	2/	2/	2/	2/	2/	2/	2/	2/	156	280	437
1977	2/	2/	2/	2/	2/	2/	2/	2/	174	286	460
1978	2/	2/	2/	2/	2/	2/	2/	2/	180	282	462
1979	2/	2/	2/	2/	2/	2/	2/	2/	184	278	462
1980	2	20	26	82	52	2	112	162	185	274	460
1981	1	19	26	75	58	2	94	155	181	248	429
1982	1	18	23	68	53	2	82	137	165	219	384
1983	1	17	19	50	44	4	65	111	136	176	312
1984	1	18	23	50	47	7	68	116	147	184	331
1985	1	21	28	53	45	8	67	115	157	182	339
1986	1	23	31	55	45	11	66	116	166	182	348
1987	1	26	36	60	43	12	72	115	178	187	366
1988	1	26	42	59	44	14	74	114	187	188	375
1989	2	28	45	60	45	16	76	115	195	192	387
1990	2	31	54	60	44	17	82	116	208	197	405
1991	2	29	54	59	42	17	78	108	203	186	389
1992	2	29	55	59	37	16	70	97	197	167	364
1993	2	29	58	59	34	15	64	88	197	151	348
1994	2	28	59	56	32	14	59	81	192	139	331
1995	3	25	59	56	32	14	54	77	188	131	320
1996	2	21	54	53	29	13	49	68	172	116	288
1997	2	20	55	53	29	13	46	65	172	111	283
1998	2	18	54	55	28	13	43	63	171	106	277
1999	2	18	57	58	28	13	43	62	177	105	282
2000	2	17	57	60	29	13	42	61	179	103	282
2001	2	17	56	62	29	12	41	59	179	100	278
2002	3	17	57	64	30	12	42	58	183	100	283
2003	3	18	58	67	30	12	42	58	188	100	288
Projected:											
2004	3	18	58	69	30	12	41	58	191	99	290
2005	3	18	58	73	31	12	41	58	195	99	294
2006	3	19	58	77	31	12	41	58	200	99	299
2007	3	19	57	80	32	12	42	58	204	100	304
2008	3	19	57	82	34	12	43	58	207	101	308
2009	3	19	56	86	35	12	44	57	211	101	312
2010	3	19	55	89	36	13	44	57	215	101	316
2011	3	19	55	91	38	13	45	56	218	101	320
2012	3	19	54	92	40	13	46	56	222	102	324
2013	3	20	53	94	42	13	48	55	224	103	328
2014	3	20	52	95	43	13	50	55	227	105	332
2015	3	20	52	96	45	14	52	55	229	107	336
2016	3	20	52	96	46	14	53	55	232	109	340
2017	3	20	52	97	47	15	55	56	234	111	345
2018	3	20	52	97	49	15	57	57	236	114	350
2019	3	20	52	97	50	15	59	57	238	117	355
2020	3	21	52	97	52	16	61	58	240	120	360
2021	3	21	52	97	53	16	63	60	242	123	365
2022	3	21	52	96	54	17	65	62	244	127	370
2023	3	21	53	95	56	17	66	64	245	130	375
2024	3	21	53	94	57	18	68	66	246	134	380
2025	3	21	54	93	58	19	69	68	248	138	385
2026	3	21	54	92	59	19	71	71	249	141	390
2027	3	21	55	92	59	20	72	73	250	145	394
2028	3	21	55	91	60	20	73	75	250	148	399

¹ Data not available.

² Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

The combined numbers of persons receiving either a Federal SSI payment or a Federally-administered State supplement are displayed in table IV.B9.

In examining the recent history of SSI participation and the projections of such participation in the near future, certain patterns are worth noting. The rapid increase in the total number of SSI participants in the early 1990s is a function of the growth in the numbers of disabled adults and children. The growth in the numbers of children receiving SSI resulted in large part from the Supreme Court decision in the case of

Sullivan v. Zebley, which greatly expanded the criteria used for determining disability for children. The growth in the numbers of disabled adults is a more complicated phenomenon which is still not completely understood. However, extensive research conducted under contract to SSA and the Department of Health and Human Services suggested that this growth was the result of a combination of factors including (1) demographic trends, (2) a downturn in the economy in the late 1980s and early 1990s, (3) long-term structural changes in the economy, and (4) changes in other support programs (in particular the reduction or elimination of general assistance programs in certain States). The recent modest changes in program participation reflects the combined effects of recent legislation described in previous sections, along with changes in some of the factors mentioned above.

Table IV.B9.—SSI Recipients with Federally-Administered Benefits in Current-Payment Status as of December, 1974-2028

[In thousands]

Year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	1/	1/	1/	1/	1/	1/	1/	1/	1,710	2,286	3,996
1975	1/	1/	1/	1/	1/	1/	1/	1/	2,007	2,307	4,314
1976	1/	1/	1/	1/	1/	1/	1/	1/	2,088	2,148	4,236
1977	1/	1/	1/	1/	1/	1/	1/	1/	2,187	2,051	4,238
1978	1/	1/	1/	1/	1/	1/	1/	1/	2,249	1,968	4,217
1979	1/	1/	1/	1/	1/	1/	1/	1/	2,278	1,872	4,150
1980	190	521	377	833	393	20	721	1,086	2,334	1,808	4,142
1981	195	533	375	795	424	19	635	1,043	2,341	1,678	4,019
1982	192	535	369	751	439	23	541	1,008	2,309	1,549	3,858
1983	198	572	386	742	456	32	514	1,001	2,386	1,515	3,901
1984	212	613	417	751	453	54	531	999	2,499	1,530	4,029
1985	227	655	454	769	447	80	530	975	2,634	1,504	4,138
1986	241	711	506	794	442	102	531	942	2,796	1,473	4,269
1987	251	743	560	816	436	124	536	920	2,930	1,455	4,385
1988	255	764	606	833	431	142	543	891	3,030	1,433	4,464
1989	265	785	658	859	427	160	564	875	3,154	1,439	4,593
1990	309	819	731	900	432	172	589	865	3,363	1,454	4,817
1991	397	863	823	956	432	183	620	845	3,654	1,465	5,118
1992	556	949	932	1,029	440	189	647	824	4,095	1,471	5,566
1993	723	1,019	1,036	1,093	445	194	667	808	4,509	1,475	5,984
1994	841	1,060	1,130	1,146	457	196	669	797	4,830	1,466	6,296
1995	917	1,083	1,209	1,190	467	202	656	790	5,068	1,446	6,514
1996	955	1,087	1,252	1,229	472	205	634	778	5,201	1,413	6,614
1997	880	1,059	1,251	1,252	486	205	593	770	5,133	1,362	6,495
1998	887	1,056	1,292	1,298	492	209	564	768	5,234	1,332	6,566
1999	847	1,024	1,331	1,336	503	208	543	765	5,249	1,308	6,557
2000	847	1,011	1,360	1,373	513	209	525	764	5,312	1,289	6,602
2001	882	1,012	1,385	1,415	522	209	502	762	5,424	1,264	6,688
2002	915	1,019	1,401	1,458	532	212	489	763	5,536	1,252	6,788
2003	959	1,040	1,410	1,503	541	216	471	761	5,670	1,233	6,902
Projected:											
2004	1,001	1,068	1,427	1,566	550	220	461	755	5,830	1,216	7,046
2005	1,033	1,096	1,451	1,643	559	226	454	752	6,009	1,207	7,215
2006	1,052	1,121	1,460	1,721	574	229	457	744	6,157	1,201	7,358
2007	1,061	1,138	1,444	1,780	594	233	464	736	6,251	1,200	7,450
2008	1,069	1,152	1,421	1,833	614	235	474	726	6,324	1,200	7,524
2009	1,077	1,164	1,393	1,887	631	238	482	716	6,390	1,199	7,589
2010	1,087	1,175	1,366	1,938	646	243	491	707	6,455	1,197	7,652
2011	1,099	1,185	1,342	1,975	668	246	503	696	6,515	1,199	7,714
2012	1,110	1,193	1,321	2,002	695	250	519	687	6,571	1,206	7,777
2013	1,121	1,200	1,303	2,028	721	254	537	680	6,627	1,217	7,843
2014	1,131	1,206	1,288	2,053	746	258	558	674	6,681	1,232	7,912
2015	1,140	1,211	1,281	2,071	768	263	579	671	6,735	1,250	7,984
2016	1,147	1,219	1,281	2,081	790	268	600	671	6,786	1,271	8,057
2017	1,152	1,227	1,283	2,085	810	277	619	676	6,834	1,295	8,129
2018	1,154	1,239	1,284	2,086	833	284	640	683	6,880	1,323	8,203
2019	1,154	1,251	1,283	2,086	859	291	664	690	6,925	1,354	8,279
2020	1,161	1,256	1,282	2,085	885	297	688	700	6,966	1,388	8,354
2021	1,166	1,263	1,284	2,078	907	307	707	717	7,005	1,424	8,429
2022	1,172	1,268	1,292	2,063	927	318	723	739	7,041	1,463	8,504
2023	1,178	1,272	1,304	2,045	947	329	740	763	7,075	1,503	8,578
2024	1,184	1,275	1,319	2,023	968	339	757	787	7,107	1,544	8,651
2025	1,190	1,276	1,334	2,002	986	348	775	811	7,136	1,586	8,723
2026	1,195	1,278	1,350	1,983	1,000	357	792	835	7,163	1,628	8,791
2027	1,200	1,281	1,364	1,966	1,011	366	807	862	7,188	1,668	8,856
2028	1,204	1,284	1,374	1,952	1,019	377	818	890	7,211	1,708	8,918

¹ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

C. FEDERAL PAYMENTS UNDER SSI

In order to estimate future amounts of Federal expenditures under SSI, the projected Federal benefit rates shown in table IV.A2 are first modified to reflect actual payment levels, taking into account historical and projected levels of adjustments for other actual or deemed income. Combining these actual payment levels with the projected numbers of persons receiving Federal SSI payments yields estimates of the amounts of Federal SSI payments. Historical amounts of such payments on a calendar year basis are shown in table IV.C1. For purposes of this presentation, these payment amounts are computed on a cash-flow basis consistent with the concepts used to define SSI obligations for the Federal Budget. As a result, for months after January 1978, SSI payments due on the first of the month are tabulated in the previous month, if the first of the month falls on a weekend or Federal holiday.¹

Table IV.C1.—SSI Federal Payments in Current Dollars,¹ Calendar Years 1974-2004
[In millions]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
1974.....	2/	2/	2/	2/	2/	2/	2/	2/	\$2,050	\$1,783	\$3,833
1975.....	2/	2/	2/	2/	2/	2/	2/	2/	2,471	1,843	4,314
1976.....	2/	2/	2/	2/	2/	2/	2/	2/	2,727	1,785	4,512
1977.....	2/	2/	2/	2/	2/	2/	2/	2/	2,966	1,737	4,703
1978 ³	2/	2/	2/	2/	2/	2/	2/	2/	3,449	1,847	5,296
1979.....	2/	2/	2/	2/	2/	2/	2/	2/	3,546	1,760	5,306
1980.....	\$397	\$931	\$731	\$1,420	\$544	\$28	\$642	\$1,230	4,051	1,872	5,923
1981.....	458	1,079	821	1,542	654	32	643	1,320	4,586	1,963	6,549
1982.....	512	1,211	883	1,590	704	38	630	1,364	4,937	1,994	6,931
1983.....	574	1,372	985	1,704	774	58	624	1,440	5,466	2,064	7,530
1984.....	659	1,576	1,128	1,835	836	102	670	1,512	6,136	2,182	8,318
1985.....	736	1,709	1,250	1,924	833	160	699	1,499	6,611	2,198	8,809
1986.....	831	1,929	1,452	2,043	848	209	731	1,479	7,312	2,210	9,522
1987.....	900	2,081	1,618	2,157	846	259	765	1,444	7,860	2,210	10,069
1988.....	955	2,228	1,818	2,303	874	304	814	1,449	8,481	2,263	10,744
1989.....	1,025	2,431	2,048	2,481	936	366	881	1,479	9,286	2,361	11,647
1990.....	1,201	2,660	2,395	2,792	969	407	987	1,532	10,423	2,519	12,943
1991.....	1,678	3,129	2,966	3,305	1,060	463	1,169	1,637	12,601	2,806	15,407
1992.....	3,154	3,900	3,577	3,790	1,124	487	1,303	1,690	16,033	2,993	19,026
1993.....	3,909	4,465	4,164	4,188	1,208	513	1,471	1,759	18,447	3,230	21,677
1994.....	4,167	4,504	4,666	4,533	1,274	538	1,566	1,814	19,682	3,380	23,063
1995.....	4,657	4,777	5,155	4,896	1,357	565	1,599	1,900	21,407	3,499	24,906
1996.....	4,947	5,004	5,614	5,298	1,427	590	1,643	1,977	22,880	3,621	26,501
1997.....	4,920	5,031	5,564	5,410	1,505	614	1,586	2,046	23,044	3,632	26,675
1998.....	4,965	5,150	5,901	5,777	1,588	635	1,542	2,136	24,017	3,678	27,695
1999.....	4,835	5,132	6,185	6,037	1,660	654	1,503	2,206	24,503	3,709	28,212
2000.....	4,789	5,121	6,404	6,293	1,717	675	1,470	2,309	24,999	3,779	28,778
2001.....	5,104	5,354	6,817	6,783	1,838	713	1,470	2,454	26,608	3,924	30,532
2002.....	5,353	5,484	7,048	7,131	1,909	738	1,433	2,520	27,663	3,953	31,616
2003.....	5,686	5,715	7,243	7,532	1,984	771	1,408	2,601	28,932	4,009	32,941
2004 ⁴	6,126	6,028	7,505	8,063	2,074	811	1,380	2,665	30,607	4,045	34,651

¹ Total historical payments for 1974-77 agree with those presented in the *Annual Statistical Supplement to the Social Security Bulletin*. Total historical payments for 1978-83 are estimated.

² Age-specific information for these years not yet available.

³ Includes 13 months of payments since payments due on January 1, 1978 and January 1, 1979 were both paid in calendar year 1978.

⁴ Partially estimated.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Using this cash-flow concept causes these payments to differ from similar amounts shown in other Social Security Administration publications, such as the *Annual Statistical Supplement to the Social Security Bulletin*, in two main ways. First, the payments shown in the *Annual Statistical Supplement* are tabulated for the month the payment is due, while the amounts shown in table IV.C1 are tabulated for the month they are actually paid. In particular, since January 1 of each year is a Federal holiday, SSI payments due on

¹ Public Law 95-216, the Social Security Amendments of 1977, enacted December 20, 1977, added a statutory requirement that SSI payments, which are normally due on the first of the month, be delivered early when the normal delivery date falls on a Saturday, Sunday or Federal holiday. When the first of the month falls on a weekend or Federal holiday, all payments due on that day are paid in the previous month. Payments presented on a cash-flow basis are tabulated according to the month in which they are actually paid.

January 1 of years 1979 and later are actually paid in December of the previous year. Thus, for example, the calendar year 2003 payment amounts shown in table IV.C1 reflect payments made in January-December, 2003, and include the payments due on January 1, 2004 (which were actually paid in December, 2003), but not the payments due on January 1, 2003 (which were actually paid in December, 2002). Second, beginning in 1991, SSI obligations as accounted for in the Federal Budget are not reduced for certain recovered overpayments which are remitted directly to the Department of the Treasury. The payments shown in the *Annual Statistical Supplement* continue to report an amount which is reduced by such overpayment recoveries, as was done for the Budget prior to 1991.

Corresponding amounts of SSI outlays on a fiscal year¹ basis are presented in table IV.C2 for fiscal years 1978-2004. Fiscal years prior to 1978 are omitted from table IV.C2 since historical SSI payment amounts on a fiscal year basis for years prior to 1978 are not readily available. As with the calendar year figures, these fiscal year amounts are shown on a cash-flow basis. Consequently, fiscal years 1979 and later may contain 11, 12, or 13 months of payments, depending on whether October 1 of the current and succeeding fiscal years falls on a weekend.² Fiscal year 1978 contains 13 months of payments.

Table IV.C2.—SSI Federal Payments in Current Dollars, Fiscal Years 1978-2004
[In millions]

Fiscal year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
1978.....	1/	1/	1/	1/	1/	1/	1/	1/	\$3,386	\$1,848	\$5,234
1979 ²	1/	1/	1/	1/	1/	1/	1/	1/	3,172	1,610	4,782
1980.....	\$372	\$877	\$698	\$1,360	\$506	\$26	\$629	\$1,184	3,840	1,813	5,653
1981.....	442	1,039	797	1,508	625	31	647	1,307	4,442	1,954	6,396
1982.....	499	1,181	861	1,570	693	36	640	1,356	4,840	1,996	6,836
1983.....	596	1,416	1,024	1,783	806	56	660	1,510	5,680	2,170	7,850
1984 ²	588	1,411	1,005	1,665	760	85	613	1,391	5,514	2,004	7,517
1985.....	713	1,662	1,215	1,895	828	145	691	1,502	6,459	2,193	8,652
1986.....	800	1,864	1,386	1,995	840	196	723	1,487	7,080	2,209	9,290
1987.....	880	2,030	1,565	2,119	845	242	755	1,448	7,681	2,203	9,884
1988.....	1,009	2,356	1,898	2,425	932	316	860	1,559	8,935	2,419	11,354
1989 ²	1,012	2,378	1,997	2,452	910	345	862	1,473	9,094	2,335	11,430
1990 ²	1,039	2,378	2,115	2,479	876	362	879	1,394	9,247	2,273	11,521
1991.....	1,519	2,975	2,772	3,141	1,032	447	1,120	1,608	11,886	2,728	14,614
1992.....	2,684	3,621	3,398	3,653	1,099	476	1,269	1,680	14,932	2,949	17,881
1993.....	3,817	4,377	3,977	4,033	1,175	502	1,420	1,730	17,880	3,150	21,029
1994.....	4,328	4,771	4,866	4,756	1,344	569	1,659	1,930	20,635	3,588	24,223
1995 ²	4,554	4,719	5,031	4,822	1,341	560	1,596	1,884	21,027	3,480	24,507
1996 ²	4,543	4,595	5,123	4,830	1,305	540	1,510	1,808	20,936	3,317	24,254
1997.....	4,933	5,004	5,529	5,340	1,478	606	1,602	2,027	22,890	3,629	26,519
1998.....	4,915	5,114	5,816	5,688	1,567	630	1,548	2,110	23,729	3,658	27,387
1999.....	4,901	5,152	6,123	5,975	1,638	648	1,506	2,180	24,438	3,685	28,123
2000.....	5,152	5,500	6,827	6,692	1,822	718	1,599	2,453	26,710	4,052	30,763
2001 ²	4,597	4,869	6,170	6,125	1,670	652	1,352	2,236	24,083	3,588	27,671
2002.....	5,290	5,456	6,998	7,041	1,889	731	1,444	2,500	27,405	3,944	31,349
2003.....	5,558	5,623	7,170	7,390	1,957	759	1,417	2,572	28,456	3,989	32,445
2004 ³	5,983	5,928	7,415	7,881	2,047	800	1,390	2,650	30,053	4,040	34,093

¹ Age-specific information for these years not yet available.

² Payment due on October 1 of fiscal year paid in previous fiscal year.

³ Partially estimated.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

¹ Fiscal years 1977 and later cover the 12-month period ending September 30. For example, fiscal year 2004 payments include payments made from October 1, 2003 through September 30, 2004.

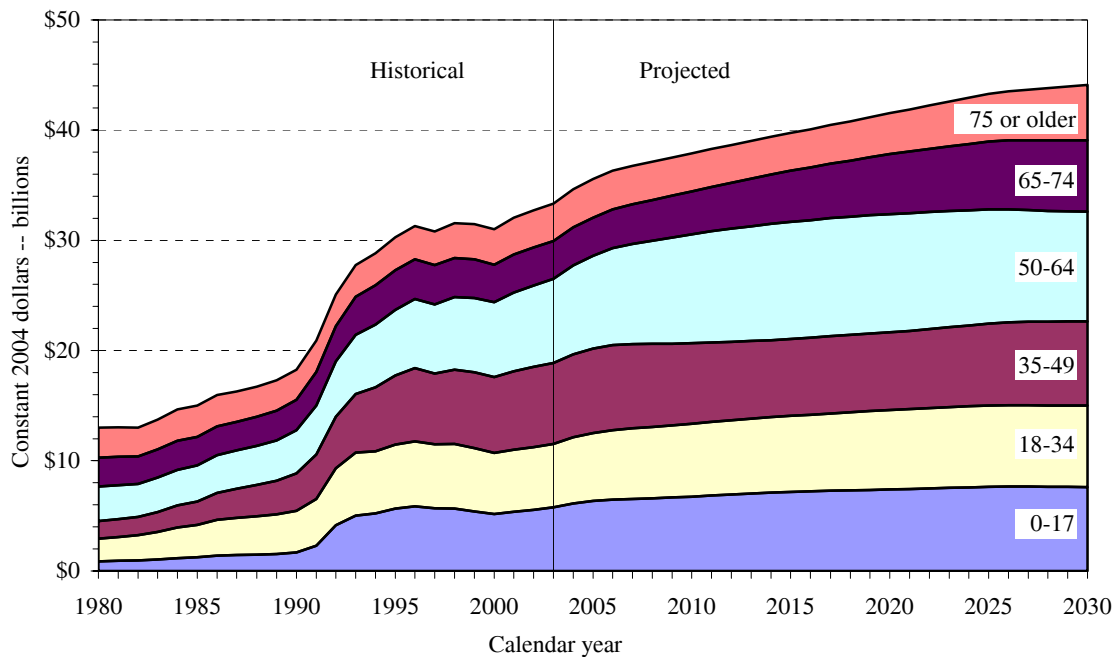
² Generally, for fiscal years 1979 and later, the number of months of payments included in the fiscal year is:

- 11 months if October 1 of the current, but not the succeeding fiscal year falls on a weekend;
- 12 months if October 1 of both the current and succeeding fiscal years falls during the week (all payments made in the fiscal year due);
- 12 months if October 1 of both the current and succeeding fiscal years falls on a weekend (both payments due on October 1 paid in preceding fiscal year); and
- 13 months if October 1 of the succeeding, but not current, fiscal year falls on a weekend.

When projecting dollar amounts over longer periods of time, the changing value of the dollar due to inflation can make meaningful comparisons of such amounts difficult. For this reason, in projecting SSI expenditures for 25 years, some means of removing inflation is generally desirable. The Consumer Price Index for Urban Wage Earners and Clerical Workers, published by the Bureau of Labor Statistics and used to determine annual increases in the SSI Federal benefit rate as described in table IV.A2, is an appropriate means of standardizing projected SSI costs over time. Constant-dollar values of Federal SSI benefit payments (those adjusted by the CPI) are presented in table IV.C3 for both the historical period, calendar years 1974-2003, and the full 25-year projection period, 2004-28. This same information is presented in graphical form in figure IV.C1.

The future growth in the “constant dollar” estimates is attributable primarily to the underlying growth in the U.S. population as shown in table IV.A1, since, after the spike in terminations in 1997, the SSI recipient population is projected to remain fairly constant as a percentage of the total U.S. population. However, a small part of the growth in estimated payments is due to some underlying real growth in the assumed average SSI benefit. This results from a projected increase in the disabled child recipients and a decrease in aged recipients as a percentage of the total SSI recipient population, along with the fact that disabled children typically have a much larger SSI benefit than do aged recipients.¹

Figure IV.C1.—SSI Federal Payments, by Age Group, in Constant 2004 Dollars, Calendar Years 1980-2030
[In billions]



¹ Disabled children typically have higher monthly Federal payment amounts because they have, on average, much lower countable income than do adult recipients.

Table IV.C3.—SSI Federal Payments in Constant 2004 Dollars, Calendar Years 1974-2028
[In millions]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	1/	1/	1/	1/	1/	1/	1/	1/	\$7,528	\$6,545	\$14,073
1975	1/	1/	1/	1/	1/	1/	1/	1/	8,316	6,203	14,519
1976	1/	1/	1/	1/	1/	1/	1/	1/	8,682	5,683	14,364
1977	1/	1/	1/	1/	1/	1/	1/	1/	8,870	5,193	14,064
1978 ²	1/	1/	1/	1/	1/	1/	1/	1/	9,574	5,127	14,701
1979	1/	1/	1/	1/	1/	1/	1/	1/	8,834	4,384	13,218
1980	\$872	\$2,045	\$1,606	\$3,119	\$1,195	\$61	\$1,410	\$2,702	8,899	4,112	13,010
1981	913	2,149	1,635	3,073	1,304	63	1,280	2,631	9,137	3,911	13,048
1982	963	2,275	1,659	2,987	1,323	71	1,183	2,563	9,279	3,747	13,025
1983	1,046	2,503	1,797	3,109	1,412	106	1,139	2,627	9,973	3,765	13,739
1984	1,162	2,778	1,988	3,235	1,474	179	1,182	2,665	10,817	3,847	14,664
1985	1,253	2,911	2,129	3,278	1,419	272	1,191	2,553	11,262	3,744	15,006
1986	1,394	3,235	2,435	3,426	1,421	351	1,225	2,480	12,261	3,705	15,966
1987	1,456	3,368	2,619	3,491	1,369	420	1,239	2,338	12,723	3,577	16,299
1988	1,488	3,471	2,832	3,587	1,362	473	1,269	2,257	13,212	3,525	16,737
1989	1,523	3,610	3,041	3,684	1,391	543	1,309	2,197	13,793	3,506	17,299
1990	1,695	3,755	3,381	3,942	1,367	574	1,394	2,163	14,714	3,556	18,270
1991	2,275	4,242	4,022	4,481	1,438	627	1,585	2,220	17,086	3,805	20,891
1992	4,155	5,139	4,714	4,995	1,481	642	1,717	2,227	21,126	3,944	25,070
1993	5,010	5,721	5,336	5,367	1,548	658	1,885	2,254	23,640	4,139	27,779
1994	5,211	5,633	5,835	5,670	1,593	673	1,959	2,269	24,617	4,227	28,844
1995	5,661	5,807	6,267	5,952	1,649	687	1,944	2,310	26,023	4,254	30,277
1996	5,846	5,913	6,634	6,260	1,687	697	1,942	2,336	27,037	4,279	31,316
1997	5,685	5,813	6,429	6,251	1,739	709	1,832	2,364	26,626	4,196	30,822
1998	5,661	5,873	6,729	6,588	1,810	725	1,759	2,435	27,386	4,194	31,579
1999	5,395	5,726	6,901	6,737	1,853	729	1,677	2,462	27,340	4,139	31,479
2000	5,163	5,521	6,905	6,785	1,851	728	1,585	2,490	26,953	4,074	31,027
2001	5,357	5,619	7,155	7,119	1,929	749	1,543	2,575	27,927	4,119	32,045
2002	5,542	5,677	7,297	7,382	1,976	764	1,483	2,609	28,638	4,092	32,730
2003	5,756	5,785	7,332	7,624	2,008	781	1,425	2,632	29,286	4,058	33,343
Projected:											
2004	6,126	6,028	7,505	8,063	2,074	811	1,380	2,665	30,607	4,045	34,651
2005	6,345	6,179	7,648	8,434	2,106	832	1,352	2,668	31,543	4,020	35,564
2006	6,471	6,315	7,706	8,811	2,157	842	1,356	2,649	32,302	4,005	36,308
2007	6,534	6,408	7,630	9,098	2,233	857	1,367	2,623	32,761	3,990	36,751
2008	6,583	6,490	7,521	9,368	2,310	866	1,393	2,595	33,138	3,988	37,126
2009	6,653	6,567	7,396	9,648	2,375	882	1,420	2,572	33,521	3,992	37,513
2010	6,735	6,641	7,277	9,909	2,436	899	1,445	2,546	33,896	3,991	37,888
2011	6,827	6,717	7,181	10,117	2,530	915	1,478	2,511	34,287	3,989	38,276
2012	6,915	6,775	7,099	10,272	2,640	933	1,519	2,483	34,634	4,002	38,637
2013	7,005	6,827	7,031	10,424	2,747	951	1,569	2,461	34,985	4,031	39,016
2014	7,094	6,870	6,974	10,557	2,848	969	1,627	2,445	35,314	4,072	39,386
2015	7,171	6,910	6,959	10,648	2,940	991	1,688	2,437	35,618	4,125	39,743
2016	7,223	6,955	6,970	10,686	3,025	1,014	1,746	2,440	35,872	4,186	40,057
2017	7,277	7,027	7,007	10,720	3,118	1,051	1,804	2,461	36,199	4,265	40,464
2018	7,299	7,103	7,025	10,721	3,216	1,083	1,863	2,486	36,447	4,349	40,797
2019	7,323	7,185	7,036	10,733	3,328	1,113	1,933	2,514	36,719	4,448	41,166
2020	7,381	7,226	7,048	10,734	3,438	1,142	2,003	2,552	36,969	4,556	41,525
2021	7,426	7,270	7,077	10,700	3,532	1,182	2,057	2,612	37,187	4,670	41,857
2022	7,482	7,313	7,139	10,639	3,625	1,232	2,103	2,693	37,431	4,797	42,227
2023	7,533	7,350	7,225	10,557	3,718	1,278	2,150	2,777	37,660	4,927	42,587
2024	7,579	7,375	7,318	10,455	3,810	1,322	2,199	2,862	37,858	5,061	42,920
2025	7,632	7,396	7,419	10,358	3,896	1,363	2,254	2,950	38,065	5,205	43,269
2026	7,649	7,399	7,502	10,251	3,953	1,399	2,307	3,039	38,153	5,346	43,499
2027	7,640	7,396	7,561	10,147	3,991	1,437	2,350	3,136	38,172	5,486	43,659
2028	7,624	7,395	7,597	10,053	4,017	1,477	2,384	3,238	38,162	5,621	43,783

¹ Age-specific information for these years not yet available.

