

Social Security: Benefits with Integrity

Social Security's Disability Programs Have Strict Eligibility Standards

The medical standards for Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) are stricter than all but one OECD country; fewer than four in ten disability claimants are awarded benefits even after all stages of appeal.¹ Although many claims are awarded at the initial level, which took an average of 165 days in Fiscal Year 2021,² people whose cases require additional levels of appeal often wait years to obtain final determinations.

To be eligible for SSI or SSDI, people must be unable to perform "substantial gainful activity" (\$1,350 per month in 2022 for non-blind disability claimants) because of medically determinable impairments that last at least one year or are terminal.³ Approximately one in five men and one in six women die within five years of beginning to receive SSDI benefits.⁴

Social Security Disability Benefits are Modest

The average federal SSI benefit is \$604.28 per month;⁵ the maximum in 2022 is \$841 per month,⁶ which is less than 75% of the Federal Poverty Guidelines.⁷ The average SSDI benefit is \$1,224.53,⁸ which is 108% of the Federal Poverty Guidelines.⁹

Both SSI and SSDI have reductions for earned income: the former reduces benefits by \$1 for every \$2 earned (a marginal tax rate of 50%) after the first \$65 of earned income each month, while the latter eliminates benefits entirely if there are earnings over \$1,350 per month after a short trial work period. SSI also has a countable asset limit of \$2,000 a month, plus reductions for unearned and in-kind income, and income deemed from parents or spouses.

Social Security benefits are a critical part of individual and households' financial stability and in many cases are the sole source of income. With approximately one in three of today's 20 year olds dying or becoming disabled before age 67,¹⁰ Social Security's network of retirement, survivors', and disability benefits provide financial security through many of life's challenges.

Social Security Has Strong Program Integrity

SSA's Fiscal Year 2022 administrative funding includes \$1.708 billion for program integrity activities: more than one in eight administrative dollars goes to program integrity. An additional \$108.7 million dollars is provided to SSA's Office of the Inspector General.¹¹

SSA's payment accuracy rate (paying only eligible people, and not too much or too little) is very high. In the Retirement, Survivors, and Disability Insurance program, the payment accuracy rate was 99.75% over a three-year period, with one fifth of the payment errors actually being underpayments rather than overpayments.¹² The SSI program's payment accuracy over the same period was 90.6%, with higher rates of both overpayments and underpayments due to more complex program rules.¹³ SSA identified no high-dollar improper payments from 2014 to 2021.¹⁴

Improper payments can occur for many reasons, few of which are the fault of a claimant or beneficiary. For example, beneficiary deaths are generally reported promptly by hospitals, funeral homes, family members, or the Centers for Medicare and Medicaid Services but depending on when in the month the death occurs, SSA may be unable to stop benefits quickly enough to avoid overpayment. Similarly, SSA sometimes delays adjusting people's benefits when changes are reported to them, makes calculation errors, or implements policy changes that lead to a proper payment being reclassified as improper.

SSA has a variety of methods to recapture overpaid funds, including withholding from or suspension of ongoing benefits, reversing direct deposits, and the Treasury Offset Program to capture tax refunds and other federal payments.¹⁵ Most overpayments are recovered, with only 14% written off¹⁶--and rules about waiving overpayments are far stricter if the beneficiary is considered to be at fault.

There are heavy penalties for people found to have intentionally violated SSA's rules, including fines, civil monetary penalties, and criminal prosecution leading to lengthy terms of imprisonment.¹⁷ However, such intentional violations are rare: SSA's Office of the Inspector General received over 270,000 allegations of waste, fraud, or abuse in the second half of Fiscal Year 2021, but in that same time period they only had 36 civil actions and 353 criminal convictions (not only of beneficiaries, but of family members, SSA employees, scammers, and others).¹⁸ In a program with over 70 million beneficiaries¹⁹ and 60,000 employees²⁰ it is important to have robust systems to insure program integrity, and SSA is succeeding in identifying and punishing rare acts of malfeasance when they occur.

¹ <https://www.americanprogress.org/article/social-security-disability-insurance/>

² <https://www.ssa.gov/budget/FY23Files/2023APP.pdf#page=61>

³ <https://www.ssa.gov/oact/cola/sga.html>

⁴ <https://www.ssa.gov/policy/docs/issuepapers/ip2015-01.html>

⁵ https://www.ssa.gov/policy/docs/statcomps/ssi_monthly/2022-03/table01.html (March 2022)

⁶ <https://www.ssa.gov/OACT/COLA/SSI.html>

⁷ <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

⁸ https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/ (March 2022)

⁹ <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

¹⁰ <https://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf> (more than one in four will become disabled and approximately one in eight will die)

¹¹ <https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-117HR2471SA-RCP-117-35.pdf>

¹² https://www.ssa.gov/improperpayments/RSDI_progStats.html#sb=2; see also https://www.ssa.gov/legislation/testimony_012412.html.

¹³ https://www.ssa.gov/improperpayments/SSI_progStats.html#sb=3

¹⁴ <https://www.ssa.gov/improperpayments/highDollar.html>

¹⁵ <https://www.fiscal.treasury.gov/TOP/>

¹⁶ <https://www.cbpp.org/blog/disability-insurance-has-many-safeguards-against-fraud-and-abuse>

¹⁷ <https://oig.ssa.gov/news-releases/>

¹⁸ <https://oig.ssa.gov/assets/uploads/21-607-office-of-the-inspector-general-oig-semiannual-report-to-congress.pdf>; see also <https://www.mediaite.com/tv/all-in-finishes-strong-with-focus-on-media-lies-about-social-security-disability-income/> (former SSA Commissioner Michael Astrue, appointed by George W. Bush, discusses low rates of fraud in disability programs)

¹⁹ https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/

²⁰ <https://www.ssa.gov/org/>