

January, 2015

The Supplemental Security Income Restoration Act

On March 6, 2014, Senators Sherrod Brown (D-OH) and Elizabeth Warren (D-MA) introduced the [Supplemental Security Income Restoration Act of 2014](#) (S2089) which is identical to the bill (H.R. 1601) introduced last year in the House of Representatives.

On April 17, 2013, Rep. Raúl Grijalva (D-AZ) introduced the [Supplemental Security Income Restoration Act](#) (H.R. 1601). Both the House and Senate bills call for the following updates to the program. The bill is endorsed by NSCLC and more than 50 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 (a rule that hasn't been updated in 40 years)
- 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 over 40 years, while the cost of living is more than 5.5 times what it was the year it began. An individual 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 such as a home repair or replacement of an old car, 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 over 40 years— even though \$20 today would only buy what \$3 and change would have bought in 1972. The disregard was established so that low-wage workers would receive some benefit from their years of work when they reached their retirement years. Inflation over the last four decades has made that benefit almost imperceptible.

If you are receiving in-kind food or shelter, you will be paid at a lower rate. Thus, instead of receiving the full Federal Benefit Rate of \$733.00 monthly, a person living in the household of another, regardless of whether or not it is a family member, may be subject to a reduction in benefits equal to one-third the Federal Benefit Rate or \$244, bringing the maximum federal benefit down to \$489 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 on 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. Two million older adults receive SSI benefits.

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 of the 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 (\$733 per month for an individual/\$1,100 for a couple). While the bills do not address raising the federal benefit rate, the financial constraints contained in current law are so stiff that a growing number of elderly 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.

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