

Social Security Advisory Board Issue Brief Series

Disability Programs in the 21st Century Substantial Gainful Activity

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The Disability Insurance program was enacted more than half a century ago, and the Supplemental Security Income program was enacted more than 35 years ago. Our economy and our society have changed in many ways since then, and the programs have not changed to keep pace with the world we now live in. We recommend that Congress re-examine these programs and what it wants to accomplish with the disability programs that SSA administers. The Social Security Advisory Board has begun a review of several aspects of these disability programs and we will publish our observations and findings in this special Issue Brief Series.

In this issue brief, we will examine a provision of the disability programs known as substantial gainful activity, or SGA. The concept of SGA has been a part of SSA's disability programs since their beginning. Whether a claimant has earnings at the SGA level is used as a threshold test for eligibility in both of the disability programs that SSA administers, the needs-based SSI program and the Social Security Disability Insurance (SSDI) program that is based on a history of earnings on which Social Security taxes have been paid. Once someone is receiving SSDI benefits, earnings at the SGA level continue to be a factor in continuing eligibility for benefits. However, once someone begins to receive SSI benefits, SGA is no longer a factor in eligibility.

This paper provides a brief overview of SGA, examines some policy issues related to SGA, and includes recommendations to make the disability programs more work-oriented and easier to administer.

The Basics of SGA¹

The concept of SGA was discussed in a 1948 Advisory Council report that recommended a disability insurance program. The council used the term SGA to denote the inability to perform any substantial work in order to distinguish its proposal from private insurance against inability to perform one's prior occupation.²

Since the enactment of the Social Security Disability Insurance (SSDI) program in 1956 and the SSI program in 1972, SGA has been an important threshold factor in determining the disability portion of eligibility. Both programs define disability, in part, as: "...the inability to

¹This issue brief will describe only the basic elements of SGA for employed workers. For information on SGA in self-employment and for a detailed description of SGA provisions, see the most recent edition of SSA's Red Book, a guide to employment support, at <http://www.socialsecurity.gov/redbook/>.

² 80th Congress, 2nd Session, Senate Document No. 208, Recommendations for Social Security Legislation: The Reports of the Advisory Council on Social Security to the Senate Committee on Finance, Part II, page 75. <http://ssa.gov/history/pdf/48advise6.pdf>

engage in any substantial gainful activity because of a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.” The general definition of SGA is work that—“...(a) Involves doing significant and productive physical or mental duties; and (b) Is done (or intended) for pay or profit.”³

In order to be considered SGA, work has to be both substantial and gainful. SSA further defines both “substantial” and “gainful” as:

(a) *Substantial work activity.* Substantial work activity is work activity that involves doing significant physical or mental activities. Your work may be substantial even if it is done on a part-time basis or if you do less, get paid less, or have less responsibility than when you worked before.

(b) *Gainful work activity.* Gainful work activity is work activity that you do for pay or profit. Work activity is gainful if it is the kind of work usually done for pay or profit, whether or not a profit is realized.⁴

SGA at the Time of Application for Benefits

SSA determines whether or not someone is performing SGA as the first step in evaluating the eligibility of applicants for disability benefits under both SSDI and SSI.

In order to establish a concrete measure for SGA, SSA has issued regulations establishing dollar amounts to be used as guidelines in determining if work constitutes SGA. For impairments other than blindness, earnings averaging over \$980 per month for wage employment (for 2009) generally show that claimants can perform SGA. For blind SSDI claimants, earnings averaging over \$1,640 a month (for 2009) generally show that claimants can perform SGA. Applicants who work at the

SGA level within 12 months after the onset of disability and before their claims are approved are generally not eligible for benefits, no matter how severe their impairments.⁵ If an applicant is determined to be performing SGA, then the applicant is notified that he/she is not eligible for benefits, and the eligibility evaluation stops before the individual’s medical impairment is considered.

SGA and Recipients of SSDI and SSI

SGA continues to be an important eligibility factor for SSDI recipients after the initial determination. When an SSDI recipient works, SSA will periodically examine the case to determine if the beneficiary has regained the ability to perform SGA. SSDI beneficiaries are allowed a 9-month “trial work period” in which earnings at any level do not affect their benefits, but after that 9-month period benefit payments are stopped if earnings exceed the SGA level. If earnings over SGA continue long enough, eligibility may be terminated altogether. This is the phenomenon known as the “cash cliff,” in which benefits can drop suddenly to zero due to earnings over SGA.

By contrast, in the SSI program, once a person is determined eligible for benefits, SGA is no longer used as a measure of continuing disability. Instead, monthly benefit amounts are gradually reduced by a portion of the person’s monthly earnings.

