



Leadership Council of Aging Organizations

Richard J. Fiesta, Chair

May 30, 2014

Dear Senator:

The Leadership Council of Aging Organizations (LCAO), a coalition of national not-for-profit organizations representing the interests of 60 million older Americans, supports S. 2089, the “Supplemental Security Income Restoration Act of 2014.” The bill would provide some sorely needed updates to this long-neglected program which provides subsistence level income for over 8 million older Americans and people with disabilities. A majority of those who receive Supplemental Security Income (SSI) are women, including two-thirds of those who receive SSI on the basis of age.

The program started with high aspirations. On the day President Nixon signed it into law in 1972, he stated: “For millions of older people, it can mean a big step out of poverty and toward a life of dignity and independence.” This is far from the reality of 2014, when one’s income must be well below the federal poverty level to qualify financially for SSI.

In order to qualify for SSI, an individual cannot have countable resources over \$2,000. That reflects an increase of just 33 percent since 1972 although the cost of living today is more than 5.5 times greater than what it was in 1972. In determining SSI eligibility, there is a general income disregard, which allows a person to retain a small amount of other income (typically a small Social Security benefit) without being disqualified from receiving SSI. This amount was established at \$20 a month in 1972 and remains there today--even though \$20 today is worth little more than \$3 in 1972 dollars. Similarly, an earned income disregard of \$65 was included in the 1972 legislation in order to give SSI recipients an incentive to return to the work force. That too has not changed.

Passage of the SSI Restoration Act of 2014 would be an important step in the direction of revitalizing the SSI program. S. 2089 would:

- Increase the SSI resource limit from \$2,000 (\$3,000 for a couple) to \$10,000 (\$15,000) in calendar year 2015 (and increased thereafter for inflation) for individuals without a spouse.
- Increase the General Income Disregard from \$20 to \$110 per month.
- Increase the Earned Income Disregard from \$65 to \$357 per month.
- Repeal the in-kind support and maintenance provision, which reduces allowable in-kind food and/or shelter to less than fair market value. The current provision most often affects family members who are living in the household of an SSI recipient, such as a son, daughter or sibling. It often makes it difficult for family members of limited means

to help and also creates a significant administrative burden on the Social Security Administration, which must determine the value of the food and shelter provided.

- Repeal the transfer penalty which was imposed in 1999 legislation. This provision makes a person ineligible for SSI for a period of up to 36 months if they transfer a resource for less than fair market value. Most SSI recipients are unaware of this provision and are caught by surprise when it is applied to them. A common case involves a person who disclaims a modest inheritance for fear that it could make her ineligible for SSI. In fact, receipt of a modest inheritance would result in the loss of only one month's benefits, while the disclaimer triggers the transfer penalty and can result in a period of extended ineligibility. This provision also imposes an undue administrative burden on the Social Security Administration.

We, the undersigned members of the Leadership Council of Aging Organizations, urge you to support and become a co-sponsor of this much needed legislation on behalf of some of our most vulnerable citizens.

Sincerely,

AARP

AFSCME Retirees

Alliance for Aging Research

Alliance for Retired Americans

Alzheimer's Foundation of America

American Society on Aging (ASA)

Association of Jewish Aging Services of North America (AJAS)

B'nai B'rith International

Center for Medicare Advocacy (CMA)

Easter Seals

Gray Panthers

International Association of Indigenous Aging (IA²)

LeadingAge

Medicare Rights Center

National Active and Retired Federal Employees Association (NARFE)

National Adult Protective Services Association (NAPSA)

National Academy of Elder Law Attorneys (NAELA)

National Association of Area Agencies on Aging (n4a)

National Association of Geriatrics Care Managers (NAPGCM)

National Associations of States United for Aging and Disabilities (NASUAD)

National Caucus and Center on Black Aged, Inc. (NCBA)

National Committee to Preserve Social Security and Medicare (NCPSSM)

National Council of Social Security Administration Field Operations Local, AFGE

National Council on Aging (NCOA)

National Senior Citizens Law Center (NSCLC)

National Senior Corps Association (NSCA)

OWL, The Voice of Midlife and Older Women
Pension Rights Center
PHI, Quality Care *Through* Quality Jobs
Services and Advocacy for GLBT Elders (SAGE)
The Jewish Federations of North America
Wider Opportunities for Women (WOW)
Women's Institute for a Secure Retirement (WISER)