



How Income Affects SSI Eligibility and Payment Amount

January 2021

Introduction

Supplemental Security Income or SSI is an economic needs-based income support program provided to eligible individuals who are disabled, blind, or age 65 or older and who have little income and few resources. Congress intended SSI cash payments to supplement any other income an individual may already have in order to meet minimum needs for food and shelter. Because the SSI program is means-tested, Social Security considers how much a person has in both income and resources when determining initial eligibility for benefits. Even after initial eligibility for SSI is established, Social Security continues to evaluate the countable income and resources of all SSI recipients on a monthly basis. Individuals with countable income and resources over the allowable limits aren't eligible for an SSI cash payment or associated Medicaid coverage.

How Income is Defined in the SSI Program

The SSI program considers income to be anything an individual receives in cash or in-kind that the individual could use to meet the basic needs for food or shelter. In-kind income isn't cash, but is actual food or shelter provided to an eligible individual or SSI eligible couple by someone else. Under this definition, income also includes the receipt of anything that a can be used, either directly or by sale or conversion, to meet basic needs of food or shelter. This means that items SSI recipients receive that they can readily convert to cash, may count as income for both SSI eligibility determinations and when calculating how much in SSI payment is due. An item would NOT count as income if it's not food or shelter and an individual couldn't use it to buy food or shelter. In addition, Federal statute specifically excludes some types of cash or in-kind items that meet Social Security's definition of income.

Any cash or in-kind item that meets the SSI definition of income must be classified as either earned income or unearned income. The SSI program treats earned income and unearned income very differently, so it's important that CWICs are careful when distinguishing between these two categories. We provide descriptions of both types of income later in this document.

Finally, the SSI program is only interested in that income which is “countable” whether it’s “countable earned income” or “countable unearned income.” An individual’s total countable income is determined after applying all allowable deductions or exclusions. The SSI rules specify many different exclusions for each of the two types of income, some of which will be explained in subsequent sections. To determine how much SSI is due for a month, Social Security subtracts the countable income from the annually determined SSI Federal Benefit Rate (FBR) for either an individual or an eligible couple. The more countable income an individual or couple has in a month, the less the SSI cash payment will be for that month. If an individual or eligible couple has too much countable income, they will not be eligible for any SSI payment at all.

What is NOT Considered to be Income?

As stated earlier, an item would NOT count as income for SSI purposes if it’s not food or shelter and a beneficiary can’t use it to obtain food or shelter. Examples of some of the more common items which do NOT meet the definition of income for SSI purposes are listed below. Social Security doesn’t consider the items listed below to be income exclusions. Income exclusions apply to items that DO meet the definition of income, but which Social Security excludes when determining countable income. We will discuss income exclusions later in this document. The most common items which do NOT meet the SSI definition of income would include:

- **Medical and social services** - Medical and social services aren’t income for purposes of the SSI program. Under the complex circumstances specified in POMS SI 00815.050: Medical and Social Services, Related Cash, and In-Kind Items, cash and in-kind items received in conjunction with medical and social services are also not income for SSI purposes. The rules spelled out in this POMS citation are intricate. When in doubt about how to apply the provisions contained in this reference, contact the local Social Security Field Office for a formal determination.
- **Food and shelter received during a medical confinement** - Food and shelter received during a medical confinement aren’t income. A medical confinement exists when an individual receives inpatient medical services in a medical treatment facility. For more information, see POMS SI 00815.100 - Food and Shelter Received during a Medical Confinement.
- **Personal services performed for an individual** - Personal services performed for an eligible individual aren’t income. Examples of personal services would include mowing the lawn, doing housecleaning, going to the grocery store, and babysitting. For more information, see POMS SI 00815.150 - Personal Services.
- **Receipts from the sale, exchange, or replacement of a resource** - Receipts from the sale, exchange, or replacement of a resource aren’t income, but are simply

resources that have changed their form. This includes any cash or in-kind item that an individual receives to replace or repair a resource that has been lost, damaged, or stolen. Refer to POMS SI 00815.200 - Conversion or Sale of a Resource for more information on this issue.

