Part I Chapter 3 – Understanding Supplemental Security Income (SSI)

Contents

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Learning Objectives

After you have read this chapter and completed the associated lectures and activities during WIPA Initial Training, you should be able to:

1. Identify the factors that affect SSI eligibility and monthly benefit payment amounts;
2. Describe how Social Security defines earned and unearned income and identify common income exclusions;
3. Describe the basic effect of earned income on SSI cash payments and the steps involved in using the SSI calculation sheet to determine adjusted SSI payment amounts;
4. Describe deeming and in-kind support and maintenance (ISM) and how these special forms of income affect SSI eligibility and benefit payments;
5. Describe the effect of resources on SSI eligibility and identify common resource exclusions;
6. Describe the redetermination process and 12-month suspension provisions; and
7. Identify and describe the SSI work incentives that can be applied to reduce countable earned income – the Student Earned Income Exclusion (SEIE), Impairment Related Work Expenses (IRWE), and Blind Work Expenses (BWE).

List of Acronyms

- BWE – Blind Work Expense
- CEI – Countable Earned Income
- CUI – Countable Unearned Income
- EIE – Earned Income Exclusion
- EXR – Expedited Reinstatement
- FBR – Federal Benefit Rate
- GIE – General Income Exclusion
- IRWE – Impairment Related Work Expense
- ISM – In-kind Support and Maintenance
- NESE – Net Earnings from Self-Employment
- PASS – Plan to Achieve Self-Support
- PMV – Presumed Maximum Value
- POMS – Program Operations Manual System
- RMA – Retrospective Monthly Accounting
- SEIE – Student Earned Income Exclusion
- SSP – State Supplemental Payment
- VTR – Value of the One-third Reduction

Overview of Supplemental Security Income (SSI) Program

Social Security pays Supplemental Security Income (SSI) benefits to eligible individuals who are disabled, blind, or age 65 and older who have few resources and low income, and who meet certain citizenship or residency requirements. Unlike the Title II disability benefits we discussed in Chapter 1, SSI benefits do not come from the Social Security Trust Fund; instead, Social Security pays SSI benefits out of general federal tax dollars. In most cases, individuals who are eligible for SSI benefits are also eligible for Medicaid coverage.

Congress created the SSI program to provide a uniform minimum income level for persons aged 65 and older, blind or disabled adults, and blind or disabled children. SSI supplements a beneficiary's other income to meet their basic food and shelter needs.

SSI as a Means-tested Program

SSI is a means-tested benefit program that includes income and resource limits. Social Security determines SSI eligibility and payment amount based on an individual's "countable" income and resources. The term "countable" refers to income and/or resources after Social Security has subtracted all applicable deductions or exclusions. If an individual's countable income and/or resources exceed applicable limits, the individual will not be eligible for SSI. In addition, unlike the Title II disability benefits, Social Security reduces monthly SSI payments if an SSI eligible individual has countable income. The more countable income an eligible individual has, the lower the monthly SSI cash payment will be. Individuals with countable income or resources above allowable limits are not due a payment. Once Social Security has established initial eligibility for SSI, the agency continues to assess the countable income and resources of all SSI recipients on a monthly basis.

The Federal Benefit Rate (FBR)

The SSI program provides each eligible person a monthly cash payment based on a statutory federal benefit rate (FBR) that changes in January of each calendar year. The FBR is the maximum amount of federal SSI that eligible individuals may receive in a month. Individuals either receive the full FBR, or less than the FBR based on their countable income.

You can find a listing of **current and past SSI Federal Benefit Rates** in Social Security's Program Operations Manual System (POMS) found online (https://secure.ssa.gov/apps10/poms.nsf/lnx/0502001020).

State Supplemental Payments (SSPs)

Some states choose to pay optional state supplements (SSPs) to SSI eligible individuals.

Some states that provide SSPs have elected to administer the payments themselves. In these states, the state agency that administers welfare programs and Medicaid typically makes decisions about SSP eligibility. Other states contract with Social Security to administer the state supplements. When Social Security calculates SSI payments for beneficiaries who live in states with federally administered state supplementation, the agency treats the supplement like an extension of the federal SSI payment. Social Security deducts countable income from the applicable FBR plus the supplement to determine the monthly payment amount.

Monthly Payments Based on Retrospective Monthly Accounting

Social Security makes SSI payments on the first of each month, and bases payment amounts on the income in a prior month. The term for this is "Retrospective Monthly Accounting" (RMA). Social Security staff first determines if an individual is eligible, based on that person's income and resources at the beginning of the month, and then determines the individual's countable income to calculate payments. The amount of the monthly payment is usually based upon how much countable income that person had two months before the month a payment is due.

Some situations require an exception to the two-month lag between income and its effect on payments. For now, though, the important thing to remember about RMA is that there is a lag between income and the payment that reflects that income. You can find out more about **Retrospective Monthly Accounting** by reading the resource document on the NTDC website (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=257).

Eligibility for SSI Benefits

To qualify for SSI benefits, an individual must:

- Be age 65 or older, blind, or disabled;
- Reside in one of the 50 states, the District of Columbia, or the Northern Mariana Islands (with some exceptions);
- Be a U.S. citizen or legal resident meeting certain requirements;
- Have countable income and resources within specified limits;
- File for any other benefits for which they are potentially eligible; and
- Have filed an application.

You can read a helpful summary of the SSI eligibility requirements in a Social Security publication entitled **Understanding SSI Eligibility Requirements** (https://www.ssa.gov/ssi/text-eligibility-ussi.htm). For more detailed information about the SSI program eligibility requirements, refer to **POMS SI 00501.001 - Eligibility under the Supplemental Security Income Provisions** (https://secure.ssa.gov/poms.nsf/lnx/0500501001).

