COMMITTEE ON FINANCE

SUBCOMMITTEE ON SOCIAL SECURITY, PENSIONS, AND FAMILY POLICY

UNITED STATES SENATE

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STATEMENT FOR THE RECORD

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ACTING DEPUTY COMMISSIONER FOR RETIREMENT AND DISABILITY POLICY

SOCIAL SECURITY ADMINISTRATION

Chairman Brown, Ranking Member Young, and Members of the Subcommittee:

Thank you for inviting me to testify about the Supplemental Security Income (SSI) program. My name is Stephen Evangelista. I am the Social Security Administration's (SSA's) Acting Deputy Commissioner for Retirement and Disability Policy.

The Supplemental Security Income Program

Congress enacted the SSI program in 1972 to replace the varied Federal-State programs of Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled in the 50 States and the District of Columbia. In 1974, the SSI program began paying benefits. About eight million people currently receive monthly Federal SSI benefits, and we expect to pay about $56 billion in Federal SSI benefits in total this fiscal year.

The program provides monthly benefits to people who are blind, disabled, or at least age 65, and who also have limited income and resources. SSI is a vital lifeline that enables beneficiaries to meet their basic needs of food, clothing, and shelter. The maximum Federal monthly benefit amount in 2021 is $794 for individuals (about 75 percent of the Federal, individual poverty line) and $1,191 for couples where both individuals are eligible for the program.

The States can—and in some cases must—provide supplemental benefits to residents who are eligible for SSI. In 12 States, we determine on behalf of the State whether SSI beneficiaries are eligible for these State supplements and pay the appropriate amount of the State supplement, using the criteria set forth in an agreement we reach with that State. There is an administrative fee associated with this practice to reimburse our costs to administer these payments on the State's behalf.

The SSI program requirements are complex and many in number. The law requires us to determine a person's eligibility for SSI benefits every month, using information verified from independent and collateral sources. This determination does not only consider all of the income and resources that the beneficiary or applicant has or can access, but also considers the income and resources of spouses, parents (of child beneficiaries under 18), and sponsors (of certain noncitizen beneficiaries) who live in the household.[1]

Eligibility for and the amount of SSI benefits depend on a person's countable income. The Social Security Act defines income broadly and requires us to count more than 20 types of income, such as wages, self-employment, and pensions, as well as support and maintenance provided "in-kind," which can include the provision of food or the payment of all or some of a person's household expenses.

The law distinguishes between income that is "earned" and income that is "unearned," and applies different basic exclusions to each type. Earned income includes wages and self-employment, and unearned income includes pensions, in-kind support and maintenance, and interest.

[1] We are also required to consider the income and resources of a sponsor even if the sponsor doesn't live with the beneficiary.

We exclude up to $20 of a person's unearned income. If a person has less than $20 in unearned income, we apply the remainder of this exclusion to their earned income. We then exclude $65 plus one-half of the remainder of earned income. The $20 and $65 monthly exclusions were established by legislation enacted in 1981 and have not been increased since.[2]

The Social Security Act and other Federal laws further exclude from counting some or all of over 86 other types of income, including assistance based on need, advance refundable tax credits, disaster assistance, earned income of students of a certain age, certain payments for participation in clinical trials, various payments Tribes provide their members, and payments in reparation for Nazi genocide or certain eugenics programs. Attached is a list of these exclusions.

Eligibility also depends on a person's countable resources. The Social Security Act allows someone to own up to $2,000 in resources and a couple to own up to $3,000 in resources in order to be eligible for SSI. When resources exceed these limits, the person or couple are ineligible for SSI. The $2,000 and $3,000 limits were established by legislation enacted in 1984 and have not been increased since 1989.[3]

The Social Security Act also provides specific procedures for evaluating certain resources, such as a home, burial expenses, the cash surrender value of life insurance, and trusts. The Social Security Act and Federal law further exclude some or all of the value of dozens of other types of resources, some indefinitely and others for only a certain period. Finally, the law requires us to consider a person's resources for the three-year period *before* he or she filed for SSI in order to determine whether the applicant sold or disposed of any assets for less than fair market value, which can result in a period of ineligibility for SSI. Attached is a list of the SSI resource exclusions.

