



CONSORTIUM FOR CITIZENS WITH DISABILITIES

Emergency Unemployment Compensation (EUC) Extension: S. 2097 Permanently Raids Social Security to Pay For a 6-Month EUC Extension, Hurting Workers with Disabilities and Their Families

S. 2097, the “Responsible Unemployment Compensation Extension Act of 2014,” (introduced March 6, 2014 by Senators Heller, Collins, Portman, Murkowski, Coats, Ayotte, and Kirk) proposes to cut Social Security Disability Insurance (SSDI) for workers with disabilities who concurrently receive Unemployment Insurance (UI), to partially pay for a 6-month extension of EUC.

S. 2097 would permanently cut Social Security and raid its Trust Fund to pay for a temporary EUC extension, treat workers with significant disabilities who receive SSDI differently from other workers under UI, and threaten the economic security of SSDI beneficiaries and their families. Additionally, by targeting new SSDI entrants, S. 2097 would put individuals facing serious health and often financial risk in the terrible position of being encouraged to delay SSDI application – which would delay access to Medicare.

How is a SSDI / UI Offset Problematic?

- **A SSDI / UI offset would permanently cut Social Security to pay for a temporary extension of EUC.** These are separate and vital programs; cuts to one should not be used to pay for the other.
- **A SSDI / UI offset would raid the Social Security Trust Fund to pay for an unrelated program.** Any changes to Social Security must be considered as part of thoughtful discussions around how to strengthen our nation’s Social Security system.
- **While extremely modest, concurrent SSDI and UI benefits can be a lifeline to workers and their families, who count on both to make ends meet.** GAO estimates that in FY 2010 the average quarterly concurrent benefit was only about \$1,100 in SSDI and \$2,200 in UI, for a quarterly average of about \$3,300 in total benefits – **just \$275/week**. Cutting a worker’s Social Security benefits would result in a substantial drop in income that could be devastating to workers with disabilities and their families, at a time when the economy is still so fragile that Congress needs to extend EUC.
- **Questions exist about how the Social Security Administration (SSA) would administer S. 2097,** particularly within the already-complex SSDI work incentives framework. After many years of insufficient administrative funding, the agency is already struggling to provide basic services. Introducing a complicated offset requirement could present a significant administrative burden.
- **Federal policy should support workers who have acquired significant disabilities, rather than penalize them by treating them differently than other workers who qualify for UI benefits.** UI should be there for all American workers, including workers with significant disabilities – it’s a question of fairness.

Why do People Receive both SSDI and UI?

- **Receiving both SSDI and UI is appropriate, when an individual qualifies for both.** It is the long-standing position of SSA and the courts that receiving SSDI and UI concurrently is consistent, legal and appropriate when the requirements for both programs are met.
- **Like all Americans, people with disabilities who work seek greater economic security for themselves and their families.** Many individuals with significant disabilities who receive SSDI attempt to return to work if their conditions improve. Social Security permits and encourages beneficiaries to work and earn up to \$1,070 per month while continuing to receive SSDI. If they lose their part-time job, they may then receive UI to partially replace their lost earnings. UI can serve as an important source of economic security for workers with disabilities and their families seeking to achieve financial stability.
- **Concurrent UI and SSDI benefits can be a lifeline for workers who develop significant disabilities.** The Social Security disability standard is one of the strictest in the developed world. It can take months, if not years, to qualify, and most applicants are denied. Nearly all states offer “good cause” provisions that may permit workers who leave a job due to illness or disability to receive UI, and many states also permit workers to continue to receive UI if they develop a disability or illness after filing a UI claim.

How Would S. 2097 Affect Beneficiaries?

Section 12 of S. 2097 would cut a worker’s SSDI benefit by the amount of UI received, focus benefit cuts on new SSDI entrants by exempting current beneficiaries using certain SSDI work incentive programs, and create a certification process for SSA to ask individuals whether they have filed or intend to file for UI.

- **S. 2097 targets newly disabled SSDI entrants at a time of significant health and financial risk, cutting earned benefits paid for by workers and their employers.** UI benefits can be essential for newly disabled workers struggling to meet basic expenses and the often-high out-of-pocket medical expenses associated with the initial diagnosis and treatment of a new, significant disability. Concurrent UI and SSDI benefits often sustain individuals while they “downsize,” selling their home and/or moving into a smaller, less expensive living situation that they can better afford in light of their reduced income. ***Any cut in benefits could have devastating consequences for newly disabled workers and their families.***
- **S. 2097 encourages individuals to delay application for SSDI – a step that would also delay access to needed health insurance through Medicare.** The bill’s focus on new SSDI entrants and creation of a certification process for SSA to ask individuals if they have filed or intend to file for UI encourages workers to delay consider delaying application for SSDI.
- **As a result, S. 2097 has the potential to delay access to both Social Security disability benefits and Medicare – vital benefits that workers have earned and desperately need.** Disabled workers must already endure a five-month waiting period before becoming eligible for SSDI benefits, as well as a two-year waiting period before receiving Medicare coverage. Each month that a worker forgoes SSDI application is a month’s delay in access to needed income support from SSDI and health insurance through Medicare. Many workers already continue to work long past the onset of a disability, often compromising their health in the process. Adding new incentives to delay application for SSDI could have devastating consequences for the health of workers with disabilities.



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Case Example -- *Here is a hypothetical example of how not allowing a SSDI beneficiary to receive concurrent SSDI and UI benefits could become a work disincentive and erode economic security.*

A 50-year-old teacher lives with Multiple Sclerosis. Despite her diagnosis, she has been able to continue teaching for the past year. However, as her condition has progressed, her fatigue has increased, leaving her no longer able to make it through the whole school day, let alone five in a row each week. She notifies her school that for the time being, she needs to significantly scale back her teaching schedule due to her health, and puts in a request to do substitute teaching on a part-time basis, instead of carrying a full-time teaching load. The school grants her request and she transitions to picking up a few classes each week, to help pay the bills. She dips into her savings and cashes out one of her retirement accounts to keep up with her mortgage.

She realizes upon consultation with her neurologist that as her health continues to decline she will not be able to return to full-time teaching as she had hoped. She applies for SSDI and is approved after a few months. Because her benefits are just about half her previous earnings, she realizes quickly that she can no longer afford the same standard of living. She sells her house and moves into a much smaller apartment, which she can better afford with her reduced monthly income of SSDI plus her earnings from substitute teaching. But after a few months of substitute teaching, the school district – dealing with budget cuts -- changes its substitute teaching policy to save money, and notifies all substitute teachers that their services are no longer needed, effective immediately.

Without her income from part-time work, she would no longer be able to continue paying her rent and bills, and afford her needed medications. To replace some of her lost part-time earnings, she applies for and begins receiving Unemployment Insurance (UI), which together with her SSDI enables her to stay afloat while she seeks to regain economic stability.

Prepared by the CCD Social Security Task Force, 3/12/14.

For more information, contact:

*T.J. Sutcliffe
The Arc of the United States
(202) 783-2229
sutcliffe@thearc.org*

*Lisa Ekman
Health & Disability Advocates
(202) 506-6481
lekman@hdadvocates.org*