



CONSORTIUM FOR CITIZENS
WITH DISABILITIES

SOCIAL SECURITY FACT SHEET #1

HIGHLIGHTS: Social Security & People With Disabilities And Their Families

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 gets benefits. While most people think of Social Security only as a retirement program, nearly one-third of people who receive monthly checks are not retirees.

Wide range of eligible individuals: People with disabilities receive benefits from all three programs that are commonly called “Social Security.” 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. When workers become disabled, retire or die, their spouses and children receive benefits based on the earnings record of their parent or spouse. People with disabilities and their families who receive Social Security include a wide range of individuals:

- Disabled workers and their dependents,
- Retirees with disabilities (although they are not counted in the 11 million),
- Disabled dependents of retirees,
- Disabled survivors, and
- Disabled adult children and disabled widow(er) s.

Same benefit formula: Social Security disability, retirement, and survivor insurance use the same formula to calculate benefits although the actual amount varies based on each worker’s earnings. By paying Social Security taxes, workers qualify for disability, retirement, and survivors benefits, and some of their family members may be eligible as well. People may get different types of benefits at different times depending on their work history, age and eligibility category. For example, workers who get disability insurance convert to retirement insurance when they reach “normal” retirement age.

Remain poor: Although Social Security reduces poverty, disabled workers and their families still struggle financially. But without Social Security, their circumstances would be even worse. More than one-half of disability insurance beneficiaries rely on Social Security for 75 percent or more of their income, with the vast majority of these individuals relying on the benefits for 90 percent or more of their income. For families with a disabled worker, Social Security insurance is a primary source of income, providing about half of the family income.

Future Challenges for the Trust Fund: 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 2010 Report, the surplus will be at \$2.6 trillion by the end of 2010 and is expected to grow to \$4.2 trillion by the end of 2024. This projected shortfall is less than one percent of the Gross Domestic Product (GDP). Previous Trustee forecasts made a similar projection. According to a July 2010 Congressional Budget Office Report, Social Security can pay full scheduled benefits until 2039; 80 percent of scheduled benefits in 2040; and 76 percent in 2084. Social Security will not be bankrupt: the program is not in crisis and no drastic changes are needed now.

Critical insurance program components: For people with disabilities, it is important to look at any proposed changes to see if, among other things, they:

- Preserve Social Security to meet the needs of people who are eligible now and in the future. This is what people call the “solvency” of Social Security which means its ability to pay current and future beneficiaries.
- Preserve the insurance nature of the programs. Most workers contribute to Social Security through payroll taxes. When workers become disabled, retire or die, they and some family members are entitled to guaranteed monthly payments. This is what makes Social Security a “social insurance” program: people who pay into it get protection for themselves and their families if they can no longer work.
- Maintain a benefit formula that does not result in deeper poverty. Some people have suggested changing the formula that sets the monthly benefit. Proposals to do so would cut retirement, survivors and disability benefits because they are all set by the same formula that calculates payments based on a worker’s lifetime taxable earnings.
- Protect against inflation. Social Security benefits are historically adjusted for inflation annually to protect their value. This is called a “cost of living” adjustment or COLA. Even small COLA changes make a big difference over time and can seriously reduce future income.
- Protect family members with disabilities. Family members get different types of Social Security benefits at different times depending on their work history, age and eligibility category. They include disabled surviving spouses and disabled adult children (people who become disabled before age 22 who are unable to work substantially, including severely wounded young veterans). It is essential to provide adequate income for people who depend on workers who retire, die or become disabled.

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.

The disability community urges policymakers to request a beneficiary impact statement on every major component of proposals to change Social Security. In a program that affects millions of individuals of all ages, it is essential to look beyond the budgetary changes to understand the actual impact on people’s daily lives now and in the future.

Produced by the Consortium for Citizens with Disabilities (CCD) Social Security Task Force. See www.disabilityandsocialsecurity.org for more information about the Task Force’s public education and outreach campaign. To learn more about CCD, a coalition of over 100 national organizations, go to www.c-c-d.org.