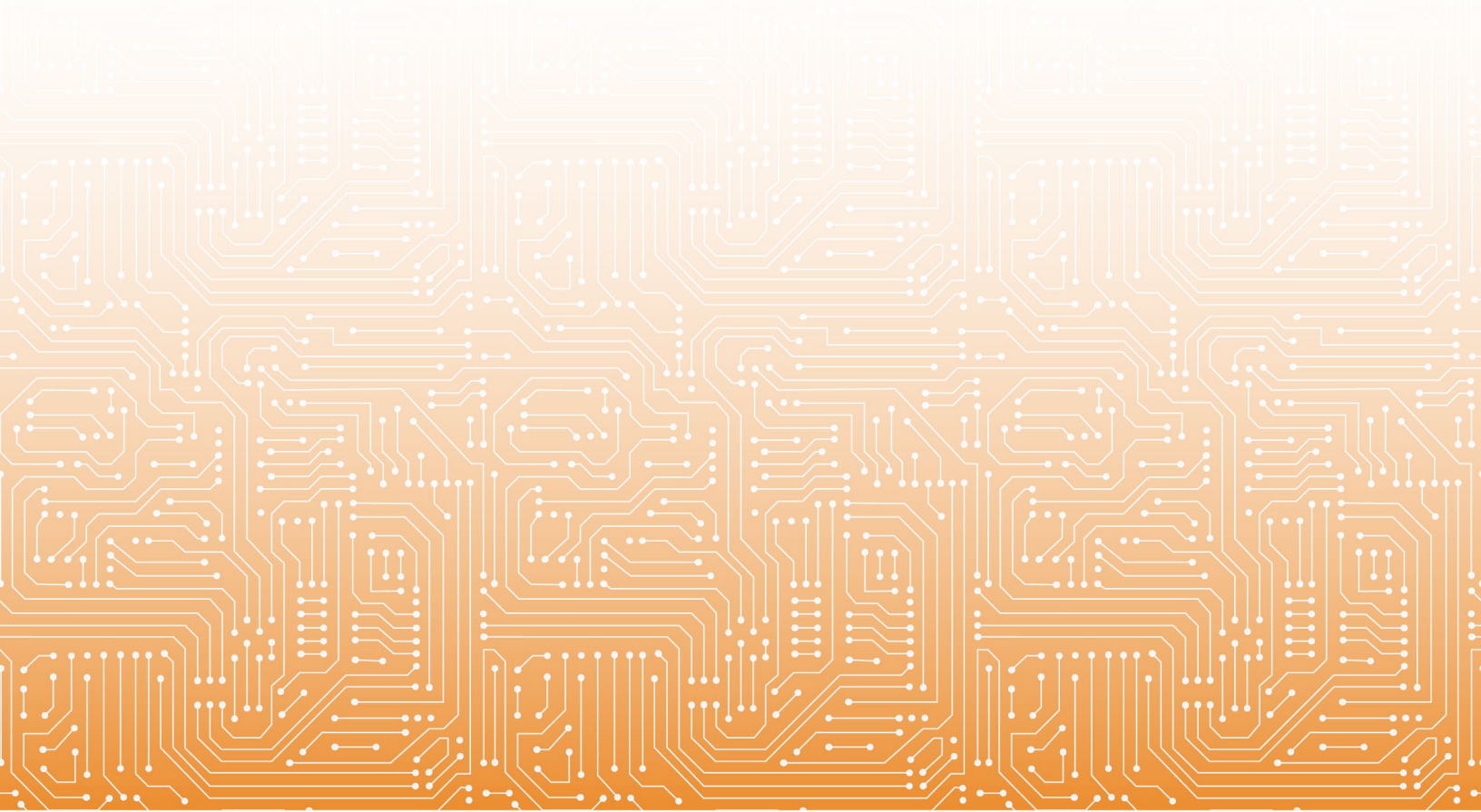


OPERATIONS ANALYSIS

BBA Section 824 – Payroll Information Exchange (PIE)

