

**THE LONG-RANGE DISABILITY ASSUMPTIONS
FOR THE 2026 TRUSTEES REPORT**

SOCIAL SECURITY ADMINISTRATION
ACTUARIAL SERVICES

June 9, 2026

DISABILITY

ASSUMPTIONS FOR THE 2026 TRUSTEES REPORT
SOCIAL SECURITY ADMINISTRATION, ACTUARIAL SERVICES

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
1 OVERVIEW	3
2 DISABLED-WORKER INCIDENCE RATE.....	4
2.1 EFFECTS OF ECONOMIC CYCLES AND POLICY CHANGES ON DISABLED-WORKER INCIDENCE RATES	4
2.2 ASSUMED FUTURE DISABLED-WORKER INCIDENCE RATES	6
3 DISABLED-WORKER DEATH TERMINATION RATE	8
4 DISABLED-WORKER RECOVERY RATE	8
5 DISABLED-WORKER PREVALENCE RATES	9
CHART 1: EFFECT OF THE ECONOMY ON THE DISABLED-WORKER INCIDENCE RATE	11
CHART 2: NEW DISABLED-WORKER AWARDS PER 1,000 EXPOSED (INCIDENCE RATE)	12
CHART 3: DISABLED-WORKER AWARDS PER 1,000 EXPOSED MEN (INCIDENCE RATE) BY AGE GROUP	13
CHART 4: DISABLED-WORKER AWARDS PER 1,000 EXPOSED WOMEN (INCIDENCE RATE) BY AGE GROUP	14
CHART 5: AGE-SEX-ADJUSTED COMPARISON OF GENERAL POPULATION MORTALITY TO DISABLED-WORKER MORTALITY	15
CHART 6: DISABLED-WORKER RECOVERIES PER 1,000 BENEFICIARIES	16
CHART 7: DISABLED-WORKER PREVALENCE RATES THROUGH NRA (PER 1,000 INSURED POPULATION)	17

1 Overview

Each year the Board of Trustees of the Federal Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds provides an annual report to the Congress on the financial and actuarial status of the Old-Age, Survivors, and Disability Insurance (OASDI) program. For this report, the Social Security Administration's Actuarial Services organization, on behalf of the Board of Trustees, projects future cost and income based on three separate sets of long-range (75-year) assumptions for three key disability variables. The intermediate (alternative II) set of assumptions represents the Trustees' best estimate for future experience, while the low cost (alternative I) and high cost (alternative III) sets of assumptions represent more and less favorable scenarios, respectively, from the perspective of program financial status. The intermediate assumptions are also used as the point of comparison for sensitivity analysis and the central tendency for the stochastic projections presented in the OASDI annual report to the Board of Trustees (the "Trustees Report"). This memorandum presents the long-range disability assumptions used in the 2026 Trustees Report.

The key disability assumptions are:

- The disabled-worker incidence rates by age group and sex,
- The disabled-worker death termination rate improvement factors by age group and sex, and
- The disabled-worker recovery rates by age group and sex.

The ultimate disabled-worker incidence rate assumptions for the 2026 Trustees Report are the same as those assumed for the 2025 Trustees Report. The disabled-worker death termination rates for the 2026 Trustees Report depend on general population mortality improvement rates and actual 2025 disabled-worker death experience. The ultimate disabled-worker recovery rate assumptions for all alternatives are slightly higher than those assumed for the 2025 Trustees Report. This increase is due to incorporating a final rule published on December 31, 2024 titled Use of Electronic Payroll Data To Improve Program Administration, which established an automated wage match with third-party payroll data providers. This final rule is expected to increase the number of disability beneficiaries identified with earnings and to identify wages timelier than under prior processes.

There are no significant method changes in the disability model for the 2026 Trustees Report.

The historical changes in incidence and recovery rates have led to age-adjusted prevalence rates for men reaching their lowest level since 1984. Current prevalence rates for women are at a similarly low level. The age-sex-adjusted prevalence rate is currently below 31 per thousand insured and is projected to rise to 41 per thousand by the end of the long-range projection period.

Factors contributing to the recent declines in disabled-worker applications, awards, incidence, and prevalence include the changing nature of work, resulting in part from the shrinking share of the population that is at traditional working ages and increased levels of educational attainment, and the greater availability of health care. The changing nature of work, which was accelerated by the pandemic, allows more people with significant impairments to continue employment.

Many employers have expanded accommodations in recent years, giving workers more flexibility and the opportunity to remain in paid employment.

The following table shows values for key summary measures for the disability assumptions.¹

Key Disabled-Worker Summary Measures for the Long-Range (75-year) Projection Period 2025 Trustees Report and 2026 Trustees Report									
	2025 Trustees Report Alternative			2026 Trustees Report Alternative			2026 Trustees Report Less 2025 Trustees Report		
	I	II	III	I	II	III	I	II	III
Age-sex-adjusted disabled-worker incidence rate per 1,000 exposed workers for the last 65 years of the 75-year projection	3.7	4.6	5.5	3.7	4.6	5.5	0.0	0.0	0.0
Age-sex-adjusted disabled-worker death termination rate per 1,000 beneficiaries for the last year of the 75-year projection	21.4	12.2	6.1	21.8	12.5	6.4	0.4	0.3	0.3
Age-sex-adjusted disabled-worker recovery rate per 1,000 beneficiaries for the last 65 years of the 75-year projection	13.0	10.8	8.6	13.3	11.1	8.9	0.3	0.3	0.3

The disabled-worker incidence and recovery rates reach ultimate values for the tenth projection year and thereafter. During the first ten years of the projection period, the long-range model reconciles with projections from the short-range model.

Reflecting recent historical data, changes in near-term disability assumptions, the higher ultimate disabled-worker recovery rate, and other minor methodology updates combine to increase (improve) the actuarial balance by 0.02 percent of payroll.

The remainder of this memorandum provides details regarding the historical values and future values for each of the disability assumptions, and the basis for the assumptions.

