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Policymakers Should Expand and Simplify Supplemental Security Income

By Kathleen Romig and Sam Washington

Supplemental Security Income (SSI), which policymakers created in 1972, provides monthly cash assistance to people who are disabled or elderly and have little income and few assets. SSI benefits are critical for those who need them — but SSI is woefully out of date, leaving many needy people ineligible for benefits and others who receive them without enough resources to meet basic needs.

Policymakers need to update SSI's rules in a variety of ways. Its maximum benefit is only three-fourths of the poverty line, and 4 in 10 recipients[1] have incomes below the federal poverty line even with their SSI benefits. Its income and asset limits have not been updated for decades. These rules allow recipients to keep only a meager amount of their earnings, other benefits, and savings, and prevent many needy elderly and disabled people from qualifying. SSI also excludes most immigrants (until they become U.S. citizens) and residents of U.S. territories, most of whom are people of color. SSI's complex and intrusive rules make it more expensive to administer and burdensome for applicants and beneficiaries. The Social Security Administration (SSA) spends more to administer SSI than it does to administer the much bigger Social Security Disability Insurance (SSDI) program.

Policymakers can strengthen SSI by expanding and simplifying it. They should update its asset limits and income rules and automatically adjust them. They should raise its basic benefit, exempt retirement savings from the asset limits, and ease eligibility restrictions for immigrants and residents of U.S. territories. And, they should repeal some of its complex and intrusive rules.

Such changes would improve the circumstances of low-income seniors and people with disabilities and help close racial equity gaps. Because of persistent health and economic disparities, people of color are likelier to meet SSI's medical and financial requirements. As a result, most SSI beneficiaries are Black, Latino, and Asian American, though white people make up the single largest group. Because SSI serves the neediest, improvements to the program are a targeted, cost-efficient way to reduce poverty and "deep poverty" (income below half of the poverty line).

[1] That figure is under the government's official poverty measure. Under what's known as the Supplemental Poverty Measure, which counts government taxes and benefit programs, the figure is 3 in 10 recipients.

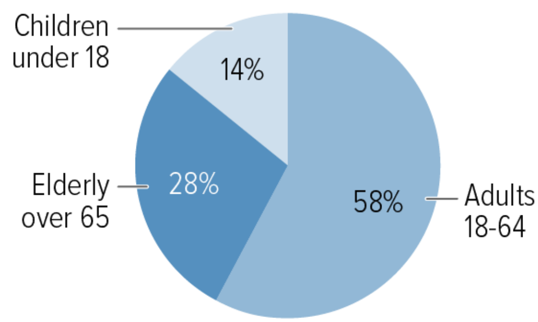
Some recent proposals would update and improve SSI in important ways. The SSI Restoration Act, which lawmakers recently introduced in both the House and Senate, would increase benefits, raise asset and income limits, eliminate marriage penalties, and simplify complex and intrusive rules.[2] During his campaign, then-presidential candidate Biden proposed similar improvements to SSI, although not as detailed or extensive as those in the SSI Restoration Act. [3] He also proposed, both during his campaign and in his 2022 budget, extending SSI to Puerto Rico.[4] (Neither the SSI Restoration Act nor the Biden campaign proposals has received an official cost estimate by any government body.) Policymakers should add some SSI improvements to the economic recovery legislation that they plan to consider this year.

Background

SSI provides monthly cash assistance to people who are disabled or elderly and have little income and few assets. It supplements the incomes of those who aren't eligible for Social Security or whose benefits are very low. SSI is administered by the Social Security Administration (SSA), but it's distinct from the Social Security retirement, survivors, and disability insurance program because it is means-tested and funded by general revenue, not payroll tax contributions. In April 2021, about one-third of SSI recipients also received Social Security retirement, survivors, or disability benefits.[5] SSI uses the same medical criteria as SSDI to determine eligibility for disability benefits but different financial criteria.

FIGURE 1

Supplemental Security Income Recipients by Age



Source: Social Security Administration: SSI Monthly Statistical Snapshot (June 2018), Table 3

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In April 2021, 7.9 million people received SSI benefits, including 1.1 million children with disabilities. (See Figure 1.) Because recipients typically have no other source of income, more than half receive SSI's maximum benefit, which in 2021 is $794 per month for an individual and $1,191 for a couple.[6] SSI reduces these benefit amounts for recipients with other sources of income (such as earnings, Social Security benefits, or child support) or in-kind support, such as help with groceries they receive from family or friends. Such reductions

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[2] The SSI Restoration Act, H.R. 3824 and S. 2065, was introduced by Rep. Raúl Grijalva in the House and by Sen. Sherrod Brown in the Senate.

[3] "The Biden Plan for Full Participation and Equality for People with Disabilities," https://joebiden.com/disabilities/.