² Includes 13 months of payments since payments due on January 1, 1978 and January 1, 1979 were both paid in calendar year 1978.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Although detailed projections of SSI State supplementary payments are not prepared, historical information on the amounts of such supplements is presented in tables IV.C4 and IV.C5. These amounts are consistent with those presented in the *Annual Statistical Supplement to the Social Security Bulletin* and are shown only for the two broad recipient categories.

Table IV.C4.—SSI Federally-Administered State Supplementary Payments in Current Dollars, Calendar Years 1974-2003
[In millions]

Calendar year	Aged	Blind or disabled	Total
1974	\$631	\$632	\$1,264
1975	674	729	1,403
1976	635	753	1,388
1977	627	804	1,431
1978	636	855	1,491
1979	661	928	1,590
1980	757	1,091	1,848
1981	731	1,108	1,839
1982	694	1,104	1,798
1983	645	1,066	1,711
1984	645	1,148	1,792
1985	694	1,278	1,973
1986	759	1,484	2,243
1987	849	1,714	2,563
1988	873	1,798	2,671
1989	954	2,001	2,955
1990	1,038	2,201	3,239
1991	999	2,232	3,231
1992	1,023	2,412	3,435
1993	934	2,336	3,270
1994	876	2,240	3,116
1995	864	2,253	3,118
1996	833	2,155	2,988
1997	824	2,090	2,913
1998	838	2,165	3,003
1999	921	2,380	3,301
2000	943	2,439	3,381
2001	956	2,505	3,460
2002	1,051	2,768	3,820
2003	1,098	2,906	4,005

Note: Totals do not necessarily equal the sums of rounded components.

Table IV.C5.—SSI State-Administered Payments¹ in Current Dollars, Calendar Years 1974-2003
[In millions]

Calendar year	Aged	Blind or disabled	Total ²
1974	\$89	\$49	\$149
1975	88	74	162
1976	88	77	166
1977	85	87	172
1978	91	88	180
1979	105	100	207
1980	117	106	226
1981	120	113	237
1982	125	119	276
1983	135	132	270
1984	141	152	299
1985	138	165	311
1986	147	185	340
1987	146	205	359
1988	150	224	381
1989	160	251	419
1990	177	281	466
1991	200	310	529
1992	216	323	550
1993	219	341	566
1994	225	354	585
1995	228	356	590
1996	225	307	539
1997	228	303	681
1998	259	429	808
1999	271	461	853
2000	283	488	893
2001	295	494	895
2002	283	507	911
2003	291	546	912

¹ Data provided by individual States are partially estimated, and may be incomplete.

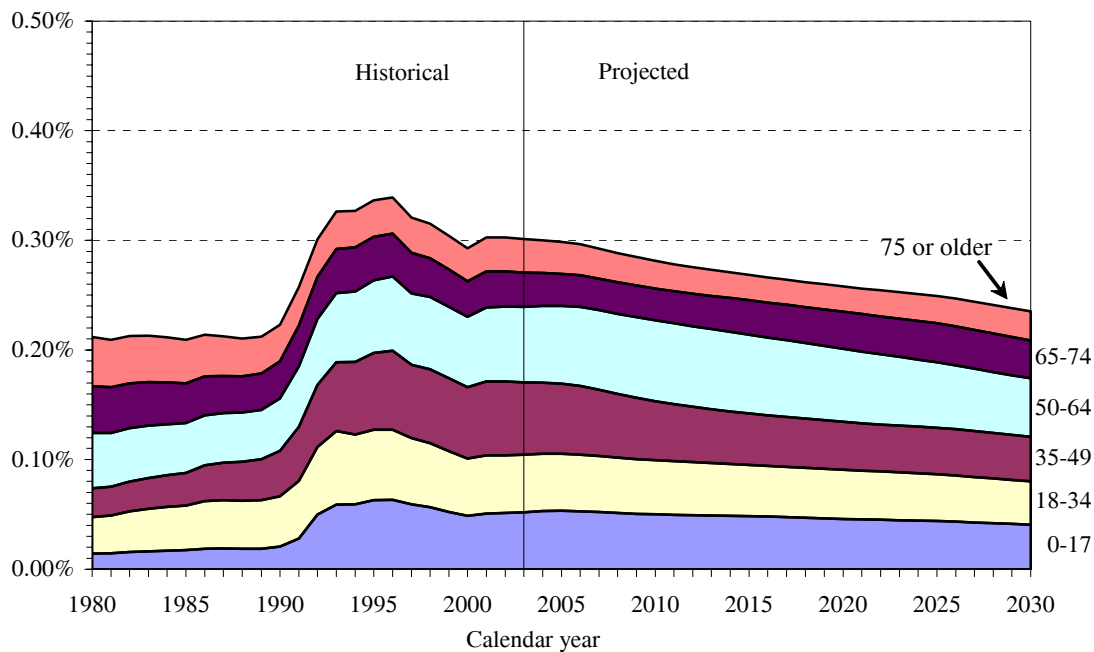
² Includes amounts not distributed by recipient category.

D. FEDERAL SSI PAYMENTS AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT

For SSI, an appropriate relative measure of program costs is produced by comparing estimated annual SSI costs to the Gross Domestic Product (GDP)¹. In addition to providing an inflation-independent measure of the cost of the SSI program, this provides a useful perspective on the proportion of the total output of the U.S. economy needed to provide Federal SSI benefits. As is shown in table IV.D1 and figure IV.D1, the total cost of the SSI program after 2003 is projected to decline relative to GDP.

Table IV.D1 and figure IV.D1 present a concise summary of Federal expenditures under the SSI program. Following the initial higher costs of the program, total Federal SSI payments during the 1980s were a fairly constant percentage of GDP (0.21 percent). During the early 1990s, SSI experienced rather rapid growth (to 0.34 percent of GDP in 1996) due to a combination of factors discussed earlier in section IV. Legislation enacted in 1996² resulted in a drop in the cost of SSI as a percentage of GDP in 1997. As mentioned earlier, the estimates prepared for this report project total participation in the SSI program to remain a stable proportion of the U.S. population. Federal SSI expenditures, after adjusting for growth in prices, are projected to grow slightly faster than the population due to the estimated small amount of real growth in the SSI average benefit, as discussed previously in section IV.C. Since the real growth projected for GDP under the 2004 Trustees Report intermediate assumptions is greater than the combined effects of increases in SSI participation and the estimated real increase in the SSI average benefit, Federal SSI payments are projected to decline as a percentage of GDP over the next 25 years, reaching 0.24 percent of GDP by 2028.

Figure IV.D1.—SSI Federal Payments, by Age Group, as a Percentage of GDP, Calendar Years 1980-2030



¹ The total value of goods and services produced in the United States.

² Public Law 104-121 and Public Law 104-193.

Table IV.D1.—SSI Federal Payments as a Percentage of GDP, Calendar Years 1974-2028

Calendar year	GDP (In billions)	Blind or disabled, by age group					Aged, by age group			Totals			
		0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All	
Historical data:													
1974	\$1,501	1/	1/	1/	1/	1/	1/	1/	1/	1/	0.137	0.119	0.255
1975	1,635	1/	1/	1/	1/	1/	1/	1/	1/	1/	.151	.113	.264
1976	1,824	1/	1/	1/	1/	1/	1/	1/	1/	1/	.150	.098	.247
1977	2,031	1/	1/	1/	1/	1/	1/	1/	1/	1/	.146	.085	.232
1978	2,296	1/	1/	1/	1/	1/	1/	1/	1/	1/	.150	.080	.231
1979	2,566	1/	1/	1/	1/	1/	1/	1/	1/	1/	.138	.069	.207
1980	2,796	0.014	0.033	0.026	0.051	0.019	0.001	0.023	0.044	.145	.067	.212	
1981	3,131	.015	.034	.026	.049	.021	.001	.021	.042	.146	.063	.209	
1982	3,259	.016	.037	.027	.049	.022	.001	.019	.042	.151	.061	.213	
1983	3,535	.016	.039	.028	.048	.022	.002	.018	.041	.155	.058	.213	
1984	3,933	.017	.040	.029	.047	.021	.003	.017	.038	.156	.055	.212	
1985	4,213	.017	.041	.030	.046	.020	.004	.017	.036	.157	.052	.209	
1986	4,453	.019	.043	.033	.046	.019	.005	.016	.033	.164	.050	.214	
1987	4,742	.019	.044	.034	.045	.018	.005	.016	.030	.166	.047	.212	
1988	5,108	.019	.044	.036	.045	.017	.006	.016	.028	.166	.044	.210	
1989	5,489	.019	.044	.037	.045	.017	.007	.016	.027	.169	.043	.212	
1990	5,803	.021	.046	.041	.048	.017	.007	.017	.026	.180	.043	.223	
1991	5,986	.028	.052	.050	.055	.018	.008	.020	.027	.211	.047	.257	
1992	6,319	.050	.062	.057	.060	.018	.008	.021	.027	.254	.047	.301	
1993	6,642	.059	.067	.063	.063	.018	.008	.022	.026	.278	.049	.326	
1994	7,054	.059	.064	.066	.064	.018	.008	.022	.026	.279	.048	.327	
1995	7,401	.063	.065	.070	.066	.018	.008	.022	.026	.289	.047	.337	
1996	7,813	.063	.064	.072	.068	.018	.008	.021	.025	.293	.046	.339	
1997	8,318	.059	.060	.067	.065	.018	.007	.019	.025	.277	.044	.321	
1998	8,782	.057	.059	.067	.066	.018	.007	.018	.024	.273	.042	.315	
1999	9,274	.052	.055	.067	.065	.018	.007	.016	.024	.264	.040	.304	
2000	9,825	.049	.052	.065	.064	.017	.007	.015	.024	.254	.038	.293	
2001	10,082	.051	.053	.068	.067	.018	.007	.015	.024	.264	.039	.303	
2002	10,446	.051	.052	.067	.068	.018	.007	.014	.024	.265	.038	.303	
2003	10,937	.052	.052	.066	.069	.018	.007	.013	.024	.265	.037	.301	
Projected:													
2004	11,544	.053	.052	.065	.070	.018	.007	.012	.023	.265	.035	.300	
2005	12,090	.053	.052	.064	.071	.018	.007	.011	.022	.265	.034	.299	
2006	12,675	.053	.052	.063	.072	.018	.007	.011	.022	.264	.033	.297	
2007	13,321	.052	.051	.061	.072	.018	.007	.011	.021	.261	.032	.293	
2008	14,025	.051	.050	.058	.073	.018	.007	.011	.020	.257	.031	.288	
2009	14,754	.051	.050	.056	.073	.018	.007	.011	.020	.255	.030	.285	
2010	15,508	.050	.049	.054	.074	.018	.007	.011	.019	.252	.030	.281	
2011	16,281	.050	.049	.052	.074	.018	.007	.011	.018	.249	.029	.278	
2012	17,068	.049	.048	.051	.073	.019	.007	.011	.018	.247	.029	.275	
2013	17,872	.049	.048	.049	.073	.019	.007	.011	.017	.245	.028	.273	
2014	18,708	.049	.047	.048	.073	.020	.007	.011	.017	.243	.028	.271	
2015	19,572	.048	.047	.047	.072	.020	.007	.011	.016	.241	.028	.268	
2016	20,471	.048	.046	.046	.071	.020	.007	.012	.016	.238	.028	.266	
2017	21,408	.047	.046	.046	.070	.020	.007	.012	.016	.236	.028	.264	
2018	22,387	.047	.046	.045	.069	.021	.007	.012	.016	.234	.028	.262	
2019	23,391	.046	.045	.044	.068	.021	.007	.012	.016	.232	.028	.260	
2020	24,438	.046	.045	.044	.067	.021	.007	.012	.016	.230	.028	.258	
2021	25,518	.045	.044	.043	.065	.022	.007	.013	.016	.227	.029	.256	
2022	26,643	.045	.044	.043	.064	.022	.007	.013	.016	.225	.029	.254	
2023	27,804	.045	.044	.043	.063	.022	.008	.013	.016	.223	.029	.253	
2024	29,015	.044	.043	.043	.061	.022	.008	.013	.017	.221	.030	.251	
2025	30,273	.044	.043	.043	.060	.022	.008	.013	.017	.219	.030	.249	
2026	31,589	.043	.042	.043	.058	.022	.008	.013	.017	.216	.030	.247	
2027	32,970	.043	.041	.042	.057	.022	.008	.013	.018	.213	.031	.244	
2028	34,406	.042	.041	.042	.055	.022	.008	.013	.018	.210	.031	.241	

¹ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical GDP amounts subject to revision.

**E. THE SSI PROGRAM'S SHARE OF SSA'S ADMINISTRATIVE COSTS
AND BENEFICIARY SERVICES COSTS**

The SSI program is administered by the Social Security Administration. Section 201(g)(1) of the Social Security Act provides that administrative expenses for the SSI program, including Federal administration of State supplementation payments, may be financed from the OASDI Trust Funds. The trust funds are reimbursed from the General Fund of the Treasury for any such SSI administrative expenditures. These reimbursements include adjustments for any interest losses the trust funds may have incurred as a result of such expenditures. The legislative history of the 1972 amendments (which established this funding mechanism) indicates a desire to obtain economy of administration by giving SSA the responsibility for the SSI program because of its existing field office network and its administrative and automated data processing facilities. Because of the integration of the administration of the SSI and OASDI programs, it was desirable to fund them from a single source, with reimbursement to the trust funds based on a General Accounting Office-approved method of cost analysis of the respective expenses of the SSI and OASDI programs, and a final settlement by the end of the subsequent fiscal year required by law. Table IV.E1 provides historical data on selected administrative costs of the SSI program.

Table IV.E1.—Selected SSI Administrative Costs, Fiscal Years 1978-2004
[Outlays in millions]

Fiscal year	Payments to the trust funds ¹	Beneficiary services ²
1978.....	\$539	\$31.6
1979.....	611	57.0
1980.....	668	33.1
1981.....	717	37.3
1982.....	780	12.0
1983.....	846	8.0
1984.....	864	³ 84.0
1985.....	956	3.0
1986.....	1,023	7.2
1987.....	977	9.5
1988.....	976	12.9
1989.....	1,052	20.0
1990.....	1,075	28.3
1991.....	1,230	33.1
1992.....	1,426	36.0
1993.....	1,468	32.3
1994.....	1,780	33.8
1995.....	1,978	48.2
1996.....	1,953	71.8
1997.....	2,055	77.3
1998.....	2,304	46.0
1999.....	2,493	52.0
2000.....	2,321	53.7
2001.....	2,397	43.9
2002.....	2,522	54.0
2003.....	2,656	37.0
2004 (estimated).....	3,149	100.0

¹ This activity funds the reimbursement to the OASI and DI Trust Funds from the General Fund of the Treasury for the SSI program's share of SSA's administrative expenses.

² Includes payments to State Vocational Rehabilitation (VR) agencies for VR services and payments for referral and monitoring services for Drug Addicts and Alcoholics, which terminated effective January, 1997.

³ Reflects a one-time payment to State VR agencies for prior year expenses.

V. APPENDICES

A. HISTORY OF PROVISIONS

Act

1. Basic Eligibility Requirements

1972

*Public Law 92-603,
enacted October 30*

An individual may qualify for payments on the basis of age, blindness, or disability.

Aged: Any person aged 65 or older.

Blind: Any person with 20/200 or less vision in the better eye with the use of correcting lenses, or with tunnel vision of 20 degrees or less. An individual transferred from a State Aid to the Blind (AB) program to SSI is eligible if he/she received such State aid in December 1973 and continues to meet the October 1972 State definition of blindness.

Disabled: Any person unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months. For a child under age 18, eligibility is based on disability of severity comparable with that of an adult. An individual transferred from a State Aid to the Permanently and Totally Disabled (APTD) program to SSI is also eligible if he/she received such State aid in December 1973 and continues to meet the October 1972 State definition of disability.

1973

*Public Law 93-233,
enacted December 31*

Only persons who had received APTD before July 1973 and were on the rolls in December 1973 may receive SSI on the basis of the State definition of disability; those who became eligible for State aid from July to December 1973 must meet the Federal definition of disability.

1980

*Public Law 96-265,
enacted June 9*

A disabled recipient who loses Federal SSI eligibility because of earnings at the substantial gainful activity level may continue to receive a special benefit under section 1619 and retain eligibility for Medicaid under title XIX of the Social Security Act. This special benefit status may continue as long as the recipient has the disabling impairment and meets all nondisability SSI eligibility criteria. States have the option of supplementing this special benefit.

This provision of the law was in effect from January 1, 1981, through December 31, 1983. Beginning in January 1984, under a 1-year demonstration project, this provision was continued for persons already eligible for either regular SSI payments or special monthly benefits.

1984

*Public Law 98-460,
enacted October 9*

The special benefit and Medicaid provisions of the 1980 legislation were extended through June 30, 1987 (retroactive to January 1, 1984).

1986

*Public Law 99-643,
enacted November 10*

The special benefit and Medicaid provisions of the 1980 amendments are made permanent. The provisions were amended effective July 1, 1987, with significant modifications to simplify administration and to allow free movement between regular SSI disability payments and either the special cash benefit or Medicaid eligibility under section 1619. The distinction between a disabled person eligible for regular SSI payments and one eligible for 1619(a) is that the latter has several months with gross earnings above the SGA level. Previously, section 1619(a) status required completion of a trial work period and the determination that the work was SGA.

Act

1996

*Public Law 104-193,
enacted August 22*

For individuals under age 18, the “comparable severity” standard is eliminated and replaced with a requirement that a child be considered disabled if he/she has a medically determinable impairment that results in “marked and severe functional limitations,” and meets the existing statutory duration requirement. The law also eliminates references to “maladaptive behaviors” from the personal/behavioral domain of the mental disorders in the Listing of Impairments for children, and discontinues the use of individualized functional assessments for children.

SSI eligibility is prohibited for an individual in any month during which such an individual is a fugitive felon, fleeing prosecution, or violating State or Federal conditions of probation or parole. In addition, SSI eligibility is prohibited for 10 years for those convicted of fraudulently claiming residence to obtain benefits simultaneously in two or more States.¹

2. Other Eligibility Provisions

a. Citizenship and Residence

1972

*Public Law 92-603,
enacted October 30*

The individual must reside within one of the 50 States or the District of Columbia and be a citizen or an alien lawfully admitted for permanent residence or permanently residing in the United States under color of law. Persons living outside the United States for an entire calendar month lose their eligibility for such a month.

1976

*Public Law 94-241,
enacted March 24*

Eligibility for SSI is extended to residents of the Northern Mariana Islands, effective January 9, 1978.

1980

*Public Law 96-265,
enacted June 9*

The income and resources of the immigration sponsors of aliens applying for SSI are considered in determining eligibility for and the amount of payment. After allowances for the needs of the sponsor and his/her family, the remainder is deemed available for the support of the alien applicant for a 3-year period after admission to the United States for permanent residence. This provision does not apply to those who become blind or disabled after admission, to refugees, or to persons granted political asylum. (See section 2.g. for subsequent changes to sponsor-to-alien deeming provisions.)

1989

*Public Law 101-239,
enacted December 19*

SSI eligibility is continued for a disabled or blind child who was receiving SSI benefits while living in the United States and is now living with a parent who is a member of the U.S. Armed Forces assigned to permanent duty ashore outside the United States, but not where the parent is stationed in Puerto Rico or the territories and possessions of the United States.

1993

*Public Law 103-66,
enacted August 10*

Above provision made applicable where the parent is a member of the U.S. Armed Forces and stationed in Puerto Rico or the territories and possessions of the United States.

¹This last provision was repealed in 1999 by Public Law 106-169 and replaced with a provision providing for non-payment of benefits for up to 24 months for knowingly making false or misleading statements regarding material facts.

Act

1996

*Public Law 104-193,
enacted August 22*

Prohibits SSI eligibility for anyone who is not a U.S. citizen or national unless they are in a “qualified alien” category and meet one of certain exceptions such as lawful permanent residents who earn or can be credited with 40 qualifying quarters of earnings, certain refugee type categories eligible for up to 5 years of time limited eligibility, or active duty U.S. military or veterans and their spouses and children. Extends eligibility for aliens receiving SSI as of August 22, 1996 (the enactment date of the law) for 1 year after the enactment date for those aliens found ineligible under the new standards.

*Public Law 104-208,
enacted September 30*

Amends Public Law 104-193 to add to the list of “qualified aliens” certain non-citizens (and their children) who have been battered or subjected to extreme cruelty by a spouse or parent or a member of the spouse’s or parent’s family living in the same household.

1997

*Public Law 105-18,
enacted June 12*

Extends eligibility for aliens receiving SSI as of August 22, 1996, until September 30, 1997, for those found ineligible under the new alien standards of Public Law 104-193.

*Public Law 105-33,
enacted August 5*

Further amends Public Law 104-193 to add Cuban and Haitian entrants, and the child of a parent who has been battered or subjected to extreme cruelty, to the list of qualified aliens. Provides that Cuban and Haitian entrants and Amerasian immigrants qualify for time limited eligibility, and increases the time limit from 5 to 7 years for all time-limited categories. Additional exceptions are added for qualified aliens: (1) lawfully residing in the United States and receiving SSI benefits on August 22, 1996; and (2) lawfully residing in the United States on August 22, 1996 and meeting the definition of blind or disabled in the Social Security Act.

Certain noncitizen American Indians are excepted from the alien nonpayment provisions of Public Law 104-193.

Extends eligibility for “nonqualified aliens” receiving SSI as of August 22, 1996, until September 30, 1998.

1998

*Public Law 105-306,
enacted October 28*

Permanently extends eligibility of all remaining “nonqualified aliens” who were receiving SSI benefits when Public Law 104-193 was enacted on August 22, 1996.

2000

*Public Law 106-386,
enacted October 28*

Noncitizens, regardless of their immigration status, may be eligible for SSI to the same extent as refugees, if they are determined to be victims of “severe forms of trafficking in persons.”

2004

*Public Law 108-203,
enacted March 2*

Extends SSI eligibility to blind or disabled children who are U.S. citizens living with a parent assigned to permanent U.S. military duty outside of the United States, and who were not receiving SSI benefits while in the United States. Previously, only blind or disabled children who received an SSI benefit for the month before the parent reported for permanent duty abroad were eligible. Effective April 2004 for applications filed after enactment.

*Act***1980**

*Public Law 96-272,
enacted June 17*

b. Other Benefits

SSI applicants and recipients are not required as a condition of eligibility to elect to receive Veterans Administration pensions under the Veterans and Survivors' Pension Improvement Act of 1978 if the State of residence lacks a medically-needy program under title XIX.

c. Drug Addiction and Alcoholism (DA&A)**1972**

*Public Law 92-603,
enacted October 30*

Any disabled individual who has been medically determined to be an alcoholic or drug addict must accept appropriate treatment, if available, in an approved facility and demonstrate compliance with conditions and requirements for treatment.

SSI payments are required to be made through a representative payee—another person or public or private agency designated by SSA to manage the recipient's benefit on his/her behalf.

1994

*Public Law 103-296,
enacted August 15*

Any individual who is receiving SSI based on a disability where drug addiction or alcoholism is a contributing factor material to the finding of disability must comply with the DA&A treatment requirements. The individual must accept appropriate treatment when it is available and comply with the conditions and terms of treatment. Instances of noncompliance with the requirements result in progressively longer payment suspensions. Before payments can resume, the individual must demonstrate compliance for specific periods; 2 months, 3 months, and 6 months, respectively, for the first, second, third and subsequent instances of noncompliance. An individual who is not in compliance with the DA&A treatment requirements for 12 consecutive months shall not be eligible for payments; however, this does not prevent such individuals from reapplying and again becoming eligible for payments.

SSI disability payments based on DA&A are also limited to a total of 36 benefit months (beginning March 1995) regardless of whether appropriate treatment is available. Months for which benefits are not due and received do not count towards the 36-month limit.

Payments based on DA&A must be made to a representative payee. Preference is required to be given to community based nonprofit social service agencies and Federal, State, or local government agencies in representative payee selection. These agencies when serving as payees for individuals receiving payments based on DA&A may retain the lesser of 10 percent of the monthly benefit or \$59 (indexed to the Consumer Price Index (CPI)) as compensation for their services.

Establishment of one or more referral and monitoring agencies for each State is required.

1996

*Public Law 104-121,
enacted March 29*

An individual is not considered disabled if DA&A is a contributing factor material to a finding of disability.

Applies DA&A representative payee requirements enacted under Public Law 103-296 to disabled SSI recipients who have a DA&A condition and are incapable of managing their benefits. In addition, these recipients shall be referred to the appropriate State agency administering the State plan for substance abuse treatment.

Act

1972

*Public Law 92-603,
enacted October 30*

1976

*Public Law 94-566,
enacted October 20*

1983

*Public Law 98-21,
enacted April 20*

1986

*Public Law 99-643,
enacted November 10*

1987

*Public Law 100-203,
enacted December 22*

1996

*Public Law 104-193,
enacted August 22*

1972

*Public Law 92-603,
enacted October 30*

1976

*Public Law 94-566,
enacted October 20*

d. Institutionalization

An individual who is an inmate of a public institution is ineligible for SSI payments unless the institution is a facility approved for Medicaid payments and is receiving such payments on behalf of the person. Under *regulations*, the Medicaid payment must represent more than 50 percent of the cost of services provided by the facility to the individual.

An inmate of a publicly operated community residence serving no more than 16 persons may, if otherwise eligible, receive SSI.

Payments may be made to persons who are residents of public emergency shelters for the homeless for a period of up to 3 months in any 12-month period.

Effective July 1, 1987, disabled or blind recipients who were receiving special SSI payments or had special SSI recipient status under section 1619 in the month preceding the first full month of institutionalization, may receive payments based on the full Federal benefit rate for the initial 2 full months of institutionalization, if they reside in certain public medical, psychiatric or Medicaid facilities, or in private Medicaid facilities.

Effective January 1, 1988, payments may be made to persons who are residents of public emergency shelters for the homeless, for up to 6 months in a 9-month period.

Effective July 1, 1988, continued payment of SSI benefits for up to 3 months is permitted, at the rate that was applicable in the month prior to the first full month of institutionalization, for individuals whose expected institutional stay on admission is not likely to exceed 3 months, as certified by a physician, and for whom the receipt of benefits is necessary to maintain living arrangements to which they may return.

Effective December 1996, institutionalized children under age 18 whose private health insurance is making payments to the institution may receive no more than \$30 per month in Federal SSI.

e. Vocational Rehabilitation and Treatment

Blind or disabled individuals receiving Federal SSI benefits who are under age 65, must be referred to the State agency providing services under the Vocational Rehabilitation Act and must accept the services offered. States are reimbursed for the cost of services.

Blind or disabled children under age 16 must be referred to the State agency administering crippled children's services or to another agency designated by the State. States are reimbursed for the cost of services.

Of funds provided for these services, at least 90 percent must be used for children under age 6 or for those who have never attended public schools.

Act

1980

*Public Law 96-265,
enacted June 9*

Disabled SSI recipients who medically recover while enrolled in approved vocational rehabilitation programs of State VR agencies, may continue to receive benefits during their participation in such programs if the Commissioner of Social Security determines that continuation in the program will increase the probability that they leave the rolls permanently.

1981

*Public Law 97-35,
enacted August 13*

Funding no longer provided under title XVI for medical, social, developmental and rehabilitative services to disabled or blind children.

Reimbursement for the cost of rehabilitation services will only be made if the services result in the recipient's return to work for a continuous period of 9 months. The work must be at the substantial gainful activity earnings level.

