

Assistance Programs

Supplemental Security Income

In 1972, Congress replaced the categorical Federal-State programs for the needy aged, blind, and disabled with the Federal Supplemental Security Income (SSI) program, which is administered by the Social Security Administration (SSA). This ended the multiplicity of eligibility requirements and benefit levels that had characterized the assistance programs formerly administered at the State and local levels. The program went into effect in January 1974.

The SSI program consists of two parts—the Federal program, and State supplementation of the Federal payment. Under the Federal program the eligibility requirements are nationally uniform for age, the limits on income and resources allowed, and the definitions of disability or blindness. Federal benefit payments are also nationally uniform so that regardless of where qualified individuals live, they are guaranteed the same minimum payment.

Anyone who received assistance under the former State assistance programs before January 1, 1974, could not receive lower benefits under the new program. States whose previous assistance levels were higher than the Federal SSI payment were required to supplement it in order to maintain that assistance level. In addition, States were given the option of supplementing the Federal payment for all, or certain categories, of their recipients. As of January 1997, all but two States offered supplementary payments to at least some of their recipients.

In December 1996, 6.7 million people received Federal SSI payments, State supplementation, or both. These payments averaged \$366 that month.

Eligibility

Basic requirements for SSI eligibility involve citizenship, income, financial resources, age, and disability.

Since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, SSI eligibility is generally restricted to U.S. citizens residing in one of the 50 States, the District of Columbia, or the Northern Mariana Islands. However, eligibility is still possible for noncitizen members of certain classes of refugees or asylees, active duty or retired military personnel and their families, and lawful permanent residents who have earned or can be credited with 40 quarters of Social Security covered employment.

The SSI program provides monthly cash payments to aged, blind, or disabled persons whose countable income is less than \$5,808 per year (or is less than a combined income of \$8,712 for a couple with both eligible), as of January 1, 1997. In most cases ownership of financial assets is limited to \$2,000 for an individual or \$3,000 for a couple.

To qualify as aged, an individual must be at least 65 years old. Qualifying standards for SSI payments based on disability are almost the same as those used for the Social Security Disability Insurance program. That is, an individual is considered to be disabled if he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted (or can be expected to last) for a continuous period of 12 months. This 12-month requirement does not apply to the blind in SSI.

The substantial gainful activity criterion does not apply to children under age 18. The standard for them is a medically determinable physical or mental impairment *which results in marked and severe functional limitations*.

An individual is considered to be blind if he or she has a central visual acuity of 20/200 or less in the better eye with the use of correcting lenses, or has tunnel vision of 20 degrees or less.

As of January 1, 1997, persons for whom drug addiction or alcoholism is a contributing factor material to the finding of disability ceased to be eligible for SSI.

Inmates of public institutions, including prisoners, are not eligible for SSI. There are some exceptions to this general rule: those in medical institutions where the Medicaid program pays more than half of the cost of their care may receive up to \$30 monthly; and those who live in certain public emergency shelters and community based residences for 16 persons or less may, if otherwise eligible, receive SSI.

Benefits and Factors Affecting Benefits

For the year beginning January 1, 1997, a maximum Federal monthly SSI payment of \$484 is payable to eligible individuals living in their own households. To receive the maximum, individuals generally must have no more than \$20 in other income. Couples, in which both husband and wife are eligible for SSI may receive a maximum Federal monthly payment of \$726. The SSI Federal benefit rate is increased annually by the same cost of living factor applicable to Social Security benefits.

In December 1996, 6.3 million persons were receiving Federal SSI payments averaging \$339 per month.

Income

The maximum SSI payment is reduced to reflect other income

and in-kind support and maintenance. If a recipient lives in another person's household and receives both food and shelter from the person in whose household he or she is living, the Federal benefit is reduced by one-third. This is done instead of determining the actual dollar value of the in-kind support and maintenance. When recipients have other income, SSI payments are reduced by the amount of that income determined to be countable. The first \$20 per month of unearned income generally is not counted. Additional unearned income (most often a Social Security benefit) reduces SSI payments dollar for dollar. SSI recipients are required to apply for any other benefits to which they may be entitled, such as Social Security, unemployment insurance, or workers' compensation.

If a child recipient under age 18 lives with parents, or an adult lives with a spouse who is not eligible for SSI, some of the income of the parent or spouse may be counted as unearned income to the eligible person. This process is called "deeming".

To encourage SSI recipients to work, \$65 of earned income in any month is excluded in addition to the initial \$20 exclusion. Thereafter, SSI payments are reduced by \$1 for every \$2 earned.

Other income excluded when determining payment amounts includes certain scholarships, certain student earnings, work expenses of blind persons, impairment-related work expenses of the disabled, payments for providing foster care to a child not eligible for SSI, and the Earned Income Tax Credit. Income necessary for an approved plan for achieving self-support for blind and disabled recipients is also disregarded. Irregular and infrequent income is not counted as long as it does not exceed \$20 per month if unearned or \$10 a month if earned.

The Employment Opportunities for Disabled Americans Act of 1986 provided additional work incentives—special SSI benefits and Medicaid coverage—to blind and disabled individuals eligible for SSI payments who work despite severe impairments. This legislation made permanent and revised section 1619 of the Social Security Act which was enacted as a temporary demonstration project in 1980.

Under section 1619(a), a disabled recipient who loses Federal SSI eligibility because of earnings over the substantial gainful activity level may continue to receive SSI payments under a special benefit status and retain eligibility for Medicaid under Title XIX of the Social Security Act. This special benefit status may continue as long as the recipient has the disabling impairment and until his or her earnings exceed the amount that would reduce the cash benefit to zero.

