



# Social Security & SSI

## FACT SHEET

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### Background

Social Security provides benefits to nearly 57 million individuals, including at least 12 million people with disabilities, their spouses, and children. Any changes in Social Security will affect everyone who receives benefits. While most people think of Social Security only as a retirement program, over one-third of people who receive monthly checks are not retirees. People with disabilities and their families who receive Social Security include a wide range of individuals:

- *Disabled workers and their dependents,*
- *Retirees with disabilities (not counted in the 12 million),*
- *Disabled dependents of retirees,*
- *Disabled survivors, and*
- *Disabled adult children and disabled widow(er)s.*

### Key Message to Congress

New budget plans must include increased revenues and preserve Medicaid, Medicare, Social Security, SSI, and other vital programs for people with disabilities.

People with disabilities receive benefits from all three programs commonly called “Social Security”: the Old Age, Survivors, and Disability Insurance (OASDI) programs. These are insurance programs covering people who retire, die, or become disabled. The benefits insure against poverty in retirement years and when disability may limit the ability to work, and to protect dependents and survivors. When workers become disabled, retire, or die, their spouses and children may receive benefits based on the earnings record of their parent or spouse. Funding for the Social Security system comes from two Trust Funds (one for OASI and one for DI) which are funded with payroll contributions (FICA taxes) paid by employees and employers.

Supplemental Security Income (SSI) provides benefits to over 8 million people. SSI is a cash assistance program operated by the Social Security Administration that provides benefits to people who are aged, blind, or disabled and have very low income and assets. Funding for SSI comes from general revenues.

### Key Issues

People with disabilities and their families have an enormous interest in any proposed Social Security or SSI changes. These issues are bipartisan. All policymakers must address the concerns of people with disabilities and their families.

**Future Challenges for the Trust Funds:** By law, the goal is for the Social Security Trust Funds to be able to pay benefits over the long term - to be solvent for at least the next 75 years. Social Security is currently running a planned surplus to address the retirement and disability needs of the baby boom generation. At the end of 2011 the Trust Funds had reserves of approximately at \$2.7 trillion, which are expected to grow to \$3.1 trillion by the end of 2020.

The Social Security Trustees project that, without any changes, the combined Trust Funds can pay full scheduled benefits until 2033, and would then cover about 75 percent of scheduled benefits. On its own, the Disability Insurance (DI) Trust Fund is projected to be able to pay full scheduled benefits through 2016, and would then cover about 79 percent of scheduled benefits. The Social Security actuaries estimate that

temporarily raising the share of FICA taxes that go to the DI Trust Fund would enable both Trust Funds to pay full scheduled benefits through 2033. This process, called “reallocation,” has occurred approximately 11 times in the past - 6 times from the OASI Trust Fund to the DI Trust Fund, and 5 times from the DI Trust Fund to the OASI Trust Fund.

In recent years, the Co-Chairs of the National Commission on Fiscal Responsibility and Reform (“Bowles-Simpson”), several private commissions, and several Members of Congress have recommended a number of changes to Social Security to ensure solvency over the next 75 years. The proposals include a combination of changes in eligibility, benefits, and revenues. Despite the fact that the Social Security system has accumulated a significant surplus and is not in crisis, many proposals would limit eligibility and cut benefits significantly, in ways that would be harmful to people with disabilities and their families.

**Risks to Social Security and SSI in Deficit Reduction:** One proposal to cut Social Security and SSI benefits, and other vital programs, has been considered in multiple deficit reduction proposals over the last year. The “chained CPI” would cut benefits by reducing annual cost-of-living adjustments. These cuts are cumulative, starting out small but growing much larger over time, and would disproportionately harm people with disabilities who often rely on benefits for many years. The chained CPI would also limit eligibility for SSI and over 30 other important anti-poverty programs.

**Improvements Needed to SSI and Social Security Disability Programs:** Many issues in the SSI and Social Security disability programs need to be addressed to make the programs work better to meet the needs of people with disabilities. These include: increasing the substantial gainful activity (SGA) level for people who are disabled (currently \$1,010 per month) to the level for people who are blind (currently \$1,690 per month); increasing, and indexing for inflation, the asset limits and income exclusions for SSI; eliminating marriage penalties for people with disabilities; eliminating the two-year waiting period for Medicare; improving work incentives; and addressing policy issues which have a harsh impact on people eligible for Title II benefits as disabled adult children.

## Recommendations

- Congress should ensure the long term solvency of the Social Security Trust Funds by making modest adjustments that spread the costs widely and are as minimal as possible, and reject privatization or depletion of the Social Security Trust Funds.
- Congress should request a beneficiary impact statement on any proposal to change Social Security, to look beyond the budgetary impact to understand the impact on people’s daily lives.
- Congress should consider Social Security and SSI outside of deficit reduction and should reject benefit cuts, including cuts under the chained CPI.
- Congress should address the many areas in which improvements are needed in the SSI and Social Security disability programs.

## Relevant Committees

House Ways and Means Committee  
Senate Finance Committee

For more information, please contact The Arc at (202) 783-2229, United Cerebral Palsy at (202)776-0406, Association of University Centers on Disability at (301) 588-8252, American Association on Intellectual and Developmental Disabilities at (202) 387-1968, National Association of Councils on Developmental Disabilities at (202) 506-5813, or Self-Advocates Becoming Empowered at SABEnation@gmail.com.