- **Rebates, refunds, or other returns of money** – Generally when an individual receives a rebate, refund, or other return of money, it's not income but a return of an individual's own money. Some rebates do not fit that category, so when questions arise, seek assistance from the local Social Security Field Office. You can find more information on this provision at POMS SI 00815.250 - Rebates and Refunds.
- **Income tax refunds** – Any amount refunded on income taxes already paid is not income. This rule applies even if the income from which the tax was withheld or paid was received in a period prior to application for SSI benefits. Income tax refunds aren't income, even if Social Security already excluded the income as work expenses of the blind. See POMS SI 00815.270 - Income Tax Refunds.
- **Proceeds of a loan** – Proceeds of a loan aren't income to the borrower because of the borrower's obligation to repay. Likewise, money that a person borrows under a bona fide loan agreement isn't income. Money received as repayment of the principal of a bona fide loan is also not income. A bona fide agreement is an agreement that is legally valid and made in good faith. If a loan isn't bona fide, the cash provided by the lender is the borrower's unearned income in the month received. If a loan isn't bona fide, payments towards the principal and interest are unearned income to the lender. Effective July 1, 2004, Social Security excludes interest received on money loaned from income if the loan is bona fide. For more information, refer to POMS SI 00815.350 - Proceeds of a Loan and SI00830.500 Dividends and Interest.
- **Payment of an individual's bills** – Payment of an individual's bills (including supplementary medical insurance or other medical insurance premiums) by a third party directly to the supplier isn't income. However, anything received in-kind as a result of the payment is income if it's food or shelter. For additional information, see POMS SI 00815.400 - Bills Paid by a Third Party.
- **Replacement income after a loss, theft, or destruction** – If an individual's income is lost, stolen, or destroyed and the individual receives a replacement, the replacement is not income per POMS SI 00815.450: Replacement of Income Already Received. Similarly, a payment isn't income when the individual is aware that he/she is not due the money and returns the check un-cashed or otherwise refunds

all of the erroneously received money. See POMS SI 00815.460 - Return of Erroneous Payments.

- **Weatherization assistance** - Weatherization assistance such as insulation, storm doors, and windows, etc. isn't income for SSI purposes per SI 00815.500 - Weatherization Assistance.
- **Miscellaneous fringe benefits** - Employers make various payments on behalf of their employees that aren't earnings and aren't available to meet food or shelter needs. Social Security doesn't consider these types of payments to be income. This would include funds the employer uses to purchase qualified benefits under a cafeteria plan, employer contributions to health-insurance or retirement fund, and the employer's share of FICA taxes or unemployment compensation taxes. For more information, see POMS SI 00815.600 - Wage-Related Payments.
- **Clothing** - As a result of a change in regulations, effective March 9, 2005, Social Security eliminated clothing from the definition of unearned income. As a result, Social Security generally will not count gifts of clothing as income when deciding whether a person can receive SSI benefits or when computing the amount of the benefits. There is one situation where Social Security will be required to consider clothing as income. This situation could occur when an individual receives clothing from an employer that would count as a form of wages.

In addition to the items above that do NOT meet Social Security's definition of income for the SSI program, there are also a great many specific income exclusions. To see a comprehensive [list of both earned and unearned income exclusions](#), refer to Social Security's Program Operations Manual System (POMS) online (<https://secure.ssa.gov/apps10/poms.nsf/lnx/0500810007>).

How SSI Treats Earned Income

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

- **Wages** - These payments are what an individual receives (before deductions like taxes) for working as someone else's 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. Social Security counts GROSS earnings from wage employment which means before any taxes or other deductions are taken out. Social Security counts earned income at the earliest of three points; when the person receives it, or when

it's credited to their account or set aside for their use. Social Security determines earned income for each calendar month.

- **In-kind Earned Income** - This would include 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 room and board is provided as part of the remuneration an individual receives for live-in employment. Social Security assesses in-kind earned income by applying current market value. If an individual receives an item (instead of cash) that isn't fully paid for and he/she is responsible for an unpaid balance, only the amount previously paid is counted as income.
- **Net Earnings from Self-Employment (NESE)** - This is gross receipts from a trade or business that an individual operates, less allowable deductions. Social Security counts net earnings from self-employment (NESE) on a taxable year basis. The result is then multiplied by .9235 to deduct half of the Social Security taxes paid by self-employed individuals. Generally, Social Security allows the same deductions as the IRS when determining NESE.

This is only a partial listing of the most common forms of earned income. For a [complete listing of all the different types of earned income](#) and how SSI would treat each type, refer to the POMS online (<https://secure.ssa.gov/apps10/poms.nsf/lnx/0500820001>).

