Management's Discussion and Analysis

SSA.gov

The *Management's Discussion and Analysis* (MD&A) section is required supplementary information to the financial statements and provides a high-level overview of the Social Security Administration. The MD&A describes who we are, what we do, and how well we meet our established goals.

The *Overview of the Social Security Administration* highlights our mission as set forth in our *Agency Strategic Plan*. We identify the major programs we administer and provide a brief explanation of our organization.

The *Overview of Our Fiscal Year 2024 Goals and Results* provides a high-level discussion of our goals and our key mission results. We display our fiscal year 2024 operating expenses by Strategic Goal and Objective, discuss our Agency Priority Goals, highlight how our results contribute to achieving our Strategic Goals and Objectives, and discuss how we plan to address the challenges we face.

The MD&A also addresses our financial performance in the *Highlights of Financial Position*. We provide an overview of our financial data and explain the major sources and uses of our funds, as well as the use of these resources in terms of both program and function. We also provide an overview of our Social Insurance data, discuss the solvency of the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds, and indicate the projections for short-term and long-term financing of the OASI and DI Trust Funds.

Finally, *Analysis of Systems, Controls, and Legal Compliance* describes the actions we have taken to address our management control responsibilities. The Management Assurances subsection provides our assurances related to the *Federal Managers' Financial Integrity Act* and the determination of our compliance with the *Federal Financial Management Improvement Act*. We also address the results of the audit of our financial statements and compliance with the *Federal Information Security Management Act*, as amended.

OVERVIEW OF THE SOCIAL SECURITY ADMINISTRATION

Mission

Ensure equity and accessibility in delivering Social Security services by improving the customer experience and addressing systemic barriers to participation in our programs.

Programs

Few government agencies affect the lives of as many people as we do. In accordance with law and regulations, we administer three programs under the *Social Security Act*:

- **Old-Age and Survivors Insurance:** Established in 1935, the Old-Age and Survivors Insurance (OASI) program provides retirement and survivors benefits to qualified workers and their family members. In fiscal year (FY) 2024, we paid OASI benefits to an average of approximately 59 million beneficiaries each month and incurred over $1,301 billion in benefit payment expenses[1] to OASI beneficiaries through the fiscal year. Learn more about retirement benefits on our website at SSA.gov/retirement and about survivors benefits at SSA.gov/survivors.
- **Disability Insurance:** Established in 1956, the Disability Insurance (DI) program provides benefits for workers who become disabled and their families. In FY 2024, we paid DI benefits to an average of over 8 million beneficiaries each month and incurred about $157 billion in benefit payment expenses[1] to DI beneficiaries through the fiscal year. Learn more about DI benefits on our website at SSA.gov/disability.
- **Supplemental Security Income:** Established in 1972, the Supplemental Security Income (SSI) program provides financial support to aged, blind, and disabled adults and children who have limited income and resources. In FY 2024, we paid SSI benefits to a monthly average of 7.4 million recipients (approximately 2.5 million of whom concurrently receive OASI or DI benefits) and incurred about $56 billion in SSI Federal and State supplementary benefit payment expenses[1] through the fiscal year. Learn more about SSI benefits on our website at SSA.gov/ssi.

We also support national programs administered by other Federal and State agencies, as required by law, such as Medicare, Medicaid, the Supplemental Nutrition Assistance Program, State Children's Health Insurance Program, E-Verify, Federal Benefits for Veterans, as well as programs associated with the *Employee Retirement Income Security Act of 1974*, *Coal Industry Retiree Health Benefit Act*, and *Help America Vote Act*.

[1] Benefit payment expenses consist of benefits paid and the change in benefits accrued during FY 2024.

How Social Security Benefited America in Fiscal Year 2024

Our programs and services are vital to the public, and the scope of our work is enormous. For more than 89 years, Social Security has provided income security for retirees, individuals with disabilities, and families that lose a wage-earner.

- We paid a combined total of over $1.5 trillion in Social Security and SSI benefits.
- Nearly 86 percent of persons aged 65 or older receive Social Security and that increases to more than 90 percent for those aged 75 and older.
- On average each month, about one million blind or disabled children under age 18 received SSI benefits.

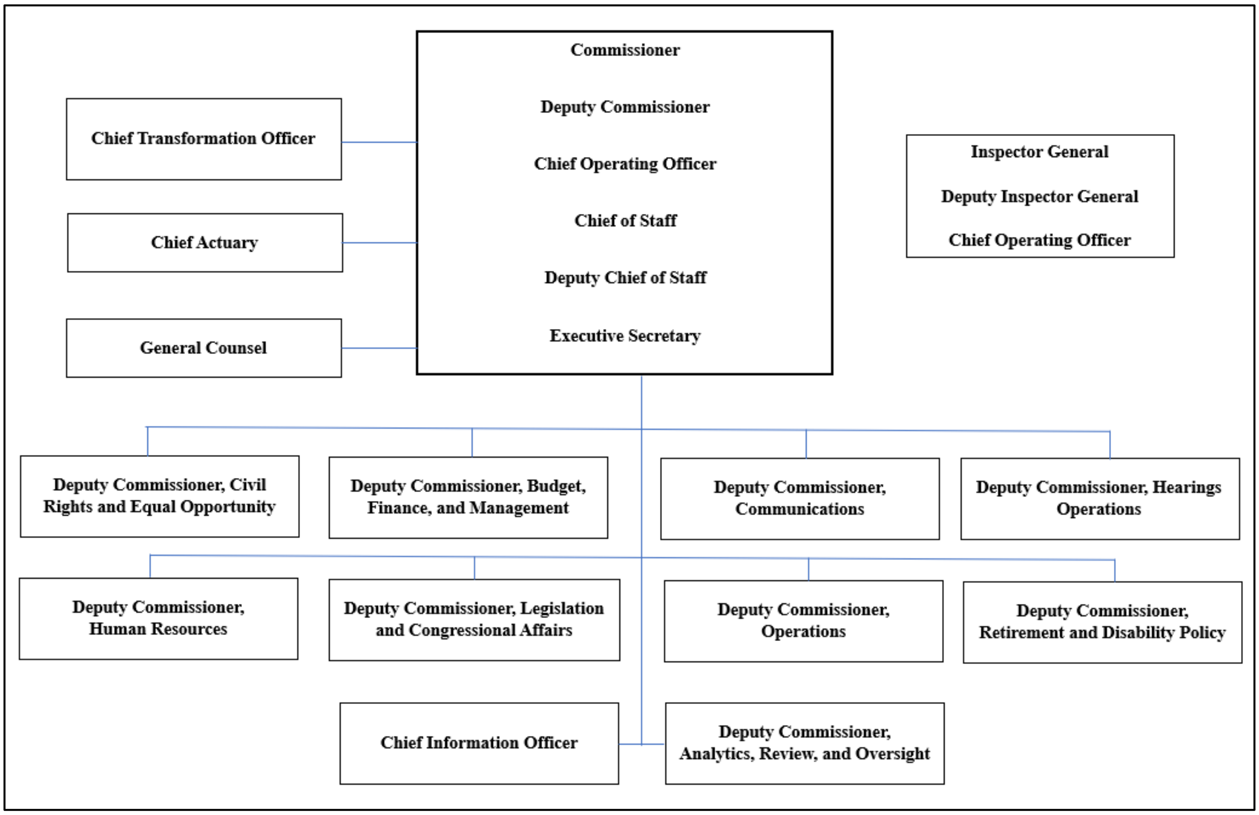
How We Served America in Fiscal Year 2024

- Processed over 441 million online transactions.
- Mailed an estimated 330 million notices.
- Registered over 15.7 million new accounts on the *my* Social Security portal for a total of more than 89.3 million accounts. The portal offers many secure and convenient online self-service options.
- Provided *Social Security Statements (Statement)* to beneficiaries online via *my* Social Security more than 40 million times, and by mail with approximately 14 million paper *Statements*.
- Processed nearly 19 million applications for new and replacement Social Security Number (SSN) cards, in office and online through the Internet Social Security Number Replacement Card.
- Posted approximately 299 million annual earnings items to workers' records submitted by both employers and self-employed individuals.
- Performed nearly 2.5 billion automated SSN verifications for employers.
- Conducted 21 cost benefit analyses for incoming data exchanges with various Federal partners, resulting in $11.5 billion in projected annual savings.
- Handled over 23 million calls in our field offices, our National 800 Number agents handled over 28 million calls, and our self-service options handled over 3.2 million calls, amid staffing and technology challenges. We reduced the annual average speed of answer to 27.6 minutes on our National 800 Number from 35.8 minutes in FY 2023.
- Completed over 9.5 million retirement, survivor, disability, and Medicare claims for benefits; conducted over 381,000 full medical continuing disability reviews (CDR); and performed nearly 2.6 million non-medical redeterminations of SSI eligibility.
- Completed nearly 423,000 hearing requests; reviewed nearly 74,000 cases in the Appeals Council; and defended nearly 14,000 disability cases in Federal court.

Organization

Serving the American public requires a vast network of facilities, technology, and skilled staff. Our Commissioner leads approximately 58,000 Federal employees and 14,000 State employees who serve our customers through a network of more than 1,500 offices across the country and around the world. We administer our programs and services online, by phone, by video, and in person in our offices. Our customers can access our online services, such as applying for retirement, disability, and Medicare benefits; checking the status of an application or appeal; or requesting a replacement Social Security card.

Social Security Administration Organizational Chart[1]



Note:

1. For the full agency organization chart, please visit [SSA Org Chart](#).

The 14,000 State employees at disability determination services (DDS) make disability determinations for initial claims, reconsiderations, CDRs, and CDR appeals. Challenges with hiring and retaining staff have limited the DDSs' capacity to improve disability workload performance.

Administrative law judges in our hearing offices and administrative appeals judges in our Appeals Council decide appealed cases.

Our processing centers handle the most complex benefit payment decisions, in addition to issuing benefit payments after appeals decisions, determining and collecting debt, correcting records, and performing program integrity work.

Our teleservice centers answer a broad range of Social Security and Medicare questions, schedule appointments for our field offices, provide status updates on current claims or appeals, and ensure the accuracy of our records.

For more information about our organization and its functions, including headquarters components and Social Security offices around the country, refer to the *Summary of Key Management Officials' Responsibilities* section in the *Appendix* or visit our organizational structure webpage.

How Can We Help?

Did you know that Social Security provides financial protection for our nation's people, supporting Americans throughout all of life's journeys. In FY 2024, on average we served approximately 344,000 customers per day. For help finding your local Social Security office, visit our website at www.SSA.gov to use the office locator and to learn more about the online services we offer.

OVERVIEW OF OUR FISCAL YEAR 2024 GOALS AND RESULTS

How We Manage Performance

Performance Framework: The *Government Performance and Results Modernization Act of 2010* (GPRMA) describes how agency strategic plans and goals align with presidential terms and broader Federal efforts.

Setting goals and measuring our performance are vital to our success. We define our performance framework in the *Fiscal Years* (FY) *2022–2026 Agency Strategic Plan* (ASP). Our ASP defines our strategic goals and details underlying strategic objectives, strategies, and relevant risks and mitigation plans.

Our Strategic Goals are:

Strategic Goal 1: Optimize the Experience of SSA Customers;

Strategic Goal 2: Build an Inclusive, Engaged, and Empowered Workforce; and

Strategic Goal 3: Ensure Stewardship of SSA Programs.

Planned Performance: In March 2024, we published our *Annual Performance Plan (APP) for FY 2025, Revised Performance Plan for FY 2024, and Annual Performance Report (APR) for FY 2023* as part of the *President's FY 2025 Budget Request*. We refer to this consolidated plan and report as the APR. The APR outlines our tactical plans for achieving the Strategic Goals and Objectives in our ASP, finalizes our FY 2024 performance commitments, and describes how we ensure data integrity of our performance information. The budgeted workloads published in our APR correspond to the key workload measures in the *FY 2024 Operating Plan*.

Actual Performance and Program Results: We update the APR after the close of the fiscal year to provide performance results for the previous fiscal year. We plan to publish the final APR containing our actual FY 2024 results in January 2025. The final FY 2024 APR and FYs 2025–2026 APP will be published separately and available on our website.

This *Agency Financial Report* summarizes our strategic initiatives, overall performance results, and financial activities we conducted to carry out our mission in FY 2024. The following table shows our operating expenses by Strategic Goal and Objective.

FY 2024 Operating Expenses by Strategic Goal and Strategic Objective
(Dollars in Millions)

Strategic Goal 1: Optimize the Experience of SSA Customers	**$12,155**
Strategic Objective 1.1: Identify and Address Barriers to Accessing Services	$1,440
Strategic Objective 1.2: Expand Digital Services	$1,876
Strategic Objective 1.3: Build a Customer-Focused Organization	$8,839
Strategic Goal 2: Build an Inclusive, Engaged, and Empowered Workforce	**$707**
Strategic Objective 2.1: Promote Diversity, Equity, Inclusion, and Accessibility in Hiring and Advancement	$280
Strategic Objective 2.2: Support Employees' Chosen Career Paths	$427
Strategic Goal 3: Ensure Stewardship of SSA Programs	**$2,620**
Strategic Objective 3.1: Improve the Accuracy and Administration of Our Programs	$1,875
Strategic Objective 3.2: Identify and Eliminate Potential Barriers to Access Contracts and Grants	$22
Strategic Objective 3.3: Improve Organizational Performance and Policy Implementation	$723

Priorities: In support of the GPRMA, we established three Agency Priority Goals (APG), which are 24-month goals reflecting our top priorities. We routinely review our progress and take actions to improve our outcomes, promote innovation, and deliver favorable results.

