

# Title XVI Fundamentals Training Curriculum



## Title XVI Fundamentals Student

SOCIAL SECURITY ADMINISTRATION,  
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## TABLE OF CONTENTS

<b>TABLE OF CONTENTS.....</b>	<b>1</b>
<b>LESSON PLAN.....</b>	<b>7</b>
<b>BACKGROUND AND RATIONALE .....</b>	<b>9</b>
<b>OBJECTIVE 1:.....</b>	<b>11</b>
State the origin and purpose of the SSI program.....	11
Origin and Purpose .....	11
<b>OBJECTIVE 2:.....</b>	<b>15</b>
Explain SSI eligibility requirements.....	15
SSI Eligibility Requirements .....	15
Eligibility Exceptions.....	15
Disability Requirement .....	16
Age Requirement .....	18
Citizenship/Alien Status Requirement.....	18
Residency Requirement.....	20
Resource Requirement .....	22
Income Requirement.....	22
<b>OBJECTIVE 3:.....</b>	<b>23</b>
Answer general inquiries about SSI and discuss the importance of protective filing dates and closeout procedures.....	23
General Inquiries about SSI .....	23

Protective Filing..... 24

Oral Inquiry..... 25

Written Statement ..... 25

Closeout Procedures..... 26

Importance of Closeout Procedures..... 27

Attestation Not Possible ..... 28

**OBJECTIVE 4:..... 29**

    Identify when to use an ABAP, a deferred application and a full application..... 29

        ABAP ..... 29

        Deferred Application..... 30

        Full Applications ..... 31

**OBJECTIVE 5:..... 33**

    Properly complete and process an ABAP and a deferred application..... 33

        Modernized Supplemental Security Income Claims System ..... 33

        The Claim Path ..... 34

**OBJECTIVE 6:..... 41**

    Explain the principles of living arrangements and in-kind support and maintenance.  
 ..... 41

        Living Arrangement (LA) Codes ..... 41

        FLA-A..... 42

        FLA-B..... 42

        FLA-C..... 43

        FLA-D..... 43

In-Kind Support and Maintenance (ISM) & LAs..... 47

ISM from Within Household..... 49

ISM from Outside Household ..... 50

ISM to One Person..... 51

Emergency Shelters for the Homeless ..... 51

**OBJECTIVE 7:..... 53**

    Explain SSI resource limits. .... 53

        Resources and Resource Limits ..... 53

        Value of a Resource..... 55

        Resources Not Counted Toward the Resource Limit ..... 56

**OBJECTIVE 8:..... 61**

    Explain SSI income limits..... 61

        SSI Income..... 61

        Earned Income ..... 63

        Net Earnings from Self Employment (NESE) ..... 66

        NESE Differences Between Title II/Title XVI ..... 71

        Earned Income Codes Posted to SSI Records (ENIH) ..... 71

        Unearned Income..... 72

        Exclusions from Income ..... 79

        Codes and Unearned Income Posted to SSI Records (UMIH)..... 80

        Deeming of Income ..... 81

        Reporting Responsibilities..... 81

**OBJECTIVE 9:..... 83**

Determine the effect of income and living arrangements on eligibility and payment amounts. .... 83

    Definitions ..... 83

    Determining Countable Income and Payment Amount ..... 87

    Effect of FLA-B on Eligibility and Payment ..... 88

    Effects of FLA-D on Eligibility and Payment ..... 88

**OBJECTIVE 10:..... 89**

    Use the Title XVI Interactive Computation Facility to determine eligibility and payment amounts. .... 89

        Title XVI Interactive Comps (ICF)..... 89

**OBJECTIVE 11:..... 91**

    Obtain SSI Queries and interpret them. .... 91

        SSR the SSI System ..... 91

        How to Obtain SSI Queries? ..... 91

        Reading the SSID ..... 92

        The SSID ..... 92

**OBJECTIVE 12:..... 95**

    Explain the Title II and the Title XVI offset provisions to claimants. .... 95

        Offset Provision ..... 95

        Title II Offset..... 96

        Title XVI Offset ..... 96

**OBJECTIVE 13:..... 97**

    Understand What Redeterminations Are and Why They Are Conducted..... 97

        Definition ..... 97

Selection Process ..... 97

Redetermination (CRZD) Codes on the SSID ..... 98

**EXHIBIT 1 ..... 99**

    Glossary of SSI Terms ..... 99

**EXHIBIT 2 ..... 103**

    Eligibility Determinations and Payment Computations, TCC, COLAs, and  
    Prospective Accounting ..... 103

        Federal Eligibility ..... 103

        Federal Payment ..... 104

        Transitional Computation Cycle (TCC) ..... 105

        Prospective Accounting ..... 107

**OFF-AIR ACTIVITIES ..... 109**





## LESSON PLAN

### Chapter Objectives

At the completion of this chapter, you will be able to:

1. State the origin and purpose of the SSI program.
2. Explain SSI eligibility requirements.
3. Answer general inquiries about SSI and discuss the importance of protective filing dates and closeout procedures.
4. Identify when to use an ABAP, a deferred application and a full application.
5. Properly complete and process an ABAP and a deferred application.
6. Explain the principles of living arrangements and in-kind support and maintenance.
7. Explain SSI resource limits
8. Explain SSI income limits.
9. Determine the effect of income and living arrangements on eligibility and payment amounts.
10. Use the Title XVI Interactive Computation Facility to determine eligibility and payment amounts.
11. Obtain SSI Queries and interpret them.
12. Explain the Title II and the Title XVI offset provisions to claimants.
13. Explain what redeterminations are and why they are conducted.

### Length of Chapter

24 hours

**Local Supply**

SSA-8000

SSA-8001

SSA-8045

SSA-L305-U3

SSA-L8024-U3

SSA-L8165-U2

SSA-L991-U2

## **BACKGROUND AND RATIONALE**

### **General**

The enactment of Public (P.L.) 92-603 in 1972 established Title XVI of the Social Security Act in order to implement a national program which would provide Supplemental Security Income (SSI) based on need.

In January 1974, the three previously existing state adult assistance programs (Old-Age Assistance, Aid to the Permanently and Totally Disabled, and Grants to the States for Aid to the Aged, Blind, and Disabled) were combined to form the SSI program. This program would now be administered by the Social Security Administration instead of at the state level.

In addition to the Federal SSI payments, states without a constitutional barrier were required to make additional payments to maintain an individual's payment level under a more advantageous predecessor program. The states were also permitted to make supplementary payments to meet local situations. These additional payments are called State Supplementation.

The basic purpose of SSI is to provide a minimum level of income to people who are aged, blind, or disabled and who have limited income and resources. More than half of all SSI recipients are disabled adults, and SSI is the first federally administered program which allows children under age 18 to be eligible for payments based on their own blindness or disability. This is a major addition to the programs replaced by SSI.

Title XVI of the Social Security Act specifies who is eligible to receive SSI benefits, the amount of the monthly cash payments, and conditions under which payments can be made. A person who applies and meets all conditions of the law is eligible for payments.



## **OBJECTIVE 1:**

**State the origin and purpose of the SSI program.**

### **Origin and Purpose**

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#### **Origin**

In January 1974, the Federal government began funding and administering a cash assistance program to replace the federal/state programs of assistance to adult disabled, blind, and aged individuals.

#### **Basic Principles**

Children as well as adults can receive benefits because of blindness or disability. Those who are not blind or disabled can receive benefits at 65.

#### **Trust Fund**

SSI payments are not paid out of the Social Security or Medicare trust funds. The payments are financed from the general funds of the United States Treasury.

#### **Purpose**

The basic purpose of the Supplemental Security Income (also referred to as SSI, T16 or TXVI) program is to provide uniform eligibility standards and a nationwide minimum income level for needs-based assistance. Payments could be made through SSA's existing nationwide network of field offices.

**Authorization**

The SSI Program, authorized by Title XVI, is administered by SSA and guarantees all SSI recipients federal payments based on meeting certain standardized eligibility requirements.

**Eligibility vs. Entitlement**

SSI is not an entitlement based program like Title II. Title II is an insurance program for workers who have paid into it. SSI is a needs based program for anyone who meets the eligibility requirements. Individuals are eligible for SSI and entitled to Title II.

**State Supplement**

The eligibility requirements and Federal income levels are the same throughout the U.S., the District of Columbia, and the Northern Mariana Islands. Some states supplement the federal payment with an additional payment. This is called State Supplementation.

A state may enter into an agreement with the federal government to have SSA administer the supplementation program and issue the additional payment and the federal SSI payment in one combined check. Not all states have these supplementary payments.

**Federal Benefit Rate**

The Federal Benefit Rate (FBR) is the maximum Federal SSI payment due before any income deductions are applied.

The 2018 FBRs are:

- for an individual - \$750
- for a couple - \$1125

The FBRs usually increase each January to reflect cost of living adjustment (COLA) increases.

**SSI payment date**

SSI payments are received on the first day of the month unless that day is a weekend or a holiday, in which case the payment is received the preceding business day.





## **OBJECTIVE 2:**

**Explain SSI eligibility requirements.**

### **SSI Eligibility Requirements**

#### **SI 00501.001**

There are five basic eligibility requirements for SSI. Individuals must:

- Be blind, disabled, or have attained age 65, **and**
- Be a citizen or national of the U.S. or have lawful qualified alien status, **and**
- Be a resident of one of the 50 states, the District of Columbia, or the Northern Mariana Islands, **and**
- Have income and resources within specified limits, **and**
- File an application.

### **Eligibility Exceptions**

Individuals are not eligible for SSI if they:

- Fail to file for all other benefits to which they may be eligible;
- Are in a certain type of public institution throughout a month (SSA must determine if the institutional living arrangement is one that will allow payment);
- Have been outside the U.S. for 30 consecutive days (some exceptions apply);
- Do not give us permission to contact financial institutions;
- Have an unsatisfied warrant for a crime that is a felony (or equivalent crime);
- Have an unsatisfied warrant for avoiding custody or confinement for a felony (or equivalent crime);

- Are violating a condition of probation or parole.

## Disability Requirement

### Disability

#### [DI 11055.001](#)

The definition of disability for adults is the same for both Title II and SSI. It is the inability to work at a substantial gainful level due to physical or mental impairment expected to last 12 months or end in death. There is a separate definition of disability for children from birth to age 18.

There is no waiting period for SSI disability payments. Eligibility, but not payment, can start with the application effective month once there has been a determination that all the medical and non-medical requirements are met. Payments can be made for the month following the application effective month and thereafter.

### Blindness

#### [DI 26001.001](#)

The definition of blindness for Title II and SSI is the same. It is central visual acuity of 20/200 or less in the better eye with the use of a correcting lens.

The 12-month duration rule does not apply for a finding of statutory blindness for SSI purposes. Because of the absence of a duration requirement, specific medical documentation of onset prior to the application date does not need to be obtained.

### Presumptive Disability

#### [DI 23535.000](#); [DI 11055.230](#); [DI 11055.240](#)

For SSI claims that appear to have a high likelihood of approval, the field office can make payments while the claim is pending at DDS. If the non-disability criteria are met, payments can be made for up to 6 months while the DDS gathers the required evidence.

The FO can make a presumptive disability or blindness decision based on the conditions listed under [DI 11055.231](#). Some of the common conditions include:

- Amputation of a leg at the hip;
- Allegation of total deafness;
- Allegation of total blindness;
- Allegation of cerebral palsy, muscular dystrophy, or muscular atrophy and marked difficulty in walking, speaking or coordination of the hands and arms;
- Allegation of Down Syndrome;
- HIV infection [DI 23535.012](#) form SSA-4814 or SSA-4815 is needed;
- Certain Low Birth Weight Babies;
- ESRD with ongoing dialysis and the file contains a completed HCFA-2728 (End Stage Renal Disease Medicare Evidence Report) [HI 00801.233](#); and
- Lou Gehrig's disease also known as ALS (Amyotrophic Lateral Sclerosis).

