



# Social Security & SSI

## FACT SHEET

2012 DISABILITY POLICY SEMINAR

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### Background

Social Security provides benefits to over 53 million individuals, including at least 11 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 11 million),*
- *Disabled dependents of retirees,*
- *Disabled survivors, and*
- *Disabled adult children and disabled widow(er)s.*

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 are designed to insure against poverty in retirement years and when disability may limit the ability to work, and to protect dependent survivors. When workers become disabled, retire or die, their spouses and children receive benefits based on the earnings record of their parent or spouse. Funding for the OASDI Social Security programs comes from two Trust Funds which are funded with payroll contributions (FICA taxes) paid by employees and employers. 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.

Supplemental Security Income (SSI) provides benefits to over 8 million individuals. 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

**Future Challenges for the Trust Funds:** Social Security is currently running a planned surplus to address the retirement and disability needs of the baby boom generation. According to the Social Security Trustees 2011 Report, the surplus is at \$2.6 trillion and is expected to grow to \$3.7 trillion by the end of 2022. Additionally, as a result of the current recession, Social Security’s income is down. However, this is not expected to have a long term effect on the program’s solvency.

To meet all financial obligations over the next 75 years, the Trust Funds show a projected shortfall of less than one percent of the Gross Domestic Product (GDP). Previous Trustee forecasts made similar projections. The Trustees project that, without any changes to the program, Social Security can pay full scheduled benefits until 2036, and would then cover about 77 percent of scheduled benefits. Social Security will not be bankrupt: the program is not in crisis and no drastic changes are needed now.

Over the last several 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.

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

**Protection of Children's SSI Program:** Last year, the U.S. House of Representatives passed a Budget Resolution for fiscal year 2012 calling for \$1.4 billion in cuts to the children's SSI program, and, in the fall, held a hearing on the program. While these cuts were not adopted for fiscal year 2012, similar proposals could emerge again for fiscal year 2013. For example, the Committee Report on the fiscal year 2013 House Budget Resolution recommended reducing benefits for families with more than one child receiving SSI benefits, to save \$3.5 billion over 10 years.

**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, are as minimal as possible, and reject privatization or depletion of the Social Security Trust Funds.
- Congress should request a beneficiary impact statement on every major component of proposals to change Social Security, to look beyond the budgetary impact to understand the actual impact on people's daily lives now and in the future.
- Congress should maintain and fully fund the SSI program, including SSI benefits for children.
- 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](mailto:SABEnation@gmail.com)

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