

Supplemental Security Income

Created in 1972, the federal Supplemental Security Income (SSI) program provides monthly cash assistance to people who are disabled or elderly and have little income and few assets. Like the Old-Age, Survivors, and Disability Insurance (OASDI) program, commonly known as Social Security, SSI is administered by the Social Security Administration (SSA). In December 2020, 8 million people collected SSI benefits.

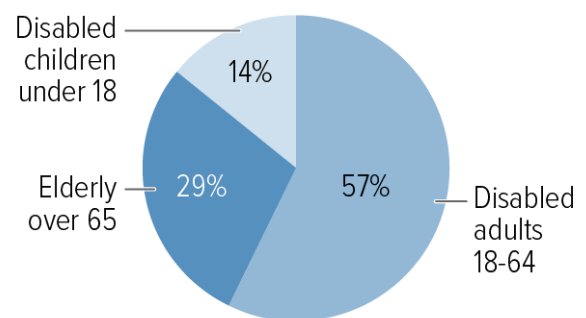
Who Qualifies for SSI and What Benefits Do They Receive?

The vast majority of SSI recipients — 86 percent — are eligible due to a severe disability (including blindness). In December 2020, 1.1 million recipients were children. Since SSI is available only to those who are disabled (or elderly) and have very low incomes and assets, more disabled children become eligible for SSI when poverty rates rise.

SSI recipients may have no more than \$2,000 in assets for individuals and \$3,000 for couples, with certain exceptions. Because recipients typically have no other source of income, more than half receive the basic monthly SSI benefit, which in 2021 is \$794 for an individual and \$1,191 for a couple.

SSA reduces these benefit amounts for recipients who have other sources of income or live in a Medicaid facility or with someone who provides support. For example, while SSA exempts (or “disregards”) the first \$20 per month of unearned income when determining a person’s SSI eligibility and benefit levels, any income above that amount from sources such as Social Security benefits, pensions, interest, and child support is subtracted from SSI benefits. Similarly, SSA disregards the first \$65 per month of earnings, but each dollar of earnings above that level typically reduces SSI benefits by 50 cents. Such reductions dropped the average SSI monthly benefit to \$580 in December 2020.

Supplemental Security Income Recipients by Age



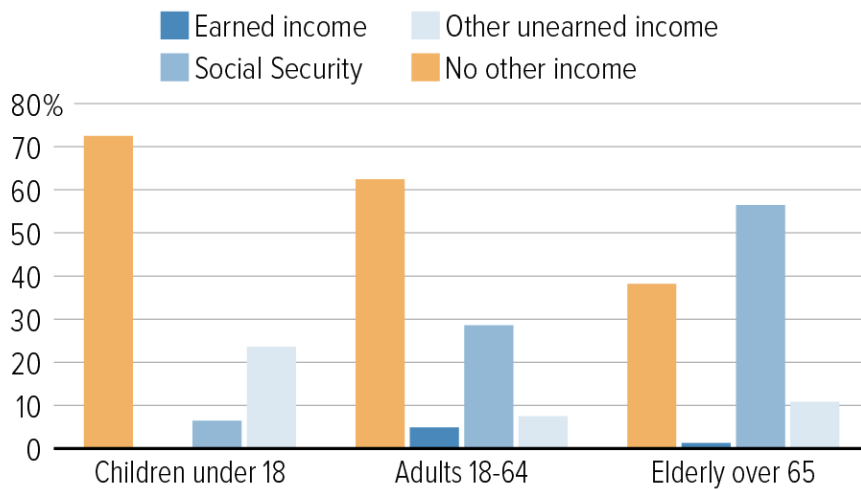
Source: Social Security Administration: SSI Monthly Statistical Snapshot (December 2020), Table 3

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Policy Basics is a series of brief background reports on issues related to budgets, taxes, and government assistance programs.

More Than Half of Supplemental Security Income Recipients Have No Other Source of Income

Percent of SSI recipients receiving other sources of income, by age, December 2019



Note: Totals do not add to 100% because recipients may fall into multiple categories.

