

The Difference Between SOCIAL SECURITY and SSI



Workshop Led By:
Michael C. Parks, Senior Citizens Law Office

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Introduction

- **Social Security** and “**SSI**” are both programs providing cash benefits.
- Both are administered by the federal Social Security Administration.
- Eligibility and benefit amounts are determined differently under the two programs.
- Eligibility for SSI is “means tested;” eligibility for Social Security is not.

Eligibility Groups

- **Social Security can cover:**
 - Individuals age 62 and older, or “disabled.”*
 - The dependents, survivors, children, and even parents of such individuals.
 - **SSI can cover:**
 - Individuals age 65 and older.
 - Individuals under age 65 who are “disabled.”*
 - Individuals can be eligible for *both* Social Security and SSI.
- * Social Security and SSI use the same, special definition of “disabled.”

Financial Eligibility

- **Under Social Security**, individuals must have had a specified amount of lifetime *earnings* in Social Security-covered work (including self-employment).
 - That amount is calculated in terms of numbers of “credits” (formerly, “quarters”).
 - Individuals can earn up to four credits a year.
 - Dependents (spouses, children, parents) and survivors rely on the worker’s satisfaction of the credits requirements.
- **Under SSI**, individuals must show that their *current* “**countable**” income and resources are under SSI’s low financial eligibility levels.
 - “**Countable**” means that certain types and/or amounts of income and resources are not counted in determining eligibility.

Determining Benefit Amounts

- **Under Social Security**, monthly benefit amounts are calculated based on the “worker’s” earnings history in Social Security covered work.
 - Dependents and survivors benefits are based on specified percentages of the worker’s benefit amounts.
- **Under SSI**, monthly benefit amounts are calculated by deducting the individual’s countable income from the SSI eligibility level.
 - In 2017, the monthly income eligibility level is \$735 for an individual, and \$1,103 for a married couple.
 - *Example:* Mr. X has countable income of \$600 per month; his monthly SSI benefit would be \$135 [$\735 minus $\$600$].

Some Grounds For Benefit Reductions

- **Under Social Security**, some of the most common grounds for benefit reductions are:
 - Taking benefits prior to attaining “full retirement age” [FRA].
 - Having earned income above specified amounts prior to FRA.
 - Receiving pensions from government employment
- **Under SSI**, apart from *actual* income, assistance with shelter and/or food costs can be treated as income.
 - Such ‘phantom’ income is called “in-kind support and maintenance.”
- Collections on **Overpayments** can affect both benefits

Overpayments

- Overpayments are a major problem for beneficiaries under both programs.
 - Collected by reductions in monthly payments (in some cases up to 100%!).
- They occur when a beneficiary receives any amount of benefits contrary to applicable rules.
 - E.G., excess resources, unreported work income.
- Best Defense: know the rules and comply with them.
- Can appeal the merits, by a “**Request for Reconsideration.**”
- If overpayment admitted or confirmed, can request a “**Waiver**” of collection (or reduced monthly amount).
 - Must show you were *not at fault*, and, under Social Security, more.

Linkage to Health Coverage

- With Social Security, individuals eligible for Social Security are customarily eligible for premium-free Medicare Part A.
- With SSI, in New Mexico individuals who are found eligible for any amount of SSI are automatically eligible for full Medicaid.
 - As a result of the Medicaid coverage, the state Medicaid program will pay for the individual's *Medicare* Part B premiums.
 - Also their Medicaid and SSI coverage entitles them to “Extra Help” subsidies for their *Medicare drug* coverage cost sharing.