



Parent-to-Child Deeming

January 2020

Introduction to Parent-to-Child Deeming

What is parent-to-child deeming?

When applying for or receiving Supplemental Security Income (SSI), the eligibility and amount of payment for a child SSI recipient below the age of 18 is determined by considering the income and resources of parent(s) responsible for the child SSI recipient's welfare.

This process is called "parent-to-child deeming" under SSI program regulations and policies. It's based on the concept that parent(s) who have a responsibility for child SSI recipient(s) share their income and resources with their child or children receiving SSI. It doesn't matter if money is actually provided to an SSI eligible child below the age of 18 for deeming to apply.

Who is subject to parent-to-child deeming?

Parent-to-child deeming only applies to deeming of income and/or resources from an ineligible parent (or ineligible parents) to an SSI eligible child, or SSI eligible children, below the age of 18. Once the child reaches age 18, deeming of income and resources from parents no longer applies. Generally, the child needs to be living with her/his parent(s), but there are some exceptions to living outside of a parent's home when parent-to-child deeming could apply (e.g. child away at school but still under parental control).

Under what circumstances does parent-to-child deeming occur?

For parent-to-child deeming to apply, there must be at least one each of the following types of people involved:

1. At least one "ineligible parent" responsible for the child SSI recipient's welfare who is subject to deeming income and/or resources to the child SSI recipient. Social Security defines "ineligible parent" as a parent who isn't eligible for SSI. A parent who receives SSI can't deem income or resources to a child SSI recipient. The definition of "ineligible"

parent includes a parent who is in 1619(b) extended Medicaid status. A person in 1619(b) status isn't receiving an SSI cash payment and is considered to be SSI eligible only for the purposes of Medicaid eligibility. Deeming may occur from a parent in 1619(b) status to an SSI eligible child.

2. At least one "eligible child" or potentially eligible child who is medically qualified to receive SSI and is also subject to receiving deemed income and/or resources from an ineligible parent or parents. Social Security defines "eligible child" for parent-to-child deeming purposes as a child below 18 who is currently or could be eligible for SSI. In parent-to-child deeming situations, Social Security also uses the term "ineligible" to refer to brothers and sisters below the age of 18 or age 21 and a student, of an "eligible" child, who are not eligible for SSI.

How the Social Security Administration Determines the Amount of Parent(s) Deemed Income and Resources

Social Security evaluates and "counts" parental income by separating it into two major categories:

Earned Income is the first category of parental income Social Security considers in parent-to-child deeming situations, and Social Security generally defines it as gross wages from a parent or the combined gross wages from two parents. Earned income also can include, when applicable, net self-employment earnings (NESE) from a parent or two parents engaged in self-employment. Net earnings from self-employment is generally defined as the net taxable income from a small business after all business expenses have been deducted from gross business sales income, but prior to paying IRS taxes.

Unearned Income is the second category of parental income SSI considers in parent-to-child deeming situations and is basically what it sounds like – any income the parent(s) receive that isn't earned due to direct work efforts. Examples of unearned income would include unemployment insurance benefits, workers compensation benefits, veterans' benefits, annuity payments, retirement income, Social Security Disability Insurance (SSDI), and generally any type of income that the parents don't earn directly as a result of work efforts.

Next, Social Security applies income exclusions from ineligible parental income in sequential order:

STEP 1: Allocations for ineligible children below the age of 18

Social Security excludes the difference between the SSI Federal Benefit Rate (FBR) for a couple and the FBR for an eligible individual when determining deemed income from parent(s). This is referred to as an “allocation”. One allocation is deducted for each ineligible child.

As an example in 2020 the couple SSI FBR = \$1,175 and the single FBR = \$783 so the difference is \$392 ($\$1,175 - \$783 = \392). Therefore, during 2020 a standard “allocation” of \$392 applies to the parent(s) income for each ineligible child below 18 years old or under age 21 and a student. The allocation is applied to unearned parental income first. Any remaining amount is applied to earned parental income. If the ineligible child has any countable income, Social Security applies the countable income to reduce the \$392 allocation first and then the balance of the ineligible child allocation, if any, is applied to reduce the parents’ income before any other exclusions are applied.

STEP 2: General Income Exclusion (GIE)

Next Social Security allows for \$20 to be excluded from the parent(s) unearned income as a General Income Exclusion (GIE). If no unearned exists this exclusion is applied to the parental earned income. Only one \$20 GIE is excluded, even if there are two parents in the household.