Higher SGA Levels for Blind Beneficiaries

The law initially gave the Commissioner of Social Security the authority to set the SGA level by regulation. The amount was first set by regulation in 1961. Between 1961 and 1978 SGA was the same for both blind and non-blind beneficiaries. However, in 1977, Congress passed a law that set the SGA level for blind

³ 20 CFR 404.1510

⁴ 20 CFR 404.1572

⁵ Exceptions may be granted in a limited number of cases, such as when there is evidence submitted showing that the earnings received were being subsidized by an employer.

SSDI recipients at the amount which someone at full retirement age could earn without reducing their retirement benefits.⁶ It further provided for the blind SGA level to rise as the retirement earnings test rose. When this provision took effect in 1978, the SGA level for non-blind recipients was \$260 per month, and for the blind it was \$334 per month, a difference of about 28 percent. Since 1978, the SGA level for blind beneficiaries has continued to be higher than the SGA level for people with all other disabilities.

In 1996, when Congress raised the retirement earnings test limit for beneficiaries at full retirement age, it removed the linkage between SGA for blind beneficiaries and the retirement earnings test.⁷ Instead, the blind SGA level at that point was adjusted annually to reflect average wage growth. While both blind and non-blind SGA levels are now indexed by law, the years of different treatment have resulted in the 2009 SGA for blind beneficiaries being set at \$1,640 per month, 67 percent higher than the \$980 per month SGA level for non-blind beneficiaries.

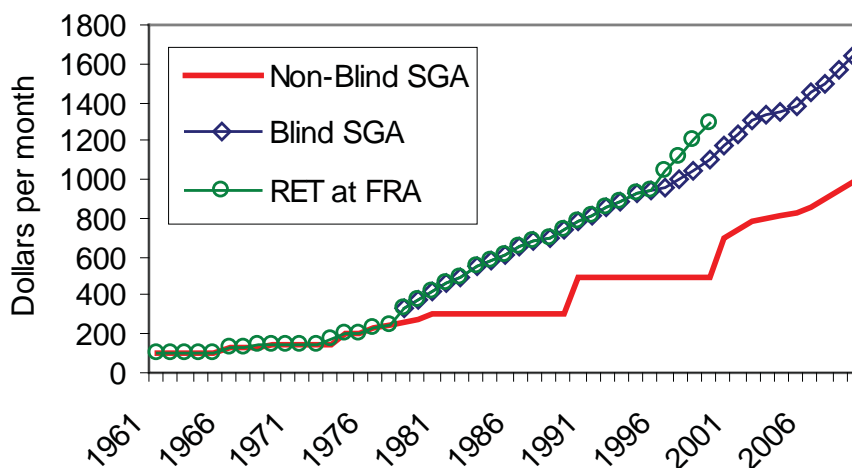
SGA Amounts Historically

From the time a dollar amount was established for SGA in 1961 until 1980, the amount was raised periodically to maintain a fairly consistent relationship between the SGA level and average wage growth.⁸ However, from 1980 through 1989 the SGA level remained static at \$300, falling behind average wage growth. It was raised to \$500 in 1990 and stayed there until 1999, again falling behind the average wage growth, and remaining static during the three increases in the nation's minimum wage amounts.

In July 1999 it was raised to \$700. In December 2000, SSA issued a regulation automatically increasing non-blind SGA annually based on the national average wage index beginning in 2001. Chart 1 shows the changes in both SGA levels since 1961. The chart also shows the increases in the amounts of retirement earnings allowed without retirement benefit reduction. Note that before 1978, the same rate applied to both blind and non-blind beneficiaries.⁹

(Data displayed in charts are shown in tabular format in the appendix to this Issue Brief.)

Chart 1 SGA levels for SSA disability programs and earnings test at full retirement age, 1961-2009



⁸ Until 1978, there was no separate SGA amount for blind beneficiaries. The legislation establishing a blind SGA level linked the amount to the retirement earnings test. The non-blind SGA was raised by regulation.

⁹ Social Security Administration, Annual Statistical Supplement, 2006 tables 2.A29 and 2.A30.

⁶ P.L. 95-216.

⁷ P.L. 104-121.

