

Disability Experience, Assumptions, and Projections 2018 TR

**Office of the Chief Actuary
Social Security Administration**

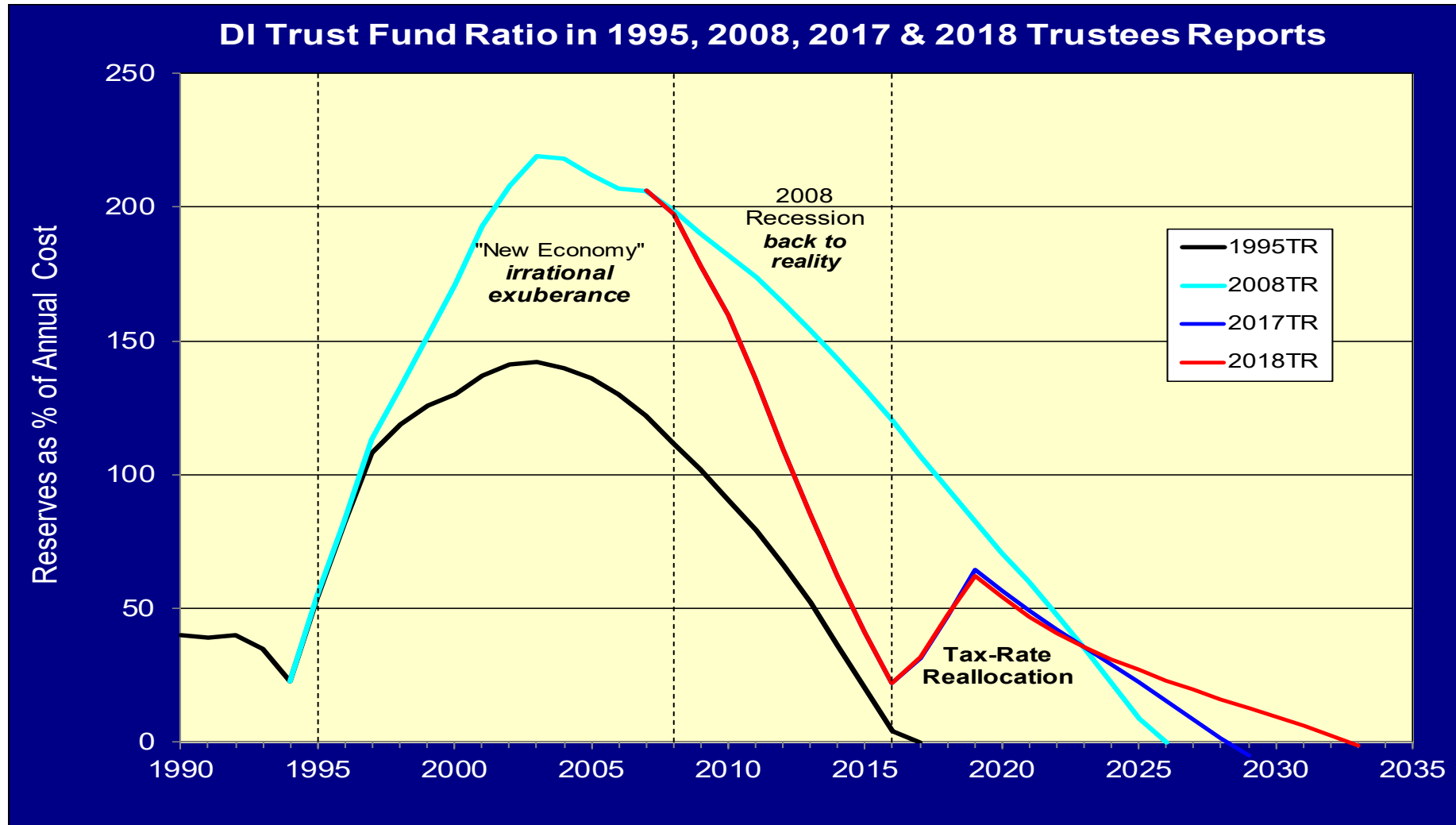
**Technical Panel Meeting
December 14, 2018**

Social Security Disability Insurance

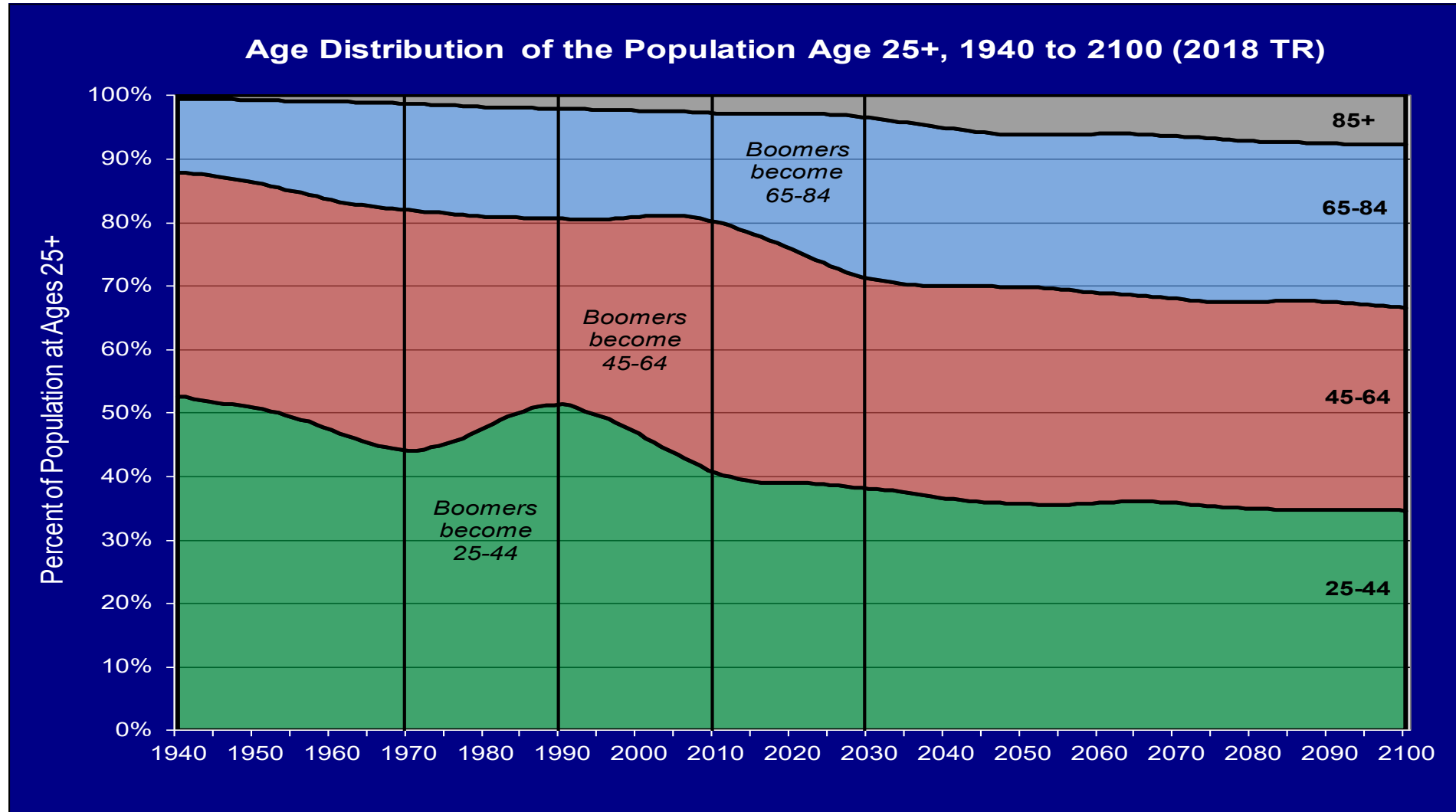
- 155 million workers under age 66 are insured against becoming unable to work
- 8.7 million workers now receive DI benefits
 - 1.7 million “dependents” – mostly children
- Many more protected from loss of insured status
 - And from lower retirement benefits
- Benefits replace 40% to 45% of career earnings on average
 - About 80% for very-low earner, about 28% for steady maximum earner

Solvency of the DI Trust Fund

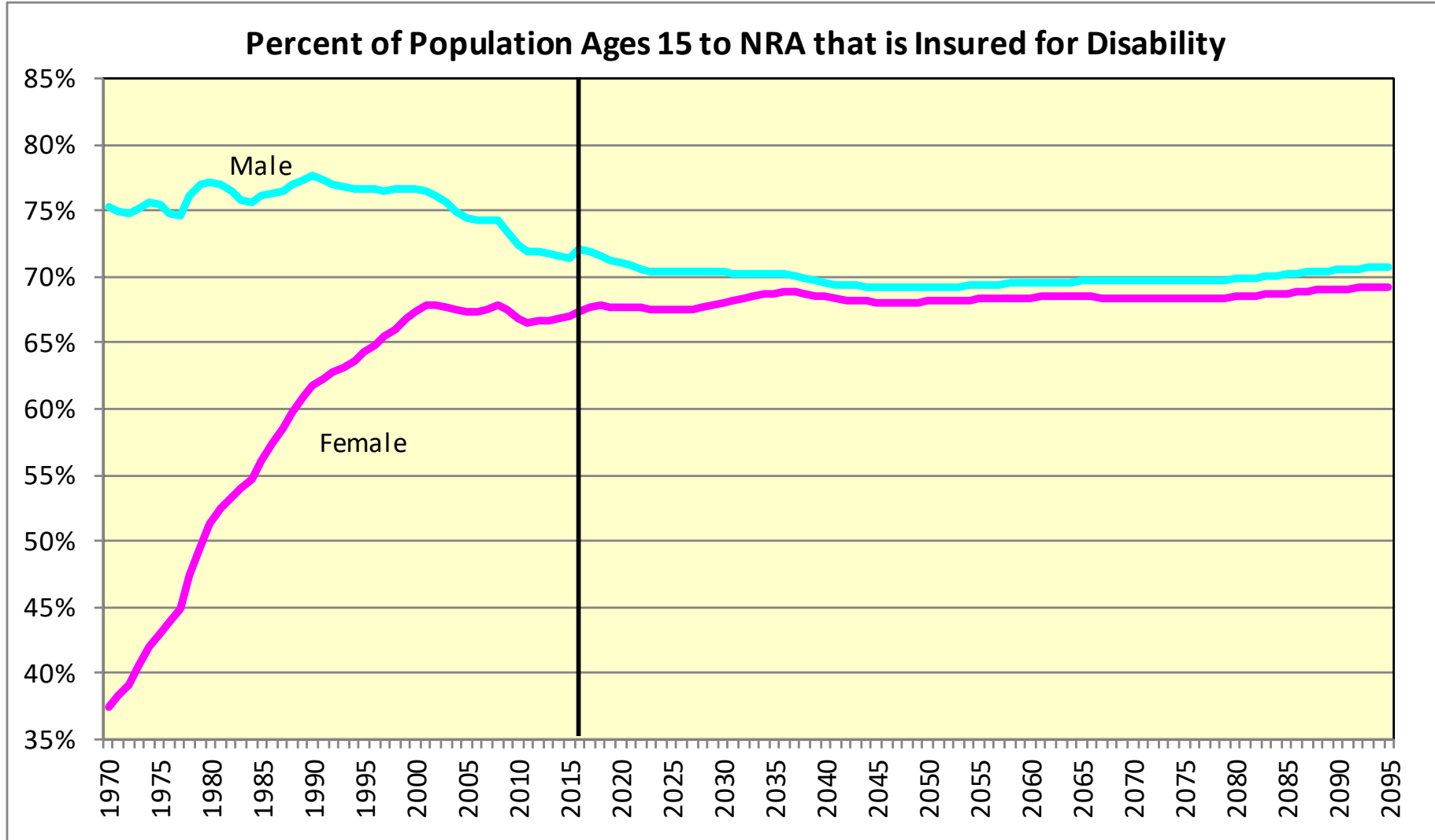
Reserve depletion in 2032; 2008 recession offset “new economy”; cycles still happen



Changing Age Distribution Over Last 20 and Next 20 Years Mainly Due to Macro Aging—permanent level shifts



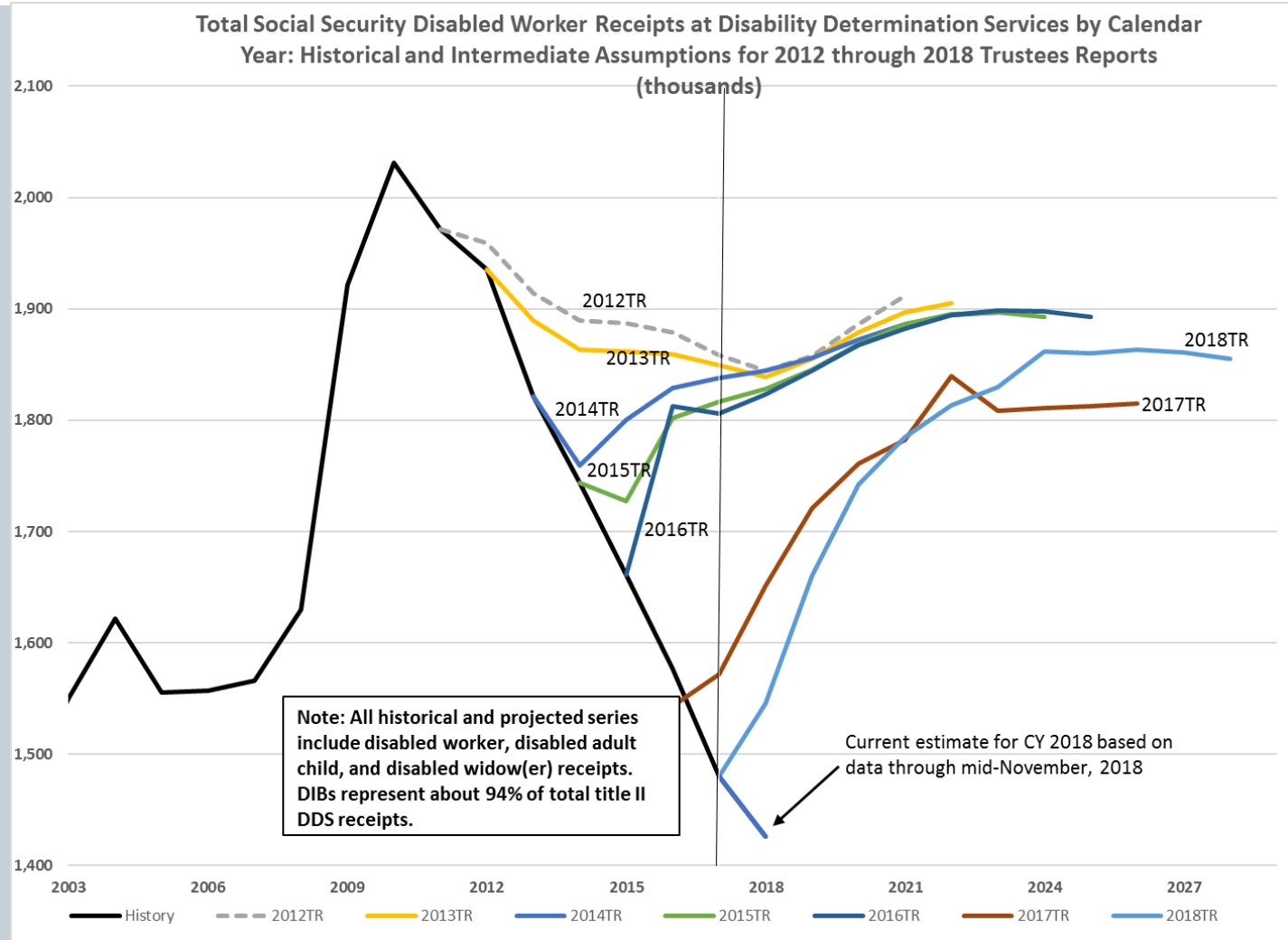
Increased Work by Women Raised Female Insured Rates; Male Rates a Little Lower at Younger Ages



Recent Favorable Disability Experience

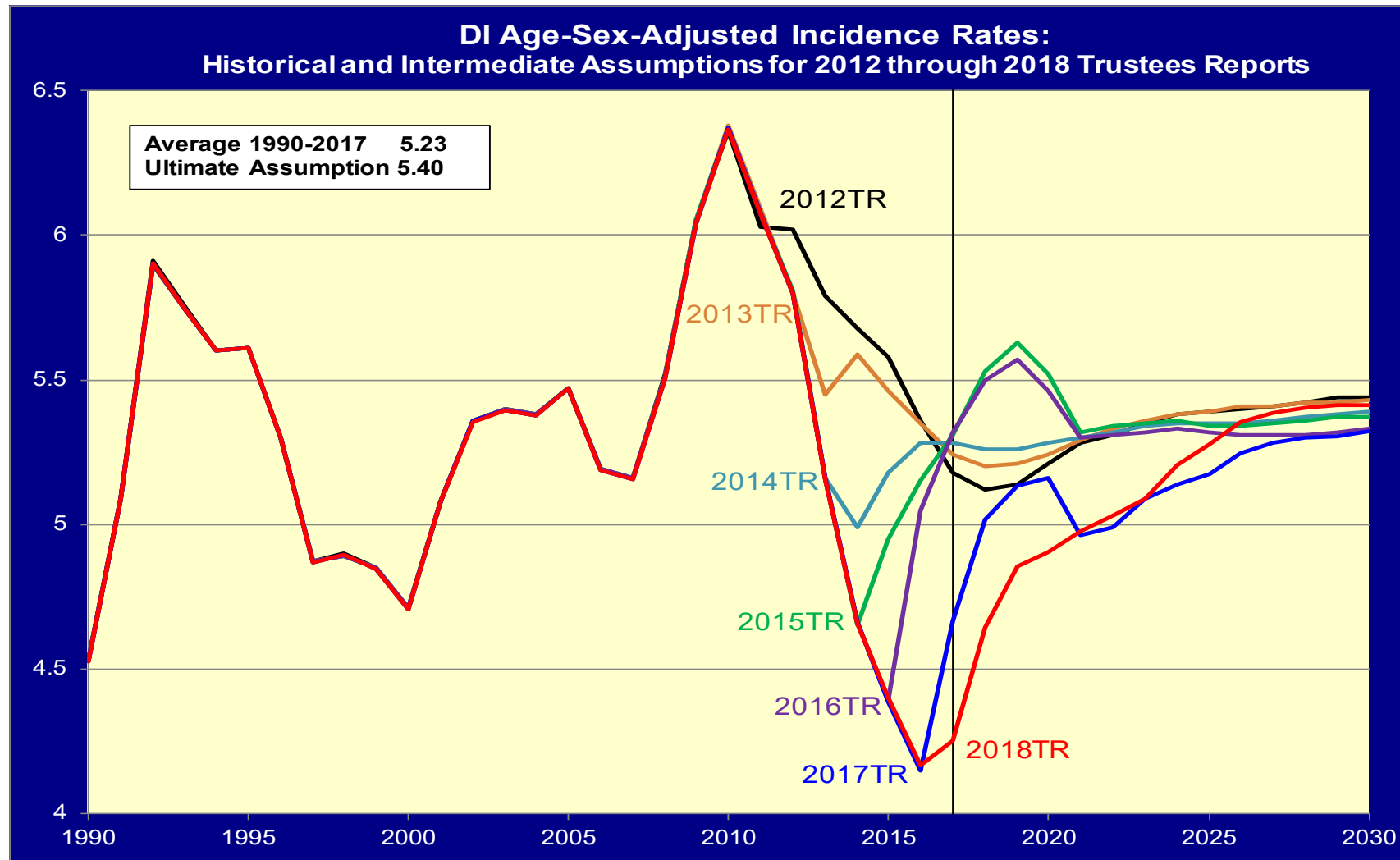
- Applications and incidence are at historic low levels
- Numbers of beneficiaries have been declining since 2013
- Prevalence rates have peaked and are dropping
- What about the future?
 - Are declines temporary, or the new state?
 - Possibilities:
 - ✦ Economy and jobs—*temporary*
 - ✦ Drop in hearings allowance rates—*temporary?*
 - ✦ Increased health care (ACA)
 - ✦ Field office consolidations
 - ✦ Attorney representation
 - ✦ Something more fundamental?

Applications Are Still Dropping in 2018!