[4] Javier Balmaceda, "Biden Budget Calls for Parity for Territories in Critical Safety Net Programs," Center on Budget and Policy Priorities, June 9, 2021, https://www.cbpp.org/blog/biden-budget-calls-for-parity-for-territories-in-critical-safety-net-programs.

[5] Social Security Administration, "Monthly Statistical Snapshot, April 2021," released May 2021, https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/2021-04.html.

[6] Social Security Administration, "Table 1: SSI Monthly Statistics, April 2021," https://www.ssa.gov/policy/docs/statcomps/ssi_monthly/2021-04/table01.html.

dropped the average SSI monthly benefit to $586 in April 2021.[7] Almost all states supplement the federal SSI benefit for at least some recipients. For instance, those supplements often help cover the care of those who live in congregate settings, such as assisted living.[8] In most states, SSI recipients are automatically eligible for Medicaid.

SSI helps to reduce the number of seniors and people with disabilities in poverty and deep poverty, but many recipients remain poor. Before any state supplement or benefit reductions due to other income or in-kind support, SSI benefits are about three-fourths of the poverty line for a single person. Without SSI payments, 6 in 10 SSI recipients were poor under the official poverty measure in 2019.[9] With SSI, 4 in 10 SSI recipients were poor under the official poverty measure, and 3 in 10 were poor under the Supplemental Poverty Measure, which includes other benefits such as SNAP and housing assistance.[10] While reducing poverty among recipients, SSI benefits also reduce the number of people in deep poverty and lessen their need for support from family members. Many other needy elderly or disabled people, including immigrants who are in the United States legally but are affected by eligibility restrictions enacted in 1996, residents of most U.S. territories, or people with modest assets, are ineligible for benefits.

Since SSI began paying benefits in 1974, the share of children and adults with disabilities who receive SSI grew, partly due to legislative changes in 1984 that expanded eligibility based on mental impairments and a 1990 Supreme Court ruling that expanded the SSI disability criteria for children. The 1996 welfare law then restricted eligibility for children and immigrants. Over time, the share of elderly people receiving SSI has fallen steadily, as fewer seniors qualify under SSI's increasingly stringent income and asset limits, and more seniors are excluded by SSI's immigration restrictions. The share of people receiving SSI has remained steady at around 2.5 percent over the past decade and is projected to fall slightly over the long term.

SSI is particularly important for low-income Black and Latino seniors and people with disabilities. (See Figure 2.) Due to persistent racial disparities in health care access and quality — as well as in access to food, affordable housing, high-quality schools, and economic opportunity — people of color are likelier to become disabled. And due to persistent economic disparities, people of color are likelier to have incomes below the poverty line.[11]

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[7] *Ibid.*

[8] Social Security Administration, "Understanding Supplemental Security Income SSI Benefits — 2021 Edition," https://www.ssa.gov/ssi/text-benefits-ussi.htm.

[9] CBPP analysis of the U.S. Census Bureau's March 2019 Current Population Survey. These results are consistent with earlier SSA research: Michelle Stegman Bailey and Jeffrey Hemmeter, "Characteristics of Noninstitutionalized DI and SSI Program Participants, 2013 Update," Social Security Administration, September 2015, https://www.ssa.gov/policy/docs/rsnotes/rsn2015-02.html.

[10] Steven Carlson, Brynne Keith-Jennings, and Raheem Chaudhry, "SNAP Provides Needed Food Assistance to Millions of People with Disabilities," Center on Budget and Policy Priorities, June 14, 2017, https://www.cbpp.org/research/food-assistance/snap-provides-needed-food-assistance-to-millions-of-people-with.

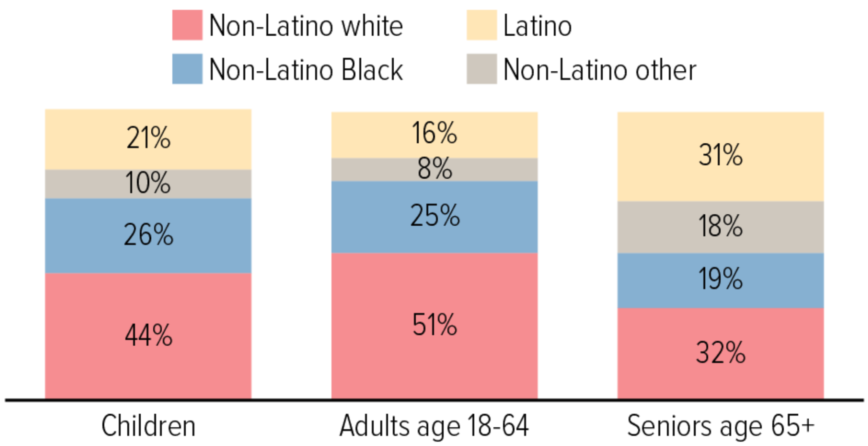
[11] U.S. government policies have deprived people of color of economic opportunity. See, for example, Richard Rothstein, *The Color of Law: A Forgotten History of How Our Government Segregated America*, (New York: Liveright), 2017. Economic barriers for workers of color persist. See, for example, David Cooper, "Workers of Color Are Far More Likely to Be Paid Poverty-Level Wages Than White Workers," Economic Policy Institute, June 21, 2018,

