

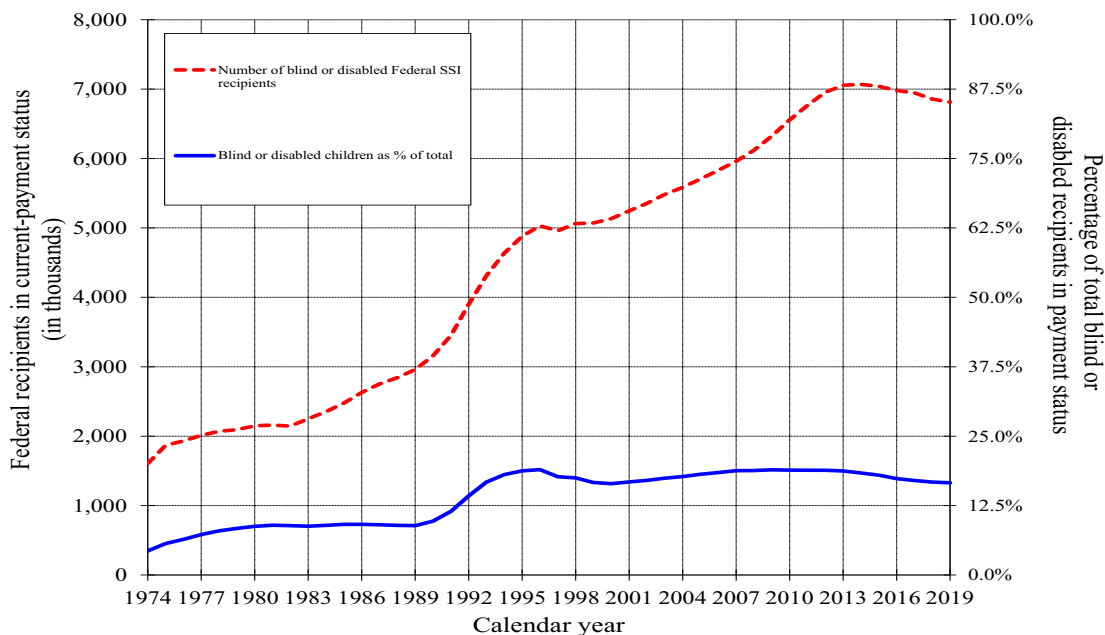
**FEDERAL SUPPLEMENTAL SECURITY INCOME CHILD RECIPIENTS
RESIDING IN MULTIRECIPIENT FAMILIES**

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Introduction

The SSI program was established by Congress in 1972 as a replacement for the former Federal-State programs providing cash assistance to aged, blind and disabled adults¹. In addition, the SSI program added a new assistance category—disabled children under the age of 18. Unlike the OASDI program, the majority of SSI recipients are eligible for the program based on a disability, rather than age². Although children comprised less than five percent of Federal blind or disabled recipients at the beginning of the program, their share of the Federal disabled recipient population has grown significantly over the years as shown in figure 1 below. As of December 2019, children comprised 16.6 percent of Federal blind or disabled SSI recipients.

Figure 1—Blind or Disabled SSI Recipients with Federal Payments, December 1974-2019



Financed from the General Fund of the U.S. Treasury, the SSI program was intended to provide a uniform Federal income floor for aged, blind or disabled individuals whose income and resources are below specified levels. The SSI program provides for a maximum Federal monthly payment for an individual SSI recipient that is reduced dollar-for-dollar by the amount of the individual’s countable income. The maximum Federal monthly payment for an eligible couple³ is set equal to 150 percent of the maximum individual Federal SSI payment. This relationship between the individual and couple payment was established from the outset of the SSI program so as to take into account the fact that “two people living together could live more economically than they could if they each lived alone.”⁴ However, no provision was made for reducing the payments of non-couple SSI recipients who lived with other SSI recipients in the same household, also known as non-couple multirecipients.

