

SUPPLEMENTAL SECURITY INCOME RESTORATION ACT

MAY 2015

With 10,000 people turning 65 every day and economic conditions that make saving for retirement more difficult, a growing number of American seniors are aging into poverty with limited income and assets to support them through their retirement. These seniors are struggling to afford the basics they need to live safely and securely.

To address our growing retirement crisis/rising levels of senior poverty, Senators Sherrod Brown (D-OH) and Elizabeth Warren (D-MA), with co-sponsors Bernie Sanders (I-VT), Bob Casey (D-PA), Sheldon Whitehouse (D-RI), and Mazie Hirono (D-HI) introduced S 1387, The Supplemental Security Income Restoration Act of 2015, in the Senate, and Rep. Raul Grijalva (D-AZ), along with 25 House co-sponsors, introduced an identical bill, HR 2442, in the House on May 19, 2015. The Act will restore the original intent of the program (protecting seniors and people with disabilities from the harms of poverty) by raising the asset limit, updating earned and unearned income disregard rules, and modernizing a number of financial eligibility rules.

What is SSI?

SSI is a safety net program administered by the Social Security Administration (SSA) that provides a very basic income to older adults and people with disabilities with no or only limited other income and resources. Approximately 8.4 million Americans rely on a monthly Supplemental Security Income (SSI) benefit to pay for their basic needs including rent, food, transportation, utilities, and healthcare co-pays.

How much money do people on SSI have to live on?

The full monthly federal benefit is \$733 for an individual and \$1,100 for a couple, well below the federal poverty level. In fact, the individual benefit level is just 75% of the federal poverty level, falling far short of the amount of income support that seniors and people with disabilities need to meet their basic needs. For most recipients, SSI is their only source of income. Others receive small pensions or Social Security benefits, but these other benefits count against the amount of assistance they receive in SSI benefits. In addition to the strict income eligibility limits, SSI recipients must have assets below \$2,000 to qualify for the program.

The current program rules effectively require recipients to live below the poverty line, leading to homelessness, hunger, and illness among older adults and persons with disabilities. It's time to update the SSI program to better serve our nation's lowest-income seniors and people with disabilities.

Why is the SSI benefit inadequate to meet the needs of today's poor seniors?

Most of the SSI eligibility rules have not been updated since the program was signed into law by President Nixon in 1972. For example, the amount of income a beneficiary is allowed to receive from other sources (such as a pension) without having their benefits reduced is \$20. The cost of living today is more than 5.5 times what it was in 1972, meaning \$20 today is equivalent in purchasing power to about \$3 in 1972 dollars. In addition, the asset limit for the program - \$2,000 - has not been updated since 1989.

How will The Supplemental Security Income Restoration Act help low-income seniors and people with disabilities?

Under the Act several needed updates to the program's eligibility rules will be made.

- Individuals will be able to save up to \$10,000 and couples will be able to save up to \$15,000 for emergencies such as car repairs, new roofs, and other unexpected expenses without losing benefits.
- Individuals will be able to receive up to \$112 monthly from other sources, such as Social Security benefits or pension payments without a corresponding loss in benefits.
- Individuals who are able to work will be able to earn up to \$364 a month without being penalized.
- Individuals who live in households with others, including family members, will no longer be penalized with lower benefits through the in-kind support and maintenance provision.
- Individuals who transfer assets (even small amounts of money to a family member) will no longer suffer harsh penalties.

These modest but needed fixes will provide much needed relief to our country's poorest seniors and people with disabilities, reducing instances of hunger, homelessness, and premature death.

Justice in Aging and more than 70 national organizations, as well as several lawmakers who have signed on in support of the bill, agree that it's time to take action on behalf of our nation's poorest seniors and people with disabilities.

WASHINGTON

1444 Eye Street, NW, Suite 1100
Washington, DC 20005
202-289-6976

LOS ANGELES

3660 Wilshire Boulevard, Suite 718
Los Angeles, CA 90010
213-639-0930

OAKLAND

1330 Broadway, Suite 525
Oakland, CA 94612
510-663-1055