

# Student Earned Income Exclusion: An Important Resource For SSI-Eligible Students with Disabilities

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## How it Works

- If the student receives Supplemental Security Income (SSI), their earnings from SEAL *can* be disregarded by the Social Security Administration (SSA).
- If you do not tell the student/family about SEIE, the customer will end up with an overpayment from SSA due to SEAL earnings.
- For the earnings not to be counted, the student must apply and be approved by the SSA for the Student Earned Income Exclusion (SEIE).

## What is the Student Earned Income Exclusion?

- The Student Earned Income Exclusion (SEIE) is a way for students who receive Supplemental Security Income (SSI) to retain more of their cash benefit when working.
- When a student uses the SEIE, the Social Security Administration (SSA) will disregard earnings of up to \$2,220 gross a month to a maximum of \$8,950 gross in calendar year 2023.

## What are the Requirements for SEIE?

- To qualify for the SEIE a student must meet all the following requirements:
  1. Be under the age of 22,
  2. Regularly attending school,
  3. Working and
  4. Receiving or be eligible for an (SSI) cash benefit

## Regularly Attending School

- Regularly Attending School means:
  - Grades 7-12 at least 12 hours a week (GED counts if meeting the hour requirements); or
  - College or university at least 8 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
  - For less time than indicated above for reasons beyond the student's control, such as illness.

## What About the Summer When the Student isn't in School?

- If the student lets the SSA know he/she will be returning to school in the fall, the SEIE can be used.
- This is true for High School graduates who intend to go to a post-secondary school or vocational training program.

## Proof of Attendance

- The customer will need to provide proof of attendance.
- This can be done for those in secondary school using the DPS Verification of Enrollment and Attendance (VOE) Form. This form is an attachment in this packet.
- For all others, request confirmation of attendance from the Bursar's office.

## How the SEIE Works

- The next slide shows an example of how the SSA will apply the SEIE to someone in a paid work experience who earns \$15.00 an hour, 20 hours a week, or an estimated gross monthly earning of \$1300.
- SSA estimates monthly income by taking the hourly wage, multiplying by the number of hours worked per week and multiplying the total by 4.333
- For this example:  $\$15 \times 20 \times 4.333 = \$1300$



# SEIE and the SSI Formula

STEPS	CALCULATIONS
Unearned Income	\$0
(MINUS) General Income Exclusion (GIE: \$20)	0
<b>Total Countable Unearned Income</b>	<b>\$0</b>
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Gross Earned Income	1300
(MINUS) Student Earned Income Exclusion (SEIE)	1300
Remainder	0
(MINUS) GIE (if not used above; \$20)	20
Remainder	0
(MINUS) Earned Income Exclusion (EIE)	65
Remainder	0
(MINUS) Impairment Related Work Expense (IRWE)	0
Remainder	0
(DIVIDE) by 2	0
(MINUS) Blind Work Expense	0
<b>Total Countable Earned Income</b>	<b>\$0</b>
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Total Countable Unearned Income	\$0
(PLUS) Total Countable Earned Income	0
(MINUS) Plan to Achieve Self Support (PASS)	0
<b>Total Countable Income</b>	<b>\$0</b>
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<b>Base SSI Rate</b> <i>(in 2023 put \$914, \$609.34 or \$1,371 ONLY)</i>	<b>\$914</b>
(MINUS) Total Countable Income	0
<b>TOTAL ADJUSTED SSI PAYMENT</b>	<b>\$914</b>

What  
Happens to  
the Student's  
SSI if SEIE is  
NOT used

STEPS	CALCULATIONS
Unearned Income	\$0
(MINUS) General Income Exclusion (GIE: \$20)	0
<b>Total Countable Unearned Income</b>	<b>\$0</b>
Gross Earned Income	1300
(MINUS) Student Earned Income Exclusion (SEIE)	0
Remainder	1300
(MINUS) GIE (if not used above; \$20)	20
Remainder	1280
(MINUS) Earned Income Exclusion (EIE)	65
Remainder	1215
(MINUS) Impairment Related Work Expense (IRWE)	0
Remainder	1215
(DIVIDE) by 2	607.50
(MINUS) Blind Work Expense	0
<b>Total Countable Earned Income</b>	<b>\$607.50</b>
Total Countable Unearned Income	\$0
(PLUS) Total Countable Earned Income	607.50
(MINUS) Plan to Achieve Self Support (PASS)	0
<b>Total Countable Income</b>	<b>\$607.50</b>
<b>Base SSI Rate</b> <i>(in 2023 put \$914, \$609.34 or \$1,371 ONLY)</i>	<b>\$914</b>
(MINUS) Total Countable Income	607.50
<b>TOTAL ADJUSTED SSI PAYMENT</b>	<b>\$306.50</b>

## Requesting the SEIE

- A request for the SEIE must be submitted and approved by the SSA.
- The student can use the attached template letter along with Proof of Attendance and submit to the Work Incentive Liaison (WIL) or the Title XVI Claims Representative at the local SSA office. A list of WILs is attached to this packet.
- **The student must have received at least one paycheck to apply for the SEIE.**

## Approval of SEIE

- The SEIE is not approved until the SSA approves it.
- If the student has not heard back within 10 working days of submitting the SEIE request and proof of attendance, he/she should start calling the local SSA office to get an update.

## Reporting to SSA

- Anyone on SSI, including the student using SEIE, is required to report their income on a monthly basis to SSA.
- A student using SEIE needs to report by U.S. Mail.
- All reporting should arrive at the SSA office no later than the sixth of each month.
- The student will need to keep copies of everything sent in, which should be:
  1. The attached Title XVI Cover Letter for Reporting; and
  2. A copy of the paystub or direct deposit statement for the month.

## When SEAL Ends

- The student must report termination of work immediately to the SSA.

## What if I have More Questions?

- Contact your TWC-VR Benefits Program Specialist at the local or state office.
- If you need help identifying who that is, please contact your presenters
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