

Social Security Advisory Board

Social Security Benefits for People Aged 62 to Full Retirement Age

February 2025

Bob Joondeph, Chair
Nancy J. Altman
Jagadeesh Gokhale
Amy Shuart



Executive Summary

People between the ages of 62 and full retirement age (FRA) may be eligible for Social Security Old-Age (retirement) Insurance (OAI) and Disability Insurance (DI) benefits.¹ They may also be eligible for Survivors Insurance benefits. Moreover, they may qualify for Supplemental Security Income (SSI) alone or concurrently with OAI or DI benefits. For example, people in this age range who have a disability may apply for reduced (early) OAI and DI benefits at the same time, and people who are receiving SSI may become eligible for Social Security benefits. This paper outlines the Social Security and SSI retirement and disability benefits available to people aged 62 to FRA and describes Social Security Administration (SSA) processes in multiple scenarios that older adults may face. It is important that potential claimants have information to decide which benefit or combination of benefits is optimal for their situation.

We analyze micro-data from the Health and Retirement Study (HRS), a nationally representative survey of Americans aged 50 or older and their spouses, to look at self-reported benefit receipt for people aged 62 to FRA. About 32 percent of people in this age range who report a health problem that limits work report receiving DI benefits in 2020. Another eight percent report applying for DI benefits, and 26 percent report receiving Old-Age and Survivors Insurance (OASI) benefits (and not receiving or applying for DI). About 11 percent of people in this age range with a health problem that limits work report applying for or receiving SSI, either alone or concurrently with other Social Security benefits. Further research is needed to determine if these older adults are aware of the benefits for which they are eligible.

This paper provides recommendations for SSA to improve processes for people aged 62 to FRA and to target information and outreach to reduce knowledge gaps. SSA should improve communication to people in this age range who may be eligible for both reduced OAI and DI benefits. SSA should also explore automating certain processes, such as the OAI benefit application for SSI recipients who become eligible for OAI benefits at age 62 or older. The Board encourages SSA to explore creating alerts and reaching out to claimants in some situations, such as when an SSI claimant waiting for a disability determination turns 65 and may be eligible for SSI as an aged individual or when a DI claimant turns 62 while their application is pending and may be eligible for reduced OAI benefits. Finally, the Board recommends that SSA conduct additional research on this population to inform improvements to its administrative and outreach procedures.

¹ SSA, "[Normal Retirement Age](#)," last accessed February 4, 2025.

Acronyms

Acronym	Term
AIME	Average Indexed Monthly Earnings
CFR	Code of Federal Regulations
DI	Disability Insurance
DIB	Disability Insurance Benefit
FRA	Full Retirement Age
GAO	Government Accountability Office
HRS	Health and Retirement Study
KZ	Insured Status
NCSSMA	National Council of Social Security Management Associations
NIA	National Institute on Aging
OAI	Old-Age Insurance
OASDI	Old-Age, Survivors, and Disability Insurance
OASI	Old-Age and Survivors Insurance
OIG	Office of the Inspector General
PDB	Public Disability Benefits
PIA	Primary Insurance Amount
POMS	Policy Operations Manual System
RIB	Retirement Insurance Benefit
RSDI	Retirement, Survivors, and Disability Insurance
RSI	Retirement and Survivors Insurance
SSA	Social Security Administration
SSI	Supplemental Security Income
USC	US Code
WC	Workers' Compensation

Table of Contents

Executive Summary..... i

Acronymsii

Table of Contentsiii

Introduction..... 1

Social Security Benefits Available to People Aged 62 to FRA 2

 Scenario 1: Applying for Reduced OAI and DI Benefits at the Same Time or Sequentially 3

 Recommendation 1: SSA should explore ways to improve the clarity of question 9 on the application for OAI benefits, which asks about the inability to work due to illnesses, injuries, or other health conditions. 7

 Recommendation 2: SSA should improve communication to people aged 62 to FRA who may become eligible for DI after receiving reduced OAI benefits..... 8

 Recommendation 3: SSA should contact DI claimants who turn 62 while their application is pending to ask if they would like to receive reduced OAI benefits while waiting for a disability determination. 8

 Scenario 2: Switching Between DI and Reduced OAI Benefits 8

 Recommendation 4: SSA’s OIG should assess whether the improvements to automation for people switching between DI and OAI benefits have succeeded in reducing improper payments and missed benefit eligibility.....11

 Scenario 3: Applying for SSI After Receiving Reduced OAI Benefits11

 Scenario 4: Applying for OAI Benefits After Receiving SSI13

 Recommendation 5: SSA should investigate the feasibility of automating OAI benefit applications for SSI recipients who become eligible for OAI benefits at age 62 or older.14

 Scenario 5: Applying for SSI and Turning 65 While Waiting for a Disability Determination15

 Recommendation 6: SSA should explore creating an alert for pending SSI claims where the claimant has turned 65 to assess eligibility for SSI based on age.16

Previous Research.....16

Methods18

Findings.....19

Table 1. Percentage of People Aged 62 to FRA Participating in SSA Programs in 2020 by Health Problem that Limits Work.....	20
Conclusion	22
Recommendation 7: SSA and its partners should incorporate information on the benefit options for people aged 62 to FRA in their customer experience project on approaching retirement.	23
Recommendation 8: SSA should conduct research on the number of people who fall into each scenario and on knowledge gaps for people aged 62 to FRA and their representatives to inform improvements and outreach.	23
Acknowledgements.....	24
Appendix A: Recommendations	25
Appendix B: SSI Referral Notice for Social Security Benefits	26
Appendix C: Additional Tables.....	28
Table C.1a. Percentage of People Aged 62 to FRA Participating in SSA Programs in 2020	28
Table C.1b. Percentage of People Aged 62 to FRA Applying for or Receiving DI or SSI in 2020 by OASI Program Participation	28
Table C2. Percentage of People Aged 62 to FRA Participating in SSA Programs in 2020 by Health Problem that Limits Work	28
Table C.3. SSA Program Participation in 2020 for People Aged 62 to FRA by Sociodemographic Characteristics Among Those with a Health Problem that Limits Work.....	30
Table C.4. Percentage of People Ages 62 to FRA Participating in SSA Programs, 2000 to 2020	31

Introduction

People between the ages of 62 and FRA may be eligible for Social Security OAI and DI benefits.² They may also qualify for SSI, either alone or concurrently with OAI or DI benefits. This paper outlines the Social Security and SSI retirement and disability benefits available to those aged 62 to FRA. It describes SSA processes when applying for benefits in five situations (see text box to the right) that older adults may face. Using micro-data from the HRS, a nationally representative survey of Americans aged 50 or older and their spouses conducted every two years, we examine the

sociodemographic characteristics of people between the ages of 62 and FRA who may be eligible for or claiming reduced OAI benefits, DI, and/or SSI. While some in this age group may also be eligible for survivor or spousal benefits, we do not focus on these and other auxiliary benefits in this paper. We use the acronym OAI to refer to Old-Age (retirement) Insurance benefits. When data does not permit separating Survivors Insurance benefits from OAI, we use the acronym OASI.

This paper provides information on the characteristics of this population segment in the HRS micro-data sample and their decisions about when to apply for retirement or disability benefits, possibly without a complete understanding of their options. People in this age range need to understand their options and their financial implications. Their decisions could also affect access to other government benefits, such as Medicare and Medicaid. Better knowledge of this population could help SSA target information and outreach and improve potential claimants' understanding of the alternatives available for accessing program benefits. We offer recommendations for SSA throughout the paper, and Appendix A provides a complete list of recommendations.

Possible Claiming Scenarios for People Ages 62 to FRA

Scenario 1: Applying for reduced OAI and DI benefits at the same time or sequentially

Scenario 2: Switching between DI and reduced OAI benefits

Scenario 3: Applying for SSI after receiving reduced OAI benefits

Scenario 4: Applying for OAI benefits after receiving SSI

Scenario 5: Applying for SSI and turning 65 while waiting for a disability determination

² SSA, "[Normal Retirement Age](#)."

