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NATIONAL ORGANIZATION OF
SOCIAL SECURITY CLAIMANTS' REPRESENTATIVES

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*Contact* Faigy Gilder
*Telephone* 646.937.1072
*Email* Faigy.Gilder@nosscr.org
*Website* www.nosscr.org

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# GOOD NEWS FOR THE DISABILITY INSURANCE TRUST FUND IN THE 2020 SOCIAL SECURITY TRUSTEES REPORT

## Disability Fund is Predicted to Pay Full Benefits for 13 More Years

The Social Security Board of Trustees released their 2020 annual report earlier this week, which included some positive news: the financial health of the Federal Disability Insurance (DI) Trust Fund has improved significantly and can now pay full benefits until 2065. This estimate is 13 years more than what was indicated in last year's report and 33 years longer than the 2018 report. After 2065, the trust fund is predicted to pay 92 percent of benefits.

Additionally, as the large cohort of baby boomers receiving Social Security Disability Insurance (SSDI) get older, the conversion rate (people who leave SSDI for retirement or survivors' benefits) and termination rate (people who die or, more rarely, medically improve) will go up as well. This saves the trust fund money and allows it to last longer. The report predicts that the number of people receiving SSDI will continue to decrease until 2022.

"It's critical that the Social Security trust funds remain solvent for retirees, survivors, and people with disabilities," said Stacy Cloyd, director of policy and administrative advocacy at the National Organization of Social Security Claimants' Representatives (NOSSCR). "It is both necessary and possible to achieve this goal while maintaining and improving benefits for current and future beneficiaries."

The steady increase in solvency for the DI Trust Fund is primarily due to lower-than-expected recent levels of expenditures: applications have been steadily declining since 2010 and the number of SSDI beneficiaries in current payment status has been falling since 2014. For the past several years, the Trustees Report has over-estimated the disability application and award rates, leading to each year's report projecting a longer period of solvency than the prior year's report. The additional years of projected solvency come from projections that disability incidence rates (the percentage of people who are insured for DI who will receive disability benefits) will rise slower and to a slightly lower level than previously estimated.

However, the report is not entirely good news and does not account for changes due to the COVID-19 pandemic—some of which may extend solvency while others hasten its shortfall. The report indicates that Social Security is fully solvent until 2035 - the same estimate as the 2019 report – but the Trustees estimate solvency over a 75-year period. To achieve this, Congress would have to increase Social Security revenues through taxes and/or reduce benefits. The amounts largely depend on how soon Congress enacts changes; the sooner revenue is raised, or costs are lowered, the less drastic the measures. NOSSCR supports achieving long-term solvency through revenue options only with no benefit cuts.

*NOSSCR is a specialized bar association for attorneys and advocates who represent Social Security Disability Insurance and Supplemental Security Income claimants throughout the adjudicative process. Since 1979, NOSSCR has been providing continuing legal education to its thousands of members and public policy advocacy on behalf of its members and the people with disabilities they represent. NOSSCR is a non-partisan organization.*

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