If the FO is not able to make a presumptive disability decision, sometimes the DDS can make one for severe medical conditions if it has medical proof indicating a likely approval.

If the final disability decision is a denial, overpayments caused by the presumptive disability decision do not have to be repaid.

**Title II vs. Title XVI Disability/Blindness**

<b>Title II</b>	<b>Title XVI</b>
12 Month Duration for Blindness	No Duration for Blindness
5 Month Waiting Period for Disability	No Waiting Period for Disability
12 Months Retroactivity	No Retroactivity

**Age Requirement**

**[GN 00302.290](#)**

Applicants who are not blind or disabled, must have attained age 65 to be eligible for SSI. These applicants are considered “Aged.” Attainment of age is the same for both SSI and Title II. An applicant attains age 65 on the day before their 65<sup>th</sup> birthday.

For example, Edward’s date of birth is 07/06/1953. He would attain age 65 on 07/05/2018.

If an applicant had his/her date of birth previously established on SSA records, use the date of birth previously established.

If the applicant is filing a concurrent claim, use the Proof of Age Tolerance if it applies. If the applicant is filing an SSI only claim, the Proof of Age Tolerance does not apply. Refer to the Proof of Age online lessons.

If the applicant alleges to be age 68 or older, the date of birth has not been previously established, and the Proof of Age Tolerance does not apply, then use evidence provided if it is over 3 years old and there are no discrepancies.

**Citizenship/Alien Status Requirement**

**[SI 00502.100](#); [SI 00502.130](#); [SI 00502.109](#)**

SSI recipients must be U.S. citizens, U.S. nationals, or qualified aliens who meet one of the alien eligibility categories shown in the following chart:

QUALIFIED ALIENS	ELIGIBLE CATEGORIES
LAPR	Potentially eligible only if: <ul style="list-style-type: none"> <li>• receiving SSI on 8/22/1996 and lawfully residing in the U.S.; or</li> <li>• blind or disabled and lawfully residing in the US on 8/22/1996; or</li> </ul>

QUALIFIED ALIENS	ELIGIBLE CATEGORIES
	<ul style="list-style-type: none"> <li>• meets 40 QCs requirement; or</li> <li>• veteran/active duty military; or</li> <li>• spouse/dependent child</li> </ul>
Refugee (sec. 207)	Potentially eligible for seven years after the date of admission as a refugee
Asylee (sec. 208)	Potentially eligible for seven years after the date granted asylum
Deportation withheld (Sec. 243 (h)) or removal withheld (Sec 241 (b)(3))	Potentially eligible for seven years after the date deportation is withheld or the date removal has been withheld
Conditional entrant (sec. 203 (a) (7) )	Potentially eligible
Parolee (sec. 212 (d) (5)) (status granted for one year minimum)	Potentially eligible
Cuban/Haitian entrant within the last seven years under one of 4 categories of section 501(e) of the Refugee Education Assistance Act of 1980	Potentially eligible
Battered spouse or child	Potentially eligible
Entered the U.S. as Amerasian immigrant within the last 7 years	Potentially eligible
Iraqi and Afghan special immigrants	Potentially eligible

## Residency Requirement

### [SI 00502.0100](#)

Another requirement for SSI eligibility is that the individual must be a resident of one of the 50 states of the U.S., the District of Columbia or the Northern Mariana Islands.

### State of Residence

Although SSI is a federal program, the state of residence of a claimant or recipient is required. In many situations, the information provided and the action(s) needed depend on the state in which the claimant/recipient lives.

Eligibility for services and benefits from other programs may vary from state to state. These services and benefits include Food Stamps and state payment of Supplementary Medical Insurance (SMI) premiums. Application for these services is at the county level, the claimant or recipient needs to make sure the residence address on his/her SSI record is current.

Certain states have elected to supplement federal SSI payments, people residing in those states may have income too high to receive federal SSI payments yet still be eligible for SSI State Supplementation payments, as well as Medicaid/Medical Assistance.

### Absence from the U.S.

### [SI 02301.225](#)

An individual is not eligible for SSI benefits for any month during **all** of which he or she is outside the U.S. Further, an individual who was outside the U.S. for 30 consecutive days is not considered in the U.S. until he or she is in the U.S. 30 consecutive days. When considering absence from the U.S., you must consider two issues:

- 1) The period of absence (when it begins and ends);
- 2) When reinstatement begins.

### When Absence Begins

The period of absence begins with the day after the individual's departure from the U.S.

### When Absence Ends

When absent less than 30 consecutive days: The period of absence ends the day before the individual's return to the U.S.

When absent for a full calendar month or 30 consecutive days or more: The period of absence ends thirty consecutive days after return to the U.S., beginning with the day of return.

### Period of Reinstatement

#### [SI 00501.410](#)

If otherwise eligible, an individual whose benefits have been suspended because of absence from the U.S. will be reinstated:

- Effective with the 31<sup>st</sup> day of continuous presence in the U.S. after the recipient's return if the time outside the U.S. was for **30 consecutive days or more**; or
- Effective with the day the recipient returned to the U.S., if the time outside the U.S. was for a full calendar month, **but fewer than the 30 consecutive days** (calendar month of February only).

### Supporting Documentation

Documentation of the date of entry may include such evidence as a copy of the return plane ticket, a passport stamped with the date of entry, or a signed statement (SSA-795) from one or more U.S. residents who can corroborate the individual's allegation.

### Exception to Presence Requirement

A child recipient may continue to be eligible for SSI payments even while outside (absent from) the U.S. if he or she lives with a parent who is a member of the U.S. armed forces stationed overseas. [SI 00501.415](#)

Certain students who are temporarily abroad may continue to be eligible for SSI.

### **Resource Requirement**

Resources are cash and other personal property that a person owns. In certain situations, we also look at the value of resources owned by the person's spouse or the resources owned by a minor child's parents. The resource limit establishes what the value of the resources can be. If the resource limit is exceeded, no payment is due.

### **Income Requirement**

Income affects the amount which is payable to an individual. Sometimes the income is so great that payment is precluded.

A person's living arrangement can affect the payment amount because we consider help with food and shelter to be a type of income called in-kind support and maintenance (ISM).



### **OBJECTIVE 3:**

**Answer general inquiries about SSI and discuss the importance of protective filing dates and closeout procedures.**

#### **General Inquiries about SSI**

##### **SI 00601.037**

Although there may be some inquiries about SSI that can be handled by simply answering the inquirer's question, most will be resolved by one of the following actions:

**Writing a Protective Statement** – If an individual inquires about SSI, but does not wish to file an application at the time, a written protective statement (a SSA-L991-U2) should be given to the inquirer. This written statement protects the person if (s)he later becomes eligible and/or decides to file for SSI. The date of the written statement may be used as the filing date if an application is filed within 60 days from the date of the notice.

**Taking an SSI Application** – Most inquiries about SSI result in an application. If an individual appears ineligible based on his/her allegations, but wishes to file an application, a technical denial using the Abbreviated Application (ABAP) process should be completed. If the individual is potentially eligible then either a full application or a deferred development application should be taken.

**Note:** If the individual wishes to file an SSI application, even in situations where the person appears ineligible, an application must be taken. Application taking policy, including when to issue the SSA-L991 can be found in [GN 00201.005](#), [GN 00205.005](#), and [SI 00601.000ff](#).

## Protective Filing

### SI 00601.015

#### Establishment of Filing Date

An individual's or a couple's filing date may be established based on either a written statement or oral inquiry about SSI eligibility.

A written or oral inquiry protects the SSI application filing date when certain criteria are met and if use of that date will result in eligibility for additional benefits.

A filing date can be the following:

- Per GN 00201.015 C the act of attesting is documentation of the applicant's signature and is deemed equivalent to a signature. The filing date would be the date the MSSICS application information was entered on the system.
- A written or oral protective filing can serve as the filing date if its use will result in additional benefits.

#### Protective Filings

A protective filing protects the individual's filing date indefinitely if it is not properly closed out. A protective filing may be a written or oral inquiry for SSI. A protective filing can be closed out in three ways:

- By securing a valid application;
- By sending out a closeout notice (which gives the individual 60 days to file an application\*); or
- By obtaining a signed statement from the potential applicant that he or she does not wish to file.

**\*Note:** If an automated SSA-L991 is issued (through the 800# Lead System), the closeout date will be 74 days from the date of oral inquiry which allows about 14 days for the outside contractor's handling, printing and distribution of the notices. The applicant should receive the notice 60 days before the closeout date shown in the notice.

## Oral Inquiry

### SI 00601.025

An oral inquiry is a discussion about SSI eligibility for a specific person. The date of an oral inquiry may serve as the filing date for SSI if the following criteria are met:

- The potential applicant is alive at the time the inquiry is made; and
- A valid SSI application is filed within 60 days after the date of the closeout notice.

### Documenting Oral Inquiries

An oral inquiry must be documented when received. Inquiries are documented by use of the Appointment/Referral/Leads (or the 800 Number System Worksheet) function (# 11 on the SSA Main Menu). Other evidence of an oral inquiry can also be used. Examples include:

- Written documentation of a CS's or an CSR's recollection;
- A Consolidated Modernized Development Worksheet entry;
- Copy of a closeout notice; and
- Copy of an appointment confirmation notice.

## Written Statement

### SI 00601.020

Any written statement may establish the filing date for Title XVI benefits if intent to claim benefits is expressed or may be inferred.

Some examples of a written statement include: a letter requesting benefits, an Interim Assistance Reimbursement Authorization form, a person being named in an SSI application or a redetermination, a welfare referral form, or an e-mail sent to SSA asking about benefits, etc.

## Interim Assistance Reimbursement (IAR) Authorization

### [GN 00204.010 & SI 02003.000](#)

Interim assistance is defined as assistance financed totally from state or local funds and furnished to an individual for meeting basic needs during the interim period when SSI eligibility is pending.

The assistance may be in cash or in the form of vendor payments. The law provides that under certain conditions states may be reimbursed for assistance provided an individual during an interim period. Upon the claimant's written authorization, SSA may issue the first retroactive SSI payment due the individual directly to the state as reimbursement for the assistance paid during the interim period. The interim period in initial eligibility is defined as the time span beginning with the first day of the month in which the SSI application is filed/person is eligible through and including the month when SSI and/or State Supplementation payment begins.

## Closeout Procedures

### [SI 00601.037](#)

#### Closeout Notices

Standard protective filing closeout notices are available for closing out both written statements and oral inquiries. An SSI inquiry should be closed out by either obtaining a valid application if the individual wishes to file for SSI, or issuing the SSA-L991 either through DPS or the 800# Lead System if the individual does not wish to file for SSI.

Issue an SSA-L8024 to the applicant when an SSI application is completed but not signed nor have you received the attestation and you need additional information or evidence. Issue an SSA-L305 to the applicant when a SSI application is completed but not signed or attestation has not been done and no additional information/evidence is needed. The follow-up copies of the application cover notices, SSA-L8024-U3 and SSA-L305-U3 are sent whenever the signed application is not returned within 15 days after the date of the notice. The follow-up copy of the application cover notice can also be generated in MSSICS.

## When to Issue a Closeout Notice

We send a closeout notice when:

- The inquirer does not wish to file;
- An informal determination of ineligibility is made;
- The claimant dies after making a written statement or oral inquiry and a parent or spouse is potentially eligible for the underpayment;
- An oral or written inquiry is received and SSA is unable to schedule an appointment;
- The original application appointment is missed or cancelled and rescheduling was not possible;
- The rescheduled appointment is missed, cancelled or the caller has rescheduled the appointment twice;
- Teleclaim is taken and sent to the applicant for signature, or
- A title 2 application is filed which is an oral inquiry and the person doesn't wish to file.