Social Security Benefits Available to People Aged 62 to FRA

Social Security's Programs

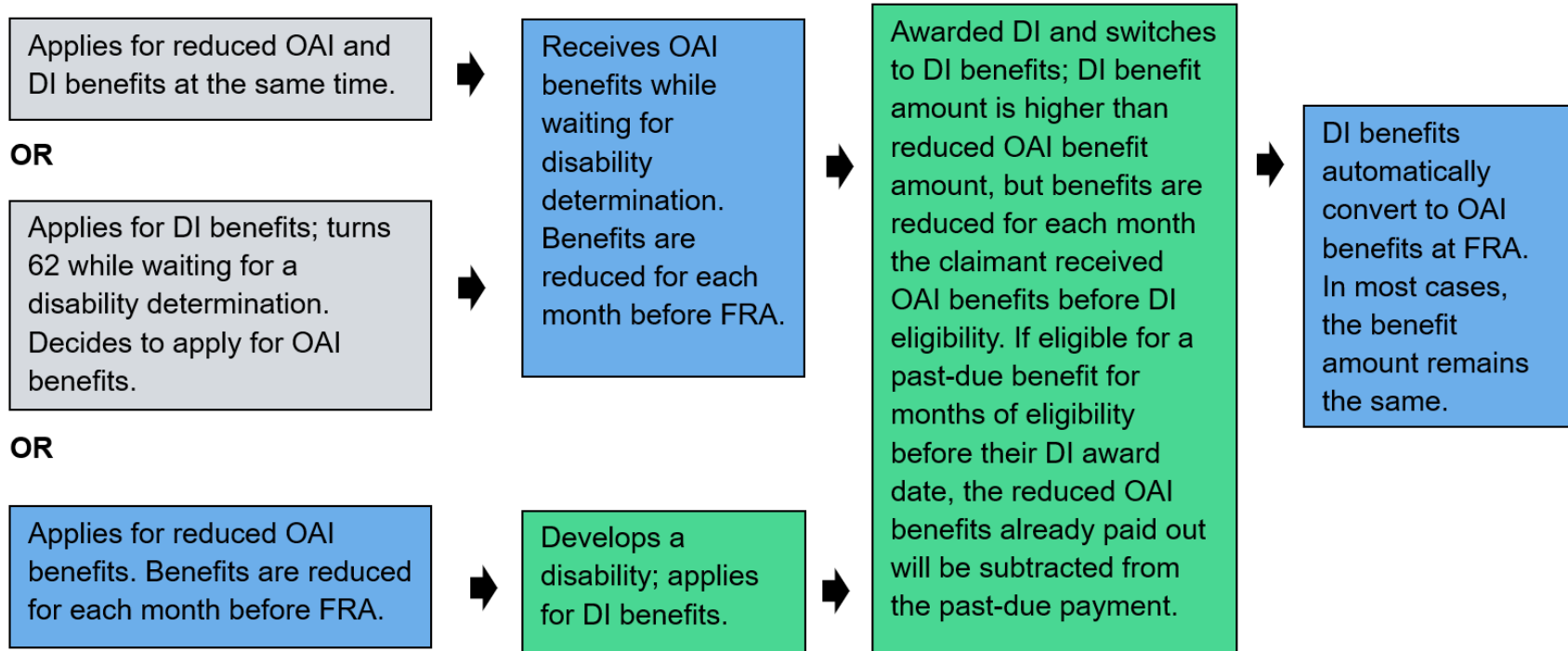
The **SSA** administers benefits vital to the economic security of millions of people. Federal **OASI** and **DI** provide cash benefits to insured workers and their families in the event of old-age, disability, or death. **SSI** provides payments to people who meet the program's income and resource limits and are 65 or older or meet the statutory definition of disability or blindness.

People aged 62 to FRA may be eligible for Social Security OAI and DI benefits, as well as SSI (see text box above). FRA depends on a person's birth year. Under current age-eligibility laws, FRA ranges from age 66 and six months to age 67 for those between ages 62 and FRA in 2024.³ This section outlines five combinations of OAI, DI, and SSI benefits available for people between age 62 and their FRA. It also describes SSA policy and the process for applying for different combinations of OAI, DI, and SSI benefits for people in this age range.

³ SSA, "[Normal Retirement Age](#)."

Scenario 1: Applying for Reduced OAI and DI Benefits at the Same Time or Sequentially

□ OAI and DI □ OAI □ DI



People can apply for reduced (early) OAI benefits and DI benefits at the same time. As described in the text box on p. 6, the DI benefit amount will usually be higher than the reduced OAI benefit amount. The uncertainty and lengthy application process for DI benefits may lead people to apply for both.⁴ The award rate for DI claims was 25 percent in 2022, and claimants wait an average of almost eight months for an initial decision on a disability claim.⁵ In addition, if a person has a disability (either a preexisting one or a new disability) after filing for reduced OAI benefits and is insured for DI, they can file for DI benefits.^{6, 7}

People applying for reduced OAI benefits can apply for DI benefits at the same time. Question 9 on the application for OAI benefits asks, “Are you, or during the past 14 months have you been, unable to work because of illnesses, injuries, or conditions?”⁸ If the claimant answers “yes,” they are asked to enter the date they became unable to work. When filing in an SSA field office or by telephone, the technician then asks the claimant if they wish to file for DI benefits. When filing online, if the claimant answers “yes” to Question 9, a DI application is filed automatically.⁹ If the claimant does not wish to file for DI benefits, they must withdraw that portion of the claim.¹⁰ The online application also includes a hyperlink for more information about the question, including a definition of substantial gainful activity (SGA), the monthly earnings threshold above which people are ineligible for SSA disability benefits.¹¹

In addition, SSA policy instructs technicians to discuss filing for DI benefits when someone filing for OAI benefits alleges they are unable to work because of a medical condition and is

⁴ Medicare access can also be a reason for applying for DI benefits. People receiving DI benefits are Medicare-eligible after a 24-month waiting period, while the general population is eligible for Medicare at age 65. DI beneficiaries who turn 65 during the waiting period can claim Medicare at age 65. SSA, [“Medicare Information,”](#) last accessed February 4, 2025.

⁵ SSA, [Annual Statistical Report on the Social Security Disability Insurance Program, 2023](#), October 2024, Table 60; SSA, [“SSA Monthly Data for Combined Title II Disability and Title XVI Blind and Disabled Average Processing Time,”](#) October 3, 2024.

⁶ SSA, [“Disability Questions for Retirement, Survivors, Disability Insurance \(RSDI\) Applications,”](#) Policy Operations Manual System (POMS) GN 00205.35.C (July 26, 2023).

⁷ A person could be insured for OAI but not DI if they do not have a sufficient work history during the past ten years to meet the insured status requirements for DI. SSA, [“Insured Status Requirements,”](#) last accessed February 4, 2025.

⁸ SSA, [“Form SSA-1-BK: Application for Retirement Insurance Benefits,”](#) November 2022.

⁹ SSA, [Title II Claims Specialist Basic Training Curriculum, Unit 4, Modules 20-30, Disability Student](#), February 2018, 164.

¹⁰ SSA, [Title II Claims Specialist](#), 164.

¹¹ NCSSMA, screenshot provided to SSAB staff, March 28, 2024.

insured for DI benefits.¹² Even if the claimant answers “no” to question 9, the technician must look for potential eligibility for DI, such as low or irregular earnings or gaps in recent work history.¹³ If the claimant alleges a disability, the technician must document that the claimant filed a DI application or has appealed a disability denial or cessation.¹⁴ If the claimant does not wish to file for DI benefits, they must sign a statement indicating this and note the reason for not applying for DI benefits.¹⁵ If the claimant wishes to file for DI benefits, SSA handles the claim as a regular DI claim.¹⁶

This process can also work in reverse, such that people 62 and older applying for DI benefits can claim reduced OAI benefits. If a claimant applying for DI benefits is 62 or older, there is a question on the application asking if the claimant would like to receive reduced OAI benefits while waiting for their disability decision.^{17, 18} If a claimant applies for DI when they are younger than age 62 and turns 62 while their claim is pending appeal, they can apply for reduced OAI benefits while their DI claim is pending in either SSA’s administrative process or in the judicial process.¹⁹ However, no alert is raised in SSA systems to inform SSA staff or claimants of pending DI claims where the claimant turns 62; in such cases, the claimant must initiate contact with SSA to file for reduced OAI benefits if they wish to do so.²⁰

¹² SSA, POMS [GN 00205.035.B.1.a.](#) (2023). The claimant must be no more than one year past their FRA and allege that their disabling condition began at least five months before FRA. These people may be eligible to receive retroactive DI benefits.

¹³ SSA, *Title II Claims Specialist*, 164.

¹⁴ SSA, POMS [GN 00205.035.B.3.a.](#) (2023).

¹⁵ SSA, POMS [GN 00205.035.B.3.a.](#) (2023).

¹⁶ SSA, POMS [GN 00205.035.C.](#) (2023).

¹⁷ NCSSMA, screenshot provided to SSAB staff, March 28, 2024.

¹⁸ The question is followed by hyperlinked text labeled “Things to Consider,” which explains that claiming reduced OAI benefits while waiting for DI benefits may lead to a reduction in the DI benefit amount, as described later in this paper. SSA, “[Receiving Reduced Retirement Benefits While Waiting for Your Disability Decision](#),” July 29, 2022.

¹⁹ SSA, “[Forwarding Retirement Survivors Insurance \(RSI\) Claims While Disability Insurance Benefits \(DIB\) Claim is Pending Appeal](#),” POMS DI 11010.310 (August 8, 2008).

²⁰ SSAB discussion with NCSSMA, August 5, 2024.