1984

*Public Law 98-460,
enacted October 9*

Authorizes the reimbursement of States for the cost of VR services provided to individuals who (1) continue to receive benefits after medical recovery because they are participating in a State VR program or (2) refuse, without good cause, to continue in or cooperate with the VR program in which they had been participating.

1987

*Public Law 100-203,
enacted December 22*

Extends the provision for continuation of payments to disabled SSI recipients who have medically recovered while enrolled in an approved vocational rehabilitation program to include blind SSI recipients.

1990

*Public Law 101-508,
enacted November 5*

Reimbursement authorized for the cost of vocational rehabilitation services provided in months in which the individual was not receiving Federal SSI payments, if:

- SSI recipient status for Medicaid eligibility purposes was retained under work incentive provisions, or
- Benefits were in suspense¹ status (for a reason other than cessation of disability or blindness), or
- Federally-administered State supplementation was received.

Extends benefit continuation provision to disabled SSI recipients who medically recover while participating in a non-State VR program.

1999

*Public Law 106-170,
enacted December 17*

Establishes a Ticket to Work and Self-Sufficiency program which will provide SSI (and OASDI) disability beneficiaries with a ticket that can be used to obtain vocational rehabilitation services, employment services, or other support services, from an employment network (EN) of their choice.

¹ Recipients who have lost eligibility for SSI benefits for fewer than 13 consecutive months are in suspended payment status.

Act

An EN chooses one of the two EN payment options at the time it submits an application to SSA to become an EN. The chosen payment system will apply to all beneficiaries served. An EN can elect to receive payment under the:

- Outcome payment system, under which it can receive payment for up to 60 outcome payment months; or
- Outcome-milestone payment system, under which it can receive payment for up to four milestones (established by regulation) in addition to outcome payments. These milestones must occur before the EN enters the first month for which it is eligible for an outcome payment. Four milestone payments plus 60 months of reduced outcome payments equal 85 percent of the total that would be available if the EN chose the outcome payment system.

The four milestones are based on gross earnings exceeding the substantial gainful activity level for specified months. An outcome payment month is any month in which SSA does not pay any Federal disability cash benefits to a beneficiary because of work or earnings.

Also eliminates the requirement that blind or disabled SSI recipients age 16 through 64 be referred to the State VR agency and accept the services offered.

f. Continuing Disability Reviews and Eligibility Redeterminations

1994

*Public Law 103-296,
enacted August 15*

During each of fiscal years 1996, 1997, and 1998, requires SSA to conduct continuing disability reviews (CDRs) on a minimum of 100,000 SSI recipients. In addition, during the same period, requires SSA to redetermine the SSI eligibility of at least one-third of all child SSI recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18. Redeterminations for persons turning age 18 could count toward the 100,000 CDR requirement.

1996

*Public Law 104-193,
enacted August 22*

Repeals the requirement that SSA redetermine the eligibility of at least one-third of all child SSI recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18.

Requires a CDR:

- At least once every 3 years for SSI recipients under age 18 who are eligible by reason of an impairment which is likely to improve, and
- Not later than 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability.

Requires eligibility redetermination under the adult disability standard for all child SSI recipients eligible for the month before the month in which they attain age 18.

Requires redetermination of eligibility for children considered disabled based on an individual functional assessment and/or consideration of maladaptive behavior.

Requires the representative payee of a child SSI recipient whose continuing eligibility is being reviewed to present evidence that the recipient is receiving treatment which is considered medically necessary and available for the condition which was the basis for providing SSI benefits.

Act

1997

*Public Law 105-33,
enacted August 5*

Modifies provision of Public Law 104-193 to extend from 12 to 18 months the period for redetermining the disability of children under age 18 under the new childhood disability standard.

Modifies provision of Public Law 104-193 to permit SSA to schedule a CDR for a disabled child for whom low birth weight is a contributing factor material to the determination of disability, at a date after the child's first birthday if the Commissioner determines the impairment is not expected to improve within 12 months of the child's birth.

Modifies provision of Public Law 104-193 to provide SSA the authority to make redeterminations of disabled childhood recipients who attain age 18, more than 1 year after the date such recipient attains age 18.

1999

*Public Law 106-170,
enacted December 17*

Prohibits the initiation of a CDR during the period that a recipient is "using a ticket" under the Ticket to Work program.

g. Deeming of Income and Resources**1972**

*Public Law 92-603,
enacted October 30*

Deeming occurs when the income and resources of certain family members living in the same household with the SSI recipient are considered in determining the amount of the SSI payment. These family members are the ineligible spouse of an adult recipient and the ineligible parents of a child recipient under age 21.

After deduction of personal allocations for the spouse (or parents) and for ineligible children in the home, and after application of income exclusions, any remaining income of the spouse (or parents) is added to the income of the eligible person.

1980

*Public Law 96-265,
enacted June 9*

Children aged 18 or older are not subject to parental deeming.

Sponsor's income and resources deemed to an alien for 3 years.

1989

*Public Law 101-239,
enacted December 19*

Disabled children receiving home care services under State Medicaid programs, who are ineligible for SSI because of deeming of parental income, and who received SSI benefits limited to \$30 while in a medical treatment facility, may receive the \$30 monthly allowance that would be payable if the recipient were institutionalized.

1993

*Public Law 103-152,
enacted November 24*

Sponsor-to-alien deeming period extended from 3 years to 5 years, effective January 1, 1994, through September 30, 1996.

Considers an ineligible spouse or parent who is absent from the household due to active military service to be a member of the household for deeming purposes.

1996

*Public Law 104-193,
enacted August 22*

Deeming of income and resources from an immigration sponsor to a noncitizen continues until citizenship, with exceptions for those who earn, or can be credited with, 40 qualifying quarters of earnings. Effective for those whose sponsor signs a new legally enforceable affidavit of support.

Act

1996

*Public Law 104-208,
enacted September 30*

Amends Public Law 104-193 to add two exceptions to the sponsor-to-alien deeming:

- Provides that if the noncitizen is indigent and would be unable to obtain food and shelter without SSI benefits even after receiving support from the sponsor, then only the amount of income and resources actually provided by the sponsor will be counted for a 12-month period after a determination of indigence; and
- Provides that in certain cases, deeming would not apply for a 12-month period (with some options for extension) if the noncitizen (or his/her children) has been battered, or subjected to extreme cruelty by family members.

1997

*Public Law 105-33,
enacted August 5*

Amends Public Law 104-208 to add an additional exception to sponsor-to-alien deeming when the parent of a noncitizen has been battered or subjected to extreme cruelty by family members.

3. Federal Benefit Payments

a. Windfall Offset

1980

*Public Law 96-265,
enacted June 9*

Offset (by reduction of retroactive Social Security benefits) to prevent persons whose initial OASDI payment is retroactive from receiving more in total benefits than if they were paid the benefits when regularly due.

1984

*Public Law 98-617,
enacted November 8*

Offset provision expanded to allow for reduction of retroactive SSI benefits and to apply in cases of OASDI benefit reinstatement.

b. Proration of Benefit

1982

*Public Law 97-248,
enacted September 3*

Benefit for first month of eligibility to be prorated by the number of days in the month for which an application has been filed and there is eligibility.

1996

*Public Law 104-193,
enacted August 22*

Changes the effective date of an SSI application to the first day of the month following the date on which the application was filed or on which the individual first becomes eligible, whichever is later. This, in effect, eliminates prorated payments in initial claims.

c. Retrospective Monthly Accounting

1981

*Public Law 97-35,
enacted August 13*

Changes the method of computing the SSI benefit to one under which the benefit amount is computed on a monthly basis and is based on income and other characteristics in the previous (or second previous) month.

1984

*Public Law 98-369,
enacted July 18*

Changes the method of computing the SSI benefit to persons receiving title II payments. The effect of the increased title II income at the time of the cost-of-living increase is not delayed as it otherwise would be.

Act

1987

*Public Law 100-203,
enacted December 22*

Provides an exception to retrospective monthly accounting so that amounts received under Aid to Families With Dependent Children (AFDC), foster care, refugee cash assistance, Cuban-Haitian entrant assistance, or general and child welfare assistance provided by the Bureau of Indian Affairs are counted only in the month received.

1993

*Public Law 103-66,
enacted August 10*

Changes the method of computing the SSI benefit to persons receiving the value of the one-third reduction. The effect of the increased value at the time of the cost-of-living increase is not delayed as it otherwise would be. Effective January 1995.

2004

*Public Law 108-203,
enacted March 2*

Eliminates triple counting of one-time, nonrecurring income by providing that this income will be counted only for the month that the income is received, and not for any other month during the transition to retrospective monthly accounting during the first 3 months of an individual's SSI eligibility. Effective April 2005.

d. *Uncashed Checks*

1981

*Public Law 97-35,
enacted August 13*

States that have Federally-administered supplements to be credited their share of SSI checks that remain unnegotiated for 180 days.

1987

*Public Law 100-86,
enacted August 10*

SSI checks now unnegotiable after 1 year. States are credited their share of SSI checks after 1 year rather than 180 days.

e. *Rounding of Payment Amounts*

1982

*Public Law 97-248,
enacted September 3*

Cost-of-living adjustments in the Federal SSI benefit and income eligibility levels are to be rounded to the next lower whole dollar, after the adjustment is calculated. Subsequent cost-of-living adjustments will be calculated on the previous year's benefit standard before rounding.

f. *Penalties for False or Misleading Statements or Withholding of Information*

1999

*Public Law 106-169,
enacted December 14*

Provides for the nonpayment of OASDI and SSI benefits (6, 12 and 24 months, respectively, for the first, second, and third or subsequent violations) for individuals found to have knowingly made a false or misleading statement of material fact for use in determining eligibility for benefits.

2004

*Public Law 108-203,
enacted March 2*

Expands the administrative sanction of nonpayment of benefits to situations where an individual has failed to disclose material information, if the person knew or should have known that such failure was misleading.

Authorizes Federal courts to order a defendant convicted of defrauding Social Security, Special Veterans' Benefits, or SSI to make restitution to SSA. Restitution funds would be deposited to the trust funds or General Fund of the Treasury, as appropriate. Effective with respect to violations occurring on or after the date of enactment.

4. Federal Benefit Rates

Basic benefit standards are used in computing the amount of Federal SSI payments. Benefit levels differ for individuals and couples living in households and for persons in Medicaid institutions. Individuals or couples living in their own households receive the full Federal benefit. If an individual or couple is living in another person's household and receiving support and maintenance there, the Federal benefit is reduced by one-third. The Federal benefit rates for persons in households are increased annually to reflect increases in the cost of living. Legislation affecting the level of Federal benefit rates since the inception of the SSI program are summarized in table V.A1.

Table V.A1.—Federal Benefit Rates Set by Legislation

Act	Living arrangements ¹	Amount ²		Conditions
		Individual	Couple	
1972 ³	Own household ⁴	\$130.00	\$195.00	Was to be effective January 1, 1974; superseded by Public Law 93-233.
1973 ⁵	—	140.00	210.00	Was to be effective January 1, 1974; superseded by Public Law 93-233.
1973 ⁶	—	140.00	210.00	Effective January 1, 1974.
1973 ⁶	—	146.00	219.00	Effective July 1, 1974.
1974 ⁷	—	—	—	Mechanism established for providing cost-of-living adjustments coordinated with earlier legislation applying to OASDI cash benefits. SSI payments to be increased by the same percentage as OASDI benefits and at the same time.
	—	⁸ 157.70	⁸ 236.60	Effective July 1, 1975.
1983 ⁹	—	304.30	456.40	Effective July 1, 1983 (general benefit increase).
	—	⁸ 314.00	⁸ 472.00	Effective January 1, 1984.
1973 ⁵	Increment for "essential person" in household	65.00	—	Was to be effective January 1, 1974. For persons transferred from OAA, AB, or APTD programs who were receiving payments in December 1973 under a State plan that took account of "essential persons" in the household.
	—	70.00	—	Was to be effective July 1, 1974.
1973 ⁶	—	70.00	—	Effective January 1, 1974.
	—	73.00	—	Effective July 1, 1974.
1974 ⁷	—	—	—	Mechanism established for providing cost-of-living adjustments.
	—	⁸ 78.90	—	Effective July 1, 1975.
1983 ⁹	—	152.50	—	Effective July 1, 1983 (general benefit increase).
	—	⁸ 157.00	—	Effective January 1, 1984.
1972 ³	Receiving institutional care covered by Medicaid	25.00	50.00	Effective January 1, 1974. Must be receiving more than 50 percent of the cost of the care from Medicaid (title XIX of the Social Security Act).
1987 ¹⁰	—	30.00	60.00	Effective July 1, 1988. Must be receiving more than 50 percent of the cost of the care from Medicaid (title XIX of the Social Security Act).

¹ For those in another person's household receiving support and maintenance there, the Federal benefit rate is reduced by one-third.

² For those without countable income. These payments are reduced by the amount of countable income of the individual or couple.

³ Public Law 92-603, enacted October 30, 1972.

⁴ Includes persons in private institutions whose care is not provided by Medicaid.

⁵ Public Law 93-66, enacted July 9, 1973.

⁶ Public Law 93-233, enacted December 31, 1973.

⁷ Public Law 93-368, enacted August 7, 1974.

⁸ Subject to automatic provisions, see table IV.A2.

⁹ Public Law 98-21, enacted April 20, 1983.

¹⁰ Public Law 100-203, enacted December 22, 1987.

Act

5. Exclusions from Income**a. General Exclusions****1972***Public Law 92-603,
enacted October 30*

The first \$60 of earned or unearned income per calendar quarter for an individual or couple; the next \$195 and one-half the remainder of quarterly earned income. Unearned income includes Social Security benefits, other government or private pensions, veterans' benefits, and workers' compensation.

1981*Public Law 97-35,
enacted August 13*

The first \$20 of earned or unearned income per month for an individual or couple; the next \$65 and one-half the remainder of monthly earned income. Unearned income includes Social Security benefits, other government or private pensions, veterans' benefits, and workers' compensation.

2000*Public Law 106-554,
enacted December 21*

Earnings of persons defined as Social Security statutory employees are treated as self-employment income for SSI purposes.

b. Special Exclusions**1972***Public Law 92-603,
enacted October 30*

Any amount of tax rebate issued to an individual by any public agency that is based on either real property or food purchase taxes.

Grants, scholarships, and fellowships used to pay tuition and fees at an educational institution.

Income required for achieving an approved self-support plan for blind or disabled persons.

Work expenses of blind persons.

For blind persons transferred from State programs to SSI, income exclusions equal to the maximum amount permitted as of October 1972 under the State programs.

Irregularly or infrequently received income totaling \$60 or less of unearned income and \$30 of earned income in a calendar quarter.

Payment for foster care of ineligible child residing in recipient's home through placement by a public or private nonprofit child care agency.

One-third of any payment received from an absent parent for the support of a child eligible for SSI.

Certain earnings of a blind or disabled child under age 22 regularly attending an educational institution.

State or local government cash payments based on need and designed to supplement SSI payments.

Act

1976

*Public Law 94-331,
enacted June 30*

Disaster assistance from income for 9 months and application of one-third reduction for 6 months for certain victims of disasters occurring between January 1, 1976 and December 31, 1976.

*Public Law 94-566,
enacted October 20*

Any assistance based on need (including vendor payments) made to or on behalf of SSI recipients, which is paid and wholly funded by State or local governments.

The value of assistance provided under certain Federal housing programs.

1977

*Public Law 95-113,
enacted September 29*

Food stamps, Federally donated food, and the value of free or reduced price food for women and children under the Child Nutrition Act and National School Lunch Act.

*Public Law 95-171,
enacted November 12*

Provisions for exclusions for support and maintenance under the Disaster Relief and Emergency Assistance Act of 1974 extended on a permanent basis. Effective January 1, 1978.

1980

*Public Law 96-222,
enacted April 1*

Earned income tax credit treated as earned income (temporarily excluded from 1975 through 1980).

*Public Law 96-265,
enacted June 9*

Remunerations received in sheltered workshops and work activity centers are considered earned income and qualify for earned income exclusions.

Impairment-related work expenses paid by the individual (including cost for attendant care, medical equipment, drugs, and services necessary to control an impairment) are deducted from earnings when determining if an individual is engaging in substantial gainful activity. Impairment-related work expenses are excluded in calculating income for benefit purposes if initial eligibility for benefits exists on the basis of countable income without applying this exclusion.

1981

*Public Law 97-35,
enacted August 13*

Modifies provision under which irregularly or infrequently received income is excluded to conform to change from quarterly to monthly accounting; amounts excludable: \$20 or less of unearned income and \$10 of earned income in a month.

1982

*Public Law 97-377,
enacted December 21*

From December 18, 1982, to September 30, 1983, certain home energy assistance payments are excluded if a State agency certified that they are based on need.

1983

*Public Law 97-424,
enacted January 6*

Support or maintenance assistance (including home energy assistance) provided in kind by a nonprofit organization or in cash or in kind by certain providers of home energy is excluded if the State determines that the assistance is based on need. Provision is applicable through September 1984.

Certain home energy assistance payments are excluded if a State agency certified that the assistance is based on need. Provision is applicable through June 1985.

Act

1984

*Public Law 98-369,
enacted July 18*

The 1983 provisions for support and maintenance and home energy assistance continue to October 1, 1987.

1986

*Public Law 99-498,
enacted October 17*

Educational assistance used for educational expenses under the Higher Education Act of 1965 as amended.

1987

*Public Law 100-203,
enacted December 22*

The 1983 provisions for support and maintenance and home energy assistance made permanent.

Excludes death payments (for example, proceeds from life insurance) from SSI income determinations to the extent they were spent on last illness and burial.

Modifies the 1982 resource exclusion for burial funds to extend the exclusion to any burial fund of \$1,500 or less maintained separately from all other assets, thereby allowing interest to be excluded from income if retained in the fund.

1988

*Public Law 100-383,
enacted August 10*

Restitution payments made to Japanese internees and relocated Aleutians.

1989

*Public Law 101-239,
enacted December 19*

Interest on agreements representing the purchase of an excluded burial space.

Payments from the Agent Orange Settlement.

Value of a ticket for domestic travel received as a gift and not cashed.

1990

*Public Law 101-508,
enacted November 5*

Earned income tax credit (including the child health insurance portion).

Payments received from a State-administered fund established to aid victims of crime.

Impairment-related work expenses excluded from income in determining initial eligibility for benefits.

Payments received as State or local government relocation assistance.

Payments received under the Radiation Exposure Compensation Act.

Redefines as earned income, royalties earned in connection with any publication of the individual's work, and honoraria received for services rendered (previously defined as unearned income).

1993

*Public Law 103-66,
enacted August 10*

Hostile fire pay to members of the uniformed services.

Payments received as State or local government relocation assistance made permanent.

1994

*Public Law 103-286,
enacted August 1*

Payments to victims of Nazi persecution.

Act

1998

*Public Law 105-285,
enacted October 27*

Funds made available to an SSI recipient by a State or local government or a nonprofit organization as part of the Individual Development Account demonstration project.

*Public Law 105-306,
enacted October 28*

In-kind gifts to children with life-threatening conditions by tax-exempt organizations not converted to cash.

The first \$2,000 annually of cash gifts by tax-exempt organizations to, or for the benefit of, individuals under age 18 with life-threatening conditions.

*Public Law 105-369,
enacted November 12*

Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998.

2000

*Public Law 106-554,
enacted December 21*

Interest on funds deposited in an individual development account.

Any adjustments made to prior payments from other Federal programs to account for the error in the computation of the Consumer Price Index during 1999.

2001

*Public Law 107-16,
enacted June 7*

The refundable child tax credit is excluded in determining eligibility for means-tested programs, including SSI.

2004

*Public Law 108-203,
enacted March 2*

Changes the calculation of infrequent and irregular income from a monthly to a quarterly basis. Excludes from the determination of an individual's income all interest and dividend income earned on countable resources. Effective July 2004.

Permits the student earned income exclusion to apply to any individual under age 22 who is a student. Thus, students under age 22 who are married or heads of households would be eligible for the exclusion. Effective April 2005.

Excludes from the determination of income any gift to an individual for use in paying tuition or educational fees, just as grants, scholarships, and fellowships for such use are currently excluded from the determination of income. Effective June 2004.

6. Resources

1972

*Public Law 92-603,
enacted October 30*

Countable resources limited to \$1,500 or less for an individual and to \$2,250 or less for a couple.

1984

*Public Law 98-369,
enacted July 18*

Limit on countable resources raised by \$100 a year for individuals and \$150 a year for couples, beginning in calendar year 1985 through 1989. The respective limits would become \$2,000 for an individual and \$3,000 for a couple in 1989 and thereafter.

1999

*Public Law 106-169,
enacted December 14*

Includes generally in the countable resources of an individual the assets of a trust which could be used for the benefit of the individual or spouse.

Act

1972

*Public Law 92-603,
enacted October 30*

a. General Exclusions

A home of reasonable value—established *by regulation* as not exceeding a fair-market value of \$25,000 (\$35,000 in Alaska and Hawaii).

Personal effects and household goods of reasonable value established *by regulation* as not exceeding a total market value of \$1,500.

An automobile of reasonable value—established *by regulation* as not exceeding a market value of \$1,200.

An automobile may be excluded, regardless of value, if the individual's household uses it for employment or medical treatment, or if it is modified to be operated by or for transportation of a handicapped person.

Life insurance with face value of \$1,500 or less.

1976

*Public Law 94-569,
enacted October 20*

The recipient's home, regardless of value, is excluded from consideration in determining resources.

1977

*Public Law 95-171,
enacted November 12*

Assistance received under the Disaster Relief and Emergency Assistance Act of 1974 for 9 months following receipt.

1979

Reasonable value for an automobile increased *by regulation* to \$4,500 of current-market value; personal goods and household effects increased to \$2,000 of equity value.

1982

*Public Law 97-248,
enacted September 3*

The value, within prescribed limits, of a burial space for the recipient, spouse, and immediate family is excluded. In addition, \$1,500 each (less the value of already excluded life insurance and any amount in an irrevocable burial arrangement) may be set aside for the burial of the recipient and spouse.

1984

*Public Law 98-369,
enacted July 18*

The unspent portion of any retroactive title II or title XVI payment is excluded for 6 months following its receipt, and the individual must be given written notice of the time limit on the exclusion.

1985

Regulations permit exclusion, regardless of value, of an automobile needed for essential transportation or modified for a handicapped person. The \$4,500 current market value limit applies only if no automobile could be excluded based on the nature of its use.

1987

*Public Law 100-203,
enacted December 22*

Provides for suspension of the 1980 transfer of assets provision, in any month that it is determined that undue hardship would result.

Real property that cannot be sold for the following reasons: it is jointly owned; its sale would cause the other owner(s) undue hardship due to loss of housing; its sale is barred by a legal impediment; or, the owner's reasonable efforts to sell have been unsuccessful.

Temporarily extends the 1984 exclusion of retroactive title II and title XVI benefits from 6 months to 9 months (the longer exclusion applies to benefits paid in fiscal years 1988 and 1989).

Act

1988

*Public Law 100-707,
enacted November 23*

Removes the time limit for exclusion of disaster assistance.

2004

*Public Law 108-203,
enacted March 2*

Increases to 9 months and makes uniform the time period for excluding from resources amounts attributable to payments of past-due Social Security and SSI benefits and earned income and child tax credits. Effective for such payments received on or after the date of enactment.

b. Special Exclusions

1972

*Public Law 92-603,
enacted October 30*

Assets of a blind or disabled individual that are necessary to an approved plan of self-support.

Tools and other property essential to self-support (PESS), within reasonable limits. Shares of nonnegotiable stock in regional or village corporations held by natives of Alaska.

For persons transferred from State programs to SSI, resource exclusions equal to the maximum amount permitted as of October 1972 under the State program.

1988

*Public Law 100-383,
enacted August 10*

Restitution payments made to Japanese internees and relocated Aleutians.

1989

*Public Law 101-239,
enacted December 19*

Specifies that no limitation can be placed on property essential to self-support used in a trade or business, or by an individual as an employee (including the tools of a tradesperson and the machinery and livestock of a farmer).

Payments from the Agent Orange Settlement.

1990

*Public Law 101-508,
enacted November 5*

Earned income tax credit excluded for the month following the month the credit is received.

Payments received from a State-administered fund established to aid victims of crime excluded for a 9-month period. Individual not required to file for such benefits.

Payments received as State or local government relocation assistance excluded for a 9-month period. (The provision expired 3 years after its effective date.)

Payments received under the Radiation Exposure Compensation Act.

1993

*Public Law 103-66,
enacted August 10*

Makes permanent the 9-month exclusion of payments received as State or local government relocation assistance.

1994

*Public Law 103-286,
enacted August 1*

Payments to victims of Nazi persecution.

Act

1996

*Public Law 104-193,
enacted August 22*

Dedicated financial institution accounts required to be established for large past-due benefits for disabled individuals under age 18 with a representative payee.

1998

*Public Law 105-285,
enacted October 27*

Funds made available to an SSI recipient by a State or local government or a nonprofit organization as part of the Individual Development Account demonstration project.

*Public Law 105-306,
enacted October 28*

In-kind gifts to children with life-threatening conditions by tax-exempt organizations not converted to cash.

The first \$2,000 annually of cash gifts by tax-exempt organizations to, or for the benefit of, individuals under age 18 with life-threatening conditions.

*Public Law 105-369,
enacted November 12*

Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998.

2000

*Public Law 106-554,
enacted December 21*

Funds deposited by an individual in an individual development account and the interest on those funds.

2001

*Public Law 107-16,
enacted June 7*

The refundable child tax credit in the month of receipt and in the following month.

2004

*Public Law 108-203,
enacted March 2*

Excludes grants, scholarships, fellowships, or gifts to be used for tuition or educational fees from an individual's countable resources for 9 months after the month of receipt.

c. Transfer-of-Assets Penalties

1980

*Public Law 96-611,
enacted December 28*

Assets transferred for less than fair market value for the purpose of establishing eligibility for benefits under the Social Security Act are counted as resources for 24 months after transfer.

1988

*Public Law 100-360,
enacted July 1*

Removes the transfer-of-assets penalty for transfers made July 1, 1988, or later.

1999

*Public Law 106-169,
enacted December 14*

Provides a penalty under the SSI program for the disposal of resources at less than fair market value. The penalty is a loss of benefits for up to 36 months. A formula is provided to determine the number of months.

Act

7. Presumptive and Emergency Payments and Interim Assistance Reimbursement

a. Presumptive Payments

1972

*Public Law 92-603,
enacted October 30*

A person applying on the basis of disability who meets all other criteria of eligibility, and is likely to be disabled, may receive payments for 3 months pending the disability determination.

1976

*Public Law 94-569,
enacted October 20*

Presumptive payment provision was extended to persons applying on the basis of blindness.

1990

*Public Law 101-508,
enacted November 5*

Extends the period for receipt of payments to 6 months.

b. Emergency Advance Payments

1972

*Public Law 92-603,
enacted October 30*

Any applicant who can be presumed to meet the criteria of eligibility, but has not yet been determined eligible, and who is faced with a financial emergency may receive an immediate cash advance of up to \$100.

1987

*Public Law 100-203,
enacted December 22*

Increases the maximum emergency advance payment amount to the maximum amount of the regular Federal SSI monthly benefit rate, plus, if any, the Federally-administered State supplementary payment.

1996

*Public Law 104-193,
enacted August 22*

Applicants who have a financial emergency may receive an emergency advance payment in the month of application, which, effective with this law, is always prior to the first month of eligibility. These advance payments are recouped by proportional reductions in the recipient's first 6 months of SSI benefits.

c. Interim Assistance Reimbursement

1974

*Public Law 93-368,
enacted August 7*

SSA may enter into agreements with the States to repay them directly for assistance payments made to an SSI applicant while his/her claim is being adjudicated. The repayment is made from the first check due to the individual. This legislation expires June 30, 1976.

1976

*Public Law 94-365,
enacted July 14*

The authority to repay the State for interim assistance is made permanent.

1987

*Public Law 100-203,
enacted December 22*

Extends interim assistance reimbursement to situations in which payments are made by States or political subdivisions to persons whose SSI payments were suspended or terminated and who subsequently are found to be eligible for such benefits. Also clarifies that the payment from which the interim assistance reimbursement is paid must be the first payment of benefits relating to the interim period.

Act

1972

*Public Law 92-603,
enacted October 30*

8. Medicaid Eligibility

States can provide Medicaid coverage to all recipients of SSI payments. Alternatively, they can limit coverage by applying more restrictive criteria from the State Medicaid plan in effect on January 1, 1972.

States can accept SSA determination of eligibility, or make their own determination.