Social Security cannot make SSI payments until the first full month following the date of application. For example, if a person applies for SSI on the 16th day of November and Social Security finds them eligible for SSI, Social Security will pay the first SSI benefit on the first day of the NEXT month, which would be December. Unlike the Title II disability program, the SSI program does not include a waiting period.

Understanding the Role of Income in the SSI Program

Social Security determines SSI eligibility and monthly benefit payment amount on a month-by-month basis. The benefit payment can change each month depending on a variety of factors, but the most common reason is the amount of countable income an individual received.

How Income is Defined in the SSI Program

The SSI program considers income to be anything individuals receive in cash or in-kind that they can use to meet the basic needs of food or shelter. In-kind income is not cash, but food or shelter provided to eligible individuals by someone else. Under this definition, income includes the receipt of anything that a person can use, either directly or by sale or conversion, to meet their basic food or shelter needs. This means that some gifts that can be easily converted to cash may count as income when Social Security determines SSI eligibility and payment amount. Social Security statutes exclude some types of cash or in-kind items.

Social Security classifies any cash or in-kind item that meets the SSI definition of income as either earned income or unearned income. Social Security treats earned income and unearned income very differently in the SSI program, so it is important to understand the difference.

Earned income is any cash or in-kind item that a beneficiary receives in exchange for work. Earned income includes the following types of payments:

- **Wages:** An individual receives these payments for working as an employee. Wages may include salaries, commissions, bonuses, severance pay, military basic pay, sheltered workshop earnings, and any other special payments a person receives because of their employment.
- **In-kind Earned Income:** This includes the value of food or shelter (or other items an individual receives instead of cash) in exchange for work performed. The most common type of in-kind earned income is when an employer provides room and board as part of the pay an individual receives for live-in employment.
- **Net Earnings from Self-Employment (NESE):** This applies to individuals who are self-employed. Social Security follows IRS rules for deciding how much NESE a person has. This is usually what the business brings in, minus allowable deductions. Social Security counts net earnings from self-employment (NESE) on a taxable year basis, and divides NESE by 12, regardless of when in the calendar year the person did the work.

The definition of unearned income is very simple. Social Security describes unearned income as any cash or in-kind item a person receives that does not meet the definition of earned income. Common forms of unearned income include:

- Social Security benefits
- Veteran's benefits
- Railroad Retirement benefits
- Unemployment Compensation

Social Security determines an individual's total countable income after applying all allowable deductions or exclusions. Social Security allows certain exclusions for each of the two types of income (earned and unearned), some of which will be explained later in this chapter.

What Is NOT Counted as Income

As stated earlier, Social Security does NOT count items as income for SSI purposes if they are not food or shelter and a person cannot use them to obtain food or shelter. The most common items that do not meet the SSI definition of income include:

- Medical and social services
- Receipts from the sale, exchange, or replacement of a resource
- Income tax refunds
- Proceeds of a bona fide loan
- Payment of an individual's bills other than food and shelter
- Clothing

Beneficiaries ask lots of questions about what counts as earned or unearned income and what forms of income Social Security disregards. You can read a helpful summary of the SSI income rules in a Social Security publication entitled **Understanding SSI - Income** (https://www.ssa.gov/ssi/text-income-ussi.htm). You can find detailed information about what Social Security counts as income in the SSI program in a resource document entitled **How Income Affects SSI Eligibility and Payment Amount** found on the NTDC website (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=254).

Social Security's Program Operations Manual System (POMS) includes many sections that explain how Social Security makes income determinations in the SSI program. These sections start with the **POMS Income Chapter Table of Contents** (https://secure.ssa.gov/apps10/poms.nsf/subchapterlist!openview&restricttocategory=05008).

Special Types of Income in the SSI Program – Deemed Income and In-Kind Support and Maintenance

Under certain circumstances, Social Security may count the income of another person when determining SSI eligibility and payment amount for an SSI eligible individual. This is called "deeming" because Social Security considers that certain income from someone like a parent or a spouse is "deemed" available to meet the food and shelter needs of the SSI recipient. In addition, if an SSI recipient is given food or shelter by another person, Social Security will consider these gifts to be a type of unearned income called "in-kind support and maintenance" (ISM). The following sections provide a brief overview of these special forms of income.

Deemed Income

"Deeming" is the term Social Security uses to describe the process of considering another person's income and/or resources to be available for meeting an SSI recipient's basic need for food and shelter. Social Security law bases the deeming concept on the expectation that those who have a responsibility for others share their income and resources for the benefit of those persons. Deeming relationships include:

- The parental relationship to a minor child,
- A spouse-to-spouse relationship, and
- The relationship between a sponsor and a legal alien.

When deeming applies, Social Security determines that a certain amount of the responsible party's income and/or resources are "deemed" available for the needs of the SSI recipient. Social Security considers deemed income and/or resources when making SSI eligibility determinations and when calculating the SSI payment amount. Social Security does not count all income and resources of the ineligible parent(s), spouse, or sponsor when calculating the amount of deemed income. There are special exclusions for some types of resources and income that apply to deeming. Social Security counts the deemed income as unearned income for the SSI recipient.

Deeming computations are very complex and generally are beyond the scope of a CWIC's work. However, it is important for CWICs to understand that income and/or resources belonging to a spouse, a parent, or an alien sponsor may affect entitlement or payment amount for an SSI recipient who is a minor child, spouse, or sponsored alien.

For more information, you can refer to several **VCU NTDC resource documents on deeming** available on the NTDC website (https://vcu-ntdc.org/resources/resourceDetail.cfm?id=1).