For FYs 2024–2025, our APGs are:

1. Improve Initial Disability Claims.
2. Improve the National 800 Number Service.
3. Improve Equity in the Supplemental Security Income Program.

These near-term goals improve outcomes, setting the stage for improved customer experience and efficiency. They also serve as stepping stones towards long-term objectives outlined in our ASP. We set ambitious targets to improve service for each of these APGs. We are adjusting procedures, policies, and maximizing the resources we have, to improve services.

Improve Initial Disability Claims: It is unacceptable for individuals to wait over 200 days to receive an initial disability determination. Our priorities for this APG are to mitigate further increases in average processing time for initial claims and to decide the most aged pending claims. In FY 2024, we processed over 255,000 more initial disability claims than we did in FY 2023. By September 27, 2024, our average processing time for initial disability claims was 231 days. In addition, we decided about 95 percent of our cases that started FY 2024 pending 180 days or more, exceeding our target by 3 percent.

Improve the National 800 Number Service: We are implementing technology that benefits both our customers and employees. Between November 2023 and May 2024, we instituted a series of changes to reduce the average speed of answer, including re-routing calls to other available agents and offering a Call Back Assist option to callers, allowing customers the option of receiving a call when agents are available instead of waiting to speak with an agent. In August 2024, we transitioned our 800 number phone system to Amazon Web Services (AWS)/Amazon Connect, which increases queue size, improves management and scheduling information, offers callers enhanced callback and self-service options, and post-call satisfaction surveys. The transition to the new system improves our customers' ability to speak with available National 800 Number agents. In FY 2024, we reduced our average speed of answer by 8.2 minutes, down to 27.6 minutes from 35.8 minutes at the end of FY 2023. The transition to AWS sets us on the path to improved delivery.

Improve Equity in the Supplemental Security Income Program: We take seriously our responsibilities to ensure eligible individuals timely receive the correct benefits to which they are entitled, and to safeguard the integrity of our benefit programs. Although our underpayment (UP) accuracy rates are high, we focused our attention on releasing SSI UPs pending for a year or more as of October 1, 2023 or identified as priority cases, so people can receive the money they are due. We made notable progress towards improving equity in the SSI program by increasing UP processing of our oldest and highest priority cases, including those disproportionately impacted by poverty. By September 30, 2024, we cleared about 65 percent of nearly 152,500 SSI UPs that were identified as priority cases, which is more than halfway to our goal to complete 98 percent of these cases by the end FY 2025. We also processed over 534,000 total SSI UPs.

Please visit Performance.gov for more information on our APG goals, progress, results, and how we focus leadership priorities to drive progress and change.

Remember! You Can Access Our Services Online

Our online services allow you to request a replacement Social Security card (in most States), print a benefit verification letter, and more—from anywhere and from any of your devices!

Summary of Fiscal Year 2024 Performance

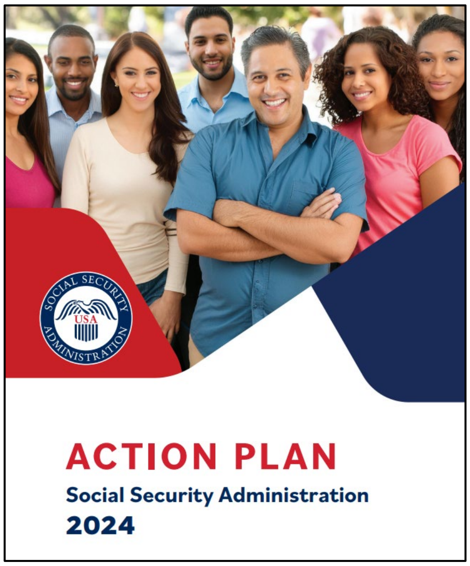
This section provides a high level overview of progress made in accomplishing the strategic objectives and our FY 2024 agency-driven performance measures and targets established in our published *FYs 2023–2025 Annual Performance Plan and Report*. We highlight the approaches we used to achieve our FY 2024 performance measure results, outline some of the challenges we faced meeting these goals and provide an analysis of our performance.

Our budget directly drives the level of service we can deliver, including systems improvements and staffing to stay current with our workloads. While we face multiple challenges to restore service delivery to the standards both we and the public expect, we are working diligently to do so within our resource levels.

For FY 2024, we used 17 performance measures to track progress toward meeting our strategic goals and strategic objectives. Overall, we met our targets for 11 of the 13 performance measures with available data. Final data for 4 of the remaining performance measure targets were not available at the time we published this report. The unavailable data results are indicated as to be determined (TBD).

For more information on our FY 2024 performance, please see our FY 2024 APR, which we expect to publish in January 2025.

In FY 2024, we also published the *2024 SSA Action Plan* that details the actions we are taking to address our top priority areas across the agency. The Action Plan was the product of over 5,000 recommendations offered by employees from the frontlines to our regional offices, as well as from a range of other internal and external stakeholders. It contains 27 initiatives accompanied by leading actions and quick wins, a number of which have been accomplished, including a number of actions within the first 100 days of the Commissioner's term.



Strategic Goal 1: Optimize the Experience of SSA Customers

Strategic Objectives

- 1.1 Identify and Address Barriers to Accessing Services
- 1.2 Expand Digital Services
- 1.3 Build a Customer-Focused Organization

Create a *my* Social Security account

SSA.gov/myaccount

Our goal is to optimize the experience of our customers by providing timely, accurate, and efficient access to our services, while improving the public's experience with our services and programs. We are designing and delivering services that reflect the perspective of the people we serve. We are adopting modern ways to operate and re-engineering policy and business models to improve the customer experience. What follows, highlights our progress and challenges toward accomplishing our Strategic Goal and Objectives.

Strategic Objective 1.1: Identify and Address Barriers to Accessing Services

Advancing equity in service delivery, involves removing unnecessary administrative burdens. We expanded our network of advocates and community-based organizations to help us address the needs of people facing barriers to accessing our services. This includes ensuring access to quality services and program benefits, regardless of an individual's ability to communicate in English. We are also increasing data collection strategies to better understand customers seeking our services. Additionally, we updated our *Equity Action Plan (2023 Update)* to ensure we prioritize administering our programs equitably for underserved people.

In FY 2024, we issued several final rules that simplified our processes for people who are applying for and receiving SSI. These changes streamlined our rules, making them less cumbersome to administer and easier for the public to understand and follow. On March 27, 2024, we published a final rule to remove food from In-Kind Support and Maintenance calculations in determining SSI benefits. This new rule improves the equitable treatment of food assistance within the SSI program. On April 17, 2024, we published a final rule, "Expansion of the Rental Subsidy Policy for SSI Applicants and Recipients." Under the rule, rental assistance, such as renting at a discounted rate, is less likely to affect a person's SSI eligibility or payment amount. This new rule extends the same policy to all SSI applicants and recipients nationwide. On April 19, 2024, we published a final rule, "Expand the Definition of a Public Assistance Household." This new rule broadens the definition of a public assistance household to include households receiving Supplemental Nutrition Assistance Program payments and households where only some members receive public assistance. These three new final rules took effect on September 30, 2024, and allow more people to qualify for SSI, increase some SSI recipients' payment amounts, and reduce reporting burdens for individuals living in public assistance households.

We also released our first global *Language Access Plan* that included our Limited English Proficiency (LEP) policy and *Language Access Implementation Plan*. Our *Language Access Plan* takes reasonable steps to ensure access to our benefits, services, and information for individuals with LEP and who are deaf or hard of hearing. This plan includes guidance on activities such as bilingual recruitment efforts, multi-language notices, and improved procurement of translation services.

We improved our race and ethnicity data collection, which will allow us to better identify and fix potential disparities in service. In FY 2024, we completed contract negotiations with seven States to include race and ethnicity data through our Enumeration at Birth program.

In FY 2024, as a High Impact Service Provider, we established baseline customer experience (CX) scores for our three priority service designations based on customer trust. We established a 75.2 percent CX score for applying for Social Security adult disability benefits, 91.5 percent CX score for applying for Social Security retirement benefits, and 93.7 percent for applying for a replacement Social Security Number (SSN) card.

Performance Measure 1.1b: Collect Customer Feedback[1]

FY 2020 Results	FY 2021 Results	FY 2022 Results	FY 2023 Results	FY 2024 Target	FY 2024 Results
Not available	Not available	Not available	Did not meet our target to establish end of journey feedback collection for priority service designations	Establish baseline customer experience scores for priority service designations	Established baseline customer experience scores for priority service designations based on customer trust as prioritized in OMB Circular A-11

Note:

1. Customers have the opportunity to provide feedback and their perspective after a series of interactions or completion of a multi-stage process. We ask questions about overall customer satisfaction and trust. In addition, we ask questions around different customer experience drivers such as accomplishment rate, customer effort, efficiency, equity, and employee interaction.

We integrated CX management disciplines throughout the agency. This includes customer research and measurement, which involves scoring individual customer experiences and understanding various customer "pain points" throughout their journey in applying for benefits. Based on customer feedback, we developed solutions to address these pain points. For example, customers sometimes do not show up to their initial appointment to apply for benefits. To address this challenge, we are conducting a pilot program where we send standard appointment reminders to applicants via text or email with the option to confirm, reschedule, or cancel their appointment.

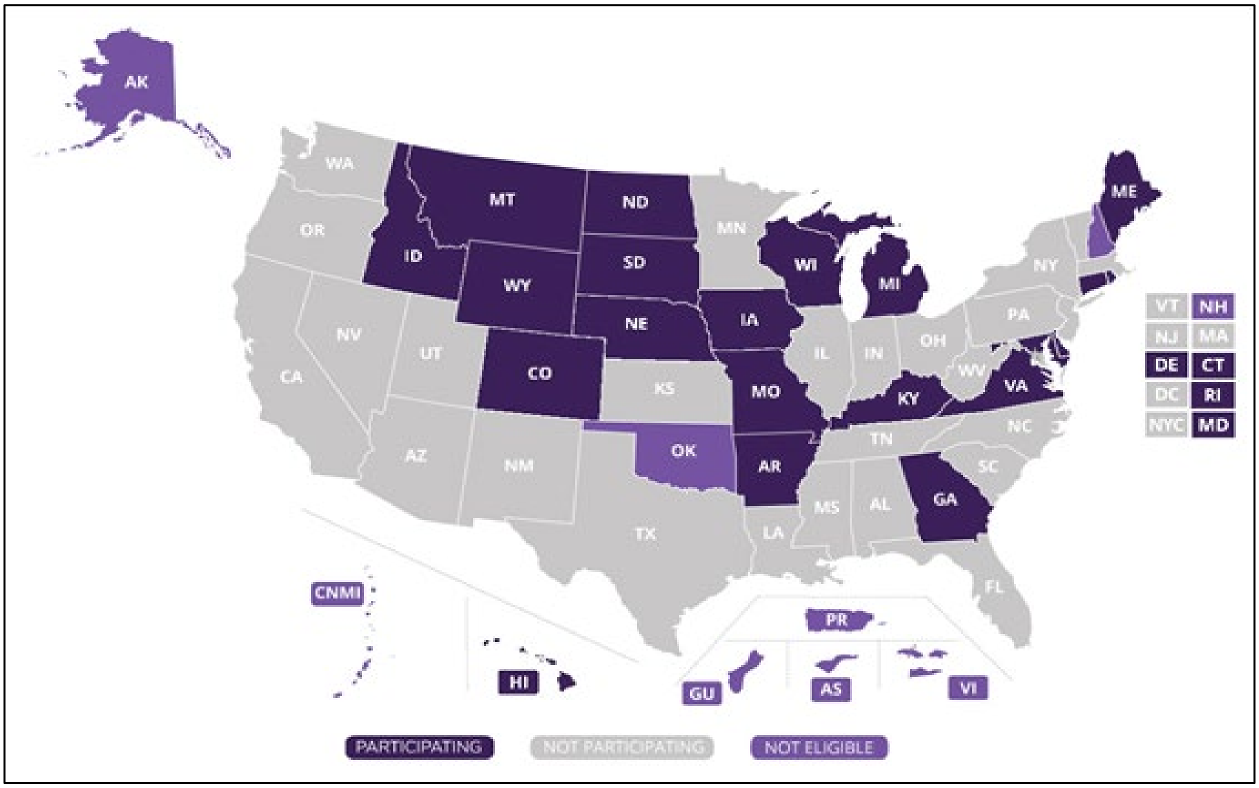
Strategic Objective 1.2: Expand Digital Services

We are committed to making our services more convenient and efficient. *my* Social Security, our personalized, self-service alternative to telephone and in-person services, gives our customers access to a growing suite of services using their mobile device or computer. In FY 2024, we expanded the use of video appointments, allowing technicians to process the same work over video traditionally completed by telephone. We also made improvements to the online Non-Medical Appeal application, iAppeals. This application allows people to request an appeal if they disagree with a non-disability decision, such as income or overpayments (OP). We also redesigned the disability content on SSA.gov in both English and Spanish, making it easier for the public to read and understand. We provided more precise instructions on how to file for disability benefits via self-service options and set better expectations about wait times.