1976

*Public Law 94-566,
enacted October 20*

Preserves the Medicaid eligibility of recipients who become ineligible for cash SSI payments due to the cost-of-living increases in Social Security benefits.

1980

*Public Law 96-265,
enacted June 9*

Blind or disabled recipients under age 65 no longer eligible for either regular or special SSI payments because of their earnings may retain SSI recipient status for Medicaid eligibility purposes under the following conditions: (1) they continue to have the disabling impairment, (2) they meet all nondisability eligibility criteria except for earned income, (3) they would be seriously inhibited from continuing employment without Medicaid services, and (4) their earnings are insufficient to provide a reasonable equivalent of SSI payments and Medicaid.

In States that do not provide Medicaid coverage categorically to all SSI recipients, qualification for Medicaid benefits depends on the State's specific eligibility and program requirements.

The Medicaid provision of the 1980 legislation was in effect from January 1, 1981, through December 31, 1983. Under a 1-year demonstration project, beginning January 1, 1984, this provision was continued for persons already eligible for regular or special SSI payments or for retention of Medicaid eligibility.

1984

*Public Law 98-460,
enacted October 9*

Medicaid provision of 1980 legislation extended through June 30, 1987 (retroactive to January 1, 1984).

1986

*Public Law 99-272,
enacted April 7*

Restores Medicaid eligibility for some disabled widow(er)s who became ineligible for SSI when their title II benefits increased in 1984 because of a change in the Social Security disabled widow(er)s benefits reduction factor.

Act

1986

*Public Law 99-643,
enacted November 10*

The SSI recipient status for Medicaid eligibility provision of the 1980 amendments is made permanent.

Effective July 1, 1987, certain expenses are excluded from earnings when determining sufficiency of earnings to establish SSI recipient status eligibility for Medicaid purposes:

- Impairment-related work expenses of disabled persons,
- Work expenses of blind persons,
- Income required for achieving an approved self-support plan, and
- The value of publicly funded attendant care services.

Effective July 1, 1987, preserves the Medicaid eligibility of recipients who become ineligible for SSI payments because of entitlement to, or an increase in, Social Security disabled adult child benefits on or after the effective date.

Effective July 1, 1987, requires all States to provide Medicaid coverage for recipients in special SSI status (either receiving special SSI payments or in the special recipient status described for 1980) if they received Medicaid coverage the month before special SSI status.

1987

*Public Law 100-203,
enacted December 22*

Effective July 1, 1988, restores or preserves the Medicaid eligibility of persons aged 60 or older who are eligible for Social Security benefits as widows or widowers (but not eligible for Medicare) and who become ineligible for SSI payments or State supplementation because of the receipt of old-age or survivors insurance benefits under Social Security.

1990

*Public Law 101-508,
enacted November 5*

Age limit for retention of SSI recipient status for Medicaid eligibility purposes (1980 and subsequent work incentive provisions, above) is eliminated.

Preserves the Medicaid eligibility of SSI recipients who become ineligible for payments when they become entitled to Social Security disabled widow(er)s benefits following the revised definition used for their disability.

1997

*Public Law 105-33,
enacted August 5*

Requires States to continue Medicaid coverage for disabled children who were receiving SSI payments as of August 22, 1996 and would have continued to be eligible for such payments except that their eligibility terminated because they did not meet the revised SSI childhood disability standard established under Public Law 104-193.

Act

9. State Supplementation

1972

*Public Law 92-603,
enacted October 30*

States are given the option of providing supplementary payments both to recipients transferred from the State program and to those newly eligible for SSI.

States may either administer the payments themselves or have the Social Security Administration make payments on their behalf. When State supplementary payments are Federally-administered, the Social Security Administration makes eligibility and payment determinations for the State and assumes administrative costs.

“Hold harmless” protection, which limits a State’s fiscal liability to its share of OAA, AB, and APTD expenditures for calendar year 1972, is provided to States electing Federal administration of their supplementary plans. This provision applies only to supplementary payments that do not, on the average, exceed a State’s “adjusted payment level.” (The adjusted payment level is the average of the payments that individuals with no other income received in January 1972; it may include the bonus value of food stamps. Adjustments are provided for payments that had been below State standards.)

1973

*Public Law 93-66,
enacted July 9*

Provides for mandatory State supplementation as assurance against reduction of income for persons who received State assistance in December 1973 and were transferred to SSI. These supplementary payments must equal the difference between (1) the amount of the State assistance payment that the individual received in December 1973 plus other income and (2) his/her Federal SSI payment plus other income.

1976

*Public Law 94-585,
enacted October 21*

After June 30, 1977, when the Federal SSI payment level is increased by a cost-of-living increase, such an increase will be excluded in calculating the “hold harmless” amount.

Requires States to maintain State supplementation payments at the level of December 1976 (“maintenance of payments”) or to continue to pay in supplements the same total annual amounts (“maintenance of expenditures”) when the Federal SSI payment level is increased and thereby pass through any increases in Federal benefits without reducing State supplements.

1982

*Public Law 97-248,
enacted September 3*

Begins a 3-year phase out of “hold harmless” protection. Effective with fiscal year 1985, Wisconsin and Hawaii (the only remaining “hold harmless” States) assumed the full cost of their supplementary payments.

1983

*Public Law 98-21,
enacted April 20*

Federal pass-through law is adjusted (1) by substituting the State supplementary payment levels in effect in March 1983 for those in effect in December 1976 as the levels that States must maintain in complying with the pass-through requirements, and (2) with regard to the \$20 (individual) and \$30 (couple) increase in the Federal SSI standard in July 1983, by requiring States to pass through only as much as would have been required if the SSI cost-of-living adjustment had been made in July 1983.

Act

1987

*Public Law 100-203,
enacted December 22*

Provides for Federal administration of State supplements to residents of medical institutions.

Provides for required pass through of \$5 increase in Federal rate for persons whose care in institutions is paid in substantial part by Medicaid.

1993

*Public Law 103-66,
enacted August 10*

Requires States to pay fees for Federal administration of their State supplementation payments. The fees are \$1.67 for each monthly supplementary payment in fiscal year 1994, \$3.33 in fiscal year 1995, and \$5.00 in fiscal year 1996. Fees for subsequent fiscal years will be \$5.00 or another amount determined by the Commissioner to be appropriate. The Commissioner may charge the States additional fees for services they request that are beyond the level customarily provided in administering State supplementary payments.

1997

*Public Law 105-33,
enacted August 5*

Revises the schedule of per-payment fees for Federal administration of State supplementation for fiscal years 1998 (\$6.20) through 2002 (\$8.50) and provides a formula for determining the fee beyond fiscal year 2002.

1999

*Public Law 106-170,
enacted December 17*

A State which has an agreement with SSA to administer its supplementation payments, must remit both payments and fees prior to the SSI payment date.

2000

*Public Law 106-554,
enacted December 21*

Changes the effective date of above provision from 2009 to 2001.

10. Overpayment Recovery

1984

*Public Law 98-369,
enacted July 18*

Limits the rate of recovering overpayments from monthly payments to the lesser of: (1) the monthly payment, or (2) 10 percent of a recipient's monthly income. Permits a higher or lower adjustment at the request of the recipient subject to the agreement of the Commissioner. The limit does not apply if fraud, willful misrepresentation, or concealment of material information was involved on the part of the recipient or spouse in connection with the overpayment.

Waives recovery of certain overpayments due to amount of excess resources of \$50 or less.

Provides temporary authority for the recovery of overpayments from tax refunds.

1988

*Public Law 100-485,
enacted October 13*

Grants permanent authority to recover overpayments from tax refunds.

1998

*Public Law 105-306,
enacted October 28*

Authorizes SSA to collect SSI overpayments for individuals not currently eligible for SSI cash benefits by offsetting Old-Age, Survivors, and Disability Insurance (OASDI) benefits, with a maximum monthly offset of no more than 10 percent of the Social Security benefit.

Act

1999

*Public Law 106-169,
enacted December 14*

Makes representative payees liable for an SSI overpayment caused by a payment made to a recipient who has died, and requires SSA to establish an overpayment control record under the representative payee's Social Security number.

Requires SSA to recover SSI overpayments from SSI lump-sum amounts by withholding at least 50 percent of the lump-sum payment or the amount of the overpayment, whichever is less.

Extends all of the debt collection authorities currently available for the collection of overpayments under the OASDI program to the SSI program.

2001

*Public Law 107-16,
enacted June 7*

Subjects one-time tax refund payments provided under this Act to overpayment recovery under tax refund offset provisions.

2004

*Public Law 108-203,
enacted March 2*

Provides for recovery of overpayment of SSI benefits by withholding from OASDI and Special Veterans' benefits up to 100 percent of any underpayment of benefits and 10 percent of ongoing monthly benefits.

Also provides for recovery of overpayment of OASDI or Special Veterans' benefits by withholding from SSI up to 100 percent of any underpayment of benefits, but limits any recovery from SSI benefits to the lesser of 100 percent of the monthly benefit or 10 percent of the individual's total monthly income.

Effective with respect to overpayments that are outstanding at the time of enactment.

B. INCOME AND RESOURCE EXCLUSIONS

1. Earned Income Exclusions

- Any refund of Federal income taxes received under section 32 of the Internal Revenue Code (relating to earned income tax credit) and any payment received under section 3507 of the Internal Revenue Code (relating to advance payment of earned income tax credit);
- Any refundable child tax credit;
- Up to the first \$30 of earned income in a quarter if it is infrequent or irregular, that is, if it is received only once in a calendar quarter from a single source or if its receipt cannot reasonably be expected;
- Up to \$1,370 per month but not more than \$5,520 in a calendar year received by a blind or disabled recipient who is a student regularly attending school;
- Any portion of the monthly \$20 exclusion for unearned income that has not been used;
- \$65 of earned income in a month;
- Amounts used to pay impairment-related work expenses if a recipient is disabled (but not blind) and under age 65 or is disabled (but not blind) and receiving SSI (or disability payments under a former State plan) before age 65¹;
- One-half of remaining earned income in a month;
- Earned income used to meet any expenses reasonably attributable to the earning of the income if the recipient is blind and under age 65 or if he/she received SSI as a blind person prior to age 65¹;
- Any earned income received and used to fulfill an approved plan to achieve self-support if the recipient is blind or disabled and under age 65 or is blind or disabled and received SSI as a blind or disabled individual in the month before he/she attained age 65;
- Any earned income deposited into either a Temporary Assistance for Needy Families (TANF) or “Assets for Independence Act” individual development account (IDA); and
- Some Federal laws other than the Social Security Act provide for the exclusion of earned income for SSI purposes. For the most part, the income received under these laws relates to assistance received in the form of food, housing and utilities, educational and employment benefits or benefits derived from being a member of a Native American tribe. A complete list of laws which exclude earned income under SSI can be found in the Federal Regulations Appendix to Subpart K 20 CFR 416.

2. Unearned Income Exclusions

- Any public agency’s refund of taxes on real property or food;
- Assistance based on need which is wholly funded by a State or one of its political subdivisions. This includes State supplementation of Federal SSI benefits but does not include payments under a Federal/State grant program such as Temporary Assistance for Needy Families (TANF);

¹ Amounts used to pay impairment-related work expenses are deducted before the one-half of earned income deduction, whereas amounts used to pay the work expenses of the blind are deducted after the one-half of earned income deduction. In effect, amounts of blind work expenses reduce SSI earned income twice as much as the same amounts of impairment-related work expenses.

- Any portion of a grant, scholarship, fellowship, or gift to an individual used for paying tuition, fees or other necessary educational expenses. Portions set aside for food, clothing or shelter are counted;
- Food raised by a household if it is consumed by that household;
- Assistance received under the Disaster Relief and Emergency Assistance Act and assistance provided under any Federal statute because of a catastrophe which the President of the United States declares to be a major disaster;
- Up to the first \$60 of unearned income in a quarter if it is infrequent or irregular, that is, if a type of unearned income is received only once during a calendar quarter from a single source or if it cannot reasonably be expected;
- Any unearned income received and used to fulfill an approved plan to achieve self-support if the recipient is blind or disabled and under age 65 or is blind or disabled and received SSI as a blind or disabled individual in the month before he/she attained age 65;
- Periodic payments made by a State under a program established before July 1, 1973, and based solely on the recipient's length of residence and attainment of age 65;
- Payments for providing foster care to an ineligible child who was placed in the recipient's home by a public or private nonprofit child placement or child care agency;
- Any interest earned on excluded burial funds and any appreciation in the value of an excluded burial arrangement which are left to accumulate and become part of the separately identifiable burial fund;
- Certain support and maintenance assistance provided in the form of home energy assistance;
- One-third of support payments made by an absent parent if the recipient is a child;
- The first \$20 of unearned income in a month other than income in the form of in-kind support and maintenance received in the household of another and income based on need;
- The value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, title V of the Housing Act of 1949, or section 202(h) of the Housing Act of 1959;
- Any interest accrued on and left to accumulate as part of the value of an excluded burial space purchase agreement (after April 1, 1990);
- The value of any commercial transportation ticket, for travel by a recipient or his/her spouse among the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands, which is received as a gift and is not converted to cash;
- Payments received from a fund established by a State to aid victims of crime;
- Relocation assistance provided by a State or local government that is comparable to assistance provided under title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- Hostile fire pay received from one of the uniformed services pursuant to 37 U.S.C. 310 and other kinds of additional pay received by military personnel in a combat zone;
- Interest or other earnings on a dedicated account excluded from resources;

- In-kind gifts not converted to cash and the first \$2,000 annually of cash gifts made by tax-exempt organizations, such as the Make-A-Wish Foundation, to, or for the benefit of, individuals under age 18 with life-threatening conditions;
- Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998;
- TANF funds made available to an SSI recipient as part of an individual development account (IDA);
- Deposits made by a participating individual or a sponsoring nonprofit organization or State or local government into an IDA under the “Assets for Independence Act” IDA demonstration project and interest earned on these deposits;
- Unearned income excluded by other Federal laws. See Federal Regulations Appendix to Subpart K 20 CFR 416; and
- All interest and dividend income earned on countable resources.

3. Resource Exclusions

- The home (including the land appertaining thereto);
- Household goods and personal effects to the extent that their total value does not exceed \$2,000;
- An automobile may be totally excluded if: (1) it is necessary for employment; (2) it is necessary for the medical treatment of a specific or regular medical problem; (3) it is modified for the operation by or transportation of, a handicapped individual; or (4) it is necessary to perform essential daily activities. If the automobile does not meet any of the above requirements, it may be excluded to the extent that its current-market value does not exceed \$4,500;
- Property of a trade or business which is essential to the means of self-support;
- Nonbusiness property which is essential to the means of self-support;
- Resources of a blind or disabled individual which are necessary to fulfill an approved plan for achieving self-support;
- Stock in regional or village corporations held by natives of Alaska during the 20-year period in which the stock is inalienable pursuant to the Alaska Native Claims Settlement Act;
- Life insurance owned by an individual (and spouse, if any) provided that all life insurance on any person does not exceed a face value of \$1,500;
- Restricted allotted Indian lands;
- Disaster relief assistance;
- Burial spaces and certain funds up to \$1,500 for burial expenses;
- Title XVI or title II retroactive payments (for 9 months following receipt);
- Housing assistance;
- Refunds of Federal income taxes and advances made by an employer relating to an earned income tax credit, (for 9 months following receipt);

- Refundable child tax credit for 9 months following receipt;
- Grants, scholarships, fellowships or gifts to be used for tuition or educational fees (for 9 months);
- Payments received as compensation for expenses incurred or losses suffered as a result of a crime (for 9 months);
- Relocation assistance from a State or local government (for 9 months);
- Dedicated financial institution accounts for disabled children;
- In-kind gifts not converted to cash and the first \$2,000 annually of cash gifts made by tax-exempt organizations, such as the Make-A-Wish Foundation, to, or for the benefit of, individuals under age 18 with life-threatening conditions;
- Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998;
- Amounts deposited into either a TANF or “Assets for Independence Act” IDA, including matching funds and interest earned on such amounts;
- Certain trusts (e.g., those established by will or certain Medicaid trusts that will repay the State, upon the death of the beneficiary, for the costs of medical assistance provided to that individual); and
- Payments or benefits provided under a Federal statute other than title XVI of the Social Security Act where exclusion is provided by such statute.

C. HISTORICAL ALLOWANCE DATA

At the end of 2003, 82 percent of SSI recipients were receiving benefits based on a determination of disability. Claims are filed at a local Social Security office and claims requiring an evaluation of disability are sent to the State Disability Determination Services (DDS) for a decision. Initial DDS decisions that are unfavorable to the applicant may be appealed. Until recently, all appeals were initiated at the DDS level with a request for reconsideration of that initial denial. Persons denied at the reconsideration level could then apply to the Office of Hearings and Appeals (OHA) for a hearing before an Administrative Law Judge (ALJ), and if dissatisfied with the hearing decision could request a review by the Appeals Council. Those dissatisfied with the Appeals Council's action could seek further relief via the Federal court system. This appeals process is still in effect for the majority of new applicants. However, in recent years SSA has conducted small pilots testing revisions to this process and introduced a modification of this process that has been utilized in 10 States for applications filed on or after October 1, 1999. Under this revised process appeals of initial denials are made directly to OHA, thereby eliminating the reconsideration step. The options for appeal beyond the OHA level are unchanged.

Such a process of application and appeal can, in some cases, span several years. However, before 1993, the only data available on the disability determination process resided in files compiled at each separate stage of the process and only captured various point-in-time snapshots. A complete picture of the disability determination process can be fully understood only by compiling a longitudinal database from administrative records at all levels of appeal. Beginning in 1993, such a longitudinal database (the "Disability Research File") was constructed by SSA's Office of Disability Programs to assist the agency in understanding and managing this process. In constructing this database, some problems were encountered due to inconsistencies in the data collected from all the respective levels of appeal. The following sections present some additional details and qualifications essential to a complete understanding of the resulting data. Following these technical notes are tables based on the Disability Research File which show the latest available summary of results on disability determinations under title XVI.

1. Technical Notes on the Disability Research File

Methods used to build the title XVI Disability Research File—The "base" file for the title XVI research file is the Supplemental Security Record (SSR). This "base" file is matched against records from various other administrative sources, including transactions from the disability determination (SSA-831) files, Social Security number identification records and earnings data, and OHA case control data.

The process used to build this research file is cumbersome, involving about 190 steps, and generally requiring about 4 months to complete. Much of this complexity flows from the fact that the file is assembled based on filing date cohorts, even though many of the source files do not contain a filing date. The three most recent calendar year cohorts are completely reassembled from the basic data sources. Older calendar year cohorts are updated to reflect activity since the last time the file was built. Since the process is so time consuming, the research file is updated only annually (usually beginning in July). Therefore, research file data are not yet available for claims filed in 2003.

Methods used for estimating results (through January 2004) for claims filed in 2003—Although decision counts are available for 2003 filers (from many of the "source" files), those counts do not translate directly into the claims/appeals counts included in the following tables, due to the consolidation of multiple transactions (and application of claims-based tolerance rules) which occurs when the research file is built.

To prepare preliminary estimates of results (through January 2004) for 2003 filers, we started from the latest available transaction data, such as the SSA-831 data, and took into account recent years' experience of the relationship between corresponding earlier transaction data and the resulting claims/appeals data in

completed research files. We also considered claims counts from an extract file from the SSR. While we believe that the methods used are reasonable, it must be emphasized that the resulting estimates may prove to be of limited reliability, especially in light of the fact that the estimates give results only through January 2004, whereas the final research files will reflect information through June 2004. Actual data for 2003 will be available to replace these estimates in the 2005 Annual Report.

2. General Considerations

Some general points that apply to tables V.C1 and V.C2 are as follows:

- Data for 1988-2002 filers are as of June 2003. Results for those years' filers have been updated to include OHA results through September 2003.
- Data for 2003 filers are preliminary estimates as of January 2004, and reflect larger numbers of claims still pending. January 2004 data on number of claims appealed may be too low because larger numbers of claimants are still within the period allowed for filing an appeal (i.e., larger numbers of recently denied claimants who have not yet filed an appeal may appeal before the time limit runs out).
- Remaining appeals will affect the results. Since allowances are generally processed more quickly than denials, we expect that the percent allowed will ultimately be lower as all cases are processed.
- In certain pilot activities and under the revised process introduced October 1, 1999 in 10 States, initial denials can be appealed directly to OHA without a separate reconsideration step. As a result the appeals of initial denials shown in these tables include cases which will not receive a decision at the reconsideration level.

Table V.C1.—Disabled Adult Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing¹ and Level of Decision

Calendar year of filing	Total claims filed	Initial decisions						
		Pending	Allowances		Denials		Appeals of initial denials	
			Number	Percent ²	Number	Percent ²	Number ³	Percent ⁴
1988	946,603	—	272,204	28.8	674,399	71.2	265,151	39.3
1989	969,218	—	292,044	30.1	677,174	69.9	274,823	40.6
1990	1,099,805	—	347,823	31.6	751,982	68.4	320,207	42.6
1991	1,288,331	—	415,336	32.2	872,995	67.8	383,669	43.9
1992	1,415,624	—	436,888	30.9	978,736	69.1	433,244	44.3
1993	1,503,278	—	416,300	27.7	1,086,978	72.3	485,166	44.6
1994	1,436,958	—	353,995	24.6	1,082,963	75.4	482,533	44.6
1995	1,318,416	—	323,084	24.5	995,332	75.5	439,166	44.1
1996	1,247,926	—	305,351	24.5	942,575	75.5	406,425	43.1
1997	1,110,898	—	292,839	26.4	818,059	73.6	357,999	43.8
1998	1,108,957	—	322,734	29.1	786,223	70.9	339,290	43.2
1999	1,104,975	—	326,607	29.6	778,368	70.4	332,235	42.7
2000	1,139,571	—	344,163	30.2	795,408	69.8	332,935	41.9
2001	1,215,105	—	364,824	30.0	850,281	70.0	352,589	41.5
2002	1,320,308	17,471	362,800	27.8	940,037	72.2	368,189	39.2
2003	1,371,000	301,260	330,474	30.9	739,266	69.1	243,043	32.9

Calendar year of filing	Reconsiderations						Appeals beyond reconsideration ⁵			
	Pending	Allowances		Denials	Appeals of reconsideration denials		Pending ⁷	Allowances		Denials ⁹
		Number	Percent ²		Number ⁶	Percent ⁴		Number	Percent ⁸	
1988	—	38,385	14.5	226,766	140,663	62.0	—	82,414	58.6	58,249
1989	—	43,505	15.8	231,318	146,082	63.2	—	90,169	61.7	55,913
1990	—	52,055	16.3	268,152	175,520	65.5	—	109,098	62.2	66,422
1991	—	59,157	15.4	324,512	221,816	68.4	—	139,698	63.0	82,118
1992	—	58,819	13.6	374,425	260,554	69.6	—	159,084	61.1	101,470
1993	—	57,938	11.9	427,228	294,801	69.0	—	170,402	57.8	124,399
1994	—	55,822	11.6	426,711	293,300	68.7	—	164,452	56.1	128,848
1995	—	51,697	11.8	387,469	263,954	68.1	—	143,403	54.3	120,551
1996	—	49,263	12.1	357,162	244,209	68.4	2,473	132,962	55.0	108,774
1997	—	47,573	13.4	306,561	215,414	70.3	2,856	120,920	55.9	95,503
1998	—	46,507	13.7	292,272	204,910	70.1	4,285	113,977	56.7	87,159
1999	—	42,135	13.3	274,269	194,644	71.0	7,513	116,146	57.2	86,816
2000	—	39,522	14.3	237,714	170,264	71.6	21,089	117,139	57.2	87,735
2001	—	38,200	13.5	244,272	173,416	71.0	75,508	97,618	58.1	70,407
2002	26,184	28,509	10.9	232,453	160,131	68.9	185,146	34,599	61.8	21,429
2003	54,402	17,079	12.7	117,654	58,923	50.1	105,585	4,830	66.7	2,416

Selected summary case information by decision status: *Numbers of cases*

Calendar year of filing	Total claims filed	Initial decisions pending	Total initial decisions	Denials		
				Allowances	Appeal decision pending	No appeal pending
1988	946,603	—	946,603	393,003	—	553,600
1989	969,218	—	969,218	425,718	—	543,500
1990	1,099,805	—	1,099,805	508,976	—	590,829
1991	1,288,331	—	1,288,331	614,191	—	674,140
1992	1,415,624	—	1,415,624	654,791	—	760,833
1993	1,503,278	—	1,503,278	644,640	—	858,638
1994	1,436,958	—	1,436,958	574,269	—	862,689
1995	1,318,416	—	1,318,416	518,184	—	800,232
1996	1,247,926	—	1,247,926	487,576	2,473	757,877
1997	1,110,898	—	1,110,898	461,332	2,856	646,710
1998	1,108,957	—	1,108,957	483,218	4,285	621,454
1999	1,104,975	—	1,104,975	484,888	7,513	612,574
2000	1,139,571	—	1,139,571	500,824	21,089	617,658
2001	1,215,105	—	1,215,105	500,642	75,508	638,955
2002	1,320,308	17,471	1,302,837	425,908	211,330	665,599
2003	1,371,000	301,260	1,069,740	352,383	159,987	557,370

Table V.C1.—Disabled Adult Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing¹ and Level of Decision (Cont.)

Calendar year of filing	Selected summary case information by decision status						
	Numbers as a percentage of total claims filed				Numbers as a percentage of total initial decisions		
	Initial decision pending	Allowances	Denials		Allowances	Denials	
			Appeal decision pending	No appeal pending		Appeal decision pending	No appeal pending
1988	—	41.5	—	58.5	41.5	—	58.5
1989	—	43.9	—	56.1	43.9	—	56.1
1990	—	46.3	—	53.7	46.3	—	53.7
1991	—	47.7	—	52.3	47.7	—	52.3
1992	—	46.3	—	53.7	46.3	—	53.7
1993	—	42.9	—	57.1	42.9	—	57.1
1994	—	40.0	—	60.0	40.0	—	60.0
1995	—	39.3	—	60.7	39.3	—	60.7
1996	—	39.1	0.2	60.7	39.1	0.2	60.7
1997	—	41.5	.3	58.2	41.5	.3	58.2
1998	—	43.6	.4	56.0	43.6	.4	56.0
1999	—	43.9	.7	55.4	43.9	.7	55.4
2000	—	43.9	1.9	54.2	43.9	1.9	54.2
2001	—	41.2	6.2	52.6	41.2	6.2	52.6
2002	1.3	32.3	16.0	50.4	32.7	16.2	51.1
2003	22.0	25.7	11.7	40.7	32.9	15.0	52.1

¹ Data for claims filed in 1988-2002 reflect results as of June 2003 at the DDS level and as of September 2003 at the OHA level. The numbers of total claims filed for 2001-2002 are subject to change. Data for claims filed in 2003 are preliminary estimates as of January 2004. The ultimate numbers of allowances and denials are subject to change until all initial decisions have been completed and all appeals are final.

² Percentage of decisions at this level.

³ Includes certain cases which can be appealed directly to OHA.

⁴ Percentage of denials at this level appealed to next level.

⁵ Includes cases appealed to OHA, as well as beyond OHA to the Federal courts.

⁶ Number of persons appealing beyond the reconsideration level.

⁷ Includes cases remanded to OHA from the Federal courts.

⁸ Percentage of decisions at this level. For years where decisions are still pending, the preliminary percentage shown is expected to ultimately be lower as all cases are processed. This occurs because allowances are generally processed more quickly than denials.

⁹ Includes denied claims where the final administrative action was a dismissal of an appeal request (e.g., the appeal was not filed timely or the applicant failed to appear at the scheduled hearing).

