
Note

In December 2006, approximately 585,000 disabled workers on the Social Security Disability Insurance program had filed for workers' compensation or public disability benefits. Disability payments from private sources, such as private pension or insurance benefits, do not affect Social Security disability benefits, but workers' compensation and other public disability benefits may reduce them. Workers' compensation is paid to a worker because of a job-related injury or illness. It may be paid by federal or state workers' compensation agencies or employers or by insurance companies on behalf of employers.

Other public disability benefits that may affect Social Security disability benefits are those paid by a federal, state, or local government for disabling medical conditions that are not job related. Examples are civil service disability benefits, military disability benefits, state temporary disability benefits, and state or local government retirement benefits that are based on disability. Persons who receive Social Security disability benefits and one of the following types of public benefits will not have their Social Security disability benefit reduced:

- Veterans Administration benefits;
- State and local government benefits, if Social Security taxes were deducted from earnings; or
- Supplemental Security Income.

The total amount received from workers' compensation or other public disability benefits and Social Security disability benefits cannot exceed 80 percent of the worker's average current earnings before he or she became disabled. The monthly Social Security disability benefit includes benefits payable to family members. If the total amount of these benefits exceeds 80 percent of average current earnings, the excess amount is deducted from the Social Security benefit. The benefit will be reduced until the month the worker reaches age 65 or the month the other benefits stop, whichever comes first.

Example

Before becoming disabled, the worker's average current earnings were \$4,000 a month. The disabled worker, his or her spouse, and their two children would be eligible to receive a total of \$2,200 a month in Social Security disability benefits. However, the disabled worker also receives \$2,000 a month from workers' compensation. Because the total amount of benefits received (\$4,200) is more than \$3,200 (80 percent of average current earnings), the family's Social Security disability benefits will be reduced by \$1,000.
