

How Earnings Affect Supplemental Security Income (SSI)

MN Work Incentives Connection Fact Sheet #3

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Starting and stopping work while on SSI

What Do I Need to Know?

When you start working and/or when you have changes in your income, you are required to report that work or those changes to Social Security. If you do not report, Social Security is not able to adjust your SSI cash payment in a timely manner and you will end up being overpaid!

I just started a job, when will my SSI be impacted?

Your SSI check will typically be affected by earnings 2 months after you receive those earnings. This is always true, except when your income is high enough that it reduces your SSI to \$0. (This is explained below.) This

means that when you start a job, your SSI will not be reduced until 2 months later. For example, if you start a job in April, you will not see a decrease in your SSI until June. It is a good idea to set some money aside from your first two months of work to reduce the impact of a decreased SSI check two months later.

What happens to my SSI if I lose or quit my job?

If your job ends, your SSI check will increase, but not until two months later. In order to plan for an unexpected job loss, it is helpful to save some money from your first two months of working.

An example of starting and stopping work:

	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>
	Not Working	Start Working	Working	Working	Job Ended	Not Working	Not Working
Wages:	\$0	\$600.00	\$600.00	\$600.00	\$0	\$0	\$0
SSI Check:	\$698.00	\$698.00	\$698.00	\$440.50	\$440.50	\$440.50	\$698.00
Total Income:	\$698.00	\$1,298.00	\$1,298.00	\$1040.50	\$440.50	\$440.50	\$698.00

As you can see from this illustration, it would be helpful to save some money in April and in May when you have your full SSI check available, in case your job ends as shown in July and August.

Receiving 3 Paychecks in a month while on SSI

3-paycheck months... What does this mean??

SSI counts your earnings when they are received. If you are paid every other week, there will be some months during the year when you receive three paychecks. The

extra paycheck increases your income for the month and it will also reduce your SSI payment two months after you have received the three paychecks. The extra paycheck

may make you ineligible for an SSI cash payment in the month that you received the three paychecks.

Will my SSI will be lower due to 3-paycheck months? What do I do?

Yes, your SSI will be reduced. It's a good idea to plan ahead for 3-paycheck months. The month in which you receive the 3rd paycheck you will have "extra" money. However, remember that two months later, your SSI payment will be reduced because of the extra money you received in the three paycheck month.

In the month that you receive the reduced SSI check, your available income will be less than in your regular 2-paycheck months. It will help your monthly budget if you set aside some of the money during the 3-paycheck month to plan for two months later when your SSI payment is lower than normal. See example below.

What happens if my SSI decreases to \$0 when I have a 3-paycheck month?

Any month, in which your earnings reduce your SSI cash payment to \$0, you are **NOT ELIGIBLE** for an SSI cash payment for that month. Unless you have made prior arrangements with SSI to account for three paycheck months, you will likely have already received your SSI cash payment at the beginning of the month.

If that is the case, you owe Social Security the money that you already received from them at the beginning of the month. Contact Social Security to make arrangements to pay that money back.

How do I Avoid SSI Overpayments with 3-paycheck Months?

- Report, report, report. You are required to report your wages to Social Security. Turn your pay stubs in at the end of every month or talk with your SSI worker at Social Security and find out how often they would like you to send in your paystubs. At that time it is also a good idea to tell Social Security when your paydays are, so they can try to estimate your wages correctly and allow for 3 paycheck months.
- Ask for a receipt whenever you report your income and/or turn in your paystubs.
- Be proactive and plan ahead for 3 paycheck months. To do that, mark your paydays on a calendar ahead of time.

If you have any questions about 3-paycheck months or how SSI counts income, contact the Work Incentives Connection.

An example of how 3 paycheck months impact your overall income:

	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>
	<u>2 paychecks</u>	<u>3 paychecks</u>	<u>2 paychecks</u>	<u>2 paychecks</u>	<u>2 paychecks</u>
Wages:	\$600.00	\$900.00	\$600.00	\$600.00	\$600.00
SSI Check:	\$440.50	\$440.50	\$440.50	\$290.50	\$440.50
Total Income:	\$1040.50	\$1340.50	\$1040.50	\$890.50	\$1040.50

As you can see from this illustration, you will have more money during 3 paycheck months, but less money two months later when your SSI decreases. It would be helpful to save some money in your 3 paycheck months, in order to balance your budget two months later.