



# Understanding Supplemental Security Income SSI Income

## WHAT IS INCOME?

**Earned Income** is wages, net earnings from self-employment, certain royalties and honoraria, and sheltered workshop payments.

**Unearned Income** is all income that is not earned, such as Social Security benefits, pensions, State disability payments, unemployment benefits, interest income, and cash from friends and relatives.

**In-Kind Income** is food or shelter that you get for free or less than its fair market value.

**Deemed Income** is the part of the income of your spouse with whom you live, your parent(s) with whom you live, or your sponsor (if you are an alien), which we use to compute your SSI benefit amount.

## WHY IS INCOME IMPORTANT IN THE SSI PROGRAM?

Generally, the more income you have, the less your SSI benefit will be. If your countable income is over the allowable limit, you cannot receive SSI benefits. Some of your income may not count as income for the SSI program.

## WHAT INCOME DOES NOT COUNT FOR SSI?

Examples of payments or services we do not count as income for the SSI program include but are not limited to:

- the first \$20 of most income received in a month;
- the first \$65 of earnings and one-half of earnings over \$65 received in a month;
- the value of food stamps;
- income tax refunds;
- home energy assistance;
- assistance based on need funded by a State or local government;
- small amounts of income received irregularly or infrequently;
- interest or dividends earned on countable resources or resources excluded under other Federal laws;
- grants, scholarships, fellowships or gifts used for tuition and educational expenses;
- food or shelter based on need provided by nonprofit agencies;
- loans to you (cash or in-kind) that you have to repay;
- money someone else spends to pay your expenses for items other than food or shelter (for example, someone pays your telephone or medical bills);
- income set aside under a Plan to Achieve Self-Support (PASS). See the SSI Spotlight on Plans to Achieve Self-Support on page 88;
- earnings up to \$1,700 per month to a maximum of \$6,840 per year (effective January 2012) for a student under age 22. See the SSI Spotlight on Student Earned Income Exclusion;
- the cost of impairment-related work expenses for items or services that a disabled person needs in order to work. See the SSI Spotlight on Impairment-Related Work Expenses;

- the cost of work expenses that a blind person incurs in order to work. See the SSI Spotlight on Special SSI Rule for Blind People Who Work;
- disaster assistance;
- the first \$2,000 of compensation received per calendar year for participating in certain clinical trials;
- federal tax refunds and advanced tax credits received on or after January 1, 2010; and
- Certain exclusions on Indian trust fund payments paid to American Indians who are members of a federally recognized tribe.

## **HOW WILL WINDFALL OFFSET AFFECT MY BENEFIT?**

We will reduce your retroactive Social Security benefits if you are eligible for Social Security and SSI benefits for the same months.

We reduce your Social Security benefits by the amount of SSI you would not have received if we had paid you Social Security benefits when they were due.

For information, see the SSI Spotlight on Windfall Offset

## **WHEN DOES DEEMED INCOME APPLY?**

When a person who is eligible for SSI benefits lives with a spouse who is not eligible for SSI benefits, we may count some of the spouse's income in figuring the SSI benefit.

When a disabled or blind child under age 18 lives with parent(s), (or a parent and a stepparent), and at least one parent does not receive SSI benefits, we may count some of the parents' income in figuring the child's SSI benefit.

When an alien has a sponsor, we may count some or all of the sponsor's income in figuring the SSI benefit.

## **WHEN DOES DEEMED INCOME NOT APPLY?**

When you no longer live with a spouse or parent.

When a disabled or blind child reaches age 18.

When an alien's sponsorship ends.