

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



Social Security Administration

May 1998

LETTER OF TRANSMITTAL

COMMISSIONER OF SOCIAL SECURITY
Washington, D.C., May 29, 1998

President William J. Clinton
The White House
Washington, D.C.

The Honorable Newt Gingrich
Speaker of the House of Representatives
Washington, D.C.

The Honorable Albert Gore, Jr.
President of the Senate
Washington, D.C.

Gentlemen:

I have the honor of transmitting to you the 1998 Annual Report of the Supplemental Security Income Program (the second such report), in compliance with section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Respectfully,



Kenneth S. Apfel
*Commissioner
of Social Security*

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 second of such reports, and following are some of 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.
- In January 1998, 6.2 million individuals received monthly Federal SSI payments averaging \$335.
- Federal expenditures for cash payments under the SSI program during calendar year 1997 totaled \$26.7 billion, and the cost of administering the SSI program in fiscal year 1997 was \$2.1 billion.

Major Findings of the Report

- Throughout the 25-year period ending in 2022, the SSI program is estimated to grow largely due to the overall growth in the U.S. population. By 2022, the Federal SSI recipient population is estimated to reach 7.2 million.
- Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients declined from its 1996 level of 2.3 percent to 2.2 percent in 1997, and is projected to remain fairly level at roughly 2.2 percent of the population through 2022.
- Federal expenditures for SSI payments in calendar year 1998 are estimated to total \$27.5 billion, an increase of roughly \$800 million from 1997 levels. Short-term declines in SSI program expenditures estimated in the 1997 Annual Report as the result of changes to the program enacted in 1996 have been partially reversed by 1997 legislation (Public Law 105-33) which re-established eligibility for certain noncitizens.
- Growth in SSI program outlays during the next 25 years is projected to remain relatively modest. In constant 1998 dollars, the cost of the program is projected to increase to \$33.2 billion in 2022.
- When compared to the Gross Domestic Product, Federal SSI expenditures are projected to decline over time, from the current level of 0.33 percent of GDP in 1997 to 0.27 percent of GDP by 2022.

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I. INTRODUCTION

The Supplemental Security Income (SSI) program was established by Congress in 1972,¹ with payments beginning in January 1974, and 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, as of January 1998, a monthly Federal cash payment of \$494 (\$741 for a couple if both members are eligible). Since 1975, these Federal SSI benefit rates have been increased to reflect changes in the cost of living at the same time, and by the same percentage, as have 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 "maintenance-of-effort" provisions in the original SSI legislation.

In recent years, the SSI program has undergone significant changes both as a result of legislation, and due to certain Federal court decisions. In particular, during 1996, there were two pieces of legislation² that had a major impact on the payment provisions under SSI. Subsequent legislation³ enacted in 1997 substantially modified the impact of the 1996 legislation. In addition, under section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), the Commissioner of Social Security is required to submit a report on the SSI program to the President and Congress. Such report is to be submitted annually no later than May 30 of each year. Pursuant to this legislative mandate, this is the second in a series of such annual reports on the SSI program. The legislative mandate is very detailed concerning certain types of information about SSI that should be provided in the report. More specifically, section 231 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;
- an historical summary of statutory changes to title XVI of the Social Security Act;
- 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 individual members of the Social Security Advisory Board, if so desired by any such Board member or a joint report if one is agreed upon by the Board.

As discussed in the 1997 Annual Report, much of the required information had to be developed for the first time. For example, while historical program data are available from summaries of administrative records and have previously been published in a number of documents, many of the required subcategory totals have not always been collected on a consistent basis. To provide the detailed data for this report, extensive work was necessary to prepare retrospective estimates based on existing

¹ Public Law 92-603, enacted October 30, 1972.

² Public Law 104-121, enacted March 29, 1996, and Public Law 104-193, enacted August 22, 1996. The provisions of these two pieces of legislation are outlined in section II.

³ Public Law 105-33, enacted August 5, 1997.

historical totals. Furthermore, except for the 75-year projections prepared for the OASDI¹ and Medicare² Trustees Reports, most routine forecasts for government programs extend only 5-10 years into the future for use in connection with the President's Budget. Thus, mathematical models capable of projecting SSI program costs 25 years into the future did not exist at the time of the enactment of Public Law 104-193. For purposes of the longer-range forecasts required in this report, SSA's Office of the Chief Actuary extended the computations of its Budget model to encompass a 25-year period. As discussed in greater detail in section IV, the resulting forecasts should be considered rough approximations beyond the first 5-10 years. Research and model development work has been initiated by the Office of the Chief Actuary in an effort to enhance these 25-year forecasts. Furthermore, the Office of Research, Evaluation, and Statistics has begun an extensive project to analyze and validate historical data for the SSI program. Future editions of this report will reflect the results of our efforts in both these areas.

In responding to each of the additional specific requests for information, every effort has been made to provide the best information available at this time. As mentioned in the previous paragraph, it is expected that in future versions of this annual report, improvements will be made 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.

In broad outline, the contents of the remainder of this report are as follows:

- Section II 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 forecasts.
- Section III contains a comprehensive description of the SSI program.
- Section IV presents the details of our 25-year forecasts of SSI program participation and expenditures.
- Section V contains a series of technical appendices responding to each of the remaining legislative mandates for information about SSI.

¹ The 1998 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, issued April 28, 1998.

² The 1998 Annual Report of the Board of Trustees of the Federal Hospital Insurance Trust Fund and The 1998 Annual Report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, issued April 28, 1998.

II. HIGHLIGHTS

A brief history of the SSI program is presented in section III, including descriptions of the eligibility criteria and other features of the program, and rationale for why some of those provisions were included in the SSI statute. Another aspect of this picture, however, is an indication of how SSI affects the individuals it is intended to serve and the cost of paying these benefits, along with a discussion of current issues facing SSA in administering the program.

A. RECENT PROGRAM EXPERIENCE

SSI program experience during the past year included the following:

- On average during calendar year 1997, 6.3 million aged, blind, or disabled individuals received Federal SSI benefits on a monthly basis. An estimated 7.0 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 during calendar year 1997 totaled \$26.7 billion.
- On average during calendar year 1997, 2.4 million aged, blind, or disabled individuals received Federally-administered State supplementary payments on a monthly basis. An estimated 2.7 million individuals received at least 1 month's Federally-administered State supplementary payment during calendar year 1997.
- State expenditures for Federally-administered supplements during calendar year 1997 totaled \$2.9 billion, excluding fees for Federal administration.
- The cost of administering the SSI program in fiscal year 1997 was \$2.1 billion.

B. SSI LEGISLATION SINCE THE 1997 ANNUAL REPORT

Legislative changes to the SSI program in 1997 can be characterized generally as modifications to 1996 legislation.¹ Public Law 105-33, enacted on August 5, 1997, included substantive changes in the noncitizen eligibility provisions and technical changes in other program features.

Eligibility for noncitizens—Public Law 104-193 (as amended by Public Law 104-208) generally prohibited SSI payments to immigrants until they attain U.S. citizenship. That law provided certain exceptions to this prohibition, and Public Law 105-33 expanded those categories for which SSI payments to noncitizens may still be made. The additional exceptions include:

- “Qualified aliens” lawfully residing in the United States who were receiving SSI benefits on August 22, 1996, remain eligible for SSI—i.e., eligibility “grandfathered”;
- “Qualified aliens” who were not receiving SSI, but who were lawfully residing in the United States as of August 22, 1996, would be eligible, without becoming a U.S. citizen, for SSI in the future if they meet the SSI definition of disability or blindness;
- “Nonqualified aliens” receiving SSI as of August 22, 1996, remain eligible for benefits until September 30, 1998;²

¹ Public Law 104-121 and Public Law 104-193.

² Public Law 104-193 originally specified benefit eligibility for aliens found ineligible under its new standards would expire on August 22, 1997. Public Law 105-18 extended eligibility to September 30, 1997.

- the 5-year eligibility period for refugees, asylees, and noncitizens who have had their deportations withheld is extended to 7 years, and Cuban and Haitian entrants and Amerasian immigrants also may be eligible during their first 7 years in the United States; and
- noncitizen members of Federally recognized Indian tribes, and certain American Indians born in Canada, are exempt from the SSI restrictions that apply to other noncitizens.

Other provisions—The date by which redeterminations for disabled children had to have been completed was extended from August 22, 1997, to February 22, 1998,¹ and modifications were made as to when redeterminations must be done for SSI recipients who turn age 18 and when continuing disability reviews are to be done for certain low-birth-weight babies. In addition, although not an SSI provision, States are required to provide Medicaid coverage for disabled children who were receiving SSI payments and would have continued to be eligible for such payments except that their eligibility terminated because they did not meet the more strict childhood disability criteria in Public Law 104-193.

The effective date of the SSI drug addict and alcoholic provision in Public Law 104-121 was clarified, and the applicability of the treatment and representative payee fee provision was expanded.

A number of technical and conforming amendments were made with regard to the existing dedicated savings accounts, noncitizens, fugitive felons, and prisoners provisions, and the fees for SSA's administering State supplementary payments were increased.

C. CURRENT ISSUES FACING THE SSI PROGRAM

SSA clearly faces many challenges in administering the complex provisions of the SSI program.² In an effort to deal with these challenges, the Commissioner has undertaken a major initiative to consolidate the effects of recent successful efforts to deal with problems of SSI administration, and to provide a coordinated vision for the future of the SSI program. In attempting to address issues of SSI administration, it is essential to recognize that SSI is a very important program that provides nearly 6.5 million aged, blind, and disabled individuals with basic necessities of food, clothing, and shelter. These individuals are among the most vulnerable Americans, who have little in the way of income or resources. For them, SSI is truly the program of last resort and is the safety net that protects them from complete impoverishment. Nevertheless, SSA in its stewardship role for the SSI program has an equally important responsibility to assure that limited government resources are spent appropriately.

Therefore, SSA has developed a comprehensive long-term approach to (1) improve SSI payment accuracy, (2) step up efforts to verify continuing disability eligibility, (3) expand opportunities for disabled beneficiaries to return to work, (4) address the SSI program's potential vulnerability to fraud, and (5) enhance our overpayment recovery efforts. This multifaceted approach to improving SSA's administration of the SSI program has been designated as one of the agency's highest priorities.

¹ Redeterminations not completed by this date must be done as soon thereafter as practical.

² For example, in February 1997, the General Accounting Office (GAO) designated the SSI program as a high risk area, citing concerns in three broad programmatic areas: (1) financial eligibility, (2) continuing disability eligibility, and (3) return-to-work.

D. KEY RESULTS FROM THE 25-YEAR FORECASTS

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

- Following a decline in the SSI recipient population in 1997 due to the combined impact of Public Law 104-121 and Public Law 104-193, growth in the SSI rolls is expected to resume largely due to the growth in the U.S. population. By 2022, the Federal SSI recipient population is estimated to reach 7.2 million. Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients is projected to remain fairly level at roughly 2.2 percent of the population through 2022.
- Federal expenditures for SSI payments in calendar year 1998 are estimated to total \$27.5 billion, an increase of roughly \$800 million from 1997 levels. In order to provide estimates of future expenditures under the SSI program over 25 years which can be meaningfully compared, projections of Federal SSI expenditures are presented in constant 1998 dollars. Expressed in these terms, growth in SSI program outlays during the next 25 years is projected to remain relatively modest, roughly in line with overall growth in the U.S. population. In constant 1998 dollars, the cost of the program is projected to increase to \$33.2 billion in 2022.
- Furthermore, when compared to the Gross Domestic Product, Federal SSI expenditures are projected to decline over time, from the current level of 0.33 percent of GDP in 1997 to 0.27 percent of GDP by 2022.

III. THE SUPPLEMENTAL SECURITY INCOME PROGRAM

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. In January 1998, 6.5 million individuals received Federally-administered monthly SSI benefits¹ averaging \$358.

A. BACKGROUND

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 was intended to supplement the incomes of individuals who were either ineligible for Social Security or whose benefits could not provide a basic living.

This means-tested assistance—also known as categorical adult assistance—actually 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 benefit levels the States established. Federal law specified no maximum or minimum standards. Consequently, each State was responsible for deciding its own standards for determining who would get assistance and how much they would get. As a result, there were differing eligibility requirements and variations of payment levels from State to State.

Beginning in the early 1960s, this State-operated, Federally-assisted welfare system drew criticism from within and outside of government. Some of the criticism was directed at the “crazy quilt” eligibility requirements and benefit 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. The disparity in the degree of Federal financial support provided States also was an acknowledged problem.

Responding to these concerns, Congress passed and the President approved the SSI program (Public Law 92-603, enacted October 30, 1972), which reversed the historic 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 receives 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;

¹ Including Federally-administered State supplementary payments.

- 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.

Although SSI has undergone several significant changes since its enactment in 1972, these principles have been retained. The following description of the SSI program is organized according to the originating principles.

C. UNIFORM STANDARDS AND OBJECTIVE CRITERIA

Prior to the SSI program, aged, blind, or disabled individuals may or may not have been eligible for Federally-funded adult assistance depending on the State in which they lived. Benefit amounts also varied from State to State. The SSI program replaced the State-run programs of assistance with a program having nationally 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 Federal assistance. Effective January 1, 1998, the countable income limit for individuals is \$494 a month and \$741 a month for eligible couples. The resource limit is \$2,000 in countable resources for individuals and \$3,000 for couples;
- Sixty-five as the minimum age limit 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 result in death and (1) if 18 or older prevents him/her from doing any substantial gainful activity¹ or (2) if under 18 results in marked and severe functional limitations.² 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.³ In order to be considered blind, an individual's vision may not be better than 20/200 or have a limited visual field of 20 degrees or less with the best correction; and
- 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 outside the United States who is under section 289 of the Immigration and Nationality Act (INA) or who is a member of a Federally recognized Indian tribe under section 4(e) of the Indian Self-Determination and Education Assistance Act, or be a qualified alien in one of the following categories:⁴

¹ "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. Generally earnings from work activity of over \$500 a month is evidence of ability to engage in SGA. If an SSI *applicant* is earning over \$500 a month, he/she generally would not be considered disabled. However, if an SSI *recipient* is earning over \$500 a month, he/she could continue to be eligible for SSI. (See "Incentives for Work and Opportunities for Rehabilitation" section III.E.)

² 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.

³ This provision reflects amendments made by Public Law 104-121, the Senior Citizens' Right to Work Act of 1996, enacted March 29, 1996.

⁴ 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 and Public Law 105-33. 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.

- a noncitizen who was lawfully residing in the United States and who was receiving SSI benefits on August 22, 1996;
- certain noncitizens who are blind or disabled and were lawfully residing in the United States on August 22, 1996;
- refugees (eligibility limited to the 7-year period after their arrival in the United States);
- asylees (eligibility 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 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 Assistance Act of 1980 (eligibility 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 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; and
- lawful permanent residents who earn, or can be credited (from their spouses or parents) with, 40 qualifying quarters of earnings.

Note: Qualified alien status includes noncitizens who have been battered or subject 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. However, to be eligible to receive SSI benefits, these noncitizens also must be in one of the categories listed above.

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 United States, the District of Columbia or the Northern Mariana Islands. An individual also must be physically present in the United States¹ for 30 consecutive days, if he/she had been outside of the United States for 30 or more consecutive days.

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.
- 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 account of all income and resources that an individual has or can obtain. The amount of an individual's income and resources are the measure of his/her need for assistance.

¹ Fifty United States, the District of Columbia or the Northern Mariana Islands.

1. Income

The amount of an individual's income is used to determine both eligibility for, and amount of, his/her SSI benefit. As countable income increases, an individual's SSI benefit amount decreases. 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 rate (currently \$494 for an individual; \$741 for an eligible couple) 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 (\$184.66 in 1998).

