



# Potential Effects of Beneficiary Employment on Family Members

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## Introduction

When providing work incentives counseling, CWICs need to consider the effect of work not only on the beneficiary, but also the potential effects on any benefits that family members receive. For example, children may be receiving a child's benefit from a parent who receives SSDI. A child or spouse may also be eligible for Medicaid.

The following tips will help CWICs provide effective, holistic counseling to beneficiaries with families. You will also find a list of helpful resources at the end of this document.

## Conducting Thorough Information Gathering

Providing comprehensive work incentives counseling for beneficiaries with families starts with the initial intake process. Here are some questions to ask:

- What type of benefit does the beneficiary receive? Is it a benefit authorized under Title II or is it SSI?
- Does the beneficiary have minor or disabled children receiving benefits?
- Does the beneficiary have a spouse or former spouse receiving benefits?
- What Social Security benefits, or other publicly-funded benefits, does each family member receive?
- What benefits does the family receive as a household?
- What are the ages and living arrangements of the family members?

Be sure that the information gathering tool you use includes a section on family members.

## Relationship Determinations

Social Security makes parental and marital relationship determinations when individuals apply for Social Security benefits, or when changes occur in the family composition. These determinations are important because eligible family members may receive cash payments in addition to the primary applicant or number holder. Family relationship determinations are far more complex than most people realize and are based on a myriad of state and federal laws.

## Title II Considerations

In general, family members are entitled to Title II benefits only as long as the individual on whose work record they are collecting those benefits remains entitled. Social Security often refers to this person as “the number holder”. If the number holder becomes ineligible for a cash payment, anyone else who is collecting a Social Security benefit on that person’s work record also stops receiving a payment (some exceptions apply).

CWICs commonly encounter several types of benefits paid to the spouse or children of a worker. When the former worker is living, these are called auxiliary benefits. If the number holder is deceased, these benefits are referred to as survivor’s benefits. Here are the most common types of auxiliary benefits:

**Spouse or Ex-spouse’s Benefits:** Social Security pays these benefits due to age, or to having an entitled child in the spouse’s care. For the child to be “in-care”, the child must be under age 16, or very severely disabled and requiring support from the spouse.

**Child’s Benefits:** For these, the child must be any of the following:

- Under age 18, or between 18 and 19 and in primary or secondary school (disability is not a factor); or
- Age 18 or older and experiencing a disability that began before the adult child attained age 22.

### Example:

Darren receives an SSDI payment. He is married and has two minor children living with him and one minor child from a previous marriage who lives with his mother. All three children and their mothers receive Social Security benefits as auxiliary beneficiaries on his work record. Darren begins a job working part-time as a computer programmer, earning \$3,000 a month. After his Trial Work Period (TWP) is completed, Social Security reviews his work and determines that he is performing Substantial Gainful Activity (SGA). He continues to receive his cash payment for the next three months (cessation and grace period), and then his cash payment

ceases. At this point, Darren's auxiliary beneficiaries will also stop receiving a cash payment. If Darren stops working or reduces his countable earned income below SGA during his Extended Period of Eligibility (EPE), he, both the spouse and ex-spouse, and his children will resume cash payments simultaneously. Similarly, if he is overpaid, the children and auxiliaries will also have an overpayment.

### Tips for Working with Title II Beneficiaries and Their Families

- Look on the Benefits Planning Query (BPQY) to see if there is a difference between the full amount and the total family cash benefit. This is an indication that family members may receive auxiliary benefits.
- Verify the benefits of all family members who receive an auxiliary benefit. This may require the CWIC to furnish the Claims Representative with Social Security numbers for all dependents, as well as a release of information form (SSA-3288) from the responsible adult, if applicable.
- Remember, some children may be living in another household, such as with the other parent in cases of divorce. The divorced parent may also be the Representative Payee for the child's benefit. It's important to counsel the beneficiary on the fact that the child's and spouse's cash payment is tied to his or her benefits, and encourage clear communication between households to plan for this change. Be very careful, however, when doing this not to discuss other households with anyone other than the worker, unless the disabled worker gives you express permission.
- Help the beneficiary plan for employment that will increase their overall income and financial stability. If the total family cash benefit is \$1,500, the targeted earnings goal should exceed this, with changes in all other publicly-funded benefits taken into consideration.

