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Gateway Policy Explorer: Retirement Series

United States

Public Old-Age Social Assistance Plan Details 1992-2022

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Preface

This document is intended for researchers who want to understand the evolution of policy or the policy in place at a particular point in time. This document is not intended for financial advice or to aid in decision-making. The authors have made significant effort to identify and collect historical information pertaining to these policies, to accurately represent these policies, and to communicate how policies may interact to determine legal requirements, eligibility for benefits, and/or benefits levels. The policies presented in this document focus on rules applicable to most individuals aged 50 and older from 1992. Many systems include special policies or alternative eligibility rules for specific groups. We encourage all users to complete their own review of literature in this area depending on the research questions they have in mind.

If you have feedback or questions or identify an error, please contact policy@g2aging.org.

Background — Gateway Policy Explorer: Retirement Series

The *Gateway Policy Explorer* (<http://g2aging.org/policy-explorer>) is part of the Gateway to Global Aging Data (<http://g2aging.org>) project. The *Retirement Series* captures historical policy that affects the birth cohorts of respondents in the surveys covered by the Gateway. It was motivated by the rapid evolution of policies affecting older people across the world. As the Health and Retirement Study (HRS) began in 1992 and many of the international network of studies (HRS-INS) cover more than a decade, understanding the policies in place at the time of the survey has become more demanding for researchers.

Why are we tracking past policy? Individuals make choices based on current policies and the outcomes we see today may reflect responses to past policies. When interpreting the survey responses of individuals, an understanding of the policy environment under which those individuals operate is critical. The collection of contextual information in the *Gateway Policy Explorer* aims to support researchers who want to understand or use policy changes in their research and provide context for longitudinal or cross-country differences. Over the period 2023–2026 the *Gateway Policy Explorer* will be expanded to include information on retirement, long-term care, education, and other policies affecting the life cycle.

The key dimensions to the *Gateway Policy Explorer: Retirement Series* are country and time. We prioritize data collection for each country based on its first interview wave and are continuing to expand our data collection back in time to 1992, the earliest survey date in the HRS-INS.

A separate document, like this one, is developed for each country and each broad category of policies covered in the *Gateway Policy Explorer: Retirement Series*.

Author and Contributor Disclaimers

† The opinions expressed here are those of authors and do not necessarily reflect the views of the OECD or of its member countries.

United States

Old-Age Social Assistance
Plan details 1992-2022 * †

Social assistance for persons age 65 and older or who have a work limitation are provided through the Supplementary Security Income (SSI) program. This program is administered by the United States Social Security Administration. SSI provides eligible persons with limited income and assets with cash benefits to support basic needs such as food, clothing and housing. The design of the SSI program has been stable since 1992 although limits on assets have not been adjusted during this period making eligibility more restrictive with inflation.

Key Dates
First law: 1972
Major changes since 1992: None

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* If you have questions or suggestions, please contact policy@g2aging.org.
 † Detailed information and definitions are provided in tables, formulas and a glossary at the end of this document. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: “Alt” + “←”; In Adobe Acrobat on a MAC: “command” + “←”; In Preview on a MAC: “command” + “[”.

Chapter 1: Policy enacted 1992-2022

Overview

Supplemental Security Income (SSI) is a cash assistance program funded by the US federal government and administered by the Social Security Administration. SSI provides a minimum level of income to people who are aged, blind, or disabled and who have limited income and resources. The purpose for these cash benefits are to support basic needs such as food, clothing and housing. Individual states may provide additional benefits for SSI recipients.

SSI was established in 1972 but first paid benefits starting in 1974. This document is focused on eligibility and benefit rules of SSI benefits paid by the US federal government to persons in old-age.

There have been no significant policy reforms to SSI since 1992.

Eligibility

Age requirements to start benefits without penalty

- **Full eligibility age (FEA)**

Age 65 (no age requirement if the person is blind or disabled)

Requirements to be eligible to receive benefit

- **Does eligibility depend on the individual's current income (i.e., income tested)?** Answer: Yes
- **Does eligibility depend on the individual's current assets (i.e., asset tested)?** Answer: Yes
- **Details by benefit program:**

An applicant for SSI benefits must satisfy the two following requirements:

1. Work limitation or age requirements

Individual must satisfy one of the following conditions —

- (a) Age 65 or older
- (b) Blind: A person whose vision, with use of a correcting lens, is 20/200 or less in the better eye or who has tunnel vision of 20 degrees or less
- (c) Disabled: A person who satisfies one of the following conditions —
 - i. Age 18 or older and meets the definition of disability for adults under Social Security law
 - ii. Under age 18 and meets the definition of disability for children under Social Security law

2. Limited means requirement

An individual and, if married, their spouse's monthly income and assets satisfy the following conditions —

- (a) Countable income is less than the maximum monthly SSI benefit:

841 for an individual and

1,261 for a couple in 2022; the maximum is reduced by one-third if an individual lives in another person's household (e.g., with a independent child; in a group setting) —See Table 1 for maximum monthly SSI benefits by year

Details on the determination of countable income are included in the *Benefits* section.