Last fiscal year, we began the rollout of our digital self-service option, *Upload Documents,* to allow individuals applying for or receiving certain services to upload forms, documents, or evidence associated with their transactions. In FY 2024, we completed a nationwide expansion to all field offices and workload support units. Customers can now use *Upload Documents* to submit 50 agency forms and 79 evidence types for electronic signature and submission. We connected *Upload Documents* to *my* Social Security, providing customers an additional way to access uploading forms and evidence. We also added text messaging as an additional option to receive notifications and link to upload forms and evidence and made it easier for customers to create accounts while still maintaining privacy and security. We completed risk assessments on 57 forms to consider signature requirement removal and removed the signature from 12 forms. We also worked to remove the signature requirement from an additional 31 forms.

We expanded our Enterprise Scheduling System to offer enumeration self-scheduling to customers in all 50 States, the District of Columbia, and 5 U.S. territories. This web-based appointment system allows customers, including those without an SSN, to self-schedule appointments online for both original and replacement SSN cards. We also added 12 States to the list of those that now allow applicants to conveniently apply online for a replacement SSN card with a name change due to marriage, without visiting a local office, which brings our total participating States to 21.

**Jurisdictions Participating in
Replacement SSN Card with Name Change Due to Marriage**

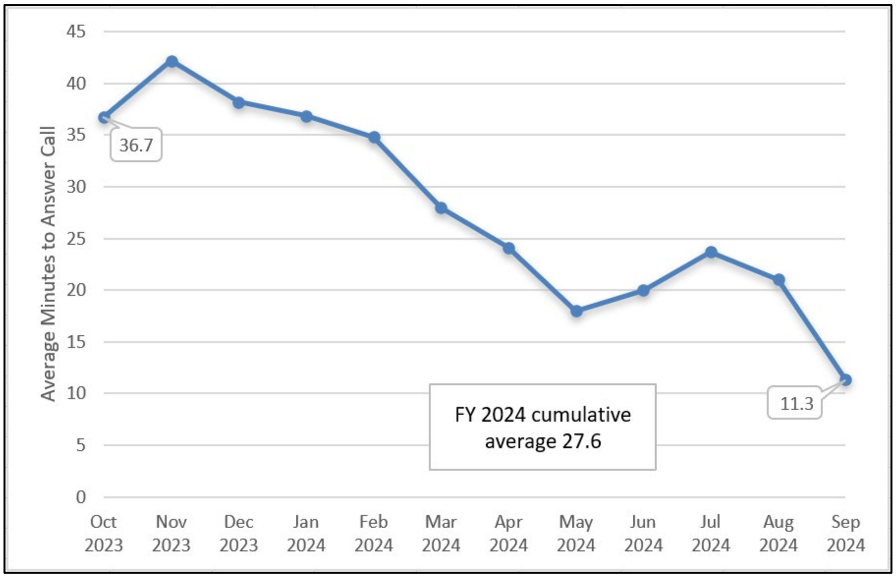


Strategic Objective 1.3: Build a Customer-Focused Organization

As one of the most important anti-poverty programs in the Nation, millions of people depend on us for financial security. To build an agency that is focused on the customer, we will address our many service challenges and deliver results that will profoundly and positively impact people's lives. This includes ensuring that our services are more accessible, improving the wait time for decisions, and improving payment accuracy. For more information on our payment accuracy efforts, please see Strategic Objective 3.1.

Millions of customers count on the convenience and accessibility of our National 800 Number, yet too many people have experienced lengthy delays waiting to speak with an agent, particularly during our peak call periods. Our former phone systems have frustrated the public and our telephone agents with increased busy signals and dropped calls. Hiring challenges and high attrition have also affected service and contributed to long waits.

National 800 Number
Monthly Average Speed to Answer for FY 2024



In FY 2024, we implemented a new, modern phone system which has resulted in reduced customer wait times. It also eliminated busy signals, provides estimated hold times, and gives customers the option to request a call back from an available agent instead of waiting on the line. Our transition to the AWS platform provides stable, reliable, and accessible phone service to the public. These changes have reduced the average monthly wait time from a peak of 42.2 minutes in November 2023 to 11.3 minutes by September 2024. In FY 2024 overall, we reduced our average speed of answer by 8.2 minutes, down from 35.8 minutes at the end of FY 2023 to a cumulative average speed of answer of 27.6 minutes by the end of the year.

Reducing the wait time for an applicant to receive a disability decision is a top priority. Since FY 2019, the number of people waiting for an initial disability decision has doubled from around 590,000 to 1.2 million people. The average wait time for a disability decision is nearly eight months and an additional eight months for those requesting an appeal of the initial decision. Our State DDSs struggle to maintain adequate staffing. We are making changes to reduce wait times and provide a more efficient, compassionate experience for our claimants. This includes increasing receipt of electronic medical evidence, as well as increasing our employees' use of Intelligent Medical Language Analysis Generation, which analyzes text from health records and expedites processing times for disability claims. We have also increased the submission of electronic medical evidence via our automated Health Information Technology (HIT) program, Electronic Records Express (ERE) web portal, and web services. Over the last five years, we have increased the volume of medical evidence collected electronically.

Performance Measure 1.3b: Modernize Evidence Acquisition Systems to Drive Increased Electronic Medical Evidence Volumes Through a Multi-Channel Strategy

FY 2020 Results	FY 2021 Results	FY 2022 Results	FY 2023 Results	FY 2024 Target	FY 2024 Results
Acquired 52% of electronic medical evidence	Acquired 53% of electronic medical evidence	Acquired 55% of electronic medical evidence	Acquired 55% of electronic medical evidence	Acquire 57% of electronic medical evidence[1]	Acquired 58% of electronic medical evidence

Note:

1. The target represents the percentage of medical records received electronically through ERE, ERE Web Services, Bulk Transfer, and HIT.

In FY 2024, we reduced the initial disability claims development requirement for past relevant work from 15 years to 5 years. This rule change will reduce the burden on claimants and staff while still providing enough information to make accurate decisions. We also restored a pre-2018 policy, called collateral estoppel, that allows technicians in local field offices to apply a prior determination of disability, in certain circumstances. This change eliminates the need for some beneficiaries to provide updated medical documentation for subsequent claims, eliminating between 45,000–60,000 claims annually that require DDS determinations. We also made historic progress by reducing the hearings backlog. For the first time in three decades, we have fewer than 275,000 pending hearings before our Administrative Law Judges.

The following table summarizes our FY 2024 performance measures target and results that support our Strategic Goal and Objectives:

Strategic Goal 1: Optimize the Experience of SSA Customers Performance at a Glance

Strategic Objective	Performance Measure	FY 2024 Target	FY 2024 Results (Actuals)	Performance Status
1.1: Identify and Address Barriers to Accessing Services	1.1a: Redesign SSA's website to enhance the user's online experience	Achieve a 1% increase in satisfaction for customers using SSA's website over FY 2023 results (target Customer Satisfaction Score of 71.0)	Exceeded our goal by increasing our customer satisfaction score for using SSA's website to 80.7 percent, which was a 9.7 percent increase over our FY 2023 score (71.0 percent)	**Met**
	1.1b: Collect customer feedback	Establish baseline customer experience scores for priority service designations	Established baseline customer experience scores for each of our priority service designations based on customer trust as prioritized in OMB Circular A-11, Part 6, Section 280	**Met**
1.2: Expand Digital Services	1.2a: Increase the number of successfully completed online transactions	Increase the number of successfully completed online transactions by 5 million over the prior year (406 million)	Successfully completed 441 million online transactions, exceeding our FY 2024 target of 406 million online transactions, which was about 39.6 million more transactions than FY 2023	**Met**
1.3: Build a Customer-Focused Organization	1.3a: Provide uninterrupted access to our systems during scheduled times of operations	99.90% availability	Systems availability was 99.83%, which did not meet our target of 99.90%; experienced two major disruptions to our systems availability in the 4th quarter of FY 2024	**Not Met**
	1.3b: Modernize evidence acquisition systems to drive increased electronic medical evidence volumes through a multi-channel strategy	Acquire 57% of electronic medical evidence	Final percentage of electronic medical evidence acquired for FY 2024 was 58 percent, exceeding the goal of 57 percent	**Met**
	1.3c: Improve customer service by reducing the number of actions pending at the processing centers	5.05 million	Actions pending at the processing centers was 5.13 million by the end of FY 2024, which is above our target of 5.05 million; processing centers received more actions than anticipated	**Not Met**

Strategic Goal 2: Build an Inclusive, Engaged, and Empowered Workforce

Strategic Objectives

- 2.1 Promote Diversity, Equity, Inclusion, and Accessibility in Hiring and Advancement
- 2.2 Support Employees' Chosen Career Paths

Our goal is to ensure our hiring and promotion practices promote equity, as we work to ensure our workforce delivers customer-focused service to diverse populations and reflects the diversity of the customers we serve. We strive to foster an environment that allows them to develop and succeed. We align our human capital policies and emerging technologies, to attract, train, develop, and retain our workforce. What follows are highlights of our progress and challenges toward accomplishing our Strategic Goal and Objectives.

Strategic Objective 2.1: Promote Diversity, Equity, Inclusion, and Accessibility in Hiring and Advancement

Our employees are the heart of the agency. We believe a well-trained, dedicated workforce that reflects the diversity of our customers, is essential to accomplishing our mission. We improved our recruitment and retention practices to build and maintain a representative workforce, including identifying and fostering talent through strategic partnerships with colleges and universities. For example, we enhanced our digital recruitment efforts by leveraging various online platforms to connect with candidates from universities, including Hispanic Serving Institutions, Historically Black Colleges and Universities (HBCU), Minority Serving Institutions, and military installations. Through these platforms, we have reached over 1,500 colleges and universities. We also announced job vacancies using various methods, including increasing the use of social media platforms for recruiting and improving accessibility for employees with disabilities; enhancing data collection and analysis of reasonable accommodation (RA) requests to inform agency RA policies; and increasing function, evaluation, and compliance of *Section 501 of the Rehabilitation Act of 1973,* which prohibits discrimination against people with disabilities in Federal Government employment, and the *Architectural Barriers Act Accessibility Standards*. To ensure all employees have equal opportunities to advance in their careers, we conducted a barrier analysis of our workforce to identify barriers to equal employment opportunity (EEO). We also conducted an analysis of the agency's performance management system to ensure equity in this process. To promote a respectful, safe, and inclusive workplace, we launched the Civil Rights and Diversity Empowerment Portal, a consolidated equal opportunity training site for non-managers, managers, and EEO practitioners.

Strategic Objective 2.2: Support Employees' Chosen Career Paths

We are committed to retaining newly hired employees and increasing employee retention by providing them with necessary training and assistance to successfully manage their workloads. According to our exit survey data, the top three reasons people are leaving are because of morale, training and development, and burn out from managing heavy workloads. While morale and workload issues are ongoing challenges, we revamped entry-level training for our frontline positions. For example, we transformed training for employees in field offices and workload support units by implementing a new training framework. As part of this new framework, trainees work onsite for up to three months, managers cluster trainees in small groups to build community and peer-to-peer support, and trainees have a dedicated mentor throughout the training process. Mentors focus on supporting their trainees and assisting them with learning the complex workloads they will experience on the job. For our teleservice centers, we redesigned training to make new content available via an online platform with onsite facilitator support.

Employees who are well-trained and equipped with the proper tools are critical to our success in providing quality service to the public. We encourage our employees to pursue their chosen career paths by fostering an engaging workplace environment and providing training and development opportunities. We focused on improving employee engagement, strengthening our performance management process, and ensuring equity in leadership development. In FY 2024, we launched the *Invest in You!* Website, giving employees access to information about employee wellness, career and professional development, management support, and chosen career paths.

Developing our employees begins with leadership. We invested in ongoing training and development opportunities for managers. Providing managers with the foundational tools to perform their responsibilities positions them to effectively train and manage the performance of their staff, improve employee engagement, increase productivity, and improve retention. In FY 2024, we offered refresher training on hiring authority to all managers to ensure they effectively use all available hiring authorities. We also launched the Leadership Fundamentals (LF) Year 3–5 curriculum with an enrollment of over 800 supervisors. The curriculum builds upon LF Year 1–2, offering about 30 courses that cover leading people, human capital management, and problem-solving. We ensured our managers are trained in a timely manner.

