

OVERVIEW OF THE SOCIAL SECURITY ADMINISTRATION



SOCIAL SECURITY BENEFITS AMERICA

Our Mission: Deliver Social Security services that meet the changing needs of the public

Throughout history, individuals and families have faced the uncertainties brought on by unemployment, illness, death, and old age. In the past, individuals could depend on family members, to the extent that the family had resources to draw upon, as a source of economic security.

However, as our country moved from an agricultural society in the early 1800s to an industrialized society in the 1880s, our economic security changed. Families became dependent on wages, which are threatened by factors such as recessions, layoffs, and failed businesses. As a result, individuals could no longer rely on family for support. The stock market crash of 1929 pushed the country into an economic depression that resulted in mass unemployment. With no means of support, the American public looked to the government to resolve this economic security crisis.

The solution came in the form of the *Social Security Act (Act)*. President Franklin D. Roosevelt signed the *Act* into law in 1935. In 1937, about 53,000 retirees received monthly Social Security benefits. Today, we pay Social Security benefits and Supplemental Security Income (SSI) payments to approximately 60 million individuals each month. Since 1935, the Social Security Administration has moved from an agency that provides old-age benefits and Social Security numbers to an agency that provides a wide-range of benefits and services.

Social Security is one of the key pillars of American society. We administer two major programs: the Old-Age, Survivors, and Disability Insurance (OASDI) program and the Supplemental Security Income (SSI) program. In addition, we assist individuals in applying for food stamps and Medicare, including subsidies for the Medicare Prescription Drug Plan. The number of individuals receiving Social Security benefits more than doubled from 25 million in 1970 to over 52 million in fiscal year (FY) 2009.

In FY 2009, during the current economic downturn in which millions of Americans have quickly found themselves in uncertain financial waters, more Americans have turned to us than ever before. Due to the combined effects of the economic recession and the aging of the baby boomers, applications for retirement and disability benefits have soared.

How Social Security Benefits America

- ✦ Over 52 million Americans received \$665 billion in Social Security benefits in fiscal year 2009
- ✦ Nearly 7.7 million Americans received \$42 billion in Supplemental Security Income payments in fiscal year 2009
- ✦ 90 percent of the population age 65 and over receive Social Security benefits
- ✦ Among elderly Social Security beneficiaries, 20 percent of married couples and 41 percent of unmarried individuals rely on Social Security for 90 percent or more of their income
- ✦ 69 percent of total benefits paid go to retired workers and their dependents
- ✦ 94 percent of all workers are covered under Social Security
- ✦ 52 percent of the workforce has no private pension coverage

Old-Age, Survivors, and Disability Insurance Program

Americans and their families can count on benefits when they retire or become disabled. The original *Act* provided only retirement benefits to individuals at age 65. The 1939 amendments to the *Act* added two new categories of benefits: dependent benefits and survivor benefits. Dependent benefits are paid to the spouse and minor children of the retired individual. In the event of death, survivor benefits are paid to the deceased's family. Social Security is part of almost every American worker's retirement plan. When individuals work and pay Social Security taxes, they earn "credits" toward Social Security benefits. Most individuals need 40 credits, or 10 years of work, to qualify. These tax revenues are held in the Social Security Trust Funds from which we pay Old-Age, Survivors, and Disability Insurance benefits. Although full retirement age has changed based on an individual's year of birth, the basic benefit structure of the Social Security system has remained essentially unchanged since 1939.

Social Security also pays benefits to individuals who cannot work because they have a medical condition that is expected to last at least one year or result in death. Benefits are only payable for total disability; no benefits are payable for partial or short-term disability. Disability benefits for individuals ages 50-65 and disabled adult children were added to the *Act* in 1956. Eventually, Congress broadened the scope of the Disability Insurance program to include disabled individuals of any age and their dependents. Legislation enacted in 1968 provided benefits to disabled widows and widowers who are at least 50 years old. Once disability benefits begin, they continue for as long as the individual is disabled and either does not work or works but does not earn more than a certain amount per month.