¹ Old Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled
² As of December 2019, 86 percent of recipients of Federal SSI payments were eligible based on a disability.
³ Two individuals who are either legally married according to the laws of their state of domicile or involved in a relationship and are “holding out” to the community as being married. The individuals who are holding out as married are generally treated the same as a legally married couple for SSI purposes.
⁴ U.S. Congress. Senate. Special Committee on Aging. “The Supplemental Security Income Program: A 10-Year Overview”

The existence of households with multiple SSI recipients has always been a source of concern for lawmakers and others, and in 1995, the National Commission on Childhood Disability recommended to Congress that SSI payments to children in households with eligible siblings or parents be subject to an economies-of-scale reduction. Since the time of that recommendation, there have been a variety of proposals to implement such a reduction. SSA's Office of the Chief Actuary (OCACT) has provided estimates for these various proposals to limit the total maximum Federal SSI payment available to households. In order to better estimate such proposals, OCACT has used 100 percent SSA administrative data to match SSI-eligible children with their parents and siblings living in the same household, finding that between 24 and 29 percent of SSI recipients under age 18 live with one or more eligible siblings⁵ or parents⁶.

Methodology

The Supplemental Security Record (SSR) contains information about each SSI applicant and recipient that can be used to determine their eligibility for an SSI payment and administer such potential SSI payments. The SSR does not generally contain a direct cross-reference or index to other SSI recipients in the same household, because SSI payments are usually not affected by the presence of other SSI recipients in the household⁷. The exception to this is a cohabiting married⁸ couple, with both members receiving SSI, because the cohabiting eligible couple is viewed as a unit for SSI purposes. The SSR does provide a direct link for minor children to a record (or records) containing income data for their parent(s) if they co-reside, because the income of the parent will potentially affect the child's SSI eligibility and payment amount; however, the parental record that is linked to the minor child does not identify the SSI eligibility of the parent or the existence of any eligible siblings. This lack of data linkage to other SSI recipients makes identifying household and family units of SSI recipients difficult.

However, we (OCACT) did determine that we could identify multirecipient "families" composed of eligible parents and eligible children under the age of 18 who resided in the same household through a series of matches of extract data files of the SSR that are available to us. The proposals that we have estimated modify the Federal SSI payments of children living in a household with eligible siblings or parents. The ability to identify multirecipient families is very useful in preparing estimates of the effects of such proposals.

Step 1—Matching eligible children with their parents. We began this process by selecting two groups of records from a 100% SSR data extract for June 2020 as follows:

- The most recent record for SSI recipients who were (1) under age 18 as of July 1, 2020, (2) eligible for a Federal SSI payment amount in July 2020, and (3) identified as living with their parents (living arrangement C or transition living arrangement equal to an "*" or blank⁹) or as living in the household of another (living arrangement B)¹⁰; and
- All non-applicant parental records as denoted by an application date of zero and a Master File Type (MFT) code of XM or XF (ineligible mother or ineligible father, respectively). These parental records use the XM and XF codes for the parents regardless of the actual SSI eligibility of the parent. Each of these non-applicant parental records contains the Social Security Number (SSN) of the parent, which is denoted as the Personal Account Number (PAN) on the SSR, and the SSN of the child, which is denoted as the Housed Under Number (HUN) on the SSR.

For each HUN in our extract of non-applicant records, we created a single record with mother and father PANs, if any, selecting the most recent mother and father PANs associated with that HUN. Over time a HUN may have more than one mother or father PAN associated with it due to the treatment of stepparents living in the household as parents. We also included for any mother and father PAN on this record a Type of Master Record (TMR) code that was extracted from the same non-applicant parental record as the PAN. The second position of the TMR code is an "M", "F" or "B", indicating the parental structure of the household (mother only, father only, or both parents, respectively) the last time that parent resided in the same household as the child. This second position is changed to "I" when the child attains age 18, indicating the child is now considered an adult for SSI purposes¹¹. In the event that the parental structure of a household changes, such as the separation or divorce of the parents, the information for the parent no lon-

⁵ A natural, adopted, or foster sibling, or another child residing in the same household due to parental cohabitation.