Comparing SGA over Time to Other Standards

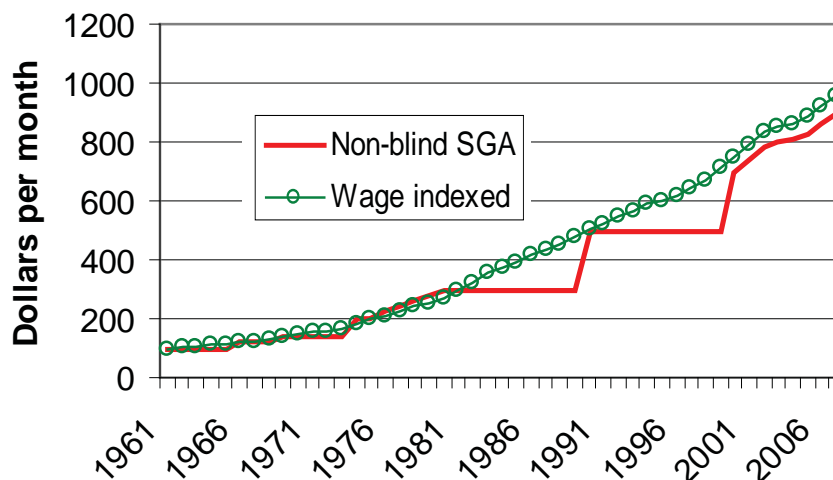
The rationale for the SGA level has been explained only in very general terms. When it raised the SGA level in 1999, SSA received comments that the proposed increase to \$700 was not enough, that it did not take into account geographic differences in the cost of living or poverty level, and that it was lower than a month's full-time earnings at the minimum-wage level. At that time SSA responded, "We designed the SGA guidelines as a way of measuring an individual's ability to work and not as an individual's need for income. We decided on the amounts being implemented based on our experience with the disability programs and beneficiaries' work efforts and the need to maintain fiscal responsibility. In any event, the increase we are implementing now approximately

corresponds to wage growth since 1990." This explanation is less than enlightening.

We have not found any published documentation explaining the timing or amount of changes in the SGA level before it was indexed. As a basis for discussion of issues later in this Issue Brief, therefore, some comparisons of SGA levels to other factors over time may be helpful.

Chart 2 compares historic non-blind SGA rates to what the rates would have been if the rates had been indexed to average wages since 1961. It shows that earlier ad hoc increases seem to have been based on wage-indexing (sometimes quite belatedly) and that, except for those periods when the SGA rate was not increased for a prolonged stretch of years, the historic rate, at the time of the periodic increases, has been close to what it would have been if wage-indexed.¹⁰

Chart 2 Historic SGA disability programs and SGA wage-indexed, 1961-2007



¹⁰ Social Security Administration, Annual Statistical Supplement, 2006 table 2.A30; <http://www.ssa.gov/OACT/COLA/awiseries.html>; <http://www.ssa.gov/OACT/COLA/SGA.html>.

Chart 3 compares both blind and non-blind SGA level to the level of the poverty threshold for individuals under the age of 65 from 1961 through 2007. As the chart shows, the 1999 increase and the subsequent wage-indexing of SGA restored non-blind SGA levels roughly to the level of the poverty threshold after approximately 25 years of disparity.¹¹

Chart 4 shows that until 1971 the SGA level was higher than the average monthly SSDI benefit for a disabled worker. Since then the non-blind SGA level has consistently fallen behind – at times far behind – the average monthly benefit. In 2007, when the SGA level was \$900, the average monthly benefit was \$1,004.¹²

Chart 3 SGA for SSA disability programs and poverty threshold, 1961-2007

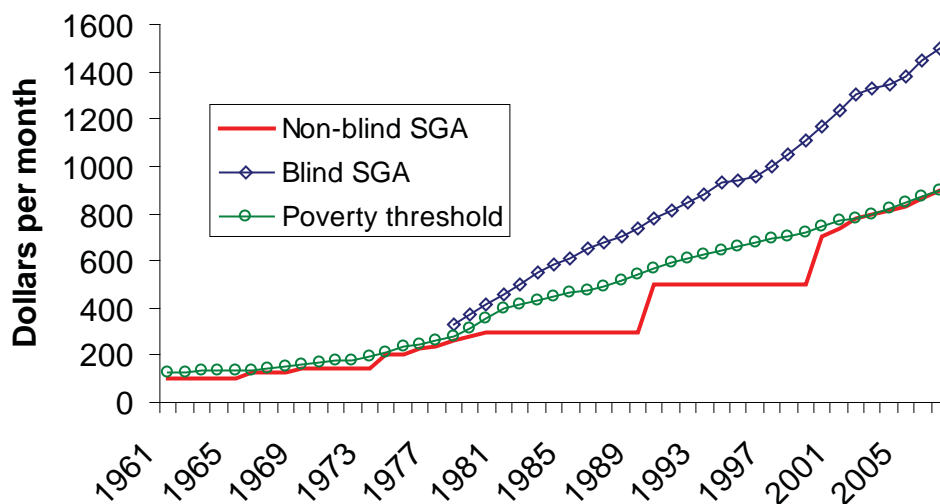
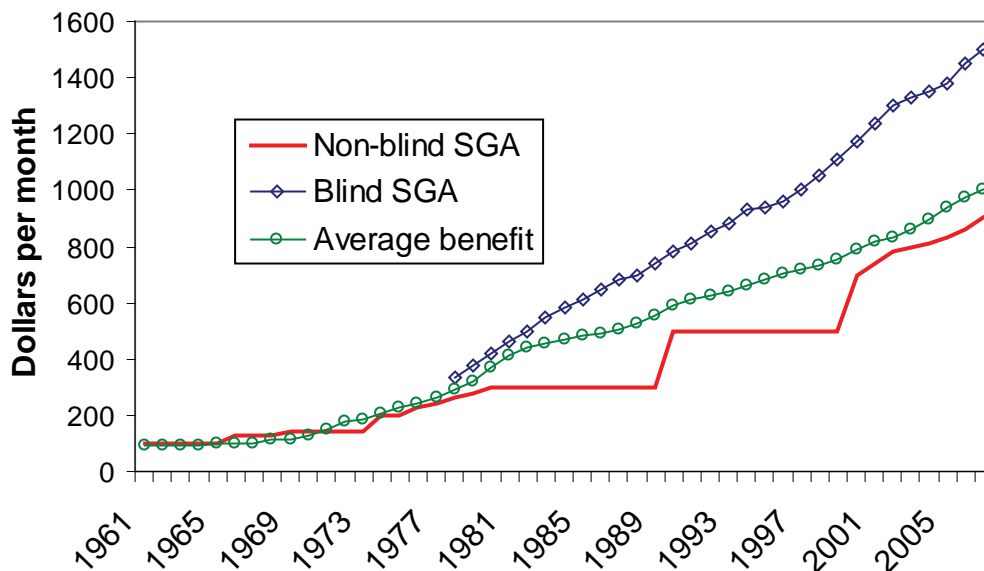


