California Leadership Education In Neurodevelopmental and Related Disabilities

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Reexamining Supplemental Security Income

Introduction:

In 1972, implementation of Supplemental Security Income (SSI) was enacted. This act has been significant in the life of vulnerable American citizens that live with limited financial resources, and has also assisted millions of people to overcome the fight against poverty. Asset limits included in eligibility criteria were last updated in 1989, determining that individuals could not have assets exceeding $2,000 and married couples a maximum $3,000.

The SSI Restoration Act (H.R. 4280/S. 2753) was introduced both in the House and in the Senate in September and October 2019, respectively. If enacted, the legislation would increase the limit on countable income to $10,000 for an individual and $20,000 for a married couple. If a family or individual exceeds this amount, then they surpass the allotted resource limit and are unable to qualify for SSI. Countable resources are the things that one own's that count towards the resource limit and can include the home that one lives in, the land it is on, one vehicle, household goods, life insurance policies and Achieving a Better Life Experience Act (ABLE) accounts.

Background:

According to the Bureau of Labor Statistics Consumer Price Index, average prices in 2020 are 109.90% higher than in 1989. Additionally, the average city in California has a cost of living 38% higher than the average city in the country.

People with disabilities are a large percentage of the population who benefit from this act. Nearly a quarter of working-age people with disabilities lived in poverty, as opposed to 8.5% of their non-disabled peers (U.S. Census Bureau, 2020). Additionally, 60.5% of households with a person with a disability were considered "asset poor," meaning they did not have enough resource to live at the federal poverty level for three months (USDA, 2016). SSI recipients have difficulties staying above the poverty line and the current asset limits force them to live without any financial "safety net" such as the recommended emergency savings of at least 3 months of expenses.

Those inadequate low thresholds established 31 years ago have been described by Azza Altiraifi, a research and advocacy manager for the Disability Justice Initiative at the Center for American Progress, as a "deadly poverty trap" (Center for American Progress, 2020). It not only prevents a large portion of the population from receiving the assistance they need, but also forces beneficiaries to give up having meaningful savings for emergencies; for instance, car/roof repairs, dental work, medical need not covered by Medicaid, or other unexpected expenses. These strict restrictions have a substantial impact on the life of those that have a delicate financial status, putting them even at higher risk. Therefore, the SSI benefit is not only too small to sustain the recipient in their daily living, it leads the recipient to sink further into poverty in the event of catastrophic situations such as COVID-19.

Proposal:

There are currently 11 California representatives as co-sponsors and we are asking for your further support. Representative Raúl Grijalva (D-AZ), who first introduced the SSI Restoration Act (H.R. 4280) in 2013 once stated that "*far too many are being rejected from receiving the assistance they need simply because the program hasn't kept pace with inflation. Modest updates will provide needed stability to those with disabilities and seniors who are continuing to struggle to afford basic necessities, such as skyrocketing costs of medication*."

Given that asset limits were last updated in 1989, revisions of asset limits that are aligned with the current economic realities are warranted. As a realistic solution, the updates would increase the limits that an individual could have to $10,000, and up to $20,000 for a married couple. At the same time, it would remove the penalty related to marital status and increase the income limits that a beneficiary could earn monthly without suffering a reduction in the final amount received from the program. If passed, SSI will not only be adequate for today's economic reality but will also have tremendous effects on families that struggle to support their loved ones, by reducing the burden that comes with no savings or having to compromise their entire monthly earnings to access the program's benefits. Finally, the increase in asset limits will allow individuals and families to live with financial security.

Conclusion:

The SSI Restoration Act (H.R. 4280/S. 2753) will directly impact the citizens of California. We ask that Congress consider the cost of living when determining the amount of supplemental income. As health professionals, parents, siblings, and citizens of the State of California we directly see the impact of the current SSI asset limit on our patients and loved ones.

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