There are three briefing papers about deeming posted on this website. You can also refer to a helpful Social Security publication entitled **SSI Spotlight on Deeming Parental Income and Resources** (https://www.ssa.gov/ssi/spotlights/spot-deeming.htm).

In-kind Support and Maintenance (ISM)

If an SSI recipient receives food or shelter from another person, Social Security will consider these gifts to be unearned income. The specific type of unearned income is called "in-kind support and maintenance" or ISM. In-kind support may be provided by someone who lives in the same household as the recipient (such as a parent), or by someone outside of the household. When determining the value of ISM, Social Security applies one of two basic rules:

1. The Value of the One-Third Reduction Rule (VTR); or
2. The Presumed Maximum Value Rule (PMV).

Social Security will only apply one of these rules to an SSI recipient's benefit calculation at a time. Social Security personnel follow specific policies about the SSI recipient's living arrangement when deciding which ISM rule to apply. Basically, Social Security applies the Value of the One-Third Reduction (VTR) rule when the eligible individual lives in another person's household for a full calendar month and receives both food and shelter from that person. When the VTR rule applies, Social Security reduces the SSI payment by a full one-third of the current applicable FBR. You can learn more about the one-third reduction by referring to a Social Security publication entitled **SSI Spotlight on the One-Third Reduction Provisions** (https://www.ssa.gov/ssi/spotlights/spot-one-third-reduction.htm).

Social Security applies the Presumed Maximum Value (PMV) rule when an eligible individual receives ISM and the VTR rule does not apply, meaning that the eligible individual does not live in the household of another person or does not receive both food and shelter from the household. Under the PMV rules, Social Security will determine the household expenses, then figure out how much of these expenses represent the SSI recipient's share. Next, Social Security will ask the individual how much he or she actually pays to the householder and will subtract that amount from the share of expenses. Social Security counts the difference as ISM up to a "presumed maximum value" of one third of the current FBR plus $20. If the actual value of ISM is LESS than the presumed maximum value, Social Security personnel will count that lower figure as a form of unearned income when they calculate the SSI benefit amount.

ISM determinations can be very complex and inexperienced CWICs often misunderstand them. You can read more about living arrangements and ISM in a Social Security publication entitled **Understanding SSI - Living Arrangements and ISM** (https://www.ssa.gov/ssi/text-living-ussi.htm).

For more detailed information on this subject, refer to the VCU NTDC resource document entitled **Understanding In-kind Support and Maintenance** (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=19).

SSI and Resources

Social Security defines resources as cash and any other personal property, including any real property, that an individual (or deemor, if any):

a. Owns;

b. Has the right, authority, or power to convert to cash (if not already cash); and

c. Is not legally restricted from using for his or her support and maintenance.

Social Security makes resource determinations as of the first day of each calendar month and they are applicable for the entire month. Because of this rule, subsequent changes in resources within the month have no effect until the following month's resource determination. If countable resources are over the allowable limit, an individual will not be eligible for an SSI payment.

The limit for countable resources has not changed since 1987, when it became $2,000 for an individual and $3,000 for an "eligible couple". An eligible couple exists when two SSI recipients are married and living in the same household. We describe eligible couples in more detail further on in this chapter. When deeming applies, the resources another person has might also make an individual ineligible for SSI. Refer back to the previous section about deeming for links to resource documents that describe this concept in more detail.

Resource Exclusions

Not everything a person owns meets the SSI definition of a resource, and not all resources count against the statutory limit. The Social Security Act and other federal statutes require the exclusion of certain types and amounts of resources. Below is a list of some types of resources that Social Security excludes under the SSI program:

- Household goods and personal effects
- Medical devices and adaptive equipment
- Some life insurance policies
- The home in which the beneficiary lives
- An automobile used for transportation
- Some burial funds, burial spaces, and life insurance assigned to funeral provider
- Student financial assistance received under Title IV of the Higher Education Act of 1965 (HEA) or Bureau of Indian Affairs (BIA) including Pell grants and Work-Study grants

This is not a comprehensive list and the rules governing some resource exclusions are complex.

You can read a helpful summary of the SSI resource rules in a Social Security publication entitled **Understanding SSI - Resources** (https://www.ssa.gov/ssi/text-resources-ussi.htm). To learn more about resource determinations, you can refer to a detailed resource document entitled **How Resources Affect SSI Eligibility** on the VCU NTDC website (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=6). You can also find the POMS citation listing resources exclusions at **SI 01110.210 Excluded Resources** (https://secure.ssa.gov/apps10/poms.nsf/lnx/0501110210).

Social Security defines an eligible couple as two SSI-eligible individuals who are legally married and living together under the laws of the state where they have a permanent home. This includes same-sex couples. In some cases, Social Security may consider two SSI recipients who are not legally married to be an eligible couple. The Social Security Act provides that two people, who are not legally married, yet who live in the same household are in a "marital relationship" for SSI purposes if they hold themselves out as spouses to the community in which they live. Social Security refers to this provision as "holding out".

Eligible couples only exist when both members of the couple are SSI eligible, not when an SSI- eligible individual is married to an ineligible spouse. For this reason, spouse-to-spouse deeming in which Social Security deems income or resources from an ineligible spouse available to the eligible individual never applies to eligible couples.

Social Security considers individuals to be no longer married for SSI purposes as of the date that:

- Either individual dies;
- An annulment or divorce is finalized;
- Either member of the couple begins living with another person as that person's spouse;
- They no longer hold themselves out as married; or
- They are no longer married for Title II purposes.

