

Performance Section



GPRRA Performance Results

Summary of Achievement - FY 2003 Performance Goals

A summary of the Agency's achievements in the Government Performance and Results Act (GPRRA) performance goals is highlighted in the following charts. Chart 1 provides a breakout of the final Fiscal Year 2003 data the Agency has received. To date, SSA has final data for 37 (or 82 percent) of its 45 performance indicators. Chart shows that for those 37 indicators for which data was available, SSA met 28 of the goals, or 75 percent, and almost met an additional 4 goals or 11 percent – for a total of 86 percent for these two categories. The Agency did not meet 5 of its goals, representing 14 percent of the available performance indicators. Looking at the Key Performance Indicators (KPI) in Chart 3, the Agency did even better, meeting 13 of its 17 goals, or 76 percent and almost meeting another 3 goals or 18 percent – for a total of 94 percent for these two categories. There was only one KPI that the Agency did not meet, representing 6 percent of the key indicators. (See discussion of KPIs beginning on page 29.)

Chart 1
All Performance Indicators

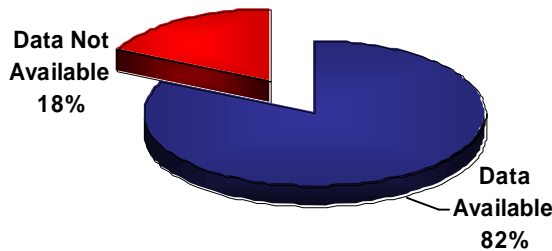


Chart 2
All Performance Indicators - Data Available

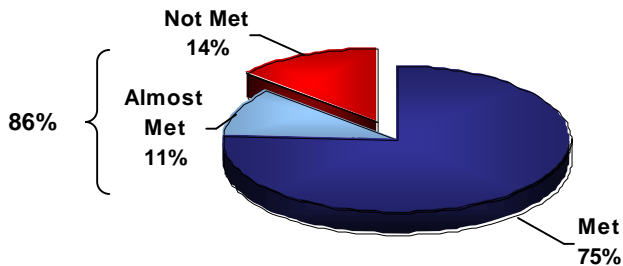
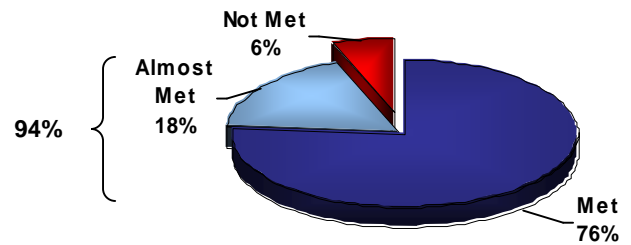


Chart 3
Key Performance Indicators














The performance data presented in this report are complete and reliable as outlined in guidance provided by the Office of Management and Budget (OMB). The Data Quality discussion in the Performance Goals and Results section of "Management's Discussion and Analysis" (page 55) describes continuing efforts to strengthen the quality and timeliness of SSA's performance information to increase its value to both SSA's management and stakeholders. Some measures will not have FY 2003 final data in time for the publication of the FY 2003 PAR. SSA's managers routinely use this performance data to improve the quality of program management and to demonstrate accountability in achieving program results. The results achieved for each FY 2003 goal are either discussed in this report or will be included in the FY 2004 Performance and Accountability Report (PAR).

SSA'S ACHIEVEMENT OF FY 2003 PERFORMANCE TARGETS BY GOAL AND OBJECTIVE

The purpose of this table is to provide a quick overview of which goals were "met," or "not met". The table also indicates where the Agency came close to meeting a goal or where there was a strong positive trend toward meeting that goal. The table also indicates for which goals the Agency does not yet have data available, and therefore, can not report on at this time. The indicators are organized under the objectives they support; each objective has one or more performance indicator. A summary is included for each objective, which rolls up the performance for the indicators that support it. The sub-set of indicators that are KPIs is also identified.

Following the summary table are individual discussions for each of SSA's non-KPI performance indicators. As in past years, if final FY 2002 performance data was not available in time for the FY 2002 PAR, it is included here along with the FY 2003 discussion. If available, data definitions and data sources are also included for each indicator. For the KPIs, there is a reference to the page number of the detailed discussion for that indicator.

Strategic Goal A: To deliver high quality, citizen-centered service			
KPI — denotes that an indicator is one of the Agency's 17 Key Performance Indicator		Performance Summary	
Target Measure:			
	Met		
	Almost met or Significant Progress		
	Not Met		
N/A	Data Not Yet Available		
Objective 1: Make the right decision in the disability process as early as possible			
1.1	Number of initial disability claims processed (See p. 33)		Results for this Objective: SSA met, or nearly met, all of the goals associated with this objective. The goals were met in large part due to an increased emphasis the Agency placed on the initial claims process which resulted in a substantial decrease in the average processing time for initial disability claims, as well as for the average processing time for hearings. The two goals that were narrowly missed included the number of hearings pending and the number of hearings processed. SSA's continued inability to hire Administrative Law Judges because of the <i>Azdell</i> litigation played a large role in the Agency's inability to meet these goals. Because of recent developments in the <i>Azdell</i> case, SSA now plans to hire a limited number of judges as soon as OPM makes the register available.
KPI	Goal: 2,498,000 Actual: 2,526,020		
1.2	Number of hearings processed (See p. 33)		
KPI	Goal: 602,000 Actual: 571,928		
1.3	Average processing time for initial disability claims (See p. 34)		
KPI	Goal: 104 days Actual: 97.1		
1.4	Average processing time for hearings (See p. 34)		
KPI	Goal: 352 days Actual: 344		
1.5	Number of initial disability claims pending (See p. 35)		
KPI	Goal: 593,000 Actual: 581,929		
1.6	Number of hearings pending (See p. 36)		
KPI	Goal: 587,000 Actual: 591,562		
1.7	Number of appellate actions processed		
	Goal: 950,500 Actual: 1,019,815		
1.8	DDS net accuracy rate (allowances and denials combined) (Available 2/2004)	N/A	
	Goal: 97% Actual: Not Available		
1.9	Hearings decision accuracy rate (Available 9/2005)	N/A	
	Goal: 89% Actual: Not Available		
1.10	Average processing time for decisions on appeals of hearings		
	Goal: 300 days Actual: 294 days		

Objective 2: Increase employment for people with disabilities			
2.1	Percent increase in the number of DI and SSI beneficiaries, with tickets assigned, who work	↓	Results for this Objective: SSA did not meet this objective. The data to establish the baseline will not be available until spring 2004. SSA fully expects to establish a baseline in FY 2004.
	Goal: Establish Baseline Actual: Not Completed		
2.2	Percent increase in the number of SSI disabled beneficiaries earning at least \$100 per month	N/A	
	Goal: 269,109 Actual: 232,654 thru July		

Objective 3: Improve Service with Technology			
3.1	Percent of retirement claims initiated via the Internet (See p. 38)	↓	Results for this Objective: SSA met most of its goals for this objective. The Agency continues to build relationships with the employer community resulting in the large increase in the percent of employee reports filed electronically. While SSA fell short of its targeted number of calls handled (because fewer calls were placed than anticipated), the percent of callers getting through on their first attempt or within 5 minutes of their first call both exceeded the Agency's goals. SSA also plans an aggressive campaign to market its new website and promote electronic filing of retirement claims.
KPI	Goal: 7.1 - 8.1% Actual: 6.1%		
3.2	Percent of employee reports (W-2s) filed electronically (See p. 39)	↑	
KPI	Goal: 48% Actual: 53.4%		
3.3	Percent of people who do business with SSA rating the overall service as "excellent," "very good," or "good" (See p. 40)	↑	
KPI	Goal: 82.9% Actual: 84.9%		
3.4	Retirement and Survivors Insurance (RSI) claims processed	↑	
	Goal: 3,229,000 Actual: 3,238,871		
3.5	800-number calls handled ¹	↓	
	Goal: 55,000,000 Actual: 53,700,000		
3.6	Percent of callers who successfully access the 800-number within 5 minutes of their first call	↑	
	Goal: 94% Actual: 96.7%		
3.7	Percent of callers who get through to 800-number on first attempt	↑	
	Goal: 87% Actual: 95.9%		

¹ The Agency goal for this indicator was based on a projected number of calls that did not materialize. See page 77 for additional discussion on the number of calls handled.

Strategic Goal B: To ensure superior Stewardship of Social Security programs and resources

Objective 4: Prevent fraudulent and erroneous payments and improve debt management

4.1	SSI non-disability redeterminations (See p. 43)				<p>Results for this Objective: SSA met, or nearly met, all of its goals for this objective. Through effective use of debt recovery tools, SSA was able to recover substantial amounts of SSI and OASDI debt. Issues with contractor services that produce redetermination mailers near the end of FY 2003 kept SSA from meeting its goal. The Agency did process well over 100,000 more redeterminations than it did during the previous year. The Agency also met its targeted goal for the number of CDRs processed.</p>
KPI	Goal: 2,455,000	Actual: 2,449,674			
4.2	Continuing Disability Reviews (CDR) processed (See p. 44)				
KPI	Goal: 1,129,000	Actual: 1,371,255			
4.3	Percent outstanding SSI debt in collection arrangement (See p. 44)				
KPI	Goal: 55%	Actual: 55%			
4.4	Percent outstanding OASDI debt in collection arrangement (See p. 45)				
KPI	Goal: 38%	Actual: 39.8%			
4.5	Percent SSI payments free of preventable error (overpayments and underpayments) (Available 6/30/2004)			N/A	
	Goal: 95.4% (Overpayments) 98.8% (Underpayments)	Actual: N/A			
4.6	SSI overpayment and underpayment accuracy rate (including both preventable and unpreventable error) (Available 06/30/2004)			N/A	
	Goal: 93% (Overpayments) 98.8% (Underpayments)	Actual: N/A			
4.7	Percent OASDI payments free of overpayments and underpayments (Available 06/30/2004)			N/A	
	Goal: 99.8% (Overpayments) 99.8% (Underpayments)	Actual: N/A			

Objective 5: Strengthen the integrity of the SSN

5.1	SSN requests processed				<p>Results for this Objective: SSA met its goal for the number of SSN requests processed.</p>
	Goal: 16,000,000	Actual: 17,523,560			
5.2	Percent of SSNs issued that are free of critical error (Available 09/30/2004)			N/A	
	Goal: 99.8%	Actual: N/A			

Objective 6: Increase the accuracy of earnings records

6.1	Annual earnings items processed ²				<p>Results for this Objective: SSA did not meet its goals for this objective. While the Agency did not meet its current year goal for the reduction in the suspense file, SSA expects to meet its overall goal of removing 30 million items by the end of FY 2004.</p>
	Goal: 260,000,000	Actual: 257,188,087			
6.2	Reduction in the size of the earnings suspense file				
	Goal: 18,000,000	Actual: 2,400,000			
6.3	Percent of incoming earnings items removed from the suspense file at the end of the annual earnings posting cycle (Available 11/15/2003)			N/A	
	Goal: 2%	Actual: N/A			

² The Agency goal for this indicator was based on a projected number of earnings items that did not materialize. See page 83 for additional discussion on the number of earnings items processed.

Objective 7: Efficiently manage Agency finances and assets, and effectively link resources to performance outcomes

7.1	Disability Determination Service (DDS) cases processed per workyear (PPWY) (See p. 49)	↑	Results for this Objective: SSA met 7 of the 8 goals for this objective. Productivity was strong across SSA with an overall increase of 2.1 percent in addition to the Agency meeting its goals for both DDS and Hearings cases processed per workyear. The Agency also met its goal of achieving a “green” for “progress” on all its PMA initiatives. Additionally, SSA can report receiving an unqualified opinion on its financial statements and maintaining its record of allowing zero outside infiltrations of its programmatic mainframes. While SSA did not meet the 15 percent competitive sourcing goal, the Agency has made significant progress in establishing the necessary infrastructure to initiate competitive sourcing activities.
KPI	Goal: 264 Actual: 270.4		
7.2	“Get to green” on all PMA initiatives (See p. 50)	↑	
KPI	Goal: 100% “green” for “Progress” Actual: 100% “green” for “Progress”		
7.3	Percent improvement in productivity	↑	
	Goal: 2% Actual: 2.1%		
7.4	Number of SSA hearings cases processed per workyear (PPWY)	↑	
	Goal: 101 Actual: 102.7		
7.5	Percent of commercial positions competed or converted	↓	
	Goal: 15% Actual: 0.4%		
7.6	Maintain zero outside infiltrations of SSA’s programmatic mainframes	↑	
	Goal: 0 infiltrations Actual: 0 infiltrations		
7.7	Milestone measures for Managerial Cost Accountability	↑	
	Goal: Milestones Actual: Completed		
7.8	Receive an unqualified opinion on SSA’s financial statements from the auditors	↑	
	Goal: 100% Actual: 100%		

Strategic Goal C: To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations

Objective 8: Through education and research efforts, support reforms to ensure sustainable solvency and more responsive retirement and disability programs

8.1	Provide support to Administration and Congress in developing legislative proposals to achieve sustainable solvency for Social Security and implementing reform legislation (See p. 51)	↑	Results for this Objective: SSA met its goals for this objective. SSA provided the Congress and Administration officials with a wide range of analyses on solvency issues. Additionally, the Agency obtained the necessary data to establish a baseline for understanding the public’s knowledge of Social Security’s programs.
KPI	Goal: Milestone Actual: Completed		
8.2	Percent of adult Americans knowledgeable about Social Security programs and related issues, including long-range financing	↑	
	Goal: Establish Baseline Actual: Completed		

Strategic Goal D: To strategically manage and align Staff to support SSA's mission

Objective 9: Recruit, develop, and retain a high-performing workforce

9.1	Percent increase in the new hire retention rate (See p. 53)	↑	Results for this Objective: SSA met or exceeded all performance goals for this objective. The Agency far surpassed its new hire retention rate goal in FY 2003 and implemented its new Senior Executive Service performance plan. SSA also created job enrichment opportunities for 4.2 percent of its workforce and provided the equivalent of 68 hours of training for its employees.
KPI	Goal: 84.6%	Actual: 86.4%	
9.2	Milestones in developing new performance management systems	↑	
	Goal: Implement SES Plan	Actual: SES plan implemented October 1, 2002	
9.3	Number of job enrichment opportunities (includes headquarters, component and regional development programs)	↑	
	Goal: 3%	Actual: 4.2%	
9.4	Provide the equivalent of 40 hours of training annually to all employees	↑	
	Goal: 40 hours	Actual: 68 hours	

Program Assessment Rating Tool (PART) Measures

	Average processing time for initial disability claims (DI and SSI)	↑	Results for the PART measures: SSA met all of its goals as they relate to the Program Assessment Rating Tool. The Agency's increased emphasis on the initial claims process resulted in a substantial decrease in the average processing time for initial disability claims, as well as for the average processing time for hearings which helped SSA meet these goals.
	Goal: 104 days	Actual: 97.1 days	
	Average processing time for hearings	↑	
	Goal: 352 days	Actual: 344 days	
	Disability Determination Services (DDS) cases processed per workyear (PPWY)	↑	
	Goal: 264	Actual: 270.4	
	Number of SSA hearings cases processed per workyear (PPWY)	↑	
	Goal: 101	Actual: 102.7	
	DDS net accuracy rate (allowances and denials combined) (Available 02/2004)	N/A	
	Goal: 97%	Actual: Not Available	
	Percent of SSI aged claims processed by the time the first payment is due or within 14 days of the effective filing date	↑	
	Goal: 75%	Actual: 83%	
	SSI overpayment and underpayment accuracy rate (including both preventable and unpreventable error) (Available 06/30/2004)	N/A	
	Goal: 93% (overpayments) 98.8% (underpayments)	Actual: Not Available	
	SSI Aged claims processed per workyear (PPWY)	↑	
	Goal: 497	Actual: 556	

Individual Performance Indicator Results

This section reports SSA's FY 2003 performance for each individual GPRA performance indicator and PART measure. Additionally, this section reports final FY 2002 data for those performance indicators that did not have final data when the FY 2002 Performance and Accountability Report (PAR) was issued. Performance indicators and workload measures are organized under the Strategic Goal and Strategic Objective that they support. For each GPRA performance measure, SSA includes the definition and data source and indicates whether the goal was met. If the goal was not met, an explanation is included explaining why and what actions the Agency will take toward improvement.

