

# Social Security Rules for Deeming Income from Parents to a Child with a Disability to Determine Whether a Child is Eligible for SSI and, if so, the Amount

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Generally, a parent's income and resources are "deemed," or attributed, to a child receiving SSI (Supplemental Security Income). This means that part of the parent's income and resources count against the child in determining whether or not the child is eligible for SSI. This publication explains the deeming rules, specifically, how to determine how much income is deemed from the parents to the disabled child and how to determine whether the disabled child qualifies for any SSI.

Before getting to the actual procedures for calculating how much of a parent's income is deemed and how much SSI a child can get, you need to understand Social Security's "Retrospective Monthly Accounting" system and your reporting obligations. Social Security counts only the income and resources of the parent with whom the SSI child is living. Social Security does not count the income or resources of a parent with whom the SSI child is not living. The income of a step-parent with whom the SSI child lives is [counted](#).<sup>1</sup>

## Retrospective Monthly Accounting

Social Security uses retrospective monthly accounting during a period of SSI eligibility. 20 Code of Federal Regulations Section 416.420. That means the income received in one month determines the amount of SSI two months later. For example, the income received in January affects the amount of the March SSI check. However, if income is too high in one month to qualify for any SSI,

SSI is suspended for that month. Thus, if income in January is so high that your child is ineligible for SSI, SSI is suspended in January. Your child is entitled to automatic reinstatement without a new application if your income is low enough for your child to qualify for SSI in any of the subsequent 11 [months](#).<sup>2</sup> 20 Code of Federal Regulations Section 416.1323(b). If you go 12 months without your income dropping low enough for your child to qualify for any SSI, the suspension turns into a termination. 20 Code of Federal Regulations Section 416.1335. Once your child has been terminated, you would have to file a new application for your child to get SSI again.

### **Parents' Income Change Reporting Obligations**

To make the "Retrospective Monthly Accounting" work, Social Security has a rule that says you must let Social Security know by the 10th of the month *following* the month with a change in your income. 20 Code of Federal Regulations Section 416.708(c), [416.714](#).<sup>3</sup> If your January income was more or less than your December income, you must report the change so that Social Security knows about it by the 10th of February – *better if by the 5th*. You do not need to make any report if your income in January is the same as your income in December. When Social Security receives your income change report for January, Social Security is supposed to enter the changed information into the computer so that your March SSI check will be adjusted up or down to reflect the change in your January income.

We have included a sample income change report form to help you meet your reporting obligations. We suggest that you partially fill in the report form by writing in the address of your Social Security office and all the information after "re." Then photocopy many copies of the partially filled-in form.

Each month where there has been a change in income, write in the date you are signing the form, the month you are reporting about, and the income information at the bottom. Then sign the form. Only one parent needs to sign the report form. Either photocopy the filled-in form or fill in a second form as a copy for you to keep. Attach photocopies of any pay or check stubs to the report form you are sending to Social Security. Attach the originals to the copy you keep for your files. Do not send Social Security your pay stub originals, only [photocopies](#).<sup>4</sup> Social Security often loses things sent by mail. Keep the original pay and check stubs attached to your copy of the report form so that Social Security may review the originals at the time of your annual review. On the income change report

copy you keep, write down the date you put the letter in the [mailbox](#).<sup>5</sup> Keep a copy of everything you send to Social Security.

In addition, keep a record of any time you talk to Social Security. Write down the date you talked, to whom you talked, and what was said. We recommend you 3-hole punch what you receive from Social Security and make copies of what you send to Social Security. Put everything in a notebook or binder.

### **Resources and Income that is Not Deemed to Children**

Social Security does not count the following as a resource for purposes of determining a child's SSI eligibility:

- Parents' pension or retirement funds (such as Individual Retirement Accounts, KEOGH, or tax deferred annuities) even if the fund could be cashed in. 20 Code of Federal Regulations Section 416.1202(b).
- Resources used for self-support such as a small business' inventory and operating bank account or tools, equipment, or a second vehicle used while at work or necessary in order to get to work. 42 United States Code Section 1382b(a)(3).

