

# OASIS



**All smiles at SSA's  
Honor Awards Ceremony**

# Roots

## Disability insurance

The risk of disability hangs over us all, although it falls on relatively few. Disability and the resulting loss of income have often been more economically devastating to the family than retirement or death of the breadwinner.

Even before Social Security, workers could plan for the eventual day when they would no longer work--or simply choose to continue working and not retire. The survivors of a deceased worker sometimes had insurance, but even when they did not, they could continue on without an added economic burden.

However, when a worker became severely disabled, not only was the family income often lost, but additional medical expenses incurred.

Early 20th century efforts to provide replacement income for disabled workers were principally made by churches and charities. The increasing change from an agricultural to industrial society quickly prompted State legislation providing worker's compensation or industrial accident insurance. By 1911, 10 States had laws designed to provide cash benefits and medical care when a worker was injured in connection with his job. And by 1920, all but 6 States had such laws.

These laws represented a large step forward, but they generally had provisions to stop assistance at either a dollar amount or at a specified time period. Too, small employers were usually not covered, and employers could opt out of coverage if they chose to.

It was also true then, as now, that many workers became disabled through accidents away from their worksite or through disease and poor health. And there was no program in place to help these people.

A special case was generally made for the blind. At the time the Social Security Act was passed, 26 States had laws for aid to the blind. And Title X of the original Social Security Act included provisions for the needy blind. This provision authorized matching funds to States on a dollar for dollar ratio to assist the blind.

It was not until after World War II that the Federal government began to seriously address the problem.

Several efforts were made to pass disability legislation before any were successful. In 1950, the House of Representatives passed a bill that would have granted the same benefits to disabled workers as retired workers. But the legislation died in the Senate.

In 1952, Congress passed disability freeze legislation, which was to become effective July 1, 1953 providing Congress prior to that date approved the provision. Congress did not take timely action; thus, the 1952 "freeze" provisions never became operative.

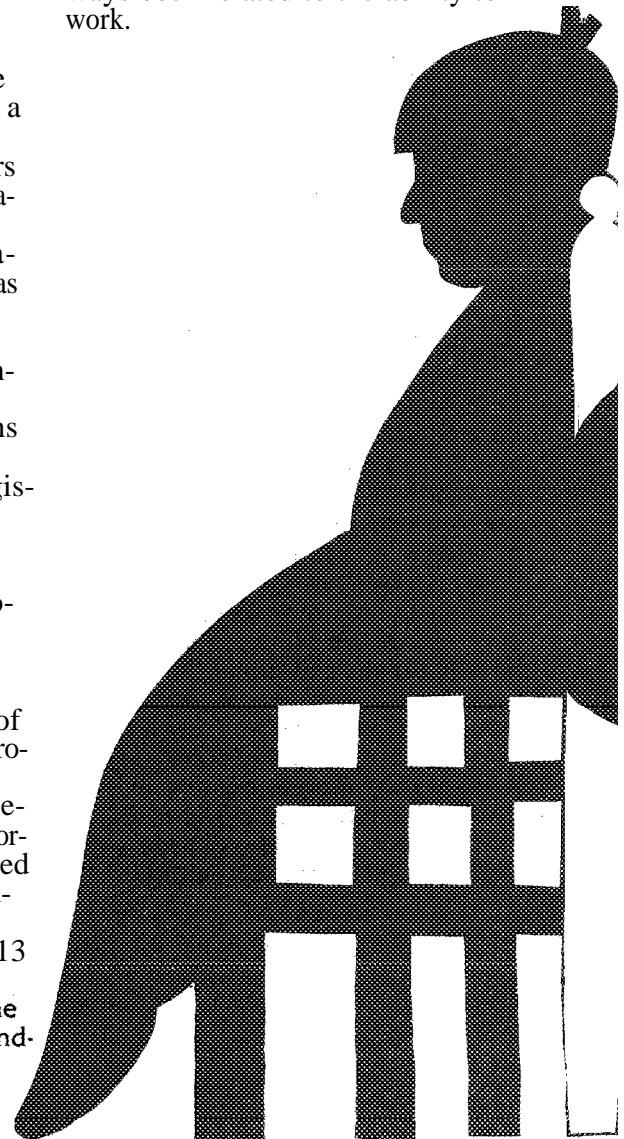
The first national disability legislation to actually pass and be signed into law took place 35 years ago, in 1954. This was a modest program that did not provide for any benefit payments to disabled workers, but did freeze the worker's insured status and benefit amount during a period of disability. (Basically, the same provisions as the 1952 legislation.)

To be eligible, in addition to being fully insured, the disabled worker had to have worked in covered employment immediately preceding the disability for 20 of 40 quarters as well as 6 of the last 13 quarters.

President Eisenhower, when he signed the Social Security Amendments of 1954, stated " . . . the Act preserves the benefit

rights . . . of those workers regularly covered under the program who become totally disabled for long and indefinite periods."

