



Leadership Council of Aging Organizations

Edward F. Coyle, Chair

July 26, 2013

Dear Representative:

The Leadership Council of Aging Organizations (LCAO), a coalition of national not-for-profit organizations representing the interests of 60 million older Americans, is pleased to support H.R. 1601, “The Supplemental Security Income Restoration Act of 2013.” The bill would provide some sorely needed updates to this long-neglected program which provides subsistence level income for over 8 million older Americans and people with disabilities. A majority of those who receive Supplemental Security Income (SSI) are women, including two-thirds of those who receive SSI on the basis of age.

The program started with high aspirations. On the day President Nixon signed it into law in 1972, he stated: “For millions of older people, it can mean a big step out of poverty and toward a life of dignity and independence.” This is far from the reality of 2013, when one’s income must be well below the federal poverty level to qualify financially for SSI.

In order to qualify for SSI, an individual cannot have countable resources over \$2,000. That reflects an increase of just 33 percent since 1972 although the cost of living today is more than 450 percent greater than what it was in 1972. In determining SSI eligibility, there is a general income disregard, which allows a person to retain a small amount of other income (typically a small Social Security benefit) without being disqualified from receiving SSI. This amount was established at \$20 a month in 1972 and remains there today--even though \$20 today is worth little more than \$3 in 1972 dollars. Similarly, an earned income disregard of \$65 was included in the 1972 legislation in order to give SSI recipients an incentive to return to the work force. That too has not changed.

Passage of the SSI Restoration Act of 2013 would be an important step in the direction of revitalizing the SSI program. H.R. 1601 would:

- Increase the SSI resource limit from \$2,000 (\$3,000 for a couple) to \$10,000 (\$15,000) for a couple
- Increase the General Income Disregard from \$20 to \$110 a month
- Increase the Earned Income Disregard from \$65 to \$357 a month
- Repeal the in-kind support and maintenance provision, which reduces allowable in-kind food and/or shelter to less than fair market value. The current provision most often affects family members who are living in the household of an SSI recipient, such as a son, daughter or sibling.

It often makes it difficult for family members of limited means to help and also creates a significant administrative burden on the Social Security Administration, which must determine the value of the food and shelter provided.

- Repeal the transfer penalty which was imposed in 1999 legislation. This provision makes a person ineligible for SSI for a period of up to 36 months if they transfer a resource for less than fair market value. Most SSI recipients are unaware of this provision and are caught by surprise when it is applied to them. A common case involves a person who disclaims a modest inheritance for fear that it could make her ineligible for SSI. In fact, receipt of a modest inheritance would result in the loss of only one month's benefits, while the disclaimer triggers the transfer penalty and can result in a period of extended ineligibility. This provision also imposes an undue administrative burden on the Social Security Administration.

We the undersigned members of the Leadership Council of Aging Organizations urge you to support and become a co-sponsor of this much needed legislation on behalf of some of our most vulnerable citizens.

Sincerely,

National Association of Elder Law Attorneys
Services and Advocacy for GLBT Elders
OWL - The Voice of Midlife and Older Women
International Union, United Automobile, Aerospace & Agricultural Implement Workers of America
B'NAI B'RITH International
Medicare Rights Center
National Senior Citizens Law Center
Wider Opportunities for Women
Alliance for Retired Americans
National Association of Area Agencies on Aging
Leading Age
National Hispanic Council on Aging
National Council on Aging
National Caucus and Center on Black Aged, Inc.
American Postal Workers Retirees
WISER
Center for Medicare Advocacy
AFL-CIO
PHI – Quality Care through Quality Jobs
Association for Gerontology and Human Development in Historically Black Colleges and Universities
National Association of Professional Geriatric Care Managers
National Committee to Preserve Social Security and Medicare
Gray Panthers

American Society on Aging
Service Employees International Union
Easter seals
AFSCME
AARP
National Alliance for Caregiving
Southeast Asia Resource Action Center
The Jewish Federations of North America
National Association of State Long Term Care Ombudsman Program
Lutheran Services in American Disability Network
National Asian Pacific Center on Aging
Alzheimer's Foundation of America