

Questions and Answers about the NCHS-Retirement, Survivors, and Disability Insurance (RSDI) Benefit Files

April 18, 2006

Social Security data in these records are extracted from files designed for program administration, and not for research. They are inherently not "user friendly" and are easy to misunderstand. To a great extent that is because the programs are far more complicated than they appear initially. The following is a compilation of commonly asked questions with their respective answers that we hope will provide further assistance for researchers using the NCHS-SSA linked benefit files. In addition, the Social Security Administration website at www.ssa.gov is also a wonderful resource; in particular, the Social Security Program Rules at www.ssa.gov/regulations/index.htm

1. Why does it appear that the RSDI Master Beneficiary Record (MBR) contains duplicate data elements?

As formatted for the NCHS, each RSDI benefit record has two parts. The first part describes the benefit, if any, that the respondent applied for through December 2003 and historical data for that entitlement. The second part describes the benefit, if any, that the respondent applied for through December 2003 and historical data for that entitlement as an auxiliary beneficiary based on another person's earnings. The indication that there is a second part to the benefit record is a value of '1' in the variable OTBEN.

2. What is dual entitlement and how do I find them?

Some workers, especially currently/formerly married women, are entitled to both a worker (primary) benefit based on her own covered earnings record and a higher secondary benefit, generally based on her (former) husband's earnings record. For them, the program pays the primary benefit in full, but the secondary benefit is paid only in the amount by which it exceeds the primary benefit. A value of other than spaces in the Type of Dual Entitlement (TOD-1) code in the first part of the record identifies that at the time that the data was extracted dual entitlement existed. Information regarding this dual entitlement period can be obtained from the variables OBIC-1, OTDOE-1, OTPIA-1, LFMBA-1, OTRIA-1, LEMBA-1, SFMBA-1, SAMBA-1, DESC-1, and OTOC-1. Historical data for the other benefit is in the second part of the record.

3. Are dual entitlement benefits always combined?

No, not always. If the benefits are being paid out of different trust funds, retirement and disability for example, then the benefits will not be combined. Also, if the auxiliary benefit is subject to withholding due to reasons such as the work test or the child in care provisions of the Social Security Act then benefits will not be combined.

If benefits are combined into a single payment then the O-LAF in the first part of the record should equal 'C' or 'C2' while in the second part of the record it should equal 'AD.'

4. Can there be a second part to the RSDI MBR record even if there is no current dual entitlement?

Yes, there can be. Some reasons for this can be: prior, but not current, dual entitlement; entitlement to auxiliary benefits under more than one social security number; being denied/disallowed for primary benefits under one's own social security number while being entitled to auxiliary benefits under another social security number; and filing for Medicare Part A or Part B under one's own social security number before being entitled to auxiliary benefits under another social security number.

5. How do I identify which respondents were paid benefits for the most recent month (or any specific month)?

For a benefit to be paid in any given month, the respondent must be in current pay status, as indicated by the Ledger Account File (LAF) code. To identify respondents who were paid benefits for December 2003, the last occurrence of O-MBP > 0 and the last occurrence of O-LAF should equal 'C' or 'C2.'

In every case, the benefit for a given month is the benefit that the respondent would receive in the following month. Thus, the last occurrence of O-MBP shows the amount the respondent would have gotten in January 2004—if the respondent were also in current pay status. Note that the benefit paid for December includes the cost of living adjustment effective for that month and received in January.

6. What is the PIA and how does it change?

The PIA, or primary insurance amount, is the monthly amount payable to a retired worker who begins to receive benefits at the "full retirement age" (age 65 for the NCHS sample) or to a disabled worker who has never received a retirement benefit reduced for age. The PIA, which is related to the worker's average indexed monthly earnings, is also the amount used as a base for computing all types of benefits payable on the worker's earnings record. It is increased with every benefit rate increase, even for terminated benefit records. It also may increase as a result of a recomputation that credits the worker with additional earnings after initial benefit receipt. Historical PIAs and the associated PIA effective dates (PIED) are given in up to 30 fields on the file.