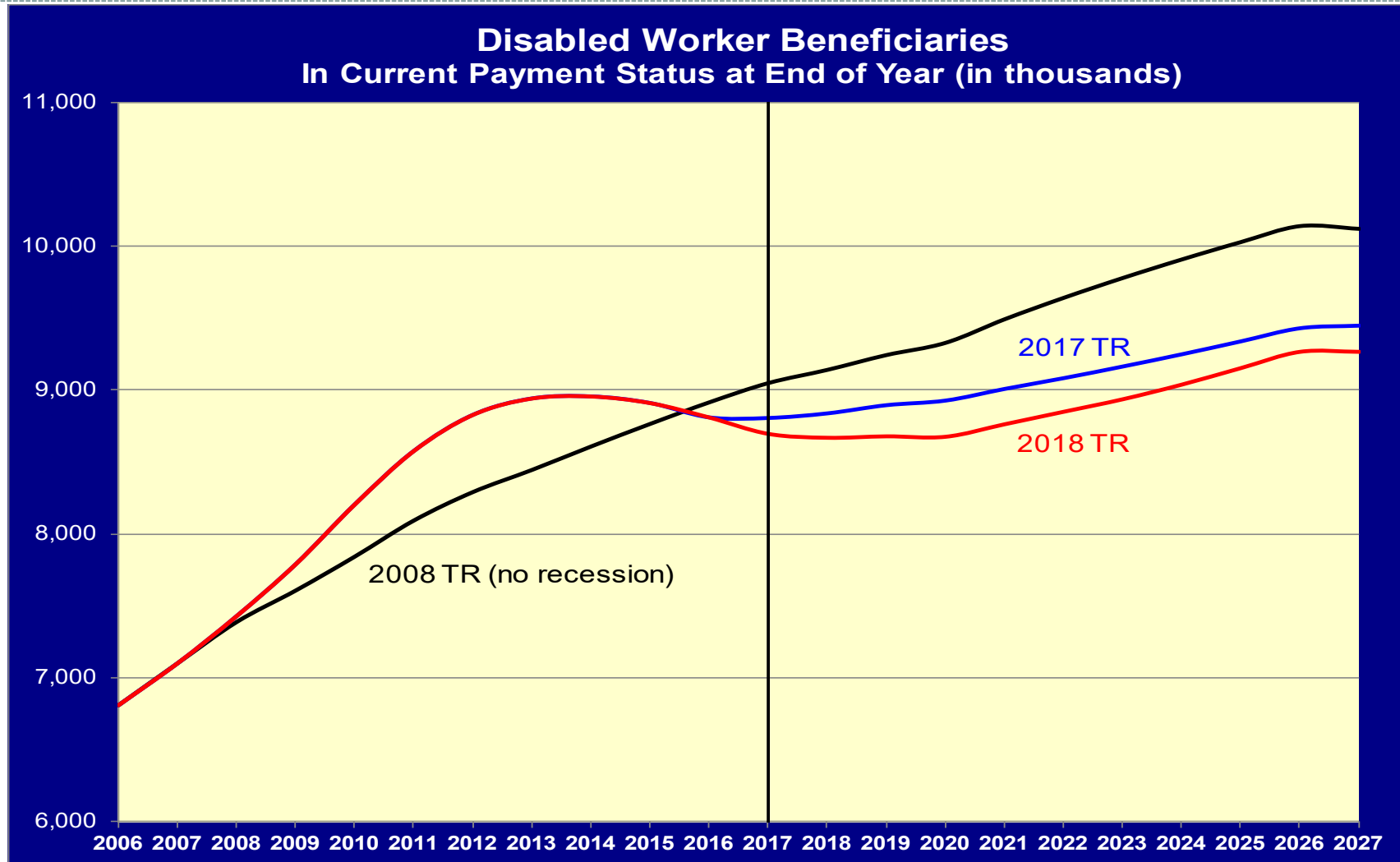
Disability Incidence Rate Falls to Historic Lows

DI disabled worker incidence rate rose sharply in the recession, and has declined since the peak in 2010 to extraordinarily low levels for 2016 and 2017

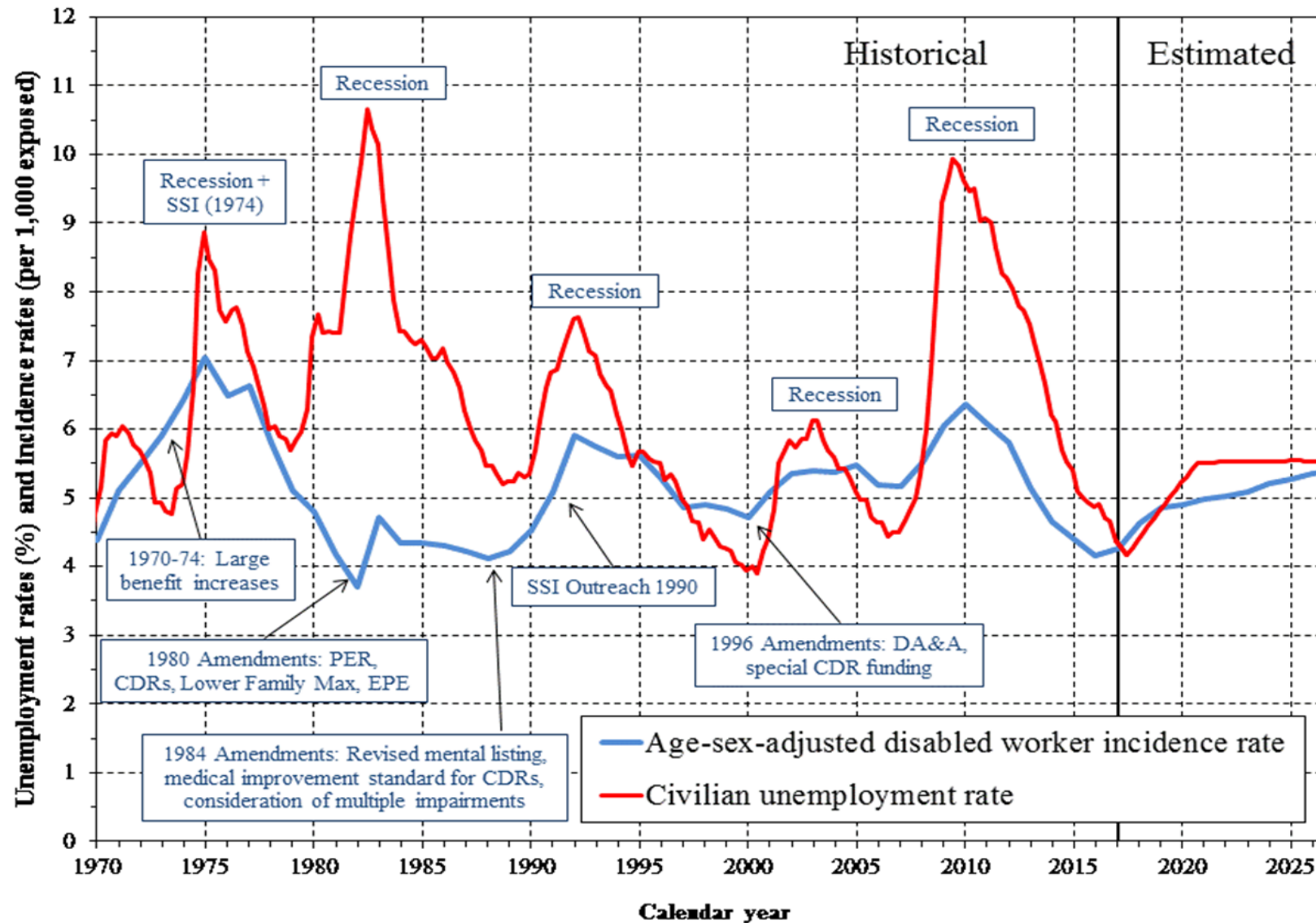


Fewer Disabled Worker Beneficiaries

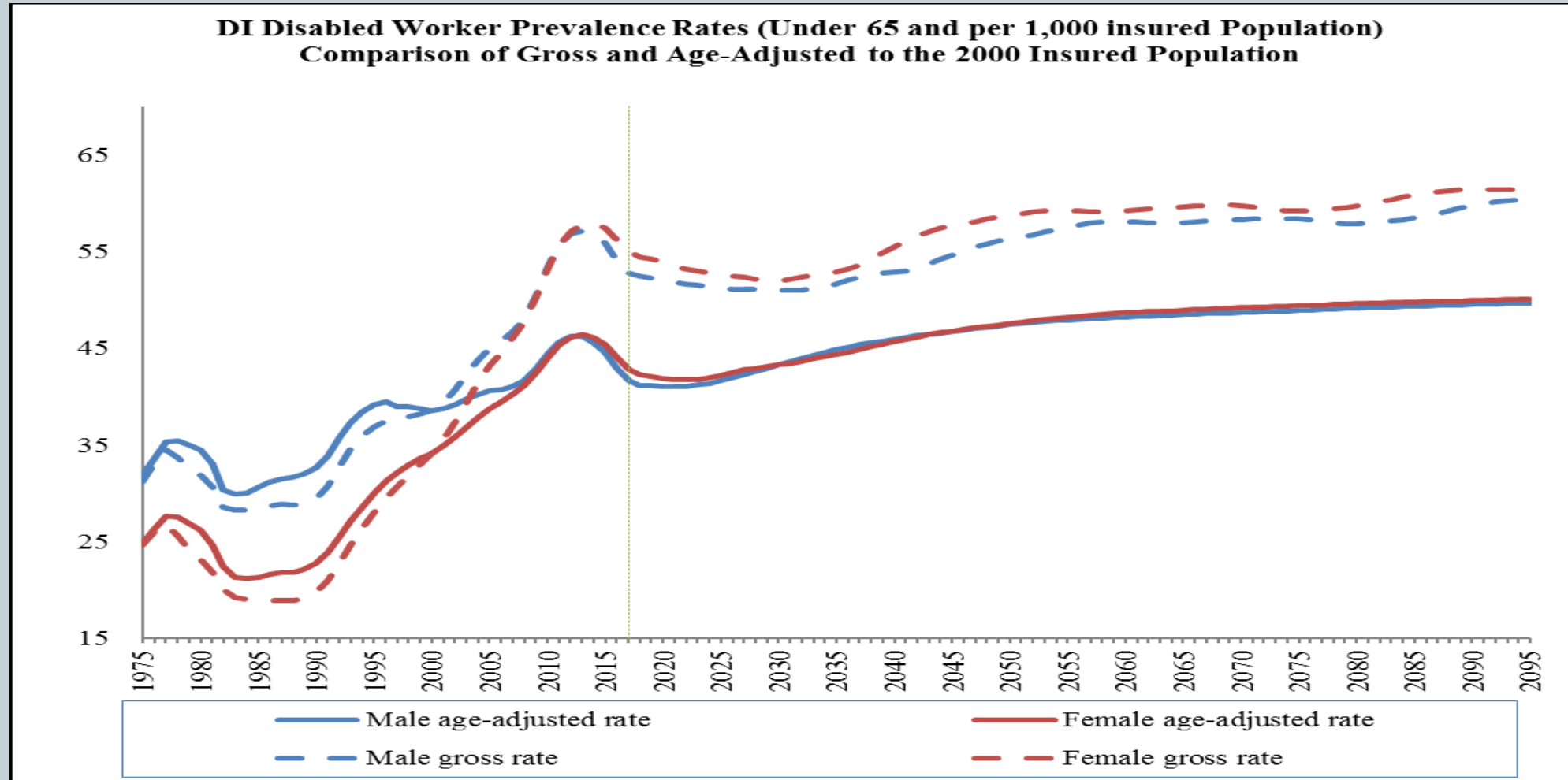
Fewer now and in near term based on recent applications and incidence rates



Effect of the Economy on DI Incidence—2018 TR

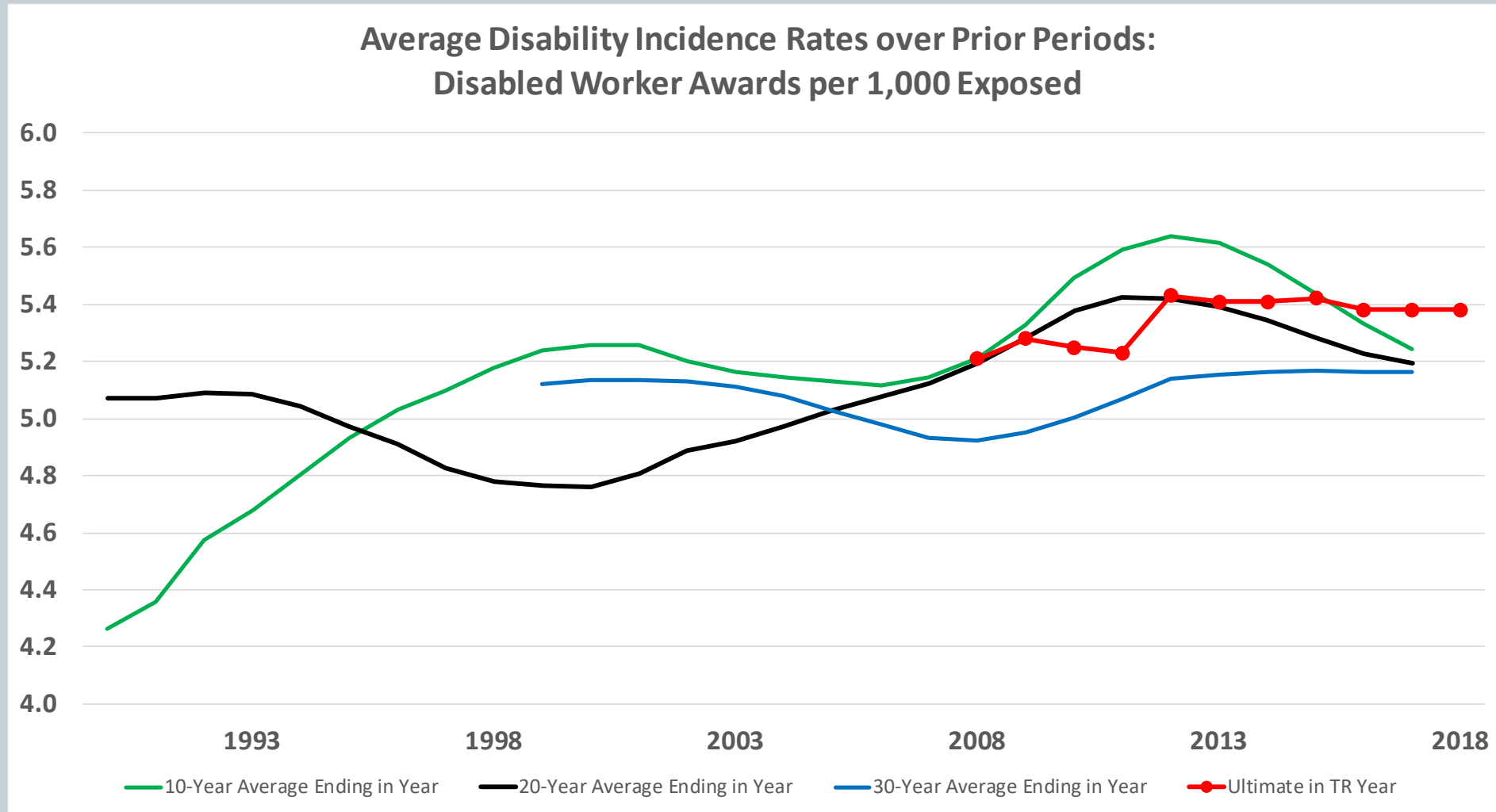


Disabled Worker Prevalence Rates (all through age 64)



Ultimate Incidence Rate Assumptions and Historical Averages

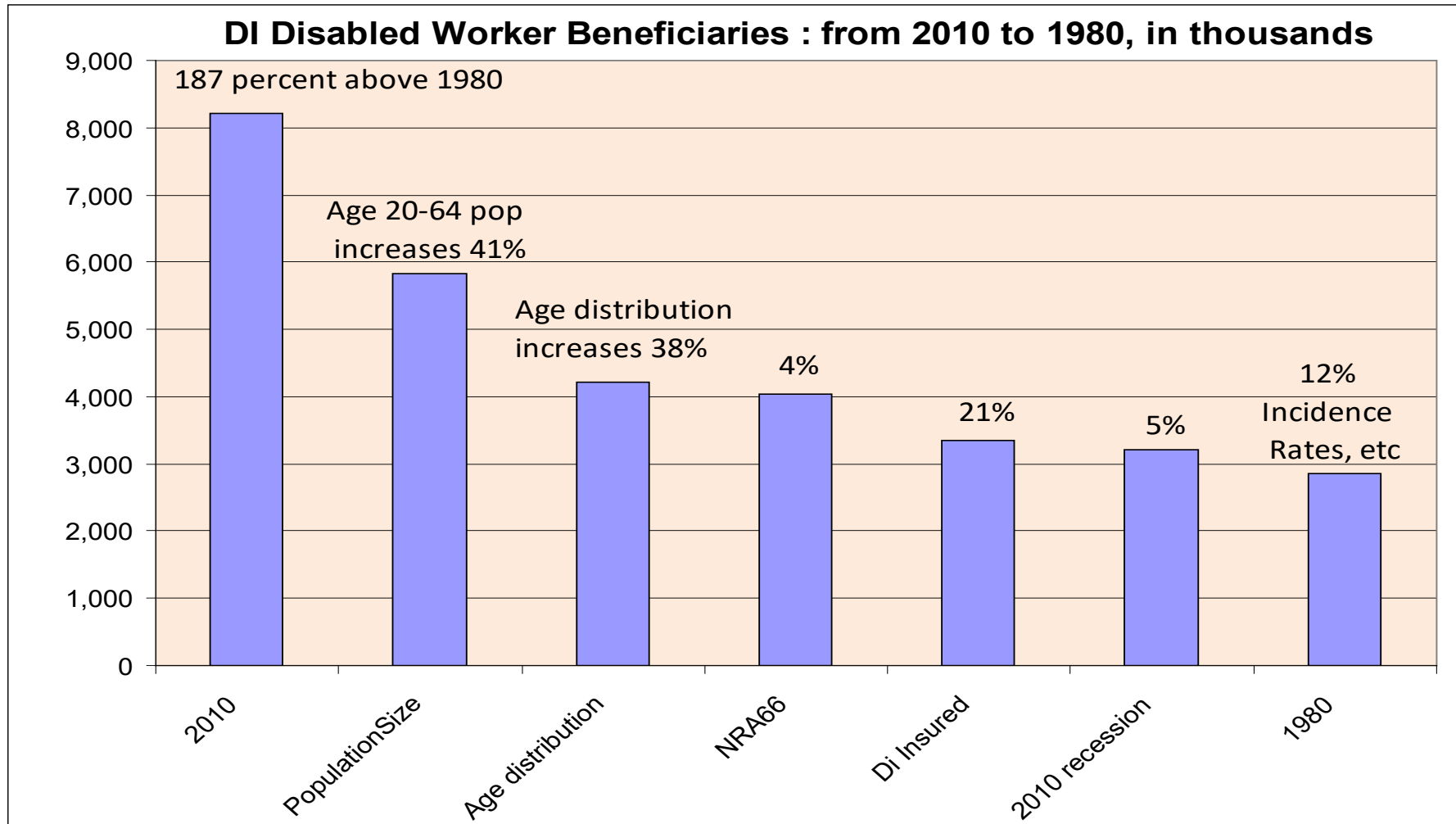
Most Recent Ultimate Incidence Rate is 5.4



