SECTION 3 - SUPPLEMENTAL SECURITY INCOME (SSI)

CONTENTS

BACKGROUND

The Supplemental Security Income (SSI) Program is a means-tested, Federally-administered, income assistance program authorized by title XVI of the Social Security Act. Established in 1972 (Public Law 92-603) with benefits first paid in 1974, SSI provides monthly cash payments in accordance with uniform, nationwide eligibility requirements to needy aged, blind, and disabled persons. At the end of 2007, there were 7,359,525 SSI recipients receiving over 3.7 billion dollars in monthly benefits.

The SSI Program replaced the Federal-State Programs of Old-Age Assistance and Aid to the Blind established by the original Social Security Act of 1935 as well as the Program of Aid to the Permanently and Totally Disabled established by the Social Security Amendments of 1950. Under the former programs, Federal matching funds were offered to the States to enable them to give cash relief, "as far as practicable" in each State, to eligible persons whom the States deemed needy. The States set benefit levels and administered these programs. The Federal-State adult assistance programs continue to operate in Guam, Puerto Rico, and the Virgin Islands. Under the Covenant to Establish a Commonwealth of the Northern Mariana Islands, enacted as Public Law 94-241 on March 24, 1976, the Northern Mariana Islands is the only jurisdiction outside the 50 States and the District of Columbia in which residents are eligible for the SSI Program.

The Congress intended the new SSI Program to be more than just a Federal version of the former State adult assistance programs which it replaced. In describing the new program, the report of the Committee on Finance stated: “The Committee bill would make a major departure from the traditional concept of public assistance as it now applies to the aged, the blind, and the disabled. Building on the present Social Security Program, it would create a new Federal program administered by the Social Security Administration (SSA), designed to provide a positive assurance that the Nation's aged, blind, and disabled people would no longer have to subsist on below poverty-level incomes” (U.S. Senate, 1972, p. 384).

The SSI Program was envisioned as a basic national income maintenance system for the aged, blind, and disabled which would differ from the State programs it replaced in a number of ways. It would be administered by SSA in a manner as comparable as possible to the way in which benefits were administered under the Social Security Program. While it was understood that modifications would be necessary to make SSA's systems work for the new program, SSI was seen as an add-on rather than a new system. SSA had a longstanding reputation for dealing with the public on a fair and humane basis, but with scrupulous regard for the requirements of law. Thus, it was expected that both recipients and taxpayers would be pleased with the outcome.

Under the former adult assistance programs the amount of assistance could vary from person to person according to an evaluation of the individual's needs. The SSI Program, by contrast, represented a “flat grant” approach in which there would be a uniform Federal income support level.

In contrast to the former State programs with their provisions for liens against property and relative support requirements, the SSI Program was intended to have minimal barriers to eligibility other than a lack of income and resources. Even here, the new SSI Program incorporated more generous provisions for disregarding income, particularly earned income, than was provided under the Old-Age Assistance Program.

It should be noted that even though SSA administers the SSI Program, SSI is not the same as Social Security. The SSI Program is funded by general revenues of the U.S. Treasury - personal income taxes, corporate taxes, and other taxes. Social Security benefits are funded by the Social Security taxes paid by workers, employers, and self-employed persons. The programs also differ in other ways such as the conditions of eligibility and the method of determining payments. In addition, States have the option of supplementing the basic Federal SSI payment. In some cases, State supplementary payments are administered by the State instead of SSA.

BASIC ELIGIBILITY

CATEGORICAL REQUIREMENTS AND THE DEFINITION OF DISABILITY

To qualify for SSI payments, a person must satisfy the program criteria for age, blindness, or disability. The aged are defined as persons 65 years and older and persons may qualify for SSI if they are 65 or older and meet the income and resource requirements, without having to meet the definition of disability. The blind are individuals with 20/200 vision or less with the use of a correcting lens in the person's better eye, or those with tunnel vision of 20 degrees or less. Disabled individuals are those unable to engage in any substantial gainful activity by reason of a medically determined physical or mental impairment expected to result in death or that has lasted, or can be expected to last, for a continuous period of at least 12 months. The test of "substantial gainful activity" in calendar year 2008 is to earn at least $940 monthly for a non-blind person and at least $1570 for a blind person in counted income, with impairment-related expenses subtracted from earnings. Generally, the individual must be unable to do any kind of work that exists in significant numbers in the national economy, taking into account age, education, and work experience.

The definition of disability used to determine eligibility for the SSI Program is similar to that used to determine eligibility for Disability Insurance (DI) benefits. The SSI definition, which allows only for total disability based on an inability to work, is different from that used by programs administered by the Department of Veterans Affairs which allow for partial ratings of disability based on functional limitations. In addition, the SSI definition of disability is stricter than that used by the Americans with Disabilities Act (ADA) and other disability programs.

Children may qualify for SSI if they are under age 18 (or under age 22 if a full-time student), unmarried, and meet the applicable SSI disability or blindness, income, and resource requirements. Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, established a new disability definition for children under age 18 which requires a child to have "a medically determinable physical or mental impairment which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."

INCOME AND RESOURCE REQUIREMENTS

Income

Individuals and couples are eligible for SSI if their countable incomes fall below the Federal maximum monthly SSI benefit, $637 for an individual and $956 for a couple in 2008. If only one member of a couple qualifies for SSI, part of the ineligible spouse's income is considered to be that of the eligible spouse through a procedure called "deeming." If a couple separates, each person is treated as an individual in the month following the month of separation. If an unmarried child living at home is under age 18, some of the parent's income is deemed to that child. If an immigrant is sponsored into the United States, some of the sponsor's and the sponsor's spouse's income may be deemed to that immigrant.

Income includes cash, checks, and items received "in kind" such as food and shelter. Wages, net earnings from self-employment, and income from sheltered workshops are considered earned income. Social Security benefits, workers' or veterans' compensation, annuities, rent, and interest are counted as unearned income.

Not all income is counted for SSI purposes. Since 1972, the major exclusions have included the first $20 of monthly income from virtually any source, and the first $65 of monthly earned income plus one-half of remaining earnings. The value of these income exclusions is not indexed to account for inflation.

Income received in sheltered workshops and work activity centers is considered earned income and qualifies for the earned income exclusion. Table 3-1 shows the maximum income that an individual and couple can have, taking into account these income exclusions, and still remain eligible for Federal SSI benefits.

TABLE 3-1--MAXIMUM INCOME FOR ELIGIBILITY FOR FEDERAL SSI BENEFITS, 2008

	Receiving Only Unearned Income		Receiving Only Earned Income	
	Monthly	Annually	Monthly	Annually
Individual	$657	$7,884	$1,359	$16,308
Couple	976	11,712	1,997	23,964

Source: Social Security Administration.

Work-related expenses are disregarded in the case of blind applicants or recipients and impairment-related work expenses are disregarded in the case of disabled applicants or recipients. The SSI Program also does not count income and resources that are set aside as part of an approved plan for achieving self-support (PASS). A PASS is an income and resource exclusion that allows an SSI recipient who is blind or disabled to set aside income and resources for a work goal.

The value of any in-kind assistance is counted as income unless such in-kind assistance is specifically excluded by statute. Generally, in-kind assistance provided by or under the auspices of a Federally-assisted program, or by a State or local government, will not be counted as income. If an SSI applicant or recipient is living in the household of another and receiving in-kind support and maintenance from him, the SSI benefit standard for such an individual is reduced by one-third. By regulation, SSA also has ruled that the value of any in-kind support and maintenance received, other than in-kind assistance received by reason of living in another's household, is presumed to equal one-third of the Federal SSI benefit standard plus $20. The individual can rebut this presumption. If it is determined that the actual value is less than the one-third amount, the lower actual value will be counted as unearned income.

In-kind support and maintenance provided by a private nonprofit organization to aged, blind, or disabled individuals is excluded under the SSI Program if the State determines that the assistance is provided on the basis of need. Certain types of assistance provided to help meet home energy needs also are excluded from income. For example, certain assistance provided to an aged, blind, or disabled individual for the purpose of meeting home energy costs by a home heating oil or gas supplier, a utility company, or a private nonprofit organization also is excluded.

As countable income increases, a recipient's SSI benefit amount decreases. Generally, ineligibility for SSI occurs when countable income equals the Federal benefit standard plus the amount of State supplementation, if any.

Resources

SSI eligibility is restricted to qualified persons who have resources of not more than $2,000, or $3,000 in the case of a couple. These resource limits are set by statute, are not indexed to account for inflation, and have not changed since 1989. The resource limit for a couple applies even if only one member of a couple is eligible. If an unmarried child living at home is under age 18, the parent's assets are considered to be the child's.

In determining countable resources, a number of items are not included, such as the individual's home, and, within reasonable limits set by SSA, household goods, personal effects, an automobile, and a burial space for the individual, spouse, and members of the immediate family. The value of property which is used in a person's trade, or business, or by the person as an employee also is excluded. The value of certain other property that produces income, goods, or services essential to a person's self-support may be excluded within limits set by SSA in regulations. SSI and Social Security retroactive benefit payments may not be considered as a resource for a period of 6 months after the month in which the retroactive benefit is received. Resources set aside under a PASS also are excluded.

The cash surrender value of life insurance is not counted toward the $2,000 or $3,000 countable resources limit if the total face value of all policies is $1,500 or less. The entire cash surrender value of life insurance policies counts toward the resources limit, but may be excludable under one of the other resource provisions, if the total face value of all policies on an individual's life is greater than $1,500.

An individual and spouse may have excluded up to $1,500 each of burial funds. However, the $1,500 maximum amount is reduced by the face value of any excluded life insurance policies and the value of any irrevocable burial contracts, trusts, or arrangements. If left to accumulate, interest earned on excluded burial funds and burial spaces is not countable as either income or resources for SSI purposes.

Individuals who give away or sell any nonexcludable resource for less than fair market value may be subject to penalty. Also, such a transfer may make the individual ineligible for certain Medicaid covered nursing services. SSA must notify individuals of the penalty and provide information upon request to the States regarding transfers of resources.

Deeming of Income and Resources

The income of an ineligible spouse who lives with an adult SSI applicant or recipient is considered in determining the eligibility and amount of payment to the individual. The income of the parents of a child under the age of 18 who is blind or disabled also is considered in determining the eligibility and payment for the child. However, since 1990, children with disabilities who are eligible for Medicaid at home under State home care plans, who previously received SSI personal needs allowances (PNAs) while in medical institutions, and who otherwise would be ineligible for SSI because of their parents' income or resources, have been eligible for the $30 monthly PNA that would be payable if they were institutionalized, without regard to their parents' income and resources. Effective October 1, 1993, an ineligible parent or spouse who is absent from a household due solely to a duty assignment as a member of the Armed Forces is considered, absent evidence to the contrary, to be living in the same household as the SSI applicant or recipient for deeming purposes.

By regulation, the Commissioner of Social Security has provided that in determining the amount of the income of an ineligible spouse or parent to be deemed to the SSI applicant or recipient, the needs of the spouse or parent and other children in the household are taken into account. In addition, the SSI earned and unearned income exclusions are applied in determining the amount of income to be deemed to the SSI applicant or recipient. If the combined countable income of an SSI applicant and an ineligible spouse does not exceed the SSI benefit standard for an eligible couple in that State (including any federally administered State supplementary payment), the SSI applicant would be eligible to receive SSI benefits.

For example, in 2008 in a State with no supplementation, here is how the deeming procedure would work in the case of an ineligible spouse earning $600 per month living with an eligible individual with $200 of Social Security benefits:

Unearned income of eligible individual	$200.00
Less $20 exclusion	-20.00
Countable unearned income	180.00
Earned income of ineligible individual	600.00
Less $65 earned income disregard	-65.00
Less one-half of remaining earnings ($535)	-267.50
Countable earned income	267.50
Plus countable unearned income	+180.00
Couple's total countable income	447.50
SSI payment standard for couples	956.00
Less countable income	-447.50
Calculate Benefit payable to eligible individual	508.50

Thus, the benefit for the eligible individual will be $508.00 as the law requires that benefits be rounded down to the next lower dollar. Without deeming and as an individual, the recipient would have received $457 [$637 - ($200 less $20 exclusion)]. The $20 exclusion can be used only once and is applied first to unearned income, which in this example is the $200 of Social Security income.

An individual's resources are deemed to include those of the ineligible spouse, or in the case of a child under the age of 18, those of the parents, with whom the individual is living. Under SSI regulations, in determining the amount of the spouse's or parents' resources that can be deemed, all applicable exclusions are applied. In the case of a child, only the value of the parents' resources that exceeds the applicable limits ($2,000 for a single parent, and $3,000 for two parents) is deemed to the child. Also, under regulations, pension funds of an ineligible spouse or parent are excluded from deeming.