SSI is expensive to administer because its complex rules require SSA staff to continually monitor recipients' living arrangements, incomes, savings, support from family and friends, marital status, and more. SSI benefits make up only 5 percent of the payments that SSA makes, but the program requires 35 percent of the agency's budget to administer.[12] In contrast, SSA spends 20 percent of its budget to administer SSDI, even though it has nearly 2 million more beneficiaries than SSI.

FIGURE 2

Majority of SSI Recipients Are People of Color

Share of Supplemental Security Income (SSI) recipients from each racial/ethnic group



Note: The U.S. population is 60.7 percent white, 18.2 percent Latino, 12.1 percent non-Latino Black, and 9.0 percent other non-Latino (including people identifying as more than one race). Those identifying as Latino may be of any race. Figures may not add to 100 percent due to rounding.

Source: Public use 2018 Survey of Income and Program Participation (SIPP)

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How to Improve SSI

As noted, improvements to SSI would better the circumstances of low-income seniors and people with disabilities and help close racial equity gaps. Here are the key options that policymakers should consider.

Update the Asset Limits

Despite growing recognition by policymakers and analysts that assets boost economic security and that public policy has helped to fuel a significant racial wealth gap, SSI's limits on allowable savings

https://www.epi.org/blog/workers-of-color-are-far-more-likely-to-be-paid-poverty-level-wages-than-white-workers/ and S. Michael Gaddis, "Discrimination in the Credential Society: An Audit Study of Race and College Selectivity in the Labor Market," *Social Forces*, Vol. 93, Issue 4, June 1, 2015, 1451-79, https://doi.org/10.1093/sf/sou111.

[12] "FY 2021 Congressional Justification," Social Security Administration, 2020 https://www.ssa.gov/budget/FY21Files/FY21-JEAC.pdf.

are very restrictive. When they created SSI in 1972, the President and Congress set asset limits to let recipients have some savings to cover the cost of emergencies.[13] The current limits have not been updated for more than 30 years, however, leaving SSI recipients vulnerable in the event of an accident, unexpected bill, or other expense.[14] These asset limits discourage saving and encourage people to dispose of assets they may need to qualify for program benefits.

SSI recipients can't have more than $2,000 in assets for an individual (and $3,000 for a couple), including savings accounts and most retirement accounts. Policymakers raised these asset thresholds just once (in 1989) since enacting SSI, and that increase only partially offset the effects of inflation up to that point.[15] Had asset limits been indexed to inflation since 1989, they would be almost twice as high as they are today — and had they been indexed since 1972, they'd be over four times as high. (See Figure 3.)

One important exception to SSI's asset limits is Achieving a Better Life Experience (ABLE) accounts, established in the 2014 ABLE Act. The Act enables SSI recipients whose disabilities began before age 26 and their family members to contribute up to $100,000 to ABLE accounts. These funds may be used to pay for housing, education, basic living expenses, and other "qualifying disability expenses" — without affecting SSI benefits or eligibility. About 44 percent of people receiving SSI disability benefits began receiving them before age 26, typically because of developmental or neurological disorders like Down syndrome, autism, or cerebral palsy. For qualifying recipients, ABLE accounts effectively raise asset limits, if they choose to participate and their families have the financial capacity to save.[16]

Federal policymakers have given states significant discretion in liberalizing asset limits in other low-income programs, and nearly every state has used that discretion to liberalize asset limits or eliminate them altogether. These programs include SNAP (food stamps), Temporary Assistance for Needy Families (TANF), and the Low-Income Home Energy Assistance Program (LIHEAP).[17] All states except Arkansas and Missouri have eliminated asset limits in at least one program, and seven — Alabama, Colorado, Hawaii, Illinois, Louisiana, Maryland, and Ohio — have eliminated them in all three programs. Families in states with more generous asset rules are less likely to cycle on and off SNAP, research shows.[18] And the Affordable Care Act (ACA) prohibited states from applying

[13] Senate Committee on Finance, "Social Security Amendments of 1972," September 25, 1972, . https://www.finance.senate.gov/imo/media/doc/Rpt92-1230.pdf.

[14] Nancy J Altman, "Individual Statement on The Supplemental Security Income Program," June 2020, https://www.ssa.gov/oact/ssir/SSI20/2020_SSAB_Nancy_Altman_Statement.pdf.

