

SSDI Is Often a Lifeline

By Rebecca L. Berg, CELA

Social Security Disability Insurance (SSDI) is a federal program offering monthly cash payments and eventual Medicare coverage to individuals with long-term disabilities that prevent them from holding down a job. While it's a vital lifeline to many, it's often misunderstood. The Census Bureau reports that roughly one in 10 Americans has a severe disability. But most employers don't provide long-term disability insurance, and when they do, coverage tends to be modest. It falls to SSDI—funded through payroll tax deductions to fill the gap for qualifying individuals below the age of 62, who have made sufficient contributions during the course of their working lives.

Many Denied

Many applicants are denied Social Security disability benefits, and those who are successful must often file several appeals before being accepted. Only those with the most severe disabilities are approved relatively quickly for benefits and, in fact, many of them are terminally ill. The mortality rate for individuals with SSDI is three times that of others their age. The Organisation for Economic Co-operation and Development (OECD) reports that the U.S. has the most restrictive standards to receive disability assistance of all OECD members save Korea.

Benefits are modest. As of February 2013, the average SSDI benefit, at \$1130 per month, placed recipients barely above the federal poverty level. In addition, they do not become eligible for Medicare until they have been on SSDI for 24 months, meaning that significant health insurance issues remain to be navigated. Medicaid assistance is available in some states.

Long-Predicted Trend

In 1995, it was predicted that, due to demographic factors, SSDI rolls would grow. Causes include:

- a significant increase in the U.S. population;
- the aging of baby boomers;
- and a substantial rise in the number of female workers during the 70s and 80s.

Social Security reports that the 2010 recession led to a mere five percent increase in the number of SSDI beneficiaries. As baby boomers enter retirement, the growth in SSDI has slowed and is expected to continue to decrease.

Many SSDI recipients live in poverty. No one gets rich. It s tough to qualify. But without SSDI, many individuals with disabilities would face even greater financial hardship, and even homelessness.

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