CONSORTIUM FOR CITIZENS WITH DISABILITIES

PREESERVE SUPPLEMENTAL SECURITY INCOME BENEFITS FOR ADULTS AND CHILDREN

Supplemental Security Income (SSI) provides monthly benefits for people with significant disabilities and seniors who have extremely low incomes and assets. SSI benefits are modest, averaging only about $520 per month, but play a crucial role in reducing poverty and helping vulnerable beneficiaries meet their basic needs and avoid hardship and homelessness.

In August 2012 the Social Security Administration (SSA) Office of the Inspector General (OIG) issued a report, “Supplemental Social Security Income: Payments to Multi-recipient Households.” The OIG estimated that as of July 2011 “SSI payments to about 11,481 households with 4 or more recipients were above the established Federal Poverty guideline for comparable household sizes.” To reduce SSI outlays, the report recommended that SSA “consider the viability of a legislative proposal to extend payment limits in effect only for married couples to other multi-recipient households.”

Such a proposal would cut payments for SSI beneficiaries who live in shared living arrangements, and would be both extremely damaging and very difficult for SSA to administer.

PROPOSED CHANGE WOULD HARM BENEFICIARIES AND UNDERMINE SSI’S EFFECTIVENESS.

The purpose of SSI is to reduce poverty among our nation’s most vulnerable low-income seniors and people with significant disabilities. The OIG report suggests cutting already-modest benefits for a very small percent of SSI beneficiaries who are able to reach or slightly exceed the incredibly low federal poverty guidelines through economies such as shared rent. This proposed change would undermine SSI’s effectiveness and risk serious harm to beneficiaries, including:

- **Reducing access to basic necessities for already vulnerable SSI beneficiaries.** The maximum SSI benefit, $698 per month for 2012, is less than 75 percent of the federal poverty guideline for a single person. Beneficiaries use their SSI income to meet daily living expenses such as rent, utilities, personal needs, and transportation. Housing is a major challenge for SSI beneficiaries who live in the community, with the average SSI benefit being far less than typical rents. In 2010, as national average, a person receiving SSI needed to pay 112% of their monthly income to rent a modest one-bedroom apartment.[1] Many SSI beneficiaries are able to survive solely because of shared living arrangements, and should not be penalized for securing economies of scale to meet their basic survival needs.

- **Creating a “family penalty” for family members receiving SSI who live together.** Cutting benefits for households with two or more SSI recipients would create a disincentive for elderly and disabled individuals to remain in their family homes if other members of the family also receive SSI. This policy would be especially harmful for families where an elderly or disabled parent or grandparent is caring for a child with significant disabilities, for families caring for multiple children with disabilities, and for families who due to layoffs or foreclosures during the recent economic downturn are living in multi-generational households. The existing SSI "marriage penalty" has received considerable criticism for providing disincentives for couples where both members are elderly or disabled to get married. Cutting payments for people living in households with multiple SSI beneficiaries would create additional barriers for families to live together.

- **Having a devastating effect on shared living arrangements that enable beneficiaries to live in the community.** SSI helps people with significant disabilities and the elderly secure housing in the community and avoid costly institutions such as nursing facilities. In many cases, beneficiaries live in group homes and other shared living arrangements where they contribute all but a very small portion of their monthly benefits to household expenses. Reducing SSI benefits for multi-beneficiary households could potentially significantly decrease the number of group homes and supportive shared living arrangements for people with disabilities as well as the quality of care they are able to provide. It would mark a significant step backward, risking a return to costly and restrictive institutionalization, posing a barrier to serving people with disabilities in the least restrictive setting in accordance with the Supreme Court's *Olmstead* decision, and almost certainly increasing the burden on state and local governments to provide adequate care for seniors and people with disabilities.

PROPOSED CHANGE WOULD SIGNIFICANTLY INCREASE SSA'S ADMINISTRATIVE BURDEN AND THE RISK OF IMPROPER PAYMENTS.

Households with two or more SSI beneficiaries may change from month to month and year to year, for many reasons. SSI beneficiaries often stay in group living arrangements short periods of time, because they are in transition. For example, they may enter or leave a group home due to changes in their medical circumstances, as they become more or less independent. They may also leave a housing arrangement due to displacement or changes in family/personal circumstances, among a score of other reasons.

A proposal to reduce benefits for people living in multi-beneficiary households would require SSA to track month-to-month changes in beneficiaries' living arrangements at a significantly greater level of detail that SSA currently does, in order to increase or reduce SSI benefits for ***every member of a shared household, every time the household makeup changes***. For example, when a household drops from four to two SSI beneficiaries, each affected individual's benefit would need to be changed accordingly – in all likelihood leading to months of over- and under-payments before correct benefits are issued. Faced with inadequate administrative resources, SSA already struggles to minimize improper payments. The proposed policy would almost certainly lead to a substantial increase in improper payments, while significantly increasing the costs of administering the already complex SSI program.

Fact sheet prepared by the CCD Social Security Task Force, October 2012. For more information contact Ethel Zelenske, CCD Social Security Task Force Co-Chair, at nosscrdc@att.net or (202) 457-7775.

[1] Technical Assistance Collaborative, Inc. and Consortium for Citizens with Disabilities, Housing Task Force (2011). *Priced Out in 2010: The Housing Crisis for People with Disabilities*. http://www.tacinc.org/resources/data/pricedout.