

People with disabilities face significant challenges to building wealth and achieving financial security. Nearly 50 million Americans have a disability; close to 60% of these are asset poor, meaning they have insufficient assets to survive at the poverty level for three months. This population of people is often dependent on public assistance; however, the asset limits of these programs pose serious obstacles for low-income families trying to become self-reliant.

This is particularly true in the Supplemental Security Income (SSI) program where, with few exceptions, individuals cannot hold more than \$2,000 in total assets and couples no more than \$3,000. This outdated asset limit, set in 1989 and never indexed for inflation, greatly hinders the economic security of SSI recipients:

- Discourages many young people with disabilities from securing a first job, to gain experience which will likely lead to full-time work and employment with benefits;
- Forces many to stay unbanked or to spend down any savings to remain eligible for their SSI benefits;
- Prevents SSI recipients from saving for retirement or post-secondary education (any savings in a retirement or education savings account is currently counted against the resource test);
- Limits opportunities for low-income people with disabilities to save for homeownership;
- Is a costly administrative burden;

**The SSI Savers Act of 2011 (H.R. 2103)** would help low-income seniors and people with disabilities by incenting work, increasing personal savings and help them achieve the financial self-reliance they need to escape poverty and transition off of federal assistance. The bill, introduced by Congressman Petri (R-WI) and Congresswoman Tsongas (D-MA), proposes the following:

- Raises the asset limit to \$5,000/single and \$7,500/joint filers and index these limits for inflation
- For non-institutionalized individuals under the age of 65, excludes \$50,000 in retirement savings (\$75,000 for a couple) from inclusion in the asset test
- For non-institutionalized individuals age 65 or older, excludes savings in qualified retirement accounts below \$10,000 for an individual and \$15,000 for a couple or household, savings beyond this amount shall be considered income in an amount equal to the annuity value of the assets
- For non-institutionalized individuals age 65 or older, disregards one-third of the funds drawn down from retirement accounts when calculating household income
- Removes the requirement that SSI recipients, if eligible, must apply for periodic payments from their retirement savings
- Excludes Education Savings Accounts and Individual Development Accounts for those under age 65

**For More Information:**

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