Social Security does not count the following as income for purposes of determining a child's SSI eligibility:

- Income received by a parent for providing In-Home Supportive Services (IHSS) to a disabled child. IHSS income is SSI exempt income. 20 Code of Federal Regulations Section 416.1161(a)(16).
- Through the Community First Choice Option (CFCO), IHSS that is provided by a parent to a child is covered by Medi-Cal and the income received by the parent is Medi-Cal exempt income. Additionally, income and resources counted for purposes of determining a child's financial eligibility for SSI and the amount of the child's SSI check cannot be counted again to determine the Medi-Cal eligibility of other members of the [family](#).<sup>6</sup>

For more information about IHSS, see our IHSS Fair Hearing and Self-Assessment packet: <http://www.disabilityrightsca.org/pubs/501301.htm>

## Doing the Deeming Calculations

The parent-to-child deeming regulations are found at 20 Code of Federal Regulations Section 416.1160, 416.1161, and 416.1165. “Earned income” includes wages and salary or income from [self-employment](#).<sup>7</sup> Everything else is “unearned income”: Gifts, unemployment benefits, state disability benefits, and Social Security benefits are all examples of unearned income. You combine parents’ unearned income. You also combine parents’ earned income. For earned income, you count the gross income, not what you take home. Gross income is the amount you earned before any [deductions](#).<sup>8</sup>

Social Security starts by deducting an allocation for each non-disabled child in the family other than the SSI child or children with disabilities. You first deduct the allocation from any unearned income and then, to the extent the allocation has not been used up, from the earned income (see examples). “Child” for purposes of the deduction includes children below the age of 21 living in the same household, and 21-year-olds who are full-time students under the standards in 20 Code of Federal Regulations Section 416.1861. The allocation for each non-disabled child is the difference between the individual Federal Benefit Rate (FBR) and the couple FBR. (The Federal Benefit Rate is that part of the SSI check that comes from the federal government; the rest of the SSI check is state [money](#).)<sup>9</sup> The ineligible child’s own income will reduce the allocation. However if the ineligible child is a full-time student, earnings will be exempt to the same extent they are exempt for an SSI child or young adult under the age of 22. 20 Code of Federal Regulations Section 416.1112(c)(3), 416.1160(d), 416.1161(c), 416.1163(b), 416.1165, 416.1861.

After deductions for non-disabled children in the home, you next deduct the \$20.00 any-income disregard first from unearned income (if any or if any remaining) and then, to the extent the deduction is not used up by the unearned income, from earned income. Next come special deductions for earned income – first \$65.00 and then 50% of the balance. You then add the remaining unearned and earned income amounts. From that total, you deduct either the individual FBR (if a single parent) or the couple FBR (if both parents or parent and stepparent are in the home). The balance is deemed to the disabled child as the child’s unearned income. If there is more than one disabled child in the family, the amount deemed is divided among them.

The child’s SSI grant is determined the same way as that of any SSI recipient with two exceptions. First, only two-thirds of any child support is counted. 20

Code of Federal Regulations Section 416.1124(c)(11). Second, if the child is a student and under age 22 in 2016, Social Security does not count the first \$1,780.00 in earned income each month up to a yearly maximum of \$7,180.00. 20 Code of Federal Regulations [Section 416.1112\(c\)\(3\)<sup>10</sup>](#). This is in addition to the deductions applicable generally to earned income.