STEP 3: Earned Income Exclusion (EIE)

In this step, Social Security excludes \$65 from the parental earned income as an Earned Income Exclusion (EIE). If there is no parental earned income, this exclusion does NOT apply and Social Security can’t apply it to unearned parental income. Social Security only excludes one \$65 EIE, even if two parents are in the household and both are working.

STEP 4: Reduction of parental earned income of \$1.00 for every \$2.00 earned

Social Security now divides the remaining parental earned income by 2 to further reduce the countable parental earned income, in essence only counting one-half of the remaining parental earned income.

STEP 5: Allocation for ineligible parent(s)

Social Security then excludes the FBR for an eligible individual from parental income for a single ineligible parent, or excludes the FBR for a SSI eligible couple from the income for two ineligible parents or an ineligible parent and ineligible spouse. In 2020, a single ineligible parent would exclude \$783 and two ineligible parents or a parent and a spouse would exclude \$1,175.

Additional income exclusions applied during deeming:

Social Security specifically excludes the following items as income during parent-to-child deeming determinations:

1. Income excluded by Federal laws other than the Social Security Act ([SI 00830.055](#)); such income is also excluded from the income of an essential person; such income may be excluded when determining countable income of the sponsor of an alien, but see [SI 01320.105](#) for exceptions in sponsor-to-alien deeming;
2. Any public income maintenance payments ([SI 01320.141](#)), and any income which was counted or excluded in figuring the amount of that payment;
3. Any of the income of an ineligible spouse, parent, or ineligible child that is used by a public income-maintenance program ([SI 01320.141](#)) to determine the amount of that program's benefit to someone else;
4. Any portion of a grant, scholarship, or fellowship used to pay tuition or fees ([SI 01320.115](#));
5. Money received for providing foster care to an ineligible child ([SI 01320.120](#));
6. The value of food stamps and the value of Department of Agriculture donated foods ([SI 01320.125](#)); these are also excluded from the income of an essential person or the sponsor of an alien;
7. Home produce grown for personal consumption ([SI 01320.130](#));
8. Tax refunds on real property or food purchased by the family ([SI 01320.135](#));
9. Income used to fulfill an approved plan for achieving self-support ([SI 01320.140](#));
10. Any income that is used to comply with the terms of court ordered support or support payments enforced under title IV-D of the Social Security Act ([SI 01320.145](#));
11. The value of ISM ([SI 01320.150](#));
12. Periodic payments made by a State under a program established before July 1, 1973 and based solely on duration of residence and attainment of age 65 ([SI 01320.155](#));
13. Disaster assistance ([SI 01320.160](#)); some types of disaster assistance may also be excluded from the income of an essential person or the sponsor of an alien.
14. Infrequent or irregular income ([SI 01320.165](#));
15. Work expenses of the blind ([SI 01320.170](#));

16. Income paid under a Federal, State, or local government program (e.g., payments under title XX of the Social Security Act) to provide chore, attendant, or homemaker services to the eligible individual ([SI 01320.175](#));
17. Certain home energy assistance and support and maintenance assistance ([SI 01320.180](#)); such assistance is also excluded from the income of an essential person or the sponsor of an alien;
18. Any child's earned income up to a monthly and yearly maximum determined by cost-of-living indicators ([SI 00820.510](#)), provided that the child is a student ([SI 01320.185](#)), is excluded from the income of an ineligible child or an eligible alien (who is a student child) sponsored by an ineligible spouse or ineligible parent, for purposes of reducing the ineligible child or eligible alien allocation.

Deeming of Parental Resources - What Counts and What Does Not Count

Social Security allows for any resources excluded for an SSI eligible individual also to be excluded for the ineligible parent(s). Therefore, the parent(s) are allowed to own one car, own one home if they live in it, may exclude all property essential to self-support (PESS) such as all capital equipment, property and liquid resources used in a trade or business is excluded, and all other allowed exclusions for an eligible SSI individual.

An important additional exclusion that is NOT allowed for an SSI eligible individual, applies to parents that are subject to deeming to an SSI eligible child (or children). Pension funds owned by an ineligible spouse, or by an ineligible parent, or spouse of a parent, are excluded from resources for deeming purposes. Pension funds are defined as funds held in Individual Retirement Accounts (IRAs) or in work-related pension plans.

SSI allows the parent(s) to also exclude countable resources of \$2,000 for one parent, or \$3,000 in the case of two parents (or one parent and the parent's spouse) and then deems the balance of those countable resources that exceed those limits to the eligible child. The eligible child may exclude an additional \$2,000 of resources.

