

Promoting Opportunity for Disability Benefit Applicants Act (H.R. 2135)

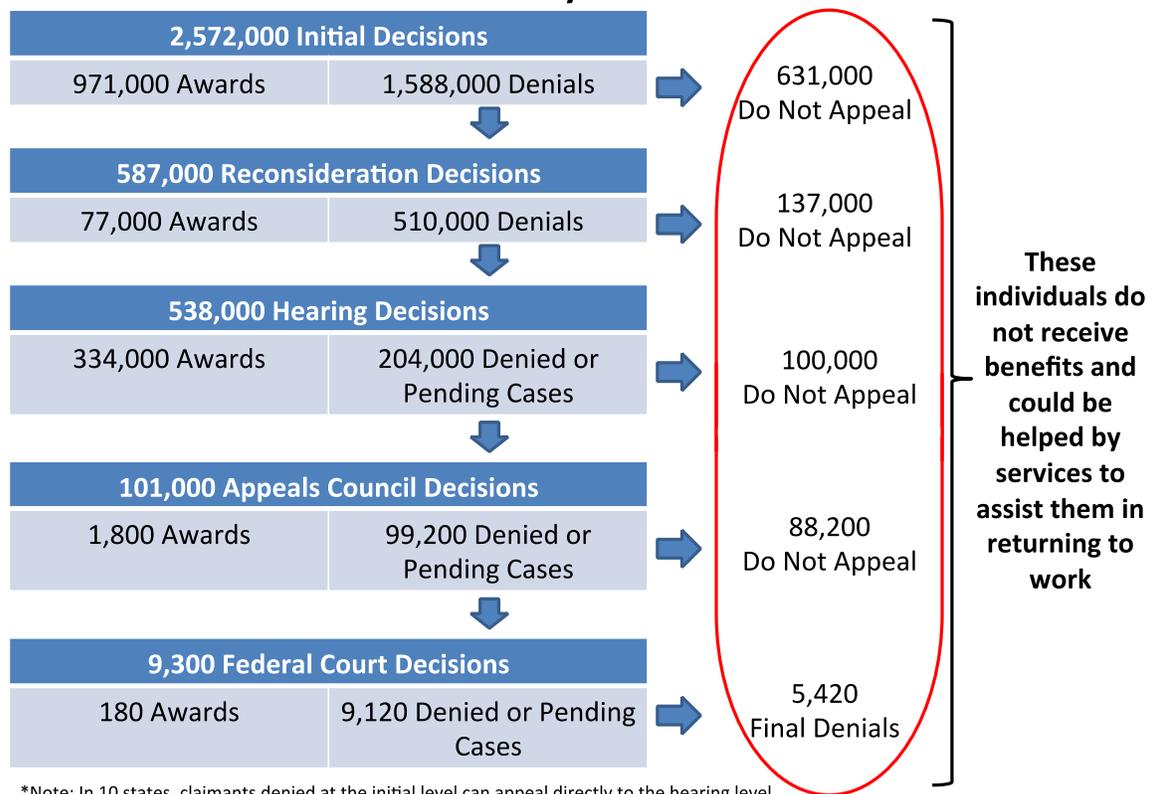
Part of [Chairman Johnson's Commitment](#) is to 'promote opportunity' for those with disabilities. This includes those who apply for Disability Insurance benefits but ultimately are not awarded benefits.

To help people return to work, the bill authorizes the Commissioner of Social Security to provide denied applicants information on employment support services – both public and private non-profits, so that they may reenter the workforce and not continue to cycle through the application process. This would not affect individuals as they move through the appeals process, except as it relates to them being more likely to find employment.

Currently, a lengthy application process leads to a wait of over 100 days on average for an initial decision regarding a claim for benefits, time spent out of the workforce trying to prove the claim.

For those workers whose application is denied, many appeal and rightfully are awarded benefits at a later stage in the appeals process. However, some applicants are denied because they should be able to engage in substantial gainful activity.

Outcome of Disability Claims Filed in 2008



*Note: In 10 states, claimants denied at the initial level can appeal directly to the hearing level
Source: Social Security Administration

This time out of the workforce reduces the employment of *denied applicants* by 2.4 percentage points.¹

In addition to the affect on employment, over 60% of those denied benefits by an Administrative Law Judge are subsequently allowed benefits within 10 years.²

A similar idea has been proposed by the Obama Administration³ and the Bush Administration⁴ because such services “might have a salutary effect on their health and enable them to enter and remain in the work workforce when they otherwise might not” and could reduce reapplications for benefits.⁵ This bill also has the support of Easter Seals and the National Council of Disability Determination Directors.

¹ David H. Autor, Nicole Maestas, Kathleen J. Mullen, Alexander Strand, *Does Delay Cause Decay? The Effect of Administrative Decision Time on the Labor Force Participation and Earnings of Disability Applicants* (January 2015) <http://economics.mit.edu/files/10336>

² French, Eric, and Jae Song. 2014. "The Effect of Disability Insurance Receipt on Labor Supply." *American Economic Journal: Economic Policy*, 6(2): 291-337. <https://www.aeaweb.org/articles.php?doi=10.1257/pol.6.2.291>

³ Social Security Miscellaneous Amendments of 2009, submitted December 2, 2009.

⁴ Social Security Miscellaneous Amendments of 2008, submitted May 20, 2008.

⁵ Prior to the Ticket to Work and Work Incentives Improvement Act of 1999 (Pub .L. No. 106-170), Section 222(a) of the Social Security Act authorized the Commissioner to refer individuals denied disability benefits to state Vocational Rehabilitation agencies for employment support services.