

Testimony for the Record
Submitted to the
United States House Committee on Ways and Means
Subcommittee on Social Security
Subcommittee on Work and Welfare
for the Hearing
“Untapped Talent in America: Removing Barriers to Work and Supporting Opportunity for Individuals
with Disabilities”
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INTRODUCTION

Chairman Estes, Chairman LaHood, Ranking Member Larson, Ranking Member Davis, and distinguished members of the Subcommittees—thank you for inviting me here to discuss what I have learned about barriers to and facilitators of employment for people with disabilities who receive income support through the Social Security Administration (SSA).

My name is Denise Hoffman, and I am a principal researcher at Mathematica, an independent organization that delivers evidence-based solutions to optimize the effectiveness, efficiency, and impact of programs and policies that improve outcomes for people and communities.

For 15 years, I have worked on disability policy, including program participation, employment, health, healthcare, and the well-being of people with disabilities. My expertise is in analyzing initiatives meant to help people with disabilities access services, return to work, and establish financial independence. I currently direct an evaluation of SSA’s Ticket to Work program and previously directed Mathematica’s evaluation of SSA’s Benefit Offset National Demonstration (BOND). I have also conducted numerous studies of SSA’s work-related overpayments. My testimony today is based on these experiences.

WORK AMONG PEOPLE WITH DISABILITIES TODAY

People with disabilities who meet stringent eligibility criteria may receive cash benefits and health insurance coverage as an earned insurance benefit through Social Security Disability Insurance (SSDI) or as a safety net support through Supplemental Security Income (SSI). To qualify, someone must have a severe impairment expected to last for at least one year or result in their death. SSA’s data show that about two in 10 beneficiaries die within the first five years of being awarded benefits ([Barrick-Funk 2020](#)), highlighting the severity of their disability. Most nonworking beneficiaries (90%) report that a physical or mental condition prevents them from working ([SSA 2025a](#)).

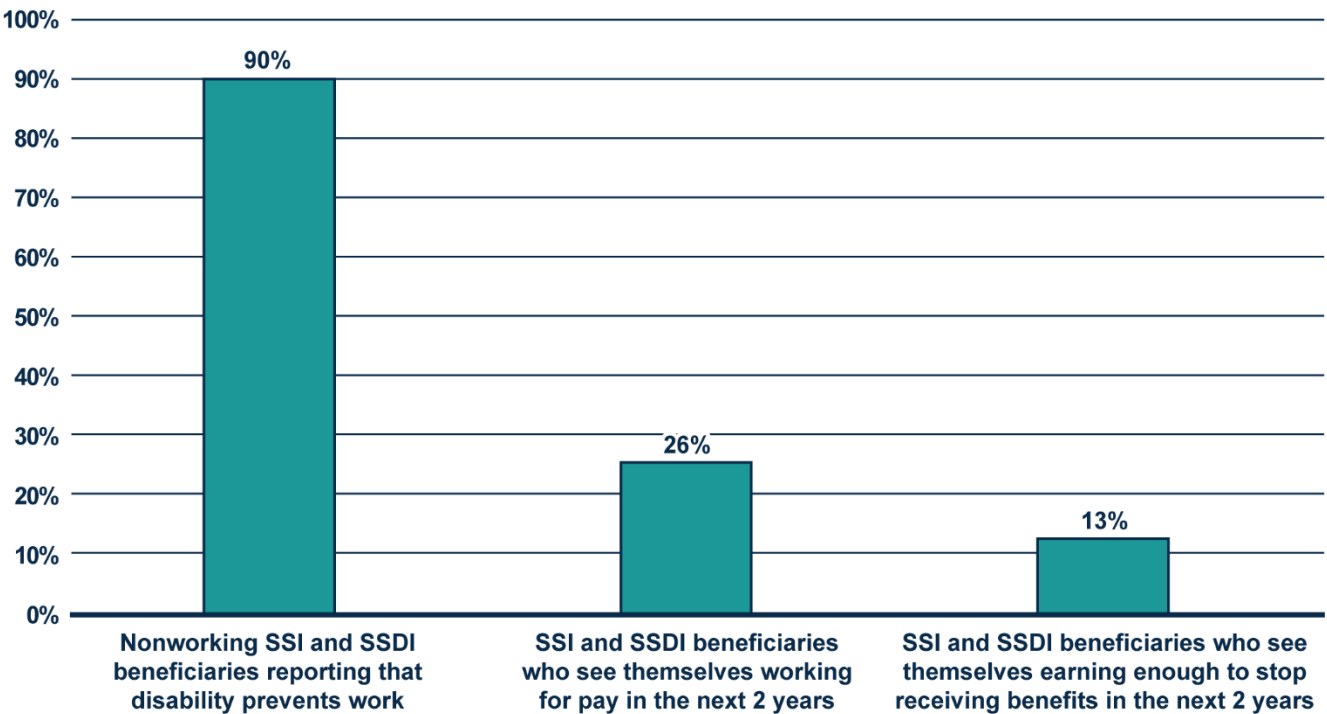
Some beneficiaries, however, appear to have some capacity to work. Previous research indicates that, for a small subgroup of SSDI awardees, employment rates would have been more than 16 percentage points

