

Social Security & SSI

FACT SHEET



**DISABILITY
POLICY
SEMINAR**
WASHINGTON, DC

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Background

Our nation's Social Security system includes Social Security Old Age and Survivors Insurance (OASI), Social Security Disability Insurance (DI or SSDI), and Supplemental Security Income (SSI). Together these programs provide insurance and basic economic security that affects and improves the lives of nearly all Americans. Currently, over 66 million people receive benefits from Social Security, SSI, or both, including over 14 million people with disabilities and their spouses and children. This interrelated system has been built up over many decades, so even small changes may affect everyone.

Social Security's OASI and DI programs 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.

Social Security's SSI program provides monthly benefits to ensure a basic standard of living for people who are aged, blind, or have disabilities and have very low income and assets. Over 8 million people receive SSI, including 6 million children and adults with disabilities. 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 \$2.8 trillion at the beginning of 2016. In 2016, 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 project that on its own, the DI Trust Fund can pay full scheduled benefits through 2023. Congress will need to act before then to ensure that the DI Trust Fund continues to pay all promised benefits.

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:

- Proposals to cut SSI benefits, including proposals to eliminate SSI benefits for children with disabilities. These cuts would be devastating. SSI benefits are extremely modest, averaging only about \$540 per month, but play a vital role in helping people meet their basic needs and pay for medical care and disability-related costs. SSI can make all the difference in helping a low-income family raise a child with a disability or helping an adult with a disability to live in the community.
- Proposals to cut SSDI for people who also receive Unemployment Insurance (UI). Currently, people who receive SSDI, have attempted to work, and lose their job through no fault of their own can in many states 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 \$1,170 per month) to the level for people who are blind (currently \$1,950 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 reject any cuts to Social Security or SSI, including any proposals to cut benefits or limit who can qualify.
- Congress should request a beneficiary impact statement on any proposal to change Social Security or SSI, 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) 973-7109.

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