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Supplemental Security Income (SSI) Restoration Act of 2026

Background

Nearly eight million Americans, all of them at least age 65 or with significant disabilities who are unable to earn enough to meet their basic needs, rely on the Supplemental Security Income (SSI) program to meet basic needs. Over time SSI has become an increasingly important program for seniors and persons with disabilities, including children.

SSI was created to replace the patchwork system of federal grants to states which aided the aged, blind, or disabled. For disability applications, the medical evidence must show the individual suffers from a severe impairment that will last at least 12 months or result in death. It is the primary source of federal income support targeted to families caring for children with disabilities.

Unfortunately, at present, SSI provides benefits that are below the poverty line. A basic problem is that the program is still designed for 1972, the year it was signed into law by President Nixon. Improving the SSI program is one of the most effective means of addressing senior poverty in this nation.

SSI Restoration Act

This bill restores a program that plays a key role in the security of millions of Americans. Specifically, it modernizes and improves SSI by streamlining and simplifying the claiming process, expanding benefits, resources and income limits and eliminating punitive reductions in benefits.

KEY RESTORATION PROVISIONS

- **Increases “income disregard” amounts that have not changed since 1974.**
- **Updates asset limit to \$10,000 / \$20,000 for an eligible couple**
- **Increases the benefit rate to 100% of the FPL and repeals marriage penalty**
- **Repeals penalties for in-kind support, resource transfers, state taxes and tribal benefits**
- **Streamlines lump-sum and back payments**
- **Extends the program to the U.S. territories**

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SEC. 2. UPDATE IN ELIGIBILITY FOR THE SUPPLEMENTAL SECURITY INCOME PROGRAM

(a) UPDATE IN GENERAL INCOME EXCLUSION – increases the SSI General Income Disregard an SSI recipient can receive from non-employment sources (such as Social Security or a pension) from the current \$20 to \$158 per month.

This amount has not changed since 1974. The Social Security Administration (SSA) currently reduces benefits and restricts eligibility based on this out-of-date amount.

(b) UPDATE IN EARNED INCOME EXCLUSION – increases the SSI Earned Income Disregard from the current \$65 to \$512 per month.

The income disregard was intended to encourage those who could work despite their disability to return to the workforce. Currently, the exclusion is so low that its work incentive has been greatly diminished. This amount has also not changed since 1972.

(c) UPDATE IN RESOURCE LIMIT FOR INDIVIDUALS AND COUPLES – increases the resource limit from \$2,000 (\$3,000 for an eligible couple) to \$10,000 (\$20,000 for an eligible couple).

The resource limit has increased only 33% since 1972 and today it is woefully insufficient to deal with perfectly predictable needs, penalizing individuals for saving for emergencies.

(d) INFLATION ADJUSTMENT – indexes the general income exclusion, earned income exclusion, and resource limit amounts to inflation annually.

SEC. 3. UPDATE IN SUPPLEMENTAL SECURITY INCOME BENEFIT AMOUNTS AND REPEAL OF MARRIAGE PENALTY

Sets the benefit rate of at least 100% of the Federal Poverty Level. Sets the couple rate at twice the individual rate.

More than half of those on SSI have no other source of income and the current benefit rates are so meager that they leave many seniors and people with disabilities living in poverty. Benefits for a married couple who receive SSI amount to 25 percent less than the total they would receive if they were living together but not as spouses.

SEC. 4. SUPPORT AND MAINTENANCE FURNISHED IN KIND NOT INCLUDED AS INCOME

Repeals the in-kind support and maintenance provision which reduces monthly benefit amounts if an SSI recipient receives in-kind food and/or shelter.

This makes it difficult for a family member to provide shelter. In addition to being inconsistent with family values, the in-kind support and maintenance provision also places a significant administrative burden on the Social Security Administration.

SEC. 5. EXCLUSION OF RETIREMENT ACCOUNTS FROM RESOURCES

Excludes retirement accounts from countable resources.

SEC. 6. REPEAL OF PENALTY FOR DISPOSAL OF RESOURCES FOR LESS THAN FAIR MARKET VALUE

Repeals the penalty enacted in 1999 for the transfer of a resource for less than fair market value within 36 months of applying for SSI or while receiving SSI.

This policy is based on an incorrect assumption that people will give away valuable property for the opportunity to live on a subsistence income and creates a substantial additional burden on the Social Security Administration.

SEC. 7. CLARIFYING THE TREATMENT OF CERTAIN STATE TAX CREDITS

Excludes state earned income tax credits (EITCs) and child tax credits (CTCs) when determining someone's eligibility and benefit amounts, consistent with the existing exclusion for federal taxes.

SEC. 8. TREATMENT OF TRIBAL GENERAL WELFARE PAYMENTS

Excludes the value of any Indian general welfare benefit in determining the income of an individual.

SEC. 9. ELIMINATION OF DEDICATED ACCOUNTS FOR CERTAIN PAST-DUE BENEFITS

Eliminates the separate account requirement, allowing dedicated account payments to go to the same account of the smaller lump-sum and ongoing payments.

Dedicated accounts are separate accounts required for holding some lump-sum past-due payments owed to children receiving SSI. Despite the small number of accounts, the dedicated accounts constitute a burdensome and unduly complex administrative workload for both payees and SSA frontline staff. The current policy hinders children in low-income families from accessing needed funds to which the agency has already found them entitled.

SEC. 10. ELIMINATION OF INSTALLMENT PAYMENT REQUIREMENT

Eliminates the installment payment requirement to allow past due benefits to be paid at once.

Currently, when past-due benefits of SSI exceed three months, the benefits are generally required to be paid in installments. This means that many SSI recipients due large amounts of past-due benefits receive the majority of these funds a year or more after being awarded benefits. Despite exceptions for medical conditions, sometimes a recipient dies before all installments are paid.

SEC. 11. EXTENSION OF PERIOD OF EXCLUSION OF CERTAIN PAYMENTS FROM COUNTABLE RESOURCES

Extends the amount of time that retroactive payments are excluded from countable resources, from 9 months to 21 months. This allows individuals receiving retroactive payments in lump-sum additional time to spend down to the resource limit or open an ABLÉ account or special needs trust.

SEC. 12. MODIFICATION OF RULES TO DETERMINE MARITAL RELATIONSHIPS

Eliminates the 'holding out' provision that requires SSA to determine if two people living together should be treated as married for SSI benefits.

SSA staff must undertake time-consuming and intrusive investigations into SSI recipients' personal lives to determine whether two people are 'holding out'. It is not necessary for SSA to inquire about 'holding out' with elimination of the marriage penalty.

SEC. 13. EXTENSION OF THE SUPPLEMENTAL SECURITY INCOME PROGRAM TO PUERTO RICO, THE UNITED STATES VIRGIN ISLANDS, GUAM, AND AMERICAN SAMOA.

Extends benefits to eligible residents of Guam, Puerto Rico, the U.S. Virgin Islands, and American Samoa.

Without federal SSI support, territorial governments are forced to shoulder the costs alone, straining their limited budgets while providing inadequate assistance to those who need it most.

SEC. 14. EFFECTIVE DATE

The amendments made by this Act shall take effect 1 year after the date of the enactment.