CITIZENSHIP AND RESIDENCY REQUIREMENTS

To qualify for SSI a person must be a citizen of the United States or, if not a citizen, be a refugee or asylee who has been in the country for less than 7 years, or be a "qualified alien" who was receiving SSI as of August 22, 1996 or who was living in the United States on August 22, 1996 and subsequently became disabled. In 1996 changes were made to the alien eligibility requirements that extended to certain groups of aliens, added new categories to the list of qualified aliens, exempted certain Native Americans from the eligibility limitations and granted SSI eligibility to aliens who are determined to be victims of "severe forms of trafficking in persons." (For more detailed information on eligibility requirements for noncitizens, see Appendix J.)

In addition to the citizenship requirement, a person must be a resident of the United States or the Northern Mariana Islands, or a child of a person in the military stationed outside the United States, or a student temporarily abroad; must apply for all other benefits to which he or she is entitled; and must, if he or she is disabled, accept vocational rehabilitation services if they are offered.

PROHIBITION OF PAYMENT TO FELONS AND FUGITIVES

The 1996 welfare reform law provides that, as of August 22, 1996, SSI benefits may not be paid to individuals who are fleeing to avoid prosecution for a felony crime, or fleeing to avoid custody or confinement after conviction for a felony crime, or violating a condition of probation or parole imposed under Federal or State law.

SSA has interpreted this rule to mean that any person with an outstanding warrant for his or her arrest is ineligible for SSI benefits. However, in 2005 the U.S. Court of Appeals for the Second Circuit in the case *Fowlkes v. Adamec* (432 F. 3d 90) ruled that this interpretation was inconsistent with the law which, in the opinion of the court, required that a person know that a warrant has been issued for him or her and be actively evading arrest or prosecution in order to be considered a fugitive and ineligible for benefits. In 2006 SSA issued an acquiescence ruling which stated that the agency will apply the court's requirement that a person be actively evading arrest or prosecution to be ineligible for benefits only in the area covered by the Second Circuit (Connecticut, New York, and Vermont). In all other areas of the country, SSA continues to use the existence of a warrant as the basis for denying benefits under the fugitive felon provision.

ELIGIBILITY OF PERSONS WITH DRUG OR ALCOHOL DEPENDENCY

Under both the SSI and the Social Security Disability Insurance (DI) Programs, disability is defined as a mental or physical impairment that is so severe that it prevents an individual from doing any kind of work that exists in the national economy, taking into account age, education, and work experience. Prior to January 1997, drug addiction and alcoholism were qualifying medical impairments under both SSI and DI. Thus, a person whose drug addiction or alcoholism was a contributing factor material to his disability was eligible for SSI. The SSI Program required that payments for drug addicts and alcoholics be made to a representative payee, a person or agency responsible for managing the recipient's finances; that recipients participate in treatment if available; and that the treatment be monitored.

SSI provisions relating to drug addicts and alcoholics were contained in the original SSI law (Public Law 92-603). Initially, the Senate sought to exclude these individuals from SSI by putting them in a separate services program. During debate on the 1972 legislation, Senators argued that these drug addicts and alcoholics would need treatment, case management, and close monitoring so that they would not use the SSI benefits to "support their alcoholism or addiction." The Senate provision that excluded drug addicts and alcoholics from the SSI Program was deleted in favor of the House provision that required recipients to undergo treatment. The Senate's concern about providing direct payments to substance abusers was accommodated by the provision requiring that benefits be provided through representative payees. Although virtually all SSI recipients diagnosed as drug addicts or alcoholics received their payments via a representative payee, most representative payees were family members or friends of recipients, and it was suspected that some payees may have been enabling recipients to obtain direct control of their SSI payments.

In 1994, Congress responded to concerns that significant numbers of SSI and DI recipients were using their Federal cash payments to support their addictions by passing legislation (Public Law 103-296) that placed a 3-year time limit on program benefits to persons disabled solely because of their addiction to drugs or alcohol, extended requirements on treatment and monitoring to DI recipients, required DI recipients classified as substance abusers to receive their benefits through representative payees, encouraged organizations and agencies to act as representative payees for recipients classified as substance abusers, and temporarily or permanently ended benefits of recipients who failed to comply with treatment requirements.

In 1996, Congress passed legislation that went even further by terminating drug and alcohol addiction as conditions that qualify individuals for SSI benefits. Under Public Law 104-121, individuals are not considered disabled for either SSI or DI if drug addiction or alcoholism is the contributing factor material to their disability. The law mandated the Commissioner of Social Security to require that persons who qualified for SSI or DI based on some other disabling condition, but who are nonetheless determined to have a drug or alcohol condition and are incapable of managing their own benefits, have a representative payee and be referred for treatment. The preferred representative payee for persons with a drug or alcohol condition who are not capable of managing their own benefits is an organization. Public Law 104-121 also authorized $50 million for fiscal year 1997 and $50 million for fiscal year 1998 for drug treatment services. Recipients classified solely as drug addicts or alcoholics became ineligible for SSI beginning January 1, 1997. Applicants were no longer eligible for benefits beginning March 29, 1996 if they were disabled solely on the basis of drug or alcohol addiction.

ELIGIBILITY OF PERSONS LIVING IN PUBLIC INSTITUTIONS

Public institutions are prisons, hospitals, nursing homes, or any institution that is operated or administered by a governmental unit. The governmental unit can be the Federal, State, city, or county government, or another political subdivision of the State. Residents of public institutions for a full calendar month are ineligible for SSI unless one of the following exceptions applies:

1. The public institution is a medical treatment facility and Medicaid pays more than 50 percent of the cost of care.
2. The individual is residing in a publicly-operated community residence which serves no more than 16 residents. Such a facility must provide an alternative living arrangement to a large institution and be residential (not a correctional, educational, or medical facility).
3. The public institution is a public emergency shelter for the homeless. Such a facility provides food, a place to sleep, and some services to homeless individuals on a temporary basis. Payments to a resident of a public emergency shelter for the homeless are limited to no more than 6 months in any 9-month period.
4. The individual is in a public institution primarily to receive educational or vocational training. To qualify, the training must be an approved program and must be designed to prepare an individual for gainful employment.
5. The individual was eligible for SSI under one of the special provisions of section 1619 of the Social Security Act in the month preceding the first full month of residency in a medical or psychiatric institution which agrees to permit the individual to retain benefit payments. Payment may be made for the first full month of institutionalization and the subsequent month.

6. A physician certifies that the recipient's stay in a medical facility is likely not to exceed 3 months and the recipient needs to continue to maintain and provide for the expenses of the home to which she may return. Payments may be made for up to the first 3 full months of institutionalization.

To help institutionalized individuals return to community living, the SSI Program includes a prerelease procedure for institutionalized individuals. Some individuals are medically ready to be released from an institution but are financially unable to support themselves. The prerelease procedure allows such individuals to apply for SSI payments and food stamps several months in advance of their anticipated release so benefits can commence quickly after release. A formal prerelease agreement can be developed between an institution and the local Social Security office. However, an individual can file an application for SSI under prerelease without the existence of such an agreement.

The prohibition against SSI benefits to prisoners has been enforced through an exchange of computerized data between SSA and the Federal Bureau of Prisons, State prisons, and some county prisons. According to the SSA's Office of the Inspector General, these computerized arrangements generally covered about three-quarters of inmates, including all Federal and State prisoners and approximately 15 percent of county inmates. The agreements were voluntary and until recently involved no payments to the institutions. However, the 1996 welfare reform law (Public Law 104-193) required the Commissioner of Social Security to enter into a contract with any interested State or local institution (such as a prison, jail, or mental hospital) under which the institution regularly would provide to the Commissioner the names, Social Security numbers, dates of birth, and such other identifying information concerning the inmates or residents of the institution to help the Commissioner enforce the "prohibition of payments to residents of public institutions" rule. To encourage such reporting so benefits can be ended as Federal law intends, the Commissioner must pay the institution up to \$400 for each resident found to be wrongly receiving SSI payments if the information is provided to the Commissioner within 30 days after such individual becomes a resident, or up to \$200 for each inmate receiving SSI if the information is provided after 30 days but within 90 days of the person's becoming a resident.

In 1999, Congress acted to further tighten restrictions on the payment of Federal benefits to prisoners. Public Law 106-170 expands the SSI Program's benefit suspension rules and incentive payments regarding State and local prisoners to include individuals receiving Old-Age, Survivors, and Disability Insurance (OASDI) benefits. Payments to prisons will be reduced by 50 percent for multiple reports on individuals who receive both SSI and OASDI benefits.

Public Law 106-170 also requires State prisons to provide inmate information to Federal and Federally-assisted benefit programs, including SSI. To help reduce fraudulent benefit payments of food stamps, veterans benefits, unemployment benefits, and educational aid, Public Law 106-170 directs SSA to share its prisoner database with other Federal agencies and departments.

SSI BENEFITS

FEDERAL SSI BENEFIT STANDARD

The Federal SSI benefit standard for 2008 is $637 per month for an individual and $956 for a couple. Most States supplement the Federal SSI benefit. The result is a combined Federal and State supplemental benefit standard against which countable income is compared in determining eligibility and benefit amount. However, many States limit their supplementation to certain categories of individuals based on specific indicators of need.

Like Social Security benefits, Federal SSI benefits are indexed to the Consumer Price Index (CPI). Indexing occurs through a reference in the SSI law to the Social Security cost-of-living adjustment (COLA) provision. Prior to the Social Security Amendments of 1983 (Public Law 98-21), the SSI and Social Security cost-of-living increases occurred in benefits paid in July. Public law 98-21 delayed the Social Security and SSI COLAs from July 1983 to January 1984. However, in lieu of a COLA increase in the SSI benefit standard, the Federal SSI benefit was increased in July 1983 by $20 a month for an individual and $30 a month for a couple. Tables 3-3 and 3-4 (presented later in this chapter) show the Federal SSI benefit from the beginning of the SSI Program through 2008.

Under previous law, new recipients received a prorated SSI benefit for the month in which they applied. For example, a person who applied on the 15th of the month could receive 2 weeks of benefits for that month. The typical applicant did not get his or her benefits immediately because SSA might take several months to process the application. The 1996 welfare reform law changed the effective date of an SSI application to the later of the first day of the month following the date the application is filed or the date the individual first becomes eligible for SSI benefits.

BENEFITS FOR PERSONS LIVING IN THE HOUSEHOLD OF ANOTHER

SSI law provides that if an applicant or recipient is “living in another person's household and receiving support and maintenance in kind from such person,” the Federal SSI benefit applicable to such individual or couple is two-thirds of the regular Federal SSI benefit. The Federal SSI benefit in 2008 for those determined to be living in the household of another is $424.67 for an individual and $637.34 for a couple.

Regulations specify the criteria for determining when this reduced benefit applies. It does not apply to an individual who owns or rents, buys food separately, eats meals out rather than eating with the household, or pays a pro rata share of the household's food and shelter expenses.

BENEFITS FOR PERSONS LIVING IN MEDICAID INSTITUTIONS

When individuals enter a hospital or other medical institution in which more than half of the bill is paid by the Medicaid Program, their monthly SSI benefit standard is reduced to $30, beginning with the first full calendar month of residence. This benefit, called a personal needs allowance (PNA), is intended to take care of small personal expenses, with the cost of maintenance and medical care being provided through Medicaid. The 1996 welfare reform law requires that persons under the age of 18 residing in medical institutions who have private medical insurance be eligible only for the $30 SSI PNA, just like those with Medicaid coverage.

The Federal PNA benefit of $25 was increased to $30 a month on July 1, 1988–the first increase since the SSI Program began in 1974. The annual cost-of-living increase for SSI does not apply to the PNA. However, the 1987 Budget Reconciliation Act provides that if a physician certifies that the recipient's stay in such a medical institution is not likely to exceed 3 months and they need to continue to maintain a home to which they may return, SSI benefits will not be reduced and recipients will continue to receive full SSI benefits for up to the first 3 months of institutionalization.

TABLE 3-2--PERCENTAGE AND NUMBER OF PERSONS RECEIVING FEDERALLY-ADMINISTERED PAYMENTS, BY LIVING ARRANGEMENT AND ELIGIBILITY, DECEMBER 2006

Living Arrangement [1]	Total	Reason for Eligibility		
		Aged	Blind	Disabled
Own household	93.4	90.3	91.8	94.1
Another's household	4.7	8.2	5.8	4.0
Institutional care covered by Medicaid	1.9	1.6	2.3	1.9
Total percent	100.0	100.0	100.0	100.0
Total number	7,235,583	1,211,656	73,418[2]	5,950,509[3]

[1] As defined for determination of Federal SSI payment standards.
[2] Includes approximately 16,200 persons aged 65 or older.
[3] Includes approximately 776,600 persons aged 65 or older.
Source: Social Security Administration, *SSI Annual Statistical Report, 2006,* Table 5.

ESSENTIAL PERSON PAYMENTS FOR FORMER RECIPIENTS OF STATE ASSISTANCE

The essential person payment is a Federal benefit for an individual who was transferred to SSI from a former State Program of Aid to the Aged, Blind, or Disabled. Federal benefits of these persons are increased by up to $319 monthly in 2008 to take into account an "essential person" living in the household.