Earned Income Exclusions

Not all earned income counts when Social Security determines SSI eligibility and payment amount. Social Security first excludes income as authorized by specific federal laws or statutes. The agency then applies other earned income exclusions in the following order to the remainder of earned income to determine countable earned income for each calendar month:

1. Earned income tax credit payments (effective January 1, 1991) and child tax credit payments;
2. Beginning September 8, 2006, infrequent income (defined as income that an individual receives only once during a calendar quarter from a single source, and which the individual did not receive in the month immediately preceding that month or in the month immediately subsequent to that month, regardless of whether or not those payments occur in different calendar quarters).

Social Security excludes the following amount of income which an individual receives either infrequently or irregularly:

- The first \$30 per calendar quarter of earned income; and

- The first \$60 per calendar quarter of unearned income.

Refer to POMS SI 00810.410 - Infrequent or Irregular Income Exclusion for additional details.

3. Earned income of a blind or disabled student regularly attending school, who is under the age of 22, up to the student earned income exclusion (SEIE) monthly limit, but not more than the SEIE yearly limit. For a detailed explanation of the Student Earned Income Exclusion and how it's applied, refer to POMS SI 00820.510 - [Student Earned Income Exclusion or the SEIE resource document](#) posted on the VCU NTDC website (<https://vcu-ntdc.org/resources/viewContent.cfm?contentID=7>)
4. Any portion of the \$20 monthly General Income Exclusion (GIE), which has not been excluded from unearned income in the same month;
5. \$65 of the Earned Income Exclusion (EIE) in the month;
6. Earned income of disabled individuals that is used to pay Impairment Related Work Expenses (IRWEs). These are reasonable out-of-pocket costs that are related to the individual's disability and which are necessary for work. For more information, refer to Unit 6 of this module or see POMS SI 00820.540 - Impairment-Related Work Expenses (IRWE);
7. One-half of remaining earned income in a month;
8. Earned income of individuals with blindness that is used to meet any expenses the person has related to working whether or not it's related to blindness - called Blind Work Expenses (BWE). BWEs include items that Social Security would exclude under the Impairment Related Work Expense (IRWE) rules. In addition, these deductions are any out-of-pocket expense that is necessary for work. For more information refer to Unit 6 of this module, or see POMS SI 00820.535 - Blind Work Expenses (BWE); and
9. Any earned income used to fulfill an approved Plan to Achieve Self-Support (PASS). PASS is a highly valuable, yet complex work incentive. For a detailed description of the PASS work incentives, refer to POMS SI 00870.000 - Plans for Achieving Self-Support for Blind or Disabled People.

How SSI Treats Self-Employment Income

Social Security counts net earnings instead of gross earnings when determining the SSI payments for an individual who is self-employed. To determine a Net Earnings from Self-Employment or NESE, Social Security deducts business expenses allowed by the IRS on Schedule

C of the Federal income tax form 1040 from the gross receipts that the person received for the year. Once NESE is determined, Social Security divides those net earnings equally among all 12 months in the individual's taxable year (i.e. the calendar year). Social Security does this even if the business is seasonal, did not operate for the entire year, or ceased operation prior to making application for SSI. Social Security adjusts benefit payments retroactively for the entire calendar year to reflect this NESE.

After the initial year of self-employment, Social Security generally uses the person's completed tax returns from that first year to estimate the total net profit for the coming year and will adjust the SSI payments prospectively over the entire year based upon this estimate. From that point forward, at the end of each year, SSI recipients submit their tax returns to Social Security so that actual NESE can be compared to what was estimated. Social Security will adjust the SSI payments retroactively to account for any variance between what was estimated and what was actually reported to the IRS as taxable profit. It's essential that SSI recipients who are self-employed make their estimates as early and accurately as possible to avoid large under or over-payments. As the year progresses, individuals may revise their estimates if earlier estimates are found to be too low or too high. The more accurate the estimate, the less self-employed SSI recipients will owe back to or be owed by Social Security when the tax year closes.

NESE and SSI Calculations: Social Security counts net earnings from self-employment (NESE) on a taxable year basis. Social Security normally averages NESE over the calendar year in which the business operated, regardless of how long the business was in operation.

EXAMPLE: Elizabeth started her business in October 2021. Her NESE for the year was \$6,000.00. Even though Elizabeth didn't start the business until late in the year, Social Security would average her NESE over the calendar year: $\$6,000.00/12 = \500.00 . Elizabeth would have \$500.00 per month in NESE for the purposes of SSI benefit calculations for every month in 2021.

