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A blow or jolt to the head can result in a traumatic brain Injury (TBI), which can disrupt the function of the brain.¹⁰

Each year in the United States, an estimated 1.4 million people sustain a TBI,¹¹ and 80,000 to 90,000 people experience the onset of long-term disability associated with a TBI.¹²

Direct medical costs and indirect costs (such as lost productivity) of TBI totaled an estimated \$56.3 billion in the United States in 1995.¹³

Social Security and Persons with Traumatic Brain Injury (TBI)

Social Security has three programs commonly known as the Old Age, Survivors and Disability Insurance programs. The Old Age program provides retirement benefits to workers and their spouses. The Survivors program covers over 5 million children who benefit either directly as beneficiaries or indirectly as members of households that receive a monthly Social Security check.¹ The Disability Insurance program protects workers from catastrophic injuries. The three programs under Social Security provide benefits for an estimated 48 million people,² of which, approximately 6.2 million receive benefits from the Disability Insurance program.³

Traumatic brain injury (TBI) is frequently a qualifying condition to receive benefits under the Social Security Disability Insurance program.

The risk of disability is greater than people think. About 30% of men and 25% of women will become disabled before reaching normal retirement age.⁴ Each year at least 1.4 million people sustain a TBI; of these injuries an estimated 80,000 to 90,000 people experience permanent disability.⁵

In 2004 the average monthly disability benefit was \$894.⁶ For many, this is their only source of income and must pay for all necessities, such as food, shelter and medical expenses.

Proposed Social Security Changes:

The Bush Administration has proposed two significant changes to the Social Security system:

1. Divert a portion of payroll taxes from the Social Security Trust Fund and allow the money to be invested in private accounts. Individuals would direct the investment of the diverted funds.
2. Change the indexing method used to calculate the annual cost of living adjustment. This annual adjustment is necessary to maintain the purchasing power of benefits. Currently benefits are indexed to wages - that is, benefits increase every year based on how wages in general grew during that worker's career.⁷ This would be changed to price indexing, which is essentially increasing benefits at the rate of inflation.

Potential Impact of Changes:

1. The concern with diverting payroll taxes is that the total funds available to pay benefits (to ALL programs under Social Security) **will be less than needed**. Social Security is financed on a "pay as you go" basis in that current benefits are paid with current payroll taxes. This means that any shortfall resulting from diverted funds will have to either be financed through tax increases, increased borrowing or through a benefit reduction.⁸
2. Changing the benefits indexing system results in a reduction in benefits because on average the price index increases at a slower rate than the wage index. Over the lifetime of an individual receiving benefits this change can make a huge difference in the benefits received. One study showed that if current benefits had been price indexed in the past, today's beneficiaries would have seen a 60% reduction in benefits relative to what was actually provided by wage indexing.⁹

Brain Injury Advocates Urge Congress to Act

Social Security is a system that works. Therefore, we urge Congress to look at reform proposals to see whether, among other things, they:

- ♦ Ensure the solvency of the Trust Fund,
- ♦ Preserve the insurance nature of the programs,
- ♦ Maintain a benefit formula that does not result in reduced benefits,
- ♦ Protect against inflation, and
- ♦ Ensure that if individual accounts are established, there is consideration for whether they include proper protections for people with disabilities and their families.

Brain Injury Association of America (703-761-0750)
National Association of State Head Injury Administrators (301-656-3500)
National Association of Protection and Advocacy Systems (202-408-9514)



¹ <http://www.ssa.gov/pressoffice/basicfact.htm>

² *ibid*

³ *ibid*

⁴ National Academy of Social Insurance, *Uncharted Waters: Paying Benefits From Individual Accounts in Federal Retirement Policy*.

⁵ Langlois JA, Rutland-Brown W Thomas KE. *Traumatic Brain Injury in the United States: Emergency Department Visits, Hospitalizations, and Deaths*. Atlanta (GA): Centers for Disease Control and Prevention, National Center for Injury Prevention and Control; 2004.

⁶ <http://www.ssa.gov/pressoffice/basicfact.htm>

⁷ <http://www.ssa.gov/OACT/COLA/Benefits.html>

⁸ <http://www.ssa.gov/qa.htm>

⁹ http://www.epinet.org/content.cfm/webfeatures_snapshots_20050209 (citing a report from the Congressional Research Service)

¹⁰ Centers for Disease Control, *Injury Prevention, Traumatic Brain Injury - Fact Sheet*, 6/1/2004.

¹¹ Langlois et al. 2004.

¹² Thurman D, Alverson C, Dunn K, Guerrero J, Sniezek J. *Traumatic brain injury in the United States: a public health perspective*. *J Head Trauma Rehabil* 1999;14(6):602-15.

¹³ Thurman D. The epidemiology and economics of head trauma. In: Miller L, Hayes R, editors. *Head Trauma: Basic, Preclinical, and Clinical Directions*. New York (NY): Wiley and Sons; 2001.