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. 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 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 Exclusions ¹

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 (\$10 or less a month).

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 HUD programs and the value of food stamps, and
- infrequent or irregularly received income (\$20 or less a month).

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.

2. Resources

The amounts of individuals' resources are used to determine whether they are eligible for SSI in any given month. SSI law states that eligibility is restricted to individuals who have countable resources (determined on a monthly basis) not exceeding \$2,000, or \$3,000 in the case of couples, but does not define what resources are. The law does stipulate what items are to be excluded from resources.

Regulations stipulate that a resource is cash or other liquid assets 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.

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 (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 income producing activity, and
- resources set aside to fulfill a plan to achieve self-support.

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 all other benefits for which they may be entitled.

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;

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

- the public institution is a publicly operated community residence which serves no more than 16 residents;
- the public institution is an emergency shelter for the homeless (payments are limited to no more than 6 months in any 9-month period);
- 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; or
- the recipient was eligible under section 1619(a) or (b) 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).

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 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.¹ 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 applied. In addition, a living allowance is provided for the ineligible spouse, as well as any ineligible children under age 21 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.

¹ 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 left.

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 allowances are provided for the parent(s) and an allocation is set aside for each ineligible child under age 21 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 support¹ or the previous version of the affidavit. Generally, individuals who entered the country before 1998 did so under the old version of the affidavit.²

Under the old version of the affidavit, deeming of the sponsor's income and resources lasts until the noncitizen has been in the United States for 3 years.³ 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 country under legally enforceable affidavits of support, deeming generally applies until the noncitizens become U.S. citizens. Unlike spouse-to-spouse, parent-to-child, and three-year sponsor-to-alien deeming, no living allowances are provided for the sponsor or the sponsor's family.

For noncitizens who were admitted into the United States under a legally enforceable affidavit of support, deeming ends before citizenship if the noncitizen 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. (After 1996, a quarter 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. SSI 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 Legally enforceable affidavits of support are required by Public Law 104-208.

² 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 affidavit even if the affidavit was signed after December 19, 1997.

³ For a temporary period—January 1994 through September 1996—the deeming period was 5 years.

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 monthly countable income.

In calculating these expenses, amounts equal to the costs of certain attendant care services, medical devices, equipment, prostheses 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

The work expense provision for individuals who are blind is more liberal than the impairment-related work expense provision for individuals who are disabled. Any income that a blind individual uses to meet expenses relating to work is not counted 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 and is intended to help defray the cost of his/her educational training. Up to \$400 of earned income per month but no more than \$1,620 per year may be excluded.

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.

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 also 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 limit (currently \$500 a month) 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 Referral/Reimbursement

Since the beginning of the SSI program, SSA has made provision for blind or disabled individuals who are receiving SSI benefits to be referred to the State Vocational Rehabilitation (VR) agencies. SSA reimburses 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.

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 an approved VR program and completion of the program would increase the likelihood that they will be permanently removed from the SSI rolls. SSI benefits and Medicaid generally continue until the rehabilitation services are completed or until the individual ceases to participate in the program.

Individuals age 16 or older who receive SSI benefits due to blindness or disability and who refuse, without good cause, to accept available rehabilitation services based upon a referral from SSA shall be ineligible for SSI.

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 make appointments to 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 the eligibility requirements of 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. Potential claimants initially contact SSA by phone, mail or in person. Field office personnel conduct an interview with the claimant and/or his/her representative.

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 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 Service (DDS) makes determinations of the medical eligibility factors.

2. Determinations 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 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 both are determined using the income received in the first month.

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 limit;
- 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; 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. Representative Payees

When SSI recipients are incapable of handling their benefits, 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 may deduct 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 (\$27 a month in 1998 (\$52 a month in the case of an organization acting as payee for disabled recipients with 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 any overpayments that occur.

4. 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.

5. 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. A representative cannot charge or receive more than the fee amount authorized. SSI 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.

6. Advance Payments

Unlike many of the various State programs that the SSI program replaced, it was not designed to respond to the immediate needs of claimants. However, several provisions exist to fill the gap in responsiveness to individuals in such situations.

a. Emergency Advance Payments

An advance payment of no more than 1 month's benefit (including any Federally-administered State supplementary payment) may be made to an applicant faced with a financial emergency when there is a strong likelihood that the individual will be found eligible. Such payments may be made only at

the time of application, and the amount advanced is recovered from subsequent SSI benefits. Because SSI benefits are payable only for months following the month of application or initial eligibility, emergency advance payments are made in the month of application prior to an individual's eligibility. If it is subsequently determined that the individual is not eligible for any reason other than failure to establish disability or blindness, the emergency advance payment is considered an overpayment.

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 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. In 1998, 44 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 mandatory passalong provisions (described 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 State supplementation. Because of the increases in Federal benefits over the years, there are few individuals who continue to receive mandatory State supplementary payments. In December 1997, there were roughly 2,500 such recipients.

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, Federal SSI income standards exceeded those under the State's adult assistance programs.

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 \$6.20 fee for each supplementary payment issued in fiscal year 1998. Fees are scheduled to rise in succeeding fiscal years.

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 disregards.

4. Mandatory Passalong

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 “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 “expenditures” method. Currently 38 States use the levels method and 11 use the expenditure method. Two States are unaffected by the mandatory passalong requirement. Texas has no mandatory or optional supplementary program because of a State constitutional impediment. West Virginia has no optional supplementary plan and was not required to establish a mandatory plan because Federal SSI income standards exceeded those 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 may use its own criteria as long as the criteria is no more restrictive than the State's January 1972 medical assistance standards. Forty States use SSI criteria and 11 States use their own criteria.

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 due to entitlement to Social Security benefits, or due to an increase in Social Security benefits resulting from:

- cost-of-living adjustments;
- actuarial increases in widow(er)s benefits;
- changes in the definition of disability for widow(er)s benefits; or
- increases in disabled adult child 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 on to the claimant within 10 days.² Thirty-seven 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.

Table III.H1.—SSI State Supplementation¹ and Coordination With Other Programs

United States and District of Columbia	Optional State program— Administered by:				Mandatory passalong of benefit increases from cost-of-living adjustments		Medicaid eligibility determination—			Interim assistance reimbursement agreement with SSA
	State	County	Federal (SSA)	Federal & State	"Levels" method	"Expenditures" method	Based on:		Agreement with SSA to determine eligibility	
							Federal criteria	States criteria		
Alabama	*				*		*		*	
Alaska	*				*		*			*
Arizona	*				*		*		*	*
Arkansas ²					*		*		*	
California			*		*		*		*	*
Colorado	*					*	*		*	*
Connecticut	*				*			*		*
Delaware			*		*		*		*	
District of Columbia			*			*	*		*	
Florida ³	*				*		*		*	*
Georgia ²					*		*		*	*
Hawaii			*		*			*		*
Idaho	*					*	*			
Illinois	*				*			*		*
Indiana	*				*			*		*
Iowa				*		*	*		*	*
Kansas ²					*		*			*
Kentucky	*				*		*		*	*
Louisiana ³	*				*		*		*	
Maine	*					*	*		*	*
Maryland ³	*				*		*		*	*
Massachusetts			*		*		*		*	*
Michigan				*	*		*		*	*
Minnesota	*				*			*		*
Mississippi ²					*		*		*	
Missouri	*				*			*		*
Montana			*		*		*		*	*
Nebraska	*					*	*			*
Nevada			*		*		*			*
New Hampshire	*				*			*		*
New Jersey			*		*		*		*	*
New Mexico	*				*		*		*	*
New York				*	*		*		*	*
North Carolina	*				*		*		*	*
North Dakota		*			*			*		
Ohio ³	*				*			*		*
Oklahoma	*					*		*		
Oregon	*					*	*			*
Pennsylvania			*		*		*		*	*
Rhode Island			*		*		*		*	*
South Carolina	*				*		*		*	
South Dakota ³	*				*		*		*	
Tennessee ²					*		*		*	*
Texas ⁴							*		*	
Utah			*		*		*			*
Vermont				*	*		*		*	*
Virginia	*					*		*		*
Washington				*		*	*		*	*
West Virginia						*	*		*	
Wisconsin	*					*	*		*	*
Wyoming	*				*		*		*	
Total number of States	27	1	11	5	38	11	40	11	33	37

¹ See body of text for description of the various forms of State supplementation.

² Mandatory State program is Federally-administered. No optional program.

³ Mandatory State program is Federally-administered.

⁴ Has a constitutional bar against State supplementation.

IV. ESTIMATES OF PROGRAM PARTICIPATION AND FEDERAL EXPENDITURES UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM, 1998-2022

As described in section III, eligibility for payments under the SSI program depends on a collection of provisions related to the socioeconomic status of the individual, as well as the evaluation of disability or blindness for persons under age 65. 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 within that macroeconomic framework, the prevalence of disability in the general population, and the determination of disability as defined by the Social Security Act.

Prior to the issuance of the 1997 SSI Annual Report, all estimates of expenditures under the SSI program were of a short-term nature prepared in conjunction with the President's Budget. 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 mandating this report required that such projections of future program participation be prepared for a period of 25 years. As was discussed in the 1997 Annual Report, due to the complex interaction between the economy and the SSI program, models 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. The Office of the Chief Actuary has begun a program of research intended to develop the appropriate data and models to reflect the impact of the relevant cofactors on the future of the SSI program. It is anticipated that this research and development effort will span several years, although our intent is to incorporate partial improvements to our models on an annual basis as quickly as permitted by time constraints. Such enhancements will be discussed as they are included in future reports. For this second annual report, our estimates continue to be based on extending our standard short-term projection methods. As was discussed in the 1997 Annual Report, these estimates should be considered to be rough approximations, especially for periods beyond the first 5 years.

A. ECONOMIC AND DEMOGRAPHIC ASSUMPTIONS

Although models that will take account of a wider variety of economic parameters are not yet available, 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 basic indexation of the Federal benefit rate depends on a projection of the Consumer Price Index (CPI) over that same 25-year period. For purposes of developing these estimates, we have relied on the demographic projections and CPI assumptions underlying the intermediate estimates prepared for the 1998 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds.¹ Detailed discussion of these economic and demographic parameters is presented in section II.D of that report.² 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 by certain age subgroups that are specifically relevant to the SSI recipient categories. These demographic projections are the starting point for the SSI participant projections discussed in the next section.

¹ House Document 105-243, published April 28, 1998.

² *Ibid*, Section II.D, *Principal Economic and Demographic Assumptions*.

Table IV.A1.—Historical and Estimated Population in the Social Security Area as Projected for the Intermediate Assumptions of the 1998 OASDI Trustees Report, as of July 1, 1974-2022

[In thousands]

Year	Age groups				Total all ages
	0-17	18-21	22-64	65 or older	
Historical data:					
1974	70,704	16,732	112,540	22,735	222,712
1975	69,718	17,112	114,450	23,265	224,545
1976	68,728	17,425	116,462	23,822	226,437
1977	67,822	17,636	118,594	24,399	228,451
1978	66,993	17,783	120,845	24,986	230,606
1979	66,263	17,821	123,183	25,576	232,844
1980	65,737	17,763	125,480	26,148	235,128
1981	65,407	17,666	127,718	26,709	237,500
1982	65,199	17,482	129,958	27,319	239,958
1983	65,147	17,130	132,192	27,910	242,379
1984	65,252	16,656	134,369	28,468	244,745
1985	65,505	16,138	136,441	29,059	247,143
1986	65,824	15,677	138,382	29,708	249,590
1987	66,095	15,469	140,187	30,331	252,081
1988	66,326	15,539	141,878	30,885	254,627
1989	66,773	15,628	143,456	31,439	257,297
1990	67,585	15,467	144,983	31,989	260,024
1991	68,563	15,084	146,576	32,513	262,736
1992	69,544	14,616	148,291	33,040	265,491
1993	70,445	14,255	149,993	33,508	268,201
1994	71,236	14,132	151,513	33,902	270,782
1995	71,893	14,228	152,875	34,257	273,252
1996	72,451	14,428	154,308	34,575	275,762
1997	72,882	14,709	155,888	34,830	278,309
Estimated:					
1998	73,167	15,066	157,528	35,018	280,780
1999	73,362	15,419	159,206	35,207	283,194
2000	73,492	15,743	160,886	35,429	285,550
2001	73,600	15,973	162,632	35,653	287,857
2002	73,705	16,084	164,461	35,885	290,134
2003	73,760	16,175	166,286	36,164	292,384
2004	73,773	16,265	168,098	36,475	294,612
2005	73,768	16,373	169,863	36,816	296,821
2006	73,719	16,544	171,531	37,223	299,016
2007	73,585	16,771	173,069	37,777	301,202
2008	73,362	17,066	174,475	38,478	303,382
2009	73,115	17,387	175,879	39,177	305,557
2010	72,913	17,629	177,371	39,816	307,729
2011	72,789	17,716	178,740	40,650	309,895
2012	72,739	17,639	179,809	41,864	312,051
2013	72,759	17,461	180,797	43,178	314,194
2014	72,832	17,263	181,788	44,435	316,318
2015	72,941	17,093	182,672	45,714	318,420
2016	73,082	16,951	183,422	47,040	320,495
2017	73,247	16,840	184,006	48,445	322,539
2018	73,429	16,754	184,436	49,926	324,546
2019	73,621	16,682	184,735	51,474	326,512
2020	73,816	16,626	184,912	53,078	328,432
2021	74,007	16,586	184,976	54,731	330,301
2022	74,187	16,563	184,927	56,437	332,114

Notes:

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

As described in section III.D.1, the monthly Federal benefit standard is adjusted annually in January 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 such 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.—Social Security Cost-of-Living Adjustments and Federal Benefit Rates Estimated on the Basis of the Intermediate Assumptions of the 1998 OASDI Trustees Report, 1974-2022

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
Estimated:				
1999	1.5	501.00	752.00	251.00
2000	2.4	513.00	770.00	257.00
2001	2.6	527.00	790.00	264.00
2002	2.7	541.00	812.00	271.00
2003	2.9	557.00	835.00	279.00
2004	3.1	574.00	861.00	287.00
2005	3.3	593.00	889.00	297.00
2006	3.4	613.00	920.00	307.00
2007	3.5	635.00	952.00	318.00
2008	3.5	657.00	985.00	329.00
2009	3.5	680.00	1,020.00	340.00
2010	3.5	704.00	1,056.00	352.00
2011	3.5	728.00	1,092.00	365.00
2012	3.5	754.00	1,131.00	377.00
2013	3.5	780.00	1,170.00	391.00
2014	3.5	807.00	1,211.00	404.00
2015	3.5	836.00	1,254.00	419.00
2016	3.5	865.00	1,298.00	433.00
2017	3.5	895.00	1,343.00	448.00
2018	3.5	927.00	1,390.00	464.00
2019	3.5	959.00	1,439.00	480.00
2020	3.5	993.00	1,489.00	497.00
2021	3.5	1,027.00	1,541.00	515.00
2022	3.5	1,063.00	1,595.00	533.00

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 left.

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 Represent ad hoc increases and are specified in the law.