Even when married, spouses are no longer an eligible couple when they cease to live together.

Determinations for Members of an Eligible Couple

There are some significant differences in the way Social Security treats eligible couples from the way it treats SSI individuals when determining either SSI eligibility or the cash benefit amount. First, Social Security applies a separate FBR to eligible couples that is higher than the FBR for individuals. When Social Security calculates the benefit amount for each member of the couple they consider the couple’s combined earned and unearned income. Social Security subtracts the total countable income of the couple from the couple FBR (as opposed to the individual FBR) and gives half of the adjusted check to each member of the couple.

Social Security also applies different resource limits to eligible couples and eligible individuals when determining SSI eligibility. Currently, the countable resource limit for an eligible couple is $3,000. Social Security establishes the value of a couple’s combined resources (both money and property), subtracts all allowable exclusions, and then compares that amount to the $3,000 couple resource limit when making eligibility determinations. For the most part, Social Security applies resource exclusions to eligible couples in the same way they apply to individuals. In certain situations, Social Security treats an eligible couple as if they were one person. For example, Social Security excludes only one home and one vehicle for an eligible couple.

For detailed information on this subject, you may refer to the VCU NTDC resource document entitled **Eligible Couples** (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=21).

SSI Redetermination Process

Social Security conducts periodic redeterminations for all SSI recipients. A redetermination is a review of a beneficiary’s or couple’s living and financial situations to make sure they are still eligible for benefits and receiving the correct SSI payment. Generally, Social Security conducts a redetermination for SSI recipients at least once per calendar year.

During the redetermination, Social Security staff examine income available to the SSI eligible individual or couple on a month-by-month basis since the last redetermination. The information Social Security gathers during the redetermination determines eligibility and how much the person or couple should have received. During redeterminations, Social Security also examines resources available to the SSI recipient at the beginning of each month in the period. If the countable resources are too high in a month, no SSI payment is due for that month. During redeterminations, Social Security sometimes discovers that an individual has been overpaid or underpaid and the agency will then take steps to settle these differences.

You can learn more about the SSI redetermination process by reading a Social Security publication entitled **Understanding SSI - Redeterminations** (https://www.ssa.gov/ssi/text-redets-ussi.htm). You can find more detailed information about redeterminations by going to the POMS citation **SI 02305.000 Redeterminations of Eligibility and/or Payment Amount** (https://secure.ssa.gov/apps10/poms.nsf/lnx/0502305000).

Twelve-month Suspension Period

Sometimes SSI recipients have excess resources or unearned income that make them ineligible for SSI payments and associated Medicaid benefits. Ineligibility begins the first day of the month in which income or resources exceeds statutory limits. In the SSI program, this results in a suspended benefit, rather than termination. This is an important distinction. Termination means Social Security has completely closed a person's record. A person in suspension status is not getting a cash benefit, but is still active in the Social Security system. This suspension can last up to 12 consecutive months.

The 12-month suspension period is a critically important safety net for SSI recipients. As long as the person still has a disability, the 12-month suspension period allows Social Security to begin SSI payments again without the person having to reapply when unearned income or resources fall below the statutory limits. Before Social Security can reinstate benefits during a 12-month suspension period, the individual must notify the agency that unearned income or resources are again below allowable limits. There is no limit to the number of times an SSI recipient may move into and out of suspension status. Social Security will automatically terminate certain SSI records after 12 consecutive suspension months.

In a later section, we will discuss a different protection that occurs if earnings, instead of unearned income or resources, cause SSI payments to stop. That protection is called 1619(b) Continuation of Medicaid. The 12-month suspension period provision only applies to individuals who lose SSI payments due to excess resources or unearned income.

You can read more information about the 12-month suspension period at **POMS SI 02301.205 - Suspension and Reestablishing Eligibility** (https://secure.ssa.gov/apps10/poms.nsf/lnx/0502301205).

Effects of Work on SSI Benefits

> **NOTE:** The information in this chapter relates to SSI recipients who are engaging in wage employment rather than self-employment. Social Security treats self-employment and wage employment very differently. You will need to complete additional training to be able to provide effective WIPA services to SSI recipients who are engaging in self-employment or planning to become self-employed. You can find detailed information about the effect of self-employment on SSI benefits by reading a resource document entitled **Self-employment and SSI** on the VCU NTDC website (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=11).

As stated earlier in this chapter, any countable income an SSI recipient receives will cause the SSI cash payment to decrease. Social Security applies a set of standard calculations to determine how much of an individual's income is countable. We provide CWICs special SSI Calculation Sheets that help you understand and perform the steps necessary to determine an SSI recipient's countable income so that you can estimate how much that person's adjusted SSI cash payment will be. This is especially helpful for SSI recipients who are working or planning to work. We provide the **SSI Calculation Sheet** as a blank template in this chapter and you will have opportunities to practice using it during initial training. You also will find **SSI Calculation Sheets for individuals and eligible couples** on the NTDC website (https://vcu-ntdc.org/resources/resourceDetail_search.cfm?id=1).

Understanding the SSI Calculation Sheet

Before we go over the steps included in the SSI Calculation Sheet, let's review a few general points about how Social Security counts income and then uses countable income to adjust monthly SSI payments.

1. Social Security starts by deciding how much of the income an individual received in the month is unearned and how much is earned. Some of the assistance a person received may not be counted in either category because it does not meet Social Security's definition of income or it is a form of income that Social Security disregards by federal statute. You will see when you use the SSI Calculation Sheet that unearned and earned income are treated very differently. You must be clear about how much is in each category of income to estimate a payment correctly.

