SOCIAL SECURITY
Actuarial Services

September 15, 2026

The Honorable Nancy Pelosi
United States House of Representatives
Washington D.C. 20515

Dear Speaker Emerita Pelosi:

I am writing in response to your request (see enclosed letter) for our estimates of the program cost effects on the Federal Supplemental Security Income (SSI) program of the proposal provided to us by Dr. Wendell Primus of the Brookings Institution. All estimates are based on the assumptions underlying the projections presented in the 2025 SSI Annual Report.[1]

Implementation of the proposal would result in a net increase in program cost, because individuals projected to be receiving SSI payments under current law would in general receive larger SSI payments, and also because some individuals who are not eligible under current law would become eligible as a result of the proposal. For the combined effect of enactment of all provisions, effective January 1, 2027, including the interaction among the provisions, we estimate an increase in Federal SSI payments of $316 billion over the calendar year period 2025 through 2034, the first 10 years of the 2025 SSI Annual Report projection period. The enclosed Table 1 provides our estimates of the cost increases on an annual basis through 2034. This proposal would not have any direct effects on the financial status of the Social Security (OASDI) trust funds.

The balance of this letter provides a description of our understanding of the intent of the individual provisions, with all changes assumed to be effective January 1, 2027. We also describe the data sources used and other potential effects of the proposal, beyond the direct effects on the Federal SSI program.

Specification for Provisions of the Proposal

The proposal includes seven individual provisions with direct effects on the Federal SSI program. The following list briefly describes each provision:

[1] See chapter IV in the 2025 SSI Annual Report at https://www.ssa.gov/OACT/ssir/SSI25/index.html for details. The assumptions underlying the projections in the 2025 SSI Annual Report are consistent with the intermediate assumptions of the 2025 Social Security Trustees Report.

Provision A: Increase the SSI Federal Benefit Rate (FBR) for adult recipients. This provision would increase the SSI FBR by $70 for unmarried adults and by $105 for married couples in 2027, with those increases carried forward into FBR determinations in future years. The SSI FBR for child recipients would remain at current-law levels.

Provision B: Increase the general income exclusion. This provision would increase the general income exclusion from $20 per month to $60 per month in 2027 and index the exclusion in 2028 and later by the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

Provision C: Increase the earned income exclusion. This provision would increase the earned income exclusion from $65 per month to $200 per month in 2027 and index the exclusion in 2028 and later by the annual percentage change in the CPI-W.

Provision D: Exclude 40 percent of Social Security benefits from unearned income. This provision would exclude 40 percent of Social Security (OASDI) benefits from unearned income for purposes of determining SSI eligibility and payment amount. Under current law, Social Security benefits are subject to the $20 general income exclusion but no other exclusions apply to this income generally.

Provision E: Increase the countable resource limit for individuals and couples and exclude retirement accounts from countable resources. This provision would increase the limit on countable resources from $2,000 for unmarried individuals and $3,000 for married couples to $10,000 for unmarried individuals and $20,000 for married couples in 2027 and index these limits in 2028 and later by the annual percentage change in the CPI-W. This provision would also exclude retirement savings in amounts up to $50,000 for unmarried individuals and $75,000 for married couples from the determination of countable resources.

Provision F: Eliminate the consideration of in-kind support and maintenance (ISM) as income. This provision would eliminate the consideration of support provided to recipients in kind for SSI eligibility determinations and payment computations.

Provision G: Provide additional data related to SSI eligibility to SSA. This provision would attempt to increase SSI participation rates by requiring the Internal Revenue Service to share information with SSA about the income of individuals who do not currently receive SSI payments in order to determine whether they are eligible on the basis of their income. SSA would then notify individuals who are income-eligible and give them the opportunity to share the information necessary to determine their countable resources and other aspects of eligibility.

As shown in Table 1, the sum of the estimated effect of the individual provisions is greater than the total estimated proposal cost of $316 billion, which accounts for interaction among the individual provisions. This is because we assume that provisions A through F not only expand the pool of potentially SSI-eligible individuals but also increase SSI participation on their own by substantially increasing payment amounts, which we assume would encourage more eligible individuals to apply. As a result, when provision G is implemented alongside provisions A through F, its marginal effect on participation is considerably smaller than when it is evaluated in isolation.

