



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

President's FY 2018 Budget: Devastating Cuts to Social Security

Our Social Security system is a foundation of our nation's economic security. Nearly all American 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 2018 budget does just that, slashing over \$74.2 billion from Social Security and SSI over 10 years, including \$72.4 billion over 10 years proposed in cuts to Social Security'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 – including Social Security's core 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 budget 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: \$48.8 Billion (2018-2027)

Budget line item: "Test new approaches to test 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). In an unprecedented move, President Trump's budget would tie new demonstrations to reaching a 5 percent cut in Social Security Disability Insurance and SSI by 2027. Cuts of this magnitude would 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: \$2.5 Billion (2018-2027)

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

At the same time that 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 during a trial

work period (SGA; \$1,170 per month in 2017). 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: \$9.9 Billion (2018-2027)

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 [\\$1,170 per month](#) in Social Security benefits; people affected *stand to lose over \$7,000 on average under this cut*.

Social Security Cut: \$9.0 Billion (2018-2027)

Budget line item: "sliding scale for multi-recipient Supplemental Security Income families"

SSI's benefits average [only about \\$540 per month, or \\$18 per day](#), and are the [only personal income](#) for over half of adult recipients. The [maximum federal SSI payment](#) for an individual (\$735 per month in 2017) 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](#).¹ "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 for SSA to administer.

Additional Social Security Cuts: \$4.0 Billion (2018-2027)

The budget proposes to cut an additional \$4.0 billion out of Social Security – including the retirement, survivors', and disability programs – in a variety of ways, including by excluding Social Security debts (due to overpayments) from discharge in bankruptcy, by increasing Social Security's overpayment threshold, and by additional measures.

The bottom line: President Trump's proposed 2018 budget cuts over \$74 billion from Social Security's programs, including Social Security Old-Age, Survivors', and Disability Insurance as well as Supplemental Security Income.

Prepared by the CCD Social Security Task Force, May 2017. For more information contact Kate Lang, Justice in Aging, klang@justiceinaging.org or T.J. Sutcliffe, The Arc, sutcliffe@thearc.org.

¹ Arloc Sherman and Danilo Trisi, Safety Net More Effective Against Poverty Than Previously Thought. (Center on Budget and Policy Priorities, 2015).