

Social Security Administration

The Social Security Administration (SSA) should focus on providing benefits to individuals and their families to protect against poverty due to old age or disability. The recommendations below detail specific steps that the new Administration can take immediately to demonstrate its commitment to returning Social Security to true insurance.

PRIORITIES FOR THE PRESIDENT

Set an Agenda to Reform Social Security.

The President should lead in building public support for Social Security reform. To that end, the President should commit in the inaugural address to relieving younger generations of undue tax and debt burdens from excessive entitlement spending with a new social contract that is fair to all generations. The President should also establish a bipartisan national commission to devise a comprehensive plan to return Social Security's programs to meeting their original goals of poverty prevention among the elderly and individuals with disability in an affordable and targeted manner. The President should then use the commission's recommendations and call on Congress to take action to implement them. A reformed Social Security system will protect America's elderly and individuals with disabilities from poverty without burdening younger generations with undue tax and debt burdens, freeing up resources for higher take-home wages which American workers may spend or invest as they see best.

Romina Boccia, "Social Security: \$39 Billion Deficit in 2014, Insolvent by 2035," Heritage Foundation *Backgrounder* No. 3043, July 29, 2015,

<http://www.heritage.org/research/reports/2015/07/social-security-39-billion-deficit-in-2014-insolvent-by-2035>.

Romina Boccia, "Social Security Disability Insurance: Benefit Offsets Encourage Work—But Achieve Little to No Savings," Heritage Foundation *Backgrounder* No. 3032, July 15, 2015,

<http://www.heritage.org/research/reports/2015/07/social-security-disability-insurance-benefit-offsets-encourage-work-but-achieve-little-to-no-savings>.

The Heritage Foundation, "Social Security," in *Solutions 2016*, <http://solutions.heritage.org/entitlements/social-security/>.

PRIORITIES FOR THE COMMISSIONER

Eliminate Non-Medical Factors in the Disability Determination Process. Social Security's commissioner should pursue regulatory action to eliminate the SSA's Grid rules and instruct disability determination officers to rely exclusively on physical and mental factors when making disability determinations. The Social Security commissioner should further instruct disability determination officers to note which physical and mental factors were taken into consideration in making disability determinations for individual applicants, and improve its recordkeeping with respect to assigning a needs-based period of disability to any individuals with temporary conditions that are expected or likely to improve. These steps will ensure that Social Security disability insurance funds go toward those individuals who need them the most and increase labor force participation among those individuals no longer eligible for disability insurance benefits based on non-medical factors or because their eligibility conditions have improved.

The Heritage Foundation, "Social Security," in *Solutions 2016*, <http://solutions.heritage.org/entitlements/social-security/>.

Establish Guidelines for Qualified Private Disability Insurance Plans. Social Security's commissioner should begin laying the groundwork for incorporating an optional, private disability insurance component into the public disability insurance system, including establishing guidelines that private plans must meet to qualify for the payroll tax credit and facilitating the administrative changes and processes to handle disability insurance claims that come through private insurers as opposed to the existing public application process. These preparations will help the Administration and federal taxpayers benefit from the advantages of the private disability insurance market in terms of lower costs, a superior determination process, and improved outcomes for the disabled.

Rachel Greszler, "Private Disability Insurance Option Could Help Save SSDI and Improve Individual Well-being," Heritage Foundation *Backgrounder* No.3037, July 20, 2015,
<http://www.heritage.org/research/reports/2015/07/private-disability-insurance-option-could-help-save-ssdi-and-improve-individual-well-being>.

Eliminate Direct Payment of SSDI Attorney Fees. Social Security's commissioner should pursue regulatory action to eliminate direct payment of attorneys who represent SSDI claimants. Under the current structure, payment is a function of the benefit back-pay due to the eligible individual as part of the individual's waiting period, thereby creating an incentive for attorneys to delay cases so as to maximize payouts. Attorneys will be more responsive to clients' needs when they depend on clients paying them directly. This will better serve disabled individuals seeking assistance from attorneys to obtain SSDI benefits.

Rachel Greszler, "Time to Cut Out the SSA as Middleman in SSDI Representation," Heritage Foundation *Issue Brief* No. 4489, November 24, 2015,
<http://www.heritage.org/research/reports/2015/11/time-to-cut-out-the-ssa-as-middleman-in-ssdi-representation>.

Close the Evidentiary Record. Social Security's commissioner should pursue regulatory action to close the evidentiary record at least five days before individuals appealing their Social Security disability insurance benefit denials have their scheduled hearings with an administrative law judge. Closing the evidentiary record will reduce hearing delays and help to reduce the current hearing backlog. Exceptions could be allowed for evidence that was not included in the file due to no fault of the applicant.

Prevent Overpayment. The Social Security commissioner should direct agency staff to improve its use of technology for preventing overpayment and to adequately respond to alerts submitted by SSA technology systems to eliminate, reduce, and, where necessary, collect on overpayments. This will save taxpayer dollars from being wasted.

Romina Boccia and Amber Athey, "Report: Nearly Half of Social Security Disability Beneficiaries Were Overpaid By Government," The Daily Signal, June 22, 2015,
<http://dailysignal.com/2015/06/22/report-nearly-half-of-social-security-disability-beneficiaries-were-overpaid-by-government/>.