2. Income is counted in the month it is received or the month in which the SSI recipient has access to it. Remember, Social Security makes income determinations on a month-by-month basis and the SSI cash payment may fluctuate each month depending on countable income.

3. Social Security begins with GROSS income when determining countable income. For wages, that means before any deductions are taken out such as federal or state taxes or FICA. For unearned income like Social Security benefits, that means before deductions are taken out, such as deductions for Medicare premiums or overpayment recovery.

4. Social Security determines countable earned income after the agency applies all applicable work incentive deductions that allow working SSI recipients to keep more of their SSI cash payment when they work. We will cover each SSI work incentive in detail a bit later in the chapter. The work incentives listed in this section are in the order they appear in the SSI calculation sheet. Federal regulation determines this order. Here is a brief description of the earned income exclusions applicable to SSI benefits:

    - **General Income Exclusion (GIE):** $20 exclusion of any kind of income, earned or unearned. If the beneficiary has unearned income, the GIE is applied to that first. If the beneficiary has no unearned income or has less than $20 in unearned income, Social Security may deduct the remainder of the $20 exclusion from the person's earned income.
    - **Student Earned Income Exclusion (SEIE):** Special exclusion of income for individuals who are under age 22 and regularly attending school.
    - **Earned Income Exclusion (EIE):** Social Security excludes the first $65 of earnings after subtracting the applicable Student Earned Income Exclusion (SEIE) or General Income Exclusion (GIE).
    - **Impairment Related Work Expenses (IRWEs):** Social Security defines IRWEs the same way under the SSI program that it defines them under the Title II program. These are expenses an individual incurs because they are disabled and because they are working.
    - **The 1/2 earnings exclusion or the "one-for-two offset":** The "1/2" exclusion permits Social Security to exclude half of the earnings that remain after deducting the exclusions listed above. It is because of this work incentive that SSI beneficiaries are almost always better off financially when they choose to work.

- **Blind Work Expenses (BWE):** If the SSI recipient meets the definition of statutory blindness, they may deduct any expense they incur by working. These expenses do not have to be related to a person's blindness or any impairment, although Social Security would deduct IRWEs here for a person who meets the definition of statutory blindness. BWEs only occurs in the SSI program.
- **Plan to Achieve Self-Support (PASS):** A PASS permits individuals to set aside countable income, or resources to pay for goods or services necessary to achieve a vocational goal. With a PASS, Social Security will exclude that income or resources when Social Security determines the payment amount. We will cover PASS in greater detail in Chapter 4.

5. Once Social Security has calculated the countable unearned income and the countable earned income, they add those two figures together to arrive at TOTAL countable income. Social Security subtracts that total figure from the FBR that applies to the individual or eligible couple.
6. After Social Security deducts the total countable income from the FBR, what remains is the adjusted SSI payment. If the beneficiaries are members of an eligible couple, Social Security divides the amount in half and sends two payments — one check to each member of the couple.

Now let's take a look at the SSI Calculation Sheet so you can see how to apply the deductions listed above:

Step	Calculations
1. Unearned Income	
2. General Income Exclusion (GIE) $20	–
3. Countable Unearned Income	=
4. Gross Earned Income	
5. Student Earned Income Exclusion (SEIE)	–

Step	Calculations
6. Remainder	
7. GIE (if not used above) $20	–
8. Remainder	
9. Earned Income Exclusion (EIE) $65	–
10. Remainder	
11. Impairment Related Work Expenses (IRWE)	–
12. Remainder	
13. Divide by 2	
14. Blind Work Expenses (BWE)	–
15. Total Countable Earned Income	=
16. Total Countable Unearned Income	
17. Total Countable Earned Income	+
18. PASS Deduction	–
19. Total Countable Income	=
20. SSI Federal Benefit Rate (check for VTR)	
21. Total Countable Income	–
22. Adjusted SSI Payment	=
23. Adjusted SSI Payment	
24. Gross Unearned Income Received	+

Step	Calculations
25. Gross Earned Income Received	+
26. PASS, BWE and/or IRWE Expenses	–
27. Total Financial Outcome	=

The following are step-by-step instructions for completing the SSI Calculation Sheet. Do not be concerned if these steps seem confusing. We will go over this in detail during initial training and your instructors will provide you with lots of examples and opportunities to practice performing the calculations.

Step 1: Calculate Countable Unearned Income

a. Add together unearned income an individual or members of an eligible couple receives and place that figure on the "unearned income" line on the calculation sheet. Forms of unearned income include:

  - Title II or other benefits (other than SSI);
  - In-kind Support and Maintenance (ISM) valued under the Presumed Maximum Value (PMV) rule; and
  - Any other unearned income that is not excluded under federal statute.

b. Subtract General Income Exclusion (GIE) of $20.

c. The result is Countable Unearned Income (CUI). Write result on Countable Unearned Income line on 3rd line of calculation sheet, and also on Countable Unearned Income line that appears on line 16 of the calculation sheet.

Step 2: Calculate Countable Earned Income

a. Add together any earned income an individual or either member of an eligible couple received in a month, including:

  - Gross earnings paid in the month for all employment;
  - Value of in-kind income received for work; and

- Net Earnings from Self-Employment (NESE) for the year divided by 12.

b. Place the total gross monthly earnings on the Earned Income line (Line 4 of calculation sheet).

c. If the individual or either member of an eligible couple is a student under age 22, subtract the applicable Student Earned Income Exclusion (SEIE).

d. Subtract any remaining General Income Exclusion after considering unearned income.

e. Subtract the $65 Earned Income Exclusion. Eligible couples only receive one $65 Earned Income Exclusion.

f. Subtract the value of any applicable Impairment Related Work Expenses (IRWEs) for an individual or member of an eligible couple who is working. Do NOT deduct work expenses for blind individuals on this line.

g. Divide the remainder by 2.

h. If the individual or member of an eligible couple meets the definition of statutory blindness, subtract any applicable Blind Work Expenses (BWEs).

i. The remainder is Countable Earned Income (CEI). Write countable earned income in lines 15 and 17.