⁶ All references to a parent throughout this note include a natural, adoptive, or step-parent, or a guardian. An eligible child may live with another family member, such as a grandparent, but such family members would not be included in this estimate unless they are the legal guardian of the child.

⁷ There are three notable exceptions to this: (1) legally married couples where both members have applied for SSI payments; (2) cohabiting couples who are holding out to the community as married and have both applied for SSI payments, and (3) two or more eligible children co-residing and whose parents have sufficient income deemed to be available to the eligible children.

⁸ A cohabiting couple are considered to be married for SSI purposes if they hold themselves out as married to the community in which they live, even if they are not legally married. For details on how SSA determines whether a couple is "holding out", see <http://policy.ssa.gov/poms.nsf/lnx/0500501152>.

⁹ Our analysis indicated that these cases were due to a new record startup and usually were treated by the SSR as living arrangement C.

¹⁰ As previously noted, children identified as living in the household of another are generally living with their parent(s) and the parent lives in the household of another person who is not considered to be married to the parent and does not contribute to their fair share of living expenses.

ger residing in the same household as the child may continue to be associated with the most recent record for the child in our extracts. The change in parental structure is handled administratively by creating on the SSR a new occurrence of the TMR¹², which is followed by an effective date. This change in the TMR is made only for the child and the parent continuing to reside in the same household.

These records with parental PANs and TMRs were then joined to the eligible child records on a HUN basis. To account for the changes in parental structure discussed above, we eliminated the information for any parent whose TMR did not match the eligible child's TMR under the assumption that the child no longer lived with that parent. This file was further modified to adjust the records of a small portion of the children turning 18 in July 2020 but after the second of the month.¹³ For these children both the child and non-applicant parental extracts had the TMR code that would be effective in August 2020; i.e., the second position of the code had already been changed to an "I". To ensure that these children would be appropriately included in the multirecipient family, we examined the SSR by hand to determine the TMR in effect for July 2020 and then updated the file with the correct TMRs.¹⁴ The resultant file then included all eligible children under age 18 matched with the parent(s) with whom they were currently living.

Step 2—Determining the Federal SSI eligibility of the parents. From the records created in Step 1 above, we produced extracts of mother and father SSNs. We joined these SSNs up to the SSNs of all eligible individuals in July 2020 on a PAN basis to determine which parents with eligible children were eligible for Federal SSI payments in the same month. The eligible parent records were then rejoined with the eligible children records to create eligibility indicators for the parent(s) on each child record.

Step 3—Creating the multirecipient family units. To create SSI family units, we took each eligible child's record and created a key field consisting of the father's SSN, the mother's SSN, and the second character of the TMR¹⁵. This key serves as a unique family identifier. For each family unit, we determined (1) the number of parents, (2) the number of eligible parents (3) the total number of eligible children in the family, and (4) the relative position of each eligible child in the family, ordering by date of first eligibility and date of birth within eligibility. We found a relatively small number of children (less than 0.01% of children with the appropriate living arrangements) did not have SSNs coded on the administrative files. We excluded these cases from our analysis, because the matching of SSNs was crucial to our identifying multirecipients. The results of our analysis are provided below.

Limitations

Our analysis relies on matching parents and minor children who are living in the same household. Therefore, it cannot account for children residing with other family members who are head of household (e.g. grandparents), or children age 18 or older residing with the family. However, such family members have not been affected by the multirecipient proposals we have received to-date.

Our analysis focused only on individuals receiving Federal SSI payments. Since only a very small percentage (less than 0.1% in July 2020) of Federally-administered SSI children do not receive Federal payments, the effect of this difference on the number of eligible children in a family unit should be very minor. Only about 1.3 percent of all Federally administered disabled recipients between the ages of 18 and 64 do not receive a Federal payment, so the number of State-only parents our methodology is not counting is likely very low.

We did not count individuals in 1619(b) status as recipients. These are individuals whose earnings are enough to preclude eligibility for SSI payments but retain special SSI recipient status for Medicaid purposes. Of course, very few such recipients are under age 18. The total number of 1619(b) workers is only about 1.3 percent of all Federally administered SSI recipients, so again this is assumed to have a very small effect on our analysis.