higher in the following years had they instead been denied benefits ([Maestas et al. 2013](#)).¹ This suggests that program participation hinders some beneficiaries' pursuit of employment. Program rules and requirements may contribute to this outcome, but the exact reasons remain unclear.

In addition, some beneficiaries report having work-related goals and expectations. One quarter (26%) of SSI and SSDI beneficiaries surveyed in 2019 had work-related goals and saw themselves working for pay in the following two years ([SSA 2025a](#)). Some beneficiaries (13%) expected to earn enough to stop receiving benefits in the next two years ([SSA 2025a](#)).

Employment can be an important goal for SSA disability beneficiaries, with the potential to impart numerous psychological benefits and improve their financial status. This is particularly important because roughly 20% to 25% of SSDI beneficiaries live in poverty ([Messel and Trenkamp 2022](#); [CBPP 2025](#)). If SSDI benefits were not available, many more (that is, half of SSDI beneficiaries) would be in poverty, highlighting the importance of these benefits in beneficiaries' lives ([Bailey and Hemmeter 2015](#)).

Exhibit 1. Beneficiaries' employment expectations, by program



Source: [SSA 2025a](#).

¹ This research focused on the subset of applicants for whom benefit award or denial depended on the person assigned to review their initial disability application. The estimates suggest that 12% of awarded beneficiaries are in this group. Another study, focused on those appealing their application denial at a court hearing, also documented evidence of work capacity among a subset of those applicants ([French and Song 2014](#)).

CHALLENGES TO DISABILITY EMPLOYMENT

SSI and SSDI beneficiaries who want to work should have the opportunity to pursue their work goals and contribute to the economy. The current SSI and SSDI disability systems, however, can create barriers to work. These include (1) limited beneficiary awareness and understanding of program supports and features, (2) program complexity that creates implementation challenges, and (3) certain program features—called work incentives—that can act as disincentives to work. Together, these barriers leave beneficiaries struggling to navigate a system misaligned with their goals of work and independence, while also burdening SSA with complex workloads and taxpayers with unnecessary costs.

SSA offers more than a dozen types of SSDI and SSI work incentives or supports designed to encourage beneficiaries to work ([SSA 2025b](#)). Several SSDI work incentives allow beneficiaries to test work for roughly one year, after which their earnings over a certain amount—referred to as substantial gainful activity—require SSA to withhold or terminate SSDI benefits. Several other SSDI work incentives make exceptions to the rules requiring benefits to stop when a beneficiary has earnings that exceed the substantial gainful activity amount.² One example is impairment-related work expenses, which allow beneficiaries to deduct work expenses from earnings counted toward the substantial gainful activity threshold. SSI recipients have a different set of program rules. SSI recipients can earn up to \$85 and retain their cash benefits. For earnings above that amount, SSI benefits are reduced by \$1 for every \$2 in earned income.

SSA also offers employment services and supports, most notably through the Ticket to Work program. As part of the 1999 legislation creating Ticket to Work, SSA also created the Work Incentives Planning and Assistance (WIPA) program. WIPA staff provide benefit counseling support to beneficiaries who are working or about to start work.

Challenge #1: Limited beneficiary awareness and understanding of program supports and features

For program supports and features to be effective, beneficiaries must be aware of them and understand how they work. Although many of these incentives have been around for decades, awareness of work incentives and supports among beneficiaries is low. For example, one SSDI work incentive that allows beneficiaries to test their ability to work is called the Trial Work Period. It was established in 1960, yet recent survey data indicate that only about one-third (35%) of beneficiaries are aware of the Trial Work Period ([SSA 2025a](#)). Awareness rates for SSI-specific work incentives are even lower, with 5% to 15% of SSI recipients reporting awareness of particular provisions ([SSA 2025a](#)).