[15] Center on Budget and Policy Priorities, "Policy Basics: Supplemental Security Income," Updated February 8, 2021, https://www.cbpp.org/research/social-security/supplemental-security-income.

[16] "Achieving a Better Life Experience (ABLE) Programs," Congressional Research Service, March 17, 2017, https://crsreports.congress.gov/product/pdf/IF/IF10363.

[17] Prosperity Now Scorecard, "Financial Assets & Income," https://scorecard.prosperitynow.org/data-by-issue#finance/policy/savings-penalties-in-public-benefit-programs.

[18] Caroline Ratcliffe, Signe-Mary McKernan, Laura Wheaton, and Emma Kalish, *The Unintended Consequences of SNAP Asset Limits*, July 2016, https://www.urban.org/sites/default/files/publication/82886/2000872-The-Unintended-Consequences-of-SNAP-Asset-Limits.pdf.

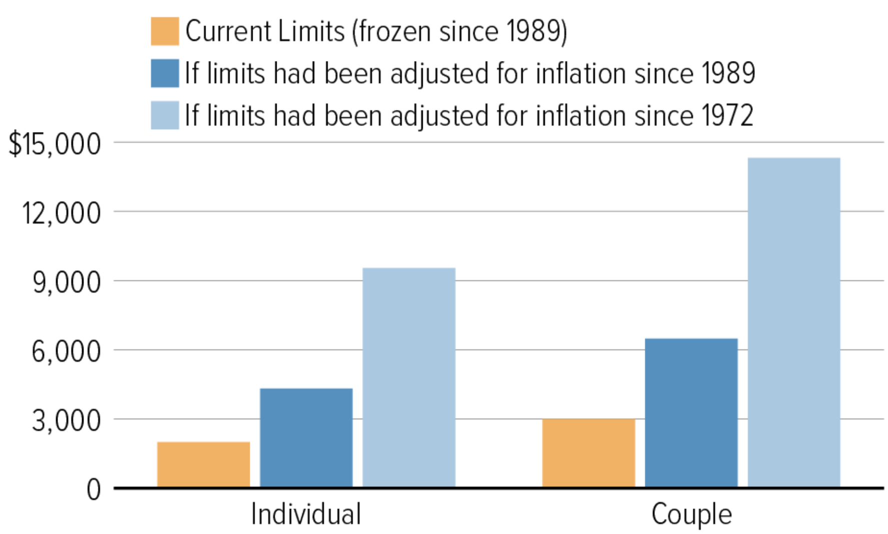
asset limits to most Medicaid beneficiaries, including children, parents, pregnant women, and adults who became eligible for Medicaid under the ACA's Medicaid expansion.

Low asset limits essentially penalize SSI recipients for saving. Since exceeding the limit can cause the loss of not just SSI cash benefits but also in some cases Medicaid, housing assistance, and other benefits, a prudent recipient will avoid saving too much.[19] Savings and assets, however, play an important role in improving economic stability and mobility for low-income individuals, a large body of research shows.[20]

Policymakers should increase SSI's asset limits and index them to inflation so their value doesn't erode again over time, as the SSI Restoration Act and Biden campaign pledge would do. They also should exempt retirement savings from SSI's asset limit, as the SSI Restoration Act proposes. (See box.)

FIGURE 3

Supplemental Security Income's Asset Limits Are Outdated



Source: CBPP calculations from Social Security Administration and Bureau of Labor Statistics data, real January 2021 dollars

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19 Nancy Altman, *op. cit.* People with disabilities who lose SSI could potentially qualify under Medicaid expansion in states that have expanded. Adults under 65 who are not eligible for disability-based coverage can qualify for expansion coverage with no asset limit if their income is below 138 percent of the poverty line.

20 See Signe-Mary McKernan, et. al., "Building Savings, Ownership, and Financial Well-Being: First- and Third-Year Assets for Independence Program Randomized Evaluation Findings in Context," Urban Institute, April 9, 2020, https://www.urban.org/research/publication/building-savings-ownership-and-financial-well-being.

Exempt Retirement Savings from SSI's Asset Limits

Since SSI was enacted in 1972, Americans have relied much more on individual savings to fund their retirement. Over the past four decades, far fewer workers have traditional pensions at work. Instead, policymakers and others encourage them to save for retirement on their own. Individual retirement accounts (IRAs) were created in 1974 and 401(k)s in 1978. The number of workers participating in such "defined contribution" retirement plans has risen nearly tenfold since the mid-1970s.

Despite that dramatic shift in retirement income sources, SSI's asset test still penalizes low-income seniors and people with disabilities who manage to set aside retirement savings. Other programs, including SNAP, exclude retirement savings accounts from asset limits. Policymakers should exempt retirement savings from the SSI asset test, encouraging beneficiaries to save for retirement and letting those who accumulate savings benefit from them without losing their eligibility for SSI.

