

SSI Application Pitfalls

Summarized by Thomas T. Thomas

The application process for the federal Supplemental Security Income (SSI) program is often problematic, as many families are painfully aware. **Daniel Fortuño**, President and CEO of the Benefits Education Center (<https://benefitsec.com>) in Long Beach, California, was the guest presenter at our November 15 educational event. He discussed the most common SSI pitfalls and answered questions from attendees.

“Benefits are much like a dysfunctional family,” Fortuño said. “They make zero common sense.” That is because the underlying laws were written many years ago, have a hodge-podge of aims, and are difficult to change.

The first pitfall in applying for benefits is believing the rumors that your application will always be denied—true in about 80% of cases, but you can improve the odds by completing a proper application. Another pitfall is using dated publications and websites with incorrect information, because the information changes annually.

A third pitfall is confusing the various acronyms. SSA stands for the overall **Social Security Administration**: so “SSA benefits” can mean almost anything. SSDI is **Social Security Disability Insurance**: this is an insurance program that accesses FICA funds, based on your past contributions, when you have a disability. And SSI is **Supplemental Security Income**: this program has different rules and requirements and is the subject of this presentation.

Another acronym to know is SGA, which stands for **Substantial Gainful Activity**. Under the Social Security Administration, this is work that, in 2023, earned \$1,470 per month (\$2,460 if the recipient is blind). In 2024, the amounts will increase to \$1,550 and \$2,590, respectively. This is a national standard and applies equally if you are working in the Bay Area or the middle of Wyoming. But don’t try to memorize these numbers, as the amounts change annually—you just have to look them up.

The definition of a disability is the same for both SSI and SSDI. It is not a diagnosis alone, but how it presents in the individual. That’s one pitfall. And it’s not a simple statement from a medical or psychological provider. Also, “partial disability” is not part of the SSI or SSDI requirements, although it may apply to some state programs.

The Social Security Administration defines an individual as disabled if he or she is unable to engage in any Substantial Gainful Activity due to medically determinable physical or mental impairment(s). And the result of that impairment has lasted or is expected to last at least 12 months or is expected to result in death. In considering the inability to perform any kind of work, the SSA also takes into account the individual’s age, education, and work experience.

After receiving the SSI application, the Social Security Administration follows a five-step Sequential Evaluation Process:

1. Is the individual working and engaging in substantial gainful employment?
2. What is the severity of the impairment and its impact on the individual?

3. What are the listing levels of the impairment?

“Listing levels” refer to conditions in the Social Security Administration’s *Blue Book* (<https://www.ssa.gov/disability/professionals/bluebook/AdultListings.htm> for adult listings; there are separate listings for children) that automatically qualify the individual for benefits. To qualify, your medical or psychological provider needs to document the condition according to the rules for each disability, not just provide a diagnosis.

For example, under the category of Mental Disorders (Section 12.00), Schizophrenia Spectrum and Other Psychotic Disorders (Section 12.03), there is a pick list of symptoms and impairments with instructions for how many of each and of what kind or duration needed to qualify for disability. Your application must document the appropriate number and level of impairments to be approved.

If your application meets the first three criteria in the Sequential Evaluation Process, then you do not need to meet the other two. If not, those criteria are:

4. What is the individual’s capacity for past relevant work? The evaluator will look back over the past 15 years.
5. What is the capacity for any work? And that means any job in the U.S. economy that the individual can do under the level of impairment.

The necessary medical records to support a disability need to cover the past 12 months, and SSA often requests the last six months. The records need to show an “established medical/psychological condition.” That means you and your medical or psychological provider have to document symptoms as to their frequency, duration, and severity.

The SSA’s Disability Determination Services (DDS) will often schedule a consultative examination (CE) when your records are not current (i.e., for the past six to 12 months), do not clearly “establish a medical condition,” or are not submitted by a provider. (The forms that the SSA requires of a provider are all compliant with patient rights under the Health Insurance Portability and Accountability Act of 1996 [HIPAA].)