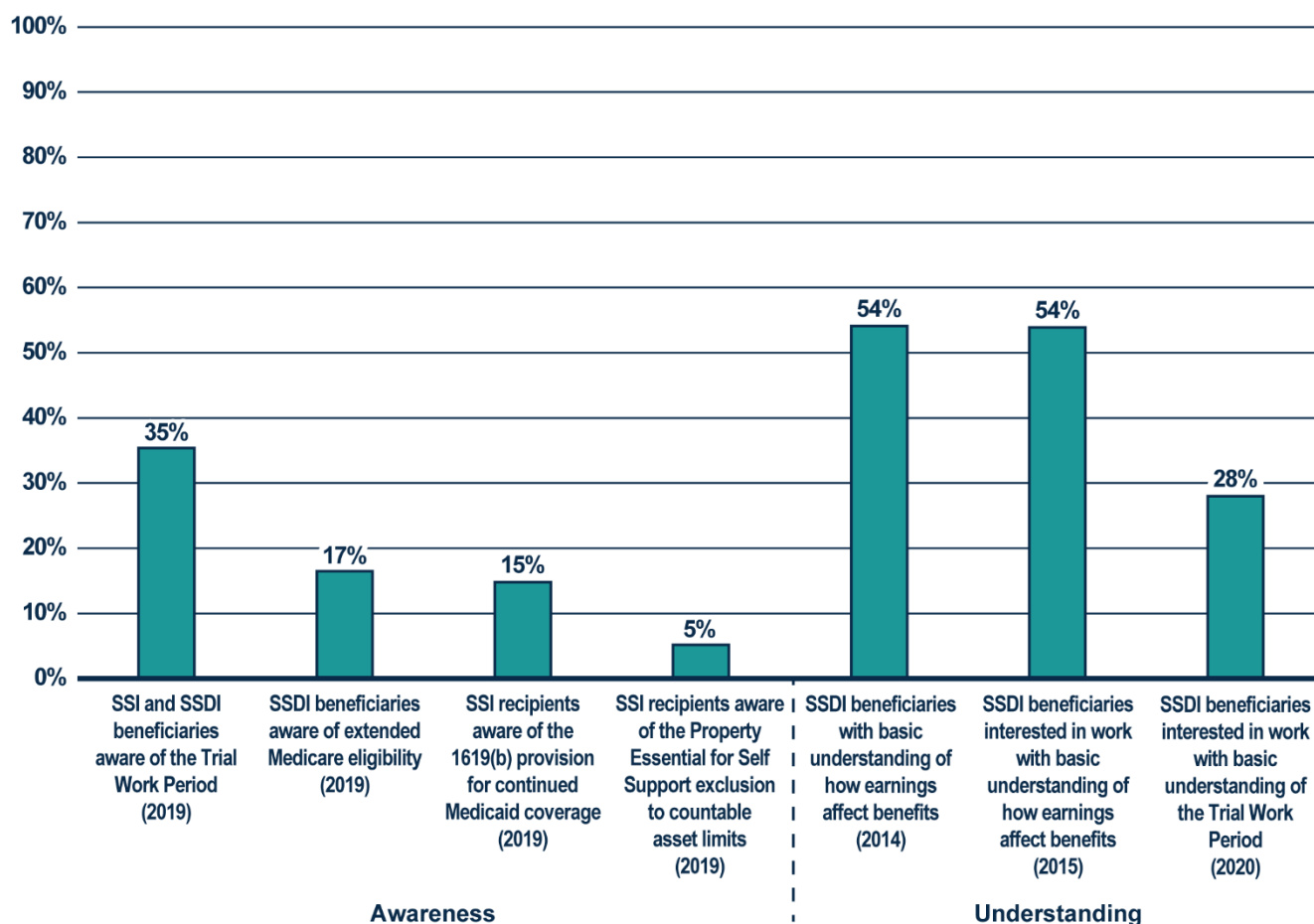
To underscore the importance of awareness, about half of SSI and SSDI beneficiaries who reported working fewer hours than they were capable of cited a desire to keep the Medicare or Medicaid benefits typically provided through those programs ([SSA 2025a](#)). This is notable because both programs have provisions that allow many working beneficiaries to keep their health insurance: for more than eight years (SSDI) or as long as they continue to work and meet the medical eligibility criteria (SSI). In other words, many beneficiaries may be limiting their work unnecessarily because of a lack of awareness about protections that allow them