Executive Sponsor: Dawn Wiggins



INVESTMENT BACKGROUND

DESCRIPTION

SSA currently uses payroll provider information through a manual process, primarily from The Work Number (TWN), to verify wage amounts that an individual alleges. We also learn about unreported wages through quarterly and IRS data but this data may be 18 months old before we receive it. Individuals are required to report changes that could affect eligibility or entitlement, but the agency does not always receive those reports timely. In response, Section 824 of the Bipartisan Budget Act (BBA) of 2015 authorizes SSA to enter into an information exchange with a payroll data provider(s) (PDP) to efficiently administer the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs and prevent improper payments, a critical agency initiative.

The agency has since entered an automated information exchange with a third-party vendor, referred to as the Payroll Information Exchange (PIE), to obtain verified wage and employment information without the need for independent verification. However, to successfully implement Section 824, we need to automate the process for handling incoming wage data received from PIE. This new process will allow us to match against all records for which we have obtained authorization, automate payment calculations for SSI and program entitlement/eligibility determinations based on the wage data received when possible, issue notices to individuals concerning their reporting responsibilities, and provide management information (MI).

Under this section of the BBA, SSA may reduce current wage reporting obligations for those who authorize us to obtain information from PDPs via an information exchange. Individuals who provide authorization will not be subject to a penalty under Section 1129A of the Social Security Act (the Act) for any omission or error with respect to wages reported by the PDP(s).

When we have completed the investment, technicians will receive electronic wage data via PIE for individual's whose employers participate with the PDP vendor (Equifax) and who have provided authorization. With the information exchange in place, we need to begin pulling the wage data into our various post-entitlement systems to properly pay beneficiaries and recipients timely and notify them of any reduced reporting responsibilities.

APPROVAL HISTORY

The investment was originally approved in FY19. The total cost of the investment is \$16,034,851.95. The total IT cost is \$13,401,486.95. These costs are reflective of FY20, FY21, & FY22.

To date the IT cost we have spent **\$7,189,288.00**.

VALUE PROJECTED

The following value points can be realized once PIE is fully implemented.

- Reduce Improper Payments – timely receipt of wages and automation to post accurate wages timely via the information exchange. This includes possible receipt of unreported wages.
- Reduce Administrative Burden – Technicians do not have to develop wages in cases where we receive wages via the information exchange.
- Reduced Reporting Responsibilities – Beneficiaries, recipients, and deemors no longer have to report wages if we receive them via the information exchange.

VALUE REALIZED TO DATE

The realized value of the project to date is:

- Entered into contract with a third-party PDP (Equifax)
- Developed a data exchange with Equifax and began successfully exchanging wage and employment information.
- Built a central wage repository that stores all wage and employment information received from the PDP that may be accessed for other purposes and by several applications.
- Developed automation to allow the PIE wage data to post to the SSI and SSDI records.
- Implemented FCRA language to be included into action notices when appropriate.

We are still in development and cannot realize the bulk of the value until we complete the remaining activities within the scope.