Essential persons are persons who live with the eligible individual and who are considered necessary to provide essential care and services for the eligible individual and whose needs were taken into account in December 1973 in determining the need of the individual. Essential persons do not themselves receive SSI payments; rather, the standard of payment to which an eligible individual or couple is entitled is increased, and any income and resources of the essential persons are combined with those of the eligible individual or couple in calculating the amount for which the individual or couple is eligible.

Eligibility for such increased payments apply only to a person included as an essential person in December 1973 and ends when the person no longer lives with the eligible individual, becomes eligible for SSI in his own right, or becomes the eligible spouse of an eligible individual.

Some States have categories of State supplementation similar to the "essential persons" category for individuals transferred from the pre-SSI Program.

OVERPAYMENTS

A provision in the 1984 Deficit Reduction Act established limits on recovery by the SSA of overpayments made to SSI recipients. The amount of recovery in any month is now limited to the lesser of (1) the amount of the benefit for that month, or (2) an amount equal to 10 percent of the countable income plus the SSI payment of the individual or couple for that month. This limitation does not apply if there is fraud, willful misrepresentation, or concealment of information in connection with the overpayment. The recipient may request a higher or lower rate at which benefits may be withheld to recover the overpayment.

STATE SUPPLEMENTATION

Mandatory State Supplementation

State supplementary payments are required by law to maintain income levels of former State adult assistance recipients transferred to the Federal SSI Program. In addition, in order to remain eligible for Medicaid Federal matching funds, States were required to adopt mandatory State supplementation programs. The purpose of these mandatory State supplements is to assure that no person suffers a reduction in income as result of the transfer to the SSI Program.

Under mandatory supplementation rules, States are to maintain recipients of the Programs of Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled at their December 1973 income level. That level is the amount an individual received in December 1973 under the terms and conditions of the State plan in effect for the month of June 1973, plus his or her other income. Thus, the State must provide a supplementary payment to any individual who, because of special needs or other reasons, had a December 1973 payment higher that the amount he or she received under the basic Federal SSI

Program. Because of increases in the amount of Federal benefits, few SSI recipients continue to receive mandatory state supplements.

Optional State Supplementation

In addition to any mandatory supplementation States must provide, a State may choose to provide an optional supplement to Federal SSI payments. This optional supplement also is intended to help individuals meet needs which are not fully met by the Federal payment. The State determines whether it will make such a payment, to whom, and in what amount. States have the option of covering recipients of mandatory supplementation under their program of optional supplementation.

At the present time, all but 7 States and jurisdictions provide some form of optional State supplementation. States that provide no supplement are: Arkansas, Kansas, Mississippi, North Dakota, Commonwealth of the Northern Mariana Islands, Tennessee, and West Virginia. States may elect to administer their supplementary payments themselves or may contract with SSA for Federal administration. Fourteen States and the District of Columbia have contracted with SSA to administer the State optional supplementation program. Since the SSI Program began in 1974, 8 States have shifted from Federal to State administration of their optional State supplementation program.

Section 1618 of the Social Security Act requires States that have chosen to supplement the Federal SSI benefit to continue to provide supplementation and to maintain the supplementary payments or spending for supplements at specified levels. The purpose of section 1618 is to require States to pass-along to SSI recipients the amount of any Federal benefit increase. In the past, when Congress enacted cost-of-living increases in the Federal SSI benefit amount, some States would reduce the levels of the State supplementary payments by the amount of the Federal benefit increase. Congress responded by enacting the section 1618 pass-along/maintenance-of-effort provision for State supplementary payments.

Section 1618 allows States to comply with the pass along requirement by either (1) maintaining their State supplementary payment levels for specified types of living arrangements at or above March 1983 levels (sometimes referred to as the payment level method) or (2) maintaining their supplementary payment spending so that total annual Federal and State expenditures will be at least equal to what they were in the prior 12-month period plus any Federal cost-of-living increase, provided the State was in compliance for that period (sometimes referred to as the total expenditures method). In effect, section 1618 requires that once a State elects to provide supplementary payments, it must continue to do so.

Under section 1618, a State that is found to be out of compliance under the maintenance-of-effort rules is subject to loss of its Federal Medicaid reimbursement. In California's case, a further penalty would be levied for failure to meet the pass along/maintenance-of-effort mandate. It would lose permission to "cash out" food stamp benefits for SSI recipients, and regular food stamp allotments would have to be offered to them.

COMPARISON OF SSI PAYMENT LEVELS TO POVERTY GUIDELINES

Table 3-3 compares the Federal SSI benefit for a single individual to the Department of Health and Human Services poverty guidelines for the 48 contiguous states. Both the poverty guidelines and the benefit level are indexed to the Consumer Price Index. The percentage increase for the poverty guidelines and the SSI benefit increase vary slightly because of a difference in the method of calculation. As a result of Public Law 98-21, SSI benefit levels were increased by $20 per month for individuals and $30 per month for couples in July 1983. They were further increased by 3.5 percent in January 1984. This explains why SSI benefits, in relation to the poverty level, increased to approximately 76 percent in 1984 compared to approximately 70.5 percent in the 1975 to 1980 period. In 2008, benefit levels are 73.5 percent of the poverty level.

Table 3-4 presents the same information for a couple. The SSI benefit for a couple is 81.9 percent of the poverty guidelines in 2008.

TABLE 3-3--COMPARISON OF FEDERAL BENEFITS TO POVERTY GUIDELINES FOR ELIGIBLE INDIVIDUALS RECEIVING SSI; SELECTED YEARS 1975-2008

Poverty Guidelines and Benefits	1975	1980	1984	1988	1992	1996	2000	2004	2006	2007	2008
Poverty Guidelines[1]	2,590	3,790	4,980	5,770	6,810	7,740	8,350	9,310	9,800	10,210	10,400
Federal SSI Benefits:											
Dollars Per Year	1,822	2,677	3,768	4,248	5,064	5,640	6,156	6,768	7,236	7,476	7,644
Percent of Poverty	70.4	70.6	75.7	73.6	74.4	72.9	73.7	72.7	73.8	73.2	73.5

[1] Poverty guidelines for a family of one in 48 contiguous states as determined by the Department of Health and Human Services.

Source: Congressional Research Service.

TABLE 3-4--COMPARISON OF FEDERAL BENEFITS TO POVERTY GUIDELINES FOR ELIGIBLE COUPLES RECEIVING SSI; SELECTED YEARS 1975-2008

Poverty Guidelines and Benefits	1975	1980	1984	1988	1992	1996	2000	2004	2006	2007	2008
Poverty Guidelines	3,410	5,010	6,720	7,730	9,190	10,360	11,250	12,490	13,200	13,690	14,000
Federal SSI Benefits:											
Dollars Per Year	2,734	4,016	5,664	6,384	7,596	8,460	9,228	10,152	10,848	11,220	11,472
Percent of Poverty	80.2	80.2	84.3	82.6	82.7	81.7	82.0	81.1	82.2	82.0	81.9

[1] Poverty guidelines for family of two in 48 contiguous states as determined by the Department of Health and Human Services.

Source: Congressional Research Service.

RELATIONSHIP TO OTHER BENEFIT PROGRAMS

APPLICATION TO OTHER PROGRAMS REQUIREMENT

Since SSI payments are reduced by other income, applicants and recipients must apply for any other cash benefits that are payable either on an ongoing basis or as a one-time payment due them. SSA works with recipients and helps them get any other benefits for which they are eligible.

ELIGIBILITY FOR SOCIAL SECURITY

Since its inception, SSI has been viewed as the “program of last resort.” That is, after evaluating all other income, SSI pays what is necessary to bring an individual to the statutorily prescribed income "floor." As of December 2006, 35.0 percent of all SSI recipients also received Social Security benefits, including 57.1 percent of aged recipients, 30.4 percent of disabled recipients, and 36.7 percent of blind recipients. Social Security benefits are the single highest source of income for SSI recipients. The SSI Program considers Social Security benefits unearned income and thus counts all but $20 monthly in determining the SSI benefit amount.

ELIGIBILITY FOR MEDICAID

States have three options as to how they treat SSI recipients in relation to Medicaid eligibility. Section 1634 of the Social Security Act allows SSA to enter into agreements with States to cover all SSI recipients with Medicaid eligibility. SSI recipients are not required to make a separate application for Medicaid under this arrangement. As of January 1, 2003, 32 States and the District of Columbia chose this option, and SSI recipients in these States account for approximately 79 percent of all SSI recipients nationwide.

Under the second option, States elect to provide Medicaid eligibility for all SSI recipients, but only if the recipient completes a separate application with the State agency which administers the Medicaid Program. Alaska, Idaho, Kansas, Nebraska, Nevada, Oregon, Utah and the Commonwealth of the Northern Mariana Islands, affecting about 5 percent of SSI recipients nationwide, have elected this option.

The third and most restrictive option is known as the 209(b) option, under which States may impose Medicaid eligibility criteria which are more restrictive than SSI criteria, so long as the criteria chosen are not more restrictive than the State's approved Medicaid State plan in January 1972. The 209(b) States may be more restrictive in defining blindness or disability, and/or more restrictive in their financial requirements for eligibility, and require a Medicaid application with the State. However, aged, blind, and disabled SSI recipients who are Medicaid applicants must be allowed to spend down their resources in 209(b) States, if the State uses more restrictive income criteria, regardless of whether the State has a medically needy program. Currently 11 States use the 209(b) option for Medicaid coverage of aged, blind, and disabled SSI recipients. About 16 percent of the SSI recipient population nationwide lives in these 209(b) States. The 11 States that use this option are Connecticut, Hawaii, Illinois, Indiana, Minnesota, Missouri, New Hampshire, North Dakota, Ohio, Oklahoma, and Virginia.

An amendment included in the 1986 SSI Disability Amendments (Public Law 99-643) required, effective July 1, 1987, that 209(b) States continue Medicaid coverage for individuals in section 1619 status if they had been eligible for Medicaid for the month preceding their becoming eligible under section 1619.

The same legislation required States to provide continued Medicaid coverage for those individuals who lose eligibility for SSI on or after July 1, 1987 when their income increases because they become newly eligible for Social Security benefits as an adult who was disabled as a child (disabled adult child) or because of an increase in their benefits as an adult who was disabled as a child. Disabled adult children who otherwise would be eligible for SSI continue to be considered SSI recipients for Medicaid purposes. Protection against loss of Medicaid also is provided for certain blind or disabled individuals who lose their SSI benefits when they qualify for Social Security disabled widow or widower's benefits beginning as early as age 50. The Omnibus Budget Reconciliation Act of 1990 provides that such individuals, who otherwise would continue to qualify for SSI on the basis of blindness or disability, will be deemed to be SSI recipients for purposes of Medicaid eligibility until they become eligible for Medicare.

ELIGIBILITY FOR FOOD STAMPS

Except in California, which has converted food stamp benefits to cash that is included in the State supplementary payments, SSI recipients may be eligible to receive food stamps. SSI beneficiaries living alone or in a household where all other members of the household receive or are applying for SSI benefits can file for food stamps at an SSA office. If all household members receive SSI, they do not need to meet the Food Stamp Program financial eligibility standards to participate in the program because they are categorically eligible. However, SSI beneficiaries living in households where other household members do not receive or are not applying for SSI benefits are referred to the local food stamp office to file for food stamps. These households must meet the net income eligibility standard of the Food Stamp Program to be eligible for food stamp benefits.

The interaction of SSI with the Food Stamp Program has important financial implications for a State which desires to increase the income of its SSI recipients by $1. Because food stamps are reduced by $0.30 for each additional $1 of SSI income including State supplements, the State must expend $1.43 to obtain an effective $1 increase in SSI recipients’ total incomes.

VOCATIONAL REHABILITATION AND THE TICKET TO WORK PROGRAM

VOCATIONAL REHABILITATION

Section 1615(d) of the Social Security Act requires SSA to reimburse State vocational rehabilitation agencies for reasonable and necessary costs of services which resulted in disabled SSI recipients' being successfully rehabilitated. The objective of vocational rehabilitation for SSI recipients is to help disabled individuals achieve and sustain productive, self-supporting work activity. SSA provides funds to reimburse state vocational rehabilitation agencies for costs incurred in successfully rehabilitating SSI recipients. A successful rehabilitation is defined by law as one in which vocational rehabilitation services result in performance of substantial gainful activity for a continuous period of 9 months.

THE TICKET TO WORK PROGRAM

Public Law 106-170, signed into law on December 17, 1999, created the Ticket to Work Program. The purpose of the program is to help recipients leave the SSI rolls through greater accessibility to a broader pool of vocational rehabilitation providers than was previously available to them. Under the ticket program, the Commissioner of Social Security provides tickets to work to disabled SSI beneficiaries that they can use as vouchers to obtain employment services, case management, vocational rehabilitation, and support services from providers of their choice, including State vocational rehabilitation agencies. The program is permanently authorized.