### SSI Considerations

Since SSI is a benefit that is based on financial need, the effects of a beneficiary's additional income on the household and family members differs from Title II benefits. Here are some of the most common issues to consider:

**Spouse-to-Spouse Deeming:** If one member of a couple receives SSI and the other does not, Social Security "deems" a portion of the ineligible spouse's income and resources to be available to meet the food and shelter needs of the SSI eligible spouse.

**Parent to Child Deeming:** Social Security determines the eligibility and amount of payment for a child SSI recipient below the age of 18 by considering the income and resources of parent(s) responsible for that child's welfare.

**Deeming Exception:** Any public income maintenance (PIM) payment and any income used to compute such payment is excluded from the income of ineligible parents or ineligible spouses for purposes of deeming. This exclusion applies to the income of an ineligible spouse or parent that is used to compute a PIM payment regardless of who receives that payment (Example: TANF or SSI benefits).

**Example:**

Ms. Crowley Receives SSI and also has a child who is receiving SSI. She has an opportunity to work as an assistant at her local library, but is afraid that if she takes the job, she will affect her child's benefits. As long as Ms. Crowley receives \$1.00 of SSI, her child's benefit will not be affected. If her SSI is reduced to zero, then her earned income will be used in the deeming calculation.

**Eligible Couples:** The Social Security Administration defines an eligible couple as two SSI eligible individuals who are legally married under the laws of the state where they have a permanent home or holding themselves out as husband and wife to the community in which they live, living together in the same household, or determined by Social Security to be entitled to either husband's or wife's Social Security benefits as the spouse of the other.

**Note:** Two same-sex individuals are married for SSI purposes if they are legally married under the laws of the state where the ceremony was performed, and the marriage is recognized by the state of residence at the time of the application or redetermination.

Social Security calculates the SSI payment by counting both the couple's combined earned and unearned income. Social Security applies \$20 general income exclusion (GIE) and the \$65 earned income exclusion (EIE) and other applicable work incentives only once to a couple even when both members have income. Finally, the total countable income of the couple is subtracted from the higher couple Federal Benefit Rate (FBR). Social Security divides the result in half, and pays separate benefits to the two members of the couple.

If both members of the couple have earned income, and meet all other criteria, they may both receive 1619(b) extended Medicaid coverage, assuming the beneficiaries meet all eligibility criteria for this provision. If only one member of the couple has earned income, ONLY the person who has the earned income receives 1619(b). This is critical to remember, since the spouse without earned income could lose entitlement to Medicaid if the working beneficiary loses entitlement to SSI cash benefits.

**Example:**

Lucy and Ronald both receive SSI, and Ronald also receives SSDI. Ronald has a job offer as a police dispatcher. He had this type of work before becoming disabled and really enjoyed it. You do the SSI couple calculation and discover that the income from Ronald's job will result in both members of the household receiving no SSI payment. You explain to the couple that Ronald will retain Medicaid under section 1619(B), but Lucy will no longer be eligible for Medicaid as an SSI recipient. You can then help Lucy and Ronald explore what other options Lucy may have for health coverage, and whether or not the job will increase their financial stability.

### Tips for Working with SSI Households

- Verify all benefits received by household members and how earned income affects them. Counsel beneficiaries with the total financial outcome in mind, including the potential impact on medical benefits.
- It isn't possible to determine what unearned income is reducing an SSI payment by looking at the BPQY. This will often require you to contact the Social Security Claims Representative for clarification.
- Know the steps involved in the deeming calculation and be able to explain the general concept, but remember that the description above does not include some less common factors. Social Security personnel will do the actual calculation.
- Look for situations in which income from a family member reduces the beneficiary's SSI payment. Some examples may be deemed income from a parent or spouse, or in-kind support from a family member. This income could be a means of funding a Plan to Achieve Self-Support (PASS).

### Implications for Other Publicly-Funded Benefits

Once you have determined the potential effects of employment on Social Security and SSI benefits, remember to also counsel on the effect of earned income on other publicly-funded benefits. Be sure to research the rules that apply in your state.