SCOPE OF THE ORIGINAL REQUEST

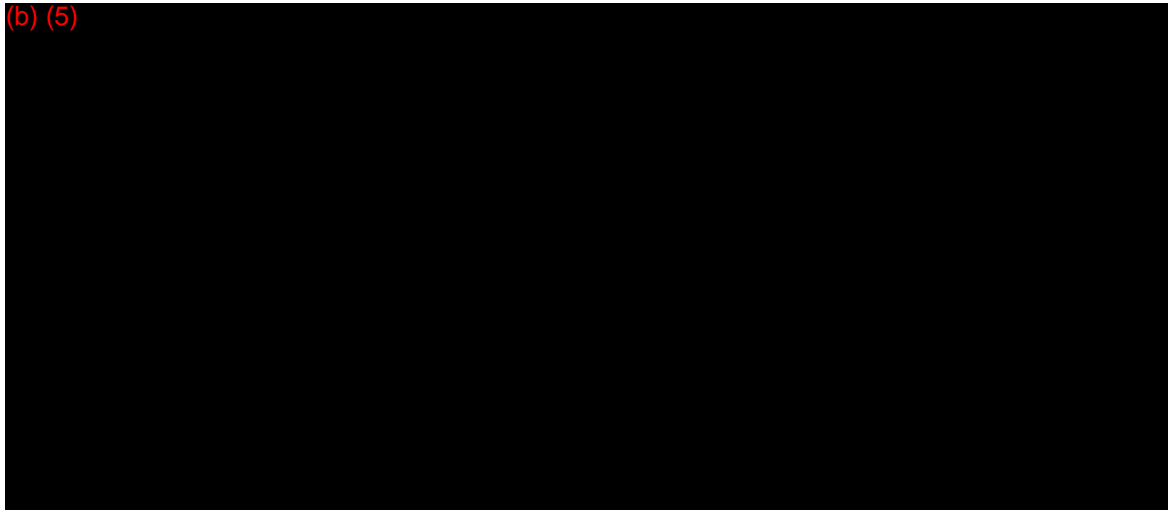
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BBA Section 824: Payroll Information Exchange (PIE)

Executive Sponsor: Dawn Wiggins

Investment Team: April S. Jones and Melanie Norris

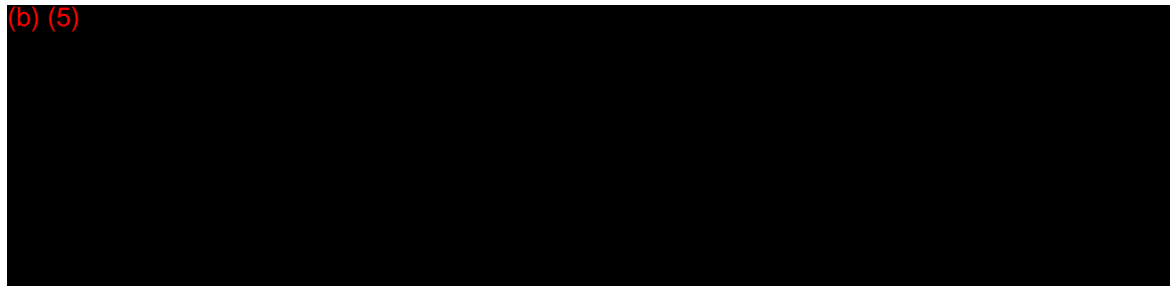
Operations Analysis



FUNCTIONALITY DELIVERED

- Business Process Document
- Draft Regulation
- Request for Information
- Market Research
- Authorization Form and Electronic Screens
- Authorization receipts
- Statement of Work
- Contract awarded
- Built a web service to perform the data exchange
- Built Wage and Employment Information Repository
- Integration of exchange with SSDI and SSI downstream systems.
- Limited MI
- Incorporation of FCRA language to action notices

CHALLENGES/ISSUES



IMPLEMENTATION COSTS

IT Cost	
Fiscal Year	Actual (\$)
FY20	\$2,934,536.14
FY21	\$3,485,503.00
FY22	\$769,249.00
Total	\$7,189,288.14

STRATEGIC ALIGNMENT

Section 824 of the BBA aligns directly with the Agency Strategic Plan's (ASP) goal to "improve program integrity" by increasing payment accuracy through preventing improper payments and transforming the way we record earnings to enhance data accuracy. Implementation is also a key

BBA Section 824: Payroll Information Exchange (PIE)

Executive Sponsor: Dawn Wiggins

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Operations Analysis

component of the Agency Critical Priorities to “Ensure Stewardship” and “Improve the Way we Do Business” by “streamlining policies and processes” while ensuring payment integrity and accuracy within the programs. We expect this provision to improve payment accuracy as we migrate from relying on self-reporting to using timely and accurate third-party wage data. Wages have been one of the leading causes of SSI improper payments for many years. Wages are a leading cause of overpayment and underpayment deficiency dollars. Wages are also the leading cause of overpayments in the SSDI program related to Substantial Gainful Activity (SGA).