A final limitation is that multiple eligible children under age 18 who are residing in the same household but with different parent(s) listed on their respective SSR records or with different living arrangements are included in separate SSI family units. It is difficult to determine how common this may be in the administrative data. Even beyond this specific issue, the accuracy of the administrative data is limited by the fact that SSA must be notified of a change in circumstances, and the administrative data must be appro-

¹¹ An exception to this treatment applies to certain individuals under the age of 21 who may be eligible for a special student earned income exclusion provided they meet the SSI program's definition of student and have earnings (wages or self-employment income).

¹² In extracts provided by SSA's Office of Research, Evaluation, and Statistics, the original occurrence of the TMR on a record is referred to as the Type of Action, while any additions to the TMR are referred to as the Computational Status Type of Action.

¹³ Children are generally treated as adults for SSI program purposes in the first month in which they are 18 throughout the entirety of the month. For Social Security and SSI program purposes, individuals are assumed to attain their next age the day before their birthday.

¹⁴ There may have been other instances on the 100% SSR data extract from which all of our data has been gathered where the TMR on the extract did not take effect until a month in the future. These cases of children attaining age 18, however, were the only cases that we identified and adjusted for.

¹⁵ The first character of TMR indicates whether the child is eligible based on blindness or disability. Since children within a family can receive payments based on either of these, we use only the second character.

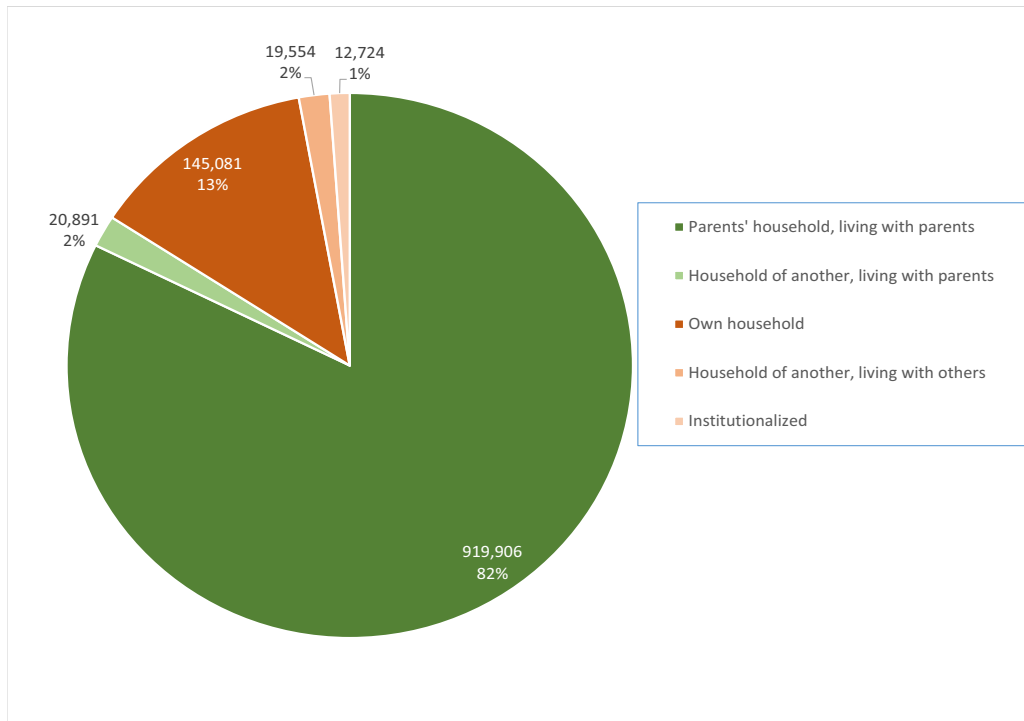
priately changed to reflect such changes. Therefore, the existing data do not allow for absolute clarity. If a multirecipient proposal was implemented, it is likely that SSA would make significant changes to the way it collects and stores data about families, which would improve the accuracy of the data.