In addition to income and resources, the law requires us to consider a host of other factors in determining whether a person is eligible for SSI and the amount of benefits he or she will receive. People who reside in a hospital operated by a State are not eligible, whereas those who reside in a private hospital are eligible, although their monthly benefit may be capped at $30 per month if Medical Assistance is paying a substantial portion of their care. Individuals are not eligible for SSI benefits if they fail to apply for other benefits for which they may be eligible, are fleeing to avoid prosecution or confinement for a felony, or are violating a condition of probation or parole. Most people who reside outside the United States are not eligible,[4] but students or the children of American service members temporarily abroad remain eligible.

The rules concerning eligibility for people who are noncitizens are particularly complex, requiring us to, for example, evaluate a person's current immigration status and prior statuses and when they were attained, as well as the person's work history and in some cases the work history of a parent or spouse.

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[2] Public Law 97-35.
[3] Public Law 98-369.
[4] Residents of the Commonwealth of the Northern Mariana Islands are eligible for SSI. However, residents of Guam, American Samoa, the Commonwealth of Puerto Rico, or the US Virgin Islands are not eligible.

Helping People Who Are Facing Barriers

We are committed to ensuring that all people who qualify for these crucial benefits receive them. During the pandemic, applications for SSI benefits are lower than their pre-pandemic levels. We have implemented targeted strategies to reach people who are at risk, including low income individuals, those with limited English proficiency, those facing homelessness, and those with mental illness. Specifically, our efforts have included a robust, nationwide communications strategy, expanding our collaboration with community-based groups that assist people facing barriers to service, and outreach to current Social Security beneficiaries who may be eligible for additional benefits under the SSI program.

As part of our efforts, we hold regular meetings with partner groups and organizations to identify ongoing challenges in reaching people who are facing barriers in obtaining benefits from the SSI program and potential solutions for overcoming those challenges. As a result of these conversations, we launched a paid national public service announcement campaign on TV, radio, and social media, with emphasis on children with disabilities.

The Social Security Act requires SSA to engage in outreach to children who may be eligible for SSI. To increase awareness about SSI children's benefits, we ran TV and radio ads with instructions on how to apply for benefits. We also developed social media advertising focused on SSI children's benefits. We began partnering with national and local third-party groups to share an outreach toolkit through their networks.

We have enlisted the help of local, community-based organizations across the country to reach people who may be eligible for SSI. Over three thousand groups have committed to help us identify and assist people who are interested in applying for SSI, by either giving us information sufficient to establish a lead or protective filing for the person (which establishes a filing date in the event an application cannot be immediately filed, thus protecting against loss of benefits), or by helping the person complete an application for benefits. We trained these organizations on how to do this work, and we designated nearly 650 employees in our field offices to serve as liaisons for these organizations. These field office liaisons answer the organizations' questions, secure applications based on the leads and protective writings the organizations provide, and develop, review the application and evidence, and process the applications the organizations submit.

In December 2020, we started mailing notices informing certain people who receive Social Security benefits that they may be eligible for SSI benefits, as the Social Security benefits they are receiving are below the SSI maximum. We expect to send a total of about 1.4 million notices by the end of June 2022. After completing the final evaluation of this mailer campaign, we plan to assess whether or not this mailing campaign should become a regular activity.

Administrative Simplifications

The vast majority of the requirements for the SSI program are prescribed in statute —including the amount of benefits, what types of income and resources count, which types don't, and how much income and resources to exclude. We continuously work to improve our administration of the SSI program, such as by simplifying our operational policies and regulations where we have the authority to do so. I want to take this opportunity to highlight an example of one of our efforts.

