



CONSORTIUM FOR CITIZENS
WITH DISABILITIES

Statement on Proposals to Use Social Security to Pay for Paid Leave CCD Social Security Task Force January 2019

The U.S. can create a paid family and medical leave plan affordably and responsibly – without reducing, denying, or delaying access to Social Security retirement, disability, or survivor benefits. The Consortium for Citizens with Disabilities (CCD) Social Security Task Force opposes proposals that would reduce, delay, or deny access to Social Security retirement, disability, or survivors' benefits. We offer the following considerations related to the impact of proposals to fund a nation paid leave program by cutting Social Security:

- **Access to paid leave should not be carved out of funds dedicated to Social Security.** Our Social Security system is a foundation of economic security for workers and their families in the event of a worker's retirement, disability, or death. Social Security represents a promise to U.S. workers that has been built up and honored for over 80 years. That should not be limited or cut. Expanding access to paid leave is an important goal for all workers, including people with disabilities and their families. However, proposals to fund paid leave out of workers' Social Security old-age, survivors, or disability benefits would break the promise of Social Security and should be rejected.
- **Cuts, delays, or reduced eligibility for Social Security would significantly harm the economic security of people with disabilities and their families.** Workers with disabilities on average [earn significantly less](#) than workers without disabilities and often have [fewer opportunities to save](#). Workers who experience an illness, injury, or disability often face [multiple financial shocks](#) including high out-of-pocket medical expenses and reduced earnings. As a result, Social Security is particularly important to the economic security of people with disabilities and their families. Any reductions or delays in Social Security retirement, disability, or survivors' benefits would disproportionately harm people with disabilities and their families.
- **Workers should not be asked to pay for leave today by rolling the dice on their future needs for Social Security. Retirement security should be strengthened, not eroded or put at risk.** Congress should reject [proposals](#) to fund parental leave by raising the age at which a worker can collect full retirement benefits (in effect, a permanent reduction in benefits), or by withholding all of a worker's initial Social Security retirement benefits for an amount equal to the paid parental leave taken (a delay in benefits). [Research](#) consistently finds that it is difficult to estimate financial needs in retirement, and workers often underestimate. Asking workers in their prime reproductive years to make decisions based in part on their prediction of future Social Security retirement benefit needs is unnecessary and unwise. Workers with disabilities and their families would be more likely to face this risky roll of the dice because on average, they are more likely to [work in low-wage, part-time, non-managerial jobs](#) that lack employer-based paid leave benefits.

Social Security represents a [major source of income](#) for retirees, providing a majority of total income for most of retirees. Nearly a quarter of married couples and over 40 percent of unmarried people receiving retirement benefits rely on Social Security for 90 percent or more of their household income. Even with Social Security, many seniors [live in or near poverty](#) – and seniors with disabilities are [particularly likely](#) to experience poverty. The CCD Social Security Task Force has long supported strengthening – not weakening – Social Security as a cornerstone of a financially sound retirement.

- **Paid medical leave can be invaluable for workers and should be explored – but should not be conceived of as a substitute for Social Security disability benefits.** Paid medical leave and Social Security address distinct purposes and largely serve different groups of people at different points in time.

The Family and Medical Leave Act (FMLA) provides up to 12 weeks of job-protected, unpaid medical leave for workers to address their serious health conditions.¹ Paid medical leave programs typically seek to build on the FMLA’s success by providing workers with partial pay during a short-term medical leave from a current job. In contrast, Congress established [Social Security’s disability programs](#) to insure workers in the event of a medically determinable physical or mental impairment (or combination of impairments) that is expected to last for at least 12 months or result in death, and that results in an inability to earn at a substantial level – not only in the worker’s current or prior job, but in any job that exists in the national economy. SSDI benefits only become payable after an individual has met the disability requirement for five months.

The vast majority of workers who take medical leave will likely never apply or qualify for Social Security Disability Insurance (SSDI). Medical leave is the most common reason workers take leave, representing [55 percent of leaves taken](#). In a recent Pew survey, roughly [one-quarter of workers](#) reported that in the last two years they either took or needed to take medical leave. An estimated 60 percent of Americans have at least one chronic condition, and roughly 40 percent or just [over 100 million have two or more chronic conditions](#), and may need medical leave at some point in their career. In contrast, only about [8.5 million](#) disabled workers receive SSDI.

Medical leave is typically only available to a currently employed worker for a short period of time. Many years often pass between the onset of a new condition and the time a worker even considers applying for SSDI. On average, workers’ earnings and employment begin to drop roughly [5 years prior](#) to SSDI application. Roughly half of SSDI-insured applicants either [did not work or worked intermittently](#) in the two years prior to application. Ultimately, [fewer than 4 in 10](#) applicants are approved for SSDI after all levels of appeal, due to SSDI’s extremely narrow eligibility standard and its stringent and often lengthy application process.

- **The potential impact of a national paid medical leave program on Social Security, including SSDI, is unknown and would require extensive and careful longitudinal research to explore.** Little to no research exists in this area, and many important questions remain unknown. For example, would a national paid medical leave program raise awareness of disability programs, leading to an increase in applications for SSDI? Would a national leave program increase access to medical care resulting in lower mortality, leading to an increase in people eligible for Social Security retirement, disability, and survivors’ benefits? Would it help more people access medical evidence to support an SSDI application? Would it prolong workforce attachment, leading to more

¹ The FMLA also provides job-protected, unpaid parental and family leave.

applicants who are insured for Social Security disability, retirement, and survivors' benefits (and are not denied due to lack of insured status)? All of these outcomes would be highly positive but could also increase costs to Social Security and Medicare.

- **Congress should pursue paid leave for its own benefits and not make permanent changes to Social Security based on hypothetical increased or reduced costs.** Since 1980, Social Security has initiated [8 demonstrations](#) to promote return to work among Social Security and Supplemental Security Income disability beneficiaries, with a [new demonstration](#) now underway. SSA's demonstrations typically take [at least 7 years](#) to complete, with some taking much longer. As summarized by [Mathematica](#), all completed demonstrations have reported modest positive outcomes, including increased earnings. However, many were associated with *increased net costs* and "...none of the findings reported to date show that the demonstrations tested would likely lead to a substantial reduction in caseload sizes" ([p. 5](#)). CCD's Social Security Task Force has [long supported](#) demonstrations that open up opportunities to work – but not by putting beneficiaries' Social Security and Medicare at risk.
- **Congress should adequately fund the Social Security Administration (SSA) to operate and strengthen its existing core programs – not repurpose existing limited resources to implement a new program.** From 2010 to 2018, SSA's operating budget [shrank by nearly 9 percent](#) while workloads rose. As a result, customer service has been eroded across the agency, and over the last few years record numbers of claimants have faced lengthy waits for a hearing before an SSA Administrative Law Judge. These historic waits lead to extreme hardship: while awaiting a hearing, many struggle to pay rent or meet basic needs. Some lose their homes or go into bankruptcy, and in 2017 approximately [10,000 people died](#) while waiting for a hearing. Congress must fully fund SSA's operating budget to ensure timely, accurate disability determinations and humane, high-quality customer service across the agency.

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