People who begin receiving OAI benefits early are subject to an actuarial reduction for each month they receive benefits before FRA (further described in the text box on p. 7).²¹ The DI monthly benefit amount is generally equal to the primary insurance amount (PIA), or the monthly OAI benefit amount that would be received if a person filed at FRA.²² Therefore, the DI benefit amount will usually be larger than the reduced OAI benefit amount. However, the DI benefit will be actuarially reduced to account for any months the beneficiary received reduced OAI benefits before becoming eligible for DI (see the example in the text box to the right).²³ In addition, the DI benefit amount may also be subject to reductions for certain public disability benefits (PDB) or workers' compensation (WC), which could make the reduced OAI benefit higher than the DI benefit amount while these offsets are in place.^{24, 25} If a person is awarded DI after receiving reduced OAI benefits, in addition to switching to DI benefits going forward, they may be eligible for past-due DI benefits. If someone is eligible for a past-due benefit for months of eligibility before their DI award date, the reduced OAI benefits already paid out will be subtracted from the past-due payment.^{26, 27}

Receiving Reduced OAI Benefits Before DI Benefits: An Example

Joe starts receiving OAI benefits at age 62 and his FRA is 67. His OAI benefit will be actuarially reduced to account for claiming 60 months before FRA. If Joe is subsequently approved for DI and the first month in which he is due a DI benefit is at age 62 and six months, he will have received six months of reduced OAI benefits before becoming eligible for DI. His DI benefit amount will be actuarially reduced to account for these six months. The DI benefit amount is therefore higher than his reduced OAI benefit amount was but is lower than his OAI benefit would be had he waited to claim at FRA.

²¹ Benefits are reduced by 5/9 of one percent for each month before FRA, up to 36 months. After 36 months, benefits are further reduced by 5/12 of one percent per month before FRA. SSA, "[Early or Late Retirement?](#)," last accessed February 4, 2025.

²² SSA, "[Primary Insurance Amount](#)," last accessed February 4, 2025.

²³ SSA, "[Reduced Retirement Insurance Benefit \(RIB\) as Affected by Disability Insurance Benefit \(DIB\) \(A-HA\)](#)," POMS RS 00615.110.B.3 (December 6, 2023).

²⁴ SSA, "[Social Security Benefit Amounts](#)," last accessed February 4, 2025.

²⁵ PDB are benefits paid under a Federal, State, or local law or plan to workers for temporary or permanent disabilities. SSA, "[Public Disability Benefits \(PDB\) – Definitions and Rules for Applying Offset](#)," POMS DI 52125.001.A.1 (August 1, 2023).

²⁶ SSA, "[Representative's Fee – Title II Past-Due Benefits Payable](#)," POMS GN 03920.032.B.3 (February 24, 2005).

²⁷ Since SSA calculates fees for claimants' representatives based on the amount of past-due benefits payable to the beneficiary, and people who previously received reduced OAI benefits may not have high past-due benefits, claimants may experience difficulty hiring a representative. Fred Clasen-Kelly, "[A System in Crisis: Dysfunctional Federal Disability Programs Force the Poor Into Difficult Choices](#)," KFF

Social Security Benefit Amounts

The PIA is the benefit amount a person would receive if they began receiving OAI benefits at FRA. PIA is calculated from the beneficiary's average monthly earnings, indexed to reflect the change in wage levels during their years of employment (average indexed monthly earnings, or AIME).

If a person claims OAI benefits early (before FRA), their PIA is reduced by 5/9 of one percent for each month before FRA, up to 36 months. If they claim benefits more than 36 months before FRA, the benefit amount is further reduced by 5/12 of one percent per month after 36 months.

The DI monthly benefit amount is generally equal to the PIA. However, it may be subject to reductions for other types of benefits, such as WC.

Spouses and children of OAI and DI beneficiaries can also receive benefits, subject to a family maximum for each program. The DI family maximum is 85 percent of the beneficiary's AIME; however, it cannot be less than the PIA or more than 150 percent of the PIA. The formula for calculating the family maximum for OAI beneficiaries is more complicated. The family maximum for OAI beneficiaries can range from 150 to 188 percent of PIA.

As noted above, if a beneficiary receives reduced OAI benefits before becoming eligible for DI, their DI benefits are reduced to account for the months of reduced OAI benefits received. A 2013 SSA Office of the Inspector General (OIG) report found that SSA did not always correctly adjust DI benefits for these beneficiaries, resulting in improper payments to beneficiaries.²⁸ They found an error rate of 10.5 percent and payment errors averaging around \$1,000 per beneficiary from June 2007 to September 2012.²⁹

Recommendation 1: SSA should explore ways to improve the clarity of question 9 on the application for OAI benefits, which asks about the inability to work due to illnesses, injuries, or other health conditions.

This question needs to be clearly worded so that people can be sure they are applying for benefits for which they are eligible. SSA should evaluate whether claimants understand

Health News, May 12, 2023. Authorized representatives with a fee agreement receive a fee equal to the lesser of 25 percent of the past-due benefits or \$9,200. SSA, "[Fee Agreements](#)," last accessed February 4, 2025.

²⁸ SSA OIG, [Adjustment of Disabled Wage Earners' Benefits at FRA](#), A-09-12-11264, May 2013, 2.

²⁹ SSA OIG, [Adjustment at FRA](#), 8, B-2.

that SSA is asking question 9 to assess potential eligibility for DI benefits.³⁰ This will allow SSA to explore ways to improve the clarity of the question or provide additional context for the question on the application, keeping in mind plain language principles. SSA could also study responses to question 9 by application mode (online, by telephone, in person, or on paper).

Recommendation 2: SSA should improve communication to people aged 62 to FRA who may become eligible for DI after receiving reduced OAI benefits.

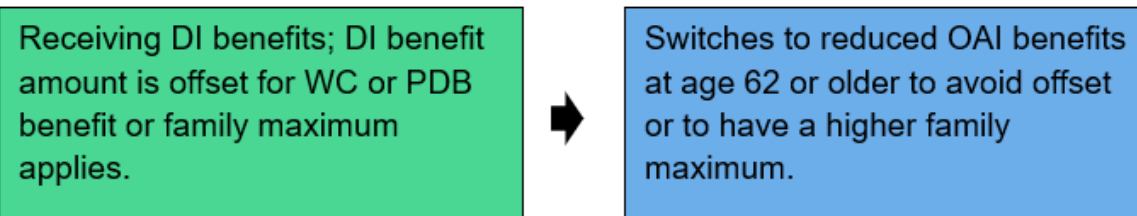
People who have already started receiving reduced OAI benefits and develop a work-limiting medical condition may be unaware that they can apply for DI benefits and possibly receive a higher benefit amount. SSA’s disability and retirement web pages should include this information.³¹ The Medicare.gov website clearly outlines steps for applying for Medicare in different situations and provides a potential model for SSA.³² SSA should also include this information in mySocialSecurity and the Social Security Statement.

Recommendation 3: SSA should contact DI claimants who turn 62 while their application is pending to ask if they would like to receive reduced OAI benefits while waiting for a disability determination.

These claimants may not realize they can receive reduced OAI benefits while waiting for their DI claim to be processed. SSA should consider creating an alert in mySocialSecurity that would send a message to the claimant when they turn 62 to inform them that they can apply for reduced OAI benefits.

Scenario 2: Switching Between DI and Reduced OAI Benefits

 DI  OAI



³⁰ Question 9 asks “Are you, or during the past 14 months have you been, unable to work because of illnesses, injuries, or conditions?” SSA, [Form SSA-1-BK](#).

³¹ SSA, “[Disability](#),” last accessed February 4, 2025; SSA, “[Social Security in Retirement](#),” last accessed February 4, 2025.

³² Medicare.gov, “[Get Started with Medicare](#),” last accessed February 4, 2025.

Although the DI benefit is usually higher than the reduced OAI benefit, as described above, it may not always be optimal for a claimant to receive DI benefits instead of reduced OAI benefits. If the DI benefit is offset by WC or PDB, the reduced OAI benefit amount may be higher.³³ Unlike DI benefits, OAI benefits are not offset for WC or PDB.³⁴ Additionally, if auxiliary beneficiaries such as spouses and children receive benefits based on the record of the person with a disability and the disability family maximum applies, the reduced OAI benefit may provide higher total family benefits (see text box on p. 7).^{35, 36}

A beneficiary can switch between reduced OAI and DI benefits as often as they like before FRA without requiring an additional application or disability determination, as long as SSA documents the reason for the change.³⁷ The beneficiary must sign a form to receive the lower benefit amount.³⁸ Few DI beneficiaries switch to OAI benefits: in 2023, 602 DI beneficiaries switched to a lower OAI benefit, and 462 DI beneficiaries became eligible for an equal or larger OASI benefit.³⁹

SSA systems generate an alert for DI beneficiaries who are 61 years and nine months old where WC or PDB offsets are involved.⁴⁰ The technician then compares the amounts payable – reduced OAI benefits against DI benefits – to the beneficiary and their family.⁴¹ If the reduced OAI benefit is larger, SSA policy instructs the technician to call the beneficiary and schedule an appointment to apply for OAI benefits.⁴² In addition, if a DI claimant is at least 61 and nine months old, the technician must consider the possibility of reduced OAI eligibility to avoid WC or PDB offsets.⁴³

³³ SSA, POMS [RS 00615.110.B.2](#) (2023).

³⁴ SSA OIG, [Social Security Beneficiaries Financially Advantaged by Electing to Convert from Disability Benefits to Reduced Retirement Benefits](#), A-07-18-50636, January 2021, 3.

³⁵ SSA, POMS [RS 00615.110.B.2](#) (2023).

³⁶ Spouses and children of DI beneficiaries can also receive benefits, but the family's benefits cannot exceed 150 percent of the beneficiary's PIA. SSA, "[Maximum Benefit for a Disabled-Worker Family](#)," last accessed February 4, 2025. The family maximum for a family receiving OAI benefits can be up to 188 percent of PIA. Kathleen Romig and Dave Shoffner, "[Understanding the Social Security Family Maximum](#)," *Social Security Bulletin* 75, no. 3 (August 2015).