We currently obtain and use payroll data on a case-by-case, query-only basis. Section 824 allows us to receive wage and employment information without further verification. The ability to use this wage and employment information will supplement our current efforts to encourage monthly wage reporting for SSI via the telephone and smartphone applications and for SSDI and SSI via online wage reporting, further reducing wage-related payment errors by streamlining the process for receiving wages where we can. Alongside implementation of other BBA provisions and WorkSmart, we expect significant improvements in payment accuracy and eligibility determinations with respect to the wages we receive through the exchange.

CURRENT NEED

REQUESTED INVESTMENT

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SCOPE

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PROJECTED VALUE

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**TECHNICAL APPROACH
OVERVIEW**

The affected systems or downstream processes are:

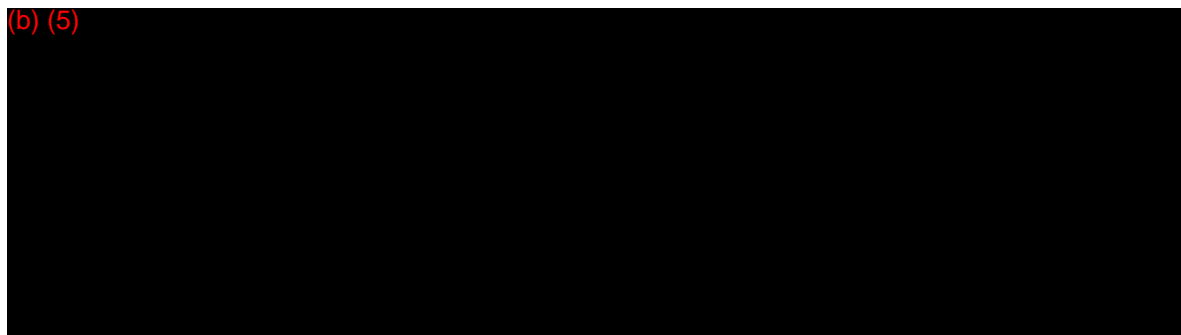
- SSI Claims System
- eWork
- Work CDR
- Title II Notices
- Title XVI Notices
- CCM
- MI Reporting: MI Central/EDW
- MSSICS
- Redetermination Selection
- SSTNG
- Title II service to retrieve "Date of Onset"

Below are further details about the technical approach:

