



SOCIAL SECURITY ADMINISTRATION

Funding Highlights:

- Provides \$11.7 billion in discretionary funding, a slight increase over the 2012 level, to maintain core services to workers, retirees, survivors, and people with disabilities.
- Continues investment in program integrity by providing \$1 billion to ensure benefits are paid to the right person and in the right amount. In particular, the Budget invests in disability reviews that enhance the long-term integrity of the agency's programs.
- Restores the agency's authority to test disability program changes and funds innovative pilots to help improve educational and employment outcomes for Americans with disabilities.
- Cuts waste by improving efficiency and avoiding unnecessary expenditures.

The Social Security Administration (SSA) administers the Old Age, Survivors, and Disability Insurance program and the Supplemental Security Income (SSI) program. The President believes that Social Security is critical to ensuring that all Americans have the opportunity to retire with dignity and that Americans with disabilities do not have to experience economic hardship. To fund this commitment, the President's 2013 Budget includes \$11.7 billion for SSA operations, a slight increase over the 2012 level. It supports disability pilot programs to improve education and employment outcomes for people with disabilities and enhancements to program integrity to cut down on waste, fraud, and abuse.

Protects Social Security for Future Generations

The President recognizes that Social Security is indispensable to workers, retirees, survivors, and people with disabilities and that it is one of the most important and most successful programs ever established in the United States. Although current forecasts maintain the solvency of Social Security paying full benefits until 2036, the President is committed to making sure that Social Security is solvent and viable for the American people, now and in the future. He is strongly opposed to privatizing Social Security and looks forward to working on a bipartisan basis to preserve it for future generations.

Reduces the Disability Appeals Hearing Backlog and Improves Customer Service.

The Budget maintains services to the public, which SSA provides through multiple avenues, including the Internet, over the phone, and in-person at hundreds of local offices. A core function for SSA is processing benefit claims from Americans who apply for Disability Insurance or Supplemental Security programs. While the volume of applicants remains high, the Budget provides sufficient resources to prevent large increases in the length of time that people must wait for a decision about whether they qualify for benefits.

The Budget also provides for SSA to continue its progress in lowering the number of people waiting for a disability appeal hearing. In addition, the agency will continue to increase efficiency by holding hearings via video conference for areas of the country with the most cases and increasing the use of online services. By hearing approximately 960,000 cases in 2013, the average processing time will be reduced to SSA's target level of 270 days in September 2013.

Builds the Evidence Base for Disability Program Improvements.

The Administration proposes five-year reauthorization of SSA's demonstration authority for the Disability Insurance program. This proposal would allow SSA to test a new round of program innovations. One such innovation would be the Work Incentives Simplification Pilot (WISP), which will test changes in the Disability Insurance return-to-work rules, subject to rigorous evaluation protocols. WISP would eliminate current barriers to employment by simplifying the treatment of beneficiary earnings, potentially increasing the number of beneficiaries that seek and sustain employment.

Improves Services for Children with Disabilities.

The Budget supports the continued implementation of the interagency Promoting Readiness of Minors in SSI (PROMISE) pilot, initiated in 2012 to improve outcomes for children in

the SSI program. The Department of Education and SSA, in consultation with the Department of Labor and the Department of Health and Human Services, will provide competitive grants to test and evaluate interventions that successfully improve child and family outcomes and reduce the need for children to remain in the SSI program.

Improves Tax Administration by Restructuring the Federal Wage Reporting Process.

The Administration proposes to restructure the Federal wage reporting process by reverting to quarterly wage reporting. Currently, wages are reported to the Federal Government once a year. Increasing the timeliness of wage reporting would enhance tax administration and improve program integrity for a range of programs. The Administration will work with the States to ensure that the overall reporting burden on employers is not increased.

Steps up Efforts to Reduce Payment Errors and Boost Program Integrity.

The Social Security Administration's program integrity efforts are part of a strong framework for making sure the Government is spending tax dollars efficiently and that SSA pays benefits only to eligible beneficiaries and in the correct amounts.

In 2013, the President's Budget provides \$1 billion for SSA program integrity, including completing over 650,000 medical Continuing Disability Reviews that make sure that Disability Insurance and SSI recipients continue to meet the medical criteria for those programs. The Budget includes additional processing capacity within the agency devoted to program integrity, which will lead to over \$47.9 billion in further savings. The Budget also requests an additional \$140 million in 2012 to fully fund the cap adjustment level of \$623 million, as authorized in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011. This will save an additional \$800 million when compared to the current enacted amount for 2012.

Social Security Administration
(In millions of dollars)

	Actual 2011	Estimate	
		2012	2013
Spending			
Discretionary Budget Authority:			
Limitation on Administrative Expenses (LAE) Base ¹	10,550	10,817	10,840
Office of the Inspector General	102	102	108
Research and Development	36	1	41
Total, Discretionary budget authority	10,688	10,920	10,989
Discretionary Cap Adjustment: ²			
Program Integrity	484	623	751
Total, Discretionary outlays	11,888	11,678	11,723
Mandatory Outlays:			
Old-age, Survivors, and Disability Insurance	725,121	772,812	820,037
Supplemental Security Income ³	52,681	47,918	54,319
Special Benefits for Certain World War II Veterans	8	6	6
Economic Recovery Payments	17	—	—
Offsetting Collections	-105,338	-80,585	-35,983
All other	101,997	77,322	32,547
Legislative Proposals		—	84
Total, Mandatory outlays	774,486	817,473	871,010
Total, Outlays	786,374	817,473	882,733

¹ The LAE account includes funding, approximately \$2 billion each year, from the Hospital Insurance and Supplementary Medical Insurance trust funds for services that support the Medicare program, including implementation of Medicare Reform. The budget authority total for 2011 includes approximately \$161 million that is misclassified as discretionary rather than mandatory.

² The Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended by the Budget Control Act of 2011, limits—or caps—budget authority available for discretionary programs each year through 2021. Section 251(b)(2) of BBEDCA authorizes certain adjustments to the caps after the enactment of appropriations. Amounts in 2011 are not so designated but are shown for comparability purposes.

³ This amount does not include the effect of State Supplementation of offsetting collections.