³⁷ SSA, POMS [RS 00615.110.B.3](#) (2023). For example, a DI beneficiary could switch to OAI benefits to avoid a WC offset and switch back to DI when their WC benefits end.

³⁸ SSA, POMS [RS 00615.110.B.2](#) (2023).

³⁹ SSA, [Annual Statistical Supplement, 2024](#), December 2024, Table 6.F2.

⁴⁰ SSA, "[Considering the RIB Option](#)," POMS DI 52150.030.A (July 26, 2023).

⁴¹ SSA, POMS [DI 52150.030.A.1](#) (2023).

⁴² SSA, POMS [DI 52150.030.A.2](#) (2023).

⁴³ SSA, POMS [DI 52150.030.B.1](#) (2023).

If a DI beneficiary switches to reduced OAI benefits, they remain eligible for both benefits. Their OAI benefit amount will be actuarially reduced to account for the number of months claimed before FRA, as described in the text boxes on pp. 6 and 7. However, unlike for reduced OAI beneficiaries who are not eligible for DI, this reduction is not permanent and is removed at FRA.⁴⁴

Past OIG reports have found that SSA did not always notify DI beneficiaries who may be eligible for higher benefits by switching to reduced OAI benefits or correctly adjust benefits for those who switched. A 2015 OIG report found that SSA did not always inform DI beneficiaries receiving WC or PDB who were eligible for higher reduced OAI benefits between ages 62 and FRA or document why beneficiaries did not choose to switch to OAI benefits.⁴⁵ They estimate that over 17,000 DI beneficiaries were eligible for higher OAI benefits totaling over \$100 million during the study period.⁴⁶ This estimate is based on a sample of DI beneficiaries who reached age 62 after December 2002 and whose DI benefits had been offset by WC or PDB, using data through May 2013.⁴⁷ Another OIG report found that SSA did not always increase benefits at FRA for people who switched to reduced OAI benefits before FRA to avoid an offset for WC or PDB and should have had the actuarial reduction removed at FRA, as described above.⁴⁸ The OIG also found in a 2016 report that SSA did not always notify DI beneficiaries that they would be eligible for higher total family benefits by switching to reduced OAI benefits at age 62.⁴⁹ They estimate that over 8,000 families of DI beneficiaries born between January 1, 1942, and January 1, 1952, who received DI benefits between ages 62 and FRA were eligible for higher total family benefits of around \$28 million during the study period, but were not informed by SSA and did not receive those benefits.⁵⁰ This estimate was based on data through May 2014.⁵¹

SSA implemented several recommendations from these OIG reports to improve processing for these cases.⁵² SSA software now identifies beneficiaries who are eligible for both DI and reduced OAI benefits and automatically adjusts benefit amounts.⁵³ If the adjustment

⁴⁴ SSA OIG, [Social Security Beneficiaries Financially Advantaged](#), 2.

⁴⁵ SSA OIG, [Disabled Beneficiaries Who Are Eligible for Higher Retirement Benefits](#), A-09-13-23054, January 2015, 1.

⁴⁶ SSA OIG, [Disabled Beneficiaries Eligible Higher Retirement Benefits](#), 1.

⁴⁷ SSA OIG, [Disabled Beneficiaries Eligible Higher Retirement Benefits](#), B-1; Tamara Schulman, SSA OIG, email message to SSAB staff, November 13, 2024.

⁴⁸ SSA OIG, [Adjustment at FRA](#), 3.

⁴⁹ SSA OIG, [Higher Retirement Benefits Payable to Families of Disabled Beneficiaries](#), A-09-14-34080, February 2016, 1-2.

⁵⁰ SSA OIG, [Higher Retirement Benefits Payable](#), 1, B-1.

⁵¹ Schulman, 2024.

⁵² Audit Liaison Staff, SSA OIG, document sent to SSAB staff, June 11, 2024.

⁵³ Audit Liaison Staff, 2024.

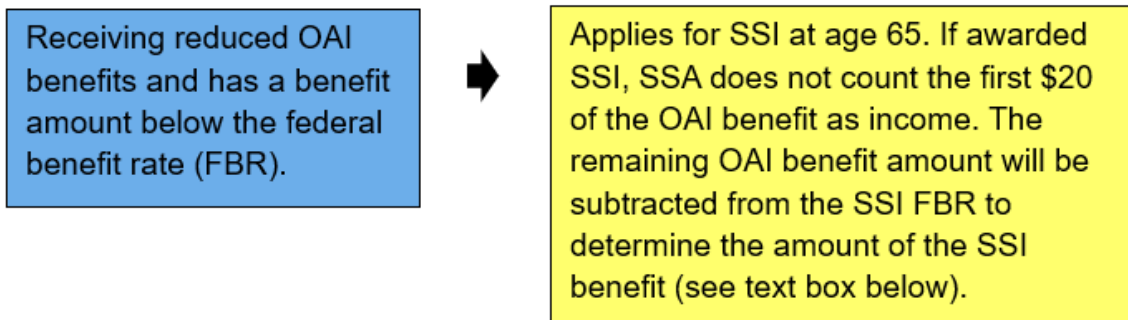
cannot be processed automatically, technicians receive an alert that they need to make the adjustment manually. In addition, SSA implemented an initiative that automated identification and notification to DI beneficiaries and their auxiliaries who may be eligible for higher reduced OAI benefits.⁵⁴ SSA releases notices to these beneficiaries in March and October of each year.⁵⁵

Recommendation 4: SSA’s OIG should assess whether the improvements to automation for people switching between DI and OAI benefits have succeeded in reducing improper payments and missed benefit eligibility.

As described above, SSA software now automatically adjusts benefit amounts at FRA for beneficiaries who were eligible for both DI and reduced OAI benefits and automatically identifies and notifies DI beneficiaries and their families who may be eligible for higher OAI benefits.⁵⁶ SSA’s OIG should follow up on their previous audits and analyze whether these improvements in automation have succeeded in reducing improper payments and missed benefit eligibility. This will allow SSA to assess whether their software improvements are working and whether further changes are needed to reduce improper payments.

Scenario 3: Applying for SSI After Receiving Reduced OAI Benefits

 OAI  SSI



People receiving OAI benefits with benefit amounts below the SSI FBR may also be eligible for SSI due to a disability or as an aged individual when they turn 65. SSA policy instructs technicians to discuss SSI with OAI applicants when the claimant is within two months of age 65 or alleges disability or blindness.⁵⁷ For applicants applying for Social Security

⁵⁴ Audit Liaison Staff, 2024.

⁵⁵ Audit Liaison Staff, 2024.

⁵⁶ Audit Liaison Staff, 2024.

⁵⁷ SSA, "[Title II Application as an SSI Oral Inquiry](#)," POMS SI 00601.027.A (December 1, 2009).

benefits online, there is a question asking whether claimants intend to file for SSI.⁵⁸ Claimants indicating that they plan to file receive a protected filing date for SSI.⁵⁹ However, people receiving low OAI benefit amounts may not know they can apply for SSI when they turn 65.⁶⁰ Past studies estimate that only around 60 to 70 percent of people aged 65 or older who might be eligible for SSI receive it.⁶¹

Social Security Benefits and SSI

SSI is reduced for other types of income, including Old-Age, Survivors, and Disability Insurance (OASDI) benefits. If a person receives both SSI and OASDI benefits, SSA does not count the first \$20 of the OASDI benefit as income.* The remaining OASDI benefit amount will be subtracted from the SSI FBR to determine the amount of the SSI benefit.† In 2024, the FBR is \$943 for an individual and \$1,415 for a couple.‡ This is the maximum SSI federal benefit amount an individual or a couple can receive.

* SSA, "[Income Exclusions for SSI Program](#)," last accessed February 4, 2025.

† SSA, "[Understanding SSI Income – 2024 Edition](#)," last accessed February 4, 2025.

‡ SSA, "[Understanding SSI Benefits – 2024 Edition](#)," last accessed February 4, 2025.

In 2017, SSA partnered with the Office of Evaluation Sciences at the General Services Administration to send letters to people ages 65 to 80 who were not currently receiving or applying for SSI and who were receiving payments from OASDI that were less than the 2017 SSI payment amount and to evaluate the effectiveness of the letters.⁶² SSA sent out four types of letters: a basic letter notifying the beneficiaries that they may be eligible for SSI payments and explaining how to apply for SSI, a maximum benefit letter that included the basic information plus a statement about the maximum monthly SSI payment, a simple application process letter that included the basic information plus a statement that applying for SSI is simple, and a combined letter that included the maximum benefit information and simple application process statement.⁶³ People who received a letter were six times as likely to apply for SSI and five times as likely to be awarded compared to those

⁵⁸ SSA, POMS [SI 00601.027.A](#) (2009).

⁵⁹ SSA, POMS [SI 00601.027.B.2](#) (2009).

⁶⁰ SSI receipt has implications for Medicaid receipt as well; people who receive SSI are automatically eligible for Medicaid in most states. SSA, "[Understanding SSI and Other Government Programs – 2024 Edition](#)," last accessed February 4, 2025.

