



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

President's FY 2020 Budget: Devastating Cuts to Social Security

Our Social Security system is a foundation of our nation's economic security. Nearly all U.S. workers pay in to Social Security and are insured for Social Security Old-Age Insurance, Survivors' Insurance, and Disability Insurance. Social Security's Supplemental Security Income program, or SSI, is another core part of this system. SSI provides a basic standard of living for extremely low-income seniors and for children and adults with significant disabilities.

President Trump has promised repeatedly that he would not cut Social Security. Yet the President's proposed 2020 budget does just that, slashing over \$84 billion from Social Security and SSI over 10 years, including at least \$72 billion over 10 years proposed in cuts to the Social Security Administration's disability programs.

Social Security and SSI must be there for us all when we need them, to help us maintain a basic standard of living, putting food on the table and keeping a roof over our heads. This includes Social Security's disability programs. Over the years, Congress and Presidents have worked together on a bipartisan basis to make Social Security stronger. National surveys consistently show that Americans overwhelmingly support strengthening and expanding Social Security, and oppose benefit cuts. Instead, President Trump's 2020 budget, like his 2018 and 2019 budgets, proposes cuts that would be nothing short of devastating. The CCD Social Security Task Force urges all Members of Congress to reject the President's proposed cuts to Social Security.

Social Security Cut: \$47.6 Billion (2020-2029)

Budget line item: "Test new approaches to increase labor force participation"

The budget proposes to generate nearly \$50 billion in savings through Social Security demonstration programs to help disability beneficiaries to stay at work or return to work. Since 1980, Social Security has initiated 8 demonstrations to promote return to work. As summarized by Mathematica, all completed demonstrations have reported modest positive outcomes, including increased earnings. However, "none of the findings reported to date show that the demonstrations tested would likely lead to a substantial reduction in caseload sizes" (p. 5). Cuts of this magnitude would likely be pursued with punitive work requirements and other harsh measures that slash benefits or cut off eligibility entirely. CCD's Social Security Task Force has long supported demonstrations that open up opportunities to work – but not by putting beneficiaries' economic security and Medicare at risk.

Social Security Cut: \$2.3 Billion (2020-2029)

Budget line item: "Offset overlapping unemployment and disability payments"

While the budget purports to promote work, it would punish Social Security disability beneficiaries for doing exactly that. Thanks to longstanding bipartisan Congressional policy, Social Security already encourages disabled beneficiaries to attempt to work. Work incentives include allowing people to earn up to a Substantial Gainful Activity level (SGA; \$1,220

per month in 2019) as well as numerous other work incentives. Beneficiaries who attempt to work, but get laid off from a job through no fault of their own, may qualify for Unemployment Insurance benefits that their employers have paid for. As explained in this CCD fact sheet, cuts to these benefits would put beneficiaries' ability to meet their day to day living expenses at risk and would deter work by punishing people who attempt to work. For these reasons, 75 national organizations have strongly opposed past versions of this proposal.

Social Security Cut: \$10 Billion (2020-2029)

Budget line item: “Reduce 12 month retroactive Disability Insurance benefits to six months” People who qualify for Social Security disability benefits may get benefits retroactively, for up to 12 months prior to application. Retroactive eligibility starts in the first month in the 12 months prior to application that Social Security finds that a person met all eligibility criteria, including having an eligible disability. Social Security has provided these retroactive benefits since 1958, after a study found that many people did not file for benefits in the first month that they were eligible – and as a result, lost out on one or more months of benefits. Retroactive benefits can be vital for many newly-qualified beneficiaries who can use the retroactive benefits to help pay off often-crushing medical bills and other disability-related and daily living expenses. The average disabled worker receives \$1,234 per month in Social Security benefits, representing *over \$7,400 on average for people who lose the full six months under this cut.*

Social Security Cut: \$6.8 Billion (2020-2029)

Budget line item: “Create sliding scale for multi-recipient Supplemental Security Income (SSI) families” SSI's benefits average only about \$565 per month, or \$19 per day, and are the only personal income for roughly 3 in 5 recipients with disabilities. The maximum federal SSI payment for an individual (\$771 per month in 2018) is less than 75 percent of the federal poverty guideline for a single person. Nevertheless, SSI lifts roughly half of recipients out of deep poverty. “Sliding scale” proposals to cut SSI if recipients live together – including families – would run counter to the fundamental American value that people should be able to pull together in tough times. As explained in this CCD fact sheet, SSI cuts would devastate already-struggling households, making it harder to put food on the table, keep the lights on, and meet out-of-pocket medical and disability related expenses. Cuts would make it harder for families raising children with disabilities to meet each child's unique needs, and would put children and adults at risk of homelessness and institutionalization. Finally, “sliding scale” cuts would be very difficult and costly to administer.

Additional Social Security Cuts: \$15 Billion (2020-2029)

The budget proposes to cut an additional \$15 billion out of Social Security programs – including the retirement, survivors', and disability programs as well as SSI – in a variety of ways. These include by excluding Social Security debts (due to overpayments) from discharge in bankruptcy, by increasing Social Security's overpayment threshold, and by additional measures characterized as “reducing improper payments.”

Finally, the proposal to **charge significant fees for replacement Social Security cards** (\$7/online and \$25/field office) is unacceptable. Although the Task Force appreciates the desire to decrease reliance on physical cards for identity protection reasons, physical cards can still be needed for a variety of essential purposes, such as employment verification and securing a Real ID Act compliant drivers license. These fees might preclude low-income individuals with disabilities from being able to afford a replacement card and the Task Force strongly opposes this proposal as a result.

The bottom line: President Trump's proposed 2020 budget cuts over \$84 billion in Social Security spending over 10 years, including over \$70 billion in cuts to Social Security and SSI disability benefits. Congress should reject these proposed cuts.

Prepared by the CCD Social Security Task Force, March 2019. For more information contact Lisa Ekman, NOSSCR, 202-550-9996 or lisa.ekman@nosscre.org.