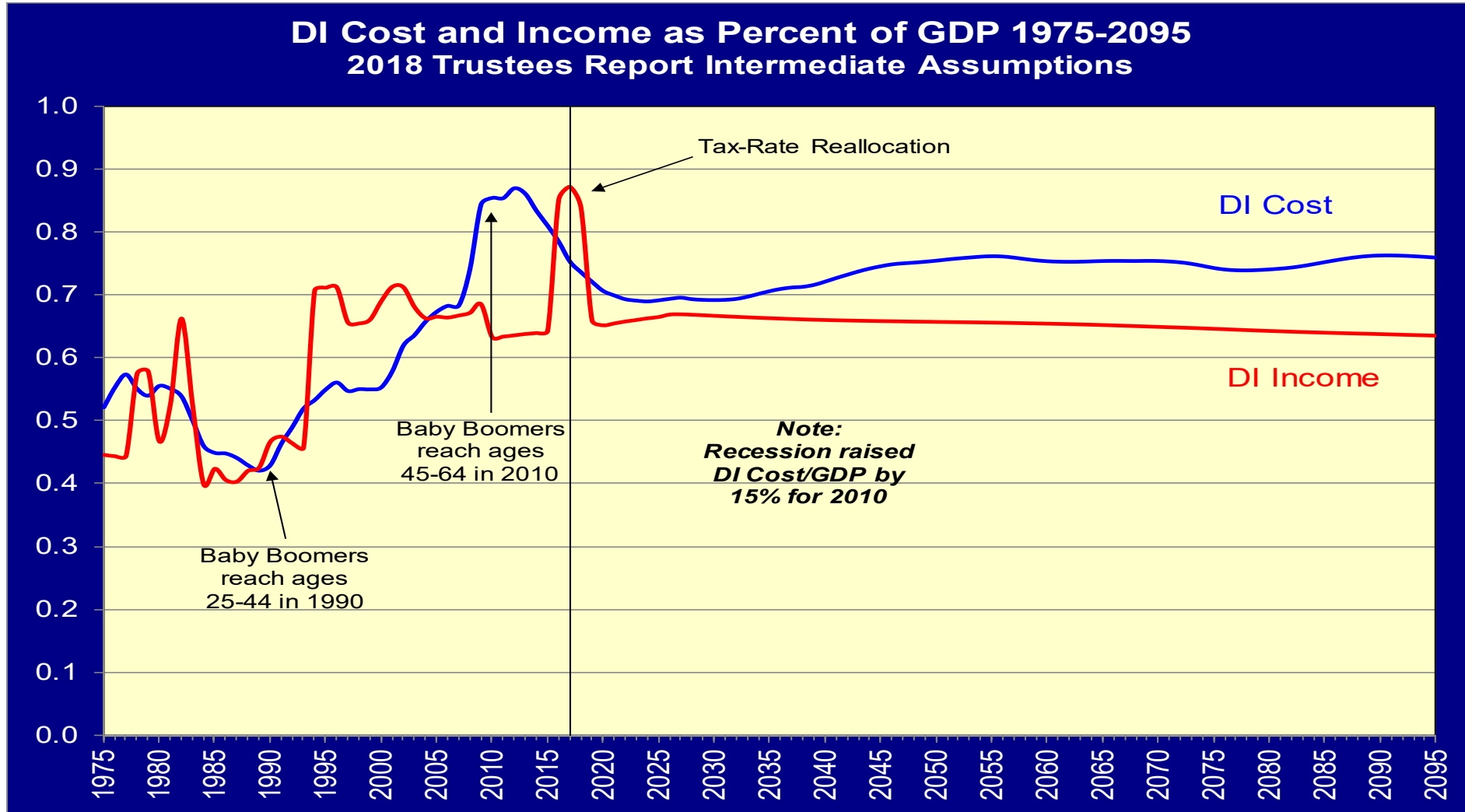
Appendix

187% Increase in Disabled Worker Beneficiaries

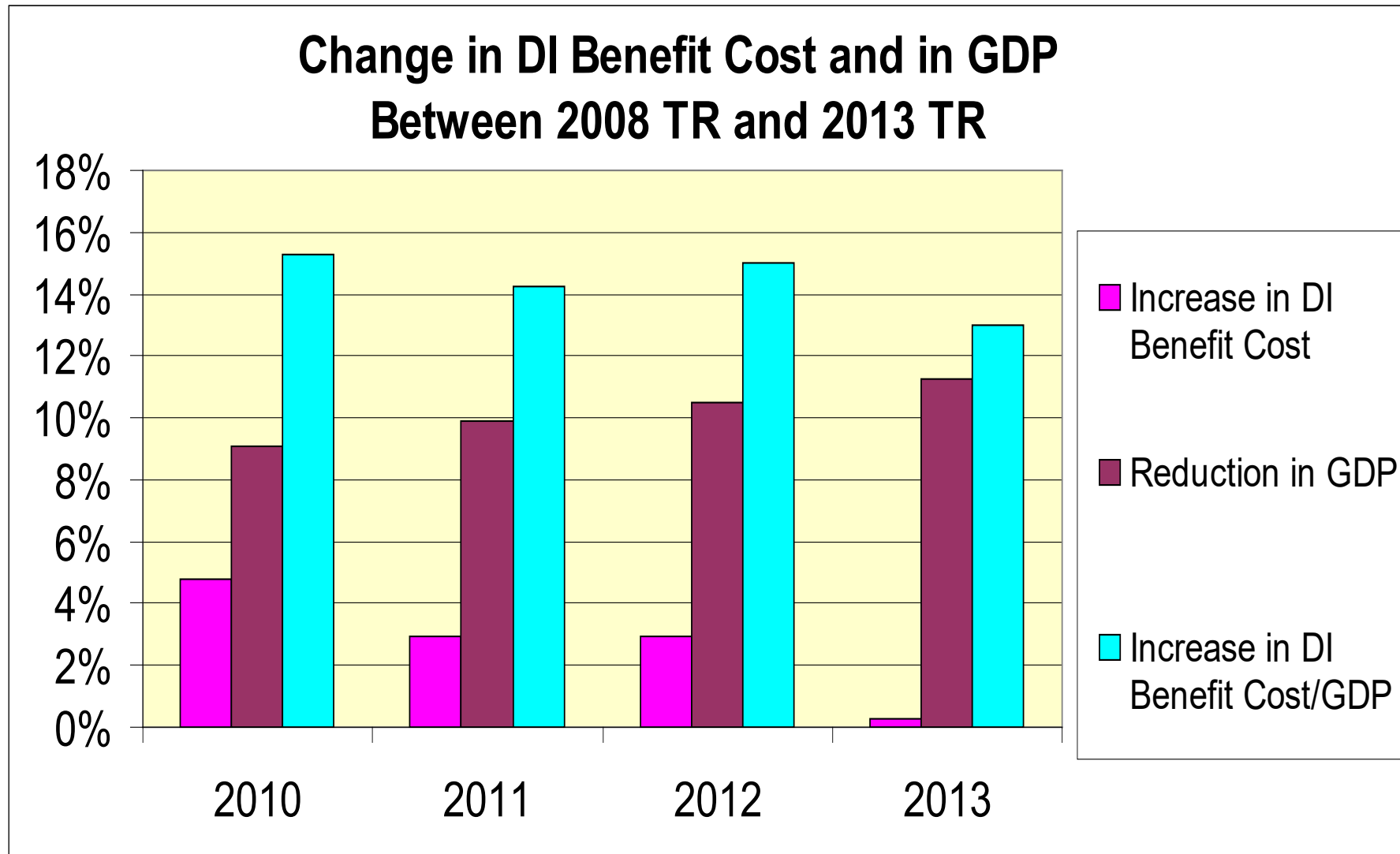
How much is due to changes in population size, NRA, age distribution, recession, more women insured and filing?



DI Cost as Percent of GDP Has Peaked, but Scheduled Income Is Too Low

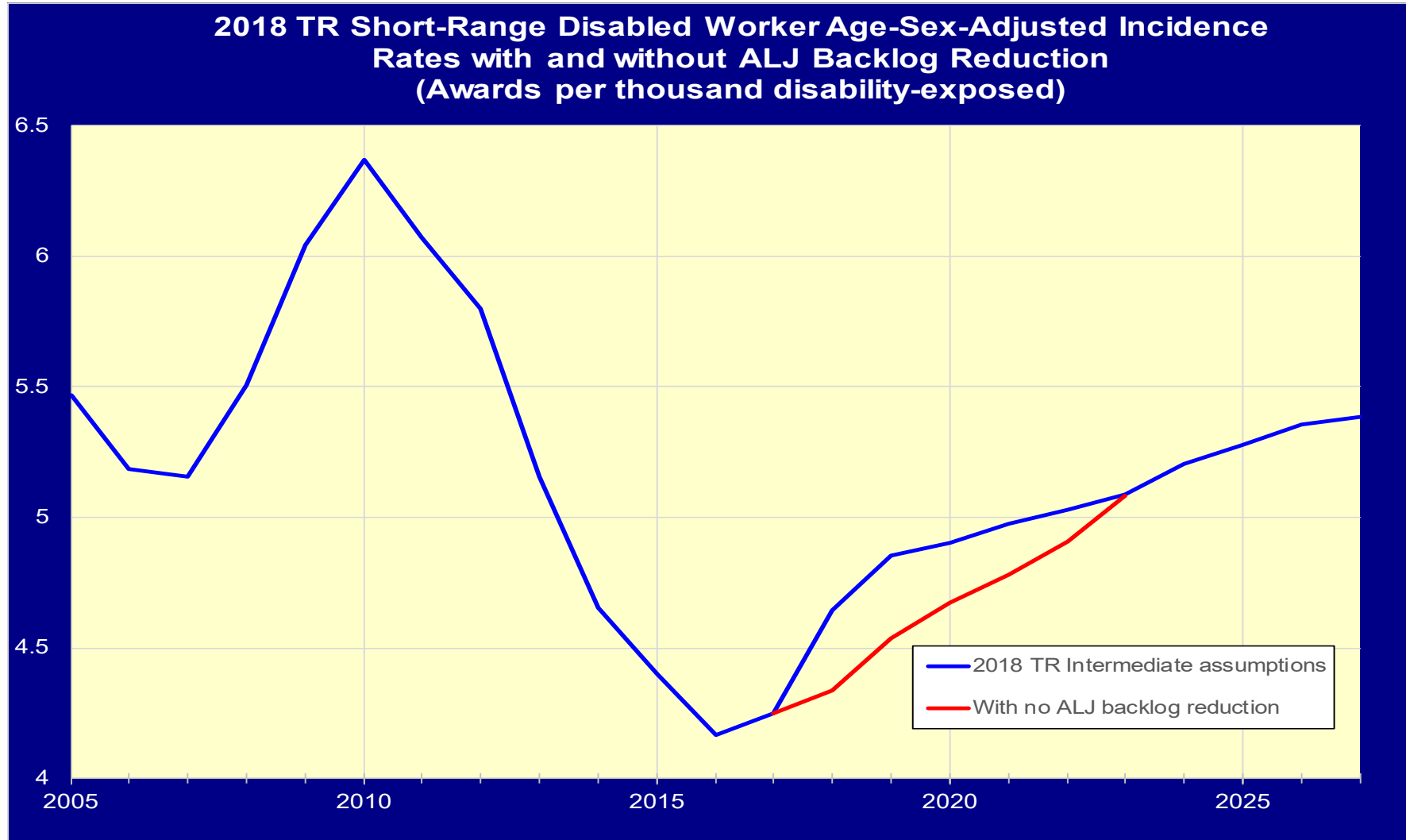


Most of the Recession Effect is From Less GDP, not More DI Cost



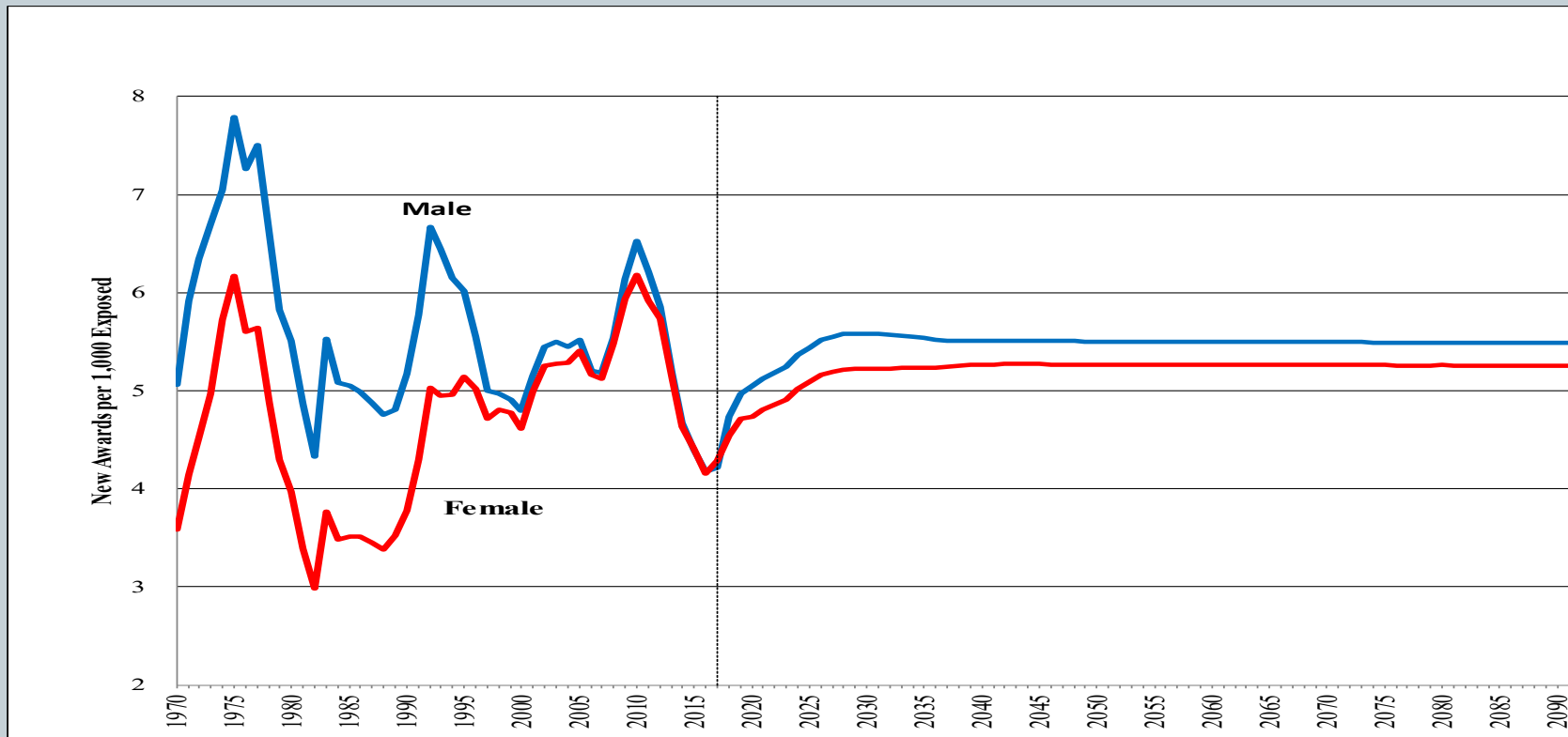
Disability Incidence Rate Projected to Rise to Ultimate Level by 2027

Sharp increase in the projected disability incidence rate in 2018 and 2019 due in part to the reduction of the ALJ backlog



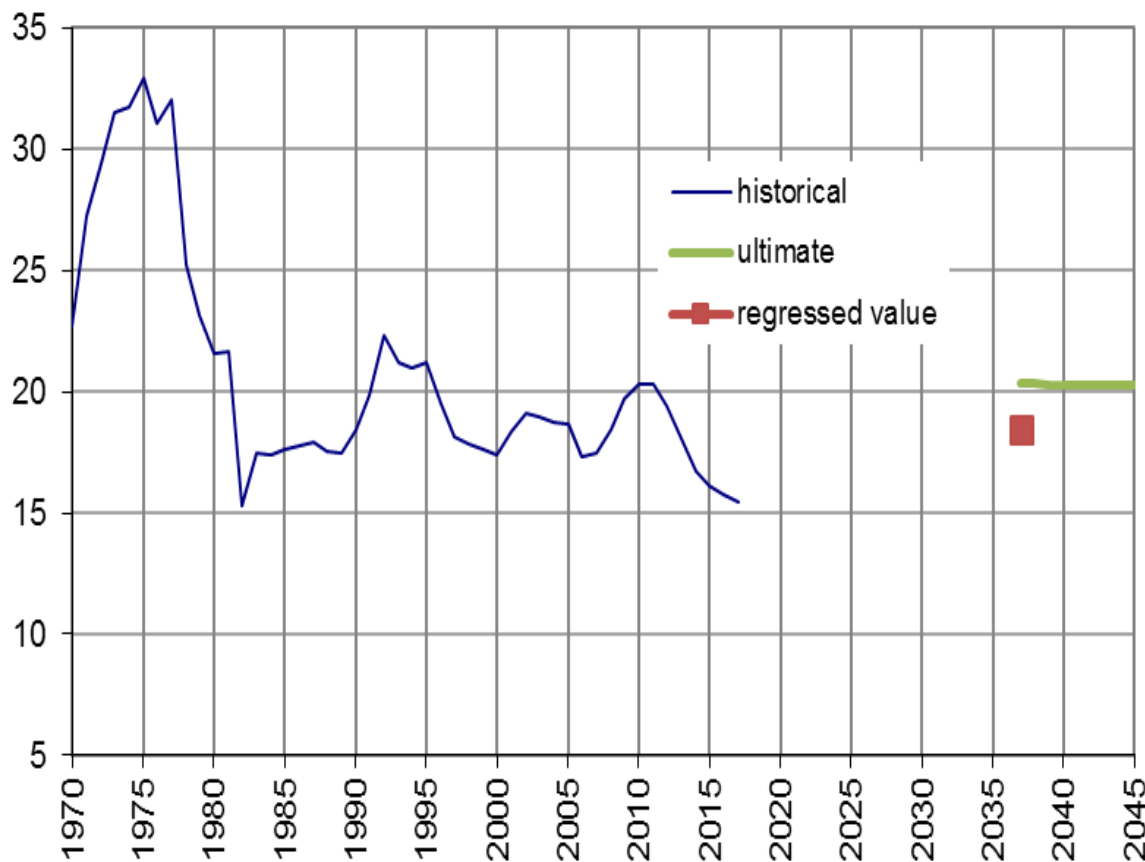
Age-Adjusted Disability Incidence Rates: Male at all-time low; female has caught up to male