⁶¹ Jeffrey Hemmeter, John Phillips, Elana Safran, and Nicholas Wilson, [Communicating Program Eligibility: A SSI Field Experiment](#), November 23, 2020, 8.

⁶² Hemmeter et al., [Communicating Program Eligibility](#), 9-10.

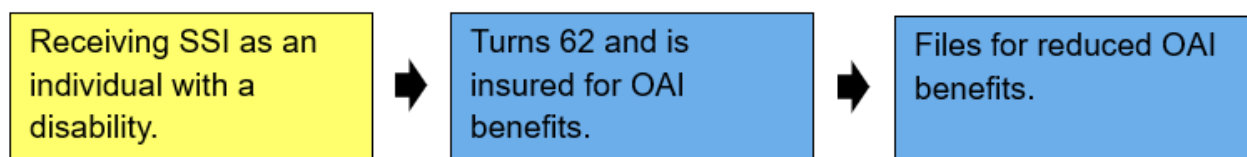
⁶³ Hemmeter et al., [Communicating Program Eligibility](#), 3.

who did not receive a letter.⁶⁴ Simply notifying people that they may be eligible for SSI had the greatest effect.^{65, 66}

Following the success of these letters, SSA has continued to send mailers to Social Security beneficiaries who may also be eligible for SSI. In fiscal years 2021, 2022, and 2023, SSA sent 3.5 million outreach mailers to these beneficiaries.⁶⁷ The mailer was sent in English and Spanish and provided the national toll-free number to assist beneficiaries in determining if they were eligible for SSI.⁶⁸ SSI awards for people aged 65 or older almost doubled from 5,409 in January 2021 to 10,186 in January 2024.⁶⁹

Scenario 4: Applying for OAI Benefits After Receiving SSI

■ SSI ■ OAI



People receiving SSI may become eligible for OAI benefits at 62 or older. SSI is intended to be a program of last resort, meaning that a person must file for other benefits (including Social Security benefits) they may be eligible for when applying for or receiving SSI.⁷⁰ This is a statutory requirement.⁷¹ An application for SSI is also considered an application for OASI and DI benefits.⁷² Unlike other people claiming OAI benefits, SSI recipients cannot delay claiming to receive a higher benefit amount while continuing to receive their SSI payments.⁷³

⁶⁴ Hemmeter et al., [Communicating Program Eligibility](#), 24-25.

⁶⁵ Hemmeter et al., [Communicating Program Eligibility](#), 25.

⁶⁶ The study did not include a full cost-benefit analysis and did not account for costs beyond the cost of postage for the letters. Hemmeter et al., [Communicating Program Eligibility](#), 27.

⁶⁷ SSA, [Justification of Estimates for Appropriations Committees, Fiscal Year 2025](#), 159.

⁶⁸ SSA, [Justification of Estimates](#), 159.

⁶⁹ SSA, [SSI Monthly Statistics, January 2021](#), February 2021, Table 1; SSA, [SSI Monthly Statistics, January 2024](#), February 2024, Table 1.

⁷⁰ SSA, [Overview of the Filing for Other Program Benefits Requirement](#), POMS SI 00510.001.A (January 3, 2024).

⁷¹ 42 USC § 1611(e)(2).

⁷² SSA, [Scope of the Application](#), POMS GN 00204.020.B.4 (December 13, 2023).

⁷³ 42 USC § 1611(e)(2).

SSA has processes to ensure that an SSI recipient eligible for Social Security benefits claims those benefits. SSA systems automatically generate an Insured Status diary for SSI recipients who are almost 62 or older, insured for OAI benefits, and not already receiving those benefits.⁷⁴ SSA employees must then notify the recipient of their eligibility and take an application for OAI benefits.⁷⁵ The notice says that the recipient may be eligible to receive Social Security benefits but does not specify which benefit type (see Appendix B for the text of the notice). The SSI recipient must file for OAI benefits by 30 days after the notice is given to the recipient or 35 days if it is mailed.⁷⁶ Following the statute, if the recipient is eligible and does not file for OAI benefits, SSI payments are suspended beginning in the month the recipient received the written notice.⁷⁷

A 2018 OIG report found that SSA did not always notify SSI recipients when they became eligible for OAI benefits.⁷⁸ They estimate that SSA did not award approximately \$54 million in OAI benefits and did not reduce SSI payments by about \$50 million.⁷⁹ This resulted in underpayments to almost 3,500 SSI recipients.⁸⁰ Their analysis was based on SSI recipients over age 62, insured for OAI benefits, and not receiving those benefits as of June 2017.⁸¹

Recommendation 5: SSA should investigate the feasibility of automating OAI benefit applications for SSI recipients who become eligible for OAI benefits at age 62 or older.

SSI recipients who receive the notice saying they may be eligible for Social Security benefits (see Appendix B) may not understand why they are receiving the notice and may not take appropriate steps to avoid an interruption of their benefits. Automating this process could help reduce improper payments and likely result in some administrative savings for SSA.⁸² As noted above, an application for SSI is also considered an application for OASDI benefits.⁸³ To automate OAI benefit applications for SSI recipients, SSA would

⁷⁴ SSA OIG, [SSI Recipients Eligible for Retirement Benefits](#), A-09-16-50130, December 2018, 2-3.

⁷⁵ SSA OIG, [SSI Recipients Eligible for Retirement Benefits](#), 3.

⁷⁶ SSA, "[Use of the SSA- L8051-U3 to Refer Individuals to File for Social Security Benefits](#)," POMS SI 00510.021.A.1.a (January 4, 2024).

⁷⁷ 42 USC § 1611(e)(2); SSA, "[Processing the Insured Status \(KZ\) Diary – SSI](#)," POMS SI 02309.010.D (March 6, 2024).

⁷⁸ SSA OIG, [SSI Recipients Eligible for Retirement Benefits](#), 2.

⁷⁹ SSA OIG, [SSI Recipients Eligible for Retirement Benefits](#), 2.

⁸⁰ SSA OIG, [SSI Recipients Eligible for Retirement Benefits](#), 2.

⁸¹ SSA OIG, [SSI Recipients Eligible for Retirement Benefits](#), A-1.

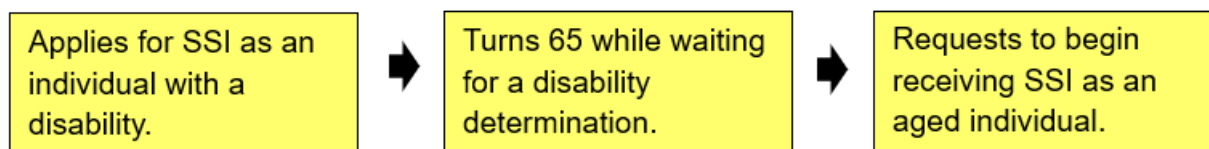
⁸² SSA OIG, [SSI Recipients Eligible for Retirement Benefits](#), 2.

⁸³ SSA, POMS [GN 00204.020.B.4](#) (2023).

need to modify its regulations to allow reopening of the OAI claim when an SSI recipient becomes eligible for OAI benefits at age 62 or older.⁸⁴

Scenario 5: Applying for SSI and Turning 65 While Waiting for a Disability Determination

 SSI



People who apply for SSI at age 65 or older are eligible as aged individuals and do not have to go through the disability determination process. People who apply for SSI disability and turn 65 while waiting for a disability determination may be eligible to receive SSI faster as aged individuals.⁸⁵ If the claimant meets the nonmedical criteria for SSI, they can start receiving benefits at age 65. If their SSI disability claim is allowed, they will receive past-due payments for the months they were eligible for SSI before age 65.⁸⁶

There are no SSA systems to automate this process; the technician must manually put the case into pay for the claimant to begin receiving SSI as an aged individual. According to a discussion with the National Council of Social Security Management Associations (NCSSMA), SSA had an ad hoc work task where technicians contacted SSI applicants turning 65 to ask if they would like to start receiving SSI as aged individuals before receiving a disability determination.⁸⁷ This SSI-specific effort was an off-shoot of a workgroup that began in September 2022; this task ended in 2023.⁸⁸ If the SSI disability determination results in an allowance, the technician must manually redo the case so the claimant can receive past-due payments for months of eligibility before age 65.⁸⁹ Currently, if a

⁸⁴ Specifically, SSA could modify 20 CFR [§ 404.988](#) to allow reopening of a Title II claim at any time for SSI recipients aged 62 or older who are fully insured for benefits under 42 USC § 202(a).

⁸⁵ If these SSI claimants are eligible for OASDI, they are required to file for those benefits. SSA, POMS [GN 00204.020.B.4](#) (2023).

⁸⁶ Past-due benefits are the total amount of payments due to the claimant from the month the claimant is eligible through the month of effectuation of the decision on the SSI claim. SSA, "[Representative's Fee – Title XVI Past-Due Benefits](#)," POMS GN 03920.031.B.1 (August 17, 2018).

⁸⁷ SSAB discussion with NCSSMA, January 22, 2024.

⁸⁸ SSAB discussion with NCSSMA, March 28, 2024.

⁸⁹ SSAB discussion with NCSSMA, January 22, 2024.

technician sees an SSI application from someone nearing 65, they could put a reminder on the application to follow up, but as this is a manual process, it does not happen consistently.⁹⁰

Recommendation 6: SSA should explore creating an alert for pending SSI claims where the claimant has turned 65 to assess eligibility for SSI based on age.