If a SSI application has not been completed, issue a closeout notice by issuing an SSA-L991 through DPS or the 800# Lead System.

Please note that closeout language for SSI is not included in the initial application appointment letter.

**Caution:** An interim assistance reimbursement (IAR) authorization is usually a protective writing and most contain a closeout statement [SI 02003.005](#). Even if an IAR authorization includes a 60-day closeout statement, SSA still must schedule or attempt to schedule an appointment to file for SSI. If the IAR authorization includes a closeout statement, no additional closeout notice should be sent. The closeout period ends 60 days after the date the IAR authorization is signed by the State agency.

### Importance of Closeout Procedures

What happens if a protective filing is not closed out? It remains open indefinitely and the date of the protective filing must be used when an SSI application is subsequently filed with SSA if use of the protective filing date results in eligibility for additional benefits.

**Example:**

Are these protective filings and are they “open” or “closed”?

Linda Heinzer called the TSC asking to file for SSI because she is gravely ill and cannot work. Before an appointment is scheduled, she says she will call back because she feels ill. The TSC tells Linda to call back when she feels better.

Raul, a CS, takes a SSI application from Mr. Fumes who came into the Field Office to file for his wife, Mrs. Ethyl Fumes, who is in the hospital, capable of filing, but unable to speak. Raul hands Mr. Fumes the SSI application after showing him where Mrs. Fumes should sign.

Both are protective filings that remain “open.” In the Linda case, the TSR should refer the inquiry to the DO for further development. In the Ethyl Fumes case, the CS should have used an SSA-L305/L8024 as a cover letter for the application.

**Attestation Not Possible**

When an application is completed and must be sent or taken to the applicant for signature, an application cover notice (SSA-L8024-U3 or SSA-L305-U3) must be attached. Each notice contains an original, follow-up and file copy.

MSSICS applications generate a closeout letter to send with the application. The application cover letter contains closeout language, which effectively closes out the protective filing if the signed application is not returned to SSA within 60 days after the date of the notice. The follow-up copy of the application cover notice must be sent whenever the signed application is not returned within 15 days after the date of the notice.

## OBJECTIVE 4:

**Identify when to use an ABAP, a deferred application and a full application.**

### ABAP

#### [SI 00602.000ff](#)

MSSICS provides unique paths for 3 different types of applications (Abbreviated, Deferred, or Full). The shortest and simplest of these is the ABAP.

#### **What is an ABAP?**

The Abbreviated Application (ABAP) process is used when the individual is **clearly ineligible** for SSI based on the **non-medical factors** of eligibility (living arrangement, income and/or resources), but wishes to file an application anyway. We record only basic identifying information and the individual's allegation concerning the factor(s) that cause non-medical ineligibility.

The SSA-L991 should only be used when the individual does not wish to file. It is the individual's decision whether or not to file, even in situations where it is clear he or she is not eligible. The ABAP provides a formal denial letter and protects appeal rights.

#### **When to Use an ABAP**

We will complete an ABAP if it is clear at the time of application the person does not meet one or more of the nonmedical eligibility requirements through the month after the month the claim is adjudicated.

#### **Example:**

We take and process an ABAP for Roberto in June, if he is ineligible for benefits through July.

If there is a question about the non-medical issue that is making the person/couple ineligible, we should not use an ABAP. There are other circumstances where it is not appropriate, which can be found in [SI 00602.001](#).

The ABAP is used to document the following non-medical denials:

- N01 Excess countable income
- N02 Inmate of a public institution
- N03 Outside of the United States
- N04 Resources exceed the limit
- N13 Not a citizen or qualified alien
- N14 Denied for age
- N17 Failure to pursue a claim
- N18 Failure to cooperate
- N22 Inmate of a penal institution

### Abbreviated Application Path

When you select the abbreviated path, you may change it to either a deferred path or a Full path before the claim is shown as receipted on the DW01 screen. Once the claim is receipted in on DW01, you cannot change the path to deferred or full.

## Deferred Application

### [SI 00603.000ff](#)

### When to Use a Deferred Application

Use deferred application and development procedures in all claims unless simultaneous development applies per [SN 00603.002C](#). Proper use of deferred applications avoids the expenditure of unnecessary development time if the claim is medically denied by DDS.

Deferred development procedures apply in many initial claims that require a medical decision. This process allows the FO to postpone development of non-



disability factors until notification is received from DDS that the claimant meets the disability/blindness eligibility criteria. When this notification is received, you select the full path and additional questions, particularly living arrangement questions, appear. You contact the SSI applicant for answers to the additional questions and to obtain necessary documentation.

**Note:** The system does not perform relationship editing on deferred claims until a medical allowance is posted. This means potential edits may not be apparent until it is necessary to adjudicate the claim as an allowance.

The deferred application path will introduce several new screens and fields that require completion. This process will elicit more financial and living arrangement information from the claimant.

A thorough pre-interview is vital when deciding whether to defer development or not. The pre-interview should be in-depth enough to determine that the applicant will meet the non-medical requirements if the claim is medically approved. One advantage of using the deferred claims path is that it is a shorter, more compact, version of the full claims path.

If the application is medically approved by DDS or OHA at a later date, **full** development will be necessary. This development is called a Pre-Effectuation Review Contact (PERC). More information on PERCs is found in [SI 00603.030](#). Keep in mind not to use the deferred application procedure if the case meets the criteria for a full application. It is important to check with your local office to determine what the policy is regarding deferred development.

## Full Applications

### What is a Full Application?

Full applications apply to claims in which disability and non-disability eligibility issues are developed at the same time. This is called simultaneous development.

In MSSICS, a full application path is used for:

- Aged claims;
- Processing deferred claims when a favorable medical allowance is received;

- Disability claims which do not require a current medical decision;
- Cases where the individual appears eligible non-medically and a disability allowance is likely, such as when there is an allegation of terminal illness;
- Couples' claims if one member is already eligible medically and non-medically;
- Claims for which the FO or DDS makes a presumptive disability /blindness; and
- Claims for homeless people.

### Full Application Path

**Important:** When you select the full path, you can never change it to an abbreviated or deferred path. You must continue with the full application. [MS 08108.003](#).

## **OBJECTIVE 5:**

**Properly complete and process an ABAP  
and a deferred application**

### **Modernized Supplemental Security Income Claims System**

#### **MS 04401**

#### **What is MSSICS?**

Modernized Supplemental Security Income Claims System (MSSICS) is a dynamic system. It collects data and establishes a computerized record. It records initial claim information and allows subsequent changes to be made to the record. It is a menu driven software system designed to collect data through what is known as a functional process.

This dynamic software system creates a computer-generated application that can be accessed whenever needed, updated for subsequent changes, and ultimately archived. Data is propagated from prior or pending MSSICS claims and from the Integrated Client Data Base which draws information from MCS, RPS, the 800# Leads System and the Numident.

MSSICS collects and organizes a claimant's personal information into five major areas:

- General Identification,
- Living Arrangements,
- Resources,
- Income, and
- Potential Eligibility for Other Benefits.

That is, the information required on an SSI application falls into one of these data collection categories. The MSSICS path includes only the screens that pertain to the claim in progress.

Cases that cannot be captured using this software are called MSSICS exclusions cases. Although rare, if you are unable to load a case into the MSSICS program, you will take the claim using a paper application.

## The Claim Path

### [MS 04401.002](#)

The MSSICS application can be accessed from the SSA MAIN menu using option #3. A number of the questions will be similar in nature to questions asked on a Title II application. The living arrangement, resources and income screens will be different from the Title II questions.

### MSSI

### [MS 04404.002](#)

From the Main Menu select #3, the SSI Menu (**MSSI**) screen appears. This screen is used to access the various MSSICS functions using either the “establish,” “update” or “query” modes. To enter a new claim, use #1 (Establish), and #3 (New Claim) after you enter the claimant’s SSN.

### GUMP

MSSICS recently underwent changes to the General Identification, Living Arrangement, State Supplementation, Resources, Income and Potential Eligibility for Other Benefits screens. These screens are now web-based. In order to access the intranet screens, the GUMP minipath screen will appear in the claims path. Double click on the link to open the web-based screens.

The General Identification capture identifying information, type of claim, marriage, disability and financial/wage authorizations. For the General Identification screens look in [MS 08108.001](#).

## Person Information

This is the first screen within the General Identification tab of the SSI Web based application. It captures information about identity, death, citizenship, military, contact and accommodation for a person base on their SSN. [MS PI 001.001](#)

## Supplemental Security Income Application Page

On this page we enter the type of application, the date the claim was established and collects information about any applicant that is not the claimant. For example, an institution or guardian. [MS 08108.003](#)

## Disability Page

On this page is where we gather basic information about the person's allegation to disability and where we refer the case for a medical decision. This page is also updated by the EDCS system once the transfer is complete within that system. [MS 08108.010](#)

## Multiple SSNs Page

On this page we enter information about any other social security numbers used or issued. [MS 08108.004](#)

## Residency and Presence in U.S. Page

This page collects U.S. residency, continuous presence in the U.S., periods of residence outside of the U.S. and periods not present in the U.S. The information entered on this screen may generate a denial due to being absent (N03) or not being a resident (N23). [MS 08108.013](#)

## Financial Institution Permission Page

SSI applicants and deemors (people whose income and resources may affect the claimant eligibility to SSI) are required to give SSA permission to request any financial record from financial institutions. This page collects permission from SSI claimants and deemors. Since permission to contact a financial institution is required, entries on this screen can post a denial code N18 in an initial claim situation. [MS 08108.020](#)

### Personal Information Authorization Page

This page is available and must be completed when filing a Deferred or Full Initial claim. It documents whether the applicant, eligible spouse or deems give authorization for third parties (parent or legal guardian) to disclose their personal information to Social Security. The page is the electronic version of the SSA-8510, Authorization for the Social Security Administration to obtain Personal Information. [MS 08108.017](#)

### Wage Authorization Page

This page collects authorization from applicants, spouse, children, parent and sponsors to get wage and employment information from third party payroll providers in place of alleged amounts reported by the person. [MS 09401.001](#)

### Felony Warrants Page

This page is displayed in the claims path for all eligible individuals and for all types of SSI initial claims. On this page we collect information on whether the person has been accused or convicted of felony or an attempt to commit a felony and if the person has any felony or arrest warrants. [MS 08108.005](#)

### Marriage Page

This page collects current or terminated marriage information for all claimants and establishes eligibility to SSI for spouses if applicable. [MS 08108.008](#)

### Holding Out Page

This page collects possible holding out relationship of the applicant. [MS 08108.009](#)

### Residence Address and Jurisdiction Intranet Page

The system collects living arrangement data by date periods. The Residence Address and Jurisdiction (LRES) page will propagate the mailing address that was previously entered on the Title XVI Mailing address on the Person Information screens. If the residence address is different from the mailing address, show the correct address on this screen. You will need to begin by

inputting the first residence effective on the filing date. Enter the date the claimant moved to this particular address. For beneficiaries applying for or receiving Title 16, it will be very important to keep track of both their mailing and residence addresses. [MS 08110.007](#)

The initial screens for the Resources, Income and Potential eligibility sections are a simple selection menu. As you ask the claimant about each item, you will answer "Yes" or "No".

If the answer is "Yes," the system will automatically generate another set of questions/screens. The questions are relatively self-explanatory and will not allow you to "Enter" through a screen or a question that requires an answer. Once all questions have been answered, it will return you to the GUMP screen in MSSICS. For the living arrangement screens, look in [MS 08110.001](#); for Resources [MS 08113.001](#), for Income [MS 08114.001](#), and for Potential Eligibility use [MS 08119.001](#).

