

“Building Back Better” for Older and Disabled Americans Requires Bringing Supplemental Security Income (SSI) into the 21st Century

Fact Sheet • July 2021

America’s Social Security system offers critical protection from poverty and hardship in old age, as well as for workers who are unable to support themselves through work due to disability. However, our current programs fall short in a variety of ways, leaving millions of low-income, disabled, and older workers to fall through the cracks. The National Academy of Social Insurance continues to examine an array of policy options to strengthen economic security for disabled older workers in the U.S., as policymakers work to “build back better” in the wake of the COVID-19 pandemic. **This includes an urgent, long-standing need to update and rebuild the Supplemental Security Income (SSI) program, which has suffered from decades of federal neglect.**

Established in 1974, Supplemental Security Income, or SSI, provides monthly cash assistance to people with significant disabilities or who are 65 or older and who have very little in income and assets – including more than 1 million disabled children. The income support that SSI provides is nothing short of critical for the roughly 8 million disabled and older Americans currently receiving benefits, who are disproportionately Black, Latinx, and people of color. But due to decades of federal neglect, SSI’s income protections have withered over time – and the program now consigns millions of disabled people and older adults to deep and enduring poverty, despite the fact that it was enacted to give them a lifeline out of it. Benefits top out at just three-quarters of the federal poverty line, and the program’s rigid income and asset limits have not been updated for inflation for more than 30 years, penalizing savings and work.

While updating SSI was already long-overdue well before the COVID-19 pandemic, these reforms are even more urgently in need of consideration now as we work to rebuild from a crisis that has hit older and disabled Americans especially hard. Adding further urgency to updating SSI, evidence is increasing that a significant number of [COVID-19 “long-haulers”](#) may experience long-term disability, requiring many to turn to SSI and other income supports to stay afloat.

Members of the [House](#) and [Senate](#) introduced the SSI Restoration Act earlier this year with critical SSI improvements. President Biden [pledged](#) during his campaign that no seniors or disabled people should live in poverty in America, and proposed [similar reforms](#) to update SSI.

As Congress crafts economic recovery legislation, how can we update and reform SSI to ensure that seniors and people with disabilities are able to access basic economic stability and live with dignity?

Policy options include:

1. Update SSI's asset limits and exclude retirement savings.

SSI's asset limits are not indexed to inflation and have not been updated since 1989. Currently, single individuals can only have \$2,000 in assets and married couples are only allowed \$3,000. These woefully outdated levels penalize savings and prevent beneficiaries from having even a modest rainy day fund for emergencies—much less saving for the future—further entrenching poverty among older and disabled people. Even more perversely, SSI's outdated asset limits force disabled and older workers to spend down what savings they may have in order to qualify for benefits. Had SSI's asset limits been updated for inflation over the years, as President Biden proposed during his campaign and as members of Congress have proposed in the SSI Restoration Act, they would be [\\$9,500 and \\$12,675, respectively, today](#). A related policy option that would further support SSI beneficiaries' retirement security, and which members of Congress have proposed in the SSI Restoration Act, is to exclude retirement accounts from SSI's asset limits. Eliminating SSI's asset limits altogether would further enable beneficiaries to save and plan for the future, while relieving the Social Security Administration (SSA) of a burdensome and complex policy to administer.

2. Update SSI's income rules.

SSI's rigid income rules are even more woefully out of date, as they have never been updated since the program was enacted in 1972. While SSA “disregards” the first \$65 of earned income and the first \$20 of “unearned” income per month, monthly SSI benefits are reduced for every dollar over those thresholds. In other words, each dollar in earned income after the first \$65 reduces benefits by 50 cents, and benefits are reduced dollar for dollar of unearned income after the first \$20. Because these thresholds have not been updated in nearly 50 years, they have lost virtually all of their value to inflation, shrinking already meager monthly benefits even further. Updating SSI's income rules and indexing them to inflation moving forward, as President Biden proposed during the campaign and as members of Congress have proposed in the SSI Restoration Act, is especially important for the millions of very low-income Social Security beneficiaries who also receive SSI, because Social Security benefits are considered “unearned” income. Meanwhile, the erosion of the earned income “disregard” discourages work. If these amounts had been updated for inflation, the earned income disregard would be \$407 and the unearned income disregard would be \$125 today.