- (b) Assets below the resource threshold for SSI benefits:

2,000 for an individual and

3,000 for a couple for years 1992 to 2022

Assets include liquid assets (e.g., cash, bank accounts) and illiquid assets (e.g., property, investments). Some assets are excluded, such as an individual's primary residence, one automobile, business property, household goods and personal effects regardless of value.

Notes: See §2112 of the Social Security Handbook ([SSA, 2022](#)) for additional detail related to work limitation or age requirements. Additional information pertaining to the determination of resources is available in §2148-2166. This includes additional forms of excludable assets noted in §2156 and some assets are not considered resources for the purposes of applying the resource limit as noted in §2151.

Benefits

- To receive a benefit, **does an individual have to claim it?** Answer: Yes
- To continue to receive a benefit, **does an individual have to remain qualified?** Answer: Yes

Factors effecting computation of benefit entitlement

- Does the benefit amount depend on the individual's birth year (regardless of age)? Answer: Yes
- Is the benefit adjusted if an individual delays claiming it? Answer: No
- Are future benefit entitlements adjusted for **cost of living**? Answer: Yes
- If so, what measure is used for adjustment? The maximum benefit is subject to annual cost-of-living adjustments (COLA). The COLA adjustment is effective in January based on the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). See [Table 2](#) for historical values.

Benefit formula

SSI benefits for persons with no income are equal to the maximum monthly SSI benefit —\$841 for an individual and \$1,261 for a couple in 2022 —see [Table 1](#) for maximum monthly SSI. The maximum is reduced by one-third if an individual lives in another person's household (e.g., with a independent child; in a group setting). It is also reduced for any countable income. Countable income is defined as any income, cash or in-kind, that is used or could be used to meet the potential beneficiary's need for food and housing. Exceptions include:

- Medical care and services
- Social services
- Income tax refunds
- Income from a loan
- Other minor items as described in §2130 of the Social Security Handbook ([SSA, 2022](#))

Countable income is the sum of countable earned and countable unearned income, less a \$20 per month exclusion. Countable earned income for persons qualifying for benefits based on age includes "earned income," defined as earnings from work and net earnings from self-employment, less one-half earned income and less a \$65 per month exclusion.¹ Countable unearned income includes most other types of income such as pension and annuity income, income from other Social Security benefits (e.g., old-age benefits from [OASDI](#)), dividends and interest, and in-kind support [²]. See [Formula 1](#) for computational details [³].

Notes

- ¹ Additional minor exceptions to countable income are noted in §2135 of the Social Security Handbook ([SSA, 2022](#))
- ² Additional forms of unearned income are noted in §2136 of the Social Security Handbook ([SSA, 2022](#)) and minor exceptions to unearned income are noted in §2137
- ³ Countable earned income for persons qualifying for SSI benefits based on blindness or disability may be further adjusted —see §2134 -2135 of the Social Security Handbook ([SSA, 2022](#))

Tables and Formulas

Table 1: Maximum Federal Benefit Rates by Year

Year	Individual	Couple
1992	\$422	\$633
1993	434	652
1994	446	669
1995	458	687
1996	470	705
1997	484	726
1998	494	741
1999	500	751
2000	513	769
2001	531	796
2002	545	817
2003	552	829
2004	564	846
2005	579	869
2006	603	904
2007	623	934
2008	637	956
2009	674	1,011
2010	674	1,011
2011	674	1,011
2012	698	1,048
2013	710	1,066
2014	721	1,082
2015	733	1,100
2016	733	1,100
2017	735	1,103
2018	750	1,125
2019	771	1,157
2020	783	1,175
2021	794	1,191
2022	841	1,261

Source: SSI Federal Payment Amounts ([SSA, 2022](#))

Formula 1: Supplementary Security Income Benefit from the Federal Government

$$B_{SA,i,t} = \begin{cases} B_t^{\text{MAX}} & \text{if Countable Income}_{i,t} < 0 \\ B_t^{\text{MAX}} - \text{Countable Income}_{i,t} & \text{if } 0 < \text{Countable Income}_{i,t} < B_t^{\text{MAX}} \\ 0 & \text{if } B_t^{\text{MAX}} \leq \text{Countable Income}_{i,t} \end{cases}$$

- $B_{SA,i,t}$ = Individual i 's monthly old-age social assistance benefits from the SSI program in year t —If individual i 's spouse is also eligible for SSI benefits, then the amount corresponds to the collective benefit of the couple
- B_t^{MAX} = The maximum federal government SSI benefit rate in period t —See Table 1
- Countable Income $_{i,t}$ = Individual i 's countable income at time t , defined as:

$$\text{Countable Income}_{i,t} = \min \left\{ \left(\frac{1}{2} \times \text{EARN}_{i,t} \right) - 65, 0 \right\} + \text{UNEARN}_{i,t} - 20$$

- EARN $_{i,t}$ = Individual i 's earned income at time t , including income from work and net self-employment income —Subject to some minor exceptions, see note [1].
- UNEARN $_{i,t}$ = Individual i 's unearned income at time t , including pension and annuity income, income from other Social Security benefits (e.g., old-age benefits from OASDI), dividends and interest, and in-kind support —Subject to some minor exceptions, see note [2].

