



Supplemental Security Income

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Prepared by

Aaron Whitaker

Wisconsin Legislative Fiscal Bureau
One East Main, Suite 301
Madison, WI 53703
<http://legis.wisconsin.gov/lfb>

Supplemental Security Income

The supplemental security income (SSI) program provides federal and state benefits to guarantee a minimum income level for qualifying disabled, elderly, and blind individuals. As of June, 2016, approximately 121,439 Wisconsin residents received cash benefits under the program. In 2017, an individual may receive a monthly federal benefit of up to \$735, with the payment decreasing as a recipient's income increases, and a flat monthly state supplemental payment of approximately \$84. Some SSI recipients may receive additional benefits if they qualify for an exceptional expense supplement or a caretaker supplement.

Federal legislation created the SSI program in 1972, replacing three state-administered programs that were partially supported with federal funds: the federal old-age assistance, aid to the permanently and totally disabled, and aid to the blind programs. The federal Social Security Administration (SSA) administers the program, under provisions of Title XVI of the federal Social Security Act that specify eligibility standards, federal benefit levels, and other program policies. SSA contracts with the Wisconsin Department of Health Services (DHS) to make program eligibility determinations. DHS administers the state-funded supplements to the federal benefit.

This paper describes the SSI program, including eligibility requirements, benefit levels, program administration, and participation and cost trends.

Eligibility

Federal law sets SSI financial and non-financial eligibility requirements.

Nonfinancial Criteria. All SSI recipients must be disabled, blind, or at least age 65. An adult can qualify for SSI due to a disability if he or she has certain disabling conditions, or cannot engage in "substantial gainful activity" (SGA) because of a physical or mental condition expected to last for over a year, or result in death. Each year, SSA establishes the level of work activity and earnings considered to be SGA. For 2017, the SGA for non-blind, disabled individuals is \$1,170 per month. This standard is the same as that used to determine eligibility for the federal Social Security Disability Insurance (SSDI) program.

A child can qualify due to a disability if he or she has a physical or mental condition that results in severe functional limitations, and that is expected to last for over a year or result in death.

In Wisconsin, the DHS Disability Determination Bureau conducts disability assessments. SSA regularly produces a list of medical criteria for determining disabilities. Individuals diagnosed with a listed condition automatically meet the program's disability requirements. If the list does not include an adult applicant's condition, DHS determines whether the condition prevents the individual from engaging in SGA, and is comparable in severity to the listed conditions. All applicants under 18 years of age require an assessment to compare their condition against appropriate age norms.

To qualify for SSI based on blindness, a person must have vision no better than 20/200, or have a restricted visual field of 20 degrees or less with the best corrective eyeglasses.

Individuals over the age of 65 who are not disabled or blind may qualify for SSI benefits by

Table 1: Wisconsin Recipients of Federal SSI Benefits, by Eligibility Category, As of December 1, 2014

| Year | Disabled | Elderly | Blind | Total | % Increase | Under 18 Years Old (Subset of Total) | % Increase |
|------|----------|---------|-------|---------|------------|--------------------------------------|------------|
| 2006 | 84,534 | 8,110 | 905 | 93,549 | - | 17,111 | - |
| 2007 | 87,279 | 7,879 | 879 | 96,037 | 2.7% | 17,957 | 4.9% |
| 2008 | 90,523 | 7,643 | 848 | 99,014 | 3.1 | 18,474 | 2.9 |
| 2009 | 95,242 | 7,431 | 830 | 103,503 | 4.5 | 19,681 | 6.5 |
| 2010 | 99,395 | 7,228 | 853 | 107,476 | 3.8 | 20,587 | 4.6 |
| 2011 | 102,916 | 7,099 | 866 | 110,881 | 3.2 | 21,191 | 2.9 |
| 2012 | 106,148 | 7,086 | 868 | 114,102 | 2.9 | 21,953 | 3.6 |
| 2013 | 108,903 | 6,918 | 882 | 116,703 | 2.3 | 22,755 | 3.7 |
| 2014 | 109,865 | 6,901 | 875 | 117,641 | 0.8 | 22,606 | -0.7 |

meeting the program's financial eligibility criteria.