The loss of the family wage earner can be devastating both emotionally and financially. Social Security helps by providing income for the families of workers who die. In fact, 98 of every 100 children receive survivor benefits if a covered parent dies. Social Security pays more benefits to children than any other federal program. For more information about our programs and benefits, please visit our website at <http://www.socialsecurity.gov>.

Supplemental Security Income Program

The original *Act* introduced programs for aged and blind individuals with low income. Changes to the *Act* in 1950 included eligibility for disabled individuals with low income. State and local governments first administered these programs, known as the "adult categories" of welfare, with partial Federal funding. The 1972 *Social Security Amendments* converted these State and local programs to the Federal SSI program. The SSI program is a needs-based program for elderly individuals, as well as blind or disabled adults and children, who have limited income and resources. The SSI program provides money to meet basic needs for food, clothing, and shelter.

Elderly individuals may qualify for SSI if they are age 65 or older and have limited income and resources. Blind or disabled adults applying for SSI must meet the same disability requirements as under the Disability Insurance program, in addition to meeting limited income and resource requirements. In order for children to receive SSI, they must meet different disability requirements than adults. You can find more information about SSI for children at <http://www.socialsecurity.gov/ssi/text-child-ussi.htm>.

Unlike the Social Security program, Social Security taxes do not finance SSI payments. Instead, general revenues finance all SSI payments and administrative costs. Please refer to our website at http://www.socialsecurity.gov/pgm/links_ssi.htm for eligibility requirements and other information about the SSI program.

How Do We Serve America?

In FY 2009, we paid approximately 60 million individuals over \$700 billion in Social Security benefits and SSI payments, and served the public by processing:

- ☑ 17.5 million Social Security cards
- ☑ 1.3 billion Social Security number verifications
- ☑ 262 million earnings items posted to workers' records
- ☑ 67 million transactions via our National 800 Number
- ☑ 45 million visitors to our field offices
- ☑ 4.7 million retirement, survivor, and Medicare applications
- ☑ 2.8 million disability applications
- ☑ 321,000 SSI aged applications
- ☑ 244,000 million Medicare Prescription Drug Plan subsidy applications
- ☑ 1.3 million representative payee accountings and changes
- ☑ 151 million *Social Security Statements*
- ☑ 1.7 million SSI redeterminations
- ☑ 2.1 million overpayment actions
- ☑ 598,000 disability reconsiderations of denied applications
- ☑ 660,842 hearings
- ☑ 89,066 Appeals Council reviews
- ☑ 317,000 medical continuing disability reviews
- ☑ 30 million status changes (e.g., address, direct deposit, wage reports)
- ☑ 83,000 Food Stamp applications



Figure 1 : President Roosevelt signing the Social Security Act of 1935 in the Cabinet Room of the White House

OUR ORGANIZATION

The Social Security Administration touches the lives of virtually every American, as well as many people living abroad. We administer the various statutes and programs that make up the largest social insurance program in the world.

Our current organization is comprised of almost 65,000 employees. We deliver services through a nationwide network of over 1,400 offices that includes regional offices, field offices, card centers, teleservice centers, processing centers, hearing offices, the Appeals Council, and our headquarters located in Baltimore, Maryland. We also have a presence in U.S. embassies around the globe.

Our field offices and card centers are the primary points for face-to-face contact with the public. Teleservice centers offer National 800 Number telephone service (1-800-772-1213). Processing centers perform a wide-range of workloads and handle 800 Number calls. The Appeals Council and administrative law judges in our hearing offices decide appeals of Social Security claims and SSI applications. Most of our nearly 65,000 employees deliver direct service to the public or support the services provided by these front-line workers. Additionally, our disability programs depend on the work of over 16,500 individuals employed by our State and territorial partners, the Disability Determination Services.

For the public, we are the face of the government, and the rich diversity of our employees mirrors the public we serve. A chart of our current organizational structure is available on our website <http://www.socialsecurity.gov/org/ssachart.pdf>. The functions each component performs are described at <http://www.socialsecurity.gov/org/>.