**New Disabled Worker Awards per 1,000 Exposed (Incidence)
Age-Adjusted (2000) — 2018 Trustees Report**

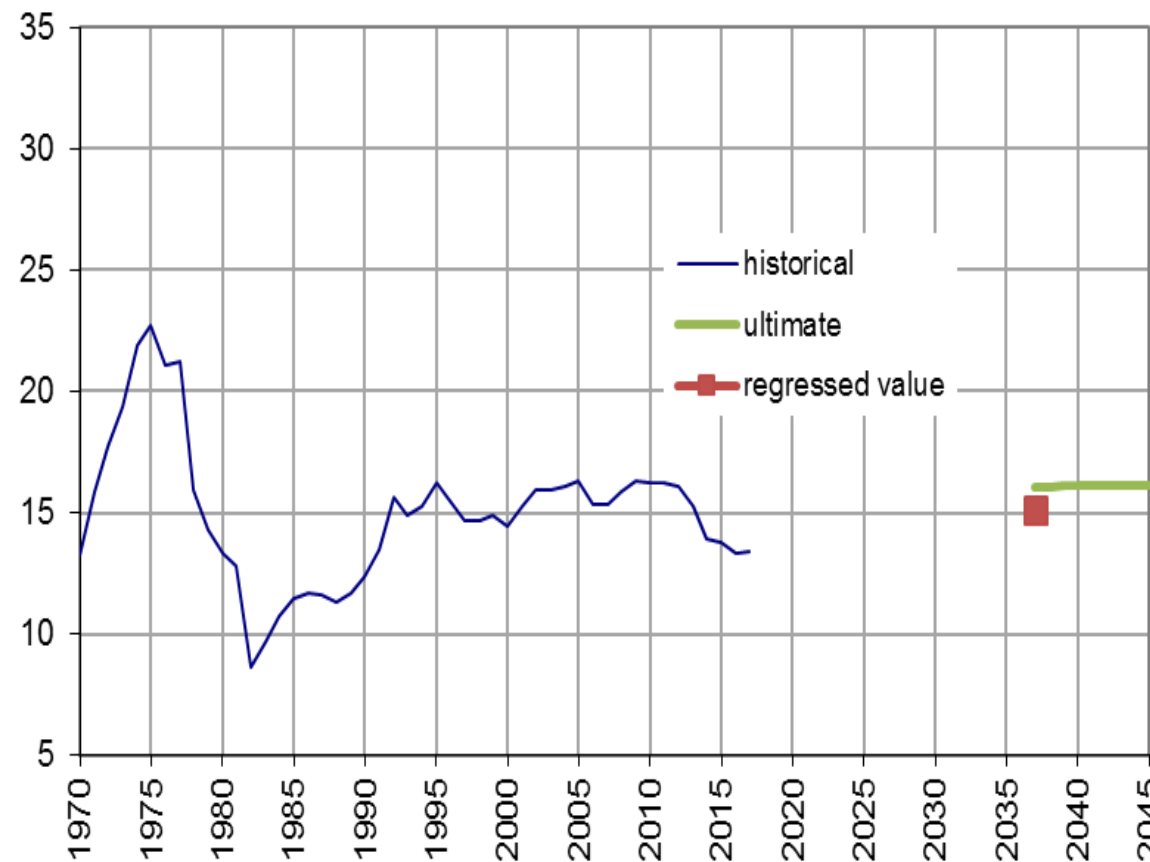


DI Incidence Rates Ages 60-64

Male DIB Award Incidence Rates Ages 60-64

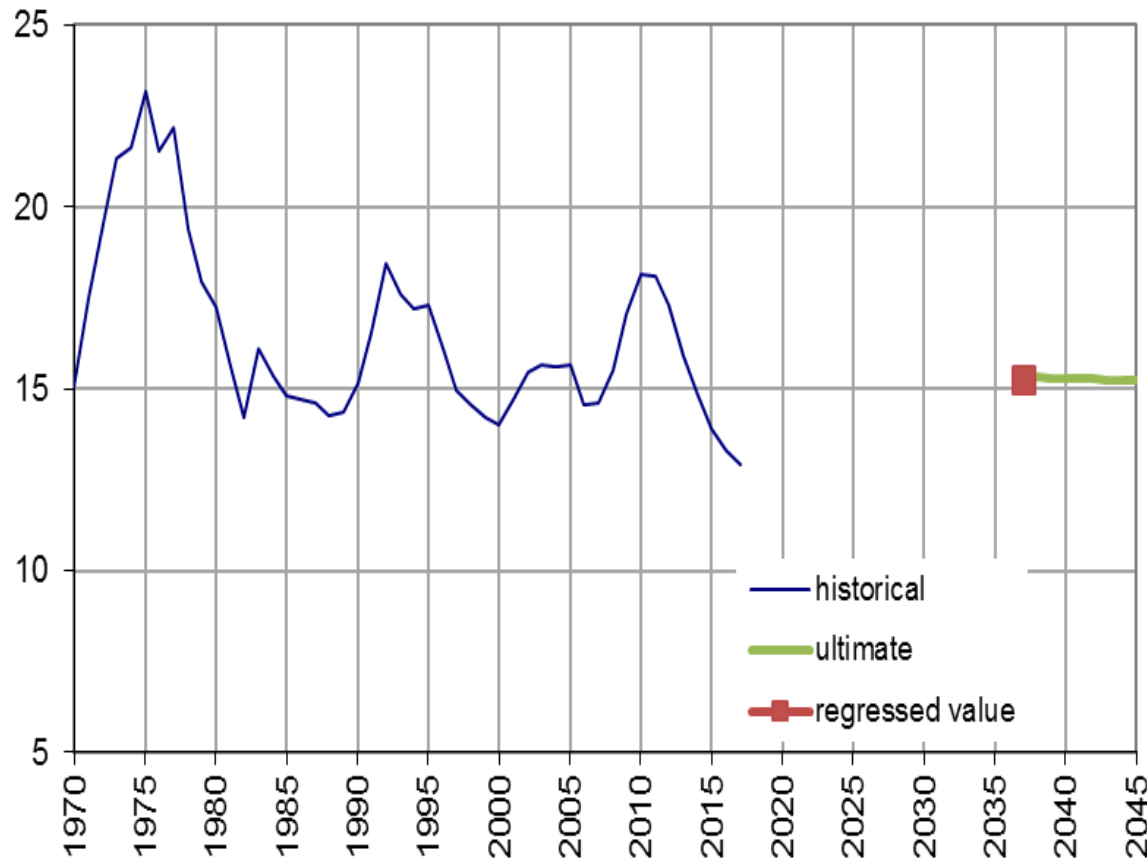


Female DIB Award Incidence Rates Ages 60-64

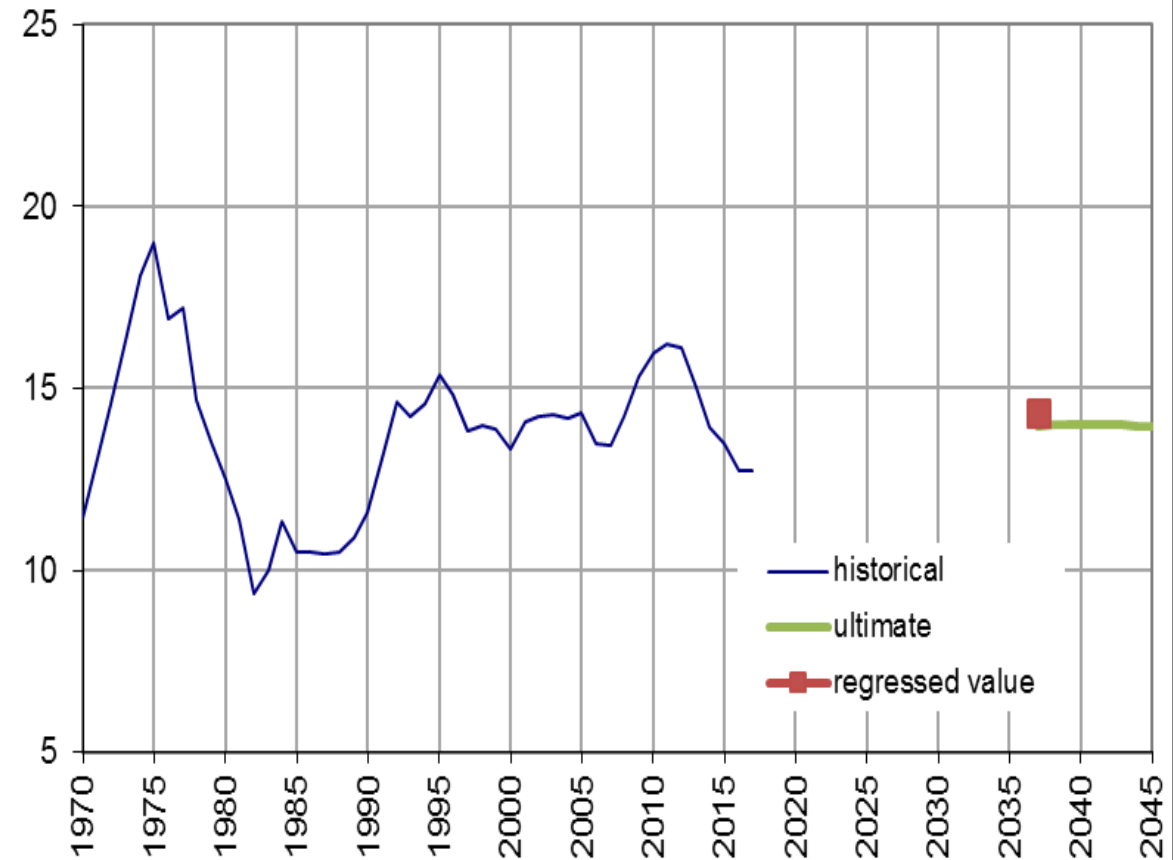


DI Incidence Rates Ages 55-59

Male DIB Award Incidence Rates Ages 55-59

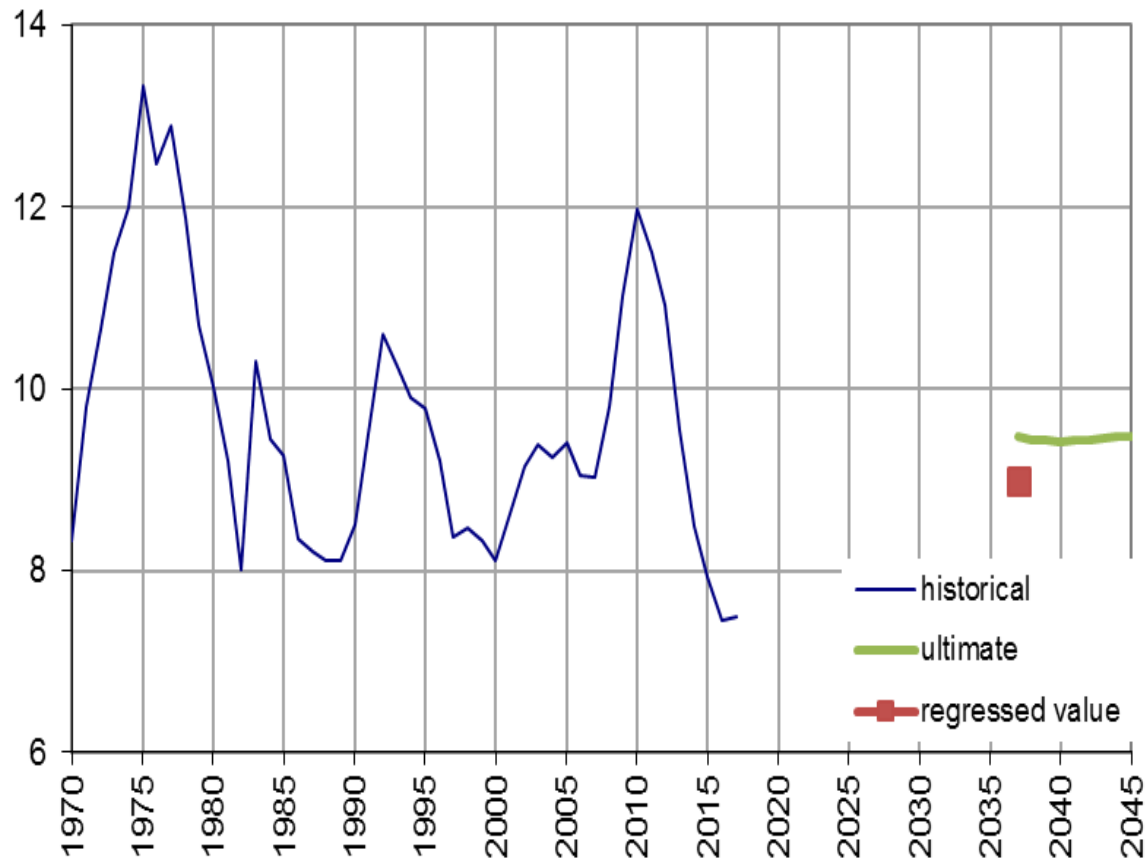


Female DIB Award Incidence Rates Ages 55-59

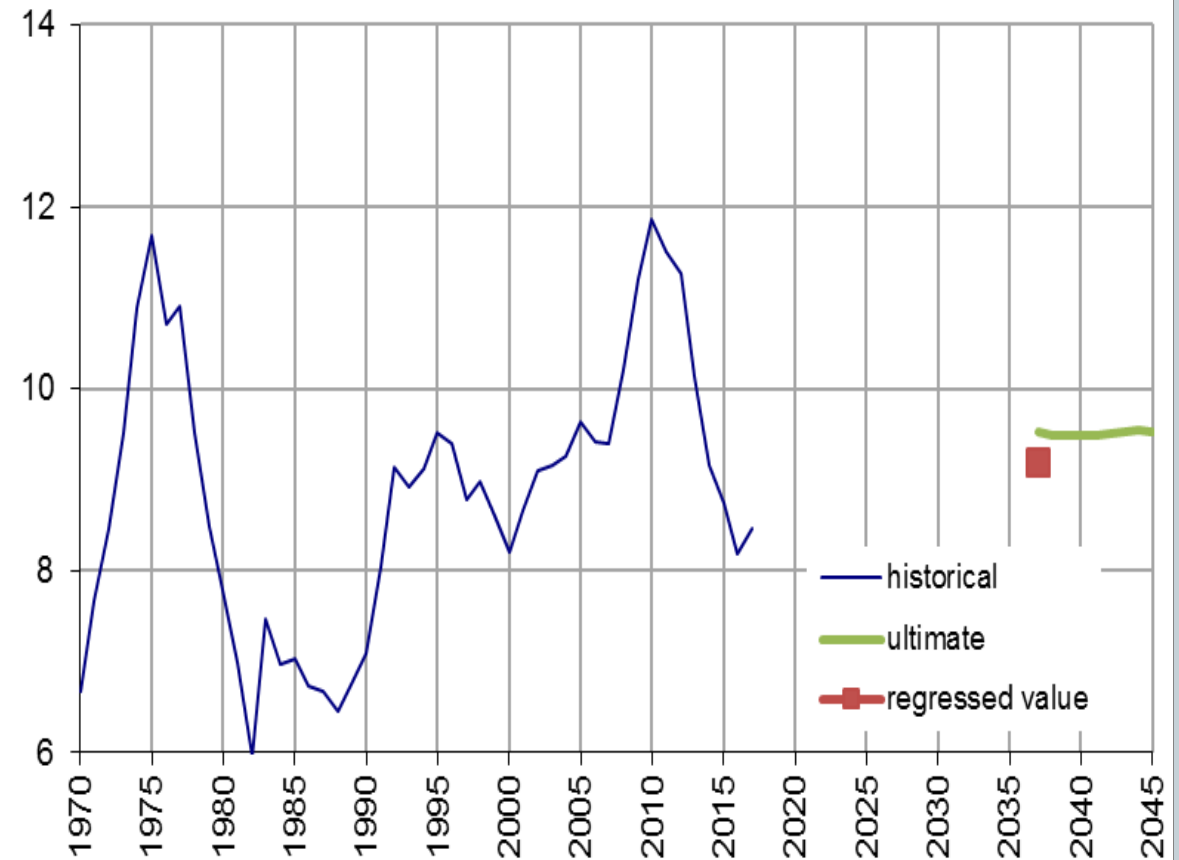


DI Incidence Rates Ages 50-54

Male DIB Award Incidence Rates Ages 50-54

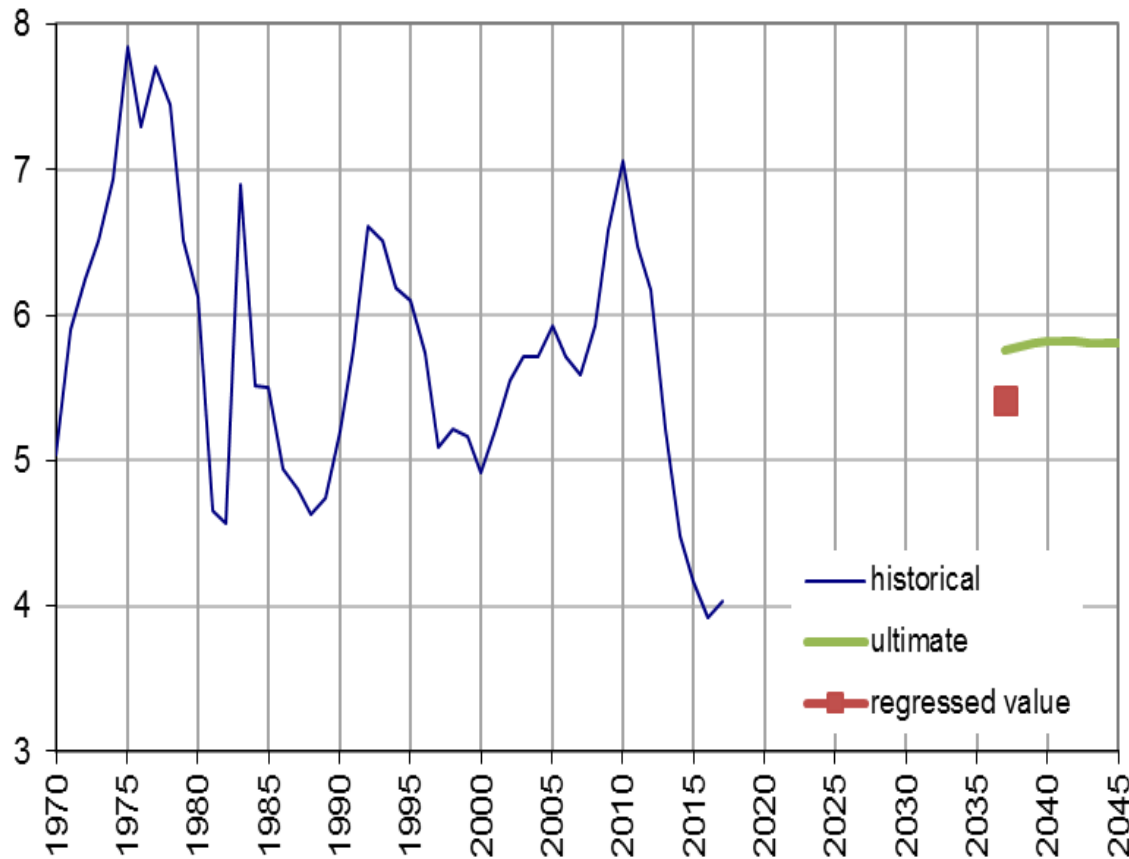


Female DIB Award Incidence Rates Ages 50-54