Ineligible children under the age of 18 have no resource limits. Their resources are not counted toward the parent(s) or the SSI eligible child's resources. For instance, a 12 year old ineligible child could own a whole life insurance policy, or a restricted college trust fund, perhaps set up by her/his grandparents, that can't be accessed by her/his parents, nor by the SSI eligible child, with an unlimited cash surrender value on the insurance/savings policy or college fund.

How Social Security Applies Parental Deemed Income and Resources to Determine a Child's Eligibility for SSI and Benefit Payment Amount

Deemed income as unearned income to the child:

After SSI calculates the amount of deemed income from the parent(s) to a child, the deemed income is then treated as unearned income to the child. From that point on, the child's income exclusions and calculations are the same as any single SSI recipient, using the standard income exclusions that would apply to a single individual plus the Student Earned Income Exclusion (SEIE) assuming the child meets the SEIE criteria.

Other forms of income/resources the child may have:

A child subject to parent-to-child deeming may have a variety of other forms of income, such as a Social Security benefit from a parent that is retired, disabled, or is deceased, an annuity payment, a veterans child benefit from a parent, wages or self-employment income. The SSI eligible child's other income is taken into consideration after the parental deemed income amount has been calculated.

How deemed income/resources may cause ineligibility for the child:

In some situations a child SSI recipient may clearly be eligible for SSI based on her/his own personal income and resources, yet could be determined ineligible for SSI due to the deemed income or resources from a parent or parents. If, for instance, parental deemed income (which is treated as "unearned income" to the child) exceeds \$20 more than the current FBR for an SSI eligible individual, plus any applicable state SSI supplement, then the child would be found ineligible for SSI due to having too much parental deemed income. The same holds true for resources. An SSI eligible child is allowed \$2,000 in personal resources and the parents may have an additional \$3,000 for a couple for a total of \$5,000. If the total resources exceed that amount then the child would be found ineligible for SSI due to excess personal and/or deemed resources from her/his parents.

Example of how deemed income affects an eligible child's payment amount:

Parental deemed income may also cause an eligible child's SSI payment to be reduced. Here is an example of how that might work:

John is 14 and has a disability that makes him medically eligible for SSI. He lives with his two parents, Mark and Sandy, and his younger sister, Susan (age 10), who doesn't have a disability. Mark, John's father, is currently receiving \$800 per month SSDI and isn't employed. Sandy, John's mother, earns \$1,400 per month in gross wages. John and his sister, Susan, each receive

\$150 Social Security checks from their father's SSDI eligibility due to the fact that they are minor children below the age of 18, which isn't due to either John or Susan having or not having a disability. It's simply due to the fact that they are below the age of 18 and their father, Mark, is receiving SSDI due to his disability.

STEP 1:

Apply Susan's unearned income to the 2020 ineligible child allocation of \$392 as an ineligible child below the age of 18 (Susan doesn't have a disability and is ineligible for SSI – yet her income and exclusions are part of the deeming process as a member of the family):

\$392 Deeming allocation for ineligible children under 18

-\$150 Subtract Susan's monthly unearned income – the Title II benefit

\$242 Remaining allocation

Step 2:

Apply the remaining ineligible child allocation (used in reducing Susan's income above) to John's father, Mark's, SSDI check:

\$800 Mark's SSDI check (John's father)

-\$242 Subtract child allocation not used in reducing Susan's countable income

\$558 Remaining portion of Mark's SSDI cash payment

Step 3

Subtract the General Income Exclusion (GIE) from John's father's remaining unearned income:

\$558 Mark's remaining unearned income from step 2 above

-\$20 Subtract the General Income Exclusion (GIE)

\$538 Countable parental unearned income

Step 4:

Subtract the Earned Income Exclusion (EIE) from John's mother's earned income:

\$1,400 Sandy's earned income (John's mother)

- \$65 Subtract the Earned Income Exclusion (EIE)

\$1,335

Step 5:

Divide Sandy's remaining earned income by two:

$\$1,335/2 = \667.50

Step 6:

Add Mark's (John's father's) countable unearned income to Sandy's (John's mother's) countable earned income (from steps 3 and 5 above):

\$538.00 Mark's countable unearned income

+\$667.50 Add Sandy's countable earned income

\$1,205.50

Step 7:

Subtract the 2020 parental deeming allocation of \$1,175 from the total countable amount from Step 6:

\$ 1,205.50 Total countable income from John's mother and father from step 6.

- \$1,175.00 2020 parental allocation.