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

In this section, we present our projections of the various subpopulations which lead to the numbers of persons receiving Federal SSI payments. As required in the legislative mandate for this report, each table displays our projections split by basic recipient category: aged, blind or disabled adults, and blind or disabled children. These recipient categories are in large part based on age, where "aged" generally refers to SSI recipients qualifying based on being age 65 or older, "disabled children" generally refers to recipients under age 18 qualifying based on a disability, and "disabled adults" to disabled recipients age 18 or older. However, in certain circumstances, these general rules as to classification by age are not followed due to special provisions as to how SSI payment amounts are determined. More specifically:

- The *aged* category includes those individuals whose eligibility for SSI benefits is established based on meeting the age-65-or-older requirement for assistance, and the income and resource limits applicable for adults. In December 1997, there were 1.362 million aged recipients of Federally-administered SSI payments.
- The *blind or disabled adults* category includes those individuals whose eligibility is established based on meeting the definition of blindness or disability for individuals age 18 or older, and the income and resource limits applicable for adults. After attainment of age 65 these individuals generally continue to be classified as blind or disabled adults (rather than aged). In December 1997, there were 4.202 million blind or disabled adult recipients of Federally-administered SSI payments, including 672 thousand disabled and 20 thousand blind recipients aged 65 or older.
- The *blind or disabled children* category includes those individuals whose initial eligibility is established based on meeting the definition of blindness or disability for individuals under age 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. As a result, blind or disabled children are generally reclassified as blind or disabled adults at age 18. However, students aged 18 to 21 are still classified as blind or disabled children for purposes of meeting the income and resources requirements.¹ In December 1997, there were 930 thousand blind or disabled child recipients of Federally-administered SSI payments, including 51 thousand students aged 18 to 21.

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 1997 were roughly 12 percent lower than estimated for the 1997 Annual Report. This more favorable experience is probably largely attributable to better performance of the economy than anticipated at the beginning of 1997. However, uncertainty among the potential applicant population concerning the impact of 1996 welfare reform legislation may have also contributed to this temporary downturn. The numbers of applications reversed their downward trend in the second half of 1997, in part due to the effects of Public Law 105-33 which re-established eligibility for certain classes of noncitizens. Longer term trends in applications are estimated to continue to grow from current levels (adjusted for the impact of Public Law 105-33) roughly in line with overall population growth.

¹ For students aged 18 to 21, parent-to-child deeming is no longer in effect, but a special student earned income exclusion is provided.

Table IV.B1.—SSI Federally-Administered Applications, ¹ Calendar Years 1974-2022

[In thousands]

Calendar year	Aged	Blind or disabled ²		Total
		Adults	Children	
Historical data:				
1974	(3)	(3)	(3)	(3)
1975 ⁴	325	938	137	1,400
1976	254	861	123	1,239
1977	259	894	145	1,298
1978	258	916	131	1,304
1979	262	942	147	1,352
1980	276	991	159	1,427
1981	130	629	104	864
1982	141	702	128	971
1983	190	761	140	1,092
1984	286	799	145	1,230
1985	223	968	154	1,345
1986	231	1,045	160	1,437
1987	200	896	137	1,233
1988	200	872	149	1,221
1989	222	915	157	1,294
1990	227	1,029	197	1,454
1991	227	1,225	254	1,706
1992	226	1,365	363	1,955
1993	218	1,486	487	2,191
1994	188	1,461	528	2,177
1995	165	1,310	492	1,966
1996	153	1,225	454	1,831
1997 ⁵	118	1,056	322	1,496
Estimated:				
1998	141	1,101	356	1,599
1999	138	1,122	374	1,635
2000	134	1,148	380	1,662
2001	130	1,168	384	1,682
2002	127	1,179	391	1,696
2003	125	1,187	397	1,709
2004	122	1,190	402	1,714
2005	121	1,197	405	1,723
2006	121	1,201	405	1,727
2007	121	1,212	408	1,741
2008	123	1,227	409	1,758
2009	126	1,237	407	1,770
2010	128	1,248	406	1,782
2011	130	1,258	406	1,794
2012	134	1,265	405	1,804
2013	138	1,270	405	1,814
2014	142	1,276	406	1,824
2015	146	1,281	406	1,833
2016	151	1,285	407	1,843
2017	155	1,288	408	1,851
2018	160	1,291	409	1,859
2019	165	1,292	410	1,867
2020	170	1,293	411	1,874
2021	175	1,294	412	1,881
2022	181	1,293	413	1,887

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

² Historical split between adults and children is estimated.

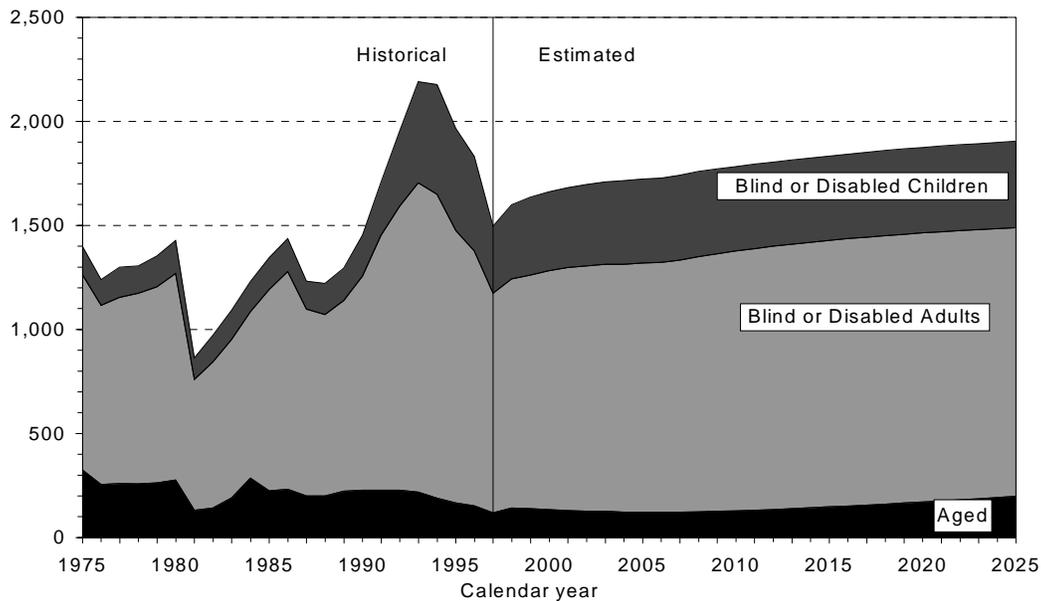
³ Consistent data on applications for 1974 (the first year of operation of the program) are not available.

⁴ Estimated using a 1-percent sample.

⁵ Due to a reporting problem, application receipts are estimated for part of 1997 using cleared and pending applications.

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

Figure IV.B1.—SSI Federally-Administered Applications, Calendar Years 1975-2025
[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, parental, and citizenship status. 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 is 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 final result of this decision process. Awards in 1997 were roughly 8 percent lower than estimated for the 1997 Annual Report. For the same reasons discussed above with respect to applications, this temporary downward trend is expected to be reversed in 1998.

Table IV.B2.—SSI Federally-Administered Awards, Calendar Years 1974-2022
[In thousands]

Calendar year ¹	Blind or disabled			Total
	Aged	Adults	Children	
Historical data:				
1974.....	554	362	49	965
1975.....	260	383	59	702
1976.....	172	327	44	542
1977.....	190	320	48	558
1978.....	177	303	52	532
1979.....	160	273	51	484
1980.....	170	274	52	496
1981 ²	107	226	45	379
1982 ³	83	183	40	306
1983.....	135	236	49	420
1984.....	201	303	49	554
1985 ³	143	313	51	506
1986.....	149	369	54	572
1987.....	154	349	52	554
1988.....	155	343	51	549
1989.....	175	369	54	598
1990.....	179	423	83	685
1991.....	175	476	126	777
1992.....	175	590	191	956
1993.....	170	576	226	971
1994.....	144	533	206	883
1995.....	128	516	177	822
1996.....	113	482	147	741
1997.....	85	410	114	609

Table IV.B2.—SSI Federally-Administered Awards, Calendar Years 1974-2022 (Cont.)

[In thousands]

Calendar year ¹	Aged	Blind or disabled		Total
		Adults	Children	
Estimated:				
1998.....	97	425	119	641
1999.....	97	432	121	650
2000.....	94	436	122	653
2001.....	92	441	124	657
2002.....	90	445	126	660
2003.....	89	447	128	664
2004.....	88	447	130	664
2005.....	87	449	131	667
2006.....	87	450	131	668
2007.....	87	454	132	673
2008.....	89	459	132	681
2009.....	91	463	132	686
2010.....	92	468	132	691
2011.....	94	471	131	696
2012.....	97	474	131	702
2013.....	100	476	131	707
2014.....	103	478	131	712
2015.....	106	480	132	717
2016.....	109	481	132	722
2017.....	112	483	132	726
2018.....	115	483	132	731
2019.....	119	484	133	736
2020.....	123	484	133	740
2021.....	126	485	133	744
2022.....	130	484	134	748

¹ Represents period in which award was processed, not date of eligibility for payments.

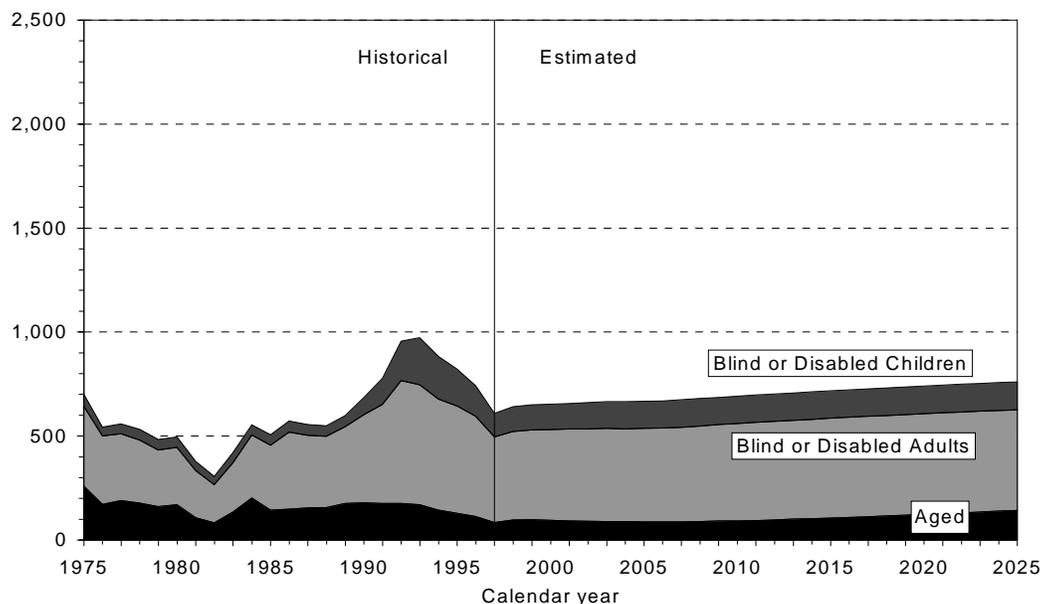
² Estimate based on 10 months of data.

³ Estimate based on 11 months of data.

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

Figure IV.B2.—SSI Federally-Administered Awards, Calendar Years 1975-2025

[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. In particular, 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. Table IV.B3 and figure IV.B3 present historical and pro-

jected numbers of such terminations by calendar year and type of benefit. The sharp spike in terminations in 1997 estimated in the 1997 Annual Report was largely unrealized due to the impact of Public Law 105-33, which re-established eligibility for qualified noncitizens who were receiving SSI benefits as of the date of enactment of the 1996 welfare reform legislation. The remaining higher than normal terminations in 1997 are mainly attributable to the implementation of the revised standard of disability for children mandated by Public Law 104-193. The total number of childhood terminations shown for 1997-98 is somewhat lower than estimated in the 1997 Annual Report, reflecting the re-reviews of certain cases as initiated by the Commissioner late last year.¹ The net effect of these factors yielded 36 percent fewer terminations in 1997 than estimated for the 1997 Annual Report.

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.

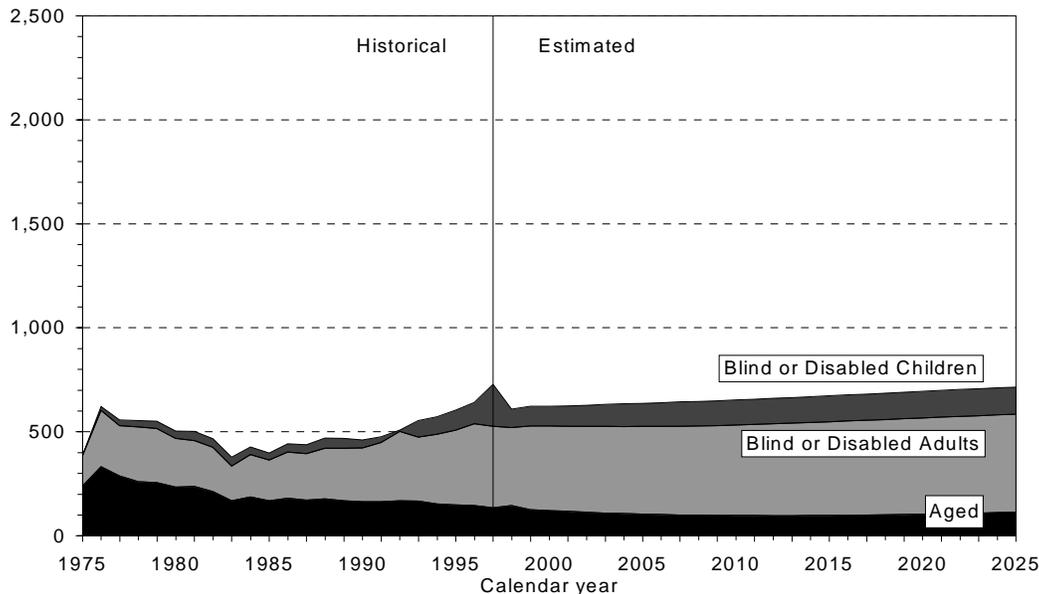
Table IV.B3.—SSI Federally-Administered Terminations, Calendar Years 1974-2022
[In thousands]

Calendar year	Aged	Blind or disabled		Total
		Adults	Children	
Historical data:				
1974	91	17	6	114
1975	239	143	2	384
1976	331	271	19	621
1977	287	243	26	556
1978	260	263	30	553
1979	256	259	36	551
1980	234	234	36	504
1981	237	221	44	502
1982	212	214	41	468
1983	169	166	42	376
1984	187	203	37	426
1985	169	195	34	397
1986	180	222	40	441
1987	172	223	43	439
1988	177	243	50	470
1989	169	251	48	469
1990	164	258	39	461
1991	164	284	27	476
1992	169	333	6	508
1993	166	308	79	553
1994	153	335	84	572
1995	148	360	96	604
1996	146	392	103	641
1997	135	391	202	727
Estimated:				
1998	145	375	89	608
1999	125	403	94	622
2000	121	406	95	622
2001	117	409	98	624
2002	113	413	102	628
2003	110	416	106	632
2004	106	419	109	635
2005	104	422	112	637
2006	102	424	114	640
2007	100	427	116	643
2008	99	429	118	646
2009	98	432	119	649
2010	97	435	120	653
2011	97	438	121	657
2012	97	441	122	661
2013	97	444	123	664
2014	97	447	124	669
2015	98	450	125	673
2016	99	453	125	677
2017	100	456	126	681
2018	101	458	127	686
2019	102	460	127	690
2020	104	463	128	694
2021	105	465	128	698
2022	107	466	129	703

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

¹ The year-by-year pattern shows higher actual terminations in 1997 and lower estimated terminations in 1998 than estimated last year. This reflects the fact that fewer beneficiaries elected to continue their benefits while their termination decision was being appealed.

Figure IV.B3.—SSI Federally-Administered Terminations, Calendar Years 1975-2025
[In thousands]



Combining the number of persons awarded SSI benefits 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.B4 and in figure IV.B4. The net effect of actual experience in 1997 (8 percent fewer awards and 36 percent fewer terminations than estimated) was that there were about 6 percent more Federal SSI recipients at the end of 1997 than estimated for the 1997 Annual Report.