Step 3: Determine Total Countable Income

a. Add Countable Unearned Income to Countable Earned Income.

b. Subtract applicable PASS deductions from this combined total to determine Total Countable Income (CI).

c. Write total countable income figure on lines 19 and 21 of the calculation sheet.

Step 4: Determine SSI Payment

a. Enter applicable FBR for the SSI recipient or eligible couple (Individuals or couples who receives ISM valued under the VTR rule will have a reduced FBR).

b. Subtract the Total Countable Income.

c. The result is the estimated SSI payment.

Step 5: Determine the Total Financial Outcome from Working

The last few lines of the SSI Calculation Sheet are used to show the beneficiary the total financial outcome that they will achieve by working.

a. Add together all of the forms of income including the adjusted SSI cash payment, gross unearned income and gross earned income.

b. Subtract any of the work incentives deductions listed on the calculation sheet.

c. The end result will be the total amount of money the beneficiary will have available.

Common SSI Calculation Errors to Avoid and Counseling Points with Beneficiaries

1. When estimating an SSI payment, never show it on the SSI calculation sheet as a negative number as this may confuse beneficiaries. If the countable income is more than the individual's FBR, simply indicate zero for the cash payment amount. The zero may alarm beneficiaries, as they sometimes believe that if they no longer get a cash payment, they will lose their Medicaid. As we will show you in the next chapter, that is rarely the case due to a work incentive called 1619(b) Medicaid While Working.

2. Remember that the only deduction allowed for unearned income is the $20 GIE.

3. The $20 GIE and $65 EIE apply only once to an eligible couple, even when both members have income, because the couple's earned income is combined when Social Security determines SSI payments.

4. Never enter the person's current SSI payment on the "Unearned Income" line.

5. Remember that an individual or SSI-eligible couple may have several exclusions. Use all exclusions that apply to the person or eligible couple's situation.
6. Do not change the order of the calculation steps. The steps occur in the order they do because of federal regulations. Taking them out of order will cause the estimated payment amount to be incorrect.
7. Whenever calculating payments, make sure the person knows that Social Security has the final say in any calculation, or in the application of any exclusion. You are only providing an estimate.
8. When an SSI recipient has some of the SSI cash payment withheld to recover an overpayment, Social Security uses the gross SSI FBR when determining the adjusted SSI cash payment. The over payment recovery is applied to the adjusted SSI cash payment after completing the SSI calculation sheet.
9. Finally, remember that in most cases, there is a two-month delay between a person's income and the adjusted SSI payment that is affected by that income.

SSI State Supplementation

Get to know the rules in the states in your service area regarding state supplementation. If Social Security administers the supplement, use the FBR plus the supplement when estimating payments. In states that administer their own supplement, the supplement may disappear with the last dollar of SSI. Seek support from experienced CWICs within your WIPA program or from your assigned VCU Technical Assistance Liaison if you have questions about how to apply the supplement in a specific state. For the state-by-state rules, go to **SSA - POMS: SI 01400.000 - State Supplementary Payments - Table of Contents - 12/22/2021** (https://secure.ssa.gov/apps10/poms.nsf/lnx/0501400000).

SSI Work Incentives

As you can see from the SSI calculation sheet, there are special work incentives that Social Security can use to permit SSI recipients to reduce countable earned income and retain more SSI. These work incentives are:

1. The Student Earned Income Exclusion (SEIE);
2. The Earned Income Exclusion (EIE);
3. Impairment Related Work Expenses (IRWE)
4. Blind Work Expenses (BWE); and
5. Plans to Achieve Self Support (PASS).

Let's take a closer look at some of these work incentives to understand who is eligible to use them and how they apply in the SSI program. We cover the SSI work incentives in the order that they apply in the calculation sheet and you will have many opportunities to practice performing calculations during initial training. The PASS work incentive is the most complicated, so we will cover those rules separately in the next chapter.

The Student Earned Income Exclusion (SEIE)

The Student Earned Income Exclusion (SEIE) is a work incentive that allows certain SSI recipients who are under age 22 and regularly attending school to exclude a specified amount of gross earned income per month up to a maximum annual exclusion. The SEIE decreases the amount of countable earned income, thus permitting SSI recipients to keep more of the SSI check when they work. In many cases, the SEIE allows students to test their ability to work without experiencing any reduction in the SSI check at all.

Only SSI beneficiaries who meet all of the SEIE eligibility criteria will receive this important work incentive. To qualify for the SEIE, an individual must be:

- Under the age of 22,
- Regularly attending school, college or training; and
- Working.

Regularly attending school means that the person takes one or more courses of study and attends classes:

- In a college or university for at least 8 hours per week under a semester or quarter system;
- In grades 7-12 for at least 12 hours per week;
- In a course of training to prepare them for a paying job for at least 15 hours per week if the course involves shop practice, or 12 hours per week if it does not involve shop practice. This training includes anti-poverty programs, such as the Job Corps and government-supported courses in self-improvement; or
- For less than the amount of time indicated above for reasons beyond the student's control, such as illness, if circumstances justify the reduced credit load or attendance.

In addition to the general requirements above, some SSI recipients may qualify to use the SEIE when they are homeschooled or participating in an online educational program. You can read more about **SEIE eligibility requirements** by referring to POMS SI 00501.020 Student - SSI in the POMS (https://secure.ssa.gov/apps10/poms.nsf/lnx/0500501020#c).