### **Living Arrangement Abbreviated Application Intranet Page**

If the claim is being denied for excess income, the Living Arrangement Abbreviated Application screen will appear in the path. [MS 08110.008](#) You will use this screen to enter a Federal Living Arrangement code and an Optional State Supplement code (if applicable) for an Abbreviated application that is going to be denied for excess income (N01).

### **DWME/DPRN**

Once the claims screens are complete, the Claims Development Menu (**DWME**) screen will appear. [MS 04422.002](#) Here you can select from the following:

- PRINT OPTIONS
- DEVELOPMENT WORKSHEET
- ATTESTATION
- DISABILITY TRANSMITTAL
- PERSON STATEMENT BLANK PERSON STATEMENT
- BLANK REPORT OF CONTACT
- BLANK DEVELOPMENT DOCUMENTATION
- PAPER INDICATOR

Place a "Y" to the left of each one you wish to select.

If you select PRINT OPTIONS, you will get the Print Options (**DPRN**) screen. From this screen you can print the application, an application receipt and other documents. Mark a “Y” next to Application to send the application to the printer. [MS 04422.003](#)

When you select the Development Worksheet (**DW01**), you can input your unit code, receipt in the application and the attestation. Use the date the attestation was received in the SSA office in the “received” column for the application and attestation issues.

You may want to change the tickle date for the DDS decision (DDSDEC) and add the DDS code in remarks by the DDSDEC issue. [MS 04422.004](#)

For all EDCS cases, the Multisystem Disability Claims Transfer (MSDCT) will send Initial and Reconsideration disability cases to DDS in one single action.

## DSSR

### [MS 04425.002](#)

Now you can clear the application if it is a denial or set up the pending SSI record if it is a deferred claim you are sending to DDS. Receipting the application in on the DWME and pressing enter automatically takes you to the Build SSR (DSSR) screen. You can also reach the DSSR screen is by entering #2 (update) and #14 (Decision Input) from the main SSI menu (MSSI). Your unit code is pre-filled. Put a “Y” by Close Event if you are denying the claim. When you enter this screen, you will get the DADJ screen.

## DADJ

### [MS 04425.003](#)

To close the application (as in the case of an ABAP denial), mark “Y” to the Close Initial Claim question and select 2 for denial and the denial code which applies (such as N01 for excess countable income or N04 for resources which exceed the limit). If you took a deferred application and are sending the claim to DDS for a medical decision, you will put an “N” by Close Initial Claim. Press enter.



**RJCT****MS 04428.008**

When you are sending a deferred application to DDS, do not be alarmed if you see the following reject: DATA INCOMPLETE FOR SSR FIELD OF LIVING ARRANGEMENTS. Since you have completed a deferred application, no living arrangement screens were in the claim path. If the application is medically allowed, the claim type will then need to change to a full application and those questions will be present in the full claim path.

**Simulated SSID**

When you take a deferred application properly, you see the code PSY: H80 in the second line of the simulated record. Further, down, you see the four positions code DISB. Make sure the letters following it are: DPC: R, this indicates the claim is being referred to DDS for the medical decision. The DISB line should also reflect the Alleged Onset Date (AOD), the three-digit DDS code, and the date the folder was transferred to DDS. When all items appear to be correct, enter through this simulated SSID record to send the data to the SSR.

Within a day or two, the actual SSID should reflect all of the information that the claimant shared with you during the claims interview. The SSID remains in this status (H80) until the medical decision is complete. At that point in time, either the application requires a medical denial input (usually completed by DDS) or it requires complete development of income, resources and living arrangements if DDS approves the claim.

When you complete an ABAP and adjudicate it, review the proposed SSID for accuracy before finishing the process. Ensure the appropriate denial code is reflected on the SSID and press Enter.

**BTCF****MS 04427.024**

The next screen, the BTS Confirmation (**BTCF**), will ask if you would like to "Send Data to the SSR." Enter a "1" to do this.

**Paper Applications**

In the rare situation when MSSICS cannot be used, you will need to complete the paper application form:

- SSA-8000 for a full application; or
- SSA-8001 for a deferred application which can also be used to document a technical denial the same way you would use an electronic abbreviated application. [SI 00602.001](#)

**OBJECTIVE 6:**

**Explain the principles of living arrangements and in-kind support and maintenance.**

**Living Arrangement (LA) Codes****[SI 00835.000](#)****Federal Living Arrangement (FLA)**

An individual's living situation determines which Federal Living Arrangement (FLA or just LA) applies to an individual and impacts the decision as to whether or not In-kind support and maintenance (ISM) is involved. The value placed on ISM varies with the LA category. A person's LA is used to determine the correct amount of the SSI payment. Living arrangement determinations are made for initial applications and post-entitlement situations.

There are four FLA codes:

- FLA-A: Living in own household.
- FLA-B: Living in the household of another person and receives both food and shelter from inside the household.
- FLA-C: Child residing in a parent's household.
- FLA-D: Residing in a Title XIX institution or a child under 18 subject to the \$30 payment limit while in a medical care facility in which private insurance (or a combination of private insurance and Medicaid) pays over half the cost of care.

**FLA-A**

An “A” living arrangement applies when an individual has home ownership interest or rental liability where he or she resides.

LA-“A” also applies in all situations when “B,” “C,” and “D” do not. FLA-A may be established on the basis that the individual:

- Is a transient;
- Lives in a non-medical institution;
- Lives in a non-institutional care situation;
- Lives in a public assistance (PA) household (presumed sharing);
- Lives with others and separately purchases or consumes all food (eats outside the household);
- Lives with others and pays his/her “pro rata” (see note below) share of household expenses; or
- Lives with others and makes an earmarked contribution toward his/her share of food and/or his or her share of shelter expenses.

**Note:** Pro rata share is determined by dividing the average household operating expenses by the number of people in the household.

**FLA-B****[SI 00835.200](#)**

LA-“B” is found when:

- A claimant/recipient does not have ownership interest or rental liability for the home they live in; **and**
- Receives both food and shelter from within the household.

The claimant does not have to receive all food and shelter from inside the household. FLA-B applies if:

- Any items of food and shelter are received from inside the household; **and**
- Contributions of pro rata share are not met.

The determining factor of FLA-B is that some items of **both** food and shelter are received within the household. When FLA-B applies, we charge ISM equal to one-third the FBR. The value of ISM received by an individual in the FLA-B is called the **Value of the one-Third Reduction (VTR)**.

### FLA-C

LA-“C” applies only to an eligible child **under age 18** who lives in the same household with his/her parent(s) who have ownership or rental liability or are paying the pro rata share of household expenses in their residence.

- Deeming of the parent(s) income and resources applies;
- The VTR is not applicable; and
- The payment level for FLA-C is the FBR.

A child living away from home to attend school is considered to be in his/her parent’s household if the requirements for a temporary absence are met. (Temporary absence is covered later in this chapter.)

Children under age 18 are subject to deeming from their parent(s) if they live with them. They can be subject to deeming **and** be in FLA-B if the parent(s) do not have ownership or rental liability in the household where they live. Not all children subject to deeming are in an FLA-C situation.

### FLA-D

#### FLA-D

FLA D applies when:

- The individual lives in a public or private medical institution throughout a calendar month; **and**
- The Medicaid program is paying or expects to pay more than 50 percent of the costs of care. In the case of children under age 18, either Medicaid and/or private health insurance can be paying more than 50 percent of the cost of the care.

Individuals in FLA-D:

- Have a \$30 payment limit (\$60 for couples); and
- Are not charged ISM in the form of food or shelter.

### Payment Continuation

FLA-D does not apply if the individual is institutionalized primarily to receive educational training in preparation for gainful employment or is eligible for **payment continuation** under one of the following situations:

[SI 00520.130](#) and [SI 00520.140](#)

- The individual was eligible for SSI under section 1619 of the Social Security Act in the month preceding the first full month of institutionalization; or
- The individual meets the conditions of section 1611 (e)(1)(E) of the Social Security Act.

### Eligibility vs. FLA-D

The eligibility determination is always based on the full FBR. The payment determination uses the \$30 payment limit. Claimant's eligible based on the full FBR, his/her payment will be limited to \$30 minus countable income from the budget month (BM).

**Note:** The income of the budget month (BM) is used to determine the payment amount. The concept of the budget month will be covered in a later objective.

### Definition of Institution

[SI 00520.001](#)

An institution is an establishment that makes available some treatment or services, in addition to food and shelter, to four or more persons who are not related to the proprietor.

Institutions are distinguished from households by:

- Being controlled or run by a proprietor (manager or an administrator);
- Normally serving four or more residents; and
- Having a formal structure for providing food, shelter, and services to residents who are not related to the proprietor.

Institutions are distinguished from commercial residential facilities by providing services beyond food and shelter. An establishment that provides services such as personal or psychological assistance is an institution.

Regardless of services provided, an establishment that has three or fewer residents is not an institution.

### **Public Institution**

Public institutions exist at all levels of government (e.g., Federal, state and local). A facility is a public institution if:

- It meets the definition of an institution; **and**
- It is under the control of a government unit or a designated private agent of a government.

### **Examples of Public Institutions:**

**Federal**: VA hospitals, Federal prisons, jails, U.S. military hospitals;

**State and Local**: City and County hospitals, prisons, jails, halfway houses, state universities.

### **Status in Public Institution**

A resident of a public institution throughout a month is ineligible for SSI unless one or more of the following applies:

- Medicaid pays more than 50 percent of the cost of the care of the individual; or
- For children under age 18, Medicaid and/or private health insurance (HI) pays more than 50 percent of the cost of care; or
- The institution is a publicly operated community residence which serves no more than 16 residents; or
- The individual is in the institution primarily to receive an education or vocational training in an approved program in preparation for gainful employment; or

- The institution is a public emergency shelter for the homeless (PESH) and the individual has resided in such a shelter for no more than 6 months in a 9-month period; or
- The individual was eligible for SSI under section 1619 of the Social Security Act in the month proceeding the first full month of institutionalization. This exception is limited to medical and psychiatric institutions and payment is limited to the first two full calendar months; or
- The individual meets the conditions of section 1611 (e)(1)(E) temporary institutionalization benefits.

### Private Institution

A private institution is privately owned and is not governmentally controlled (directly or indirectly).

An individual to whom all the following conditions apply is considered to be a resident of a private institution:

- The facility is an institution;
- The facility is not publicly controlled;
- The individual lives in the facility, except for temporary absences; and
- The individual's receipt of food, shelter, and facility's services is not based on the individual's employment by the institution.

An individual in a private institution, medical or non-medical, would be paid either:

- The full FBR; or
- The \$30 payment limit if Medicaid pays or is expected to pay over 50 percent of the cost of the care; or for children under age 18, Medicaid/and or private health insurance pays over 50 percent of the cost of care.

### Precedent Requirement

#### [SI 00520.800](#)

When the FO receives the first case involving a particular facility or becomes aware of a material change involving a facility, information regarding the facility and its programs must be developed.



This information must be recorded on form SSA-8045, "SSI FACILITY INFORMATION AND DETERMINATION," to help determine LAs and ISM for recipients who may enter, reside or be discharged from that facility.

The SEANET 8045 Facility Determination Site should be sufficient to guide and assist interviewers and other employees who consider claims and reports from institutionalized individuals. You can access the precedent file online: (b) (2)  
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

Base a decision on the following development requirements:

- Refer to the SSA-8045 Facility Determination Site to determine if the facility is a private or public institution.
- Contact the institution's administrator to determine:
  - If Medicaid is paying or expected to pay for more than 50 percent of the cost of care; or for children under age 18, if Medicaid and/or private health insurance is paying more than 50 percent of the cost of care;
  - The individual's entry date;
  - If the individual entered from another institution;
  - The expected discharge date; and
  - If any other source of income is paying for all or a portion of the institutional care cost.