Sources: Zoë Neuberger and Robert Greenstein, "Changing Medicaid and SSI Rules to Encourage Retirement Saving," The Retirement Security Project, September 2008, https://www.cbpp.org/sites/default/files/atoms/files/9-12-08asset-brief.pdf.

Monique Morrissey, "The State of American Retirement," Economic Policy Institute, March 3, 2016, https://www.epi.org/publication/retirement-in-america/#chart1.

Department of Labor, Employee Benefits Security Administration, "Private Pension Plan Bulletin Historical Tables and Graphs, 1975-2018," https://www.dol.gov/sites/dolgov/files/EBSA/researchers/statistics/retirement-bulletins/private-pension-plan-bulletin-historical-tables-and-graphs.pdf.

Update SSI's Income Exemptions

Like the asset limit, SSI's general income exclusion and earned income exclusion have declined dramatically in value.

SSI exempts (or "disregards") the first $20 per month of unearned income when determining a person's eligibility and benefit levels; any income above that amount from sources such as Social Security, pensions, interest, and child support is subtracted from SSI benefits. Similarly, SSA disregards the first $65 per month of earnings; each $1 of earnings above that level reduces SSI benefits by 50 cents. These rules begin to reduce benefits even when a recipient's income is well below the poverty line. The amount of income that SSA disregards when calculating SSI benefits has not changed, even to account for inflation, since 1972. That has increasingly eroded the inflation-adjusted value of benefits for SSI recipients who work or receive Social Security or other income. For SSI beneficiaries who can work, the stringent disregard for earned income significantly diminishes any incentive to work. The dollar-for-dollar benefits reduction for non-wage income above $20 does little to reward those who receive Social Security based on their past work, since the combined benefits that they receive are little different than the benefits received by those with no work history.

Policymakers should increase these disregards, which have remained frozen for nearly five decades, and index them so they automatically rise with inflation, as the SSI Restoration Act would do, or index them with wages, to keep up with rising living standards. Had the disregards been indexed to wages since 1972, the unearned income disregard would be $152 per month, and the earned income disregard would be $493. Policymakers should also treat Social Security as earned income, so that SSI recipients can keep much more of their Social Security benefits. (See text box.)

Treat Social Security as Earned Income

Enabling SSI recipients to keep more of their Social Security benefits would improve their economic security and recognize their work and contributions to the Social Security system.[21] By law, SSA treats Social Security benefits as "unearned income," so it disregards the first $20 a month of such income and reduces the SSI benefit, dollar for dollar, by anything above that threshold. That means, in effect, that Social Security beneficiaries who receive SSI can keep only $20 of their Social Security benefit. That $20 figure has not changed since SSI's creation nearly five decades ago. By contrast, SSA disregards up to $65 of earned income and reduces benefits by only 50 cents for every dollar earned above that threshold.

Social Security is by far the most common source of other income for SSI recipients. In April 2021, 2.6 million adult SSI recipients also received Social Security, representing about 28 percent of disabled adult SSI recipients and 57 percent of elderly recipients. Their average Social Security benefit was around $500, but SSI recipients effectively receive only $20 of that amount, significantly diminishing their economic security. If Social Security benefits were treated like earned income, an SSI recipient receiving a $500 Social Security benefit would receive $262.50 more in benefits per month. For many recipients, this change alone would bring total income up to the poverty line.

Social Security income, which people earn by working and contributing payroll taxes, should be considered earned income.

Source: Social Security Administration, SSI Monthly Statistics, April 2021, and Annual Statistical Supplement, 2020, Table 7.D1.

Raise Benefit Levels

Maximum monthly SSI benefits are well below the poverty line, leaving many recipients with below-poverty income and unable to cover their basic living expenses. When policymakers established SSI, they sought to assure that "aged, blind, and disabled people would no longer have to subsist on below-poverty-level incomes."[22] SSI benefits alone, however, have never been large enough to raise recipients' income above the federal poverty line. In 2021, SSI's maximum benefit for an individual is $794, while the federal poverty line for an individual is $1,073 per month.

Moreover, the official poverty line is too low for people to meet basic needs. Official estimates of minimum living costs consistently exceed the poverty line by a wide margin; just two parts of a family's budget — rent for a modest two-bedroom apartment in a medium-cost metropolitan area as determined by the U.S. Department of Housing and Urban Development (HUD), and the cost of a minimum nutritionally adequate diet as estimated by the U.S. Department of Agriculture (USDA) —

[21] Chantel Boyens and Jack Smalligan, "Improving the Supplemental Security Income Program for Adults with Disabilities," Urban Institute, April 2019, https://www.urban.org/sites/default/files/publication/100096/improving_the_supplemental_security_income_program_for_adults_with_disabilities.pdf.