A discussion of SSA's 17 Key Performance Indicators (KPIs) can be found in the "Performance Goals and Results" section (page 29), and therefore is not repeated in this section. Appropriate page references are made to the KPIs in the discussion of the other GPRA performance measures.

Strategic Goal A: To deliver high quality, citizen-centered Service

Strategic Objective 1: Make the right decision in the disability process as early as possible

The following lists six KPIs for this strategic objective. Below is the location of the text describing whether or not the goal has been met.

Key Performance Indicators	See page for detailed discussion
1.1 Number of initial disability claims (Title II and Title XVI) processed	See page 33
1.2 Number of hearings processed	See page 33
1.3 Average processing time for initial disability claims (days)	See page 34
1.4 Average processing time for hearings (days)	See page 34
1.5 Number of initial disability claims (Title II and Title XVI) pending	See page 35
1.6 Number of hearings pending	See page 36

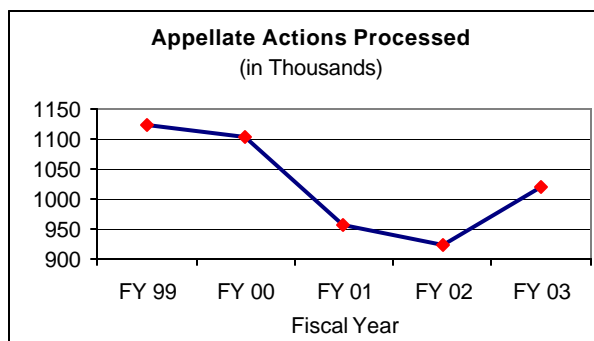
The following describes the four non-KPI performance measures for Strategic Objective 1:

1.7 — Number of Appellate Actions Processed

FY 2003 Goal: 950,500

Actual FY 2003 Performance: 1,019,815

SSA met its goal. This performance measure includes four workloads: reconsiderations, appeals council cases, new court cases and court remands. Substantial resources and staff were redirected to increase output and reduce existing backlogs at the beginning of FY 2003.



FY 1999: 1,124,442

FY 2000: 1,102,922

FY 2001: 957,858

FY 2002: 923,636

Trend: This trend line is increasing as SSA continues to meet its projected goal.

Data Definition: Counts of reconsiderations, Appeals Council cases, new court cases and court remands are included in this count.

Data Source: Appeals Council Automated Processing System & SSA-Level Cost Accounting System.

1.8 — DDS Net Accuracy Rate (allowances and denials combined)

FY 2003 Goal: 98.0% allowances; 96.2% denials

FY 2003 Goal: 97%

Actual FY 2002 Performance: 98.5% allowances; 95.1% denials

SSA did not meet its FY 2002 goal. The Agency did not meet this ambitious goal. SSA and the Disability Determination Services (DDS) continued to focus on denial accuracy as a problematic area. However, during the year, the DDSs were dealing with a number of internal issues including inexperienced or newly trained examiners, early retirements, and an inability to fill a large number of vacancies that likely impacted their ability to maintain acceptable denial accuracy.

This performance indicator was discontinued in FY 2003 and incorporated into a more meaningful performance indicator “DDS net accuracy rate (allowances and denials combined)”. Net accuracy is a truer measure of the correctness of DDS decision-making and therefore, provides the public with a more accurate picture of the correctness of initial disability claims decisions. SSA expects to maintain high levels of adjudication quality.

Actual FY 2003 Performance: Not Available

The FY 2003 actual performance data will not be available because of the length of time required to gather, validate and analyze the data, and then prepare the final report. These data will be reported in the FY 2004 PAR. This is a very aggressive goal and it will be a challenge to achieve it. SSA and the DDS continue to focus on denial accuracy as the most problematic area.

FY 1999: 98.0% allowances; 95.8% denials

FY 2000: 98.4% allowances; 95.2% denials

FY 2001: 98.3% allowances; 94.7% denials

Trend: The definition for this measure changed in 2002. As a result, SSA cannot make comparisons between 2002 and previous years.

Data Definition: Net accuracy is an alternative method of reporting state agency accuracy based upon the “correctness” of the DDS disability determination. Net accuracy is based upon the net error rate defined as the number of corrected deficient cases with changed disability decisions, plus the number of deficient cases not corrected within 90 days from the end of the period covered by the report. Prior to 2003, SSA reported allowances and denials as separate numbers.

Data Source: Disability Quality Assurance Data Bases.

1.9 — Hearings Decisional Accuracy Rate

FY 2003/2004 Goal: 89%

Actual FY 2003 Performance: Not Available

The Office of Hearings and Appeals (OHA) expects to meet the FY 2003 goal of 89 percent due to continuing Administrative Law Judge (ALJ) participation in quality reviews of hearing decisions and involvement in the pre-effectuation reviews of allowances. This data is derived from the Biennial Disability Quality Review Process Report. FY 2001-2002 data will not be available until December 2003.

FY 1999 & 2000: 88%

Trend: The hearings decisional accuracy rate remained stable between 1999 and 2000.

Data Definition: The decisional accuracy rate is the percent of disability hearing decisions (both favorable and unfavorable) supported by “substantial evidence”. This is the standard used by the federal courts to evaluate accuracy of decisions, and by the Appeals Council in determining which hearing decisions to review.

Data Source: Biennial Disability Hearings Quality Review Process Peer Review Reports.

1.10 — Average Processing Time for Decisions on Appeals of Hearings (days)

FY 2003 Goal: 300 days

Actual FY 2003 Performance: 294 days

SSA met its goal. In FY 2003, SSA devoted substantial resources and attention to this workload. The Agency closely monitored aged cases and focused on processing the oldest cases. SSA used differential case management, reviewing incoming cases and placing them on appropriate tracks for processing. The Agency also temporarily reassigned staff to assist with new court cases, prepare certified court records, and process court transcripts. All of this resulted in lower processing time.

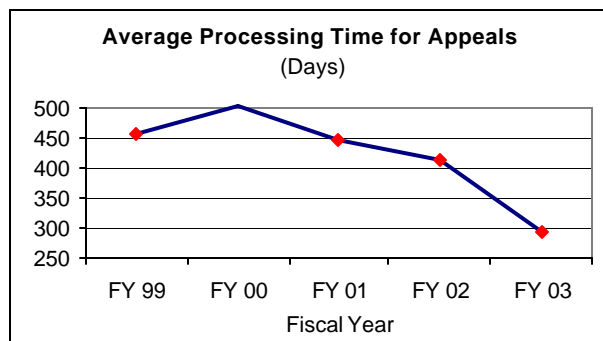
FY 1999: 458 days **FY 2000: 505 days**

FY 2001: 447 days **FY 2002: 412 days**

Trend: This measure has a very positive trend line. SSA believes that processing time will continue to decline in FY 2004.

Data Definition: Effective FY 2001, this measure represents the 12-month average processing time for dispositions issued during the report period. Processing time begins with the date of the request and ends with the disposition date.

Data Source: Actual processing time for each case is maintained by the Appeals Council Automated Processing System (ACAPS). Percentages will be calculated from information extrapolated from ACAPS.



Strategic Objective 2: Increase employment for people with disabilities

The following describes the two non-KPI performance measures for Strategic Objective 2:

2.1 — Percent Increase in the Number of DI and SSI Beneficiaries, with Tickets Assigned, Who Work

FY 2003 Goal: Establish a baseline

Actual FY 2003 Performance: Not completed.

SSA did not meet its goal. The data for the baseline will not be available until spring 2004. SSA fully expects to establish a baseline in FY 2004 and establish a FY 2004/FY 2005 goal based on baseline information.

Trend: Not applicable until baseline is established and FY 2004/FY 2005 results are available.

Data Definition: In 2003, SSA will establish a preliminary baseline and a FY 2004 goal for this new outcome measure. Actual performance levels will be based on all recorded earnings information from various data sources for beneficiaries who have assigned their tickets to Employment Networks (EN), i.e., signed an agreement with the EN for services. The data will be provided on a calendar basis.

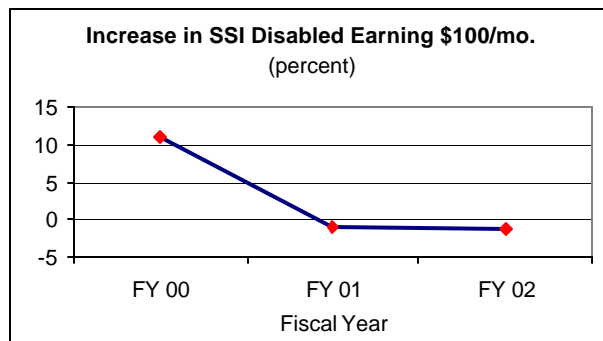
Data Source: eWorkCDR DB2, Disability Control File (VERN or Work and Earnings Reports field), OCSE, MEF.

2.2 — Percent Increase in the Number of SSI Disabled Beneficiaries Earning at least \$100 per Month

FY 2003 Goal: 8% (269,109)

Actual FY 2003 Performance: Not Available

The FY 2003 actual performance data will not be available for reporting in the FY 2003 PAR. However, early indications are that the Agency will not meet its goal. While the Ticket-to-Work program should eventually have a significant impact on return-to-work among SSI recipients, it may take several years to see the full impact. Many policy changes and new structures are still in development phases. The Ticket-to-Work program will not be completely rolled out until late in 2004. In addition, disabled SSI recipients face a number of barriers to employment. Such barriers, like insufficient education and training or the lack of a full understanding by employers of the productive capacity of people with disabilities, will not be affected by SSA's programs.



FY 1999: Not Available **FY 2000:** 10.9% (255,129)

FY 2001: -1.1% (252,219) **FY 2002:** -1.2% (249,175)

Trend: It appears that the number of SSI disabled beneficiaries earning \$100/month continues to decline. However, it is difficult to identify a trend because the actual performance is measured just once each year and does not reflect performance throughout the year.

Data Definition: Beginning FY 2003, the Agency goal will be for annual increases in the number of working SSI disabled beneficiaries earning at least \$100 per month. This is a new measure meant to better reflect the impact of all work incentives for SSI disabled beneficiaries.

Data Source: “SSI Disabled Recipients Who Work” report.

Strategic Objective 3: Improve service with technology

The following lists three KPIs for this strategic objective. Below is the location of the text describing whether or not the goal has been met.

Key Performance Indicators		See page for detailed discussion
3.1	Percent of retirement claims initiated via the Internet	See page 38
3.2	Percent of employee reports (W-2s) filed electronically	See page 39
3.3	Percent of people who do business with SSA rating the overall service as “excellent,” “very good,” or “good”	See page 40

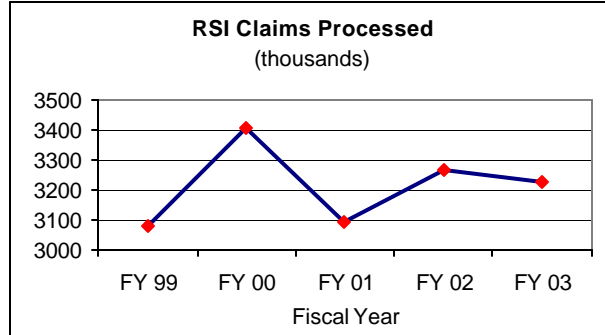
There are also four non-KPI performance measures for Strategic Objective 3:

3.4 — Retirement Survivor Insurance (RSI) Claims Processed

FY 2003 Goal: 3,229,000

Actual FY 2003 Performance: 3,238,871.

SSA met its goal. One of SSA’s most visible programs and major responsibilities is to process the Retirement Survivor Insurance (RSI) claims it receives. Each year SSA estimates the RSI claims it expects to receive based on actuarial estimates, prior year’s claims receipts, legislative or policy changes and other factors. The result indicates that the estimates are accurate and that sufficient resources are devoted to the workload to process it.



FY 1999: 3,076,987

FY 2000: 3,404,938

FY 2001: 3,092,743

FY 2002: 3,265,473*

* Note: Based on updated Agency Data, final FY 2002 total for RSI claims processed was 3,266,297

Trend: SSA has met the goal every year except 1999, when it was narrowly missed. While the number of RSI claims processed remained relatively consistent over the last 5 years, SSA expects significant increases over the next 10 years as the baby boomers begin to retire.

Data Definition: All retirement, survivors, and Medicare initial claims processed by field offices and central operations components. Includes totalization claims.

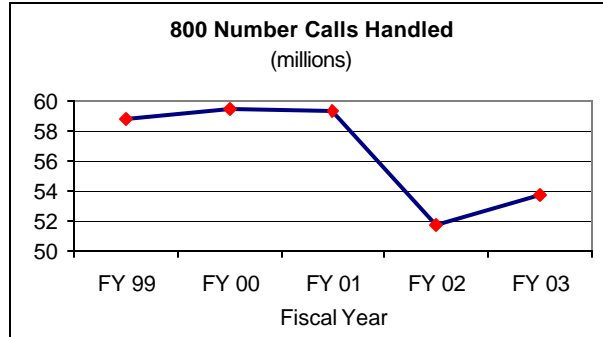
Data Source: The MIICR System.

3.5 — 800-number Calls Handled

FY 2003 Goal: 55,000,000

Actual FY 2003 Performance: 53,700,000

SSA did not meet its projection. The Agency's national 800 number handled 53.7 million calls in FY 2003. This represents 1.9 million more calls handled than in FY 2002. Of the total calls handled, 42.4 million were handled by agents (an increase of 3.6 million calls when compared to FY 2002) and 11.3 million calls were handled by automation (a decrease of 1.7 million calls when compared to FY 2002). The number of calls handled by agents increased because SSA experienced the first full year of maximum efficiencies gained from the Call Center Network Solution (CCNS), completed in FY 2002. The number of calls to automation decreased due to fewer callers requesting Medicare Replacement Cards. This occurred as a result of an Agency restriction limiting the use of the Pin/Password application to those individuals who were sent notices with Pin/Password information, and because of the removal of the Internet message from the automated options menu.



The CCNS allows the routing of calls to the next available agent at any site of the Network. This enables the Network to handle the optimum number of calls per agent; therefore, handling more calls with the same number of agents. The gain in efficiency from CCNS was realized in FY 2003. Increased network efficiency combined with answering calls faster, expanded automated telephone services, handling more calls to completion through immediate claims-taking units, an easier to navigate options menu, and other enhancements continue to improve service and prepare the Network to meet future increases in workload demands.

FY 1999: 58,800,000 **FY 2000:** 59,500,000
FY 2001: 59,300,000 **FY 2002:** 51,800,000

Trend: The number of calls handled by the 800-number has decreased during the past 2 years. However, growing workload demands, projected by actuaries, are expected to slightly increase the number of calls handled by the 800-number in future years.

Data Definition: The number of calls (either live or automated service) handled by SSA's 800 number

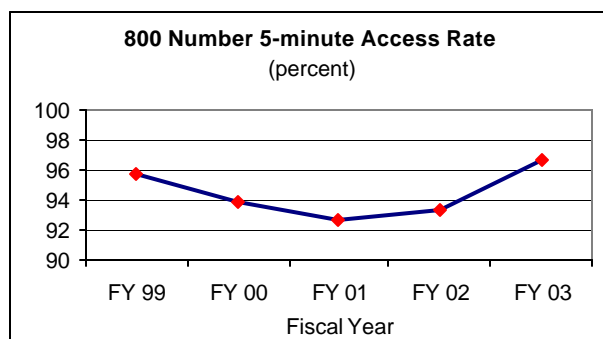
Data Source: National 800 number network.

