

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 02/09/15

SPONSOR Trujillo LAST UPDATED \_\_\_\_\_ HB HM 15

SHORT TITLE Remove Marriage Penalty for Certain People SB \_\_\_\_\_

ANALYST Boerner

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicate with Senate Memorial 3

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Developmental Disabilities Planning Council (DDPC)

### SUMMARY

#### Synopsis of Bill

House Memorial 15 would have the New Mexico Senate request the United States congress to repeal a “marriage penalty” for people with disabilities and others who rely on supplemental social security noting that when two individuals are married or in some cases cohabitating, individual social security income benefits are reduced by 25 percent thus representing a loss that would not occur if the individuals were not a couple. HM15 also indicates that copies of the memorial be transmitted to each member of the United States congress, to each member of the New Mexico legislature, to the governors of all fifty states and to the president of the United States.

### FISCAL IMPLICATIONS

None noted.

### SIGNIFICANT ISSUES

The DDPC provided the following background information and analysis:

## **House Memorial 15 – Page 2**

During the last fifteen years, disability advocates have worked to eliminate the marriage penalty; they wish to enjoy the benefit of marrying without penalty as other Americans experience.

A single person receiving social security benefits receives a monthly benefit of \$733. Two single individuals would receive a total of \$1,466 per month. If the individuals marry, they would receive \$1,100 per month for the couple (\$550 each). Allowable assets would be reduced from \$4,000 (\$2,000 each) to \$3,000. An annual income for the couple would be reduced from \$17,592 to \$13,200. The federal poverty level is \$15,730 for a family of two. If only one of the couple was receiving social security benefits, the individual receiving the benefits may still have his or her benefit reduced.

Even if a couple does not legally marry and live in the same household, they may be considered by the Social Security Administration as married and have their benefits decreased as if they were married. So in order to maintain ones benefit, the couple would not be able to openly celebrate their love and commitment to each other; not able to inherit one another's estate; not able to receive information when the partner is in the hospital; not able to make life decisions for their partner; not able to make funeral arrangements; nor able to live openly as husband and wife. If they have children, it could affect benefits for the children.

In the 113<sup>th</sup> Congress, S.2089, Social Security Restoration Act, included an increase of the amount of allowable assets to \$10,000 (\$15,000 if married); however, the bill did not pass. The marriage penalty was still intact within the bill.

When the Disability Concerns Sub committee (DCS) of the Legislative Health and Human Services Committee (LHHS) convened in October 2014, it voted as a sub-committee to support this legislation.

### **ALTERNATIVES**

The DDPC notes that some other states supplement the Social Security income to help alleviate the marriage penalty; the State of New Mexico may want to consider this option.

CEB/je/bb