



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

Key Points about the 2018 Social Security Trustees Report

The most important take-away from the 2018 Social Security Trustees Report is that our Social Security system continues to work, and work well, for the American people. No institution does more to protect the financial security and dignity of Americans in retirement, in disability, or when a worker dies and is survived by their young children and spouse.

The 2018 Trustees Report finds our Social Security system in solid financial health, with large reserves. As the result of decades of foresight and planning, Social Security's reserves were \$2.89 trillion at the end of 2017. Social Security has such large reserves because it has had *more than enough* income from its sources of revenue—payroll contributions, interest payments on investments in U.S. Treasury bonds, and taxation of benefits—to cover scheduled benefits.

The long-term projections of the 2018 Trustees Report remain strong. Similar to last year, the Trustees once again project that our Social Security system can continue to pay all scheduled old age, survivors, and disability benefits until 2034. Thereafter, the combined Social Security Trust Funds will be able to pay roughly 79 percent of scheduled benefits. With modest increases in revenue, Social Security will be able to pay full benefits throughout the century and beyond.

The projections for Social Security's Disability Insurance (DI) Trust Fund have improved significantly, extending the fund's full solvency by four years, to 2032. In October 2015, Congress prevented an approximately 20 percent cut in Social Security Disability Insurance (SSDI) by reallocating payroll tax revenues across the Old-Age and Survivors' Insurance (OASI) and DI Trust Funds. At that time, Social Security's actuaries projected that the reallocation would enable Social Security to pay all scheduled SSDI benefits through 2022. The 2016 Trustees Report extended that by one year, to the third quarter of 2023; the 2017 Trustees Report extended that by five more years, to 2028. The 2018 Trustees Report extends those projections by an additional four years, to 2032; thereafter, the DI Trust Fund will be able to pay roughly 96 percent of scheduled benefits.

Our Social Security system must be maintained to keep it strong. Social Security is vital to our nation's well-being. To make sure that it remains so, the Social Security Trustees issue an annual report on its income and outlays for the next 75 years. When shortfalls are projected, they should be addressed thoughtfully and sooner rather than later.

Some will try to use the projections for Social Security's long-term solvency to force cuts. This is hostage taking of the worst kind. Social Security's long-term financial status has been predicted for decades and is no surprise. Well understood trends have increased the numbers of Americans applying for Social Security benefits, including population growth, the aging of the population, and increased work by women (so that more women are now insured for Social Security).

Modest adjustments to the contributions of workers and employers can ensure Social Security's long-term solvency. Surveys consistently show that Americans value Social Security highly and are

willing to pay for it. One option is raising the Social Security payroll tax cap so that the 6 percent of workers who earn over \$128,400 a year contribute on all of their wages just like everyone else. Another option is to modestly increase the payroll tax rate paid by employers and workers. If implemented right away, either approach on its own would be nearly sufficient to ensure full 75-year solvency. CCD opposes benefit cuts and supports thoughtful approaches to ensuring Social Security's long-term solvency, while preserving the vital role that Social Security plays in the lives of people with disabilities and their families.

Congress should also act to put Social Security's two Trust Funds on an even path. Creating a single Social Security Trust Fund, or rebalancing the existing OASI and DI funds to put them on an even financial track, will facilitate Congress to evaluate and ensure the long-term solvency of Social Security as a comprehensive system and eliminate artificial crisis points. This will reflect the reality of how Americans experience Social Security: a single, integrated system of retirement, disability, and life insurance funded by one payroll tax paid by workers and their employers.

Congress should provide adequate funding to ensure strong customer service at the Social Security Administration. This includes addressing the historic backlog and wait times that Americans applying for Social Security disability benefits currently face. Since 2010, SSA's operating budget has shrunk by 8.8 percent after inflation, while workloads have risen. Today, nearly 1 million people are waiting an average of over 590 days for a decision on their request for a hearing on their application for Social Security or Supplemental Security Income disability benefits. These shocking and historic delays leave many destitute, with little to no income or access to health care under Medicare. Many lose their homes, and in 2017, approximately 10,000 people died while awaiting a hearing. These delays are the direct result of chronic underfunding of Social Security's administrative budget, which is less than a penny of every dollar spent on benefits.

Maintaining our Social Security system isn't just about making the math work; it's about strengthening economic security for all Americans, including people with disabilities and their families. Benefits for workers with disabilities are modest but vital, averaging just under \$1,198 per month in April 2018. About 3 in 10 men and 1 in 4 women experience disability before reaching full retirement age. More than half of SSDI beneficiaries rely on Social Security for at least 75 percent of their personal income, and the majority receive 90 percent or more of their personal income from Social Security.

Social Security provides a basic living standard for people with disabilities, seniors, and their families. Social Security is our most reliable source of disability, life, and retirement insurance. Access to private disability and retirement insurance is extremely limited. Only about one-third of workers have long-term disability insurance through their employer, traditional pension protections are greatly diminished, and 401(k) plans are unreliable. The alternatives, if Social Security benefits were cut or eliminated, are often unthinkable. Too often, people talk about making changes to our Social Security system without considering the impact such changes would have on real people. **It is vital that we strengthen and preserve our nation's Social Security system for all Americans, including people with disabilities and their families.**

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