

# How Earnings Affect Supplemental Security Income (SSI)

Work Incentives Connection Fact Sheet #3

January 2020

## Starting and stopping work while on SSI

### What do I need to know?

When you start working you are required to report your employment to Social Security. If you do not report your employment, Social Security is not able to adjust your SSI payment in a timely manner and you will be overpaid SSI.

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

Your SSI payment will typically be affected 2 months after you receive your wages. This means that when you start a job, your SSI payment 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 in case your job ends or you have some time when you can't work.

Note: if your wages are high enough to reduce your SSI payment to \$0, your SSI is impacted that same month, not two months later.

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

If your job ends, your SSI payment 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. (see example below)

### 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:	\$0.00	\$600.00	\$600.00	\$600.00	\$0.00	\$0.00	\$0.00
SSI Payment:	\$783.00	\$783.00	\$783.00	\$525.50	\$525.50	\$525.50	\$783.00
<b>Total Income:</b>	<b>\$783.00</b>	<b>\$1,383.00</b>	<b>\$1,383.00</b>	<b>\$1,125.50</b>	<b>\$525.50</b>	<b>\$525.50</b>	<b>\$783.00</b>

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

## Receiving an 'Extra' paycheck in a month while on SSI

### Extra-paycheck received... what does this mean?

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

weekly, there will be some months you will receive five paychecks. The extra paycheck increases your total income for the month and will also reduce your SSI payment two months later. Note: the extra paycheck may temporarily reduce your SSI to \$0. **Continued....**

**My SSI will be lower due to an extra paycheck? What do I do?**

- Plan ahead for extra-paycheck months by circling your paydays on a calendar.
- In the month you receive an extra 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.
- It will help your monthly budget if you set aside some of the money during the month with the extra paycheck 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 receive an extra paycheck?**

Any month in which your earnings reduce your SSI cash payment to \$0, you are not eligible for an SSI payment for that same month.

Unless you have made prior arrangements with SSI to account for the extra paycheck, you likely will have already received your SSI cash payment at the beginning of the month. If that is the case, you will need to pay back any SSI money received from the beginning of the month.

Continue to report to SSI each month and your SSI will re-adjust based on wages.

**How do I avoid SSI overpayments with extra paycheck months?**

- Report, report, report.
- You are required to report your wages to Social Security. Do this at the beginning of each month for the previous month.
- Talk with SSI about a reporting plan using either SSI telephone wage reporting, SSI mobile wage reporting app, mail or fax.
- Tell SSI when your paydays are so they can try to estimate your wages correctly and allow for extra 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 by circling your paydays on a calendar.

If you have any questions about how SSI counts wages or extra paycheck months contact the Work Incentives Connection.

**Example of how receiving an extra paycheck impacts 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 Payment:	\$525.50	\$525.50	\$525.50	\$375.50	\$525.50
<b>Total Income:</b>	\$1,125.50	<b>\$1,425.50</b>	\$1,125.50	<b>\$975.50</b>	\$1,125.50

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



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**For more information, call the Work Incentives Connection:  
651-632-5113 or 1-800-976-6728**

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