Earned Income Limits

There are limits on the amount of countable earned income an individual may have and still be eligible for SSI cash payments. When someone first applies for SSI based on disability, the limit on countable earned income for someone who doesn't meet the definition of statutory blindness is the current Substantial Gainful Activity (SGA) guideline. This is because Social Security's definition of disability is tied to an individual's ability to work at a substantial level.

Once an individual establishes eligibility for SSI benefits, the SGA limit on earnings no longer applies. For an SSI recipient who is already eligible for benefits, earnings are treated in the manner described above and the SSI check is gradually reduced as countable earnings increase. Even when countable earnings are high enough to cause complete loss of the SSI cash benefit, individuals may retain Medicaid coverage under a special work incentive known as "1619(b) Extended Medicaid Coverage." To qualify for extended Medicaid under the 1619(b) provision,

individuals must continue to meet Social Security's disability standard, must have earned income below a special annual threshold amount (which varies by state), must demonstrate a need for Medicaid coverage and must continue to meet all other SSI eligibility requirements such as the unearned income limits and the resource limits.

How SSI Treats Unearned Income

The definition of unearned income is very simple. Basically, Social Security describes unearned income as any cash or in-kind item a person receives which does NOT meet the definition of earned income. Common forms of unearned income would include the following:

- **Periodic public payments or private annuities or pensions** – These payments are usually related to prior work or service (Social Security benefits, veteran's benefits, Railroad Retirement benefits, Worker's Compensation, Unemployment Compensation, etc.).
- **Income of a spouse or parent (for SSI recipients under the age of 18)** - A portion of spousal income or parental income for SSI recipients under 18 is "deemed" to be available to the SSI recipient because of the relationship between the SSI recipient and the parent(s), or an ineligible spouse. Deeming is a very complex SSI issue and recipients who are married or who are under age 18 need to have deemed income determined by Social Security personnel.
- **Alimony and child support payments** - For SSI purposes, alimony and support payments are cash or in-kind contributions to meet some or all of a person's needs for food and shelter. These periodic payments may be court ordered or voluntary. Alimony or spousal maintenance is the unearned income of the adult named in the court order. Generally, Social security counts child support payments (including arrearage payments) made on behalf of an SSI eligible child as unearned income to the child. For SSI recipients under age 18, Social security excludes one-third of the amount of a child support payment made to or for an eligible child by an absent parent. This one-third exclusion does NOT apply to adults who receive child support payments. Child support, or child support arrearages, is credited differently once the child reaches adulthood. See POMS SI 00830.420.
- **Rental payments** - Social Security considers rental payments for things such as housing and the use of land or machinery to be unearned income in most cases. Social Security will only count the value of rental payments after deducting expenses related to the rental properties. Social Security makes these determinations on a taxable year basis. In some cases, Social Security determines rental income to be earned income if the SSI recipient is in the business of renting property or equipment. When in doubt about whether Social Security would count rental

income as earned or unearned, seek a determination from the local Social Security Field Office.

Although Social Security may exclude some types of unearned income completely, the SSI program has only one standard deduction allowed for unearned income – the \$20 General Income Exclusion (GIE). Basically, when determining how much in SSI payments are due, Social Security takes the unearned income attributable to an individual, deducts the \$20 General GIE and then subtracts the remaining amount from the individual's applicable Federal Benefit Rate. This means that most unearned income results in nearly a dollar-for-dollar reduction in the SSI cash payment.

The Most Common Form of Unearned Income – Title II Disability Payments

When an SSI recipient is also eligible for a Social Security benefit authorized under Title II, the individual will receive two separate payments each month. These individuals are known as “concurrent beneficiaries” since they receive SSI benefits and Title II benefits concurrently. Here are some examples of how concurrent status occurs:

- Beneficiaries who receive monthly SSDI/CDB/DWB payments which are less than the current FBR may be eligible for an SSI benefit that augments their Title II cash payments, provided that they meet the SSI resources test and other countable income doesn't preclude payment.
- SSI beneficiaries who work can establish “insured status” and eventually become entitled to Title II disability benefits. This can happen very quickly for young beneficiaries and beneficiaries who meet the definition of statutory blindness. If the countable SSDI benefit's more than the current applicable FBR, the person's SSI will stop, but if the benefit's below the SSI FBR plus the \$20 GIE, the person will get a reduced SSI benefits and become a concurrent beneficiary.
- An SSI recipient may become a concurrent beneficiary when a parent retires and collects Social Security, dies, or becomes entitled to Social Security disability benefits. These events could cause the SSI eligible individual to establish entitlement for Childhood Disability Benefits (CDB). If that occurs, Social Security makes the CDB payment first and provides a reduced SSI payment if the countable CDB payment is less than the applicable FBR and the individual meets all other SSI eligibility criteria.
- If an individual receives a Title II disability benefit, and then becomes entitled to SSI through use of a PASS, that individual also becomes a concurrent beneficiary.

