



# Supplemental Security Income (SSI)

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## Summary

The Supplemental Security Income (SSI) program, enacted in 1974, is a needs-based program that provides cash benefits designed to ensure a minimum income to aged, blind, or disabled persons with limited income and assets. The SSI program is a means-tested program that does not have work or contribution requirements, but restricts benefits to those who meet asset and resource limitations. In June 2011, the SSI program had more than 8.05 million participants, who received over \$4.3 billion in benefits. In FY2010, the total net cost of the SSI program was \$47.3 billion, including \$43.8 billion in federal benefit payments. Funding for the SSI program is provided by Congress in the annual Departments of Labor, Health and Human Services, Education and Related Agencies appropriations bill.

For adults, disability is defined as the inability to engage in substantial gainful activity (SGA) by reason of a medically determinable physical or mental impairment expected to result in death or last at least 12 months. In general, the worker must be unable to do any kind of work that exists in the national economy, taking into account age, education, and work experience. A child under age 18 may qualify as disabled if he or she has an impairment that results in “marked and severe” functional limitations. For adults aged 65 or older, it is possible to qualify for SSI benefits without being disabled. Most adult SSI recipients have other income; their countable income is subtracted from the federal benefit rate to determine their SSI eligibility and payment amount.

The maximum federal SSI payment, referred to as the federal benefit rate, is \$674 per month for an individual living independently and \$1,011 for a couple living independently in 2011. Federal SSI benefits are adjusted annually to reflect changes in the cost of living; however, these benefits were not changed in 2010 or 2011 due to the lack of a Social Security cost-of-living adjustment (COLA). In June 2011, the average monthly federal SSI payment was \$595.10 for children under the age of 18, \$515.10 for adults aged 18 to 64, and \$404.00 for adults aged 65 or older. All but five states and the Commonwealth of the Northern Mariana Islands supplement the federal SSI benefit with additional payments, which are administered by the federal government or by the states themselves. SSI recipients are also automatically eligible for Supplemental Nutrition Assistance Program (SNAP) and are generally eligible for Medicaid.

## Background and Eligibility

The Supplemental Security Income (SSI) program, Title XVI of the Social Security Act, was enacted in 1972 and implemented in 1974 to assure a minimum cash income to all aged, blind, or disabled persons. SSI is provided to eligible aged or disabled individuals or couples who have limited income and resources. For adults, disability is defined as the inability to engage in substantial gainful activity (SGA) by reason of a medically determinable physical or mental impairment expected to result in death or last at least 12 months. In general, the worker must be unable to do any kind of work that exists in the national economy, taking into account age, education, and work experience. A child under the age of 18 may qualify as disabled if he or she has an impairment that results in “marked and severe” functional limitations.<sup>1</sup> Adults aged 65 or older may qualify for SSI benefits without being disabled.

SSI is administered by the Social Security Administration (SSA) and operates in the 50 states, the District of Columbia, and the Commonwealth of the Northern Mariana Islands.<sup>2</sup> To qualify for SSI, a person must be a citizen of the United States or a “qualified alien” and either a resident of the United States or the Northern Mariana Islands, a child of a person in the military stationed outside the United States, or a student temporarily abroad.<sup>3</sup> Other requirements related to residence in certain public institutions, absence from the United States, filing for other potential benefits, and fugitive felon and probation/parole violator status also apply.<sup>4</sup> In June 2011, the SSI program had more than 8.05 million recipients, who received over \$4.3 billion in benefits.<sup>5</sup> Of these recipients, more than 1.2 million were children under the age of 18, more than 4.7 million were adults between the ages of 18 and 64, and more than 2.04 million were aged 65 or older.<sup>6</sup>

## SSI Benefits

The maximum federal SSI payment, referred to as the federal benefit rate, is \$674 per month for an individual living independently and \$1,011 for a couple living independently in 2011. All but five states and the Commonwealth of the Northern Mariana Islands supplement the federal SSI benefit with additional payments. Fourteen states and the District of Columbia have state supplements that are either partially or wholly administered by the SSA, and 31 states self-administer their supplements. Federal SSI benefit maximums are adjusted annually using the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) to reflect changes

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<sup>1</sup> For additional information on the definition of disability used to determine eligibility for the SSI program, see CRS Report RL32279, *Primer on Disability Benefits: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI)*, by Umar Moulta-Ali.

<sup>2</sup> In the remaining U.S. territories there is no SSI program. However, in all U.S. territories except American Samoa and the Commonwealth of the Northern Mariana Islands, there is a territorial program for aged, blind and disabled people primarily funded by the Department of Health and Human Services.

