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Disabilities - ADA [Americans with Disabilites Act] Event SSA [Social Security Administration]

Stack:	Row:	Section:	Shelf:	Position:
S	97	4	5	3

Bruce
SGA change

"Baumel, Jack" <Jack.Baumel@SSA.Gov>
07/24/2000 12:43:34 PM

Record Type: Record

To: J. Eric Gould/OPD/EOP

cc:
Subject: Your Questions about the SGA Increase NPRM

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1. I've attached a Q and A re What are SSDI and SSI?

2. The information that I have from our actuaries re the number of people affected by indexing SGA is:

In 1997, 800,000 disabled SSDI beneficiaries had some earned income. 200,000 of these individuals had ANNUAL earnings that exceeded 12X the monthly SGA amount.

3. How we would like to characterize this:

"Currently, less than one half of one percent of disability beneficiaries leave the rolls voluntarily and return to work. Approximately 800,000 disability beneficiaries remain on the rolls and participate in the workforce. The indexed SGA level and the other changes are expected to prompt additional beneficiaries to venture into the workforce."

4. Estimates of the number of people affected by the other changes contained in the NPRM:

I faxed you our actuaries cost estimates. As you can see from the figures, these other changes have limited real impact. The actuaries declined to say how many people these cost figures represented. Extrapolating from average benefit payouts, next year, the Trial Work Period change may affect roughly 5,000- 7,000 people, while the Student Earned Income Exclusion change may affect half that many. These extrapolations are educated guesstimates at best and are not anything that we could support for public release.

Please let me know if there is any other information that you need that I can help you with.

jack.baumel@ssa.gov
Office of Employment Support Programs, Employment Policy Team
Voice: 410-965-9834, Fax: 410-966-8597, Fax to PC: 508-300-6334

What are SSDI and SSI?

SSA manages two major programs that provide cash benefits based on disability or blindness.

Social Security Disability Insurance (SSDI) provides benefits to disabled or blind individuals who are "insured" by workers' contributions to the Social Security trust fund. These contributions are the Federal Insurance Contributions Act (FICA) social security tax paid on their earnings or those of their spouses or parents. Title II of the Social Security Act authorizes SSDI benefits.

The Supplemental Security Income Program (SSI) makes cash assistance payments to aged, blind and disabled people (including children under age 18) who have limited income and resources. The Federal government funds SSI from general tax revenues. Some States pay benefits to some individuals to supplement their Federal benefits. Some of these States have arranged with SSA to combine their supplementary payment with the Federal payment into one monthly check. Other States manage their own programs and make their payments separately. Title XVI of the Social Security Act authorizes SSI benefits.

These two programs share many concepts and terms. However, there are also many very important differences in the program rules affecting eligibility and benefit payments. Keep this in mind, since many people may apply for or be eligible for benefits under both programs at the same time.

SOCIAL SECURITY

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL	# of pages ▸ 2
To ERIC GOULD	From JACK BAUMEL
Dept./Agency	Phone # 410-965-9834
Fax # 202-456-7431	Fax #
NSN 7540-01-317-7368 5099-101	GENERAL SERVICES ADMINISTRATION

MEMORANDUM

Date: April 18, 2000

To: Keith Fontenot
Office of Policy

From: Eli N. Donkar
Office of the Chief Actuary

Subject: Estimated Effects of a Package of Regulatory Changes Including Automatic Indexing of the Substantial Gainful Activity Amount—INFORMATION

The attached table presents the estimates you requested for the regulatory package currently being considered. The table includes effects on OASDI benefit payments, Federal SSI payments, Medicare benefits, and Federal share of Medicaid benefits under the various proposed regulatory changes. The estimates for Medicare and Medicaid were provided to us by the Office of the Actuary in the Health Care Financing Administration.

Eli N. Donkar, Ph.D., A.S.A.
Deputy Chief Actuary

Attachment:

Estimated effects on OASDI benefit payments, Federal SSI payments, Medicare benefits, and Federal share of Medicaid benefits under a package of regulatory changes including automatic indexing of the substantial gainful activity amount, fiscal years 2001-2010
(In millions)

	Fiscal year										Total,
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001-2010
Amount of benefits in Budget baseline attributable to assumption that SGA amount will keep pace with growth in average wages:											
OASDI	$3	$13	$27	$45	$68	$94	$125	$158	$195	$237	$965
SSI	2	3	5	7	9	12	15	18	22	26	119
Medicare	—	—	10	10	30	40	70	90	120	160	530
Medicaid	4	10	18	26	37	50	67	84	104	127	527
Subtotal, all programs	9	26	60	88	144	196	277	350	441	550	2,141
Increase in benefit outlays above that estimated in Budget baseline due to...											
Elimination of the secondary SGA amount:											
OASDI	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)
SSI	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)
Medicare	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)
Medicaid	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)
Subtotal, all programs	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)	(1/)
Raising the Trial Work Period trigger amount to 75 percent of the SGA amount and indexing with average wages thereafter:											
OASDI	7	6	5	5	4	3	3	2	1	1	37
SSI	—	—	—	—	—	—	—	—	—	—	—
Medicare	—	—	—	—	—	—	—	—	5	5	10
Medicaid	—	—	—	—	—	—	—	—	—	—	—
Subtotal, all programs	7	6	5	5	4	3	3	2	6	6	47
Raising SSI student earned income exclusion to the minimum wage in FY 2001, and indexing by increases in the CPI thereafter:											
OASDI	—	—	—	—	—	—	—	—	—	—	—
SSI	3	3	3	3	4	4	4	4	5	5	38
Medicare	—	—	—	—	—	—	—	—	—	—	—
Medicaid	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)	(2/
Subtotal, all programs	3	3	3	3	4	4	4	4	5	5	38

1/ Decrease in benefit outlays of less than $500,000.
2/ Increase in benefit outlays of less than $500,000.

Notes: 1. Totals may not equal sum of rounded components.
2. Above estimates based on the assumptions underlying the President's FY 2001 Budget, including the normal OCACT assumption of an SGA amount increasing with average wages.
3. Estimates for Medicare and Medicaid provided by the Office of the Actuary in the Health Care Financing Administration.

Social Security Administration
Office of the Chief Actuary
April 18, 2000

TOTAL P.02