The SSI program views the Title II payment as a form of unearned income and Social Security treats this income in the same manner as other types of unearned income. Social Security reduces the gross unearned income (Title II payment) by the \$20 GIE and then subtracts the

remaining balance from the individuals' applicable FBR to determine the adjusted SSI cash payment.

It's important to remember that SSI is considered to be the payer of absolute last resort. If an individual is eligible for any other Social Security benefit, Social Security must provide that benefit first, before SSI is considered. If the amount of the Title II payment is low enough, an individual may receive a reduced SSI payment as long as the individual meets all other SSI eligibility criteria. SSI recipients or applicants can't refuse a Title II benefit for which they are eligible in order to receive increased SSI payments. By federal law, Social Security must provide the Title II payment first and then will determine if the individual is still eligible for a reduced SSI benefit.

When Unearned Income Affects SSI Benefits

The SSI program counts unearned income when the individual receives it, when it's credited to the individual's account, or set aside for the individual's use. Social Security determines an individual's unearned income for each calendar month. In some cases, the unearned income that counts when calculating the SSI payment may be higher or lower than the actual income the person receives. For example, SSI recipients who also receive a Title II disability benefit (such as SSDI) may be paying the Medicare Part B premium by having it withheld from their Title II payment. When determining countable income, the SSI program will count the full Social Security disability payment before Medicare premiums are deducted even though the individual doesn't actually receive that amount to spend.

Another instance when SSI would count more income than the individual actually receives would be when funds are withheld from unearned income because of a garnishment or to pay a debt or other legal obligation. For example, if a SSDI beneficiary is entitled to \$450 per month in SSDI benefits, but \$150 was being garnished every month to pay for back child support, only \$300 each month would actually be received. However, for SSI purposes, Social Security would count the full \$450 as unearned income.

On the other hand, if an eligible individual is due a cash settlement, Social Security will subtract the expenses the individual incurs in getting the payment, before they use the remaining amount in the benefit calculation. For example, if an individual is paid for damages from an accident, Social Security will only count what the person receives after deducting the amount paid for the individual's medical, legal, or other expenses connected with the accident.

Unearned Income Exclusions

The amount and source of all unearned income must be determined for SSI eligibility and payment purposes; however, Social Security doesn't count all of an individual's unearned income. Social Security first excludes all forms of income which Federal law requires be excluded. Many federal statutes in addition to the Social Security Act provide assistance or benefits for individuals with little income and few resources and specify that the assistance or

benefit that they provide will not be considered in deciding eligibility for SSI. Examples include SNAP, rental subsidies, home energy assistance payments, and educational grants and/or loans. Since Federal statute requires these programs be excluded, they are never counted as income for the SSI program.

After all other federal statutory exclusions are applied, Social Security applies other unearned income exclusions. Social Security excludes many forms of unearned income in the SSI program, far more than could ever be listed in this document. The best advice is to look in the Program Operations Manual Systems (POMS), seek technical assistance from VCU's NTDC, or check with the local Social Security Field Office as specific situations arise. Below we provide a list of the unearned income exclusions currently described in the POMS with the citations indicated. Social Security applies the unearned income exclusions in the order listed.