<sup>3</sup> See CRS Report RL31114, *Noncitizen Eligibility for Major Federal Public Assistance Programs: Policies and Legislation*, by Ruth Ellen Wasem.

<sup>4</sup> See CRS Report RL33394, *Social Security Administration: Suspension of Benefits for Fugitive Felons and the Agency's Response to the Fowlkes Decision*, by Scott Szymendera and Kathleen S. Swendiman.

<sup>5</sup> Social Security Administration, *SSI Monthly Statistics, June 2011*, Table 1 available online at [http://www.socialsecurity.gov/policy/docs/statcomps/ssi\\_monthly/2011-06/index.html](http://www.socialsecurity.gov/policy/docs/statcomps/ssi_monthly/2011-06/index.html).

<sup>6</sup> *Ibid.* Table 2.

in the cost of living. Federal SSI benefit maximums did not increase in 2010 or 2011 as there was no Social Security cost-of-living adjustment (COLA).<sup>7</sup>

Most SSI recipients have other income; their countable income is subtracted from the federal benefit rate to determine their SSI eligibility and payment amount. In calculating countable income, SSI provides for certain income exclusions (e.g., the first \$20 of monthly unearned income; the first \$65 plus one-half of remaining monthly earned income). In June 2011, the average monthly federal SSI payment was \$595.10 for individuals under the age of 18, \$515.10 for adults aged 18 to 64, and \$404.00 for adults aged 65 or older.<sup>8</sup>

SSA generally sends the monthly SSI payments directly to the recipient. However, SSA assigns representative payees to (1) minors, (2) individuals incapable of physically or mentally managing their own benefits, and (3) individuals declared legally incompetent by a court.

SSI recipients living alone or in households in which all members receive SSI benefits are also automatically eligible for the Supplemental Nutrition Assistance Program (SNAP).<sup>9</sup> In most cases, as SSI recipient is eligible for Medicaid.<sup>10</sup>

## Income and Asset Limits

The SSI program generally counts all types of income in determining eligibility and payment amounts.<sup>11</sup> In some cases, the income and resources of non-recipients are counted in determining SSI eligibility and benefit amounts. This process is called “deeming” and is applied in cases in which eligible an child lives with an ineligible parent, an eligible individual lives with an ineligible spouse, or an eligible non-citizen has a sponsor.<sup>12</sup> In general, an SSI recipient can have assets, with the exception of a home, car and household items, worth no more than \$2,000 and beneficiary-couples can have countable assets worth no more than \$3,000.<sup>13</sup>

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<sup>7</sup> For additional information on the cost-of-living adjustments to SSI benefits see CRS Report 94-803, *Social Security: Cost-of-Living Adjustments*, by Gary Sidor. For additional information on the CPI-W, see CRS Report RL30074, *The Consumer Price Index: A Brief Overview*, by Brian W. Cashell.

<sup>8</sup> Social Security Administration, *SSI Monthly Statistics, June 2011*, Table 7, available online at [http://www.socialsecurity.gov/policy/docs/statcomps/ssi\\_monthly/2011-06/index.html](http://www.socialsecurity.gov/policy/docs/statcomps/ssi_monthly/2011-06/index.html).

<sup>9</sup> In California, SSI recipients cannot receive SNAP; instead, the state adds additional money for food purchases to the SSI payment. For additional information, see Social Security Administration, *Supplemental Security Income (SSI) in California*, Washington, DC, January 2009.

<sup>10</sup> See CRS Report RL33340, *Cash and Noncash Benefits for Persons with Limited Income: Eligibility Rules, Recipient and Expenditure Data, FY2002-FY2004*, coordinated by Karen Spar.

<sup>11</sup> See CRS Report RS20294, *Supplemental Security Income (SSI): Beneficiary Income/Resource Limits and Accounts Exempt from Benefit Determinations*, by Umar Moulta-Ali.

<sup>12</sup> See CRS Report RL33675, *Potential Effect of Marriage on Supplemental Security Income (SSI) Eligibility and Benefits*, by Scott Szymendera.

<sup>13</sup> See CRS Report RS22512, *Supplemental Security Income (SSI): Accounts Not Counted As Resources*, by Umar Moulta-Ali.

## **Funding**

Federal SSI benefits and administrative costs are paid from federal general revenues and state supplements are paid from state funds. In FY2010, the total net federal cost of the SSI program was \$47.3 billion, including \$43.8 billion in federal benefit payments.<sup>14</sup> Funding for the SSI program is provided by Congress in the annual Departments of Labor, Health and Human Services, Education and Related Agencies appropriations bill.

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<sup>14</sup> Social Security Administration, *Performance and Accountability Report for Fiscal Year 2010*, pp. 125 and 132, at <http://www.socialsecurity.gov/finance>.