Performance Measure 2.2b: Ensure New Supervisors Receive Timely Leadership Training

FY 2020 Results	FY 2021 Results	FY 2022 Results	FY 2023 Results	FY 2024 Target	FY 2024 Results
100% of supervisors enrolled within 90 days and 98% completed training within one year	100% of supervisors enrolled within 90 days and 54% completed training within one year	82.4% of new supervisors complete training within one year of the effective date of their supervisory appointment	96% of new supervisors completed training within one year of the effective date of their supervisory appointment	At least 95% of new supervisors complete training within one year of the effective date of their supervisory appointment[1]	96% of new supervisors completed training within one year of the effective date of their supervisory appointment

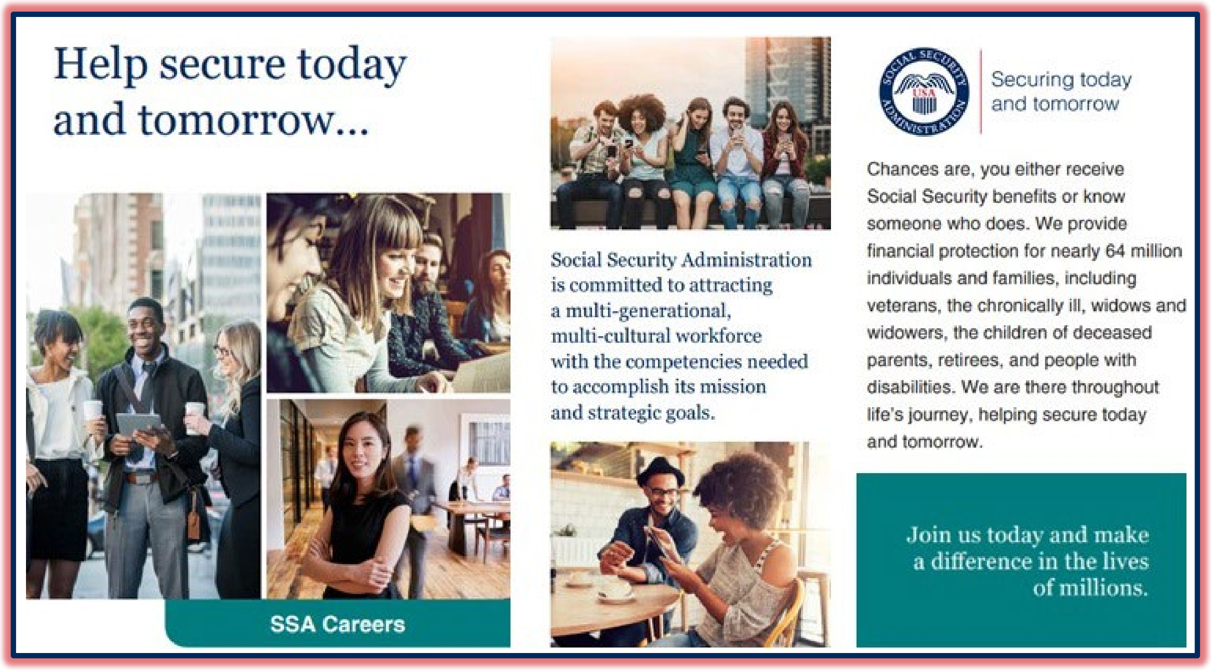
Note:

1. The target represents the percentage of new supervisors that complete training within one year of the effective date of their supervisory appointment.

The following table summarizes our FY 2024 performance measures target and results that support our Strategic Goal and Objectives:

Strategic Goal 2: Build an Inclusive, Engaged, and Empowered Workforce Performance at a Glance

Strategic Objective	Performance Measure	FY 2024 Target	FY 2024 Results (Actuals)	Performance Status
2.1: Promote Diversity, Equity, Inclusion, and Accessibility in Hiring and Advancement	2.1a: Increase the use of workforce data analyses to support executive workforce and succession planning and data-driven decision making	Release four new workforce planning and analysis resources	Released five workforce planning and analysis resources	**Met**
2.2: Support Employees' Chosen Career Paths	2.2a: Improve employee engagement	Achieve a score of 75 on the Employee Engagement Index (Supervisor subindex)	Achieved a score of 77 on the Employee Engagement Index (Supervisor subindex), exceeding our target	**Met**
	2.2b: Ensure new supervisors receive timely training to improve their leadership skills and competencies	At least 95% of new supervisors complete training within one year of the effective date of their supervisory appointment	96 percent (474 of 494) of supervisors appointed in FY 2023 completed training within one year, which exceeded our target	**Met**
	2.2c: Strengthen manager accountability for effective performance management	Track 96% of performance documents through e7B	Tracked 96 percent of performance documents through e7B	**Met**



Strategic Goal 3: Ensure Stewardship of SSA Programs

Strategic Objectives

- 3.1 Improve the Accuracy and Administration of Our Programs
- 3.2 Identify and Eliminate Potential Barriers to Access Contracts and Grants
- 3.3 Improve Organizational Performance and Policy Implementation

Antifraud facts

Our goal is to ensure stewardship and the efficient administration of our programs and to look for ways to identify and address potential inequities. We focused our efforts on three major areas: improving program integrity, enhancing our fraud prevention and detection activities, and improving workforce performance and increasing accountability. What follows are highlights of our progress and challenges toward accomplishing our Strategic Goal and Objectives.

Strategic Objective 3.1: Improve the Accuracy and Administration of Our Programs

We strive to pay our customers the correct benefit amount on-time and reduce improper payments (IP). We pursue opportunities to improve payment accuracy and prevent IPs through enhanced technology, data analyses, and fraud prevention. We are committed to improving the integrity of our programs by reducing OPs and UPs through streamlining our policies and procedures, automating our business processes, and leveraging data through exchanges with other entities. Our most recent accuracy report for OASDI shows that OP accuracy was 99.76 percent, and OASDI UP accuracy was 99.94 percent. For SSI, our most recent accuracy report shows that OP accuracy was 90.82 percent and UP accuracy was 98.56 percent.

Office of Management and Budget (OMB) Circular A-123, Appendix C, *Requirements for Payment Integrity Improvement*, defines "High-Priority" programs as all programs with IPs resulting in monetary loss that exceed $100,000,000 annually. Our OASDI and SSI programs meet the definition of High-Priority programs. See the Payment Integrity section of this report or PaymentAccuracy.gov for additional information on our program integrity efforts.

In FY 2024, we made the following policy updates to address OPs:

- Stopped automatically intercepting 100 percent of an overpaid beneficiary's monthly Social Security benefit if the beneficiary failed to respond to repayment requests. We are now using a much more reasonable default withholding rate of 10 percent of monthly benefits—the same rate as the SSI program;

- Reframed guidance and procedures to shift the burden of proof away from the claimant in OP "at fault" determinations;
- Increased repayment terms up to 60 months without requesting income and asset information for most beneficiaries who request a repayment plan;
- Made it easier to request a waiver of repayment in "no fault" cases where the OP was caused by agency error and a beneficiary is unable to repay;
- Updated our policies to allow technicians to use the simplified, "administrative waiver" process when a person requests waiver of an OP of up to $2,000 (previously $1,000 or less).

We also improved our use of data analytics and predictive modeling to identify evolving patterns of suspicious activities in our workloads, allowing us to detect and prevent fraud before issuing payments. We implemented Fraud SecurityStat sessions where senior executives meet bi-weekly to analyze and prioritize activities that will most effectively address fraud. Part of this work involves developing our risk management strategy and conducting fraud risk assessments and profiles to understand the fraud landscape. We then build on the strategy, assessment, and profile work to develop and refine data analytics and predictive modeling to detect and prevent fraud. We formed an agency-wide workgroup to develop business requirements that identify the service channel associated with allegations of direct deposit fraud. We are aiming to minimize the amount and rate of successful fraudulent benefit payment redirection through direct deposit changes, and by so doing, reduce the rate at which fraudsters attempt such fraud. We also strengthened our digital identity proofing process by updating language on activation code short message service messages.

Strategic Objective 3.2: Identify and Eliminate Potential Barriers to Access Contracts and Grants

We ensured equitable access to contracting and grant opportunities for underrepresented groups and research institutions serving people of color. We targeted outreach to HBCUs and Institutions Serving Students of Color (ISSC) to solicit feedback about our grantmaking process and potential barriers to grant opportunities. We also conducted monthly outreach meetings with small and large businesses to encourage small business participation in upcoming agency procurements, as well as to promote teaming and opportunities for subcontracting.

In FY 2024, the Retirement and Disability Research Consortium (RDRC) awarded six centers with 5-year agreements including HBCUs and ISSC partnerships. We awarded $5.7 million in supplemental funding to the six grantees including two ISSCs. We expanded the scope of the RDRC annual meeting by returning it to an in-person event, added a poster session where researchers can share their findings with attendees, and increased networking opportunities for junior scholars. We also expanded training and education funding at HBCUs and ISSCs, and revised scoring criteria to broaden the academic and experience factors considered in the selection process.

Performance Measure 3.2b: Increase Funding for HBCUs and ISSCs

FY 2020 Results	FY 2021 Results	FY 2022 Results	FY 2023 Results	FY 2024 Target	FY 2024 Results
$62,686	$550,577	$608,896	100% above the 4-year dollar average ($735,000)	100% above the 4-year dollar average[1]	100% above the 4-year dollar average ($5,700,000)

Note:

1. These targets represent goals for funding HBCUs and other ISSCs and scholars through the Retirement and Disability Research Consortium.

Strategic Objective 3.3: Improve Organizational Performance and Policy Implementation

We explore ways to do business better and apply sound management principles to everyday operations. In FY 2024, we leveraged data, analyses, and program expertise to manage our organizational challenges and deliver on our core mission functions. In accordance with OMB Memorandum M-23-15, *Measuring, Monitoring, and Improving Organizational Health and Organizational Performance in the Context of Evolving Agency Work Environments*, we matured our organizational health and performance framework by implementing a new organizational performance management process, called SecurityStat, that both utilizes evidence-based analyses and fosters a culture of continuous improvement. SecurityStat brings top executives and subject matter experts together on a revolving two-week cycle to share information timely, deploy resources quickly, and conduct relentless follow-ups. SecurityStat offers a new and unprecedented level of transparency for our stakeholders. The public can see progress updated every month at SSA.gov/securitystat.

We improved the administration of our programs through simplifying our policies and modernizing our processes. In addition to the final rules that we published to help people receiving and applying for SSI, discussed in Strategic Objective 1.1, in FY 2024, we also improved the Lump Sum Death Payment process by removing many of the questions and evidence requirements for living in the same household determinations—helping surviving spouses or caregivers for children more easily apply for this payment. We also implemented a data exchange agreement to provide State death data to the Department of the Treasury for the Do Not Pay system, in support of *Consolidated Appropriations Act, 2021*.

To ensure we protect taxpayer dollars and practice prudent resource management, every fiscal year, we reassess the long-term future of agency facilities and our real property portfolio. We optimize space utilization while fulfilling workspace needs and in turn, achieve cost savings for the agency. We establish reduction targets as part of our annual *Real Property Capital Plan*, an OMB report that outlines our plans and strategy for agency real property based on budget and need. In FY 2024, we reduced our real property footprint by over 846,000 useable square feet (USF).

Performance Measure 3.3a: Reduce Our Real Property Footprint

FY 2020 Results	FY 2021 Results	FY 2022 Results	FY 2023 Results	FY 2024 Target	FY 2024 Results
Achieved an 89,406 USF reduction	Achieved a 159,000 USF reduction	Achieved a 43,600 USF reduction	Achieved a 108,614 USF reduction	Achieve an 824,000 USF reduction[1]	Achieved an 846,170 USF reduction

Note:

1. The target represents the actual space occupied. USF does not include common areas of a building such as lobbies, restrooms, stairwells, storage rooms, and shared hallways.

Scammers Are Pretending to be Government Employees

The Social Security Administration will never threaten, scare, or pressure you to take an immediate action.

DO NOT BE FOOLED! IF YOU RECEIVE A SUSPICIOUS CALL:
DO NOT give them money or personal information!

Report the scam at OIG.SSA.gov.
For more information, visit our Antifraud Facts website.