Table 1 shows the number of individuals in Wisconsin who received federal SSI benefits from 2006 through 2014, by eligibility category, and the number of recipients under 18 years old. As shown in the table, individuals receiving benefits on the basis of a disability comprise the largest group of recipients. These eligibility categories may not be mutually exclusive, as an elderly person with a disability may be counted as disabled when eligibility is initially determined.

Table 2 provides additional national demographic information on recipients of federal SSI payments as of December, 2015.

Financial Criteria. In general, household income may not exceed the maximum federal benefit level, plus \$20. In 2017, the maximum federal benefit equals \$735 per month, so the upper income limit to qualify for the program equals \$755. Individual recipients may not have assets of more than \$2,000, and married couples may not have more than \$3,000. Assets such as cash, bank accounts, and stocks are included, but a person's home, one vehicle, and life insurance policies of no more than \$1,500 are excluded. The income and assets of the parents of a blind or dis-

Table 2: National Demographic Information on SSI Participants, December, 2015

| | U.S. Total |
|---|------------|
| Total Recipients of a Federal or State SSI Payment | 8,309,564 |
| Eligibility Category | |
| Disabled | 85% |
| Elderly | 14 |
| Blind | 1 |
| Gender | |
| Male | 47% |
| Female | 53 |
| Age | |
| Under 18 | 15% |
| 18-64 | 59 |
| 65 or Older | 26 |
| Living Arrangement | |
| Own Household | 94% |
| Another's Household | 4 |
| Institutional Setting | 2 |

abled child are considered when determining the child's eligibility.

Eligibility for Other Programs. SSI benefits can be provided in addition to other SSA-administered benefits, such as social security retirement benefits, or social security disability insurance (SSDI).

All SSI recipients automatically qualify for health care coverage under the state's medical assistance (MA) program, commonly referred to as "Medicaid." In addition, SSI recipients may qualify health coverage under Medicare. For individuals who are dually-eligible for both programs, the Medicare program is the primary payer for acute medical services, and the Medicaid program pays any Medicare premiums or cost-sharing, and other for other services not covered by Medicare, including most long-term care services.

SSI recipients are not eligible to participate in Wisconsin Works (W-2), though the spouse of an SSI recipient may participate in W-2. Individuals may also qualify for other need-based programs, such as the federal supplemental nutrition assistance program, known as "FoodShare" in Wisconsin.

Benefits

Benefit Types. SSI recipients in Wisconsin may receive several types of payments:

- a. federal benefit;
 - b. basic state supplement;
 - c. exceptional expense supplement (SSI-E);
- and
- d. caretaker supplement.

Table 3 shows the payment level for each of these benefits in 2017. Appendix I shows the maximum federal and state benefit levels for individuals who live independently, for calendar years 1998 to 2017.

Federal Benefit. In 2017, SSA provides a federal payment of up to \$735 per month to SSI recipients. This payment amount depends on individual income, with the payment amount decreasing

Table 3: Maximum Monthly Payment Levels, 2017*

| | |
|---|----------|
| Maximum Federal Payment (FED) | |
| <i>Living Independently</i> | |
| Individual | \$735.00 |
| Couple | 1,103.00 |
| <i>Living in Another Person's Household</i> | |
| Individual | \$490.00 |
| Couple | 735.33 |
| State Supplement (GPR) | |
| Individual | \$83.78 |
| Couple | 132.05 |
| SSI-E (GPR) | |
| Individual | \$95.99 |
| Couple | 345.36 |
| Caretaker Supplement (FED) | |
| One Child | \$250.00 |
| Each Additional Child | 150.00 |

*The benefit level for a couple applies if both individuals are SSI recipients.

ing as individual income increases. Individuals with no countable income receive the maximum payment amount.