## In-Kind Support and Maintenance (ISM) & LAs

### [SI 00835.001](#)

#### LA/ISM

LA and ISM determinations are interrelated. ISM is:

- A type of unearned income;
- Any item of food or shelter (example: payment of utility or grocery bills, free rent, etc.) received by an individual;
- Valued based on the LA determination; and
- Based on the individual's residence as of the first moment of the month;

## FLA-A/ISM

An applicant/recipient in FLA-A, who resides in a household, may be receiving ISM from within or from outside the household, which benefits the entire household; or the individual may receive ISM to one, which benefits only the individual.

If the entire household is receiving outside ISM, the total amount is divided by the number of people in the household to derive the amount of ISM to be charged to the SSI applicant/recipient.

A person in FLA-A, who is living in a non-medical institution, may be receiving ISM if someone else pays the institution's charge for the food and/or shelter it provides. In FLA-A, the total of all ISM is valued at a *maximum* of one-third the Federal benefit rate plus \$20, referred to as the presumed maximum value (PMV). [SI 00835.300](#)

In all situations when the PMV applies, the claimant/recipient has the right to prove that the actual value (AV) of the ISM is less than the PMV. This procedure is called a **rebuttal**. If the claimant successfully rebuts the presumption, the ISM is charged at its AV. [SI 00835.320](#)

## FLA-B/ISM

FLA-B means ISM is involved.

In FLA-B, the individual receives both food and shelter from inside the household where he/she lives throughout a calendar month and has no ownership interest or rental liability.

In FLA-B, ISM is valued at an amount equal to one-third the FBR. This amount is called the **VTR** (value of the one-third reduction). [SI 00835.200](#) The VTR is:

- Unearned Income;
- Not subject to the \$20 general income exclusion and the amount charged cannot be rebutted by the claimant;
- Not applicable to a transient since a transient does not live in a household; and
- Combined with all other countable income when determining eligibility.

An individual in FLA-B cannot be charged with any additional ISM from another source in the same month. This is true even if received from outside the household (e.g., free meals).

**FLA-C/ISM**

In LA-“C,” a child in his parent’s household may receive ISM from adults other than his parents. If so, this ISM would be valued at the PMV rate, or if successfully rebutted, the actual value of food and/or shelter received.

Just as in FLA-A cases, the PMV or AV is added to any other income and the \$20 general exclusion applies.

**ISM from Within Household**
**SI 00835.340**

In-kind support and maintenance from within a household (inside ISM) is food and/or shelter provided to an individual through the contributions of other household members toward household operating expenses.

**Example:**

Ms. Clark, a disabled individual, moved in with her sister and her sister’s family. There are five people in the household including Ms. Clark. Ms. Clark says that she pays her sister \$100 per month for shelter. Ms. Clark purchases her own food separately. Due to a separate purchase of food, she is in an A living arrangement. The ISM will be charged under the PMV rule. Ms. Clark’s sister gave the following information regarding the total monthly expenses:

House Payment	\$725.00
Electric and Gas	\$185.00
Water/Garbage	<u>+ 75.00</u>
Monthly total	\$985.00
Divided by Number Persons in house	÷ <u>5</u>
Pro rata share	\$197.00
Subtract Ms. Clark’s Contribution	<u>- 100.00</u>
Total value of inside ISM (H type income)	\$ 97.00

Because the actual value (AV) of the ISM is less than the PMV, Ms. Clark is charged the actual amount.

### ISM from Outside Household

#### [SI 00835.350](#)

Outside ISM is the value of food and shelter provided to a household from someone outside the household.

Examples of outside ISM are:

- Third party vendor payments;
- Rent-free shelter;
- Rental subsidies (the difference between what is charged and the current market value (**CMV**) or the amount for which a dwelling would rent on the local open market); and
- Food.

The AV of the outside ISM is determined by subtracting the household payment from the current market value (CMV) of the outside ISM and dividing the result by the number of household members. We generally determine that the CMV of food or shelter is equal to the amount a vendor charges for it unless we are developing for rental subsidy. This amount is subject to the PMV.

**Note:** To be a household member, a person must reside in the household as of the first moment of the month.

#### **Example:**

Mr. Kevin Gamber, an aged SSI recipient, lives only with his sister Denise, who also receives SSI as an aged individual. A brother who lives elsewhere pays their rent for them, directly to the landlord. The rent is \$600 per month, and the 2018 FBR is \$750.

Third-party vendor payment for shelter	\$600
Divided by number of persons in house	$\div$ <u>2</u>
Actual value of the ISM	\$300

**NOTE:** Since the actual value of the ISM (\$300) is greater than the PMV (\$270 in 2018), both Mr. Gamber and his sister Denise are only charged with the PMV (\$270).

### ISM to One Person

#### [SI 00835.400](#)

ISM to one person is ISM that benefits one member of the household. For example, a gift of food to an eligible individual. Its value is not determined based on the number of household members, because it's valued under the PMV rule.

ISM-to-one can be provided by a person who lives inside or outside the household. It is counted as income in the month it is received. For example, a gift of food given to the eligible individual on June 22 counts as ISM in June.

**Note:** ISM provided to a household of one is not classified as ISM to one person.

### Emergency Shelters for the Homeless

#### [SI 00520.600](#)

A resident of a public institution may be eligible for SSI benefits if he is a resident of a public emergency shelter for the homeless (PESH).

A PESH is a public institution used as an emergency shelter on a temporary basis. It provides a place to sleep, food, and some services or treatment to homeless individuals. A resident of a PESH who is otherwise eligible for SSI may receive six months of SSI benefits in any 9-month period.

#### Exceptions

The following are situations in which the PESH exception does not apply:

- Medical treatment facilities;
- Custody situations such as a halfway house, holding facility, detoxification center;

- Foster care facilities;
- Facilities that provide temporary care for children/adults until a permanent foster home can be located;
- Facilities for individuals awaiting discharge from an institution into a community; and
- Facilities that provide transitional living arrangements as part of a plan to facilitate an individual's adjustment to community living.

**OBJECTIVE 7:****Explain SSI resource limits.****Resources and Resource Limits****[SI 01110.000ff](#)****Definition****[SI 01110.100](#)**

Resources are cash and any other personal property, as well as any real property, that an individual (or spouse, if any):

- Owns;
- Has the right, authority, or power to convert to cash; and
- Is not legally restricted from using to meet the basic needs of food or shelter.

Resources include assets (such as cash, land, bonds, insurance, houses, cars, bank accounts, etc.) that can be used or converted for use (sold) to obtain food or shelter.

**Resource Limits****[SI 01110.003](#)**

An individual or couple with countable resources in excess of the applicable statutory limit is not eligible for SSI or federally administered state supplement payments unless conditional payments are possible.

The resource limits are:

- \$2,000 for an individual
- \$3,000 for a couple

Both members of a couple do not need to be eligible for SSI for the \$3,000 limit to apply. An eligible child with two ineligible parents would have a resource limit of \$5,000 (\$2,000 for the child plus \$3,000 for the parents).

### Marital Status Change

A change in marital status can result in a change in the applicable resource limits. The resource change is effective with the month that both members of a couple are treated as individuals and an individual is treated as a member of a couple (eligible couple or individual with ineligible spouse). The resource limit change is effective the month after the marital status change.

### Types of Resources:

#### [SI 01110.300 - .310](#)

**Liquid Resources** are resources that can be converted to cash within 20 work days. Cash is always liquid. In addition, certain non-cash items are nearly always liquid. Absent evidence to the contrary, we assume that the following types of resources are liquid: [SI 01110.305](#)

- Stocks, bonds, and mutual fund shares;
- Checking accounts, savings accounts and time deposits;
- U.S. Savings Bonds and Treasury bills;
- Notes and bonds; and
- Mortgages and promissory notes.

**Non-liquid Resources** are resources that cannot be converted to cash within 20 work days. \*Workdays are days other than Saturdays, Sundays and Federal holidays. Absent evidence to the contrary, we assume that the following types of resources are non-liquid: [SI 01110.310](#)

- Automobiles, trucks, tractors, and other vehicles;
- Household goods and personal effects;
- Machinery and livestock;
- Buildings, land and other real property rights; and
- Non-cash business property.



**NOTE:** Life insurance may be liquid or non-liquid, but is generally treated as non-liquid. [SI 01140.010 B.2.c.](#)

## Value of a Resource

### [SI 01110.400](#)

When an individual first receives property (as a gift or inheritance, for instance, but not as a purchase or trade of one resource for another), the property is counted as income in the month it is received. If the individual maintains possession or ownership of the item, it is counted as a resource beginning with the month after it was received.

### Current Market Value (CMV)

The CMV of a resource is the price for which it can reasonably be expected to sell on the open market in the particular geographic area involved. SSA uses the equity value (EV), which is the CMV of a resource minus any encumbrance (any loans or liens that would have to be repaid) when determining the value of a resource.

### First moment of the Month Rule

### [SI 01110.600](#)

Eligibility decisions are based on the value of resources available as of the **first moment of a calendar month**. Resources received later in the month that could put an SSI recipient over the resource limit are not considered under the resource rule, although they may be considered under the income rules. Each resource is evaluated again at the beginning of each month (as of the first moment of each month) to ensure the individual has not exceeded the limit (\$2000 for an individual; \$3000 for a couple). Resource evaluations are done at the time of the initial application and in conjunction with periodic reviews which also verify income and living arrangements.

## Role of Resources in Eligibility Decisions

### [SI 01110.001](#)

Resources are an important element of the eligibility decision. An individual is ineligible for SSI each month he or she is over the resource limit, regardless of income or other eligibility factors. Resource changes have no effect until the following month's resources determination. Only when the individual is under the resource limit do we even consider the other eligibility factors.

## Spending Down

An individual can be ineligible if the value of all countable resources exceeds the resource limit. If he/she spends down to the resource limit, they may be eligible as of the first moment of the following month.

## Resources Not Counted Toward the Resource Limit

### [SI 01130.050](#)

There are certain resources that are totally excluded regardless of value. The following are the most common resources not counted toward the SSI resource limit:

- Home (used as the principal residence);
- An automobile;
- Achieving a Better Life Experience (ABLE) Accounts;
- Certain life insurance policies;
- Burial funds and burial spaces;
- Property Essential for Self Support (PESS);
- Plan to Achieve Self Support (PASS);
- SSI or RSDI retroactive payments (exclusion limited to 9 calendar months following month of receipt);
- Retained Federal Disaster Assistance; and
- Household Goods and Personal Effects.

## Home Exclusion

### [SI 01130.100](#)

A home of any value is excluded if it serves as the individual's principle place of residence. Only one residence can be excluded. If the individual is absent from the home, the home continues to be excluded if the individual intends to return; or if the individual enters an institution, the home is excluded if a spouse or dependent relative resides in the home.

## Automobile Exclusion

### [SI 01130.200](#)

One automobile per household is completely excluded regardless of value if it is used for transportation of the individual/couple or a member of the individual's/couple's household. For SSI purposes, automobile means any vehicle used for transportation. Vehicles used for transportation include but are not limited to cars, trucks, motorcycles, boats, snowmobiles, animal-drawn vehicles, and even animals.

A temporarily broken down vehicle normally used for transportation meets the definition of an automobile. If an individual or a couple owns more than one vehicle, apply the exclusion to the automobile with the greatest equity value.