Table IV.B4.—SSI Recipients With Federal Benefits in Current-Payment Status as of December, 1974-2022
[In thousands]

Year	Aged	Blind or disabled		Total
		Adults	Children	
Historical data:				
1974.....	(1)	(1)	(1)	(1)
1975.....	2,025	1,742	127	3,893
1976.....	1,867	1,780	152	3,799
1977.....	1,765	1,839	174	3,778
1978.....	1,686	1,873	196	3,755
1979.....	1,593	1,883	211	3,687
1980.....	1,533	1,922	227	3,682
1981.....	1,430	1,931	229	3,590
1982.....	1,329	1,916	228	3,473
1983.....	1,339	2,015	235	3,590
1984.....	1,347	2,104	248	3,699
1985.....	1,322	2,213	264	3,799
1986.....	1,291	2,351	279	3,922
1987.....	1,268	2,464	287	4,019
1988.....	1,245	2,555	289	4,089
1989.....	1,247	2,664	295	4,206
1990.....	1,257	2,817	339	4,412
1991.....	1,279	3,014	437	4,730
1992.....	1,304	3,276	622	5,202
1993.....	1,324	3,544	768	5,636
1994.....	1,326	3,748	890	5,965
1995.....	1,315	3,908	972	6,194
1996.....	1,296	4,013	1,016	6,326
1997.....	1,251	4,032	928	6,212

Table IV.B4.—SSI Recipients With Federal Benefits in Current-Payment Status as of December, 1974-2022 (Cont.)

[In thousands]

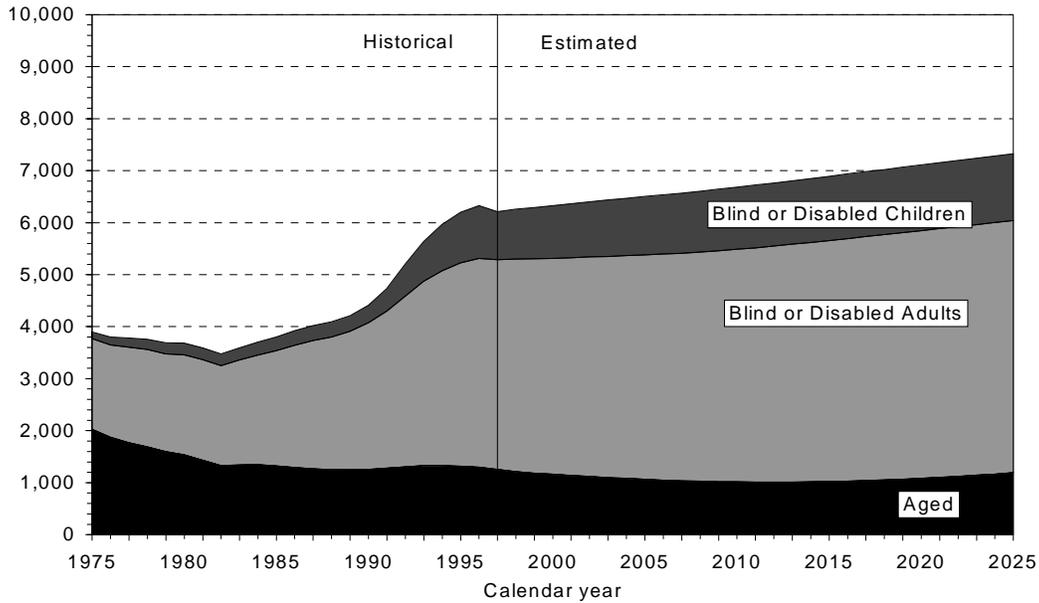
Year	Aged	Blind or disabled		Total
		Adults	Children	
Estimated:				
1998	1,209	4,087	959	6,255
1999	1,183	4,119	986	6,289
2000	1,159	4,152	1,013	6,324
2001	1,136	4,187	1,038	6,361
2002	1,114	4,222	1,062	6,398
2003	1,095	4,255	1,084	6,435
2004	1,078	4,286	1,105	6,468
2005	1,062	4,316	1,124	6,501
2006	1,047	4,344	1,141	6,532
2007	1,035	4,374	1,157	6,565
2008	1,025	4,406	1,171	6,602
2009	1,017	4,439	1,184	6,640
2010	1,012	4,473	1,195	6,680
2011	1,008	4,507	1,205	6,720
2012	1,008	4,540	1,213	6,761
2013	1,009	4,573	1,221	6,803
2014	1,014	4,604	1,228	6,846
2015	1,020	4,634	1,235	6,889
2016	1,028	4,663	1,241	6,933
2017	1,039	4,691	1,247	6,977
2018	1,051	4,717	1,253	7,021
2019	1,066	4,741	1,258	7,065
2020	1,082	4,763	1,264	7,108
2021	1,100	4,783	1,269	7,152
2022	1,120	4,801	1,274	7,195

¹ Data not available.

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

Figure IV.B4.—SSI Recipients With Federal Benefits in Current-Payment Status as of December, 1975-2025

[In thousands]



As discussed above and 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. Beginning in 1998, the Federal SSI recipient population is projected to resume growing at a modest rate, attaining its 1996 level early in 2001. In order to place this projected growth in the context of overall population growth, table IV.B5 and figure IV.B5 present Federal SSI recipients as percentages of selected Social Security Area population totals. For this presentation, 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 beneficiary 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.

Table IV.B5.—SSI Recipients With Federal Benefits in Current-Payment Status as a Percentage of Selected Social Security Area Population Totals, as of December, 1975-2022

Year	Aged ¹	Blind or disabled		Total ⁴
		Adults ²	Children ³	
Historical data:				
1975.....	8.62	1.12	0.15	1.73
1976.....	7.76	1.12	.18	1.67
1977.....	7.16	1.14	.20	1.65
1978.....	6.69	1.14	.23	1.62
1979.....	6.17	1.12	.25	1.58
1980.....	5.81	1.13	.27	1.56
1981.....	5.31	1.11	.28	1.51
1982.....	4.82	1.09	.28	1.44
1983.....	4.76	1.13	.29	1.47
1984.....	4.69	1.17	.30	1.51
1985.....	4.51	1.21	.32	1.53
1986.....	4.31	1.27	.34	1.56
1987.....	4.15	1.32	.35	1.59
1988.....	4.00	1.35	.35	1.60
1989.....	3.94	1.39	.36	1.63
1990.....	3.90	1.46	.41	1.69
1991.....	3.91	1.55	.52	1.79
1992.....	3.92	1.67	.74	1.95
1993.....	3.93	1.79	.90	2.09
1994.....	3.89	1.87	1.04	2.19
1995.....	3.82	1.93	1.12	2.26
1996.....	3.74	1.97	1.17	2.28
1997.....	3.58	1.95	1.06	2.22
Estimated:				
1998.....	3.44	1.96	1.08	2.22
1999.....	3.35	1.95	1.11	2.21
2000.....	3.26	1.95	1.13	2.21
2001.....	3.18	1.95	1.16	2.20
2002.....	3.10	1.94	1.18	2.20
2003.....	3.02	1.94	1.21	2.19
2004.....	2.94	1.93	1.23	2.19
2005.....	2.87	1.93	1.25	2.18
2006.....	2.80	1.92	1.26	2.18
2007.....	2.72	1.91	1.28	2.17
2008.....	2.64	1.91	1.29	2.17
2009.....	2.58	1.90	1.31	2.17
2010.....	2.53	1.90	1.32	2.16
2011.....	2.45	1.89	1.33	2.16
2012.....	2.37	1.89	1.34	2.16
2013.....	2.31	1.89	1.35	2.16
2014.....	2.25	1.88	1.36	2.16
2015.....	2.21	1.88	1.37	2.16
2016.....	2.16	1.88	1.38	2.16
2017.....	2.12	1.88	1.38	2.16
2018.....	2.08	1.87	1.39	2.16
2019.....	2.04	1.87	1.39	2.16
2020.....	2.01	1.87	1.40	2.16
2021.....	1.99	1.86	1.40	2.16
2022.....	1.96	1.86	1.40	2.16

¹ Aged recipients as a percentage of the 65 or older Social Security Area population.

² Blind or disabled adult recipients as a percentage of the 18 or older Social Security Area population.

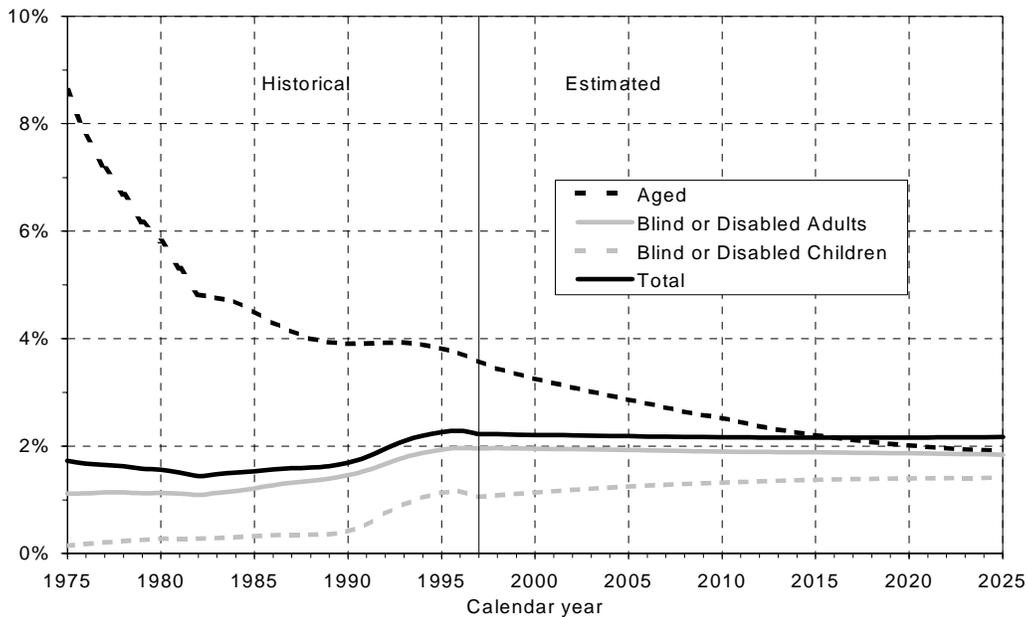
³ Blind or disabled child recipients as a percentage of the under age 22 Social Security Area population.

⁴ Total recipients as a percentage of the total Social Security Area population. Totals do not equal sums of components due to overlapping populations.

Figure IV.B5 indicates that the number of persons receiving Federal SSI payments declined as a percentage of the total Social Security Area population from the inception of the program through the early 1980s. In 1983, the number of Federal SSI recipients started increasing as a percentage of the total population, and continued to increase through 1996. The number of Federal SSI recipients as a percentage of the total population declined in 1997 due to factors described previously, and then remain fairly constant as a percentage of the total population throughout the remainder of 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. (The sharp decline that was estimated for 1997 in the 1997 Annual Report did not materialize due to the changes in the law enacted in Public Law 105-33.) In contrast, except for the drop due to the eligibility redeterminations in 1997 mandated by Public Law 104-193, the number of blind or disabled children receiving Federal SSI payments increases steadily as a percentage of the under age 22 population, with the increase being quite steep in the early 1990s. The blind or disabled adult Federal SSI recipient population as a percentage of the 18 or older population remained fairly level until the early 1980s when it started increasing and continued to increase through 1996. After the modest drop in 1997 due to the implementation of legislation described previously, the number of blind or disabled adults receiving Federal SSI payments are estimated to remain fairly level as a percentage of the 18 or older population, declining slightly near the end of the projection period.

Figure IV.B5.—SSI Recipients With Federal Benefits in Current-Payment Status as a Percentage of Selected Social Security Area Population Totals, as of December, 1975-2025



Historical and projected numbers of individuals who receive only a Federally-administered State supplement are presented in table IV.B6.

Table IV.B6.—SSI Recipients With Federally-Administered State Supplementary Benefits Only, in Current-Payment Status as of December, 1974-2022

[In thousands]

Year	Aged	Blind or disabled		Total
		Adults	Children	
Historical data:				
1974	(1)	(1)	(1)	(1)
1975	282	137	1	421
1976	280	155	1	437
1977	286	173	1	460
1978	282	179	1	462
1979	278	183	2	462
1980	274	184	2	460
1981	248	179	1	429
1982	219	164	1	384
1983	176	135	1	312
1984	184	146	1	331
1985	182	156	1	339
1986	182	164	1	348
1987	187	177	1	366
1988	188	185	1	375
1989	192	194	1	387
1990	197	206	1	405
1991	186	201	2	389
1992	167	196	2	364
1993	151	195	2	348
1994	139	189	2	331
1995	131	186	2	320
1996	116	170	2	288
1997	111	170	2	283
Estimated:				
1998	105	165	2	273
1999	102	163	2	267
2000	99	160	2	262
2001	97	158	3	257
2002	95	155	3	253
2003	94	152	3	249
2004	93	150	3	246
2005	92	147	3	242
2006	92	145	3	240
2007	91	142	4	237
2008	91	140	4	235
2009	92	138	4	234
2010	92	137	4	233
2011	93	136	4	232
2012	93	134	4	232
2013	95	133	4	232
2014	96	133	4	233
2015	97	132	4	234
2016	99	131	4	235
2017	101	131	4	236
2018	103	130	4	238
2019	106	130	4	240
2020	108	129	5	242
2021	111	129	5	244
2022	114	128	5	247

¹ Data not available.

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

The combined numbers of persons receiving either a Federal SSI payment or a Federally-administered State supplement are displayed in table IV.B7.

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

**Table IV.B7.—SSI Recipients With Federally-Administered Benefits in Current-Payment Status
as of December, 1974-2022**

[In thousands]

Year	Aged	Blind or disabled		Total
		Adults	Children	
Historical data:				
1974.....	2,286	1,639	71	3,996
1975.....	2,307	1,879	128	4,314
1976.....	2,148	1,935	153	4,236
1977.....	2,051	2,012	175	4,238
1978.....	1,968	2,052	197	4,217
1979.....	1,872	2,066	212	4,150
1980.....	1,808	2,106	229	4,142
1981.....	1,678	2,111	230	4,019
1982.....	1,549	2,080	229	3,858
1983.....	1,515	2,150	236	3,901
1984.....	1,530	2,250	249	4,029
1985.....	1,504	2,368	265	4,138
1986.....	1,473	2,516	280	4,269
1987.....	1,455	2,641	289	4,385
1988.....	1,433	2,740	290	4,464
1989.....	1,439	2,858	296	4,593
1990.....	1,454	3,023	340	4,817
1991.....	1,465	3,215	439	5,118
1992.....	1,471	3,471	624	5,566
1993.....	1,475	3,739	771	5,984
1994.....	1,466	3,937	893	6,296
1995.....	1,446	4,094	974	6,514
1996.....	1,413	4,183	1,018	6,614
1997.....	1,362	4,202	930	6,495
Estimated:				
1998.....	1,314	4,253	961	6,528
1999.....	1,286	4,282	988	6,556
2000.....	1,258	4,312	1,015	6,586
2001.....	1,233	4,345	1,041	6,618
2002.....	1,210	4,377	1,065	6,651
2003.....	1,189	4,407	1,087	6,684
2004.....	1,171	4,435	1,108	6,714
2005.....	1,154	4,463	1,127	6,744
2006.....	1,139	4,489	1,144	6,772
2007.....	1,126	4,516	1,160	6,802
2008.....	1,116	4,546	1,175	6,837
2009.....	1,109	4,577	1,187	6,874
2010.....	1,104	4,610	1,199	6,912
2011.....	1,101	4,643	1,209	6,952
2012.....	1,101	4,675	1,217	6,993
2013.....	1,104	4,706	1,225	7,035
2014.....	1,109	4,737	1,233	7,079
2015.....	1,117	4,766	1,239	7,123
2016.....	1,128	4,795	1,246	7,168
2017.....	1,140	4,821	1,252	7,213
2018.....	1,154	4,847	1,257	7,259
2019.....	1,171	4,870	1,263	7,304
2020.....	1,190	4,892	1,268	7,350
2021.....	1,211	4,912	1,273	7,396
2022.....	1,234	4,930	1,278	7,442

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

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 decline in program participation reflects the combined effects of recent legislation described in previous sections, along with changes in some of the factors mentioned above.