Payment to employment networks is based on outcomes and long-term results by providing one of two payment systems: an outcome payment system or an outcome-milestone payment system. Under the outcome payment system, employment networks are provided with up to 40 percent of the average monthly disability benefit for each month benefits are not payable to the beneficiary due to work (but not for more than 60 months). Under the outcome-milestone payment system, the employment networks receive early payments based on the achievement of one or more milestones toward permanent employment. The total amount payable under the outcome-milestone payment system must be less than the total amount that otherwise would have been payable for an individual under the outcome payment system. Providers are paid for each month in which an SSI beneficiary is not receiving benefits because the individual is working or has earnings. Complaints from providers about the payment system led the SSA in 2007 to propose regulations for a new payment system that will pay providers earlier in the process.

Very few SSI and DI beneficiaries have taken advantage of the Ticket to Work Program and few of those have assigned their ticket to private-sector employment networks instead of State vocational rehabilitation agencies. As of

April 2008, 0.1% of the tickets issued have been assigned to private-sector employment networks while 1.8% of issued tickets have been assigned to State vocational rehabilitation agencies.

CHARACTERISTICS OF THE SSI CASELOAD

NUMBER OF RECIPIENTS

As shown in Table 3-5, in December 2006, over 7.2 million persons received Federally-administered SSI payments. Of these, over 1.2 million received Federally-administered payments on the basis of being aged, nearly 6 million on the basis of being disabled, and over 73,000 on the basis of blindness. However, nearly 790,000 of those receiving benefits on the basis of disability or blindness were over the age of 65.

Table 3-5 also indicates that nearly 5 million of those receiving Federally-administered SSI payments received only Federal SSI payments, just under 2 million received a combination of Federal and State payments, and nearly 300,000 received State supplements only.

TABLE 3-5--NUMBER OF PERSONS RECEIVING FEDERALLY-ADMINISTERED PAYMENTS, TOTAL AMOUNT, AND AVERAGE MONTHLY AMOUNT, BY SOURCE OF PAYMENT AND ELIGIBILITY, DECEMBER 2006

Source of Payment	Total	Category			Age		
		Aged	Blind [1]	Disabled [1]	Under 18	18-64	65 or older [1]
				Number of Persons			
Federal payment only	4,967,004	621,081	42,761	4,303,162	858,917	2,989,045	1,119,042
Federal payment and State supplementation	1,971,676	487,844	25,404	1,458,438	217,437	1,015,345	738,904
State supplementation only	296,893	102,731	5,253	188,909	2,623	147,740	146,530
Total	7,235,583	1,211,656	73,418	5,950,509	1,078,977	4,152,130	2,004,476
				Total Number of Persons			
Total with							
Federal payment	6,938,690	1,108,925	68,165	5,761,600	1,076,354	4,004,390	1,857,946
State supplementation	2,268,579	590,575	30,657	1,647,347	220,060	1,163,085	885,434
				Amount of Payments (Thousands of Dollars)[2]			
Federal payments	3,130,803	351,915	29,133	2,749,754	592,877	1,936,436	601,490
State supplementation	368,767	101,614	7,164	259,989	17,997	197,900	152,870
Total	3,499,569	453,529	36,297	3,009,743	610,874	2,134,335	754,360
				Average Monthly Amount[3]			
Federal payments	423.05	316.48	423.15	443.61	527.42	441.60	322.87
State supplementation	156.24	170.64	228.97	149.71	77.04	159.79	171.26
Total	454.75	373.05	488.42	471.00	541.85	470.64	375.10

[1] Includes approximately 16,200 blind and 776,600 disabled persons aged 65 or older.

[2] Included retroactive payments.

[3] Excludes retroactive payments.

Source: Social Security Administration, *Annual Statistical Supplement, 2007,* Table 7.A2.

TABLE 3-6--SSI FEDERALLY-ADMINSTERED BENEFIT RECIPIENTS BY STATE, DECEMBER 2006

State	Total	Category			Age		
		Aged	Blind	Disabled	Under 18	18-64	65 or older
Alabama	164,764	16,659	929	147,176	28,672	102,236	33,856
Alaska	11,340	2,114	102	9,124	1,155	7,127	3,058
Arizona	99,196	13,415	877	84,904	17,804	57,781	23,611
Arkansas	92,960	9,157	775	83,028	19,501	54,978	18,481
California	1,226,697	360,316	21,273	845,108	99,711	595,736	531,250
Colorado	56,830	8,648	528	47,654	7,161	35,557	14,112
Connecticut	53,276	6,700	467	46,109	6,898	33,733	12,645
Delaware	14,038	1,300	106	12,632	3,334	8,271	2,433
District of Columbia	21,713	1,974	151	19,588	4,441	13,048	4,224
Florida	427,902	100,597	2,770	324,535	80,608	203,177	144,117
Georgia	205,793	26,753	1,974	177,066	35,046	119,885	50,862
Hawaii	22,924	6,452	198	16,274	1,557	12,812	8,555
Idaho	23,053	1,825	206	21,022	4,296	15,469	3,288
Illinois	261,052	30,448	2,382	228,222	45,096	157,824	58,132
Indiana	101,058	5,756	934	94,368	21,545	67,180	12,333
Iowa	43,896	3,568	769	39,559	7,124	29,745	7,027
Kansas	39,501	3,225	356	35,920	7,302	25,773	6,426
Kentucky	181,857	13,374	1,381	167,102	27,797	120,584	33,476
Louisiana	157,299	16,794	1,608	138,897	29,343	94,024	33,932
Maine	32,536	2,356	223	29,957	3,504	23,723	5,309
Maryland	96,248	15,294	647	80,307	15,275	56,186	24,787
Massachusetts	174,509	44,807	3,729	125,973	19,129	107,365	48,015
Michigan	225,160	16,680	1,697	206,783	38,719	149,999	36,442
Minnesota	75,793	10,266	724	64,803	11,212	47,595	16,986
Mississippi	123,679	14,157	969	108,553	22,853	71,275	29,551
Missouri	119,795	9,219	975	109,601	20,269	79,800	19,726
Montana	15,208	1,087	131	13,990	2,091	10,673	2,444
Nebraska	22,621	2,046	244	20,331	3,533	15,167	3,921
Nevada	34,468	8,823	670	24,975	6,193	18,883	9,392
New Hampshire	14,470	869	157	13,444	1,953	10,680	1,837
New Jersey	154,482	33,722	960	119,800	22,704	80,463	51,315
New Mexico	55,182	8,457	476	46,249	7,762	31,650	15,770
New York	641,870	135,790	2,992	503,088	73,422	337,376	231,072
North Carolina	202,613	24,302	1,771	176,540	38,294	116,889	47,430
North Dakota	8,035	954	74	7,007	989	5,241	1,805
Ohio	254,012	15,242	1,835	236,935	43,565	173,497	36,950
Oklahoma	82,386	7,717	780	73,889	14,592	52,329	15,465
Oregon	62,280	7,949	647	53,684	8,321	40,642	13,317
Pennsylvania	325,822	28,797	2,144	294,881	60,991	204,071	60,760
Rhode Island	30,720	3,923	193	26,604	4,232	19,224	7,264
South Carolina	105,411	11,760	1,381	92,270	18,731	62,382	24,298
South Dakota	12,748	1,630	92	11,026	2,020	7,683	3,045
Tennessee	162,574	16,042	1,524	145,008	23,411	104,432	34,731
Texas	524,458	109,073	6,539	408,846	95,709	265,476	163,273
Utah	23,532	2,320	259	20,953	4,219	15,268	4,045
Vermont	13,457	1,122	89	12,246	1,723	9,228	2,506
Virginia	139,313	20,512	1,254	117,547	22,810	81,496	35,007
Washington	118,946	15,009	921	103,016	15,217	76,419	27,310
West Virginia	77,987	4,020	576	73,391	8,936	56,945	12,106
Wisconsin	93,549	8,110	905	84,534	17,111	60,661	15,777

TABLE 3-6--SSI FEDERALLY-ADMINSTERED BENEFIT RECIPIENTS BY STATE, DECEMBER 2006 -continued

		Category			Age		
State	Total	Aged	Blind	Disabled	Under 18	18-64	65 or older
Wyoming	5,786	406	42	5,338	861	4,083	842
N. Mariana Isl.	784	120	12	652	235	389	160
Total	7,235,583	1,211,656	73,418	5,950,509	1,078,977	4,152,130	2,004,476

Source: Social Security Administration, *Annual Statistical Supplement, 2007,* Table 7.B1.

CHARACTERISTICS OF SSI RECIPIENTS UNDER AGE 65

Major Disabling Diagnosis – As shown in Table 3-7, nearly 21 percent of all SSI recipients under age 65 were eligible on the basis of mental retardation and 39.1 percent were eligible on the basis of other mental disorders in 2006. Thus, nearly 60 percent of all persons under age 65 eligible for SSI received benefits because of a mental disability. The next largest categories of eligibility were diseases of the musculoskeletal system and connective tissue and diseases of the nervous system with approximately 8.0 percent of SSI recipients under age 65 in each of these categories.

Representative Payees – As shown in Table 3-8, nearly 48 percent of SSI recipients under age 65 had representative payees while 52.3 percent of these beneficiaries did not. Representative payees are individuals, agencies, or institutions selected by SSA to receive and use SSI payments on behalf of the SSI recipient when it has been found necessary by reason of the mental or physical limitations of the recipient.

Gender – As shown in Table 3-8, just under 52 percent of SSI recipients under age 65 were female while 48.3 percent were male.

Other Income – As shown in Table 3-9, over 26 percent of SSI recipients under age 65 received Social Security benefits in addition to SSI. Just over 10 percent of SSI recipients under age 65 had some other form of unearned income and fewer than 5 percent had earned income.

TABLE 3-7--DISABILITY DIAGNOSIS OF SSI DISABILITY RECIPIENTS UNDER AGE 65, DECEMBER 2006

[Percentage Distribution by Diagnostic Group]

Diagnostic Group	All SSI Recipients Under Age 65	SSI Recipients Under 18	SSI Recipients Age 18-64
Congenital anomalies	1.6	5.0	0.7
Endocrine, nutritional, and metabolic disease	2.8	0.7	3.4
Infectious and parasitic diseases	1.3	0.2	1.6
Injuries	2.2	0.5	2.6
Mental disorders			
Retardation	20.8	17.9	21.6
Other	39.1	48.6	36.6

TABLE 3-7--DISABILITY DIAGNOSIS OF SSI DISABILITY RECIPIENTS UNDER AGE 65, DECEMBER 2006 -continued

[Percentage Distribution by Diagnostic Group]

Diagnostic Group	All SSI Recipients Under Age 65	SSI Recipients Under 18	SSI Recipients Age 18-64
Neoplasms	1.1	1.0	1.2
Diseases of the-			
Blood and blood-forming organs	0.5	1.2	0.4
Circulatory system	3.6	0.5	4.4
Digestive system	0.9	0.6	0.9
Genitourinary system	0.9	0.3	1.0
Musculoskeletal system and connective tissue	8.4	0.7	10.3
Nervous system and sense organs	8.0	8.6	7.8
Respiratory system	2.1	2.6	2.0
Skin and subcutaneous tissue	0.2	0.1	0.2
Other	2.0	8.9	0.2
Unknown	4.6	2.5	5.2
Total	100.0	100.0	100.0

Source: Social Security Administration, *SSI Annual Statistical Report 2006,* Table 22.

TABLE 3-8--REPRESENTATIVE PAYEE STATUS AND GENDER OF SSI RECIPIENTS UNDER AGE 65, DECEMBER 2006

Category	All SSI Recipients Under Age 65	SSI Recipients Under 18	SSI Recipients age 18-64
Representative Payee Status (percent of total)			
With representative payee	47.7	99.9	34.1
No representative payee	52.3	0.1	65.9
Total	100.0	100.0	100.0
Gender (percent of total)			
Male	48.3	65.6	43.8
Female	51.7	34.4	56.2
Total	100.0	100.0	100.0

Source: Social Security Administration, *SSI Annual Statistical Report,* Tables 23 and 24.

TABLE 3-9--OTHER INCOME RECEIVED BY SSI RECIPIENTS UNDER AGE 65, DECEMBER 2005

Source of Income	All SSI Recipients Under Age 65	SSI Recipients Under 18	SSI Recipients age 18-64
SSI	5,231,107	1,078,977	4,152,130
Percent Receiving Other Income			
Social Security Benefits	26.5	7.2	31.5
Other Unearned Income	10.1	19.2	7.7
Earned Income	4.7	0.3	5.9

Source: Social Security Administration, *Annual Statistical Supplement, 2007,* Table 7.D1.