Table V.C2.—Disabled Child Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing¹ and Level of Decision

Calendar year of filing	Total claims filed	Initial decisions						
		Pending	Allowances		Denials		Appeals of initial denials	
			Number	Percent ²	Number	Percent ²	Number ³	Percent ⁴
1991	250,962	—	148,220	59.1	102,742	40.9	24,702	24.0
1992	372,971	—	189,079	50.7	183,892	49.3	49,297	26.8
1993	496,131	—	212,268	42.8	283,863	57.2	75,967	26.8
1994	525,013	—	172,219	32.8	352,794	67.2	92,093	26.1
1995	487,730	—	144,231	29.6	343,499	70.4	86,841	25.3
1996	453,473	—	127,416	28.1	326,057	71.9	75,013	23.0
1997	332,032	—	106,528	32.1	225,504	67.9	51,496	22.8
1998	335,732	—	123,249	36.7	212,483	63.3	50,111	23.6
1999	342,153	—	128,543	37.6	213,610	62.4	49,585	23.2
2000	349,288	—	136,989	39.2	212,299	60.8	48,169	22.7
2001	367,993	—	151,622	41.2	216,371	58.8	48,981	22.6
2002	402,651	4,727	162,743	40.9	235,181	59.1	52,021	22.1
2003	422,300	81,789	151,913	44.6	188,598	55.4	33,747	17.9

Calendar year of filing	Reconsiderations						Appeals beyond reconsideration ⁵			
	Pending	Allowances		Denials	Appeals of reconsideration denials		Pending ⁷	Allowances		Denials ⁹
		Number	Percent ²		Number ⁶	Percent ⁴		Number	Percent ⁸	
1991	—	5,605	22.7	19,097	9,196	48.2	—	3,884	42.2	5,312
1992	—	9,463	19.2	39,834	19,770	49.6	—	7,523	38.1	12,247
1993	—	11,338	14.9	64,629	31,193	48.3	—	10,638	34.1	20,555
1994	—	11,332	12.3	80,761	38,422	47.6	—	12,950	33.7	25,472
1995	—	10,287	11.8	76,554	35,568	46.5	—	10,915	30.7	24,653
1996	—	9,355	12.5	65,658	28,070	42.8	198	8,835	31.7	19,037
1997	—	8,266	16.2	42,705	19,028	44.6	189	6,998	36.1	12,366
1998	—	7,799	15.6	42,237	18,843	44.6	314	6,969	37.5	11,635
1999	—	7,196	15.5	39,377	17,934	45.5	575	7,692	37.8	12,679
2000	—	6,932	18.3	31,051	14,428	46.5	1,986	8,403	37.1	14,225
2001	—	6,715	18.2	30,262	14,096	46.6	8,343	6,612	37.2	11,145
2002	3,556	5,824	16.8	28,933	12,864	44.5	20,884	2,226	39.1	3,462
2003	6,637	2,697	14.4	15,991	4,498	28.1	12,207	195	27.3	518

Selected summary case information by decision status: Numbers of cases							
Calendar year of filing	Total claims filed	Initial decisions pending	Total initial decisions	Denials			
				Allowances	Appeal decision pending	No appeal pending	
1991	250,962	—	250,962	157,709	—	93,253	
1992	372,971	—	372,971	206,065	—	166,906	
1993	496,131	—	496,131	234,244	—	261,887	
1994	525,013	—	525,013	196,501	—	328,512	
1995	487,730	—	487,730	165,433	—	322,297	
1996	453,473	—	453,473	145,606	198	307,669	
1997	332,032	—	332,032	121,792	189	210,051	
1998	335,732	—	335,732	138,017	314	197,401	
1999	342,153	—	342,153	143,431	575	198,147	
2000	349,288	—	349,288	152,324	1,986	194,978	
2001	367,993	—	367,993	164,949	8,343	194,701	
2002	402,651	4,727	397,924	170,793	24,440	202,691	
2003	422,300	81,789	340,511	154,805	18,844	166,862	

Table V.C2.—Disabled Child Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing¹ and Level of Decision (Cont.)

Calendar year of filing	Selected summary case information by decision status						
	Numbers as a percentage of total claims filed				Numbers as a percentage of total initial decisions		
	Initial decision pending	Allowances	Denials		Allowances	Denials	
			Appeal decision pending	No appeal pending		Appeal decision pending	No appeal pending
1991	—	62.8	—	37.2	62.8	—	37.2
1992	—	55.2	—	44.8	55.2	—	44.8
1993	—	47.2	—	52.8	47.2	—	52.8
1994	—	37.4	—	62.6	37.4	—	62.6
1995	—	33.9	—	66.1	33.9	—	66.1
1996	—	32.1	^{10/}	67.8	32.1	^{10/}	67.8
1997	—	36.7	0.1	63.3	36.7	0.1	63.3
1998	—	41.1	.1	58.8	41.1	.1	58.8
1999	—	41.9	.2	57.9	41.9	.2	57.9
2000	—	43.6	.6	55.8	43.6	.6	55.8
2001	—	44.8	2.3	52.9	44.8	2.3	52.9
2002	1.2	42.4	6.1	50.3	42.9	6.1	50.9
2003	19.4	36.7	4.5	39.5	45.5	5.5	49.0

¹ Data for claims filed in 1991-2002 reflect results as of June 2003 at the DDS level and as of September 2003 at the OHA level. The numbers of total claims filed for 2001-2002 are subject to change. Data for claims filed in 2003 are preliminary estimates as of January 2004. The ultimate numbers of allowances and denials are subject to change until all initial decisions have been completed and all appeals are final.

² Percentage of decisions at this level.

³ Includes certain cases which can be appealed directly to OHA.

⁴ Percentage of denials at this level appealed to next level.

⁵ Includes cases appealed to OHA, as well as beyond OHA to the Federal courts.

⁶ Number of persons appealing beyond the reconsideration level.

⁷ Includes cases remanded to OHA from the Federal courts.

⁸ Percentage of decisions at this level. For years where decisions are still pending, the preliminary percentage shown is expected to ultimately be lower as all cases are processed. This occurs because allowances are generally processed more quickly than denials.

⁹ Includes denied claims where the final administrative action was a dismissal of an appeal request (e.g., the appeal was not filed timely or the applicant failed to appear at the scheduled hearing).

¹⁰ Less than 0.05 percent.

D. HISTORICAL REDETERMINATION AND CONTINUING DISABILITY REVIEW DATA**1. Redeterminations**

Redeterminations are reviews of all of the nonmedical factors of eligibility to determine whether a recipient is still eligible for SSI and still receiving the correct payment amount. There are two types of redeterminations: scheduled and unscheduled. Except for certain institutionalized individuals, all recipients are periodically scheduled for a redetermination. Every year SSA schedules for redetermination the cases most likely to have payment error, but even the cases unlikely to have payment error are scheduled for review at least once every 6 years. Unscheduled redeterminations are completed on an as needed basis when recipients report, or we discover, certain changes in circumstances that could affect the continuing SSI payment amount. The numbers of redeterminations completed are subject to some year-to-year fluctuation because of variation in the numbers of unscheduled redeterminations completed and in the numbers of scheduled redeterminations that were selected but not completed during the fiscal year due to the impact of other workload requirements on the field offices. When redeterminations cannot be completed in the fiscal year scheduled, they are carried over into the next fiscal year. Table V.D1 provides historical data on numbers of redeterminations completed by fiscal year.

Table V.D1.—SSI Redeterminations Completed, Fiscal Years 1986-2003

[In thousands]	
Fiscal year	Number of redeterminations
1986	2,278
1987	2,244
1988	1,997
1989	2,226
1990	2,103
1991	2,138
1992	2,321
1993	2,223
1994	¹ 1,900
1995	² 1,597
1996	1,763
1997	1,773
1998	1,853
1999	2,122
2000	2,182
2001	2,316
2002	2,311
2003	2,450

¹ Decrease in number of redeterminations completed in fiscal year 1994 due to low-error profile redeterminations not being completed from January through September 1994.

² Effective fiscal year 1995, approximately 200,000 fewer redeterminations were selected annually due to a change from a 3-year to a 6-year redetermination cycle for low-error profile cases.

During periods between scheduled redeterminations, SSA uses the limited issue process to detect situations that have the potential to affect the continuing eligibility of SSI recipients and SSI payment amounts. SSA conducts periodic computer matches between its own systems and the systems of other Federal and State agencies to determine if the income and resources information on SSI recipients' records is in conflict with data obtained from the other systems. Matches detecting conflicting information usually result in the posting of an identifier to the Supplemental Security Record of the SSI recipient. The case is then selected and scheduled for a field office review of the issue for which the indicator was posted. In fiscal year 2003, SSA released over 500,000 limited issue cases for development by field offices.

2. Continuing Disability Reviews

Following enactment of the Social Security Disability Amendments of 1980, section 221(i) of the Social Security Act generally requires SSA to review the continuing eligibility of title II disabled beneficiaries at least every 3 years. A similar requirement was not put in place at that time for disabled title XVI recipi-

ents. Although the Committee on Finance of the Senate stated in its report on this legislation that the same continuing disability reviews (CDRs) procedures should be applied with respect to both the title II and title XVI programs, title XVI was not amended to accomplish this. Section 1614(a)(4) of the Act gives SSA discretionary authority to conduct periodic CDRs on SSI recipients. On September 28, 1994, SSA issued a Federal Register notice that periodic SSI CDRs would begin on October 1, 1994. In 1994 and again in 1996 legislation was enacted adding some mandates for the performance of CDRs under the SSI program.

Public Law 103-296 specified that during each of fiscal years 1996, 1997, and 1998, SSA was required to conduct CDRs on a minimum of 100,000 SSI recipients. In addition, during the same period, SSA was required to redetermine the SSI eligibility of at least one-third of all SSI child recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18. Such redeterminations for persons turning age 18 could count toward the 100,000 CDR requirement.

Public Law 104-193 extended the requirement of redetermination of SSI eligibility to all SSI child recipients who reach age 18, with such redetermination being based on the adult eligibility criteria. This law also added the requirement that a CDR be performed:

- At least once every 3 years for SSI recipients under age 18 who are eligible by reason of an impairment which is likely to improve, and
- Not later than 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability unless the Commissioner determines that the impairment is not expected to improve within 12 months of the child's birth.

Public Law 105-33 gave SSA some additional flexibility in the scheduling of these categories of CDRs.

In order to handle the large CDR workload mandated under these various provisions, SSA developed, beginning in 1993, a process by which certain title II cases scheduled for a CDR would be screened using the results of a profiling process which included a mailer interview for some cases. In 1996 the profiling process was extended to title XVI adults who were scheduled for a CDR. The screening process resulted in the deferral of full medical reviews for 122,853 cases for which a scheduled title XVI CDR was processed in 2003.

For cases involving individuals who receive both title II and title XVI benefits, CDRs are typically initiated as title II CDRs with the results of the review affecting eligibility for benefits under both programs. Tables V.D2 and V.D3 present the latest available summary of results¹ on CDRs of title XVI recipients performed under titles II and XVI since 1993. These tables include only cases for which a full medical review was conducted. In particular they do not include:

- Cases for which a mailer was completed, but for which a full medical review was deferred;
- CDRs initiated as the result of work activity on the part of the beneficiary/recipient; and
- Miscellaneous other CDRs processed by the State Disability Determination Services but not as part of the normal CDR scheduling process (such as voluntary and third party reports of medical improvement, post-transplant end-stage renal disease cases, and vocational rehabilitation reports).

In contrast with the allowance data presented in section V.C, the CDR data is tabulated on a cohort basis by the date of initial decision.

¹ The numbers of SSI recipients whose benefits are ceased as a result of CDRs are included in these tables. Estimates of Federal SSI program savings resulting from the cessation of benefits are reported to Congress in the Annual Report of Continuing Disability Reviews. The most recent such report was issued November 13, 2003, presenting estimates of the effects of CDRs conducted in fiscal year 2002.

Table V.D2.—SSI Disabled Adult Reviews: Disposition¹ of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision and Level of Decision

Fiscal year of initial DDS decision	Initial decisions						
	Total initial DDS decisions	Continuations		Cessations		Appeals to reconsideration	
		Number	Percent ²	Number	Percent ²	Number	Percent ³
Reviews of concurrent title II/XVI cases initiated under title II							
1993	1,143	1,083	94.8	60	5.2	52	86.7
1994	10,945	9,127	83.4	1,818	16.6	1,253	68.9
1995	16,736	12,484	74.6	4,252	25.4	2,905	68.3
1996	26,884	20,636	76.8	6,248	23.2	4,119	65.9
1997	51,466	40,741	79.2	10,725	20.8	7,345	68.5
1998	81,185	68,533	84.4	12,652	15.6	8,743	69.1
1999	80,816	70,353	87.1	10,463	12.9	6,217	59.4
2000	105,787	93,962	88.8	11,825	11.2	6,921	58.5
2001	110,341	99,666	90.3	10,675	9.7	6,488	60.8
2002	103,947	92,069	88.6	11,878	11.4	7,386	62.2
2003	72,175	63,021	87.3	9,154	12.7	5,206	56.9
Title XVI initiated reviews							
1993	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—
1995	4,287	3,277	76.4	1,010	23.6	665	65.8
1996	55,025	46,273	84.1	8,752	15.9	6,146	70.2
1997	69,557	57,662	82.9	11,895	17.1	8,723	73.3
1998	75,071	64,829	86.4	10,242	13.6	7,238	70.7
1999	140,429	125,079	89.1	15,350	10.9	10,304	67.1
2000	173,470	156,065	90.0	17,405	10.0	11,015	63.3
2001	143,902	126,610	88.0	17,292	12.0	10,508	60.8
2002	172,527	150,837	87.4	21,690	12.6	13,830	63.8
2003	213,212	191,061	89.6	22,151	10.4	14,259	64.4
Total reviews, SSI disabled adults							
1993	1,143	1,083	94.8	60	5.2	52	86.7
1994	10,945	9,127	83.4	1,818	16.6	1,253	68.9
1995	21,023	15,761	75.0	5,262	25.0	3,570	67.8
1996	81,909	66,909	81.7	15,000	18.3	10,265	68.4
1997	121,023	98,403	81.3	22,620	18.7	16,068	71.0
1998	156,256	133,362	85.3	22,894	14.7	15,981	69.8
1999	221,245	195,432	88.3	25,813	11.7	16,521	64.0
2000	279,257	250,027	89.5	29,230	10.5	17,936	61.4
2001	254,243	226,276	89.0	27,967	11.0	16,996	60.8
2002	276,474	242,906	87.9	33,568	12.1	21,216	63.2
2003	285,387	254,082	89.0	31,305	11.0	19,465	62.2

Fiscal year of initial DDS decision	Reconsiderations				Appeals beyond reconsideration ⁴					
	Pending	Continuations		Cessations	Appeals to beyond reconsideration		Pending ⁶	Continuations		Cessations
		Number	Percent ²		Number ⁵	Percent ³		Number	Percent	
Reviews of concurrent title II/XVI cases initiated under title II										
1993	—	22	42.3	30	14	46.7	—	9	64.3	5
1994	—	541	43.2	712	399	56.0	—	177	44.4	222
1995	—	1,245	42.9	1,660	1,007	60.7	—	382	37.9	625
1996	—	1,875	45.5	2,244	1,313	58.5	—	427	32.5	886
1997	—	4,297	58.5	3,048	2,259	74.1	3	972	43.1	1,284
1998	3	5,512	63.1	3,228	2,472	76.6	13	1,143	46.5	1,316
1999	17	3,974	64.1	2,226	1,553	69.8	15	674	43.8	864
2000	76	4,427	64.7	2,418	1,583	65.5	45	646	42.0	892
2001	211	4,180	66.6	2,097	1,282	61.1	169	441	39.6	672
2002	376	4,774	68.1	2,236	1,455	65.1	803	271	41.6	381
2003	1,359	2,717	70.6	1,130	476	42.1	424	16	30.8	36
Title XVI initiated reviews										
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	241	36.2	424	267	63.0	—	87	32.6	180
1996	—	3,289	53.5	2,857	1,946	68.1	—	623	32.0	1,323
1997	1	5,271	60.4	3,451	2,576	74.6	—	983	38.2	1,593
1998	—	4,530	62.6	2,708	1,986	73.3	6	766	38.7	1,214
1999	11	6,611	64.2	3,682	2,517	68.4	11	962	38.4	1,544
2000	96	6,824	62.5	4,095	2,825	69.0	77	1,027	37.4	1,721
2001	271	6,227	60.8	4,010	2,677	66.8	391	775	33.9	1,511
2002	639	8,143	61.7	5,048	3,296	65.3	1,862	452	31.5	982
2003	3,322	7,737	70.7	3,200	1,531	47.8	1,364	50	29.9	117
Total reviews, SSI disabled adults										
1993	—	22	42.3	30	14	46.7	—	9	64.3	5
1994	—	541	43.2	712	399	56.0	—	177	44.4	222
1995	—	1,486	41.6	2,084	1,274	61.1	—	469	36.8	805
1996	—	5,164	50.3	5,101	3,259	63.9	—	1,050	32.2	2,209
1997	1	9,568	59.6	6,499	4,835	74.4	3	1,955	40.5	2,877
1998	3	10,042	62.8	5,936	4,458	75.1	19	1,909	43.0	2,530
1999	28	10,585	64.2	5,908	4,070	68.9	26	1,636	40.5	2,408
2000	172	11,251	63.3	6,513	4,408	67.7	122	1,673	39.0	2,613
2001	482	10,407	63.0	6,107	3,959	64.8	560	1,216	35.8	2,183
2002	1,015	12,917	63.9	7,284	4,751	65.2	2,665	723	34.7	1,363
2003	4,681	10,454	70.7	4,330	2,007	46.4	1,788	66	30.1	153

Table V.D2.—SSI Disabled Adult Reviews: Disposition¹ of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision and Level of Decision (Cont.)

Fiscal year of initial DDS decision	Selected summary case information by decision status as of January 2004						
	Total initial decisions	Numbers of cases			Numbers as a percentage of total initial decisions		
		Continuations	Cessations pending an appeal decision	Cessations with no appeal pending	Continuations	Cessations pending an appeal decision	Cessations with no appeal pending
Reviews of concurrent title II/XVI cases initiated under title II							
1993	1,143	1,114	—	29	97.5	—	2.5
1994	10,945	9,845	—	1,100	89.9	—	10.1
1995	16,736	14,111	—	2,625	84.3	—	15.7
1996	26,884	22,938	—	3,946	85.3	—	14.7
1997	51,466	46,010	3	5,453	89.4	7/	10.6
1998	81,185	75,188	16	5,981	92.6	7/	7.4
1999	80,816	75,001	32	5,783	92.8	7/	7.2
2000	105,787	99,035	121	6,631	93.6	0.1	6.3
2001	110,341	104,287	380	5,674	94.5	.3	5.1
2002	103,947	97,114	1,179	5,654	93.4	1.1	5.4
2003	72,175	65,754	1,783	4,638	91.1	2.5	6.4
Title XVI initiated reviews							
1993	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—
1995	4,287	3,605	—	682	84.1	—	15.9
1996	55,025	50,185	—	4,840	91.2	—	8.8
1997	69,557	63,916	1	5,640	91.9	7/	8.1
1998	75,071	70,125	6	4,940	93.4	7/	6.6
1999	140,429	132,652	22	7,755	94.5	7/	5.5
2000	173,470	163,916	173	9,381	94.5	.1	5.4
2001	143,902	133,612	662	9,628	92.8	.5	6.7
2002	172,527	159,432	2,501	10,594	92.4	1.4	6.1
2003	213,212	198,848	4,686	9,678	93.3	2.2	4.5
Total reviews, SSI disabled adults							
1993	1,143	1,114	—	29	97.5	—	2.5
1994	10,945	9,845	—	1,100	89.9	—	10.1
1995	21,023	17,716	—	3,307	84.3	—	15.7
1996	81,909	73,123	—	8,786	89.3	—	10.7
1997	121,023	109,926	4	11,093	90.8	7/	9.2
1998	156,256	145,313	22	10,921	93.0	7/	7.0
1999	221,245	207,653	54	13,538	93.9	7/	6.1
2000	279,257	262,951	294	16,012	94.2	.1	5.7
2001	254,243	237,899	1,042	15,302	93.6	.4	6.0
2002	276,474	256,546	3,680	16,248	92.8	1.3	5.9
2003	285,387	264,602	6,469	14,316	92.7	2.3	5.0

¹ Data reflect results as of January 2004. The ultimate numbers of continuations and cessations are subject to change until all appeals are final.

² Percentage of decisions at this level.

³ Percentage of cessations at this level appealed to next level.

⁴ Includes cases appealed to the Office of Hearings and Appeals, but not cases appealed beyond OHA to the Federal courts. These excluded cases have a minimal impact on the number of continuations.

⁵ Number of persons appealing beyond the reconsideration level.

⁶ Includes cases remanded to OHA from the Federal courts.

⁷ Less than 0.05 percent.

Table V.D3.—SSI Disabled Child Reviews: Disposition¹ of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision and Level of Decision

Fiscal year of initial DDS decision	Initial decisions						
	Total initial DDS decisions	Continuations		Cessations		Appeals to reconsideration	
		Number	Percent ²	Number	Percent ²	Number	Percent ³
Reviews of low-birth-weight children							
1994	1,225	771	62.9	454	37.1	159	35.0
1995	4,231	2,083	49.2	2,148	50.8	665	31.0
1996	5,709	2,491	43.6	3,218	56.4	904	28.1
1997	7,091	4,482	63.2	2,609	36.8	821	31.5
1998	17,620	6,092	34.6	11,528	65.4	3,645	31.6
1999	9,773	4,114	42.1	5,659	57.9	1,640	29.0
2000	10,178	4,566	44.9	5,612	55.1	1,596	28.4
2001	9,086	4,152	45.7	4,934	54.3	1,440	29.2
2002	12,732	5,869	46.1	6,863	53.9	2,023	29.5
2003	7,283	3,516	48.3	3,767	51.7	970	25.7
Redeterminations at age 18							
1994	—	—	—	—	—	—	—
1995	71	64	90.1	7	9.9	5	71.4
1996	12,640	8,158	64.5	4,482	35.5	2,055	45.9
1997	48,834	22,431	45.9	26,403	54.1	16,744	63.4
1998	40,945	21,453	52.4	19,492	47.6	10,922	56.0
1999	49,557	27,413	55.3	22,144	44.7	10,901	49.2
2000	51,713	28,863	55.8	22,850	44.2	11,110	48.6
2001	48,944	28,167	57.5	20,777	42.5	10,292	49.5
2002	54,947	32,388	58.9	22,559	41.1	12,097	53.6
2003	53,905	31,862	59.1	22,043	40.9	11,506	52.2
All other reviews of SSI disabled children							
1994	—	—	—	—	—	—	—
1995	3,535	2,501	70.7	1,034	29.3	541	52.3
1996	789	399	50.6	390	49.4	210	53.8
1997	14	8	57.1	6	42.9	3	50.0
1998	91,157	67,203	73.7	23,954	26.3	13,281	55.4
1999	183,211	129,420	70.6	53,791	29.4	28,461	52.9
2000	140,699	106,583	75.8	34,116	24.2	17,184	50.4
2001	95,835	72,896	76.1	22,939	23.9	12,199	53.2
2002	163,768	130,434	79.6	33,334	20.4	18,532	55.6
2003	127,444	100,522	78.9	26,922	21.1	14,427	53.6
Total reviews, SSI disabled children							
1994	1,225	771	62.9	454	37.1	159	35.0
1995	7,837	4,648	59.3	3,189	40.7	1,211	38.0
1996	19,138	11,048	57.7	8,090	42.3	3,169	39.2
1997	55,939	26,921	48.1	29,018	51.9	17,568	60.5
1998	149,722	94,748	63.3	54,974	36.7	27,848	50.7
1999	242,541	160,947	66.4	81,594	33.6	41,002	50.3
2000	202,590	140,012	69.1	62,578	30.9	29,890	47.8
2001	153,865	105,215	68.4	48,650	31.6	23,931	49.2
2002	231,447	168,691	72.9	62,756	27.1	32,652	52.0
2003	188,632	135,900	72.0	52,732	28.0	26,903	51.0

Table V.D3.—SSI Disabled Child Reviews: Disposition¹ of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision and Level of Decision (Cont.)

Fiscal year of initial DDS decision	Reconsiderations					Appeals beyond reconsideration ⁴				
	Pending	Continuations		Cessations	Appeals to beyond reconsideration		Pending ⁶	Continuations		Cessations
		Number	Percent ²		Number ⁵	Percent ³		Number	Percent	
Reviews of low-birth-weight children										
1994	—	44	27.7	115	51	44.3	—	15	29.4	36
1995	—	184	27.7	481	219	45.5	—	53	24.2	166
1996	—	329	36.4	575	232	40.3	—	44	19.0	188
1997	—	292	35.6	529	235	44.4	—	50	21.3	185
1998	1	1,234	33.9	2,410	1,142	47.4	2	243	21.3	897
1999	2	607	37.1	1,031	490	47.5	7	83	17.2	400
2000	33	609	39.0	954	458	48.0	10	99	22.1	349
2001	42	504	36.1	894	422	47.2	81	51	15.0	290
2002	94	696	36.1	1,233	555	45.0	338	46	21.2	171
2003	308	267	40.3	395	139	35.2	127	2	16.7	10
Redeterminations at age 18										
1994	—	—	—	—	—	—	—	—	—	—
1995	—	2	40.0	3	2	66.7	—	1	50.0	1
1996	—	707	34.4	1,348	584	43.3	—	119	20.4	465
1997	3	4,591	27.4	12,150	6,435	53.0	18	1,504	23.4	4,913
1998	4	3,074	28.2	7,844	4,392	56.0	28	1,003	23.0	3,361
1999	17	3,364	30.9	7,520	4,349	57.8	78	1,035	24.2	3,236
2000	101	3,576	32.5	7,433	4,149	55.8	200	973	24.6	2,976
2001	286	3,257	32.6	6,749	3,888	57.6	659	782	24.2	2,447
2002	719	3,813	33.5	7,565	4,212	55.7	2,352	472	25.4	1,388
2003	3,183	2,981	35.8	5,342	2,233	41.8	1,994	69	28.9	170
All other reviews of SSI disabled children										
1994	—	—	—	—	—	—	—	—	—	—
1995	—	177	32.7	364	202	55.5	—	52	25.7	150
1996	—	69	32.9	141	55	39.0	—	17	30.9	38
1997	—	1	33.3	2	1	50.0	—	—	—	1
1998	4	4,460	33.6	8,817	5,520	62.6	18	1,300	23.6	4,202
1999	52	9,325	32.8	19,084	11,766	61.7	95	2,581	22.1	9,090
2000	181	6,438	37.9	10,565	6,348	60.1	238	1,374	22.5	4,736
2001	441	4,624	39.3	7,134	4,425	62.0	800	795	21.9	2,830
2002	825	7,231	40.8	10,476	6,265	59.8	3,650	554	21.2	2,061
2003	3,495	5,046	46.2	5,886	2,533	43.0	2,336	44	22.3	153
Total reviews, SSI disabled children										
1994	—	44	27.7	115	51	44.3	—	15	29.4	36
1995	—	363	30.0	848	423	49.9	—	106	25.1	317
1996	—	1,105	34.9	2,064	871	42.2	—	180	20.7	691
1997	3	4,884	27.8	12,681	6,671	52.6	18	1,554	23.4	5,099
1998	9	8,768	31.5	19,071	11,054	58.0	48	2,546	23.1	8,460
1999	71	13,296	32.5	27,635	16,605	60.1	180	3,699	22.5	12,726
2000	315	10,623	35.9	18,952	10,955	57.8	448	2,446	23.3	8,061
2001	769	8,385	36.2	14,777	8,735	59.1	1,540	1,628	22.6	5,567
2002	1,638	11,740	37.9	19,274	11,032	57.2	6,340	1,072	22.8	3,620
2003	6,986	8,294	41.6	11,623	4,905	42.2	4,457	115	25.7	333

Table V.D3.—SSI Disabled Child Reviews: Disposition¹ of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision and Level of Decision (Cont.)

		Selected summary case information by decision status as of January 2004					
Fiscal year of initial DDS decision	Total initial decisions	Numbers of cases			Numbers as a percentage of total initial decisions		
		Continuations	Cessations pending an appeal decision	Cessations with no appeal pending	Continuations	Cessations pending an appeal decision	Cessations with no appeal pending
Reviews of low-birth-weight children							
1994	1,225	830	—	395	67.8	—	32.2
1995	4,231	2,320	—	1,911	54.8	—	45.2
1996	5,709	2,864	—	2,845	50.2	—	49.8
1997	7,091	4,824	—	2,267	68.0	—	32.0
1998	17,620	7,569	3	10,048	43.0	∅	57.0
1999	9,773	4,804	9	4,960	49.2	0.1	50.8
2000	10,178	5,274	43	4,861	51.8	.4	47.8
2001	9,086	4,707	123	4,256	51.8	1.4	46.8
2002	12,732	6,611	432	5,689	51.9	3.4	44.7
2003	7,283	3,785	435	3,063	52.0	6.0	42.1
Redeterminations at age 18							
1994	—	—	—	—	—	—	—
1995	71	67	—	4	94.4	—	5.6
1996	12,640	8,984	—	3,656	71.1	—	28.9
1997	48,834	28,526	21	20,287	58.4	∅	41.5
1998	40,945	25,530	32	15,383	62.4	.1	37.6
1999	49,557	31,812	95	17,650	64.2	.2	35.6
2000	51,713	33,412	301	18,000	64.6	.6	34.8
2001	48,944	32,206	945	15,793	65.8	1.9	32.3
2002	54,947	36,673	3,071	15,203	66.7	5.6	27.7
2003	53,905	34,912	5,177	13,816	64.8	9.6	25.6
All other reviews of SSI disabled children							
1994	—	—	—	—	—	—	—
1995	3,535	2,730	—	805	77.2	—	22.8
1996	789	485	—	304	61.5	—	38.5
1997	14	9	—	5	64.3	—	35.7
1998	91,157	72,963	22	18,172	80.0	∅	19.9
1999	183,211	141,326	147	41,738	77.1	.1	22.8
2000	140,699	114,395	419	25,885	81.3	.3	18.4
2001	95,835	78,315	1,241	16,279	81.7	1.3	17.0
2002	163,768	138,219	4,475	21,074	84.4	2.7	12.9
2003	127,444	105,612	5,831	16,001	82.9	4.6	12.6
Total reviews, SSI disabled children							
1994	1,225	830	—	395	67.8	—	32.2
1995	7,837	5,117	—	2,720	65.3	—	34.7
1996	19,138	12,333	—	6,805	64.4	—	35.6
1997	55,939	33,359	21	22,559	59.6	∅	40.3
1998	149,722	106,062	57	43,603	70.8	∅	29.1
1999	242,541	177,942	251	64,348	73.4	.1	26.5
2000	202,590	153,081	763	48,746	75.6	.4	24.1
2001	153,865	115,228	2,309	36,328	74.9	1.5	23.6
2002	231,447	181,503	7,978	41,966	78.4	3.4	18.1
2003	188,632	144,309	11,443	32,880	76.5	6.1	17.4

¹ Data reflect results as of January 2004. The ultimate numbers of continuations and cessations are subject to change until all appeals are final.

