

# Disability Insurance

An integral part of Social Security, Disability Insurance (DI) provides modest but vital benefits to people who have worked for most of their lives but can no longer support themselves due to a severe and long-lasting medical impairment. More than 150 million Americans have earned DI protection in case they become disabled. DI is funded by a portion of the Social Security payroll tax.

## It's Hard to Qualify for Disability Insurance

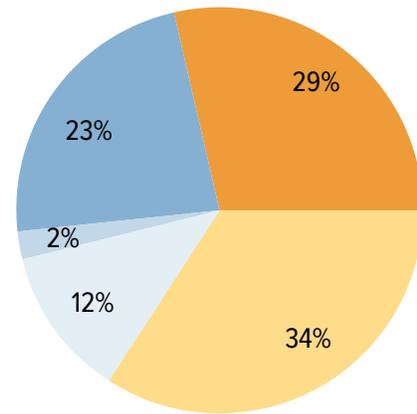
DI applicants must have worked for at least one-fourth of their adult lives and in at least five of the last ten years. Most DI recipients have worked much longer — 22 years, on average — and must suffer from a severe impairment that prevents them from doing substantial work.

The Social Security Administration weeds out applicants who are technically disqualified (chiefly due to insufficient work history) and sends the rest to state disability determination services for medical evaluation. If denied there, the applicant may appeal.

### Just 4 in 10 Disability Insurance Applications Are Ultimately Allowed

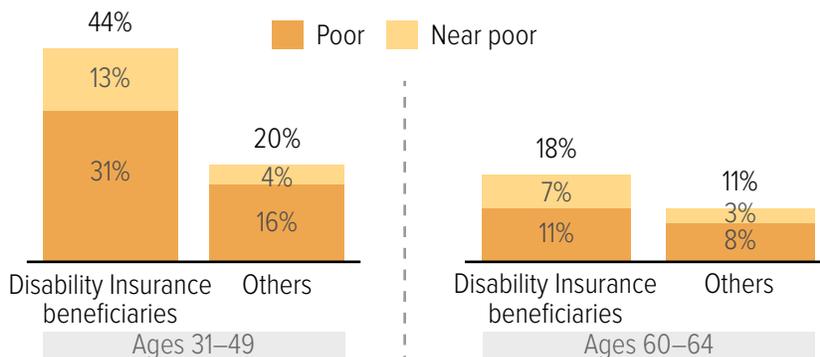
Percent of applications

- Denied (63%)...**
  - for medical reasons
  - for technical reasons
- Allowed (37%)...**
  - at initial application
  - at reconsideration
  - on appeal to administrative law judge



## Many DI Beneficiaries Are Poor

### Disability Insurance Beneficiaries Have High Poverty Rates

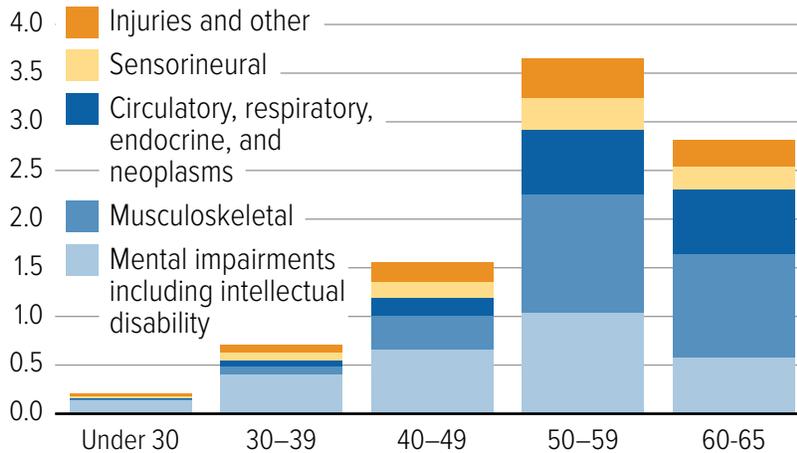


Poverty rates are about twice as high for DI recipients — even after taking their DI benefits into account — as for others. Overall, about one-fifth of all disabled-worker families are poor; without DI, nearly half would be.

## Beneficiaries Are Older and Severely Impaired

### Typical Disabled Worker Is Over 50 and Has Severe Mental, Musculoskeletal, or Other Impairment

Millions of beneficiaries, by age and primary impairment, December 2013



Nearly 9 million disabled workers receive DI benefits. The risk of disability rises sharply with age.

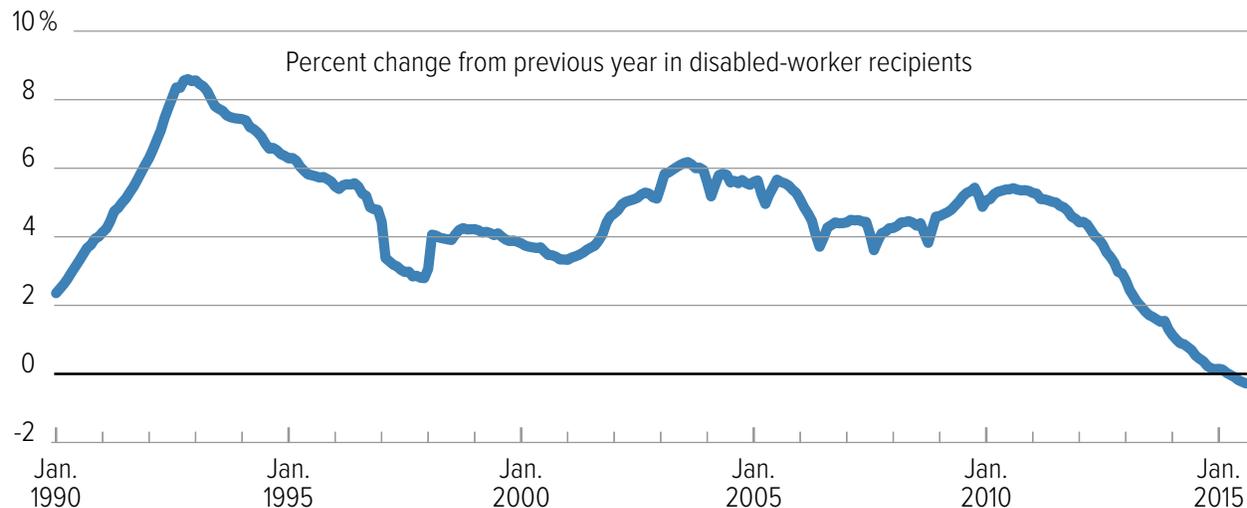
The typical DI beneficiary is in his or her late 50s — 70 percent are over age 50, and 30 percent are 60 or older — and suffers from a severe mental, musculoskeletal, or other impairment (such as advanced cancer, spinal cord injuries or multiple sclerosis).

## DI Encourages Beneficiaries to Work If They Are Able

Beneficiaries can earn up to \$1,090 a month and still collect benefits. For an average beneficiary, that would nearly double his or her income. Even so, few beneficiaries are able to work, except sporadically or at very low earnings.

## Growth in DI Rolls Has Slowed

In recent months, growth in the number of DI beneficiaries has slowed to its lowest rate in 25 years. Both demographic and economic pressures on the program are easing.



Source (graph 1): CBPP based on data from the Social Security Administration. Source (graph 2): Urban Institute. Source (graph 3): Social Security Administration. Source (graph 4) Office of the Chief Actuary, Social Security Administration.