2 Disabled-Worker Incidence Rate

2.1 Effects of Economic Cycles and Policy Changes on Disabled-Worker Incidence Rates

Disabled-worker incidence rates are the proportion of workers in a given year, insured for but not receiving disabled-worker benefits (exposed population), who are awarded disabled-worker benefits. The age-sex-adjusted historical and short-range projected alternative II incidence rates are shown in Chart 1. Economic and policy factors have influenced disabled-worker incidence historically and will continue to have an effect in the future. Periodic economic recessions, as

¹ The disabled-worker incidence and recovery summary measures shown are averages for the last 65 years of the 75-year projection period. For the 2025 and 2026 Trustees Reports, this covers years 2035 through 2099 and 2036 through 2100, respectively. The death termination rates shown are for the last year of the 75-year projection period. For the 2025 and 2026 Trustees Reports, the last years are 2099 and 2100, respectively. There is a small amount of mortality improvement reflected in the death termination rates between 2099 and 2100.

indicated by the civilian unemployment rate in red in Chart 1, have been associated with temporary increases in disabled-worker incidence. Incidence rates tend to increase temporarily in bad economic times. Some individuals who gradually develop conditions that would qualify for DI benefits based on the severity of their medically-determinable impairment are able to continue work at a level in excess of substantial gainful activity given the opportunity and needed assistance during a period of strong economic activity and demand for workers. However, with elevated unemployment rates like those seen in the 2007-09 recession, many of these individuals will lose employment and will seek DI benefits.

The recession that began in December 2007 resulted in an increase in disability applications and incidence to peak levels in 2010 that were exceeded only by the peak in 1975. One apparent exception to the relationship between disabled-worker incidence and economic recessions is the strong recession of 1981-82. The effect of that recession appears to have been offset by the net effects of the 1980 amendments, which: (1) sharply increased the levels of pre-effectuation (quality) review of disability allowances and continuing disability reviews of current beneficiaries; (2) introduced the extended period of eligibility to encourage work; and (3) lowered the maximum family benefit for DI beneficiaries. The brief pandemic-induced recession of 2020 is another clear exception to the general relationship.

Additional policy changes over the years had significant effects on disabled-worker incidence. Ad-hoc double-digit percentage increases in benefit levels in 1970 through 1974 made disability benefits more attractive. The 1984 amendments may have offset the effects of a strong economic recovery with increased emphasis on multiple impairments and mental listings, and the requirement to show medical improvement for benefit cessation. The SSI outreach to disabled adults likely added to the effects of the 1990-91 recession. Also, the effects of a strong economic recovery from 1995 to 2000 on lowering incidence rates may have been enhanced by the 1996 amendments, which eliminated drug addiction and alcoholism as disabling conditions.

Incidence rates have fallen steeply since 2010. The drop in the 2011-13 period is concurrent with the recovery from the 2007-09 recession. Since 2013, incidence rates through 2025 have dropped to levels well below those expected over the long-term, and even below the levels that would be expected from the economic recovery alone. Contributing factors to the decline through 2019 in disability applications and awards include the changing nature of work in the economy, the improving economy indicated by the low unemployment rate, the greater availability of health care, and increasing job flexibility and accommodation by many employers in a competitive labor market. Incidence rates declined to an extraordinarily low level in 2019, at the end of an extended period of economic recovery, resulting in the lowest disabled-worker prevalence rate for men since 2001, and a similarly low level for women. Incidence rates dropped even further in 2020 and 2021, and to an all-time low in 2022, partly due to the effects of the COVID-19 pandemic. Incidence rates have increased since 2022 but still remain near historically low levels. Future policy changes, technological advancements, shifts in the nature of work, and economic cycles will undoubtedly continue to cause fluctuations in disabled-worker incidence rates.

2.2 Assumed Future Disabled-Worker Incidence Rates

In the 2026 Trustees Report, incidence rates are projected to rise to a temporary peak level for 2029 as some of the reduced levels of new benefit awards in recent years are expected to be realized in the next few years. The temporary peak in this year's report is somewhat lower than in last year's report, consistent with the Social Security Administration's recent improvements in reducing the time to process disability claims. After 2029, incidence rates decline from the peak, reaching the ultimate assumed level of incidence by 2035, the end of the short-range period. In 2035, age-sex-specific incidence rates approximate the ultimate rates. These ultimate age-sex-specific disabled-worker incidence rates were selected based on careful analysis of historical levels and patterns and expected future conditions, including the impact of scheduled increases in the normal retirement age. The ultimate incidence rates represent the expected average rates of incidence for the future.

For alternative II of the 2026 Trustees Report, the Trustees assume an ultimate age-sex-adjusted disabled-worker incidence rate of 4.6 per thousand exposed workers, unchanged from the 2025 Trustees Report. This assumed rate reflects the Trustees' incremental approach to reducing the ultimate age-sex-adjusted incidence rate in recognition of the sustained period of decline since 2010.² The 4.6 per thousand ultimate incidence rate for the 2026 Trustees Report is 2 percent lower than the historical average experienced from 1995 through 2025 (4.7 awards per thousand) and is 23 percent higher than the most recent ten-year historical average experienced from 2016 through 2025 (3.6 awards per thousand). With the assumed ultimate disabled-worker incidence rate above the average level over the last 10 years, the resulting projected disabled-worker prevalence rates will still rise to sustained levels through 2100 that are higher than recent historical rates.

The ultimate incidence rates are calculated by age group and sex using a no-lag unemployment rate regression model for the years 1995-2019. The regression model uses data beginning in 1995 to capture recent higher levels of disabled-worker incidence rates for women. For ages 60-64, rates are increased from the regression results to reflect the scheduled increase in the Social Security Normal Retirement Age from 66 to 67. Rates for ages 65 and older are calculated using a weighted average of the base incidence rates and projected exposure.

These rates are adjusted to reflect policy factors that are not included in the historical data, including the reinstatement of the reconsideration step of the disability appeals process and the removal of the inability to communicate in English as an education category in the disability determination process. These rates, by age group and sex, are then scaled down to reach an initial ultimate age-sex-adjusted disabled-worker incidence rate of 4.5 per thousand. These rates are further adjusted to an ultimate age-sex-adjusted disabled-worker incidence rate of 4.6 per thousand to reflect the effects of the 2024 regulation that decreases the number of years used in the consideration of past relevant work. We will continue to monitor experience closely and review the disabled-worker incidence assumption.

² The ultimate assumed age-sex-adjusted incidence rate was 5.4 awards per thousand for the 2012 through 2018 Trustees Reports, 5.2 awards per thousand for the 2019 Trustees Report, 5.0 awards per thousand for the 2020 and 2021 Trustees Reports, 4.8 awards per thousand for the 2022 and 2023 Trustees Reports, and 4.5 awards per thousand for the 2024 Trustees Report.