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 1974-98

[In millions]

Calendar year	Aged	Blind or disabled		Total
		Adults	Children	
1974	\$1,783	\$1,884	\$166	\$3,833
1975	1,843	2,272	199	4,314
1976	1,785	2,507	220	4,512
1977	1,737	2,687	280	4,703
1978 ²	1,847	3,082	367	5,296
1979	1,760	3,142	404	5,306
1980	1,872	3,563	488	5,923
1981	1,963	4,023	563	6,549
1982	1,994	4,321	617	6,931
1983	2,064	4,773	693	7,530
1984	2,182	5,373	763	8,318
1985	2,198	5,772	840	8,809
1986	2,210	6,378	935	9,522
1987	2,210	6,855	1,005	10,069
1988	2,263	7,401	1,080	10,744
1989	2,361	8,133	1,153	11,647
1990	2,519	9,080	1,343	12,943
1991	2,806	10,685	1,916	15,407
1992	2,993	12,434	3,599	19,026
1993	3,230	14,081	4,366	21,677
1994	3,380	15,155	4,527	23,063
1995	3,499	16,356	5,051	24,906
1996	3,621	17,481	5,399	26,501
1997	3,632	17,679	5,364	26,675
1998 (partially estimated)	3,618	18,463	5,383	27,463

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

Notes:

1. Historical split between blind or disabled adults and children is estimated for 1974-78; historical split among all recipient categories is estimated for years 1979 and later.

2. Totals do not necessarily equal the sums of rounded components.

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.

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 January 1 of years 1979 and later are actually paid in December of the previous year. Thus, for example, the calendar year 1997 payment amounts shown in table IV.C1 reflect payments made in January-December, 1997, and include the payments due on January 1, 1998 (which were actually paid in December, 1997), but not the payments due on January 1, 1997 (which were actually paid in December, 1996). 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 year ¹ basis are presented in table IV.C2 for fiscal years 1978-98. 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 1978-98

[In millions]

Fiscal year	Blind or disabled			Total
	Aged	Adults	Children	
1978	\$1,848	\$3,033	\$353	\$5,234
1979 ¹	1,610	2,816	356	4,782
1980	1,813	3,386	455	5,653
1981	1,954	3,898	544	6,396
1982	1,996	4,241	599	6,836
1983	2,170	4,958	722	7,850
1984 ¹	2,004	4,826	688	7,517
1985	2,193	5,647	812	8,652
1986	2,209	6,174	906	9,290
1987	2,203	6,698	983	9,884
1988	2,419	7,794	1,141	11,354
1989 ¹	2,335	7,958	1,136	11,430
1990 ¹	2,273	8,089	1,159	11,521
1991	2,728	10,187	1,698	14,614
1992	2,949	11,927	3,005	17,881
1993	3,150	13,568	4,312	21,029
1994	3,588	15,926	4,709	24,223
1995 ¹	3,480	16,084	4,943	24,507
1996 ¹	3,317	15,993	4,944	24,254
1997	3,629	17,474	5,416	26,519
1998 (partially estimated)	3,625	18,227	5,297	27,149

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

Notes:

1. Historical split among recipient categories is estimated.
2. Totals do not necessarily equal the sums of rounded components.

¹ Fiscal years 1977 and later cover the period from October 1 of the previous calendar year to September 30 of the year. For example, fiscal year 1997 payments include payments made from October 1, 1996 through September 30, 1997.

² 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 month 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. Several economic series are available to allow current dollars to be adjusted for changes in prices, wages, and certain other aspects of economic growth during the projection period. The selection of a particular index for adjustment of current dollars depends upon a determination as to which index provides the most useful standard for adjusting dollar amounts over time, to create values that are appropriately comparable.

One of the most common forms of standardization is based on some measure of change in the prices of consumer goods. One such price index is the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics. This is the index used to determine annual increases in the SSI Federal benefit rate as described in table IV.A2, and for this reason 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 1974-97, along with the full 25-year projection period, 1998-2022. 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 an estimated 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

Table IV.C3.—SSI Federal Payments in Constant 1998 Dollars, Calendar Years 1974-2022
[In millions]

Calendar year	Blind or disabled			Total
	Aged	Adults	Children	
Historical data:				
1974	\$5,745	\$6,072	\$535	\$12,352
1975	5,444	6,710	588	12,741
1976	4,987	7,003	615	12,605
1977	4,557	7,049	735	12,341
1978	4,499	7,509	893	12,901
1979	3,847	6,869	883	11,599
1980	3,608	6,868	941	11,417
1981	3,432	7,034	984	11,450
1982	3,288	7,125	1,017	11,430
1983	3,304	7,642	1,110	12,056
1984	3,376	8,312	1,180	12,868
1985	3,285	8,628	1,255	13,168
1986	3,251	9,384	1,376	14,011
1987	3,139	9,738	1,427	14,303
1988	3,091	10,109	1,475	14,675
1989	3,077	10,601	1,503	15,180
1990	3,121	11,248	1,664	16,033
1991	3,341	12,723	2,282	18,346
1992	3,461	14,377	4,162	22,000
1993	3,632	15,835	4,910	24,377
1994	3,710	16,633	4,969	25,312
1995	3,733	17,448	5,388	26,569
1996	3,755	18,128	5,598	27,481
1997	3,682	17,926	5,439	27,048

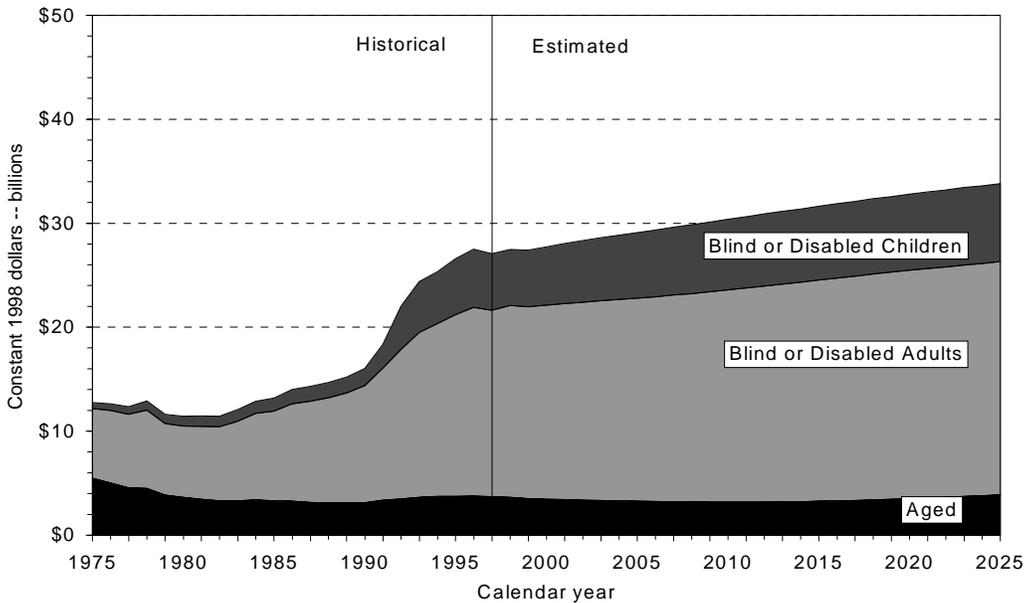
¹ Disabled children typically have higher monthly Federal payment amounts because they have, on average, much less countable income than do adult beneficiaries.

Table IV.C3.—SSI Federal Payments in Constant 1998 Dollars, Calendar Years 1974-2022 (Cont.)
[In millions]

Calendar year	Aged	Blind or disabled		Total
		Adults	Children	
Estimated:				
1998	\$3,618	\$18,463	\$5,383	\$27,463
1999	3,505	18,449	5,428	27,382
2000	3,459	18,637	5,599	27,695
2001	3,415	18,851	5,767	28,032
2002	3,367	19,028	5,914	28,309
2003	3,326	19,200	6,052	28,577
2004	3,288	19,364	6,182	28,834
2005	3,253	19,528	6,306	29,087
2006	3,224	19,684	6,419	29,326
2007	3,204	19,870	6,532	29,605
2008	3,185	20,038	6,629	29,852
2009	3,173	20,212	6,716	30,101
2010	3,169	20,408	6,801	30,378
2011	3,168	20,581	6,868	30,616
2012	3,178	20,781	6,939	30,898
2013	3,192	20,940	6,992	31,124
2014	3,215	21,096	7,043	31,354
2015	3,247	21,272	7,100	31,619
2016	3,282	21,430	7,149	31,861
2017	3,323	21,574	7,194	32,090
2018	3,374	21,729	7,242	32,344
2019	3,426	21,847	7,279	32,552
2020	3,489	21,973	7,322	32,783
2021	3,553	22,069	7,358	32,980
2022	3,624	22,166	7,395	33,185

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

Figure IV.C1.—SSI Federal Payments in Constant 1998 Dollars, Calendar Years 1975-2025
[In billions]



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*.

Table IV.C4.—SSI Federally-Administered State Supplementary Payments in Current Dollars, Calendar Years 1974-97

[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 ¹	828	2,085	2,913

¹ Split between recipient categories is estimated.

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

Table IV.C5.—SSI State-Administered Payments¹ in Current Dollars, Calendar Years 1974-97

[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

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

As mentioned in the previous section, in order to make meaningful comparisons of dollar amounts projected over long periods of time, it is essential to provide some sort of standardization that accounts for various aspects of economic growth over the projection period. In that section, one such set of standardized amounts (“constant dollars”) was presented by adjusting for changes in the CPI over time. An alternative approach would be to provide some type of relative measure of these amounts. In the OASDI Trustees Report, such a relative measure of program costs is produced by comparing the nominal annual outgo to the total earnings in the economy subject to taxation under the OASDI program. In the case of SSI, a more appropriate measure is produced by comparing estimated annual SSI costs to the Gross Domestic Product (GDP—the total value of goods and services produced in the United States). 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 is projected to decline relative to GDP throughout the projection period.

Table IV.D1.—SSI Federal Payments as a Percentage of GDP, Calendar Years 1974-2022

Calendar year	GDP (In billions)	Aged	Blind or disabled		Total
			Adults	Children	
Historical data:					
1974	\$1,497	0.119	0.126	0.011	0.256
1975	1,631	.113	.139	.012	.265
1976	1,819	.098	.138	.012	.248
1977	2,027	.086	.133	.014	.232
1978	2,291	.081	.135	.016	.231
1979	2,558	.069	.123	.016	.207
1980	2,784	.067	.128	.018	.213
1981	3,116	.063	.129	.018	.210
1982	3,242	.061	.133	.019	.214
1983	3,515	.059	.136	.020	.214
1984	3,902	.056	.138	.020	.213
1985	4,181	.053	.138	.020	.211
1986	4,422	.050	.144	.021	.215
1987	4,692	.047	.146	.021	.215
1988	5,050	.045	.147	.021	.213
1989	5,439	.043	.150	.021	.214
1990	5,744	.044	.158	.023	.225
1991	5,917	.047	.181	.032	.260
1992	6,244	.048	.199	.058	.305
1993	6,558	.049	.215	.067	.331
1994	6,947	.049	.218	.065	.332
1995	7,265	.048	.225	.070	.343
1996	7,636	.047	.229	.071	.347
1997	8,083	.045	.219	.066	.330
Estimated:					
1998	8,384	.043	.220	.064	.328
1999	8,735	.041	.216	.064	.321
2000	9,119	.040	.215	.064	.319
2001	9,532	.039	.213	.065	.317
2002	9,981	.037	.211	.066	.315
2003	10,469	.036	.210	.066	.312
2004	11,002	.035	.208	.066	.309
2005	11,579	.034	.206	.066	.307
2006	12,202	.033	.204	.066	.304
2007	12,866	.033	.202	.066	.301
2008	13,540	.032	.200	.066	.298
2009	14,253	.031	.199	.066	.296
2010	15,000	.031	.197	.066	.294
2011	15,779	.030	.196	.065	.291
2012	16,571	.030	.195	.065	.289
2013	17,393	.029	.193	.065	.288
2014	18,255	.029	.192	.064	.286
2015	19,145	.029	.191	.064	.284
2016	20,077	.029	.190	.063	.283
2017	21,041	.029	.189	.063	.281
2018	22,048	.029	.188	.063	.280
2019	23,096	.029	.187	.062	.278
2020	24,185	.029	.186	.062	.277
2021	25,323	.030	.184	.061	.276
2022	26,503	.030	.183	.061	.274

Notes:

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

Figure IV.D1.—SSI Federal Payments as a Percentage of GDP, Calendar Years 1975-2025

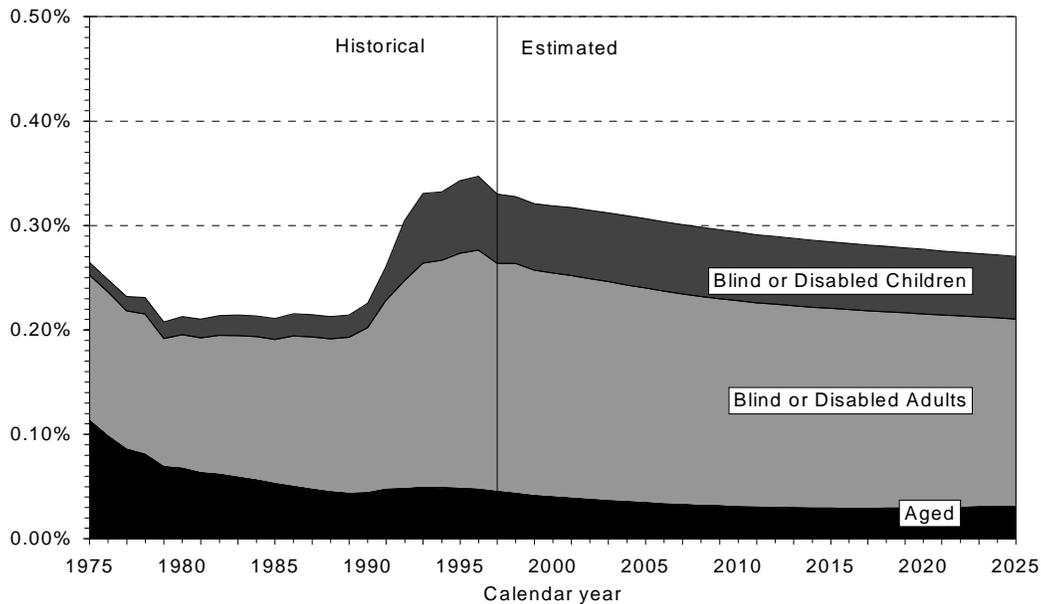


Figure IV.D1 presents a concise summary of Federal expenditures under the SSI program. Following the initial higher costs of the program, total Federal SSI payments during the 1980s were a fairly constant percentage of GDP (0.21 percent). During the early 1990s, SSI experienced rather rapid growth (to 0.35 percent of GDP in 1996) due to a combination of factors discussed earlier in section IV. Welfare reform legislation 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 1998 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 continue to decline as a percentage of GDP over the next 25 years, reaching 0.27 percent of GDP by 2022.