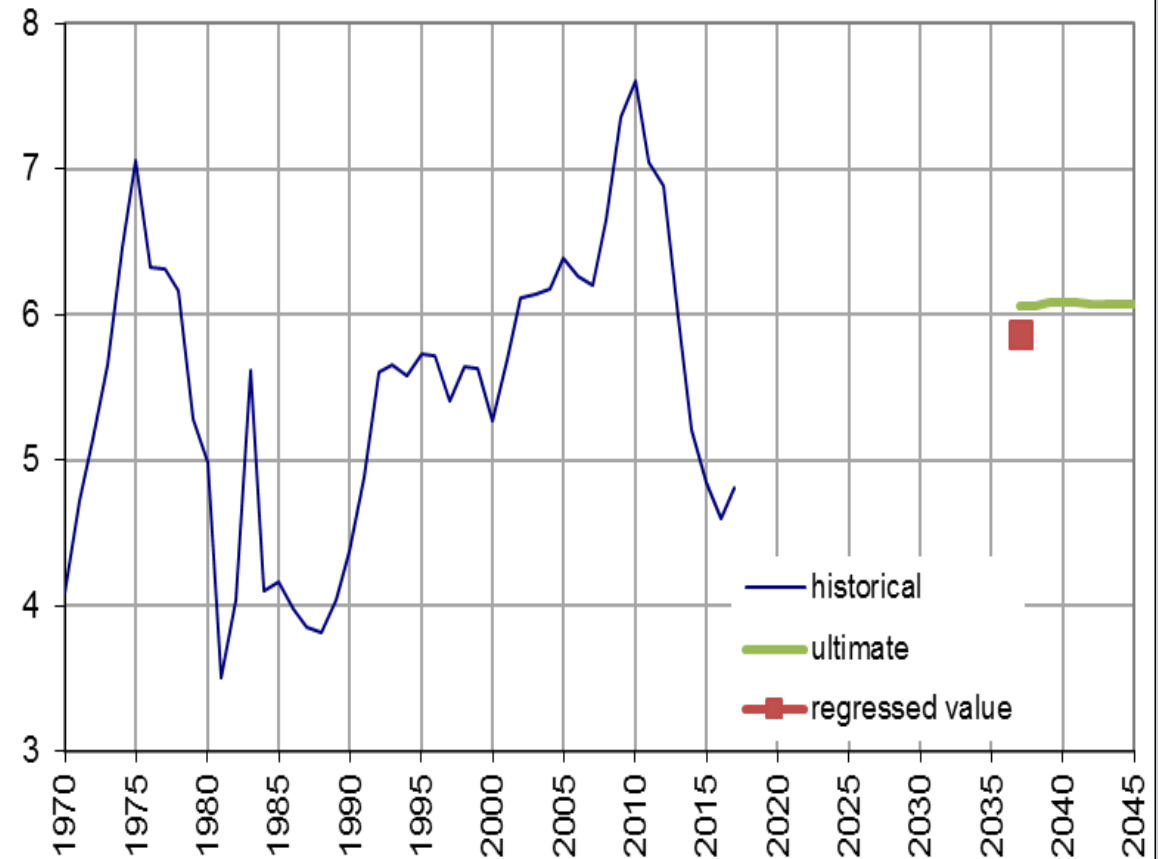


DI Incidence Rates Ages 45-49

Male DIB Award Incidence Rates Ages 45-49

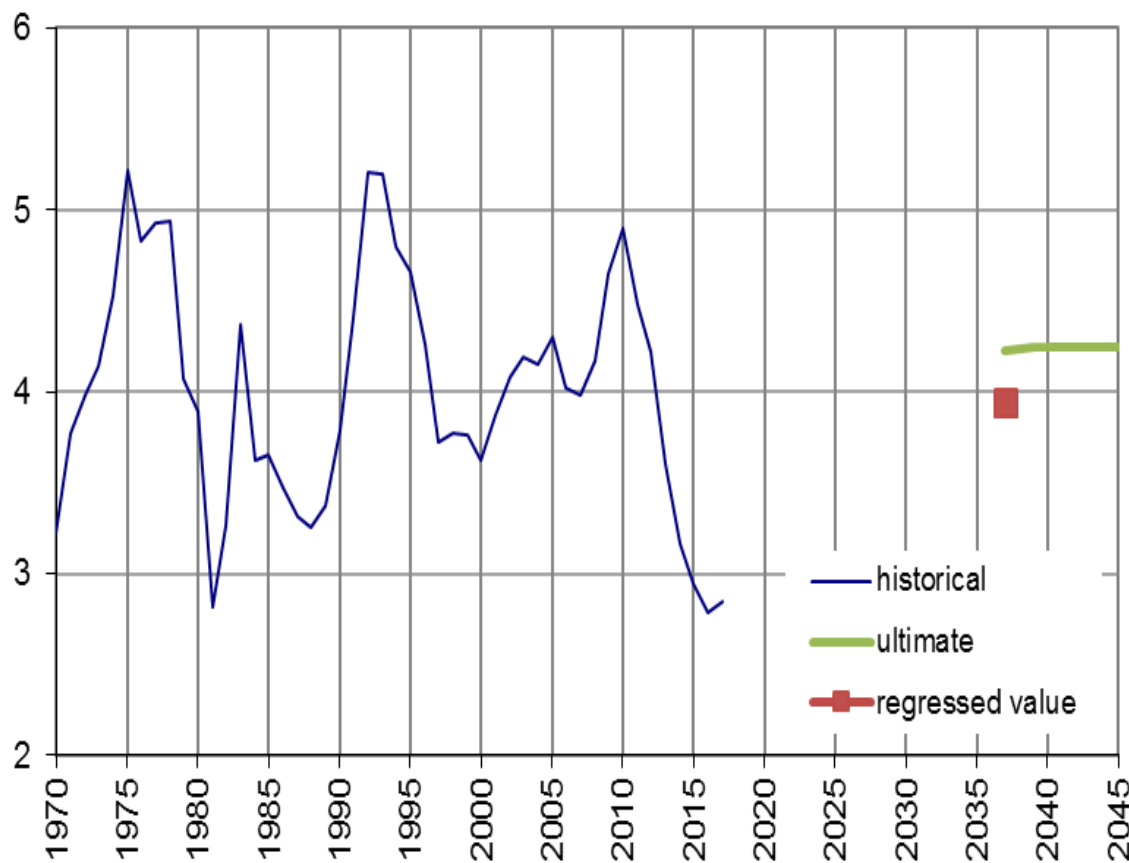


Female DIB Award Incidence Rates Ages 45-49

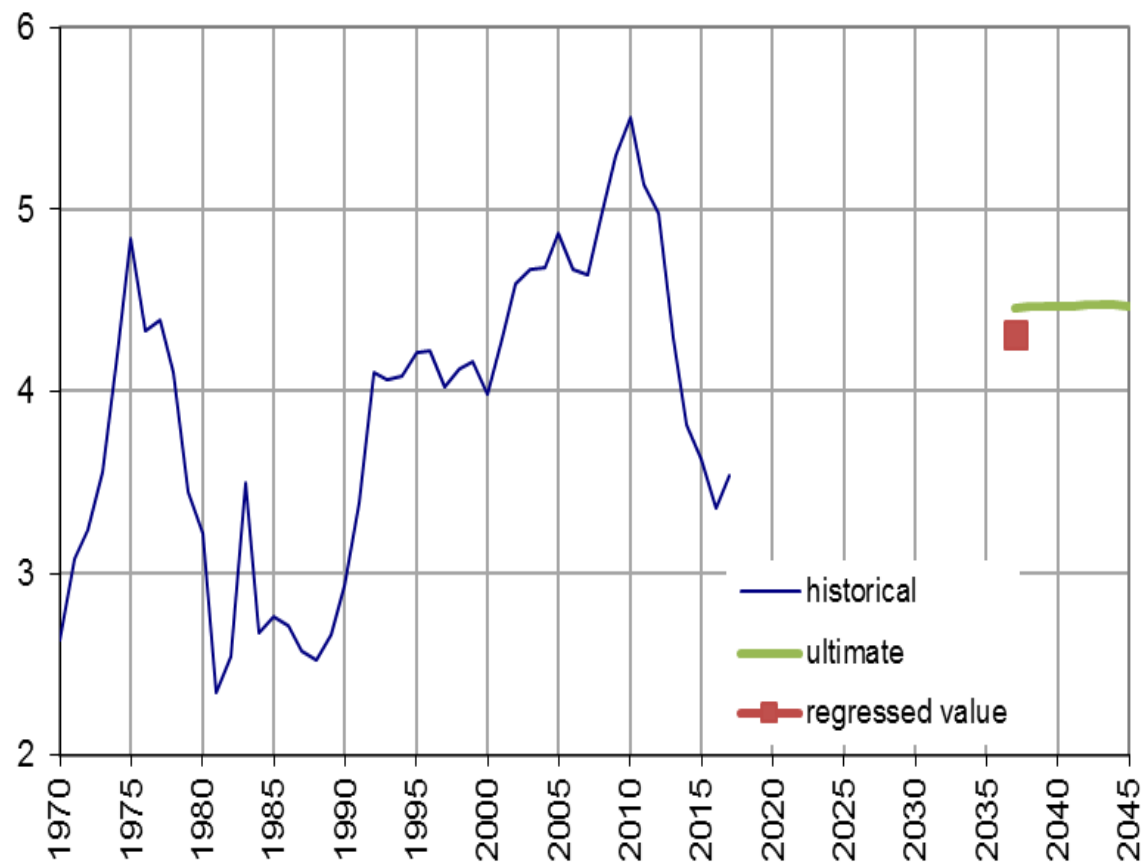


DI Incidence Rates Ages 40-44

Male DIB Award Incidence Rates Ages 40-44

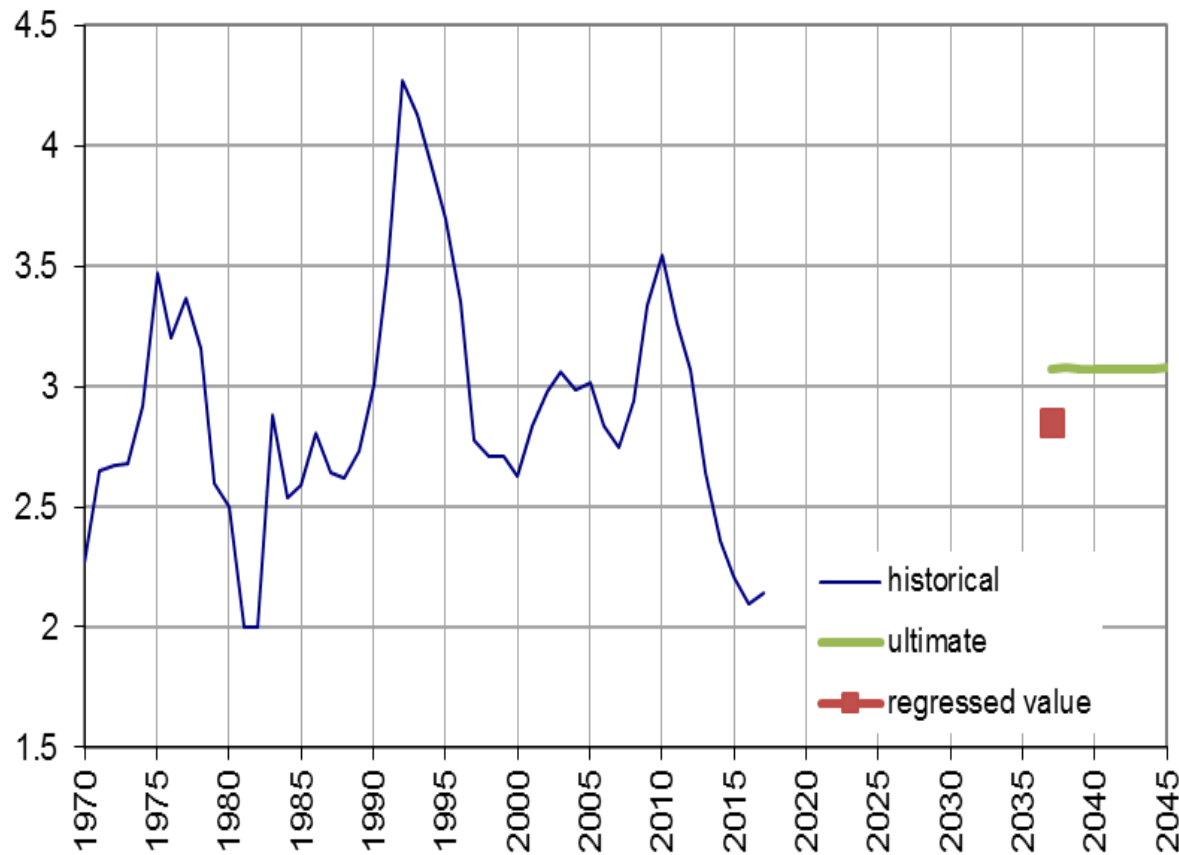


Female DIB Award Incidence Rates Ages 40-44

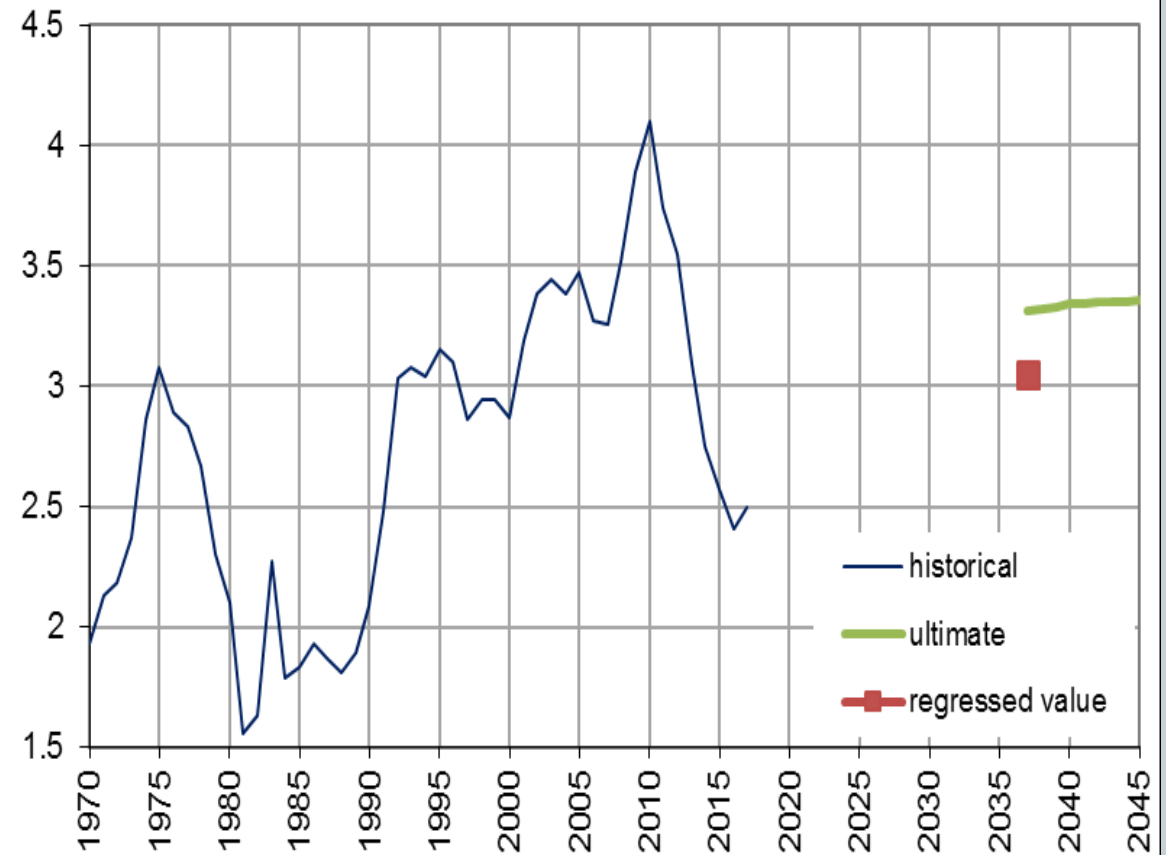


DI Incidence Rates Ages 35-39

Male DIB Award Incidence Rates Ages 35-39

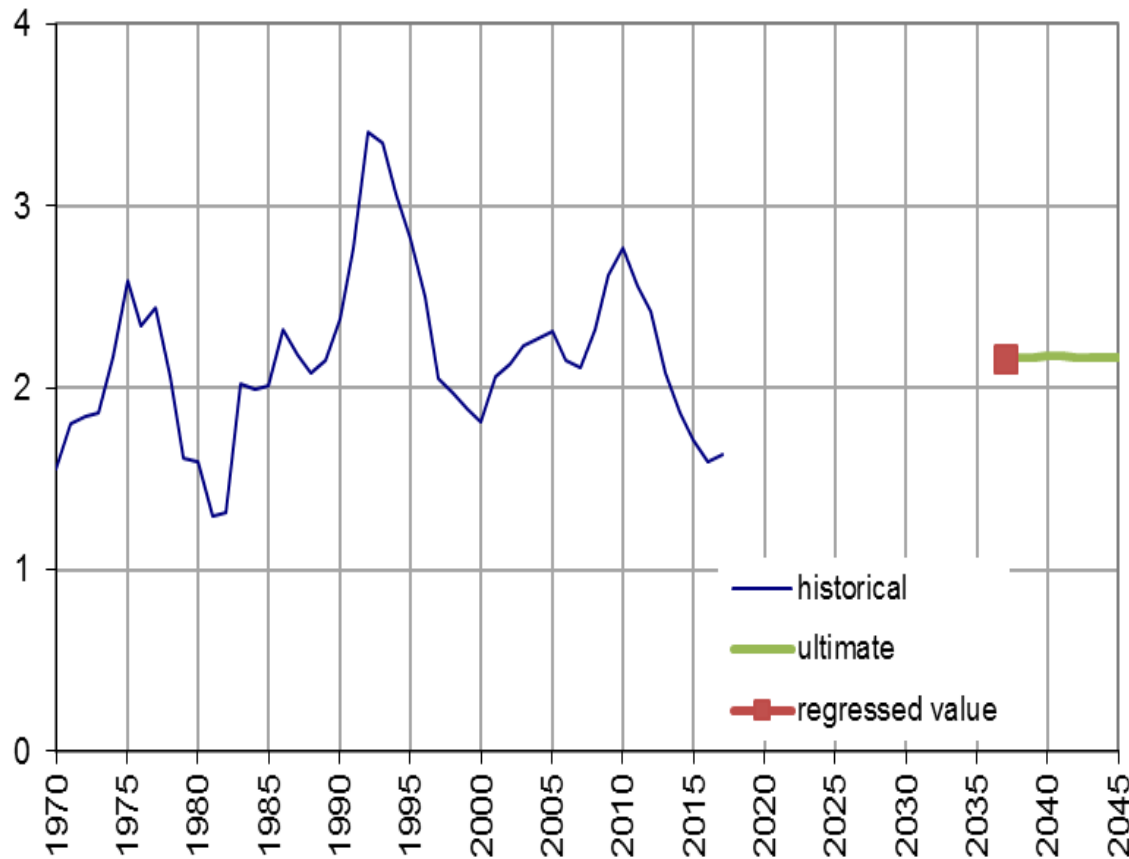


Female DIB Award Incidence Rates Ages 35-39

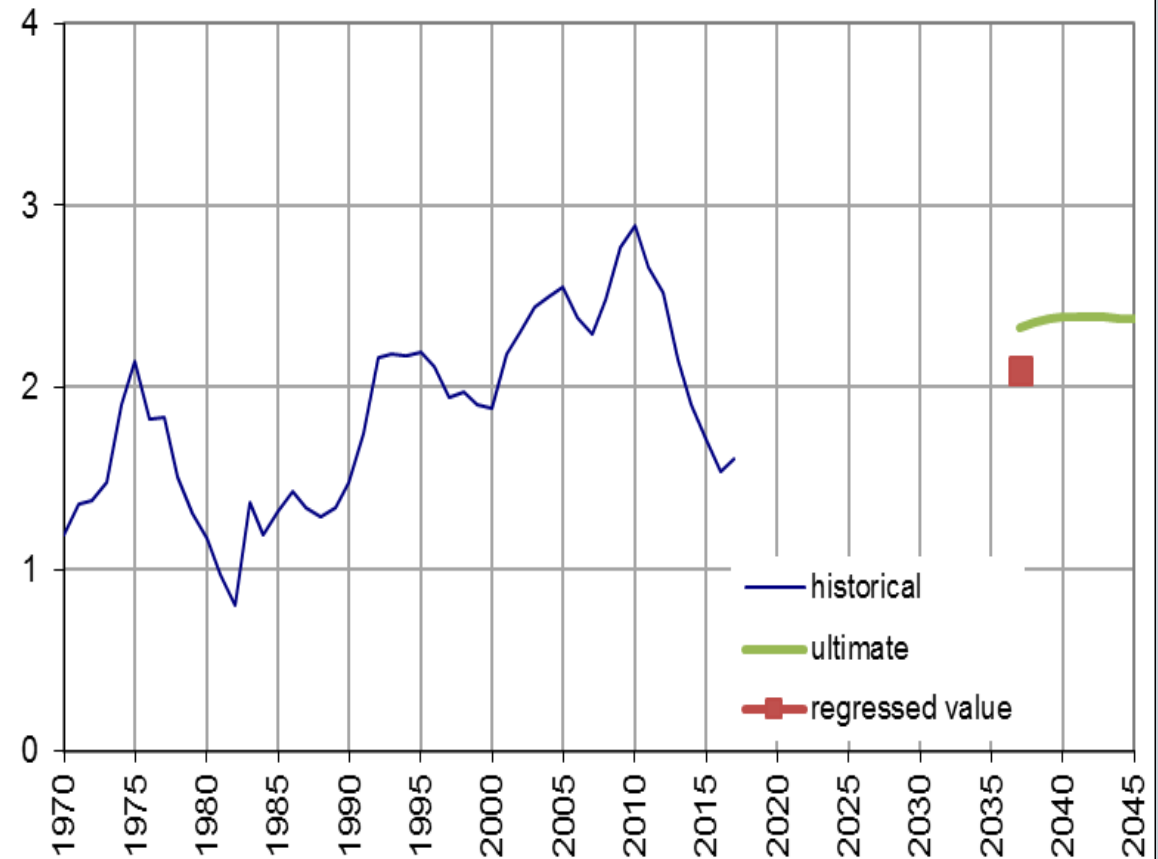


DI Incidence Rates Ages 30-34

Male DIB Award Incidence Rates Ages 30-34

