

# SUPPLEMENTAL SECURITY INCOME

The Leadership Council of Aging Organizations (LCAO) is a coalition of national not-for-profit organizations representing the interests of 60 million older Americans.

## SSI OVERVIEW

Supplemental Security Income (SSI) is a federal program that provides *income assistance* for over 8 million older Americans, including children and adults with disabilities who live in deep poverty. SSI was signed into law by President Nixon in 1972. He described the program as one that would “mean a big step out of poverty.” In reality, SSI cash benefits fall short of federal poverty guidelines. The 2018 monthly maximum federal SSI payment is \$750 for an individual and \$1,125 for a couple.



**\$750 per month**



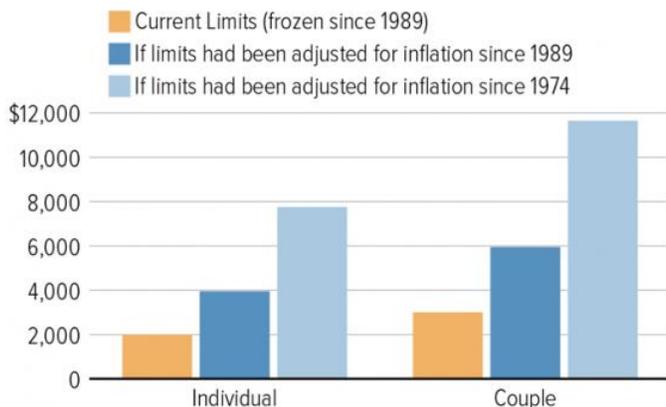
**2.2 million older adults**



**6 million children & adults with disabilities**

## STRENGTHENING SSI

### Supplemental Security Income's Asset Limits Are Outdated



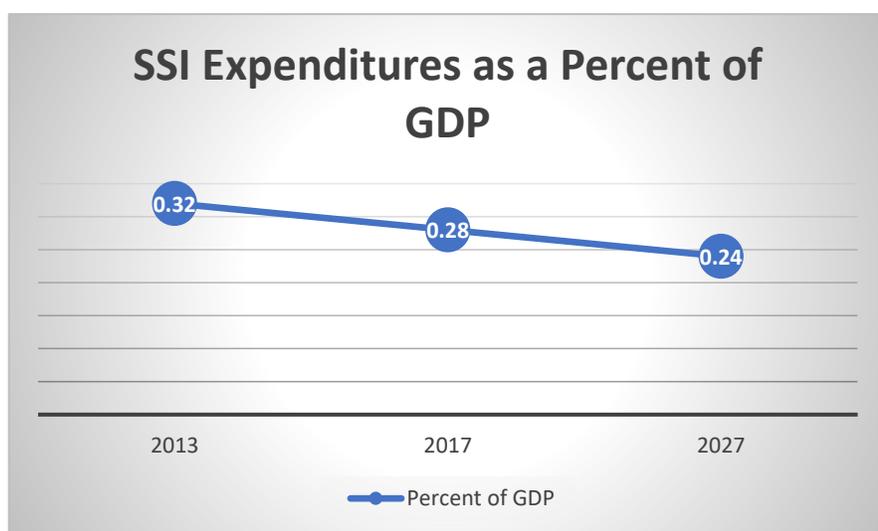
Source: CBPP calculations from Social Security Administration and Bureau of Labor Statistics data

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There are several ways the SSI Program could be strengthened. SSI benefits were last modernized to meet inflation levels nearly 30 years ago.<sup>1</sup> Today's SSI requirements are outdated, and adversely affecting beneficiaries. Americans who receive SSI are limited to savings of \$2,000 (\$3,000 for a couple). This restriction prevents beneficiaries from saving for emergency situations, like necessary home and car repairs. SSI benefits are also significantly reduced when a beneficiary receives non-employment income over \$20 a month, or earned income over \$65.

<sup>1</sup> Graph: <https://www.cbpp.org/research/social-security/policy-basics-supplemental-security-income>

This means a beneficiary who already has an extremely low income is forced to remain below the poverty level to remain eligible, even if the person has other sources of income, like Social Security retirement benefits. Another challenge for SSI beneficiaries is the “in-kind support and maintenance provision,” which reduces SSI benefits when a person receives certain free or reduced-rate food and shelter. This means that beneficiaries cannot receive assistance of food or shelter from family members without losing a significant portion of their benefits. This provision also creates a significant administrative burden on the Social Security Administration, which must determine the value of the food and shelter provided.



SSI is a minute part of the overall federal budget and its expense is decreasing. The cost of SSI is expected to continue to decrease as a percentage of GDP over the next decade, making it an even more affordable program to help the most vulnerable groups in the United States.

## WHAT CONGRESS CAN DO

Congress should pass the Supplemental Security Income Restoration Act of 2017 (H.R. 3307). The bill would provide some sorely needed updates to this long-neglected program.

The current SSI resource limits create cycles of poverty, eliminating any chance of financial independence as people are unable to save enough to cover life expenses, like dental care, car repairs, or a broken furnace. The SSI Restoration Act of 2017 would increase the SSI resource limit from \$2,000 to \$10,000. H.R. 3307 would also update the General Income Disregard and the Earned Income Disregard, which severely reduce SSI benefits when a person has any other sources of income. Moreover, the bill prevents the reduction of benefits for the receipt of in-kind support.

These updates to the SSI program are essential to maintain the lifeline for people who are too old or disabled to work and have little or no other sources of income.