Once an individual’s disability has been documented and the application approved, Supplemental Security Income (SSI) provides for a monthly benefit with no previous contributions required. For people under the age of 65, eligibility requirements are simply disability and need. There are, however, limits on what an individual may own or have access to, with the following resources being exempt:

- A home of any value, if the individual has an owner interest and it serves as his or her primary residence.
- One automobile, of any value (as of March 2005).
- Liquid assets no greater than \$2,000 for an individual, or \$3,000 for a couple.
- Items related to the disability, such as a cane, crutches, or service animal.
- Household goods of any value (as of March 2005) but not collectables.
- Whole life or other insurance policies with a cash surrender value or face value of less than \$1,500.
- Term life insurance policies of any value.
- A burial plot or other burial space of any value.
- Set-aside burial expenses per individual up to \$1,500.

- Funds in an Achieving Better Life Experience (ABLE) account up to \$100,000, as explained below.

In California, in 2023, the SSI benefit includes the Federal Benefits Rate (FBR) of \$914.00 per month and State Supplemental Program (SSP) of \$219.73 per month, for a total of \$1,133.73 (or \$1,211.00 if the individual is blind). In 2024, the FBR will increase to \$943.00, and if the SSP does not increase, the total will then be \$1,226.73 per month. State supplements in other states may differ and may in fact be zero.

Under the SSI program, the types of income individuals may receive are defined:

- **Unearned income** includes gifts, annuity payments, pensions, alimony and support payments, dividends, interest, rents, awards, and payments from other benefit programs such as SSDI and SDI. After the first \$20 of such income, the amounts received reduce the SSI benefits dollar for dollar.
- **Earned income** includes wages from employment, royalties, net earnings from self-employment, and any honoraria received for services rendered. After the first \$20 (if not used) and \$65 earned, the amounts received reduce the SSI benefits \$0.50 for every dollar.
- **In-kind support maintenance (ISM)** includes receiving food, shelter, or something that can be used to get these. For example, living at home with parents for free or at a reduced rent, or having your rent or mortgage paid by someone else. Such in-kind payments reduce benefits dollar for dollar up to \$304.66 for 2023 in California.

The **ABLE account** is a relatively recent innovation, introduced in the past seven years. It allows the individual to hold up to \$100,000 in the account as an exempt resource. The account can be funded annually up to \$17,000 from any source, including family and friends, the individual's benefits, and other unearned income. Another \$13,590 may be added annually from the individual's earned income. The individual may use the ABLE account to cover expenses such as food and shelter. To be eligible to set up an ABLE account, the individual's disability must have begun before age 26 and must be confirmed by one of the following: eligibility for SSI or SSDI; blindness as determined by the Social Security Act; or a signed statement of disability, if requested, from a licensed physician.

Individuals receiving SSI are subject to Continuing Disability Review (CDR). That is, the Social Security Administration will review the individual's resources annually, his or her work activity as soon as discovered, and medical records every one to seven years based on a "diary date" determined when the application was granted. The review will look to see if medical records are no longer current to the last six to 12 months or fail to capture the limitations from the disability. There is no such thing as an indefinite grant of benefits.

Q. Can individuals submit the SSI or SSDI application themselves?

They can, but it depends on the individual's capabilities. If they are struggling, they can seek help from a social worker or other knowledgeable person. There is no licensing for such a representative, but you can judge their competence by talking with them.

Q. Can a family member work on the application for the individual?

If the individual is not conserved, the family member can ask to become the “adult representative” by filling out Form SSA-1696. This allows you to initiate and receive all correspondence from the Social Security Administration.

Q. Is the SSI benefit retroactive?

Yes, to the start of the disability based on the medical evidence.

Q. Is there any timeline on an application decision from the Social Security Administration?

No. Initial applications used to be reviewed and granted or denied within three to four months, and appeals processed in six months. But now the times are much longer. And if you get a lawyer and want to take your appeal before a judge, the wait can be one to three years. It’s best to figure out what you missed—what pitfalls you may have stepped into—the first time.