

JUSTICE IN AGING

FIGHTING SENIOR POVERTY THROUGH LAW

September 17, 2021

Chairman Sherrod Brown and Ranking Member Todd Young
Subcommittee on Social Security, Pensions, and Family Policy
United States Senate Committee on Finance
Tuesday, September 21, 2021

Justice in Aging
1444 I St., NW
Washington, DC 20005

Via email: Statementsfortherecord@finance.senate.gov

Re: September 21, 2021 Subcommittee Hearing on “Policy Options for Improving SSI”

Dear Chairman Brown and Ranking Member Young,

This statement is submitted on behalf of Justice in Aging, an advocacy organization with the mission of improving the lives of low-income older adults. We use the power of law to fight senior poverty by securing access to affordable health care, economic security, and the courts for older adults with limited resources. We have decades of experience with Supplemental Security Income (SSI) and Social Security benefits, with a focus on the needs of low-income beneficiaries and populations that have traditionally lacked legal protections such as women, people of color, LGBT individuals, and people with limited English proficiency. Justice in Aging conducts training and advocacy regarding SSI and Social Security benefits, provides technical assistance to attorneys and others from across the country on how to address problems that arise under these programs, engages with the Social Security Administration (SSA) to address issues around agency policies and procedures that affect claimants’ or beneficiaries’ abilities to access SSI and/or Social Security benefits, and advocates for strong protections to ensure that beneficiaries receive the benefits to which they are entitled promptly and without arbitrary denial or disruption.

We thank you for holding this hearing on policy options for improving SSI, a program that millions of low-income older adults and people with disabilities rely on to survive. As Congress explained back when it was established in 1972, the program was designed to prevent seniors and people with disabilities from having “to subsist on below-poverty-level incomes.”¹ For the approximately 2.3 million older adults age 65 and up who receive SSI benefits, this program is critical. SSI is the reason they are not living in extreme poverty, and allows them to pay for

¹ S. Rept. No. 92-1230, Social Security Amendments of 1972, Committee on Finance, U.S. Senate (September 25, 1972), p. 384, available at <https://www.ssa.gov/history/pdf/Downey%20PDFs/Amendments%20to%20the%20Social%20Security%20Act%201969-1972%20Vol.%203.pdf>.



shelter, food, or other necessities. Women make up more than half of all SSI recipients, but among older adults, women make up over 60% of those receiving SSI. Older adult women who need SSI include widows who have lost a spouse and must now meet their living expenses for the coming years (or decades) with much less income; low-income older women who are divorced or who never married, had low earnings, and did not have the ability to build up their savings for retirement; and women who, because they spent years out of the workforce caring for family members, do not qualify for significant Social Security retirement benefits.

SSI is also a key source of income for older adults of color, who experience poverty rates that are twice those of older white adults.² This disparity is rooted in the systemic discrimination that people of color experience over the course of their lifetimes in the form of lower average wages, higher unemployment, and significantly less intergenerational wealth. As a result, SSI, which targets assistance to the lowest-income older adults, is an important program in the fight to advance equity. Older adults of color who do not have access to significant Social Security benefits, individual retirement savings, or familial wealth, rely instead on SSI to keep them out of deep poverty.

Congress created the SSI program to assist those who, due to age or significant disabilities, are unable to meet their basic needs. And while SSI is essential to helping extremely low-income older adults make ends meet, the program has been neglected for so long that it now keeps people in poverty and excludes the very people it was intended to help. The current monthly SSI benefit is only \$794 per month, leaving recipients with income that is less than 75% of the federal poverty level. In addition, some of the program rules haven't been changed in almost 50 years, so the eligibility requirements do not reflect the true cost of living today. For example, older adults who receive a small amount of Social Security retirement or survivors benefits make up half of all of those receiving SSI on the basis of age. Despite having some Social Security income, SSA only excludes the first \$20 of those Social Security benefits before their SSI is reduced dollar for dollar. This means that a person with a \$500 Social Security benefit only receives \$314 in SSI as a "supplement" for a total of \$814 per month (or \$794 plus \$20). This \$20 general income disregard is the same \$20 disregard that was established the year the program was created in 1972—that is almost 50 years of neglect, and certainly not a reflection of the cost of living in 2021.

Another SSI provision that has not been changed for decades is the asset limit. Currently, an individual with more than \$2,000 in assets is not eligible to receive any SSI benefits at all. That means that older adults who have tried to save for retirement or emergencies—to replace a broken furnace, for example—must spend their savings down to qualify for the sorely needed monthly income that SSI provides. Purposefully spending money in order to limit savings is not the type of advice that any financial advisor would give to someone trying to make good financial decisions, yet it is exactly what the SSI program is currently forcing people to do if they need to have enough regular income to live.

Other provisions of SSI that we need to address include the marriage penalty and the archaic "in-kind support and maintenance" rules. With regard to marriage, individuals receiving SSI are

² Juliette Cubanski, Wyatt Koma, Anthony Damico, and Tricia Neuman, Kaiser Family Foundation, "How Many Seniors Live in Poverty" (Nov. 2018), available at <https://files.kff.org/attachment/Issue-Brief-How-Many-Seniors-Live-in-Poverty>.

unfairly penalized if they choose to get married. Rather than receiving the full benefit, the maximum benefit for a married couple who both receive SSI is only 150% of what two single people would receive. In-kind support and maintenance (also known as “ISM”) is another provision that intrudes on the private lives of SSI recipients on the basis of incorrect assumptions about the “character” of low-income families. The ISM rules require SSA staff to dig into the personal lives of SSI recipients and penalize those who receive help with food or shelter from family or friends. For low-income people, including older adults, who are already forced to live below the poverty line even when they receive the maximum SSI benefit, receiving help with groceries or rent is not a trick to “game” the system, but critical assistance that keeps them housed and fed despite the sub-poverty level benefits they get each month.

SSI is in serious need of modernization, and updates to the program are long overdue. There are some key ways that we can improve the program for older adults. The following are just four examples from the SSI Restoration Act, introduced in the Senate this year, which lays out a comprehensive set of fixes to the program:

1. Increase the benefit level so that people are not left in poverty despite receiving SSI benefits.
2. Update SSI’s income rules so that people can use more of the income they receive from other sources to supplement their SSI. As mentioned above, the \$20 general income disregard has not been changed for almost 50 years.
3. Eliminate the draconian in-kind support and maintenance rules so that people can supplement their SSI benefits with needed support from family and friends who are willing and able to assist them.
4. Raise SSI’s outdated asset limits, which haven’t been changed since 1989.

These fixes are critically important to ensuring that SSI effectively keeps older adults and people with disabilities from living in poverty.

Conclusion

Thank you for your efforts on behalf of older adults and people with disabilities, and the millions of others who interact with SSA. We stand ready to work with you, other members of Congress, and SSA to improve services to the public.

Sincerely,



Tracey Gronniger