Data Sources and Other Potential Effects of the Proposal

Our estimates for the proposal reflect analysis of detailed administrative data, supplemented by survey data from the Annual Social and Economic Supplement to the Current Population Survey (ASEC). The administrative data reflects detailed income and living arrangement data for recipients and any associated ineligible parents or spouses whose income and resources are also considered for SSI purposes. The ASEC data has person-specific information, although not in as great detail as the administrative data. Based on the results of our analyses of these data sources, we have been able to reasonably model the expected effects of these provisions and for the proposal as a whole.

For the provision to provide additional data related to SSI eligibility to SSA, we relied on the SSI participation rate estimated in the Department of Health and Human Services' most recent Welfare Indicators Report to Congress[2] and our assumption that the provision would substantially increase participation in the Federal SSI program. The actual effect that this provision would have on participation is uncertain.

Finally, it is important to note that the estimated effects provided in this letter reflect only the direct effects on Federal SSI program cost. There may be other effects from an overall economy-wide perspective, such as changes in employment, earnings, and Gross Domestic Product, as well as reduced dependency on state, local, charitable, family, and friend support for subsistence. These could result from possible behavioral effects of the increased income exclusions and higher maximum benefit levels if this proposal were to be enacted. These potential effects are not reflected in these estimates due to the speculative nature of any potential behavioral responses.

I hope these estimates are helpful. Please let me know if we can provide further assistance.

Sincerely,

Karen P. Glenn

Karen P. Glenn, FSA, EA, MAAA
Chief Actuary

Enclosures

[2] See https://aspe.hhs.gov/reports/welfare-indicators-risk-factors-twenty-fifth-report-congress.

Table 1: Projected Federal SSI payments under current law and estimated changes in Federal SSI payments resulting from the implementation of the proposal, calendar years 2025-34
(In billions)

		Calendar Year										Totals	
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-29	2025-34
Projected Federal SSI payments under current law		$65	$66	$68	$69	$71	$73	$74	$76	$79	$81	$339	$722
Changes in Federal SSI payments resulting from the implementation of the proposal:													
A.	Increase the SSI FBR for adult recipients	—	—	5	6	6	6	6	6	7	7	17	49
B.	Increase the general income exclusion	—	—	2	2	2	2	2	2	3	3	5	17
C.	Increase the earned income exclusion	—	—	(a/)	(a/)	(a/)	(a/)	(a/)	(a/)	(a/)	(a/)	1	3
D.	Exclude 40 percent of OASDI benefits from unearned income	—	—	11	13	13	14	14	15	15	16	37	112
E.	Increase the countable resource limit and exclude retirement accounts from countable resources	—	—	(a/)	1	1	1	1	1	1	1	3	9
F.	Eliminate the consideration of in-kind support and maintenance	—	—	2	2	2	2	2	2	2	2	7	18
G.	Provide additional data related to SSI eligibility to SSA	—	—	15	15	16	17	17	18	18	19	46	135
Total:	**Provisions A through G combined**	**—**	**—**	**29**	**36**	**38**	**39**	**41**	**42**	**44**	**46**	**104**	**316**

a/ Estimated increase in Federal SSI payments of less than $500 million.

Notes:
1. Estimates are based on the assumptions underlying the 2025 SSI Annual Report to Congress, and an assumed effective date of January 1, 2027.
2. Totals may not equal sum of rounded components.

Social Security Administration
Actuarial Services
September 15, 2026

Nancy Pelosi
Speaker Emerita

March 25, 2026

Ms. Karen P. Glenn
Chief Actuary
Social Security Administration
6401 Security Boulevard
2253 Altmeyer Building
Baltimore, MD 21235

Dear Ms. Glenn:

I am writing to request cost estimates for the Supplemental Security Income (SSI) program specifications that have been provided to you by Dr. Wendell Primus of the Brookings Institution, aimed at reducing elderly poverty. I understand that Dr. Primus and his colleagues expect to release a paper in the coming months outlining a plan intended to significantly reduce poverty among older Americans.

Although this request pertains to work being conducted at Brookings, the resulting analysis will be highly relevant to Congress as it considers strategies to reduce elderly poverty while restoring solvency to Social Security. I am confident that the proposed changes to SSI—alongside other reforms suggested by Dr. Primus and his colleagues—offer a meaningful approach to reducing poverty and complement broader efforts to strengthen Social Security's long-term outlook.

Thank you for your consideration, and I look forward to your response.

best regards,

Nancy Pelosi

NANCY PELOSI
Speaker Emerita