3.6 — Percent of Callers who Successfully Access the 800-number within 5 Minutes of their First Call

FY 2003 Goal: 94%

Actual FY 2003 Performance: 96.7%

SSA met its goal. The higher percentage of callers who access the 800-number within 5 minutes of their first call is primarily due to increased network efficiencies gained from the CCNS. (See prior performance indicator 3.5.)



FY 1999: 95.8% **FY 2000:** 92.9%
FY 2001: 92.7% **FY 2002:** 93.3 %

Trend: FY 2003 shows an upward trend over FY 2001 and FY 2002.

Data Definition: This is the percent of unique call attempts that successfully “connect” within 5 minutes of the first attempt within a 24-hour period. A successful “connection” occurs when a caller selects either an automated service or a live agent and is connected with that option within 5 minutes of first dialing the 800-number.

Data Source: Automatic number identification records provided by WorldCom.

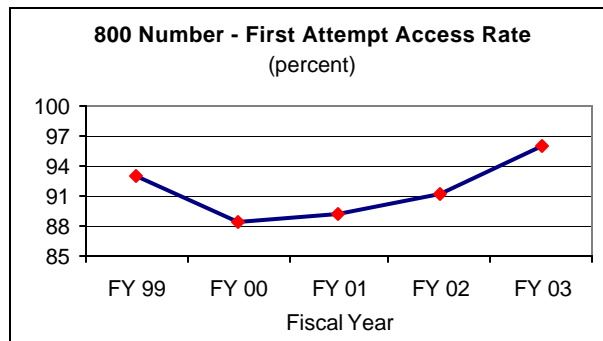
3.7 — Percent of Callers who get through to the 800-number on their First Attempt

FY 2003 Goal: 87%

Actual FY 2003 Performance: 95.9%

SSA met its goal. SSA was able to provide improved access as a result of increased network efficiencies gained from CCNS which was completed in FY 2002. (See performance discussion in section 3.5 for more details.)

FY 1999: 92.9% **FY 2000:** 88.4%
FY 2001: 89.2% **FY 2002:** 91.3%



Trend: Continued improvement.

Data Definition: The percent is the number of individuals who reach the 800-number (either live or automated) service on their first attempt, divided by the number of unique telephone numbers dialed to the 800-number. An “attempt” is defined as the first attempted call of the day, or a subsequent attempt after a previously successful call.

Data Source: Automatic number identification records provided by WorldCom.

Strategic Goal B: To ensure superior Stewardship of Social Security programs and resources

Strategic Objective 4: Prevent fraudulent and erroneous payments and improve debt management

The following lists four KPIs for this strategic objective. Below is the location of the text describing whether or not the goal has been met.

Key Performance Indicators	See page for detailed discussion
4.1 SSI non-disability redeterminations	See page 43
4.2 Continuing Disability Reviews (CDR) processed	See page 44
4.3 Percent of outstanding SSI debt in a collection arrangement	See page 44
4.4 Percent of outstanding OASDI debt in a collection arrangement	See page 45

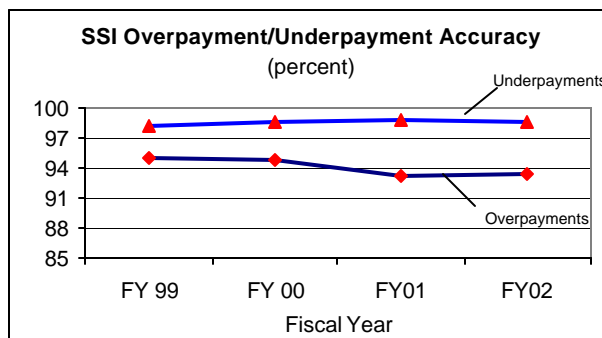
There are also three non-KPI performance measures for Strategic Objective 4:

4.5 — Percent of SSI Payments Free of Preventable Error (overpayments and underpayments)

FY 2002 Goal: Overpayment accuracy: 94.7%
Underpayment accuracy: 98.8%

FY 2003 Goal: Overpayment accuracy: 95.4%
Underpayment accuracy: 98.8%

Actual FY 2002 Performance:
Overpayment accuracy: 93.4%
Underpayment accuracy: 98.6%



SSA did not meet its FY 2002 goal. Although SSA’s accuracy rate improved slightly over FY 2001, the Agency did not meet the extremely ambitious FY 2002 goal. Meeting the goal would have translated to making \$490 million less in erroneous payments over FY 2001. SSA’s actual performance did prevent approximately \$35 million more in erroneous payments than in FY 2001. The Agency continues to take action to improve its payment accuracy to reach future goals. Reaching the accuracy goal will not happen overnight. Each 1 percent increase in payment accuracy equates to \$350 million of error prevented.

In FY 2002, SSA implemented a Corrective Action Plan (CAP) to improve the accuracy of the SSI program. Based on that plan, the GAO removed the SSI program from its “High Risk” list. SSA is committed to making program improvements that will enable the Agency to meet the accuracy goals. As part of that effort, SSA is focusing on projects that will result in error prevention rather than just detection and collection. For example, one of the leading causes of error is unreported financial institution accounts. The Agency is preparing to test a process to automatically verify the financial account balances. If this process is successful, SSA expects to prevent approximately \$85 million per year in erroneous payments. The CAP includes other such projects aimed at reducing erroneous payments. The Agency is also exploring ways to improve the eligibility redetermination process to further reduce error.

Actual FY 2003 Performance: The FY 2003 actual performance data will not be available for reporting in the FY 2003 PAR because of the length of time required to gather, validate and analyze the data, and then prepare the final report. These data will be reported in the FY 2004 PAR. However, in this PAR, SSA is reporting on the FY 2002 actual data.

FY 1999: Overpayment: 94.9%; Underpayment: 98.3%

FY 2000: Overpayment: 94.7%; Underpayment: 98.6%

FY 2001: Overpayment: 93.3%; Underpayment: 98.8%

Trend: The percent of SSI payments free of preventable error did not change in a statistically significant way from the previous year.

Note: For FY 2002, statistical precision at the 95 percent confidence level is ± 1.1 for overpayments and ± 0.3 for underpayments.

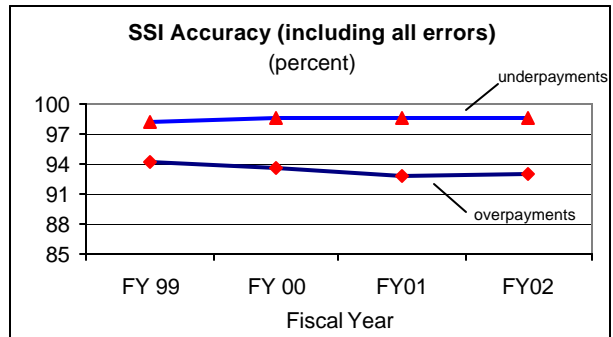
Data Definition: The SSI payment accuracy rate free of preventable errors is determined by an annual review of a statistically valid sample of the beneficiary rolls. The rate is computed by first subtracting the amount of “unpreventable” incorrect payments from the dollars overpaid or underpaid in a fiscal year, and then dividing these dollars by the total dollars paid for the fiscal year. This percentage is subtracted from 100 percent to attain the accuracy rate. The current measuring system captures the accuracy rate of the non-medical aspects of eligibility for SSI payment outlays.

Data Source: SSI Stewardship report.

4.6 — SSI Overpayment and Underpayment Accuracy Rate (including both preventable and unpreventable error)

FY 2002 Goal: Overpayment accuracy: 94.0%
Underpayment accuracy: 98.8%
FY 2003 Goal: Overpayment accuracy: 93%
Underpayment accuracy: 98.8%

Actual FY 2002 Performance:
Overpayment accuracy: 93.0%
Underpayment accuracy: 98.6%



SSA did not meet its FY 2002 goal. Although SSA’s accuracy rate improved slightly over FY 2001, the Agency did not meet the extremely ambitious FY 2002 goal. Meeting the goal would have translated to making \$420 million less in erroneous payments over FY 2001. SSA’s actual performance did prevent approximately \$35 million more in erroneous payments than in FY 2001. The Agency continues to take action to improve its payment accuracy to reach future goals. Reaching the accuracy goal will not happen overnight. Each 1 percent increase in payment accuracy equates to \$350 million of error prevented.

In FY 2002, SSA implemented a Corrective Action Plan (CAP) to improve the accuracy of the SSI program. Based on that plan, the GAO removed the SSI program from its “High Risk” list. SSA is committed to making program improvements that will enable the Agency to meet the accuracy goals. As part of that effort, SSA is focusing on projects that will result in error prevention rather than just detection and collection. For example, one of the leading causes of error is unreported financial institution accounts. The Agency is preparing to test a process to automatically verify the financial account balances. If this process is successful, SSA expects to prevent approximately \$85 million per year in erroneous payments. The CAP includes other such projects aimed at reducing erroneous payments. The Agency is also exploring ways to improve the eligibility redetermination process to further reduce error.

Actual FY 2003 Performance: The FY 2003 actual performance data will not be available for reporting in the FY 2003 PAR because of the length of time required to gather, validate and analyze the data, and then prepare the final report. These data will be reported in the FY 2004 PAR. However, in this PAR, SSA is reporting on the FY 2002 actual data.

FY 1999: Overpayment: 94.3%; Underpayment: 98.3%
FY 2000: Overpayment: 93.6%; Underpayment: 98.6%
FY 2001: Overpayment: 92.8%; Underpayment: 98.6%

Trend: The SSI overpayment accuracy rate did not change in a statistically significant way from the previous year. There was no change in SSI underpayment accuracy for 2001 and 2002.

Note: For FY 2002, statistical precision at the 95 percent confidence level is +/-1.2 percent for overpayments and +/-0.3 percent for underpayments.

Data Definition: The SSI payment accuracy, including both preventable and unpreventable errors, is determined by an annual review of a statistically valid sample of the beneficiary rolls. The overpayment accuracy rates and underpayment accuracy rates are determined separately. The overpayment accuracy rate is computed by first subtracting the total amount of overpaid dollars from the total dollars paid for a fiscal year, and then dividing these dollars by the total dollars paid for the fiscal year. This percentage is subtracted from 100 percent to attain the accuracy rate. The underpayment accuracy rate is computed by first subtracting the total amount of underpaid dollars from the total dollars paid for a fiscal year, and then dividing these dollars by

the total dollars paid for the fiscal year. This percentage is subtracted from 100 percent to attain the accuracy rate. The current measuring system captures the accuracy rate of the non-medical aspects of eligibility for SSI payment outlays.

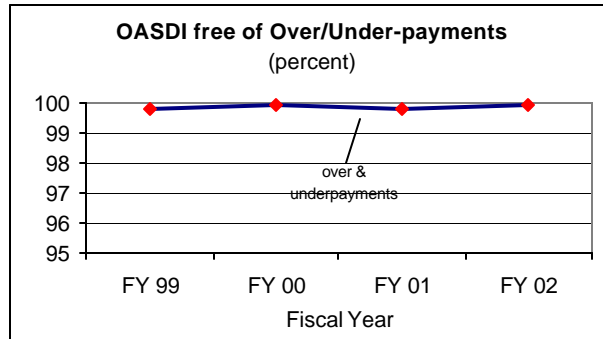
Data Source: SSI Stewardship report.

4.7 — Percent of OASDI Payments Free of Overpayments and Underpayments

FY 2002 Goal: Overpayment accuracy: 99.8%
Underpayment accuracy: 99.8%

FY 2003 Goal: Overpayment accuracy: 99.8%
Underpayment accuracy: 99.8%

Actual FY 2002 Performance:
Overpayment accuracy: 99.9%
Underpayment accuracy: 99.9%



SSA met its goal. The 0.03 percent increase in overpayment accuracy from FY 2001 is not statistically significant, while the 0.16 percent increase in underpayment accuracy does represent a statistically significant change. The underpayment error rate in FY 2001 was largely caused by one unusually large date-of-birth error. There were no date-of-birth errors in FY 2002 and this resulted in the decrease in underpayment error dollars. Because of the small sample and infrequency of these errors, this type of variation is not unusual.

Actual FY 2003 Performance: The FY 2003 actual performance data will not be available for reporting in the FY 2003 PAR because of the length of time required to gather, validate and analyze the data, and then prepare the final report. These data will be reported in the FY 2004 PAR. However, in this PAR, SSA is reporting on the FY 2002 actual data.

FY 1999: Overpayment: 99.8%; Underpayment: 99.9%
FY 2000: Overpayment: 99.9%; Underpayment: 99.9%
FY 2001: Overpayment: 99.8%; Underpayment: 99.8%

Trend: We continue to maintain a high level of dollar accuracy of OASDI payment outlays.

Note: Overall, statistical precision at the 95% confidence level ranges from 99.60% to 99.99% for overpayments and 99.88% to 99.99% for underpayments.

Data Definition: The Old Age, Survivors and Disability Insurance (OASDI) payment accuracy rate is determined by an annual review of a statistically valid sample of the beneficiary rolls. Separate rates are determined for the accuracy of payments with overpayment dollars and the accuracy of payments with underpayment dollars. The rates are computed by dividing these dollars by the total dollars paid for the fiscal year. This percentage is subtracted from 100 percent to attain the accuracy rate. Prior to FY 2001, the accuracy of only OASI outlays was included. Effective FY 2001, the non-medical accuracy of DI outlays was added to the measure. GAO raised a concern that combining payment accuracy data from the OASI and the DI programs may affect SSA's ability to sufficiently monitor and manage performance. While the PAR combines data from these two programs, Stewardship Reports continue to include the accuracy of OASI and DI payment outlays separately.

Data Source: OASDI Stewardship Report.

Strategic Objective 5: Strengthen the integrity of the Social Security Number (SSN)

The following describes the two non-KPI performance measures for Strategic Objective 5:

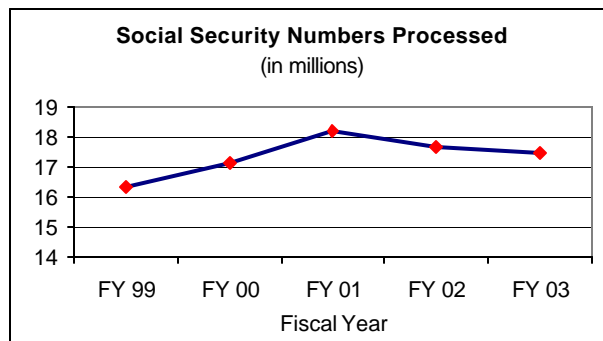
5.1 — Social Security Numbers (SSNs) Processed

FY 2003 Goal: 16,000,000

Actual FY 2003 performance: 17,523,560

SSA exceeded its projection. One of SSA's most visible and ongoing operational responsibilities is to process the requests it receives for original or duplicate Social Security Numbers (SSN).

FY 1999: 16,322,588 **FY 2000:** 17,128,073
FY 2001: 18,179,115 **FY 2002:** 17,679,490



Trend: SSA has met the goal for SSNs issued every year. Each year the Agency estimates the SSN request volume it expects to receive. The number of SSNs processed is entirely dependent on the number of people who need an original or replacement SSN, and who meet citizenship or residency requirements.

Data Definition: SSN issuance for duplicate or original numbers processed by field offices and central office components, plus enumeration-at-birth (EAB) activity. It also includes the count of fraud investigations that do not result in the issuance of an SSN or EAB.

Data Source: FOSSNER, EAB, year-to-date processing statistics.

