

August, 2013

## The Supplemental Security Income Restoration Act

On April 17, 2013, Rep. Raúl Grijalva (D-AZ) introduced the [SSI Restoration Act](#) (H.R. 1601) which calls for the following updates to the program. The bill is endorsed by NSCLC and more than two dozen national organizations and would do the following:

- Increase the SSI resource limit from \$2,000 for individuals (\$3,000 for a couple) to \$10,000 (\$15,000 for an eligible couple)
- Update the general income disregard from \$20 to \$110 per month
- Update the earned income disregard from \$65 to \$357 per month
- Repeal the in-kind support and maintenance provision
- Repeal the transfer penalty

### Why This is Important

A basic problem is that the program is still designed for 1972, the year it was signed into law by President Nixon. The resource limit, for example, has only increased by one third in 41 years, while the cost of living is more than 5.5 times what it was the year it began. An SSI recipient cannot have more than \$2,000 in available resources. The result is that a recipient cannot put aside enough to pay for predictable needs, let alone deal with sudden unforeseen emergencies.

Similarly, the rule that disregards the first \$20 of monthly income (the general income disregard) when determining eligibility or the amount of benefits has not changed in 40 years—even though \$20 does not buy what it did in 1972.

If you are receiving in-kind food or shelter, you will likely be paid at a lower rate. Thus, a person living in the household of another person, regardless whether it is a family member, may be subject to a reduction in benefits equal to one-third the Federal Benefit Rate or \$236, bringing the maximum federal benefit down to \$474 a month. This is known as the In-kind Support and Maintenance rule. The rule is quite complex and imposes an increased financial burden on SSI recipients and their families as well as an administrative burden on already stressed local Social Security Administration (SSA) offices nationwide.

In 1999, Congress enacted an extraordinarily harsh transfer penalty which results in a period of ineligibility when someone transfers a resource to another person. This transfer penalty applies even if the SSI recipient is repaying an informal loan from family or a friend. It also has a byzantine set of exceptions which add to the administrative burden and make errors inevitable, especially when SSA is understaffed.

### **Background**

Over eight million Americans, all of them at least age 65 or unable to work because of severe disabilities, rely on the Supplemental Security Income (SSI) program for their survival.

The majority of SSI recipients are women and two-thirds of those who receive benefits on the basis of age are women. One out of every three older people applying for SSI has a primary language other than English. Although disability is not generally an eligibility requirement for people over age 65, a very high percentage of those over age 65 who receive SSI do have significant disabilities compared to their contemporaries.

Unfortunately, at present, SSI provides income that is below the poverty line. In addition, there are several outdated rules that make life exceedingly difficult such as the resource limit or the in-kind support and maintenance provision. The financial constraints contained in the law are so stiff that a growing number of older SSI recipients are homeless.

*The National Senior Citizens Law Center is a non-profit organization whose principal mission is to protect the rights of low-income older adults. Through advocacy, litigation, and the education and counseling of local advocates, we seek to ensure the health and economic security of those with limited income and resources and preserve their access to the courts. For more information, visit our Web site at [www.NSCLC.org](http://www.NSCLC.org).*

