



**CONGRESSMAN RAÚL M. GRIJALVA**

## **SUPPLEMENTAL SECURITY INCOME (SSI) RESTORATION ACT OF 2019**

### **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. Unfortunately, at present, it provides income that is below the poverty line. Over time SSI has become an increasingly important program for children and persons with disabilities.

SSI was created to replace the patchwork system of federal grants to states which aided the aged, blind, or disabled. For disability applications, state agencies called Disability Determination Services (DDSs) screen the medical and related evidence to judge whether the applicant meets the criteria set in law — essentially, whether he or she suffers from a severe impairment that will last at least 12 months or result in death and that makes it impossible to engage in substantial work.<sup>1</sup> A basic problem is that the program is still designed for 1972, the year it was signed into law by President Nixon. The financial constraints are so stiff that a growing number of older SSI recipients are homeless.

### **SSI Restoration Act**

This bill restores a program that plays a key role in the security of millions of Americans. Specifically, it modernizes and improves SSI by streamlining and simplifying the claiming process, expanding the resources and income limits and eliminating punitive reductions in benefits.

#### **KEY RESTORATION PROVISIONS**

- **Update general income disregard to \$123 per month**
- **Update earned income disregard to \$399 per month**
- **Update resource limit to \$10,000 (\$20,000 for an eligible couple)**
- **Repeal the in-kind support and maintenance provision**
- **Repeal penalties for resource transfers, marriage and state tax credits**

## **SECTION 2: UPDATE IN ELIGIBILITY FOR THE SUPPLEMENTAL SECURITY INCOME PROGRAM**

**(a) UPDATE IN GENERAL INCOME EXCLUSION** – increases the SSI General Income Disregard from the current \$20 to \$123 per month.

- This increases the amount of money an SSI recipient can receive from other non-employment sources (such as Social Security or a pension) without suffering a reduction in the SSI benefit. This amount has not been changed since 1972. The cost of living is more than five and a half times what it was then, \$123 is equal to just under \$20 in 1972.<sup>2</sup>

**(b) UPDATE IN EARNED INCOME EXCLUSION** – increases the SSI Earned Income Disregard from the current \$65 to \$399 per month.

- The income disregard was intended to encourage those who could work despite their disability to return to the work force. Currently, the exclusion is so low that its work incentive has been greatly diminished. It too has not been changed since 1972. \$399 today is equal to just under \$65 in 1972.<sup>2</sup>

**(c) UPDATE IN RESOURCE LIMIT FOR INDIVIDUALS AND COUPLES** – increases the resource limit from \$2,000 (\$3,000 for an eligible couple) to \$10,000 (\$20,000 for an eligible couple).

- The resource limit has increased only 33% since 1972 and today it is woefully insufficient to deal with perfectly predictable needs. For the older person living in their own home, \$2,000 is not enough to make necessary home repairs or buy a reliable used car or to cope with other emergencies that will inevitably arise.<sup>3</sup>

## **SECTION 3: SUPPORT AND MAINTENANCE FURNISHED IN KIND NOT INCLUDED IN AS INCOME**

- Repeals the in-kind support and maintenance provision.
- Under current law, there can be a reduction in monthly benefit of an amount equal to one-third the Federal Benefit Rate if an SSI recipient receives in-kind food and/or shelter. This makes it difficult for a family member to provide shelter.
- In addition to being inconsistent with family values, the in-kind support and maintenance provision also places a significant administrative burden on the Social Security Administration at a time when their administrative resources are cut to the bone.

#### **SECTION 4: REPEAL OF PENALTY FOR DISPOSAL OF RESOURCES FOR LESS THAN FAIR MARKET VALUE**

- Repeals penalty enacted in 1999 for the transfer of a resource for less than fair market value within 36 months of applying for SSI or while receiving SSI.
- This policy is based on the assumption that people will give away valuable property for the opportunity to live on a subsistence income.
- The transfer penalty causes considerable hardship for recipients without accomplishing any worthwhile objective, it also creates a substantial additional burden on the Social Security Administration to process these cases at a time when it is already overburdened by an increased workload and staffing which is still less than what it was several years ago.

#### **SECTION 5: REPEAL OF MARRIAGE PENALTY**

- Currently benefits for a married couple, both of whom receive SSI and have no other income, amount to 25 percent less than the total they would receive if they were living together but not as husband and wife.
- This section sets the couple rate at twice the individual rate.

#### **SECTION 6: CLARIFYING THE TREATMENT OF CERTAIN STATE TAX CREDITS**

- Conforms Treatment of State and Local Government Earned Income Tax Credits and Child Tax Credits for SSI. When determining someone's eligibility for, and benefit amounts under, the SSI program, SSA excludes Federal earned income tax credits (EITC) and child tax credits (CTC). However, the law requires SSA to count State EITCs and CTCs for SSI purposes.
- This section will simplify administration of the SSI program by excluding State EITCs and CTCs, in the manner in which similar federal tax payments are already excluded.

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<sup>1</sup> Center on Budget and Policy Priorities. 2011 Introduction to the Supplemental Security Income (SSI) Program.

<sup>2</sup> As measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

<sup>3</sup> National Senior Citizens Law Center. 2012. Recommendations to Update the Supplemental Security Income Program