² Percentage of decisions at this level.

³ Percentage of cessations at this level appealed to next level.

⁴ Includes cases appealed to the Office of Hearings and Appeals, but not cases appealed beyond OHA to the Federal courts. These excluded cases have a minimal impact on the number of continuations.

⁵ Number of persons appealing beyond the reconsideration level.

⁶ Includes cases remanded to OHA from the Federal courts.

⁷ Less than 0.05 percent.

E. INCENTIVES FOR WORK AND OPPORTUNITIES FOR REHABILITATION

1. Work Incentives

Since the beginning of the SSI program, a number of disabled recipients have worked and received SSI payments. Initially, the program contained a basic earned income exclusion that recognized the additional costs associated with employment. In addition, the law contained a number of special income exclusions which were intended as work incentives. Among these provisions were the income exclusion for blind work expenses (BWE), plan for achieving self-support (PASS), and student earned income exclusion (SEIE).

In the 1980 amendments to the Social Security Act, Congress provided additional incentives to help SSI disabled recipients become self-supporting. These incentives included:

- Providing for an earned income exclusion for impairment-related work expenses (IRWE);
- Changing the treatment of sheltered workshop earnings from unearned income to earned income, thereby qualifying sheltered workshop earnings for the earned income exclusion;
- Providing for the continuation of SSI payments for certain disabled individuals enrolled in vocational rehabilitation programs whose disability ceased due to medical recovery (extended to SSI blind recipients, effective April, 1988);
- Establishing section 1619 which provided:
 - In subsection 1619(a), special SSI cash benefits to disabled individuals who lose eligibility for SSI payments because they have earnings exceeding the level that is ordinarily considered to represent substantial gainful activity (SGA), and
 - In subsection 1619(b), special SSI recipient status for Medicaid purposes to working disabled or blind individuals when their earnings make them ineligible for cash payments.

The incentives for work and opportunities for rehabilitation are discussed in more detail in section III.E. In the tables that follow we provide historical information on participation by SSI recipients in work incentive programs.¹

a. Numbers of Participants in Work Incentive Programs

In this section, we present historical data on participation by SSI recipients in work incentive programs. Table V.E1 presents historical numbers of SSI recipients categorized according to their section 1619 status. Figure V.E1 presents the same information in graphical form.

¹ More detailed information on participation by SSI recipients in work incentive programs is provided in the *SSI Disabled Recipients Who Work*. Pub. No. 13-11829, prepared by the Office of Research, Evaluation, and Statistics, Social Security Administration.

Table V.E1.—SSI Federally-Administered Blind or Disabled Working Recipients as of December, 1987-2003

Year	In current-payment status		1619(b) workers ³	Total workers
	1619(a) workers ¹	Other workers ²		
1987	14,559	142,664	15,632	172,855
1988	19,920	153,599	15,625	189,144
1989	25,655	161,928	18,254	205,837
1990	13,994	182,421	23,517	219,932
1991	15,531	186,824	27,264	229,619
1992	17,603	199,665	31,649	248,917
1993	20,028	210,322	35,299	265,649
1994	24,315	217,478	40,683	282,476
1995	28,060	223,573	47,002	298,635
1996	31,085	225,310	51,905	308,300
1997	34,673	228,093	57,089	319,855
1998	37,271	229,662	59,542	326,475
1999	25,528	245,825	69,265	340,618
2000	27,542	249,313	83,572	360,427
2001	22,100	247,555	76,455	346,110
2002	17,271	241,462	82,177	340,910
2003	17,132	235,453	71,097	323,682

¹ In January, 1990, the SGA level was raised from \$300 to \$500 and section 1619(a) participants with earnings at or below \$500 became eligible for regular SSI benefits rather than the special cash payments under section 1619(a). The SGA level was further increased to \$700 in July 1999, with increases in subsequent years based on increases in the national average wage index. In January 2004 the SGA level was increased to \$810.

² Workers' earnings are at or below the SGA level.

³ 1619(b) recipients are not in current-payment status but retain SSI recipient status for Medicaid purposes.

Note: Totals do not necessarily equal the sums of rounded components.

Figure V.E1.—SSI Federally-Administered Blind or Disabled Working Recipients as of December, 1987-2003

[In thousands]

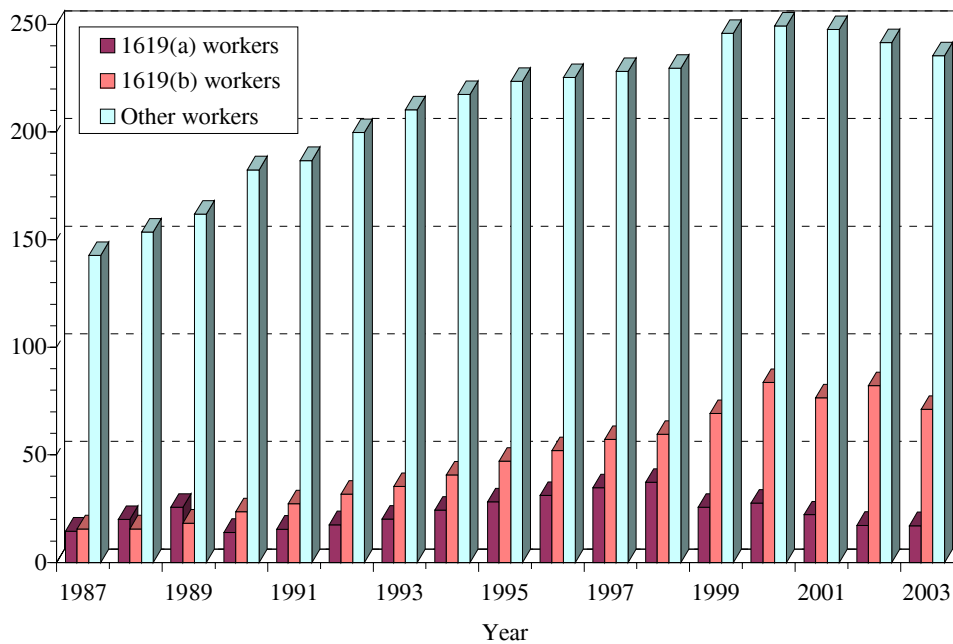


Table V.E2 presents historical numbers of SSI recipients who benefit from other selected work incentive provisions: (1) plan for achieving self-support (PASS), (2) impairment-related work expense exclusion (IRWE), and (3) blind work expense exclusion (BWE). These recipients may be benefiting from more than one of these selected work incentive provisions. This information is available only for calendar years 1990 and later.

Table V.E2.—SSI Federally-Administered Blind or Disabled Individuals with SSI Recipient Status Participating in Other Work Incentives as of December, 1990-2003

Year	PASS ¹			IRWE	BWE
	Non-workers	Workers	Total		
1990	1,215	1,040	2,255	5,384	4,385
1991	1,969	1,601	3,570	6,546	4,330
1992	3,189	2,658	5,847	7,813	4,454
1993	4,528	3,602	8,130	8,629	4,406
1994	5,842	4,487	10,329	9,484	4,380
1995	5,719	4,603	10,322	9,940	4,433
1996	2,760	1,944	4,704	9,799	4,230
1997	1,290	708	1,998	9,637	4,116
1998	712	362	1,074	9,301	3,802
1999	698	347	1,045	9,520	3,971
2000	862	520	1,382	9,422	3,895
2001	1,024	576	1,600	8,798	3,642
2002	1,150	571	1,721	8,047	3,386
2003	1,181	524	1,705	7,604	3,074

¹ For years 1990 through 1996, data do not include PASS plans which exclude only resources.

Note: Working recipients participating in these other work incentives may be 1619(a) recipients, 1619(b) recipients or working recipients whose earnings are at or below the SGA level.

b. Average Earnings of Participants in Work Incentive Programs

In this section, we present historical data on average earnings of SSI working recipients. Table V.E3 presents average earnings of SSI recipients categorized according to their section 1619 status.

Table V.E3.—Average Monthly Earnings of SSI Federally-Administered Blind or Disabled Working Recipients, as of December, 1987-2003

Year	Blind or disabled workers with SSI recipient status			
	In current-payment status		1619(b) workers ³	Total workers
	1619(a) workers ¹	Other workers ²		
1987	\$494	⁴ \$124	\$739	⁴ \$211
1988	522	⁴ 127	721	⁴ 218
1989	518	⁴ 131	712	⁴ 231
1990	712	145	746	245
1991	724	148	780	262
1992	726	150	781	271
1993	728	153	784	280
1994	746	157	803	301
1995	754	160	834	322
1996	764	162	881	344
1997	772	164	932	367
1998	772	182	954	390
1999	926	207	980	418
2000	945	239	1,048	481
2001	1,004	252	1,043	475
2002	1,043	253	1,094	495
2003	1,059	241	1,081	469

¹ In January, 1990, the SGA level was raised from \$300 to \$500 and section 1619(a) participants with earnings at or below \$500 became eligible for regular SSI benefits rather than the special cash payments under section 1619(a). The SGA level was further increased to \$700 in July 1999, with increases in subsequent years based on increases in the national average wage index. In January 2004 the SGA level was increased to \$810.

² Workers' earnings are at or below the SGA level.

³ 1619(b) recipients are not in current-payment status but retain SSI recipient status for Medicaid purposes.

⁴ Estimated.

2. Vocational Rehabilitation/Ticket to Work Program

Since the inception of the SSI program, SSA has made provision for blind or disabled individuals who are receiving SSI benefits to be referred to State Vocational Rehabilitation (VR) agencies. The 1980 amendments provided for the continuation of SSI payments for certain disabled individuals enrolled in VR programs whose disability ceased due to medical recovery. This benefit continuation provision applied only if the VR program was approved by SSA and SSA determined that continuation or completion of such program would increase the likelihood that the individual will be permanently removed from the SSI rolls. This provision was extended to SSI blind recipients effective April, 1988. In 1994, regulations were amended to provide access to alternate private and non-State public VR providers (referred to as “alternate participants” in the regulations) when a State VR agency does not serve an SSI recipient whom SSA refers for services.

From the beginning of the SSI program through 1981, SSA made block grants to VR agencies to fund services to disabled beneficiaries. The 1981 amendments established reimbursement provisions so that VR agencies would be reimbursed for the cost of VR services furnished to blind or disabled SSI recipients only if the services result in the recipient returning to work. The 1984 amendments authorized reimbursement in other circumstances.¹ In 1994, these reimbursement procedures were amended by regulation to include reimbursement of alternate providers. For reimbursement purposes, recipients are considered to have returned to work if they have had earnings exceeding the SGA level for 9 continuous months. Effective with the 1990 amendments, reimbursement for the cost of VR services was authorized for services provided in months in which the individual was not receiving Federal SSI benefits if the individual:

- Had special SSI recipient status for Medicaid purposes under section 1619(b) of the Social Security Act,
- Received a Federally-administered State supplementary payment, or
- Had SSI benefits suspended for fewer than 13 consecutive months for a reason other than cessation of disability or blindness.

The Ticket to Work and Work Incentives Improvement Act of 1999 (“the Ticket legislation”) established a Ticket to Work and Self-Sufficiency program (Ticket to Work program) under which a disabled beneficiary may obtain vocational rehabilitation, employment and other support services from a qualified private or public provider. Providers of such services in this new setting are referred to as “employment networks” (ENs). In addition, the Ticket legislation provides for a new procedure for paying the ENs under an outcome or outcome-milestone payment system specified under regulations published by the Commissioner December 28, 2001, effective January 28, 2002. (State VR agencies can elect on a case-by-case basis to be paid either under the traditional VR reimbursement system, or the outcome or outcome-milestone payment system.) By expanding the pool of providers and giving the providers incentives for achieving success, this program expands a disabled beneficiary’s access to these services in order to assist the beneficiary in finding, entering, and retaining employment and reducing his/her dependence on cash benefits.

The Ticket to Work program has been implemented on a State-by-State basis and has been in operation nationwide since November 2003. As the Ticket to Work program was implemented in a State, the alternate provider and the traditional VR referral process described earlier were eliminated in that State, and SSA provided eligible individuals who received SSI benefits due to blindness or disability in such State with a Ticket to Work document (“ticket”). (Tickets are being provided on a phased-in basis in the last group of States and the U.S. Territories, from November 2003 through September 2004.) Individuals who

¹ Reimbursement may be made in cases where the recipient medically recovers while engaged in a program of rehabilitation services approved by SSA and SSA determines that continuation or completion of such program increases the likelihood the individual will be permanently removed from the rolls.

receive a ticket may use it to obtain from ENs or their State VR agencies the vocational rehabilitation services, employment services and other support services needed to return to work, or go to work for the first time. Individuals not eligible for a ticket may still request services from a State VR agency, which must decide whether they are eligible for services under the Rehabilitation Act of 1973.

Before the Ticket to Work program was implemented in their State, State VR agencies and alternate providers could continue to enroll beneficiaries under the cost reimbursement system described above. Any reimbursement for those cases was made under that system. However, with full implementation of the Ticket to Work program, only the State VR agencies have the option (on a case-by-case basis) of being paid under the traditional VR reimbursement system or the outcome or outcome-milestone payment system. ENs will be paid through the outcome and outcome-milestone system.

Pursuant to the Ticket legislation requirement that SSA establish a corps of work incentives specialists to disseminate accurate information with respect to work incentives, SSA piloted the Employment Support Representative (ESR) position and three distinct models for providing employment support programs and services. Based on the pilot experience and positive feedback from the disability community, as well as our business partners, SSA has decided on a multifaceted strategy for administering employment support programs that involves the establishment of a network of expertise. By the end of calendar year 2003, as part of this culture change, all direct service employees received customized training on work incentives, thereby establishing a wider network of technical expertise.

In May 2003, the Area Work Incentives Coordinator (AWIC) position was established and at least one AWIC was assigned to each Area Office. The AWIC position is a full-time permanent position and is part of SSA's approach to assist beneficiaries with disabilities to obtain accurate and timely information regarding work, and to expeditiously process work reports and other disability work-issue workloads. The Agency established and trained a total of 58 AWICs in 2003 whose duties include the following activities:

- Coordinate and/or conduct of public outreach on work incentives in their local areas;
- Provide and/or coordinate and oversee training on SSA's employment support programs for all personnel;
- Handle some sensitive or high profile disability work-issue cases, if necessary; and
- Monitor the disability work-issue workloads in their respective areas.

Work Incentives Liaisons (WILs), located directly in local offices, received 32 hours of refresher training in calendar year 2003, and subsequently trained all direct-service personnel on SSA's disability employment support programs. WILs have the technical background to provide improved service and information related to SSA's employment support programs to SSA beneficiaries, applicants, advocates and service providers.

The AWICs coordinate with the 1,335 WILs in local offices, Public Affairs Specialists, the Plan for Achieving Self-Support Cadre members and other personnel to provide improved services and information on SSA's employment support programs to beneficiaries with disabilities who want to start or keep working.

A number of automation enhancements designed to promote improved processing and management of work activity workloads are underway. The Agency began testing eWork, a new software application in 107 sites beginning in January 2004. Pending the successful completion of the test, plans are to implement eWork nationwide this year. This case development and decisional tool is designed to streamline the current work reporting process and provide for improved workload control and management information at

the local and national levels. Once eWork is available nationwide, use of the tool will become mandatory. Over the next couple of fiscal years we anticipate the renewed emphasis on employment support in conjunction with the implementation of eWork will generate an increase in recorded work activity reports, resulting in increased disability related overpayment workloads.

Table V.E4 provides historical data on the number of reimbursement claims allowed and the amount of such awards for SSI recipients.

Table V.E4.—Vocational Rehabilitation Reimbursement Claims Allowed, Fiscal Years 1987-2003

Fiscal year	Concurrent title II/XVI claims		Title XVI only claims		Total claims	
	Number	Amount ¹ (in thousands)	Number	Amount (in thousands)	Number	Amount ¹ (in thousands)
1987	2/	2/	1,493	\$10,010	2/	2/
1988	2/	2/	1,720	14,831	2/	2/
1989	2/	2/	1,871	18,366	2/	2/
1990	1,267	\$3,290	2,819	22,832	4,086	\$26,122
1991	1,445	4,325	2,171	20,615	3,616	24,940
1992	1,634	5,312	2,834	28,276	4,468	33,588
1993	1,928	6,670	2,158	22,264	4,086	28,934
1994	1,880	7,057	2,074	23,400	3,954	30,457
1995	2,140	7,761	2,229	26,402	4,369	34,162
1996	2,033	6,518	2,138	24,334	4,171	30,852
1997	2,735	8,541	2,914	31,532	5,649	40,073
1998	3,329	10,089	3,446	36,313	6,775	46,402
1999	3,572	11,403	4,046	42,281	7,618	53,684
2000	3,260	11,357	3,589	40,793	6,849	52,150
2001	2,388	9,590	2,763	34,842	5,151	44,432
2002	3,241	12,201	3,474	43,244	6,715	55,445
2003	2,139	8,110	1,993	25,238	4,132	33,348

¹ For concurrent title II/XVI claims, amounts shown represent title XVI portion of claim.

² For fiscal years 1987-89, data on title II reimbursement claims involving concurrent title XVI reimbursement claims are not available.

Note: Totals do not necessarily equal the sums of rounded components.

F. INVOLVEMENT OF SSI RECIPIENTS IN OTHER PROGRAMS

In this appendix we present data on participation by SSI recipients in other programs. Certain information is available from the Supplemental Security Record (SSR), the main administrative file for the SSI program. Data summarized from the SSR are very representative of the overall SSI recipient population since the information is based on a 100-percent extract or, for certain information, on a 10-percent extract from the SSR. Data from the SSR are presented in section 1 below.

There are other potential sources for information on SSI recipients that are not available on the SSI administrative files. One source in particular is the Survey of Income and Program Participation (SIPP)¹, a U.S. Census Bureau sample survey that collects information such as the source and amount of income, program participation and general demographic characteristics for the U.S. civilian noninstitutionalized population. Data from the SIPP are presented in section 2.

1. Program Participation Data from the Supplemental Security Record (SSR)

Since the amount of an individual's income is used to determine both the eligibility for, and the amount of his/her SSI benefit, it is necessary for the SSR to contain information on participation by SSI recipients in certain other programs which may provide countable income to the SSI recipient. A significant number of SSI recipients are Social Security beneficiaries whose total countable income, including OASDI benefits, is less than the Federal benefit rate plus the amount of applicable Federally-administered State supplementary payment. A smaller number of SSI recipients participate in other programs and receive income such as Worker's Compensation benefits or disability cash benefits from the Department of Veterans Affairs.

SSA does not maintain complete information in its administrative files concerning the involvement of SSI recipients in other assistance programs, because under the law payments from such programs are excluded from countable income attributable to the individual. We do, however, have some data with regard to entitlement to benefits under two other programs—Temporary Assistance for Needy Families (TANF) (which replaced Aid to Families with Dependent Children (AFDC)) and State Interim Assistance Reimbursement—at the point that the individual applied for SSI benefits. TANF (and AFDC previously) is a State program funded under Part A of title IV of the Social Security Act. Interim assistance is assistance a State gives to SSI applicants in cash or vendor payments for meeting basic needs while they are awaiting the outcome of the SSI eligibility determination process.

Table V.F1 presents percentages of SSI recipients who (1) concurrently receive payments from certain other selected programs or (2) have previously been enrolled in TANF/AFDC or received Interim Assistance Reimbursement.

¹ The SIPP is a sample survey conducted by the U.S. Census Bureau, which collects data on the U.S. civilian noninstitutionalized population. The SIPP is comprised of a continuous series of national panels which are identified by the year in which interviewing began for that panel. The participants in the panel are divided into four rotation groups, with each group being interviewed monthly on a rotating basis concerning the 4 months prior to the month of interview. The data are released in waves, where 4 months of interviews comprise a wave. The data presented here are for December 2001 and are taken from Wave 3 of the 2001 Panel.

Table V.F1.—Percentage of SSI Federally-Administered Recipients in Current-Payment Status with Participation¹ in Selected Programs Based on SSA Administrative Records, December, 2003

	Age groups			All
	0-17	18-64	65 or older	
Number of Federally-administered recipients, December, 2003 (in thousands).....	959	3,953	1,990	6,902
	Program			
	(In percent)			
Program participation by SSI recipients, December, 2003				
Federal SSI	99.7	96.4	92.8	95.8
Federally-administered State SSI supplementation	26.4	33.1	45.4	35.7
OASDI	7.0	30.7	57.4	35.1
Black Lung	2/	2/	2/	2/
Railroad Retirement	2/	2/	0.1	2/
Veterans Affairs disability cash benefits.....	0.1	0.6	2.5	1.1
Worker's Compensation	2/	0.1	2/	0.1
Previous program participation by SSI recipients, December, 2003				
TANF/AFDC	44.7	26.4	8.5	23.8
Interim Assistance Reimbursement	0.4	15.4	9.3	11.6

¹ SSI recipients or the households of SSI recipients may participate in more than one of these programs.

² Less than 0.05 percent of SSI recipients in this gender/age grouping participate in the program.

Note: Total numbers of recipients do not necessarily equal the sums of rounded components.

2. Program Participation Data from the Survey of Income and Program Participation (SIPP)

In this section we present information on program participation by SSI recipients or households of SSI recipients which is not available from SSA administrative files. This information is based on data collected by interviews conducted under Wave 3 of the 2001 SIPP Panel and then matched to SSA administrative records. The reference month of December, 2001 is used since that is the most recent December for which data are available. Since the 2001 Panel consists of 36,700 households, the sample of households including SSI recipients is small. In interpreting the SIPP estimates it is important to consider (a) the statistical error of estimates, and (b) the limitation of the SIPP sample frame to the noninstitutional population of the United States. Therefore great care should be taken in using this information to make generalizations about the overall SSI recipient population. The data are presented in table V.F2.

Table V.F2.—Percentage of Noninstitutionalized SSI Federally-Administered Recipients with Participation¹ in Selected Programs Based on Data Collected Under Wave 3 of the Survey of Income and Program Participation Matched to SSA Administrative Records, December, 2001

	Age groups			All
	0-17	18-64	65 or older	
Number of surveyed individuals reporting SSI Income, December, 2001	179	941	430	1,550
Number of surveyed individuals as a percentage of noninstitutionalized Federally-administered recipients, December, 2001 (in percent)	0.02	0.03	0.02	0.02
	Program			
	(In percent)			
Program participation by SSI recipients, December, 2001				
General assistance	2/	1.0	0.9	0.8
Medicaid ³	93.2	94.8	98.1	95.6
Medicare ⁴	2/	25.2	62.9	33.0
School breakfast/lunch	71.0	0.7	2/	10.0
TANF	2/	4.5	2/	2.6
Unemployment insurance	2/	0.1	2/	2/
Special Supplemental Food Program for Women Infants and Children (WIC).....	0.9	2.7	2/	1.7
Program participation by households of SSI recipients, December, 2001				
Energy assistance	14.0	14.9	11.2	13.7
Housing assistance	10.3	9.6	7.3	9.0
Food stamps	31.4	43.5	41.1	41.1

¹ SSI recipients or the households of SSI recipients may participate in more than one of these programs.

² Less than 0.05 percent of SSI recipients in this age grouping participate in the program.

³ Medicaid participation is automatic for SSI beneficiaries in 33 States. For SSI recipients in these States, the self-reported Medicaid variable is recorded to indicate participation. In the remaining States, self-reported Medicaid participation is used.

⁴ Medicare enrollment is automatic for elderly individuals who receive OASI benefits, as well as for working-age individuals who have received DI benefits for 2 years or more. For individuals in these OASDI beneficiary categories according to SSA administrative records, the self-reported Medicare variable is recorded to indicate participation. For individuals whose administrative records indicate that they are not in these OASDI beneficiary categories the self-reported Medicare variable is recorded to indicate nonparticipation. For individuals who did not provide their SSN, self-reported Medicare participation is used.

G. RESEARCH ON RELATED TOPICS

The legislative mandate for this report requires inclusion of information about “relevant research on the SSI program by the Social Security Administration (SSA) and others.” Section 1 of this appendix describes major ongoing projects. Section 2 presents a bibliography of studies that have been conducted by public and private entities regarding SSI payment levels, recipients, and reform proposals.

1. Ongoing Research

a. Analyses Using Survey of Income and Program Participation Data

Using Survey of Income and Program Participation (SIPP) data matched to administrative records, SSA researchers have developed a model of financial eligibility for SSI that has been used to estimate the rate of participation among the eligible elderly and the effects of various options to modify the SSI program (see Davies *et al.* 2001/2002). The model suggests that the rate of participation among the eligible elderly was about 62 percent in 1991. The comparable participation rate estimate at the end of 1996 was also 62 percent.

The model was also utilized to simulate the potential effects of several approaches to expand the SSI program to fight poverty among the elderly. Approaches focusing on incremental changes in the Federal benefit rate, the general income exclusion, and the asset test appear roughly equally effective in reducing the poverty gap among the elderly on a cost-equivalent basis, while two approaches focusing on relaxing the earned income exclusion are less effective (Davies, Rupp, and Strand, 2004). The financial eligibility model has also been utilized to study eligibility for Medicare buy-in programs (see Rupp and Sears 2000; Sears 2001/2002). More recently, the model has been expanded to address SSI participation and financial eligibility among the working aged disabled, and to assess SSI benefit restructuring options for the entire SSI population. The model was used to simulate the effects of several approaches to changing in-kind support and maintenance rules and options for altering the calculation of the Federal benefit rate for certain living arrangement categories.

Additional research using the matched SIPP records focused on the estimation of the prevalence of households and families with multiple SSI recipients and to assess the poverty status of multirecipient households (Koenig and Rupp, forthcoming). The 1984 SIPP survey respondents were followed up for 14 years based on administrative records on SSI and DI participation and death events to assess the relationship between self-reported health status, disabilities, mortality and participation in the SSI and DI programs (Rupp and Davies, 2004).

b. National Survey of Children and Families

The National Survey of Children and Families (NSCF) was designed to address a number of SSA policy and program objectives, specifically issues pertaining to the effects of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (welfare reform) and updated information on SSI children and their families. The welfare reform legislation made four changes relating to disabled children: (1) redefining childhood disability from an impairment comparable to that preventing an adult from working to “marked and severe functional limitations;” (2) eliminating the individualized functional assessment (IFA) as a basis for determination; (3) removing maladaptive behaviors from the personal/behavioral domain of the childhood mental disorders listing; and (4) requiring a redetermination at age 18. Among the questions the survey answers are the following:

- What are the characteristics of SSI children?
- What alternative sources of care are available to disabled children who lose SSI benefits?

- How is quality of life and utilization of medical services impacted by gaining or losing SSI benefits?
- What is the cost of caring for a disabled child?
- What are the uses of SSI benefits?
- What is the impact of receiving childhood SSI benefits on parental labor force participation?

The data from the survey will allow SSA to evaluate future changes to the SSI program that may affect children and to further evaluate the effects of welfare reform on SSI children and their families. Data collection for the survey was completed in summer 2002. SSA has received a data file and is producing a series of analyses. In addition, SSA funded a project with the Disability Research Institute to examine the role of vocational rehabilitation services for youth based on the NSCF.