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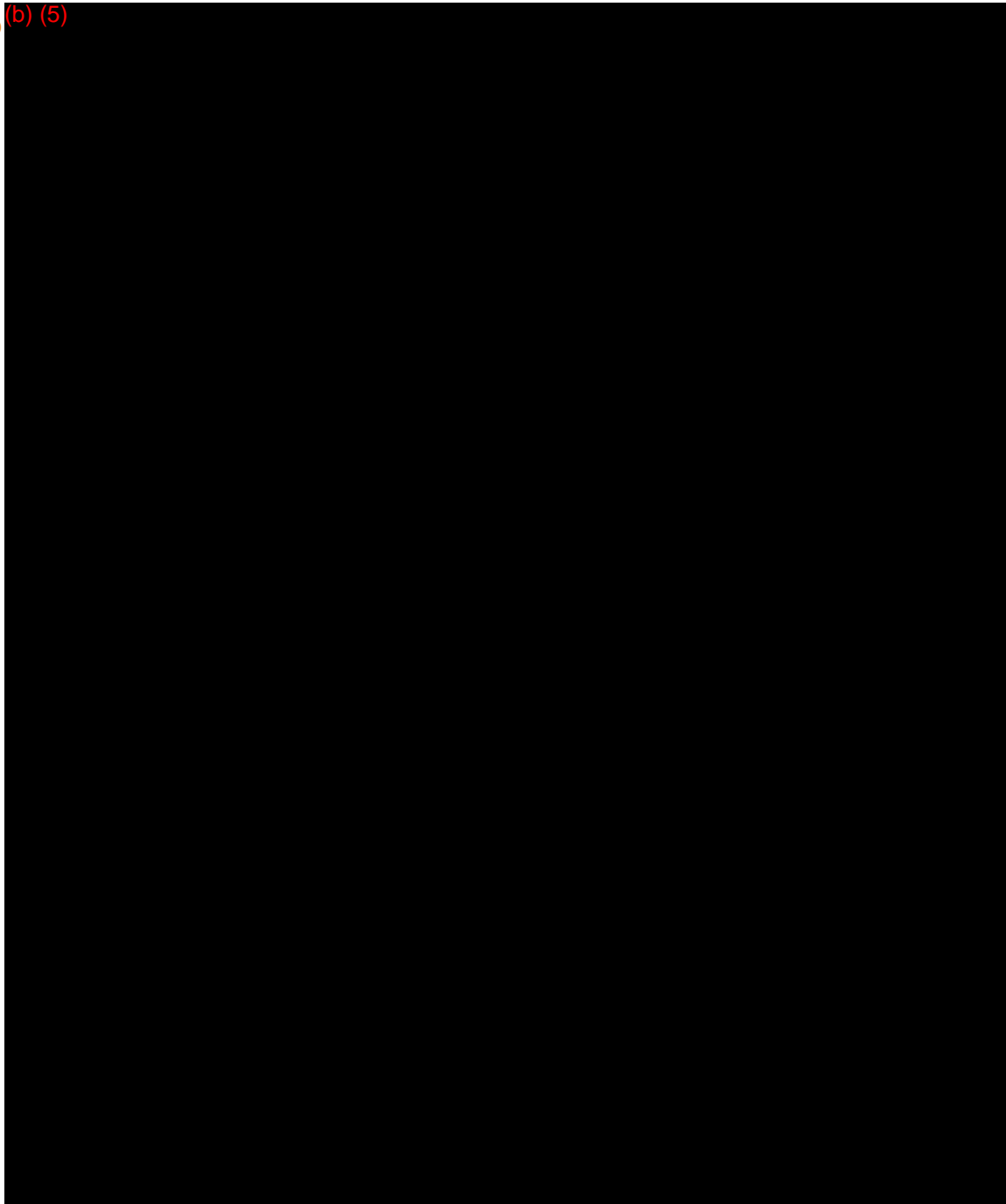