The Trustees also monitor assumptions and recommendations from other sources:

- The 2015 Technical Panel on Assumptions and Methods, appointed by the independent Social Security Advisory Board, agreed with the then-current ultimate alternative II incidence rate assumption of 5.4 per thousand and suggested that we closely monitor experience.
- The 2019 Technical Panel suggested lowering the disabled-worker incidence rate to 4.9 per thousand, consistent with the panel’s lower long-term unemployment rate assumption of 4.8 percent and taking into account some of the recent drop in incidence. The 2019 panel also recommended continued monitoring of trends in the incidence rate (including external consultation with experts in the private disability industry) and linking the disabled-worker incidence rate and unemployment rate assumptions.
- In a panel discussion on August 25, 2023, set up by the Social Security Advisory Board, panelists indicated that both a changing mix of workers by occupation and changing demands and accommodations by employers within occupations have contributed to fewer workers becoming unable to maintain employment, thus leading to lower levels of disability applications. The panelists noted that this appears to be a permanent change.
- The Congressional Budget Office reduced their ultimate disabled-worker incidence rate assumption from 5.2 per thousand to 4.7 per thousand for the 2023 Long-Term Budget Outlook. The 2024 through 2026 Long-Term Budget Outlooks do not explicitly mention the disabled-worker incidence assumption, so we assume it remains at 4.7 per thousand.

Chart 2 shows age-adjusted historical and long-range alternative II incidence rates for men and women. For men, the age-adjusted incidence rate has averaged 4.8 new disability awards per thousand exposed workers from 1995 through 2025. The age-adjusted incidence rate for women has averaged 4.7 per thousand from 1995 through 2025. Since 1980, the age-adjusted incidence rate for women has increased to a level much closer to the rate for men. For the 2026 Trustees Report, the ultimate age-adjusted disabled-worker incidence rates for both men and women are 4.6 new disability awards per thousand exposed workers.

Chart 3 and Chart 4 show the historical and long-range alternative II incidence rates by age group for men and women, respectively. The table below shows the 2026 Trustees Report alternative II ultimate disabled-worker incidence rates by age group for the last 65 years of the 75-year projection.

Ultimate Disabled-Worker Incidence Rates per 1,000 Exposed for the Last 65 Years of the 75-Year Projection, 2026 Trustees Report Alternative II											
	Age Group										
	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+
Men	0.3	1.2	1.5	1.8	2.4	3.2	4.5	7.7	13.6	17.2	9.6
Women	0.3	0.9	1.2	1.8	2.6	3.8	5.3	8.5	13.5	15.0	8.4

Because the low-cost and high-cost alternative ultimate disabled-worker incidence rates are determined by adjusting the incidence rates from the intermediate alternative down and up by roughly 20 percent, respectively, rates for these alternatives are not included in the charts.

3 Disabled-Worker Death Termination Rate

Death rates are much higher for the disabled population than the general population, as seen in Chart 5. Base probabilities of death by duration from entitlement, attained age, and sex (from the soon to be published Actuarial Study No. 130) are applied to the disabled-worker population. In the first year of the projection period, the death rate is determined by fitting an exponential curve to historical death rates for disabled workers by age group and sex. For the rest of the projection period, death rate improvement factors are applied to the base probabilities of death to reflect the same rate of improvement as the general population for that age group and sex. The incorporation of higher-than-expected 2025 disabled-worker death experience and lower projected mortality improvement in the general population results in higher projected death termination rates for the 2026 Trustees Report. The age-sex-adjusted death termination rate decreases from 26.3 per thousand beneficiaries in 2025 to a rate of 12.5 per thousand in 2100 under the intermediate assumptions for the 2026 Trustees Report.

The disabled-worker death termination rates for the low-cost and high-cost alternatives are determined by increasing and decreasing by 7.5 percent, respectively, the death termination rate in the first year of the projection period. Then the general population mortality improvement for that alternative is applied to project death termination rates for the remainder of the 75-year period.

The 2015 Technical Panel stated that they were comfortable with the Trustees' assumptions for disabled-worker death termination rates. The 2019 Technical Panel did not address this assumption.

4 Disabled-Worker Recovery Rate

Beneficiaries stop receiving disability benefits when they (1) die, (2) convert to a retired-worker benefit at normal retirement age, (3) recover from their medically-determinable disabling condition such that they can work, or (4) return to substantial work for an extended period. Disabled-worker beneficiaries who return to substantial work for an extended period are deemed to have recovered, and their benefits are then terminated. The recovery rate is the ratio of the number of terminations for reasons (3) and (4) to the average number of disabled-worker beneficiaries during the year. Base probabilities of recovery (from the soon to be published Actuarial Study No. 130) by duration from entitlement, attained age, and sex are applied to the disabled-worker population.

Chart 6 shows age-sex-adjusted historical and projected alternative II recovery rates. The rate of recovery is, at times, affected by budget appropriations for continuing disability reviews, with no general upward or downward trend since 1985. The ultimate disabled-worker recovery rate under the intermediate alternative is calculated by taking the average recovery rate by age group and sex for the years 1985-2019, excluding 1997. The averaging period begins in 1985, after the

Social Security Disability Benefits Reform Act of 1984 created the medical improvement standards for continuing disability reviews. The spike in recoveries in 1997 when drug and alcohol addictions were eliminated as bases for disability entitlement is excluded from the calculation. For the 2026 Trustees Report, these rates were increased to reflect the effects of implementing the electronic payroll data regulation.

The projected age-sex-adjusted recovery rate (medical improvement and return to work) under the intermediate assumptions decreases from the relatively high level of 18.7 per thousand beneficiaries in 2025 to the ultimate level of 11.1 per thousand beneficiaries under the intermediate assumptions for the 2026 Trustees Report. The recovery rate has been high in recent years for several reasons, including an ongoing administrative effort to eliminate a backlog of medical continuing disability reviews and to conduct those reviews on a timely basis. The recovery rate is expected to decrease as the backlog of disabled-worker reviews is assumed to be processed over the next several years, with the rate approaching the expected long-term projected rate by 2035. The assumed age-sex-adjusted recovery rate for disabled-worker beneficiaries for the period 2036 through 2100 under the intermediate alternative averages 11.1 per thousand beneficiaries, which is 0.3 higher than the average rate assumed in last year's report, reflecting the implementation of the electronic payroll data regulation.