Chart 4 SGA levels for SSA disability programs and average disabled worker benefit, 1961-2007



¹¹ Social Security Administration, Annual Statistical Supplement, 2006 tables 2.A30 and 3.E1. Poverty threshold for 2007 is from <http://www.census.gov/hhes/www/poverty/threshld/thresh07.html>.

¹² Social Security Administration, Annual Statistical Report on the Social Security Disability Insurance Program, 2007, Table 3; average benefit is for December 2007.

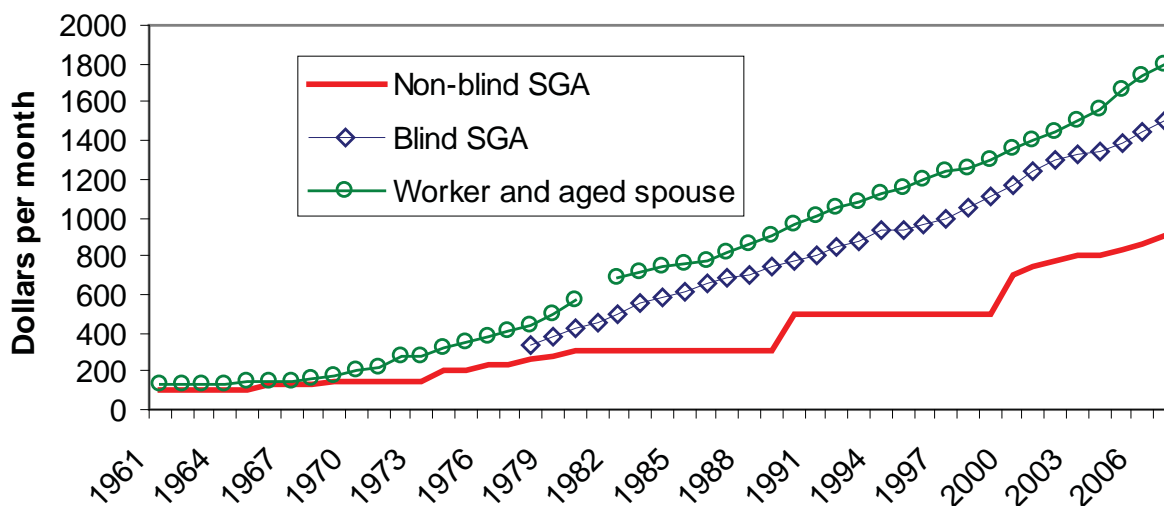
As shown in chart 5, the difference between SGA and average benefit levels is even more striking when members of a disabled worker's family (minor children, spouses, adult disabled children) are also receiving benefits. Since 1965, the combined benefit for a worker and spouse or for a worker, spouse and child or children has been higher than the non-blind SGA level. Since 1978 it has even surpassed the SGA level for blind beneficiaries. In 2007, when the SGA level was \$900 for non-blind beneficiaries and \$1,500 for blind beneficiaries, the average benefit for a disabled worker and spouse was \$1,796.60.¹³ Therefore, an average married disabled beneficiary who worked and consistently earned at the \$900 SGA level, risked losing \$1,796.60 per month in benefits as the result of working.

Resulting Policy Issues

Are Disparate SGA Levels Warranted?

