

Special Funding for Coronavirus (COVID-19) Pandemic

Social Security Administration

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136) provided the Social Security Administration (SSA) with \$338 million in supplemental funding for the agency's Limitation on Administrative Expenses (LAE) available through September 30, 2021. This law provided us with the resources to carry out two specific initiatives:

- 1) \$300 million to prevent, prepare for, and respond to the coronavirus; and
- 2) \$38 million to assist the Department of the Treasury's (Treasury)/Internal Revenue Service (IRS) to carry out the law's Economic Impact Payment (EIP) program.

Background:

In March 2020, in response to the coronavirus pandemic, we restructured the way we conduct day-to-day business to ensure continuous public service while keeping employees and the public safe. We quickly pivoted during the pandemic to mitigate service interruption to the public by efficiently expanding telework for our employees and focusing on our online and telephone service options. We temporarily suspended some of our workloads to reduce the burden on the public, and to focus on those workloads that are most critical to those we serve. We incurred significant costs to operate in the COVID-19 environment and we had to develop new ways of doing our work.

\$300 Million to Prevent, Prepare for, and Respond to the Coronavirus

We received \$300 million to prevent, prepare for, and respond to coronavirus. This included funding for paying the salaries and benefits of all employees affected as a result of office closures, and expansion of telework. It also included funding for phone and communication services for employees, overtime costs, and supplies, and for resources necessary for processing disability and retirement workloads and backlogs.

As a result of COVID-19, we temporarily suspended our Continuing Disability Review (CDR) workload. We anticipated incurring fewer CDR costs and not being able to fully utilize our program integrity (PI) authority as originally expected for fiscal year (FY) 2020. While CDR costs go down, we still incur costs, such as employee salaries, that would otherwise be funded with PI. The bulk of the \$300 million in CARES Act will pay the salaries and benefits of the employees who normally handle our CDR workload, provide weather and safety leave for affected employees, and support staff time. The remaining will fund additional overtime, Information Technology Systems (ITS) costs, and any other cost overruns or unexpected expenditures.

\$38 Million for Assisting Treasury with Administering EIPs

We also received \$38 million as part of the CARES Act to assist the Treasury/IRS with carrying out the EIP and to coordinate with the Treasury on a public awareness campaign regarding the payments.

Treasury is responsible for issuing the payments to individuals provided for under the law. We support the Treasury for this process, which may include sharing data with IRS for SSA beneficiaries who may not file tax returns to automatically issue EIPs. In addition, we will coordinate with the Treasury on a public awareness campaign to make individuals and public interest groups aware of EIPs, as well as respond to inquiries on our National 800 Number.

Funding Table:

Please see the tables below for additional information on our obligations as of July 3, 2020.

Obligations and Expenditures related to the Coronavirus (COVID-19) for Health Response and Agency Operations (\$300 million)			
These represent the day-to-day costs associated with the coronavirus (e.g, salaries and benefits of affected employees, medical supplies, cleaning, telework equipment, etc.)			
Categories of Expenses (Dollars in Millions)			
Expense Category	FY 2020 Estimate	FY 2020 Obligations ¹	Justification
Payroll costs	\$250	\$247.2	Covers salaries and benefits for Federal employees due to changes in CDR workload processing, weather and safety leave, and support for responding to COVID-19. Also includes salaries and benefits for state employees (i.e. employees in our Disability Determinations Services) due to changes in CDR workload processing and weather and safety leave.
Supplies	\$5	\$1	For supplies (e.g., hand sanitizer, tissues, cleaning services, etc.) related to closing the offices, and subsequently reopening them.
Information Technology Systems (ITS)	\$25	\$12.1	For ITS communications, ITS equipment, and softphone packages to expand telework.
Overtime	\$20	\$0	For overtime to complete work generated as a result of COVID-19 and to address any backlogs.
Total	\$300.0	\$260.3	

¹ Obligations through July 3, 2020

**Expenditures related to COVID-19
under the Economic Impact Payment funding (\$38 million)**

Costs associated with assisting Treasury with their EIP program. This includes sharing data with the IRS for SSA beneficiaries who may not file tax returns to automatically issue EIPs. In addition, we will coordinate with the Treasury on a public awareness campaign, and respond to inquiries to our National 800 Number.

**Categories of Expenses
(Dollars in Millions)**

Expense Category	FY 2020 Estimate	FY 2020 Obligations ¹	Justification
Payroll Costs	\$24	\$15.1	Covers the salary and benefits of employees assisting the Treasury with issuing EIPs. It also includes the costs for support staff for the public awareness campaign and responding to inquiries to our National 800 Number.
Public Awareness Campaign	\$14	\$2.8	Costs associated with a social media campaign for the EIP program.
		\$10.9	Costs associated with radio marketing campaign for the EIP program.
Total	\$38.0	\$28.9	

¹ Obligations through July 3, 2020