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
- 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
☐ Granparents
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

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2008
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.