The maximum benefit amount varies by living arrangement and marital status. If a recipient's spouse also receives SSI benefits, the couple receives a combined maximum benefit. The maximum allowable federal SSI benefit for a participant living in the household of another person is two-thirds of the benefit for individuals living independently.

The federal SSI benefit is adjusted annually to reflect cost-of-living adjustments (COLAs). The COLA reflects increases in the consumer price index for urban wage earners and clerical workers (CPI-W), as determined by the Bureau of Labor Statistics. If the CPI-W increases by less than 0.05 percent, or decreases by any amount compared to the third quarter of the year the last COLA was provided, the federal maximum benefit does not change. The maximum federal benefit

did not change from 2015 to 2016, and increased by 0.3% from 2016 to 2017.

For individuals who enter an institution where the MA program pays for over half of the cost of care, such as a nursing home, the monthly federal SSI payment is reduced to \$30. This payment is considered a personal needs allowance for minor expenses, and the limitation begins in the first full month that an individual resides in the institution. However, if a physician certifies that a person's stay in an institution should not exceed 90 days and the person needs to maintain a home outside of the institution, the recipient continues to receive the full SSI benefit for up to three months.

Some children with disabilities receive medical treatment at home under MA state home care plans. If the child previously received the \$30 personal needs allowance while in an institution, he or she may still receive the allowance regardless of the parent or caretaker's income or resources.

Basic State Supplement. All Wisconsin residents who qualify for a federal SSI benefit also qualify for a basic state supplement, funded with state general purpose revenue (GPR). Unlike the federal benefit, the basic state supplement is a flat payment that does not change based on income or living situation. If an individual qualifies for a federal SSI payment of any amount, he or she also qualifies for a state supplement of \$83.78 per month. Married couples where both individuals qualify for SSI receive a monthly state supplement of \$132.05. A couple that includes one SSI-eligible individual and an ineligible individual receives a monthly state supplement of \$130.43.

Prior to 1996, individuals could receive the state supplement even if they received no federal payment, if their income was less than the combined amount of the federal and state benefits. Beginning in 1996, new applicants can only receive the state supplement if they qualify for a

federal SSI benefit. However, individuals who received only the state supplement as of December 31, 1995, continue to receive the state supplement as long as they meet all other SSI eligibility requirements. In June, 2016, 3,998 "grandfathered" individuals received only the basic state supplement and no federal payment. These individuals may not necessarily receive the full state supplement amount, as their benefit equals the difference between their income and the combined state and federal benefit, subject to the \$83.78 limit.

The current monthly state supplement amount has not changed since 1994. Rather than setting the amount of the monthly state supplement payment in law or administrative rule, state statutes provide a process by which DHS can change the state supplement payment amount by submitting a request to the Department of Administration (DOA). DOA may then submit the request to the Joint Committee on Finance for consideration under a 14-day passive review process. Any changes made by the Committee are subject to approval by the Governor. If the Governor takes no action within 10 days of the Committee's action, the Committee's decision takes effect.

Exceptional Expense Supplement (SSI-E). Certain SSI recipients qualify for an additional state supplemental payment of \$95.99 per month for exceptional expenses, referred to as "SSI-E," in addition to the basic state supplement of \$83.78. The SSI-E amount for an eligible couple is \$345.06 per month. Like the basic state supplement, SSI-E is GPR-funded and does change based on income. As of May 1, 2016, a total of approximately 25,000 SSI recipients received SSI-E payments.

An individual who lives in a home or apartment may qualify for SSI-E in any of the following situations:

a. SSI recipients who require at least 40 hours per month of supportive home care, respite

care, daily living skills training, or community support program services. For children living with a parent or recipients living with a spouse, only services needed when the parent or spouse is away from home for employment count toward the 40-hour requirement. Additionally, for recipients living with a spouse, services needed because the spouse is physically or mentally unable to provide care count toward the 40-hour requirement;

b. SSI recipients living in a foster or group home for children, or in an adult family or foster home, if their expenses exceed the combined federal benefit, state basic supplement and SSI-E benefit; or

c. SSI recipients who live in a community-based residential facility of 20 beds or fewer, adult family home, or a certified residential care apartment complex.