7. What do benefit-amount and PIA fields mean for dually-entitled cases?

To determine monthly benefits (either OMBA, OMBC, or OMBP) when OTBEN=1, look at the monthly OLAF status in both portions of the record. If the OLAF status in any month is C or C2, then a benefit has been paid on that account for that month. In the cases where LAF and OLAF both equal C or C2 for the month, add the money fields together from both parts of the record to get the total amount paid for the month. However, in most dually-entitled cases once the primary on the other account has either stopped working or is deceased, the monthly OLAF code on that account would be 'A'

and all money would be combined on the primary account that is shown on the first part of the record.ⁱ In such cases, ignore the benefit amount given in the second part of the record for the month. In virtually all of the cases, the PIA on the first part of the dual record is based upon the respondent's own earnings and the PIA in the second part of the record is based upon their (deceased) spouse's earnings. Sometimes, someone is dually entitled as a wife/husband and a widow(er)--but not as a retired worker. In such cases, the PIA in the first part of the record would be based on the earnings of the respondent's current spouse while the PIA in the 2nd part of the record would be based on the earnings of the respondent's deceased spouse.

8. What about women who receive benefits based on someone else's work record?

Like dual entitlement, entitlement only as an auxiliary beneficiary, generally as a wife or widow, occurs more frequently among women than men. (The law is the same for both sexes.) When OTBEN=O and TOB is not 1 or 2, it's an auxiliary only case. DOECTOB in the first part of the record would equal: a 3 if the respondent received benefits as an aged spouse; a 4 if the respondent received benefits as a young spouse caring for minor/disabled children; a 5 if she (or he) received them as an aged widow(er), a 6 if she (or he) received them as a young widow(er) caring for minor/disabled children; and a 7 if she (or he) received them as a disabled widow(er).

9. What other variables might be particularly useful to understand benefits received by women?

Two variables might be particularly useful in understanding women's benefits." The first of them is the TOC, or type of claim code. If TOC equals B or F, then the widow(er)'s benefit at DOEC is capped by the primary benefit amount of their deceased spouse. The widow(er)'s limit provision operates as a ceiling on survivor benefits. It ensures that a survivor benefit does not exceed the greater of either the benefit the deceased worker would be receiving if alive or 82.5 percent of the deceased worker's primary insurance amount. Because of this provision, much of the reduction for early retirement passes through to surviving spouses of married workers.

PIARA, or the PIA reduction amount, may also be useful. It shows if the person had been entitled under another account prior to their retirement account. In the past and still today for widow(er)s born before 1928, those who had previously received benefits as a widow(er), receive a reduced benefit in retirement. For example, a widow might become a beneficiary at age 60 and receive widow benefits until she converts to her own retired worker benefit at age full retirement age. It used to be the case that a benefit reduction amount would continue in retirement. But now, except for widow(er)s born before 1928, the actuarial reduction isn't carried over at full retirement age.

10. Which respondents took early Social Security retirement benefits and which respondents delayed their retirement?

For the NCHS cohorts, the "full retirement age" in the Social Security program is dependent on the respondent's date of birth (www.ssa.gov/retire2/applying1.htm). Workers retiring earlier (as early as age 62) have their benefits reduced. Surviving spouses can retire as early as age 60, with their benefits reduced, and their full retirement age is also dependent on their date of birth but uses a different reduction factor than retiring workers (www.ssa.gov/survivorchartred.htm). Those who retired after reaching the full retirement age have their benefits increased because of the delayed retirement credit (DRC).

Calculating age at initial entitlement (using the DOBP and DOEI) can generally identify early retirement cases.ⁱⁱ For most cases, if the primary's OMBA > PIA, then it's a DRC case. For those not dually entitled, the OMBA is less likely to exceed the PIA for reasons other than delayed retirement. The DRCY, the Delayed Retirement Computation Year, and the CRIMC, or Current Cumulative Retirement Increment Months, might also help in establishing DRC cases. (However, we are uncertain of the usefulness of these variables for research.)

11. How can I find respondents who worked after first taking Social Security retirement benefits?

Respondents who had benefits fully withheld due to the primary's earnings are identified by LAFs and O-LAFs of S1 and S2 for the worker and LAFs and O-LAFs of S3 and S5 for auxiliaries. In addition, for the NCHS LAF codes were modified with a value equaling C2 to indicate that a partial benefit was paid for that month because there were earnings from work in excess of the earnings test that month. (For historical amounts permitted without reductions in benefits, see Table 2.A29 (www.ssa.gov/policy/docs/statcomps/supplement/2004/2a29-2a32.html#table2.a29) in the Social Security Bulletin Annual Statistical Supplement.)