### Examples of the Application of the Deeming Rules

Included in this memo is a blank worksheet (see below). You may wish to make several copies of the worksheet to use in calculating the amount of your child's SSI. In addition, we have attached two worksheets which have been filled out in accord with examples "A" and "B". The calculations are based on 2016 benefit amounts. The numbers and letters below correspond to the numbers and letters on the deeming worksheet.

|  |   |   |
|--|---|---|
| The Federal Benefit Rate for Individuals in January 2016, is \$733.00.   | The Federal Benefit Rate for Individuals in January 2014, was \$721.00.   | The Federal Benefit Rate for Individuals in January 2016 is \$733.00.   |
| The Federal Benefit Rate for Couples in January 2016, is \$1,100.00.     | The Federal Benefit Rate for Couples in January 2014, was \$1,082.00.     | The Federal Benefit Rate for Couples in January 2016 is \$1,100.00.     |
| The Income Deduction for Nondisabled Child in January 2016, is \$367.00. | The Income Deduction for Nondisabled Child in January 2014, was \$361.00. | The Income Deduction for Nondisabled Child in January 2016 is \$367.00. |
| The SSI Rate for Disabled Child in January 2016, is \$796.40.            | The SSI Rate for Disabled Child in January 2014, was \$784.40.            | The SSI Rate for Disabled Child in January 2016 is \$796.40.            |
| The SSI Rate for Blind Child in January 2016, is \$944.40.               | The SSI Rate for Disabled Child in January 2014, was \$932.40.            | The SSI Rate for Disabled Child in January 2015 was \$796.40.           |

**Example A:** Mr. and Mrs. Apple have three children including Adam who has a disability. Mr. Apple's gross earned income is \$2,000.00 a month. Mrs. Apple works part-time and her gross income is \$1000.00 a month. They also receive income of \$30 a month on an oil lease.

***Calculating Amount of Parent's Income to Attribute to SSI Child in Example A:***

1. Enter \$30.00 which is the unearned income from the oil mineral rights lease on their home.
2. There are two children in the family in addition to Adam. They have no income of their own in the example. The 2016 allowance for nondisabled children in the family is \$367.00 each. Enter \$734.00, which is the total allowance for the nondisabled children.
3. There is no unearned income from which to take the any-income deduction.
4. The total countable unearned income is of course zero.
5. The combined total gross earned income for both Mr. and Mrs. Apple is \$3,000.00 (\$2,000.00 plus \$1,000.00).
6. The unused balance of the allowance (#1 minus #2) for the nondisabled children in the family is \$704.00.
7. Since you did not reach the \$20.00 any-income disregard in number 3 above, the full \$20.00 deduction is entered here.
8. You next deduct the \$65.00 earned income deduction.
9. Your subtotal is \$2,211.00 (\$3,000.00 less \$704.00, less \$20.00, and less \$65.00).
10. You enter \$1,105.50, which is one half of number 9.
11. Your total countable earned income is \$1,105.50.
12. Since there is no countable unearned income from number 4 above, the total countable income is also \$1,105.50.
13. The Federal Benefit Rate for a couple in 2016 is \$1100.00.
14. The amount deemed to the disabled child is the total countable income less the couple FBR or \$5.50.

**Calculating Child's Grant in Example A:**

- a. In January 2016 the grant level for a disabled SSI child is \$796.40.
- b. The amount deemed is \$5.50 and there is no other unearned income (such as Title II Social Security dependent benefits).
- c. There is no child support in this example.
- d. You deduct the \$20.00 any-income disregard from the child's income.
- e. The child has no earned income in this example.
- f. The child's total countable income is \$0 (\$5.50 less the child's allowable \$20.00 any-income deduction).
- g. The child's SSI check would be \$796.40.