Social Security applies the SEIE to a student's gross earnings before any other allowable exclusion. Social Security will exclude all gross earnings up to a maximum amount per month until the beneficiary exhausts the full annual SEIE exclusion, or the individual becomes ineligible for SEIE by reaching the age of 22 or stops attending school.

Social Security establishes both the maximum monthly SEIE exclusion and the maximum annual exclusion amount each calendar year. The annual SEIE maximum applies to the calendar year that begins in January and ends in December. Social Security will exclude all earnings an individual receives in a month up to the current monthly maximum until the individual has reached the annual maximum. Social Security indexes SEIE amounts annually, meaning they go up (or at least remain the same) each year in January. You will find the **past and current SEIE figures** in the POMS (https://secure.ssa.gov/apps10/poms.nsf/lnx/0500820510).

Individual remains a student for the purposes of the SEIE when classes are out if they attend classes regularly just before the school break and:

- They intend to resume attending regularly when school reopens; or
- Do resume attending regularly when school reopens.

For most students, this would allow Social Security to apply the SEIE to summer employment when school is not in session. When an SSI recipient graduates from school and doesn't intend to resume school later, the SEIE will apply for the last month during which the recipient attended school, and then will stop. When a student changes their intent to return, and does not return to school, the individual is no longer considered a student effective with the month the intent changed.

In some cases, a student's counselor or teacher may believe the student needs to stay out of class for a short time to enable him or her to continue studying or training. The POMS instructs Social Security personnel to consider the recipient to be a student regularly attending school, college, or training during this type of non-attendance.

Social Security verifies student status during the SSI redetermination process. An individual may document school enrollment by presenting a school record such as an ID card, tuition receipt, or other comparable evidence. If the individual does not have any evidence to present, Social Security may contact the school to verify attendance. If Social Security is aware of the individual's student status, Social Security will apply the SEIE when the student reports earnings. However, Social Security recommends that an individual clearly indicate student status in writing when notifying Social Security of employment. The student doesn't need a special form or process to request the SEIE.

You can read a helpful summary of the SEIE in a Social Security publication entitled **SSI Spotlight on the Student Earned Income Exclusion** (https://www.ssa.gov/ssi/spotlights/spot-student-earned-income.htm). You will find detailed information about the SEIE with examples of how this work incentive is applied in a VCU NTDC resource document entitled **Student Earned Income Exclusion factsheet** (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=7). You will also find a helpful **SEIE calculator tool** on the NTDC website (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=165).

Impairment Related Work Expenses (IRWEs) in the SSI Program

As under the Title II disability program, Impairment Related Work Expenses (IRWEs) for SSI recipients permit the deduction of the cost of goods or services that are:

1. Related to the disability or to an impairment for which the person is receiving treatment from a health care provider;
2. Necessary for work;
3. Paid out of the beneficiary's pocket and not reimbursed by any other source,
4. Reasonable; and
5. Paid in the month the person received earnings, although Social Security may prorate the cost of durable items over a 12-month period.

The rules that apply to IRWEs are the same for Title II disability beneficiaries and SSI recipients. Those rules were described in Chapter 1 so we will not cover them again here. The only difference is the way the IRWE deduction is applied. Remember that in the Title II disability program, IRWEs may be applied to reduce countable earned income when Social Security is making an SGA determination. In the SSI program, the IRWE is deducted in the SSI calculation sheet so it actually allows someone to keep more of their SSI cash payment. The way the deduction is taken in the SSI calculation sheet (before the one-for-two offset) means that approximately 50% of the cost of the IRWE is recouped in the adjusted SSI cash payment.

Some important things to remember about how Social Security applies the IRWE deduction include the following:

- Social Security may deduct some IRWEs on a recurring basis. For example, in some cases the cost of durable equipment (respirator, wheelchair, etc.) may be paid over a period of time under an installment purchase plan. In addition to the cost of the purchased item, interest and other normal charges (e.g., sales tax) that a person with a disability pays to purchase the item will also be deductible. Generally, the amount the person pays monthly will be the deductible amount.

- Part or all of a person's IRWE may not be recurring (e.g., the person with a disability makes a one-time payment in full for an item or service). Social Security may deduct such nonrecurring expenses either entirely in one month, or may prorate them over a 12-consecutive month period, whichever is most beneficial to the individual.
- A person with a disability may make a down payment on an impairment-related item, or possibly a service, to be followed by regular monthly payments. Social Security deducts such down payments either entirely in one month, or allocated over a 12-consecutive month period, whichever is most beneficial.
- When an SSI recipient rents or leases an item while working, the allowable deductible amount is the actual monthly charge. As with other costs approved as IRWEs, rental or lease payment is subject to the reasonable limits provision.

Social Security will verify IRWEs during the periodic redetermination process and SSI recipients must have receipts to prove they paid all approved expenses. It is possible that Social Security may deny IRWEs if the beneficiary cannot produce documentation proving the expense was actually paid.

You can read a helpful summary of the IRWE provisions in a Social Security publication entitled **SSI Spotlights - Impairment Related Work Expenses** (https://www.ssa.gov/ssi/spotlights/spot-impairment-relatedwork.htm). You will find detailed information about IRWEs and review some examples of how IRWEs are applied in the SSI Calculation Sheet in a resource document entitled **Impairment Related and Blind Work Expenses and SSI** found on the VCU NTDC website (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=213).

You will also find an **IRWE Request Template** you may use to help a beneficiary formally request that Social Security review and approve potential IRWEs on the VCU NTDC website (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=9).

