



MEMORANDUM

TO: All Interested Persons

RE: Spousal Deeming in the SSI Program: When Social Security Counts the Income of your Ineligible Husband or Wife.

DATE: January 2009

Sometimes, Social Security counts the income of your husband or wife in deciding whether you are eligible for SSI, and if so, how much SSI you can get. This is called “spousal deeming”. These rules apply only in the SSI program. There is no spousal deeming for SSDI/Title II benefits.

GENERAL RULES:

- Your husband or wife (spouse) must be ineligible for SSI. (If both you and your husband/wife are disabled, you could get the SSI couples rate.)
- The deeming formula and rules only apply if your spouse lives in the same household as you. If your spouse lives in a different household than you, his or her income will not count. If your spouse is absent from your household temporarily his or her income can still count.

FORMULA FOR USING THE ATTACHED SPOUSE TO SPOUSE DEEMING WORKSHEET:

(You are the claimant who wants SSI; your husband/wife is the ineligible spouse.)

STEP ONE: Determining the Ineligible Spouse’s Total Countable Income.

- A. Take the ineligible spouse’s total unearned income (line 1).
- B. Subtract from the unearned income deductions for each “ineligible” child. (An ineligible child is one that does not receive any form of public

income-maintenance payments, such as children's SSI or CalWORKS.) The deduction amount is $\frac{1}{2}$ the SSI individual federal benefit rate minus the child's countable income (if any). **In 2009, $\frac{1}{2}$ of the individual federal benefit rate is \$337.00.**

- C. Take the ineligible spouse's earned income (line 2).
- D. Subtract from the earned income any remaining ineligible child deductions not already offset by unearned income. What you are left with is the ineligible spouse's total countable income (line 3).

STEP TWO: To Deem or Not to Deem? Does my Spouse's Income Count?

If the ineligible spouse's total countable income is less than the difference between the couple's federal benefit rate and the individual federal benefit rate, no income is deemed. **In 2009, the difference between the couple's rate and individual rate is the difference between \$1011 and \$674 or \$337.** If the ineligible spouse's total countable income is less than \$337 – STOP HERE – no income is deemed. If the ineligible spouse's income is more than \$337 go on to Step Three.

STEP THREE: Figuring Out How Much Income to Count (Deem).

- A. Add the claimant's unearned income to whatever is left of the ineligible spouse's unearned income after any ineligible child deductions. (This is the amount in line 1b.) Subtract from that total the \$20 "any income deduction". The amount you are left with is the couple's countable combined unearned income (line 5).
- B. Add the claimant's earned income to whatever is left of the ineligible spouse's earned income after any ineligible child deductions (line 6).
- C. Subtract from that total the balance of the \$20 "any income deduction" not already offset by unearned income.
- D. Subtract \$65 as an "earned income" deduction.
- E. Subtract any impairment related work expenses (IRWE), subsidies or business expenses.
- F. Subtract $\frac{1}{2}$ of the remaining amount.
- G. Subtract any Blind Work Expenses (BWE).

- H. The amount you are left with is the couple's countable combined earned income (line 7).
- I. Combine the total countable combined unearned and earned incomes. If the claimant has a Plan for Achieving Self-Support, subtract the income claimant uses to fulfill that plan now. The total you are left with is the couple's total countable income (line 8). This is the amount "deemed" to claimant.

STEP FOUR: Figuring Out Claimant's SSI Amount After Deeming.

1. Take the federal benefit rate for a couple plus the state supplement¹ for an individual. **In 2009 this is \$1011 plus \$233 or \$1,244** (line 10).
2. Subtract the couple's total countable income (the amount from line 9).
3. The remainder goes on line 10c. If this amount is zero, or a negative number, the claimant will not get any SSI. If this amount is more than zero, the claimant will get whichever is less; this amount, or the individual benefit amount he or she would get if the ineligible spouse did not exist.
4. To figure the individual benefit amount claimant would get if there was no ineligible spouse:
 - (a) Take the claimant's countable earned income.
 - (b) Add to the claimant's countable unearned income.
 - (c) Subtract this total from the individual federal benefit rate plus state supplement. **In 2009 the individual federal benefit amount plus state supplement is \$907.**
 - (d) Put the result on line 11d. This is the benefit amount claimant would get if the ineligible spouse did no exist.
5. Claimant will be entitled to whichever is less – the amount on line 10c, or the amount on line 11d.