² Substantial gainful activity is defined as earnings exceeding an annually adjusted monthly substantial gainful activity threshold. Currently, the substantial gainful activity level is \$1,620 per month for non-blind individuals and \$2,700 per month for blind individuals.

to retain health insurance benefits provided through SSA disability programs while employed. Among beneficiaries with work goals, those who were aware of the health insurance provisions were twice as likely to work at levels resulting in suspension of their SSI and SSDI benefits ([Livermore and Shenk 2021](#)).

Beyond being aware, beneficiaries must understand work incentives for them to be effective. Reports suggest, however, that only about half of SSDI beneficiaries have a basic understanding of how earnings affect benefits under current law ([Gubits et al. 2018](#)). Understanding of the rules is low even among beneficiaries interested in working ([Gubits et al. 2018](#)). In one such group of SSDI beneficiaries interested in working, only 28% had a correct basic understanding of the Trial Work Period ([Wittenburg et al. 2022](#)). Confusion about and misunderstanding of program rules can create hesitancy to work, even among beneficiaries who would like to do so.

Exhibit 2. Awareness and understanding of disability program work supports, by program



Sources: [SSA 2025a](#); [Gubits et al. 2018](#); [Wittenburg et al. 2022](#).

Challenge #2: Work incentive complexity creates implementation challenges

The complex program provisions around disability benefits and work are challenging not only for beneficiaries to understand but also for SSA to implement. This is especially true given SSA's limited resources. The legislatively mandated SSDI and SSI work rules require SSA to account for earnings on a monthly basis when determining whether and what amount to pay beneficiaries. SSA has historically used a largely manual approach to process earnings information ([SSA 2024a](#)). This leads to large processing backlogs. In 2021, the most recent year for which information is publicly available, it took 253 days between initiating and completing a review of beneficiary earnings to determine whether SSDI and SSI beneficiaries remained eligible for disability benefits on the basis of work.³ And that occurred *after* a delay of unreported length to initiate the earnings review ([SSA 2023](#)).

As a result of these processing delays, many working beneficiaries are overpaid SSI or SSDI benefits.⁴ My research indicates that 82% of SSDI beneficiaries who work and earn above the substantial gainful activity threshold over a sustained period are overpaid ([Hoffman et al. 2024](#)). Research shows that overpaid SSDI beneficiaries rarely anticipated receiving an overpayment and believed they were following program rules ([Kregel 2018](#)). Most SSDI beneficiaries who are overpaid for work receive overpayments of close to or more than \$10,000 ([Hoffman et al. 2024](#)). Beneficiaries are generally expected to repay this debt to SSA.

Overpayments mean that beneficiaries do not experience work incentives as designed. Instead, many receive benefits as usual, followed by no or low benefits once the issue is identified ([SSA 2025c](#)) along with a bill for often thousands of dollars ([Hoffman et al. 2024](#)), potentially causing confusion about rules that were retroactively applied to them. In addition, research demonstrates that the experience of being overpaid can cause some beneficiaries to reduce their work activity ([Anand et al. 2022](#)). These examples highlight how overpayments can interfere with employment.

The Ways and Means Committee has shone an important spotlight on overpayment issues, and the harm that overpayments can cause to beneficiaries has been documented in media reports by 60 Minutes ([Cooper 2025](#)), KFF Health News ([Hilzenrath and Fleischer 2023](#)), and the New York Times ([Brown 2023](#)). Repaying overpayment debt can create economic hardship and stress for beneficiaries ([O'Day et al. 2016](#); [Hoffman et al. 2017](#)). In research prepared for SSA, my colleagues and I found that, although some beneficiaries experience overpayments as an inconvenience—especially those who worked with a benefits counselor and anticipated and prepared for an overpayment—negative reactions were common ([Hoffman et al. 2017](#)). Beneficiaries shared experiences of substantial financial distress, including homelessness, that resulted from their overpayment debt. Others described feeling punished, experiencing extreme anxiety, and feeling derailed.