The following table summarizes our FY 2024 performance measures targets and results that support our Strategic Goal and Objectives:

Strategic Goal 3: Ensure Stewardship of SSA Programs
Performance at a Glance

Strategic Objective	Performance Measure	FY 2024 Target	FY 2024 Results (Actuals)	Performance Status
3.1: Improve the Accuracy and Administration of Our Programs	3.1a: Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments[1]	94.00% (OP)	Results available in Summer 2025	**TBD**
	3.1b: Maintain a high payment accuracy rate by reducing overpayments, in the Old-Age, Survivors, and Disability Insurance program[2]	99.80% (OP)	Results available in Summer 2025	**TBD**
	3.1c: Ensure the quality of our decisions by achieving the State disability determination services decisional accuracy rate for initial disability decisions	97% decisional accuracy	Results available in January 2025	**TBD**
	3.1d: Maintain effective cybersecurity and privacy programs	Achieve 90% on the CIO FISMA Metrics Scorecard	Achieved 98% on the CIO FISMA Metrics Scorecard, exceeding the target by 8 percent; increased the number of certified systems with an Authority to Operate by 4.5 percent and increased the number of systems with Multi-Factor Authentication by 3 percent	**Met**

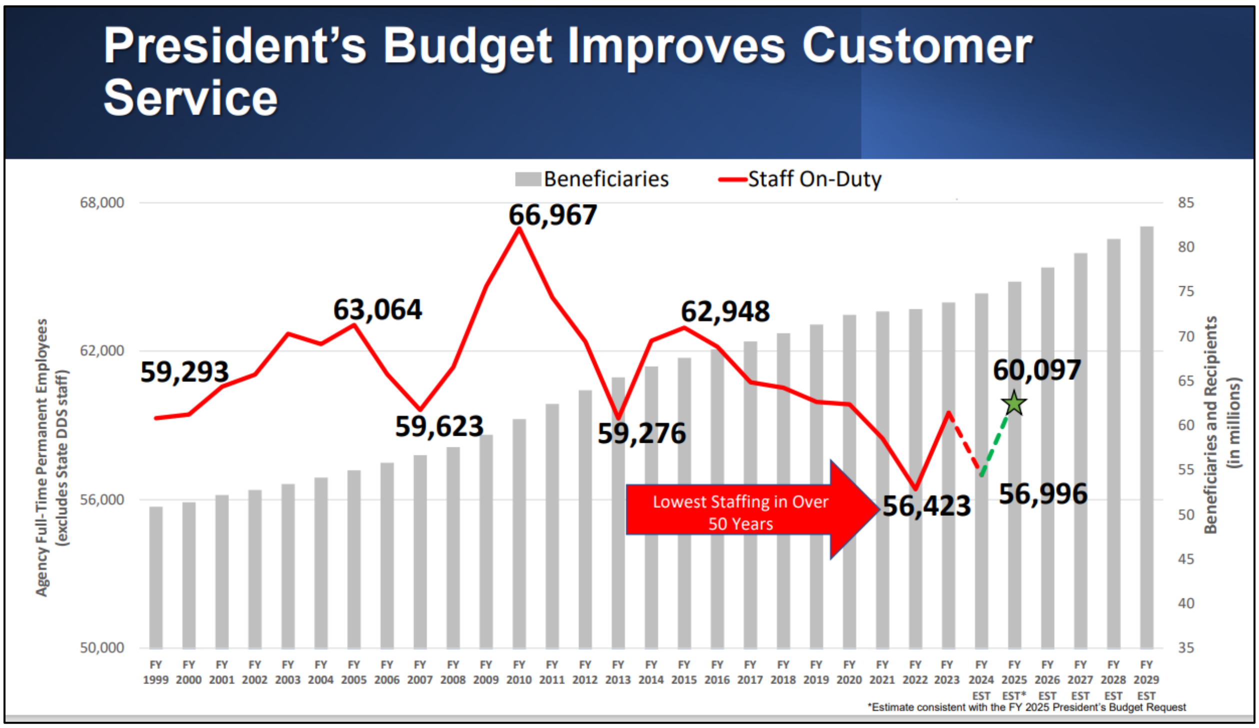
Strategic Objective	Performance Measure	FY 2024 Target	FY 2024 Results (Actuals)	Performance Status
3.2: Identify and Eliminate Potential Barriers to Access Contracts and Grants	3.2a: Achieve Small Business Administration annual scorecard success in contracting with Historically Underutilized Business (HUB) Zone, Woman-Owned, Veteran-Owned, and Small Disadvantaged Businesses	Achieve an overall grade of "A" on the SBA scorecard	Results available in Spring 2025	**TBD**
	3.2b: Increase funding for HBCUs and ISSCs	100% above the 4-year dollar average	Increased funding by 1,628 percent, exceeding our target of 100 percent above the 4-year dollar average ($350,000); issued RDRC grants to HBCU and ISSC institutions and scholars totaling $5.7 million	**Met**
3.3: Improve Organizational Performance and Policy Implementation	3.3a: Reduce our real property footprint	Achieve an 824,000 USF reduction	Exceeded our target of achieving an 824,000 USF reduction by reducing our real estate footprint by 846,170 USF	**Met**

Notes:

1. Annual SSI Stewardship Report results are available in the summer of the following year.
2. Annual OASDI Stewardship Report results are available in the summer of the following year.

Looking Forward – Facing Our Challenges

We have a service and staffing crisis with record backlogs and people waiting far too long for vital services. In FY 2024, we saw our staffing numbers decline, reaching one of our lowest staffing levels in over 50 years due to years of chronic underfunding while the number of beneficiaries increased. We understand that millions of people depend on us as a financial safety net, because our programs affect nearly every member of the public at various points in their lives: from birth, to entering the workforce, to facing a disability or loss of a family member, to enrolling in Medicare, and when reaching retirement. Recognizing that our programs are lifelines for many, it is imperative that we provide timely and quality service. However, to provide timely service, we must have adequate resources and staff.



Technology has helped us serve more beneficiaries than ever before, and the nature of our work and the demand for face-to-face service means restoring our staffing levels is essential. Hardworking SSA employees are essential to improving service delivery. Within resources, we are moving forward with transformational plans to tackle our challenges.

These plans include improving employee engagement through transparent communication and employee recognition. We will implement ongoing soft skills management training, focused on how to better communicate with staff, and hold agency leadership accountable for employee engagement. We will also analyze additional opportunities to recognize employees' efforts and contributions. We plan to improve recruiting and onboarding processes by developing recruitment resources and establishing an Employee Experience workgroup to evaluate and improve the onboarding experience. We will also resume our information technology (IT) modernization efforts, which were paused mainly due to funding constraints. As we move forward, our focus is twofold: retiring technical debt to reduce investments in outdated and legacy technology solutions; and simultaneously replacing unsustainable technology to increase enterprise effectiveness, accuracy, speed, and relevance. This approach is essential for ensuring our organization's long-term ability to meet the evolving needs of the public in an increasingly digital landscape. Our technology investments must provide the public with convenient, user-friendly, and secure self-service options, and our frontline employees with updated tools to serve our customers more efficiently. We must accelerate next-generation artificial intelligence and IT systems development that will drive an enhanced customer and employee experience in future years and provide tangible benefits to the public. Additionally, we must combat the persistent and increasingly sophisticated, malicious cyber campaigns that threaten our security and privacy, placing cybersecurity at the forefront of our effort to protect the sensitive information we maintain.

We are committed to climate adaptation and resilience planning to reduce climate change risks. Our *Sustainability Plan* and *FYs 2024–2027 Climate Adaptation Plan* reaffirms our vision to improve our capacity to assess and build resilience to climate change risks. We provide information on Climate-Related Financial Risk in the *Other Reporting Requirements* section.

We are working to better serve millions of people while maintaining strong stewardship and rigorous oversight of the programs we administer. We discuss additional program challenges as detailed in the *Highlights of Financial Position* section and Note 17, Social Insurance Disclosures, in the *Audited Financial Statements and Additional Information* section.

HIGHLIGHTS OF FINANCIAL POSITION

Overview of Financial Data

We received an unmodified opinion on our financial statements from Ernst & Young LLP. Our financial statements combined the results from the programs we administer, which include the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) programs (referred to as OASDI when discussing them in combination), and the Supplemental Security Income (SSI) program. OASI and DI have separate funds, which are financed by payroll taxes, interest on investments, and income taxes on benefits. General revenues from the U.S. Treasury finance SSI. Our financial statements, notes, and additional information are located in the *Financial Section* of this report. The following table presents key amounts from our basic financial statements for fiscal years (FY) 2023 and 2024 (excluding key amounts from our Statements of Social Insurance and Statements of Changes in Social Insurance Amounts, which we present in the Table of Key Social Insurance Measures located in the Overview of Social Insurance Data section).

Table of Key Financial Measures[1]
(Dollars in Billions)

Net Position (end of fiscal year)				
	2024	2023	Increase / (Decrease)	
Total Assets	$2,800.8	$2,856.4	$(55.6)	(1.9)%
Less Total Liabilities	$170.5	$157.0	$13.5	8.6%
Net Position (assets net of liabilities)	$2,630.3	$2,699.4	$(69.1)	(2.6)%
Change in Net Position (end of fiscal year)				
	2024	2023	Increase / (Decrease)	
Net Costs	$1,530.6	$1,433.3	$97.3	6.8%
Total Financing Sources[2]	$1,461.5	$1,392.5	$69.0	5.0%
Change in Net Position[3]	$(69.1)	$(40.8)		

Notes:

1. Totals do not necessarily equal the sum of rounded components.
2. Total Financing Sources includes the following line items from the Statements of Changes in Net Position located in the *Financial Section* of this report: Net Change in Unexpended Appropriations, Appropriations Used in Cumulative Results of Operations, Total Non-Exchange Revenue, Transfers-In/Out Without Reimbursement, Imputed Financing Sources, and Other.
3. Increase / (Decrease) is not provided for Change in Net Position as the amounts displayed are already a calculated value.

Balance Sheet: The Balance Sheet, located in the *Financial Section* of this report, presents as of a specific point in time, amounts of economic benefits we own or manage (assets), amounts we owe (liabilities), and residual amounts we retain, comprising the difference (net position).

Total assets for FY 2024 are $2,800.8 billion, a 1.9 percent decrease over the previous year. Of the total assets, $2,783.6 billion relate to funds from dedicated collections for the OASI and DI programs. By statute, we invest those funds not needed to pay current benefits in interest-bearing Treasury securities. Our Investments line, which includes interest receivable and accounts for approximately 99.1 percent of our assets, decreased $55.4 billion from the previous year. This decrease is due to a reduction in OASI investments during FY 2024, as the program's obligations exceeded receipts. This increase in obligations is due primarily to an increase in beneficiaries and the 3.2 percent Cost of Living Adjustment (COLA) beneficiaries received in 2024.

Liabilities grew in FY 2024 by $13.5 billion primarily because of the growth in benefits due and payable, which is primarily due to an increase in the number of OASI beneficiaries, and the 3.2 percent COLA provided to beneficiaries in 2024. The majority of our liabilities (92.8 percent) consists of benefits that have accrued as of the end of the fiscal year, but have not been paid as of September 30, 2024. By statute, payment of OASI and DI program benefits for the month of September does not occur until October. Our net position decreased $69.1 billion to $2,630.3 billion as a result of the decrease in assets and increase in liabilities in FY 2024.

Statement of Net Cost: The Statement of Net Cost, located in the *Financial Section* of this report, presents the annual cost of operating our three major programs: OASI, DI, and SSI. The Other category on the Statement of Net Cost consists primarily of our administrative costs not related to the OASI, DI, and SSI programs, and contains non-material activities.

Our net cost of operations includes the gross costs we incurred less any exchange revenue earned from activities. In FY 2024, our total net cost of operations increased $97.3 billion to $1,530.6 billion, primarily due to a 2.9 percent increase in the number of OASI beneficiaries, and the 3.2 percent COLA provided to beneficiaries in 2024. The OASI and DI net cost increased by 8.1 percent, 1.3 percent respectively, while the SSI net cost decreased by 3.6 percent. Operating expenses increased for the OASI, DI, and SSI programs by 5.7 percent, 7.4 percent, and 4.8 percent respectively. When evaluating our OASI, DI, and SSI Programs, our administrative operating expenses for these programs are only 0.9 percent of these programs' total benefit expenses.

In FY 2024, our total benefit payment expenses increased by $96.4 billion, a 6.8 percent increase. The following table provides the benefit payment expense information, number of beneficiaries, and the change in these benefit items during FY 2024 and FY 2023 for each of our three major programs. The decrease in SSI benefit payment expense from FY 2023 to FY 2024 is due to 11 months of benefit payments in FY 2024 versus 12 months of payments in FY 2023 resulting from the October 2023 payments being accelerated into FY 2023 as the payment date fell on a weekend. This decrease is offset by an increase in benefit payment expense in FY 2024 due to the 3.2 COLA provided to beneficiaries in 2024. Refer to Note 1, Reporting Entity and Summary of Significant Accounting Policies in the *Financial Section* of this report for additional information on benefit payments.

Benefit Changes in Our Major Programs During Fiscal Years 2024 and 2023

OASI				
	2024	2023	Increase / (Decrease)	
Benefit Payment Expense[1]	$1,301.4	$1,204.3	$97.1	8.1%
Average Monthly Benefit Payment[2, 3]	$1,837.79	$1,759.67	$78.12	4.4%
Number of Beneficiaries[3, 4]	59.9	58.2	1.7	2.9%
DI				
	2024	2023	Increase / (Decrease)	
Benefit Payment Expense[1]	$156.9	$155.1	$1.8	1.1%
Average Monthly Benefit Payment[2, 3]	$1,402.44	$1,350.00	$52.44	3.9%
Number of Beneficiaries[3, 4]	8.4	8.6	(0.2)	(2.3)%
SSI				
	2024	2023	Increase / (Decrease)	
Benefit Payment Expense[1]	$55.9	$58.4	$(2.5)	(4.3)%
Average Monthly Benefit Payment[2, 3]	$697.27	$676.06	$21.21	3.1%
Number of Beneficiaries[3, 4]	7.4	7.5	(0.1)	(1.3)%

Notes:

1. Benefit payment expense presented in billions. As such, this presentation may affect the percent Increase / (Decrease) in this chart that are based on the financial statement values, which are presented in the millions.
2. Average monthly benefit payment for OASI, DI, and SSI programs presented in actual dollars.
3. Average monthly benefit payment and number of beneficiaries for OASI, DI, and SSI as of September 30.
4. Number of beneficiaries presented in millions.