5.2 — Percent of SSNs Issued that are Free of Critical Error

FY 2003 Goal: 99.8%

Actual FY 2003 Performance: Not Available

FY 2003 data will not be available until the end of the calendar year. These data will be reported in the FY 2004 PAR. SSA's FY 2002 performance on the indicator "Percent of SSNs issued accurately," is discussed on page 96.

Trend: Since the data definition is new for FY 2003, there is no trend discussion or chart.

Data Definition: The rate is based on an annual review of SSN applications to verify that: 1) the applicant did not receive an SSN that belonged to someone else; 2) if the applicant had more than one SSN, the numbers were cross-referenced; and 3) the applicant was entitled to receive an SSN based on supporting documentation, i.e., the field office verified appropriate documentation—Bureau of Citizenship and Immigration Services, formerly Immigration and Naturalization Services, document for foreign born and birth certificate for U.S. born—and made a correct judgment of entitlement to an SSN.

Note: For GPRA purposes, only the first two criteria will be used to measure against the FY 2003 goal because baseline data has not been established using the third criterion. However, during FY 2003, all three criteria will be measured internally in order to obtain baseline data. All three criteria will be used for measuring SSN accuracy effective FY 2004.

Data Source: Enumeration Process Quality Review.

Strategic Objective 6: Increase the accuracy of earnings records

The following describes the three non-KPI performance measures for Strategic Objective 6:

6.1 — Annual Earnings Items Processed

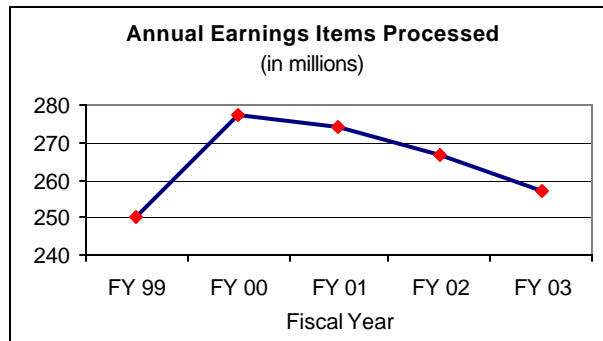
FY 2003 Goal: 260,000,000

Actual FY 2003 Performance: 257,188,087

SSA did not meet its projection. SSA's original projection of Annual Earnings Items was too high. In August, the Agency's Office of the Actuary lowered the projection of tax year 2002 W-2's by 9 million.

FY 1999: 249,867,974 **FY 2000:** 277,145,696

FY 2001: 274,427,394 **FY 2002:** 266,777,009



Trend: The number of Annual earnings items processed is dependent on the number of earnings items reported. That number has decreased since the year 2000.

Data Definition: Annual earnings items include the total number of electronic and paper annual wage items processed through the balancing operation, plus the total number of magnetic media and self-employment items posted in a fiscal year.

Data Source: MIICR system and Agency records.

6.2 — Reduction in the Size of the Earnings Suspense File

FY 2003 Goal: 18,000,000

Actual FY 2003 Performance: 2,400,000

SSA did not meet its goal. The approach to successfully complete the project – remove and post 30 million items by FY 2004 – follows a logical progression in development of decisionmaking capacity. It is not related to month-by-month volumes of items that the decision system identifies for posting or removal and this performance indicator should not be prorated. Based on the steady progress being made in developing matching techniques for the various subgroups into which the suspense file has been divided to organize this initiative, the Agency still expects to remove approximately 30 million items from the suspense file by the end of fiscal year 2004.

FY 1999: Not Available **FY 2000:** Not Available

FY 2001: Not Available **FY 2002:** Not Available

Trend: Trend data is not available as this is a new indicator beginning in FY 2003

Data Definition: This goal relates to suspense file items for years prior to 2001. The Agency goal is that before 2005, SSA will find the correct earnings record and post 30 million or more suspense items for years 2000 and earlier. New processes being developed by the Office of Quality Assurance (OQA) will be used.

Data Source: Office of Quality Assurance records of items removed from suspense and posted to the correct earnings records. Also, a comparison of the current suspense file will be made to the suspense file at the end of FY 2003.

6.3 — The Percent of Incoming Earnings Items Removed from the Suspense File at the end of the Annual Earnings Posting Cycle

FY 2003 Goal: 2%

Actual FY 2003 Performance: Not Available

The FY 2003 actual performance data will not be available for reporting in the FY 2003 PAR because of the length of time required to gather, validate and analyze the data, and then prepare the final report. These data will be reported in the FY 2004 PAR.

FY 1999: Not Available **FY 2000:** Not Available
FY 2001: Not Available **FY 2002:** Not Available

Trend: Trend data is not available as this is a new indicator beginning in FY 2003

Data Definition: Earnings remaining in suspense after the annual posting cycle are wage or self-employment earnings that are not matched to an earnings record after all routine matching operations are complete. The FY 2004 five percent reduction goal will be achieved by using new matching routines currently being developed by OQA that use earnings records as the basis for the match to the employer/self-employment report. The OQA process is used after all other matching attempts fail. The percentage is determined by comparing the number of items added to suspense during a full posting cycle to the number later removed in the new process. The first earnings cycle to which the indicator will be applied will be in 2002, therefore, the 2003 goal applies to the 2002 cycle. The FY 2004 goal of 5 percent represents the cumulative effect of the FYs 2003 and 2004 efforts.

Data Source: Items in the suspense file at the end of the full 2002 cycle compared to items removed by the new process.

Strategic Objective 7: Efficiently manage Agency finances and assets, and effectively link resources to performance outcomes

The following lists two KPIs for this strategic objective. Below is the location of the text describing whether or not the goal has been met.

Key Performance Indicators		See page for detailed discussion
7.1	Disability Determination Service (DDS) cases processed per workyear (PPWY)	See page 49
7.2	“Get to green” on all PMA initiative plans for “progress”	See page 50

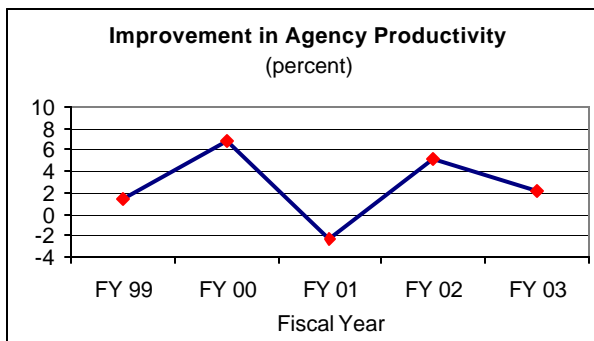
There are also six non-KPI performance measures for Strategic Objective 7:

7.3 — Percent Improvement in Agency Productivity

FY 2003 Goal: 2%

Actual FY 2003 Performance: 2.1%

SSA met its goal. As part of the FY 2004 President’s Budget, SSA committed to an average annual productivity improvement of 2 percent. SSA met the commitment in FY 2003 with a productivity improvement of 2.1 percent. This is in addition to the 5.1 percent productivity improvement achieved in FY 2002 for an average of 3.6 percent over the 2 year period. The FY 2003 increase is due primarily to the continued automation efforts and streamlining of the Agency’s business processes.



FY 1999: 1.4% **FY 2000:** 6.8%
FY 2001: -2.3% **FY 2002:** 5.1%

Trend: The Agency expects to continue to meet the goal of an average of 2 percent productivity improvement per year. Continued improvement in actual performance, along with the numerous initiatives the Agency is pursuing, lends credence to achieving this goal.

Data Definition: The percent change in productivity is measured by comparing the total number of SSA and DDS workyears that would have been expended to process current year workloads at the prior year’s rates of production to the actual SSA and DDS workyear totals expended.

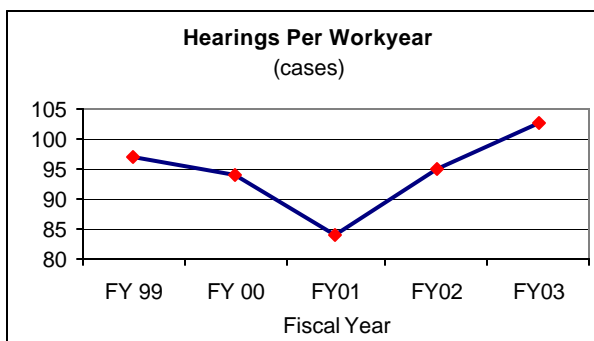
Data Source: Agency Cost Accounting System.

7.4 — Number of SSA Hearings Cases Processed per Workyear (PPWY)

FY 2003 Goal: 101

Actual FY 2003 Performance: 102.7.

SSA met its goal. In FY 2003, SSA displayed record-breaking productivity of 2.35 cases per ALJ per day and processed almost 40,000 more requests for hearings than it did in FY 2002. The Agency accomplished this by focusing efforts on improvement and productivity.



FY 1999: 97 **FY 2000:** 94
FY 2001: 84 **FY 2002:** 95

Trend: The trend for this measure is very positive as productivity continues to increase for hearings cases.

Data Definition: This indicator represents the average number of hearings cases processed per “direct” workyear expended. A direct workyear represents actual time spent processing cases. It does not include time spent on training, travel, leave, holiday, etc.

Note: The FY 2003 target includes only SSA hearings, as is the case with actual data reported in FY 1999-2002. SSA’s plan is to transfer the Medicare hearings function to the Department of Health and Human Services starting with FY 2004. The FY 2003 target including Medicare hearings is 112.

Data Source: OHA Monthly Activity Reports, the Hearing Office Tracking system (HOTS), Payroll Analysis Recap Report, Time and Attendance Management Information System, OHA Bi-weekly Staffing Report, Training Reports, and Travel Formula.

7.5 — Percent of Commercial Positions Competed or Converted

FY 2003 Goal: 15%

Actual FY 2003 Performance: 0.4%

SSA did not meet its goal. To reach the 15 percent goal, SSA must compete all the functions identified in the Agency's competitive sourcing plan for 2002/2003. SSA's first competitive sourcing study from the 2002/2003 plan was completed in June 2003 and resulted in an in-house win for the Agency. Two full competition studies are currently in progress with completion expected in early 2004. As these studies are completed, SSA's percentage will significantly increase. SSA is planning for additional studies to begin in FY 2004, which are expected to take 12 to 18 months to complete after announcement. It is important to note that OMB has given SSA a "green" in Progress for Competitive Sourcing. OMB has recognized SSA's efforts to establish the necessary infrastructure to initiate competitive sourcing activities in the Agency.

Trend: Trend data is not available as this measure was adopted in FY 2003.

Data Definition: This performance measure represents the percentage of SSA's commercial activities competed with commercial sources or directly converted to contract by the end of each fiscal year.

Data Source: Total commercial positions: Year 2000 Federal Activities Inventory Reform (FAIR) Act inventory; Commercial positions competed per Competitive Sourcing Plan.

7.6 — Maintain Zero Outside Infiltrations of SSA's Programmatic Mainframes

FY 2003 Goal: 0 infiltrations

Actual FY 2003 Performance: 0 infiltrations

SSA met its goal. SSA has reviewed and implemented industry "best practices" where applicable and performed due diligence to ensure that information security is commensurate with the criticality and sensitivity of information processed and maintained. To this end, SSA employs its own internal "red" teams, the Intrusion Protection Team (IPT) and Agency-wide Security Response Team (SSASRT).

The IPT and SSASRT have routine contact with the Federal Computer Incident Response Center (FedCIRC) to exchange up-to-date information on threats and countermeasures. In FY 2003, the Agency continued to improve internal response to impending threats by having centralized management and reporting of the Agency's virus and threat management infrastructure. The Agency has also joined the Government-wide Patch Authentication and Distribution program sponsored by FedCIRC to further strengthen the effort to counter threats and apply patches in a timely manner. Several incidents in FY 2003 had major impact on various business organizations, but have not had any measurable impact on SSA due to the Agency's preparedness management and proactive approach to Enterprise IT Security.

1999-2002: 0

2003: 0 thru May

Trend: SSA has never had an outside infiltration of its programmatic mainframes.

Data Definition: SSA's mainframes store information critical to the completion of the Agency mission, including master files, such as enumeration, earnings and beneficiary/recipient payment files. The goal is to prevent any unauthorized access and/or alteration of critical data that would result in improper disclosure, incorrect information or lack of data availability. An infiltration is an unauthorized access that requires a cleanup or restoration of back-up files to a state prior to the infiltration. This would include an authorized user who obtains elevated privileges and performs unauthorized actions resulting in infiltration.

Data Source: Count of the times mainframes are infiltrated, obtained from Change Asset and Problem Reporting System.

7.7 — By 2005, Substantially Complete the most Significant Projects in the Social Security Unified Measurement System (SUMS) and Managerial Cost Accountability System (MCAS) Plan, and Complete the Plan by the end of 2008

FY 2003 Goal:

SUMS

1. Use of the SUMS Title XVI Posteligibility Operational Data Store (PEODS) and SUMS Work Measurement Data Warehouse (WMDW) as the sole source of Agency information for managing the redeterminations and limited issue workloads. Complete corrections to the cases in the data warehouse.
2. Complete the first stage of the national rollout of the Customer Service Record (CSR) through the Visitor Intake Process (VIP) system in SSA field offices. The Customer Service Query (CSQ) will contain an extract of data from eight databases and will be displayed in VIP.
3. Data contained in the Title II Integrated Workload Management System (IWMS) will be moved to the Title II Operational Data Store (ODS) and will be the basis for the new processing time reports and SUMS counts.
4. Data on Title XVI Initial Claims processing time from the SSI Claims Report (SSICR) will be moved to the WMW and accessed from the Common Front End to provide web-based processing time reports.

MCAS

5. Cost Analysis System (CAS) Renovation – OHA Work Counts: Release 7 of the CAS Renovation project under the umbrella MCAS project will substantially automate the manual processes currently used to compute basic workload count and work time by workload information for the Office of Hearings and Appeals and to enter that data to SSA's Cost Analysis System. This project will reduce the time and effort required to produce these data and will enhance the accuracy and integrity of SSA's managerial cost accounting processes.
6. Complete Vision and Scope Document for Time Allocation. This document will complete the user planning and analysis phase of the Time Allocation project and will provide the basis for development of detailed requirements and project plans for time allocation.

Actual FY 2003 Performance: SSA substantially completed the most significant projects in SUMS and MCAS

SSA met its goal.

1. PEODS has been implemented as the sole source of Agency information on managing redeterminations and limited issue workloads. Data warehouse corrections have been completed and accepted by Operations.
2. The CSQ, containing an extract of data from eight databases, is now displayed in VIP and is nationally available.
3. The software is in place to accomplish the move to the Title II ODS user acceptance was finalized October 24, 2003. The Title II counts will continue to be derived from MIICR while corrections to the SUMS counts are being made. Corrections to SUMS counts are expected to be completed by November 2003. The FY 2004 Title II counts will then be added to the Title II ODS and it will become the official source of Title II initial claims and appeals counts.

4. The SUMS Supplemental Security Income Processing Time application available through the SUMS/MCAS MI Central website has been in production since September 29, 2003 and is the official source of Title XVI processing time reports beginning FY 2004.
5. Release 7 of the CAS Renovation Project was completed in May 2003.
6. The planning document for worktime measurement and allocation efforts has been completed.

Trend: This is a milestone performance indicator and trend data is not applicable.

Data Definition: This is a milestone measure and data is defined by the milestone goals.

Data Source: SSA's Office of Finance Assessment and Management.

7.8 — Receive an Unqualified Opinion on SSA's Financial Statements from the Auditors

FY 2003 Goal: Receive an unqualified opinion

Actual FY 2003 Performance: Received an unqualified opinion

SSA met its goal. In accordance with the Chief Financial Officer's Act of 1990, SSA's financial statements were independently audited by PricewaterhouseCoopers LLP (PwC). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. In their audit, PwC found that SSA's financial statements as contained in the FY 2003 Performance and Accountability Report were presented fairly in all material respects and were in conformity with accounting principles generally accepted in the United States of America.