See attached hypothetical and worksheet for an example. Good luck!!!

¹ At the time this publication update, California's budget proposed a decrease to the state supplement in May 2009 and July 2009. The proposed decrease in May would decrease the state supplement from \$233 to \$196.00. The July proposed decrease would decrease the state supplement further from \$196.00 to \$176.00. Please look for updates to this memo in late April 2009 and/or late June 2009.

SPOUSE TO SPOUSE DEEMING HYPOTHETICAL

Hector is applying for SSI. He currently works part-time, making \$200 per month in wages doing phone sales. Hector is married to Rita, who earns \$1,600 per month as a receptionist. They have one child. Can Hector receive SSI? If so, how much? (Assume Hector is found to meet the disability and resource limits for SSI.)

Step 1: Determining Rita's Total Countable Income.

- Rita has no unearned income.
- There is a deduction for one ineligible child in the amount of $\frac{1}{2}$ the Individual Federal Benefit Rate. $\frac{1}{2}$ of \$674 (the individual federal benefit rate for 2009) = \$337.00.
- Rita's earned income is \$1,600 per month.
- Subtract the ineligible child deduction from Rita's earned income. $\$1,600 - \$337.00 = \$1,263$.
- \$1,263.00 is Rita's total countable income.

Step 2: Will Rita's Income be Counted/Deemed?

Rita's total countable income is \$1,263.00. This amount is more than the difference between the couple's federal benefit rate and the individual federal benefit rate (which in 2009 is \$1011 - \$674 or \$337). Accordingly, deeming will occur.

Step 3: How Much of Rita's Income will be Counted/Deemed?

- Neither Hector, nor Rita have unearned income. Accordingly, the couple has no countable combined unearned income.
- Hector has \$200 earned income. Add that earned income to Rita's earned income minus the ineligible child deduction. In 2009 this ineligible child deduction is \$337.00. $\$200 \text{ plus } (\$1,263 - \$337.00) = (\$200 + \$926) =$
\$1,126.00
- Subtract from this amount the \$20 "any income deduction". $\$1,126.00 - \$20 =$
\$1,006.00

- Subtract from this amount \$65 as an “earned income deduction”. $\$1,106.00 - \$65 = \underline{\$1,041.00}$
- There are no IRWEs, subsidies or business expenses mentioned in this example to subtract.
- Subtract $\frac{1}{2}$ of the remaining earned income. $\$1,041.00 - \$520.50 = \underline{\$520.50}$
- There are no BWEs in this example to subtract.
- $\$520.50$ is the couple’s total countable earned income.
- Combine the couple’s total countable unearned income and total countable earned income. $\text{Zero} + \$520.50 = \underline{\$520.50}$
- There are no PASS exclusions in this example to subtract.
- $\$520.50$ is the couple’s total countable income. This is the amount deemed to Hector.

Step 4: Figuring Out How Much SSI Hector is Entitled to Receive.

- A. Take the federal benefit rate for a couple plus the state supplement for an individual. In 2009 this is \$1011 plus \$233 or $\$1,244$.
 - B. Hector does not receive any in-kind support or maintenance in this example, so there is no $\frac{1}{3}$ deduction.
 - C. Subtract the couple’s total countable income from the amount in (A). $\$1244 - \$520.50 = \underline{\$723.50}$
 - D. Compare the amount in (C) to the benefit amount Hector would be entitled to if Rita did not exist. To figure that amount, add together Hector’s countable unearned income and countable earned income, and subtract it from the individual federal benefit rate plus state supplement (\$907).
- Hector’s countable unearned income is zero.
 - Hector’s countable earned income is \$200 minus the \$20 any income exclusion; minus the \$65 work expense exclusion and divided by 2. Hector has no IRWEs, subsidies, business expenses; BWEs; or PASS contributions to

consider. After doing these calculations, it turns out that Hector's countable earned income is \$57.50.

- Hector's countable unearned income plus countable earned income = \$57.50.