Because the low-cost and high-cost alternative ultimate disabled-worker recovery rates are determined by adjusting the recovery rates from the intermediate alternative up and down by roughly 20 percent, respectively, rates for these alternatives are not included in the chart.

The 2015 Technical Panel recommended reducing the ultimate alternative II recovery rate assumption from 10.4 to 10.1. The 2019 Technical Panel did not address this assumption.

5 Disabled-Worker Prevalence Rates

The disabled-worker prevalence rate is the percentage of the disability insured population that is in receipt of disabled-worker benefits. Changes in prevalence rates are a direct result of changes in incidence rates and termination rates. Age-sex-adjusted prevalence rates increased rapidly from 1990 to about 2013 primarily because: (1) termination rates, in particular death termination rates, declined; (2) incidence rates at younger ages increased relative to rates at older ages (new beneficiaries at younger ages have more potential years on the disability rolls); and (3) incidence rates increased substantially for women to parity with men.

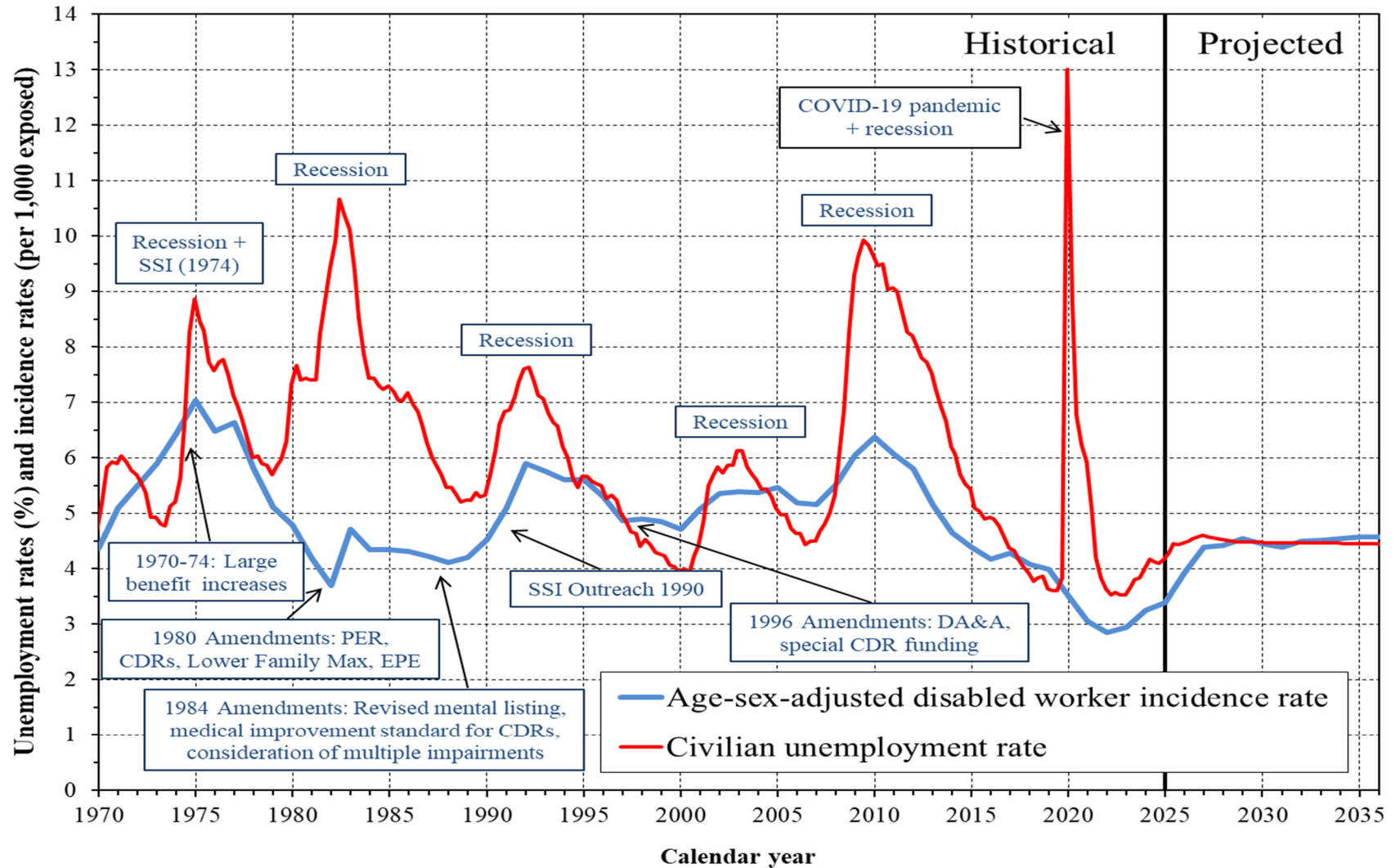
These rates have dropped sharply from the peak in 2013, primarily due to the historically low incidence rates experienced recently. They are assumed to begin to grow again in the future, but at a slower pace than between 1990 and 2013, based on assumed stabilization in three factors: (1) the age distribution of the general population, (2) the age distribution of the disability insured population, and (3) incidence rates by age and sex. As these factors gradually stabilize, the declining death termination rate continues to have a small influence toward higher disabled-worker prevalence rates, because applying the same rate of reduction in death rates for the disabled as for the general population results in larger declines in the death rate for the disabled.

Disabled-worker prevalence rates for men rose rapidly prior to 1995 and then less rapidly through 2013, as the program matured. Prevalence rates increased later for women, reaching parity with the rates for men around 2012.

The projected age-sex-adjusted disabled-worker prevalence rate grows from 30.7 per thousand disability insured at the end of 2025 to a rate of 40.7 per thousand at the end of 2100. Chart 7 illustrates the historical and projected disabled-worker prevalence rates for men and women. The prevalence rate for women rose close to the level of the rate for men around 2007 and is slightly higher than the rate for men beginning in 2013, because the disabled-worker death and recovery rates are generally higher for men than women. In 2100, the age-adjusted prevalence rate is 40.3 for men and 41.2 for women.