- Income excluded under other Federal laws ([SI 00830.055](#))
- Any public agency's refund of taxes on real property or food ([SI 00830.705](#))
- Assistance based on need which is wholly funded by a State or political subdivision ([SI 00830.175](#))
- Any portion of a grant, scholarship, fellowship, or gift used for paying tuition, fees, or other necessary educational expenses ([SI 00830.455](#))
- Food which an individual or his/her spouse raises if it is consumed by the household ([SI 00830.700](#))
- Assistance received under the Disaster Relief and Energy Assistance Act and assistance provided under any Federal statute because of a presidentially-declared disaster ([SI 00830.620](#))
- The first \$60 of infrequent or irregular unearned income received in a calendar quarter ([SI 00810.410](#))
- Alaska Longevity Bonus payments ([SI SEA00830.175](#))
- Foster care payments ([SI 00830.410](#))
- Any interest earned on excluded burial funds and any appreciation in the value of an excluded burial arrangement which are left to accumulate and become a part of that burial fund ([SI 00830.501](#))
- Certain home energy and other needs-based support and maintenance assistance ([SI 00830.600](#), [SI 00830.605](#))
- One-third of child support payments made by an absent parent ([SI 00830.420](#), [SI 00830.425](#))
- \$20 general income exclusion ([SI 00810.420](#))
- Income used to fulfill an approved plan to achieve self-support ([SI 00810.430](#))
- Federal housing assistance ([SI 00830.630](#))
- Any interest on excluded burial space purchase agreement if left to accumulate as part of the value of the agreement ([SI 00830.501](#))
- The value of any commercial transportation ticket which is received as a gift and is not converted to cash ([SI 00830.521](#))
- Crime victims compensation ([SI 00830.660](#))
- Relocation assistance ([SI 00830.655](#))
- Hostile fire pay received from the Uniformed Services ([SI 00830.540](#))

- Interest on a dedicated account which is excluded from resources ([SI 01130.601](#))
- Gifts to children with life-threatening conditions ([SI 00830.750](#))
- Interest and dividend income from a countable resource or from a resource excluded under a Federal statute other than section 1613(a) of the Social Security Act ([SI 00830.500](#))
- State Annuities for Certain Veterans [SI 00830.260](#)

Exclusions that May be Applied to Either Earned or Unearned Income

The General Income Exclusion (GIE):

Social Security applies the \$20 monthly General Income Exclusion (GIE) to any unearned income an individual may have. Any portion of the GIE remaining is then applied to the individual's earned income.

Infrequent or Irregular Income:

Beginning September 8, 2006, infrequent income is defined as income an individual receives only once during a calendar quarter from a single source and which the individual did not receive in the month immediately preceding that month or in the month immediately subsequent to that month, regardless of whether or not those payments occur in different calendar quarters. For SSI purposes, Social Security will exclude the following amount of income, which is received either infrequently or irregularly: The first \$30 per calendar quarter of earned income, and the first \$60 of unearned income. For more information on how this regulation is applied, see POMS SI 00810.410.

ABLE Act Accounts:

Congress established ABLE Act accounts in December of 2014 when the Stephen Beck, Jr., Achieving a Better Life Experience Act (ABLE Act) was signed into law. An ABLE account is a type of tax-advantaged account that individuals can use to save funds for the disability-related expenses of the account's designated beneficiary, who must be blind or disabled by a condition that began prior to the individual's 26th birthday.

The SSI program excludes contributions to an ABLE account from the income of the designated beneficiary. This includes rollovers from a family member's ABLE account to an SSI recipient's ABLE account. Social Security will not deduct contributions from the countable income of the person who makes the contribution. The fact that a person uses his or her income to contribute to an ABLE account doesn't mean that income is not countable for SSI purposes. For example, a recipient or deemor can have contributions automatically deducted from his or her paycheck and deposited into an ABLE account. In this case, include the income used to make the ABLE-account contribution in the recipient or deemor's gross wages. The funds in an ABLE account are invested and can accrue interest, earn dividends, and otherwise appreciate in value and increase the account's balance. The SSI program excludes any earnings an ABLE account

receives from the income of the designated beneficiary. For more information about how the [SSI program treats funds contributed to an ABLE account](#), refer to POMS SI 01130.740 Achieving a Better Life Experience (ABLE) Accounts found online (<https://secure.ssa.gov/apps10/poms.nsf/lnx/0501130740>).

Income Limits

The limit for countable income is the current FBR applicable to either the individual, or the SSI eligible couple. Once Social Security determines how much unearned income will be attributed to an individual, the only exclusion that is applied to unearned income is the \$20 GIE. For example, if an individual receives an Unemployment Insurance benefit in the amount of \$400 per month, and no other income exclusions apply, the countable unearned income would be \$400 - \$20 or \$380 each month. This amount will be subtracted from the FBR when determining the individual's SSI eligibility. When countable income exceeds the FBR for the current month, ineligibility for both SSI cash payments and Medicaid will result (unless earned income caused the income to exceed the FBR, in which case the recipient may qualify for 1619(b), which protects Medicaid).

