

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON SOCIAL SECURITY

FOR IMMEDIATE RELEASE

CONTACT: (202) 225-9263

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Chairman Johnson Announces Hearing on Encouraging Work Through the Social Security Disability Insurance Program

U.S. Congressman Sam Johnson (R-TX), Chairman of the House Committee on Ways and Means Subcommittee on Social Security, today announced a hearing on encouraging work through the Social Security Disability Insurance program. **The hearing will take place on Wednesday, June 19, 2013, in B-318 Rayburn House Office Building beginning at 10:00 a.m.**

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Subcommittee and for inclusion in the printed record of the hearing.

BACKGROUND

Disability Insurance (DI) benefits provide an essential income safety net for disabled workers and their families. Between calendar years (CY) 1970 and 2012, the number of people paying into the DI program increased 72 percent, but those receiving disability benefits (both disabled workers and their dependent family members) increased by over 300 percent from 2.7 million to over 10.9 million, according to the Congressional Budget Office (CBO). This growth is primarily due to the aging of the population, more women in the workforce and eligible for DI, changes in federal policy, and changes in opportunities for employment and compensation. In its May update, CBO projects that over 12.4 million beneficiaries will receive \$207 billion in benefits in fiscal year 2023, up from \$135 billion in 2012. According to the recently released 2013 Social Security Trustees report, in 2016, DI program revenues will only be able to finance 80 percent of benefits, unless Congress acts.

The recession and slow economic recovery resulted in an increase in disabled worker applications and benefit awards. Benefit awards grew from 818,000 in CY 2007 to a peak of 1.04 million in 2010. In CY 2012, 984,000 disabled workers were awarded benefits. Approximately 30 percent of those receiving disabled worker benefits were under 50 years of age in 2011.

After being awarded benefits based on an inability to work, individuals may attempt to return to work and are offered a variety of programs and support by the Social Security Administration (SSA). Work incentive provisions are designed to encourage return-to-work by allowing disability beneficiaries to test their capacity to sustain work before their benefits are ceased. The SSA also administers the Ticket to Work program, which provides additional return-to-work support. Among beneficiaries tracked over 10 years, 28 percent worked at some point, but only 4 percent had sufficient earnings to have their benefits ended. Younger beneficiaries – those under 40 – were more likely to work than older beneficiaries.

Overall, according to the SSA, among all workers who exited the disability rolls in 2011, 52 percent converted to retirement benefits, 36 percent died, 4 percent medically improved to the extent they no longer met the eligibility criteria, and 6 percent returned to work.

Increasingly, experts are researching the challenges facing the disability program and developing new proposals intended to help more individuals remain in the workforce or return to work once they begin receiving disability benefits. In the most recent beneficiary survey, 40 percent of beneficiaries expressed an interest in working. Recently, other countries, such as the Netherlands and Norway, have undertaken reforms to reduce the growth in their disability rolls by focusing efforts on keeping applicants in the workforce or returning beneficiaries to work as soon as possible.

In announcing the hearing, Social Security Subcommittee Chairman Sam Johnson (R-TX) said, **“It’s just plain wrong that those receiving disability benefits who want to work are sentenced to a lifetime of near poverty with no way out. Social Security’s return-to-work efforts are simply failing do their job of helping our fellow citizens find work. We must find ways to help these Americans trade in their disability check for a paycheck that can provide a better life.”**

FOCUS OF THE HEARING

The hearing will examine the impact of the DI program on the economy, efforts by Social Security to return individuals to work, efforts internationally to return individuals to work, and other options to encourage work.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the

informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select "Hearings." Select the hearing for which you would like to submit, and click on the link entitled, "Click here to provide a submission for the record." Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word or WordPerfect document, in compliance with the formatting requirements listed below, **by the close of business on Wednesday July 3, 2013**. Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-1721 or (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word or WordPerfect format and **MUST NOT** exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.
2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.
3. All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone, and fax numbers of each witness.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days' notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available on the World Wide Web at <http://www.waysandmeans.house.gov/>.