



## SOCIAL SECURITY

Office of the Chief Actuary

June 17, 2021

The Honorable Ron Wyden  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

The Honorable Bill Cassidy  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

The Honorable John Larson  
Subcommittee on Social Security  
Committee on Ways and Means  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Tom Reed  
Subcommittee on Social Security  
Committee on Ways and Means  
United States House of Representatives  
Washington, D.C. 20515

Dear Chairman Wyden, Senator Cassidy, Chairman Larson, and Ranking Member Reed:

I am writing in response to your request for our estimate of the financial effects on the Social Security Trust Funds of the “Work Without Worry Act,” which you introduced today. This Bill would change current law so that individuals with a qualifying medically-determined disabling impairment that can reasonably be presumed to have begun before attaining age 22 may qualify for an initial childhood disability benefit after attaining age 22, regardless of whether they have worked at the level of substantial gainful activity after attaining age 22. Our analysis and estimates reflect the efforts of many in the Office of the Chief Actuary, but particularly Chris Chaplain, Daniel Nickerson, Kyle Burkhalter, Anna Kirjusina, Michael Stephens, and Karen Glenn.

Under current law, an individual may not become initially entitled for a childhood disability benefit based on a qualifying worker’s earnings record (generally a parent’s earnings record) if the individual has worked at the level of substantial gainful activity after age 22, because such prior earnings are deemed to indicate that the individual has not been continuously disabled starting before attainment of age 22. Enactment of this bill would instead require that the qualifying physical and/or mental impairments establish disability without regard to any post-age 22 earnings.

The draft bill further specifies that any individual applying for a childhood disability benefit before attaining age 62 who is disability insured will be deemed to have applied for a disabled worker benefit, and any individual applying for a childhood disability benefit after attaining age 62 who is fully insured will be deemed to have applied for a retired worker benefit.

These changes would be effective for applications made on or after the 24<sup>th</sup> month after enactment of the bill. The intent, as stated in the bill, is to “eliminate work disincentives for childhood disability beneficiaries.”

We estimate that if the provision in this bill to allow initial childhood disability entitlement regardless of any SGA earnings past age 22 were already in the law, then the number of individuals currently entitled for childhood disability benefits would be about 6,000 higher than it is under current law (1.15 million as of December 2020). With assumed enactment of the bill on July 1, 2021, most of the full 6,000 increase would be realized by 2030. The program benefit cost for the OASDI program would be increased by about \$280 million over the period 2021 through 2030 as a result of enacting this bill.

Over the 75-year long-range projection period, we estimate that enactment of the bill would increase OASDI program cost by a negligible amount (less than 0.005 percent of taxable payroll), thus having no significant effect on the OASDI actuarial balance. These estimates reflect the updated baseline of the 2020 Trustees Report intermediate projections.<sup>1</sup>

We hope these estimates will be helpful. Please let us know if we may provide further assistance.

Sincerely,

A handwritten signature in black ink that reads "Stephen C. Goss". The signature is written in a cursive style with a large initial 'S' and a long, sweeping underline.

Stephen C. Goss, ASA, MAAA  
Chief Actuary

---

<sup>1</sup> See [https://www.ssa.gov/oact/solvency/UpdatedBaseline\\_20201124.pdf](https://www.ssa.gov/oact/solvency/UpdatedBaseline_20201124.pdf) for details.