**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 Government 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 1978-98
[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 (partially estimated)	2,273	46.0

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 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 were 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 benefits and either the special cash benefit or Medicaid eligibility under section 1619.

Act

1996 *(Public Law 104-193, enacted August 22.)*

For individuals under age 18, the “comparable severity” standard was eliminated and replaced with a requirement that a child would be considered disabled if he/she had a medically determinable impairment that resulted in “marked and severe functional limitations,” and met the existing statutory duration requirement. The law also eliminated references to “maladaptive behaviors” in the Listing of Impairments for children, and discontinued 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.

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 was 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.

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 was 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.

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 noncitizens (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 amended 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. Provided that Cuban and Haitian entrants and Amerasian immigrants qualify for time limited eligibility, and increased the time limit from 5 to 7 years for all categories. Additional exceptions were 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 were 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.

b. Other Benefits

1980 *(Public Law 96-272, enacted June 17.)*

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

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.

Act

1994 (*Public Law 103-296, enacted August 15.*)

Any individual who is receiving SSI based on a disability where drug addiction or alcoholism (DA&A) 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 benefit suspensions. Before benefits 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 benefits; however, this does not prevent such individuals from reapplying and again becoming eligible for benefits.

SSI disability benefits 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.

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 may retain the lesser of 10 percent of the monthly benefit or \$51 (indexed to the Consumer Price Index (CPI)) as compensation for their services.

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

1996 (*Public Law 104-121, enacted March 29.*)

An individual is not considered disabled if drug addiction or alcoholism is a contributing factor material to a finding of disability.

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

d. Institutionalization

1972 (*Public Law 92-603, enacted October 30.*)

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.

1976 (*Public Law 94-566, enacted October 20.*)

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

1983 (*Public Law 98-21, enacted April 20.*)

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.

Act

1986 *(Public Law 99-643, enacted November 10.)*

Effective July 1, 1987, up to 2 full months of full-rate benefits can be made to recipients of special SSI payments under section 1619 if they reside in certain public medical, psychiatric, or Medicaid facilities, or in private Medicaid facilities.

1987 *(Public Law 100-203, enacted December 22.)*

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 and for whom the receipt of benefits is necessary to maintain living arrangements to which they may return.

1996 *(Public Law 104-193, enacted August 22.)*

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

1972 *(Public Law 92-603, enacted October 30.)*

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.

1976 *(Public Law 94-566, enacted October 20.)*

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.

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 be made if the services result in the recipient's return to work.

Act

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.)

Provision for continuation of payments to SSI recipients who have medically recovered while enrolled in an approved vocational rehabilitation program extended to 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 the provision providing for benefit continuation to beneficiaries who medically recover while participating in a State VR program to include beneficiaries participating in a non-State VR program.

f. Continuing Disability Reviews and Eligibility Redeterminations

1994 (Public Law 103-296, enacted August 15.)

During each of fiscal years 1996, 1997, and 1998, required SSA to conduct continuing disability reviews (CDRs) on a minimum of 100,000 SSI recipients. In addition, during the same period, required SSA to redetermine the SSI eligibility of at least one-third of all childhood 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.)

Repealed the requirement that SSA redetermine the eligibility of at least one-third of all childhood 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 for all childhood SSI recipients eligible for the month before the month in which they attain age 18.

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

Act

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 childhood disability 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.

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.

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 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 as a member of the household for deeming purposes.

Act

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.

(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 noncitizens (or their children) have 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 for the same period 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.

Act **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, living arrangements, and other conditions 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.

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.

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.

Act **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.
1983 ⁹	—	⁸ 157.70	⁸ 236.60	Effective July 1, 1975.
	—	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.
1973 ⁶	—	70.00	—	Was to be effective July 1, 1974.
	—	70.00	—	Effective January 1, 1974.
	—	73.00	—	Effective July 1, 1974.
1974 ⁷	—	—	—	Mechanism established for providing cost-of-living adjustments.
1983 ⁹	—	⁸ 78.90	—	Effective July 1, 1975.
	—	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.

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.

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.

(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.

Act

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 disregards.

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 disregarded 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.

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.

Act

1987 *(Public Law 100-203, enacted December 22.)*

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

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 the interest on the funds 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.

Redefined 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.

6. Limits and Exclusions From 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.

Act

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.

a. General Exclusions

1972 (Public Law 92-603, enacted October 30.)

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.

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.

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, if held in separately identifiable burial funds and if inclusion of any of the burial funds in countable resources would cause the resource limit to be exceeded.

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.

Act

1985 *Regulations* permitted 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 because 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).

Allows the exclusion of burial funds, as described above, regardless of whether or not counting any portion of those funds would result in excess resources.

1988 *(Public Law 100-360, enacted July 1.)*

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

(Public Law 100-707, enacted November 23.)

Removes the time limit for exclusion of disaster assistance.

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, 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.

Act

- 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.)*
Made 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.
- 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.

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.

Act

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.)*

May be made if applicants have a financial emergency in the month of application before the month that all eligibility requirements are met. These advance payments must be repaid within 6 months.

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 was 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.

8. Medicaid Eligibility

1972 *(Public Law 92-603, enacted October 30.)*

States can provide Medicaid coverage to all recipients of SSI payments. Alternatively, they could 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.

Act

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.)*

Restored Medicaid eligibility for some disabled widow(er)s who became ineligible for SSI due to a change in the Social Security disabled widow(er)s benefits reduction factor.

Medicaid protection for disabled widow(er)s whose title II benefits increased in 1984 because of a change in the actuarial reduction formula.

(Public Law 99-643, enacted November 10.)

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

Effective July 1, 1987, certain expenses that would be lost if SSI eligibility was discontinued may be 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) 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.

Act **9. State Supplementation**

1972 *(Public Law 92-603, enacted October 30.)*

States were 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, was 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.)*

Provision was made 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 disregarded 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.)*

Began 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.

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1987 *(Public Law 100-203, enacted December 22.)*

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

Provided 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.)*

The Omnibus Budget Reconciliation Act (OBRA) of 1993 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.)*

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

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);
- Up to \$10 of earned income in a month 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. (If the total amount of the infrequent or irregular income exceeds \$10, this exclusion cannot be used.);
- Up to \$400 per month but not more than \$1,620 in a calendar year received by a blind or disabled child 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 the 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 65;
- 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 65;
- 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; 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 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;
- Any portion of a grant, scholarship or fellowship 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 \$20 of unearned income in a month 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 the 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;
- Interest or other earnings on a dedicated account excluded from resources; and
- Unearned income excluded by other Federal laws. See Appendix to Subpart K, 20 CFR 416.

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;
- Payments or benefits provided under a Federal statute other than title XVI of the Social Security Act where exclusion is provided by such statute;
- Disaster relief assistance;
- Burial spaces and certain funds up to \$1,500 for burial expenses;
- Title XVI or title II retroactive payments (for 6 months following receipt);
- Housing assistance;
- Refunds of Federal income taxes and advances made by an employer relating to an earned income tax credit, (for the month following receipt);
- 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); and
- Dedicated financial institution accounts for disabled children.

C. HISTORICAL ALLOWANCE DATA

At the end of 1997, 79 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 Service (DDS) for a decision. Initial DDS decisions that are unfavorable to the applicant may be appealed to the DDS for a reconsideration of that initial denial. Persons denied at the reconsideration level may 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 may request a review by the Appeals Council. Those dissatisfied with the Appeals Council's action may seek further relief via the Federal court system.

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 determination process and only captured various point-in-time snapshots of this process. A complete picture of the disability determination process can be fully understood only by compiling a longitudinal data base from administrative records at all levels of appeal. Beginning in 1993, such a longitudinal data base (the "Disability Research File") was constructed by the Division of Disability Program Information and Studies within SSA's Office of Disability to assist the agency in understanding and managing this process. In the process of constructing this data base, 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 is a table based on the Disability Research File showing 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 more than 150 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 1997.

Methods used for estimating results (through February 1998) for claims filed in 1997—Although decision counts are available for 1997 filers (from many of the "source" files), those counts do not translate directly into the claims/appeals counts included in the following table, 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 February 1998) for 1997 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 February 1998, whereas the final research files will reflect information through June 1998. Actual data for 1997 will be available to replace these estimates in the 1999 Annual Report.

2. General Considerations

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

- Data for 1988-96 filers are as of June 1997. Results for those years' filers have been updated to include OHA results through August 1997.
- Data for 1997 filers are preliminary estimates as of February 1998, and reflect larger numbers of claims still pending. February 1998 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. Experience shows that there is a lower allowance rate on claims that have been pending in OHA a year or more, than on previously decided appeals.
- Computations of overall allowance rates exclude cases which have been appealed and for which a decision is pending.

Table V.C1.—Disabled Adult Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing ¹ and Level of Decision

Calendar year of filing	Total claims filed	Initial decisions						
		Pending	Allowances		Denials	Appeals to reconsideration		
			Number	Percent ²		Number	Percent ³	
1988	946,603	—	272,204	28.8	674,399	265,151	39.3	
1989	969,218	—	292,044	30.1	677,174	274,823	40.6	
1990	1,099,805	—	347,823	31.6	751,982	320,207	42.6	
1991	1,288,329	—	415,336	32.2	872,993	383,667	43.9	
1992	1,415,624	—	436,888	30.9	978,736	433,244	44.3	
1993	1,503,276	—	416,300	27.7	1,086,976	485,164	44.6	
1994	1,436,958	—	353,995	24.6	1,082,963	482,533	44.6	
1995	1,316,664	—	324,239	24.6	992,425	433,526	43.7	
1996	1,238,735	11,154	298,569	24.3	929,012	377,163	40.6	
1997	1,088,700	135,600	270,800	28.4	682,300	244,400	35.8	

Calendar year of filing	Reconsiderations						Appeals beyond reconsideration ⁴			
	Pending	Allowances		Denials	Appeals to beyond reconsideration		Pending ⁶	Allowances		Denials ⁸
		Number	Percent ²		Number ⁵	Percent ³		Number	Percent ⁷	
1988	—	38,385	14.5	226,766	140,659	62.0	—	82,412	58.6	58,247
1989	—	43,505	15.8	231,318	146,069	63.1	—	90,162	61.7	55,907
1990	—	52,055	16.3	268,152	175,471	65.4	—	109,075	62.2	66,396
1991	—	59,158	15.4	324,509	222,311	68.5	910	139,529	63.0	81,872
1992	—	58,819	13.6	374,425	261,846	69.9	3,698	158,235	61.3	99,913
1993	—	57,939	11.9	427,225	297,059	69.5	14,118	166,600	58.9	116,341
1994	—	55,830	11.6	426,703	295,692	69.3	41,502	153,330	60.3	100,860
1995	—	50,609	11.7	382,917	261,059	68.2	81,630	110,577	61.6	68,852
1996	24,622	38,289	10.9	314,252	204,567	65.1	142,934	41,580	67.5	20,053
1997	48,700	23,900	12.2	171,800	80,900	47.1	70,300	8,030	75.8	2,570

Calendar year of filing	Selected summary totals							
	Allowances at all levels		Allowances at all appeal levels			Denials after all appeals		
	Number	Percent ⁹	Number	Percent ¹⁰	Number	Percent ¹⁰		
1988	393,001	41.5	120,797	17.9	553,602	82.1		
1989	425,711	43.9	133,667	19.7	543,507	80.3		
1990	508,953	46.3	161,130	21.4	590,852	78.6		
1991	614,023	47.7	198,687	22.8	673,396	77.1		
1992	653,942	46.3	217,054	22.2	757,984	77.4		
1993	640,839	43.0	224,539	20.7	848,319	78.0		
1994	563,155	40.4	209,160	19.3	832,301	76.9		
1995	485,425	39.3	161,186	16.2	749,609	75.5		
1996	378,438	35.7	79,869	8.6	681,587	73.4		
1997	302,730	36.3	31,930	4.7	531,370	77.9		

¹ Data for claims filed in 1988-96 reflect results as of June 1997. The numbers of total claims filed for 1995 and 1996 are subject to change. Data for claims filed in 1997 are preliminary estimates as of February 1998. The ultimate number 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 Percentage of denials at this level appealed to next level.

⁴ Includes cases appealed to the Office of Hearings and Appeals, as well as beyond OHA to the Federal courts.

⁵ Number of persons appealing beyond the reconsideration level.

⁶ Includes cases remanded to OHA from the Federal courts.

⁷ Percentage of decisions at this level. For years where decisions are still pending, the preliminary percentage shown will ultimately be lower as all cases are processed. This is true since allowances are generally processed more quickly than denials.

⁸ 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).

⁹ Percentage of initial decisions excluding appealed cases pending decisions.

¹⁰ Percentage of initial denials.

Table V.C2.—Disabled Child Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing ¹ and Level of Decision

Calendar year of filing	Total claims filed	Initial decisions					
		Pending	Allowances		Denials	Appeals to reconsideration	
			Number	Percent ²		Number	Percent ³
1991	250,962	—	148,220	59.1	102,742	24,702	24.0
1992	372,971	—	189,079	50.7	183,892	49,297	26.8
1993	496,131	—	212,268	42.8	283,863	75,967	26.8
1994	525,013	—	172,219	32.8	352,794	92,093	26.1
1995	488,540	—	145,710	29.8	342,830	85,452	24.9
1996	454,778	9,274	125,264	28.1	320,240	65,594	20.5
1997	327,900	44,300	97,500	34.4	186,100	34,100	18.3

Calendar year of filing	Reconsiderations						Appeals beyond reconsideration ⁴			
	Pending	Allowances		Denials	Appeals to beyond reconsideration		Pending ⁶	Allowances		Denials ⁸
		Number	Percent ²		Number ⁵	Percent ³		Number	Percent ⁷	
1991	—	5,605	22.7	19,097	9,222	48.3	58	3,878	42.3	5,286
1992	—	9,463	19.2	39,834	19,889	49.9	492	7,458	38.4	11,939
1993	—	11,338	14.9	64,629	31,476	48.7	3,130	10,114	35.7	18,232
1994	—	11,332	12.3	80,761	38,678	47.9	11,527	10,426	38.4	16,725
1995	—	9,815	11.5	75,637	34,870	46.1	21,315	4,998	36.9	8,557
1996	9,157	6,216	11.0	50,221	20,051	39.9	17,536	1,052	41.8	1,463
1997	7,800	3,200	12.2	23,100	6,680	28.9	6,275	174	43.0	231

Calendar year of filing	Selected summary totals					
	Allowances at all levels		Allowances at all appeal levels		Denials after all appeals	
	Number	Percent ⁹	Number	Percent ¹⁰	Number	Percent ¹⁰
1991	157,703	62.9	9,483	9.2	93,201	90.7
1992	206,000	55.3	16,921	9.2	166,479	90.5
1993	233,720	47.4	21,452	7.6	259,281	91.3
1994	193,977	37.8	21,758	6.2	319,509	90.6
1995	160,523	34.4	14,813	4.3	306,702	89.5
1996	132,532	31.6	7,268	2.3	286,279	89.4
1997	100,874	37.4	3,374	1.8	168,651	90.6

¹ Data for claims filed in 1991-96 reflect results as of June 1997. The numbers of total claims filed for 1995 and 1996 are subject to change. Data for claims filed in 1997 are preliminary estimates as of February 1998. The ultimate number 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 Percentage of denials at this level appealed to next level.

⁴ Includes cases appealed to the Office of Hearings and Appeals, as well as beyond OHA to the Federal courts.