## Achieving a Better Life Experience (ABLE) Account

### [SI 01130.740](#)

An ABLE account is a type of tax advantage savings account for an individual to save funds for the qualified disability-related expenses. The designated beneficiary must be blind or disabled prior to reaching age 26. An ABLE program can be established and maintained by a State or State Agency by contracting with a private company. An eligible individual can be the designated beneficiary of only one ABLE account, which must be administered by a qualified ABLE program.

Whenever a recipient or deemor alleges being the designated beneficiary of an ABLE account obtain evidence of the account and fax the evidence into the electronic folder (EF) or Non-Disability Repository for Evidence Documents (NDRoD). If you contact the ABLE program directly, document the information on a Report of Contact (DROC) in MSSICS or an SSA-5002.

## Life Insurance Exclusions

### [SI 01130.300](#)

Only policies owned by the individual which have cash surrender value (CSV) or other specific payment options are counted toward the resource limit. This would exclude term life policies which are frequently policies provided through an employer.

A life insurance policy is an excluded resource if its face value (FV) and the FV of any other life insurance policies the individual owns on the same insured total \$1,500 or less. The FV of burial insurance policies does not count toward this \$1,500 total.

It should be noted that while certain life insurance policies may not be counted toward the resource limit, policies may have accumulated dividends, which may count as a resource. Dividend accumulations are dividends that the policy owner has constructively received but left in the custody of the insurer to accumulate interest, like money in a bank account. Dividend accumulations cannot be excluded from resources under the life insurance exclusion, even if the policy that pays the accumulations is excluded from resources. Unless they can be excluded under another provision (example: as set aside for burial), they are a countable resource.

## Burial Insurance/Burial Plot/Burial Fund Exclusions

### [SI 01130.400](#) ; [SI 01130.425](#)

**Burial Insurance Exclusion:** A burial insurance policy is a contract whose terms preclude the use of its proceeds for anything other than payment of the insured's burial expenses.

**Note:** If a policy has a CSV to which the owner has access, the policy is not burial insurance for SSI purposes.

**Burial Plot Exclusion:** The value of a burial space held for an individual, spouse or for any member of the individual's family is excluded. (This includes vaults, caskets, headstones, etc.)

**Burial Fund Exclusion:** Funds set aside for burial may be excluded up to a maximum of \$1,500 each for the eligible person and his/her spouse.

## Property Essential for Self-Support (PESS)

### [SI 01130.500](#)

PESS is real or personal property determined to be so essential to an individual's means of self-support as to warrant exclusion (carpentry tools, rental property, farming implements, business property). Exclude property regardless of value or rate of return in a trade or business used in an income producing activity or as an employee for work.

## Plan to Achieve Self Support (PASS)

### [SI 00870.001](#)

A PASS is a fixed length plan to put aside income or resources to meet expenses for reaching an occupational goal. This allows individuals who do not meet the income/ resource criteria to become eligible or individuals with income to receive a full SSI payment, if a plan is established and approved. Typical goals for a PASS are education, vocational training, or to become self-employed.

Certain resources can be excluded under a PASS. Property and assets used in an approved PASS for a disabled or blind individual (conserved funds and equipment to launch a small business, attend a school to learn a trade, etc.) can be excluded.

The FO is responsible for discussing the benefits of a PASS with any beneficiary who expresses a desire to work and become self-sufficient.

You can direct the beneficiary to SSA's website at <http://www.ssa.gov/disabilityresearch/wi/pass.htm> for more information.

## Household Goods and Personal Effects

### [SI 01130.430](#)

Assume, absent evidence to the contrary, that all household goods and personal effects an individual/couple (and/or deemor) own are excluded under this provision. Items that are acquired or held because of their value or as an investment are **not** considered household goods (See [SI 01130.430 E](#) – Other Personal Property) and the value will count toward the resource limit.



## **OBJECTIVE 8:**

**Explain SSI income limits.**

### **SSI Income**

#### **SI 00810.005**

SSI is a program based on need. To be eligible, a person's countable income cannot exceed certain limits.

#### **Definition of Income**

Income is anything an individual receives in cash or in-kind that can be used to meet his or her needs for food and shelter. It is important to consider non-cash (in-kind) items as income. Examples of in-kind income include free rent and payment of grocery bills.

#### **Counting Income**

SSI payments are dependent, in part, upon the amount of income available to the individual. We count income when it becomes available to meet the needs of the individual (i.e., when it is received not when it is earned).

There are two types of income: earned and unearned. Changes in either type of income usually affect the payment amount.

#### **Exclusions and Eligibility**

We do not always count the total amount of income received.

The basic income exclusions are:

- The general income exclusion; and
- The earned income exclusion.

The amount of income we count after applying the exclusions is called countable income.

### General Income Exclusion (\$20)

#### [SI 00810.420](#)

If only unearned income is present, only the \$20 general income exclusion applies.

#### **Example**

Ben receives \$280 in unearned income and has no other income. We apply the \$20 general income exclusion:

$$\$280.00 - \$20.00 = \$260.00$$

Ben's countable income is \$260.00

**Note:** The general income exclusion applies to all types of income except income based on need (IBON) and the VTR.

### Earned Income Exclusion (\$65 + ½ Remainder)

#### [SI 00820.520](#)

If there is no unearned income, the \$20 general income exclusion is subtracted from the earned income before subtracting the earned income exclusion of \$65. The remainder is then divided by two.

#### **Example**

Owen receives \$300 in earned income and has no other income. We first apply the \$20 general income exclusion and then the \$65 earned income exclusion:

$$\$300.00 - \$20.00 = \$280.00$$

$$\$280.00 - \$65.00 = \$215.00$$

$$\$215.00/2 = \$107.50$$

Owen's countable income is \$107.50



## General and Earned Income Exclusion

### [SI 00820.500](#)

If both unearned and earned income are present, the \$20 general income exclusion is subtracted from the unearned income first.

### **Example**

Will receives \$100 in unearned income and \$200 in earned income. We apply the \$20 general income exclusion to the unearned income and the \$65 earned income exclusion to the earned income.

$$\$100.00 - \$20.00 = \$80.00$$

Will's countable unearned income is \$80.00

$$\$200.00 - \$65.00 = \$135.00$$

$$\$135.00/2 = \$67.50$$

Will's countable earned income is \$67.50

Will's countable income is the countable unearned income \$80.00 plus the countable earned income of \$67.50 which equals \$147.50.

**Note:** We can also exclude income received either infrequently or irregularly. For more information, see [SI 00810.410](#).

## Earned Income

### [SI 00820.001](#)

The basic types of earned income, which can be received in cash or in kind, are:

- Wages;
- Some sick payments;
- Sheltered workshop payments;
- Royalties earned by an individual in connection with any publication of his or her work and any honoraria received for services rendered;
- Net earnings from self-employment.

## Receipt of Wages

### [SI 00820.100](#)

Wages can be received in the form of money or in the form of in-kind items or services. When money is received as wages, the gross amount is used to determine the amount of earned income. Generally, wages are counted as earned income when they become available to the employee.

## In-Kind Items

### [SI 00820.010](#)

The value of food, shelter, or other items provided for employment is counted as earned income. The current market value (CMV) of the item or service establishes the value of the earned income.

## Sick Payments

### [SI 00820.005](#)

Sick payments received from the first day of non-work through the next full 6 months after the month the work stopped are considered wages. When the sick pay is based on the employee's own contribution, the sick pay is unearned income. Sick pay received more than 6 months after the employee last worked is unearned income.

## Sheltered Workshop Payments

### [SI 00820.300](#)

A Sheltered Workshop is a nonprofit organization whose purpose is to provide rehabilitation services to workers with disabilities and provide them with paid employment or other occupational activity of an educational or therapeutic nature.

## Royalties and Honoraria

### [SI 00820.450](#)

Royalties include compensation paid to the owner for the use of property, usually copyrighted material (e.g., books, music, or art) or natural resources (e.g., minerals, oil, gravel, or timber). Royalty compensation may be expressed as a percentage of receipts from using the property or as an amount per unit produced.

Although royalties are generally unearned income, they can be earned income when they are:

- Received as a part of a trade or business; or
- Received by an individual in connection with any publication of his/her work (e.g., publication of a manuscript, magazine article, or artwork).

An honorarium is an honorary or free gift, reward, or donation usually provided gratuitously for services rendered (e.g., guest speaker), for which no compensation can be collected by law. Honoraria may include a free gift of lodging or payment of an individual's expenses. Honoraria can be counted as earned or unearned income. If a payment was received for a service, it is earned income. Other payment methods, such as gifts and donations are counted as unearned income.

## Cafeteria Benefit Plans

### [SI 00820.102](#)

An employee's participation in a cafeteria plan can affect the amount of wages that are counted for SSI purposes.

A cafeteria plan is:

- A written benefit plan offered by an employer in which all participants are employees; and
- A plan which allows all participants to choose, cafeteria style, from a menu of two or more cash or qualified benefits.

A qualified benefit is a benefit that IRS does not consider part of an employee's gross income. Qualified benefits can include:

- Accident and health plans (including medical plans, vision plans, dental plans, accident and disability insurance);
- Group term life insurance plans;
- Dependent care assistance plans;

- Certain stock bonus plans under Section 401(k)(2) of the Internal Revenue Code (but not 401(k)(1) plans).

### Federal Tax Refunds and Advanced Tax Credits

#### SI 00830.060

Exclude all federal tax refunds and advanced tax credits received on or after January 1, 2010. These tax credits included:

- All Federal refundable and advanced tax credits,
- Earned income tax credit (EITC),
- Child tax credit (CTC),
- Making Work Pay (MWP) tax credit,
- First-time homebuyer tax credit, and
- Deemed first-time homebuyer tax credit.

## Net Earnings from Self Employment (NESE)

#### SI 00820.200

NESE are the gross income from any trade or business, less the allowable deductions for that trade or business. NESE also includes the individual's share of ordinary net income (or loss) from partnerships, even though the partnership profits have not yet been distributed.

### Computing Monthly NESE

#### SI 00820.210

For an SSI applicant or recipient, determine NESE on a taxable year basis. NESE is divided by the number of months in the taxable year to derive the monthly earnings.

A taxable year is a 12-month accounting period. It may be either a calendar year (a 12-month period ending the last day of December) or a fiscal year (a 12-month period ending the last day of any month except December).

**Example:**

Diana Prince had NESE of \$3,696 during her taxable year. Her taxable year is a 12-month period. Her monthly NESE was:

$$\$3,696 / 12 = \$308.00$$

Divide net losses from self-employment over a taxable year in the same way as net earnings. Verified net losses offset only other earned income in each month of the tax year.

Even though a business may not operate for an entire taxable year, NESE and net losses from self-employment are allocated throughout the taxable year.

**Example:**

Reed Richards used the calendar year as his taxable year. He closed his business in June. He had verified net losses from self-employment of \$6,528 from January through June. The losses are still distributed over the entire year.

$$\$6,528 / 12 = \$544 \text{ (monthly loss)}$$

**NESE Estimates**

**[SI 00820.230](#)**

<b>WHEN TO USE</b>	<b>METHOD</b>
<b>When an individual:</b>	<b>Current Year's Estimate Based on Prior Year's Profit</b>
<ul style="list-style-type: none"> <li>• conducts the same trade or business for several years;</li> <li>• has NESE which is fairly constant from year-to- year; and</li> <li>• anticipates no change or gives no satisfactory explanation as to why</li> </ul>	Use the NESE from the prior year as an estimate for the current taxable year.