Analysis of Multirecipient Families

OACT limited the analysis to child SSI recipients who are unmarried and living with their parents. Of all unmarried blind or disabled children, roughly 83 percent were living with their parents in their parents' household and less than 2 percent were living with their parents in the household of another. All other unmarried children (less than 16 percent of the total) are excluded from our analysis. The largest segment of children (about 13 percent of all unmarried children) excluded from our analysis are those children categorized as living in their own household. Children who are categorized as living in their own household are typically residing with an individual who is not a parent, such as a grandparent or foster parent, and contributing at least their pro rata share of household expenses. Their contribution may come from their SSI payment or child support payments from their parents. Another 1 percent of children, those living in a medical facility for which private insurance (or a combination of private insurance and Medicaid) pays over half the cost of care, are also excluded from our analysis. We also excluded the less than 2 percent of unmarried children who are living in the household of another without their parents. Finally, we exclude the 3 children living in their parents' household for which we are unable to identify any associated parents and 3 children who are in unknown living arrangements. Some of the children excluded from our analysis may be living in the same household as an eligible sibling or possibly with an eligible parent, but they are not living in a household where the parent is the head of household.

Figure 2 breaks down the categories discussed above. The categories shown in shades of green are included in our analysis, while those in shades of red are excluded.

Figure 2—Unmarried SSI children by living arrangement, July 2020



We found about 270 thousand child recipients who live with at least one immediate family member who is also an SSI recipient. That represents about 29 percent of the children in our analysis.

If we assumed that none of the children that we excluded from the analysis live in a multirecipient family (16 percent of total unmarried children, discussed above), our analysis would indicate that about 24 percent of all SSI recipient children live in such a family. Therefore, 24 percent represents a minimum estimate of all SSI children living in multirecipient families. We examined a sample of children who live in their own household, the largest group of children excluded from our analysis, and our evaluation indicates that about 5 to 10% of such children live with an eligible sibling. This is much lower than the proportion we found in the group of children included in our analysis, which is not surprising given that many children excluded from our analysis are not living with their parent(s) or sibling(s).

As discussed in the limitations section above, we did not account for individuals receiving only a State SSI payment. We believe including these individuals would increase our estimate of multirecipient families only slightly. Our analysis found that 85 thousand eligible parents were living with at least one eligible child in July 2020, which is less than 2 percent of all Federal SSI recipients age 18 to 64. Since there are about 74 thousand State-only recipients in that age group, that suggests that perhaps roughly 1,500 of them are parents living with at least one eligible child. If we could include these parents in our analysis, we expect that it would increase our estimate by less than one percent.

Therefore, we conclude that the proportion of all SSI recipient children who were living with an immediate family member who was also receiving SSI in July 2020 is between 24 and 29 percent.

In table 1 we show the numbers of children and families classified according to the child’s living arrangement as determined for SSI purposes, and by the numbers of eligible children within each family unit. Since there are relatively few families with more than four eligible children in the family, we have simplified the presentation in this table and in subsequent tables by combining in one group all families with 5 or more eligible children. Note that, beginning with this table, we have generally restricted subsequent analysis to those children living with their parents in a living arrangement indicating they are living in the “household of another” or in their “parents’ household”, except where specifically noted.

Table 1: Federal SSI child recipients by selected living arrangement, household composition, and number of SSI-eligible children in the family unit, July 2020

Living arrangement and household composition	Number of eligible children within the SSI family unit					Total
	1	2	3	4	5 or more	
<i>Number of SSI-eligible children living with parent(s)</i>						
Parents’ household	717,379	163,632	31,221	5,872	1,802	919,906
Household of another	18,980	1,738	159	12	2	20,891
Total living with parent(s)	736,359	165,370	31,380	5,884	1,804	940,797
<i>Percentage distribution of children</i>						
Parents’ household	77.98 %	17.79 %	3.39 %	0.64 %	0.20 %	100.00 %
Household of another	90.85	8.32	0.76	0.06	0.01	100.00
Total living with parents	78.27	17.58	3.34	0.63	0.19	100.00

It is interesting to note the disparity in the distribution of eligible SSI children in family units by living arrangement. While 78% of children living in their parents’ household are the only child in the family, the corresponding percentage of those children living in the household of another with their parents is 91%.