We are working to streamline our policies related to temporarily institutionalized (TI) claimants. When an SSI beneficiary resides for an entire month in a medical treatment facility and Medical Assistance is paying for a substantial portion of his or her care, his or her SSI benefits are reduced to at most $30 per month. Beneficiaries can continue to receive their regular SSI benefits for stays in a facility of less than 90 consecutive days, provided the beneficiary requests to receive the benefits and a physician certifies the stay as temporary. We are looking to simplify this process by creating a prescribed form to collect the necessary information from the physician. We are also developing a demonstration project, the "TI Benefits Demonstration Project," to assess the effect of automatically providing these temporary benefits without the recipient requesting or physician certifying.

Program Integrity

We take seriously our responsibilities to ensure eligible individuals receive the benefits to which they are entitled, and to safeguard the integrity of benefit programs to better serve recipients. We utilize dedicated program integrity (PI) funding to conduct continuing disability reviews to ensure that only beneficiaries who still qualify to receive benefits under the Social Security and SSI programs continue to receive them. For the SSI program, we also perform non-medical redeterminations to determine whether beneficiaries continue to meet the program's income and resource limits and other eligibility requirements.

To help beneficiaries quickly report income to help ensure accurate benefit payments we provide automated options for wage reporting, including an automated telephone system and a mobile application.

We also obtain data from various private and government entities to detect when payments are not correct, including data about bank accounts, wages, self-employment, Federal pensions, Department of Veterans Affairs benefits, deaths, beneficiaries who have been admitted to certain medical facilities, travel outside the United States and deportations, and incarcerations.

Conclusion

Thank you for inviting me to testify today. I look forward to answering any questions you may have.

Attachment – Current Program Exclusions

Earned Income Exclusions

- Any refund of Federal income taxes received under section 32 of the Internal Revenue Code (relating to earned income tax credit (EITC)) and any payment received under section 3507 of the Internal Revenue Code (relating to advance payment of EITC);
- Amounts received pursuant to the Making Work Pay tax credit set forth in the American Recovery and Reinvestment Act of 2009;
- Any refundable child tax credit;
- The first $30 of earned income in a quarter if it is infrequent or irregular, that is: (1) if it is received only once in a calendar quarter from a single source and is not also received in the month immediately preceding or the month immediately following the month of receipt regardless of whether or not these payments occur in different calendar quarters; or (2) if its receipt cannot reasonably be expected;
- Up to $1,930 per month but not more than $7,770 in a calendar year received by a blind or disabled recipient who is a working student under age 22 and regularly attending school;
- Any portion of the monthly $20 exclusion not used to exclude unearned income;
- $65 of earned income in a month;
- Amounts used to pay impairment-related work expenses if a recipient is disabled (but not blind) and under age 65 or is disabled (but not blind) and receiving SSI (or disability payments under a former State plan) before age 65;
- One-half of remaining earned income in a month;
- Earned income used to meet any expenses reasonably attributable to the earning of the income if the recipient is blind and under age 65 or if he or she received SSI as a blind person prior to age 65;
- Any earned income received and used to fulfill an approved plan to achieve self-support if the recipient is blind or disabled and under age 65 or is blind or disabled and received SSI as a blind or disabled individual in the month before he or she attained age 65;
- Cash or in-kind income provided under an AmeriCorps program;
- Any earned income deposited into either a Temporary Assistance for Needy Families (TANF) or “Assets for Independence Act” Individual Development Account (IDA);

Unearned Income Exclusions

- Any public agency’s refund of taxes on real property or food;
- Assistance based on need wholly funded by a State or one of its political subdivisions. This exclusion includes State supplementation of Federal SSI benefits but does not include payments under a Federal/State grant program such as TANF;

