

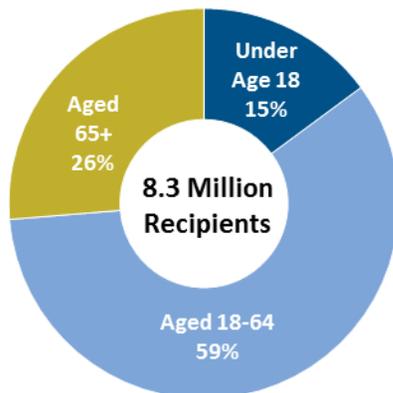


Supplemental Security Income (SSI)

Overview

Supplemental Security Income (SSI) is a means-tested federal entitlement program administered by the Social Security Administration (SSA) that provides monthly cash benefits to the aged, blind, and disabled. The program is intended to provide a minimum level of income to adults who have difficulty meeting their basic living expenses due to age or disability and who have little or no Social Security or other income. It is also designed to supplement the support and maintenance of needy children with severe disabilities. SSI is commonly known as a program of “last resort” because claimants must first apply for all other benefits for which they may be eligible; cash assistance is awarded only to those whose income and assets from most other sources are below prescribed limits. In August 2016, SSA issued federally administered SSI payments to 8.3 million recipients, including 1.2 million children under 18 years old, 4.9 million adults aged 18-64, and 2.2 million seniors aged 65 or older (Figure 1).

Figure 1. SSI Recipients, by Age, August 2016



Source: SSA, “Monthly Statistical Snapshot, August 2016,” Table 3.

Eligibility Requirements

To qualify for SSI, a person must (1) be aged, blind, or disabled as defined in federal law; (2) have limited income and resources; and (3) meet certain other requirements.

Categorical Requirements

Aged refers to individuals who are age 65 or older. The blind are individuals of any age with 20/200 or less vision in the better eye with the use of a correcting lens or tunnel vision of 20 degrees or less. Individuals are disabled if they meet SSI’s age-specific definition of disability.

- Disabled Adults.** Individuals aged 18 or older must be unable to engage in any substantial gainful activity (SGA) due to any medically determinable physical or mental impairment that is expected to last for at least one year or result in death. In 2016, the SGA earnings threshold is \$1,130 per month. Adults generally qualify

as disabled if their impairment is of such severity that they are unable to do any kind of *substantial* work that exists in the national economy, taking into account their age, education, and work experience.

- Disabled Children.** Individuals under age 18 must have a medically determinable physical or mental impairment that results in marked and severe functional limitations and is expected to last for at least one year or result in death. Children typically qualify as disabled if they have a severe impairment that limits their ability to engage in age-appropriate childhood activities at home, in childcare, at school, or in the community. In addition, their earnings must not exceed the SGA limit.

Financial Requirements

To qualify for a monthly SSI payment, a person’s countable income (gross income minus all applicable exclusions) must be less than the federal benefit rate (FBR), which is the maximum monthly SSI benefit payable to qualified individuals and couples. In 2016, the FBR is \$733 per month for an individual living independently and \$1,100 per month for a couple living independently if both members are SSI eligible. The FBR is adjusted annually for inflation by the same cost-of-living adjustment (COLA) applied to Social Security benefits. Countable income is subtracted from the FBR in determining SSI eligibility and payment amount.

The SSI program counts most types of income, including support and maintenance furnished in cash or in kind. The income of certain ineligible family members (such as a spouse or parent) may be deemed available to meet the needs of the SSI recipient, and as such, may be included in the recipient’s countable income. The program excludes certain income in determining SSI eligibility and payment amount, such as the first \$20 per month of any income (earned or unearned) and the first \$65 per month of earned income plus one-half of any earnings above \$65. Unearned income refers to income not derived from current work, such as Social Security, veterans’ benefits, interest income, and cash from friends or relatives. Earned income includes wages, net earnings from self-employment, and other compensation related to work. Certain in-kind support is also excluded, such as food and housing assistance.

The limit for countable resources is \$2,000 for an individual and \$3,000 for a couple. Resources are cash or other liquid assets or any real or personal property that a person owns and could convert to cash to be used for his or her support and maintenance. Resources include bank savings and checking accounts, stocks, bonds, IRAs and 401(k)s under certain conditions, insurance policies, and certain types of trusts. The resources of ineligible family members may be deemed available to the SSI recipient and counted against

the applicable resource limit. Certain resources are not counted in determining SSI eligibility, such as a person's primary residence, household goods and personal effects, one vehicle, and property essential to self-support. The resource limits are not adjusted for inflation and have remained at their current levels since 1989.