Source: Social Security Administration: SSI Annual Statistical Supplement, 2019 Table 7D

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Eligibility criteria for SSI are strict. All applicants must meet SSI's strict financial criteria, and applicants for disability benefits must also meet the same rigorous medical criteria used for Social Security Disability Insurance. Most applications for SSI disability benefits are rejected. SSA denies applicants who are technically disqualified (chiefly because they have income or assets above the limits for eligibility) and sends the rest to state disability determination services (DDS) for medical evaluation. Among applicants who meet the program's technical requirements, slightly fewer than half are found medically eligible for SSI. Among the U.S. territories, only residents of the Northern Mariana Islands receive SSI benefits. 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 eligibility. American Samoa has neither SSI nor AABD.

SSI Disability Applications: Fewer Than 4 in 10 Ultimately Allowed

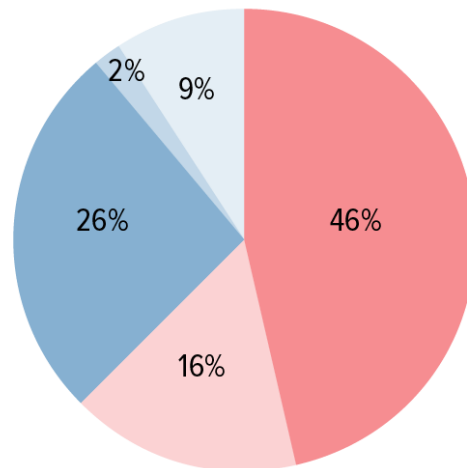
Percent of SSI disability applications

Allowed (38%)

- Allowed at initial application
- Allowed at reconsideration
- Allowed on appeal to administrative law judge

Denied (62%)

- Denied for medical reasons
- Denied for technical reasons



Note: Pending appeals split evenly between “medical denials” and “allowed on appeal” based on analysis of recent trends. Applications allowed then subsequently denied for non-medical reasons are classified as technical denials. Supplemental Security Income’s (SSI) disability program is distinct from Social Security Disability Insurance, which has a similarly strict application process.

Source: CBPP analysis of Social Security Administration data, 2014-2016, the most recent years for which nearly complete data are available.

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In most states, SSI recipients are automatically eligible for Medicaid, which provides essential long-term services and supports. Medicaid supports home- and community-based services, such as personal and attendant care services that help people with disabilities live in their homes and communities. Medicaid also covers wheelchairs, lifts, and supportive housing services. This care is typically unavailable through private insurance and is too costly for all but the wealthiest people to fund out of pocket. Over 60 percent of SSI recipients also get SNAP (food stamps) and about one-quarter receive housing assistance. Finally, many states supplement the federal SSI benefit, though some have cut those additional payments over the years.

How Has SSI Changed Over Time?

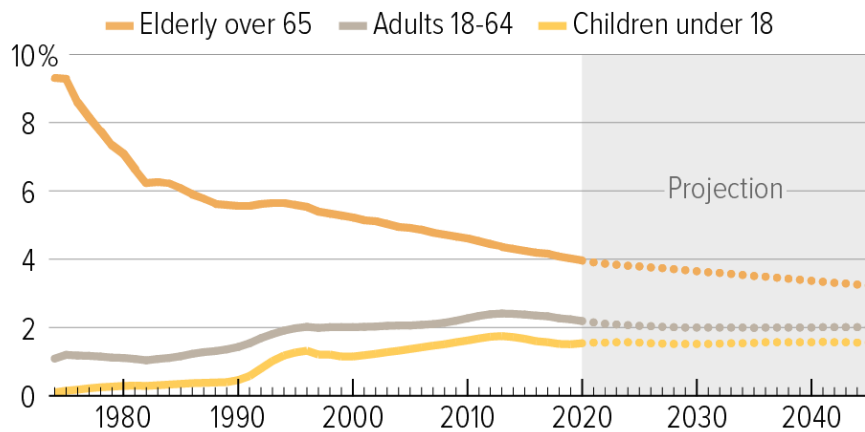
Since SSI began in 1974, the share of the elderly receiving benefits has fallen steadily, mostly because fewer seniors qualify under SSI’s increasingly stringent income limits. The share of children and adults with disabilities receiving SSI grew, partly due to policy changes in 1984 that expanded eligibility based on mental impairments and a 1990 Supreme Court ruling that expanded the SSI disability criteria for children. A statutory change in 1996 restricted eligibility for children and immigrants. The share of Americans receiving SSI has remained steady at around 2.5 percent over the past decade and is projected to fall slightly over the