Statement of Changes in Net Position: The Statement of Changes in Net Position, located in the *Financial Section* of this report, presents those accounting items that caused the net position section of the Balance Sheet to change from the beginning to the end of the reporting period. The Statement shows a decrease of $69.1 billion in the net position of our agency, which is attributable to our net cost exceeding our financing sources. OASDI financing sources are primarily made up of tax revenues and interest earned. In addition, OASDI financing sources are affected by transfers-in from our Payments to the Trust Fund accounts and transfers-out to our Limitation on Administrative Expenses accounts and the Railroad Retirement Board. We use most of the resources available to us to finance OASDI benefits and cover administrative expenses. As of September 30, 2024, OASI's FY 2024 net cost exceed financing sources, decreasing its net position. DI's FY 2024 financing sources exceed its net cost, increasing its net position.

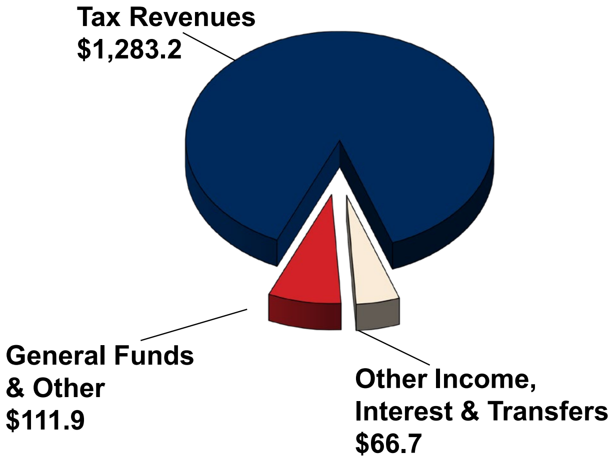
In FY 2024, total financing sources, as shown in the Table of Key Financial Measures displayed earlier in this section, increased by $69.0 billion to $1,461.5 billion. This increase is primarily due to an increase in OASI and DI tax revenues received in FY 2024. Tax revenue increased $67.8 billion to $1,283.2 billion in FY 2024 due primarily to an increase in OASDI employment tax collections during FY 2024, as estimates and the related collections continue to increase in both programs post the COVID-19 pandemic. The $1,461.5 billion in total financing sources from the Statement of Changes in Net Position will not match the amounts reported in the following "Where It Comes From…" chart. The activity reported in the chart includes

$0.3 billion in exchange revenue. Our exchange revenues primarily include payments of fees we receive from States that have us administer their State Supplementation of Federal SSI benefits. These amounts are reported on the Statement of Net Cost and are not classified as a financing source.

The following charts summarize the activity on our Statement of Net Cost and Statement of Changes in Net Position by showing the sources and uses of funds for FY 2024.

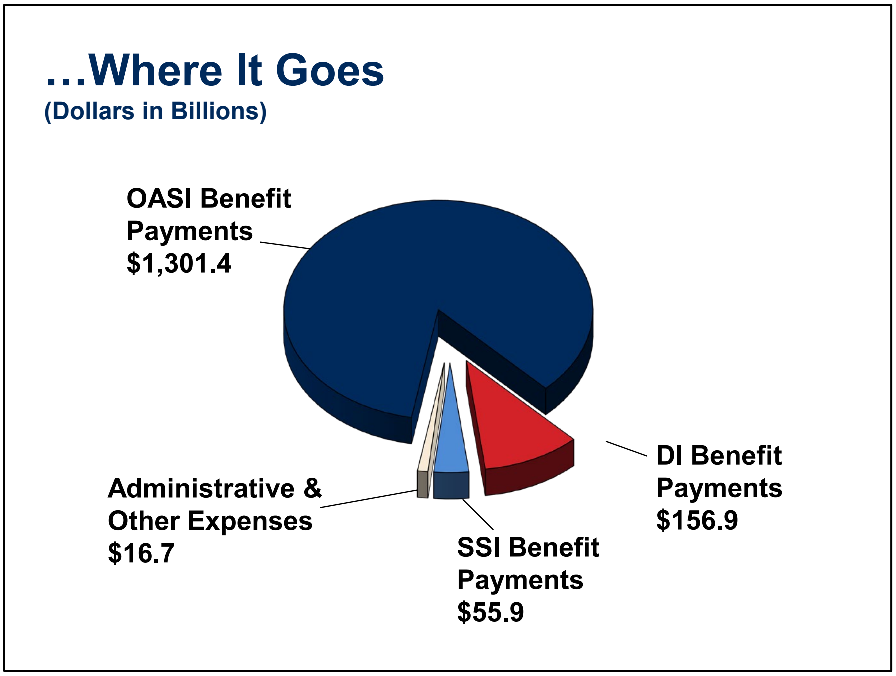
Where It Comes From[1]…

(Dollars in Billions)



Note:

1. The individual items included in the "Where It Comes From…" chart total $1,461.8 billion. Of this total, $0.3 billion relates to exchange revenue, which is not included on the Statement of Changes in Net Position.

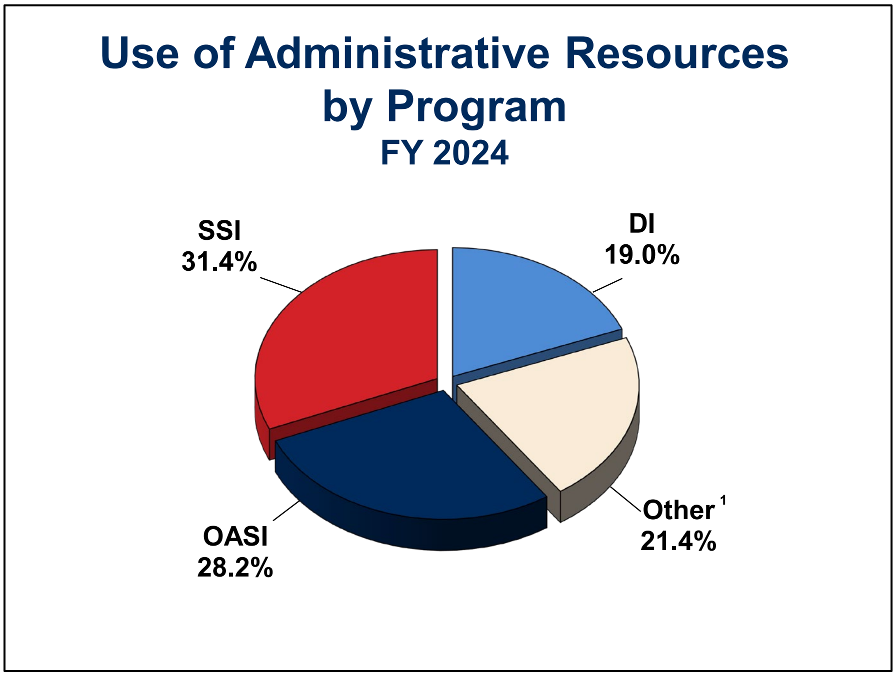


The SSI program's Cumulative Results of Operations are negative due to unfunded Benefits Due and Payable liabilities. Unadjudicated and adjudicated, or pending, claims make up a significant portion of SSI's Benefits Due and Payable activity. SSI will pay for these benefits using future years' resources. While the activity is unfunded, we still record an expense, which creates the negative Cumulative Results of Operations since we do not record an associated financing source.

Statement of Budgetary Resources: The Statement of Budgetary Resources, located in the *Financial Section* of this report, provides information on the budgetary resources available to our agency for the year and shows the status of those resources at the end of FY 2024. The Statement shows that we had $1,610.5 billion in budgetary resources, of which $2.6 billion remained unobligated at year-end. We recorded total net outlays of $1,519.7 billion by the end of the year. Budgetary resources increased $98.8 billion, or 6.5 percent, from FY 2023, while net outlays increased $103.4 billion, or 7.3 percent. The increase in budgetary resources is primarily due to the increase in tax revenues collected by the OASDI Trust Funds in FY 2024. The increase in net outlays is primarily due to an increase in the number of OASI beneficiaries and the 3.2 percent COLA provided to beneficiaries in 2024.

Use of Administrative Resources

The following chart displays the use of all administrative resources (including general operating expenses) for FY 2024 in terms of the programs we administer or support. Although the DI program comprises only 10.4 percent of the total benefit payments we make, it consumes 19.0 percent of annual administrative resources. Likewise, while the SSI program comprises only 3.7 percent of the total benefit payments we make, it consumes 31.4 percent of annual administrative resources. State disability determination services decide whether the claimants for DI and SSI disability benefits are disabled. In addition, disability determination services perform continuing disability reviews of individuals receiving DI and SSI disability payments to ensure continued eligibility for benefits. The FY 2023 use of administrative resources by program was 28.1 percent for the OASI program, 18.6 percent for the DI program, 31.6 percent for the SSI program, and 21.7 percent for Other.

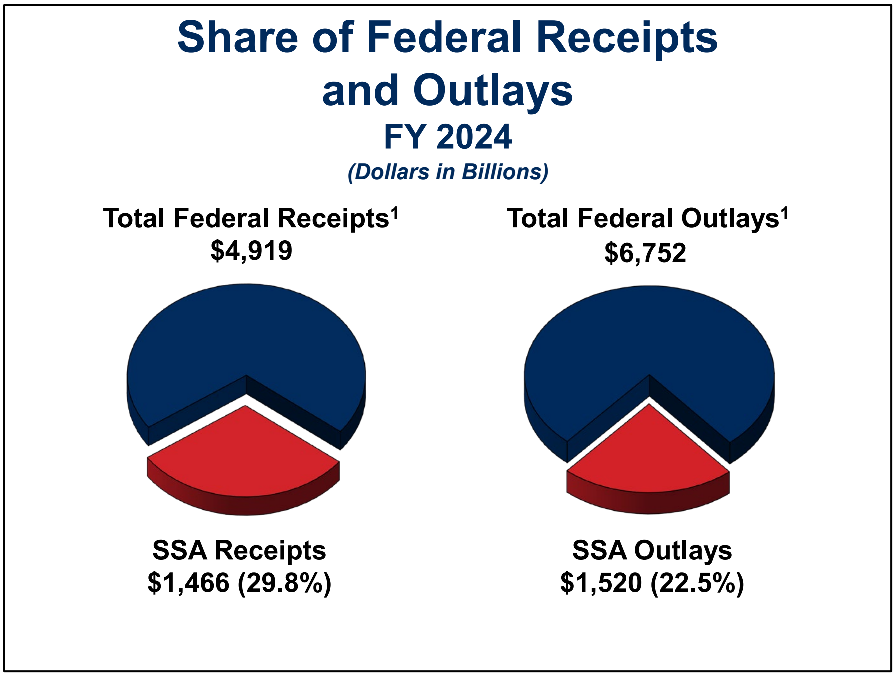


Note:

1. Other primarily consists of Hospital Insurance/Supplemental Medical Insurance.

Share of Federal Operations

The programs we administer constitute a large share of the total receipts and outlays of the Federal Government, as shown in the chart to the right. Receipts for our programs in FY 2024 represented 29.8 percent of the $4.9 trillion in total Federal receipts, a decrease of 1.7 percent from last year. SSA Outlays decreased by 0.6 percent to 22.5 percent of Federal outlays. SSA outlays increased in FY 2024 compared to FY 2023 by $103.4 billion, while Federal outlays increased by $617.0 billion.



Note:

1. Data Source: Final Monthly Treasury Statement of Receipts and Outlays of the United States Government.

Overview of Social Insurance Data

Table of Key Social Insurance Measures[1]
(Dollars in Billions)

Statements of Social Insurance Old-Age, Survivors, and Disability Insurance (OASDI) (calendar year basis)				
	2024	2023	Increase / (Decrease) [3]	
Present value of future net cash flows[2] for current and future participants over the next 75 years (open group measure)	$(25,406)	$(25,252)	$(154)	(0.6)%

Notes:

1. Totals do not necessarily equal the sum of rounded components.
2. Present values used in this presentation are based on the full amounts of estimated noninterest income and the cost of providing benefits at the levels scheduled under current law, even after the combined OASI and DI Trust Fund reserves are depleted. Future net cash flows are defined as future inflows (noninterest income) less future outflows (the cost of providing scheduled benefits) and are estimated over the appropriate 75-year period.
3. We provide high-level descriptions of the reason for the change in present value from year to year in the Statement of Changes in Social Insurance Amounts subsection on the following page.

