Great expectations but poorer outcomes:
Declining employment among a growing group of work-oriented beneficiaries

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Main Findings of Interest (SSDI only)

• Selected Findings
  • Health status did not change
    • Exception: Musculoskeletal conditions increased
  • Labor market experience decreased
    • Discouraged by previous work attempts
    • Not being able to find a job
  • Greater share of beneficiaries with work expectations
Composition of the DI Rolls 2005 & 2015

DI Rolls: 2005

- Disabled Workers: 78%
- Spouses: 2%
- Children: 20%

Total beneficiaries = 8,314,314

DI Rolls: 2015

- Disabled Workers: 83%
- Spouses: 1%
- Children: 16%

Total beneficiaries = 10,806,466

https://www.ssa.gov/oact/STATS/DIbenies.html
GDP Growth Rate & Unemployment Rate

DI Applications & Awards (in thousands)

Number in month and 12-month moving average

Applications

Awards

https://www.ssa.gov/oact/STATS/dibGraphs.html#3
Current Pay Status vs. Terminations

Termination rate

current payment status: increase over prior period

What have we learned?

• Unemployment rates tracks closely with:
  • DI application rates
  • to a lesser degree award rates

• During periods of GDP certainty (2010-2017), we see:
  • reduced unemployment rates
    • nationally and
    • for persons with disabilities

• For DI beneficiaries
  • current pay status rates decrease
  • and benefit terminations increase
Interesting proposition

• Economic stability causes an increase labor force participation among persons with disabilities.
  • economic stability is not directly revealed in the NBS 2005 and 2015 analysis,
  • but would explain employment optimism in the 2015 survey
Does the DI program reduce uncertainty?
The Complexity of Returning to Work (SSDI)

- **Initial Application**
  - **Approved**
  - **9 month TWP**
    - If work not self-reported, we discover via IRS match the following year. Results in work overpayments due to retroactive work development.
    - **36-month EPE**
      - Income counted when earned vs. when paid for SSI
      - **Evaluation of Work Activity**
        - Impairment Related Work Expenses
        - Subsidies or special conditions
        - Unsuccessful Work Attempts
        - Self-Employment? Unincurred business expense. Rec’d bens less than 24 mo – use 3 tests to evaluate, otherwise use countable income.
    - **SGA Determination**
      - Rec’d bens for 24 months? Medical CDR protection
      - Blind over 55 – is work comparable?
    - **Terminate**
      - Medicare continues 93 months from end of TWP
  - **Expedited Reinstatement w/in 5 years**
    - 6-months Provisional benefits
      - IRP: Receive Benefits for 24 months
        - Approved
        - **Initial Application**
          - Denial
            - Appeal
          - **Approved**

Briefing for the House Ways and Means April 2015 (slides 9 & 10)
The Complexity of Returning to Work (SSI)

- **Approved**
- **Redetermination**
  - **Earned Income**
  - **Evaluation of Earnings**
    - 1619a – work over SGA, still entitled to SSI payment
    - 1619b – earnings zero out SSI but “deemed” receipt of SSI retains Medicaid coverage
    - Earnings exceed 1619(b) threshold
    - SSI eligibility criteria no longer met
    - SSI record terminates

- **Resources And Unearned Income**
  - In-kind support and maintenance
  - Deemed income and resources
  - 50-plus exclusions, including:
    - Inc. and res. excl. under other Fed law
    - Educational funds
    - Property essential to self-support
    - Tax Refunds
  - Impairment Related Work Expenses
  - IDA Deposits
  - Student Earned Income Exclusion
  - Blind Work Expenses
  - Plan to Achieve Self-Support

- **Resources And Unearned Income**
  - Monthly comp required to determine eligibility and payment amount

- **Unreported work is discovered via annual or quarterly matches with databases such as the Internal Revenue Service (IRS) and the Office of Child Support Enforcement (OCSE), which results in detection of earnings related overpayments.**

- **IRP: Receive Benefits for 24 months**
  - **Approved**
  - **New Application**
    - Denial
      - Appeal
    - Approved
  - **Expedited Reinstatement w/in 5 years**
    - 6-months Provisional benefits

- **Briefing for the House Ways and Means April 2015 (slides 9 & 10)**
Conclusion

• Livermore, Sevak and Shenk (2018) “Great expectations but poor outcomes.”
  • Excellent work summarizing NBS 2005 and 2015
  • Excellent descriptive analysis
  • Excellent policy recommendations from the analysis:
    • Low rates of awareness ➔ Educate beneficiaries about available work supports
    • Half work-oriented beneficiaries cannot find a job ➔ targets for work-support education
  • Caution: Without more information, exercise caution when making further policy recommendations