- Any portion of a grant, scholarship, fellowship, or gift to an individual used for paying tuition, fees, or other necessary educational expenses;
- Food raised by a household if it is consumed by that household;
- Assistance received under the Disaster Relief and Emergency Assistance Act and assistance provided under any Federal statute because of a catastrophe that the President of the United States declares to be a major disaster;
- Assistance received under a program for flood mitigation activities;
- The first $60 of unearned income in a quarter if it is infrequent or irregular, that is: (1) if it is received only once in a calendar quarter from a single source and is not also received in the month immediately preceding or the month immediately following the month of receipt regardless of whether or not these payments occur in different calendar quarters; or (2) if its receipt cannot reasonably be expected;
- Any unearned income received and used to fulfill an approved plan to achieve self-support if the recipient is blind or disabled and under age 65, or if the recipient is blind or disabled and received SSI as a blind or disabled individual in the month before he or she attained age 65;
- Periodic payments made by a State under a program established before July 1, 1973 and based solely on the recipient's length of residence and attainment of age 65;
- Payments for providing foster care to an ineligible child placed in the recipient's home by a public or private nonprofit child placement or child care agency;
- Any interest earned on excluded burial funds and any appreciation in the value of an excluded burial arrangement left to accumulate and become part of the separately identifiable burial fund;
- Certain support and maintenance assistance provided in the form of home energy assistance;
- One-third of support payments made by an absent parent if the recipient is a child;
- The first $20 of unearned income in a month other than income in the form of in-kind support and maintenance received in the household of another and income based on need;
- The value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, Title V of the Housing Act of 1949, or section 202(h) of the Housing Act of 1959;
- Any interest accrued on and left to accumulate as part of the value of an excluded burial space purchase agreement (effective April 1, 1990) and any interest earned on the value of nonexcludable burial funds and burial space purchase agreements is excluded from income (effective July 1, 2004);
- The value of any commercial transportation ticket for travel by a recipient or his or her spouse among the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands,

Guam, American Samoa, and the Northern Mariana Islands that is received as a gift and is not converted to cash;

- Payments received from a fund established by a State to aid victims of crime;
- State-provided pensions to aged, blind, or disabled veterans (or their spouses);
- Relocation assistance provided by a State or local government that is comparable to assistance provided under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- Hostile fire pay received from one of the uniformed services pursuant to 37 U.S.C. 310 and other kinds of additional pay received by military personnel in a combat zone;
- Interest or other earnings on a dedicated account excluded from resources;
- In-kind gifts not converted to cash and the first $2,000 annually of cash gifts made by tax-exempt organizations, such as the Make-A-Wish Foundation, to, or for the benefit of, individuals under age 18 with life-threatening conditions;
- Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998;
- Up to $2,000 per calendar year in compensation for participating in clinical trials researching treatment of rare diseases and conditions;
- TANF funds made available to an SSI recipient as part of an IDA;
- Amounts received from the Filipino Veterans Equity Compensation Fund set forth in the American Recovery and Reinvestment Act of 2009;
- Amounts received by Medicaid recipients from the "Incentives for Prevention of Chronic Diseases in Medicaid" program established by the Affordable Care Act of 2010;
- Payments to Indian landowners made in accordance with the *Cobell et al.* v. *Salazar et al.* lawsuit settlement as ratified by the Claims Resettlement Act of 2010;
- Refundable tax credits (or advance payment of such credits);
- Deposits made by a participating individual or a sponsoring nonprofit organization or State or local government into an IDA under the Assets for Independence Act IDA demonstration project and interest earned on these deposits;
- Unearned income excluded by other Federal laws. See Federal Regulations Appendix to Subpart K 20 CFR 416;
- Generally, all interest and dividend income earned on countable resources;
- Lump sum payments made under the Energy Employees Occupational Illness Compensation Program Act of 2000 (the EEOCIP Act), including reimbursement formedical expenses, are excluded from income for SSI purposes;