WHEN TO USE	METHOD
<p>current NESE would be substantially lower than past NESE</p>	
<p><b>When an individual:</b></p>	<p><b>Gross-Net Ratio</b></p>
<ul style="list-style-type: none"> <li>is engaged in the same business that he or she had <b>only</b> in the preceding taxable year; and</li> </ul>	<p>Calculate from the individual's tax return or business records the ratio between net profit and gross receipts for the last year.</p> <p><b>EXAMPLE:</b> Tonya has \$6,000 gross income with a Net profit of \$1,200. This is a 20 percent profit.</p> <p><math>\\$1200 / \\$6000 = 0.20</math>  <math>0.20 * 100 = 20\%</math>                      \$1200 is 20% of \$6000</p>
<ul style="list-style-type: none"> <li>anticipates no change or gives no satisfactory explanation as to why current NESE would be substantially different from what it has been in the past</li> </ul>	<ol style="list-style-type: none"> <li>Calculate from his or her records the actual gross receipts for the current taxable year and project it for the remainder of the year.</li> </ol> <p><b>EXAMPLE:</b> \$4,000 in current year's receipts for the first 6 months gives an assumed gross of \$8,000 for the entire year.</p> <ol style="list-style-type: none"> <li>Apply the previously calculated gross-net ratio to the current year's assumed gross to arrive at the estimated NESE.</li> </ol> <p><b>EXAMPLE:</b> 20 percent of \$8,000 is \$1,600.  <math>\\$8000 * 0.20 = \\$1600</math></p> <p><b>EXCEPTION:</b> Do not use this method for businesses which are seasonal or have unusual income peaks at certain times of</p>

WHEN TO USE	METHOD
	the year; go to next applicable procedure.
<b>When an individual:</b>	<b>Projecting Partial Year's Profit for Whole Year</b>
<ul style="list-style-type: none"> <li>• engages in a new business</li> </ul>	<ol style="list-style-type: none"> <li>1. Obtain the individual's profit and loss statement or other business records for his or her taxable year to date.</li> <li>2. Establish the net profit to date.</li> <li>3. Project that net profit for the entire taxable year.</li> </ol> <p><b>EXCEPTION:</b> Do not use this method for businesses which are seasonal, or have unusual income peaks at certain times of the year; go to next applicable procedure.</p>
<b>When:</b>	<b>Individual's Estimate</b>
<ul style="list-style-type: none"> <li>• an individual engages in a new business and records are not yet available; or</li> <li>• the business has gone on for some time but no records are kept</li> </ul>	Use an allegation signed or recorded on a DROC of the individual's best estimate.
<b>When an individual:</b>	<b>Current Year's Estimate Varies from Past Records</b>
<ul style="list-style-type: none"> <li>• alleges his or her NESE for the current year will vary from NESE for past years; and</li> </ul>	Obtain a statement signed or recorded on a DROC from the individual explaining the basis for the variation.
<ul style="list-style-type: none"> <li>• gives a satisfactory explanation for the variation</li> </ul>	When the individual's estimate of NESE for the current year is higher than that of the prior years, and the individual satisfactorily explains why, accept the individual's estimate of NESE.

WHEN TO USE	METHOD
	<p><b>EXAMPLE:</b> Individual recently adds new products to his mail order sales catalog and sales pick up dramatically.</p> <p>When the individual's estimate of NESE for the current year is lower than that of prior years, and the individual satisfactorily explains why, request any relevant documentation for the file and accept the lower estimate.</p> <p><b>EXAMPLES:</b></p> <ul style="list-style-type: none"> <li>• Satisfactory Explanation — the business suffered a heavy loss or damage due to fire, flood, burglary, serious illness or disability of the owner, or other catastrophic event.</li> <li>• Relevant Documentation — copies of newspaper accounts of the event, police reports, etc.</li> </ul> <p><b>NOTE:</b> In some cases, (e.g., downturns in the economy) there may not be any documentation of the event. In such cases, the individual's statement signed or recorded on a DROC explaining the basis for the variation is sufficient documentation.</p>

### **Advise Claimant about Estimate**

Advise the claimant how the estimate of NESE was derived and how it affects SSI eligibility and payment amounts. The claimant should be advised:

- If their current estimate makes them ineligible, a decrease in earnings may make him/her eligible and should be reported.
- Any change in earnings, increase or decrease, should be promptly reported.
- It is his/her responsibility to provide an accurate estimate of monthly earnings and to provide proof of such earnings.



## NESE Differences Between Title II/Title XVI

### [RS 01801.001](#); [SI 00820.200](#)

There are some basic differences between NESE for Title II purposes and NESE for Title XVI purposes.

NESE for Title II is controlled by a taxable minimum amount and a taxable maximum amount. For Title XVI, NESE is earned income without regard to the taxable minimum or maximum.

**Minimum Example:** Ben Grimm has a net profit of \$360. For Title II purposes, a net profit has to be at least \$400 before Social Security taxes are paid. For Title XVI purposes, Mr. Grimm has earned income of \$30 a month in NESE.

**Maximum Example:** Steve Rogers has NESE of \$130,800 in 2018. The maximum wage base is \$128,400 and this amount will be credited for Title II purposes. For Title XVI, Mr. Rogers has earned income of \$10,900.00 a month.  
 $130,800 / 12 = 10,900$

**Farm Option Example:** Matt Murdock had a net loss of \$6,000 in farm operation last year. Upon his accountant's advice, he files for the farm option and declares his income as \$1,600. For Title II purposes, he will be credited with \$1,601 (remember, SEI is rounded up) and will pay taxes on this amount. For Title XVI purposes, he has a monthly net loss of \$500.

Although some earnings may be exempt from Title II coverage, full earnings are earned income for Title XVI purposes.

**Minister Example:** A minister or a member of a religious order may have \$325 in monthly earnings which are exempt from Title II coverage. This income will be considered earned income for Title XVI purposes.

## Earned Income Codes Posted to SSI Records (ENIH)

Earned income is posted to the Earned Income Data Segment (ENIH) of the SSID. Codes revealing the earned income type, start and stop dates, frequency, and verification method.

Income type is located under the Type (T) column in the ENIH field. A few common earned income codes are listed below. A complete listing is found in [SM 01601.745](#).

S – Net earnings from self-employment (NESE)

W – Wages

The Frequency of the income is listed under the Frequency (F) field.

C – Continuing payment;

N – One-time payment;

T – Terminated payment;

### EXAMPLE:

ENIH

T	ENP	ENS	ENA	F V T	ENP	ENS	ENA F V
W	0219	0219	210.00	N	9		

In this example, the individual received \$210 in type “W” income, which is (wages) from 02/19 through 02/19. The frequency shows one time and the verification code is 9, which means the amount was verified.

QueryMaster will help you translate codes on the SSID. See [SM 01601.745](#) for more information on the UMIH field.

## Unearned Income

### [SI 00830.001](#)

Unearned income is all income that is not earned income. Unearned income can come in the form of cash or in-kind support.

Some examples are:

- Social Security Benefits;
- Workers Compensation;
- Veteran Administration benefits;
- Railroad pensions;

- Private pensions;
- Temporary Assistance for Needy Families (TANF), formerly called Aid to Families with Dependent Children (AFDC);
- Unemployment payments;
- Interest and dividends;
- Cash gifts; and
- In-kind support and maintenance (ISM).

### **In-Kind Support and Maintenance (ISM)**

ISM is non-cash support in the form of food or shelter. If someone else other than a recipient pays for the recipient's food or shelter, they are charged with ISM. The value of the support is counted as unearned income.

**Example:** Larry lives alone in an apartment. Larry pays his own rent. Larry's brother buys \$200.00 worth of food for Larry each month. The \$200.00 worth of food is counted as unearned income.

In-kind payments are unearned income when paid to the following:

- Agricultural employees;
- Domestic employees;
- Members of the Uniformed Services and their families;
- Service unrelated to the employer's trade or business;
- Services by certain home workers; and
- Services on the employer's business premises, for the employer's convenience.

The value of support is limited under the presumed maximum value (**PMV**) or the one-third reduction (**VTR**) rule. If the value of support exceeds the applicable limit, we do not count the full value of the support. We limit the countable income to either the PMV or VTR depending on the situation.

The value of the PMV is always one-third (1/3) of the FBR, plus \$20. For 2018, the PMV is \$ 270. The VTR is always one-third (1/3) of the FBR. For 2018, the VTR is \$250.

## Home Energy Assistance (HEA) and Support and Maintenance Assistance (SMA)

### [SI 00830.605](#)

Certain assistance with energy costs or food and shelter expenses can be excluded if they meet criteria. An example of this is Home Energy Assistance (HEA) from an agency related to home energy (heating, cooling, weatherization, blankets, storm doors, etc.) and Support and Maintenance Assistance (SMA) from an agency providing food or shelter.

Often a precedent can be used to determine if types of assistance can be excluded. If a precedent is used, document the file.

## Burial Funds Interest

### [SI 00830.501](#)

Interest on excluded burial funds, left to accumulate in the funds, is excluded from income and resources.

## Child Support from Absent Parent

### [SI 00830.420](#)

One-third of the support payment received from an absent parent or step-parent (generally parent and child not residing in the same household) is excluded from income. Child support is income to the child, not the parent receiving the monies on behalf of the child. The total amount of the child support payment is input into the system, and the system will apply the 1/3 reduction.

#### **Example:**

Alex is receiving \$90 a month child support from his father. Before applying any other exclusion, the 1/3 support exclusion is applied, leaving a \$60 balance. If the child has no other income, the \$20 general exclusion is then applied, leaving countable income of \$40.

Child support payments received by an adult child after he/she stops meeting the definition of an SSI child\* are income to the adult child whether or not he/she lives with the parent. Such support payments are not subject to the one-third reduction.

\*SSI child: is a child who is neither married nor head of a household and who is either under age 18 or under age 22 and a student regularly attending school or college or training that is designed to prepare him/her for a paying job.

### **Alimony/Spousal Support**

#### **[SI 00830.418](#)**

Alimony or spousal support (sometimes called “maintenance”) is an allowance for support often ordered to be paid by a court from the funds of one spouse to the other spouse in connection with a suit for separation or divorce. Alimony may be received either in cash or in-kind, voluntarily or pursuant to court action. The **full amount** of the alimony is counted as unearned income.

### **Income Based on Need (IBON)**

#### **[SI 00830.170](#)**

Income based on need (IBON) is assistance provided under a program that uses income as a factor for eligibility and is funded wholly or partially by the Federal government or a non-government agency for meeting an individual’s basic needs.

### **VA Pension Based on Need**

#### **[SI 00830.302](#)**

VA Pension Based on Need payments are made to a veteran based on a combination of service and a non-service connected disability. These payments are based on need and do not qualify for the \$20 a month general exclusion.

### **Temporary Assistance to Needy Families (TANF)**

#### **[SI 00830.403](#)**

TANF helps needy dependent children and their families. For a family to qualify there must be children who are deprived of parental support or care from one of their parents due to death, disability, absence from the home, or unemployment.

States may call the program something other than TANF (e.g., Florida calls its program "WORK").

TANF is counted dollar for dollar. The \$20 general exclusion does not apply.

### **Assistance Based on Need (ABON)**

#### **[SI 00830.175](#)**

ABON is assistance provided under a program which uses income as a factor of eligibility and is funded wholly by a state. This type of assistance is excluded from income.

### **Unstated Income**

#### **[SI 00810.035](#)**

Unstated income is income that is not reported or known to Social Security. Some of the signs of unstated income would be when an individual's expenses exceed the total income reported. If unstated income is determined to exist, the individual can be charged with extra cash income.

### **Dividends**

#### **[SI 00830.500](#)**

Dividends and interest represent a return on an investment or on a loan of money. Dividends and interest are unearned income when credited to an account and available for use.

### **Infrequent or Irregular Income**

#### **[SI 00810.410](#)**

Income is considered infrequent when received only once during a calendar quarter from a single source and when not received in the month immediately preceding or the month after the month income is received, even though the months may be in difference calendar quarters.

