



DISABILITY DETERMINATION, EMPLOYMENT HISTORIES, AND AGE AT FIRST SSI RECEIPT

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The disability criteria used to determine Supplemental Security Income (SSI) eligibility varies by age. Prior to age 65, the disability requirements for SSI are relaxed every five years beginning at age 45; at age 65, the disability requirements are eliminated. It is not well understood who is affected by the loosening of SSI's disability rules in later life.

Age As a Vocational Factor in Disability Determination and SSI Eligibility

SSI is an important resource for low-income older adults and people with work-limiting disabilities, but it is hard to get. About 60 percent of applicants are ultimately denied, most of whom are rejected for not meeting the disability criteria (CBPP, 2021). The disability criteria used to determine SSI eligibility varies by age. For people under age 65, SSI is a means-tested disability program; for people aged 65 and older, the disability requirements are eliminated, and SSI becomes a retirement program. Age is also used in the SSI disability determination process for people under age 65 as a “vocational factor,” considered in conjunction with their functional capacity, education level, and work history, to determine whether someone can readjust to new work given their physical or mental impairment. The age rules relax disability criteria every five years, beginning at age 45, until the disability requirements end at age 65. It is not well understood who is affected by the loosening of SSI's disability rules in later life.

This study quantifies the changes in SSI receipt following age-based loosening of the Social Security Administration disability requirements, and describes the population characteristics, employment, and public assistance use histories of people who receive SSI just before and after the disability requirements are relaxed or eliminated. To do this, I use a unique integrated, longitudinal administrative dataset from Washington state (2010 through 2017) that contains detailed employment histories, demographic records, and indicators of SSI and other public program participation. First identify the change in SSI take-up surrounding the disability determination age thresholds: age 45, 50, 55, 60, and 65. For the age thresholds with largest changes, I then examine the population characteristics, employment histories, and public assistance use patterns of people who first received SSI two years before and two years after each age threshold.

SSI Participation Increases After Disability Rules Change at Ages 50, 55, and 65

Figure 1 displays a frequency distribution of age at first SSI receipt with vertical lines indicating age-based statutory (solid) and regulatory (dashed) changes to the SSI disability determination rules. There are large increases in SSI uptake in the two years following three age thresholds: age 50 (+50%), age 55 (+45%), and age 65 (+125%). These increases correspond to relaxed eligibility for people with any education level and non-transferrable work history whose impairments limit them to sedentary work (age 50) and light work (age 55), and the end of disability requirements at age 65 (SSA, 2020). After the age 45 threshold there is a small increase in new SSI recipients (+16%), while there is a small decrease in new SSI recipients following the age 60 threshold (-16%).

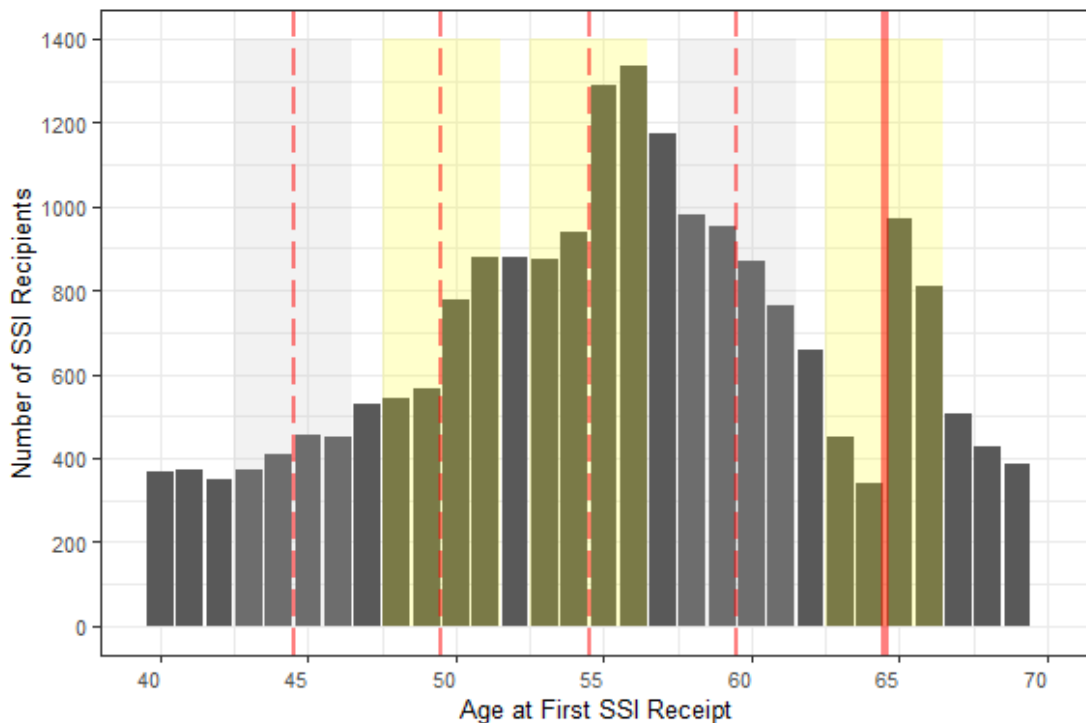


Figure 1. New SSI Recipients in Washington State by Age at First SSI Receipt, 2015-17

Significant Population Differences Before and After Age 65 Threshold

Increases in SSI receipt following the end of the disability requirements at age 65 may be more easily explained by observed differences in employment and population characteristics. The increase in SSI participation at age 65 following the end of SSI's disability requirements appears to be driven by groups of people becoming newly eligible for the program who otherwise would not have received benefits under the disability requirements. People who began receiving SSI benefits after the disability requirement from the program is eliminated at age 65 were more likely to work and worked for longer in the five years prior to SSI receipt. There are few differences in the population characteristics, employment histories, and public assistance use patterns in the cohorts that first began receiving SSI two years before and two years after the age 50 and age 55 thresholds.

Implications

- The role of age as a vocational factor contributing to disability determination decisions is not well understood, particularly for SSI.
- New SSI participation increases following the relaxation of disability requirements at ages 50 and 55, and when disability requirements are eliminated at age 65.
- The population who first receives SSI after disability requirements are eliminated at age 65 has worked longer and is more diverse than those who receive SSI before age 65.

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