This last phrase lies at the heart of the program and also causes a great deal of misunderstanding about it--total disability for long and indefinite periods. Unlike the veteran's program, there is no compensation for partial disability. With the Social Security program, the definition of disability has always been related to the ability to work.



A person is considered disabled when he or she has a severe physical or mental impairment or combination of impairments that prevents him or her from working for a year or more or that is expected to result in death. The work does not necessarily have to be the kind of work done before disability--it can be any gainful work found in the national economy.

In 1957, cash benefits were payable for the first time--to disabled workers age 50 through age 64.

Benefits to auxiliary beneficiaries of disabled workers became payable in 1958 on the same basis as benefits for auxiliary beneficiaries of retired workers. Beginning in 1960, disability benefits were payable to a worker at any age up to 65.

At this point, the program began to run unexpected costs. Many disabled workers had young children who were eligible for auxiliary benefits. The number of entitled persons eventually exceeded expectations.

For example, in 1960 there were 207,000 worker disability awards made, with 104,000 children and 54,000 spouse benefit awards. By 1975, 592,000 worker disability awards were made, with 515,000 children and 148,000 spouse benefit awards. (By comparison, in 1987, 415,000 worker disability

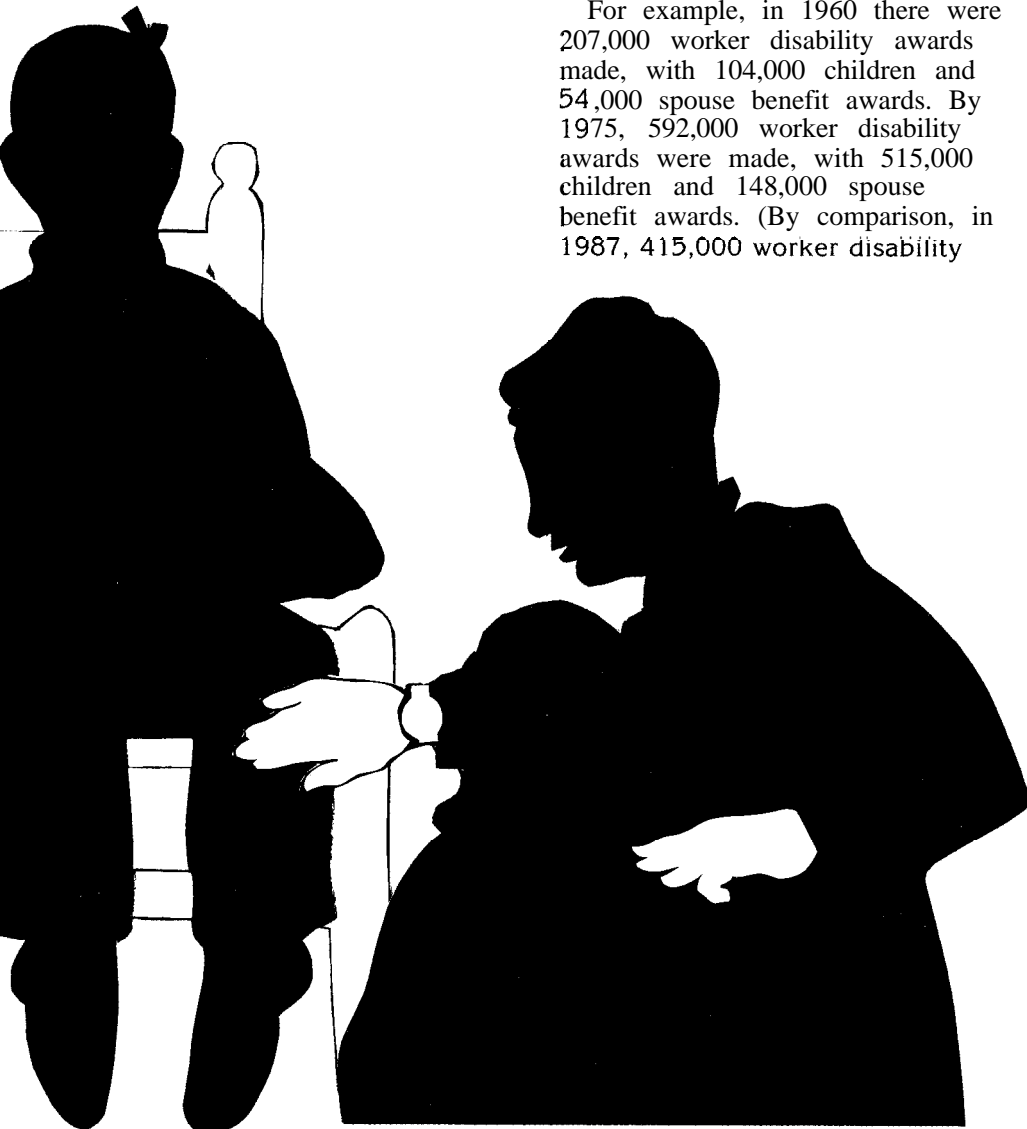
awards were made and 257,000 children and 77,000 spouse benefit awards.)