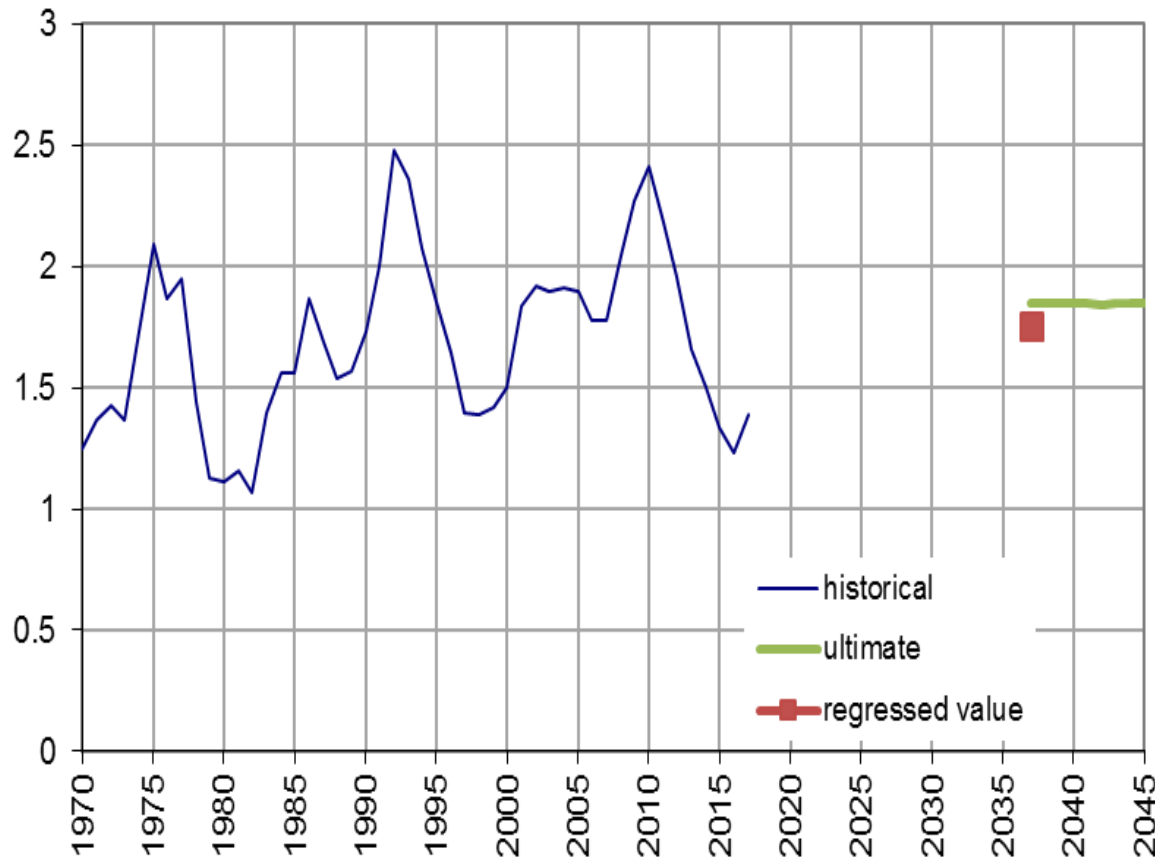


Female DIB Award Incidence Rates Ages 30-34

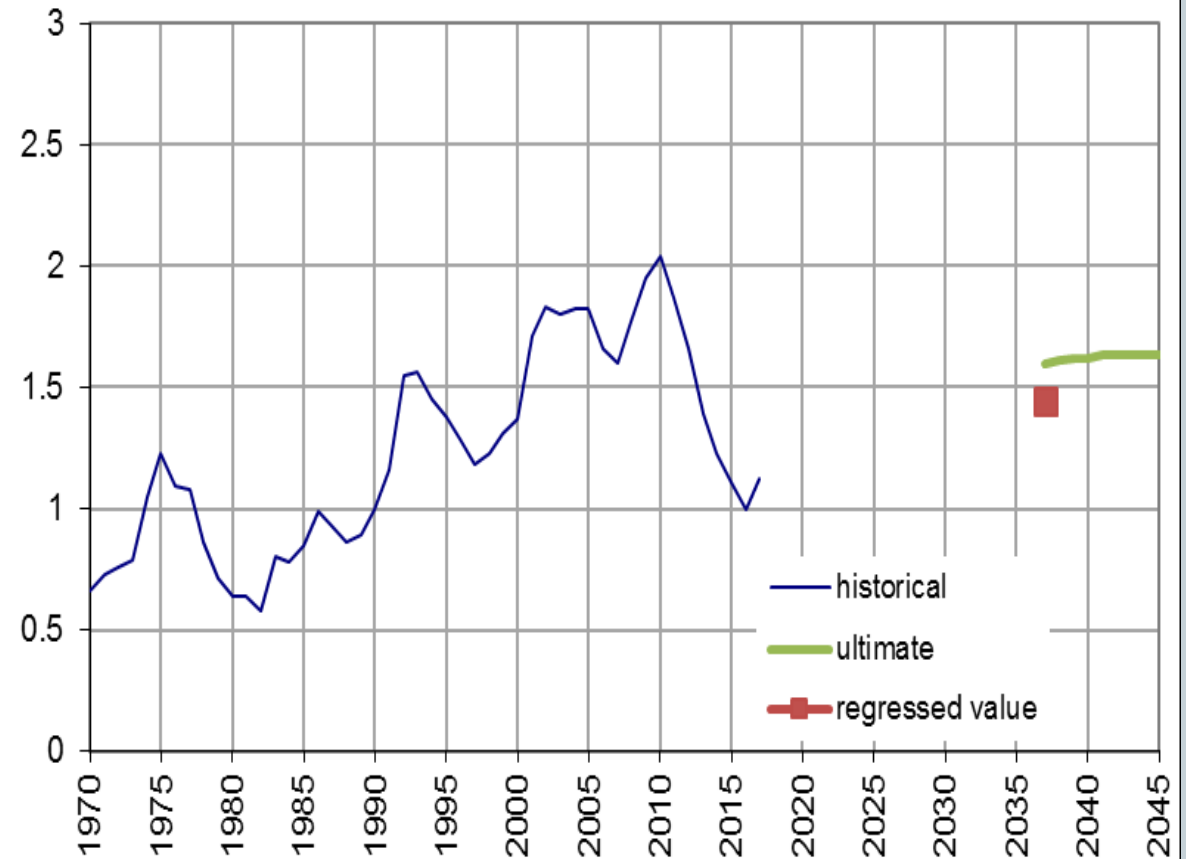


DI Incidence Rates Ages 25-29

Male DIB Award Incidence Rates Ages 25-29

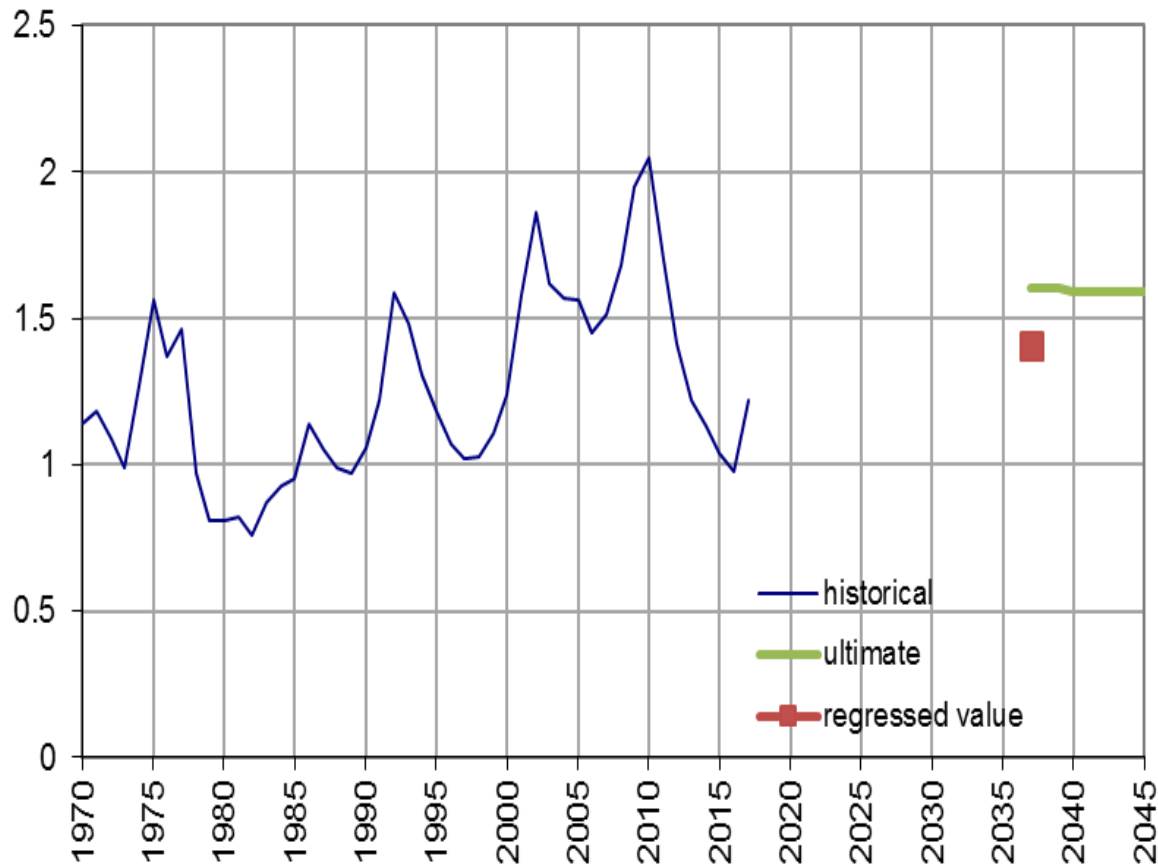


Female DIB Award Incidence Rates Ages 25-29

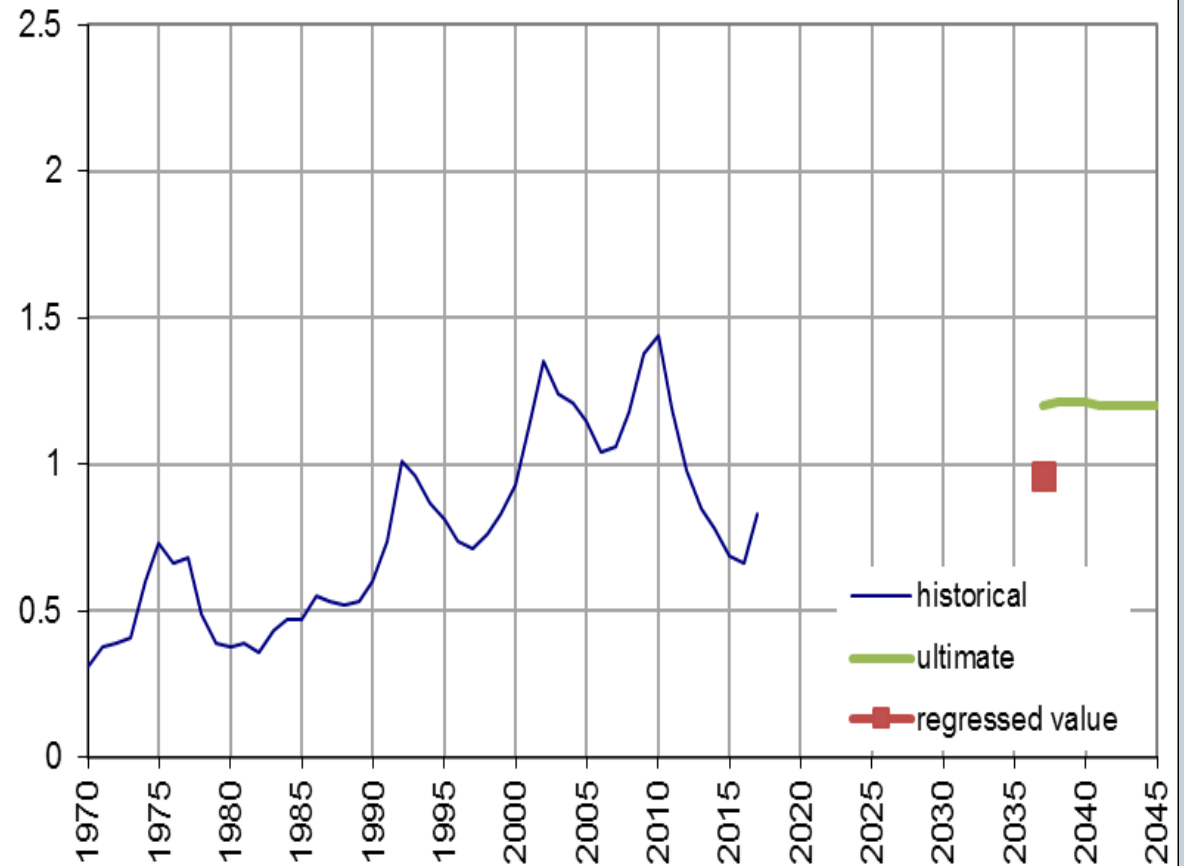


DI Incidence Rates Ages 20-24

Male DIB Award Incidence Rates Ages 20-24

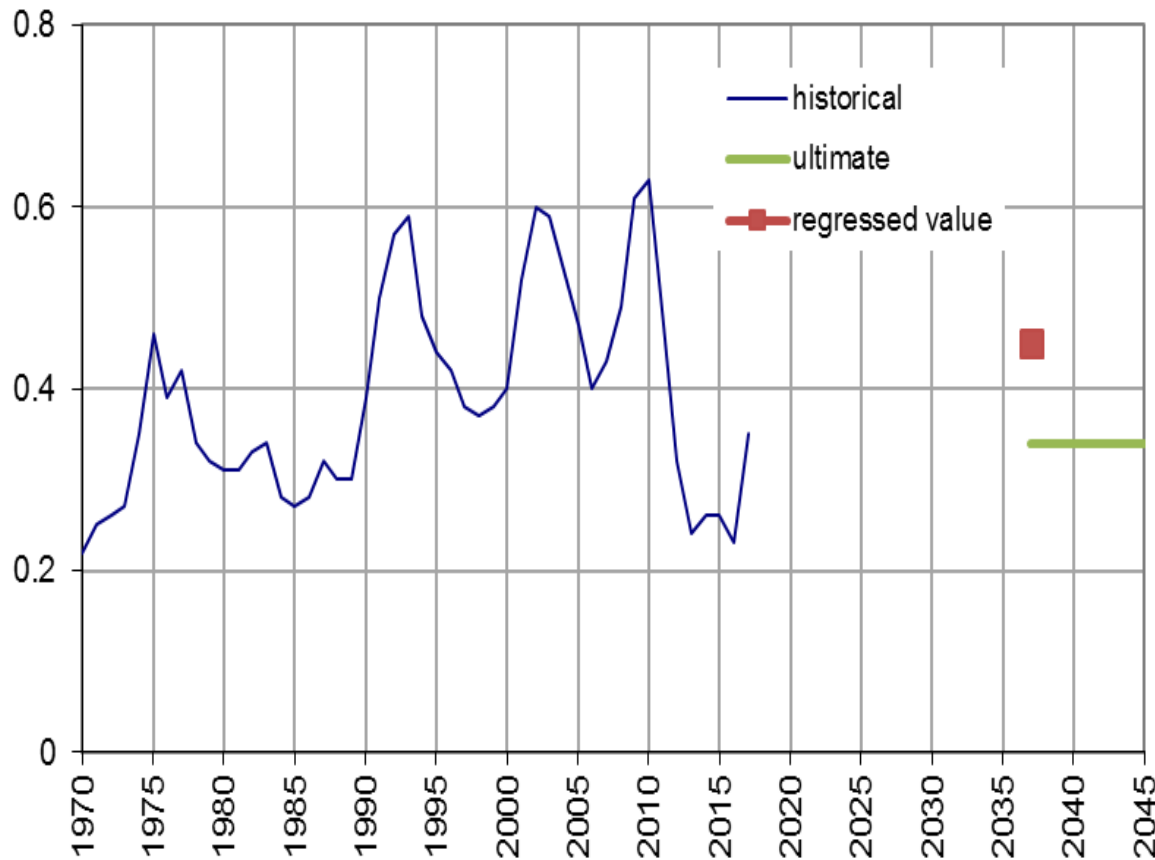


Female DIB Award Incidence Rates Ages 20-24

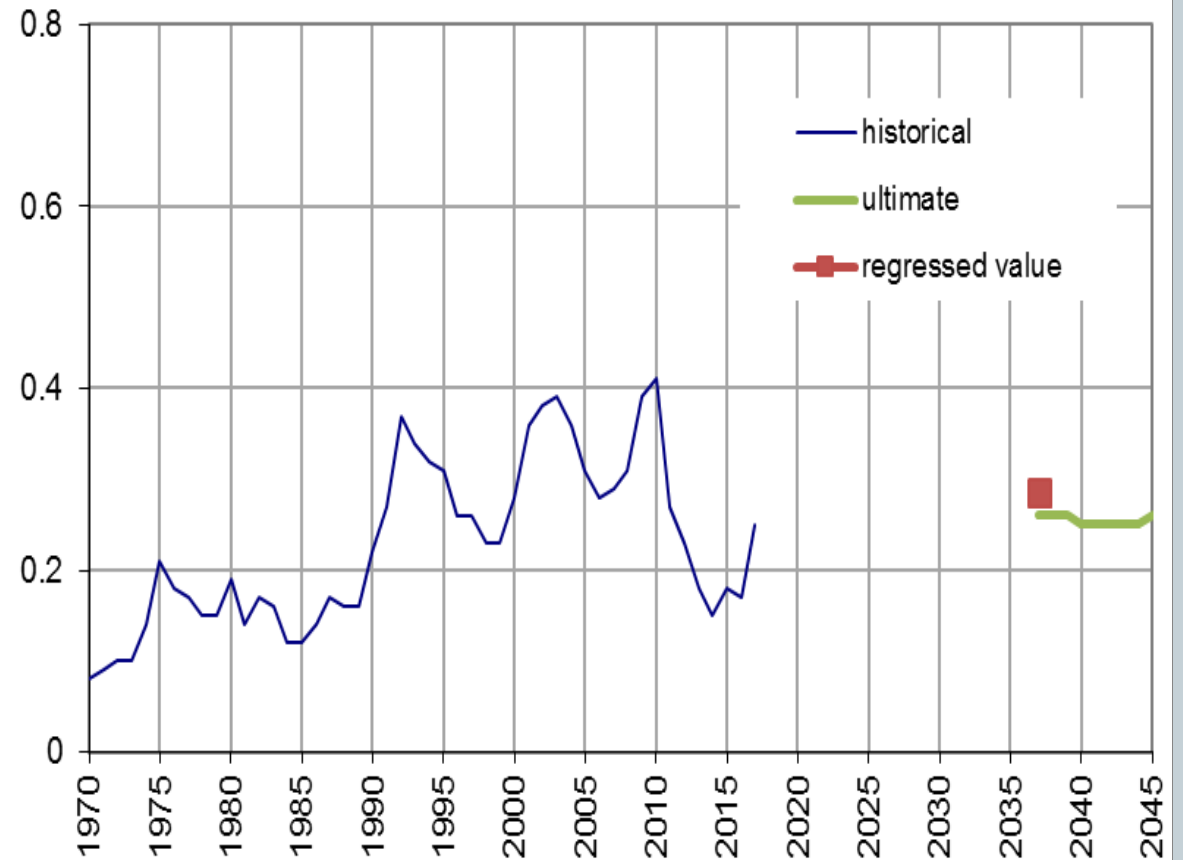


DI Incidence Rates Ages 15-19

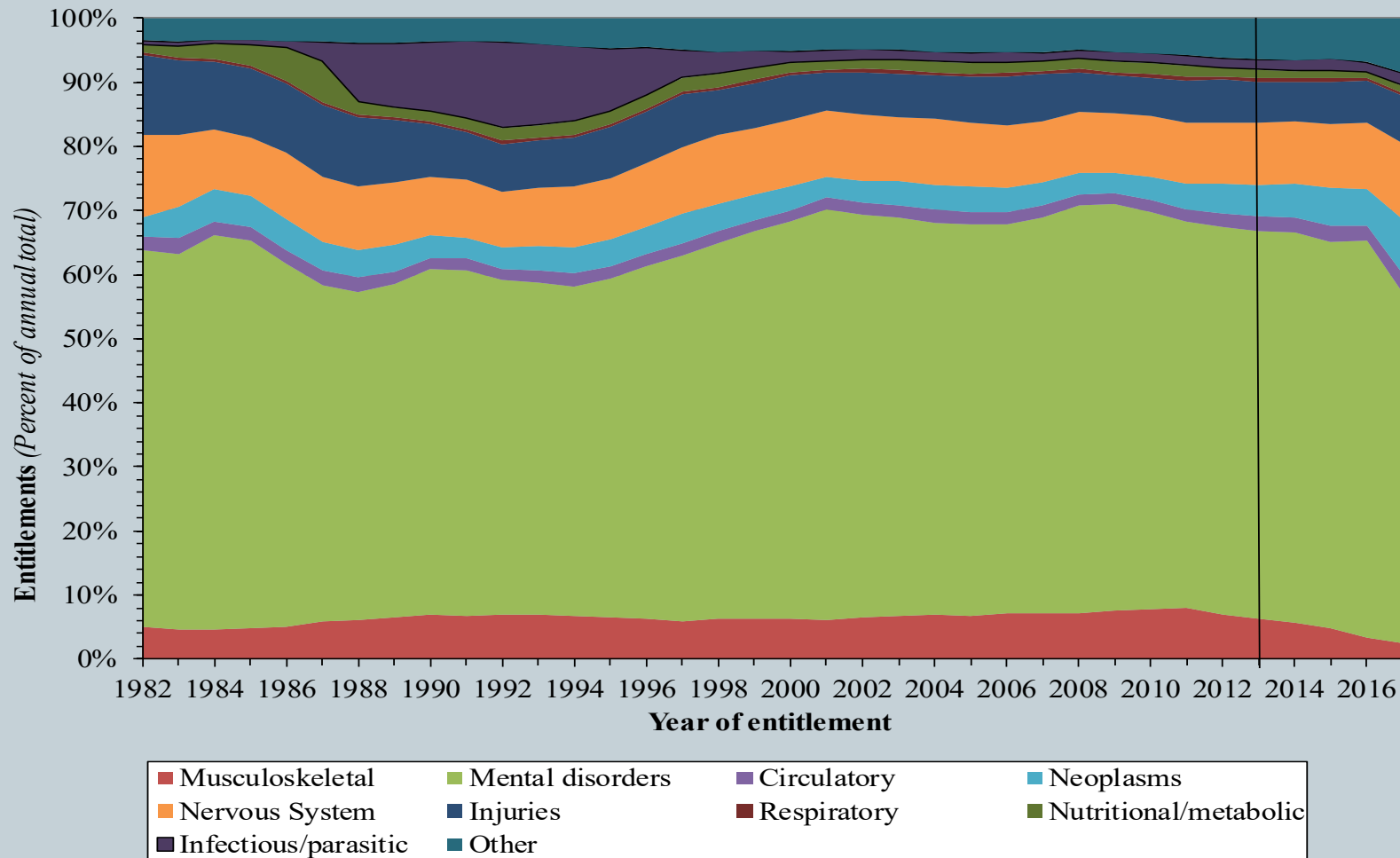
Male DIB Award Incidence Rates Ages 15-19



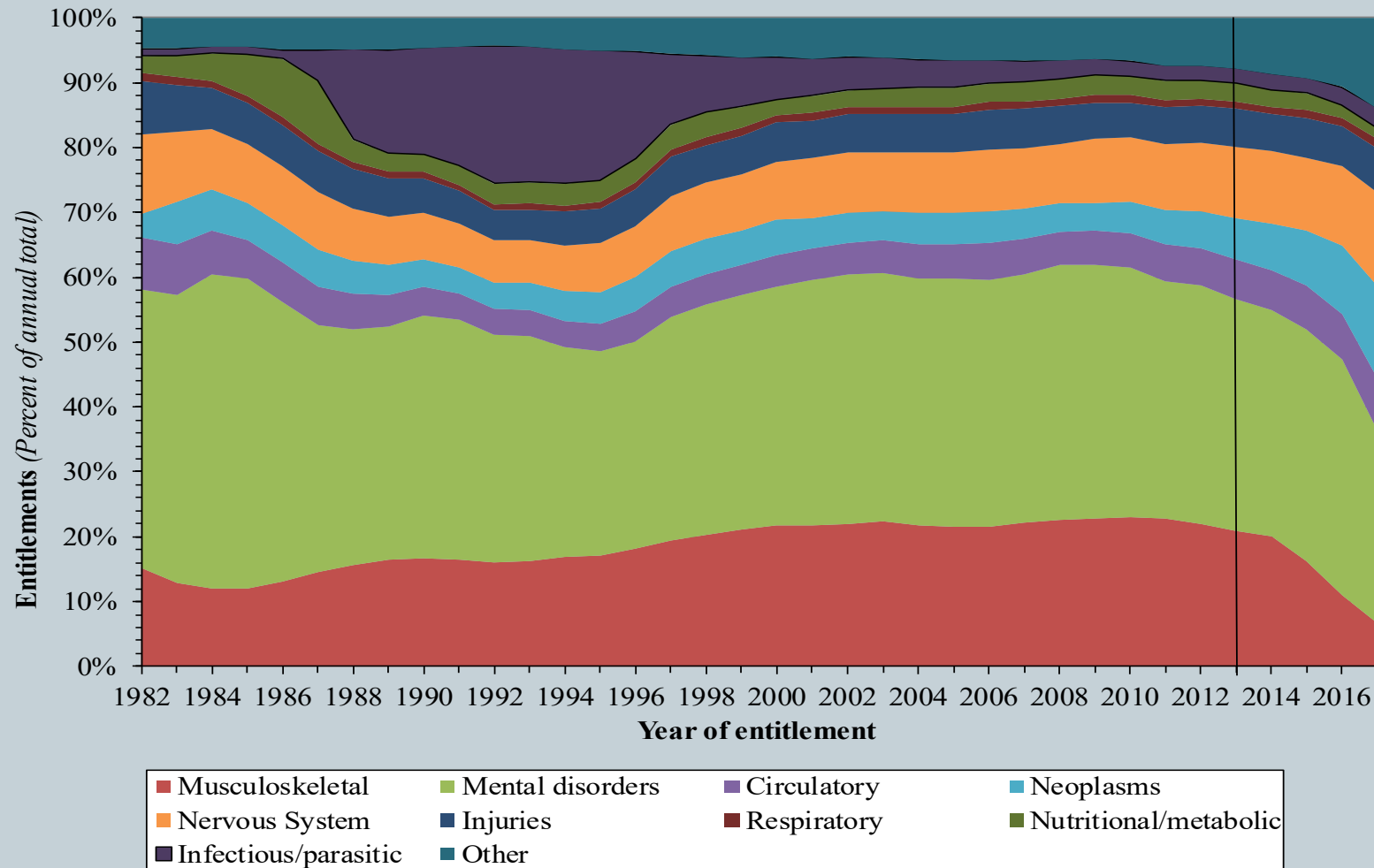
Female DIB Award Incidence Rates Ages 15-19



