

Mapping Your Path to Work

Answers To Your Work Questions

From New York Makes Work Pay

Supplemental Security Income

Calculating the Impact of Earnings on Benefits

Edwin J. Lopez-Soto

Thomas P. Golden

WWW.NYMAKESWORKPAY.ORG



In This Guide

The purpose of this guide is to educate New Yorkers with disabilities about the impact of earnings on Supplemental Security Income benefits.

- 1** Supplemental Security Income
- 2** How will My SSI Cash Benefits be Impacted by Going to Work?
- 3** Three Examples
- 6** Are There Any Other Incentives That Can Support Work?
- 7** What if I Have Questions About How My Benefits will be Impacted by Going Back to Work?
- 8** SSI Budget Worksheet

This booklet is part of a series of New York Makes Work Pay publications that help New Yorkers with disabilities plan a path to employment.



Supplemental Security Income

Supplemental Security Income (SSI) is a means-tested program — meaning, it is based on the amount of “other” income you receive and is only intended to bring a beneficiary up to a certain minimum level of income. This minimum level of income is known as a Federal Benefit Rate (FBR).

Some states, like New York, also supplement the FBR. In New York in 2010, individuals living alone and having no unearned or earned income, will receive \$761 per month in SSI cash benefits. SSI beneficiaries living with others in 2010, and having no unearned or earned income, will receive \$697 per month in SSI cash benefits. In New York, an SSI beneficiary who receives at least \$1 of SSI is automatically eligible for Medicaid.

How will My SSI Cash Benefits be Impacted by Going to Work?

When an SSI beneficiary goes to work, the Social Security Administration (SSA) will decrease the SSI cash benefit a little bit at a time as earnings go up. SSA uses gross earnings (before taxes) to decide how much to subtract from the SSI check. To understand how the SSA calculation works, it is important to understand that SSA considers earned and unearned income differently and allows certain income exclusions against both. Here is how the amount is figured:

- ☑ If an SSI beneficiary works, the first \$20 of unearned income (Social Security Disability Insurance benefits, Unemployment Insurance benefits, income deemed available from a parent or spouse, etc) is excluded. The remaining balance is considered the net countable unearned income.
- ☑ If there is no unearned income, then the \$20 exclusion is taken from earned income (such as wages or self-employment).
- ☑ Next, SSA will disregard the next \$65 of earned income as a further income exclusion.
- ☑ Of the remaining earned income, SSA will then disregard one half. What is left is considered the individual's net countable earned income.
- ☑ If the individual had unearned income from the first step remaining after the \$20 exclusion, that amount is then added to the net countable earned income from the preceding step. This equals the total net countable income.
- ☑ The net countable income is then subtracted from the SSI cash benefit rate depending on the individual's living arrangement.
- ☑ The amount left over is the amount of the person's adjusted monthly SSI cash payment.

Three Examples

EXAMPLE 1: SSI beneficiary has unearned income but no earned income.

Sam has a disability and lives alone. Sam receives \$285 in month Social Security Disability Insurance (SSDI) benefits.

SSA will disregard or not count the first \$20 each month of Sam's SSDI cash benefits. What is left is the net countable unearned income. Since Sam has no earned income, the net countable unearned income is subtracted from the SSI cash benefit rate in New York for an individual that lives alone. The amount left over is the amount of Sam's adjusted monthly SSI cash payment.

\$285	Social Security Disability Insurance
- \$20	Unearned income not counted
<hr/>	
\$265	Net countable unearned income
\$761	2010 SSI cash benefit base rate (individual living alone)
- \$265	Net countable unearned income
<hr/>	
\$496	New monthly SSI cash benefit

The net increase of monthly income to Sam when he is an SSI recipient, who is also eligible for SSDI benefits, is \$20 per month. (\$285 + \$496 = \$781 or \$20 more than his SSI cash benefit rate of \$761). As Sam still gets at least \$1 of SSI, he gets Medicaid automatically.

Sam will be dramatically better off if he goes to work as the example on the next page illustrates.

EXAMPLE 2: SSI beneficiary has no unearned income but has earned income.