Trend: SSA has received an unqualified opinion every year since 1994.

Data Definition: An unqualified opinion on the financial statements is provided when an independent auditor determines that the financial statements are presented fairly and, in all material respects, in conformity with accounting principles generally accepted in the United States.

Data Source: Auditors' report.

Strategic Goal C: To achieve sustainable Solvency and ensure Social Security programs meet the needs of current and future generations

Strategic Objective 8: Through education and research efforts, support reforms to ensure sustainable solvency and more responsive retirement and disability programs

The following is the one KPI for this strategic objective. Below is the location of the text describing whether or not the goal has been met.

Key Performance Indicators	See page for detailed discussion
8.1 Provide support to the Administration and Congress in developing legislative proposals to achieve sustainable solvency for Social Security and implementing reform legislation	See page 51

There is also one non-KPI performance measure for Strategic Objective 8:

8.2 — Percent of Adult Americans Knowledgeable about Social Security Programs and Related Issues, Including Long-range Financing

FY 2003 Goal: Develop a baseline

Actual FY 2003 performance: Developed baseline for measure

SSA met its goal. In FY 2003, a new Public Understanding Measurement System (PUMS) survey was conducted. This survey included additional questions about the public’s knowledge of long-range financing issues. Survey findings provided baseline data upon which future goals for this measure will be established and communications activities will be designed.

Trend: Baseline established in FY 2003. Trend data will be analyzed in future years.

Data Definition: This is the percent of Americans (adults age 18 and over) determined as “knowledgeable” in the Public Understanding Measurement System (PUMS) survey.

Data Source: Revised PUMS survey.

Strategic Goal D: To strategically manage and align staff to support SSA’s mission

Strategic Objective 9: Recruit, develop and retain a high-performing workforce

The following is the one KPI for this strategic objective. Below is the location of the text describing whether or not the goal has been met.

Key Performance Indicators	See page for detailed discussion
9.1 Percent improvement in the new hire retention rate	See page 53

There are also three non-KPI performance measures for Strategic Objective 9:

9.2 — Milestones in Developing New Performance Management Systems

FY 2003 Goal: Implement new Senior Executive Service system

Actual FY 2003 Performance: Implemented a new SES system

SSA met its goal. The five-tier Senior Executive Service (SES) performance management system was implemented on October 1, 2002.

Trend: The SES system was the first milestone. A performance management system for non-bargaining unit GS-15 employees will follow in FY 2004.

Data Definition: Implementation of a five-level appraisal system for performance for SES-level employees in FY 2003 and formulation of an enhanced assessment system for GS-15 level employees in FY 2004. Note: Development of new SES standards was completed in early FY 2003. Those standards are now fully incorporated in each individual SES performance plan.

Data Source: Office of Human Resources records.

9.3 — Number of Job Enrichment Opportunities (includes headquarters components and regional development programs)

FY 2003 Goal: 3% of workforce

Actual FY 2003 Performance: 4.2% of workforce

SSA met its goal. The Agency had 2,726 employees representing 4.2 percent of the workforce participating in a developmental or job enrichment experience. There were 222 employees participating in the formal national-level developmental programs, 195 employees engaged in component-level programs, and 274 employees active in regional-level programs. Additionally, 2,035 employees participated in a job enrichment experience.

Trend: Trend data is not available as this measure was adopted beginning in FY 2003.

Data Definition: Percent of the Agency workforce participating in one of the formal national development programs or experiences (formal career development training of 1 to 2 weeks), a component program, or a regional-level program.

Data Source: Office of Training records.

9.4 — Provide the Equivalent of 40 Hours of Training Annually to All Employees

FY 2003 Goal: Provide the equivalent of 40 hours of training per employee

Actual FY 2003 Performance: Provided an average of 68 hours of training per employee

SSA met its goal. SSA provides employees with career enhancement and individual growth opportunities through its OnLine University. Originally begun with a limit of 16 hours being available to employees, the initiative was expanded in January 2003 to allow employees to take up to 32 hours of training annually. Additionally, employees are provided a chance to improve their automation skills through eight generic lessons repeatedly broadcast over the Agency's Interactive Video Teletraining (IVT) network, up to 24 hours annually. SSA also provides 3 hours of technical transmittal and program training geared to specific employee audiences monthly, plus general training of 1 hour monthly on topics such as diversity, lifestyle planning, sexual harassment, stress management, etc. SSA's

Office of Training also offers training in a traditional classroom setting of 1 to 3 days for courses from its general training curriculum.

Trend: Trend data is not available as this measure was adopted beginning in FY 2003.

Data Definition: Success is defined as having demonstrated that SSA provided on average the equivalent of 40 hours training per employee annually through the many venues available, e.g., IVT, the OnLine university, traditional government-sponsored training courses, and/or training conferences and seminars.

Data Source: Office of Training records and the Human Resources Management Information System.

Program Assessment Rating Tool (PART) Measures

The PART is a diagnostic tool designed by OMB to examine different aspects of program performance to identify the strengths and weaknesses of a given federal program. The DI and SSI Aged programs were selected for the initial assessment period and the results were published in the FY 2004 President's budget. The same two programs were reevaluated in the summer of 2003 and the results will be published in the FY 2005 President's budget.

OMB's findings from the initial assessment of the DI and SSI Aged program are consistent with the areas SSA has identified that require attention:

DI Program

- Improve the disability claims process, in part, by investing in technology to eliminate the need to store, locate, and mail millions of paper files.
- Better connect DI beneficiaries with expanding employment opportunities for individuals with disabilities.
- Strengthen the link between the DI administrative budget and performance measures.

SSI Aged Program

- Address payment accuracy issues by aggressively pursuing strategies outlined in SSA's Corrective Action Plan, such as simplifying income reporting requirements.
- Strengthen the link between the SSI Aged administrative budget and performance measures.

SSA's Strategic Plan, Annual Performance Plan (APP), and budget request all address OMB's findings. In addition, the performance measures and targets below were provided by SSA and used by OMB and SSA to evaluate the effectiveness of the DI and SSI Aged programs. It should be noted that of the eight PART measures, six were also GPRA measures in the FY 2004 APP and Revised Final FY 2003 APP. For the joint PART/GPRA measures, see the pages listed below for a more detailed discussion.

PART Measures which are also GPRA Measures	See page for detailed discussion
Average processing time for initial disability claims (DI and SSI)	See page 34
Average processing time for hearings	See page 34
Disability Determination Services (DDS) cases processed per workyear (PPWY)	See page 49
Number of SSA hearings cases processed per workyear (PPWY)	See page 85
DDS net accuracy rate (allowances and denials combined)	See page 73
SSI overpayment and underpayment accuracy rate (preventable error)	See page 79

The following describes the two non-GPRA PART performance indicators are:

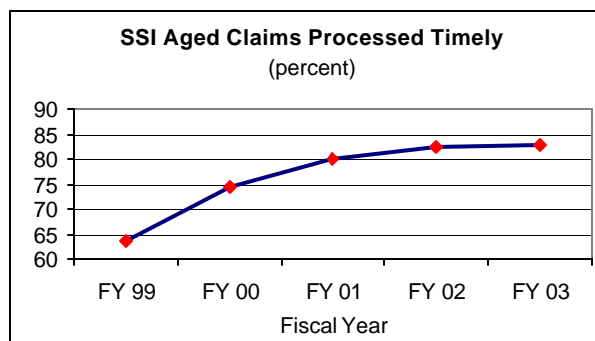
PART Measure – 1: Percent of SSI Aged Claims Processed by the Time the First Payment is Due or within 14 Days of the Effective Filing Date

FY 2003 Goal: 75%

Actual FY 2003 Performance: 83%

SSA met its goal. The goal was raised from 70 percent to 75 percent this year because SSA has demonstrated increased performance over the past years. SSA's performance reflects a national commitment to make timely and accurate payments to SSI Aged recipients.

FY 1999: 63.5% **FY 2000:** 74.4%
FY 2001: 79.9% **FY 2002:** 82.6%



Trend: SSA has steadily improved the timeliness of SSI Aged claims processing.

Data Definition: This rate reflects the number of SSI Aged applications completed through the SSA operational system (i.e., award or denial notices are triggered) before the first regular continuing payment is due or not more than 14 days from the effective filing date, if later, divided by the total number of SSI Aged applications processed. The first regular continuing payment due date is based on the first day of the month that all eligibility factors are met and payment is due. This definition came into effect beginning FY 2001.

Data Source: The SSI ODS System.

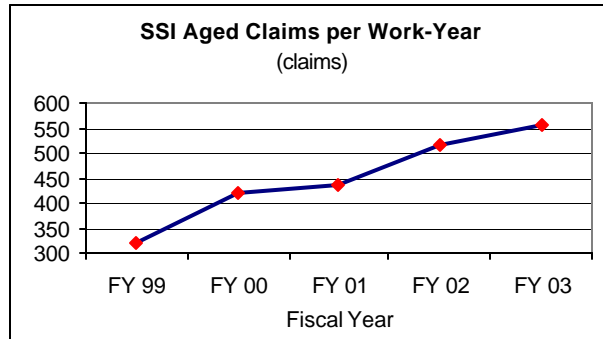
PART Measure - 2: SSI Aged Claims Processed per Workyear (PPWY)

FY 2003 Goal: 497

FY 2003 Performance Discussion: 556

SSA met its goal. SSA's performance indicates that sufficient resources were allocated to the processing of SSI Aged claims. SSA will continue to give this vulnerable population the best service possible.

FY 1999: 322	FY 2000: 421
FY 2001: 436	FY 2002: 515



Trend: PPWY for SSI Aged claims has improved every year.

Data Definition: The number of SSI Aged Claims processed per workyear (i.e., total SSI Aged claims processed divided by the total workyears expended by field offices on this workload). A workyear represents both direct and indirect time, including overhead (time spent on training, travel, leave, holidays, etc.).

Data Source: Agency Cost Accounting System.

FY 2002 Performance Indicators

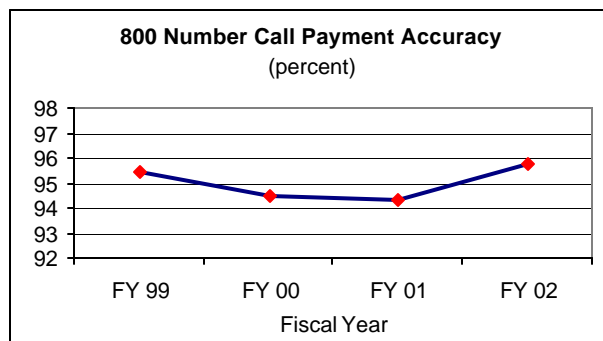
The following FY 2002 Performance Indicators are no longer external GPRA measures as of FY 2003. However, SSA will continue to monitor these measures internally. The FY 2002 final data for these measures was not available in time for publication of the FY 2002 PAR. Therefore, FY 2002 results are included in the FY 2003 PAR.

FY 2002 Performance Indicator: 800-number Call Payment Accuracy

FY 2002 Goal: 95%

Actual FY 2002 Performance: 95.8%

SSA met its FY 2002 goal. Overall accuracy improvements are due in large measure to the mandated use of the Customer Help and Information Program (CHIP), effective November 2001. This program, which is based on the Teleservice Center Operating Guide and provides access to online instructions, has helped guide agents to provide more accurate service. Errors in handling of potential claims leads and failure to develop living arrangements that may affect benefit payments were the major causes of payment accuracy errors. SSA is continuing improvements in employee training and mandated use of CHIP to further increase payment accuracy.



FY 1999: 95.4%	FY 2000: 94.5%
FY 2001: 94.3%	FY 2002: 95.8%

Trend: Call payment accuracy is expected to continue improving in future FYs.

Data Definition: Payment accuracy is a measure of whether 800-number representatives respond correctly to inquiries related to eligibility and payment of benefits. Note: Generally, there is about a one year lag before quality data are available due to the review and validation of study data input in the data base, allowing time for rebuttals of errors, obtaining universe counts, and running/validating report tables.

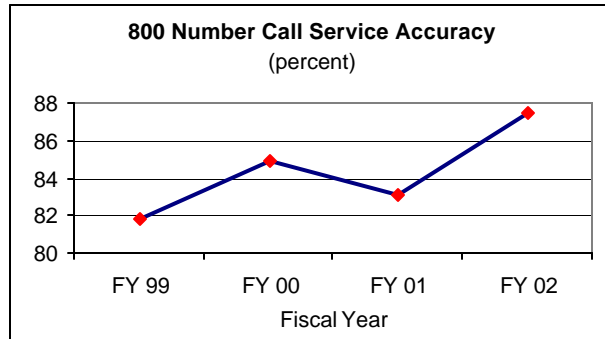
Data Source: 800-number Service Evaluation Findings.

FY 2002 Performance Indicator: 800-number Call Service Accuracy

FY 2002 Goal: 90%

Actual FY 2002 Performance: 87.5%

SSA did not meet its FY 2002 goal. Although the FY 2002 goal was not met; call service accuracy rose significantly over previous years and is expected to continue increasing towards the 90 percent goal in FY 2003. Significant improvements by agents in following access and disclosure procedures contributed to the increase in service accuracy. The most common service errors were related to training issues: following procedures for access/disclosure, interpreting record queries and correctly referring callers to other SSA offices. Overall accuracy improvements are due in large measure to the mandated use of CHIP, effective November 2001. As telephone agents make optimum use of CHIP and online instructions, accuracy rates are expected to increase.



FY 1999: 81.8%

FY 2000: 84.9%

FY 2001: 83.1%

FY 2002: 87.5%

Trend: Service accuracy significantly improved in FY 2002 over FY 2001. It is expected to continue improving in future years due to nationwide improvements in efficiency and call-handling procedures.

Data Definition: Service accuracy is a measure of whether 800-number representatives respond correctly to inquiries related to issues other than payment eligibility. Service errors include major service delivery failures that do not have a reasonable potential to improperly affect payment of eligibility. Note: Generally, there is about a one year lag before quality data are available due to the review and validation of study data input in the data base, allowing time for rebuttals of errors, obtaining universe counts and running/validating report tables.

Data Source: 800 number Service Evaluation Findings.

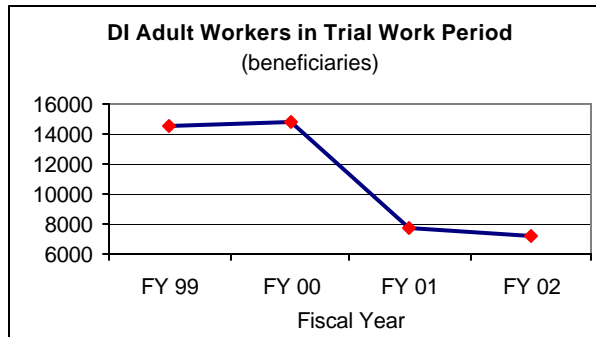
FY 2002 Performance Indicator: Increase in the Number of DI Adult Worker Beneficiaries who began a Trial-Work-Period

Note: This is the last year this measure will be reported. In future years, the new measure, "Increase in the Number of DI & SSI beneficiaries who work," will be used.

FY 2002 Goal: 5% (8,099)

Actual FY 2002 Performance: 7,162

SSA did not meet its FY 2002 goal. The number of DI adult worker beneficiaries who started work after being allowed benefits and began to accrue Trial-Work-Period (TWP) months declined in FY 2002 for the second year in a row. People with disabilities often experience difficulties in obtaining jobs and often need the support of employment services to find acceptable work. The Ticket-to-Work program was designed to provide such support, but it did not begin rollout until February 2002. The benefits of the Ticket program may not show up in TWP starts until it is fully implemented nationally.



