

# Counseling Transition-aged Youth

## SSI Youth and the Student-Earned Income Exclusion (SEIE)

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# Goals

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By the end of today's session, you will understand

- the definition of the Student Earned Income Exclusion (SEIE);
- who is eligible;
- how to explain and best set up the SEIE to your beneficiaries;
- how to request the SEIE;
- track the SEIE;
- report the SEIE;
- the impact of SEIE on resources limits and having a PASS; and
- how to identify community supports

# Student-Earned Income Exclusion (SEIE)

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- SSI work incentive ONLY!
- Allows SSI beneficiaries, under the age of 22, who regularly attend school to exclude up to \$1,780/month of grossed earned income, with maximum calendar year cap of \$7,180 (in 2015)

# Regularly Attending School

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- As long as the SSI youth is regularly attend school prior to the end of the school year and plan to return the next school year, the student status applies for all months within the quarter, including summer months.
- SSA verifies the student's status during the annual determination
- SEIE in NOT optional, if the student is eligible, the exclusion must be applied
- Do not assume that SSSA does this automatically, the SEIE need to be requested in writing (see handout)

# ... More

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"Regularly attending school" means that the person takes one or more courses of study and attends classes:

- in a college or university, for at least 8 hours a week; or
- in grades 7–12, for at least 12 hours a week; or
- in a training course to prepare for employment, for at least 12 hours a week (15 hours a week if the course involves shop practice); or
- in a home school situation, for at least 12 hours per week and in accordance with the home school law of the State or jurisdiction in which the student resides; or
- for less time than indicated above for reasons beyond the student's control, such as illness.

A person who is homebound because of a disability may be a student when he or she: studies a course or courses given by a school (grades 7–12), college, university, or government agency; and has a home visitor or tutor from school who directs the study or training

# Procedure when a student changes intent to return to school

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- When a student changes intent to return to school, determine that the individual is no longer a student effective with the month the intent changed.

**EXAMPLE:** Jane Lett is a 19-year-old enrolled in a vocational course. She completes one-half of the course in June. She plans to return to school for the second half in late August.

In October, the field office (FO) discovers that she did not return to school. Effective August 1, she loses her student status.

# SEIE and SSA Approval

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- Do not assume SSA know this SSI beneficiary meets the “student” requirements - be sure to report to SSA when initial work is reported.
- Provide verification of student enrollment with school records, ID card, tuition receipt or other fact-based evidence.
- Provide: name and address of the school, institution, or instructor (in home schooling situation) furnishing the training; name and phone number of a contact person to verify, if necessary; and information on the course or courses of study, dates on enrollment, number of hours in attendance, and other information requested.
- Be sure to document that the program involves training to prepare the beneficiary for a paying job.

# SEIE and Plan for Achieving Self Support (PASS)

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- SEIE is deducted first on the SSI calculation sheet, usually disregarding all earned income that could normally be set aside in a PASS.
- If the student has unearned income, all countable earned income is disregarded under SEIE.
- The student place “saved” earnings by putting them in a bank and then set aside in a PASS as a resource instead of income.
  - Remember the Resource limit for SSI is \$2,000



# Examples to work through

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- Savana receives SSI and is 16 and is a full-time high school student. She regular attends class and she just received her drivers' license . Savana wants to work and save to buy a car. January 1, she secures a job working evening and weekends at the mall and will gross \$985/month. She has no other source of income.
  - Does Savana meet the eligibility criteria for SEIE?
  - If eligible for the SEIE, at \$985/month, how long with her SEIE last? Will it last 12 months? If not, what happens those additional moments?
  - Will she still be eligible next school year (Jr. year)? When will it start again?
  - What is she started working in October?
- Let's look at the SSI calculation sheet:

# Calculating SEIE - January

## STEP ONE:

Unearned Income	\$ 00.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 00.00

## STEP TWO:

Gross Earned Income	\$ 985.00
- SEIE	<u>\$ 985.00</u>
= Remainder	\$ 00.00
- GIE if not used above	<u>\$ 0</u>
= Remainder	\$ 00.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 0.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 0.00
Divide by 2	<u>    / 2</u>
= Remainder	\$ 0.00
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 0.00

## STEP THREE:

Countable Unearned Income	\$ 00.00
+ Countable Earned Income	<u>\$ 0.00</u>
= Countable Income	\$ 00.00
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 00.00

## STEP FOUR:

Base SSI Rate:	\$ 733.00
- Total Countable Income	<u>\$ 00.00</u>
= SSI Payment	\$ 733.00