Also, the amount of the individual's benefit was frequently higher than any possible retirement benefit, and family benefits sometimes exceeded the worker's earnings prior to the onset of disability. For example, the average worker's monthly retirement benefit in 1970 was \$123.80, while the average worker's disability benefit would be \$16 per month higher. And if that disabled worker had a spouse and three children, the benefit to the family would increase by another \$151 per month.

The Disability Insurance Trust Fund was virtually exhausted at the time of the 1977 amendments, which provided for additional needed income to the program and altered benefit computations to prevent unreasonably high benefit rates.

The Social Security Amendments of 1980 further strengthened the financial status of the disability insurance program, increased equity among various classes of beneficiaries, strengthened work incentives to those who are trying to return to work, and improved program administration.

The Social Security Disability Benefits Reform Act of 1984 was designed to restore uniformity and public confidence in the disability program. The most important provision set forth the standard of review for termination of disability benefits.



## Then and now

### Issuing SSNs

SSA issued a record number of Social Security cards--23.7 million new and duplicate ones--in FY 1988. That's almost four times the 6 million issued 15 years ago, and over 7 million more than in FY 1987.

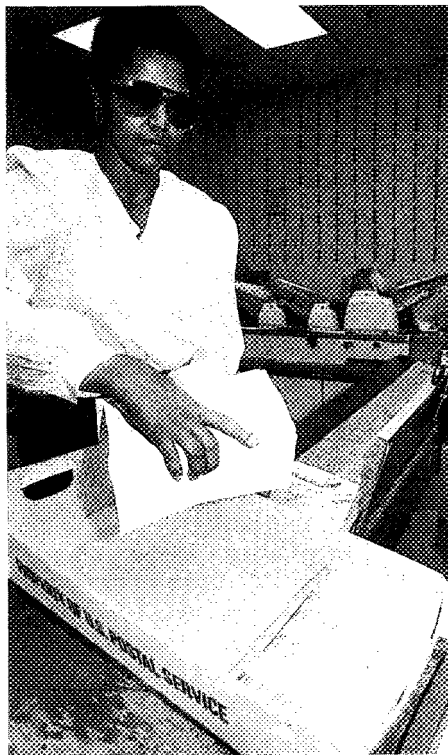
"The single factor most responsible for the increase was the 'Cards for Kids' campaign," says PAUL SWANENBURG, Chief, Enumeration, Records, and Process Branch, OSR. "About 6 million of those cards went to children. Another large chunk--about a million--was due to the immigration reform legislation."

Considering the volume, you might be surprised to know that there was a time when SSA didn't even issue Social Security cards.



In 1936 and 1937, people went to the post office to get them because SSA had few field facilities. And there was no waiting period. Applicants simply gave the clerk the SS-5 information, and a card was issued.

Since then, the procedures for getting a card and the face of the card itself have undergone a number of changes. "One of the first changes brought the issuance of the cards from the post offices to

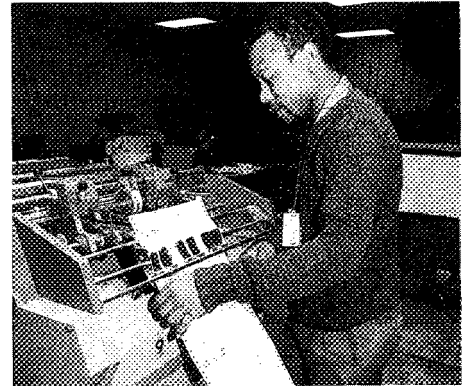


the SSA field offices," says SUSAN READ, Section Chief, OSR. "But new cards were still issued on the spot with very little or no evidence needed. It was not until 1978 that all applicants for original SSN's had to present proof of age, identity, and citizenship or lawful alien status along with their applications."

"Currently," adds KEN EVANS, Section Chief, OSR, "SS-5 information is entered into the Automated Enumeration System by field office employees. At central office, screening/verification of the rules is done by computer, and processing is completed within 24 hours in 97 percent of the cases. The applicant receives the card within 10 days."

### For the future

Further modernization of the enumeration system became operational in pilot form in 21 field offices in June 1988. "The new procedures," advises Paul, "will provide field offices with online, interactive processing of all SSN-related activities--including screening/verification, correction of records, cross-reference, and assignment--that now can be done only at central office."



### Some SSN milestones

1972--First computer-produced cards issued from central office

1974--Evidence of age, identity, and citizenship/legal alien status first required for some SSN applicants

1978--Evidence requirements extended to all applicants for original SSN's.

1982--District Office Direct Input implemented, with SS-5 information transmitted to central office via SSADARS

1983--Counterfeit-resistant/tamper-resistant cards introduced

1984--Present automated enumeration screening process implemented

1987--Special procedures established to enumerate children 5 and over and to issue cards to newly legalized aliens through the immigration and Naturalization Service

1988--Enumeration at birth begins in some States