Source: §2182 of the Social Security Handbook (SSA, 2022)

Notes

[1] Additional minor exceptions to countable income are noted in §2135 of the Social Security Handbook (SSA, 2022)

[2] Additional forms of unearned income are noted in §2136 of the Social Security Handbook (SSA, 2022) and minor exceptions to unearned income are noted in §2137

[3] Countable earned income for persons qualifying for SSI benefits based on blindness or disability may be further adjusted —see §2134-2135 of the Social Security Handbook (SSA, 2022)

Table 2: Cost-of-Living Adjustment (COLA) by Year

Year	COLA	Year	COLA
1992	3.0 %	2007	2.3 %
1993	2.6	2008	5.8
1994	2.8	2009	0.0
1995	2.6	2010	0.0
1996	2.9	2011	3.6
1997	2.1	2012	1.7
1998	1.3	2013	1.5
1999	2.5	2014	1.7
2000	3.5	2015	0.0
2001	2.6	2016	0.3
2002	1.4	2017	2.0
2003	2.1	2018	2.8
2004	2.7	2019	1.6
2005	4.1	2020	1.3
2006	3.3	2021	5.9

Source: Cost-Of-Living Adjustment Summary, [SSA \(2022\)](#)

Notes: Cost-of-living adjustments in year t are based on the change in the 3rd quarter consumer price index (CPI) for urban wage earners and clerical workers between year t and year $t - 1$. This change is rounded to the nearest tenth of a percent. For example, the third quarters CPI in 2021 and 2020 respectively were 268.421 and 253.412. Consequently, the 2021 cost of living adjustment was $\frac{268.421}{253.412} - 1 = 0.05923$ or 5.9% after rounding. See the Social Security Actuary's website for additional information: <https://www.ssa.gov/oact/STATS/avgcpi.html>. In cases where the third quarter CPI declines relative to the previous year, the adjustment is based on the last year CPI was adjusted. For example, the CPI in 2009 and 2010 was below the CPI in 2008. The COLA for 2011 was computed based on the ratio of the 2011 CPI to the 2008 CPI.

Sources

This section records key sources consulted when we collected the institutional details reported in this document. Archived versions of these sources are available at the Gateway Policy Explorer website (<http://g2aging.org/policy-explorer>).

Social Security Administration [SSA] (2022). Cost-Of-Living Adjustment (COLA) Summary. As of March 8, 2022. [\[Link\]](#)

Social Security Administration [SSA] (2022). Online Social Security Handbook. As of March 11, 2022. [\[Link\]](#)

Social Security Administration [SSA] (2022). SSI Federal Payment Amounts. As of March 14, 2022. [\[Link\]](#)

Glossary of terms

This section summarizes key definitions from the main text. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: “Alt” + “←”; In Adobe Acrobat on a MAC: “command” + “←”; In Preview on a MAC: “command” + “[”.

Claimable Benefit: A pension where the beneficiary must actively file a claim for benefits with the government’s pension authority.

Cost-of-Living Adjustments (COLA): Adjustments after an individual begins receiving benefits that increase benefit payments, typically in line with consumer prices or average earnings.

Full Eligibility Age: The age at which individuals are eligible to receive their full benefit. For dependent benefits or social assistance, the full eligibility age may differ from the statutory retirement age for own old-age pension benefits.

Old-Age, Survivors, and Disability Insurance (OASDI): The official name of the US Social Security system

Qualified Benefit: A benefit is qualified if an individual must continue to meet certain standards, such as a means test, to continue receipt of benefits.

Social Security Administration (SSA): The government organization responsible for administration of old-age own, spouse, survivor benefits and old-age social assistance.

Statutory Retirement Age (SRA): The age at which individuals are eligible to receive their full benefit. In the United States, this is known as the normal retirement age. In the United Kingdom, this is known as the state pension age.

Supplemental Security Income (SSI): The official name of US old-age social assistance

Version information

Current Version: 2.1 (August 2023)

Version History

- 1.0 (March 2021): First version
- 2.0 (May 2022): Revisions to formatting and updating of values
- 2.1 (August 2023): Updated formatting and terminology

Additional resources

The following resources provide additional details for the interested reader:

Social Security Administration (2022) *Online Social Security Handbook*.

Available at: https://www.ssa.gov/OP_Home/handbook/handbook.html

Features: This document is updated on an annual basis and provides detailed information on how [Supplementary Security Income \(SSI\)](#) are currently administered (Chapter 21)

Social Security Administration (2021) *SSI Annual Statistical Report, 2020*.

Available at: https://www.ssa.gov/policy/docs/statcomps/ssi_asr/2020/index.html

Features: This document is published annually and includes a background section that provides detailed background on the current SSI system as well as additional statistical tables of the system in the year it is published. Historical versions are available back to 2002.

Legal Information Institute (2022). *Supplemental Security Income for Aged, Blind, and Disabled*. Title 42, Chapter 7, Subchapter XVI, United States Code. Cornell, NY: Cornell Law School.

Available at: <https://www.law.cornell.edu/uscode/text/42/chapter-7/subchapter-XVI>

Features: This is the section of US law pertaining to SSI.