00.00 Unearned  
 985.00 Earned  
733.00 SSI  
 1718.00 (**DANGER!**)

\*\*\* NOT DONE YET\*\*\*

\$7,180-\$985=\$6195 remaining for Calendar Year

# Answers

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- Savana receives SSI and is 16 and is a full-time high school student. She regularly attends class and she just received her driver's license. Savana wants to work and save to buy a car. January 1, she secures a job working evenings and weekends at the mall and will gross \$985/month. She has no other source of income.
  - Does Savana meet the eligibility criteria for SEIE? **YES**
  - If eligible for the SEIE, at \$985/month, how long will her SEIE last? **Seven full months with \$285 left over for August.** Will it last 12 months? **No** If not, what happens those additional months? **SEIE is not available the remainder of the calendar year**
  - Will she still be eligible next school year (Jr. year)? **Yes, as long as she plans to return** When will it start again? **January 1 – be sure to check new SEIE thresholds!**
  - What if she started working in October? **She would only have 3 months on SEIE before a new calendar year would start**

# Two years later

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- Savana still receives SSI and is now 18 – she is still full-time high school student ready to graduate High School and start college in the fall. She wants to be a lawyer. She regularly attends class and is excited about graduating and starting college. Savana secures a job as a legal assistant. She starts January 2 and will be working 35 hours a week. She will gross \$2,000/month. Due to her previous work, she is now eligible for \$200 in SSDI.
  - Does Savana meet the eligibility criteria for SEIE?
  - If eligible for the SEIE, at \$2000/month, how long will her SEIE last? Will it last 12 months? If not, what happens those additional months?
  - Will she still be eligible next school year (Freshman Year of college)? When will it start again?
  - What happens to her SSI if her SEIE runs out?

# Calculating SEIE - January

## STEP ONE:

Unearned Income	\$ 200.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 180.00

## STEP TWO:

Gross Earned Income	\$ 2,000.00
- SEIE	<u>\$ 1,780.00</u>
= Remainder	\$ 220.00
- GIE if not used above	<u>\$ 0</u>
= Remainder	\$ 220.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 155.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 155.00
Divide by 2	<u>      / 2</u>
= Remainder	\$ 77.50
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 77.50

## STEP THREE:

Countable Unearned Income	\$ 180.00
+ Countable Earned Income	<u>\$ 77.50</u>
= Countable Income	\$ 257.50
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 257.50

## STEP FOUR:

Base SSI Rate:	\$ 733.00
- Total Countable Income	<u>\$ 257.50</u>
= SSI Payment	\$ 475.50

200.00 Unearned  
 2000.00 Earned  
475.50 SSI  
 2675.50 (**DANGER!**)

\*\*\* NOT DONE YET\*\*\*

\$7,180-\$1,780=\$5400 remaining for Calendar Year

# Calculating SEIE (May)

## STEP ONE:

Unearned Income	\$ 200.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 180.00

## STEP TWO:

Gross Earned Income	\$ 2,000.00
- SEIE	<u>\$ 60.00</u>
= Remainder	\$ 1,940.00
- GIE if not used above	<u>\$ 0</u>
= Remainder	<b>\$ 1,940.00</b>
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 1875.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 1875.00
Divide by 2	<u>          / 2</u>
= Remainder	\$ 937.50
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 937.50

## STEP THREE:

Countable Unearned Income	\$ 180.00
+ Countable Earned Income	<u>\$ 937.50</u>
= Countable Income	\$1,117.50
- PASS	<u>\$ 0</u>
= Total Countable Income	<b>\$ 1,117.50</b>

## STEP FOUR:

Base SSI Rate:	\$ 733.00
- Total Countable Income	\$ <u>1,117.50</u>
= SSI Payment	\$ 0

200.00 Unearned  
 2000.00 Earned  
0 SSI  
 2200.00 (DANGER!)

\*\*\* NOT DONE YET\*\*\*

\$7,180-\$7,180=\$0 remaining for Calendar Year

# Answers

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- Savana receives still receives SSI and is now 18 – she is still full-time high school student ready to graduate High School and start college in the fall. She wants to be a lawyer. She regular attends class and excited about graduating and starting college. Savana secures a job as a legal assistance. She starts January 2 and will be working 35 hours a week. She will gross \$2,000/month. Due to her previous work, she is now eligible for \$200 in SSDI.
- Does Savana meet the eligibility criteria for SEIE? **Yes**
- If eligible for the SEIE, at \$2000/month, how long with her SEIE last? **4 full months with \$60 left over in May.** Will it last 12 months? **No** If not, what happens those additional moments? **SEIE is not available the remainder of the calendar year**
- Will she still be eligible next school year (Freshman Year of college)? **Yes, as long as she plans to return** When will it start again? **January 1 – be sure to check new SEIE thresholds!**
- What happens to her SSI if her SEIE runs out? **Zero SSI check – need to check State’s 1619(B) threshold for Medicaid. BUT .... Could look at PASS to pay for college**

# Community Supports

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- Know your resources. Your local WIPA staff are highly trained, supported and experts in this process.
- Look at your WIPA list for support