\$30.50 Parental deeming allocation for a couple.

NOTE: a single parent only subtracts \$783 in 2020, but in this case John's parents are married so the couple FBR of \$1,175 applies.

\$30.50 IS THE INCOME DEEMED TO JOHN FROM HIS PARENTS

Step 8:

Add John's \$150 Title II child's benefits from his father to the deemed income from his parents in step 7 to calculate John's total unearned income:

\$150.00	John's Title II child's benefit
<u>+\$30.50</u>	John's deemed income from his parents
\$180.50	John's total unearned income

Step 9:

Subtract John's allowed \$20 General Income Exclusion (GIE) from John's total unearned income:

\$ 180.50	John's total unearned income
<u>- \$20.00</u>	Subtract the General Income Exclusion (GIE)
\$ 160.50	John's countable unearned income

Step 10:

Subtract John's total countable income from the SSI benefit in his state, with no state supplement, of \$783 for 2020 to calculate John's SSI check amount.

\$783.00	SSI FBR for an individual with no state supplement
-\$160.50	John's total countable income
\$622.50	SSI cash payment

\$622.50 IS JOHN'S CALCULATED SSI CHECK AMOUNT

Factors that Change Deeming Status and Need to be Reported to Social Security

The following factors may change deeming status and need to be reported to Social Security when they occur:

1. Changes in parent(s) income and/or resources or changes in the income of the ineligible child(ren) in the home.
2. Changes in family members who reside in the household (parents or children).
3. If an ineligible parent becomes eligible for SSI, deeming would cease (none of the SSI eligible parent's income or resources would be deemed to the SSI eligible child) in a single parent household. In a two-parent household, income is first deemed to the eligible parent from the ineligible parent. If there is an eligible parent (still receiving SSI after spouse-to-spouse deeming) then there is no deeming of income or resources to the eligible child.
4. If another child in the household becomes eligible or ineligible, deeming to this first eligible child is affected and the change needs to be reported to Social Security.

What is the Relevance, Impact, and Application of Parent-to-Child Deeming for Work Incentive Planning and Assistance (WIPA) Activities?

Generally, WIPA project staff will be providing assistance to individuals between the ages of 14 and up to the full retirement age. Although parent-to-child deeming applies to any child below the age of 18, WIPA project are not required to provide services to children younger than 14.

Presuming that WIPA project staff are providing benefits analysis services that eventually outline an array of work related choices for SSI recipients, the following applications could be useful to consider for 14-18 year old youth.

- a. An eligible 14 – 18 year old child could possibly be receiving less SSI than the potential SSI Federal Benefit Rate (FBR) due to deemed income from a parent. Social Security reports on their statistical analysis that a fair percentage of youth in that age range do receive reduced SSI benefits due to parental deemed income. If the example child in this situation was receiving an SSI check reduction of \$250 due to deemed parental income and was 15 years old, a logical work incentive choice that should be presented to the child (assuming a thorough benefits analysis of all choices is developed) would be to outline the possible choice to set aside that \$250 in a Plan to Achieve Self-Support (PASS) to achieve a specific vocational goal of the child's choosing. The PASS analysis would show that setting aside \$250 per month from the age of 15 – 18 for 3 years, would equate to a \$9,000 PASS potential for achieving a specific vocational goal.
- b. If the child is a student, he or she could also be shown how the Student Earned Income Exclusion (SEIE) would apply if the student chose to work, and if applicable, once working, how Blind Work Expenses (BWE), Impairment Related Work Expenses (IRWE)

and 1619(b) eligibility provide significant earning capacity and incentives to work during the ages of 14 – 18 and beyond.

- c. Families with parents on Title II disability benefits or SSI may also have children on SSI and/or title II benefits – even children younger than 14. When dealing with complex family benefits planning situations, choices by parent(s) to work or not to work may impact not only on the parent’s benefits, but also would impact their minor children’s benefits. In these cases, CWICs need to provide work incentives counseling from a holistic family approach. It will be necessary to discuss and analyze the impact of paid employment on ALL family members in order to promote informed choice for parents to work or increase earnings from current work activities.

How is parental deemed income used to fund a PASS?

Once Social Security has determined how much deemed parental income is attributable to the eligible child, this amount of money or any portion of it may be set aside in an approved Plan to Achieve Self-Support to pay for the items or services the child needs to achieve a stated occupational goal. It’s important for CWICs to understand that the amount Social Security deems is NOT the same as the gross income the parents receive. The deemed income is only a portion of the gross income after all of the deeming calculations and deductions have been applied. CWICs need to communicate with Social Security personnel to determine the exact amount of income being deemed to the eligible child when helping families develop PASS plans.