The current approach to processing earnings not only leads to overpayment that harms beneficiaries but also imposes significant administrative costs to SSA. In 2021, an estimated \$212 million was spent to

³ Earnings reviews to determine post-entitlement benefit eligibility are referred to as work continuing disability reviews.

⁴ Estimates for the prevalence of work-related overpayments to SSI recipients are not available, although it is presumed that SSI recipients experience smaller but more frequent overpayments ([Smalligan and Boyens 2023](#)).

process earnings reports ([SSA 2021](#)). SSA estimates that there were \$3.6 billion in outstanding work-related overpayments between 2019 and 2023 ([SSA 2024b](#)). Complex program rules also necessitate the availability of benefits counseling services through WIPA, which is funded through an annual congressional appropriation of \$23 million ([SSA 1999](#)). Even at that level of funding, however, the WIPA program is typically unable to provide counseling services to all who seek them, most notably beneficiaries who are interested in work but do not have a job or a job offer.

Challenge #3: Program features can create work disincentives

Current program features—called work incentives—can create disincentives for some beneficiaries to work. One notable disincentive, and the subject of past legislative focus, is the so-called “cash cliff” in SSDI. If a beneficiary’s earnings exceed the substantial gainful activity threshold after accounting for provisions that allow for earning exemptions, their monthly SSDI benefits are reduced to \$0. Currently, the substantial gainful activity threshold is \$1,620 a month. If an SSDI beneficiary earns even \$1 over that amount, they will lose their entire benefit check. As a result, for many, it is in their financial interest not to work above that level. This is especially salient for beneficiaries concerned about episodic or worsening health and functioning that could interfere with sustained employment. Among surveyed beneficiaries who reported working fewer hours than they were capable of, about half indicated it was because they wanted to keep cash benefits ([SSA 2025a](#)). Analysis of SSA program data confirms that some working SSDI beneficiaries intentionally limit their earnings below the substantial gainful activity threshold ([Schimmel et al. 2011](#)).

SSA has conducted several rigorous demonstrations—including BOND—that replaced the SSDI “cash cliff” with a \$1 benefit offset for every \$2 earned intended to serve as a ramp to gradually reduce benefits as earnings increase. Neither BOND, however, nor the Promoting Opportunity Demonstration (POD; an alternative benefit offset implemented at a lower earnings level) led to an increase in average beneficiary earnings. Although the \$1 benefit offset for \$2 in earnings is less of a disincentive than full benefit loss, it can still act as a disincentive to work ([SSA 2017](#)). This offset rate implies a 50% marginal tax on earnings. In addition, these tested offsets were found to increase program costs by between roughly \$334 ([Wittenburg et al. 2022](#)) to \$1,158 per beneficiary per year ([Gubits et al. 2018](#)).

SSI rules may also create disincentives to work. SSI recipients are subject to the \$1-for-\$2 benefit offset for earnings over an \$85 income disregard. Hence, they are subject to an implied 50% marginal tax on earnings levels much lower than those tested for SSDI beneficiaries in BOND and POD. Unlike the substantial gainful activity threshold, which is indexed to wage increases, the SSI income disregard has not been increased since the program’s inception in 1974. If the \$85 disregard were adjusted for inflation, it would be notably higher—about \$580.

Summary of challenges and their effect on return-to-work supports

The current SSDI and SSI rules and their implementation pose notable barriers to beneficiaries returning to work. The confusion and work disincentives are clear in this quote from a young SSI recipient ([Savin and Jones 2024](#)):

“I still haven't figured out how exactly to navigate employment... because I know there is that work program that you can be on while on SSI, but it's still not clear if it would result in reduced SSI payments or if there's a time limit and if there are certain jobs that do or don't qualify or how long does it take to process it?”

I'm still scared that I'm going to overlook some fine print detail and all of it's going to be blown up in my face and taken away. But yeah, that's mostly why I haven't gotten a paying job because I'm scared. I want to keep some sort of stable income. And I'm guaranteed to keep receiving SSI if I don't get a job, but I'm not guaranteed to keep getting SSI if I get a job. And I'm also not guaranteed to keep that job.”