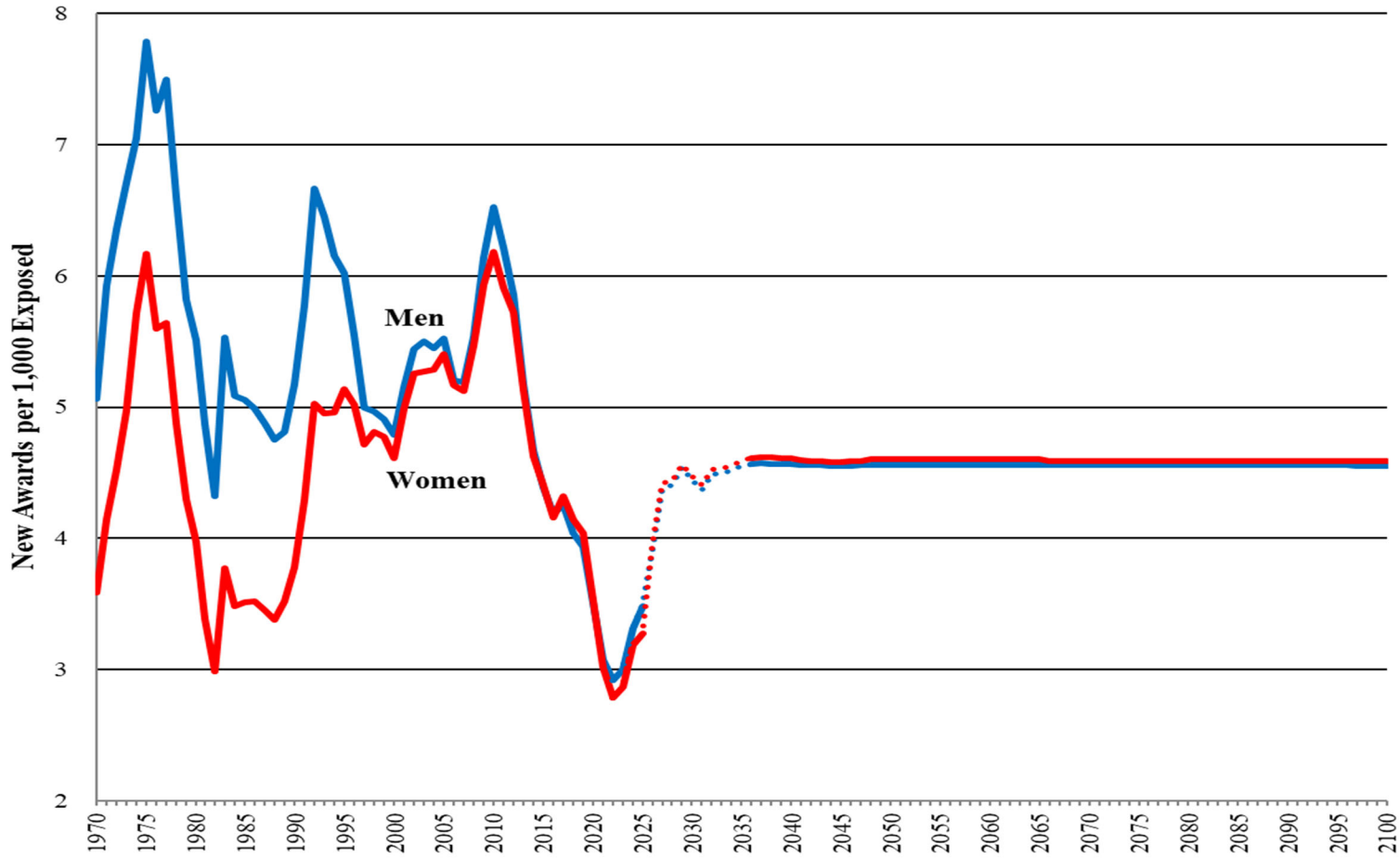
The low-cost and high-cost alternative prevalence rates are determined using the incidence rate, death termination rate, and recovery rate assumptions for that alternative.

Chart 1: Effect of the Economy on the Disabled-Worker Incidence Rate



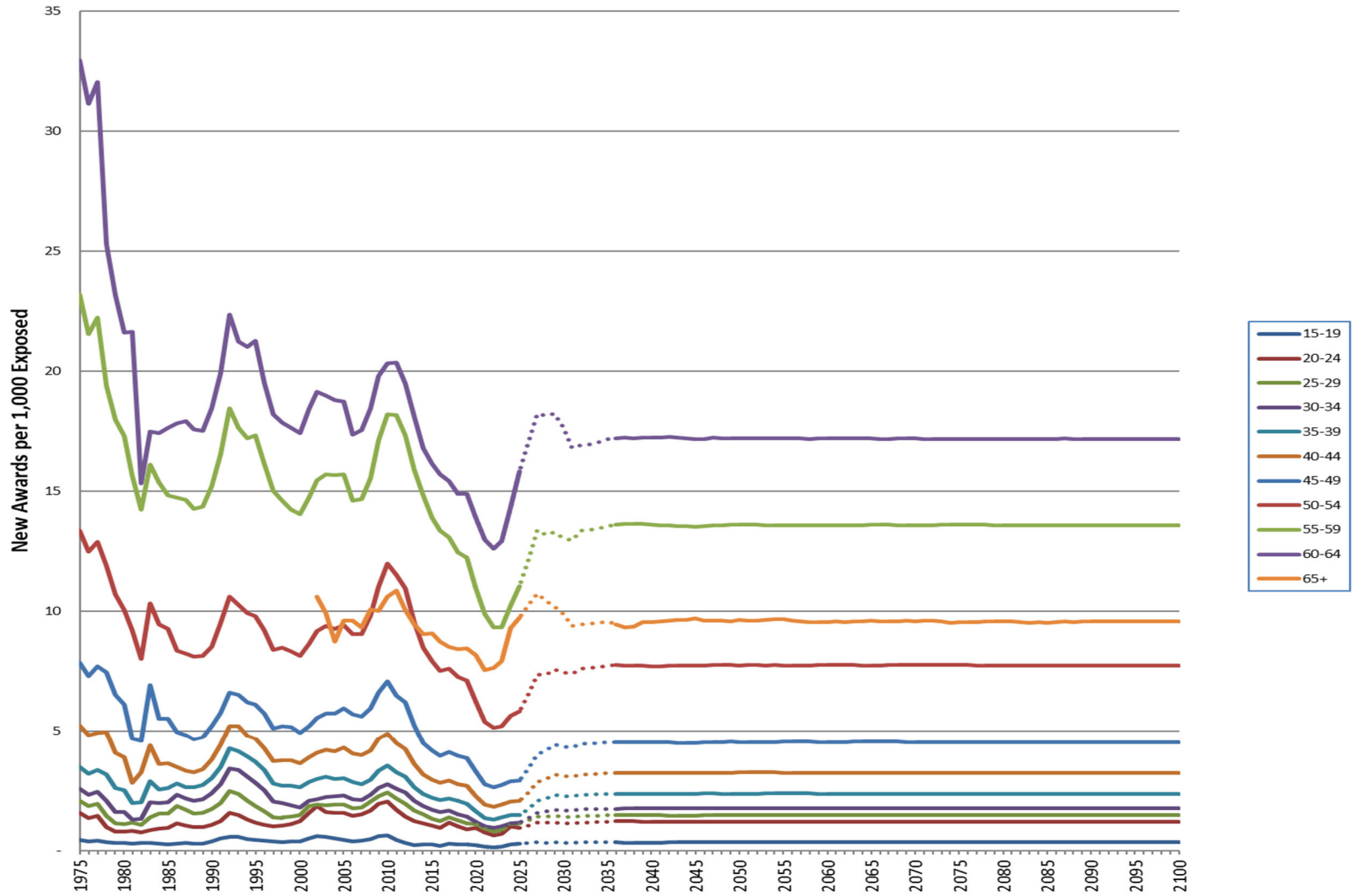
Note: The projections reflect the Trustees' assumptions for the 2026 Trustees Report.