CHARACTERISTICS OF CHILDREN RECEIVING BENEFITS

Major Disabling Diagnosis – Mental disorders are the leading cause of SSI eligibility for both adults and children. As shown in Table 3-7, children in the SSI Program are less likely than adults to have mental retardation as the cause of their disabilities but more likely to have a diagnosis of congenital anomalies. The largest difference between adults and children in the SSI Program is in the category of diseases of the musculoskeletal system and connective tissue. While more than 10 percent of adult recipients have this diagnosis, it can be found in less than 1 percent of children in the SSI Program.

Representative Payees – As provided by law, nearly all children in the SSI Program receive their benefits through representative payees. Among adult recipients, 34.1 percent have representative payees as shown in Table 3-8.

Gender – As shown in Table 3-8, over 65 percent of children in the SSI Program are males, while males make up less than 44 percent of the adult SSI population.

Other Income – As shown in Table 3-9, a larger percentage of adults than children in the SSI Program are receiving Social Security benefits. However, children in the SSI Program are more likely than adults to have other forms of unearned income, with much of this difference being accounted for by children receiving support from absent parents that is counted as unearned income.

CHARACTERISTICS OF RECIPIENTS RECEIVING BENEFITS ON THE BASIS OF AGE

Age – As shown in Table 3-10, the majority of SSI aged recipients are between the ages of 65 and 69. Just under 13 percent of SSI aged recipients are 80 or older.

Representative Payee Status – As shown in Table 3-10, fewer than 4 percent of SSI aged recipients receive their benefits through a representative payee.

Gender – As shown in Table 3-10, women make up more than 61 percent of all SSI aged beneficiaries.

Other Income – The majority of SSI aged recipients also receive Social Security benefits. As shown in Table 3-10, just over 57 percent of these beneficiaries receive Social Security benefits while 18.0 percent receive some other form of unearned income. For a variety of reasons, few SSI aged beneficiaries work and have any earned income.

TABLE 3-10--CHARACTERISTICS OF SSI RECIPIENTS RECEIVING BENEFITS ON THE BASIS OF AGE

Category	Percent of SSI Aged Recipients
Age	
65-69	54.3
70-74	20.8
75-79	12.3
80 and older	12.7
Representative Payee Status	
With representative payee	3.7
No representative payee	96.6
Gender	
Male	38.2
Female	61.8
Other Income	
Social Security Benefits	57.1
Other Unearned Income	18.0
Earned Income	1.5

Source: Social Security Administration, *Annual Statistical Supplement, 2007,* Tables 7.D1, 7.E2, and 7.E3.

MEASURES OF SSI PARTICIPATION AND GROWTH

SSI PARTICIPATION RATES

Since 2000, the SSI participation rate, measured as the number of SSI recipients in a group as a percentage of the population of that group, has generally remained constant for children receiving benefits, all blind and disabled recipients, and all aged recipients. The major period of growth for children and the total blind and disabled beneficiary populations occurred in the early 1990s. Since the program's inception, participation rates for all but the aged have grown, with the participation rate for those receiving benefits on the basis of age dropping from 8.6 percent in 1975 to 2.9 percent in 2006. As shown in Table 3-11, in 2006, 2.3 percent of the population received SSI benefits, while 2.9 percent of the population age 65 and older received SSI benefits on the basis of age.

TABLE 3-11--SSI FEDERAL BENEFIT RECIPIENTS AS PERCENTAGE OF POPULATION BY BENEFIT AND AGE GROUPS, 1975-2006

Year	All Recipients	Blind and Disabled Under 18	All Blind and Disabled[1]	All Aged[2]
1975	1.7	0.2	0.8	8.6
1980	1.6	0.3	0.9	5.8
1985	1.5	0.4	1.0	4.5
1990	1.7	0.5	1.2	3.9
1995	2.3	1.3	1.8	3.8
2000	2.2	1.1	1.8	3.3
2001	2.2	1.2	1.8	3.2

TABLE 3-11--SSI FEDERAL BENEFIT RECIPIENTS AS PERCENTAGE OF POPULATION BY BENEFIT AND AGE GROUPS, 1975-2006 -continued

Year	All Recipients	Blind and Disabled Under 18	All Blind and Disabled[1]	All Aged[2]
2002	2.2	1.2	1.8	3.2
2003	2.2	1.3	1.8	3.1
2004	2.2	1.3	1.9	3.0
2005	2.3	1.4	1.9	3.0
2006	2.3	1.4	1.9	2.9

[1] Percentage of total population.
[2] Percentage of population age 65 and older.
Source: Social Security Administration, Office of the Chief Actuary, *Annual Report of the Supplemental Security Income Program, May 2007,* Table IV.B7.

Table 3-12 shows the percentage of a given State's population receiving SSI benefits for selected years.

TABLE 3-12--PERCENTAGE OF GENERAL POPULATION ENROLLED IN SSI BY STATE, SELECTED YEARS 1975-2006

State	1975	1985	1990	1996	2002	2004	2006
Alabama	4.0	3.3	3.3	3.9	3.7	3.6	3.6
Alaska	0.8	0.7	0.8	1.2	1.5	1.6	1.7
Arizona	1.2	1.0	1.2	1.7	1.6	1.6	1.6
Arkansas	4.1	3.1	3.2	3.8	3.2	3.2	3.3
California	3.1	2.6	2.9	3.3	3.2	3.3	3.4
Colorado	1.4	0.9	1.1	1.5	1.2	1.2	1.2
Connecticut	0.8	0.8	1.0	1.4	1.5	1.5	1.5
Delaware	1.2	1.2	1.2	1.6	1.6	1.6	1.6
District of Columbia	2.2	2.5	2.7	3.8	3.6	3.8	3.7
Florida	1.9	1.6	1.7	2.4	2.4	2.4	2.4
Georgia	3.3	2.6	2.5	2.7	2.3	2.3	2.2
Hawaii	1.1	1.1	1.3	1.6	1.7	1.8	1.8
Idaho	1.1	0.8	1.0	1.5	1.5	1.5	1.6
Illinois	1.2	1.2	1.6	2.3	2.0	2.0	2.0
Indiana	0.8	0.9	1.1	1.6	1.5	1.5	1.6
Iowa	1.0	1.0	1.2	1.5	1.4	1.4	1.5
Kansas	1.1	0.9	1.0	1.5	1.4	1.4	1.4
Kentucky	2.8	2.7	3.1	4.4	4.3	4.3	4.3
Louisiana	3.9	2.9	3.2	4.2	3.7	3.8	3.7
Maine	2.3	1.9	1.9	2.2	2.4	2.4	2.5
Maryland	1.2	1.2	1.3	1.7	1.7	1.7	1.7
Massachusetts	2.3	1.9	2.0	2.7	2.6	2.6	2.7
Michigan	1.3	1.4	1.5	2.2	2.1	2.2	2.2
Minnesota	1.0	0.8	0.9	1.4	1.3	1.4	1.5
Mississippi	5.2	4.3	4.4	5.2	4.5	4.3	4.2
Missouri	2.1	1.6	1.7	2.2	2.0	2.0	2.1
Montana	1.1	0.9	1.3	1.6	1.6	1.6	1.6
Nebraska	1.1	0.9	1.0	1.3	1.3	1.3	1.3
Nevada	1.0	0.9	1.0	1.4	1.3	1.4	1.4
New Hampshire	0.7	0.6	0.6	1.0	1.0	1.0	1.1
New Jersey	1.1	1.2	1.4	1.8	1.7	1.7	1.8
New Mexico	2.3	1.8	2.1	2.7	2.6	2.7	2.8

TABLE 3-12--PERCENTAGE OF GENERAL POPULATION ENROLLED IN SSI BY STATE, SELECTED YEARS 1975-2006 -continued

State	1975	1985	1990	1996	2002	2004	2006
New York	2.2	2.0	2.3	3.3	3.3	3.3	3.3
North Carolina	2.7	2.2	2.2	2.7	2.3	2.3	2.3
North Dakota	1.3	1.0	1.2	1.4	1.3	1.3	1.3
Ohio	1.2	1.2	1.4	2.3	2.1	2.1	2.2
Oklahoma	3.0	1.8	1.9	2.3	2.1	2.2	2.3
Oregon	1.1	1.0	1.1	1.5	1.6	1.6	1.7
Pennsylvania	1.2	1.4	1.6	2.2	2.4	2.6	2.6
Rhode Island	1.7	1.6	1.7	2.5	2.7	2.7	2.9
South Carolina	2.8	2.6	2.6	3.0	2.6	2.5	2.4
South Dakota	1.3	1.2	1.5	1.9	1.7	1.6	1.6
Tennessee	3.2	2.7	2.9	3.4	2.8	2.7	2.7
Texas	2.2	1.6	1.7	2.2	2.0	2.1	2.2
Utah	0.8	0.5	0.7	1.1	0.9	0.9	0.9
Vermont	1.9	1.8	1.8	2.2	2.1	2.1	2.2
Virginia	1.5	1.5	1.5	2.0	1.8	1.8	1.8
Washington	1.5	1.1	1.3	1.7	1.7	1.8	1.9
West Virginia	2.4	2.2	2.6	3.8	4.1	4.2	4.3
Wisconsin	1.4	1.5	1.8	1.9	1.6	1.6	1.7
Wyoming	0.7	0.5	0.8	1.2	1.2	1.1	1.1
Total [1]	2.0	1.7	1.9	2.5	2.4	2.4	2.4

[1] Excludes cases in which the state of residence is unknown and cases from the Commonwealth of the Northern Mariana Islands.
Source: Social Security Administration, *SSI Annual Statistical Report, 2006,* Table 12.

CHANGES IN THE NUMBER OF RECIPIENTS

SSI is one of the largest cash assistance programs for the poor and, until recently, was one of the fastest growing entitlement programs; program costs grew 20 percent annually from 1991 through 1994. The SSI recipient population also changed dramatically as disabled recipients now account for nearly 80 percent of recipients.

Table 3-13 illustrates the changes in the number of individuals receiving assistance under the Federally-administered SSI Program. The total number of individuals receiving assistance was 3.1 million in 1970; this number increased to just under 4 million in 1975 and declined to 3.9 million in 1982. Since then, the number of SSI recipients has grown each year. In 2006, there were over 7.2 million SSI recipients. Despite this overall growth, the number of aged receiving SSI has declined sharply since 1975 from 2.3 million (or 2.5 million if disabled and blind persons over age 65 are counted as aged) to 1.2 million individuals in 2006.

TABLE 3-13--SSI FEDERALLY-ADMINISTERED BENEFIT RECIPIENTS, 1975-2006

[In Thousands]

Year	All Recipients	Blind and Disabled Under 18	All Blind and Disabled	All Aged
1975	3,996	107	2,007	2,307
1980	4,142	190	2,334	1,808

1985	4,138	227	2,634	1,504
1990	4,817	309	3,363	1,454
1995	6,514	917	5,068	1,446
2000	6,602	847	5,312	1,289
2001	6,688	882	5,424	1,264
2002	6,788	915	5,536	1,252
2003	6,902	959	5,670	1,233
2004	6,988	993	5,777	1,211
2005	7,144	1,036	5,900	1,214
2006	7,236	1,079	6,024	1,212

Source: Social Security Administration, Office of the Chief Actuary, *Annual Report on the Supplemental Security Income Program, May 2007,* Table IV.B9.

SSI PROGRAM COSTS

Table 3-14 provides the total SSI Federal and Federally-administered payments for each State in 2006. California, with more than $8 billion in total SSI payments, is the state with the greatest SSI expenses. More than $3 million of California's total SSI cost is for its State supplements.

TABLE 3-14--TOTAL SSI FEDERALLY-ADMINISTERED PAYMENTS, BY STATE, 2006

[in thousands of dollars]

State	Total Payments	Federal SSI	Federally-Administered State Supplements
Alabama	805,370	805,370	---
Alaska	56,455	56,455	---
Arizona	506,119	506,119	---
Arkansas	433,035	433,035	---
California	8,300,356	5,098,651	3,201,705
Colorado	278,569	278,569	---
Connecticut	271,916	271,916	---
Delaware	69,448	68,373	1,075
District of Columbia	119,087	114,981	4,106
Florida	2,128,009	2,128,009	---
Georgia	985,784	985,784	---
Hawaii	125,114	111,099	14,015

TABLE 3-14--TOTAL SSI FEDERALLY-ADMINISTERED PAYMENTS, BY STATE, 2006 -continued

[in thousands of dollars]

State	Total Payments	Federal SSI	Federally-Administered State Supplements
Idaho	113,799	113,799	---
Illinois	1,394,859	1,394,759	---
Indiana	519,364	519,364	---
Iowa	203,150	198,873	4,277
Kansas	194,365	194,350	15
Kentucky	901,618	901,618	---
Louisiana	760,132	760,132	---
Maine	153,051	153,051	---
Maryland	505,655	505,637	18
Massachusetts	952,569	785,001	167,568
Michigan	1,206,441	1,183,998	22,443
Minnesota	383,026	383,026	---
Mississippi	588,730	588,730	---
Missouri	598,130	598,130	---
Montana	74,296	73,355	941
Nebraska	108,092	108,092	---
Nevada	171,488	165,919	5,569
New Hampshire	72,064	72,064	---
New Jersey	799,587	715,886	83,701
New Mexico	263,305	263,305	---
New York	3,713,730	3,146,215	567,515
North Carolina	945,195	945,195	---
North Dakota	35,066	35,066	---
Ohio	1,346,688	1,346,688	---
Oklahoma	405,275	405,275	---
Oregon	314,433	314,433	---
Pennsylvania	1,757,105	1,709,630	47,475
Rhode Island	166,179	142,639	23,540
South Carolina	503,025	503,025	---
South Dakota	56,900	56,897	3
Tennessee	783,747	783,747	---
Texas	2,416,535	2,416,535	---
Utah	117,489	117,409	80
Vermont	66,522	57,695	8,827
Virginia	666,913	666,913	---
Washington	656,188	656,188	---
West Virginia	396,292	396,292	---
Wisconsin	466,399	466,399	---
Wyoming	27,557	27,557	---
N. Mariana Isl.	4,291	4,291	---
Total	38,888,961	94,736,088	4,152,873

Source: Social Security Administration, *Annual Statistical Supplement, 2007,* Table 7.B7.