**EXAMPLE A  
MONTHLY PARENT-CHILD SSI DEEMING WORKSHEET**

**Parent's Income:**

|   |            |        |
|---|------------|--------|
| 1. Unearned income  | \$30.00    | \$0.00 |
| 2. Less allowance for other <a href="#">children</a> <sup>1</sup>             | \$(734.00) | \$0.00 |
| 3. Less \$20 any-income disregard   | \$(20.00)  | \$0.00 |
| 4. Total Countable Unearned Income  | \$0.00     | \$0.00 |
| 5. Gross earned income  | \$3,000.00 | \$0.00 |
| 6. Less balance for other children ( <a href="#">2 minus 1</a> ) <sup>2</sup> | \$(704.00) | \$0.00 |
| 7. Less balance of any-income disregard                                       | \$(20.00)  | \$0.00 |
| 8. Less \$65.00 earned income disregard                                       | \$(65.00)  | \$0.00 |

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<sup>1</sup> Allowance for each nondisabled child is \$356.00 for January 2013, \$361.00 for 2014 and \$367.00 for 2015 and 2016. Amount of deductible for other children may be reduced by child's income. Deductible not used in #2 would be deducted against earned income in #6. ["Return to Main Document"](#)

<sup>2</sup> Allowance for each nondisabled child is \$356.00 for January 2013, \$361.00 for 2014 and \$367.00 for 2015 and 2016. Amount of deductible for other children may be reduced by child's income. Deductible not used in #2 would be deducted against earned income in #6. ["Return to Main Document"](#)

|  |            |             |
|--|------------|-------------|
| 9. Subtotal  | \$2,211.00 | \$0.00      |
| 10. Less one half (50%) of #9 subtotal                           | \$1,105.50 | \$0.00      |
| 11. Total countable earned income                                | \$0.00     | \$1,105.50  |
| 12. Subtotal - countable income                                  | \$0.00     | \$1,105.50  |
| 13. Less individual or couple <a href="#">FBR</a> <sup>3</sup>   | \$0.00     | \$(1100.00) |
| 14. Amount deemed to disabled <a href="#">child</a> <sup>4</sup> | \$0.00     | \$5.50      |

**Calculating Child's Grant:**

|  |           |          |
|--|-----------|----------|
| a. Child's SSI Grant <a href="#">Level</a> <sup>5</sup>    | \$0.00    | \$796.40 |
| b. Amount deemed from #14 above plus other unearned income | \$5.50    | \$0.00   |
| c. 2/3 of any child <a href="#">support</a> <sup>6</sup>   | \$0.00    | \$0.00   |
| d. Less \$20.00 any-income disregard                       | \$(20.00) | \$0.00   |
| e. Countable earned <a href="#">income</a> <sup>7</sup>    | \$0.00    | \$0.00   |
| f. Child's total countable income                          | \$0.00    | \$0.00   |
| g. Child's SSI grant                                       | \$0.00    | \$796.40 |

**Example B:** Betty Barton is a single parent with a disabled child, Bill. Bill receives \$225.00 a month in child support from his father. Ms. Barton earns \$2,000.00 a month before any deductions.

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<sup>3</sup> The individual FBR (federal benefit rate) in 2013 is \$710.00, \$721.00 for 2014 and \$733.00 for 2015 and 2016. Couple FBR, in 2013 is \$1066.00, \$1082.00 in 2014 and \$1100.00 for 2015 and 2016. ["Return to Main Document"](#)

<sup>4</sup> If more than one disabled child, the amount deemed is divided among the disabled children. ["Return to Main Document"](#)

<sup>5</sup> California SSI disabled child rate including FBR and state supplement in 2013 is \$773.40, \$784.40 in 2014 and \$796.40 in 2015 and 2016. Blind child is \$921.40 for 2013, \$932.40 for 2014 and \$944.40 for 2015 and 2016. ["Return to Main Document"](#)

<sup>6</sup> Only two-thirds of child support is counted. ["Return to Main Document"](#)

<sup>7</sup> In 2013 the monthly exempt amount is \$1,730.00, annual exempt is \$6,960.00. In 2014 the monthly exempt amount is \$1750.00 and annual exempt is \$7,060. In 2015 and 2016 the monthly exempt is \$1780.00 and annual exempt is \$7180.00. In addition, children have all the deductions for earned income available to adults. ["Return to Main Document"](#)

