

# Your Social Security

1

News and Information for SSDI and SSI Recipients

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## The Social Security Disability Trust Fund is Rescued, But Changes Are on the Horizon.

A comprehensive budget deal struck between the White House and Congress will replenish the money in the Social Security Disability Trust Fund and avoid a more than 20 percent cut in benefits checks. As we have reported in this newsletter in the past, a cut in benefits would impact the most vulnerable Americans—the disabled.

Social Security has two funds – one to pay old-age retirement benefits and the other to pay disability benefits.

The fund for paying disability benefits was running dangerously low and was forecast to run out of money in late 2016. If the Disability Trust Fund had run dry then Social Security would only have been able to pay out in benefits what it was taking in. Projections put the payout under those circumstances at 79 percent of the promised benefits.

Under the terms of the budget deal, the Social Security Administration will be authorized to reallocate contributions going forward and increase the amount going to the Disability Trust Fund which is predicted to keep the fund solvent for the next seven years. The deal also provides money to hire more administrative law judges to hear disability claims. The Social Security Administration says it will be able to hire enough judges to clear the burgeoning backlog of disability cases. As reported by the Washington Post, the number of open cases has now gone over the one million mark and the average processing time has climbed to 450 days nationally.

The White House had strongly advocated for shoring up the Disability Trust Fund and Congressional Republicans had been pressing for reforms in the program and tougher enforcement against fraud in the system. Under the budget deal, brokered by outgoing Speaker of the House John Boehner, there will be several changes to the system that the Washington Post characterizes as

“the biggest changes the disability insurance program will see for years.” The newspaper reports that this new bill “expands the use of investigation units that partner with local law enforcement agencies to track down people who might be gaming the system. It also forbids ex-felons from making disability benefits determinations, beefs up penalties for fraud, and instructs the Social Security Administration to move everyone onto electronic recordkeeping in an effort to avoid overpayments.” The plan creates more federal-state disability investigative teams, expanding their use to all 50 states by 2022.

These changes to the disability system are expected to save nearly \$5 billion over the next ten years which is only a tiny portion of the \$141 billion projected cost of the program over the same time period. News of the budget compromise is a relief to the more than 11 million Americans who rely on relatively meager disability benefits for food, housing and, in many cases, for much-needed medications.

The reallocation of funds into the



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### IN THIS *Issue*

- 1 The Social Security Disability Trust Fund is Rescued
- 2 No Social Security Cost of Living Increase for 2016
- 2 Question of the Month: When Should I Apply for Benefits?
- 2 Comfort Food: Easy Au Gratin Potatoes
- 3 Tim Cuddigan Completes Term as President of NOSSCR
- 3 Game Zone

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