**Chart 2: New Disabled-Worker Awards per 1,000 Exposed (Incidence Rate)
Age-Adjusted (2000)**



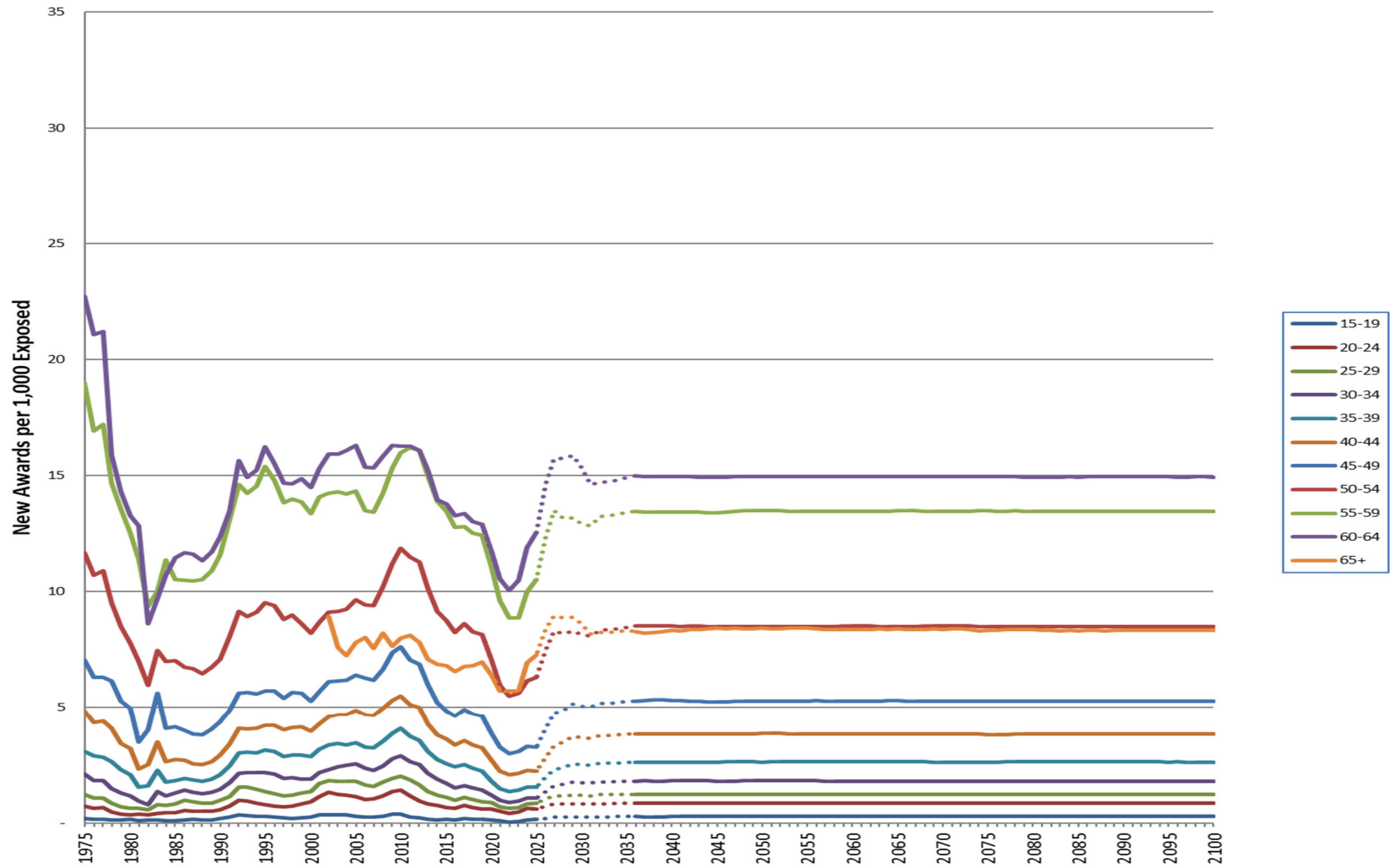
Note: The projections reflect the Trustees' assumptions for the 2026 Trustees Report. The dotted lines show the short-range assumptions for the 2026 Trustees Report.

