

Social Security and SSI

A basic comparison

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Basic comparisons -- similarities

□ Social Security

- Aged, blind or disabled
- Run by SSA
- Monthly check
- Comes with health insurance -- Medicare

□ SSI

- Aged (65), blind or disabled
- SSA
- Monthly check
- Comes with health insurance -- Medicaid

Basic comparisons -- differences

□ Social Security

- Insurance based – no means tests
- Benefits depend on contributions
- Benefits also for dependents

□ SSI

- Means tested – income and resource tests
- Benefit depends on income
- Benefits only for eligibles

Sources of law

□ Social Security

- Law Title II -- 42 USC sec 401 et seq.
- Regulations – 20 CFR sec 401 et seq.
- Rules – POMS*

□ SSI

- Law Title XVI – 42 USC sec 1381 et seq.
- Regulations – 20 CFR sec 416 et seq
- Rules – POMS*

POMS online at

<https://secure.ssa.gov/apps10/poms.nsf/partlist!OpenView>

Age

□ Social Security

- Used to be full retirement at 65
- Early retirement at 62
- Now varies depending on dob – 65 for those born 1937 and earlier; 67 for 1960 and later

□ SSI

- 65

Disability/blindness

- Same test for both:
 - Disability = unable to do substantial gainful activity that exists in significant numbers in the national economy
 - Caused by an physical or mental impairment that will last at least a year or result in death

Citizenship tests

Social Security

- Must be lawfully present

SSI

- Must be a “qualified” alien
 - Significantly more difficult and complicated

Insurance coverage

- ❑ Fully insured – 40 quarters (10 years) of work
- ❑ Disability also requires current insurance – basically 5 out of last 10 years
- ❑ Special rules for those 21 – 31.
- ❑ In 2008 a quarter of work requires \$1,050 in earnings

Social Security replaces wages for dependents

- Spouses
- Widows and widowers
- Children, including Disabled Adult Children
- Parents
- Survivors
- Grandparents

SSI means test

- Countable income must be under payment amount \$637 for an individual, \$955 for a couple.
- Resources must be under \$2000 for an individual, \$3000 for a couple.
 - Residence and a car generally don't count
 - Some other opportunities for planning – SNT, burial reserves, etc.

Working

- ❑ Working may effect eligibility for all kinds of disability, especially in excess of SGA (\$940 in 2008)
- ❑ Working will reduce SSI benefits based on formula (deduct \$65 + 50%)
- ❑ Working will reduce retirement benefits if under 70

Miscellany

- ❑ SSI also comes with a State Supplement in PA (\$27.40 for an individual, \$43.70 for a couple)
- ❑ Maximum SS is \$2116 in 2007
- ❑ Overpayments may reduce benefits in both programs.

Tips

- Always get an Appointment of Representative (form 1696) signed if you are trying to help
- Infirm claimants can have a “representative payee.”
- Appeal if there is any doubt – you only have 60 days to appeal