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THE EVOLUTION OF SOCIAL SECURITY DISABLED WIDOW(ER)S' BENEFITS

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This paper traces the incremental evolution of the disabled widow(er)s benefit, profiles current and potential disabled widow(er) beneficiaries, and assesses proposals to expand protections provided by the benefit. The analysis draws upon government and other policy documents, interviews with policy actors and six years of pooled Current Population Survey data. The paper suggests that changes in benefit amounts or eligibility criteria for Disabled Widow(er)s benefits might provide an efficient means of targeting to a relatively small and primarily female group, at substantial economic risk.

THE DISABLED WIDOW(ER)S BENEFIT

Initially enacted in 1967, the disabled widow(er)s benefit now provides a permanently reduced cash benefit equal to 71 1/2 percent of the deceased spouse's primary insurance amount (PIA) to survivors ages 50 through 64 who do not have dependent children under age 16 and who meet Social Security eligibility criteria. These persons are eligible for Medicare benefits after a 24-month waiting period. In December, 2000 approximately 197,000 disabled widows and 5,000 disabled widowers receive a Disabled Widows Benefit with an average monthly benefit of \$519.66 (Social Security Bulletin, 2001). Among the most economically at risk Social Security beneficiaries, an estimated 37 percent of Disabled Widow(er)s have below-poverty incomes after benefit receipt (Walker, 1997).

The enactment and subsequent liberalization of disabled widow(er)s benefits, the paper suggests, conform to a pattern of cautious, incremental change. Although the executive branch initially favored a somewhat more expansive benefit, the congressional actors who shaped the 1967 legislation – especially those in the House of Representatives — sought to avoid large increases in program costs and work disincentives. Hence, a more restrictive benefit was enacted. Disabled widow(er)s under age 50 would not be eligible for the benefit. The test of disability was more restrictive than that used for disabled workers. The benefit amount was permanently reduced, scaled between 50 percent of the deceased workers PIA for those accepting the benefit at age 50 and 71 1/2 percent of the PIA for those accepting benefits at age 60. Although beneficiaries would now qualify for health insurance protection under the Medicare program, cost concerns influenced the adoption of a 24 month waiting period.

The periodic and often bipartisan support for modest expansions of protection since 1967 have been based on three understandings: 1) that the disabled widow(er)s benefit has been successfully implemented, 2) that support for disabled widow(er)s has political and symbolic appeal and 3) that the cost of strengthening this benefit has been practically negligible.

The 1983 Amendments to the Social Security Act increased disabled widow(er)s benefits to 71 ½ percent of the deceased worker's PIA for those receiving benefits prior to age 60, an estimated cost of 0.01 percent of taxable payroll and enacted changes that allowed for the continuation of benefits for remarried disabled surviving spouses aged 50-59, and for remarried disabled divorced surviving spouses aged 50-59. The Omnibus Budget Reconciliation Act of 1981 repealed the more restrictive test of disability. Age, education and work experience are now considered as pertinent factors in determining a disabled widow(er)s disability status. Mainly as a result of this liberalization in the definition of disability, the number of disabled widow(er)s receiving a disabled widow(er)s benefit nearly doubled.

PROFILE OF CURRENT AND POTENTIAL DISABLED WIDOW BENEFICIARIES

The data presented in the study provide very strong evidence of economic need among disabled widow beneficiaries. Average monthly benefits of disabled widows and widowers is substantially below that of nondisabled widow beneficiaries \$525.55 for disabled widows under age 62 compared to \$775.29 for nondisabled widows and \$598.39 for surviving mothers whose child/children also receive monthly survivors benefits. Relative to their representation in the population, a disproportionately large number of African Americans (about 40,000 compared to 146,000 white Americans) receive disabled widows benefits and these monthly benefits are, on average, smaller – averaging \$465.90 for African American disabled widows compared to \$542.70 for White disabled widows. (Social Security Bulletin, 2001).

The analysis also used six years of Current Population Survey: March Annual Demographic Files data (1995-2000) to develop a rough profile of the economic status of current and potential disabled widow(er)s. The structure of the CPS Survey imposes significant limitations on its utility with regard to our analysis. For example, the CPS identifies Social Security beneficiaries, but it does not allow for the identification of type of beneficiary. We developed a sample (n=2197) of persons roughly comparable to current and potentially eligible disabled widow(er)s, with three sub-samples of widows – 1) “disabled” widows who receive Social Security benefits and do not have children under the age of 19 (n=159), 2) “disabled” widows who do not receive Social Security benefits and do not have children under age 16 (n=132) and 3) all remaining like-aged widows who are not “disabled (n=1906).”

The data indicate that compared to the nondisabled group, both groups defining themselves as disabled have substantially lower levels of educational attainment, substantially higher levels of household poverty and economic need, substantially less private health insurance coverage and greater participation publicly-funded health programs. About three-fourths of the households in which nondisabled widows reside have incomes equal to or greater than 150 percent of the poverty line compared to a little more than one-quarter of the households with disabled widows who receive Social Security benefits and only one-tenth of the disabled widows households who do not receive benefits. Roughly similar proportional difference exists with regard to private health insurance coverage. One half of the households receiving Social Security and three-fourths of those that do not receive such benefits, have household incomes below the poverty threshold.

POLICY ANALYSIS AND CONCLUSION

Various proposals for liberalization of the disabled widow(er)s benefit have been put forth including 1) eliminating of the age 50 requirement making Disabled Widow(er)s benefits available to severely disabled widow(er)s of any age; 2) eliminating of the seven-year deadline for a surviving spouse to qualify for benefits on the basis of disability; 3) increasing the Disabled Widow(er)s benefit to 100 percent of the deceased spouse's PIA at age 65; 4) increasing the Disabled Widow(er)s benefit to pay 100 percent of the deceased spouse's PIA at any age; 5) eliminating the 24 month Medicare Waiting Period and 6) amending the SSI Program to Preserve Medicaid eligibility of disabled widow(er)s who become ineligible for SSI due to an increase in their benefits or because they have become eligible for a Disabled Widow(er)s benefit for the first time.

Policymakers of both parties seem to have little resistance to marginal improvements in this area. Hence, the analysis in this paper suggests that proposals to strengthen disabled widow(er)s protections present a rare opportunity to make small, but meaningful improvement, in a benefit that primarily targets to women. Given the scope of problems besetting the politics of Social Security, substantial reform in this area (e.g., eliminating the 24 month waiting period) seems unlikely. Still, modest, lowcost reforms can benefit some among this at-risk population and are worth pursuing.

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