***Calculating Amount of Parent's Income to attribute to SSI child in Example B:***

- 1-4. In the example there is no unearned income.
5. The gross earned income is \$2,000.00 a month.
6. In the example there are no other children in the family.
7. Since there was no unearned income, deduct the full \$20.00 any-income disregard here.
8. You next deduct the \$65.00 earned income deduction.
9. The subtotal is \$1,915.00 -- \$2,000.00 less the \$20.00 (number 7) and \$65.00 (number 8) disregards.
10. Less one half of \$1,915.00 or \$957.50.
11. The total countable earned income is also \$957.50.
12. The total countable income is \$957.50 since there is no unearned income in the example.
13. The Federal Benefit Rate for a single parent in 2016 is \$733.00.
14. The amount deemed to Bill is \$224.50, the difference between \$957.50 and \$733.00.

***Calculating Child's Grant in Example B:***

- a. The Child's January 2016 grant level is \$796.40.
- b. The amount deemed is \$224.50. There is no other unearned income such as Title II Social Security dependent benefits.
- c. In the example Bill receives \$225.00 a month in child support from an absent parent. Social Security only counts two-thirds of the child support, one-third of \$225 or \$75 is deducted from \$225 and the balance or \$150 is counted as the child's income.
- d. You deduct the \$20.00 any-income disregard from the child's income.

- e. In the example the Child has no earned income.
- f. The Child's countable unearned income is \$354.50 (\$224.50 plus \$150.00 less \$20.00).
- g. The Child's SSI grant is \$441.90 (\$796.40 less \$354.50)

**EXAMPLE B  
MONTHLY PARENT-CHILD SSI DEEMING WORKSHEET**

***Parents' Income:***

|   |            |            |
|---|------------|------------|
| 1. Unearned income  | \$0.00     | \$0.00     |
| 2. Less allowance for other <a href="#">children</a> <sup>8</sup> | \$0.00     | \$0.00     |
| 3. Less \$20 any-income disregard                                 | \$(20.00)  | \$0.00     |
| 4. Total Countable Unearned Income                                | \$0.00     | \$0.00     |
| 5. Gross earned income  | \$2,000.00 | \$0.00     |
| 6. Less balance for other <a href="#">children</a> <sup>9</sup>   | \$0.00     | \$0.00     |
| 7. Less balance of any-income disregard                           | \$(20.00)  | \$0.00     |
| 8. Less \$65.00 earned income disregard                           | \$(65.00)  | \$0.00     |
| 9. Subtotal   | \$1,915.00 | \$0.00     |
| 10. Less one half (50%) of #9 subtotal                            | \$(957.50) | \$0.00     |
| 11. Total countable earned income                                 | \$0.00     | \$957.50   |
| 12. Subtotal - countable income                                   | \$0.00     | \$957.50   |
| 13. Less individual or couple <a href="#">FBR</a> <sup>10</sup>   | \$0.00     | \$(733.00) |

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<sup>8</sup> Allowance for each nondisabled child is \$356.00 for January 2013, \$361.00 for 2014 and \$367.00 for 2015 and 2016. Amount of deductible for other children may be reduced by child's income. Deductible not used in #2 would be deducted against earned income in #6. ["Return to Main Document"](#)

<sup>9</sup> Allowance for each nondisabled child is \$356.00 for January 2013, \$361.00 for 2014 and \$367.00 for 2015 and 2016. Amount of deductible for other children may be reduced by child's income. Deductible not used in #2 would be deducted against earned income in #6. ["Return to Main Document"](#)

<sup>10</sup> The individual FBR (federal benefit rate) in 2013 is \$710.00, \$721.00 for 2014 and \$733.00 for 2015 and 2016. Couple FBR, in 2013 is \$1066.00, \$1082.00 in 2014 and \$1100.00 for 2015 and 2016. ["Return to Main Document"](#)

|   |        |          |
|---|--------|----------|
| 14. Amount deemed to disabled <a href="#">child</a> <sup>11</sup> | \$0.00 | \$224.50 |
|---|--------|----------|