SSA should explore creating a flag for pending SSI claims where the claimant has turned 65 and investigate whether they could automate the process of getting benefits at 65 if the person meets the nonmedical criteria for SSI. Such a change could help reduce underpayments for SSI claimants. This would help reduce the need to manually process these claims as aged cases and then redo them if the medical decision is favorable.

Previous Research

Past research examines early retirees with self-reported health conditions who may be eligible for DI. Around 14 percent of people who claim OAI benefits early do so because of poor health.⁹¹ Almost half of people aged 62 through FRA receiving OASI benefits report some health problem, and one-quarter report a health problem that impairs their ability to work, although not all of these people may be insured for DI.⁹² One study estimates that about three percent of those receiving reduced OASI benefits are eligible for DI but have not claimed DI benefits; about five percent are eligible for SSI (including those eligible for both DI and SSI) but have not claimed SSI.⁹³ These studies suggest that some people receiving reduced OAI benefits may have health conditions that qualify them for DI, and some of these people may be insured for DI.

Previous studies suggest that there are demographic differences between reduced OASI beneficiaries with and without self-reported health conditions. Compared to those in good health, a larger share of reduced OASI beneficiaries with more severe health problems are Black or Hispanic; widowed, divorced, or separated; living alone; and have less than a high school education.⁹⁴ A larger share of reduced OASI beneficiaries with health problems worked in blue-collar jobs.⁹⁵ Reduced OASI beneficiaries with severe health problems have

⁹⁰ SSAB discussion with NCSSMA, January 22, 2024.

⁹¹ John B. Shoven, Sita Slavov, and David A. Wise, "[Social Security Claiming Decisions: Survey Evidence](#)," *Journal of Financial Planning* (forthcoming): 12.

⁹² Michael V. Leonesio, Denton R. Vaughan, and Bernard Wixon, "[Increasing the Early Retirement Age Under Social Security: Health, Work, and Financial Resources](#)," *Health and Income Security* 7 (December 2003): 1.

⁹³ Leonesio et al., "[Increasing the Early Retirement Age](#)," 7.

⁹⁴ Leonesio et al., "[Increasing the Early Retirement Age](#)," 4.

⁹⁵ Leonesio et al., "[Increasing the Early Retirement Age](#)," 5.

lower lifetime earnings and fewer other assets, are more reliant on Social Security benefits, and fewer have health insurance than other reduced OASI beneficiaries.⁹⁶ Fewer of them have recent work experience and therefore may not be insured for DI.⁹⁷

Past research also looks at patterns of DI benefit claiming among people leading up to age 62 and continuing through FRA. A Government Accountability Office (GAO) study finds an increase in the rate of new DI awards between ages 53 and 61 before decreasing substantially at age 62 and continuing to fall through FRA.⁹⁸ Another study finds that the probability of applying for DI increases with age until age 61, peaking at just above 1.2 percent.⁹⁹ Although the DI application rate falls between ages 61 and 62, it remains between 0.8 and one percent.¹⁰⁰ DI application rates continue to decline between ages 62 and FRA.¹⁰¹

Many new OASI claimants file for DI in the month they claim OASI benefits due to the question on the OASI application asking if the claimant is unable to work because of illnesses, injuries, or other health conditions.¹⁰² The DI application rate in the month of claiming OASI benefits is more than nine times higher on average than for the months before the 62nd birthday.¹⁰³ There is a surge in denied applications just after age 62, possibly because OASI claimants who apply concurrently for DI do not have disabilities severe enough to meet SSA's definition or because they are not insured for DI.^{104, 105}

The number of DI applicants aged 62 through FRA increased at a faster rate than the number of younger adult applicants in the decade before 2014.¹⁰⁶ A large part of this increase is likely due to the aging of the baby boom generation and the increases in FRA for

⁹⁶ Leonesio et al., "[Increasing the Early Retirement Age](#)," 1. This study was published in 2003 and therefore does not consider developments such as the Affordable Care Act that may affect access to health insurance.

⁹⁷ Leonesio et al., "[Increasing the Early Retirement Age](#)," 4.

⁹⁸ GAO, [Social Security Reform: Implications of Raising the Retirement Age](#), HEHS-99-112, August 27, 1999, 10.

⁹⁹ Matthew S. Rutledge, [Holding Out or Opting Out? Deciding Between Retirement and Disability Applications in Recessions](#), Center for Retirement Research at Boston College Working Paper 2012-26, November 2012, 16, 28.

¹⁰⁰ Rutledge, [Holding Out or Opting Out?](#), 16, 28.

¹⁰¹ Rutledge, [Holding Out or Opting Out?](#), 28.

¹⁰² Rutledge, [Holding Out or Opting Out?](#), 18.

¹⁰³ Rutledge, [Holding Out or Opting Out?](#), 18.

¹⁰⁴ Rutledge, [Holding Out or Opting Out?](#), 18.

¹⁰⁵ A person could be insured for OASI but not DI if they do not have a sufficient work history during the past ten years to meet the insured status requirements for DI. SSA, "[Insured Status Requirements](#)."

¹⁰⁶ Hugo Benitez-Silva and Na Yin, [Social Security Disability Applications Near Retirement Ages](#), Conference Paper, April 28, 2014, 3.

this generation.¹⁰⁷ Around 19 percent of DI applicants aged 62 through FRA are already receiving OAI benefits when they apply for DI.¹⁰⁸ Overall, people already receiving OAI benefits apply for DI benefits at a lower rate than people aged 62 through FRA who are not receiving OAI benefits.¹⁰⁹

Methods

We use HRS data to examine the proportion and the sociodemographic characteristics of people between the ages of 62 and FRA who may be eligible for or are already receiving OASDI and/or SSI. Our goal is to provide information on the characteristics of this population that is facing decisions about program application. We use data from the RAND HRS Longitudinal File 2020 V2 public use dataset.¹¹⁰

In a descriptive analysis, we look at people between the ages of 62 and FRA (excluding those who had reached FRA) in the month of the interview in 2020. We look at the OASDI and SSI benefits people report applying for or receiving. We also look at benefit applications and receipts for those who report a health condition that limits work and the sociodemographic characteristics of people by different benefit types. Finally, we examine trends in benefit receipt over time.

Using self-reports of application and receipt of SSA benefits is less reliable than using SSA administrative data. The proportion of people who report applying for or receiving DI and SSI is lower in the HRS than in SSA records.¹¹¹ Some respondents may confuse the DI and SSI programs when responding to survey questions. People in the age range used for this paper may be more likely to misreport their benefit application and receipt due to the mix of benefits described earlier. For example, someone applying for reduced OAI benefits who answers “yes” to the question about having an impairment may have a DI application filed

¹⁰⁷ Benitez-Silva and Yin, [DI Applications Near Retirement Ages](#), 4.

¹⁰⁸ Benitez-Silva and Yin, [DI Applications Near Retirement Ages](#), 25.

¹⁰⁹ Benitez-Silva and Yin, [DI Applications Near Retirement Ages](#), 25. This study uses a Heckman model to study DI application between 62 and FRA, controlling for not having already been on DI by age 62. We considered updating this analysis using a similar methodology but given the complexity of the model and the narrow age range of our population decided it was not feasible.

¹¹⁰ The National Institute on Aging (NIA) sponsors the HRS and the University of Michigan conducts the survey. With funding and support from NIA and SSA, the RAND Center for the Study of Aging creates user-friendly HRS data products for researchers. RAND, [“RAND HRS Data Products,”](#) last accessed February 4, 2025.

¹¹¹ Jody Schimmel Hyde and Amal Harrati, [“The Alignment Between Self-Reported and Administrative Measures of Disability Program Application and Benefit Receipt in the Health and Retirement Study,”](#) *Social Security Bulletin* 83, no. 4 (November 2023).

automatically on their behalf without them realizing it.¹¹² A study found that misreporting of DI benefits increases as HRS respondents reach age 62; it does not find a similar pattern for SSI.¹¹³ The study authors find that misreports of benefit application and receipt are not random and differ across characteristics such as race, sex, income, employment history, and health conditions.¹¹⁴ In other words, those who correctly respond to questions about benefit application and receipt have different characteristics than those who answer incorrectly.

We do not have access to restricted SSA administrative data and rely on self-reports of OASDI and SSI applications and receipts from the HRS for the following analysis. Our estimates of applications and receipt of benefits may be too low, given the findings described above. Despite this limitation, the HRS includes a rich set of data collected over many years. RAND has worked to convert complex data collected in the HRS on DI and SSI participation into consistent measures across the years.¹¹⁵ This analysis adds to the literature on SSA program participation for people aged 62 to FRA.

Findings

We examine OASDI and SSI applications and benefit receipts for people between 62 and FRA in 2020. There are 2,317 people in the sample. All reported statistics other than sample sizes are weighted to be nationally representative. All sample members are mid-baby boomers (born from 1954 to 1959) and FRA ranges from age 66 to age 66 and 10 months. Almost 30 percent report having a health problem that limits work. About 42 percent are working full- or part-time, 51 percent report being fully or partially retired, and seven percent are unemployed, have a disability, or are not in the labor force.

