

## ABLE and the Student Earned Income Exclusion Work Support for Transition Age Youth

The Social Security Administration (SSA) encourages students to work. The Student Earned Income Exclusion (SEIE) is a work support that helps Supplemental Security Income (SSI) recipients who work and attend school regularly to keep more of their SSI earnings while continuing their Medicaid eligibility. Saving extra earnings and SSI in an ABLE account can allow students to save for their future goals rather than needing to spend down.

### How Does the SEIE Help?

The SEIE allows working SSI recipients, **who are under the age of 22 and regularly attending school**, earn up to \$1,870 per month and up to \$7,550 per year without reducing their SSI monthly payment in 2019. The amounts may be adjusted each January based upon the cost of living. The SEIE is applied before any other exclusions. This work support offers the opportunity for students to work, develop work histories, save money for their goals and continue their eligibility for SSI and Medicaid.

### What Is the Definition of “Regularly Attending School”?

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

- In a college or university for at least 8 hours a week;
- In grades 7-12 for at least 12 hours a week;
- In a training course to prepare for employment for at least 12 hours a week or 15 hours a week if the course involves shop practice; or
- For less time than shown above for reasons beyond control, such as an illness.

In addition to the requirements above, a person may qualify as a homeschooled student, homebound student, or if attending an online school and additional criteria are met: [www.ssa.gov/ssi/spotlights/spot-student-earned-income.htm](http://www.ssa.gov/ssi/spotlights/spot-student-earned-income.htm).

## How Does SSA Know Whether a SSI Recipient Is a Student?

When an SSI recipient reports their earnings, it is recommended that they tell SSA they are working, attending school and would like to use the SEIE. SSA will ask for the name, address and telephone number of the school, the number of hours in school and when classes began. SSA may contact the school for verification or may ask for other documentation. SSI recipients can contact benefits counselors for guidance regarding SEIE. Local benefits counselors are listed at [www.choosework.ssa.gov](http://www.choosework.ssa.gov).

## How Does the SEIE Impact the Student's Cash Benefit?

Below is an example of how the SEIE is applied to an individual who is receiving \$771 per month in SSI, the 2019 Federal Benefit Rate (FBR), and has no other income except their wages.

### Important points about SEIE:

- The SEIE is limited to \$1,870 per month and to \$7,550 per year.
- If the student's gross earnings are below \$1,870 for the month, their SSI payment will not change. See **1<sup>st</sup> Sample Month** (below) to understand this calculation.
- Once the student's monthly gross earnings exceed \$1,870, their SSI payment will decrease for that particular month. See **2<sup>nd</sup> Sample Month** (below) to understand this calculation.
- Once the student earns \$7,550 in a calendar year, they have used the SEIE for that year.
- A SSI recipient is limited to less than \$2,000 in countable resources per month.
- A person who has a disability onset before age 26 may open one ABLÉ account. Savings up to \$100,000 within an ABLÉ account do not count toward resources for SSI, and ABLÉ savings are not a resource for Medicaid. ABLÉ savings can be spent on a wide range of Qualified Disability Expenses, including education, transportation and housing, and do not impact eligibility for most federal means-tested programs or services [www.ssa.gov/oact/cola/studentEIE.html](http://www.ssa.gov/oact/cola/studentEIE.html).

Use of the SEIE work support allows students to continue to receive SSI payments while working. Students need to limit their countable resources to below \$2,000. Saving the extra earnings and SSI can allow students to save for their future goals rather than needing to spend down.

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In addition, students could qualify for future Social Security Disability Insurance (SSDI) or retirement benefits by earning SSA work credits when they work in a job and contribute to Social Security taxes: [www.ssa.gov/pubs/EN-05-10072.pdf](http://www.ssa.gov/pubs/EN-05-10072.pdf).

Sample

1 <sup>st</sup> Sample Month	
Gross earnings	\$1,560
SEIE	-\$1,560
Countable earned income	\$0
SSI payment calculation	\$771 (FBR) - \$0 countable earnings
SSI total	\$771
Monthly total income	\$1,560 + \$771 = \$2,331 (Countable resources above \$2,000 need to be spent or saved within ABLE)
<b>Best Practice:</b> Use SSI to pay housing expenses and save \$331 or more in ABLE	

2 <sup>nd</sup> Sample Month	
Gross earnings	\$2,100
SEIE	-\$1,870
Countable earned income	\$230
General income inclusion	-\$20
Earned income exclusion	-\$65
½ reduction	\$145/2 = \$72.50
SSI payment calculation	\$771 (FBR) - \$72.50 countable earnings
SSI payment	\$698.50
Monthly total income	\$2,100 + \$698.50 = \$2,798.50 (Countable resources above \$2,000 need to be spent or saved within ABLE)
<b>Best Practice:</b> Use SSI to pay housing expenses and save \$780.50 or more in ABLE	