Chart 3: Disabled-Worker Awards per 1,000 Exposed Men (Incidence Rate) by Age Group



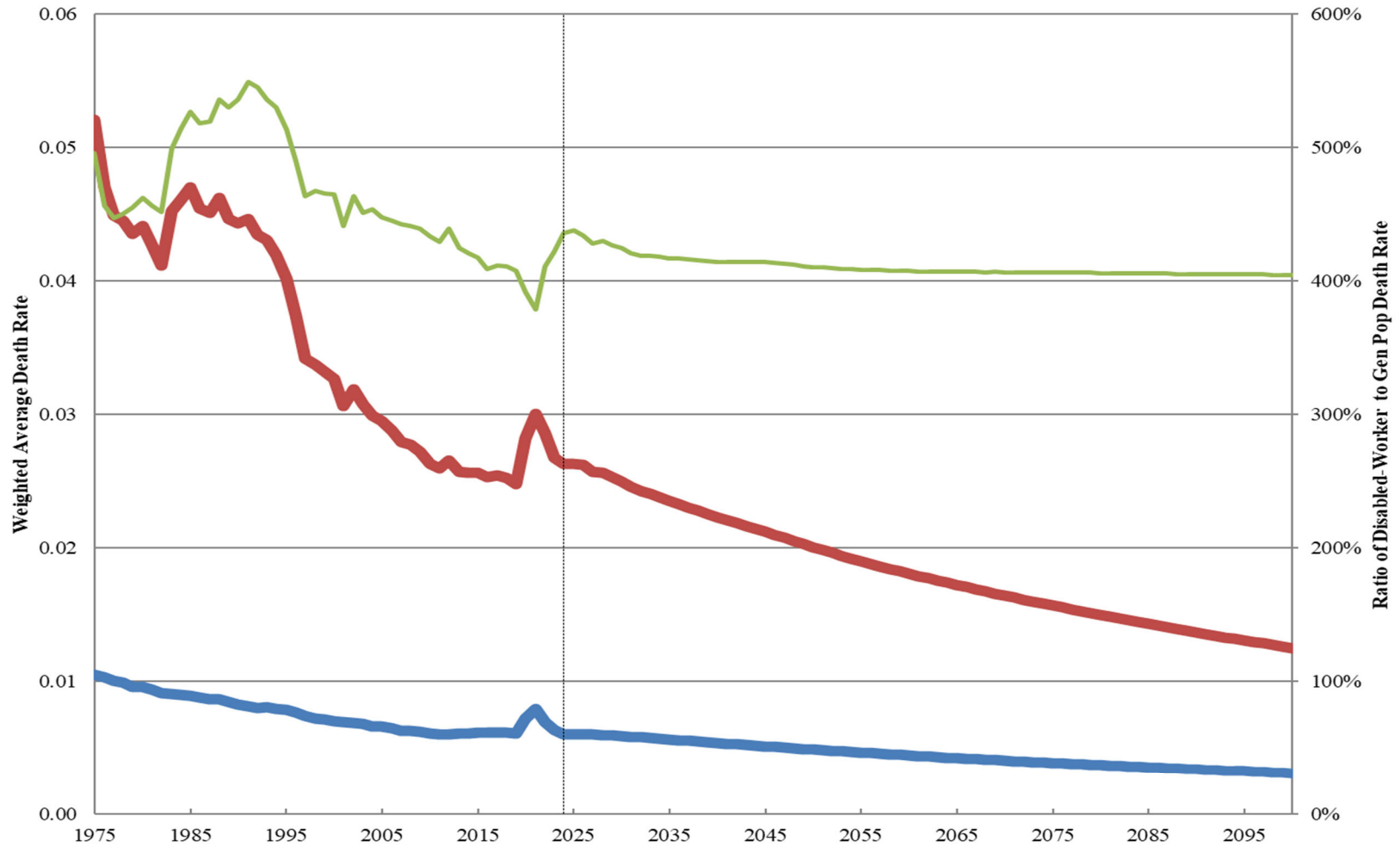
Note: The projections reflect the Trustees' assumptions for the 2026 Trustees Report. The dotted lines show the short-range assumptions for the 2026 Trustees Report.

Chart 4: Disabled-Worker Awards per 1,000 Exposed Women (Incidence Rate) by Age Group



Note: The projections reflect the Trustees' assumptions for the 2026 Trustees Report. The dotted lines show the short-range assumptions for the 2026 Trustees Report.

Chart 5: Age-Sex-Adjusted Comparison of General Population Mortality to Disabled-Worker Mortality

