



Social Security

FACT SHEET

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Background

Social Security insures nearly all Americans and provides benefits to nearly 57 million individuals, including over 12 million people with disabilities and their spouses and children. Social Security is an interrelated system built up over many decades, so even small changes may affect everyone.

Social Security Old Age and Survivors Insurance (OASI) and Disability Insurance (DI) insure workers against poverty in retirement or in the event of a qualifying disability and provide life insurance for workers' survivors. Additionally, spouses and children may receive benefits based on the earnings record of a parent or spouse. People with disabilities and their families access benefits under all parts of the Social Security system, and all parts of the system are important to people with disabilities.

Social Security benefits are paid from two Trust Funds (one for OASI and one for DI), which are funded with payroll contributions (FICA taxes) paid by both employees and employers.

Supplemental Security Income (SSI) is a cash assistance program operated by the Social Security Administration that provides benefits to people who are aged, blind, or have disabilities and have very low income and assets. Over 8 million people receive SSI. 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, Social Security's Trust Funds must be able to pay benefits 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. Social Security's reserves were \$2.79 trillion at the beginning of 2015, and are projected to grow to \$2.86 trillion at the beginning of 2020. In 2015, Social Security's Trustees projected that, without any changes, the combined Trust Funds could pay full scheduled benefits until 2034, and would then cover about 79 percent of scheduled benefits. The Trustees report was prepared prior to the passage of the Bipartisan Budget Act of 2015 (P.L. 114-74).

Key Message to Congress

Congress must preserve Medicaid, Medicare, Social Security, SSI, and other vital programs for people with disabilities.

New Law has Prevented a 20% Cut in Social Security Disability Insurance (SSDI): Last fall, Congress enacted the Bipartisan Budget Act of 2015 (P.L. 114-74, signed by President Obama Nov. 2, 2015). Among other provisions, the Act temporarily increases the share of payroll taxes that go into Social Security's DI Trust Fund. This will allow SSDI to pay full promised benefits until approximately the third quarter of 2022. This action prevented a 20% cut in SSDI that had been projected at the end of 2016. The Bipartisan Budget Act put in place number of provisions that seek to enhance payment accuracy and program administration, and authorized a demonstration project to test a new SSDI benefit offset as potential way to end the SSDI "cash cliff" for beneficiaries attempting to work.

Cuts to Social Security and SSI Must Be Rejected: Unfortunately, many cuts to Social Security and SSI benefits and/or eligibility proposed in recent years by Members of Congress continue to be on the table. This includes several bills that would cut SSDI for people who also receive Unemployment Insurance (UI). Currently, individuals may receive benefits from both UI and SSDI because they receive SSDI, have attempted to work, but lost their job through no fault of their own and as a result also qualify for UI. These proposals single out SSDI beneficiaries and treat them differently from all other workers under the UI program, create disincentives to work, and erode the economic security of SSDI beneficiaries and their families.

Improvements Needed: Many parts of the SSI and Social Security disability systems need to be strengthened to better meet the needs of people with disabilities. These include: increasing the substantial gainful activity (SGA) level for people with disabilities (currently \$1,130 per month) to the level for people who are blind (currently \$1,820 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 consider Social Security and SSI outside of deficit reduction and should reject benefit cuts, including cuts to concurrent SSDI and UI benefits.
- Congress should request a beneficiary impact statement on any proposal to change Social Security, to look beyond budgetary issues to the impact on people's daily lives.
- 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, Association of University Centers on Disabilities 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, Self-Advocates Becoming Empowered at SABEnation@gmail.com, or United Cerebral Palsy at (202) 776-0406.

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