**Calculating Child's Grant:**

|  |           |          |
|--|-----------|----------|
| a. Child's SSI Grant <a href="#">Level</a> <sup>12</sup>   | \$0.00    | \$796.40 |
| b. Amount deemed from #14 above plus other unearned income | \$224.50  | \$0.00   |
| c. 2/3 of any child <a href="#">support</a> <sup>13</sup>  | \$150.00  | \$0.00   |
| d. Less \$20.00 any-income disregard                       | \$(20.00) | \$0.00   |
| e. Countable earned <a href="#">income</a> <sup>14</sup>   | \$0.00    | \$0.00   |
| f. Child's total countable income                          | \$0.00    | \$354.50 |
| g. Child's SSI grant                                       | \$0.00    | \$441.90 |

**BLANK MONTHLY PARENT-CHILD SSI DEEMING WORKSHEET**

**Parent's Income:**

|  |           |        |
|--|-----------|--------|
| 1. Unearned income   | \$0.00    | \$0.00 |
| 2. Less allowance for other <a href="#">children</a> <sup>15</sup> | \$( )     | \$0.00 |
| 3. Less \$20 any-income disregard                                  | \$(20.00) | \$0.00 |
| 4. Total Countable Unearned Income                                 | \$0.00    | \$0.00 |
| 5. Gross earned income   | \$0.00    | \$0.00 |

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<sup>11</sup> If more than one disabled child, the amount deemed is divided among the disabled children. ["Return to Main Document"](#)

<sup>12</sup> California SSI disabled child rate including FBR and state supplement in 2013 is \$773.40, \$784.40 in 2014 and \$796.40 in 2015 and 2016. Blind child is \$921.40 for 2013, \$932.40 for 2014 and \$944.40 for 2015 and 2016. ["Return to Main Document"](#)

<sup>13</sup> Only two-thirds of child support is counted. ["Return to Main Document"](#)

<sup>14</sup> In 2013 the monthly exempt amount is \$1,730.00, annual exempt is \$6,960.00. In 2014 the monthly exempt amount is \$1750.00 and annual exempt is \$7,060. In 2015 and 2016 the monthly exempt is \$1780.00 and annual exempt is \$7180.00. In addition, children have all the deductions for earned income available to adults. ["Return to Main Document"](#)

<sup>15</sup> Allowance for each nondisabled child is \$356.00 for January 2013, \$361.00 for 2014 and \$367.00 for 2015 and 2016. Amount of deductible for other children may be reduced by child's income. Deductible not used in #2 would be deducted against earned income in #6. ["Return to Main Document"](#)

|  |           |        |
|--|-----------|--------|
| 6. Less balance for other <a href="#">children</a> <sup>16</sup> | \$( )     | \$0.00 |
| 7. Less balance of any-income disregard                          | \$(20.00) | \$0.00 |
| 8. Less \$65.00 earned income disregard                          | \$(65.00) | \$0.00 |
| 9. Subtotal  | \$0.00    | \$0.00 |
| 10. Less one half (50%) of #9 subtotal                           | \$( )     | \$0.00 |
| 11. Total countable earned income                                | \$0.00    | \$0.00 |
| 12. Subtotal - countable income                                  | \$0.00    | \$0.00 |
| 13. Less individual or couple <a href="#">FBR</a> <sup>17</sup>  | \$0.00    | \$( )  |
| 14. # Amount deemed to disabled child                            | \$0.00    | \$0.00 |

### ***Calculating Child's Grant***

|  |           |        |
|--|-----------|--------|
| a. ##Child's SSI Grant Level                               | \$0.00    | \$0.00 |
| b. Amount deemed from #14 above plus other unearned income | \$0.00    | \$0.00 |
| c. † 2/3 of any child support                              | \$0.00    | \$0.00 |
| d. Less \$20.00 any-income disregard                       | \$(20.00) | \$0.00 |
| e. ‡ Countable earned income                               | \$0.00    | \$0.00 |
| f. Child's total countable income                          | \$0.00    | \$0.00 |
| g. Child's SSI grant                                       | \$0.00    | \$0.00 |