The NSCF will provide valuable insights into SSA priorities; however, it is a cross-sectional effort. Therefore, SSA may consider another round of the NSCF to enhance its capability to better address SSA goals.

c. Evaluation of the Ticket to Work

The Ticket to Work and Work Incentives Improvement Act requires the Commissioner of Social Security to provide for independent evaluations to assess the effectiveness of the Ticket to Work program, and to submit a report to Congress with recommendations for a method or methods to adjust payment rates to ensure adequate incentives for the provision of services by employment networks. Reports on the evaluation will be submitted in 2004, 2005, and 2007.

SSA awarded two 5-year contracts to Mathematica Policy Research to conduct the evaluation of the Ticket to Work program (May 2003). The first contract focuses on data development, qualitative data collection, and implementation of the comprehensive evaluation analyses. The second contract will implement a survey of beneficiaries. The survey was sent into the field in February 2004 and will be repeated annually through 2007.

d. Homeless Outreach Projects and Evaluation

SSA's FY 2003 appropriation included \$8 million to conduct outreach to "homeless and other under-served" persons. We are using this funding for an outreach demonstration program that targets homeless and other under-served individuals with disabilities and provides assistance to the target populations through cooperative agreements to external service providers. The focus of the cooperative agreements is on strengthening the capacity of these third-party medical and service providers to assist homeless individuals in the benefit application process. SSA received over 300 applications for funding and the Commissioner has approved funding for 34 projects nationwide.

e. Youth Transition Process Demonstration

To further the President's New Freedom Initiative goal of increasing employment of individuals with disabilities, in September 2003, SSA awarded cooperative agreements to six States (California, Colorado, Iowa, New York, Maryland, and Mississippi) for the purpose of developing service delivery systems to assist youth with disabilities to successfully transition from school to work. During this critical period of transition to adulthood, the services provided to youth with disabilities can prepare them for postsecondary education, employment, and economic self-sufficiency.

The States will establish partnerships to improve employment outcomes for youth ages 14-25 who receive SSI or Social Security Disability Insurance (SSDI) payments on the basis of their own disability. The

funding will be used to provide a broad array of transition-related services and supports to SSI and SSDI applicants and children.

f. Florida Freedom Initiative

The Florida Department of Children and Families began its program in conjunction with the Centers for Medicare & Medicaid Services. This program waives certain Medicaid program rules which allow individuals to obtain cash instead of certain Medicaid services and will give participants greater control in the planning and purchase of supports and services. SSA is participating in the project by waiving certain SSI program rules to allow SSI beneficiaries to participate in the Florida Freedom Initiative. The intention to waive certain SSI program rules in Florida was published in the Federal Register February 5, 2004 and was announced by the Commissioner in a speech in Fort Lauderdale on February 9, 2004.

g. Disability Program Navigator

In FY 2003, the Department of Labor (DOL) and SSA funded the establishment of the Disability Program Navigator positions (Navigators) in DOL's One Stop Career Centers in 14 States (Arizona, California, Colorado, Delaware, Florida, Illinois, Iowa, Maryland, Massachusetts, New York, Oklahoma, South Carolina, Vermont, and Wisconsin). The Navigators provide an important link to the local employer network, as well as other supports and information that will improve the chances of successful employment for individuals with disabilities. Approximately 110 Navigators have been hired, trained, and are now on-duty in One Stops.

h. State Partnership Initiative

SSA and the Rehabilitation Services Administration funded a combined total of 18 demonstration States in 1998. SSA provided 5-year funding to 12 States (California, Illinois, Iowa, Minnesota, New Hampshire, New Mexico, New York, North Carolina, Ohio, Oklahoma, Vermont and Wisconsin) to develop innovative projects to assist individuals with disabilities in their efforts to reenter the workforce. These awards help States develop State-wide programs of services and support for their residents with disabilities that will increase job opportunities for them and decrease their dependence on benefits, including SSDI and SSI. California, New York, Vermont and Wisconsin are assisting SSA in implementing SSI waivers to test alternative rules.

The majority of State Partnership Initiative (SPI) projects received a 1-year extension and the projects are in their sixth and final year. Eleven of the 12 States are still phasing out the projects, and we expect to receive all SPI reports by the end of September 2004.

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H. GLOSSARY

Administrative Expenses (or Costs). Expenses incurred by the Social Security Administration (SSA) in administering the Supplemental Security Income (SSI) program. Such administrative expenses are initially paid from the OASI and DI Trust Funds as provided for in section 201(g)(1) of the Social Security Act. The trust funds are subsequently reimbursed for such expenditures, including any interest lost, from the General Fund of the Treasury.

Affidavit of Support. A contract under which a United States citizen or legal resident agrees to provide support to maintain (i.e., to sponsor) an immigrant as a condition of the immigrant's admission into the United States.

Aged. Individuals aged 65 or older.

Aid—Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD). The former Federal-State programs of adult cash assistance under titles I, X, and XVI respectively, that were replaced in the 50 States and the District of Columbia by the SSI program in 1974. These programs still operate in Guam, the Virgin Islands, and Puerto Rico and are administered at the Federal level by the Secretary of Health and Human Services.

Alien Lawfully Admitted for Permanent Residence. A noncitizen lawfully accorded the privilege of residing permanently in the United States. Such individuals may be issued immigrant visas overseas by the Department of State, or adjusted to permanent resident status while living in the United States by the Immigration and Naturalization Service.

Appeal Rights Process. The administrative review process followed by SSA in determining an individual's rights under the Social Security Act. The administrative review process consists of several steps, which must be requested after the unfavorable initial determination within certain time periods and in the following order: (1) reconsideration, (2) hearing before an administrative law judge, and (3) an Appeals Council review. SSA introduced a modification of this process in 10 States for disability applications filed October 1, 1999 and later. Under this revised process appeals of initial disability denials are made directly to the Office of Hearings and Appeals (OHA), thereby eliminating the reconsideration step. The options for appeal beyond the OHA level are unchanged.

Assistance Based on Need. Assistance that is provided by certain programs which use income as a factor of eligibility. The assistance must be funded wholly by a State, a political subdivision of a State, or a combination of such jurisdictions.

Assumptions. Values relating to future trends in certain key factors which affect the eligibility for SSI benefits and the level of such SSI payments. Demographic assumptions include fertility, mortality, net immigration, marriage, divorce, retirement patterns, disability incidence and termination rates, and changes in the labor force. Economic assumptions include unemployment, average earnings, inflation, interest rates, and productivity. The assumptions underlying the projections presented in this report are consistent with the intermediate assumptions of the 2004 OASDI Trustees Report.

Asylee. A noncitizen already in the United States or at a port-of-entry who is granted asylum in the United States. Asylum may be granted to an individual who is unable or unwilling to return to his/her country of nationality, or to seek the protection of that country, because of persecution (or a well-founded fear of persecution) based on the noncitizen's race, religion, nationality, membership in a particular social group or political opinion.

Attendant Care Services. Services (including personal care assistance) that are paid for from Federal, State or local funds and which are provided by a paid attendant required to assist with work related and/or personal functions.

Automatic Cost-of-Living Increase. The annual increase in SSI Federal benefit rates, effective for January of the current year, reflecting the change in the cost of living. The increase equals the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers measured from the average over July, August, and September of the second preceding year to the average for the same 3 months in the preceding year. If the increase is less than one-tenth of 1 percent, when rounded, there is no automatic increase for the current year; the increase for the next year would reflect the increase in the cost of living over a 2-year period.

Award. An administrative determination that an individual is eligible for an SSI benefit.

Blind. For purposes of the SSI program, an individual is considered to be blind if he/she has 20/200 or less vision in the better eye with the use of a correcting lens, has tunnel vision of 20 degrees or less, or met the October 1972 State definition of blindness and received benefits under the State's former program of Aid to the Blind in December 1973.

Blind Work Expenses (BWE). Any expenses incurred by a blind individual that are reasonably attributable to earning income. The BWE provision permits the exclusion of these expenses from the earned income of a blind individual. (See "Impairment-Related Work Expenses (IRWE)" for the related exclusions for disabled individuals.)

Burial Funds. A comprehensive term that for SSI purposes includes revocable burial contracts, trusts and other burial arrangements (including amounts paid on installment sales contracts for burial spaces), cash, accounts, or other financial instruments with a definite cash value clearly designated for the individual's burial expenses.

Child. A blind or disabled individual who is under age 18.

Comparable Severity. The phrase in the Social Security Act that defined disability for children prior to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). Under prior law, an individual under age 18 would have been considered disabled if he/she had an impairment of comparable severity to that required for individuals 18 or older.

Constant Dollars. Dollar amounts adjusted by the CPI to the value of the dollar in a particular year.

Consumer Price Index (CPI). Relative measure of inflation. In this report, all references to the CPI relate to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

Continuing Disability Review (CDR). An evaluation of an individual's impairment(s) to determine whether the person is still disabled within the meaning of the law for purposes of eligibility for SSI and OASDI benefits.

Cost-of-Living Adjustment (COLA). See "Automatic Cost-of-Living Increase."

Countable Income. An individual's income less all-applicable exclusions. This amount is used to determine SSI eligibility and benefit amount.

Countable Resources. The amount of resources after all exclusions. This amount is used in determining an individual's or couple's SSI eligibility. A resource may be cash or other liquid assets or any real or personal property that an individual (or his/her spouse) owns and could convert to cash to be used for support and maintenance. SSI law stipulates what items are to be excluded from resources.

Current Dollars. Amounts expressed in nominal dollars with no adjustment for inflationary changes in the value of the dollar over time.

Current-Payment Status. Status of an SSI recipient to whom a benefit is being paid for a given month. SSI benefits for a month are usually payable on the first day of that month.

Dedicated Account. An account in a financial institution established for a disabled or blind child to contain retroactive SSI payments that exceed six times the Federal benefit rate (FBR) plus State supplementation (certain smaller retroactive payments may be placed in the account once it is established). Funds may be used for:

- Education,
- Personal needs assistance,
- Special equipment or housing modifications,
- Medical treatment,
- Therapy or rehabilitation, or
- Other items or services that the Commissioner deems appropriate—

provided that the expense benefits the child and, in the case of the last four items, is related to the child's impairment. Money from a dedicated account which is misapplied must be repaid. These accounts are excluded from resources and the interest earned is excluded from income.

Deeming. The process by which the income and resources of an ineligible individual are considered to be available to a recipient when determining eligibility or payment amount. Deeming applies only between:

- The living-with ineligible spouse and the eligible spouse,
- The living-with ineligible parent(s) and eligible child(ren) under age 18, and
- The immigration sponsors of some noncitizens and the noncitizen(s).

Demographic Assumptions. See "Assumptions."

Disability. For individuals aged 18 or older, the inability to engage in any substantial gainful activity (SGA) by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months. An individual under age 18 must have a medically determinable physical or mental impairment, which results in marked and severe functional limitations and which has lasted or can be expected to last for a continuous period of not less than 12 months.

Disability Determination Services (DDS). Federally funded State agencies that make disability determinations for SSA.

Disaster Assistance. Assistance from Federal programs and agencies, joint Federal and State programs, State or local government programs, and private organizations (e.g., the Red Cross) provided to victims of a Presidentially declared disaster.

Disposal of Resources for Less Than Fair Market Value. Transferring resources, either liquid, real, or personal property, for less than the resources are worth.

Earned Income. For SSI purposes, wages, net earnings from self-employment, remuneration for work in a sheltered workshop, royalties on published work, and honoraria for services rendered are considered earned income. The distinction between earned and unearned income is significant because more liberal exclusions are applied to earned income.

Earned Income Exclusion. The first \$65 of a recipient's monthly earnings and one-half of the earnings in excess of \$65 are excluded in computing the SSI benefit payable.

Earned Income Tax Credit (EITC). A special tax credit that reduces the Federal tax liability of certain low-income working taxpayers. This tax credit may or may not result in a payment to the taxpayer.

Economic Assumptions. See “Assumptions.”

Effective Date of Application. An application for SSI benefits is effective on the first day of the month following the date on which the application is filed, or on which the individual first becomes eligible, whichever is later.

Eligible Couple. Two persons married and living together in the same household or living together as married, both being aged, blind, or disabled and eligible for SSI.

Eligible Individual. An aged, blind or disabled person who meets all the requirements for eligibility under the SSI program, including filing an application.

Emergency Advance Payments (EAP). Special SSI payments that are available only at the time of initial application for eligible individuals who face financial emergencies and need assistance before their first benefits would otherwise be received. The amount of the EAP an individual receives is recovered from subsequent benefit payments.

Federal Benefit Rate (FBR). The basic standard used in computing the amount of Federal SSI benefits for individuals and couples. The FBRs are increased annually to reflect increases in the cost of living. (See table IV.A2.)

Fiscal Year (FY). The accounting year of the United States Government. Since 1976, a fiscal year is the 12-month period ending September 30. For example, fiscal year 2004 began October 1, 2003 and will end September 30, 2004.

Food Stamps. The U.S. Department of Agriculture (USDA), under cooperative Federal-State agreements, issues Food Stamp Program benefits in the form of paper food coupons (commonly known as food stamps) and through electronic benefit transfer, to provide nutrition for low-income families. Food stamps can be used only to buy food at stores authorized by USDA to accept them.

General Fund of the Treasury. Funds held by the Treasury of the United States, other than receipts collected for a specific purpose (such as Social Security) and maintained in a separate account for that purpose.

Gross Domestic Product (GDP). The total market value of goods and services produced by labor and property located in the United States, regardless of who supplies the labor or property.

Holding-Out Marriage. A situation in which a man and woman who are not legally married to each other are living together in the same household and holding out to the community that they are husband and wife and, as such, are treated as a couple for purposes of determining eligibility and payment amount under SSI.

Home Energy Assistance. A Federal Government block grant program that provides funds to States for energy assistance (including weatherization) to low-income households. This assistance may be provided by a variety of agencies (e.g., State or local welfare offices, community action agencies, special energy offices, etc.) and may be known by a variety of names (e.g., Low Income Home Energy Assistance Program (LIHEAP), Project Safe, etc.).

Household. A group of two or more individuals who use a single dwelling unit as primary quarters for living and eating separate from other individuals' living units.

Household of Another. An individual is considered to be living in the household of another when the individual lives with others, does not own or rent the shelter, and does not pay a pro rata share of the household's food and shelter expenses. An individual who provides all of his/her own food, or lives in a public assistance household or in noninstitutional care, is not considered to be living in the household of another. An individual who is determined to be living in the household of another is considered to be

receiving in-kind support and maintenance from that household, and his/her SSI benefit is reduced by one-third of the FBR.

Impairment-Related Work Expenses (IRWE). The provision that permits the exclusion from earnings of the costs of items and services which are needed in order for a disabled individual to work, which are paid for by the individual, and which are necessarily incurred by that individual because of a physical or mental impairment. These IRWEs are excluded from earnings when determining substantial gainful activity (SGA) or computing eligibility and ongoing SSI monthly payments. (See “Blind Work Expenses (BWE)” for the related exclusions for blind individuals.)

Income. See—“Earned Income,” “In-Kind Income” and “Unearned Income.”

Individual Development Account (IDA). A savings account which low-income individuals, including SSI recipients, may establish in order to save for purchasing a first home, meeting the costs of post-secondary education, or capitalizing a business. An individual’s deposits into an IDA are matched by a sponsoring nonprofit organization, or State or local government participating in the program.

Ineligible Spouse. The husband or wife of an eligible individual who is not eligible for SSI benefits.

Inflation. An increase in the volume of money and credit relative to available goods, resulting in an increase in the general price level.

Infrequent or Irregular Income. Income that is received either infrequently or irregularly that can be excluded from the determination of an individual’s income. Infrequent means that it is not received more than once in a calendar quarter from a single source. Irregular means that an individual could not reasonably expect to receive the income. In any given quarter up to \$30 of earned and \$60 of unearned infrequent or irregular income is excluded.

Initial Determination. A determination SSA makes about an individual’s eligibility for benefits or about any other matter that gives that person a right to further administrative and/or judicial review.

In-Kind Income. Income that is not cash, but is food, clothing or shelter or something an individual can use to obtain food, clothing or shelter.

In-Kind Support and Maintenance (ISM). Unearned income in the form of food, clothing, or shelter or any combination of these.

Interim Assistance Reimbursement (IAR). The process used for reimbursing for basic assistance provided by a State to an individual either while the individual’s application for SSI was pending or during the period in which an individual’s SSI benefits were suspended. SSA may reimburse a State that has provided this assistance. The individual’s retroactive SSI payment is sent to the State as reimbursement if: (1) the State has an agreement with SSA to participate in IAR, (2) the individual has given SSA written authorization to have his/her retroactive payment sent to the State as reimbursement, and (3) the individual is found eligible for SSI benefits or has had his/her benefits reinstated for the same period of suspense.

Under IAR, after States reimburse themselves from an individual’s retroactive benefit, they must forward any remainder to the individual within 10 days.

Living With. A required condition for parent-to-child and spouse-to-spouse deeming. Deeming of income and resources occurs if an eligible child lives with his/her ineligible parent(s) or an eligible individual lives with his/her ineligible spouse.

Maintenance-of-Effort. See “Passalong.”

Mandatory State Supplementation. See “State Supplementation.”

Means-Testing. The measuring of income and resources against specified amounts as eligibility factors for certain assistance benefits. SSI is a means-tested benefit program.

Medicaid. The program authorized under title XIX of the Social Security Act, which provides medical assistance to certain low-income individuals and families and certain disabled and medically needy individuals. Medicaid is administered by the States with support from the Federal Government in the form of matching grants. The Federal Government provides guidelines to the States for formulating their programs. Because these guidelines afford great leeway, Medicaid programs vary widely among the States.

Medicaid Facility. A medical treatment facility such as a hospital, extended care facility, nursing home, or intermediate care facility, where Medicaid pays more than 50 percent of the cost of a person's care.

Medical Facility. An establishment that makes available some treatment or services in addition to food and shelter to four or more persons who are not related to the proprietor.

New Entrant. An SSI recipient in the first month of SSI payment receipt.

Noncitizen. An individual who is not a United States citizen. Also referred to in welfare and immigration law as an alien. (See "Alien Lawfully Admitted for Permanent Residence," "Asylee," "Parolee" and "Refugee.")

Nonqualified Alien. A noncitizen who is not in a qualified alien category for SSI eligibility purposes.

OASDI. The Old-Age, Survivors, and Disability Insurance programs established under title II of the Social Security Act.

One-Third Reduction. The reduction of an individual's SSI payment that occurs when an individual is living in the household of another. Instead of determining the actual dollar value of in-kind support and maintenance, one-third of the Federal benefit rate is counted as additional income to an individual living in another person's household for a full calendar month and receiving both food and shelter from the household.

Optional State Supplementation. See "State Supplementation."

Overpayment. The payment of more than the amount due for any period, including any amounts of Federally-administered State supplementary payments.

Parent. For SSI purposes, the natural mother or father of the child, or the person who legally adopted the child, or the stepparent who lives in the same household as the child.

Parolee. A noncitizen, who appears to be inadmissible to the inspecting INS officer, but is allowed to enter the United States under emergency humanitarian conditions or when the noncitizen's entry is determined to be in the public interest. Parole does not constitute a formal admission to the United States and confers temporary admission status only, requiring parolees to leave when the conditions supporting their parole cease to exist.

Passalong. A requirement that States must meet in order to be eligible for Medicaid reimbursement. Any State making supplementary payments (see "State Supplementation") after June 30, 1977, must continue making such payments and must pass along any cost-of-living increase to the Federal benefit rate. Two methods are available to ensure that cost-of-living increases are passed on to the recipients.

- *Total Expenditures Method*—State expenditures for supplementary payments in the current calendar year must at least equal expenditures in the preceding calendar year. If expenditures are less in the current year (shortfall), the State must increase expenditures in the next calendar year by an amount at least equal to the shortfall.

- *Payment Levels Method*—States may not lower their supplementary payment for any of the living arrangement categories below their adjusted March 1983 levels. The adjusted level is the State's March 1983 payment level minus that portion of the July 1983 increase in the Federal benefit rate that was not attributable to the increase in the cost of living (i.e., \$10.30 per individual and \$15.40 per couple).

Payment Accuracy. The accuracy rate reflects the percent of dollars in SSI benefits that are paid correctly. One measure of the quality of the SSI program and SSA's stewardship of it, based on reviews conducted by SSA to determine the accuracy of the payment and compliance with national instructions and goals.

Personal Needs Allowance. The amount allowed for an institutionalized recipient's personal needs (currently \$30). If an SSI recipient is in a Medicaid facility, the law requires that the SSI benefit be used only for the recipient's personal needs (i.e., that the institution cannot retain the benefit in repayment of the cost of the individual's care).

Plan for Achieving Self-Support (PASS). A plan that permits a disabled or blind SSI recipient to set aside income (earned and/or unearned) and/or resources for a work goal. The income and resources set aside under a PASS are used to pay for goods or services needed to reach that goal, such as education, vocational training, starting a business, or purchasing work-related equipment. Income and resources set aside under a PASS are excluded from SSI income and resources. SSA must approve an individual's PASS.

Population in the Social Security Area. The population comprised of (i) residents of the 50 States and the District of Columbia (adjusted for net census undercount); (ii) civilian residents of Puerto Rico, the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands; (iii) Federal civilian employees and persons in the Armed Forces abroad and their dependents; (iv) crew members of merchant vessels; and (v) all other U.S. citizens abroad.

Presumptive Disability or Blindness. A finding that SSI payments may be made before SSA makes a formal determination as to whether or not the individual is disabled or blind. The individual's impairment must be apparent and meet specified criteria. In addition, the individual must meet all other requirements for eligibility. These payments may be made for no more than 6 months. The presumptive payments will not be considered overpayments if SSA later finds that the individual is not blind or disabled.

Property Essential for Self-Support (PESS). The real and personal property used in a trade or business, nonbusiness income-producing property and property used to produce goods or services essential to the individual's daily activities. PESS may be excluded from resources under certain conditions.

Proration of Benefits. The method of computing benefit amounts in months in which the individual reacquires eligibility after a month or more of ineligibility. In such months, an individual's SSI benefit will be paid according to the number of days in the month that he/she is eligible, beginning with the first day in the month on which all eligibility requirements are met. In order to determine the benefit payable in a prorated month SSA counts the number of days an individual is eligible in the month. The amount of the individual's regular monthly payment is multiplied by the number of days for which he/she is eligible for benefits. That figure is divided by the number of days in the month for which the benefit is being determined. The resulting amount is the amount due for the prorated month. After 1996, proration for months of initial eligibility was eliminated.

Public Educational Institution. An institution that is operated by or controlled by the Federal Government, a State, or a political subdivision of a State such as a city or county for the primary purpose of providing educational or vocational training.

Public Emergency Shelter. A shelter for individuals whose homelessness poses a threat to their life or health.

Public Institution. An institution that is operated by or controlled by the Federal Government, a State, or a political subdivision of a State such as a city or county.

Publicly Operated Community Residence. A facility that provides food and shelter and some other service such as social services, help with personal living activities, training in socialization and life skills, or occasional or incidental medical or remedial care. In order to be publicly operated it must be operated or controlled by the Federal Government, a State, or a political subdivision of a State such as a city or county. The facility must serve no more than 16 residents and must be located in a community setting.

Qualified Alien. An individual who is:

- Lawfully admitted for permanent residence under the Immigration and Nationality Act (INA);
- A refugee under section 207 of the INA;
- An asylee under section 208 of the INA;
- A person whose deportation is withheld under section 243(h) of the INA as in effect prior to April 1, 1997, or whose removal has been withheld under section 241(b)(3) of the INA;
- A parolee under section 212(d)(5) of the INA for at least one year;
- A person granted conditional entry under section 203(a)(7) of the INA as in effect prior to April 1, 1980;
- A Cuban or Haitian entrant as defined in section 501(e) of the Refugee Education Assistance Act of 1980; or
- A certain alien, or an alien parent of a child, or an alien child of a parent who:
 - Has been battered or subjected to extreme cruelty in the United States by a spouse, parent, or certain other family members the alien, parent and/or child lived with;
 - Is not living in the same household with the abusive individual;
 - Has been determined to need SSI because of this abuse; and
 - Has a determination from the INS for a certain change in status.

Qualifying Quarter of Earnings. Credit for a requisite amount of earnings assigned to a calendar quarter for the purpose of determining the SSI eligibility of a lawfully admitted permanent resident.

Quarter of Coverage. The crediting of coverage needed for insured status under the Social Security program. In 2004, a worker receives one quarter of coverage (up to four a year) for each \$900 of annual earnings reported from employment or self-employment. This dollar amount is subject to annual automatic increases in proportion to increases in average earnings.

Recipient. A person who has been awarded SSI payments based on an evaluation of his/her own countable income and resources, age, and disability status.

Reconsideration. The first step in the administrative review process if an individual is dissatisfied with SSA's initial determination.

Redetermination. A periodic review of eligibility for SSI recipients to assure that requirements for eligibility continue to be met and that payment levels are in the proper amount. Income, resources, living arrangements and other factors are reviewed. The redetermination process does not review the determination of disability.

Refugee. A noncitizen outside of his/her country of nationality who is unable or unwilling to return to his/her country of nationality or to seek the protection of that country because of persecution (or a well-founded fear of persecution) based on the noncitizen's race, religion, nationality, membership in a particular social group or political opinion. Unlike asylees, refugees apply for and receive this status prior to entry into the United States.

Relocation Assistance. A type of assistance provided to persons displaced by projects that acquire real property. Examples of types of reimbursement, allowances, and help provided are:

- Moving expenses,
- Reimbursement for losses of tangible property,
- Displacement allowances,
- Amounts required to replace a dwelling which exceed the agency's acquisition cost for the prior dwelling,
- Rental expenses for displaced tenants,
- Amounts for down payments on replacement housing for tenants who decide to buy,
- Mortgage insurance through Federal programs with waiver of requirements that borrowers must usually meet, and
- Replacement housing.

Representative Payee. A person who receives SSI payments on behalf of an SSI recipient. SSA will pay benefits to a representative payee on behalf of an individual 18 years old or older when it appears that such method of payment will be in the interest of the individual. A representative payee will be appointed if the individual is legally incompetent or mentally or physically incapable of managing or directing the management of his/her benefits. Also, in general, if the individual is under the age of 18, a representative payee will be appointed.

Resident of a Public Institution. An individual who can receive substantially all of his/her food and shelter while living in a public institution is considered a resident of the public institution. Generally, an individual who is a resident of a public institution throughout a month is ineligible for SSI.

Resident of the United States. A person who has established an actual dwelling place within the geographical limits of the United States with the intent to continue to live in the United States. (See "United States.")

Resource. The cash or other liquid assets or any real or personal property of an individual (or his/her spouse, if any) that he/she could use or could convert to cash to be used for his/her support and maintenance.

Retroactive Payments. The SSI payments made in a month later than the month or months in which they were due. Also referred to as "past-due" benefits.

Retrospective Monthly Accounting (RMA). The calculation method used in the SSI program to determine an individual's eligibility for each month. RMA has two parts: an eligibility determination and a payment computation. If the individual is ineligible based on the current month's factors (including the current month's countable income), no payment is due and none is paid. If the individual is eligible based on the current month's factors, payment is computed. The benefit for a month is generally based on the countable income from the second month before the current month. The basic formula is to subtract the countable income from 2 months previous from the current month's Federal benefit rate.

Section 1619(a) Status. The special SSI cash benefits provided to disabled individuals who lose eligibility for SSI benefits under the regular rules because they have earnings at the level that is ordinarily considered to represent substantial gainful activity.

Section 1619(b) Status. The special SSI recipient status for Medicaid purposes provided to working disabled or blind individuals when their earnings make them ineligible for regular or special cash payments.

Sponsor. An individual who has signed an affidavit of support for a noncitizen entering the country.

State Supplementation. The payments made by a State or one of its political subdivisions to aged, blind, or disabled individuals.

- *Administration*—The governmental unit responsible for administering State supplementary payments may be either a State or local agency or SSA. Under State administration, the State must absorb both program benefits and administrative costs. Under Federal administration, the State is responsible for the program benefits and, as of January 1, 2004, pays an \$8.77 administrative fee for each benefit paid.
- *Mandatory Supplementation*—The supplementary payments that are made only to beneficiaries who were converted to the SSI program from former State assistance programs at the inception of the SSI program. Mandatory minimum State supplementary payments are required to maintain the December 1972 payment levels that these beneficiaries received under the former State assistance programs. States are required to provide the supplementation to maintain their Federal matching funds for Medicaid.
- *Optional Supplementation*—The payments made by States to help persons meet needs not fully covered by Federal SSI benefits. The State determines whether it will make a payment, to whom, and in what amount. These supplements, paid on a regular monthly basis, are intended to cover such items as food, shelter, clothing, utilities, and other daily necessities. Some States provide optional supplementary payments to all persons eligible for SSI benefits, while others may limit them to certain SSI recipients such as the blind or residents of domiciliary-care facilities, or they may extend payments to persons ineligible for SSI because of SSI income.

