

Reforming SSI Benefits: A Call to Modernize Income and Asset Limits

By Rafia Munir

Supplemental Security Income (SSI) was established in 1974 to provide financial assistance to people with disabilities, the elderly, and others with limited income and resources. More than 7 million Americans depend on SSI for basic necessities, but the program's outdated income and asset limitations leave many teetering on the edge of poverty. It's time for a reform that reflects today's economic realities and provides recipients with a fair chance to live with dignity.

SSI's income and asset rules are out of date. Currently, the federal income limit for SSI recipients is just \$943 for an individual and \$1,415 for a couple — levels set decades ago. The asset limit is an astonishingly low \$2,000 for individuals and \$3,000 for couples, amounts that haven't been meaningfully adjusted since 1989.

These limits are woefully inadequate in 2024. A small savings account, a modest car, or even basic household items can disqualify someone from benefits. This leaves beneficiaries forced to spend down what little they have just to qualify for help, preventing them from ever building financial security.

Under current SSI rules, individuals with disability and special needs might get discouraged from both working or saving money. If they earn more than \$85 a month, their benefits go down by 50 cents for every extra dollar they make. If they earn too much, they could lose their benefits completely.

This puts them in a tough spot: work more and risk losing the help they need, or stay in poverty to keep their benefits. The program also punishes savings. A \$2,000 asset limit leaves recipients with no safety net for emergencies like car repairs or medical bills.

Most financial advisors suggest that even low-income families should have at least three months of living expenses saved, but SSI recipients who follow that advice risk losing their benefits. There is growing support for reforming these outdated rules. Advocacy groups, lawmakers, and citizens recognize that modernizing SSI's income and asset limitations is long overdue.

The SSI Savings Penalty Elimination Act (H.R. 5408/S.2767) currently under consideration, aims to address these issues by raising the income limit to 100% of the federal poverty level. It also proposes increasing the asset limit to \$10,000 for individuals and \$20,000 for couples, while indexing these amounts to inflation. This would allow beneficiaries to save for future needs without jeopardizing their benefits.

Reforming SSI is not just about fixing an outdated system; it's about ensuring basic human dignity for millions of Americans. SSI beneficiaries are some of the most vulnerable members of society, and the program should be a lifeline, not a trap. By raising income and asset limits, we

can provide recipients with the opportunity to improve their financial standing and achieve some level of independence.

Allowing people to work without losing benefits is particularly important. Many recipients want to work, but fear losing their SSI makes it a risky choice. Easing these limitations would encourage workforce participation and reduce long-term dependency on public assistance programs, benefiting the economy as a whole. SSI reform has broader implications for creating a more inclusive and equitable society.

People with disabilities and the elderly deserve the same opportunities for financial security as everyone else. Raising the asset limit and indexing it to inflation will enable beneficiaries to prepare for emergencies, invest in their futures, and participate more fully in society. By updating these limits, we can also help alleviate poverty among SSI recipients, most of whom currently live below the poverty line.

The current system forces recipients to live in financial limbo, unable to save or work their way out of poverty. Reforming these rules would offer a pathway toward greater economic stability. The SSI program has been a crucial safety net for millions of Americans since its inception, but it's long overdue for reform. The income and asset limitations that once protected people from poverty are now preventing them from escaping it.

Lawmakers must act to modernize these rules, allowing SSI recipients to work, save, and live with dignity. Reforming SSI is not just a matter of policy; it's a matter of justice. It's time to give those who rely on SSI the chance to build a better, more secure future. The clock is ticking, and too many lives are hanging in the balance.