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<sup>16</sup> Allowance for each nondisabled child is \$356.00 for January 2013, \$361.00 for 2014 and \$367.00 for 2015 and 2016. Amount of deductible for other children may be reduced by child's income. Deductible not used in #2 would be deducted against earned income in #6. ["Return to Main Document"](#)

<sup>17</sup> The individual FBR (federal benefit rate) in 2013 is \$710.00, \$721.00 for 2014 and \$733.00 for 2015 and 2016. Couple FBR, in 2013 is \$1066.00, \$1082.00 in 2014 and \$1100.00 for 2015 and 2016. ["Return to Main Document"](#)

Date: \_\_\_\_\_

Social Security Administration  
District Office

\_\_\_\_\_  
\_\_\_\_\_

Subject: \_\_\_\_\_ Child's Name: \_\_\_\_\_

Child's SS Number: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

I am (We are) the parent(s) of the above child. This is a report of a change of income for the month of \_\_\_\_\_. If the income change will change the amount of my (our) child's SSI check, please let me (us) know. I (We) swear or declare under penalty of perjury that the accounting in this report is true and correct and any copy attached is an exact copy of the original. Signed at the date and place indicated above.

\_\_\_\_\_  
Father

\_\_\_\_\_  
Mother

**PARENT'S EARNED INCOME**

Photocopy of Pay Records/Paystub Attached;

Originals are being kept for Social Security Administration inspection at the annual review.

Employer: \_\_\_\_\_

Amount/Date Received \$ \_\_\_\_\_

Amount/Date Received \$ \_\_\_\_\_

Amount/Date Received \$ \_\_\_\_\_

Amount/Date Received \$ \_\_\_\_\_

**UNEARNED INCOME**

Source: \_\_\_\_\_ Amount/Date Received \$ \_\_\_\_\_

## Endnotes

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<sup>1</sup> Although Social Security counts the income and resources of a stepparent for purposes of SSI, the state Medi-Cal (Medicaid) agency cannot. 42 USC Section 1396a(a)(17)(D). For a child, the Medi-Cal program only looks to the income and resources of the parent and child. If your child does not qualify for SSI because of the income and resources of a stepparent, apply for Medi-Cal under the Federal Poverty Level program for aged and for children and adults with disabilities (A&D FPL). If your child is not eligible under the A&D FPL program, apply for Medi-Cal under the ABD (aged-blind-disabled) medically needy program. You apply for Medi-Cal at your County Welfare office. Explain that your child is a *Sneede* (the name of a lawsuit) case to ensure the right rules are used. [“Return to Main Document”](#)

<sup>2</sup> To get your child’s SSI started again, write or go into your local Social Security Office to report the reduction in income or that your resources are now within Social Security limits. Include documents that show that your income is now lower or that your resources are now within SSI limits. You should specifically ask that SSI be reinstated. If you request reinstatement by mail, we suggest you do so by certified mail. [“Return to Main Document”](#)

<sup>3</sup> Income change is not the only thing you need to report. See 20 Code of Federal Regulations § 416.708. You need to tell Social Security if you move, if your disabled child or nondisabled children go to live elsewhere, if a parent marries if one of the parents moves out of the home, or if your disabled child moves to a medical facility. [“Return to Main Document”](#)

<sup>4</sup> Some parents have reported that local offices tell them that Social Security cannot accept photocopies. That is not correct. In the income change letter you swear under penalty of perjury that the photocopies are true copies of the originals. [“Return to Main Document”](#)