Caretaker Supplement. Certain SSI participants with non-SSI eligible dependent children qualify for caretaker supplement payments of \$250 per month for one dependent child, and \$150 per month for each additional dependent child. Federal temporary assistance for needy families (TANF) funding transferred to DHS from the state Department of Children and Families supports these supplemental payments.

In June, 2016, 6,627 SSI recipients received a caretaker supplement, on behalf of 12,316 dependent children. An SSI recipient may receive the caretaker supplement if all of the following apply: (a) if the child has two custodial parents, each custodial parent receives state SSI benefits; (b) the custodial parent assigns to the state any right to support payments received from any other person; (c) the child would have met the eligibility requirements for aid for families with dependent children (AFDC) if that program still existed; and (d) the child does not receive federal SSI benefits.

Table 4 provides the total GPR and TANF expenditure for the state supplement, SSI-E and caretaker supplement payments from state fiscal year 2006-07 through 2015-16.

Table 4: Benefit Expenditures (\$ in Millions)

| Fiscal Year | Expenditures | | | % Change |
|-------------|--------------|--------|---------|----------|
| | GPR | TANF | Total | |
| 2006-07 | \$131.8 | \$29.0 | \$160.8 | - |
| 2007-08 | 134.1 | 28.4 | 162.5 | 1.1% |
| 2008-09 | 137.3 | 28.1 | 165.4 | 1.8 |
| 2009-10 | 139.9 | 29.2 | 169.1 | 2.2 |
| 2010-11 | 143.9 | 30.4 | 174.3 | 3.1 |
| 2011-12 | 144.2 | 31.4 | 175.6 | 0.7 |
| 2012-13 | 148.5 | 30.5 | 179.0 | 1.9 |
| 2013-14 | 150.9 | 30.5 | 181.4 | 1.3 |
| 2014-15 | 153.5 | 29.5 | 183.0 | 0.9 |
| 2015-16 | 156.2 | 27.3 | 183.5 | 0.3 |

Federal "Pass-along" Requirement. When Congress implemented the COLA for federal SSI payments in 1974, some states responded by reducing state supplement payment level by an amount equal to the federal increase. Consequently, program beneficiaries may not have seen an increase in combined state and federal SSI payments. To prevent this and ensure that the COLA directly benefited program enrollees, Congress enacted the "pass-along" requirement in 1977, requiring that any state making supplemental payments maintain either the total annual expenditure level, or the benefit amount for each category of recipients.

Wisconsin currently meets the pass-along requirement by maintaining total annual expenditures, also known as maintenance-of-effort (MOE). Total supplemental payments for all recipients in a calendar year must meet or exceed the total expenditure in the preceding calendar year. The state could decrease the per-recipient payment level of \$83.78 and still comply with the pass-along requirements as long as total expenditures remain above the MOE level due to increased caseload.

Wisconsin currently funds all SSI benefits as caseload increases out of a sum-sufficient GPR appropriation. As a result, the state's required MOE amount has grown steadily over time. Wisconsin's MOE amount for calendar year 2016 equaled approximately \$155 million GPR, based on calendar year 2015 benefit expenditures.

Benefit Calculation Examples. Appendix II provides four examples of benefit determinations for individuals living independently in 2017. The examples show the monthly benefit calculations for individuals in situations with difference levels of earned and unearned income. In these examples, the individuals do not receive SSI-E or caretaker supplement payments.

The federal SSI payment an individual receives equals the difference between the maximum benefit level and the individual's countable income (earned and unearned income, minus certain exclusions). Earned income includes wages and net earnings from self-employment; unearned income includes social security, veterans compensation, worker's compensation, pensions, annuities, gifts, maintenance-in-kind such as food and shelter, and interest. The income of an ineligible spouse or custodial parent living with a recipient counts toward that individual's eligibility status and payment amount.

SSI participants must apply for all other benefits for which they may qualify. Generally, cash benefits such as social security, veterans and worker's compensation benefits, and pensions are considered countable income. Need-based assistance funded with state revenue, however, is generally not considered countable income.