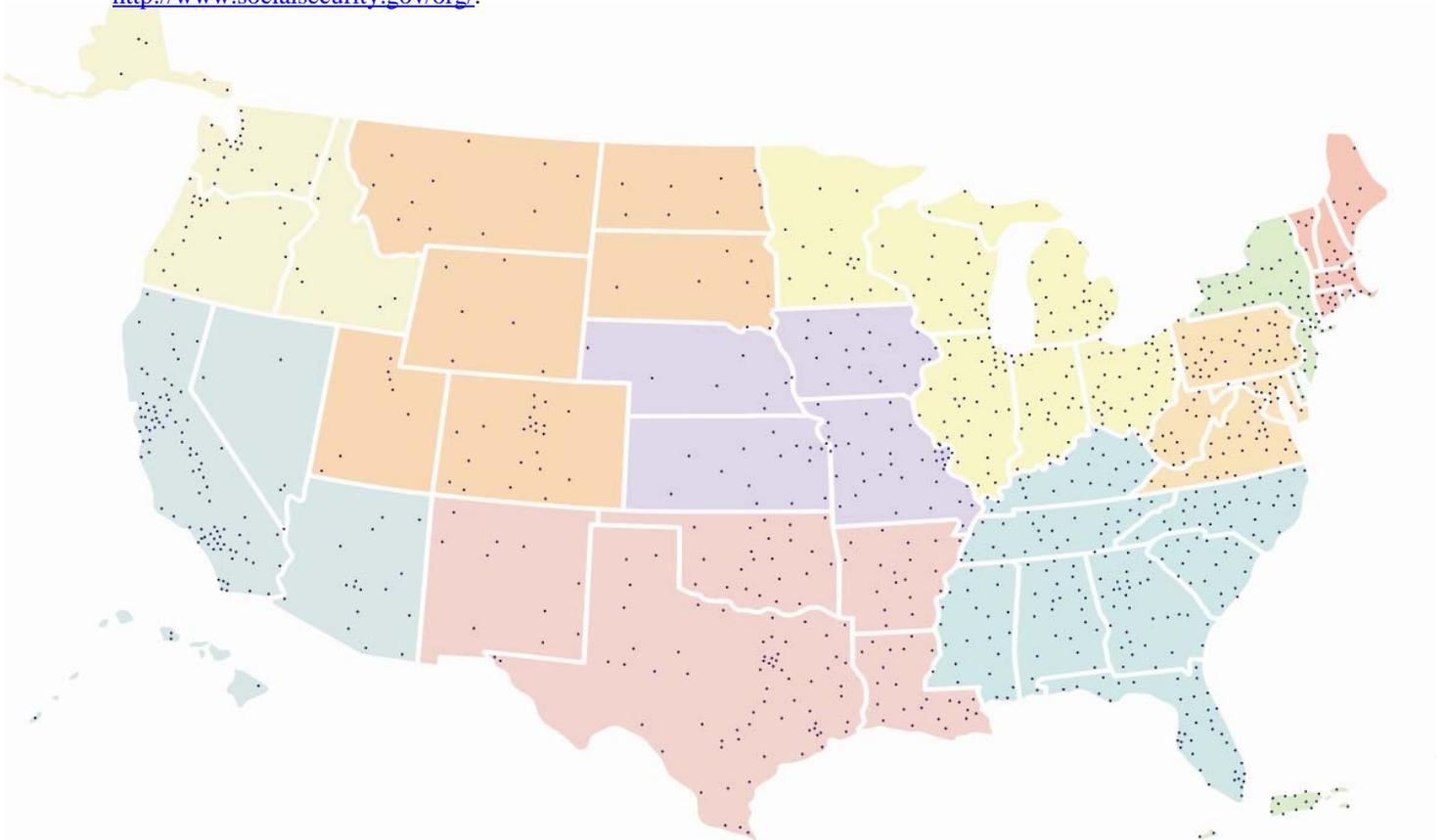


Figure 2 : The dots on this map of the United States represent a Social Security Field Office, Card Center, Teleservice Center, Processing Center, or Hearing Office.