

# Notes and Brief Reports

## Supplemental Security Income: The Aged Eligible\*

About 5.1 million aged, blind, and disabled persons will be eligible January 1, 1974, for a Federal supplemental security income (SSI) payment under the 1972 amendments to the Social Security Act.<sup>1</sup> Of the total, 3.8 million will be aged 65 or older. These data are from estimates developed by the Social Security Administration, which will administer the all-Federal SSI program.

### SSI PROVISIONS

The supplemental security income program—financed by general revenues—replaces the Federal grants to State-administered assistance programs for the aged (old-age assistance—OAA), the blind (aid to the blind—AB), and the disabled (aid to the permanently and totally disabled—APTD).<sup>2</sup> The State-administered program currently serves about 3.2 million persons, of whom 1.9 million are aged. The additional persons eligible for SSI payments are persons who, for various reasons, are not participating in or are ineligible for the current programs because of lien law restrictions, relative responsibility clauses, or resource limitations and payment levels lower than SSI's. Nearly all SSI eligibles not receiving payments from the current OAA program are social security beneficiaries eligible for relatively small monthly supplements to low social security benefits.

In addition, the 1972 amendments encourage but do not obligate a State to provide supplementary payments to SSI if its present payments are higher than the new SSI standards. If a

State so chooses and agrees to follow the basic Federal eligibility rules, the Social Security Administration will administer its supplementary payments program and assume all administrative costs. If a State wants a program with different eligibility requirements or with payments and services not included in SSI, the State must pay for its administration (as well as for the payments and services).

### DATA SOURCE AND ESTIMATION METHOD

This note describes only the aged persons in the United States who will be eligible for SSI in January 1974. (Though the SSI program provides payments to low-income blind and disabled persons, the data base and estimating methods for them do not yield data in sufficient detail to be included here.) The estimates in this note refer to persons eligible for a regular monthly payment.<sup>3</sup> Because some persons will choose not to participate, the estimates for both eligible persons and the payments they are likely to receive have been reduced by 10 percent for workload and operating purposes. However, because one can only guess how large a proportion will not participate, the data described in this note refer to all eligible persons.

Social Security Administration estimates are derived from the Census Bureau's current population survey (CPS) of March 1971, which includes income and demographic characteristics of the noninstitutional population of the United States for calendar year 1970. The data have been adjusted to represent calendar year 1973 on the basis of expected changes in the various income sources and population groups reflected in the CPS. Though the data here relate to calendar year 1973, they should be reasonably applicable to calendar year 1974 (the first full year of SSI operation) as well.

\* Prepared by Thomas G. Staples, Office of the Assistant Commissioner, Office of Research and Statistics.

<sup>1</sup> An additional 1.0 million persons may be eligible for a State payment only if States choose to supplement.

<sup>2</sup> For a description of the characteristics of OAA, AB, and APTD recipients, see the findings of the 1970 studies conducted by the National Center for Social Statistics, Social and Rehabilitation Service, Department of Health, Education, and Welfare (NCSS reports OAA 1(70); AB 1(70); and APTD 1(70)).

### SSI PROGRAM FOR THE AGED

In brief, the main eligibility requirements of the SSI program for the aged center on age, residence, and income.

<sup>3</sup> In addition, certain adults in institutions are eligible for up to \$25 per month.

*Age.*—A person must be aged 65 or over to qualify. A married couple receives a larger payment if both husband and wife are aged 65 or over. If either the husband or the wife is under age 65, the couple is treated as a single person: the income and resources of the spouse under age 65 are included with those of the spouse aged 65 or over. There are no additional payments for dependents.

*Residence.*—The single aged person without other income who maintains his own household and meets the resource limitations noted below will be eligible for a monthly payment of \$130. An aged married couple in similar circumstances will be eligible for \$195. For aged persons and couples living in another's household, the monthly payment standard is reduced by one-third—in this case a single person will receive \$86.70 a month and a married couple, \$130.