Sam lives alone and receives only SSI benefits. Sam earns \$285 per month in gross wages. SSA will disregard the first \$85 each month (\$20 income disregard as there is no unearned income and \$65 earned income disregard). Then, an additional 50% will also be disregarded or not counted. What is left is the net countable earned income. The net countable earned income is subtracted from the SSI cash benefit rate in New York for an individual who lives alone. The amount left over is the amount of Sam's adjusted monthly SSI cash benefit.

\$285	Gross wages
- \$85	Income not counted (combined \$20 unearned and \$65 earned income disregard)
<hr/>	
\$200	
- \$100	Additional 50% not counted
<hr/>	
\$100	Net countable earned income
\$761	2010 SSI cash benefit base rate (individual living alone)
- \$100	Net countable earned income
<hr/>	
\$661	New monthly SSI cash benefit

By working, Sam now has \$285 per month in earnings (although taxes are deducted, Sam will more than likely get them back at the end of the year) plus \$661 per month in SSI, thereby increasing his monthly income to \$946. In addition, as Sam still gets at least \$1 of SSI, he gets Medicaid automatically. Thus, Sam is considerably better off working than not working.

EXAMPLE 3: SSI beneficiary has both unearned income and earned income.

Sam lives alone and receives \$285 per month in SSDI cash benefits. Sam also earns \$265 per month in gross wages.

SSA will disregard or not count the first \$20 each month of Sam's SSDI benefits as it is unearned income. What is left is the **net countable unearned income** ($\$285 - \$20 = \$265$).

SSA will also disregard or not count the first \$65 of Sam's earned income ($\$265 - \$65 = \$200$). Then, an additional 50% will also be disregarded or not counted ($\$200/2 = \100). What is left (\$100) is the **net countable earned income**.

We then add the net countable unearned income (\$265) and the net countable earned income (\$100) to get the total countable income ($\$265 + \$100 = \$365$).

In this case since Sam lives alone, the total countable income is subtracted from the **SSI cash benefit rate** in New York for an individual who lives alone ($\$761 - \$365 = \$396$). The amount left over (\$396) is the amount of Sam's new adjusted **monthly SSI cash benefit**.

\$285	Social Security Disability Insurance
- \$20	Unearned income not counted
<hr/>	
\$265	Net countable unearned income
\$265	Gross wages
- \$65	Earned income disregard
<hr/>	
\$200	
- \$100	Additional 50% not counted
<hr/>	
\$100	Net countable earned income
\$265	Net countable unearned income
+ \$100	Net countable earned income
<hr/>	
\$365	Total countable income
\$761	2010 SSI cash benefit base rate (individual living alone)
- \$365	Total countable income
<hr/>	
\$396	New monthly SSI cash benefit

When Sam receives SSDI benefits and also works, he winds up with \$946 per month ($\$285 + \$265 + \$396 = \946) instead of the living alone SSI rate for an individual who also receives SSDI of \$781. In addition, as Sam still gets at least \$1 of SSI, he gets Medicaid automatically.

Are There Any Other Incentives That Can Support Work?

The SSI program has other work incentives available that act as income disregards—very similar to the unearned (\$20) and earned income (\$65) disregards discussed earlier. These work incentives can be deducted from gross monthly earnings as part of SSA's calculation in determining the amount of your adjusted SSI cash benefit. A brief description of each follows.

- ☑ **Impairment Related Work Expenses (IRWE)** are work expenses related to a disability that are needed to work and are paid for by the individual.
- ☑ **Blind Work Expenses (BWE)** are any ordinary and necessary expenses attributable to the earning of income for an individual who is blind and are paid for by that individual.
- ☑ **Plan For Achieving Self Support (PASS)** allows an individual to set aside their own income and/or resources in a special account, not counted for SSI purposes, to support their objectives and activities associated with assisting them in achieving a specific work goal.
- ☑ **Student-Earned Income Exclusion (SEIE)** helps students under the age of 22 who regularly attend school, receive SSI, and work to exclude up to \$1,640 per month up to a maximum of \$6,600 per year in 2010. These figures change annually.