We examine OASI, DI, and SSI applications and receipts and DI and SSI applications and receipts by OASI beneficiary status. Application and receipt patterns are driven by eligibility criteria, relative benefit amounts, and people's knowledge and understanding of benefit availability and eligibility criteria. About 28 percent of people between 62 and FRA report receiving OASI (see Appendix Table C.1a).¹¹⁶ About 13 percent report applying for or receiving DI, and four percent report applying for or receiving SSI. People not receiving OASI benefits apply for and receive DI benefits at a greater rate than those receiving OASI

¹¹² Schimmel Hyde and Harrati, "[The Alignment Between Self-Reported and Administrative Measures.](#)"

¹¹³ Schimmel Hyde and Harrati, "[The Alignment Between Self-Reported and Administrative Measures.](#)"

¹¹⁴ Schimmel Hyde and Harrati, "[The Alignment Between Self-Reported and Administrative Measures.](#)"

¹¹⁵ Schimmel Hyde and Harrati, "[The Alignment Between Self-Reported and Administrative Measures.](#)"

¹¹⁶ The publicly available HRS data do not separate out OAI benefits from spousal or survivor benefits.

benefits (see Appendix Table C.1b). This finding is consistent with past literature.¹¹⁷ SSI application and receipt show the opposite pattern: those receiving OASI benefits apply for and receive SSI at a higher rate than those not receiving OASI benefits.

We also look at the percentage of people aged 62 to FRA participating in SSA programs by self-reported health problem that limits work. Unsurprisingly, higher percentages of those reporting a health problem report receiving OASI benefits, applying for or receiving DI benefits, or applying for or receiving SSI benefits than of those without a health problem (See Appendix Table C.2). Table 1 shows DI and OASI application and benefit-receipt percentages for four mutually exclusive categories: receiving DI benefits, applying for DI benefits, receiving OASI benefits (and not applying for or receiving DI), or none of these. People reporting a health problem receive and apply for DI benefits at a higher rate than those not reporting a health problem. Those with a health problem report receiving OASI benefits at a similar rate to those without one. While reporting a health problem that limits work in the HRS does not mean that the person has a health condition severe enough to meet SSA’s definition of disability, a past study found that overall, people’s assessment of their health condition matches the SSA definition.¹¹⁸

Table 1. Percentage of People Aged 62 to FRA Participating in SSA Programs in 2020 by Health Problem that Limits Work

Social Security Program Participation	Percentage Among Those with a Health Problem that Limits Work	Percentage Among Those without a Health Problem that Limits Work
Receiving DI benefits	32.2%	1.9%
Applying for DI benefits	8.2%	0.4%
Receiving OASI (and not receiving or applying for DI)	25.5%	24.6%
None of the above	34.0%	73.1%

Source: Health and Retirement Study, RAND HRS Longitudinal File 2020 V2 public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2024.

Notes: Unweighted sample size = 2,317. Weighted sample size = 16,494,641. Based on self-reports of benefit application, receipt, and health status. These categories are mutually exclusive; each column sums to 100 percent. There are several reasons why people may report receiving DI but not report a

¹¹⁷ Benitez-Silva and Yin, [DI Applications Near Retirement Ages](#), 25.

¹¹⁸ Hugo Benitez-Silva, Moshe Buchinsky, Hiu Man Chan, Sofia Cheidvasser, and John Rust, “[How Large is the Bias in Self-Reported Disability?](#),” *Journal of Applied Econometrics* 19, no. 6 (2004): 650.

health problem that limits work: their condition could have improved since benefit award, some health conditions, such as mental impairments, could be underreported in the survey, or some people may attribute their work limitations to society's lack of inclusiveness rather than their impairment.¹¹⁹

We look at the differences in sociodemographic characteristics across these four categories for people who reported a health problem that limits work (see Appendix Table C.3). People with a health problem who are White apply for and receive DI benefits at lower rates than those who are Black. People with a college education or above report lower rates of receiving DI or OASI relative to those with lower levels of education. Other factors, such as type of occupation, interact with characteristics such as race and education level and influence the rates of applying for or receiving DI or OASI. Due to limitations of the public-use HRS data, we did not attempt to account for these factors. Differences by other sociodemographic characteristics (gender, ethnicity, marital status, and region) are not significant.

We also examine trends over time among people 62 to FRA at the time of the survey interview every other year from 2000 to 2020. The percentage reporting a health problem that limits work remained consistent over time at around 30 percent. The percentage working full-time increased from almost 29 percent in 2000 to around 36 percent in 2020. The percentage of people not in the labor force decreased over time from ten percent in 2000 to two percent in 2020, consistent with findings from prior work.¹²⁰

There were changes in benefit applications and receipts over this period. The percentage of people 62 to FRA reporting receipt of OASI benefits declined dramatically, from 47 percent in 2000 to 28 percent in 2020 (see Appendix Table C.4). This decline could be due to several reasons, such as people working longer, people living longer (resulting in decreases in receipt of survivor benefits among this age group), and more women in the labor force (resulting in decreases in receipt of spousal benefits). The percentage of women aged 62 to FRA reporting that they are not in the labor force declined from 19 percent in 2000 to three percent in 2020. The percentage of people applying for or receiving DI benefits increased from nine percent in 2000 to 13 percent in 2020. This finding is consistent with past literature that has found increases in DI applications and receipts with increases in FRA.¹²¹

¹¹⁹ Elisa Walker and Emily Roessel, "[DI and SSI Beneficiaries with Multiple Impairments](#)," *Social Security Bulletin* 79, no. 3 (August 2019).

¹²⁰ Richard Fry and Dana Braga, "[Older Workers Are Growing in Number and Earning Higher Wages](#)," Pew Research Center, December 2023, 5-6.

¹²¹ Xiaoyan Li and Nicole Maestas, "[Does the Rise in the FRA Encourage Disability Benefits Applications? Evidence from the HRS](#)," Michigan Retirement and Disability Research Center, 2008, 3; Mark Duggan, Perry Singleton, and Jae Song., "[Aching to Retire? The Rise in the FRA and Its Impact on the Disability Rolls](#)," *Journal of Public Economics* 91, no. 7-8 (August 2007): 4.

The percentage of people applying for or receiving SSI also increased, from two percent in 2000 to four percent in 2020.

Conclusion

People aged 62 to FRA may have options to consider when applying for benefits, and their decisions can affect the amount of benefits they receive over their lifetime. People applying for or receiving reduced OAI benefits may not know they can apply for DI and receive a higher benefit amount (as described in Scenario 1). Furthermore, reduced OAI beneficiaries with low benefit amounts may not realize they can apply for SSI at age 65, as in Scenario 3. These older adults may be missing benefits for which they are eligible and need to have information to decide which benefit or combination of benefits is optimal for their situation, as well as the optimal timing of their benefit application. Deciding on the best combination of benefits is especially important, given that reduced OAI beneficiaries with health limitations rely more on Social Security benefits.¹²² In addition, representation for people in this age group is often lacking.¹²³

SSA is collaborating with other agencies, including the Department of Health and Human Services and the Office of Management and Budget, on a customer experience project on approaching retirement.¹²⁴ This project involves working with community-based organizations to build and test an information and outreach model to help older adults make informed retirement decisions.¹²⁵ This initiative includes publishing a new Federal Resource Guide, distributing it to community-based organizations, and implementing a Community of Practice.¹²⁶ This project provides an opportunity for SSA and its partners to educate people about the benefit options available to people aged 62 to FRA.

This paper has outlined recommendations to address process issues related to the scenarios described in the paper (see Appendix A for a complete list of recommendations). In addition to those specific recommendations, we have two broad recommendations:

¹²² Leonesio et al., "[Increasing the Early Retirement Age](#)," 1.

¹²³ Clasen-Kelly, "[A System in Crisis](#)."

¹²⁴ Performance.gov, "[Approaching Retirement](#)," last accessed February 4, 2025.

¹²⁵ Performance.gov, "[Approaching Retirement](#)."

¹²⁶ Performance.gov, "[Approaching Retirement](#)."

Recommendation 7: SSA and its partners should incorporate information on the benefit options for people aged 62 to FRA in their customer experience project on approaching retirement.

The Approaching Retirement customer experience project aims to increase access to resources at existing organizations and reduce the burden on older adults making retirement decisions.¹²⁷ Older adults should have information on the SSA benefit options for which they may be eligible. SSA and its partners on this project should incorporate information on the different benefit options, such as the information outlined in this paper, into the resources they are developing so that community organizations can promote awareness and assist adults aged 62 to FRA in applying for benefits.

Recommendation 8: SSA should conduct research on the number of people who fall into each scenario and on knowledge gaps for people aged 62 to FRA and their representatives to inform improvements and outreach.

We requested data from SSA on how many people fall into each scenario described in the paper. SSA provided a reference to publicly available data related to Scenario 2, which we have cited in that section; they were not able to provide data for other scenarios.¹²⁸ Additional research could help SSA identify knowledge gaps, target information, and provide appropriate notification. Changes should be data-driven, and SSA should assess results to determine whether any process changes have been successful. Further research is needed to evaluate whether people aged 62 to FRA know and understand their options and have the information they need to make decisions about their SSA benefits. Further research is also needed to understand whether claimants' representatives understand these options so that they can provide appropriate guidance to claimants. This research could help target information to those who need it most.