Table 3-15 provides time-series data on the total Federally-administered payments made for SSI benefits and State supplements over the history of the program. The share of total payments attributed to benefits for the aged has declined as the SSI Program has grown. In 1974, benefits for the aged made up 35 percent of total Federally-administered SSI payments. In 2006, SSI benefits for the aged make up just over 10% of total payments. The 1990s saw an increase in the share of total payments attributed to blind and disabled benefits for children. In 1990, benefits for children under 18 made up 7 percent of total payments. Ten years later, in 2000, benefits to children made up over 15 percent of Federally-administered SSI payments.

TABLE 3-15--TOTAL FEDERALLY-ADMINISTERED PAYMENTS, BY YEAR, 1974-2006

[in millions of dollars]

Year	Total Payments (a + b + c)	SSI Benefits for Blind and Disabled Under 18	SSI Benefits for All Blind and Disabled (a)	SSI Benefits for Aged (b)	Federally-Administered State Supplements (c)
1974	5,097	40	2,050	1,783	1,264
1976	5,900	176	2,727	1,785	1,388
1978[1]	6,787	302	3,449	1,847	1,491
1980	7,771	397	4,051	1,872	1,848
1982	8,729	512	4,937	1,994	1,798
1984	10,110	659	6,136	2,182	1,792
1986	11,765	831	7,312	2,210	2,243
1988	13,415	955	8,481	2,263	2,671
1990	16,181	1,201	10,423	2,519	3,239
1992	22,461	3,154	16,033	2,993	3,435
1994	26,178	4,167	19,682	3,380	3,116
1996	29,489	4,947	22,880	3,621	2,988
1998	30,698	4,965	24,017	3,678	3,003
2000	32,159	4,789	24,999	3,779	3,381
2002	35,436	5,353	27,663	3,953	3,820
2004	38,380	6,036	30,179	4,023	4,178
2006	41,928	6,948	33,467	4,308	4,153

[1] Includes 13 monthly payments made in 1978.

Source: Social Security Administration, Office of the Chief Actuary, *Annual Report of the Supplemental Security Income Program, May 2007,* Tables IV.C1 and IV.C4.

Table 3-16 provides time-series data on SSI administrative costs. Between 1978 and 1986, SSI administrative costs decreased as a percentage of Federal SSI benefits. Since 1986, SSI administrative costs have remained relatively constant, ranging between 7.5 percent and 9.6 percent of Federal SSI benefits.

Table 3-16--SSI ADMINISTRATIVE COSTS AS PERCENTAGE OF FEDERAL SSI BENEFIT PAYMENTS, FY1976-2006

Fiscal Year	SSI Administrative Costs (in millions of dollars)	Total Federal SSI Benefits (in millions of dollars)	SSI Administrative Costs as Percentage of Total Federal SSI Benefits (%)
1978	571	5,234	10.9
1980	701	5,653	12.4
1982	792	6,836	11.6
1984	948[1]	7,517	12.6

Table 3-16--SSI ADMINISTRATIVE COSTS AS PERCENTAGE OF FEDERAL SSI BENEFIT PAYMENTS, FY1976-2006 -continued

Fiscal Year	SSI Administrative Costs (in millions of dollars)	Total Federal SSI Benefits (in millions of dollars)	SSI Administrative Costs as Percentage of Total Federal SSI Benefits (%)
1986	1,030	9,290	11.1
1988	989	11,354	8.7
1990	1,103	11,521	9.6
1992	1,462	17,881	8.2
1994	1,814	24,223	7.5
1996	2,025	24,254	8.3
1998	2,350	27,387	8.6
2000	2,375	30,763	7.7
2002	2,576	31,349	8.2
2004	2,845	33,748	8.4
2006	2,955	37,327	7.9

[1] Includes a large one-time payment to state vocational rehabilitation agencies for prior expenses.
Source: Social Security Administration, Office of the Chief Actuary, *Annual Report of the Supplemental Security Income Program, May 2007,* Tables IV.C2 and IV.E1.

SSI WORK INCENTIVES

For a complete discussion of the elements of the SSI and DI programs that are considered by some to be disincentives to work, and the work incentives and benefit planning services built in the Social Security programs, see the "Work Incentive and Benefits Planning" section of Chapter 1 of this publication.

TICKET TO WORK

The Ticket to Work Program provides eligible SSI recipients with a voucher (called a "ticket") that can be used to pay for employment supports from a state or territorial vocational rehabilitation agency or a private sector "Employment Network" registered with the Social Security Administration. These services are completely paid for by the SSA and program participation is voluntary. While a beneficiary is receiving services under the Ticket to Work Program, SSA cannot review his or her medical status to determine if he or she is still disabled.

IMPAIRMENT-RELATED WORK EXPENSES (IRWE)

Disabled SSI recipients can deduct the costs of qualified impairment-related work expenses (IRWEs) from the countable income used to determine their benefit eligibility and amount of monthly benefits. IRWEs can consist of anything related to a disability purchased by a beneficiary that enables him or her to work in a given month. Examples include the cost of transportation to and from work, the cost of paying for attendant care in the workplace and the cost of medication or medical equipment that enables the beneficiary to function in a workplace. While IRWEs must enable the beneficiary to work, expenses can qualify if they also provide benefits outside of the workplace, such as vehicle modifications for a car used to transport the beneficiary to work that is also used as a family automobile. In December 2006, there were 5,650 SSI beneficiaries that claimed IRWEs. This represents 0.1% of all adults between the ages of 18 and 64 receiving SSI benefits that month.

BLIND WORK EXPENSES (BWE)

SSI beneficiaries who are blind can take advantage of special rules concerning the treatment of Blind Work Expenses (BWEs). BWEs are any expenses used by blind beneficiaries that enable them to work. These expenses do not have to be related to the beneficiary's blindness and can include things like income tax payments, transportation to and from work, or union dues. Like IRWEs, the costs of BWEs are deducted from the countable income used to determine a blind beneficiary's eligibility for the SSI Program and amount of monthly benefits.

SUBSIDY AND SPECIAL CONDITIONS

SSA can consider the existence of a subsidy or special condition when determining the true value of work being performed by a beneficiary. If, in the opinion of the SSA, the worker is being paid too much for his or her work because he or she has fewer or simpler tasks than employees making the same wage, the agency can apply a lower wage to this work and use this applied wage to determine his or her SSI benefit.

UNINCURRED BUSINESS EXPENSES FOR THE SELF-EMPLOYED

When determining the wages earned by SSI recipients who are self-employed, the SSA deducts the value of business expenses, such as business equipment, provided to the beneficiary at no cost. This allows the SSA to set a value on the self-employed work of a beneficiary that may be less than what the beneficiary actually earns, allowing him or her to earn above the SGA amount and remain on the benefit rolls. While unincurred business expenses are deducted from the earnings of SSI recipients when determining their benefit eligibility, they are not deducted when determining the amount of monthly benefits paid by the SSI Program.

UNSUCCESSFUL WORK ATTEMPT

An "unsuccessful work attempt" is work done in which earnings were above the SGA level for six months or less and that was stopped or reduced because of a disability or the loss of an employment support. When determining if a person qualifies for the SSI Program, the SSA does not count earnings from unsuccessful work attempts.

SECTION 301 CONTINUED VOCATIONAL REHABILITATION PAYMENTS

In general, the SSA stops paying for the vocational rehabilitation services provided to beneficiaries when their eligibility for benefits ceases. However, the agency can continue to pay for these services if a beneficiary is participating in a vocational rehabilitation program that began while he or she was an SSI recipient and if the SSA determines that continued participation in the vocational rehabilitation program will decrease the likelihood that the beneficiary will return to the benefit rolls. Vocational rehabilitation benefits under this provision continue until the vocational rehabilitation program ends or the SSA no longer feels that continued payments will decrease the likelihood of a person returning to the benefit rolls.

PLAN FOR ACHIEVING SELF-SUPPORT (PASS)

A Plan to Achieve Self-Support (PASS) allows an SSI recipient to set aside money to be used to assist in employment and not have this money count as income or resources for the purposes of determining SSI eligibility. SSI beneficiaries can use a PASS to remain eligible while they save to purchase employment supports.

A PASS account must be created by the beneficiary, usually with the help of a vocational rehabilitation counselor, and must be approved in advance by the SSA. The PASS must be in writing and must identify a specific realistic employment goal and specific services that must be purchased, such as training classes, to reach that goal. There is no cap on the amount of money that can be placed into a PASS account. Money must be set aside from other funds controlled by the beneficiary and if the beneficiary violates the terms of the PASS, the money set aside in the PASS can be considered income and assets to be applied to benefits earned in previous months, which can result in the beneficiary being forced to reimburse the SSA for an overpayment.

In December 2006, a total of 1,583 SSI beneficiaries were using PASS accounts. This represented 0.04% of all adult SSI beneficiaries ages 18 to 64.

EXPEDITED REINSTATEMENT

Within 5 years of having his or her eligibility for benefits terminated by the SSA, a person whose SSI benefits stopped because of work and who remains disabled and is not working above the SGA level, can qualify for an expedited reinstatement of his or her benefits and Medicare or Medicaid coverage. While the SSA evaluates the person to determine if he or she remains eligible for benefits, he or she can get up to 6 months of provisional benefits. If the SSA determines that the person is not eligible for benefits, these provisional benefits do not have to be returned to the SSA.

EARNED INCOME EXCLUSION

The income of an SSI beneficiary is used to determine his or her monthly benefit amount. Each SSI beneficiary receives the basic Federal benefit, plus any applicable State supplement, and minus any countable income. When determining the countable income of an SSI beneficiary, the first $65 of any earned income is excluded. Earned income includes any money given in exchange for work. After this exclusion has been taken, one half of any remaining earned income is excluded. In addition, there is a $20 general income exclusion that is first applied to any unearned income and then applied to any earned income. After the $20 general income exclusion has been taken, all of the remaining unearned income is counted.

STUDENT EARNED INCOME EXCLUSION

An SSI recipient under the age of 22 who is regularly attending school or who is regularly home-schooled is entitled to an earned income exclusion of up to $1,550 per month in 2008. This exclusion is applied to the beneficiary's total earnings in a month before any other exclusions. The maximum student earned income exclusion that can be applied in any given year is capped and is $6,240 for 2008.

PROPERTY ESSENTIAL TO SELF-SUPPORT

The value of certain assets used in a business, such as inventory, or in employment, such as tools, are not counted as resources when determining a person's eligibility for SSI benefits. In addition, up to $6,000 in equity in non-business property used to produce goods for self-support, such as crops used to feed the person's family but not sold, is not counted as a resource. Up to $6,000 in non-business income producing property, such as a rental unit in a home, is also not counted if the property yields an annual rate of return of at least 6%.

SECTION 1619(a) SPECIAL SSI PAYMENTS FOR INDIVIDUALS WHO WORK

An SSI beneficiary who remains disabled and has received benefits for at least one month is eligible to continue to receive benefits even if he or she works above the SGA level but below the level at which his or her income offsets the entire SSI benefit. The amount of the monthly SSI benefit, but not benefit eligibility, is based on income. This provision is automatically applied to any SSI beneficiary who begins earning above the SGA level. In December 2006, there were 17,394 SSI beneficiaries earning above the SGA level. This represented 0.4% of all SSI beneficiaries between the ages of 18 and 64. That month, these beneficiaries earned an average of $1,166, over $500 more than the SGA amount for that year.