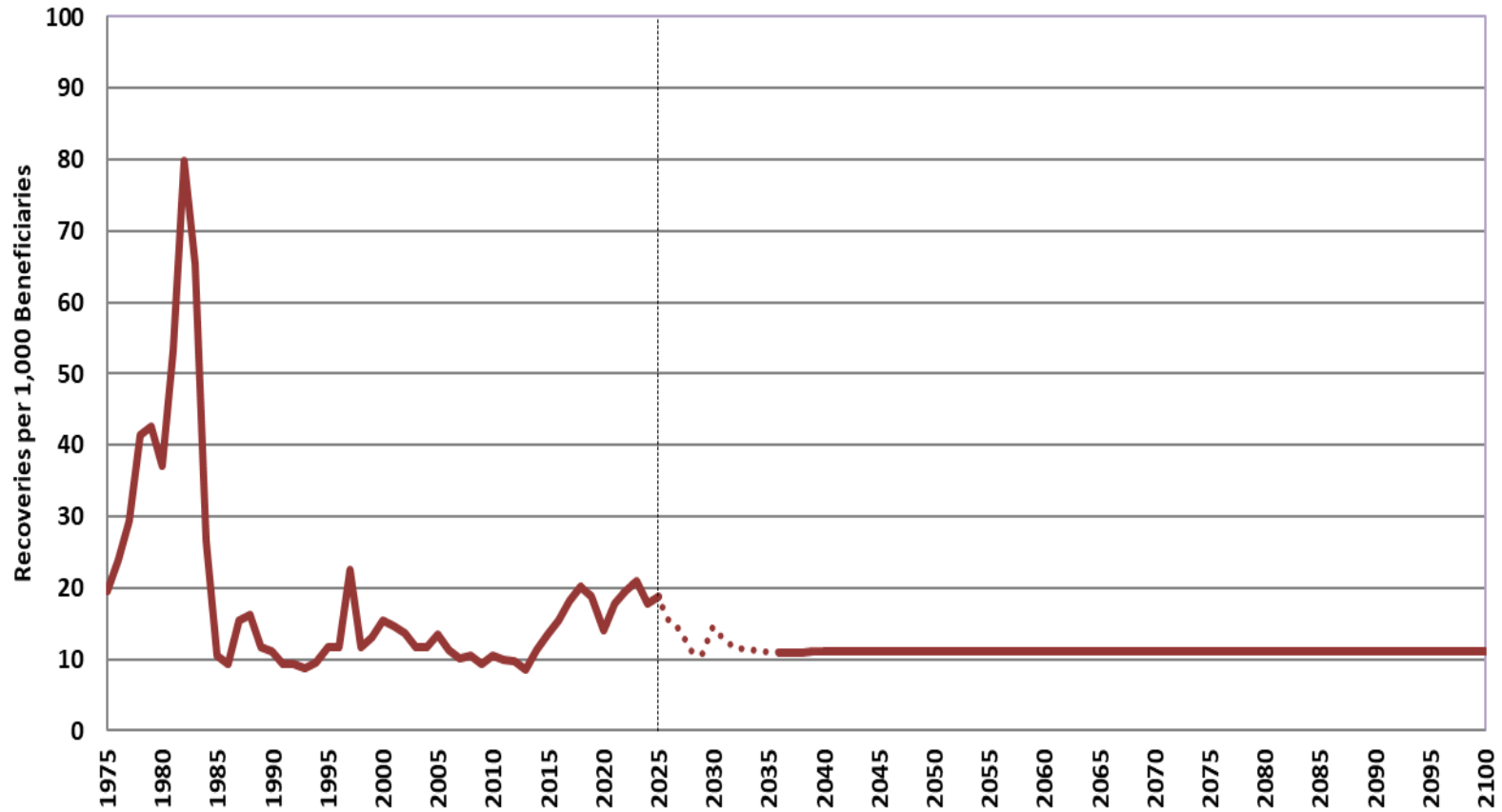


Note: For purposes of comparison, the general population death termination rates and the disabled-worker death termination rates are calculated using the year 2000 exposure from the disabled-worker population. Historical data and projections are from the 2026 Trustees Report.

— Disabled-Worker Death Rate — General Population Death Rate — Ratio of Disabled-Worker to Gen Pop Death Rate

Note: The projections reflect the Trustees' assumptions for the 2026 Trustees Report.

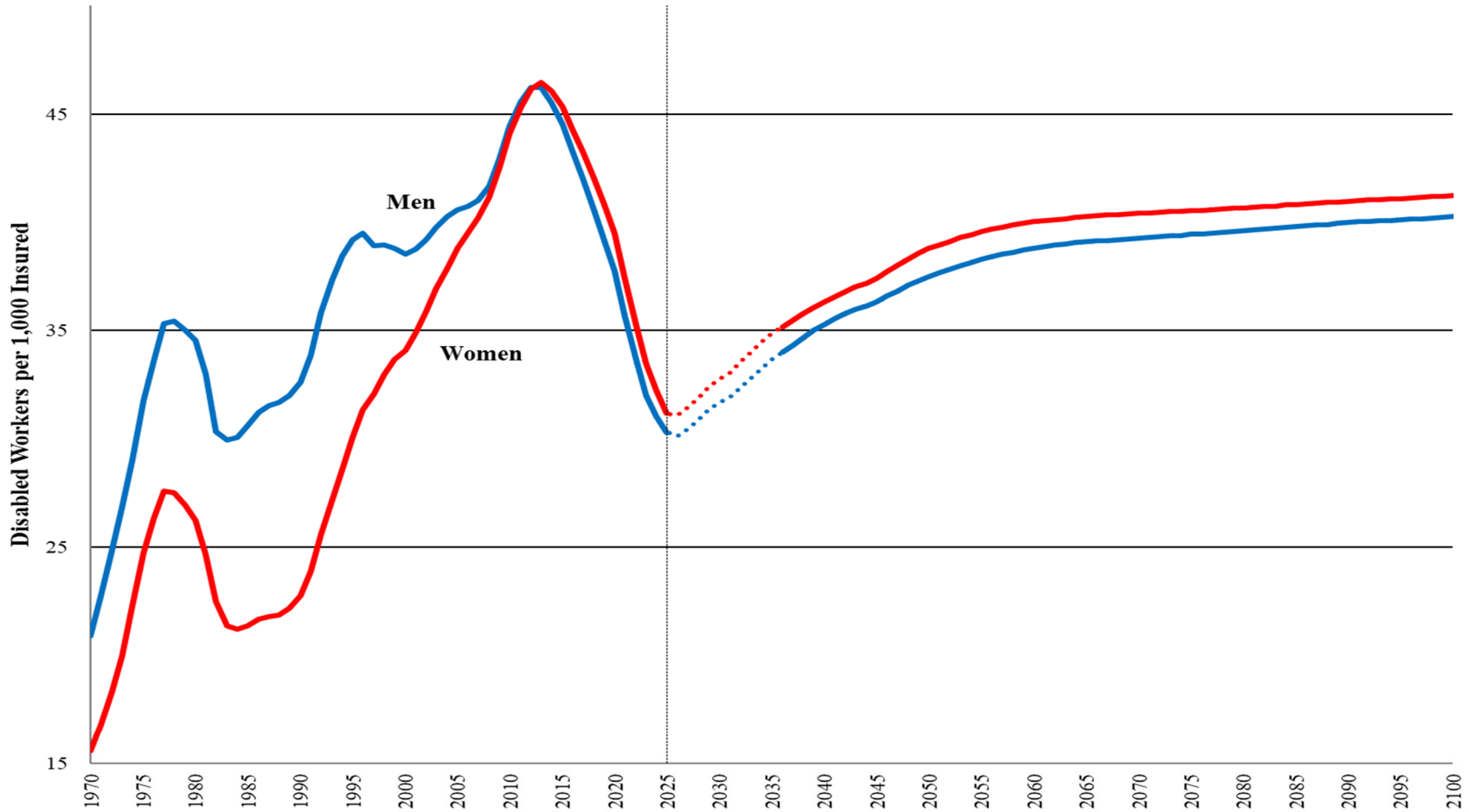
**Chart 6: Disabled-Worker Recoveries per 1,000 Beneficiaries
Age-Sex-Adjusted (2000)**



Note: The projections reflect the Trustees' assumptions for the 2026 Trustees Report. The dotted lines show the short-range assumptions for the 2026 Trustees Report.

Social Security Administration
Actuarial Services
June 2026

**Chart 7: Disabled-Worker Prevalence Rates through NRA (per 1,000 Insured Population)
Age-Adjusted to the 2000 Insured Population**



Note: The projections reflect the Trustees' assumptions for the 2026 Trustees Report. The dotted lines show the short-range assumptions for the 2026 Trustees Report.