Bob Joondeph

Bob Joondeph, Chair

Nancy J. Altman

Nancy J. Altman

Jagadeesh Gokhale

Jagadeesh Gokhale

Amy Stuart

Amy Stuart

¹²⁷ Performance.gov, "[Approaching Retirement](#)."

¹²⁸ SSA, Office of Research, Demonstration, and Employment Support and Office of Research, Evaluation, and Statistics, email message to SSAB staff, September 24, 2024.

Acknowledgements

Emily Roessel (Senior Researcher) led the research and writing of this paper under the direction of Diane Brandt (Research Director) and Claire Green (Staff Director). Stacy Cloyd (Senior Research Attorney) provided helpful comments.

In developing the report, Board staff spoke with Avram Sacks, an attorney in private practice. We are grateful for his time and assistance.

Appendix A: Recommendations

1. SSA should explore ways to improve the clarity of question 9 on the application for OAI benefits, which asks about the inability to work due to illnesses, injuries, or other health conditions.
2. SSA should improve communication to people aged 62 to FRA who may become eligible for DI after receiving reduced OAI benefits.
3. SSA should contact DI claimants who turn 62 while their application is pending to ask if they would like to receive reduced OAI benefits while waiting for a disability determination.
4. SSA's OIG should assess whether the improvements to automation for people switching between DI and OAI benefits have succeeded in reducing improper payments and missed benefit eligibility.
5. SSA should investigate the feasibility of automating OAI benefit applications for SSI recipients who become eligible for OAI benefits at age 62 or older.
6. SSA should explore creating an alert for pending SSI claims where the claimant has turned 65 to assess eligibility for SSI based on age.
7. SSA and its partners should incorporate information on the benefit options for people aged 62 to FRA in their customer experience project on approaching retirement.
8. SSA should conduct research on the number of people who fall into each scenario and on knowledge gaps for people aged 62 to FRA and their representatives to inform improvements and outreach.

Appendix B: SSI Referral Notice for Social Security Benefits

SOCIAL SECURITY ADMINISTRATION

Supplemental Security Income

Referral Notice for Social Security Benefits

Office Address:

Office Hours:

Telephone Number:

Date:

Respond by Date:

Claim Number:

This letter is to inform you that you may be eligible to receive Social Security benefits. If you are already receiving Social Security benefits, you may be entitled to an even higher benefit.

We want you to know that an application for Supplemental Security Income (SSI) payments is also an application for Social Security benefits. When SSA determines that a person is eligible to receive SSI payments, he or she is required by law to provide any additional information we ask for at anytime during the claims process to allow us to complete the Social Security claim. Therefore, you need to contact us by the respond by date above to complete a supplemental application so that we can obtain additional information to pay you Social Security benefits (or a higher Social Security benefit).

- If you do not provide the necessary information we request by this date:
- You will not be eligible for SSI.
- You will have to pay back any SSI you may have received beginning _____.

We will send you another letter explaining our decision and what you can do if you think we are wrong before we take any action on your SSI claim.

Please contact the Social Security office shown above to make an appointment to complete a supplemental application for Social Security benefits or if you have any questions.

Manager _____ Form **SSA-L8051-U3** (6-2005)

Source: SSA, "[Exhibit of the SSA-L8051-U3 \(Referral Notice for Social Security Benefits\)](#)," POMS SI 00510.031 (December 18, 2007).

Appendix C: Additional Tables

Table C.1a. Percentage of People Aged 62 to FRA Participating in SSA Programs in 2020

Social Security Program Participation	Percentage
Receiving OASI benefits	27.9%
Applying for or receiving DI benefits	13.3%
Applying for or receiving SSI benefits	3.7%

Source: Health and Retirement Study, RAND HRS Longitudinal File 2020 V2 public use dataset.

Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2024.

Notes: Unweighted sample size = 2,317. Weighted sample size = 16,494,641. Based on self-reports of benefit application and receipt. These categories are not mutually exclusive; people may fall into multiple categories.

Table C.1b. Percentage of People Aged 62 to FRA Applying for or Receiving DI or SSI in 2020 by OASI Program Participation

Social Security Program Participation	Percentage Among Those Not Receiving OASI Benefits	Percentage Among Those Receiving OASI Benefits
Applying for or receiving DI benefits	14.3%	10.6%
Applying for or receiving SSI benefits	2.0%	8.2%

Source: Health and Retirement Study, RAND HRS Longitudinal File 2020 V2 public use dataset.

Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2024.

Notes: Unweighted sample size = 2,317. Weighted sample size = 16,494,641. Based on self-reports of benefit application and receipt. DI and SSI application and receipt are not mutually exclusive; people may apply for or receive both benefits.

Table C.2. Percentage of People Aged 62 to FRA Participating in SSA Programs in 2020 by Health Problem that Limits Work

Social Security Program Participation	Percentage Among Those with a Health Problem that Limits Work	Percentage Among Those without a Health Problem that Limits Work
Receiving OASI benefits	34.5%	25.1%
Applying for or receiving DI benefits	40.5%	2.3%

Social Security Program Participation	Percentage Among Those with a Health Problem that Limits Work	Percentage Among Those without a Health Problem that Limits Work
Applying for or receiving SSI benefits	10.9%	0.9%

Source: Health and Retirement Study, RAND HRS Longitudinal File 2020 V2 public use dataset.

Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2024.

Notes: Unweighted sample size = 2,317. Weighted sample size = 16,494,641. Based on self-reports of benefit application, receipt, and health status. These categories are not mutually exclusive; people may fall into multiple categories.

Table C.3. SSA Program Participation in 2020 for People Aged 62 to FRA by Sociodemographic Characteristics Among Those with a Health Problem that Limits Work

Characteristic	Receiving DI Benefits	Applying for DI Benefits	Receiving OASI (and not receiving or applying for DI)	None of These
Male	31.4%	7.8%	25.3%	35.5%
Female	32.9%	8.6%	25.7%	32.8%
White or Caucasian*	32.0%	6.8%	24.7%	36.5%
Black or African American	40.6%	16.3%	26.4%	16.6%
Other race	22.9%	7.1%	30.7%	39.4%
Hispanic	20.3%	13.6%	31.3%	34.8%
Not Hispanic	34.0%	7.5%	24.8%	33.8%
Education: Less than high school*	34.4%	5.9%	33.2%	26.4%
Education: High school or GED	38.6%	10.0%	24.3%	27.1%
Education: Some college	32.6%	7.7%	30.6%	29.2%
Education: College or higher	20.4%	7.8%	14.9%	56.8%
Never married	28.2%	11.3%	18.1%	42.4%
Married	30.4%	6.0%	29.5%	34.1%
Partnered	36.7%	--	--	44.0%
Separated or divorced	36.9%	13.0%	19.1%	31.0%
Widowed	33.0%	7.0%	32.7%	27.3%
Region: Northeast	39.4%	3.7%	17.6%	39.4%
Region: Midwest	31.7%	7.1%	29.6%	31.7%
Region: South	34.7%	11.2%	24.9%	29.2%
Region: West	23.0%	7.1%	28.1%	41.8%

Source: Health and Retirement Study, RAND HRS Longitudinal File 2020 V2 public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2024.

Notes: -- = suppressed to avoid disclosing information about particular people. * = Distribution is significantly different at the 5 percent level.

Unweighted sample size = 751. Weighted sample size = 4,722,019. Based on self-reports of benefit application, receipt, and health status. The four categories of SSA program participation are mutually exclusive. Within each row, numbers sum to 100 percent.

Table C.4. Percentage of People Ages 62 to FRA Participating in SSA Programs, 2000 to 2020

Social Security Program Participation	2000	2002	2004	2006	2008	2010	2012	2014	2016	2018	2020
Receiving OASI benefits	47.2%	44.1%	44.6%	42.9%	41.9%	41.5%	40.6%	38.2%	32.3%	30.3%	27.9%
Applying for or receiving DI benefits	9.1%	10.2%	9.6%	12.0%	10.8%	11.6%	12.2%	13.9%	13.4%	13.7%	13.3%
Applying for or receiving SSI benefits	1.9%	2.2%	1.9%	3.2%	3.1%	2.7%	3.2%	2.9%	3.2%	4.1%	3.7%

Source: Health and Retirement Study, RAND HRS Longitudinal File 2020 V2 public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2024.

Notes: Unweighted sample size ranges from 1,618 to 2,513. Weighted sample size ranges from 6,048,305 to 16,494,641. Based on self-reports of benefit application and receipt. These categories are not mutually exclusive; individuals may fall into multiple categories. People who report they are applying for or receiving DI or SSI benefits but do not know which type they are receiving are counted as applying for or receiving DI since DI application and receipt is more common in the sample.

About the Board

The Social Security Advisory Board is a bipartisan, independent federal agency established in 1994 to advise the President, Congress, and Commissioner of Social Security on matters of policy and administration of the Old-Age, Survivors, and Disability Insurance and Supplemental Security Income programs. The Board has up to seven members, appointed by the President, Senate, and House of Representatives.



Social Security Advisory Board
400 Virginia Avenue SW, Suite 625
Washington, DC 20024

www.ssab.gov