Note that there will be no information for respondents who work but have earnings below the retirement earnings test. In 1992, for example, respondents age 65 or older could have earnings below \$10,200 and not be affected by the test

12. What should we know about suspensions and terminations?

The monthly O-LAF values identify months of benefit suspension or termination with initial characters of 'S' and 'T', respectively. In periods of suspension, beneficiaries are still entitled to benefits but benefits are withheld for some reason (e.g., during an address change). In a period of suspension, the PIA is increased with every benefit rate increase and the OMBA is recomputed, giving a new history field effective with the benefit-rate-increase month. In contrast, records for terminated beneficiaries show a PIA increase with every benefit-rate increase but do not have their OMBA updated. Program terminations may be for periods of temporary recovery from periods of disability or time lapses due to conversions of young spouses (widows) with child in care to aged spouses (widows).

For respondents not in current pay status, DOST and DOCA may be useful. (However, both fields are deleted when the person resumes current pay status.) The DOST is the date a suspension/termination action should have taken place, while the DOCA is the date when the suspension/termination action actually was applied to stop the payment. If the DOCA shows a later date than the DOST, then an overpayment occurred. For example: an aged spouse beneficiary who was divorced in July 1992 and who was not entitled to divorced spouse benefits might not notify SSA until September 1992 of the divorce. DOST would be 071992, and DOCA would be 091992. There would have been a 2-month overpayment that would require repayment. (There is nothing in our data extract that shows if the overpayment was recovered).

As noted, for past periods of suspensions/terminations, look to the O-LAF codes not the DOST/DOCA.

13. What information is available about Social Security disability benefits under RSDI?

There are three types of Social Security disability benefits among the respondents in the NCHS.

1. Benefits for the disabled worker which often referred to as "disability insurance benefits" or "disabled worker's benefits." These can be distinguished by a DOEI-TOB/DOEC-TOB code of 2. Disability (DI) benefits the NCHS populations are automatically converted to retired worker beneficiary status at age 65. A DOEI-TOB code of 2 paired with a DOEC-TOB code of 1 identifies respondents who were previously entitled to DI benefits.
2. Benefits for a disabled widow(er) or disabled surviving divorced spouse. These benefits apply to disabled widow(er)s (or disabled surviving divorced spouses) age 50-59 who meet the other requirements for entitlement to widow(er)'s insurance benefits. These can be distinguished by a DOEI-TOB/DOEC-TOB code of 7.
3. Benefits for a disabled child of a worker entitled to disabled worker's or retirement benefits or of an insured worker who died. These benefits are payable as early as age 18 and there is no upper age limit. They are referred to as childhood disability benefits because the child must have become disabled before reaching age 22. These can be distinguished by a DOEI-TOB/DOEC-TOB code of 8.

Other important DI variables on the NCHS file include:

NOFD: Number of Disability Periods (Max 12). This can be used as an index to point to the last period of disability a NCHS respondent filed for.

DLM1 – DLM12: Date Disability Requirement Last Met (occurs 12 times)

DDO1 - DD012: Date of Disability Onset (occurs 12 times)

DOED1 – DOED12: Date of (Deemed) Entitlement to DIB (occurs 12 times)

DDBC1 – DDBC12: Date Disability Cessation (occurs 12 times)

LOD1 – LOD12: Level of Denial Code (occurs 12 times)

RDD: Reason for Disallowance or Denial

BDC1 – BDC12: Basic for Denial Code (occurs 12 times). Is a derivative of the denial codes in the RDD and usually contains the last two positions of the RDD.

DIG: Diagnosis Code(see <http://policy.ssa.gov/poms.nsf/lnx/0428085125!opendocument>)

SDIG: Secondary Diagnosis Code

ⁱ In such cases, the benefit fields in the second part of the record show the amount in the auxiliary part of the benefit. The amount due the dually-entitled respondent as a worker can be calculated by subtracting the benefit in the second part from that in the first. They may be useful for some analyses. For example, to analyze the effect of a proposal to decrease the spouse benefit, the part of the total benefit received as a spouse needs to be distinguished from the part received as a retired worker.

ⁱⁱ The result can be imperfect. For example, a worker could file for benefits at age 62, then go back to work and exceed the earnings test until age 65. In that case the DOEI (and DOB) would indicate an early retirement at age 62, but that could be misleading, depending on the analysis.

For many cases, if the primary's OMBA < PIA, then it's also probably an early retirement case. However, that strategy isn't perfect because many things can affect the OMBA. For example, the OMBA could be less than the PIA because of partial withholdings for the earnings test, receipt of worker's comp, the government offset (affecting widows), or repayments by beneficiaries for past overpayments.