FY 1999: 14,525 (baseline)

FY 2000: 1.8% (14,789)

FY 2001: -52.2% (7, 713)

Trend: The number of DI beneficiaries who began a Trial-Work-Periods decreased from FY 2001 to FY 2002.

Data Definition: For FY 2000, this indicator represented the annual percentage increase in the number of DI adult worker beneficiaries who begin a Trial-Work-Period during CY 2000, as compared to the base year 1997, where there were 16,000 TWP starts. SSA's CY 2000 goal was for a 10 percent increase over the base year performance. Effective FY 2001, this indicator represents the annual percentage increase over the prior CY actual level of 14,789, equivalent to 15,528 TWP starts. SSA's CY 2002 goal is a 5 percent increase over CY 2001 actual performance.

Data Source: Master Beneficiary Record

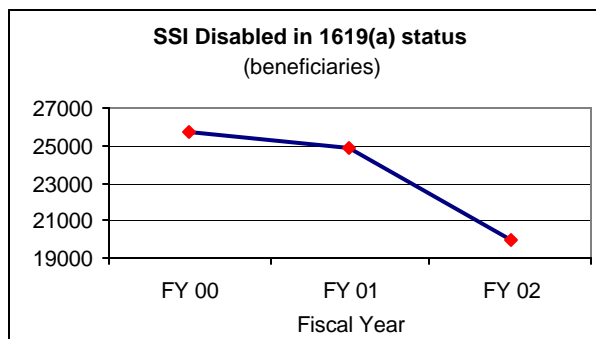
FY 2002 Performance Indicator: Increase in the Number of SSI Disabled Beneficiaries, Aged 18-64, Participating in 1619(a) Status

Note: This is the last year this measure will be reported, because the Agency does not believe this goal adequately measures the effect of return to work efforts. In future years, the new measure, "Increase in the Number of DI & SSI beneficiaries who work" will be used.

FY 2002 Goal: 5% (26,057)

Actual FY 2002 Performance: 19,956.

SSA did not meet its FY 2002 goal. While the Ticket-to-Work program should eventually have a significant impact on return-to-work among SSI recipients, it may take several years to see the full impact. Many of the policy changes and new structures are still in development phases. In FY 2002, SSA was only in the early stages of the rollout of the Ticket-to-Work



Program, which began in February 2002.

FY 1999: Not Available

FY 2000: 25,772

FY 2001: 24,816

Trend: The number of SSI disabled beneficiaries participating in 1619(a) status has declined each year from 2000 through 2002.

Data Definition: Effective 2001, SSA's goal is a 5 percent annual increase over the prior year's performance in the number of SSI disabled beneficiaries aged 18-64 who are participating in 1619 (a), i.e., working at the Substantial Gainful Activity level, but still receiving benefits (for FY 2001, the equivalent of 27,061). SSA's FY 2002 goal is a 5 percent increase over FY 2001, the equivalent of 28,414.

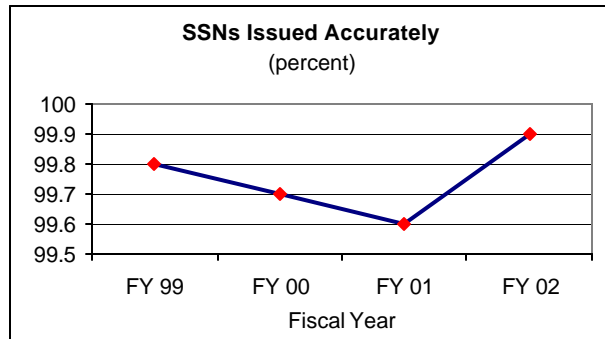
Data Source: SSI Disabled Recipients Who Work Report.

FY 2002 Performance Indicator: Percent of SSNs Issued Accurately

FY 2002 Goal: 99.8%

Actual FY 2002 Performance: 99.9%

SSA met its FY 2002 goal. SSA made statistically significant improvement in the accuracy of the issuance of SSNs, from 99.6 percent in FY 2001 to 99.9 percent in FY 2002. In FY 2001 the Agency implemented a training initiative targeting areas in which critical errors had occurred. In addition, during FY 2002 SSA implemented a number of procedural changes to resolve issues identified by an internal Enumeration Response Team, including verifying documents presented as proof of birth, citizenship status and identity. Continued focus in this area is having positive results.



FY 1999: 99.8%

FY 2000: 99.7%

FY 2001: 99.6%

Trend: Performance for this measure has improved from FY 2001 to FY 2002. We expect to maintain this high level of accuracy.

Data Definition: The percent of SSNs issued accurately is based on an annual review of a sample of approximately 2,000 SSN applications to verify that the applicant has not been issued an SSN that belongs to someone else, or that multiple SSNs assigned to the same applicant have been cross-referred. The data excludes SSNs assigned via the Enumeration-at-Birth process and major errors identified by the Office of Quality Assurance that do not result in an SSN card being issued erroneously. This measure was replaced in FY 2003 with "Percent of SSNs issued that are free of critical error" which has a different data definition. See page 82 for the FY 2003 measure.

Data Source: Enumeration Process Quality Review Report.

Outcome Indicators

Since its inception, Social Security has been an important source of economic security and financial stability for the American people. The programs administered by the Social Security Administration (SSA) for nearly 70 years touch the lives of virtually every American. The Old-Age, Survivors, and Disability Insurance (OASDI) programs are earnings-based and provide income support to individuals who experience the onset of unexpected disability or the untimely loss of a spouse or parent, and those who have made the transition from work to retirement. The Supplemental Security Income (SSI) is a needs-based program that provides financial support to the aged and disabled who are unable to meet their basic needs. SSA's programs, however, are not the only factors that affect the economic status of the aged, disabled, and survivor populations. Personal choices, social attitudes, and the economic climate also play important roles. Thus, it is not feasible for the agency to establish numerical goals for such measures as levels of income or rates of poverty.

Today, 45.9 million people, or approximately 1 out of every 6 Americans, receive Social Security benefits and nearly 1 in 4 households receive income from Social Security. A majority of the elderly receive more than half of their income from Social Security and a growing proportion receive all or almost all of their income from Social Security.

At present in the United States, over five million children receive a portion of their family income from Social Security. They include three million children who receive Social Security as dependents of deceased, disabled, or retired workers and an additional two million children who live with relatives receiving Social Security benefits. The poverty rate for children in families reporting Social Security benefits declined from about 25 percent to 20 percent in the period from 1998 to 2001 – this represents approximately 300,000 fewer children living in poverty.

No single indicator can capture the effectiveness of a social program. Therefore, SSA has developed a number of outcomes for the OASI, DI and SSI programs. Each outcome contains multiple data indicators that reflect the different bases and objectives of each program. These indicators measure how well the Agency's programs provide for the economic security of its beneficiary populations. They should be considered both within the context of each other and in relation to external economic, social and other factors. Although SSA cannot set goals for these indicators, the agency has committed to identifying and defining quantitative measures to assess the outcomes of the Agency's programs.

This is the fourth year that SSA has published outcome indicators. A number of changes have been made this year, including:

- Adding a new measure for Labor Force Participation;
- Changing the data source for the Percentage of the Population Participating in an Employer-Sponsored Pension Plan;
- Discontinuing Hypothetical Earnings Replacement Rates of Retirees at Normal Retirement Age, since SSA now has actual replacement rates; and
- Temporarily dropping the measures, Percentage Reduction in Poverty Gap Due to SSI, and Relative Importance of SSI Income to Beneficiaries' Total Income, by Age until issues of data comparability are resolved.

The five outcome categories are:

- I. Program Coverage and Eligibility
- II. Benefit Adequacy and Equity
- III. Reliance on Social Security Programs
- IV. Return-to-Work Among Persons with Disabilities
- V. Private Provision for Retirement

I. Measures of Program Coverage and Eligibility

OASDI benefits are based on lifetime labor force participation. The outcome indicators in this section show the extent to which individuals have worked in covered employment and meet the work requirements to be insured for old-age or disability benefits, and for women, the extent to which they receive benefits based on their own work record or the work record of a spouse.

Labor force participation rates vary greatly by age and sex and have been changing over time, especially for women. The labor force participation rate for men aged 25 to 54 has been declining gradually since 1998. This trend is consistent with that of the past half century – participation among this group declined from 97.4 percent in 1955 to 91.0 percent in 2002. However, the trends for men aged 55 to 64 and those aged 65 and over have been quite different. Although participation for these groups declined significantly between the 1950s and the 1980s, they have generally been increasing gradually for the past few years (IA). Labor force participation among women aged 25 to 54 and 55 to 64 has increased dramatically over the past 50 years. However, the rate among the former group appears to have leveled off, and has actually declined slightly (from 76.8 percent in 2000 to 76.0 percent in 2002). Participation among women 65 and over has been generally stable for many years but has increased from 8.6 percent in 1998 to 9.9 percent in 2002.

IA. Labor Force Participation Rates

Year	Men		
	25-54	55-64	65 and up
1998	91.8	68.1	16.5
1999	91.7	67.9	16.9
2000	91.6	67.3	17.5
2001	91.3	68.1	17.7
2002	91.0	69.2	17.8

Year	Women		
	25-54	55-64	65 and up
1998	76.5	51.2	8.6
1999	76.8	51.5	8.9
2000	76.8	51.8	9.4
2001	76.4	53.0	9.7
2002	76.0	55.1	9.9

Source: U.S. Department of Labor

Many factors influence the rate of employment among persons aged 55 and older, including the rate of economic growth, eligibility for Social Security benefits, personal savings and both the prevalence and design of employer-sponsored pension plans. For example, Congress legislated changes in the Social Security earnings test in 1996, and again in 2000, that made it more desirable for persons aged 66 and older to continue working. Also, the trend away from defined-benefit private pension plans, which often include early-retirement subsidies, toward age-neutral defined-contribution plans, may have had a similar effect.

Forty quarters of coverage are required to establish eligibility for retirement benefits. Newly retired male workers typically have earned more quarters of credit for Social Security coverage than newly retired female workers and have experienced fewer years with no earnings. Men retiring in 2002, on average, had covered earnings in about 84 percent of the quarters from age 22 to the year before first collecting retired-worker benefits, compared with 66 percent for women (IB). And men had, on average, 6 years with no earnings from age 22 to retirement compared with over 13 years for women (IC).

IB. Average Percentage of Quarters of Coverage of New Retired-Worker Beneficiaries

Year	Total	Men	Women
1999	73.9	81.4	64.5
2000	74.3	82.1	64.7
2001	75.3	83.3	65.5
2002	75.8	83.7	66.4

Note: The average percentage of quarters of coverage earned is the number of quarters actually earned divided by the total number of quarters from age 22 to the year before first collecting retired-worker benefits. The figures for 1999-2001 have been modified slightly to reflect earnings posted since issuance of the last Barometer Measures report.

Source: 1% Continuous Work History Sample supplemented with information from the Master Earnings File for persons retiring in 1999-2002.

IC. Average Number of Years with Zero Earnings of New Retired-Worker Beneficiaries

Year	Total	Men	Women
1999	9.5	6.1	13.7
2000	9.6	6.2	13.8
2001	9.4	6.1	13.5
2002	9.3	6.1	13.0

Note: Years of zero earnings are measured from age 22 to the year before first collecting retired-worker benefits. This calculation does not subtract out the lowest 5 years as is done in the benefit calculation.

Source: 1% Continuous Work History Sample supplemented with information from the Master Earnings File for persons retiring in 1999-2002.

Almost 95 percent of individuals aged 62 or older were eligible (either insured for benefits or could receive benefits based on the work record of an insured worker) for OASDI benefits in 2002 (ID). Eighty-four percent of men and 72 percent of women aged 20 to the normal retirement age were insured for disability (IE). Although fewer women were insured for disability benefits than men (72 percent compared with 84 percent), the percentage insured is gradually increasing. Also, more individuals of both sexes under age 62 than those between age 62 and the normal retirement age were eligible for disability benefits. This was especially true of women (74 percent for women aged 20-49, for example, compared with 60 percent for those aged 62 to the normal retirement age).

ID. Percentage of Population Aged 62 or Older Eligible for OASDI Benefits

Year	Total	Men	Women
1999	94.1	93.6	94.5
2000	93.9	93.3	94.4
2001	94.2	93.6	94.5
2002	94.6	94.3	94.9

Note: Insured for OASDI benefits or could receive benefits based on the work record of an insured worker. Persons not eligible for Social Security include those without enough work credits and those who work in non-Social Security-covered employment, such as some state and local governments. Percentages for years 1999-2001 have been revised to reflect adjustment of population totals due to undercount in 1990 Census.

Source: Estimate of SSA Office of the Chief Actuary, December 1999 - December 2002.

IE. Percentage Who Meet Work Requirements to Be Insured for Disability Benefits

Year	Men			
	Total	20-49	50-61	62-NRA
1999	83.3	83.4	83.7	78.3
2000	83.5	83.6	84.0	77.9
2001	83.4	83.4	84.2	79.0
2002	83.5	83.5	83.8	79.9

Year	Women			
	Total	20-49	50-61	62-NRA
1999	71.3	72.8	68.7	57.6
2000	71.9	73.3	69.6	58.4
2001	72.4	73.7	70.5	59.5
2002	72.4	73.9	69.8	60.4

Note: NRA = normal retirement age — This is the age at which a worker is entitled to an unreduced retirement benefit. For workers born in 1937 or earlier, it is age 65. For those born after 1937, NRA is increased incrementally until it reaches age 67 for workers born on January 2, 1960 or later. Percentages for years 1999-2001 have been revised to reflect adjustment of population totals due to undercount in 1990 Census.

Source: Estimate of the SSA Office of the Chief Actuary, December 1999 - December 2002

Social Security provides benefits not only to workers but also to spouses and survivors. More women receive OASDI benefits based on their own work record only than as a spouse only. In 2002, about 37 percent of the female beneficiaries aged 65 or older were receiving only retired-worker benefits and 33 percent were receiving only a wife or widow benefit. Twenty-nine percent were dually entitled to their worker benefit and a higher spouse benefit (IF). The proportion of aged women who were receiving only retired-worker benefits or who were dually entitled has increased by 1.8 percentage points between 1999 and 2002.

IF. Percentage of Women Aged 65 or Older Receiving OASDI Benefits

Year	Total	Retired Worker Only	Dually Entitled	Wife or Widow Only
1999	100.0	36.2	28.6	35.3
2000	100.0	36.4	28.9	34.7
2001	100.0	36.8	29.2	34.0
2002	100.0	37.2	29.4	33.3

Source: Master Beneficiary Record (MBR), December 1999 - December 2002

II. Measures of Benefit Adequacy and Equity

Social Security benefits and Supplemental Security Income both play an important role in the economic security of beneficiaries. Adequacy and equity are measured in terms of the size of benefits in relation to prior earnings, poverty levels and how benefit dollars are distributed.

Because of Social Security's progressive benefit formula, low-wage workers experience higher replacement rates in retirement than other workers. Replacement rates measure the adequacy of OASDI benefits in retirement relative to prior earnings. More specifically, SSA defines replacement rates as the ratio of the retired worker's benefit based on

his or her own earnings to his average indexed monthly earnings (AIME). The median replacement rate in 2002 was about 42 percent (IIA.1). Median replacement rates ranged from 70 percent for those in the lowest earnings group to 30 percent for those in the highest earnings group (IIA.2). Because women tend to have lower earnings than men, their median replacement rate is higher than that of men. In 2002, it was about 51 percent for women compared with almost 37 percent for men.

