



Promoting and Developing
Social Security Worldwide.

Case Study: United States

Seminar on Social Security in Times of Crisis:
Impact, Challenges and Responses

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Social Security in Times of Crisis
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Overview of U.S. System



- Financed by payroll tax contributions on earnings
- Trust funds contributions 100% invested in interest bearing government securities
- Nearly universal coverage--includes retirement and disability cash benefits and health insurance coverage

Overview of U.S. System



- Significant proportion of of GDP
- In 2008, **Medicare** trust funds projected to be exhausted in 2019
- For **Social Security**, 2008 projection was that by 2041 income will cover only 78% of expenditures

Economic Outlook



- Current economic factors likely to have negative effect on retirement/disability programs
- Social Security faces no immediate threat
- The combined retirement and disability program will run surpluses and remain capable of paying benefits for about three decades

Current Challenge Medical Records



- Social Security makes over 15 million requests for medical records, annually
- Expends almost \$100 million in direct payments for medical records
- Maintains largest single collection of U.S. medical records—more than 250 million records-- all of them digital images

Current Challenge Medical Records



- Social Security Administration engaged in efforts to develop/apply Health Information Technology to data standards and content of medical records
- Efforts involve transmission of medical records as data from hospitals and health systems

Policy Response Medical Records



- American Recovery and Reinvestment Act “economic stimulus bill” provides investment of \$20 billion investment in Health Information Technology

Current Challenge Support Beneficiaries



- Social Security pays monthly benefits to disabled and elderly beneficiaries
- Many live on fixed incomes
- Many have concerns about recent private sector retirement income losses

Policy Response Support Beneficiaries



- Economic Stimulus bill provides for \$13 billion in payments of \$250 to more than 50 million older Americans
- Recovery Act provides SSA with 90 million to process administrative cost of payments

Current Challenge Increased Claims



Due to economic crisis:

- SSA expects to receive over 300,000 more retirement claims in FY 2009 compared to FY 2008—increase of nearly 9 percent
- We anticipate an increase in FY 2009 of over 300,000 disability filings from FY 2008—increase of more than 12 percent

Policy Response Increased Claims



- Economic Stimulus Package provides \$500 million to process additional workloads
- New electronic processes for fast-tracking disability claims allows for about 4% of about 2.9 million cases to be fast tracked
- Over 100,000 Americans will be eligible for benefits in 10 days – rather than in 3 months as is typical

Policy Challenge

Increased Demographic Workloads



- So called “Baby Boom” generation born between 1946 and 1964 beginning to retire
- Employees at 1,400 field offices nationwide provide direct customer service – with little time to process work
- Most common reasons for visiting field offices are to file a claim or obtain or replace Social Security card

Policy Response Increased Demographic Workloads



- At end of 2008 and start of 2009, SSA introduced online disability and retirement applications and requests for social security cards
- Accompanied by extensive public service campaign and retirement tools
- Results for first six months positive -- internet claims increased significantly

Policy Response Increased Demographic Workloads



- Retirement estimator receives high marks for customer satisfaction
- Recent appropriations allows for SSA to hire new employees
- Provides relief to field office employees, provide better service, and jobs in time of economic crisis