

Why GAO Did This Study

The DI and UI trust funds face serious fiscal sustainability challenges. In addition to other services, both programs provide cash benefits to their targeted populations to replace lost earnings. DI is available to workers who are unable to engage in SGA because of physical or mental impairments expected to last at least 12 months or result in death. SGA is defined as work activity that involves significant physical or mental activities performed for pay or profit. UI provides temporary cash benefits to eligible workers who are able to work but remain involuntarily unemployed.

GAO was asked to determine the extent to which individuals received DI and UI benefits concurrently. To do so, GAO matched unemployment files with SSA disability files for fiscal year 2010. GAO also reviewed DI and UI case files for a nongeneralizable selection of 8 individuals – 4 from the top 50 recipients of concurrent DI and UI benefits in fiscal year 2010, and 4 who received UI benefits based on wages from multiple states. These examples cannot be generalized beyond those presented.

What GAO Recommends

DOL should work with SSA to (1) evaluate overlapping DI and UI cash benefit payments, taking appropriate action for any improper payments, and (2) assess whether cost savings or other benefits might be achieved by reducing or eliminating overlapping DI and UI cash benefit payments being made within the existing laws and regulations, seeking congressional authority to do so as appropriate. DOL and SSA agreed with the recommendations.

View [GAO-12-764](#). For more information, contact Richard J. Hillman at (202) 512-6722 or hillmanr@gao.gov.

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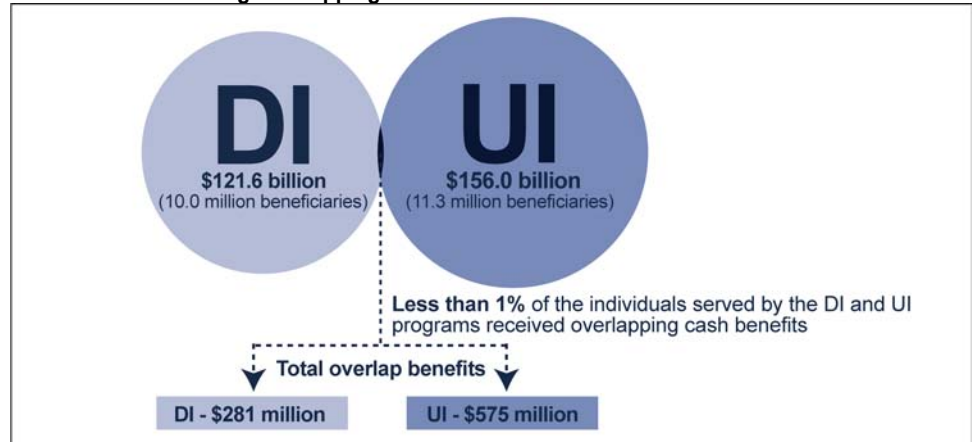
INCOME SECURITY

Overlapping Disability and Unemployment Benefits Should be Evaluated for Potential Savings

What GAO Found

In fiscal year 2010, 117,000 individuals received concurrent cash benefit payments from the Disability Insurance (DI) and Unemployment Insurance (UI) programs of more than \$850 million, which is allowable in certain circumstances under current program authority. While these individuals represented less than 1 percent of the total beneficiaries of both programs, the cash benefits they received totaled over \$281 million from DI and more than \$575 million from UI. One individual GAO selected for further investigation received over \$62,000 in overlapping benefits in a year. Based on GAO inquiries, state UI officials are reviewing the person's UI eligibility because of earnings that may be related to work that makes the person ineligible for UI benefits.

Beneficiaries Receiving Overlapping DI and UI Benefits in Fiscal Year 2010



Source: GAO analysis of data from the Social Security Administration and Department of Health and Human Services.

Under certain circumstances, individuals may be eligible for concurrent cash benefit payments due to differences in DI and UI eligibility requirements. Specifically, the Social Security Administration's (SSA) definition of a disability involves work that does not rise to the level of substantial gainful activity (SGA). In 2010, a monthly income of \$1,000 or more for a non-blind beneficiary generally demonstrated SGA. In contrast, the Department of Labor allows states' determination of "able and available for work" eligibility criteria for UI benefits to include work that does not rise to the level of SGA. Therefore, some individuals may have a disability under federal law but still be eligible for UI under state law because they are able and available for work that does not rise to the level of SGA. Although DI and UI generally provide separate services to separate populations—and thus are not overlapping programs—the concurrent cash benefit payments for individuals eligible for both programs are an overlapping benefit when both replace lost earnings. While SSA must reduce DI benefits for individuals receiving certain other government disability benefits, such as worker's compensation, no federal law authorizes an automatic reduction or elimination of overlapping DI and UI benefits. As a result, neither SSA nor DOL has any processes to identify these overlapping payments. Reducing or eliminating overlapping or improper payments could offer substantial savings, though actual savings are difficult to estimate because the potential costs of establishing mechanisms to do so are not readily available.