Supplemental Security Income
Calculating the Impact of Earnings on Benefits
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 (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.
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.

\[
\begin{align*}
\$285 & \quad \text{Social Security Disability Insurance} \\
- \ $20 & \quad \text{Unearned income not counted} \\
\$265 & \quad \text{Net countable unearned income} \\
\$761 & \quad \text{2010 SSI cash benefit base rate} \\
& \quad (\text{individual living alone}) \\
- \ $265 & \quad \text{Net countable unearned income} \\
\$496 & \quad \text{New monthly SSI cash benefit}
\end{align*}
\]

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.

\[
\begin{array}{ll}
\$285 & \text{Gross wages} \\
- \$85 & \text{Income not counted (combined $20 unearned and} \\
& \text{$65 earned income disregard)} \\
\$200 & \\
- \$100 & \text{Additional 50\% not counted} \\
\$100 & \text{Net countable earned income} \\
\$761 & \text{2010 SSI cash benefit base rate} \\
& \text{(individual living alone)} \\
- \$100 & \text{Net countable earned income} \\
\$661 & \text{New monthly SSI cash benefit}
\end{array}
\]

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.

<table>
<thead>
<tr>
<th>$285</th>
<th>Social Security Disability Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>-$20</td>
<td>Unearned income not counted</td>
</tr>
<tr>
<td>$265</td>
<td>Net countable unearned income</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>$265</th>
<th>Gross wages</th>
</tr>
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<tbody>
<tr>
<td>-$65</td>
<td>Earned income disregard</td>
</tr>
<tr>
<td>$200</td>
<td></td>
</tr>
<tr>
<td>-$100</td>
<td>Additional 50% not counted</td>
</tr>
<tr>
<td>$100</td>
<td>Net countable earned income</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$265</th>
<th>Net countable unearned income</th>
</tr>
</thead>
<tbody>
<tr>
<td>+$100</td>
<td>Net countable earned income</td>
</tr>
<tr>
<td>$365</td>
<td>Total countable income</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$761</th>
<th>2010 SSI cash benefit base rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>($individual living alone)</td>
<td></td>
</tr>
<tr>
<td>-$365</td>
<td>Total countable income</td>
</tr>
<tr>
<td>$396</td>
<td>New monthly SSI cash benefit</td>
</tr>
</tbody>
</table>
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](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.

<table>
<thead>
<tr>
<th>Name</th>
<th>Month</th>
<th>Social Security #</th>
</tr>
</thead>
</table>

## STEP 1
Calculating Total Countable Unearned Income

1. **Unearned Income**
2. **“Any-Income” Deduction** - $20.00
3. **Total Countable Unearned Income**
   \[
   \text{Total Countable Unearned Income} = \text{Line 1} - \text{Line 2}
   \]

## STEP 2
Calculating Total Countable Earned Income

4. **Gross Earned Income**
5. **Student Earned Income Exclusion** -
6. **Remainder**
   \[
   \text{Remainder} = \text{Line 4} - \text{Line 5}
   \]
7. **“Any-Income” deduction if not used before** - $20.00
8. **Remainder**
   \[
   \text{Remainder} = \text{Line 6} - \text{Line 7}
   \]
9. **Earned-Income Deduction** - $65.00
10. **Remainder**
    \[
    \text{Remainder} = \text{Line 8} - \text{Line 9}
    \]
11. **Impairment-Related Work Expense, if not blind (IRWE)** -
12. **Adjusted Gross Earned Income**
    \[
    \text{Adjusted Gross Earned Income} = \text{Line 10} - \text{Line 11}
    \]
13. **50% of Adjusted Gross Earned Income as a Work Incentive Deduction**
    \[
    \text{50% of Adjusted Gross Earned Income} = \frac{\text{Line 12}}{2}
    \]
14. **Remainder**
    \[
    \text{Remainder} = \text{Line 13} - \text{Line 14}
    \]
15. **Blind Work Expenses (BWE)** -
16. **Total Countable Earned Income**
    \[
    \text{Total Countable Earned Income} = \text{Line 15} - \text{Line 16}
    \]

## STEP 3
Calculating Total Countable Income

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)** =
20. **PASS Deduction** -
21. **Total Countable Income**
    \[
    \text{Total Countable Income} = \text{Line 20} - \text{Line 21}
    \]

## STEP 4
Calculating Adjusted SSI Payment

22. **Total Countable Income (Amount from line 21)**
23. **Base SSI Rate** (fill in appropriate amount) -
24. **Adjusted SSI Payment**
    \[
    \text{Adjusted SSI Payment} = \text{Line 22} - \text{Line 23}
    \]

## STEP 5
Calculating Total Usable Income

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**
    \[
    \text{Total Financial Outcome} = \text{Line 25} + \text{Line 26} + \text{Line 27} - \text{Line 28}
    \]

---

* 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.
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