

Key Differences between SSI and SSDI

The Social Security Administration offers monetary benefits, including Supplemental Security Income (SSI) and Retirement, Survivors, and Disability Insurance (RSDI) benefits, to eligible persons. SSI, which is funded by the general fund taxes, and Social Security Disability Insurance (SSDI), which is funded by payroll taxes, are often confused as both of these benefits are provided to individuals with disabilities. While both programs are administered by the Social Security Administration and medical eligibility is determined in the same way, there are distinct differences between the two programs.


Aside from the similarities listed above, SSI and SSDI are very different programs. First, the primary difference between SSDI and SSI is who is eligible to receive each benefit. SSDI is available to workers and certain family members, who are "insured," having accumulated a sufficient number of work credits. SSI is a needs based program, which is available to low-income individuals who have either not worked or not earned enough work credits to qualify for SSDI. While the maximum SSDI benefit is based on an individual's work history, the average SSDI benefit in 2013 is \$1,132.00, and the maximum SSDI benefit in 2013 is \$2,533.00. The maximum SSI benefit in 2013 is \$710.00 per month.

Because SSI is a need-based program, or a means-tested program, there are income and asset limitations that are imposed to qualify for this benefit. The income limitation varies depending on the type of income received (i.e., earned v. unearned) as certain income is excluded from the SSI income calculation, including \$20 per month of unearned income, \$65 per month of earned income, one-half of earned income over \$65, food stamps, and housing or home energy assistance. An individual cannot have assets/resources in excess of \$2,000 (or \$3,000 per couple). In Contrast, SSDI does not have a resource limitation; however, to receive SSDI, an individual must not be able to engage in substantial gainful activity, which is quantified as no more than \$1,040 of income per month (or \$1,740 for individuals who are blind).

SSI benefits are payable the first month in which the application is submitted. SSDI has a five-month waiting period. In addition to the monetary benefit provided by these programs, these programs also provide eligibility for medical benefits. After receiving SSDI for twenty-four months, an individual is eligible for Medicare. Upon receiving SSI, an individual is automatically eligible for Medicaid (also a need-based program). An individual who receives SSDI and Medicare might also receive Medicaid.

It is important to distinguish between SSI and SSDI for individuals who may receive gifts, inheritances, or personal injury settlements as it may be necessary to take proper planning steps to insure that receipt of these monies will not render the individual ineligible for such benefits. It is important to contact an attorney to assist with planning regarding these benefits as well as to ensure that your loved one is receiving the maximum benefit possible, which may include retirement or survivors benefits that are not discussed in this article.

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