

How the GOP CR Would Affect Social Security

A State-by-State Analysis

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Prepared by the Democratic Staff of the Committee on Ways and Means

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Notes on Sources

The estimates in this report are based on average daily workloads in Social Security field offices in fiscal year 2010 and the Social Security Administration (SSA)'s estimate that the funding levels in H.R. 1 would result in up to four weeks of furloughs. The numbers were calculated by the National Council of Social Security Management Associations using data from the Social Security Administration (SSA)'s management information system, which tracks specific agency workloads. These estimates do not include 1) increases in workload between 2010 and 2011 as the Baby Boomers retire, 2) applications which are processed in central claims processing centers, rather than the field offices, even though those applications would also be delayed, 3) some kinds of denied applications, or 4) calls to Social Security's 1-800 number (rather than directly to the local Social Security office). According to SSA, the 1-800 number is expected to receive an additional 70 million calls in 2011. The estimate for lost jobs is the rate of attrition under the current hiring freeze, which would continue if H.R. 1 was enacted.

Washington

Rather than protecting people's right to receive their Social Security on time and in the right amount, the Republican plan for this year (H.R. 1) would put timely benefit payment at risk and hurt the economy by closing the Social Security office for up to four weeks out of the seven months remaining in 2011.

If the Republican plan is adopted and Social Security has to shut down for a month, this is what would happen in Washington this year.

Impact on people who depend on Social Security

- 17,400 applications for Social Security benefits (retirement, disability, and survivor) could not be processed¹
- 4,908 disabled workers would not be able to appeal their benefit denials
- 18,895 babies wouldn't be assigned Social Security numbers
- 67,479 people would go to the Social Security office for help and find the lights off and the doors locked
- 44,560 people would call the Social Security office and get no answer

Impact on the local economy

- 85 jobs would be lost
- The local economy would lose \$2.6 million

Impact on taxpayers

Social Security periodically reviews cases to make sure that beneficiaries are still entitled to benefits and are receiving the right amount. Even though these reviews only find overpayments in a small percentage of cases, they generate a very high return on Social Security's investment in fighting waste, fraud, and abuse.

- 426 fewer Social Security disability cases would be reviewed for medical improvement. These reviews save \$10 for every dollar Social Security spends performing them.
- 2,711 fewer Supplemental Security Income (SSI) cases would be reviewed to make sure recipients aren't over the income limit. These reviews save \$7 for every dollar Social Security spends performing them.

¹ This estimate does not include cases which are processed in central processing centers, rather than the local field office, and some kinds of technical denials. Those cases would also be delayed.

Sources: Social Security Administration; National Council of Social Security Management Associations