Once the deemed parental income amount is confirmed and the PASS is approved, the parents will need to deposit that amount of money less the \$20 general income exclusion into the PASS account each month. By setting this money aside in the PASS, the eligible child will have that amount of unearned income disregarded when Social Security determines the monthly benefit. In many cases, setting aside the parental deemed income into a PASS will allow the eligible child to receive the full FBR on a monthly basis.

When developing the PASS, WIPA personnel need to work closely with the family to determine if sufficient income remains after the monthly PASS contribution is made to pay for all of the necessary family expenses. In addition, any changes in parental income must be reported to Social Security so that the parental deemed income can be re-calculated and changes can be made to the PASS contribution as needed.

Frequently Asked Questions

Are there any situations where parent-to-child deeming is waived or would not apply to an eligible child SSI recipient below the age of 18 with ineligible parent(s)?

Yes. There is a provision that allows a waiver of the normal parent-to-child deeming rules. This waiver applies in very few circumstances. Beginning July 1, 1990, parental income or resources are not deemed to any child under age 18 who:

- a. Is disabled;
- b. Received SSI benefits limited to the \$30 reduced benefit rate because of residence in a medical treatment facility;
- c. Is eligible for Medicaid under a State home care plan; and
- d. Would be ineligible for SSI benefits because of deemed parental income or resources.

Information on this waiver can be found on the Internet at: [SI 01310.201 Waiver of Parental Deeming Rules](https://secure.ssa.gov/apps10/poms.nsf/lnx/0501310201) (<https://secure.ssa.gov/apps10/poms.nsf/lnx/0501310201>).

Are child support payments counted as deemed income from parent(s)?

No. Social Security considers child support payments to be unearned income attributable directly to the child. Social Security excludes one-third of the child support payments from an absent parent for eligible children under age 18.

What happens if an eligible child moves out of the household – into either another household or residential program? Is parental income still counted and deemed to the child?

If the child moves out, but intends to return in the same or following month and is temporarily absent, then deeming still continues. If a child moves out, and is attending an educational or vocational school, returns home on weekends or holidays, and is subject to parental control, then Social Security considers this a temporary absence. Deeming applies during temporary absences.

If the child isn't subject to parental control, it's not a temporary absence and deeming doesn't apply. At such young ages (below 18) parental control is a significant consideration. If the child moves into a residential program approved by the state (i.e. group home or similar situation) deeming stops effective the month after the month the child moves out of the home.

How does Social Security gather the relevant information needed to make SSI deeming determinations and any changes in amount of deemed income over time? How often is deemed income reviewed?

Social Security first gathers the relevant deeming information at the time of application for SSI benefits for a child below the age of 18. Parents are interviewed to determine what income and resource evidence must be provided to the agency. Social Security has the right to secure all needed information or the application can be denied. Social Security reviews the non-medical eligibility information periodically after initial entitlement. This post-entitlement redetermination may be completed by mail, by phone, or in person at local field offices. Social Security will advise the child’s representative payee as to the type of redetermination they will conduct. In the interim period between redeterminations Social Security relies on parents to notify the agency of any changes occurring in their income, resources, or living arrangements.

Is there a minimum age for deeming to apply?

There is no minimum age. A child of any age who applies for SSI and any eligible child would be subject to parent-to-child deeming rules.

Conducting Independent Research

[POMS SI 01310.000 Deeming, General - Subchapter Table of Contents](https://secure.ssa.gov/apps10/poms.nsf/lnx/0501310000)

(<https://secure.ssa.gov/apps10/poms.nsf/lnx/0501310000>)

[POMS SI 01320.000 Deeming of Income - Subchapter Table of Contents](https://secure.ssa.gov/apps10/poms.nsf/lnx/0501320000)

(<https://secure.ssa.gov/apps10/poms.nsf/lnx/0501320000>)

[POMS SI 01330.000 Deeming of Resources - Subchapter Table of Contents](https://secure.ssa.gov/apps10/poms.nsf/lnx/0501330000)

(<https://secure.ssa.gov/apps10/poms.nsf/lnx/0501330000>)

[POMS SI 01320.500- Deeming of Income from Ineligible Parent\(s\)](https://secure.ssa.gov/apps10/poms.nsf/lnx/0501320500)

(<https://secure.ssa.gov/apps10/poms.nsf/lnx/0501320500>)

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