Speaking in 1977 in support of his amendment that led to the higher SGA level for blind beneficiaries¹⁴, Senator Birch Bayh said that the proposal was justified because people who returned to work after becoming blind almost always did so at a lower salary, because blind people incurred extra costs for supportive services and special devices, and because they faced discrimination in hiring that led to increased unemployment and underemployment.

Chart 5 SGA for SSA disability programs and SSDI benefit levels for worker and spouse, 1961-2007



¹³ Social Security Administration, Annual Statistical Supplement, 2006, tables 2.A30 and 5.H1, Annual Statistical Supplement, 1988, table 5.H1, Statistical Supplements, 1961-1964. Average benefit amounts are for December of the year shown. An aged spouse is one who is age 62 or older.

¹⁴ The original amendment, which was adopted by the Senate on a voice vote, provided for disability benefits for blind individuals regardless of their ability to work or the amount of their earnings. The House-passed version of the bill had no similar provision. The bill agreed to in conference provided for setting SGA for blind beneficiaries at the monthly exempt amount for retirement beneficiaries at or above the full retirement age. (Congressional Research Service, Social Security: Substantial Gainful Activity for the Blind, updated December 26, 2006)

The separate SGA rate for the blind has been challenged in court. In 1992, the U.S. District Court for Wyoming found the higher SGA level for the blind violated the principle of equal protection of the law and was therefore unconstitutional. The Court of Appeals for the 10th Circuit overturned that ruling. In its decision, the court said that if a classification has some reasonable basis, the fact that in practice it results in some inequality does not violate the Constitution. The court stated that Congress is not obligated to produce evidence that its classification is reasonable, and the classification may be based on “rational speculation unsupported by evidence or empirical data.”¹⁵

The 1988 Disability Advisory Council expressed concern about “the preferential treatment of people who are blind as compared to those with other disabilities, not only with respect to work incentives, but in other areas as well.” It said, however, that raising the SGA level for all applicants and beneficiaries to the level for the blind “was not the appropriate way to equalize the levels.” It recommended that for new blind applicants the SGA level should be lowered to that for beneficiaries with other disabilities, and for current blind beneficiaries the rate be frozen at the then-current level.¹⁶

More recently, the Government Accountability Office (formerly the General Accounting Office) has also examined the issue of a separate SGA level for the blind. In a 2000 report GAO pointed out that “higher SGA levels were established for blind beneficiaries primarily on the basis of the assumption that certain adverse economic consequences associated with blindness are unique.” It presented data showing that, to

the contrary, “many disabled workers – blind and non-blind – face adverse employment circumstances and high job-related expenses.”¹⁷

Defenders of the higher SGA level for the blind maintain that the reasons for that level are as valid today as they were in 1977. Blindness is still a distinct condition, the blind still suffer from artificial impediments, and they still merit being singled out for compensatory help. Critics of the disparity in the SGA levels for the blind and the non-blind, on the other hand, see no reason for favoring one group of individuals with disabilities over another, and many believe that if SGA continues, the levels should be equalized. They argue that individuals with other types of impairments have higher unemployment rates or work-related expenses than blind beneficiaries.¹⁸

Do SGA Levels Discourage Work by SSDI Beneficiaries?

Some observers believe that the SGA level acts as a disincentive to work and that beneficiaries deliberately keep their earnings below the SGA level. As early as 1966 the Comptroller General pointed out that the gap between actual benefit levels and the SGA level acts as a disincentive to returning to substantial work. As the Comptroller General wrote in 1966, “Those working in the rehabilitation field generally believe that setting substantial gainful activity at such a low level results in a disincentive to rehabilitation.” More recently, some researchers and advocacy groups have argued that a large increase in the SGA level or the elimination of the SGA level would result in increased work by SSDI beneficiaries.¹⁹ There is anecdotal evidence of beneficiaries

¹⁵ GAO, DI Substantial Gainful Activity Levels, GAO/HEHS-96-109R, pp. 6-7. <http://archive.gao.gov/paprpdf1/156458.pdf>

¹⁶ Department of Health and Human Services, Social Security Administration, Report of the Disability Advisory Council. 1988, p. 76.

¹⁷ GAO, Social Security Disability Insurance: Raising the Substantial Gainful Activity Level for the Blind. GAO/T-HEHS-00-82. <http://www.gao.gov/new.items/he00082t.pdf>. The GAO changed its name to Government Accountability Office in July 2004.

¹⁸ Ibid.

¹⁹ For example, the Beneficiary Summit sponsored by the Ticket to Work and Work Incentives Advisory Panel in 2007 recommended raising the SGA level to \$1,200 and indexing it to provide a cost-of-living adjustment. http://www.ssa.gov/work/panel/panel_documents/FINAL-Summit-Report-with-Photos.pdf

limiting their earnings, or “parking” beneath the SGA level. On the other hand, a GAO report has found that the SGA level affects the work of only a small number of beneficiaries.²⁰

It is difficult to draw firm conclusions from research on this subject because of weaknesses in the administrative data collected by SSA. SGA is determined based on monthly earnings, but earnings are reported to SSA on an annual basis, and its data do not indicate beneficiaries’ trial work period status or blindness. Because of this limitation, research generally compares annual earnings with an “annualized” SGA amount of twelve times the monthly SGA amount.

