



CONSORTIUM FOR CITIZENS  
WITH DISABILITIES

## **SOCIAL SECURITY FACT SHEET #3**

### **How Does Social Security Help People With Disabilities & Their Families?**

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

- 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

Social Security is far more than a retirement program. In fact, more than one-third of all monthly Social Security checks go to people who are not retired. They include at least 11 million people with disabilities, their spouses and children:

- Nearly 8 million disabled workers. To qualify they must have a severe disability that is expected to last at least 12 months or result in death.
- Nearly 1.8 million children of disabled workers.
- Over 930,000 disabled adult children. These individuals have a severe disability that began before age 22. They qualify when a parent becomes disabled, retires, or dies. They receive benefits from different parts of Social Security depending on their parent’s status. This group includes severely wounded veterans injured before age 22.
- Nearly 240,000 disabled widow(er) s.

### **SOCIAL & FAMILY INSURANCE**

Everyone who contributes to Social Security shares the risk of the common life events of death, retirement and disability. A wage-earner contributes taxes to earn benefits, but different members of his/her family also qualify. This approach is called “social insurance.” It means that everyone pays into a pool of money to cover themselves and their family if they can no longer work. After they die, their surviving spouse and children may continue to get benefits.

Younger workers and their families qualify for disability and survivor benefits under special eligibility rules.

Once eligible, workers and their families can expect a set payment each month. Benefits are generally adjusted yearly for inflation to protect their value. Some people move among Social Security’s three programs based on their work history, age or eligibility category. Workers with disabilities are a good example: When they reach “normal” retirement age, their benefits convert automatically from disability to retirement insurance, but they get the same monthly payment.

## USE THE SAME BENEFIT FORMULA

The portion of income replaced for both disability and retirement benefits depends on each worker's average earnings. The benefit formula is designed to provide a higher replacement rate for lower income wage-earners so they receive an adequate income. Any changes in Social Security will affect individuals with disabilities and their families because all parts of the program use the same formula to calculate benefits.

## ESSENTIAL FOR PEOPLE WITH DISABILITIES AND THEIR FAMILIES

People can plan for retirement over many years. But disability affects anyone at any time and often is completely unexpected. Disability-related expenses for individuals and families can be extraordinary and can significantly impact their ability to save or to meet basic expenses. Why are Social Security benefits so important for people with disabilities?

- **Millions of families face disability.** About 3 in 10 men and 1 in 4 women become disabled before reaching normal retirement age.
- **Adults with serious disabilities have a very low employment rate.** According to the U.S. Department of Labor's Bureau of Labor Statistics, in June 2010, only 21.7 percent of individuals with disabilities under age 65 worked compared to 70.5 percent of those with no disability. The unemployment rate for individuals with disabilities was 14.4 percent, more than 50 percent higher when compared to the 9.4 percent for those without disabilities. Disabilities can interfere with the ability to work until normal retirement age and to save for a family's future.
- **Families of workers who become disabled need a guaranteed income.** The current value of Social Security is equal to disability insurance worth \$465,000 for a young worker who has a spouse and two young children. Most will never need it, but it is there if they do and it is unlikely that most could afford to buy an equivalent private insurance policy.

Private disability insurance is not the answer. Only about 31 percent of private sector workers had long-term disability insurance in 2009. Compared to Social Security, individually purchased private disability insurance generally is not adjusted for inflation, not designed to cover children of disabled workers, and not available to workers with disabilities and other health problems.

## REDUCES POVERTY FOR WORKERS WITH DISABILITIES & THEIR FAMILIES

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 at least 75 percent of their income. The vast majority of them receive 90 percent or more of their income from these benefits.
- For families with a disabled worker, Social Security insurance provides about half of their income.

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](http://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](http://www.c-c-d.org).