[22] S. Rept. No. 92-1230, Social Security Amendments of 1972, Committee on Finance, U.S. Senate (September 25, 1972), p. 384, https://www.ssa.gov/history/pdf/Downey%20PDFs/Amendments%20to%20the%20Social%20Security%20Act%201969-1972%20Vol.%203.pdf.

cost $21,000 in 2018, or 83 percent of the poverty threshold for a two-adult family.[23] Surveys also show that most Americans would set the poverty line higher than the official poverty line.

Policymakers should raise SSI's basic benefit at least to the poverty level, as both the SSI Restoration Act and the Biden campaign plan would do. Raising benefits is the only SSI improvement discussed in this paper that would help all recipients — including those without other sources of support. Liberalizing income and asset rules improves the circumstances of recipients who have other income or savings. Eliminating marriage penalties and in-kind support rules improves the circumstances of those with spouses or material support from family and friends.

Eliminate SSI's In-Kind Support Rules

SSI has an "in-kind support and maintenance" (ISM) policy that requires recipients to disclose any material help that they receive from family and friends, whether groceries or a place to sleep. For each $1 worth of assistance, SSI benefits shrink by $1. While fewer than 1 in 10 SSI recipients report that they receive in-kind support, mostly help with shelter, the policy affects every SSI recipient. That's because SSA must ask detailed questions about other household members, expenses, budgeting, and more in order to categorize each recipient's living arrangement and conclude whether they receive in-kind support — and then repeat the process as circumstances change. No other federal program counts in-kind support when determining benefit levels.[24] Recipients with ABLE accounts, as discussed above, may use the funds that family members contribute to them to pay for basic living expenses without suffering any SSI benefit reductions. That, however, causes significant inequity; families that can afford to contribute money into ABLE accounts can do so without triggering benefit reductions, but families of more modest means that can only share their homes with a beneficiary *will* trigger benefit reductions.

ISM is a complicated and labor-intensive process for SSA, and it's an intrusive and burdensome one for recipients.[25] SSA's staff manual includes the equivalent of 250 single-spaced pages of instructions on living arrangements and in-kind support, the complexity of which makes it "virtually impossible to attain consistency in ISM analyses," according to the bipartisan Social Security

[23] Arloc Sherman and Paul Van de Water, "Reducing Cost-of-Living Adjustment Would Make Poverty Line a Less Accurate Measure of Basic Needs," Center on Budget and Policy Priorities, June 11, 2019, https://www.cbpp.org/research/poverty-and-inequality/reducing-cost-of-living-adjustment-would-make-poverty-line-a-less.

[24] In TANF, however, some states reduce benefits for those who are living with others.

[25] Balkus et al, *op. cit.*; General Accounting Office, "Supplemental Security Income: Progress Made in Detecting and Recovering Overpayments," *op. cit.*; General Accounting Office, "Supplemental Security Income: Status of Efforts to Improve Overpayment Detection and Recovery, *op. cit.;* Lenna D. Kennedy "Unearned Income of Supplemental Security Income Recipients, May 1982," 1983, https://www.ssa.gov/policy/docs/ssb/v46n5/v46n5p3.pdf; Social Security Administration, "Simplifying the Supplemental Security Income Program: Challenges and Opportunities," *op. cit.;* Social Security Administration, "Social Security: The SSI Program at the Millennium," 2000, SSA Pub. No. 62-003; Social Security Administration, "Major Causes of Improper Payments. Reducing Improper [SSI] Payments Report," *op. cit.;* Social Security Administration, "Performance and Accountability Report, Fiscal Year 2012: Improper Payments Information Detailed Report," *op. cit.;* Social Security Advisory Board, "Statement On The Supplemental Security Income Program," May 30, 1999, https://www.ssab.gov/wp-content/uploads/2021/03/1999_SSI_Areas_of_Concern.pdf.

Advisory Board.[26] It's also complex and costly for SSA to administer.[27] ISM is a leading cause of SSI overpayments and underpayments, according to the Government Accountability Office (GAO) and SSA's inspector general.[28] Finally, it discourages family and community support for low-income seniors and people with disabilities. "For example, while a rent subsidy provided by a family member is counted as ISM and reduces the SSI benefit, government-funded housing subsidies are excluded by law. This discourages family members from helping and encourages reliance on government programs."[29]

Policymakers can update ISM in different ways. Over the years, SSA has developed and analyzed options to simplify ISM, which would reduce administrative cost and complexity.[30] The options are typically cost neutral, meaning that some SSI recipients would be better off, and others would be worse off than under current law.[31] President Trump's fiscal year 2021 budget proposed one such option — it would have replaced ISM with a flat-rate benefit reduction for adult SSI recipients who are living with other adults.[32] A better approach would be to eliminate ISM altogether, which both the SSI Restoration Act and Biden campaign plan would do. Eliminating ISM would simplify the

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[26] Social Security Advisory Board "Statement on The Supplemental Security Income Program: The Complexity of In-Kind Support and Maintenance," 2015, https://www.ssab.gov/wp-content/uploads/2021/03/2015_-SSI_In-Kind_Support___Maintenance.pdf.