⁵ Number of persons appealing beyond the reconsideration level.

⁶ Includes cases remanded to OHA from the Federal courts.

⁷ Percentage of decisions at this level. For years where decisions are still pending, the preliminary percentage shown will ultimately be lower as all cases are processed. This is true since allowances are generally processed more quickly than denials.

⁸ 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).

⁹ Percentage of initial decisions excluding appealed cases pending decisions.

¹⁰ Percentage of initial denials.

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. Scheduled redeterminations are selected annually or once every 6 years depending on the likelihood of payment error in the case. Except for certain institutionalized individuals, all recipients are periodically scheduled for a redetermination. 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 1986-97
[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

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. SSA develops over 600,000 limited issues annually.

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 recipients. Although the Committee on Finance of the Senate stated in its report on this leg-

isolation that the same continuing disability reviews (CDR) procedures should be applied with respect to both the title II and title XVI programs, title XVI was not amended to accomplish this. 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 an 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.

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 101,856 cases for which a scheduled title XVI CDR was processed in 1997.

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 results 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.

Table V.D2.—SSI Disabled Adult Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision ¹ 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 ³	
Reviews of concurrent title II/XVI cases initiated under title II							
1993	1,143	1,083	94.8	60	52	86.7	
1994	10,945	9,127	83.4	1,818	1,253	68.9	
1995	16,736	12,484	74.6	4,252	2,905	68.3	
1996	26,884	20,636	76.8	6,248	4,119	65.9	
1997	51,466	40,770	79.2	10,696	6,777	63.4	
Title XVI initiated reviews							
1993	—	—	—	—	—	—	
1994	—	—	—	—	—	—	
1995	4,287	3,277	76.4	1,010	665	65.8	
1996	55,025	46,273	84.1	8,752	6,146	70.2	
1997	69,556	57,694	82.9	11,862	8,437	71.1	
Total reviews, SSI disabled adults							
1993	1,143	1,083	94.8	60	52	86.7	
1994	10,945	9,127	83.4	1,818	1,253	68.9	
1995	21,023	15,761	75.0	5,262	3,570	67.8	
1996	81,909	66,909	81.7	15,000	10,265	68.4	
1997	121,022	98,464	81.4	22,558	15,214	67.4	

Fiscal year of initial DDS decision	Reconsiderations					Appeals beyond reconsideration ⁴				
	Pending	Continuations		Cessations	Appeals to beyond reconsideration		Pending ⁶	Continuations		
		Number	Percent ²		Number ⁵	Percent ³		Number	Percent	Cessations
Reviews of concurrent title II/XVI cases initiated under title II										
1993	4	20	41.7	28	13	46.4	8	4	80.0	1
1994	38	525	43.2	690	388	56.2	234	73	47.4	81
1995	69	1,215	42.8	1,621	984	60.7	645	150	44.2	189
1996	110	1,825	45.5	2,184	1,278	58.5	904	135	36.1	239
1997	1,099	3,336	58.8	2,342	1,310	55.9	1,169	53	37.6	88
Title XVI initiated reviews										
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	31	230	36.3	404	256	63.4	159	40	41.2	57
1996	113	3,229	53.5	2,804	1,916	68.3	1,447	153	32.6	316
1997	1,531	4,212	61.0	2,694	1,575	58.5	1,414	61	37.9	100
Total reviews, SSI disabled adults										
1993	4	20	41.7	28	13	46.4	8	4	80.0	1
1994	38	525	43.2	690	388	56.2	234	73	47.4	81
1995	100	1,445	41.6	2,025	1,240	61.2	804	190	43.6	246
1996	223	5,054	50.3	4,988	3,194	64.0	2,351	288	34.2	555
1997	2,630	7,548	60.0	5,036	2,885	57.3	2,583	114	37.7	188

Table V.D2.—SSI Disabled Adult Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision¹ and Level of Decision (Cont.)

Fiscal year of initial DDS decision	Selected summary totals					
	Continuations at all levels		Cessations at initial level		Cessations after all appeals	
	Number	Percent ⁷	Number	Percent ⁸	Number	Percent ⁷
Reviews of concurrent title II/XVI cases initiated under title II						
1993	1,107	97.9	60	5.2	24	2.1
1994	9,725	91.1	1,818	16.6	948	8.9
1995	13,849	86.4	4,252	25.4	2,173	13.6
1996	22,596	87.3	6,248	23.2	3,274	12.7
1997	44,159	89.8	10,696	20.8	5,039	10.2
Title XVI initiated reviews						
1993	—	—	—	—	—	—
1994	—	—	—	—	—	—
1995	3,547	86.6	1,010	23.6	550	13.4
1996	49,655	92.9	8,752	15.9	3,810	7.1
1997	61,967	93.0	11,862	17.1	4,644	7.0
Total reviews, SSI disabled adults						
1993	1,107	97.9	60	5.2	24	2.1
1994	9,725	91.1	1,818	16.6	948	8.9
1995	17,396	86.5	5,262	25.0	2,723	13.5
1996	72,251	91.1	15,000	18.3	7,084	8.9
1997	106,126	91.6	22,558	18.6	9,683	8.4

¹ Data reflects results as of March 1998. The historical numbers of initial decisions had to be reconstructed and, therefore, differ slightly from totals reported in the 1997 Annual Report. The ultimate number 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 Percentage of initial decisions excluding appealed cases pending decisions.

⁸ Percentage of initial decisions.

Table V.D3.—SSI Disabled Child Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision ¹ 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 ³
Reviews of low-birth-weight children						
1994	1,225	771	62.9	454	159	35.0
1995	4,231	2,083	49.2	2,148	665	31.0
1996	5,709	2,491	43.6	3,218	904	28.1
1997	7,091	4,487	63.3	2,604	760	29.2
Redeterminations at age 18						
1994	—	—	—	—	—	—
1995	71	64	90.1	7	5	71.4
1996	12,640	8,158	64.5	4,482	2,055	45.9
1997	48,834	22,435	45.9	26,399	13,419	50.8
All other reviews of SSI disabled children						
1994	—	—	—	—	—	—
1995	3,535	2,501	70.7	1,034	541	52.3
1996	789	399	50.6	390	210	53.8
1997	14	8	57.1	6	3	50.0
Total reviews, SSI disabled children						
1994	1,225	771	62.9	454	159	35.0
1995	7,837	4,648	59.3	3,189	1,211	38.0
1996	19,138	11,048	57.7	8,090	3,169	39.2
1997	55,939	26,930	48.1	29,009	14,182	48.9

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	6	42	27.5	111	48	43.2	26	6	27.3	16
1995	48	171	27.7	446	201	45.1	137	11	17.2	53
1996	182	263	36.4	459	146	31.8	117	6	20.7	23
1997	325	173	39.8	262	14	5.3	14	0	0.0	0
Redeterminations at age 18										
1994	—	—	—	—	—	—	—	—	—	—
1995	1	2	50.0	2	2	100.0	1	1	100.0	0
1996	208	635	34.4	1,212	515	42.5	370	26	17.9	119
1997	5,328	2,535	31.3	5,556	1,997	35.9	1,973	12	50.0	12
All other reviews of SSI disabled children										
1994	—	—	—	—	—	—	—	—	—	—
1995	41	164	32.8	336	187	55.7	122	15	23.1	50
1996	36	57	32.8	117	42	35.9	32	4	40.0	6
1997	1	1	50.0	1	1	100.0	1	0	0.0	0
Total reviews, SSI disabled children										
1994	6	42	27.5	111	48	43.2	26	6	27.3	16
1995	90	337	30.1	784	390	49.7	260	27	20.8	103
1996	426	955	34.8	1,788	703	39.3	519	36	19.6	148
1997	5,654	2,709	31.8	5,819	2,012	34.6	1,988	12	50.0	12

Table V.D3.—SSI Disabled Child Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision¹ and Level of Decision (Cont.)

Fiscal year of initial DDS decision	Selected summary totals					
	Continuations at all levels		Cessations at initial level		Cessations after all appeals	
	Number	Percent ⁷	Number	Percent ⁸	Number	Percent ⁷
Reviews of low-birth-weight children						
1994	819	68.7	454	37.1	374	31.3
1995	2,265	56.0	2,148	50.8	1,781	44.0
1996	2,760	51.0	3,218	56.4	2,650	49.0
1997	4,660	69.0	2,604	36.7	2,092	31.0
Redeterminations at age 18						
1994	—	—	—	—	—	—
1995	67	97.1	7	9.9	2	2.9
1996	8,819	73.1	4,482	35.5	3,243	26.9
1997	24,982	60.1	26,399	54.1	16,551	39.9
All other reviews of SSI disabled children						
1994	—	—	—	—	—	—
1995	2,680	79.5	1,034	29.3	692	20.5
1996	460	63.8	390	49.4	261	36.2
1997	9	75.0	6	42.9	3	25.0
Total reviews, SSI disabled children						
1994	819	68.7	454	37.1	374	31.3
1995	5,012	66.9	3,189	40.7	2,475	33.1
1996	12,039	66.2	8,090	42.3	6,154	33.8
1997	29,651	61.4	29,009	51.9	18,646	38.6

¹ Data reflects results as of March 1998. The historical numbers of initial decisions had to be reconstructed and, therefore, differ slightly from totals reported in the 1997 Annual Report. The ultimate number 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 Percentage of initial decisions excluding appealed cases pending decisions.

⁸ Percentage of initial decisions.

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), plans for achieving self-support (PASS), and student earned income (SEI).

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 income exclusions 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 limit that is ordinarily considered to represent substantial gainful activity (SGA);¹ 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.²

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 For the period 1980-89, the monthly SGA limit was set at \$300. It was increased to \$500 effective January, 1990.

² More detailed information on participation by SSI recipients in work incentive programs is provided in the *Quarterly Report on SSI Disabled Workers and Work Incentive Provisions* 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, 1987-97

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

¹ In January, 1990, the SGA limit 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).

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

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, 1987-97

[In thousands]

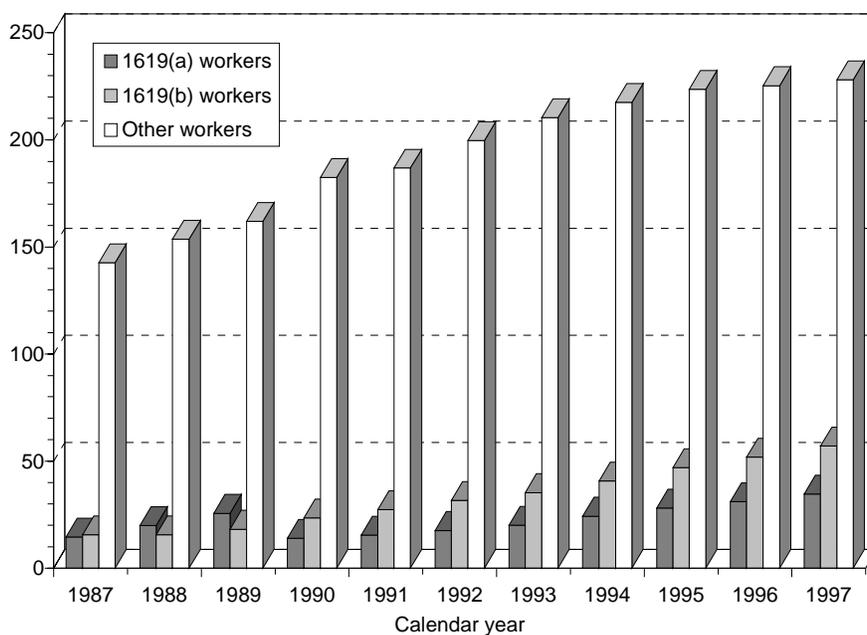


Table V.E2 presents historical numbers of SSI recipients who benefit from other selected work incentive provisions: (1) plan for achieving self-support (PASS), (2) impairment-related work expense exclusion (IRWE), and (3) blind work expense exclusion (BWE). These recipients may be benefiting from more than one of these selected work incentive provisions. This data 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, 1990-97

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

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 limit.

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, 1987-97

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

¹ In January, 1990, the SGA limit 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).

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

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

⁴ Estimated.

2. Vocational Rehabilitation

SSA makes provision for blind or disabled individuals who are receiving SSI benefits to be referred to the State Vocational Rehabilitation (VR) agencies. Recipients who have been referred to VR agencies and accepted as clients lose eligibility for SSI benefits if they refuse, without good cause, the services offered. As indicated in the Work Incentives section above, 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 provision was extended to SSI blind recipients effective April, 1988. In 1994, regulations were amended to expand access to private and public VR providers 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, VR agencies were reimbursed for the cost of VR services regardless of outcome. The 1981 amendments changed the 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.¹ For reimbursement purposes, recipients are considered to have returned to work if they have had earnings exceeding the SGA limit 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 subsection 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.

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 1987-97

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

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.

¹ Reimbursement may also be made in cases where the recipient, without good cause, refuses to continue to accept VR services or fails to cooperate in such a manner as to preclude successful rehabilitation. In such cases, the recipient would become ineligible for SSI benefits due to a failure to accept the offered services. In addition, 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 completion of such program increases the likelihood the individual will be permanently removed from the rolls.

F. INVOLVEMENT OF SSI BENEFICIARIES IN OTHER PROGRAMS

In this section we present data on prior enrollment by recipients, including State programs funded under part A of title IV of the Social Security Act and State general assistance programs. These data are based on information from the Supplemental Security Record, the main administrative file for the SSI program.

SSA does not maintain complete information in its administrative files concerning the involvement of SSI recipients in all other assistance programs. We do, however, have some indication with regard to entitlement to benefits under two other programs—Aid to Families with Dependent Children (AFDC) and Interim Assistance Reimbursement (IAR)—at the point that a person applies for SSI benefits.

Of the 6.5 million people receiving SSI payments in January 1998, almost 1.5 million had at some time received income from the program formerly known as AFDC (1.42 million). While many of those receiving AFDC at the point of application were children (42 percent), the majority were disabled adults who had received assistance benefits either as children or as caretaker relatives.

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. Of the 6.5 million people receiving SSI payments in January 1998, about 7,500 had part of their initial SSI check paid to their State as reimbursement for interim assistance.

G. BIBLIOGRAPHY OF RESEARCH ON RELATED TOPICS

The legislative mandate for this report requires inclusion of summaries of “relevant research on the SSI program by the Social Security Administration and others.” Given the volume of research that has been done since the inception of the Supplemental Security Income (SSI) program, we concluded that we could most effectively optimize interested readers’ access to this information by developing a comprehensive bibliography, rather than by attempting to synopsise numerous, sometimes lengthy and complex documents. In addition, in this and future reports, we expect to provide summary information on certain current research projects related to the SSI program. Section 1 below presents information on four such projects commissioned by SSA. Future reports will provide the results of these studies.

Section 2 presents a list of reference sources that include studies and reports regarding various aspects of the SSI program prepared by, or under contract for, the Social Security Administration. The list also includes information gleaned from the extensive holdings of the Library of Congress regarding studies that have been conducted by public and private entities regarding SSI payment levels, recipients, and reform proposals. It is not intended to be an exhaustive compilation of relevant studies.