- The SSDI beneficiary's continued Title II amount plus wages may affect children's TANF benefits.
- Family SNAP (food stamps) will be decreased by some percentage in relationship to increased income.
- Subsidized housing rent share may increase in proportion to increased income. CWICs should explore HUD-related work incentives such as the Earned Income Disregard (EID).
- More income may be deemed to family members (spouse or children) who receive Medicaid as a result of employment income under different Medicaid programs.
- Beneficiaries with earned income may be able to utilize an IDA.

## Final Tips for Counseling all Beneficiaries with Families

- Ask about family members' benefits during the initial intake. You should explain to the beneficiary why you are requesting this information.
- Invite the beneficiary to bring any family member(s) that he or she chooses to be part of the counseling sessions.
- Assure the beneficiary of protection of privacy, and be prepared to obtain a signed release of information if the beneficiary wishes for you to discuss their benefits / employment situation with designated family members.
- In the instance that a parent or other family member states that he or she has legal guardianship of an adult child, ask some probing questions to ascertain if this is really the case (i.e., did the court grant this guardianship? Does the parent have written confirmation of this?).
- Provide information regarding potential impact of marriage if the person is not currently married and may be considering marriage in the future (i.e., deeming and/or couples rate if the beneficiary receives SSI; possible loss of benefits if the beneficiary receives CDB). Do NOT advise the beneficiary to avoid marriage. Just provide factual information and leave the decision-making to the beneficiary.
- Include information about family members' entitlement in the written BS&A and WIP.

## Resources

### Title II:

- [POMS: RS 00202: Spouse's Benefits](https://secure.ssa.gov/apps10/poms.nsf/lnx/0300202000!opendocument)  
(https://secure.ssa.gov/apps10/poms.nsf/lnx/0300202000!opendocument)
- [RS 00203: Child's Benefits](https://secure.ssa.gov/apps10/poms.nsf/lnx/0300203000!opendocument)  
(https://secure.ssa.gov/apps10/poms.nsf/lnx/0300203000!opendocument)
- [DI 10115.000: Childhood Disability Benefits \(CDB\) - Table of Contents](https://secure.ssa.gov/apps10/poms.nsf/lnx/0410115000!opendocument)  
(https://secure.ssa.gov/apps10/poms.nsf/lnx/0410115000!opendocument)
- [GN 02607.160: Provisions for Confinements Beginning 04/01/2000 and Continuing \(section C\)](https://secure.ssa.gov/apps10/poms.nsf/lnx/0202607160) (https://secure.ssa.gov/apps10/poms.nsf/lnx/0202607160)
- [CDB benefits and in-care requirements: RS 01310.001 Conditions for Entitlement and Definitions](https://secure.ssa.gov/apps10/poms.nsf/lnx/0301310001) (https://secure.ssa.gov/apps10/poms.nsf/lnx/0301310001)
- [GN 00210.002 Same-Sex Marriage - Determining Marital Status for Title II and Medicare Benefits](https://secure.ssa.gov/apps10/poms.nsf/lnx/0200210002) (https://secure.ssa.gov/apps10/poms.nsf/lnx/0200210002)

SSI:

- [Spouse to Spouse Deeming](https://vcu-ntdc.org/resources/viewContent.cfm?contentID=16) (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=16)
- [Parent to Child Deeming](https://vcu-ntdc.org/resources/viewContent.cfm?contentID=18) (https://vcu-ntdc.org/resources/viewContent.cfm?contentID=18)
- [GN 00210.800 Same-Sex Marriage, SSI Same-Sex Couples, and SSI Deeming from a Same-Sex Ineligible Spouse](https://secure.ssa.gov/apps10/poms.nsf/lnx/0200210800) (https://secure.ssa.gov/apps10/poms.nsf/lnx/0200210800)
- [SI 01320.141 Deeming: Public Income Maintenance Payments](https://secure.ssa.gov/apps10/poms.nsf/lnx/0501320141!opendocument) (https://secure.ssa.gov/apps10/poms.nsf/lnx/0501320141!opendocument)
- [Eligible Couples](http://www.vcu-ntc.org/resources/viewContent.cfm/712) (http://www.vcu-ntc.org/resources/viewContent.cfm/712)

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