SECTION 1619(b) MEDICAID WHILE WORKING

If an individual is earning too much in a given month to receive SSI benefits, he or she can continue to receive Medicaid under Section 1619(b) of the Social Security Act. This extended Medicaid eligibility is available if the person had received SSI benefits for at least one month, is still disabled, still meets the SSI asset test, needs Medicaid in order to work and has gross monthly income that falls below individual State thresholds. These State thresholds change annually and are based on the amount of any State SSI supplements offered and the annual per capita Medicaid expenditure for a State. The SSA can adjust these thresholds for individuals who have IRWEs, BWEs, a PASS, a publicly-funded attendant for personal care, or medical expenses above the State's per capita Medicaid expenditure.

In December 2006, there were 89,350 people receiving Medicaid benefits under the provisions of Section 1619(b) of the Social Security Act. This represented 2.2% of all SSI beneficiaries between the ages of 18 and 64. That month, persons receiving Medicaid under Section 1619(b) of the Social Security Act earned an average of $1,193.

LEGISLATIVE HISTORY

104th CONGRESS

Public Law 104-121, the Contract with America Advancement Act of 1996

Public Law 104-121, the Contract with America Advancement Act of 1996, among other changes, prohibits disability insurance (DI) and Supplemental Security Income (SSI) eligibility to individuals whose drug addiction or alcoholism (DAA) is a contributing factor material to the finding of disability. This provision applies to individuals who file for benefits on or after the date of enactment and to individuals whose claims are finally adjudicated on or after the date of enactment. This provision also applies to current beneficiaries on January 1, 1997. It stipulates that SSA must: (1) notify current DAA beneficiaries of the new provisions within 90 days of enactment; and (2) complete new medical determinations by January 1, 1997 for affected current beneficiaries who request such a determination within 120 days after the date of enactment.

Public Law 104-121 applies representative payee requirements to DI or SSI beneficiaries who have a DAA condition, as determined by the Commissioner, and who are incapable of managing benefits. The Social Security Administration (SSA) would refer these individuals to the appropriate State agency for treatment. The representative payee and referral for treatment provisions would apply to applications filed after the third month following the month of enactment. In addition, the new law retains the $50 fee that representatives can collect for beneficiaries who have a DAA condition. The legislation also authorized an appropriation of $50 million for each of fiscal years 1997 and 1998 to carry out activities relating to the treatment of drug and alcohol abuse under the Public Health Service Act.

Public Law 104-121 also authorized additional funds to SSA for fiscal years 1996-2002 for the purpose of conducting continuing disability reviews (CDRs) and Supplemental Security Income CDRs and SSI redeterminations. This new funding level was achieved by increasing the amount of funds available for appropriations under the discretionary spending cap. The Commissioner of Social Security was required to ensure that the funds made available pursuant to this provision are used, to the greatest extent practicable, to maximize the combined savings to the Old-Age, Survivors, and Disability Insurance (OASDI), SSI, Medicare, and Medicaid Programs. Moreover, the Commissioner is required to report annually, for fiscal years 1996-2002, to Congress on the amount of money spent on CDRs, the number of reviews conducted by category, the disposition of such reviews by program, and the estimated savings over the short, medium, and long-term for the OASDI, SSI, Medicare, and Medicaid Programs from CDRs which result in cessations, and the estimated present value of such savings.

Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996

Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, signed on August 22, 1996, made several major changes in SSI law. These include:

Limited Eligibility of Noncitizens for SSI Benefits – PRWORA prohibits SSI eligibility for all noncitizens except: refugees, asylees, and noncitizens whose deportation has been withheld (limited to their first 5 years of residence); certain active duty Armed Forces personnel, honorably discharged veterans, and their spouses and dependent children; and lawful permanent residents who have worked for 10 years or more. For purposes of the exception based on work, children are credited with all quarters worked by their parents, and married individuals, including widows, are credited with work performed by spouses during their marriage. However, after December 31, 1996, quarters of work during which an individual received Federal public assistance are not countable toward this exception.

Deeming of Sponsors' Incomes and Resources – For purposes of eligibility for sponsored noncitizens admitted under new, legally enforceable affidavits of support, PRWORA deems all of the sponsors' and sponsors' spouses' incomes and resources to the noncitizen until citizenship. However, deeming is not required for lawful permanent residents who have worked for 10 or more years not counting quarters of work after 1996 during which the individual received Federal public assistance, or for children and spouses of workers credited with work performed by them.

Requirements for Affidavits of Support for Sponsorship – Affidavits of support are made legally enforceable against the sponsor until the noncitizen becomes a U.S. citizen. The agency that provides assistance to a noncitizen must request reimbursement from the sponsor for assistance provided..

SSI Eligibility Based on Childhood Disability – The comparable severity standard is eliminated and replaced by the standard that a child is considered disabled if he or she has a medically-determinable impairment which results in "marked and severe" functional limitations and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The Social Security Administration was directed to eliminate references to maladaptive behavior in the domain of personal/behavioral function in the listing of impairments for children and to discontinue the use of individualized functional assessments in evaluating a child's disability. SSA also was required to redetermine, using the new criteria and by no later than August 22, 1997, the eligibility of recipients who may be affected by the new criteria. Benefits for those recipients who do not meet the new criteria would end on or after the later of July 1, 1997, or the date of the redetermination.

CDRs must be conducted once every 3 years for child recipients with nonpermanent impairments, and not later than 12 months after birth for low birth-weight babies. Representative payees must present evidence to SSA that the recipient is receiving treatment that is medically necessary and available, unless SSA determines that such treatment would be inappropriate or unnecessary. An eligibility redetermination, using the adult initial eligibility criteria, is required within 1 year after child recipients turn 18.

Funding – PRWORA authorized the appropriation of an additional $150 million in fiscal year 1997 and $100 million in fiscal year 1998 for the costs of performing CDRs and redeterminations.

Prisoner Reporting – The law provided for incentive payments to State and local penal institutions that furnish identifying information to SSA which results in suspension of SSI benefits to prisoners.

Modifying the Effective Date of Applications – An individual's application for SSI benefits would be effective on the first day of the month following the date on which the application is filed, or on which the individual first becomes eligible, whichever is later. This change effectively eliminated prorated payments for the month of application, while continuing emergency advance payments and subsequent repayments over several months in certain cases.

Reduction in Cash Benefits Payable to Institutionalized Individuals whose Medical Costs are Covered by Private Insurance – PRWORA limited to not more than $30 a month, cash benefits payable to children who are in an institution receiving medical care covered by private insurance.

Installment Payments of Large Past-Due SSI Payments – A schedule for paying large retroactive SSI benefit amounts at 6-month intervals was established.

Dedicated Savings Accounts – PRWORA required the establishment of a bank account to maintain large retroactive SSI benefits, to be used for education or job skill training, special equipment, medical rehabilitation, or other appropriate items or services related to the impairment of the child.

Public Law 104-208, the Omnibus Consolidated Appropriations Act, 1997

Public Law 104-208, the Omnibus Consolidated Appropriations Act, 1997, included the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, which amended Public Law 104-193 with regard to noncitizens' eligibility for SSI benefits. Noncitizen individuals and their children who are battered or abused were added to the list of "qualified aliens." Sponsorship affidavits of support were made legally binding and sponsor-to-immigrant deeming of income and resources in the SSI Program continued until noncitizens become U.S. citizens or they, their spouses, or parents work 40 quarters in the United States. The law also provided additional exceptions to sponsor-to-immigrant deeming for indigent noncitizens whose sponsors do not provide them with income sufficient to obtain food and shelter and for battered individuals and their children.

In addition, Public Law 104-208 required several reports to Congress. The Commissioner of Social Security is required to report the aggregate number of Social Security numbers issued to noncitizens not authorized to work but under which earnings were reported and the extent to which Social Security numbers and Social Security cards are used by noncitizens for fraudulent purposes. These two reports were due no later than 3 months after the end of each fiscal year, and within 1 year after the date of enactment, respectively. The GAO was required to report to Congress and the Department of Justice within 180 days after the date of enactment on the extent to which means-tested benefits are being paid to noncitizens acting as representative payees who are not "qualified aliens."

105^{th} CONGRESS

Public Law 105-18, 1997 Emergency Supplemental Appropriations Act for Recovery from Natural Disasters, and for Overseas Peacekeeping Efforts, Including Those in Bosnia

Public Law 105-18 provided a one month extension for noncitizens who were receiving benefits on the date of enactment of Public Law 104-193, August 22, 1996, and who would not continue to be eligible under the noncitizen restrictions in that law by changing the date by which SSI redeterminations of eligibility had to be completed from August 22, 1997 to September 30, 1997.

Public Law 105-33, the Balanced Budget Act of 1997

Public Law 105-33, the Balanced Budget Act of 1997, made several major changes in SSI. These include:

SSI Eligibility for Aliens Receiving SSI on August 22, 1996 and Certain Disabled Legal Aliens – Public Law 105-33 provided that, despite restrictions in the 1996 welfare reform law, noncitizens lawfully residing in the United States who were receiving SSI on August 22, 1996, remain eligible for SSI. In addition, noncitizens lawfully residing in the United States on August 22, 1996, are eligible for SSI if they become disabled in the future. The law also provided that members of Native American Indian tribes who are noncitizens are not affected by the SSI restrictions in Public Law 104-193. In addition, individuals who received SSI prior to January 1, 1979, continue to be eligible for benefits if the Commissioner of Social Security lacks clear and convincing evidence that such individuals are noncitizens ineligible for benefits.

Extension of Eligibility Period for Refugees and Certain Other Qualified Aliens from 5 to 7 Years for SSI and Medicaid; Status of Cuban/Haitian Entrants and Certain Amerasians – Public Law 105-33 extended from 5 years to 7 years the initial eligibility period for SSI and Medicaid for refugees, asylees, and noncitizens who have had their deportations withheld. In addition, Cuban and Haitian entrants and Amerasian immigrants are added to the categories of noncitizens who are considered "qualified aliens." These groups are eligible for SSI for their initial 7 years, and are exempt from the 5-year eligibility ban on noncitizens entering the United States after August 22, 1996.

Exceptions for Certain Indians from Noncitizen Limitations on Eligibility for Supplemental Security Income and Medicaid Benefits – Public Law 105-33 exempted noncitizen members of federally recognized Indian tribes or noncitizen Native Americans from the SSI and Medicaid restrictions in the 1996 act.

Exemption from Noncitizen Restrictions on SSI Program Participation by Certain Recipients Eligible on the Basis of Very Old Applications – Public Law 105-33 exempted certain individuals who have been on SSI rolls since before January 1, 1979, from the noncitizen restrictions in the 1996 act.

Derivative Eligibility for Noncitizens for Medicaid and Food Stamp Benefits – Public Law 105-33 provided that noncitizens who were otherwise ineligible for Medicaid under the 1996 act may be eligible for Medicaid if they receive SSI benefits and if the State's Medicaid plan provides Medicaid eligibility for SSI recipients. The legislation also clarified that noncitizens who are otherwise ineligible under the 1996 act for food stamps would not be made eligible for food stamps because they receive SSI benefits.

Fees for Federal Administration of State Supplementary Payments – Public Law 105-33 increased fees for SSA's administering State supplementary payments, with added collections available for SSA administrative purposes.

Timing of Delivery of October 1, 2000, SSI Benefit Payments – In order to meet budget targets, Public Law 105-33 provided that the October 2000 SSI check be paid on October 2, which is a Monday, rather than on the last Friday in September.

Medicaid Coverage for Certain Workers and Children – Public Law 105-33 gave the States the option of permitting individuals who had been receiving SSI disability benefits, but are working, to buy into Medicaid if their family income is less than 250 percent of poverty. In addition, States were required to continue Medicaid coverage for children who were receiving SSI disability benefits as of August 22, 1996, but whose eligibility would end because they do not meet the new, more strict SSI childhood disability eligibility criteria established under PWWORA.

Technical Amendments to the 1996 Welfare Reform Law – The legislation made a number of technical clarifications with regard to the disabled children's redetermination and continuing disability review requirements. Technical changes also clarified the meaning of the term "final adjudication" with regard to SSI disability cases based on drug addiction or alcoholism and expanded the applicability of provisions in Public Law 104-121 that required treatment referrals and authorization of fees for organizations serving as representative payees for SSI beneficiaries who have a DAA condition.

Technical corrections also were made that clarified when the reporting incentives involving prisoners apply and that allow SSA to charge a fee as a condition of processing requests for information by law enforcement authorities regarding SSI recipients who are fugitive felons and probation or parole violators. Clarifications were made concerning SSI dedicated savings account funds and terminology relating to medical treatment facilities and the applicability of the $30 SSI payment limit were updated. Noncitizens technical correction provisions included adding battered parents to the definition of “qualified alien” and the exemptions from sponsor-to-immigrant deeming, clarifying that veterans’ widows may be eligible for benefits, and authorizing SSA to disclose noncitizens' quarters of coverage information to other governmental agencies for the purpose of carrying out the noncitizen restriction provisions.