*Income.*—Certain types of earned and unearned income are disregarded.<sup>4</sup> Once these exclusions are taken into account, the remaining income—"countable income"—will offset the SSI payment standard in computing the amount of the payment. The major income exclusions are: \$20 of any income (earned or unearned), \$65 of earnings, and half of all earnings above \$65. Apart from owning his home, automobile, household possessions of a reasonable value, and limited life insurance, a person cannot receive payment if his other resources exceed \$1,500. For a married couple the limit is \$2,250.<sup>5</sup>

### THREE PAYMENT GROUPS

Aged persons eligible for SSI have been separated here into three mutually exclusive groups, classified according to whether the recipient is eligible for a Federal payment but not a State, for a State payment but not a Federal, or for both. To make the comparison easier, it is assumed that all States with current payment levels above the SSI standard will provide a payment in the amount of the difference between the SSI standard and its current standard. For estimating purposes, the State standards are for persons

<sup>4</sup> "Earned income" includes wages from employment and net earnings from self-employment: all other income is "unearned."

<sup>5</sup> Where resource limitations under SSI are lower than OAA, the current higher limitation will prevail.

living alone in rented quarters as of June 1972 plus the estimated cash value of food stamps.

*Federal payment only.*—Aged persons eligible only for a Federal payment reside in States where the standard of need under the Federal-State program is lower than the standard under SSI. Thus, because the State they reside in will not be supplementing SSI, they will receive an SSI payment only.

*State payment only.*—Persons eligible only for a State payment reside in States where the current standard is above the SSI standard and have countable income that exceeds the SSI standard. For example, a single person residing in a State where the current standard is \$180 and having a social security benefit of \$160 would be eligible for a State payment of \$40 but not a Federal payment (\$160 social security minus the \$20 exclusion yields a countable income of \$140).

*Federal and State payments.*—Persons eligible for both a Federal and a State payment reside in States where the current standard exceeds the SSI standard and have countable income under the SSI standard. For example, a single person living alone in a State with a current standard of \$180 and having a \$100 social security benefit would receive an SSI payment of \$50 and a State payment of \$50. (An SSI standard of \$130 minus the countable income yields a \$50 SSI payment; a \$180 State standard minus the \$130 SSI standard yields a \$50 State payment.)

### CHARACTERISTICS OF AGED PERSONS ELIGIBLE FOR SSI

Information presented so far points up SSI eligibility requirements. Social security income, living arrangements, and general economic circumstances are also important in describing the SSI population.

#### Social Security Status

Of the 3.8 million aged persons who are estimated to be eligible for an SSI payment, 2.7 million, or about 71 percent, are now social security beneficiaries (table 1). This group includes persons eligible for a Federal payment only and persons eligible for both a Federal

TABLE 1.—Estimated number of aged persons eligible for a Federal SSI payment, or State payment, or both, by marital status, living arrangements, and social security status, January 1974

(In thousands)

Type of eligible person	Persons eligible for—						Federal or State payment, or both
	Federal SSI payment			State payment			
	Total	Federal only	Federal and State	Total	State only	Federal and State	
Total, including married couples living in another's household.....	3,833	1,585	2,248	3,302	1,054	2,248	4,887
Total eligible <sup>1</sup> .....	3,799	1,574	2,225	3,277	1,053	2,225	4,852
With social security.....	2,709	1,140	1,569	2,575	1,006	1,569	3,715
Without social security.....	1,091	434	657	704	47	657	1,138
Single persons in own household.....	1,931	761	1,170	1,625	455	1,170	2,386
With social security.....	1,450	561	889	1,320	431	889	1,881
Without social security.....	482	200	282	306	24	282	506
Single persons in another's household.....	767	284	483	635	152	483	919
With social security.....	401	148	253	401	148	253	549
Without social security.....	366	136	230	234	4	230	370
Married couples, husband or wife eligible.....	225	157	68	113	45	68	270
With social security.....	153	111	42	80	38	42	191
Without social security.....	72	46	26	33	7	26	79
Married couples, both husband and wife eligible.....	876	372	504	904	401	504	1,277
With social security.....	705	320	385	774	389	385	1,094
Without social security.....	171	52	119	131	12	119	183

<sup>1</sup> Excludes married couples living in another's household.

and a State payment. Of the 1 million aged persons eligible for a State payment only, however, 96 percent are social security beneficiaries. This finding is not unexpected because persons eligible for only the State payment have countable income (nearly always social security) above the SSI standard.

Depending on marital status and living arrangements, the social security-SSI overlap varies significantly. Social security beneficiaries, for example, represent 75 percent of the single persons maintaining their own household, compared with 52 percent for those living in another's household. Similarly, 80 percent of the married couples in which both husband and wife are eligible for SSI are social security beneficiaries, compared with 68 percent of the married couples with only the husband or the wife eligible for SSI.

