



Social Security Disability Fund Nears Collapse

By:

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The number of Americans receiving Social Security disability benefits has soared in recent years and is threatening to push the program into insolvency.

Federal funding from other sources, including incoming payroll taxes, covers 79 percent of disability insurance payments, which average \$1,111 a month. But that leaves 21 percent uncovered if the disability insurance fund runs out of money.

Nearly 11 million Americans currently receive disability benefits, and last year the program cost taxpayers \$132 billion — more than the combined annual budgets of the Departments of Agriculture, Homeland Security, Commerce, Labor, Justice, and the Interior.

About 1 in 18 working-age, nonretired Americans now receive disability payments, according to [Pamela Villarreal](#), a senior fellow with the [National Center for Policy Analysis](#).

"The pot of money the Social Security Administration is using to cover disability insurance is projected to run dry in 2016," Businessweek reports. "That means that out-of-work disabled Americans, plus their spouses and children, who also qualify for benefits, would see their checks shrink 21 percent."

The disability rolls have grown 23 percent since 2007, in large part because of the bad economy. Unemployed Americans who exhaust their unemployment benefits have been seeking disability benefits for assistance.

The disability program formerly benefited people with debilitating conditions such as strokes and cancer. But Congress expanded the benefits pool to include such claimed ailments as depression, back pain, and chronic fatigue syndrome.

Exacerbating the financial pressure on the program: Disabled workers can go on Medicare after a two-year waiting period, regardless of their age, which encourages low-income workers without health insurance to try to qualify for disability — and to remain in the program once they do qualify. Disability status also makes recipients eligible for food stamps and other benefits. Fewer than 1 percent of those who start collecting benefits return to work.

But the Social Security Administration claims it doesn't have the funds to conduct periodic reviews of beneficiaries to see who is actually entitled to benefits, and currently has a backlog of 1.4 million reviews.

"That both parties are ignoring the issue aggravates Republican Senator Tom Coburn (Okla.), one of the few lawmakers who want the program overhauled," Businessweek observes.

Coburn says Congress could curb spending on the program by demanding more aggressive screening of applicants and more incentives for them to go back to work.

Until then, Villarreal says, the "Social Security disability system is fraught with poor incentives, high costs and an unsustainable future."