



Tip Sheet

Understanding Supplemental Security Income (SSI)

WHAT IS SUPPLEMENTAL SECURITY INCOME (SSI)?

Supplemental Security income is a United States government program that provides stipends to low income people who are either aged (65 or older), blind or disabled. Although administered by the Social Security Administration, SSI is funded from the U.S Treasury general funds.

WHO IS ELIGIBLE FOR SSI?

- A person who is 65 or older
- A person who is blind
- A person who has a disability

In addition, the person must

- Have limited income (typically no more than 100% of poverty which is currently \$ for one person*; and
- Have limited resources** (typically \$2,000 or less in cash or items that can easily be converted to cash; you may also own a home, a car and a burial plot); and
- Be a U.S. citizen or national, or in one of certain categories of aliens; and
- Be a resident of one of the 50 States, the District of Columbia, or the Northern Mariana Islands; and
- Not be absent from the country for a full calendar month or for 30 consecutive days or more; and
- Apply for any other cash benefits or payments for which he or she may be eligible, (for example, pensions, Social Security benefits); and
- gives SSA permission to contact any financial institution and request any financial records about you; and
- File the application for benefits; and
- Meet certain other requirements.

WHAT DOES ALL THE INFORMATION ABOVE MEAN?

“Disability” is defined as:

An adult with a disability is someone aged eighteen (18) or older with a medically documented physical or mental impairment that

- results in the inability to rely on paid work for a living; and
- can be expected to result in death; or
- has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

*"Income" is defined as:

- *Earned income* such as money you earn from wages, net earnings from self-employment, certain royalties and honoraria, and sheltered workshop payments;
- *Unearned income* such as money you receive from Social Security benefits, workers compensation, unemployment benefits, Department of Veterans Affairs, friends or relatives; and
- *In-kind income* such as food or shelter that you get for free or less than its fair market value.
- *Deemed income* such as part of the income of your spouse with whom you live, your parent(s) with whom you live, or your sponsor (if you are from a foreign country living in the United States legally), which is used to compute your SSI amount

Tip: Social Security income counts as earned income and will lower your SSI payment

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.

Income that DOES NOT count towards SSI eligibility/calculations

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.

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.

Tip: Document all expenses, including rent, for individuals with disabilities over the age of 22 living in the family home

****"Limited resources" are defined as:**

- Cash;
- Bank accounts, stocks, U.S. savings bonds;
- Land;
- Vehicles;
- Personal property;
- Life insurance; and
- Anything else you own that could be converted to cash and used for food or shelter.

If your resources are over \$2000 (\$3000 for a couple), you are not eligible for SSI

Sometimes SSI "deems" a portion of the resources of a spouse, parent, parent's spouse, sponsor of an alien or sponsor's spouse as belonging to the person who files for SSI. We call this process the deeming of resources. If a child under age 18 lives with one parent, \$2,000 of the parent's total countable resources does not count. If the child lives with 2 parents, \$3,000 does not count. We count amounts over the parents' limits as part of the child's \$2,000 resource limit.

Tip: If you want to save money above the allowed resource limits, it must be put into a qualified special needs trust

Sample calculations:

EXAMPLE A - SSI Federal Benefit with only UNEARNED INCOME

Total monthly income = \$300 (Social Security benefit)

1) \$300 (Social Security benefit)

-20 (Not counted)

= \$280 (Countable income)

2) \$698 (SSI Federal benefit rate)

-280 (Countable income)

= \$418 (SSI Federal benefit)

EXAMPLE B - SSI Federal Benefit with only EARNED INCOME

Total monthly income = \$317 (Gross wages)

1) \$317 (Gross wages)

-20 (Not counted)

\$297

-65 (Not counted)

\$232 divided by 1/2

=\$116 (Countable income)

2) \$698 (SSI Federal benefit rate)

-116 (Countable income)

=\$582 (SSI Federal benefit)

Other related information:

- Many people receive both SSI and Social Security benefits
- In most states, Medicaid is linked to the receipt of SSI
- Medicare is linked to Social Security benefits
- It is possible to receive both Medicare and Medicaid (this means you are “dually eligible”)
- States pay the Medicare premiums for people who receive SSI benefits IF they are also eligible for Medicaid.
- If you get SSI and also have Medicare, you will be eligible for extra help with Medicare Prescription Drug Coverage without filing a separate application. See <http://www.ssa.gov/ssi> and look for “Help with Medicare Prescription Drug Plan Costs.”

SOCIAL SECURITY, MEDICAID AND MEDICARE <http://www.ssa.gov/ssi/text-other-ussi.htm>