In 2002 the GAO issued a report based on a study of SSA program records from 1985 through 1997. The study found that on average, about 32,000, or 7.4 percent of SSDI beneficiaries who worked in any year during that period had earnings between 75 and 100 percent of SGA. GAO found that even among beneficiaries with earnings near SGA in any year, most show a substantial decline in earnings over time. On the other hand, there was also evidence that SGA may have affected the earnings of some beneficiaries. About 13 percent of beneficiaries with earnings between 75 and 100 percent of SGA (in other words, 13% of 32,000, or 4,160 beneficiaries) in 1985 still had earnings at the same proportion of SGA in 1995, even though the SGA amount had changed during that period. This suggests that they may have been limiting their earnings to remain below the SGA level. The study could not be more conclusive in describing the relationship between SGA and work behavior because of the nature of the administrative data collected by SSA. The study noted the limitations of the data available from SSA but added that its analysis showed that

²⁰ *SSA Disability: SGA Levels Appear to Affect the Work Behavior of Relatively Few Beneficiaries, but More Data Needed.* GAO-02-224. <http://www.gao.gov/new.items/d02224.pdf>. Also, a comparison of the price-adjusted SGA levels and SSDI and SSI application rates suggests that SGA levels may influence application rates. Social Security Administration, *Trends in the Social Security and Supplemental Security Income Disability Programs*, p. 92. http://www.ssa.gov/policy/docs/chartbooks/disability_trends/

“most new Disability Insurance beneficiaries were either not able or not inclined to increase their earnings or work at all.”²¹

A more recent GAO study of disability beneficiaries who completed vocational rehabilitation once during fiscal years 2000 to 2003 found that only 5 percent of those beneficiaries had annual earnings over 75 percent but less than the annualized SGA amount in the year following VR. Again, the limitations of the data did not allow GAO to conclude whether or not these beneficiaries were intentionally keeping their earnings below the SGA level.²²

Policy Recommendations:

In the short run, there are some things that should be done to improve the current system or to advance toward a more work-oriented disability system.

- In its reports in 2002 and 2007, GAO was not able to determine the effect of SGA on the work behavior of beneficiaries, due to the fact that the program data collected by SSA was not adequate to answer the research question. In the time since those studies, SSA has begun to collect monthly earnings information on SSDI beneficiaries. If these data are reliable, they will be a useful resource. The monthly wage data are input after SSA’s field offices contact beneficiaries or employers to obtain monthly earnings figures to enter into the system. Since these offices often do not keep up with this workload, the data may well be incomplete or out of date. There is a real need for further research on this issue and on the effect of SGA levels on work by

²¹ *SSA Disability: SGA Levels Appear to Affect the Work Behavior of Relatively Few Beneficiaries, but More Data Needed.* GAO-02-224. <http://www.gao.gov/new.items/d02224.pdf>.

²² *Vocational Rehabilitation: Earnings Increased for Many SSA Beneficiaries after Completing VR Services, but Few Earned Enough to Leave SSA’s Disability Rolls.* GAO-07-332. <http://www.gao.gov/new.items/d07332.pdf>

participants in the disability programs.

- The differences in the treatment of blind beneficiaries and beneficiaries with other disabilities in SGA levels and the treatment of work expenses raise questions of equity, despite the earlier judicial ruling that differing SGA levels do not violate the Constitution. Research is needed to determine the impact, if any, on work behavior resulting from these differences.

For the long term we believe that SSA's disability programs need to be transformed in a way that would make the concept of SGA irrelevant. In our 2006 report, *A Disability System for the 21st Century*, we recommended the development and piloting of a new work-oriented disability insurance system. Currently, the concept of SGA remains as one of the obstacles to the development of such an approach. SGA embodies the assumptions that were made in the early days of the disability program, namely that few people with severe impairments would claim benefits while working or, once granted benefits, would return to work. Fortunately, work accommodations, concepts such as customized and supported employment, advances in rehabilitation and assistive technology, and improvement in attitudes about people with disabilities in the workforce have all expanded what was once an all-or-nothing, black-and-white scenario to one containing many shades of gray and a multitude of opportunities for people with disabilities to contribute their talents to the workforce given the proper services and supports.

The SGA threshold inhibits claimants from working before their claim is approved, and it breaks, often permanently, whatever attachment to the workforce they may still have. As we stated in our 2006 report, *A Disability System for the 21st Century*, "The first question society poses to those with significant impairments should not be, 'Can you prove you cannot work?' The first question should be: 'What type of assistance

do you need in order to achieve your maximum possible contribution to your own well being and to the good of the community?'"