3. Increase SSI benefits to at least the federal poverty level.

When Congress [established](#) SSI, it sought to assure that “aged, blind, and disabled people would no longer have to subsist on below-poverty-level incomes.” Yet SSI's maximum monthly benefit in 2021 is just \$794 per month, equivalent to roughly three-quarters of the federal poverty level for an individual, and the average benefit in May 2021 was just \$586 per month. As such, SSI benefits are not enough to protect the program's beneficiaries from poverty, nor are they adequate to ensure that beneficiaries can meet even basic needs. By comparison, the average fair market rent for a modest one-bedroom apartment in 2020 was [\\$1,063 per month](#)—equivalent to 134 percent of an SSI beneficiary's monthly benefits. President Biden, and members of Congress in the SSI Restoration Act, have proposed to increase the monthly SSI benefit to at least 100 percent of the federal poverty level—which would push benefits up to \$1,073 in 2021, an increase of more than one-third—and to index the federal benefit rate to inflation moving forward. Others, such as [Senator Bernie Sanders](#), have proposed to increase benefits further, to 125 percent of the federal poverty level for an individual. Increasing SSI's federal benefit rate to at least the federal poverty level would represent a significant improvement in millions of

disabled peoples' and seniors' current economic situation—and would mean that the federal government would no longer consign SSI beneficiaries to sub-poverty-level subsistence.

4. Eliminate benefit cuts for SSI beneficiaries who receive “in-kind support” from friends and family.

Another outdated SSI rule that pushes beneficiaries even deeper into poverty is SSI’s [“in-kind support and maintenance” rule](#), which penalizes beneficiaries who receive help from loved ones with meeting their basic needs. Receipt of in-kind support such as a bag of groceries or a place to stay to ensure beneficiaries have a roof over their head triggers a one-third reduction in already sub-poverty benefits. President Biden, and members of Congress in the SSI Restoration Act, proposed eliminating this policy, which only serves to further entrench poverty among extremely poor seniors and disabled people. These rules are extraordinarily complicated for SSA to administer. The agency has proposed under leadership by Democratic as well as Republican-appointed Commissioners to eliminate these archaic rules to simplify the SSI program’s administration.

5. Abolish SSI’s marriage penalties.

SSI program rules reduce monthly benefits by one-quarter for SSI beneficiaries who marry another SSI beneficiary—and can result in loss of benefits altogether for those who marry someone not receiving SSI. As a result, [marriage equality is out of reach](#) for millions of disabled people and older adults. President Biden, and members of Congress in the SSI Restoration Act, have proposed to eliminate SSI’s marriage penalties to ensure beneficiaries are not [forced to choose between income assistance and marrying the person they love](#).

While far from an exhaustive list, each of these policy options would significantly reduce poverty and increase economic security for older adults and people with disabilities—and go a long way towards finally bringing this crucial but long-forgotten component of the nation’s Social Security system into the 21st century.

Additional resources

For many years, the National Academy of Social Insurance and our Members have looked at ways to improve the SSI program. This work includes:

- *Assured Income* (2019) <https://www.nasi.org/research/assured-income>
- *Supplemental Security Income for Children with Disabilities* (2012) <https://www.nasi.org/research/supplemental-security-income-for-children-with-disabilities>
- *Increasing the Social Security Minimum Benefit and Updating SSI* (2009) <https://www.nasi.org/discussion/increasing-the-social-security-special-minimum-benefit-and-updating-ssi>
- *Restructuring the SSI Disability Program for Children and Adolescents* (1996) <https://www.nasi.org/research/restructuring-the-ssi-disability-program-for-children-and-adolescents>

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