When determining countable income, \$20 of unearned income and \$65 of earned income is automatically excluded. Also, half of earned income is disregarded after all other exclusions are taken.

Work Incentives. Federal law includes a

number of work incentive provisions for SSI participants:

- Section 1619(a) of the Social Security Act allows disabled and blind recipients working at or above the SGA level to continue to receive SSI benefits as long as the disabling condition does not improve. However, the cash benefit gradually decreases as earnings increase. In December, 2014, 242 Wisconsin SSI participants, with average earnings of \$1,310, benefited from this provision.

- Section 1619(b) maintains an individual's eligibility for MA even if the individual no longer receives an SSI payment because of earned income. This provision applies to individuals who are blind or have a disabling condition, continue to meet all other eligibility requirements (except for earnings), need MA-funded services in order to work, and have insufficient earnings to purchase comparable health care benefits. In December, 2014, 1,782 Wisconsin SSI recipients, with average earnings of \$1,173, benefited from this provision.

- The "plan for achieving self-support" (PASS) allows disabled recipients and blind recipients to set aside income and resources under a written plan to achieve a vocational goal. These funds do not count against the SSI financial limits for up to 48 months. A PASS may also help establish initial financial eligibility by reducing an individual's countable income or resources to a level below the SSI limits. In December, 2014, 12 Wisconsin SSI participants had an active PASS.

- Finally, federal law allows blind or disabled participants to disregard certain work expenses when determining SSI eligibility and benefit amount. Blind individuals may also disregard certain work expenses for items that do not relate to the person's condition. In December, 2014, 102 Wisconsin SSI recipients disregarded work expenses due to a disability, and 34 recipients dis-

regarded work or other expenses due to blindness.

Administration

Local SSA offices process applications for SSI. The SSA contracts with the DHS Disability Determination Bureau to assess the disability status of SSI applicants. States may administer their own supplemental benefit payments, or contract with the SSA to administer the state supplement.

HP Enterprise Services (HPE), the MA fiscal agent contracted by DHS, administers the state supplement. HP distributes payments and re-

sponds to questions from recipients. Under an addendum to the state's MA contract with HPE, the state paid \$1,082,500 GPR in fiscal year 2015-16 for administrative information technology costs, production of benefit payments, historical file maintenance, communication with recipients, payment error recoupment, and the operation of a helpline.

County eligibility determinations for the caretaker supplement are made through the client assistance for re-employment and economic support (CARES) system administered by DHS. Individuals receive one check that includes both the monthly SSI check and the caretaker supplement. In fiscal year 2016-17, \$904,800 in federal TANF funding is budgeted for administrative costs related to the caretaker supplement.

Additional Resources

Additional state and federal information on SSI is available through the following resources:

Department of Health Services

www.dhs.wisconsin.gov/ssi

Social Security Administration

www.ssa.gov/disabilityssi/ssi.html

SSI Administration Handbook

www.emhandbooks.wi.gov/ssi-admin

SSI-E Handbook

www.emhandbooks.wi.gov/ssi-e

Caretaker Supplement Handbook

www.emhandbooks.wisconsin.gov/cts/cts.htm

APPENDIX I

Maximum Monthly SSI Benefit for an Individual Living Independently Calendar Years 1996 through 2017