1. Research Topics

a. Policy Evaluation of the Effects of the 1996 Welfare Reform Legislation on SSI Benefits for Children with Disabilities

Title II (subpart B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 has substantially altered the SSI provisions affecting children. SSA has awarded a policy evaluation task order contract to the RAND Corporation to evaluate the net effect of this legislation on SSA’s caseloads, the program cost, and the impact on children affected by the law. Answers to the following questions will be obtained: What are the characteristics of the children who are affected by the legislation? What is the impact of the legislation on children with disabilities who were receiving SSI benefits prior to welfare reform? What happens to these children in terms of their family income, living arrangements, utilization of medical services, and other relevant outcomes? What is the overall impact of welfare reform on SSI caseloads and costs, taking into account both terminations and new allowances? The study will provide descriptive and quantitative estimates of the effects of the legislation on the children who were on the rolls prior to the enactment of the legislation through analyses of SSA administrative data and non-SSA survey data. In addition, the study will provide estimates of the net effect of the legislation on the number of children on the SSI rolls, total benefit years, and program cost, accounting for both terminations and new allowances. Qualitative data will be collected through limited case studies of affected children, their families, and service providers.

b. Policy Evaluation of the Overall Effects of Welfare Reform on SSA Programs—Phase I Evaluation Design

Future cutbacks in non-SSA welfare programs may result in increased applications among some groups of people. Awards to such applicants would increase the growth of SSA’s disability programs and program costs. Thus, while some aspects of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (such as provisions restricting the eligibility of children) are expected to decrease SSA caseloads and program costs, other changes (most notably the replacement of the Aid to Families with Dependent Children program by block grants for Temporary Assistance for Needy Families) may work in the opposite direction. Therefore, a comprehensive and unbiased evaluation of the overall net effects of the welfare reform legislation must take account of the effect of non-SSA welfare reform provisions on SSA’s programs. This task focuses on the Act’s effect on non-SSA programs that might affect applications and awards for SSA programs. The study will provide an early

assessment of the likely magnitude and direction of indirect welfare reform effects on SSA caseloads in the future, and will consider the implications of State-to-State variations in the implementation of welfare reform on SSA program caseloads and study design. In addition, it will develop an analytic framework and methodology for future retrospective studies of the overall effects of welfare reform on SSA caseloads, and will include a systematic assessment of existing and potential new data collection necessary to track the longer-term effects of welfare reform on SSA caseloads.

c. Policy Evaluation of the Effects of Legislation Prohibiting the Payment of Disability Benefits to Individuals Whose Disability is Based on Drug Addiction or Alcoholism

Section 105 of Public Law 104-121 mandated the removal from the disability rolls of persons for whom drug addiction or alcoholism is a contributing factor material to the determination of disability. SSA awarded a policy evaluation task order contract to the Lewin Group to evaluate the net effect of the legislation on SSA's caseloads and program costs. The study will provide information on the characteristics of the people affected by the law including what happens to them in terms of total family income from all sources and their living arrangements. The policy evaluation will utilize information from three sources: (1) SSA administrative data; (2) case studies conducted by the contractor; and (3) secondary analysis of available survey information providing comprehensive information on the characteristics of affected beneficiaries. Study results will be included in an Interim Report and a Final Report.

d. Project NetWork

The purpose of this project is to develop, maintain, and update an in-house database on the Project NetWork return-to-work experiment for persons with severe disabilities, and to conduct in-house analyses focusing on current issues of interest in developing SSA employment strategies. The Project NetWork demonstration was SSA's first large-scale initiative to assist DI beneficiaries and SSI applicants and recipients in returning to employment through a combination of intensive outreach and case management services. A rigorous evaluation component based on a randomized field experiment design has been an integral part of the demonstration design. Under contract with SSA, Abt Associates, Inc. is conducting a comprehensive evaluation of the Project NetWork demonstration. Because of their richness, the databases that are potentially available from the demonstration can be utilized to conduct studies focusing on issues relevant for targeting future SSA return-to-work initiatives. The narrower objectives of the Abt Associates contract focuses on the Project NetWork case management approach. A wide array of survey data has been collected on a random sample of project eligibles—covering all DI beneficiaries and SSI applicants and recipients—living in the demonstration areas. Both project participants who volunteered for the demonstration and nonparticipants have been interviewed at baseline. The survey data file contains information on both economic and non-economic variables affecting the decision to volunteer for return-to-work programs that are not available from SSA administrative record systems. For example, detailed information on functional limitations, health (including mental health status), cognitive functioning, motivation, and substance abuse are available. These data can be matched to SSA administrative records, and Supplemental Security Record files, as well as to management information system data from the Case Management Control System.

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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. The members of the Board have asked the Social Security Administration to include the following statement of views in this year's annual report, due May 30, 1998.

I. VIEWS OF THE BOARD REGARDING THE SSI PROGRAM

In 1994, when the Congress passed legislation establishing the Social Security Administration as an independent agency, it also created a bipartisan Advisory Board to advise the Congress, the President, and the Commissioner of Social Security on matters relating to both the Social Security (OASDI) programs, and the Supplemental Security Income (SSI) program. The statute directs the Board, among other responsibilities, to make recommendations with respect to the quality of service that SSA provides to the public; the policies and regulations of the OASDI and SSI programs; and a long-range research and program evaluation plan for SSA.

Responding to that mandate, the Board has begun a long-term study of the SSI program. Our efforts to date have focused on the disability aspects of the program, and the quality of service that SSA provides to the public. Since the Board began its work two years ago, it has made on-site visits to Boston, Los Angeles, San Francisco, Philadelphia, and Washington, D. C. in order to get a front-line view of the challenges facing both those who administer SSI and those whom the program is intended to serve. The Board has met with Social Security Administration staff at all levels, State and local officials, and advocates for SSI applicants and beneficiaries. It also held a public hearing in San Francisco on issues of service to the public and employment for individuals with disabilities.

The following observations reflect the work we have completed at this point in time. We anticipate that in the coming months the Board will be issuing reports with recommendations on the subjects of disability and service to the public, which will address these specific topics in a more comprehensive way.

A. THE IMPACT OF THE SSI PROGRAM ON THE FUNCTIONING OF THE AGENCY

In 1972, when the Supplemental Security Income program was enacted, questions were raised in the Congress and elsewhere about SSA's capacity to absorb administrative responsibility for the complex new welfare program without compromising its ability to administer the much larger Social Security retirement, survivors, and disability programs. The Congress ultimately chose the Social Security Administration to administer the SSI program in part because of the agency's network of offices accessible to the public, and its reputation for providing high quality service.

The Congress believed that the SSI program, which was intended to serve as a supplement to the Social Security programs, could function best in close connection with them. It was hoped that joint administration of the programs would result in improved service for low-income aged, blind, and disabled individuals, and that they would experience less stigma than under the prior State-administered welfare programs.

The agency had difficulties from the beginning in taking over the difficult responsibility of administering the means-tested SSI program, and over the last 25 years the impact of the SSI program on the functioning of the agency has grown. Today SSI continues to represent a major challenge for SSA's management.

As a means-tested program, SSI is inherently more difficult to administer than the earned-right Social Security programs. Social Security eligibility depends upon generally objective and stable factors, such as date of birth, date of death, and marital status. In contrast, under SSI, the fact and degree of eligibility can change from month to month based on changes in income, resources, individual living arrangements, and place of residence. In addition, SSI disability applicants often lack a consistent record of medical treatment that can be relied upon without the need for consultative examinations, and they are likely to lack the type of work history that can be used in Social Security cases as a benchmark. Many have special needs due to physical or mental limitations, emotional problems, language difficulties, and educational deficits.

Administration is further complicated by the fact that the SSI program has become predominantly a disability program and thus shares with Social Security all of the complexities involved in the multi-step disability determination process. Today the five million SSI disability beneficiaries greatly outnumber the 1.2 million beneficiaries who receive benefits on the basis of age. This is in contrast with the situation prevailing at the time the SSI program began, when the aged constituted the majority of beneficiaries.

Because SSI rules are complicated, initial claims taking is much more difficult and time-consuming than it is for Social Security. In addition, because of the need for

regular redetermination of eligibility to take account of possible changes in circumstances, SSI beneficiaries tend to have many more contacts with SSA after they become entitled to benefits than do Social Security beneficiaries.

As a result of all these factors, the share of SSI program expenditures devoted to administration is disproportionately high. In fiscal year 1998, Federal SSI administrative costs are expected to be about \$2.3 billion dollars, or 8 percent of the program's \$29 billion in outlays, while administrative costs for Social Security programs are projected to be about \$3.4 billion, or less than 1 percent of total outlays of \$382 billion.

Although SSI will account for only about 7 percent of SSA's benefit outlays in fiscal year 1998, it will account for about 35 percent of the agency's administrative budget (as compared to about 50 percent for the Social Security program and 14 percent for Medicare responsibilities).

The proportion of SSA's administrative budget devoted to SSI has grown since the early years of the program. While SSI accounts for 35 percent of the agency's total administrative budget this year, in 1980 it accounted for just 27 percent of total administrative costs. Under SSA's fiscal year 1999 budget request, the SSI portion of total administrative expenses would increase to 37 percent.

Today, much of the work in handling claims for Social Security Old-Age and Survivors Insurance (OASI) benefits is conducted by telephone. More and more, the work of employees in Social Security field offices is directed at serving applicants and beneficiaries of the SSI program. This is a reversal of the original expectations by the Congress, but is a factor that is unlikely to change and needs to be fully taken account of by policy makers.

Summing up, the major impression that has emerged from the Board's review of the SSI program is the extent to which SSI (and particularly SSI disability) now dominates the attention of much of SSA's management and staff at all levels of the agency.

In a period of declining resources, there are concerns both within and outside the agency about SSA's ability to provide the high quality of service to the public that applicants and beneficiaries of both the Social Security and SSI programs should receive. And as SSA's staff ages and more and more experienced employees retire, the agency will likely become more hard-pressed to provide the informed leadership that is needed to guide these programs in the future. The Board has been told that 83 percent of the SSI policy staff will be eligible to retire in 1998.

B. SOME SPECIFIC AREAS OF CONCERN

The Need to Assess How Well the SSI Population is Being Served

Because of the factors discussed above relating to the complexity of SSI rules and procedures and the special characteristics of the population, SSA has been called upon to take on substantial casework responsibility, a responsibility that it is not currently staffed to fulfill.

Many SSA field office personnel, as well as advocates for the poor, believe that the agency should do more to assist aged and disabled individuals. Specific recommendations which the Board has heard include:

- provide more assistance to SSI claimants than it is currently providing, particularly to those who are infirm or have disabilities that make it difficult for them to pursue their claims on their own;
- be more diligent and careful in helping to obtain representative payees for those who are unable to manage their own resources, and in monitoring how their funds are spent;
- find ways to make it easier for individuals to report income and other changes that will result in a change in benefits;
- improve the consistency and fairness of the disability determination process and make it quicker and easier to negotiate; and
- do more to help SSI applicants and beneficiaries find and retain employment.

All of these recommendations appear to have validity. SSA needs to analyze carefully how well it is serving the specific needs of SSI applicants and recipients. This is consistent with a March 3, 1998 Presidential Executive Order that directs all government agencies to undertake initiatives that will enable them to determine what is most important to the individuals they serve, and what government can do to meet their expectations. It is also consistent with the agency's Strategic Plan, which includes as one of its goals the improvement of its service to the public.

Service delivery could almost certainly be improved if the complexity of SSI program rules were reduced. While not underestimating the difficulty of the task, we encourage SSA to take the lead in developing measures, however incremental, that will simplify the SSI program from the standpoint of the individual applicant and beneficiary, and from the standpoint of the agency. The Congress should also be cognizant of the desirability of program simplification, and consider legislative changes where they are appropriate.

The Need to Assure the Public That Tax Dollars Are Being Well Spent

In response to attention by the Congress and the General Accounting Office, as well as its own concerns about accurate administrative practices, SSA has begun to take steps to improve eligibility verification and ensure the accuracy of SSI payments. It has substantially increased the number of Continuing Disability Reviews to assure continuing eligibility for disability, proposed legislation to give the agency new tools to assure payment accuracy, made changes in the approval process for the PASS program (Plans for Achieving Self Support), and taken steps to reduce erroneous payments to prisoners and nursing home residents. It is working to improve the disability determination process through Disability Redesign, and it has also given priority to trying to find ways of helping disabled individuals get access to vocational rehabilitation services through development of its "Ticket to Independence" initiative.

In addition, SSA's leadership has supported efforts to expand the capabilities of the Office of Inspector General to take steps to improve the accuracy and integrity of the agency's work.

These initiatives have merit in protecting the accuracy and integrity of the SSI program, and we commend the agency for undertaking them. But program accuracy and integrity are dependent first of all on how well claims are handled in the 1,300 Social Security field offices. We are aware that there are many in the agency, including in field offices, who think that SSA's ongoing efforts to achieve the Government-wide goal of a 15-to-1 management-staff ratio pose a potential threat to program accuracy and integrity. There is considerable concern that the reduction in supervisory staff will have a negative effect on staff training, payment accuracy, and oversight – and ultimately on program integrity. The Board is concerned about reports that in some cases the agency may be saving administrative dollars at the expense of program dollars.

Although the Board does not have sufficient information at this time to form a judgment about whether the 15-to-1 ratio is a reasonable overall goal for the agency, we are convinced that if it is to be adhered to, it should be done flexibly, so as to ensure that all field offices, regardless of size, have the essential supervisory resources they need to ensure program accuracy and integrity.

As part of its fiscal year 1999 budget request, SSA has asked for adjustment of the government-wide discretionary spending caps to permit the completion of additional Continuing Disability Reviews and redeterminations of the non-disability factors of SSI eligibility. The Board agrees with the agency that the increased funding for these purposes will result in program savings exceeding the expenditure of administrative funds and is important to the financial integrity of the SSI program.

The Need to Look Ahead

One of the goals of the agency's Strategic Plan is to conduct effective policy development, research, and program evaluation, and SSA has recently been taking steps to strengthen and expand its policy and research capacity. We believe that one of the priorities should be to look ahead to try to foresee what the SSI program will look like in the future and what needs to be done to improve it.

We hope the agency will focus additional resources on investigating trends that will affect the size and composition of the SSI caseload in the coming years. Policy makers need to know much more, for example, about factors that will determine the extent and demographics of poverty in the next century, the reasons for changes in growth in the SSI program, the types of disabilities that are likely to affect adults and children, and how to expand employment and rehabilitation opportunities for disabled individuals, including children as they move into adulthood.

Having such information is essential if policy makers are to be able to develop the kinds of changes that will make the program more effective in meeting the needs of the target population in the future.

II. COMMENTS ON SSA'S 1998 ANNUAL REPORT

This second "Annual Report of the Supplemental Security Income Program" by the Social Security Administration provides a comprehensive review of program data. It makes an important first step in projecting program participation and costs over the next 25 years. It includes the specific information that the law requires, and thus will be a useful resource for policy makers and administrators.

We believe it may be helpful if future reports would also provide the type of analysis of SSI program and administrative issues that SSA is uniquely capable of undertaking. For example, the 25-year estimates that are included in this report are based on simple extrapolation of short-term trends. The only two significant long-term variables that are factored in are the projected rate of growth in the population and the increases in the Consumer Price Index that are used in the intermediate assumptions for the 1998 report of the OASDI Boards of Trustees. The report makes clear that staffing limitations have precluded the development of models that could be used in developing more sophisticated long-term estimates for SSI.

We hope that development of a model that can take account of the complex interaction between economic and demographic factors and the SSI program will proceed expeditiously. Being able to gauge the impact on the SSI program of such factors as variations in future distribution of personal income and prevalence of disability is important to meaningful evaluation of the continuing effectiveness of the program in meeting the needs of low income aged, blind, and disabled individuals.

The annual report should be more than a statistical scorecard for the SSI program. In the future, the Social Security Administration should consider using this report as a way of bringing to the attention of policy makers both the policy issues that it believes need to be resolved, and the difficulties the agency is encountering in administering the program. This is useful information that can help the Congress, as well as others within the Administration, to become better informed about the challenges SSA faces, and the need to address them.

Stanford G. Ross
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Jo Anne Barnhart

Lori L. Hansen

Martha Keys

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