Statutory Blindness. See "Blind."

Student. An unmarried blind or disabled individual who is not the head of a household, but is under age 22 and regularly attending school. Effective April 2005, a blind or disabled individual who is under age 22 and regularly attending school.

Student Earned Income Exclusion (SEIE). An earned income exclusion for a student with certain limitations established by regulations. For 2004, up to \$1,370 earned income in a month, but no more than \$5,520 per year, may be excluded.

Substantial Gainful Activity (SGA). The level of work activity used to establish disability. A finding of disability requires that a person be unable to engage in SGA. For 2004, a person who is not statutorily blind and is earning more than \$810 a month (net of impairment-related work expenses) is ordinarily considered to be engaging in substantial gainful activity.

Supplemental Security Record (SSR). The computerized database maintained by SSA and containing identifying information, income, resources and other eligibility factors, for all SSI recipients. The SSR includes the history of SSI payments made to an individual.

Suspension. An ineligibility status which causes the nonpayment of benefits for a period of anywhere from 1 to 12 months for any of a number of reasons such as income or resources over allowable levels, absence from the United States, residence in a public institution, etc. Benefits can resume without reapplication, when all requirements for entitlement are again met. Suspense that lasts more than 12 months results in a termination of the SSI record. (Once a record is terminated, reapplication is necessary.)

TANF. See “Temporary Assistance for Needy Families (TANF).”

Temporary Absence. An individual’s physical move from his/her permanent place of residence that does not constitute a change in living arrangement. In general, a temporary absence is an absence from a permanent residence which is not intended to, and does not, exceed a full calendar month.

Temporary Assistance for Needy Families (TANF). The State grant program of assistance for needy families established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). TANF replaced the Aid to Families with Dependent Children program.

Termination. For an individual, cessation of benefits, which can occur for a number of reasons, including death, medical improvement, or a period of suspension lasting longer than 12 months.

Terminations. As used in section IV, the net reduction (after accounting for new entrants) in the number of SSI recipients in current-payment status during a period.

Trusts. A legal arrangement involving property and ownership interests. Generally, property held in a trust will be considered a resource for SSI purposes if the assets of the trust could be used for the benefit of the individual or spouse.

Unearned Income. The income that is not earned income. Unearned income may be in cash or in-kind. Some examples of unearned income are:

- Annuities, pensions, and other periodic payments;
- Retirement and disability benefits;
- Veterans’, workers’ and unemployment compensation;
- Alimony and support payments;
- Dividends, interest and certain royalties; and
- Rents.

United States. For purposes of the SSI program, the United States consists of the 50 States, District of Columbia and the Northern Mariana Islands.

Vocational Rehabilitation (VR). The process of restoring individuals with disabilities to full capabilities. VR services are designed to provide an individual with the training or other services that are needed to return to work, begin working or to enter a new line of work.

Windfall Offset. A provision to prevent a person from receiving monthly SSI and OASDI benefits in excess of the total amount which would have been paid if the OASDI benefits had been paid when they were due rather than retroactively.

Work Incentives. Provisions in the SSI program that are intended to act as incentives for disabled or blind individuals to work. Examples of work incentives under the SSI program are:

- Earned income exclusions,
- Impairment related work expenses,
- Blind work expenses,
- PASS, and
- Section 1619 benefits.

SOCIAL SECURITY ADVISORY BOARD

STATEMENT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM

Public Law 104-193 requires that members of the Social Security Advisory Board be given an opportunity, either individually or jointly, to include their views in the Social Security Administration's annual report to the President and the Congress on the Supplemental Security Income (SSI) program.

We appreciate the opportunity to present our views on this important program, and we have asked the Social Security Administration to include the following statement of views in this year's annual report.

VIEWS OF THE BOARD REGARDING THE SSI PROGRAM

In its statements in previous annual reports, the Board has discussed a wide range of issues, including program integrity, the disability determination process, rehabilitation and employment services, research and program evaluation, and service delivery. All of these areas require continuing attention. We note in particular that the Social Security Administration is undertaking major revisions in the disability determination process and in the systems supporting that process. This is an encouraging development, and the Board expects to monitor those changes as they are implemented.

In presenting our views this year, we would like to comment on two aspects of the program. We will first comment briefly on program integrity in general and overpayments in particular. Then we will focus on the concept of disability embodied in the SSI program and the degree to which it meets the needs of the American people today. We have presented our views on the Social Security disability programs more fully in our October 2003 report, *The Social Security Definition of Disability*, available on our website, www.ssab.gov.

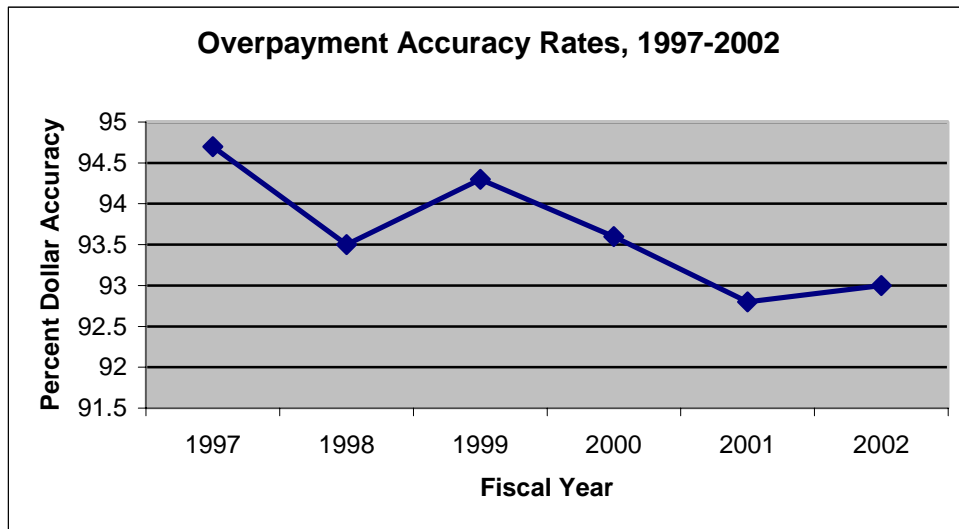
PROGRAM INTEGRITY AND OVERPAYMENTS

In 1997 the General Accounting Office designated SSI a high-risk program because of its vulnerability to abuse and mismanagement, increasing overpayments, and poor recovery of outstanding overpayments. Last year, GAO removed the program from its high-risk list, noting SSA's progress in improving the financial integrity and management of the program. GAO noted SSA's actions in obtaining legislation to prevent and collect overpayments as well as administrative actions to strengthen SSI program integrity.

GAO also noted, however, that the impacts of SSA's actions were not yet fully realized. A look at some recent data shows that the SSI program continues to need attention. Payment accuracy is lower than in 1997, and the balance of identified SSI overpayments has climbed every year since 1997.

Payment Accuracy

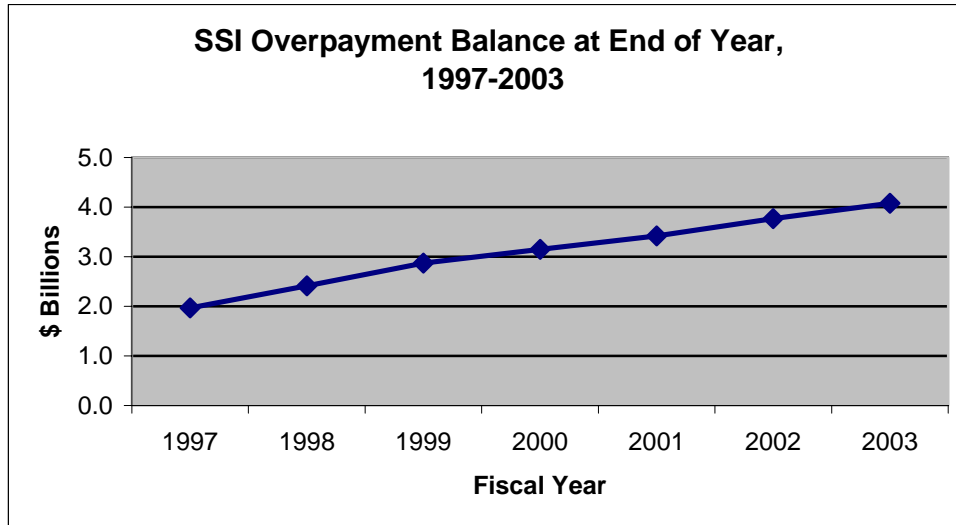
SSA conducts an annual stewardship study of the SSI program. The study examines a monthly sample of non-medical reviews of SSI cases in current-pay status. The study for FY 2002, the most recent available, shows a decline in non-medical accuracy since 1997, the year that GAO designated SSI a high-risk program. The overpayment accuracy rate for FY 2002 was 93.0 percent, compared to 94.7 percent in FY 1997. Applying the FY 2002 rate to the universe of \$34 billion in SSI payments results in a projection of \$2.4 billion in SSI overpayments. (“Overpayment accuracy” is determined on the basis of a sample study by subtracting overpaid benefits from total benefits paid and then dividing the result by total benefits paid.)



Field office managers have consistently expressed to the Board their concerns about the quality of non-medical SSI work done in their offices. They say that pressures for a high volume of production prevent their employees from taking the time and care needed to ensure quality. They add that because of the reduction in management positions in field offices, they are unable to do quality reviews. A survey of field managers conducted last year by the National Council of Social Security Management Associations reinforces these concerns. The survey showed that only 7 percent of managers think that the quality of work produced in their office had improved over the last two years, while 48 percent thought it had worsened.

Overpayment Collection

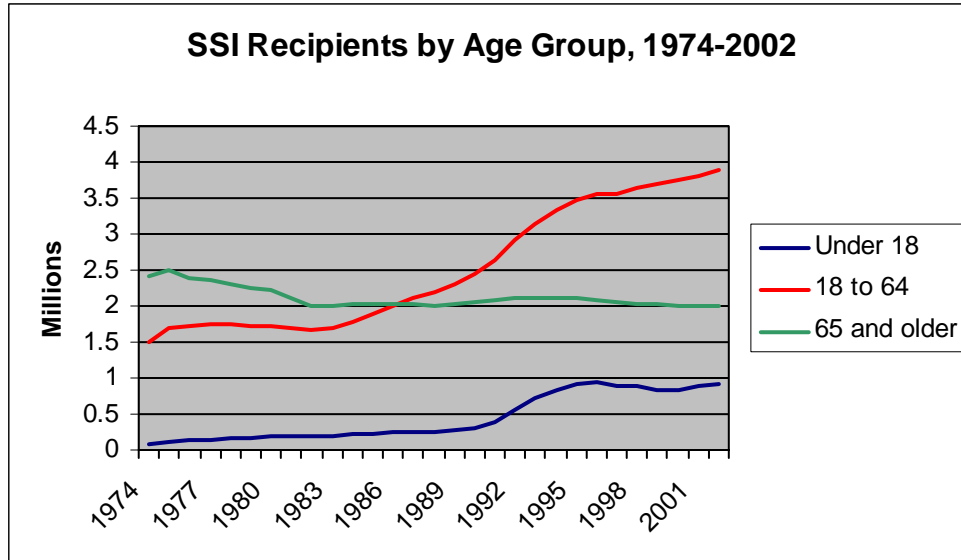
Although the collection of overpayments is a highly cost-effective activity, yielding about \$10 in recovered funds per dollar spent on the activity, resource limitations have constrained the agency’s results in this area as well. The end-of-year SSI overpayment balance has doubled since the program was first put on the high-risk list, from \$2 billion in 1997 to \$4 billion in 2003. Although SSI overpayment collections increased in FY 2003 because of new “netting” software that automatically recovers overpayments when an underpayment is discovered, the SSI overpayment balance was \$305 million higher at the end of 2003 than at the end of 2002.



The law provides that overpaid beneficiaries may request a waiver of collection of the overpayment, which the agency may grant under certain conditions. As we pointed out in previous reports, we believe that waiver policies may be applied too loosely. This is not a criticism of SSA's hard-working field office employees. Rather, it is a reflection of the shortage of staff in those offices. As an SSA executive has told the Board, field offices often do not pursue overpayment collection because the staffs are too busy, and it is easier for them to waive collection of the debt. SSA's Office of the Inspector General should be commended for its plans to issue an audit report this year evaluating SSA's waiver process and to issue a report in FY 2005 on undetected overpayments in SSA's disability programs.

THE CONCEPT OF DISABILITY IN THE SSI PROGRAM

In discussions of Social Security disability programs, attention tends to center on the Disability Insurance program which accounts for annual expenditures of more than \$70 billion. However, the SSI disability program, although much smaller in benefit costs, represents a very large percentage of the disability caseload. Of the 10.5 million persons receiving benefits on the basis of disability, 3.6 million are qualified solely through the SSI program and another 1.3 million receive both SSI and title II disability payments. While the number of SSI aged beneficiaries has declined since the program was initiated in 1974, the number of disabled beneficiaries has grown substantially and continues to increase.



SSI beneficiaries are, in many respects, different from DI disabled worker beneficiaries. They tend to have less work history and a more tenuous connection to the workforce. They are more likely to have mental disorders. In 2002, 22 percent of SSI beneficiaries age 18 to 64 had a diagnosis of mental retardation, and 33 percent had other mental disorders. Only 9 percent had a musculoskeletal diagnosis. By contrast, only 5 percent of DI disabled workers had a diagnosis of mental retardation, 28 percent had other mental disorders, and 24 percent had a musculoskeletal diagnosis. One in three adult SSI beneficiaries had a representative payee, compared with less than one in eight DI disabled workers. SSI beneficiaries are poor, with 60 percent of those age 18 to 64 having no income other than their SSI benefits. These are very substantial differences. Consideration of any changes in program definition or structure should take these differences into account.

Defining Disability

When Congress established the Supplemental Security Income program in the Social Security Amendments of 1972, it adopted for that program the same definition that had been established for the Disability Insurance program. An applicant will be found to be disabled if he or she is “unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.” Because the inability to engage in substantial gainful activity is not a test readily applicable to children, the law defines disability for those under age 18 in terms of “marked and severe functional limitations.”

As we pointed out in our October 2003 report on the Social Security definition of disability, this definition has its roots in an earlier era when there was little expectation that those with severe disabilities could have any realistic expectation of participating in employment or aspiring to self-sufficiency. It seemed both feasible and reasonable to adopt a definition of disability that would attempt to draw a clear line between those who could and those who could not work.

While the definition of disability has remained unchanged throughout the 30 years of the SSI program and essentially unchanged since the Social Security disability insurance program was enacted a half-century ago, there have been many changes in the economy, in medicine, in rehabilitative technology, and in attitudes about disability and the disabled.

Medical advances and improved rehabilitative knowledge and technology have made it harder to draw a clear line between those who can and those who cannot work. The nature of work and the workforce has also changed. We have become much more of a service economy, in which it is harder to measure the degree to which medical impairments limit an individual's ability to engage in employment. Indeed, in the early years of the Social Security disability program, over 90 percent of awards were based on the severity of applicants' medical condition without the need for the highly individualized assessment of the combined impact of medical and vocational factors that now is required in well over half of all allowed disability claims.

Attitudes about disability and work have also changed over the years. Changing public attitudes are reflected in the enactment in 1990 of the Americans with Disabilities Act that required employers to make reasonable accommodations as necessary to enable the employment of disabled individuals and that condemned stereotypic assumptions about the ability of disabled individuals to participate in, and contribute to, society.

Work as an Objective of the SSI Disability Program

Although it defines disability as the inability to do any substantial gainful work, from its beginning, the SSI program has also included elements aimed at helping or encouraging beneficiaries to engage in work activity. The legislation that established it included provision for payment to State Vocational Rehabilitation agencies for rehabilitation services to SSI beneficiaries. Other provisions aimed at encouraging work activity were included in (or have been added to) the SSI legislation.

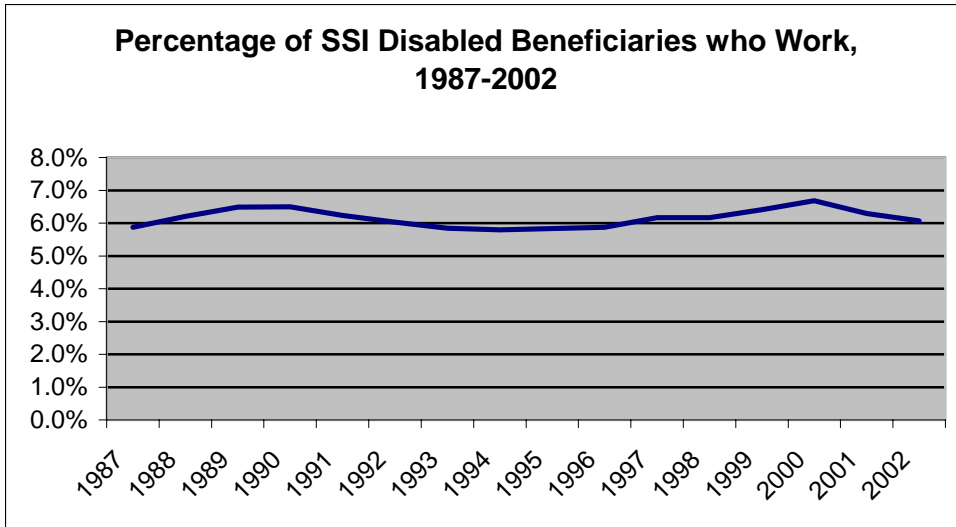
- **Continuation of SSI** – Beneficiaries who work may continue to receive SSI payments until their countable income exceeds the SSI limit. (For an individual getting only Federal SSI with other income only from earnings, the monthly benefit rate would be reduced to zero at a monthly earnings level of \$1,213.)
- **Continuation of Medicaid eligibility** – Medicaid eligibility will usually continue even if beneficiaries earn too much to receive SSI payments, if they cannot afford similar medical care and depend on Medicaid in order to work.
- **Earned income exclusion** – The first \$65 (\$85 if the beneficiary has no unearned income) of any monthly earned income, plus one-half of remaining earnings are excluded from countable income.
- **Student earned income exclusion** – For students under age 22 who are regularly attending school and neither married nor the head of a household, up to \$1,370 of earned income per month, to a maximum of \$5,520 per year, is excluded from countable income.

- **Work expenses of the blind** – Any income earned by a blind individual that is used to meet expenses needed to earn that income is excluded from countable income.
- **Plan for achieving self-support (PASS)** – A PASS allows a disabled or blind individual to set aside income and resources to get a specific type of job or to start a business. The income and resources that are set aside are excluded under the SSI income and resource tests.
- **Reinstatement of benefits** – Beneficiaries who have not been eligible for an SSI benefit for 12 months or less do not have to file a new application to reinstate SSI cash payments or Medicaid coverage.
- **Impairment-related work expense exclusion** – The cost of certain impairment-related services and items that a beneficiary needs in order to work are excluded from countable income for SSI purposes and are deducted from earnings when determining if work is substantial.
- **Continued payment under a vocational rehabilitation program** – Beneficiaries who medically recover while participating in a vocational rehabilitation program that is likely to lead to becoming self-supporting may continue to receive benefits until the program ends.

The Ticket to Work and Work Incentives Improvement Act (TWWIIA) of 1999 amended the Social Security Act to create the Ticket to Work program. The program provides DI and SSI disability beneficiaries with a Ticket that can be used to obtain vocational rehabilitation training, employment services, or other support services through public and private providers. TWWIIA also expanded the availability of health care services to working disability beneficiaries. The law provided several enhancements to Medicaid, including giving States more options in providing Medicaid coverage to people ages 16-64 with disabilities who work.

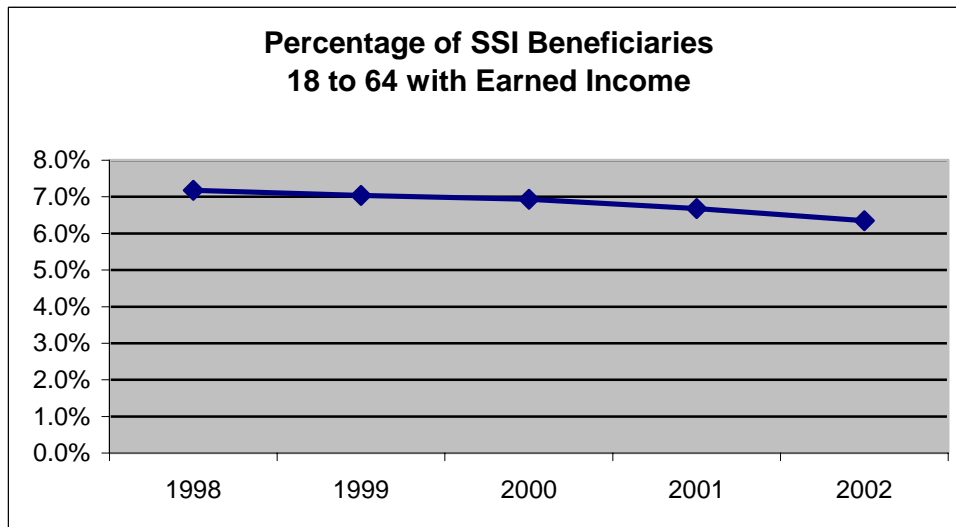
Participation rates in the program, however, have been low, and most Ticket to Work activity continues to involve State Vocational Rehabilitation agencies. Information on participation by SSI beneficiaries has not been published, and SSA's management information system does not make it readily available. This is troubling, especially in view of concerns expressed by the Ticket to Work Advisory Panel that program incentives are not adequate to induce providers to serve SSI beneficiaries.

Data on work, rather than on program participation, show that the response to all of these incentives has been limited. Published data for the 18 to 64 age group are not available for the entire period since the program began, and figures on the number of SSI beneficiaries who work are not available for 1984 through 1986. Since 1987, however, the percentage of all disabled SSI beneficiaries who work has fluctuated around 6 percent. A very substantial amount of that work activity is by beneficiaries with disabilities based on mental retardation. While that diagnosis accounts for 22 percent of the working-age SSI disabled population, it accounts for 42 percent of those who have work activity.



As of December 2002, of the 3.9 million SSI beneficiaries between the ages of 18 and 64 receiving a cash benefit, only about 246,000, or 6.3 percent of the total, reported having earned income. The average monthly earnings for this group were \$324. Out of this group, 17,000 had earnings above the substantial gainful activity (SGA) level (\$780 in 2002). Another 79,000 were above the SGA level and were receiving Medicaid but no cash benefit.

The percentage of beneficiaries of SSI cash benefits age 18 to 64 with earned income has fallen from 7.2 percent in 1998 to 6.3 percent in 2002.



The amount of work activity seems small in view of the incentives that have been provided, and it is particularly of concern that work activity seems to be less rather than more common despite the addition of numerous features aimed at encouraging work.

Policy Questions

We believe it is necessary to look beyond the existing incentives and disincentives and to question whether the definition of disability that is at the heart of the existing disability programs is consistent with our society's basic beliefs about disability and work. The present definition asks the applicant and the government to make a determination that substantial work is not possible. That, probably inevitably, creates a mindset that is inimical to the motivations that are crucial to supporting the objective of enabling impaired individuals to achieve maximum self-sufficiency and independence. Moving away from that definition would very clearly involve significant programmatic changes. Given the importance of the disability programs, any such changes would have to be carefully developed and carefully implemented. A first step in addressing this issue would be a consideration of the choices policymakers would face, including the issue of the extent to which the desired results could be achieved by changes within the existing programs. In our October 2003 report we discuss in detail a variety of policy issues that would need to be addressed including:

- Can the current definition ever be administered fairly and accurately?
- What improvements are possible within the confines of the existing program and definition?
- Is the existing definition central to program acceptability?
- What is the realistic potential of the disability population for work?
- How effective are the current eligibility processes at drawing the line between the able and the disabled, and is significant improvement possible?
- How does a disability program fit into the overall and greatly changing picture of income security?
- How can the impact of disability programs on motivation to work be improved?
- Does the disability program, as currently defined, fail to meet the legitimate needs of a significant portion of the impaired population?
- Should work-oriented services be targeted on beneficiaries or on applicants?
- What should be the role of the Social Security Administration if there is a major restructuring?

In considering SSI specifically, there is the additional issue of whether different approaches should be used for the DI and SSI programs. These two programs' beneficiaries differ in their work histories and education levels, suggesting that approaches and incentives that work for one program might not be appropriate for the other. The fact that the nature of their disabilities is also different, with a much higher prevalence of mental retardation and other mental disorders in the SSI beneficiary population, also suggests that different approaches would be needed for them. In addition, SSI beneficiaries have increasingly been receiving means-tested benefits from other programs as well, making their work incentive situation more complex. The benefit levels of the DI and SSI programs are also different. As of February 2004, the average DI worker benefit was \$862.60, while the average benefit for an SSI beneficiary age 18

to 64 was \$443.20. From a cost-benefit perspective, it is easier to justify incentives or supports for DI beneficiaries to return to work, since the potential program savings are greater. On the other hand, average wages in the economy have tended to rise faster than SSI income support levels. This would argue that failing to encourage and support work activity for SSI beneficiaries puts them at an even greater disadvantage compared with DI beneficiaries whose benefit levels tend to increase with rising wages.

Issues Related to Alternative Program Designs

Changing the definition of disability would require a major redesign of all or part of the program. It would almost certainly have substantial implications for program costs, caseloads, and administrative resources. To the extent it involved changes in eligibility or benefit levels, a long transition would be needed to assure that current beneficiaries are not adversely affected.

Ultimately, policymakers would need to decide whether the monetary and social gains from such a major shift of direction are worth the monetary and social consequences that might result. There are several basic questions that would need to be answered about any alternative program, such as:

- What would be the appropriate definition (or definitions) of disability?
- Would it increase or decrease the extent of eligibility and the cost of the program?
- Would benefit levels differ from the existing program and in what ways?
- Would it continue to be administered by the Social Security Administration and, if not, by what agency or agencies?
- Would it emphasize services or just provide benefits under a different set of rules designed to rely on stronger economic incentives for working?

If Congress wanted to adopt a different definition of disability, many different structures and combinations of structures are possible. Some of the possible elements that might be considered include.

- Paying benefits based on an essentially medical definition of what constitutes a “severe” disability, not necessarily the same as the current adjudicative distinction between severe and non-severe, but not requiring a finding as to the impact of the disability on each individual’s ability to work.
- Divorcing eligibility for health benefits from eligibility for cash benefit programs, or perhaps, for certain categories of the disabled, providing the health care necessary for employment rather than cash benefits.
- Dividing the disability program into two programs. A “permanent” program roughly equivalent to the existing program would begin only after a longer waiting period (perhaps two or three years) or might be available immediately only to those with the most severe disabilities. A new temporary program would be available during that waiting period. The temporary program might differ from the permanent program by such things as having easier eligibility rules, different benefit levels, and

stronger and perhaps more individualized medical and other services needed to support workforce participation. A temporary program might be administered by a different agency from SSA with SSA retaining responsibility for the “permanent” program. Many variants of this approach are possible depending on program objectives and costs.

- Changing the current all-or-nothing concept of disability eligibility to a program providing percentages of disability based (at least for less than 100 percent levels) on very specific medically determinable criteria.
- Changing the disqualifying event from “becoming able to work” to something roughly along the unemployment compensation lines of failure to seek or accept work.

Conclusion

In issuing our October 2003 report on the definition of disability, we argued that this is an issue that needs attention. We have found widespread dissatisfaction with the existing system. It may be that, in the end, the existing definition will be retained, and ways will be found to administer it in a manner more consistent with society’s current approach to disability policy. Or it may be that only a definitional change will serve to meet the needs of today’s impaired population in a way that society can approve. In any case, the problems and inconsistencies of the existing system are significant and demand action.

To further the discussion of this subject, the Board sponsored a day-long forum on April 14, 2004 with presentations and discussion by experts and interested parties on the extent to which the current program is or is not consistent with appropriate national disability policy and what changes might be made to the program structure and definition. The text of the presentations is available on the Board’s website at www.ssab.gov.

We encourage the Administration and the Congress to carefully consider how the Social Security disability programs can better meet the high goals set by the Americans with Disabilities Act of assuring the disabled “equality of opportunity, full participation, independent living, and economic self-sufficiency.” In some respects this issue is particularly important for the SSI program since that has developed into a program primarily serving disabled individuals and since that program’s beneficiaries have perhaps even more to gain if they are provided with the incentives and support needed for self-sufficiency.

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