Statements of Social Insurance: The Statements of Social Insurance, located in the *Financial Section* of this report, present the following estimates:

- The present value of estimated future noninterest income to be received from or on behalf of current participants who have attained retirement eligibility age (i.e., age 62 and over) and the estimated future cost of providing scheduled benefits to those same individuals;
- The present value of estimated future noninterest income to be received from or on behalf of current participants who have not yet attained retirement eligibility age (i.e., ages 15–61) and the estimated future cost of providing scheduled benefits to those same individuals;
- The present value of estimated future noninterest income less estimated future cost for the closed group, which represents all current participants who attain age 15 or older in the first year of the projection period, plus the reserves in the combined OASI and DI Trust Funds as of the beginning of the valuation period;
- The present value of estimated noninterest income to be received from or on behalf of future participants (those under age 15 and to be born during the period) and the cost of providing scheduled benefits to those same individuals; and
- The present value of estimated future noninterest income less estimated future cost for the open group, which represents all current and future participants (including those to be born during the projection period) who are now participating or are expected to eventually participate in the OASDI programs, plus the reserves in the combined OASI and DI Trust Funds as of the beginning of the valuation period.

Estimated future noninterest income shown in the bullets above consists of payroll taxes from employers, employees, and self-employed persons; revenue from Federal income-taxation of scheduled OASDI benefits; and miscellaneous reimbursements from the General Fund of the

Treasury. It does not include interest income on reserves held in the combined OASI and DI Trust Funds. The estimated future cost shown in the bullets above includes benefit amounts scheduled under current law, administrative expenses, and net transfers with the Railroad Retirement program.

The present value of estimated future net cash flows (estimated noninterest income less estimated cost for scheduled future benefits) for all current and future participants over the next 75 years (open group measure) decreased from -$25.3 trillion, as of January 1, 2023, to -$25.4 trillion, as of January 1, 2024. The deficit, therefore, increased in magnitude by almost $0.2 trillion. Including the reserves in the combined OASI and DI Trust Funds increases this open group measure by about $2.8 trillion, to -$22.6 trillion, for the 75-year valuation period.

The present value of estimated future net cash flows for all current participants (who attain age 15 or older in the first year of the projection period) over the next 75 years, plus the reserves in the combined OASI and DI Trust Funds as of the beginning of the period, is -$48.9 trillion (closed group measure). Including future participants (those under age 15 and to be born during the projection period) over the next 75 years decreases the projected deficit by $26.2 trillion to the open group measure of -$22.6 trillion.

Statements of Changes in Social Insurance Amounts: The Statements of Changes in Social Insurance Amounts, located in the *Financial Section* of this report, reconcile the changes (between the current valuation period and the prior valuation period) in the present value of estimated future noninterest income less estimated future cost for current and future participants (the open group measure) over the next 75 years. This reconciliation identifies significant components of the changes and provides reasons for the changes.

From January 1, 2023 to January 1, 2024: Changes in the present value of estimated future net cash flows for this valuation are due to the following factors:

- Advancing the valuation date by one year and including the additional year, 2098, by itself decreased the present value of estimated future cash flows by $0.8 trillion;
- Changes in demographic data, assumptions, and methods decreased the present value of estimated future net cash flows by $1.2 trillion;
- Changes in economic data, assumptions, and methods increased the present value of estimated future net cash flows by $0.4 trillion;
- Changes in programmatic data and methods increased the present value of estimated future net cash flows by $1.4 trillion; and
- Changes in law or policy had a negligible effect on the present value of estimated future net cash flows.

Significant changes made for this valuation included:

- Lowering the ultimate total fertility rate from 2.0 children per woman to 1.9 children per woman and reaching the ultimate value in an earlier year;
- Lowering the ultimate disability incidence rate from 4.8 per thousand exposed to 4.5 per thousand exposed; and

- Increasing the assumed level of labor productivity over the projection period, given that economic growth through 2023 exceeded prior expectations.

OASI and DI Trust Fund Solvency

Significant uncertainty surrounds the estimates for the Statements of Social Insurance. In particular, the actual future values of demographic, economic, and programmatic factors are likely to be different from the near-term and ultimate assumptions used in the projections. Some examples of sources of near-term uncertainty include unanticipated changes in inflation, earnings growth, and interest rates. Such near-term effects do not generally have significant effects on the long-term values shown in the Statements of Social Insurance. Some examples of sources of long-term uncertainty include the effects of climate change, levels of future government spending and taxation, and possible future global events and technical advances. To illustrate the uncertainty of the projections, we include sensitivity analysis on a range of long-term assumptions in the *Required Supplemental Information: Social Insurance* section of this report.

Pay-As-You-Go Financing

The OASI and DI Trust Funds are deemed solvent as long as reserves are sufficient to finance program obligations in full and on a timely basis. Such solvency is indicated, for any point in time, by the maintenance of positive OASI and DI Trust Fund reserves. Beginning in 2021, program obligations for the OASDI program have exceeded income, including interest income on reserves held in the combined OASI and DI Trust Funds, therefore, the combined OASI and DI Trust Fund reserves have declined. The reserves are projected to continue to decline until reserves become depleted in 2035.

The following table shows that the combined OASI and DI Trust Fund reserves, expressed in terms of the number of months of program obligations that these reserves could finance, has been declining slowly. This measure indicates the ability of the OASI and DI Trust Funds to cover most short-term financial contingencies. The number of months that the reserves of the combined OASI and DI Trust Funds could finance was 30.8 months at the end of FY 2020, declining to 28.1 months at the end of FY 2021, 25.1 months at the end of FY 2022, and to estimated values of 23.2 months and 21.1 months at the end of FY 2023 and FY 2024, respectively.

Number of Months of Cost
Fiscal-Year-End Trust Fund Reserves Can Pay[1,2]

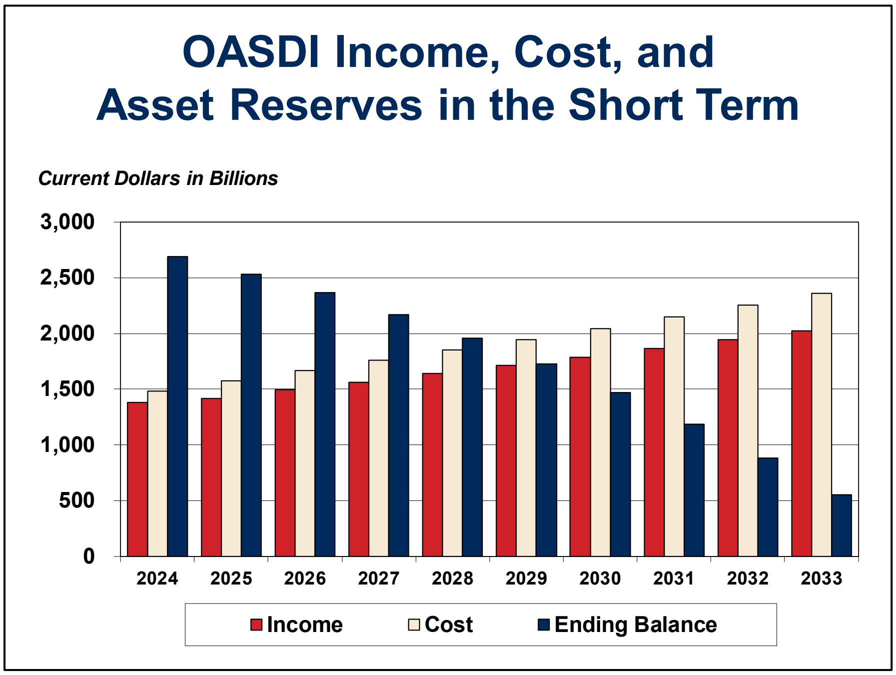
	2024	2023	2022	2021	2020
OASI	22.2	24.6	27.2	30.8	34.0
DI	12.4	10.9	9.0	8.1	8.1
Combined	21.1	23.2	25.1	28.1	30.8

Notes:

1. Computed as 12 times the ratio of end-of-year reserves to cost in the following fiscal year.
2. Values for FY 2023 and FY 2024 are estimates based on the intermediate set of assumptions of the 2024 Trustees Report.

Short-Term Financing

Having trust fund reserves at the beginning of a year at least equal to the projected cost for that year is a good indication that a trust fund can cover most short-term contingencies. Beyond this rough indication, the annual Trustees Reports also include some formal tests to assess financial status. Projections in the 2024 Trustees Report indicate that, on a hypothetical combined basis, the OASI and DI Trust Funds fail the test of short-range financial adequacy, and are therefore not sufficiently financed over the next 10 years. Under the intermediate set of assumptions of the 2024 Trustees Report, OASDI estimated costs of $2,359 billion and income of $2,027 billion for 2033 are 69 percent and 50 percent higher than the corresponding amounts in 2023 ($1,392 billion and $1,351 billion, respectively). From the end of 2023 to the end of 2033, combined OASI and DI Trust Fund reserves are projected to decrease by 80 percent, from $2.8 trillion to $0.6 trillion.



Long-Term Financing

Social Security’s financing is not projected to be sustainable over the long term with the tax rates and benefit levels scheduled in current law. Under the intermediate set of assumptions of the 2024 Trustees Report, program costs will exceed income in all years of the 75-year projection period. The combined OASI and DI Trust Fund reserves are projected to become depleted in 2035. Tax revenues are projected to be sufficient to support expenditures at a level of 83 percent of scheduled benefits after the combined OASI and DI Trust Fund reserves become depleted in 2035, declining to 73 percent of scheduled benefits in 2098.

The primary reasons for the projected long-term inadequacy of financing under current law relate to changes in the demographics of the United States: birth rates dropping substantially after 1965, retirees living longer, and baby boomers beginning their retirements. In present value terms, the 75-year shortfall is $22.6 trillion, which is 3.32 percent of taxable payroll and

1.2 percent of gross domestic product over the same period. Some of the possible reform alternatives being discussed–singularly or in combination with each other–are:

- Increasing payroll taxes;
- Slowing the growth in benefits;
- Finding other revenue sources (such as general revenues); or
- Increasing expected returns by investing the OASI and DI Trust Fund reserves, at least in part, in private securities.

Limitations of the Financial Statements

The financial statements beginning on page 59 are prepared to report the financial position, financial condition, and results of operations of the Social Security Administration, consistent with the requirements of 31 United States Code 3515(b). The statements are prepared from records of the Social Security Administration in accordance with Federal generally accepted accounting principles and the formats prescribed by the Office of Management and Budget. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

Management Assurances

Fiscal Year 2024 Commissioner's Assurance Statement

SSA management is responsible for managing risks and maintaining effective internal control and financial management systems (FMS) to meet the objectives of Sections 2 and 4 of the *Federal Managers' Financial Integrity Act* (FMFIA). We conducted our assessment of risk and internal control in accordance with the requirements of Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Our assessment considered the design and operating effectiveness of our data quality controls to ensure they support *Digital Accountability and Transparency Act* reporting objectives as outlined in our *Data Quality Plan*. Based on the assessment results, we can provide reasonable assurance that internal control over operations, reporting, and compliance were operating effectively as of September 30, 2024.

The agency's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with U.S. Generally Accepted Accounting Principles. Management is also responsible for designing, implementing, and maintaining effective internal control over financial reporting. An entity's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. Generally Accepted Accounting Principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction, of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

We conducted our assessment of the effectiveness of internal control over financial reporting, based on criteria established in the *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States. Based on the assessment results, we concluded that, as of September 30, 2024, SSA's internal control over financial reporting is effective.

The *Federal Financial Management Improvement Act of 1996* (FFMIA) requires Federal agencies to implement and maintain FMSs that comply substantially with: 1) Federal FMS requirements; 2) applicable Federal accounting standards; and 3) the U.S. Standard General Ledger at the transaction level. We assessed our FMSs in accordance with the requirements of OMB Circular No. A-123, Appendix D, *Management of Financial Management Systems – Risk and Compliance*. Based on the assessment results, we determined our FMSs substantially comply with FFMIA and conform to the objectives of FMFIA. In making this determination, we considered all available information, including the auditor's opinion on our fiscal year 2024 financial statements, the report on the effectiveness of internal controls over financial reporting, and the report on compliance with laws and regulations. We also considered the results of the FMS reviews and management control reviews conducted by the agency and its independent contractor.

Martin O'Malley
Commissioner
November 13, 2024

Agency Federal Managers' Financial Integrity Act Program

We have a well-established, agency-wide management control and financial management systems (FMS) program as required by the *Federal Managers' Financial Integrity Act* (FMFIA). We accomplish the objectives of the program by:

- Integrating management controls into our business processes and FMSs at all organizational levels;
- Reviewing our management controls and FMS controls on a regular basis; and
- Developing corrective action plans for control weaknesses and monitoring those plans until completion.

We incorporate effective internal controls into our business processes and FMSs through the life cycle development process. We incorporate the necessary controls into the user requirements, certify the controls are in place by having management review the new or changed processes and systems, and test the controls prior to full implementation to ensure they are effective.