Public Law 105-306, Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998

Public Law 105-306, the Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998, provided continuing eligibility for SSI for nonqualified aliens who were receiving benefits on August 22, 1996.

106th CONGRESS

Public Law 106-169, the Foster Care Independence Act of 1999

Public Law 106-169, the Foster Care Independence Act of 1999, contained numerous provisions related to SSI fraud reduction and overpayment recovery. These provisions are summarized below.

Overpayments and Debt Collection – The law amended the Social Security Act to make representative payees liable for the repayment of Social Security benefit checks distributed after the recipient's death. SSA will monitor these repayments using representative payees' Social Security numbers. Beginning on December 14, 2000, SSA is authorized to recover up to 50 percent of lump sum SSI benefit payments made to individuals or eligible spouses who are themselves liable for the repayment of SSI benefits. The law also authorized SSA to intercept Federal and State payments owed to individuals, use debt collection agencies, and other techniques to collect overpayments.

Treatment of Assets – Public Law 106-169 changed the way assets held in trusts were treated when determining SSI Program eligibility and benefit amounts. Assets and income in irrevocable trusts may not be revoked or used by an individual for personal support and maintenance. These trusts, previously exempt from SSI resource limit calculations, are counted toward the resource limit for program eligibility and used to determine benefit amounts. All trusts established after January 1, 2000, regardless of the purpose of the trust, degree of trustee discretion, or restrictions on distribution, are affected by the law. However, the new law allowed the Commissioner of Social Security to waive the consideration of a trust if doing so would create an undue hardship for an individual. The criteria for undue hardship is determined by the Commissioner.

Disposal of Resources – The law also imposed new rules regarding resources disposed of at less than fair market value. Individuals or their spouses who dispose of resources at less than fair market value are ineligible for SSI benefits from the "look-back" date, the date the individual applied for benefits or, if later, the date the individual disposed of resources for less than fair market value, for a length of time calculated by SSA. The ineligibility period is determined by dividing the total value of the disposed resources by the maximum monthly benefit and the maximum applicable State supplementary payment. This ineligibility period may not exceed 36 months. Similar restrictions on the treatment of assets and the disposal of resources were already in effect for the Medicaid Program before enactment of Public Law 106-169.

Certain resources are exempt from this provision: resources transferred to a trust, if the trust is considered a resource available to the individual; the transfer of a home to family members under certain conditions; the transfer of resources to a spouse for the spouse's sole benefit; or the transfer of resources to an individual's blind or disabled child under age 65. Furthermore, a resource may be exempt if an individual proves to the Commissioner that he intended to dispose of the resource at fair market value; or that the resource was transferred for reasons other than to qualify for the SSI Program; or if the Commissioner determines that denial of eligibility would cause an undue hardship.

Penalties for False or Misleading Statements – The law contained provisions authorizing SSA to establish a new administrative process to determine whether individuals have fraudulently claimed benefits in cases considered too small to prosecute in court. The law provided for increasing penalties of 6, 12, and 24 months of ineligibility depending on the nature of the case. However, the imposition of these penalties does impact an individual's receipt of other assistance. The penalty procedure applies only to false and misleading statements made after the date of the law's enactment, December 14, 1999. The Commissioner was required to develop regulations detailing the administrative process for imposing the penalties within 6 months of enactment.

Health care providers and attorneys convicted of fraud or administratively fined for fraud involving SSI eligibility determinations were barred from participating in the SSI Program for at least 5 years. SSA will provide individuals with reasonable notice and opportunity for a hearing and judicial review. SSA is required to notify the State agencies that employ such individuals and the State licensing agencies that license or certify them. Attorneys and health care providers are required to inform SSA of any past violations or convictions. The Commissioner or Inspector General of Social Security may waive the exclusion from involvement with the SSI Program for an individual who is the only provider of services to a community and may terminate exclusions on a case-by-case basis.

Information Sharing Requirements – There were a number of provisions regarding information sharing between Federal and State agencies in the new law. SSA was authorized to obtain financial records for SSI recipients to ensure that they meet SSI's resource restrictions and remain eligible for benefits.

States were required to provide the Commissioner with information for determining individuals' eligibility for Social Security and SSI benefit programs. State prisons were also required to provide inmate information to Federal and Federally assisted benefit programs in the Act. SSA was required to share its prisoner database with other Federal agencies and departments.

The law directed SSA to conduct computer matches with Medicare and Medicaid data maintained by the Department of Health and Human Services on individuals who are residents of public institutions. Data obtained from these matches may be used as a substitute for a physician's certification that an individual's stay in an institution will be less than 3 months. The Commissioner and the Secretary of Health and Human Services will mutually determine the terms of the data matching.

Reporting Requirements – The law required the Commissioner to include an itemized account of the amount of funds required to support efforts to combat fraud by applicants and beneficiaries in the SSA annual budget.

Benefits for Filipino Veterans – The law established the “Special Benefits for Certain World War II Veterans” program which provided a reduced benefit equal to 75 percent of the Federal SSI benefit rate to any World War II veteran who, after receiving benefits, moved out of the United States. This provision primarily affected veterans of Filipino military units that served alongside American forces during World War II.

Public Law 106- 170, the Ticket to Work and Work Incentives Improvement Act of 1999

Public Law 106-170, the Ticket to Work and Work Incentives Improvement Act of 1999, expanded Medicaid coverage and provided work incentives for disabled beneficiaries of SSI. The law also created a "ticket to work" system whose purpose is to expand the numbers and types of providers that SSI beneficiaries may choose to assist them in receiving employment and vocational rehabilitation services. In addition, the law has several other provisions:

Greater Accessibility to Vocational Rehabilitation Providers – Individuals on the SSI rolls were given access to a broader pool of vocational rehabilitation providers. SSI recipients are provided with “tickets” that they can use as vouchers to obtain employment services, case management, vocational rehabilitation, and support services from the providers of their choice, including State vocational rehabilitation agencies. This program was implemented on a gradual basis within 1 year of its enactment at test sites and within 4 years in every State.

The law also authorized the Commissioner to make grants of up to $7 million each year for fiscal years 2000-2004 to protection and advocacy organizations providing information and advice about obtaining vocational rehabilitation and employment services. The Secretary of Health and Human Services was authorized to award grants to States to design, establish, and operate infrastructures providing items and services to support working individuals with disabilities, and to conduct outreach campaigns to publicize the new benefits under the legislation.

Creation of Employment Networks –The Act required that employment networks consist of a single public or private provider or an association of providers combined into a single entity which assumes responsibility for the coordination and delivery of services. Employment networks, which must be experienced in providing relevant employment and support services to individuals with disabilities, will work with beneficiaries to develop employment plans and employment goals. The employment networks are responsible for providing periodic performance reports to beneficiaries holding tickets and periodic quality assurance reviews. The Commissioner must establish mechanisms for resolving disputes between employment networks and beneficiaries. State vocational rehabilitation agencies and employment networks must enter into agreements with individuals referred by an employment network to a State vocational rehabilitation agency for services.

Limitations on Continuing Disability Reviews (CDRs) for Ticket to Work Participants – The law prohibitsed the Commissioner from initiating a CDR for a beneficiary participating in the Ticket to Work and Self-Sufficiency Program. Further, if beneficiaries do not succeed at their work effort, the law provided for the reinstatement of SSI benefits without requiring re-application.

Medicaid Expansion – Under Public Law 106-170, States can cover persons with disabilities at higher income and resource levels than otherwise permitted (i.e., over 250 percent of the Federal poverty level and over $2,000, respectively), and whose medical conditions would not otherwise permit them to be covered. States can require these individuals to "buy into" Medicaid coverage by paying premiums or other cost-sharing charges on a sliding-fee scale based on income, as established by the State.

Demonstration Projects and Studies – The law extended Social Security demonstration projects relating to disabled beneficiaries and establishes a new demonstration project to test phasing-out disability benefits for earnings above a certain level of income. Further, the GAO was required to study the effects of the substantial gainful activity level on recipients who return to work, and report on whether disregarding certain income for calculating benefits is appropriate.

Other – The law permitted the Commissioner to withhold an assessment charge of 6.3 percent of the attorney's fees for the purpose of recovering costs to SSA of withholding and payment of attorneys fees. SSA was authorized to penalize States that are late in paying administrative fees to SSA.

Public Law 106-386, the Victims of Trafficking and Violence Protection Act of 2000

Public Law 106-386, the Victims of Trafficking and Violence Protection Act of 2000, provided that noncitizens who are victims of “severe forms of trafficking in persons in the United States” shall be treated as refugees for purpose of SSI and be eligible for SSI benefits for the first 7 years they are in the United States.

Public Law 106-395, the Child Citizenship Act of 2000

Public Law 106-395, the Child Citizenship Act of 2000, provided that certain blind and disabled children may become citizens of the United States earlier than previously permitted. This citizenship status would provide these children eligibility for SSI benefits.

Public Law 106-245, the Radiation Exposure Compensation Act Amendments of 2000

Public Law 106-245, the Radiation Exposure Compensation Act Amendments of 2000, excluded as countable income for SSI purposes the compensation received under this statute.

107th CONGRESS

Public Law 107-73, the Economic Growth and Tax Reconciliation Act of 2001

Public Law 107-73, the Economic Growth and Tax Reconciliation Act of 2001, was signed into law on June 7, 2001. The law increased child tax credit amounts gradually from $500 for each child to $1,000 in 2010 and expanded the child tax credit by making it refundable for low-income workers. Previously, the child tax credit was refundable in very limited situations. The credit is excluded from income or resources in determining eligibility for means-tested programs, including SSI, and is also excluded as part of resources in the month of receipt and the following month.

Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2002

Public Law 107-116 provided that $7 million of the funds appropriated for the Supplemental Security Income Program are to be used for outreach efforts under section 1144 of the Social Security Act to identify individuals who may be eligible for Medicare cost sharing under the Medicaid program.

108th CONGRESS

Public Law 108-203, the Social Security Protection Act of 2003

Public Law 108-203 included the following provisions related to the SSI Program:

Rules Regarding Representative Payees – The Act gave SSA limited authority to reissue benefits misused by representative payees. The law also gave SSA greater authority to monitor the activities of representative payees and requires that organizational payees forfeit any fees collected in association with their misuse of benefits. Public Law 108-203 disqualified fugitives and persons with certain criminal convictions from serving as payees and makes representative payees liable for the benefits they misuse. The law also required and funded a study to be conducted by the SSA on how representative payments are managed by payees.

Rules Regarding Attorneys – Public Law 108-203 placed a cap on the assessments charged by SSA to attorneys representing Social Security and SSI claimants. The law also extended, for five years, the past-due benefits fee system used by attorneys to charge Social Security and SSI claimants for services. Public Law 108-203 mandated that SSA design and conduct a demonstration project extending the attorney fee withholding system to non-attorney representatives and required the GAO to study the processes used to pay representatives.

Amendments to the Ticket to Work Program – Public Law 108-203 expanded the work incentive outreach program to include 1619(b) recipients and reauthorized until 2009 the Benefits, Planning, Assistance, and Outreach (BPAO) and protections and advocacy programs.

Treatment of Infrequent Income – Public Law 108-203 created an SSI income exclusion for infrequent income of up to $60 of unearned and $30 of earned income per month.

Treatment of Underpayments as Resources – Public Law 108-203 extended from six to nine months, the time during which money received because of an underpayment cannot be considered a resource.

Student Earned Income Exclusion – The law set at 22 the maximum age for eligibility for the student earned income exclusion.

Nonrecurring Income – Public Law 108-203 established that non-recurring income would be considered income in the month in which it is paid.

Children Born to Military Parents Overseas – The law removed the restriction on paying SSI benefits to children who were either born to military parents overseas or who become blind or disabled while living overseas with military parents.

Education-Related Income and Resources – Public Law 108-203 excluded gifts provided for tuition or other education-related fees from income under the SSI Program. The law also excluded as resources for 9 months any grants, scholarships, or education-related gifts received.

Military Pay – Public Law 108-203 provided that any military pay is treated as income only in the month in which it is earned.

109th CONGRESS

Public Law 109-171, the Deficit Reduction Act of 2005

Public Law 109-171, the Deficit Reduction Act of 2005, made two changes to the SSI Program. First, the law provided that SSA review SSI disability and blindness determinations made by State agencies according to the following schedule:

- 20 percent of all favorable determinations made in FY2006;
- 40 percent of all favorable determinations made in FY2007;
- 50 percent of all favorable determinations made after FY2007.

Second, the law provided that any retroactive SSI benefits that equal more than 3 times, rather than 12 times as previously provided, the maximum monthly Federal benefit must be paid in up to 3 installments at 6 month intervals.

110th CONGRESS

Public Law 110-161, Consolidated Appropriations Act, 2008

Public Law 110-161 provided SSA an additional $168 million in administrative funding above the President's budget request for the agency with the understanding that much of this additional funding would be used to address the backlog in the processing of Social Security and SSI determinations, hearings, and appeals.

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