For SSDI beneficiaries, the trial work period has not proven to be an effective work incentive, and it is challenging and labor-intensive to administer. The trial work period is based on individual months of earnings, but employers report wages annually. It is therefore up to beneficiaries to report their earnings monthly if SSA is to keep an accurate count of how many trial work period months have been used. When beneficiaries do not report work they have done, an interface with wage records will generate an alert to SSA. Either way, SSA has to track each working beneficiary and contact employers to verify earnings, keep track of trial work months, and determine if and when benefits must be paid, not paid, or terminated.²³

Given SSA's growing workloads these actions often do not happen in a timely manner, frequently causing overpayments, which then tend to accumulate. In June 2008, the organization that represents SSA's field office management identified work reports and wage verifications as workloads that are not being done timely.²⁴ Advocates, as well as beneficiaries themselves, report that the fear of overpayments is another major disincentive to work for beneficiaries.²⁵ In the period FY 2003-2007,

²³ In the SSDI program, wages are counted when earned; in the SSI program, they are counted when paid. For beneficiaries who receive benefits from both programs, SSA has to contact employers to calculate earnings both ways. This is a burden on employers and a waste of SSA's administrative resources. The National Council on Disability has recommended consistency in rules between the SSDI and the DI programs to reduce confusion among beneficiaries as well as to reduce the administrative burden. National Council on Disability, *The Social Security Administration's Efforts to Promote Employment for People with Disabilities: New Solutions for Old Problems*, November 30, 2005, p. 93. <http://www.ncd.gov/newsroom/publications/2005/pdf/ssa-promote-employment.pdf>.

²⁴ http://www.ncssma.org/Files/management_surveys/2008_June_Hidden_Workloads_Survey_letter_to_Linda_McMahon.doc.

²⁵ Ticket to Work and Work Incentives Advisory Panel, *Voices for Change: Beneficiaries Paving the Way to Work: A Roadmap to Program Improvement*, p. 20. www.ssa.gov/work/panel/panel_documents/FINAL-Summit-Report-draft-6-28-07-NO-Photos.doc.

\$700 million was overpaid in cases where SSA had received a notice of work activity but failed to take appropriate action to adjust payment. Overpayments related to SGA are the largest category of overpayments in dollars overpaid.²⁶

The fear of what is known as the cash cliff, or the ending of cash benefits in the SSDI all-or-nothing system described above, is another disincentive built into the SSDI program. By contrast, the SSI program uses an earnings offset that is far more work-oriented in design, even though the amounts excluded are out of date. In 1999 the Ticket to Work legislation mandated a demonstration of an SSI-like \$1 benefit reduction for every \$2 earned for the SSDI program. This long-overdue demonstration project is now planned to begin operation in 2009, with a final report anticipated in 2017.

We believe that an SSI-like offset may do much to encourage work by SSDI beneficiaries, but we are not convinced that the planned demonstration project is the best way to test the potential of an offset. We are also concerned that a 1-for-2 offset might not be the best eventual option, as we do not know what level of incentive will induce beneficiaries to increase their work. We do not want to see SSA go through a long and expensive demonstration project only to find in 2017 that the results may not be useful for framing policy decisions.

We therefore urge SSA, before doing a lengthy and expensive demonstration, to use modeling and simulation to understand the possible effects of a benefit offset in terms of both increasing work by beneficiaries and attracting additional applicants to the program. This modeling and simulation should include a range of offsets, up to and including allowing beneficiaries to work with no offset to their benefits. Congress should give the agency authority to conduct a demonstration on a limited population using this no-offset incentive. While the incentive provided

²⁶ SSA, *Fiscal Year (FY) 2007 Title II Payment Accuracy (Stewardship) Report*, July 2008, pp. 5-6.

by the no-offset option may not ultimately be the desired policy, the result of such a demonstration would describe the largest possible effect of an offset incentive and provide the best evidence of the potential for work among SSDI beneficiaries. Further modeling and simulation would provide good estimates of the results of other levels of incentive.

SSA's research into work incentives should also consider the impact of health coverage on beneficiaries' decisions to work. We have heard repeatedly that the largest barrier to work is the fear of losing health coverage. In an earlier report, we discussed the importance of health care in those decisions.²⁷ Surveys of DI and SSI beneficiaries often show that beneficiaries cite the potential loss of health insurance as a reason for not increasing their earnings.²⁸ In addition, there is strong empirical evidence that working SSI beneficiaries restrict their earnings in order to retain their Medicaid coverage.²⁹

The Advisory Board's Continuing Work on the Disability Programs

This Issue Brief is part of our continuing interest in the disability programs.³⁰ We will continue to review aspects of these programs that we think should receive a fresh look as part of a comprehensive legislative review, including the treatment of assets in the SSI program and the administration of representative payment in both the SSI and the SSDI programs.