- Subtract Hector's total countable income from the individual federal benefit rate plus state supplement (\$907 in 2009). $\$907 - \$57.50 = \$849.50$

- Hector would be entitled to \$849.50 in benefits if Rita did not exist.

E. Compare the amount reached in (D) above (\$849.50), to the amount reached in (C) above (\$723.50). The smaller of these two amounts is the amount of SSI Hector is entitled to receive.

F. After deeming, Hector is entitled to \$723.50 in SSI benefits.

See attached Worksheet for Complete Calculations.

SPOUSE-to-SPOUSE DEEMING WORKSHEET:

Hector and Rita Hypothetical – Using 2005 Rates

Ineligible Spouse's Income	1. Ineligible spouse's unearned income.	\$0
	a. Less allocations for children (\$337.00 per child in 2009)	\$337.00
	b. Countable unearned income	\$0
	2. Ineligible spouse's earned income	\$1,600
	a. Subtract allocation for ineligible child(ren) not offset by unearned income	\$337.00
	Remaining earned income	\$1,263.00
	b. Add countable unearned income from line 1b above	\$0
	3. Ineligible spouse's total countable income If less than \$337 (rate for 2009), deeming is not applicable. STOP HERE.	\$1,263.00
	4. Combined Unearned Income (Eligible Spouse & Adjusted Ineligible Spouse)	\$0
	a. Subtract general income exclusion	- \$20
5. Countable combined unearned income	\$0	
6. Combined earned income	\$1,126.00	
Combined Income	a. Subtract any general income exclusion not offset by unearned income	- \$20
	b. Subtract work expense exclusion	- \$65
	c. Subtract IRWEs, subsidies and business expenses	- \$0
	d. Subtract ½ remainder	\$520.50
	e. Subtract BWE	- \$0
	7. Countable combined earned income	\$520.50
	a. Add countable unearned income from line 5 above	\$0
	8. Countable combined income	\$520.50
	a. Subtract amount from approved Plan to Achieve Self-Support	- \$0
	9. Total countable combined income	\$520.50
Benefits	10. Federal Benefit Rate for a couple plus state supplement for an individual (\$1,244 in 2009)	\$1,244
	a. Subtract 1/3 reduction if applicable (\$224 in 2009)	- \$0
	b. Subtract total countable income (line 9 above)	\$520.50
	c. Remaining FBR plus state supplement	\$723.50
	11. Benefit amount spouse would be entitled to if ineligible spouse did not exist.	\$849.50
	12. Benefit (Lesser of remainder amount figured in 10c and amount in 11 above.)	\$723.50

MONTHLY SPOUSE-to-SPOUSE DEEMING WORKSHEET:

Ineligible Spouse's Income	1. Ineligible spouse's unearned income.	
	a. Less allocations for children (\$337.00 per child in 2009)	-
	b. Countable unearned income	
	2. Ineligible spouse's earned income	
	a. Subtract allocation for ineligible child(ren) not offset by unearned income	-
	Remaining earned income	
Combined Income	b. Add countable unearned income from line 1b above	
	3. Ineligible spouse's total countable income If less than \$337 (rate for 2009), deeming is not applicable. STOP HERE.	
	4. Combined Unearned Income (Eligible Spouse & Adjusted Ineligible Spouse)	
	a. Subtract general income exclusion	- \$20
	5. Countable combined unearned income	
	6. Combined earned income	
	a. Subtract any general income exclusion not offset by unearned income	
	b. Subtract work expense exclusion	- \$65
	c. Subtract IRWEs, subsidies and business expenses	-
	d. Subtract ½ remainder	-
e. Subtract BWE	-	
7. Countable combined earned income		
a. Add countable unearned income from line 5 above		
8. Countable combined income		
a. Subtract amount from approved Plan to Achieve Self-Support	-	
9. Total countable combined income		
10. Federal Benefit Rate for a couple plus state supplement for an individual (\$1,244 in 2009)	\$1,244	
a. Subtract 1/3 reduction if applicable (\$224 in 2009)	-	
b. Subtract total countable income (line 9 above)	-	
c. Remaining FBR plus state supplement		
Benefits	11. Benefit amount spouse would be entitled to if ineligible spouse did not exist.	
	12. Benefit (Lesser of remainder amount figured in 10c and amount in 11 above.)	