Blind Work Expenses (BWE)

Individuals receiving SSI due to statutory blindness are eligible for an additional work incentive. Social Security refers to this work incentive as Blind Work Expenses or BWE. In addition to goods or services that Social Security would normally deduct under the IRWE provisions outlined above, BWE provisions also allow exclusion of any other work-related items that a blind individual pays out of pocket. The biggest difference between BWE and IRWE is that BWEs don’t need to be related to any impairment. Blind Work Expense provisions ONLY apply in the SSI program. This work incentive does not apply to individuals who receive a title II disability benefit based on blindness.

Blind work expenses may include, but aren’t limited to:

- State and federal taxes
- Union dues
- Mandatory pension contributions
- Uniforms
- Reader services
- Driver services
- Cost of service animal’s care
- Childcare
- Transportation
- Meals consumed at work
- Adaptive equipment purchased by the beneficiary

Based upon the list of allowable expenses under BWE provisions, you can assume that any individual who receives SSI due to blindness and is earning more than $85 per month would have at least some BWEs to claim. CWICs should help the beneficiary identify the types of BWEs they are incurring and should estimate the total average cost of these BWEs when they submit the BWE request to Social Security for a formal determination.

In the SSI program, all goods and services that would normally meet the definition of IRWE would also meet the definition of BWE, in addition to expenses that would only apply as BWE. An individual who receives SSI due to blindness should claim allowable expenses as a BWE instead of an IRWE, as it provides for greater reduction in countable earned income.

Just like with IRWEs, the beneficiary must pay any cost and receive no reimbursement from any other source in order for Social Security to approve the expense under BWE rules. Social Security will verify BWEs during the periodic redetermination process and SSI recipients must have receipts to prove they paid all approved expenses. Social Security may deny BWEs if the beneficiary cannot produce documentation proving the expense was actually paid.

You can read a helpful summary of the BWE provision in a Social Security publication **SSI Spotlight - Special SSI Rule for Blind People who Work** (https://www.ssa.gov/ssi/spotlights/spot-blind-work.htm). You can read detailed information about BWEs in a resource document entitled **Impairment Related and Blind Work Expenses** on the VCU NTDC website (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=213).

You will also find a **BWE Request Template** you may use to help a beneficiary formally request that Social Security review and approve potential BWEs on the VCU NTDC website (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=9).

Expedited Reinstatement (EXR) in the SSI Program

We provided a detailed discussion of covered EXR in Chapter 1 so we will not repeat that information here. As a brief reminder, EXR affords eligible individuals a quick way to re-establish entitlement for Social Security disability benefits or SSI after the agency terminated those benefits due to earned income and work activity. To qualify for EXR, the former beneficiary must have the same or a related disability as the earlier entitlement, and the person must again be unable to perform Substantial Gainful Activity (SGA). For most eligible individuals, EXR offers a faster way to get benefits back again as compared to re-application. EXR also permits individuals to receive provisional payments while Social Security is processing the reinstatement request.

EXR applies to both Title II disability benefits and SSI and the EXR rules are the same for both programs. The one thing to remember is that to be eligible for EXR, SSI recipients must be terminated from benefits – not simply suspended. A person who is in a 12-month suspension does not need to request EXR because they can simply start benefits back again if and when they re-establish eligibility for SSI. In the SSI program, the overwhelming majority of people do not terminate from benefits due to earnings because they remain SSI eligible as long as they retain Medicaid through 1619(b) Continuation of Medicaid. We will cover 1619(b) in detail in Chapter 5, but for now all you need to know is that people in this status are NOT terminated or suspended even though they no longer receive an SSI cash payment.

Next Steps

We have presented a great deal of complex information in this chapter and it is understandable if you feel a bit overwhelmed by it. As you serve beneficiaries and learn to apply the information to real life situations, you will gradually gain expertise and confidence. You will also need to complete additional training and access technical assistance from your NTDC Technical Assistance Liaison to continue to develop competency. Here are some steps you should consider:

1. Keep in mind that the information in this chapter relates to SSI recipients who are engaging in wage employment rather than self-employment. You will need to complete additional training to be able to identify individuals who are self-employed and provide effective WIPA services to SSI recipients who are engaging in self-employment or planning to become self-employed. You can find detailed information about the effect of self-employment on SSI benefits by reading a resource document entitled **Self-employment and SSI** on the VCU NTDC website (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=11). We also offer a web course on self-employment that we recommend you complete. Finally, when you encounter someone who is self-employed or planning to become self-employed, get support from your VCU Technical Assistance Liaison.

2. SSI is complicated by all of the rules that govern treatment of income and resources. In particular, CWICs tend to require additional training on deeming and in-kind support and maintenance (ISM) to achieve competency on these topics. Be sure to read the resources on these topics we referenced earlier in this chapter and seek out support from your VCU Technical Assistance Liaison when needed.

3. One of the most important parts of your job is to help beneficiaries identify work incentives that can ease the benefits transitions caused by working. You will find **archived supplemental training sessions** on all the SSI work incentives (SEIE, IRWE, BWE) on the NTDC website (https://vcu-ntdc.org/training/supplemental/archives.cfm). These sessions are self-directed and may be completed at any point after you achieve provisional certification.

4. Since SSI payments are affected by different forms of income, SSI recipients need to be diligent about reporting income they receive to Social Security to avoid overpayments. We will cover all aspects of wage reporting in Part II of this manual. We have a variety of **resource documents on the NTDC website that will help you understand various aspects of reporting** (https://vcu-ntdc.org/resources/resourceDetail_search.cfm?id=3).