- Contributions to an Achieving a Better Life Experience (ABLE) account are excluded for the account's beneficiary. In addition, interest and dividends accrued by and retained within an ABLE account are also excluded;
- Payments made by a State program intended to compensate individuals who had been sterilized under the authority of a State;
- Many Federal laws in addition to the Social Security Act provide for the exclusion of assistance received in the form of food, housing and utilities, educational and employment benefits, or benefits derived from being a member of a Native American Tribe;

Resource Exclusions

- The home in which an individual has ownership interest and that serves as the individual's principal place of residence (including the land appertaining thereto);
- Household goods and personal effects;
- One automobile if used for transportation for the recipient or a member of the recipient's household;
- Property used in a trade or business that is essential to self-support;
- Up to $6,000 of nonbusiness property that is essential to self-support;
- Resources of a blind or disabled individual that are necessary to fulfill an approved plan to achieve self-support;
- Stock in regional or village corporations held by natives of Alaska during the 20-year period in which the stock is inalienable pursuant to the Alaska Native Claims Settlement Act;
- Life insurance owned by an individual (and spouse, if any) provided that all life insurance on any person does not exceed a face value of $1,500;
- Restricted allotted Indian lands;
- Disaster relief assistance;
- Assistance received under a program for flood mitigation activities;
- Burial spaces and certain funds up to $1,500 for burial expenses;
- SSI or Old-Age, Survivors, and Disability Insurance retroactive payments for 9 months following the month of receipt;

- The value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, Title V of the Housing Act of 1949, or section 202(h) of the Housing Act of 1959;
- Refunds of Federal income taxes and advances made by an employer relating to an EITC for 12 months following the month of receipt;
- One-time economic recovery payment received under the American Recovery and Reinvestment Act of 2009, for the month of receipt and the following 9 months;
- Amounts received pursuant to the Making Work Pay tax credit set forth in the American Recovery and Reinvestment Act of 2009 for the month of receipt and the following 12 months;
- Amounts received from the Filipino Veterans Equity Compensation Fund set forth in the American Recovery and Reinvestment Act of 2009;
- Refundable child tax credit for 12 months following the month of receipt;
- Refundable tax credits or advance payment of such credits for 12 months following the month of receipt;
- Grants, scholarships, fellowships, or gifts to be used for tuition or educational fees for 9 months following the month of receipt;
- Payments received as compensation for replacement or repair of losses, damages, or theft for 9 months following the month of receipt;
- Relocation assistance from a State or local government for 9 months following the month of receipt;
- Payments made from State-provided pensions to aged, blind, or disabled veterans or their spouses;
- Dedicated financial institution accounts for disabled children;
- In-kind gifts not converted to cash and the first $2,000 annually of cash gifts made by tax-exempt organizations, such as the Make-A-Wish Foundation, to, or for the benefit of, individuals under age 18 with life-threatening conditions;
- Up to $2,000 per calendar year in compensation for participating in clinical trials researching treatment of rare diseases and conditions;
- Amounts received by Medicaid recipients from the “Incentives for Prevention of Chronic Diseases in Medicaid” program established by the Affordable Care Act of 2010;

- Payments to Indian landowners made in accordance with the *Cobell et al. v. Salazar et al.* lawsuit settlement, as ratified by the Claims Resettlement Act of 2010 (for 12 months following the month of receipt);
- Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998;
- Amounts deposited into either a TANF or Assets for Independence Act IDA, includingmatching funds and interest earned on such amounts;
- Certain trusts (e.g., those established by will or certain Medicaid trusts that will repay the State, upon the death of the recipient, for the costs of medical assistance providedto that individual);
- Payments or benefits provided under a Federal statute other than Title XVI of the Social Security Act where exclusion is provided by such statute;
- Up to $100,000 held in a qualified ABLE account. Furthermore, any distribution from an ABLE account for a qualified disability expense that is not housing-related is excluded from resources in the month it is used or in a month for which it is intended to be used for such expenses; and
- Payments made by a State program intended to compensate individuals who had been sterilized under the authority of a State.