What Happens if Excess Income Causes Ineligibility for SSI

When an SSI recipient has countable income in excess of the allowable limits, ineligibility for both SSI and Medicaid will result. Ineligibility will begin with the first month during which countable income exceeded allowable limits. While individuals with excess income are ineligible for both SSI cash payments and Medicaid at this time, they aren't "terminated" from the SSI program. Beginning with the first month of ineligibility due to excess countable income, Social Security suspends individuals from eligibility. The suspension period can last up to 12 continuous months before Social Security terminates an individual's SSI eligibility. The 12-month suspension period is a critically important safety net for SSI recipients that CWICs must be sure to explain.

A "suspension" in the SSI program is a loss of SSI benefits or 1619(b) extended Medicaid coverage. It's always effective the first day of a month in which an individual no longer meets all SSI eligibility requirements. This may be because of excess resources or income (earned or unearned), being incarcerated in a penal institution, no longer meeting the citizenship requirements or any other non-disability related reason for SSI ineligibility. Generally, the suspension period is 12 months, allowing an individual 12 consecutive months after the effective date of a suspension to regain eligibility and have benefits reinstated without having to file a new application. To resume SSI benefits and Medicaid eligibility after a period of suspension the individual must notify Social Security of the change and that the condition that caused suspension no longer exists. There is NO limit to the number of times a recipient may move into and out of suspension status.

It's important to understand that in the SSI program, suspension is NOT the same as termination. Termination means that Social Security has completely closed the individual's record. In contrast, a person in suspension status is not getting benefits, but is still in the Social Security computer system. Social Security's computer system automatically terminates certain SSI records after 12 consecutive suspension months are posted. See POMS SI 02301.205 to learn more about the suspension process and how to reestablish eligibility after a 12 month suspension period. Most beneficiaries will receive a written warning from Social Security when the agency is about to terminate someone's record - towards the end of the 12-month suspension period. Suspension applies to SSI recipients in all statuses:

- 1611 - cash payment when earnings are under SGA,
- 1619(a) - reduced cash payment when earnings are over SGA, and
- 1619(b) - no cash payment due to earned income, extended Medicaid coverage.

Keep in mind that loss of SSI eligibility due to medical recovery causes termination, not suspension. In addition, a person in suspension status who is determined to no longer be disabled will be terminated from the SSI program. Once Social Security terminates a person due to medical recovery, he or she would have to appeal and be re-instated, request Expedited Reinstatement (EXR), or re-apply for benefits under a new period of entitlement.

Reporting Income in the SSI Program

SSI recipients are required to report any and all income to the Social Security Administration. This requirement applies equally to earned income such as wages and unearned income such as child support or Workers' Compensation payments. SSI recipients can report income by visiting, calling, or writing the local Social Security Office.

They may use a special toll free line by calling 1-866-772-0953. Social Security refers to this as the SSI Telephone Wage Reporting System or SSI TWRP. Individuals can report wages using this method any day during the current month, but must report during the first 6 days of each month to prevent improper payment of SSI benefits. Individuals can't use this line to report anything except wages and if an individual uses work incentives such as Impairment Related Work Expenses (IRWEs), he or she can't use the Telephone Wage Reporting System.

SSI recipients may also use a new mobile application for monthly wage reporting. The SSI Mobile Wage Reporting (SSIMWR) application can be downloaded and installed free on an Apple or Android mobile device. It works the same as the telephone reporting system, except the individual submits wage data by entering it on the application screens instead of using the phone. SSI recipients should always follow-up phone or mobile application reporting with written wage information sent to the local Social Security Field Office. While the automated wage reporting system is a convenient way for some SSI recipients to report wages, it's still important to provide written verification of wages.

As of January of 2018 SSI recipients may report earned income using a wage reporting application behind the “my Social Security” online portal. Social Security calls this application my Wage Reporting or myWR. When an individual signs up for or logs in to his/her my Social Security account, he/she will have access to this application on a desktop computer, laptop, and/or mobile device. This online system allows SSI recipients to save or print a receipt after reporting wages. To sign up for an account, go to www.ssa.gov/myaccount

SSI recipients are encouraged to request a receipt and to retain a copy of all correspondence sent to or received from Social Security. Beneficiaries may need this correspondence to verify that income was reported if an overpayment occurs and Social Security seeks recovery of funds.