[27] See Richard Balkus, James Sears, Susan Wilschke, and Bernard Wixon, "Simplifying the Supplemental Security Income Program: Options for Eliminating the Counting of In-kind Support and Maintenance," 2009, Social Security Administration, https://www.ssa.gov/policy/docs/ssb/v68n4/v68n4p15.html; Social Security Administration. "Simplifying the Supplemental Security Income Program: Challenges and Opportunities," 2000, SSA Pub. No. 13-00; and Social Security Administration, "Table 8: SSI Annual Statistical Report, 2012," 2013, http://www.socialsecurity.gov /policy/docs/statcomps/ssi_asr/2012/index.html.

[28] See General Accounting Office, "Supplemental Security Income: Progress Made in Detecting and Recovering Overpayments, but Management Attention Should Continue. Report to the Commissioner of Social Security, GAO-02-849," September 16, 2002, http://www.gao.gov/products/GAO-02-849; General Accounting Office, "Supplemental Security Income: Status of Efforts to Improve Overpayment Detection and Recovery," Testimony Before the Subcommittee on Human Resources, Committee on Ways and Means, House of Representatives" July 25, 2002, http://www.gao.gov/products/GAO-02-962T; Government Accountability Office, "Supplemental Security Income: SSA Has Taken Steps to Prevent and Detect Overpayments, but Additional Actions Could Be Taken to Improve Oversight. Report to Congressional Requester, December 14, 2012, http://www.gao.gov/products/GAO-13-109; Social Security Administration, "Major Causes of Improper Payments. Reducing Improper [SSI] Payments Report," 2012, http://www.socialsecurity.gov/improperpayments/SSI_majorCauses.html; Social Security Administration, "Performance and Accountability Report, Fiscal Year 2012: Improper Payments Information Detailed Report," 2012, http://www.socialsecurity.gov/finance/2012/Improper%20Payments.pdf.

[29] Richard Balkus, James Sears, Susan Wilschke, and Bernard Wixon, "Simplifying the Supplemental Security Income Program: Options for Eliminating the Counting of In-kind Support and Maintenance," Social Security Administration, 2008, https://www.ssa.gov/policy/docs/ssb/v68n4/v68n4p15.html.

[30] See *Ibid.* For a discussion of SSA's internal efforts, see Joyce Nicholas, "Source, Form, and Amount of In-kind Support and Maintenance Received by Supplemental Security Income Applicants and Recipients," Social Security Administration, 2014, https://www.ssa.gov/policy/docs/ssb/v74n3/v74n3p39.html.

[31] For example, one SSA paper analyzed a replacement for ISM that would cut SSI benefits for the roughly half of adult SSI recipients who live with other adults to offset the cost of eliminating ISM. https://www.ssa.gov/policy/docs/ssb/v68n4/v68n4p15.html. Balkus et al, 2008, *op. cit.*

[32] "FY 2021 Congressional Justification," Social Security Administration, 2020 https://www.ssa.gov/budget/FY21Files/FY21-JEAC.pdf.

program, reduce administrative costs, and allow recipients to accept help from friends and family without penalty.

Improve SSI's Treatment of Immigrants

Until the 1996 welfare law, immigrants with low incomes who were lawful permanent U.S. residents generally qualified for SSI on the same basis as U.S. citizens. Now, most lawful permanent U.S. residents who are elderly or have disabilities are ineligible for SSI (unless they entered the United States before August 22, 1996, or became U.S. citizens). Even immigrants who are lawfully in the United States and who acquire a disability after entering the country are ineligible. SSI's immigration-related eligibility restrictions are much harsher than those imposed by SNAP, Medicaid, and TANF, and they cause considerable hardship. More than 4 in 5 immigrants are people of color, giving these restrictions a racially disparate impact.[33]

Policymakers should end the harsh immigration-related restrictions and allow people with lawful immigration statuses to be eligible for SSI on the same basis as U.S. citizens.

Extend SSI to the Territories

Among the U.S. territories, only residents of the Northern Mariana Islands receive SSI. Puerto Rico, Guam, and the Virgin Islands receive a federal block grant called Aid to the Aged, Blind, and Disabled (AABD), which provides far lower benefits and has more restrictive eligibility criteria than SSI. American Samoa has neither SSI nor AABD.