<sup>5</sup> Some families report that their local Social Security office tells them they do not need to send in monthly income change reports, that Social Security will make the adjustments after the

fact at the time of the annual review. Sometimes this is correct when Social Security arranges for your benefits to be adjusted in line with anticipated fluctuations in your income. If paid weekly, you receive five instead of four paychecks in some months; if paid every two weeks, you receive three rather than two paychecks in a month twice a year. At the time of the annual review, Social Security may program in anticipated income fluctuations for the coming year. However, unless Social Security gives you something in writing saying you are not to report changes in income, you must send in the income change reports. If you do not, and there is an overpayment as a result, Social Security will say that you are at fault because you did not report the income change. [“Return to Main Document”](#)

<sup>6</sup> 42 USC Section 1309, California Code of Regulations, Title 22, Section 50555.1. In the case of the Apple family members in Example A on page 5, the other two children would qualify for Medi-Cal based on zero income. The parents may not qualify if both are working. In the case of a single parent or where one of the parents is unemployed or underemployed or has a disability including a temporary disability, the parents also could be covered by Medi-Cal. If a parent is receiving IHSS to care for a child with a disability, that income is not counted when determining the child’s financial eligibility for SSI nor, because of the IHSS Community First Choice Option, is it counted when determining the Medi-Cal eligibility of anyone else in the household. [“Return to Main Document”](#)

<sup>7</sup> If you are self-employed, Social Security wants to know your adjusted gross income. 20 Code of Federal Regulations Section 416.1110(b). Bring to Social Security your income tax return from last year together with information about your gross receipts this year. Social Security will look to your income tax return from last year together with information about your gross receipts this year. Social Security will look to your tax return last year as a yardstick for estimating your adjusted gross income this year. If your gross receipts last year were \$40,000 but your adjusted gross income (what you paid taxes on after Internal Revenue Service allowable business deductions) was \$18,000

or 45% of your gross receipts, Social Security would estimate that your adjusted gross income this year would be 45% of this year's gross receipts. Because self-employment income is determined on an annual basis, which is then evenly divided over the 12 months in accord with 20 Code of Federal Regulations Section 416.1111(b), you will be using estimates subject to adjustment when you prepare your income tax return.

Social Security does not count as a resource property necessary for self-support including as an employee. 42 USC Section 1382b(a)(3). That can include inventory, computers, farm equipment and livestock, farmland, separate business bank accounts, buildings, fishing boat, as well as a car you need to use on your job or which is essential for getting to and from work. ["Return to Main Document"](#)

<sup>8</sup> Some employers have plans that allow you to put money in a special account to pay for childcare or healthcare pursuant to Section 125 of the Internal Revenue Code. These are often called "cafeteria plans." Money set aside in these accounts and used for qualified benefits is not considered "income" because you do not pay social security tax on this income. 20 Code of Federal Regulations Section 404.1054.

Your gross earned income for SSI purposes is your gross income less money put into a cafeteria plan. However, earnings put in a tax sheltered retirement account *are* counted as income. The funds in a parent's retirement or pension account are an exempt resource *not deemed* to the child. 20 Code of Federal Regulations Section 416.1202(b). ["Return to Main Document"](#)

<sup>9</sup> Because of retrospective month accounting (see pages 1-2), calculations for income received in November and December should use the Federal Benefit Rate for the following year. This is because the SSI check received in January and February is supposed to reflect income received and deemed in November and December of the prior year. ["Return to Main Document"](#)

<sup>10</sup> The annual and monthly maximums go up each year by the amount of the annual cost of living allowance. 20 Code of

Federal Regulations Section 416.112(c)(3)(B). The regulations provide for flexibility and accommodation to disabilities when determining when a child or young adult is a student for purposes of the earned income deduction. 20 Code of Federal Regulations Section 416.1861.

The regulations and statutes are available in public libraries. They are also available at the Social Security website: [www.ssa.gov](http://www.ssa.gov). Once at the Social Security website, click on “our program rules” which is on the right side of the website. [“Return to Main Document”](#)

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