| Calendar Year | Federal | | State | | Total | |
|---------------|----------|----------|---------|----------|----------|----------|
| | Amount | % Change | Amount | % Change | Amount | % Change |
| 1996 | \$470.00 | | \$83.78 | | \$553.78 | |
| 1997 | 484.00 | 3.0% | 83.78 | 0.0% | 567.78 | 2.5% |
| 1998 | 494.00 | 2.1 | 83.78 | 0.0 | 577.78 | 1.8 |
| 1999 | 500.00 | 1.2 | 83.78 | 0.0 | 583.78 | 1.0 |
| 2000 | 513.00 | 2.6 | 83.78 | 0.0 | 596.78 | 2.2 |
| 2001 | 531.00 | 3.5 | 83.78 | 0.0 | 614.78 | 3.0 |
| 2002 | 545.00 | 2.6 | 83.78 | 0.0 | 628.78 | 2.3 |
| 2003 | 552.00 | 1.3 | 83.78 | 0.0 | 635.78 | 1.1 |
| 2004 | 564.00 | 2.2 | 83.78 | 0.0 | 647.78 | 1.9 |
| 2005 | 579.00 | 2.7 | 83.78 | 0.0 | 662.78 | 2.3 |
| 2006 | 603.00 | 4.1 | 83.78 | 0.0 | 686.78 | 3.6 |
| 2007 | 623.00 | 3.3 | 83.78 | 0.0 | 706.78 | 2.9 |
| 2008 | 637.00 | 2.2 | 83.78 | 0.0 | 720.78 | 2.0 |
| 2009 | 674.00 | 5.8 | 83.78 | 0.0 | 757.78 | 5.1 |
| 2010 | 674.00 | 0.0 | 83.78 | 0.0 | 757.78 | 0.0 |
| 2011 | 674.00 | 0.0 | 83.78 | 0.0 | 757.78 | 0.0 |
| 2012 | 698.00 | 3.6 | 83.78 | 0.0 | 781.78 | 3.2 |
| 2013 | 710.00 | 1.7 | 83.78 | 0.0 | 793.78 | 1.5 |
| 2014 | 721.00 | 1.5 | 83.78 | 0.0 | 804.78 | 1.4 |
| 2015 | 733.00 | 1.7 | 83.78 | 0.0 | 816.78 | 1.5 |
| 2016 | 733.00 | 0.0 | 83.78 | 0.0 | 816.78 | 0.0 |
| 2017 | 735.00 | 0.3 | 83.78 | 0.0 | 818.78 | 0.2 |

APPENDIX II

Examples of SSI Benefit Calculations Based on 2017 Maximum Payment Amounts

Individual A: No income
 Individual B: \$400 earned income per month
 Individual C: \$400 Social Security benefit per month
 Individual D: \$400 Social Security benefit and \$400 earned income per month

| | <u>Individual A</u> | <u>Individual B</u> | <u>Individual C</u> | <u>Individual D</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| Income | | | | |
| <u>Earned Income</u> | | | | |
| Wages (Including all other Exclusions) | \$0.00 | \$400.00 | \$0.00 | \$400.00 |
| \$65 Earned Income Exclusion | <u>0.00</u> | <u>-65.00</u> | <u>0.00</u> | <u>-65.00</u> |
| Earned Income Subtotal | \$0.00 | \$335.00 | \$0.00 | \$335.00 |
| Countable Earned Income (Half of Subtotal) | \$0.00 | \$167.50 | \$0.00 | \$167.50 |
| <u>Unearned Income</u> | | | | |
| Social Security Benefits Received | \$0.00 | \$0.00 | \$400.00 | \$400.00 |
| \$20 Unearned Income Exclusion | <u>0.00</u> | <u>0.00</u> | <u>-20.00</u> | <u>-20.00</u> |
| Countable Unearned Income | \$0.00 | \$0.00 | \$380.00 | \$380.00 |
| Total Countable Income | \$0.00 | \$167.50 | \$380.00 | \$547.50 |
| Monthly SSI Benefit | | | | |
| Maximum Federal SSI Payment | \$735.00 | \$735.00 | \$735.00 | \$735.00 |
| Total Countable Income | <u>0.00</u> | <u>167.50</u> | <u>380.00</u> | <u>547.50</u> |
| Monthly Federal Payment <i>(Difference between maximum federal payment and countable income)</i> | \$735.00 | \$567.50 | \$355.00 | \$187.50 |
| Monthly State Basic Supplement | \$83.78 | \$83.78 | \$83.78 | \$83.78 |
| Total Monthly Federal and State SSI Payment | \$818.78 | \$651.28 | \$438.78 | \$271.28 |