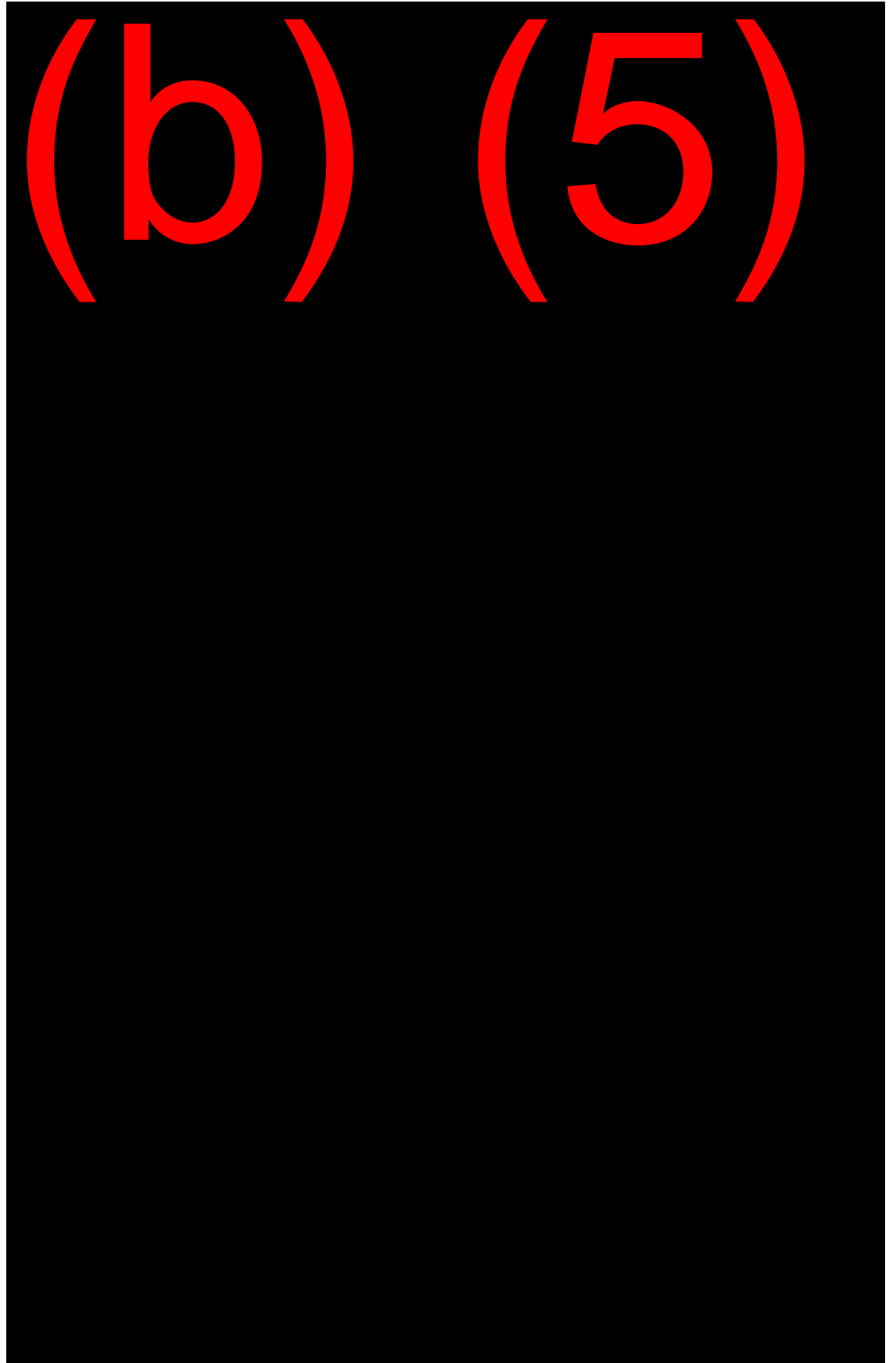
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INVESTMENT RISKS AND
MITIGATION

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Operations Analysis

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RISK OF NOT CONTINUING
THE INVESTMENT

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IMPLEMENTATION COSTS

STRATEGIC ALIGNMENT

Section 824 of the BBA aligns directly with the Agency Strategic Plan's (ASP) goal to "improve program integrity" by increasing payment accuracy through preventing improper payments and transforming the way we record earnings to enhance data accuracy. Implementation is also a key component of the Agency Critical Priorities to "Ensure Stewardship" and "Improve the Way we Do Business" by "streamlining policies and processes" while ensuring payment integrity and accuracy within the programs. We expect this provision to improve payment accuracy as we migrate from relying on self-reporting to using timely and accurate third-party wage data. Wages have been one of the leading causes of SSI improper payments for many years. Wages are a leading cause of overpayment and underpayment deficiency dollars. Wages are also the leading cause of overpayments in the SSDI program related to Substantial Gainful Activity (SGA).

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APPROVAL SECTION

<i>/s/ Dawn Wiggins</i>	DCRDP/OISP	04/15/2022	
Executive Sponsor	Component	Date	Version
<i>/s/ Wayne Lemon</i>	OBIS	4/15/22	
DCS Lead Associate Commissioner	Component	Date	Version