These challenges—limited beneficiary awareness of program features, program complexity, and program rules that disincentivize work—are likely to inhibit the potential success of SSA’s marquee employment support program, Ticket to Work. Ticket to Work is designed to offer beneficiaries career counseling, vocational rehabilitation, and job training and placement through authorized service providers. Ticket to Work has been successful in expanding the number and types of service providers available. The effect of Ticket to Work on employment and cost-related outcomes, however, is somewhat uncertain given that the program was implemented without a rigorous pilot test. Available evidence suggests that those who receive Ticket to Work services have employment-related outcomes that are about the same or better relative to comparable beneficiaries, including those who receive services through State Vocational Rehabilitation Agencies ([Thornton et al. 2007](#), [Stapleton et al. 2013](#), [GAO 2021](#), [O’Leary and Roessel 2023](#), [Ho et al 2025](#)). However, program savings from benefit reductions do not appear to fully offset Ticket to Work program costs, as some had hoped, and participation is low compared to the number of beneficiaries with work goals. By design, Ticket to Work does not address the concerns of beneficiaries who are reluctant to work because they fear losing their benefits or because they do not understand SSDI and SSI program rules. Hence, if program rules were modified in ways that successfully encourage employment, Ticket to Work would likely be relevant to more beneficiaries.

PATHWAYS TO REMOVE BARRIERS TO WORK

Several efforts are likely to help SSI and SSDI beneficiaries achieve their work goals and more fully participate in employment. There is an opportunity to improve current program operations by (1) supporting beneficiaries’ understanding and implementation of the current program rules and (2) producing evidence to identify additional operational improvements. There is also a need for evidence about larger-scale reforms that effectively achieve policy goals and support return to work.

Improve implementation of current program rules.

SSI and SSDI beneficiaries should have clear, understandable, and accurate information available about the program rules that affect their benefits.

- There is an opportunity to revise or expand current SSA communications to beneficiaries to include plain language descriptions about work-related program rules and requirements (see [Hoffman et al. 2020](#) for an overview of written communications related to work). But because of the number of SSA work incentives and their complexity, written communication alone is likely to be insufficient.
- Congress could consider expanding WIPA funding to keep pace with the rise in beneficiaries and the unmet demand for counseling services. Currently, benefits counseling through the WIPA

program is funded at the same level Congress set in 1999, despite a roughly 30% increase in the number of beneficiaries since that time ([SSA 2024c](#)). Because of funding constraints, WIPA programs have had to deprioritize service delivery to beneficiaries who do not have a job or job offer, missing opportunities to educate and empower beneficiaries to make informed employment-related decisions.

In addition, the slow and largely manual processing of earnings information can cause distress and harm to beneficiaries who are overpaid. It also consumes valuable time for SSA staff, often muddles beneficiaries' understanding of program rules, and motivates some beneficiaries to stop working.

- SSA has an opportunity to modernize systems to support automating earnings processing. SSA has successfully implemented automated earnings processing as part of POD. Earlier this year, SSA announced plans to automate data entry involved in processing one source of earnings information ([SSA 2025d](#)). This is a commendable step. Further steps toward increased automation have the potential to reduce processing time and associated overpayments.

Produce evidence that can help identify improvements to current program operations.

Historically, SSA has facilitated rigorous research to understand beneficiaries' experiences, assess program performance, and evaluate new policy proposals. For example, the initial evaluation of Ticket to Work conducted between 2003 and 2013 identified opportunities to strengthen the program and led to 2008 policy changes that expanded services and increased participation ([Altshuler et al. 2011](#)). Mathematica is currently evaluating Ticket to Work to document the range of experiences and outcomes of beneficiaries and providers that participate, identify barriers to and facilitators of positive outcomes, and recommend ways to improve the program's effectiveness and efficiency.

Because of recent developments, however, SSA no longer has the same ability to provide rigorous evidence to inform policy and programmatic decisions. Earlier this year, several data-related efforts were abruptly discontinued, limiting access to new survey evidence and research-ready administrative data files. As an example of these effects, my testimony cites findings from the 2019 National Beneficiary Survey. Ideally, I would have drawn on data from the 2023 survey, but it was discontinued before public release of the data. The discontinuation of research-ready administrative data files has also delayed the ongoing Ticket to Work evaluation and increased costs, as researchers have had to generate administrative data files that were previously centrally produced and readily available to support a range of research projects. Our team has the expertise with the underlying administrative data to do so, but these files are notoriously difficult to use for analysis in raw form and will likely pose notable barriers to other research efforts.