IIA.1. Earnings Replacement Rates of Retired Workers at First Benefit Receipt, by Sex

Year	Total	Male	Female
1999	42.8	37.0	52.0
2000	42.9	37.5	52.4
2001	42.6	36.7	51.8
2002	42.1	36.5	50.8

Note: Includes all retirees entitled to retired-worker benefits in that year, excluding retirees who had a prior entitlement to disability benefits. The replacement rates are calculated as the median of the retired worker’s benefit based on his or her own earnings (i.e., excluding any dual entitlement) divided by his or her own average indexed monthly earnings (AIME). The AIME is the measure of prior earnings upon which the social security benefit is calculated. It is calculated from the worker’s highest 35 years of earnings, which have been adjusted for changes in the average wage index to the year of attainment of age 62.

Source: 1% Continuous Work History Sample supplemented with information from the Master Earnings File for persons retiring in 1999-2002.

IIA.2. Earnings Replacement Rates of Retired Workers at First Benefit Receipt, by AIME Quintile

Year	Lowest	Second	Third	Fourth	Highest
1999	72.5	51.6	41.5	35.9	31.2
2000	71.6	52.2	41.5	36.8	31.5
2001	70.9	51.8	41.5	36.8	31.5
2002	70.1	50.8	40.5	35.0	30.2

Note: See note in IIA.1 above. AIME quintile limits for 2002 are: \$876.0 (lowest), \$1,692.0 (second), \$2,647.0 (third), \$3,810.0 (fourth). Quintiles are five groups of equal size.

Source: 1% Continuous Work History Sample supplemented with information from the Master Earnings File for persons retiring in 1999-2002.

Measures of poverty provide a broader assessment of the adequacy of income of those who receive OASDI benefits and SSI benefits, including other sources of income of beneficiaries and income of other family members. In 2001, the most recent year for which data are available, 8.4 percent of OASDI beneficiaries aged 65 or older (2.6 million individuals) were below poverty, about the same as in 1998 (IIB). The poverty rate for beneficiaries aged 18-64 was about the same in 2001 as it was in 1998, but the poverty rate for children in families reporting Social Security benefits declined from about 25 percent to 20 percent over the same period. Although the poverty rate is much lower

for aged beneficiaries than for younger beneficiaries, more aged beneficiaries are poor than are working aged beneficiaries or children living in families receiving OASDI benefits.

IIB. OASDI Beneficiaries in Poverty

Year	Percentage in Poverty			Number in Poverty (millions)		
	Under 18	18-64	65 or older	Under 18	18-64	65 or older
1998	24.9	18.3	8.5	1.3	1.5	2.5
1999	20.2	16.6	8.1	1.0	1.4	2.4
2000	18.6	16.3	8.5	0.9	1.4	2.5
2001	20.0	17.2	8.4	1.0	1.5	2.6

Note: Beneficiaries aged 65 or older and 18-64 are individuals who report receiving Social Security. Beneficiaries under age 18 are children in families who report receiving Social Security. Poverty is based on family money income, which does not include non-money transfers such as food stamps. The 2000 numbers for children changed slightly from the previous edition because the Census Bureau issued a revised data file in November 2001 that affected the weights for children. Additionally, an error was discovered in the previous calculation that affected the number of children in poverty in 2000.

Source: Current Population Survey (CPS), 1998 - 2001.

SSI beneficiaries residing in states with only a federal benefit received payments that raised them to 70 percent of the poverty level in 2002. Those living in states that supplemented SSI payments were raised to levels ranging from 72 percent of the poverty threshold in Michigan to 96 percent in California (IIC). California’s SSI as a percent of the poverty threshold had increased by 3 percentage points between 2001 and 2002, primarily as a result of an increase in the monthly level of supplementation from \$181 to \$205.

II.C. SSI as a Percentage of the Poverty Threshold in States with "Broad Coverage" State Supplement Groups

Federal Benefit with State Supplement		1999	2000	2001	2002
	California	94	93	93	96
	Massachusetts	84	84	84	86
	Michigan	71	71	71	72
	New Jersey	74	73	73	74
	New York	81	80	80	81
	Pennsylvania	73	72	73	73
Federal Benefit only		69	69	69	70

Note: Federal SSI plus federally administered state supplements for one person. A broad coverage group includes persons with the most common type of living arrangement within each state, which varies from state to state. Individuals in such living arrangements receive an SSI federally administered state supplement together with the federal payment that moves them closer to the poverty threshold than the federal payment alone.

Source: Supplemental Security Record (SSR) and data from states, 1999 - 2002.

Although low-income workers receive proportionately higher OASDI benefits relative to past earnings, high-earning workers receive higher OASDI benefits in absolute terms. As shown in IIA.2, the replacement rate for the lowest quintile in 2002 was 70.1 percent; however, individuals in this quintile received only 16 percent of OASDI dollars paid in 2001 (IID). Conversely, individuals in the highest quintile had a replacement rate of 30.2 percent, but they received 23 percent of OASDI dollars paid in 2001.

IID. Percentage of OASDI Dollars Paid, by Income Quintiles and Age

Year	65 or older					
	Total	Lowest	Second	Third	Fourth	Highest
1998	100	16	20	20	21	23
1999	100	16	20	21	21	23
2000	100	16	19	21	21	24
2001	100	16	19	20	21	23

Year	18-64					
	Total	Lowest	Second	Third	Fourth	Highest
1998	100	15	20	21	21	23
1999	100	16	20	21	21	22
2000	100	16	19	20	22	23
2001	100	15	19	21	21	23

Note: The family income quintile limits for 2001 for those aged 65 or older are \$13,420 (lowest), \$22,072 (second), \$32,684 (third), \$54,405 (fourth). The family income quintile limits for those 18-64 are \$12,060 (lowest), \$21,072 (second), \$35,780 (third), \$57,016 (fourth). The 1998-2000 numbers changed from the previous edition due to a change in the methodology. The previous methodology summed family benefits, which resulted in double-counting benefits for families with more than one beneficiary. The current methodology sums person benefits. This change resulted in a higher percentage of OASDI dollars paid to beneficiaries in the lowest income quintile, and a lower percentage paid to the upper quintiles.

Source: CPS, 1998 – 2001.

III. Measures of Reliance on Social Security Programs

OASDI was designed to be a partial replacement of income lost because of retirement, disability or death of a worker. The outcome indicators in this section show both the extent to which individuals have other sources of the income they need to ensure economic security and the comparative role that OASDI and other sources play in economic security. The measures also indicate which groups would be most affected, by virtue of their heavy reliance on these programs, by changes to the program.

Based on survey reports of income, over half of beneficiaries aged 65 or older and over two-fifths of beneficiaries aged 18 to 64 rely on OASDI for half or more of their family income, and 14 to 15 percent of both age groups rely on OASDI for all of their income (IIIA). OASDI provides 89 percent of the family income of beneficiaries 65 or older in the lowest income quintile compared with 21 percent for those in the highest income quintile (IIIB). Reliance on Social Security for 90 percent or more of total income appears to be increasing slightly.

IIIA. Ratio of Family OASDI Income to Beneficiaries' Total Family Income, by Age

Year	50% or More of Total Income		90% or More of Total Income		100% of Total Income	
	18-64	65 or older	18-64	65 or older	18-64	65 or older
1998	43	55	20	22	13	12
1999	42	55	19	21	12	12
2000	43	55	20	23	14	13
2001	44	56	22	25	15	14

Note: A regular SSA data series presents somewhat different figures for those 65 or older counting individuals and married couples based on their own benefits as a percentage of their own income to measure reliance on Social Security of the aged whether they live with other family or not. The most recent numbers (2001) under that calculation are 65 percent (50 percent or more of total income), 33 percent (90 percent or more) and 20 percent (100 percent). The method used for this indicator counts

individuals based on their family benefits as a percentage of their family income because this is most appropriate for those aged 18-64. The 1998-2000 numbers changed from the previous edition due to a change in the methodology. Beneficiaries with zero or negative total family income, negative family earnings, or negative family asset income are now excluded. Additionally, the rounding methodology has been changed.

Source: CPS, 1998 - 2001.

IIIB. Ratio of Family OASDI Income to Beneficiaries' Total Family Income, by Quintiles of Family Money Income and Age

		65 or older				
Year	Lowest	Second	Third	Fourth	Highest	
1998	88	75	59	40	22	
1999	88	74	59	41	20	
2000	89	75	59	41	21	
2001	89	77	60	41	21	

		18-64				
Year	Lowest	Second	Third	Fourth	Highest	
1998	82	67	47	30	17	
1999	83	67	46	29	16	
2000	84	67	46	31	17	
2001	86	69	47	31	18	

Note: The 2001 family income quintile limits for those aged 65 or older are \$13,420 (lowest), \$21,618 (second), \$32,684 (third), \$54,405 (fourth); the family income quintiles for those aged 18 to 64 are \$12,060 (lowest), \$22,072 (second), \$35,780 (third), \$57,016 (fourth). A regular SSA data series presents somewhat different figures for those 65 or older, counting individuals and married couples on the basis of their own income quintiles and their own reliance on benefits. The method used for this indicator counts individuals based on their family benefits as a percentage of their family income because this is most appropriate for those aged 18-64. The 1998-2000 numbers changed from the previous edition due to a change in the methodology. Beneficiaries with zero or negative total family income, negative family earnings, or negative family asset income are now excluded. Additionally, an error was discovered in the previous calculation that affected the numbers for the highest income quintile.

Source: CPS, 1998 - 2001.

IV. Measures of Return-to-Work Among Persons with Disabilities

Since their inception, the Disability Insurance (DI) and SSI programs have emphasized the importance of beneficiaries returning to work when possible. However, moving DI and SSI beneficiaries into employment has proved to be a substantial challenge.

DI beneficiaries are entitled to receive full benefits throughout a 9-month trial work period (TWP) during which they may work and have earnings above a level which constitutes substantial gainful activity (SGA)—currently \$800 per month. If, after completing the TWP, a beneficiary continues to have a disabling impairment and has earnings above SGA; his or her benefits are suspended. The beneficiary is also entitled to a 36-month extended period of eligibility (EPE). During the EPE, if earnings fall below the SGA level, benefit payments resume without the beneficiary’s having to file a new application. After completing the EPE, if earnings continue to be above the SGA level, benefits are terminated.

In 2001(the most recent year for which complete data are available), 14.5 percent of DI worker beneficiaries were working, with median earnings of \$3,023. The percentage of beneficiaries working declined slightly from the previous year, but the number who were working was about the same. In 2002, only 0.2 percent (10,300) of all DI beneficiaries had their benefits suspended after completing a TWP because they had earnings above the SGA level (\$780 a month in 2002). Also in 2002, 0.53 percent of DI beneficiaries (29,200) had their benefits terminated because their earnings exceeded the SGA level (IVA). The figure on benefit terminations includes beneficiaries who completed the EPE in 2002 as well as beneficiaries who did not report that they were working whose earnings were not detected by SSA until after they completed the EPE.

IVA. Work Among DI Beneficiaries

Year	Working and Receiving Benefits		Benefits Suspended Due to Work Above SGA		Benefits Terminated Due to Work Above SGA	
	Number	Percent	Number	Percent	Number	Percent
1998	574,000	14.1	N/A	N/A	N/A	N/A
1999	612,000	14.5	10,000	0.2	N/A	N/A
2000	657,000	15.1	10,700	0.2	N/A	N/A
2001	658,000	14.5	12,100	0.2	29,000	0.55
2002	NA	NA	10,300	0.2	29,200	0.53

Note: SGA = substantial gainful activity (\$780 per month in 2002); TWP = trial work period; N/A=not available.

Source: Data for working and receiving benefits are from the MBR matched to the Detailed Earnings Record,1998 – 2001. Data for benefits suspended or terminated because of work above SGA after a trial work period are from MBR, 1999 - 2002.

About 6 percent of the disabled SSI beneficiaries aged 18 to 64 worked, with most working at or below SGA (IVB). Through section 1619(a) of the Social Security Act, SSI recipients who earn more than SGA can continue to receive cash benefits. Average monthly earnings in 2002 were \$312 (\$1,043 for those working above SGA and \$257 for those working at or below SGA). Of those who worked, about 5 percent (15,300) stopped receiving cash SSI benefits because of their earnings. That group constituted less than half a percent of all SSI beneficiaries (IVC).

The proportion of SSI beneficiaries who work has declined in each of the past 2 years. Previous research has demonstrated a strong inverse correlation between the work patterns of SSI beneficiaries and the overall rate of unemployment. The unemployment rate increased from 4.0 percent in 2000 to 4.7 percent in 2001 and to 5.8 percent in 2002. The decline in the proportion of working DI beneficiaries noted above suggests that this finding may also apply to that population.

IVB. Work Among Disabled SSI Beneficiaries Aged 18-64 (as a Percentage of All Disabled SSI Beneficiaries)

Year	Working Above SGA	Working At or Below SGA	Total Working
1999	0.7	6.3	7.0
2000	0.7	6.4	7.1
2001	0.6	6.1	6.7
2002 ^a	0.4	6.0	6.4

Note: Does not include 82,000 persons whose earnings preclude a cash payment. They remain SSI beneficiaries for Medicaid purposes.

Source: SSR, December 1999 - December 2002.

IVC. Disabled SSI Beneficiaries Aged 18 to 64 Whose Benefits Ceased Because of Work

Year	Number	Percentage of All SSI Beneficiaries	Percentage of All SSI Beneficiaries Who Work
1999	15,700	0.4	4.8
2000	16,100	0.4	4.7
2001	15,800	0.4	4.8
2002	15,300	0.4	4.7

Note: Number whose benefits (cash, Medicaid, or both) ceased during the quarter ending December 31. These data are reported quarterly. Quarterly numbers cannot be added together because doing so would produce an over-count of people who start and stop work multiple times during a year.

Source: SSR, December 1999 – December 2002.

V. Measures of Private Provision for Retirement

OASDI was intended to be a floor of protection in retirement that would be supplemented by employer-sponsored pensions and individual savings. Adequacy of income in retirement is highly dependent on having sources of income other than OASDI. In 2001, half of the working population had coverage in an employer-sponsored pension plan (VA). Plan participation was highest--55 percent--among workers aged 40 to 54. Plan participation was substantially lower for the total population than for the working population (41 percent compared with 50 percent). Historical data show that pension coverage leveled off in the 1970s at roughly half the work force covered and has remained at that level since that time. Plan participation between 2000 and 2001 declined by 2 percentage points among both the total population and the working population. Also, pension plan participation is shifting from largely defined benefit plans toward defined contribution plans, which add more personal choice but also add market risk in accumulating a pension.

VA. Percentage Participating in an Employer-Sponsored Pension Plan

Year	Total Population				Working Population			
	Total	25-39	40-54	55-64	Total	25-39	40-54	55-64
1998	42	40	48	33	51	46	57	51
1999	43	40	48	34	52	46	57	53
2000	43	41	48	35	52	47	58	53
2001	41	39	46	35	50	45	55	52

Note: Includes private pensions, federal employee pensions, military retirement, and state and local pensions. This does not include individual retirement accounts or Keoghs.

Source: CPS March Supplement 1999-2002.

Assets can provide income in retirement, such as interest, dividends, and periodic withdrawals. Assets such as a home provide services until the value is recovered when sold. Income from assets comes largely from financial assets, but the most important component of most people's assets is the value of their home. Measures of both financial assets and net worth, which includes the value of the principal residence and other property and businesses, are shown here. In 2001, median family financial assets for married couples aged 65 or older were \$80,000 and median net worth was \$274,900. Nonmarried individuals aged 65 or older had median financial assets of \$18,000 and a median net worth of \$91,600 (VB). As these figures indicate, asset amounts vary greatly by marital status and age with some groups having very little accumulated in old age. Both financial assets and net worth increased considerably from 1998 to 2001 for all age groups of married couples, and generally increased less or declined for nonmarried persons. Financial assets declined for nonmarried individuals aged 55-64 and net worth declined for nonmarried individuals aged 65 and over.