We identify management control issues and weaknesses through audits, reviews, studies, and observations of daily operations. We conduct internal reviews of management and systems security controls in our administrative and programmatic processes and FMSs. These reviews evaluate the adequacy and efficiency of our operations and systems, and provide overall assurance that our business processes are functioning as intended. The reviews also ensure management controls and FMSs comply with the standards established by FMFIA, the *Federal Financial Management Improvement Act of 1996*, and Office of Management and Budget (OMB) Circular Nos. A-123 and A-130. Throughout the fiscal year, management control issues and weaknesses are reviewed individually and in the aggregate to determine if a reportable condition exists.

Our managers are responsible for ensuring effective internal control in their areas and communicating possible reportable conditions as necessary. We require senior-level executives to submit annual statements to the Commissioner providing reasonable assurance that functions and processes under their areas of responsibility were functioning as intended and that there were no major weaknesses that would require reporting, or a statement indicating they could not provide such assurance. This executive accountability assurance provides an additional basis for the Commissioner's annual assurance statement.

Our Executive Internal Control Committee, consisting of senior managers, ensures our compliance with FMFIA and other related legislative and regulatory requirements. The Executive Internal Control Committee evaluates identified major control weaknesses to determine if they are material, and if the Commissioner must make a final determination on whether to report them.

For more information, please refer to the Summary of Financial Statement Audit and Management Assurances located in the *Other Information* section of this report.

Management Control Review Program

In compliance with OMB Circular No. A-123, we have an agency-wide review program for management controls in our administrative and programmatic processes. The reviews encompass our business processes, such as enumeration, earnings, claims and post-entitlement events, and debt management. We conduct these reviews at our field offices, processing centers, hearings offices, and at the State disability determination services. These reviews indicate our management control review program is effective in meeting management's expectations for compliance with Federal requirements.

Financial Management Systems Review Program

The agency maintains an FMS inventory and conducts reviews of the FMSs to ensure they meet Federal requirements. In addition to our financial systems, we include all major programmatic systems in the FMS inventory. On a three-year cycle, an independent accounting firm performs detailed reviews of our FMSs. During fiscal year (FY) 2024, the results of these reviews did not disclose any significant weaknesses that would indicate noncompliance with laws, Federal regulations, or Federal standards.

Government Accountability Office's, Standards for Internal Control in the Federal Government

In FY 2024, we engaged an independent accounting firm, separate from our independent auditor, to assess our compliance with the Government Accountability Office's (GAO), *Standards for Internal Control in the Federal Government*. The standards provide the internal control framework and criteria that Federal managers should use to design, implement, and operate an effective internal control system that will provide us with reasonable assurance that we will achieve our operations, reporting, and compliance objectives. Based on the procedures performed, the independent accounting firm concluded we have an adequately designed system of internal controls that meets the GAO's standards.

Enterprise Risk Management

We continue to mature our Enterprise Risk Management (ERM) program in accordance with OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. We have implemented a multi-year strategy that will further integrate our existing internal control and risk management frameworks with our strategic planning and review processes. During FY 2024, we continued to expand on our *Risk Evaluation, Assessment, and Considerations Handbook* that provides guidance in incorporating risk assessments and analyses into agency projects, initiatives, and decision memorandums. We incorporated more continuous monitoring into our risk profile process, providing more frequent updates to our risk response and proposed actions sections along with considerations of which risks to include. The risks included in our risk profile align with the Inspector General's report on the agency's "Major Management and Performance Challenges" and are discussed bi-weekly in various agency SecurityStat sessions. More information on SecuritySTAT can be found at SSA.gov/securitystat.. Finally, we are constantly reaching out beyond our Program Partners to integrate ERM with various risk functions throughout the agency.

Financial Statement Audit

The Office of the Inspector General (OIG) contracted with Ernst & Young LLP (EY) for the audit of our FY 2024 financial statements. EY opined that the Consolidated Financial Statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles (GAAP) for Federal entities.

EY also opined that the Sustainability Financial Statements, which comprise the Statement of Social Insurance as of January 1, 2024, and the Statement of Changes in Social Insurance Amounts for the period January 1, 2023 to January 1, 2024, are presented fairly, in all material respects, in accordance with U.S. GAAP.

EY opined that we maintained, in all material respects, effective internal control over financial reporting as of September 30, 2024, based on the criteria established in the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States.

In this year's financial statement audit, EY cited two significant deficiencies identified in prior years. These significant deficiencies concern internal controls over certain financial information systems and internal control over accounts receivable with the public (benefit overpayments). We are working to resolve the deficiencies identified by audits through risk-based corrective action plans to mitigate risks and strengthen our internal control environment.

For more information on the auditors' findings and our plans to correct the findings, please refer to the *Report of Independent Auditors* and *Agency Response to the Report of Independent Auditors* sections of this report.

Federal Information Security Modernization Act

The *Federal Information Security Management Act of 2002* (FISMA), as amended by the *Federal Information Security Modernization Act of 2014*, requires Federal agencies to ensure adequate security protections for Federal information systems and information. Under this act, Federal agencies must submit annual FISMA reports to OMB. We submitted this year's report timely. Our report summarizes the results of our security reviews of major information systems and programs, our progress on meeting the Administration's cybersecurity priorities, and the results of other work performed during the reporting period using government-wide cybersecurity performance measures.

For the FY 2024 FISMA audit, EY identified a number of recommendations to mature the cybersecurity posture of the agency, including process improvements associated with the integration of our enterprise and cybersecurity risk management programs, leading EY to issue an overall Not Effective rating for our program. While we agree with the auditor's high-level recommendations for continuous program improvement, we regard our program as Effective, especially when factoring in our real-world experience and performance with protecting our network and systems from multiple critical threats and vulnerabilities impacting the Federal enterprise. While the Inspector General (IG) FISMA Metrics are strongly encouraged for use as evaluation criteria, it is our understanding that they were not designed to be the sole determinant of maturity. As established in OMB's FY 2023-2024 IG FISMA Reporting Metrics, "IGs should consider both their and the agency's assessment of unique missions, resources, and challenges when determining information security program effectiveness." Additionally, it states, "Therefore, an IG has the discretion to determine that an agency's information security program is effective even if the agency does not achieve a Level 4 (Managed and Measurable)."

We concur with EY's Effective rating for our Incident Response program, further demonstrating our commitment to ensure incident detection and handling are in place to battle an evolving threat landscape. Our response to these evolving threats amid well publicized exploits of corporate and government entities in FY 2024 demonstrates our capabilities to protect the agency's information technology (IT) assets. Additionally, we agree with EY's Effective rating for the Information Security Training program. Significant improvements were made in our phishing and training programs that resulted in receiving the Innovative Solutions Award during the 34th Federal Information Security Educators Conference.

As evidenced by our improved FY 2024 scores, we continuously enhance our cybersecurity and privacy controls that elevates our maturity levels. Fifty-four percent of all metrics are rated L3 Consistently Implemented or higher. We understand the importance of strong enterprise cyber governance and managing associated cyber risks are of utmost importance to our agency and we will continue our efforts to further improve our performance across all FISMA domains. For this reason, we strengthened and expanded our Information System Security Officer (ISSO) program by adding Information System Security Engineer staff to assist the ISSOs in providing improved front line security oversight for agency components, regions, and distributed sites. Additionally, we implemented a Cybersecurity Risk Program Management Office (PMO) and established an enhanced cybersecurity risk dashboard. Continued efforts in this area will assist in raising scores in all FISMA domains.

In terms of our strategy to achieve a Level 4 Effective rating, we are developing maturation plans to elevate all FISMA domains to at least level 3 or level 4 specifically targeting the Identify and Detect domains. To that end, we established the Cyber Risk PMO and dashboard. The PMO will define metrics and drive performance measures needed to ensure all agency software include appropriate security controls and manage cybersecurity risks.

The agency will continue to prioritize our efforts based on risk-based decisions in implementing all recommended cybersecurity program improvements, however it is important to note that many of our initiatives require multi-year investments to fully meet the criteria established for an Effective program, as designated by the metrics.

Financial Management Systems Strategy

Over the years, we have worked hard to improve our financial management practices. We continue to develop initiatives to enhance the existing financial and management information systems. Our actions demonstrate discipline and accountability in the execution of our fiscal responsibilities as stewards of the Social Security programs. Going forward, our goal is to achieve government-wide and internal financial management milestones established for improvement.

Annually, we review and update our FMS inventory to reflect the status of our systems modernization projects. We categorize our inventory of FMSs under the broad headings of

Program Benefits, Debt Management, or Financial/Administrative and continue the long-term development of our FMSs following a defined strategy.

For the Financial/Administrative systems category, the Social Security Online Accounting and Reporting System (SSOARS) has been our accounting system of record since implementation in 2003. Every agency financial transaction is recorded in SSOARS. SSOARS is subject to extensive audit testing procedures by the independent auditors contracted by OIG in accordance with the *Chief Financial Officer's Act of 1990*.

SSOARS is a federally certified accounting system based on Oracle Federal Financials and consists of core accounting, payables, purchasing, receivables, iStore, WebCenter, Business Intelligence (BI) Publisher, Service Oriented Architecture Suite, and Single Sign-on (SSO) services. SSOARS produces management information reports and provides real-time integration with administrative and programmatic systems for obligations and payments, which significantly improves reporting accuracy and timeliness.

In FY 2024, we began migrating SSOARS to new hardware. The move to the new hardware entails a change from Solaris to LINUX operating systems. This will achieve more compliance with the agency's Office of the Chief Information Officer (OCIO)-recommended technologies upon retirement of the Oracle hardware in December. We achieved significant results with G-Invoicing releases and patches. SSOARS interfaces fully as a requestor in the governmentwide G-Invoicing system. This achieves compliance with a government mandate to use G-Invoicing.

We provided a replacement application for Oracle's BI Publisher and WebCenter with agency supported WebFOCUS reporting which allows SSOARS to utilize an agency supported reporting system instead of two Oracle commercial off-the-shelf software applications for reporting. This will achieve more compliance with the agency's OCIO-recommended technologies upon retirement of Oracle's BI Publisher and WebCenter in December. We implemented Multi-Factor Authentication (MFA)-compliant SSO for SSOARS users which achieves compliance with the agency's OCIO MFA requirements. Finally, we monitored and resolved multiple Known Exploited Vulnerabilities (KEV), which are risks identified by the Cybersecurity and Infrastructure Security Agency (CISA). This achieves compliance with the CISA rules for Federal agencies to speedily patch KEVs as published by CISA.

Throughout FY 2025, we will complete the SSOARS migration to the new hardware using the LINUX operating system. We plan to continue execution of G-Invoicing releases and patches. We will retire BI Publisher and WebCenter. To determine the best approach to fully implement SSOARS to a next generation Treasury-approved Financial Management Quality Service Management Office (FM QSMO) offering, we will analyze and compare FM QSMO offerors.

As CISA identifies risks and vulnerabilities, we will monitor and resolve the associated KEVs. We will conduct research and analysis for the implementation of OMB and Treasury requirements such as: Program Activity Reporting Key code implementation and Treasury Account Symbol revisions. We will also conduct major infrastructure patching of SSOARS.

Digital Accountability and Transparency Act

We submitted and certified the required reports for the *Digital Accountability and Transparency Act of 2014* (DATA Act) for the fourth quarter of FY 2023 and the first, second, and third quarters of FY 2024. These reports were submitted monthly as required by OMB Memorandum M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*. Additionally, we have submitted the required reports for July, August, and September 2024.

We are continuing to engage with the DATA Act community to develop improvements to the Governmentwide Spending Data Model (GSDM) formerly known as the DATA Act Information Model Schema. We participate in workgroups to develop policy, guidance, and new reporting requirements. The DATA Act effort will continue to enhance our transparency through improved consistency. In addition, we are providing more detailed data to [USASpending.gov](https://www.usaspending.gov) and additional data to Treasury. For FY 2024, we implemented GSDM 1.0.1.

In compliance with OMB Memorandum M-18-16, *Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk,* we have developed a *Data Quality Plan* to ensure we have effective internal controls over the input and validation of data submitted to USAspending.gov. We leverage our existing FMFIA program activities to identify critical risk points and corresponding mitigating controls and assess the design and operating effectiveness of our data quality controls to ensure they support DATA Act reporting objectives. We also consider the results of our assessment in our FMFIA annual assurance statement process.

The DATA Act has provided the agency a tool to remove the silos for the various lines of business that are impacted by the DATA Act. There is a coordinated effort between finance, budget, acquisition, and financial assistance to make sure our spending data links between the various systems. This allows a link from budget formulation to award issuance to funds disbursement.

USAspending.gov displays the number of unlinked awards submitted for each period for both contracts and financial assistance. In FY 2024, we had 669 unlinked awards and 95 percent of these awards were either zero dollar or micro-purchase. These unlinked awards link internally, but due to reporting requirements, do not link externally on USAspending.gov. In FY 2023, we had 484 unlinked awards and 93 percent of these awards were either zero dollar or micro-purchase. The unlinked awards on USAspending are dynamic and can change from submission to submission as new data is submitted.

Since the first DATA Act reporting period, second quarter of FY 2017, we have reported on every Treasury Account Symbol and have not had a reporting difference in obligations.

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