### Living Arrangements

The data on living arrangements show that about 50 percent of the persons eligible for a Federal SSI payment are single and live in their own household and about 20 percent are single and live in another's household. Almost all of the remaining 30 percent are married and live as couples in their own households; less than 1 percent of the total are married couples who live in another's household.

Persons eligible for a State payment only include relatively fewer single persons (and, conversely, more married couples) and a higher incidence of married couples in which both husband and wife are eligible. The latter group accounts for about 23-24 percent of the persons eligible for an SSI payment and 38 percent of persons eligible for a State payment only. This, too, is not unexpected because the persons eligible for a State payment only must have countable income before receiving the SSI payment in excess of \$130 per month for a single person or \$195 per month for a married couple—a condition that married couples with their typically higher incomes are more likely to meet.

Viewed another way, regardless of living arrangement, about one-third of all eligible aged persons are eligible for a Federal payment only, about one-fifth for a State payment only, and nearly one-half for both a Federal and a State payment.

### Economic Circumstances

Even though most persons eligible for SSI are social security beneficiaries, nonbeneficiaries will depend more heavily on SSI for their basic income protection. Social security beneficiaries who receive an SSI Federal payment are estimated to represent 71 percent of eligible persons and would be getting only 49 percent of the SSI

TABLE 2.—Estimated amount of Federal and State outlays for aged persons eligible for Federal SSI payment, or State payment, or both, by marital status, living arrangements, and social security status, January 1974  
(In millions)

Type of eligible person	Amount of Federal and State outlays						Federal or State payment, or both
	Federal SSI payment			State payment			
	Total	Federal only	Federal and State	Total	State only	Federal and State	
Total, including married couples living in another's household.....	\$2,467	\$1,054	\$1,413	\$1,013	\$280	\$733	\$3,480
Total eligible <sup>1</sup> .....	2,457	1,050	1,407	1,006	280	726	3,463
With social security.....	1,204	523	681	771	260	510	1,975
Without social security.....	1,252	526	727	235	19	217	1,487
Single persons in own household.....	1,401	594	806	594	135	459	1,995
With social security.....	743	303	440	468	122	345	1,211
Without social security.....	658	291	367	126	12	114	784
Single persons in another's household.....	488	176	312	161	35	126	649
With social security.....	128	43	85	98	34	64	226
Without social security.....	359	133	227	63	1	62	422
Married couples, husband or wife eligible.....	160	115	45	33	13	20	193
With social security.....	80	61	19	21	10	11	101
Without social security.....	80	54	26	12	3	9	92
Married couples, both husband and wife eligible.....	408	165	244	218	97	121	626
With social security.....	253	116	137	184	94	90	437
Without social security.....	155	48	107	34	3	32	189

<sup>1</sup> Excludes married couples living in another's household.

outlays. Conversely, nonbeneficiaries, representing 29 percent of eligible persons, receive 51 percent of the outlays. Individually, these aggregate comparisons are reflected in the mean monthly payment amounts. For example, single beneficiaries living alone are eligible for a monthly SSI Federal payment of \$43, compared with \$114 for nonbeneficiaries. When both husband and wife of a married couple are beneficiaries and both are eligible for SSI, they are eligible for a monthly payment of \$60, compared with \$151 for similar nonbeneficiaries. The point here is not that aged social security beneficiaries eligible for SSI are in good economic circumstances, but rather that the aged poor who do not have a social security benefit have little other

income. (The estimated mean annual income per married couple without social security, for example, is only \$527 before their SSI payment.)

Table 2 indicates the estimated amount of Federal and State funds required to meet SSI or State payments or both in 1974. The combined total for all three payments is estimated to be \$3.5 billion.

Mean monthly payments vary widely, depending on living arrangements, marital status, and type of payment (table 3). These data should be viewed with caution, however, because the mean payment is dependent on the payment standard and the countable income of eligible persons.

