**How Earnings Affect SSI**

By Dick Davis

NFB Employment Committee Chair

Lots of blind people ask me about the effect of earnings on Social Security Disability (SSDI), but few even understand the effects of earnings on Supplemental Security Income (SSI). While Substantial Gainful Activity (SGA) is a cliff that people on SSDI can fall off, SSI has a much kinder approach to earnings. Today, I’m going to explain, in simple terms, how earnings affect the monthly amount of SSI you receive.

SSI allows you to ignore $65 per month of your earnings from work, and an additional $20 from any source of income, including earnings. To make things simple, let’s just combine the two and subtract $85 from your month’s earnings. For purposes of this article, let’s assume your earnings are $1,000 per month, so subtracting $85 results in remaining earnings of $915.

Now we can ignore half of those remaining earnings. Since $915 divided by 2 equals $457.50, that means our countable earnings have now been reduced by more than half. Does that mean the Social Security Administration (SSA) will subtract that amount from your monthly SSI benefits? Not at all; there’s more.

Now we can subtract what are called Blind Work Expenses (BWE) from the $457.50 of countable earnings that remain. Here is a current list of BWE from the SSA (online) Red Book of work incentives:

|  |  |
| --- | --- |
| **Examples o BWE** | * Service animal expenses * Transportation to and from work * Federal, state, and local income taxes * Social Security taxes * Attendant care services * Visual and sensory aids * Translation of materials into Braille * Professional association fees * Union dues * Meals on the job (be careful with this one and make sure Social Security agrees) |

You will need to keep receipts for the above and provide copies to Social Security.

Note that some of the items above have nothing to do with blindness, such as the amount deducted from your paycheck for federal, state, and local income taxes and Social Security (FICA) taxes, including the Medicare tax. You can estimate the taxes that will be deducted by following the link to smartasset: <https://smartasset.com/taxes/paycheck-calculator#wZ9RlFpXGI>. Make sure to multiply your monthly salary by 12 to get an annual salary and set the calculator for monthly pay to get an accurate tax amount.

For earnings of $1,000 per month, total taxes will be $145. This is $68 in federal and state taxes plus $77 in FICA and Medicare taxes. If we subtract $145 from your remaining countable income of $457.50, it is reduced to $312.50. Now we’re getting somewhere!

Let’s say it costs you $85 per month for a bus pass and $50 per month for food for your guide dog (veterinary expenses also count, as do any other costs to maintain a guide dog). If we subtract these two amounts from your remaining countable income of $312.50, you have $177.50 left over. If you use Uber, Lyft, commuter train, or other modes of transportation, you may be able to subtract even more.

How about attendant care services? If you have other disabilities, you may have such expenses. The same with visual and sensory aids (read “assistive technology”) and translation of materials into Braille, or even reader services. Professional association fees and union dues are less common, but you might have those too. Let’s assume that the things in this final category come to $50 per month. If we subtract this amount from $177.50, your final countable income is only $127.50 per month.

And this, my friend, comes off your SSI amount, which is probably $783 per month unless your state subsidizes it. So ultimately, you get to keep $655.50 of your SSI check each month, while earning $1,000. Working has raised your income from $783 per month to $1,655.50. Very good!

You may remind me at this point that it isn’t quite that much because of the $144 per month deducted for taxes. Nice catch! In that case, you will want to file for an income tax refund. Unfortunately, you can’t get the $77 back that went for FICA and Medicare, only the $68 that went for federal and state income taxes. If your earnings are low enough, which they probably will be, you may get more back than you put in because of the Earned Income Credit (EIC) under IRS rules.\*

A couple of caveats: it always helps to discuss your BWE calculations with someone in your local SSA office to make sure they agree. If they do, make sure to ask them for self-addressed business envelopes to send in copies (not originals) of your pay stubs, along with receipts for the other things you want deducted from your earnings. Keep the originals, as they may ask to see them again.

You must tell SSA that you started work within 10 working days. It’s the law. As noted above, it is good to visit them before you start to make sure all your BWE subtractions work for them. It will take two months for you to see a reduction in your SSI benefits, which is good, but it will also take two months after you leave work for your benefits to increase again. Make sure you hold back money to fill that gap.

I know how much most of us like math, so if you are not a math whiz, find a family member or friend and share this article with them. They can help you do the calculations. If you want more information on SSA Work Incentives see: <https://www.ssa.gov/redbook/>. They have all the answers.

\*According to Social Security Manual section SI00820.535B.3, income tax refunds are not income even if the income taxes were excluded as work expenses of the blind.