Table 2 presents the number of family units that include the children in our analysis, with additional details by the eligibility of the parent(s) for Federal SSI payments who are residing in the family unit’s household. The tabulation in table 2 is of family units, in contrast to table 1, which counts the number of eligible children.

Table 2: Number of Federal SSI family units for eligible children living with their parents by number of parents in the household, SSI eligibility of parents, and number of SSI-eligible children in the family unit, July 2020

Federal SSI family units with children by number of parents in family and parent eligibility status	Number of eligible children within the SSI family unit					Total	Percent of total
	1	2	3	4	5 or more		
One parent in family unit							
Parent eligible for federal SSI	51,280	7,389	1,172	194	58	60,093	7.23
Parent ineligible for federal SSI	526,900	55,336	6,517	852	175	589,780	70.95
Total	578,180	62,725	7,689	1,046	233	649,873	78.17
Two parents in family unit							
One parent eligible for federal SSI	14,185	2,355	433	77	23	17,073	2.05
Both parents eligible for federal SSI	2,314	434	95	25	4	2,872	0.35
Neither parents eligible for federal SSI	141,679	17,171	2,243	323	80	161,496	19.43
Total	158,178	19,960	2,771	425	107	181,441	21.83
Total Federal SSI family units							
One parent eligible for federal SSI	65,465	9,744	1,605	271	81	77,166	9.28
Two parents eligible for federal SSI	2,314	434	95	25	4	2,872	0.35
No parent eligible for federal SSI	668,579	72,507	8,760	1,175	255	751,276	90.37
Total	736,358	82,685	10,460	1,471	340	831,314	100.00

About 20 percent of family units include two or more eligible members. Approximately 10 percent have at least one eligible parent, which amounts to about 80 thousand family units. Less than one percent (about 3 thousand) have two parents both in the residence who are SSI eligible. Approximately 11 percent, or about 95 thousand family units, have more than one eligible child.

With that in mind, it is important to see the monthly Federal SSI payments that are due for these children based on how many eligible children are in the family. Table 3 shows that the average child payment as a percentage of the FBR continues to increase in a family with each addition of an eligible child to the family. This increase exists because of the parent-to-child deeming calculation, which divides countable parental income by the number of eligible children in a family. In addition, each additional child receives the full individual FBR less any income (including deemed income). There is no economies-of-scale reduction to the FBR for additional children in a family.

Table 3: Average Federal SSI payment due per child living with their parent(s) in July 2020

	Total SSI eligible children in each family					Total
	1	2	3	4	5 or more	
Federal amount due						
Parent(s) household ^a	\$677.87	\$705.45	\$725.71	\$741.46	\$750.31	\$684.95
Household of another ^b	480.84	484.95	499.18	492.83	522.00 ^c	481.09
Total, parent(s) household and household of another	667.83	703.13	724.56	740.95	750.06	676.36
Percent of full SSI Federal Benefit Rate^d						
Parent(s) household ^a	86.57%	90.10%	92.68%	94.69%	95.83%	87.48%
Household of another ^b	61.41%	61.93%	63.75%	62.94%	66.67%	61.44%
Total, parents' household and household of another	85.29%	89.80%	92.54%	94.63%	95.79%	86.38%

^a In a household where the parent owns or rents the housing unit, or the parent and child live together in another individual's household and the parent(s) contribute to the SSI family's fair share of household expenses.

^b Residing in a household either with their parents, or other non-parent individuals, and the parents or child do not contribute their fair share of household expenses.