²⁷ *A Disability System for the 21st Century*, September 2006, <http://www.ssab.gov/documents/disability-system-21st.pdf>.

²⁸ David C. Wittenburg, Erica Chan, and David C. Stapleton, *Impacts of Expanding Health Care Coverage on the Employment and Earnings of Participants in the SSI Work Incentive Program – Policy Brief*. Employment and Disability Institute, Cornell University, May 2000. <http://digitalcommons.ilr.cornell.edu/edi-collect/82>.

²⁹ David C. Stapleton and Adam F. Tucker, "Will Expanding Health Care Coverage for People with Disabilities Increase their Employment and Earnings? Evidence from an Analysis of the SSI Work Incentive Program," in David S. Salkever and Alan Sorkin (eds.), *Research in Human Capital and Development*, 13, pp. 133-180.

³⁰ For other Advisory Board publications on these issues, see <http://www.ssab.gov/Publications/Subject.html>.

Appendix: Data Table

The following table displays the data in the charts shown in the text. The SGA levels are the figures used in the threshold test for both SSDI and SSI and as a continuing eligibility factor in SSDI. The separate, higher amount for blind beneficiaries began in 1978.

Year	Non-blind SGA level	Blind SGA level	Earnings test at full retirement age	Noon-Blind SGA if wage-indexed since 1961	Poverty threshold for people under 65	SSDI disabled worker average monthly benefit	SSDI worker and spouse average monthly benefits
1961	\$100	---	\$100	\$100	\$1545	\$89.59	\$130.00
1962	100	---	100	104	1562	89.99	137.10
1963	100	---	100	106	1581	90.59	138.10
1964	100	---	100	111	1601	91.12	138.40
1965	100	---	100	114	1626	97.76	145.90
1966	125	---	125	119	1674	98.09	146.00
1967	125	---	125	121	1722	98.43	146.00
1968	125	---	140	128	1797	111.86	167.40
1969	140	---	140	135	1893	112.74	169.70
1970	140	---	140	145	2010	131.26	199.20
1971	140	---	140	153	2098	146.52	221.60
1972	140	---	140	160	2168	179.32	274.20
1973	140	---	175	169	2307	183.00	278.60
1974	200	---	200	185	2562	205.70	314.00
1975	200	---	210	197	2797	225.90	344.00
1976	230	---	230	208	2959	245.17	377.00
1977	240	---	250	224	3152	265.30	407.50
1978	260	\$334	333	239	3392	288.30	443.00
1979	280	375	375	254	3778	322.00	497.10
1980	300	417	417	274	4290	370.70	573.00
1981	300	459	458	298	4729	413.20	N/A
1982	300	500	500	325	5019	440.60	690.70
1983	300	550	550	357	5180	456.20	716.20
1984	300	550	550	357	5180	456.20	716.20
1990	500	780	780	501	6800	587.20	960.80
1991	500	810	810	521	7086	609.40	1004.70
1992	500	850	850	545	7299	626.10	1045.00
1993	500	880	880	566	7 518	641.70	1078.20
1994	500	930	930	595	7710	661.40	1118.60
1995	500	940	940	600	7929	681.60	1159.90
1996	500	960	1042	616	8163	703.90	1200.60
1997	500	1000	1125	641	8350	721.60	1238.50
1998	500	1050	1208	672	8480	733.10	1261.90
1999	500	1110	1292	711	8667	754.10	1295.30
2000	700	1170	----	749	8959	786.40	1355.50
2001	740	1240	----	790	9214	814.40	1405.70
2002	780	1300	----	834	9359	834.30	1449.20
2003	800	1330	----	854	9573	861.60	1497.50
2004	810	1350	----	862	9827	894.10	1566.50
2005	830	1380	----	883	10160	938.00	1668.50
2006	860	1450	----	925	10488	977.70	1743.80
2007	900	1500	----	958	10787	1,004.00	1796.60
2008	940	1570	----				
2009	980	1640					

SOCIAL SECURITY ADVISORY BOARD

In 1994, when the Congress passed legislation establishing the Social Security Administration as an independent agency, it also created a 7 member bipartisan Advisory Board to advise the President, the Congress, and the Commissioner of Social Security on matters relating to the Social Security and Supplemental Security Income (SSI) programs. Advisory Board members are appointed to 6 year terms, made up as follows: three appointed by the President (no more than two from the same political party); and two each (no more than one from the same political party) by the Speaker of the House (in consultation with the Chairman and the Ranking Minority Member of the Committee on Ways and Means) and by the President pro tempore of the Senate (in consultation with the Chairman and Ranking Minority Member of the Committee on Finance). Presidential appointees are subject to Senate confirmation.

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