Resuming SSA administrative data and survey efforts would ensure more up-to-date insights that can improve program operations. Data availability is critical to supporting agency-wide efficiencies, including by preventing duplicative efforts to create administrative files, ensuring data quality, and understanding what works so policymakers can make evidence-based decisions and improve outcomes.

Produce evidence about effective program reforms.

The expiration of SSDI demonstration authority has also hindered the agency's ability to build an understanding of how to encourage work activity among beneficiaries. Section 234 of the Social Security Act gave SSA the authority to conduct demonstration projects designed to test possible changes to the SSDI program that may encourage beneficiaries to work. Testing proposed changes in a real-world context can help government agencies evaluate the feasibility, effectiveness, and efficiency of proposed program, policy, or other changes. SSA has permanent authority to conduct demonstration projects for SSI under Section 1110b of the Social Security Act.

SSA conducted numerous demonstration projects under Section 234 authority that provided a solid evidence base for policy decisions related to SSDI. SSA conducted two large benefit offset demonstrations: BOND and POD. The idea of a benefit offset has been central to many policy discussions but, as implemented in these demonstrations, did not achieve the desired outcomes. Although many were disappointed that these initiatives did not appear to offer a clear path forward, the information gleaned from the demonstrations allowed policymakers to make intentional and informed decisions. For example, the BOND demonstration revealed that the tested policy would cost the SSDI trust fund about \$1 billion annually without increasing average beneficiary earnings ([Gubits et al. 2018](#)). Policymakers used this evidence to make an informed decision against national implementation.

The Section 234 demonstration authority allowing SSA to initiate new projects expired on December 31, 2021, meaning that SSA has been unable to develop or implement new demonstration projects to study potential SSDI program reforms for nearly four years ([SSA n.d.](#)). Researchers and scholars have proposed compelling ideas for reforms that encourage work, including early intervention, temporary or partial benefits, and work incentive simplification (for example, [Fichtner and Seligman 2019](#); [Stapleton et al. 2019](#); [Maestas 2019](#); [Liebman and Smalligan 2013](#)). The effectiveness of such interventions, however, as well as the impact on SSA disability beneficiaries and the larger benefit system, cannot be known without testing them. The reinstatement of SSA's SSDI demonstration authority would allow the agency to test promising approaches and identify those that lead to meaningful and sustainable system improvement.

Several principles can increase the likely success of demonstrations in achieving desired goals:

- Envision and design program changes with input from those with varied perspectives, including disability beneficiaries, employment service providers, and SSA staff, in addition to economists, researchers, and policymakers.
- Include feasible design features that can be implemented accurately and within a reasonable time.
- Prioritize simple program rules that beneficiaries can understand and that position them to make informed choices about employment.
- Test potential changes using small-scale pilot demonstrations to start and only proceed with larger demonstration projects if evidence supports their effectiveness. Larger demonstrations can test whether promising findings from small pilots generalize to the national program.
- As feasible, include factorial designs that test multiple policy options simultaneously through small-scale pilots to identify the most promising reforms and variants of those reforms.

- Allow for faster evaluation by legislating a bypass to Paperwork Reduction Act requirements, which can delay evaluation efforts by up to one year. This bypass was legislated for initiatives tested by the Center for Medicare and Medicaid Innovation in Section 1115 of the Social Security Act (Section 1115A(d)(3)).

The need for system change is clear, but only Congress can pave the way for effective solutions by reinstating SSA's demonstration authority.

CONCLUSION

The challenges facing disability employment today—from low understanding of work incentives to complex rules that are implemented with delays—are rooted in the structure of current SSI and SSDI policies. Although many beneficiaries face notable barriers to employment because of their health and functioning, a significant number of beneficiaries with the desire and potential to work are held back by a system that is difficult to navigate and discourages work for some.

Congress and SSA can resume previous investments in data and evidence to identify opportunities for program improvement. Research and demonstration projects are effective tools to monitor outcomes and test reforms, and they help avoid ineffective programs and policies while identifying solutions to support beneficiaries and the long-term sustainability of the disability trust fund. Recent reductions in data availability and the expiration of Section 234 demonstration authority impede modernization efforts.

Lawmakers could also help modernization efforts by providing SSA with the support it needs to release clear guidance on program provisions and supports, expand the availability of benefits counseling, and improve its processes. By doing so, Congress can help ensure that SSA effectively supports beneficiaries who have the ability and desire to work.

Thank you again for the opportunity to testify.