



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

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Harmful Proposal to Increase Minimum Social Security Withholding

Social Security beneficiaries can be overpaid for any number of reasons: even if they report all changes promptly to SSA, it can take the agency several months to act on the report and an overpayment can result. SSA collects overpayments by withholding 100% of Social Security benefits until they are paid off; if the beneficiary requests a different rate it is generally granted as long as the overpayment is paid off within 36 months. However, in situations where the beneficiary has less than \$3000 in assets and has monthly living expenses that meet or exceed household income, or in situations where the beneficiary qualifies for a 100% Part D subsidy (this usually involves being under 135% of the federal poverty level) SSA is allowed to extend the repayment period beyond 36 months and accept payments as low as \$10 per month.

The President's FY21 budget includes a legislative proposal that would change the minimum from \$10 to 10% of the Social Security benefit.¹ For a person receiving \$1200 a month in SSDI (so a total annual income of \$14,400) this would mean that they would pay \$110 more per month to SSA, even if the overpayment was purely because of SSA's errors or delays. Having \$1080 a month to live on instead of \$1190 is a big difference: it could affect a person's ability to pay rent and utilities, buy food, travel to doctors' appointments, or afford medication copays. A GAO study² over overpayments for the Disability Insurance beneficiaries found that the average benefit for DI beneficiaries before withholding was \$974. The same study found that two-thirds of beneficiaries have less than 10 percent of their benefits withheld, meaning this will be a major change for most beneficiaries experiencing overpayments. Social Security already allows the entirety of a beneficiary's payment to be withheld to repay an overpayment—this change only increases the amount that can be withheld from low income beneficiaries.

We will also note that many low-income Social Security beneficiaries may also receive Supplemental Security Income (SSI). In SSI, there is a maximum cap of 10 percent for allowed withholding, not the minimum, which provides more protection for beneficiaries. While SSI is a means tested program and by definition, those eligible are in financial distress, the standard is already more harsh for Social Security beneficiaries since their entire payment may be withheld if they do not demonstrate financial need.

For these reasons, the CCD Social Security Task Force opposed this legislative proposal in 2018³ and continues to oppose it.

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¹ Social Security Administration, FY 2021 Congressional Justification 20 (2020), <https://www.ssa.gov/budget/FY21Files/2021BO.pdf>.

² Government Accountability Office, Disability Insurance: SSA Needs to Better Track Efforts and Evaluate Options to Recover Debt and Deter Potential Fraud (2016), <https://www.gao.gov/assets/680/676530.pdf>.

³ President's FY 2019 Budget: Devastating Cuts to Social Security (2018), <http://www.c-c-d.org/fichiers/CCD-SSTF-Trump-Budget-FactSheet.pdf>.