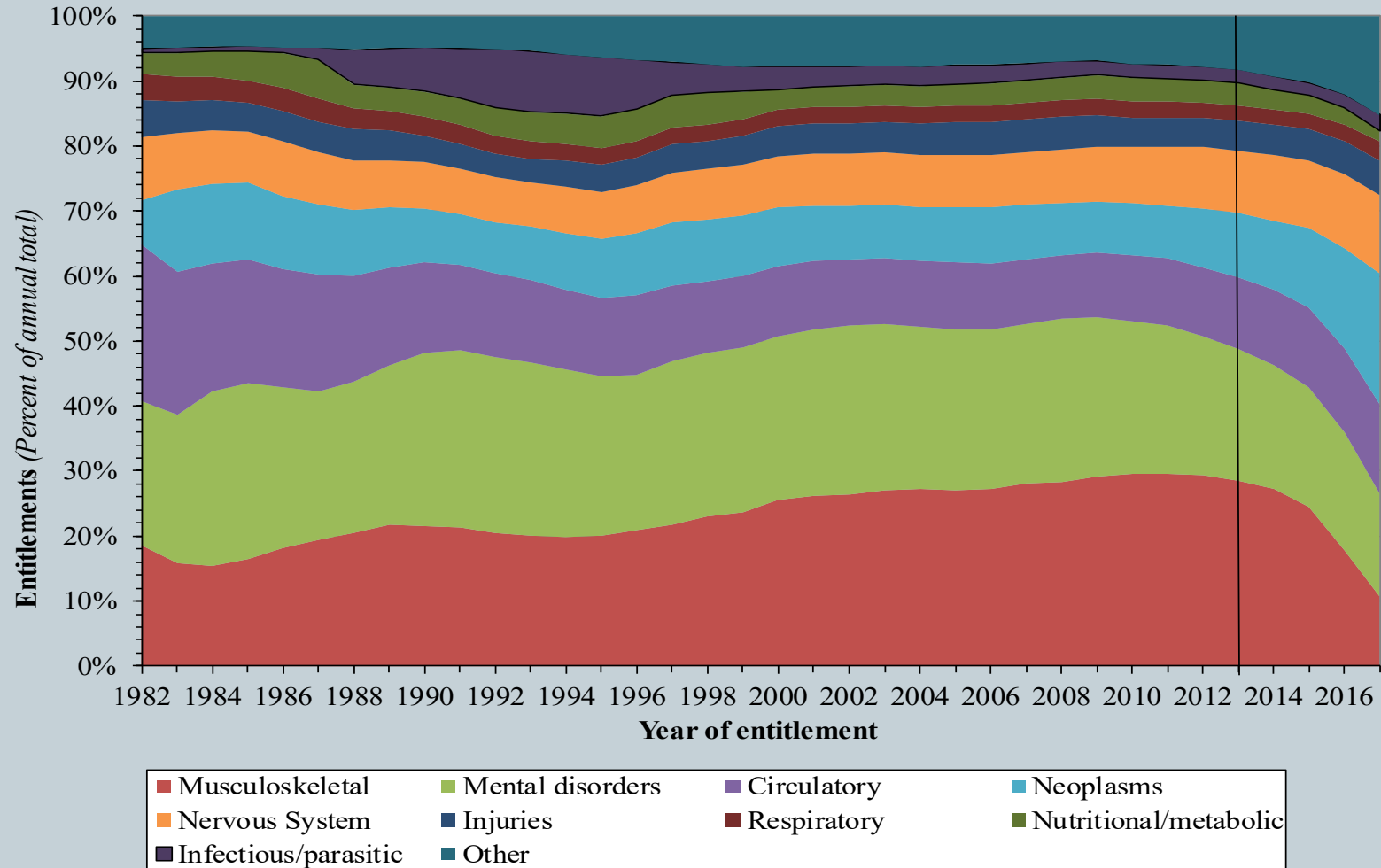
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *males under age 30 at entitlement*



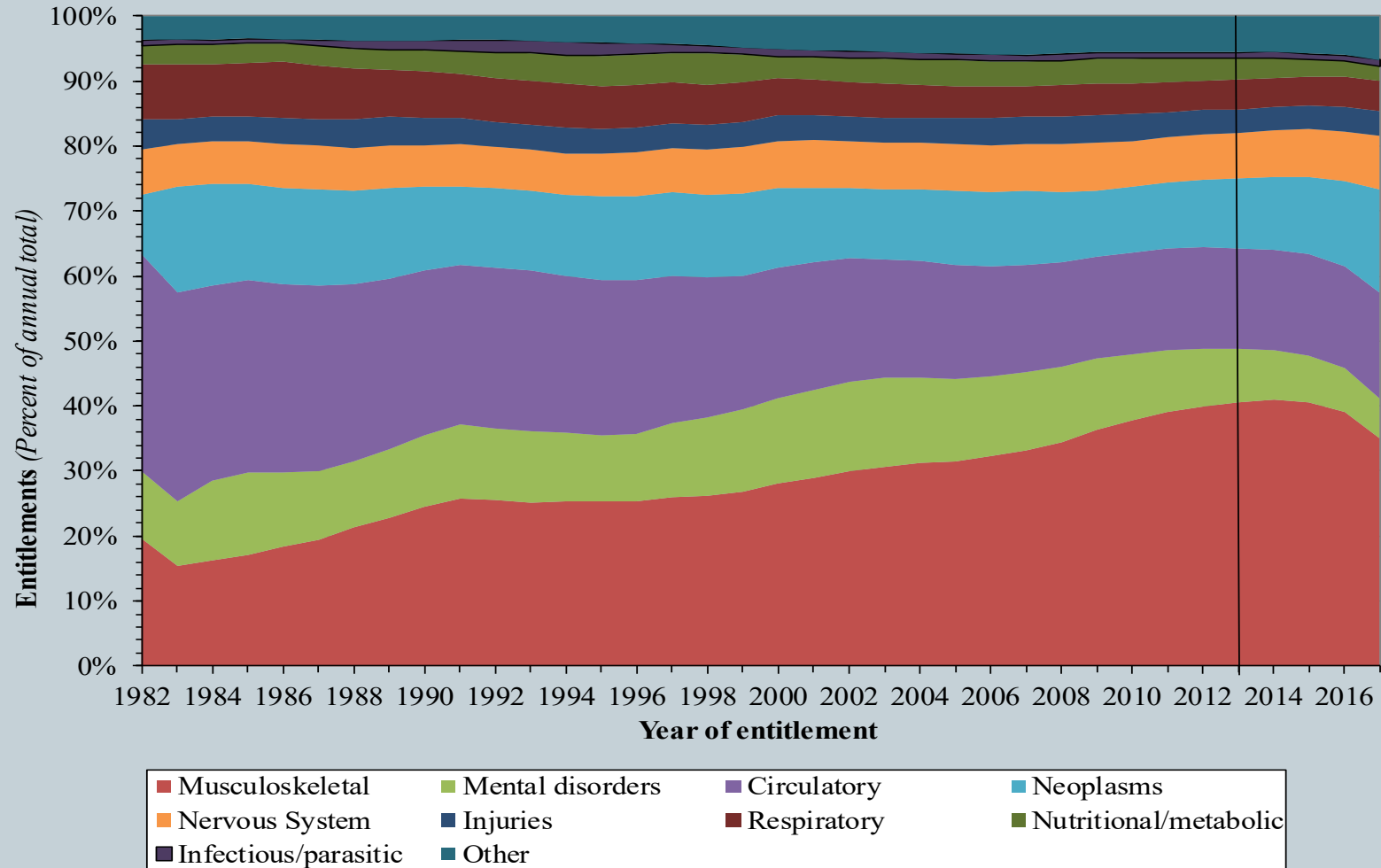
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *males age 30-39 at entitlement*



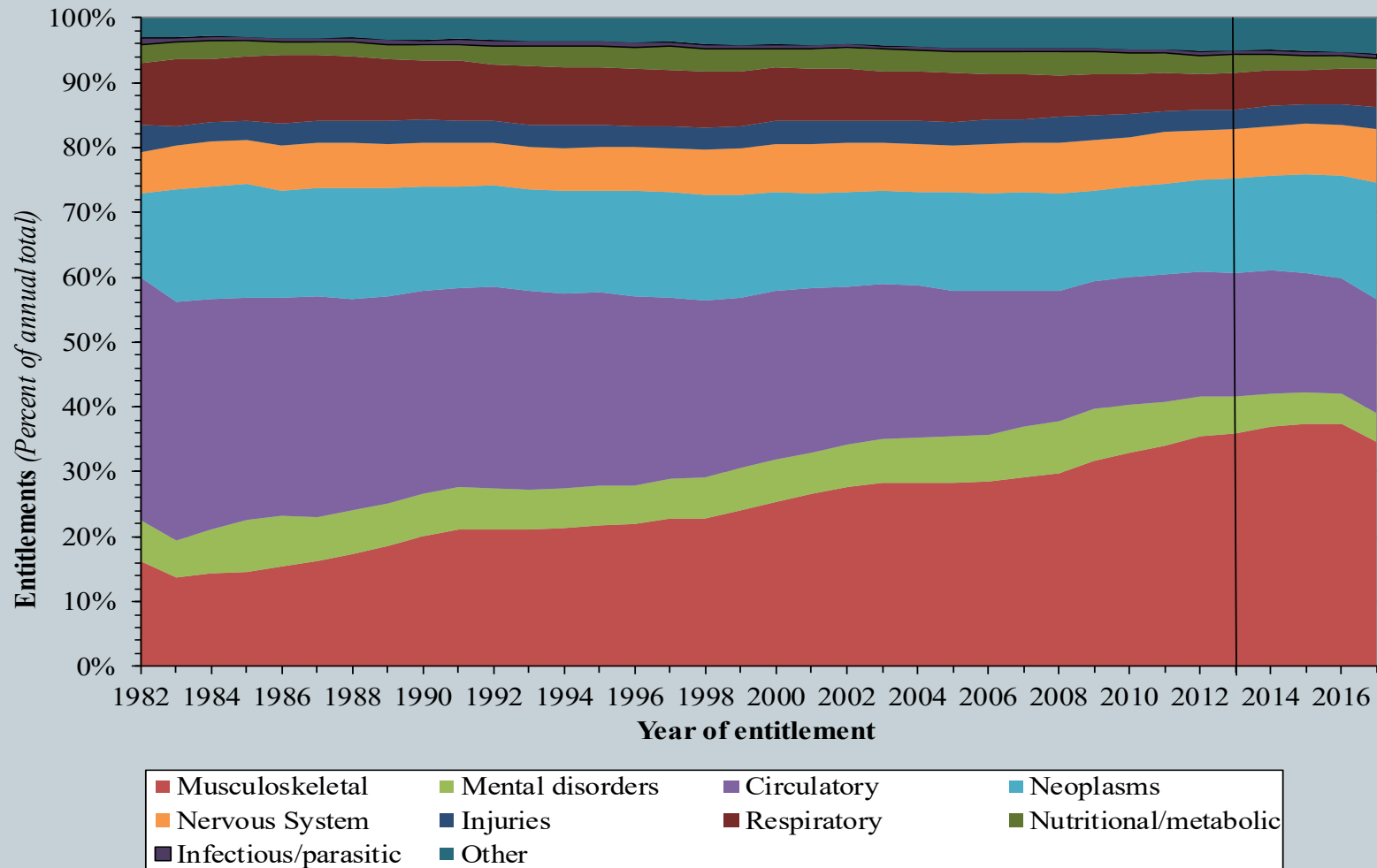
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *males age 40-49 at entitlement*



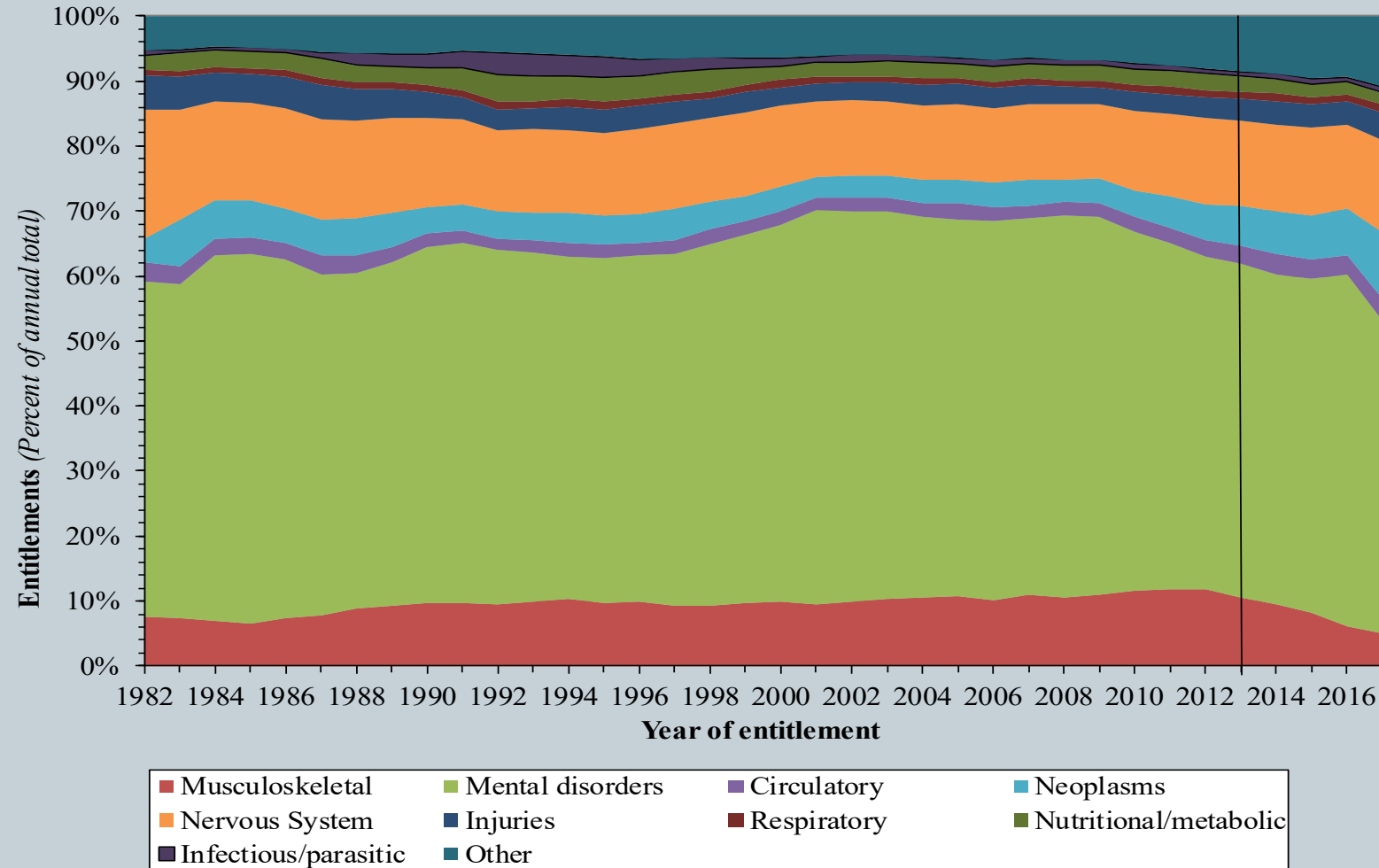
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *males age 50-59 at entitlement*



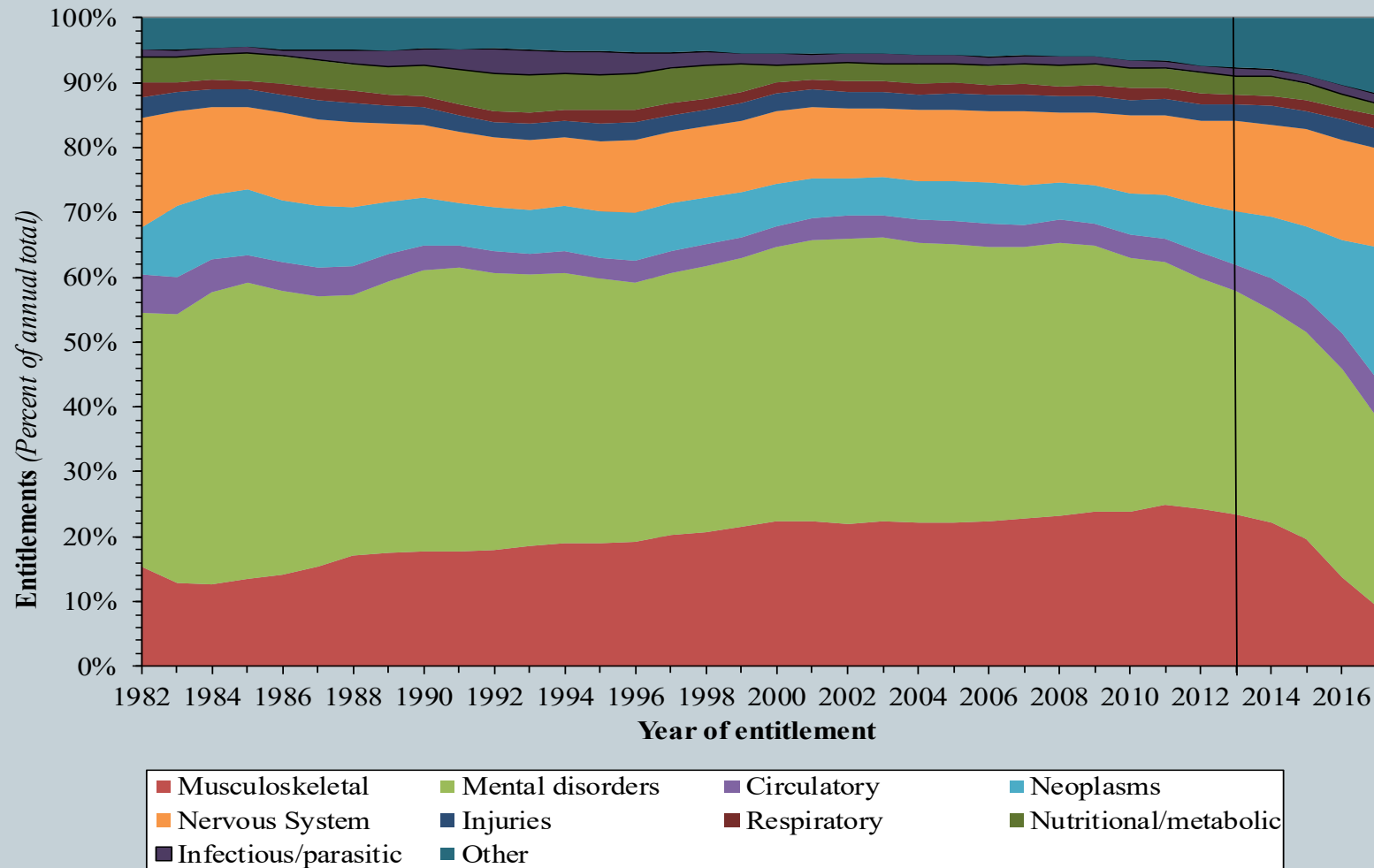
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *males age 60 and over at entitlement*



