



CONSORTIUM FOR CITIZENS
WITH DISABILITIES

SOCIAL SECURITY FACT SHEET #2

What Benefits Do People With Disabilities & Their Families Get from Social Security?

“Social Security” is the short name for the “Old Age, Survivors and Disability Insurance” (OASDI) programs. It insures individuals and family members when a worker retires, dies or becomes disabled. It is important to know that people with disabilities and their families are insured through all three Social Security programs:

- Disability Insurance - Disabled workers, their children and spouses
- Retirement Insurance - Retirees with disabilities, disabled adult children and retired spouses, including those with disabilities
- Survivors Insurance - Disabled adult children, minor children including those with disabilities, and disabled widow(er) s

DISABLED ADULT CHILDREN GET BENEFITS FROM ALL THREE PROGRAMS

One group of individuals is especially at risk if there are major changes in the program. They qualify as “disabled adult children” and many receive one or more types of Social Security benefits for many years. Individuals qualify for “disabled adult child” benefits if they:

- Have a continuous severe disability that began before age 22; and
- Are not married (with some exceptions); and
- Are not earning more than a certain substantial amount each month, set by regulation. (In 2010, this amount is \$1000 for those with disabilities and \$1,640 for people who are blind.)

Individuals who meet the eligibility rules for disabled adult child benefits receive Social Security based on their parent’s earnings. They get benefits when that parent becomes disabled, retires or dies. Most disabled adult children get retirement or survivors insurance, but some also get disability insurance if their parents are disabled. They also can earn benefits from their own job wages. This group includes severely wounded veterans who are injured before age 22.

PEOPLE WITH DISABILITIES & THEIR FAMILIES NEED BENEFITS FROM ALL THREE PROGRAMS

Retirement Insurance: When workers with disabilities reach “normal” retirement age, their benefits convert automatically from disability to retirement insurance. Spouses and disabled adult children also qualify. Other people with disabilities also receive retirement insurance benefits. Although they do not meet the strict rules for disability insurance, their health may have prevented them from working regular hours. As a result, they earned less and had fewer chances to save money. Parents who must stop working to care for their children with disabilities face the same situation of having less income now and a greater need for Social Security retirement benefits in the future.

Survivors Insurance: Individuals who qualify include minor children and certain spouses of workers and retirees who have died; disabled widow(er) s; and disabled adult children. For a young family, Social Security provides life insurance protection worth \$476,000 for a surviving spouse and two children.

Disability Insurance: Individuals who qualify include disabled workers, their children and certain spouses, and disabled adult children. About 3 in 10 men and 1 in 4 women become disabled before retiring. For a young family, Social Security provides benefits that are equivalent to disability insurance worth \$465,000.

WHY THE CURRENT PROGRAM DESIGN IS BEST FOR PEOPLE WITH DISABILITIES & THEIR FAMILIES

The current Social Security program has a number of features that best meet the needs of people with disabilities and their families. These features are described below with a brief explanation about why changing any of them would harm people with disabilities and their families.

Guaranteed monthly payment: Once eligible, workers and their families can expect a set payment each month. A common proposal is to change the “Primary Insurance Amount” (PIA) which is the formula that sets the monthly benefit. A proposal to lower the PIA will cut all benefits, including retirement, survivors and disability payments, because all benefits are set by the same formula. Reducing the PIA will force more people with disabilities further into poverty.

Adjusted annually, as necessary, for inflation: This is called a “cost-of-living adjustment” or COLA. It protects the value of the benefits. Reducing the COLA by even a small amount makes a big difference over time: reducing the COLA by 1 percent will cause a 20 percent benefit reduction after 20 years. Also, the current benefit formula is tied to the “wage index.” Switching to a formula based on the “price index” would seriously reduce benefits and the standard-of-living for everyone who is eligible in the future.

Move among all programs: Many people move among Social Security’s three programs based on their work history, age or eligibility category. Two groups are good examples: workers with disabilities and disabled adult children. They may get different types of Social Security insurance benefits at various points in their lives. Separating the three programs would complicate or eliminate the ability to get different benefits at different times during life.

Same benefit formula: Workers qualify for disability and retirement benefits by paying Social Security taxes. The portion of income replaced depends on each worker’s average earnings. Benefits favor workers with lower earnings who get a larger share of income replaced. In other words, the benefit formula is designed to provide a higher replacement rate for lower wage earners so that they can receive an adequate income. This is especially helpful for workers with disabilities because many are only able to work part-time or intermittently. According to a 2010 Harris Survey, only 21 percent of people with disabilities reported working full or part-time, compared to 59 percent of those who do not have disabilities.

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.