VB. Median Family Financial Assets and Total Net Worth (in 2001 dollars)

Year	Total	Financial Assets					
		Married			Nonmarried		
		25-54	55-64	65 or older	25-54	55-64	65 or older
1998	21,404	23,908	64,104	68,776	5,204	19,014	17,167
2001	25,600	34,000	81,000	80,000	7,600	17,300	18,000

Year	Total	Net Worth					
		Married			Nonmarried		
		25-54	55-64	65 or older	25-54	55-64	65 or older
1998	85,671	88,952	220,886	236,423	18,775	77,685	95,178
2001	97,500	112,000	266,900	274,900	21,000	80,540	91,600

Note: Financial assets in the Survey of Consumer Finances include transaction accounts, certificates of deposit, bonds, stocks, mutual funds, tax-deferred retirement accounts (IRAs, Keoghs, and certain employer-sponsored accounts from which withdrawals can be made), the cash value of life insurance, and other assets such as personal annuities, trusts, and royalties. Net worth, in addition to financial assets, includes the equity in homes, nonresidential property, businesses, vehicles, and other tangible items. Asset levels vary greatly, depending on the survey and the definition used. For example, the Survey of Income and Program Participation does not include tax-deferred retirement accounts or the cash value of life insurance in assets. SSA is sponsoring a study of these differences.

Source: Survey of Consumer Finances, 1998-2001.

In summary, the outcome indicators help us understand the impact of SSA programs, individual work choices, and other factors on income security.

I. Program Coverage and Eligibility

- Labor force participation is the foundation of economic security for most.
- Coverage for disability is lower for women than for men.
- One-third of women receive benefits only as wives or widows.
- Another 29 percent of women are entitled to a worker benefit but also receive a supplement because their spouse benefit is higher than their worker benefit.

II. Benefit Adequacy and Equity

- Poverty rates have generally declined but still vary greatly across age groups.
- Children in beneficiary families and adult beneficiaries between ages 18 and 64 are more likely to be poor than are beneficiaries 65 and older.
- The current benefit formula provides higher replacement rates to low earners but higher benefits to those with higher incomes.

III. Reliance on Social Security

- About half of beneficiary families receive 50 percent or more of their income from Social Security.
- Reliance on Social Security is higher for older and lower-income beneficiaries.

IV. Return-to-Work Opportunities Among Persons With Disabilities

- About 14 percent of DI beneficiaries and 6 percent of SSI disabled beneficiaries work.
- Less than 1 percent of DI and SSI disabled beneficiaries worked enough to lose benefits.

V. Private Provision for Retirement

- About half of today's workers have pension coverage.
- Increasingly, these plans are defined contribution plans, which provide the potential of higher returns together with individual risk.
- Levels of financial assets and net worth have been growing but indicate that many people have little private savings to supplement Social Security.

Program Evaluation

SSA continuously builds upon its body of program data, research and analyses, identifying strengths and weaknesses in our programs and processes. The Agency uses this knowledge to help it meet the major challenges it faces and improve the day-to-day administration of its programs. SSA evaluates the potential impact of proposals for change and the actual effects of change after implementation.

The Office of Management and Budget's (OMB's) assessments of the Disability Insurance (DI) and Supplemental Security Income (SSI) Aged programs using the Program Assessment Rating Tool (PART) continue from Fiscal Year (FY) 2002 into FYs 2003-2004. See page 91 for a discussion of the performance measures associated with these PART assessments.

The annual Agency coordinated evaluation plan cuts across SSA's strategic goals, objectives and business processes. It helps the Agency ensure that there are no duplications, overlaps or gaps in its evaluation program. Many of SSA's evaluations are completed on an annual basis, others are one-time efforts.

Following are brief summaries of the evaluations completed during FY 2003, organized by the strategic goals from SSA's new Agency Strategic Plan (ASP). Copies of the complete results can be obtained by writing to:

Social Security Administration
Office of Strategic Management
4215 West High Rise
6401 Security Boulevard
Baltimore, MD 21235

Strategic Goal: To deliver high quality, citizen-centered Service

Service Satisfaction Survey: The Service Satisfaction Surveys, conducted annually, survey core groups of people who do business with SSA to measure their satisfaction with various aspects of service, and with service overall, when they call SSA's 800 number or field offices, or conduct business in person in field and hearings offices. Results of the surveys for these different service delivery modes are combined to provide the performance indicator for overall satisfaction with SSA service. This is based on the percent of people rating overall service as "excellent," "very good," or "good". The annual performance targets are set by taking into account the actual satisfaction rates achieved in these surveys. The combined results for FY 2003 are not yet available.

Internet Services Satisfaction Surveys: The Internet Services Satisfaction Survey measures user satisfaction with SSA's website, addressing issues such as speed of finding information, ease of completing tasks online, and clarity of explanations as well as overall satisfaction. The FY 2003 survey found that 71 percent of users completing an online questionnaire gave an overall satisfaction rating of "excellent," "very good," or "good". Navigational problems that made it difficult for users to find needed information were identified as the leading cause of dissatisfaction with the website. Since the time of the survey, SSA has implemented a comprehensive site redesign to make popular services easier to access. The new site was launched in April 2003.

Internet Social Security Benefit Application Satisfaction Survey: This survey was conducted in FY 2003 to measure the satisfaction of individuals who filed for benefits using SSA's Internet Social Security Benefit Application. The survey addressed perceptions of the entire process, including issues arising after electronic submission of the form, as well as various topics related to utilizing the actual online application. The data collection for this survey was completed in FY 2003 and the Agency is currently analyzing the survey results and preparing a report.

Survey of Password Users: SSA offers several secure electronic services, such as the ability to check personal benefit information or change of address, to beneficiaries who have registered a password. This survey was conducted to obtain information about the frequency and nature of password services used to evaluate satisfaction with available services. The survey found that while just 35 percent of password holders had accessed protected services since the time they registered, but a far smaller percentage (10 percent) had used a traditional contact method to conduct the same type of business. Those who had used password services were highly satisfied with the clarity of instructions about using these services and with the services themselves.

Targeted Notice Surveys: In FY 2003, we conducted two targeted notice surveys to obtain public perceptions of SSA notices that had been identified by the General Accounting Office as particularly complex and difficult to understand. The first was a survey of Title II beneficiaries who received a benefit notice as a result of a work and earnings transaction. The survey found that despite the complexity of this type of notice, most respondents gave a favorable rating (87 percent excellent, very good or good). Respondent perceptions were generally supported by an assessment of the accuracy of their actual understanding of the notice content. However, survey results also supported the need for improvements SSA has already started to implement in the format and language of these notices. The second targeted notice survey focused on the Title XVI initial award notice. The results of this survey are not yet available.

Employer Survey: This survey measures satisfaction of business callers who contact SSA's Employer Reporting Services Center (ERSC), a special 800- number that provides assistance with business services related to wage reporting, such as Social Security number verification. Based on responses from over 2,000 employers who contacted SSA's Employer 800 Number in November, 2002, overall satisfaction was very high with 95 percent providing a rating of excellent, very good or good. Almost two-thirds of the callers considered themselves frequent ERSC callers and the primary reason for their calls was SSN verification, with 86 percent of responders conducting this type of business.

Benefit Planning, Assistance and Outreach (BPAO) Program Satisfaction Survey: This survey was conducted as part of the evaluation of the BPAO program, which was established under the Ticket-to-Work and Work Incentives Improvement Act of 1999. The BPAO program entails cooperative agreements, funded by SSA, with 116 entities nationwide to provide services to disabled beneficiaries so they may make informed decisions about work. The survey addressed experiences and perceptions of beneficiaries regarding the services they received from BPAO providers. A report of the findings will be released in FY 2004.

Strategic Goal: To ensure superior Stewardship of Social Security programs and resources

Annual Continuing Disability Review (CDR) Report to Congress:

SSA conducts very cost-effective CDRs to determine whether individuals receiving disability benefits have medically improved and no longer meet the statutory definition of disability, and therefore should have their benefits terminated. SSA completed a 7-year plan in FY 2002 to process its backlog of CDRs and was current in CDRs at the end of that year. The Agency is striving to keep current with processing this critical workload. SSA is required to file an annual report to Congress on the number of CDRs conducted and the results of those reviews. SSA's report covering FY 2002, issued fall 2003, reported that SSA conducted 1,569,749 CDRs. Based on those reviews, SSA made initial determinations that benefits should be ceased due to medical improvement and the ability to work in 126,620 cases. After all appeals, benefits to an estimated 78,600 individuals will be ceased. The estimated value of reduced program outlays from CDRs processed in FY 2002 is \$2.8 billion for FYs 2003 – 2007.

The Internal Revenue Service (IRS) Safeguard Procedures Report/Activity Report:

This report contains an outline of the security (both physical and systems) controls SSA uses to prevent IRS Federal Tax Information from being disclosed. These reports also contain an overview of the system process itself. SSA is responsible under the Taxpayer Browsing Act of 1974 and section 6103 of the IRS code, to inform IRS how we safeguard their data. Disclosure of the security for these systems would be inappropriate.

Federal Information Security Management Act (FISMA) Report to the Office of Management and Budget (OMB): FISMA requires federal agencies to conduct an annual self-assessment review of their information technology security program, to develop and implement remediation efforts for identified security weaknesses and vulnerabilities, and to report to the OMB on the Agency's compliance with FISMA. As in prior years, SSA employed the services of a public accounting firm, Deloitte & Touche (D&T), to perform an independent review of SSA's self-assessments of its 17 sensitive systems. D & T's evaluation indicated that SSA's self-assessment methodology was consistent with established FISMA requirements. SSA's Office of Inspector General also performed an independent review of SSA's compliance with FISMA and concluded that, with the exception of procedural areas needing improvement, SSA had complied with FISMA requirements. SSA submitted its annual FISMA report to OMB on September 22, 2003.

Retirement, Survivor, Disability Insurance (RSDI) Stewardship Review: The RSDI (or OASDI) payment accuracy (stewardship) review is based on a monthly sample of Social Security (Title II) cases randomly selected from the RSDI payment rolls, consisting of all beneficiaries in current payment status. The sampled cases (1,000 Retirement or Survivor Insurance cases and 500 Disability Insurance cases per year) are reviewed for non-medical factors of eligibility and, in each case, the beneficiary or representative payee is interviewed, collateral contacts are made, as needed, and all factors of eligibility are redeveloped as of the current sample month. The stewardship data are reported on a fiscal year basis (targeted for June 30 of the year following the year of review) and provide an overall accuracy measurement of payments to all beneficiaries currently on the RSDI payment rolls. Accuracy rates (percent of dollars paid that are free of overpayments and the percent free of underpayments) are reported for an overall RSDI accuracy rate as well as separate accuracy rates for RSI and DI cases. The Stewardship review findings provide the basis for reports to Congress and other monitoring authorities. In addition, the Social Security Annual Performance Plan includes the RSDI stewardship payment accuracy measure as one of the strategic objectives to which the Agency is committed. For FY 2002, RSDI overpayment accuracy was 99.87 percent and RSDI underpayment accuracy was 99.92 percent. RSI overpayment accuracy was 99.89 percent and underpayment accuracy was 99.95 percent. DI overpayment accuracy was 99.74 percent and underpayment accuracy was 99.73 percent.

SSI Stewardship Review: The SSI payment accuracy (stewardship) review is based on a monthly sample of SSI (Title XVI) cases randomly selected from the SSI payment rolls, consisting of all recipients in current payment status. The sampled cases (4,000 per year) are reviewed for non-medical factors of eligibility and, in each case, the recipient or representative payee is interviewed (usually during in-home visits), collateral contacts are made, as needed, and all factors of eligibility are redeveloped as of the sample month. The stewardship data are reported on a fiscal year basis (targeted for June 30 of the year following the year of review) and provide an overall accuracy measurement of the payments to all recipients currently on the SSI payment rolls. The Agency prepares two accuracy rates – percent of dollars paid that are free of overpayments and the percent free of underpayments – that are reported excluding preventable overpayments/underpayments and including preventable overpayments/underpayments. The stewardship review findings provide the basis for reports to Congress and other monitoring authorities. In addition, the Social Security Annual Performance Plan includes the SSI stewardship payment accuracy measure as one of the strategic objectives to which the Agency is committed. FY 2002 SSI overpayment accuracy, exclusive of unpreventable overpayments that the Agency is legally obligated to pay, was 93.4 percent. The FY 2002 underpayment accuracy rate, exclusive of unpreventable underpayments that are a consequence of program requirements, was 98.6 percent. For FY 2002, the overpayment accuracy rate, inclusive of preventable overpayments, was 93.0 percent. The underpayment accuracy rate, inclusive of unpreventable underpayments, was 98.6 percent (the same as the rate for unpreventable underpayments).

Enumeration Review: The Enumeration Review is conducted on an ongoing basis to determine the accuracy of Social Security Number (SSN) issuances. The accuracy rate is based on a review to verify that the applicant has not been issued an SSN that belongs to someone else, or that multiple SSNs assigned to the same applicant have been cross-referred. The data excludes SSNs assigned via the Enumeration-at-Birth process and major errors identified by the Office of Quality Assurance and Performance Assessment that do not result in SSN cards being issued erroneously. In FY 2002 and 2001, SSA issued 99.9 and 99.6 percent, respectively, of SSNs accurately. This rate is not significantly different from the accuracy rate of 99.7 percent observed for FY 2000 or from the Agency performance goal of 99.8 percent. SSA continues its effort to improve the quality of the enumeration process through continuing reminder items focused on deficiencies identified in quality reviews and enumeration studies.

Strategic Goal: To achieve Solvency and ensure Social Security programs meet the needs of current and future generations

Public Understanding Measurement System Survey:

In the last quarter of FY 2003, SSA conducted a new survey of public knowledge to help the Agency understand what the public knows about important Social Security issues. The results will be used to refine the Agency's measures and develop a national information campaign aimed at increasing the public's awareness of important Social Security issues.

Evaluation of Changing Benefit Structures: In FY 2003 SSA completed many analyses relevant to evaluation of changing benefit structures. The Agency improved its major model for analyzing changing benefit structures by including immigrants after the early 1990s, estimating earnings from jobs not covered by Social Security and total earnings from all jobs, and improving estimates of self-employment earnings. Additionally, SSA completed work related to restructuring traditional benefits by studying redistribution of the current Old-Age, Survivor, Disability Insurance (OASDI) program in a historical context, reviewing the range of Trust Fund outcomes arising from various stochastic models, and analyzing the macroeconomic implications of price-indexing benefits. Finally, SSA also completed estimates of the impact of SSI benefit restructuring related to multi-recipient households and eliminating counting of in-kind support and maintenance.

Strategic Goal: To strategically manage and align Staff to support SSA's mission

New Hire Study: The New Hires Study showed that SSA has a slightly better new hire attrition rate (15.7 percent) than the overall federal government (16.2 percent) during the first fiscal years of employment. This analysis focused on SSA's three critical direct service positions of Claims Representatives, Service Representatives, and Teleservice Representatives and why they chose to stay or leave. Survey results revealed that quality training and mentoring, perceived career growth and development, and clear job expectations may all contribute to an employee's decision to remain with or leave the Agency.

Retirement Wave Analysis: SSA conducts a tri-annual analysis of agency retirements and uses the data to project likely future retirements. These projections are used to identify where future losses might be, as well as to estimate their impact on service delivery. The results are also used to identify what tools might be needed to shape the workforce to ensure SSA preserves institutional knowledge, as well as to recruit and retain new employees with the necessary skills.

Competency Assessment Process (CAP) Evaluation:

In FY 2003, SSA piloted a competency-based, structured-interview for external Claims Representative applicants, known as the Competency Assessment Process. As part of this pilot, an extensive evaluation is planned that will attempt to determine if the CAP process results in better quality hires or improved new hire retention rates. Initial findings regarding managers' impressions of the process will be completed by January 2004, with more extensive findings available later in the year.