

## **Attachment B**

### **Definition of Disability**

The Social Security Act (Act) generally defines disability, for purposes of programs authorized under the Act, as the inability to engage in any substantial gainful activity (SGA) due to a physical or mental impairment that has lasted or is expected to last at least 1 year or to result in death. SGA is defined as significant work, normally done for pay or profit. Under this very strict standard, a person is disabled only if he or she cannot perform a significant number of jobs that exist in the national economy, due to a medically determinable impairment. Even a person with a severe impairment cannot receive disability benefits if he or she can engage in any SGA. Moreover, the Act does not provide short-term or partial disability benefits.

Our process for determining disability is designed to meet the strict requirements of the law as enacted by Congress. Due to strict program requirements, disability beneficiaries comprise a significantly smaller subset of the total number of Americans who report living with disabilities, including severe disabilities.

### **Overview of Administrative Process**

When we receive a claim for disability benefits, we strive to make the correct decision as early in the process as possible so that a person who qualifies for benefits receives them in a timely manner. In most cases, we decide claims for benefits using an administrative review process that consists of four levels: (1) initial determination; (2) reconsidered determination; (3) hearing; and (4) Appeals Council (AC) review. At each level, the decisionmaker bases his or her decisions on the Act and our regulations and policies.

In most States, a team consisting of a State disability examiner and a State agency medical or psychological expert makes an initial determination at the first level of review. The Act requires this initial determination. (Field office and other Social Security employees issue initial determinations in claims for other types of benefits.) A claimant who is dissatisfied with the initial determination may request reconsideration, which is performed by another State agency team.

A claimant who is dissatisfied with the reconsidered determination may request a hearing. The Act requires us to give a claimant “reasonable notice and opportunity for a hearing with respect to such decision.” Under our regulations, an administrative law judge (ALJ) conducts a *de novo* hearing unless the claimant waives the right to appear, or the ALJ can issue a fully favorable decision without a hearing; in these cases, the ALJ issues a decision based solely on the written record. If the claimant is dissatisfied with the ALJ’s decision, he or she may request AC review. The Act does not require administrative review of an ALJ’s decision. If the AC decides not to review the ALJ’s decision, the ALJ’s decision becomes our final decision. If the AC issues a decision, the AC’s decision becomes our final decision. A claimant may request judicial review of our final decision in Federal district court.