Other Requirements

To qualify for SSI, a person must (1) reside in one of the 50 states, the District of Columbia, or the Northern Mariana Islands and (2) be a U.S. citizen or a noncitizen who meets a qualified alien category and certain other conditions. (SSI is not available in Puerto Rico, Guam, the Virgin Islands, or American Samoa.) Recipients who are outside the country for more than a month are ineligible for benefits. Except for situations involving certain medical facilities, residents of public institutions (such as a jail or prison) are generally ineligible for SSI. Additional requirements related to filing for other benefits and fugitive felon status also apply.

Cash and Medical Benefits

In August 2016, the average federally administered SSI payment was \$540, which on an annualized basis is \$6,480 (**Table 1**). Benefits are generally lower for seniors because some of them also receive Social Security, which reduces their SSI payment. Benefits for children typically are higher because they often do not have income of their own. Some states use their own funds to supplement the federal SSI benefit to provide a higher overall payment level than is prescribed in federal law. States may provide supplements to all those eligible for SSI, or they may limit the payments to certain SSI recipients, such as the blind.

Table 1. Average SSI Benefit, by Age, August 2016

Category	Monthly Amount	Annualized
Total	\$540	\$6,480
Under Age 18	\$645	\$7,740
Aged 18-64	\$561	\$6,732
Aged 65+	\$435	\$5,220

Source: SSA, "Monthly Statistical Snapshot, August 2016," Table 3.

In most states, SSI recipients are categorically eligible for Medicaid, which is a joint federal-state program that finances the delivery of primary and acute medical services, as well as long-term services and supports (LTSS), to certain needy populations. SSI recipients often have medical conditions that require significant health care resources. However, most SSI recipients are unable to work enough to gain health insurance through an employer or to pay for such insurance on their own. Medicaid provides most SSI recipients with health coverage, including some long-term care services that private health insurance and Medicare to do not cover, making it an important program for persons with significant long-term care needs.

Financing

Federal SSI benefits and administrative costs are financed by annual appropriations from the general fund of the U.S. Treasury. Funding for SSI benefits is mandatory and open

ended. Total spending on SSI for FY2016 is estimated to have been \$64.4 billion, with \$59.6 billion for benefits and \$4.8 billion for administrative and other costs.

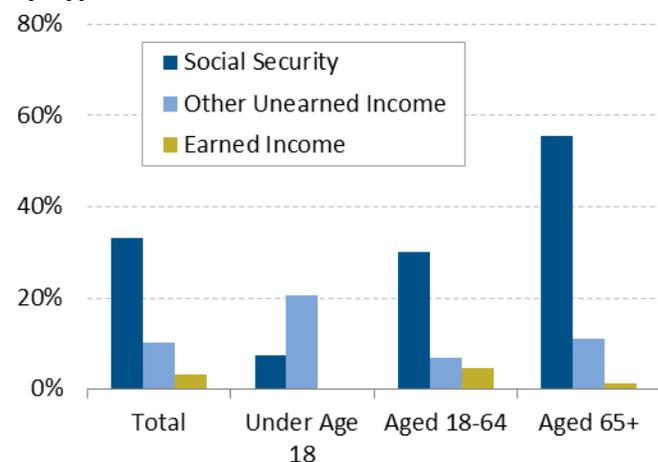
Program Integrity

SSA conducts several types of reviews to assess continuing eligibility for SSI. Continuing disability reviews (CDRs) are periodic medical reviews of blind or disabled recipients to determine if they continue to meet the statutory definition of blindness or disability. Blind or disabled recipients whose medical condition may improve are scheduled for a CDR once every three years and those with the most severe conditions are scheduled once every five to seven years. Child SSI recipients undergo a special reevaluation at age 18 to determine if they meet the adult standard of disability. SSA also performs redeterminations of non-medical factors (such as income, resources, and living arrangements) to verify that a recipient is still financially eligible for SSI and is receiving the correct payment amount. Redeterminations are conducted on a periodic basis or when a recipient's circumstances change.

Relationship Between SSI and Social Security

Although SSA administers both programs, SSI is not part of Social Security. SSI is a public assistance program based on need, whereas Social Security is a social insurance program that provides benefits to insured workers and their eligible family members, provided the worker paid Social Security taxes for a sufficient number of years and meets other criteria. However, one of SSI's goals is to supplement the incomes of individuals who have low levels of Social Security and other incomes. One third of SSI recipients also receive Social Security, with more than half of those aged 65 or older entitled to such benefits (**Figure 2**).

Figure 2. Share of SSI Recipients with Other Incomes, by Type, December 2014



Source: SSA, *Annual Statistical Supplement, 2015*, Table 7.D1.

Notes: Recipients may have more than one type of income. The share of children with earned income was 0.2%.

William R. Morton, wmorton@crs.loc.gov, 7-9453

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