In the SSI program, there are many things which can affect eligibility for benefits as well as the amount of SSI payment received. The following list represents the most common information that individuals should report to Social Security, but there may be other items an individual should report based upon their unique circumstances:

1. Unearned income including things like Title II benefit payments, child support payments, or any other cash received that is NOT wages.
2. Any gross wages/earnings and net earnings from self-employment. This includes in-kind items received in lieu of wages (like room and board).
3. In-kind support and maintenance received from others. This includes any assistance with food and shelter provided by another person.
4. Change of address.
5. Changes in living arrangements.
6. Changes in marital status.
7. Resources or assets received that cause total countable resources to be over the \$2,000 limit.
8. Use of any specific work incentives.

When in doubt about whether or not a beneficiary should report a piece of information, it's best to recommend that the beneficiary go ahead and inform Social Security about it. If the information is not relevant, then no harm has been done. If the information is relevant, then reporting will help insure that Social Security only pays benefits when they are actually due and that the amount of the SSI cash payment is correct. It's always best to work proactively to avoid over or underpayments whenever possible.

How Income is Verified – Redeterminations

Social Security conducts periodic SSI redeterminations for all SSI recipients. A redetermination is a review of a beneficiary's/couple's non-medical eligibility factors such as income, resources, and living arrangements to be sure they are still eligible for and receiving the correct SSI payment. SSI redeterminations are conducted at periodic intervals which may vary depending on the likelihood of payment error that may affect an individual's/couple's SSI eligibility and payment amount.

During redeterminations, Social Security personnel examine income available to the SSI recipient on a month-by-month basis over the entire period since the last redetermination was conducted and determines how much in SSI payments were actually due. Social Security then compares this information to the monthly SSI payments the recipient received, and any balances are calculated. It's not at all uncommon for there to be either an over or underpayment which must be settled. When Social Security recovers an overpayment from an individual, they will typically withhold it from future SSI payments. Federal statute prohibits Social Security from withholding more than 10% of the current SSI FBR for recovery of overpayments without consent.

Social Security doesn't determine SSI eligibility solely on the basis of statements concerning eligibility factors by applicants and recipients. When possible, Social Security will verify relevant information from independent or collateral sources and obtain additional information as necessary to be sure that only eligible individuals are paid and that payment amounts are correct. There is usually a delay between the month an individual receives income, and the month income is reflected in the SSI payment. This is because the SSI program uses a system called Retrospective Monthly Accounting (RMA) to figure payment amounts. In most cases, RMA methods will cause a 2-month gap between when income actually is received and when the SSI check is adjusted to reflect this income. As previously stated, however, Social Security makes SSI eligibility determinations using the current month's income. It's only during SSI payment computation that Social Security uses RMA procedures. For more information about RMA, refer to a resource document on this topic posted on the Resources section of the VCU-NTDC website: [Retrospective Monthly Accounting](#).

Conclusion

Income determinations within the SSI program are one of the most complex aspects of administering these benefits. No matter what type of income SSI recipients have, only Social Security can make the final determination as to when and how it counts. This document only touches on the broadest concepts regarding what income is for SSI purposes and provides very general information about how the various types of income are treated. For determinations on specific types of income, it's always best to seek assistance from the local Field Office.

Conducting Independent Research

- [POMS SI 00810.000 -- General - Income Rules for the Supplemental Security Income Program](https://secure.ssa.gov/apps10/poms.nsf/lnx/0500810000)- Subchapter Table of Contents
(<https://secure.ssa.gov/apps10/poms.nsf/lnx/0500810000>)
- [POMS SI 00815.000 -- What Is Not Income](https://secure.ssa.gov/apps10/poms.nsf/lnx/0500815000) – Subchapter Table of Contents
(<https://secure.ssa.gov/apps10/poms.nsf/lnx/0500815000>)
- [POMS SI 00820.000 -- Earned Income](https://secure.ssa.gov/apps10/poms.nsf/lnx/0500820000) – Subchapter Table of Contents
(<https://secure.ssa.gov/apps10/poms.nsf/lnx/0500820000>)
- [POMS SI 00830.000 -- Unearned Income](https://secure.ssa.gov/apps10/poms.nsf/lnx/0500830000) – Subchapter Table of Contents
(<https://secure.ssa.gov/apps10/poms.nsf/lnx/0500830000>)

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