AABD is much more restrictive than SSI. Unlike with SSI, federal law caps the annual funding that the territories receive for AABD and other adult assistance programs, and that cap hasn't changed since 1997.[34] A GAO study estimated that in 2011, federal spending on AABD was less than 2 percent of what it would have been if Puerto Rico residents received full SSI benefits, and that monthly benefits for an individual receiving AABD are less than 15 percent of the benefits that SSI would provide, all else being equal.

Puerto Rico's exclusion from SSI is especially harmful given the territory's high disability rate. Disability is more prevalent among less educated, lower-income, and older people, and these are more likely the case for Puerto Rico residents than mainland U.S. residents.[35] Nearly 1 in 6 residents of Puerto Rico (15.1 percent) are disabled, according to the Census Bureau, compared to 8.6 percent of the general U.S. population, and half of the territory's disabled residents live in poverty — twice

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[33] Abby Budiman, Christine Tamir, Lauren Mora, and Luis Noe-Bustamante, "Facts on U.S. immigrants, 2018," Pew Research Center, August 20, 2020, https://www.pewresearch.org/hispanic/2020/08/20/facts-on-u-s-immigrants-current-data/.

[34] Center on Budget and Policy Priorities, "Policy Basics: Aid to the Aged, Blind, and Disabled," January 15, 2021, https://www.cbpp.org/research/aid-to-the-aged-blind-and-disabled.

[35] Kathy A. Ruffing, "Geographic Pattern of Disability Receipt Largely Reflects Economic and Demographic Factors," Center on Budget and Policy Priorities, January 9, 2015, https://www.cbpp.org/research/geographic-pattern-of-disability-receipt-largely-reflects-economic-and-demographic-factors.

the U.S. average. Most territories have overwhelmingly non-white populations, giving this exclusion a racially disparate impact.[36]

Policymakers should extend full SSI to Puerto Rico and the other territories, as President Biden proposed in his 2022 budget.[37] A U.S. appellate court last year backed a federal district court ruling that excluding Puerto Rico residents from SSI is unconstitutional, and the U.S. Supreme Court will now hear that case. A Supreme Court ruling that upholds the lower court ruling could extend SSI to Puerto Rico and possibly other territories.

Eliminate SSI's Marriage Penalties

SSI penalizes recipients who marry one another. The asset limit is $2,000 per individual but $3,000 for a married couple. Similarly, the federal benefit is $794 for an individual and $1,191 (only 50 percent higher) for a married couple, costing a married couple up to about $400 a month.

Policymakers should eliminate the marriage penalties by making the asset test and federal benefit for married couples twice that of individuals, as both the SSI Restoration Act and Biden campaign plan would do.38 They also should end the "holding out" rule, which requires extensive questioning to determine if couples who are not legally married are presenting themselves to the community as a married couple.39 This rule subjects SSI recipients to intrusive scrutiny of their personal lives.

Conclusion

SSI provides critical income support to millions of elderly and disabled people with very low incomes. While modest, the monthly benefit enables recipients to afford rent, food, and other basic needs. Still, policymakers should enact changes to ensure that those in need can access the program, without undue burdens.

Lawmakers should expand and update SSI to ensure that recipients can work, marry, save, keep more of their Social Security benefits, and accept help from their loved ones without facing harsh penalties. They also should expand eligibility to immigrants and residents of U.S. territories and increase benefits to keep pace with rising standards of living. Both the SSI Restoration Act and President Biden's campaign proposal on disability provide a roadmap to modernize SSI for the 21st century.

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[36] Natasha Ashford, "Why Some Black Puerto Ricans Choose 'White' on the Census," *The New York Times,* February 9, 2020, https://www.nytimes.com/2020/02/09/us/puerto-rico-census-black-race.html.

[37] Budget of the U.S. Government Fiscal Year 2022, Office of Management and Budget, https://www.whitehouse.gov/wp-content/uploads/2021/05/budget_fy22.pdf; and Javier Balmaceda, "Biden Budget Calls for Parity for Territories in Critical Safety Net Programs," Center on Budget and Policy Priorities, June 9, 2021, https://www.cbpp.org/blog/biden-budget-calls-for-parity-for-territories-in-critical-safety-net-programs.

[38] The Consortium for Citizens with Disabilities has expressed opposition to marriage penalties. See The Consortium for Citizens with Disabilities Employment and Training Task Force, "Independence, Empowerment and Security Statement of Principles on Employment of People with Disabilities," 2008, http://www.c-c-d.org/fichiers/CCD-Employment-TF-Statement-of-Principles.pdf.

[39] Richard Balkus and Susan Wilschke, "Treatment of Married Couples in the SSI Program" Social Security Administration, December 2003, https://www.ssa.gov/policy/docs/issuepapers/ip2003-01.html.