In addition, under section 1619(b), blind or disabled recipients who are no longer eligible for either regular or special SSI payments because of their earnings usually may retain Medicaid eligibility if they: (1) continue to have the disabling impairment;

(2) meet all nondisability eligibility criteria except for earned income; (3) would be seriously inhibited from continuing employment without Medicaid services; and (4) have earnings insufficient to provide a reasonable equivalent of SSI payments and Medicaid.

Individuals institutionalized for medical care whose institutional stay at the time of admission is not expected to exceed 3 months, and for whom the receipt of benefits is necessary to maintain living arrangements to which they may return, may continue to receive full SSI payments for up to 3 months at the rate that was applicable to them in the month prior to the first full month of institutionalization. Continued payments may also be made for up to 2 months after entering certain medical or psychiatric institutions for individuals who were eligible under section 1619 of the Social Security Act provided that the institution had agreed to permit the individual to retain these benefits.

Resources

Although the amount of assets a person may hold to be eligible for SSI is fixed at \$2,000 for an individual (\$3,000 for a couple), certain resources are excluded from consideration. The most important of these is a home occupied by the recipient. Also excluded are personal goods and household effects with an equity value of up to \$2,000.

An automobile may be excluded, regardless of its value, if the individual or a member of the individual's household uses it for transportation for employment or medical treatment, if it is modified to be operated by or used for transportation of a handicapped person, or if it is needed for essential daily activities. If an automobile cannot be excluded based on the nature of its use, a current market value of up to \$4,500 may be excluded.

Life insurance policies are not countable if the face values do not exceed \$1,500. Under certain circumstances, real property can be excluded for as long as the owner's reasonable efforts to sell it are not successful.

Special exclusions are applicable to the resources necessary for an approved plan of self-support for blind or disabled recipients and for property essential to self-support. The value of burial spaces for a recipient, spouse, and immediate family members is excluded, as is up to \$1,500 of funds set aside for burial of the individual and spouse.

State Supplementation

States are permitted a great deal of discretion in their supplementation. A State may administer its supplemental payments or choose to have them administered by the Federal Government. States that elect Federal administration of their supplementary

programs may vary the amount of the supplement by reason for eligibility (aged, blind, or disabled) and by status (individual or couple). They may differentiate between various living arrangements (living alone, living with relatives, or living in a domiciliary care facility), although not more than five such arrangements may be recognized in one State. A sixth living arrangement variation is permitted provided it applies only to individuals in Medicaid facilities—that is, facilities receiving Title XIX payments with respect to such persons for the cost of that care. States may also differentiate among geographic regions, although not more than three may be recognized in one State. States that administer their own supplementary programs have even greater discretion over their supplementation criteria.

Financing and Administration

Federal SSI payments and administrative costs are financed from Federal Government general revenues. When a State chooses Federal administration of its supplementation, SSA maintains that State’s payment records and issues the Federal payment and the State supplement in one check. Since passage of the Omnibus Budget Reconciliation Act (OBRA) of 1993, States are required to pay fees for Federal administration. Until then SSA assumed the cost of administering these supplements and was reimbursed by the State only for the amount of the supplementary payments.

Applications for federally administered SSI payments are taken at SSA field offices where the supporting documentation is examined, and the field office staff determines whether the appli

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Type of SSI payment	Reason for eligibility			
	Total	Aged	Blind	Disabled
Total	6,677	1,446	*83	**5,146
Federally administered:				
Federal payment	6,326	1,296	76	4,953
Federal payment only	4,192	774	45	3,372
Federal and federally administered State supplement	2,133	522	31	1,580
State supplement only:				
Federally administered	288	116	6	166
State administered	***63	33	1	27
		Number of persons (in thousands)		
Total	\$366	\$268	\$383	\$394
Federal	339	229	334	368
Federally administered State supplement	105	112	154	101
State administered State supplement	152	169	172	143

*Includes 20,002 persons aged 65 or older.

**Includes 656,517 persons aged 65 or older.

***Includes persons from whom reason for eligibility was not available.

cant meets the citizenship, age, income, and asset criteria. When disability or blindness is involved, medical determinations of eligibility are generally made by Disability Determination Services, which are agencies of each individual State. Computation of federally administered benefit amounts is made through SSA's central computer operations and certification is then made to the Treasury Department for the issuance of monthly checks.

SSA field offices may make emergency payments of up to \$484 to an eligible individual and \$726 to a couple (plus the federally administered State supplementary payments, if any) if severe financial difficulty is evident.

If a State chooses to administer its own supplementation, it processes applications and makes eligibility determinations separately from the Federal Government. As of December 1996, about half the States were administering their own supplementary payments.

Temporary Assistance to Needy Families

Temporary Assistance for Needy Families (TANF) provides assistance and work opportunities to needy families. It replaced the Aid to Families with Dependent Children program (AFDC) as soon as the State submitted a complete plan implementing TANF, but no later than July 1, 1997. AFDC provided cash assistance based on need, income, resources, and family size.

TANF was created by The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). The law contains strong work requirements, a performance bonus to reward States for moving welfare recipients into jobs, State maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work, including increased funding for child care and guaranteed medical coverage.

Nearly all recipients must work after 2 years of assistance. Each State is required to have a fourth of families working or off the rolls by September 30, 1997, and half by 2002. Parents must work a prescribed number of hours per week: single parents, 20 hours the first year and 30 by 2000; couples, 35 hours. Work can be unsubsidized or subsidized employment, on-the-job training, work experience, community service, 12 months of vocational training, or child care provided to individuals participating in community service. Exceptions are allowed for 6 weeks of job search time, parents with a child under age 6 who cannot find child care, and single parents with children under age one.

States must make an initial assessment of recipients' skills, and can develop personal responsibility plans that identify needed education, training, and job placement services. Various incentives