

**Testimony of Ricardo Terrazas, Vice President of Government Affairs at
SourceAmerica® Submitted for the Record
The United States Senate Committee on Finance
“Work and Social Security Disability Benefits: Addressing Challenges and Creating
Opportunities”
June 18, 2024**

Chairman Wyden, Ranking Member Crapo, and Members of the Finance Committee, I appreciate the opportunity to provide testimony on behalf of SourceAmerica®, regarding *Work and Social Security Disability Benefits: Addressing Challenges and Creating Opportunities*. This hearing provides an important forum for the unique challenges people with disabilities face as they attempt to work and lead financially independent lives. We look forward to working with the Committee on Finance to address these issues and empower people with disabilities who desire meaningful and lasting employment.

As you are aware, SourceAmerica® and the National Industries for the Blind serve as the two Central Nonprofit Agencies that manage the AbilityOne® Program on behalf of the U.S. AbilityOne Commission®. Established in 1938, the Program leads the way in employing people with disabilities, currently employing approximately 36,000 individuals. SourceAmerica® has over 350 nonprofits in its AbilityOne® network and is proud of the employment opportunities provided, including those for the nearly 2,400 veterans across our network. Our nonprofits provide essential products and services to the federal government such as resupplying naval vessels, providing critical services at military installations and government buildings from maintenance to classified document handling, and making uniforms and American flags.

We are pleased that the Committee plans to discuss a range of issues that people with disabilities who currently receive Social Security disability benefits face, especially the benefits cliff due to income limits, outdated asset limits, and overpayments. AbilityOne® employees in our nonprofits frequently raise these issues, especially how these barriers prevent people with disabilities from being able to work or save for an emergency.

Social Security Supplemental Security Income (SSI) Program

Reforming the SSI program is necessary to remove barriers for individuals with disabilities in the workforce and those looking to join the workforce. For those looking to join the workforce restrictive SSI asset limits can discourage them from doing so. Nearly 60% of Americans with disabilities are unemployed and more must be done to help them get meaningful jobs. For those who are currently in the workforce, it is a struggle for most SSI beneficiaries to maintain their benefits due to increasing wages either offered by private employers or state minimum wages higher than the federal minimum wages. Many SSI

beneficiaries face costly healthcare needs and are understandably reluctant to lose these benefits. This creates a difficult decision because they need to choose to either reduce their work hours or leave the workforce in order to keep their SSI benefits if their income becomes too high. By updating the SSI asset limits and addressing the benefits cliff, we can ensure that people with disabilities do not have to make these difficult decisions and are able work more hours.

Benefits Cliff

Many of the nonprofits in the AbilityOne® network have employees who would like to work more hours but would lose their SSI benefits if they did so. In many cases, when these working SSI recipients receive a raise, work too many hours, or earn too much, they lose many of the benefits they were receiving. This loss of benefits, or benefits cliff, results in SSI recipients not making enough money to support themselves and their households. Current law places strict income limits on SSI eligibility, and in 2024, the maximum SSI benefit for individuals with disabilities is \$943 per month and \$1,415 per month for married couples. As wages and inflation continue to rise across the country, people with disabilities are facing a difficult choice to reduce their hours or quit working entirely. This reduction in the workforce also impacts nonprofit agencies and businesses, by exacerbating an already dire labor shortage.

Asset Limits

Another area of concern is the strict limitations on the amount of assets an individual may have while receiving benefits. Under current law, individuals receiving SSI are only permitted to have \$2,000 in assets and married couples may only have \$3,000 total in assets. These limits penalize those who decide to marry and those who want to save. If a beneficiary happens to hold more than the allowable asset limit, they could see a reduction or complete elimination of benefits. These asset limitations have not been updated or adjusted for inflation since 1989, nearly 40 years ago.

The asset and income limits for the SSI program was the number one issue of concern for program participants and their families at our 2023 SourceAmerica® Grassroots Advocacy Conference. Many shared their personal stories of how they were delaying getting married because it would put them over the asset limits and others commented that they would like to be able to have larger savings for emergencies. Recently, one of our AbilityOne® workers shared, “It was devastating to learn that getting married could jeopardize my benefits. The dream of sharing my life officially with my partner is something many take for granted, but for me, it’s a painful reminder of the constraints I’m under.” The prospect of losing SSI eligibility is a major barrier to individuals with disabilities in our network who wish to increase their work hours, achieve career goals, or even simply get married.

Overpayments

While we applaud SSA Commissioner Martin O'Malley's recent policy changes to help address the overpayment issue, people with disabilities continue to experience it. We continue to hear frequently from nonprofits in our network that overpayments cause significant harm to employees with disabilities who rely on such benefits and who also want to work and lead financially independent lives. The issue of overpayments and other improper payments has significant financial implications not only for beneficiaries, but also taxpayers in general. The Committee's efforts to bring transparency to this problem will improve the integrity of government systems and ensure essential programs can continue to provide needed services.

The SSA's process to identify, notify, and collect overpayments continues to be unclear, inefficient, and hurts beneficiaries. In the majority of overpayment cases, recipients' disability benefits are reduced or entirely removed, oftentimes years after an overpayment is determined to have happened. Lack of information and transparency about the cause of overpayments, next steps, recipient rights, available waivers, and options for remediation and appeal amplify the issues faced by overpaid benefit recipients. Further, some beneficiaries face negatively impacted credit scores as a result of outdated and arcane procedures and policies if they are unable to repay the debt resulting from overpayments.

While there are other issues that social security beneficiaries face, these are the primary issues frequently discussed among those within our network of nonprofit organizations. First and foremost, many AbilityOne® employees in our network want to work more but cannot be due to the outdated and restrictive policies discussed above. We commend the Committee and its members for their tireless work in developing and introducing legislation that will address the much-needed modernization of Social Security programs that millions rely on for their livelihood. SourceAmerica® will continue to raise awareness about the need for the SSI Savings Penalty Elimination Act, SSI Reform Act, and the Work Without Worry Act.

Thank you again for your work to address the benefits and employment issues that people with disabilities face. On behalf of the 36,000 people working in the AbilityOne® Program, we appreciate your commitment to addressing these important issues and look forward to collaborating with the Committee on how to remove the barriers that prevent people with disabilities from working and advancing their career goals.