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long term. The share of people from each age group receiving SSI is expected to stay steady or (in the case of the elderly) to continue declining.

Share of People Receiving Supplemental Security Income Leveling Off Across Age Groups

Percent of each age group receiving SSI



Source: Social Security Administration data: Annual Report of the Supplemental Security Income Program, 2020, Table IV.B7 (expanded)

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How Is SSI Funded?

Unlike Social Security, which is financed by dedicated payroll taxes, SSI is funded from general revenues. SSI expenditures, at \$60 billion in fiscal year 2020, were 0.27 percent of gross domestic product (GDP) that year. More than \$9 of every \$10 pays for benefits; the rest covers administrative costs.

How Effective Is SSI?

Before any state supplement, and without income deductions, SSI benefits are about three-fourths of the poverty line for a single person. Thus, while SSI alone is not enough to lift someone living independently out of poverty, it reduces the number of people in extreme poverty and lessens their need for support from family members. In 2013 the poverty rate among recipients would have been 63 percent without SSI payments; the actual rate, including SSI, was 42 percent, an SSA study found.

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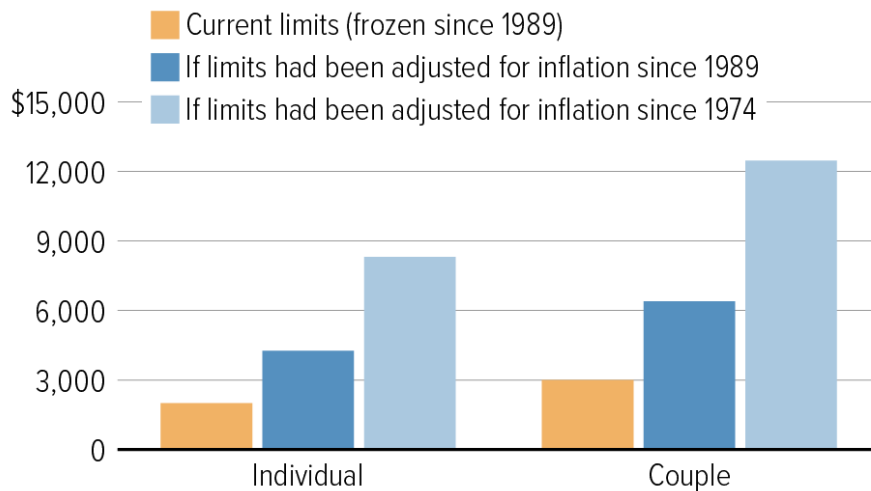
Still, that means over two-fifths of SSI recipients live below the poverty line even after taking their benefits into account. Many other needy elderly or disabled persons, including legal immigrants affected by the 1996 eligibility restrictions, don't get benefits.

Ways to Improve SSI

Congress can strengthen SSI by updating the asset limits and income disregards and indexing them to inflation. The asset limits have been frozen since 1989 and the income disregards have remained the same since SSI's launch in 1974, preventing many needy elderly and disabled people from qualifying.

Congress can also improve SSI by increasing the basic SSI benefit, partially exempting retirement savings from the asset limits, and easing eligibility restrictions for legal immigrants.

Supplemental Security Income's Asset Limits Are Outdated



Source: CBPP calculations from Social Security Administration and Bureau of Labor Statistics data, real January 2020 dollars

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For more information on SSI see:

[SSI: A Lifeline for Children with Disabilities](#)

[More Cuts to Social Security Administration Funding Would Further Degrade Service](#)