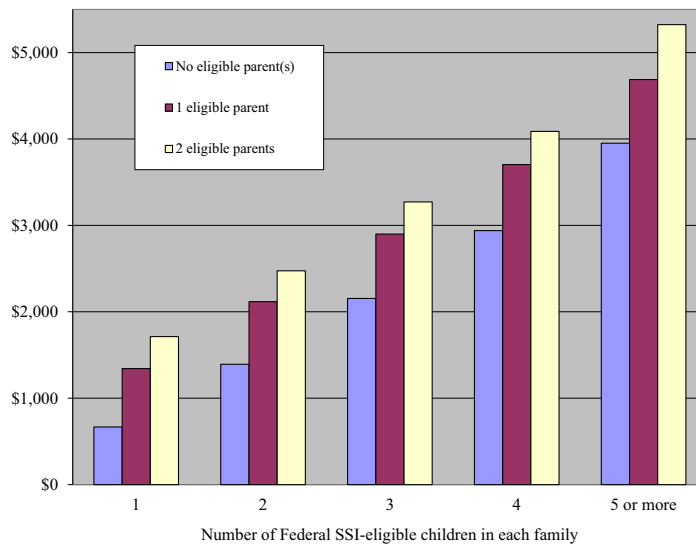
^c This amount is not necessarily reliable. It is based on payments to only 2 families, a very small sample size.

^d \$783 per month in calendar year 2020.

In order to better grasp the magnitude of the difference in payments and the results of increasing the average payment for children of families with multiple recipients, figure 3 presents the total Federal SSI payment due to an entire family (including parents, if eligible) in July 2020. Of course, as the number of eligible individuals in a family increases, the average family payment will increase.

Since the number of eligible parents in the families is also shown, one can see that the average family payment increases on an increasing basis with the addition of eligible children. The average family payment increases on a decreasing basis with the addition of eligible parents to the family. On average the introduction of a first eligible parent increases the total family payment by about \$720, and the introduction of a second eligible parent increases the family payment by about \$420. This generates a much larger increase in income based on numbers of eligible children in a family, which on average increases the total family payment by over \$850 for each subsequent child.

Figure 3—Average total family Federal SSI benefit due in July 2020



The payments to those families with the most eligible children can become quite large. For example, there was one family with 13 children due Federal SSI payments in July 2020. In that case, the total family monthly Federal payment due was about \$10,179.

Conclusion

At various times since the inception of the SSI Program, the Office of the Chief Actuary (OCACT) has provided estimates for proposals that modify the Federal SSI payments for SSI recipients residing in families or households with other SSI recipients. In past years, OCACT relied primarily on the findings of an address-matching study done by SSA’s Office of Research, Evaluation and Statistics.¹⁶ The authors found that roughly 17 percent of SSI recipients under the age of 18 resided with another SSI recipient. In another study, Koenig and Rupp used data from the 1996 panel of the Survey of Income and Program Participation (SIPP) that they matched to SSA administrative data. They found that in 1998 about 36 percent of children receiving SSI lived with another SSI recipient who was a family member¹⁷. The wide disparity in these estimates motivated OCACT to develop a methodology that more accurately identifies the number of SSI children living with siblings or parents. The methodology developed by OCACT and described in this note focuses on the multirecipient families that are the focus of the proposals that have been put forth by policy-makers, and we have narrowed the estimate of children living in such families to a range supported by the data. We conclude that the proportion of SSI recipients under the age of 18 who are residing with immediate family members who are also SSI recipients is likely between 24 and 29 percent. In support of this conclusion, we repeated this analysis for all years since 2011. We found that the percentage of children living with an eligible family member remained steady over time, varying from 24 to 26 percent (of all unmarried children) and 28 to 30 percent (of children in this analysis).

¹⁶ Kennedy, Lenna D., Charles G. Scott, and Alfreda M. Brooks. “SSI Recipients in Multirecipient Households, March 1994.” *Social Security Bulletin* 58, 3 (1995): 49-54.

¹⁷ Koenig, Melissa, and Kalman Rupp. “SSI Recipients in Households and Families with Multiple Recipients: Prevalence and Poverty Outcomes.” *Social Security Bulletin* 65, 2 (2003/2004).