These are all SSI work incentives and can positively affect the amount of an individual's SSI cash benefit. The impact of each is

determined by the placement of the disregard in the SSA calculation. Note that subsequent guides on these work incentives will be available to provide more comprehensive information on their application. A sample calculation sheet showing the placement of each follows.

What if I Have Questions About How My Benefits will be Impacted by Going Back to Work?

If you have any questions about how your benefits will be impacted by going back to work, you can contact the specialists toll-free at **1-888-224-3272**. The hotline is available during business hours on Monday through Friday, except on holidays, and every effort will be made to return calls the same day or within one business day.

Additionally, SSA has contracted with local organizations to provide work incentive and planning services for Social Security SSDI and SSI beneficiaries. The Work Incentive Planning Assistance (WIPA) agencies have people who have been specially trained to help individuals with disabilities considering returning to work or returning to work. You can get a list of the WIPA's in New York at: <https://secure.ssa.gov/apps10/oesp/providers.nsf/bystate>

SSI Budget Worksheet

The following worksheet can be used to assist you in calculating the impact of income on your SSI cash benefits.

Name

Month

Social Security #

STEP 1 Calculating Total Countable Unearned Income	1	Unearned Income*	
	2	"Any-Income" Deduction	- \$20.00
	3	Total Countable Unearned Income (Subtract line 2 from line 1.)	=
STEP 2 Calculating Total Countable Earned Income	4	Gross Earned Income	
	5	Student Earned Income Exclusion	-
	6	Remainder (subtract line 5 from line 4)	=
	7	"Any-Income" deduction if not used before**	- \$20.00
	8	Remainder (Subtract line 7 from line 6.)	=
	9	Earned-Income Deduction	- \$65.00
	10	Remainder (Subtract line 9 from line 8.)	=
	11	Impairment-Related Work Expense, if not blind (IRWE)	-
	12	Adjusted Gross Earned Income (Subtract line 11 from line 10.)	=
	13	50% of Adjusted Gross Earned Income as a Work Incentive Deduction (Divide line 10 in half.)	-
	14	Remainder (Subtract line 13 from line 12.)	=
STEP 3 Calculating Total Countable Income	15	Blind Work Expenses (BWE)	-
	16	Total Countable Earned Income (Subtract line 15 from line 14.)	=
	17	Total Countable Unearned Income (Amount from line 3)	
	18	Total Countable Earned Income (Amount from line 16)	+
	19	Total Countable Income (Add line 17 and line 18.)	=
STEP 4 Calculating Adjusted SSI Payment	20	PASS Deduction	-
	21	Total Countable Income (Subtract line 20 from line 19.)	=
	22	Total Countable Income (Amount from line 21)	
STEP 5 Calculating Total Usable Monthly Income	23	Base SSI Rate (fill in appropriate amount)	-
	24	Adjusted SSI Payment (Subtract line 23 from line 22.)	=
	25	Adjusted SSI Payment (Amount from line 24)	
	26	Gross Earned Income Received (Amount from line 4)	+
	27	Gross Unearned Income Received (Amount from line 1)	+
28	IRWE, BWE or PASS Expenses (Combine lines 11, 15, & 20.)	-	
29	Total Financial Outcome (Add lines 25, 26, and 27. Subtract line 28.)	=	

* Insert sum of all combined unearned income on line 1.

** You only get to use the \$20 any-income deduction once. If you do not use all of the deduction to reduce your unearned income, you can use the balance to reduce your earned income.

Development of the "Map Your Path to Work" guides is made possible by a Comprehensive Employment System Medicaid Infrastructure Grant funded by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) to the New York State Office of Mental Health (OMH) and its management partners the Burton Blatt Institute (BBI) at Syracuse University and the Employment and Disability Institute (EDI) at Cornell University.



**Employment and Disability Institute
Cornell University
201 Dolgen Hall
Ithaca, New York 14853**

voice: 607-255-7727

fax: 607-255-2763

tty: 607-255-2891

email: nymakesworkpay@cornell.edu

web: www.nymakesworkpay.org

www.NYMAKESWORKPAY.org