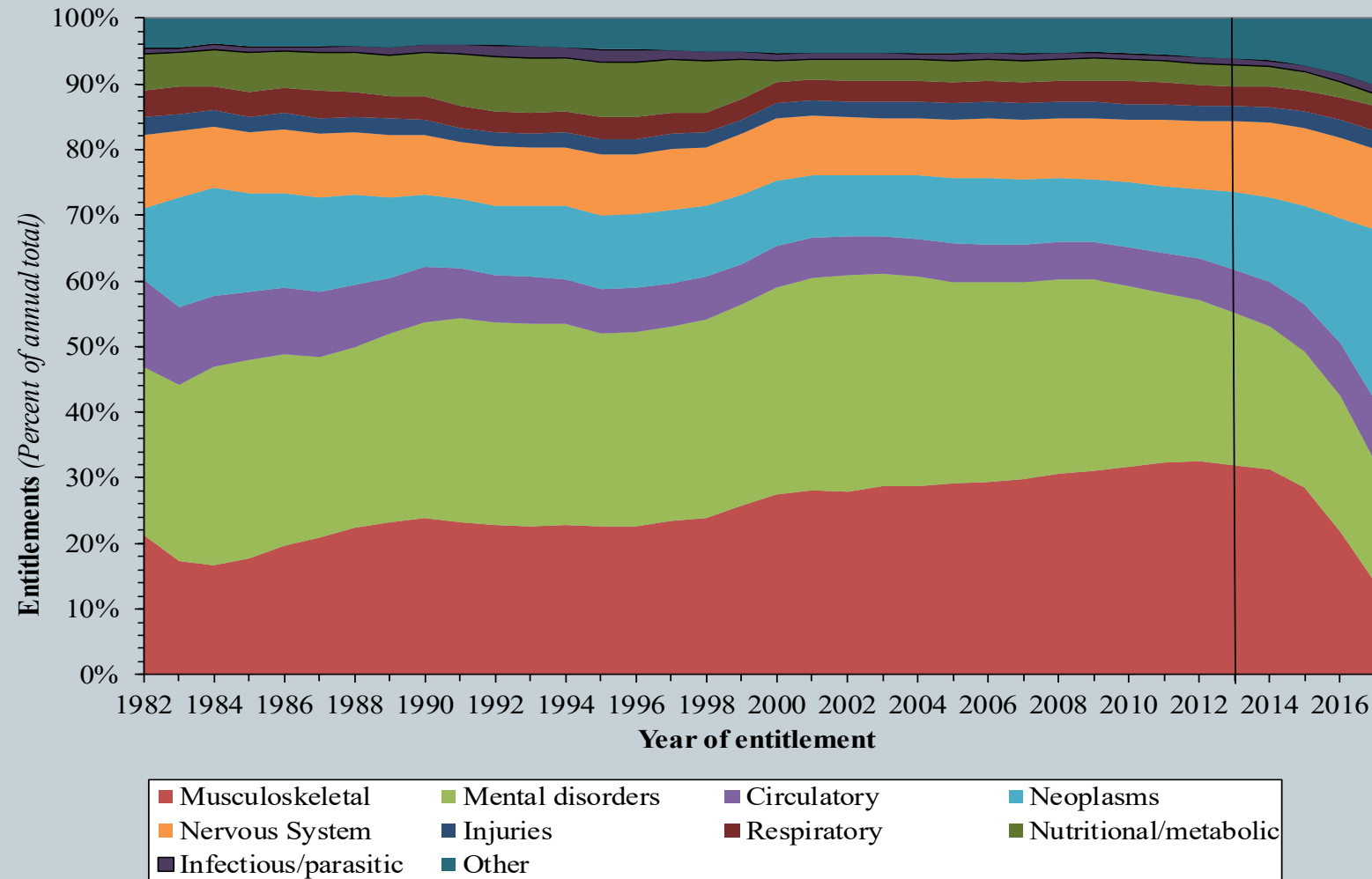
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *females under age 30 at entitlement*



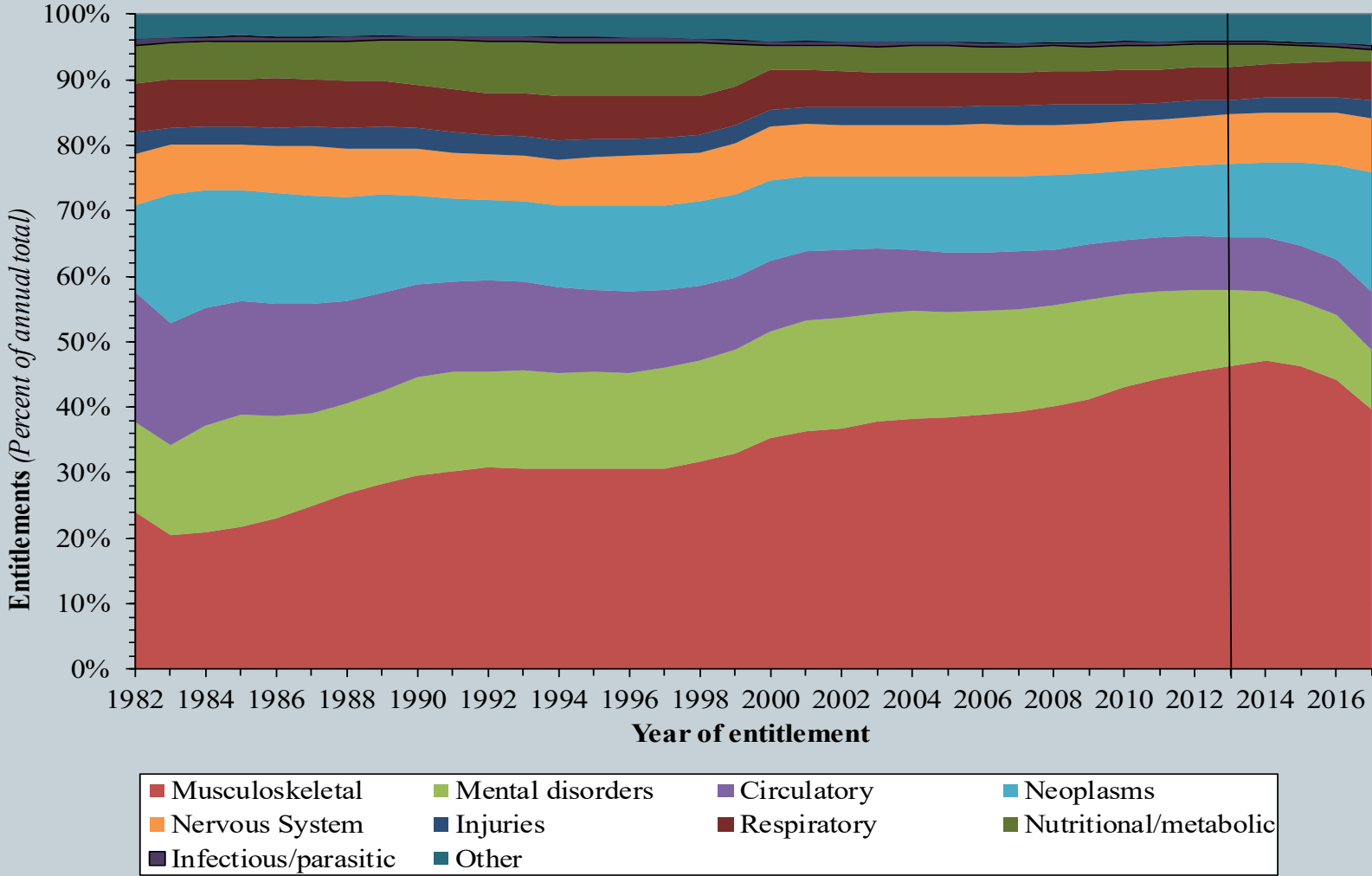
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *females age 30-39 at entitlement*



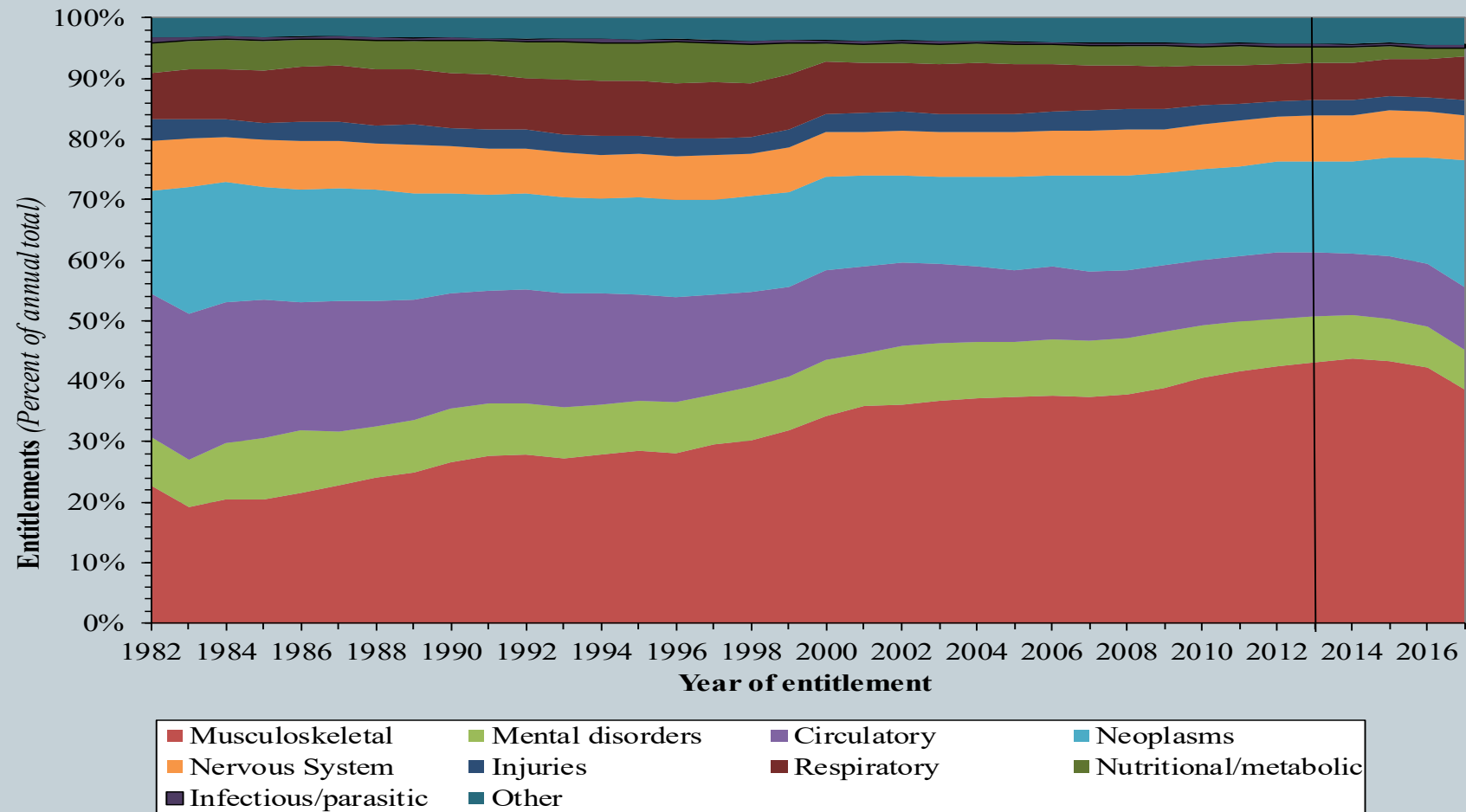
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *females age 40-49 at entitlement*



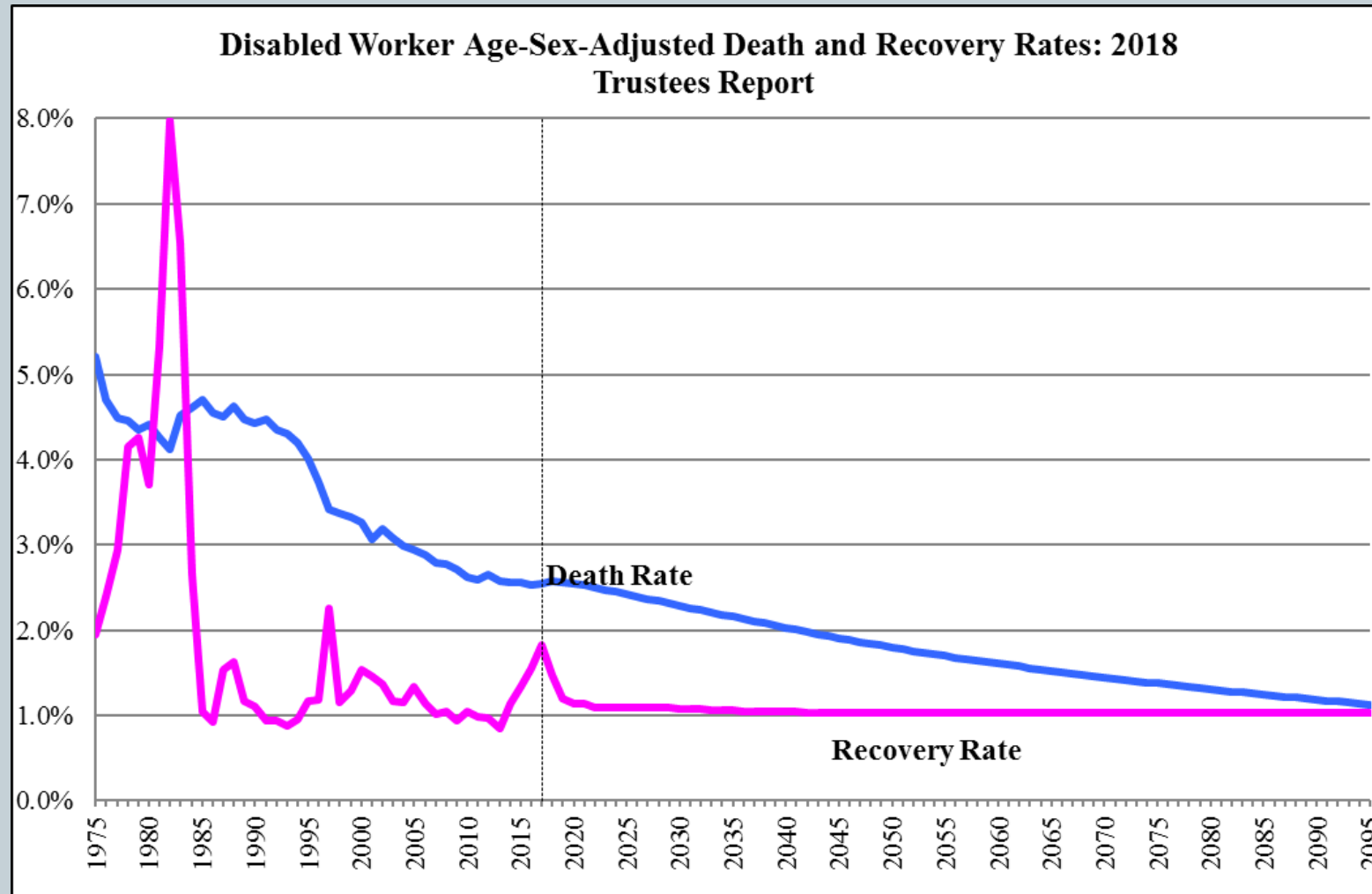
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *females age 50-59 at entitlement*



DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *females age 60 and over at entitlement*

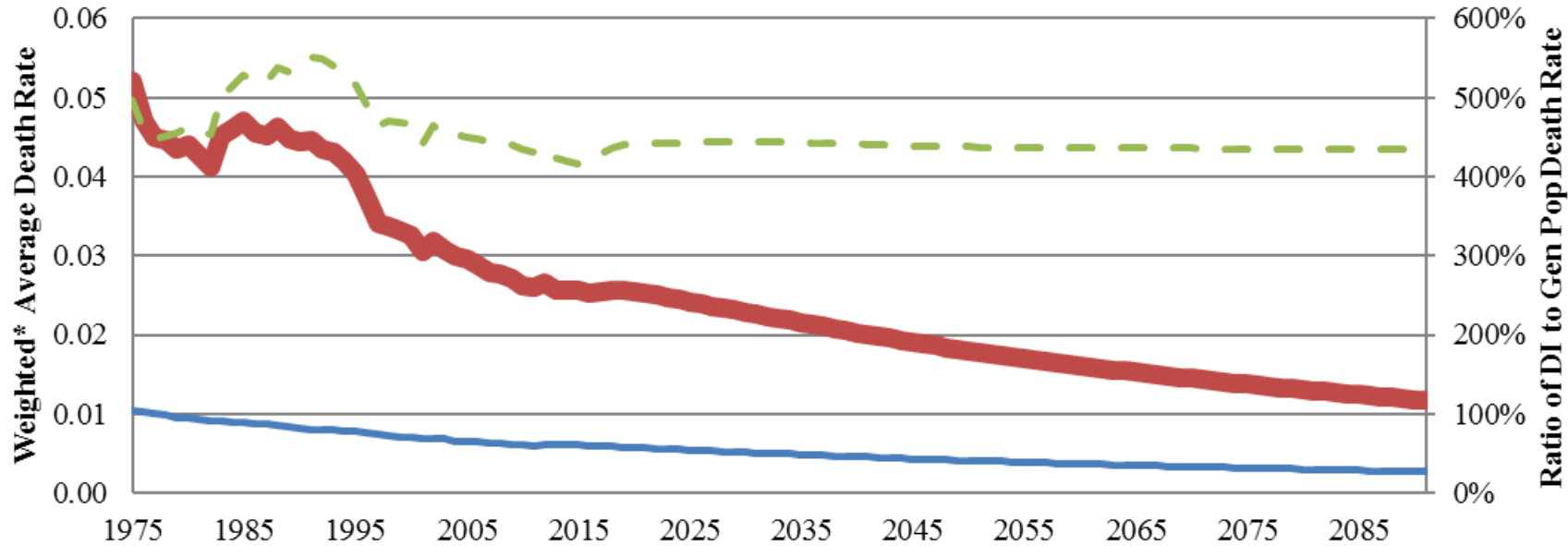


Age-Sex-Adjusted Death and Recovery Rates



Comparison of General Population Mortality to Disabled Worker Mortality

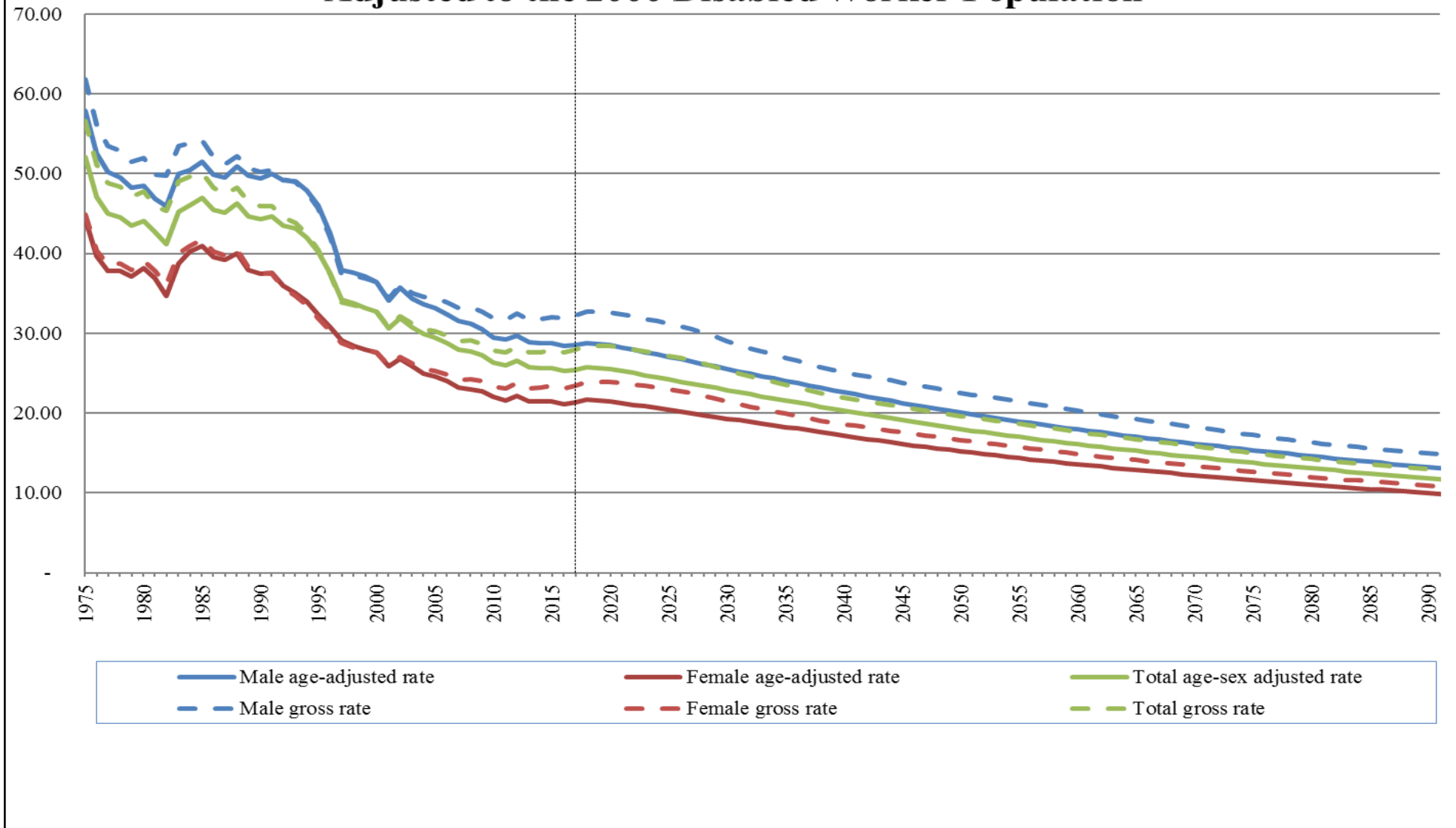
Age-Sex-Adjusted Comparison of SSA General Population Mortality to Disabled Worker Mortality*



* For purposes of comparison, the general population death rates and the disabled worker death rates are calculated using the year 2000 exposure from the disabled worker population. Historical data and projections are from the 2018 Trustees Report.

— DI Death Rate — General Population Death Rate - - - Ratio of DI to Gen Pop Death Rate

DI Disabled Worker Death Rates (per 1,000 Beneficiaries) Comparison of Gross and Age-Sex Adjusted to the 2000 Disabled Worker Population



DI Disabled Worker Recovery Rates (per 1,000 Beneficiaries) Comparison of Gross and Age-Sex Adjusted to the 2000 Disabled Worker Population