Table 4 provides the payment standard and the countable income before the SSI payment is

TABLE 3.—Estimated mean monthly payment for aged persons eligible for Federal SSI payment, or State payment, or both, by marital status, living arrangements, and social security status, January 1974

Type of eligible person	Mean monthly payment per unit						Federal or State payment, or both
	Federal SSI payment			State payment			
	Total	Federal only	Federal and State	Total	State only	Federal and State	
Single persons in own household.....	\$60.60	\$65.00	\$57.40	\$30.50	\$24.70	\$32.70	\$69.70
With social security.....	42.70	45.00	41.20	29.50	23.60	32.30	53.70
Without social security.....	113.80	121.30	108.50	34.30	( <sup>1</sup> )	33.70	129.10
Single persons in another's household.....	63.00	51.60	63.80	21.10	19.20	21.70	68.90
With social security.....	26.60	24.20	28.00	20.40	19.10	21.10	34.30
Without social security.....	81.70	81.50	82.20	22.40	( <sup>1</sup> )	22.50	95.00
Married couples, husband or wife eligible <sup>2</sup> .....	59.30	61.00	55.10	28.50	( <sup>1</sup> )	24.50	59.60
With social security.....	43.60	45.80	( <sup>1</sup> )	21.90	( <sup>1</sup> )	( <sup>1</sup> )	44.10
Without social security.....	92.60	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	97.00
Married couples, both husband and wife eligible <sup>2</sup> .....	77.60	73.90	80.70	40.20	40.30	40.00	81.70
With social security.....	59.80	60.40	59.30	39.60	40.30	39.00	66.60
Without social security.....	151.10	153.80	149.90	43.30	( <sup>1</sup> )	44.80	172.10

<sup>1</sup> Base less than 60,000.

<sup>2</sup> Excludes married couples living in another's household.

TABLE 4.—Estimated mean monthly income (before receipt of SSI payment) of aged persons eligible for Federal SSI payment, by marital status, living arrangements, and social security status, January 1974<sup>1</sup>

Type of eligible person	SSI monthly standard	Units eligible for—					
		Federal SSI payment		Federal SSI payment only		Federal SSI and State payment	
		Monthly income before SSI	Monthly income as a percent of SSI standard	Monthly income before SSI	Monthly income as a percent of SSI standard	Monthly income before SSI	Monthly income as a percent of SSI standard
Single persons in own household.....	\$130.00	\$69.50	53	\$65.00	50	\$72.60	56
With social security.....	130.00	87.30	67	85.00	65	88.80	68
Without social security.....	130.00	16.20	12	8.70	7	21.50	17
Single persons in another's household.....	88.70	33.70	39	35.10	40	32.90	38
With social security.....	88.70	60.10	69	62.50	72	58.70	68
Without social security.....	88.70	5.00	6	5.20	6	4.50	5
Married couples, husband or wife eligible.....	130.00	70.70	54	69.00	53	74.90	58
With social security.....	130.00	86.40	66	84.20	65	(?)	—
Without social security.....	130.00	37.40	29	(?)	(?)	(?)	—
Married couples, both husband and wife eligible.....	195.00	117.40	60	121.10	62	114.30	59
With social security.....	195.00	135.20	69	134.60	69	135.70	70
Without social security.....	195.00	43.90	23	41.20	21	45.10	23

<sup>1</sup> Monthly income before SSI payment is "countable income," that is, income after the income exclusions of (1) \$20 of any income, (2) \$65 of earnings, and (3) half of all earnings above \$65.

<sup>2</sup> Base less than 50,000.

computed. The countable income as a proportion of the standard is a rough measure of adequacy before SSI (assuming the standards represent a reasonable equivalence in levels of living). In this context the average married couple has countable income of nearly three-fifths the SSI standard before assistance, but the average single person has income of less than half the SSI standard. This finding, of course, is consistent with other data on the income of the aged. Not only do the single persons include a larger proportion of widows who have little income other than public assistance or social security, but also the married couples are typically younger and better able to live independently, and, by and large, are in better economic circumstances.

### SUMMARY

The Social Security Administration estimates that 5.1 million noninstitutionalized aged, blind,

and disabled persons will be eligible for a Federal payment under the new supplemental security income program next January. About three-fourths of the eligible persons are aged. About 71 percent of the aged SSI recipients will be receiving social security benefits—but this figure varies according to marital status and living arrangements (from 52 percent for single persons living in another's household to 75 percent for single persons living in their own households). Of the total number of aged persons who will receive an SSI payment, an estimated 50 percent are single persons in their own household; 20 percent, single persons living in another's household; and 30 percent, married couples. The estimated mean monthly SSI Federal payment for single social security beneficiaries in their own household is \$43, compared with \$114 for single nonbeneficiaries. The estimated payment for couples is \$60 for beneficiaries and \$151 for nonbeneficiaries.