Income is considered irregular when the person can't reasonably expect to receive it.

SSI provisions exclude up to the first \$60 per calendar quarter of infrequent or irregular unearned income. For example, certain interests or dividends.

## Royalties

### [SI 00820.450](#)

Royalties are payments to the holder of a patent or copyrighted material or natural resources.

Royalties are usually unearned income unless they are received as part of a trade or business, or if they are received by an individual in connection with any publication of his/her work (e.g., publication of a manuscript, magazine article, or artwork).

## Rental Income

### [SI 00830.505](#)

Rent is compensation for the use of real or personal property. Net rental income is gross rent less the ordinary and necessary expenses paid in the same taxable year.

Net rental income is unearned income unless it is earned income from self-employment (e.g., someone who is in the business of renting properties). Rental income is counted when received.

## Gifts

### [SI 00830.520](#)

A gift may be in cash or in-kind and must:

- Be given irrevocably (the donor relinquishes all control);
- Not be repayment for goods or services; and
- Be given without legal obligation on the part of the donor.

**Note:** The value of any non-cash item, other than food or shelter, is not income if the item (e.g., a vehicle) would become a partially or totally excluded non-liquid resource in the month after the month of receipt. See [SI 00815.550](#) for more on this exception.

## Winnings and Prizes

### [SI 00830.525](#)

Gambling winnings, lottery winnings, and prizes are generally things won in a game of chance, lottery, or contest and are considered unearned income subject to the general rules pertaining to income and income exclusions.

We do not subtract gambling losses from gambling winnings in determining an individual's countable income. Also, if given a choice between cash and a non-cash prize, and the cash option is taken, the cash amount will be charged as unearned income in the month in which it is received.

## Awards

### [SI 00830.515](#)

An award is something received as a result of a decision or judgment of a court, board of arbitration, or the like. Awards are unearned income subject to the general rules pertaining to income and income exclusions.

## Death Benefits

### [SI 00830.545](#)

A death benefit is something received as the result of another's death and may consist of:

- Proceeds of life insurance policies;
- Lump sum death benefits from SSA;
- RR burial benefits;
- VA burial benefits;
- Inheritances in cash or in-kind; or



- Cash or gifts given by friends, relatives, and community groups to “help out” with expenses related to death.

## Exclusions from Income

### [SI 00815.000 ff](#) ; [SI 00830.099](#)

Certain types of income are excluded from consideration. Examples of these types of income which are exclusions from income include:

- Value of food stamps;
- Income received as part of a PASS plan;
- Certain assistance under medical or social service programs [SI 00815.050](#);
- Food and shelter received during a medical confinement [SI 00815.100](#);
- Personal services [SI 00815.150](#);
- Receipts from the sale, exchange, or replacement of a resource [SI 00815.200](#);
- Rebates and refunds [SI 00815.250](#);
- Income tax refund [SI 00815.270](#);
- Credit life or credit disability insurance payments [SI 00815.300](#);
- Proceeds of a loan [SI 00815.350](#);
- Bills paid by a third party [SI 00815.400](#);
- Replacement of income already received [SI 00815.450](#);
- Return of erroneous payments [SI 00815.460](#);
- Weatherization assistance (insulation, storm doors, and windows, etc.) [SI 00815.500](#);
- Non-cash items which would become partially or totally excluded non-liquid resources if retained into the month following the month of receipt [SI 00815.550](#); and
- Wage Related Payments [SI 00815.600](#).

**Codes and Unearned Income Posted to SSI Records (UMIH)**

Unearned income is posted to the Unearned Income Data Segment (UMIH) of the SSID. In the UMIH field you can find codes for the unearned income type, start and stop dates, frequency, and verification method.

Income type is located under the Type (T) column in the UMIH field. A few common unearned income codes are listed below. A complete listing is found in [SM 01005.182 & SM 01601.760](#).

- A – Social Security
- H – Countable in-kind support and maintenance
- P – Employment related, State or local government or private pension

The Frequency of the income is listed under the Frequency (F) field and the most common codes are listed below. For a complete listing see [SM 01601.760](#).

- C – Continuing payment;
- N – One-time payment;
- T – Terminated payment;
- R – Recent filing for Title II; no payment yet.

**EXAMPLE:**

UMIH

T	UMP	UMS	UMA	F	UMI	P	V
A	0617	1217	400.00	T	XXXXXXXXXA	7	2
A	0118	0000	404.50	C	XXXXXXXXXA	7	2

In this example, the individual received \$400 in type “A” income, which is (Social Security benefits) from 06/17 through 12/17. Beginning 01/18 and continuing, their SSA benefit increases to \$404.50 per month. The Title II account number is listed as XXX-XX-XXX with a BIC of “A.” The program service center code is 7 and the verification code is 2, which means the claim number and the amount of unearned income are verified.

Using QueryMaster will help you translate codes on the SSID. See [SM 01601.760](#) for more information on the UMIH field.

## Deeming of Income

### [SI 01320.000 ff](#)

When an eligible individual lives with an ineligible spouse or a parent who has income, the income is considered in determining the SSI applicant's eligibility and payment amount. The ineligible person's income is deemed to belong to the eligible applicant.

Children in the household, who are not eligible, are called ineligible children. The income deemed from the spouse or parent(s) is reduced when there are ineligible children. This is called an ineligible child allocation.

For a limited period of time, income of an alien's sponsor may be deemed to an alien who is eligible for SSI.

## Reporting Responsibilities

It is important that SSI recipients understand their reporting responsibilities. Since the program is based on need, changes in income, resources, and living arrangements can affect payment eligibility and/or payment amount. Any changes should be reported as soon as possible and failure to report may result in an overpayment.



## **OBJECTIVE 9:**

**Determine the effect of income and living arrangements on eligibility and payment amounts.**

### **Definitions**

#### **SI 02005.001**

An individual's monthly income, resource determination and living arrangement (FLA) are factors which determine eligibility for SSI benefits. If an individual is eligible, monthly countable income, (income after the exclusions have been applied) determines the SSI payment amount. We use a process called Retrospective Monthly Accounting (RMA) to first determine eligibility for payment, and then calculate the payment amount. Following are definitions of terms needed to understand and perform the computations using the RMA.

#### **E02 Month**

If the application is filed on or after 8/22/96, the applicant is eligible for SSI payments beginning with the first day of the month following the later of the date the application is filed or the date the individual first becomes eligible for such payments. This is also called the application effective date which normally generates a one-time payment status code of E02 in the month of application or in the first month of eligibility providing that the claimant is found disabled and all other non-medical factors of eligibility are met.

#### **Computation Month (CM)**

The CM is the month for which eligibility or payment is being computed. All computations are done on a monthly basis. The income received in the CM is used to determine **eligibility** for that month.

## Budget Month (BM)

The countable income in this month is used to determine the payment amount. The eligibility computation, using income in the CM, is used only to determine whether the claimant is eligible for a particular CM. If eligible in the CM, a determination of payment amount must be made using Retrospective Monthly Accounting (**RMA**) rules. The sum of Federal Countable Income (FCI) (and the VTR, if applicable) from the BM is used to compute the payment amount. The BM is usually the calendar month two months prior to the CM. The BM can be the computation month (BM=0), one month prior to the computation month (BM=1), or 2 months prior to the CM (BM=2) under the Transitional Computational Cycle (**TCC**).

## Federal Benefit Rate (FBR)

### [SI 02001.020](#)

This is the Federal payment standard. There are only two payment standards: the individual FBR and the couple FBR. The **eligibility determination** is always based on the FLA-A or FLA-C FBR. The **payment computation** uses either the FLA-A or FLA-C, or the FLA-D \$30 (\$60 couple) payment limit. The one-third reduction indicated by FLA-B, is income charged to the record. FLA-B is not another FBR.

The FBRs for 2018 are:

- Individual FBR - \$750 effective January 2018, and
- Couple FBR - \$1,125 effective January 2018.

## Countable Income (CI)

### [SI 00810.300](#)

This is the income (and the VTR, if applicable) after all income exclusions have been applied. The FCI of the month for which payment is due is first used in the eligibility step to determine if any amount of money can be paid. If it is determined the individual's (or couple's) income is not too high for a payment to be made, then the sum of the FCI from the budget month is used to determine the amount of the payment.

## Combined Computation

The Combined Computation is the first month in the transitional computation cycle (TCC). It occurs when the computation month (CM) and the budget month (BM) are the same.

## Retrospective Monthly Accounting (RMA)

### [SI 02005.001](#)

RMA is the computation method which bases the computation month's payment amount on income received in a previous month (i.e., the budget month). This procedure was effective April 1982 and requires two steps; an eligibility determination and a payment computation. This method of computing benefits is called RMA.

RMA involves two separate steps:

- An eligibility determination (based on income, resources and FLA for the current computation month); and
- A payment determination (based on income received during the budget month).

**Remember:** these are separate determinations.

## Eligibility Determination or Eligibility Test

This is the computation to determine if eligibility exists in a given month. If some other factor of eligibility is not met for the CM, no income computations are necessary (for example, excess countable resources). The CI plus the VTR is subtracted from the FLA-A or FLA-C FBR. If the result is greater than zero, the individual is **eligible** for payment in that month. This is also known as step 1 of the RMA process.

## Payment Computation

This is a computation to determine the actual payment amount for the CM. The FCI plus the VTR in the BM is subtracted from the FLA -A FBR or the FLA-D payment limit in the CM. This is also known as step 2 of the RMA process. See **Exhibit 1** for computation procedures and examples.

## Prospective Accounting

### [SI 02005.025](#)

This is the computation method which bases payment on income received in the same month. This income computation method is used primarily with income based on need.

## Transitional Computation Cycle (TCC)

### [SI 02005.005](#)

This computation cycle is used for exceptions to the standard RMA computation. The TCC ends with a retrospective computation.

The TCC occurs in the following situations:

- During the first and second months of eligibility for benefits (not E02\*) in an initial claim (i.e., the BM is 0 or 1); and
- During the first and second months of eligibility following a period of ineligibility (again, the BM is 0 or 1).

\*E02 is the payment status for the first month of eligibility for applications filed after 08/22/96.

## Nonrecurring Income

Beginning with the payment computation for April 1, 2005, nonrecurring income received in the first month of the TCC will be counted as income for payment computation purposes only in the first month of the TCC. For example, March is the first month in the TCC and includes nonrecurring income. The March nonrecurring income will not be used in the payment computation for the following April and May of that year.

Nonrecurring income is **any type** of income (e.g., Title II or wages) that is present in the first month, but not present in the second month.



## Determining Countable Income and Payment Amount

### SI 02005.001

To determine an applicant's payment amount, use the Federal Benefit Rate (FBR) and subtract the Countable income (CI) for the Benefit Month (BM).

We have already seen there are two income exclusions:

- \$20 General Income Exclusion applied first to unearned income; and
- Earned Income Exclusion (\$65 is subtracted from earned income and the remainder is divided by 2).

If there is no unearned income, the \$20 General Exclusion is subtracted from earned income before applying the earned income exclusion.

### Example:

In March, Eudora receives \$220 from Social Security. She earns \$150 a month in gross wages.

Step 1 Subtract \$20 from the unearned income:  $\$220 - \$20 = \mathbf{\$200}$

Step 2a Subtract \$65 from the earned income:  $\$150 - \$65 = \$85$

Step 2b Divide the answer from step 2a by 2:  $\$85 \div 2 = \mathbf{\$42.50}$

Step 3 Add the unearned countable income from step 1 and the earned countable income from step 2b to get the total countable income:  $\$200 + \$42.50 = \mathbf{\$242.50}$

Step 4 Subtract the total countable income from the FBR. This example uses the 2018 FBR of \$750.  
 $\$750 - \$242.50 = \mathbf{\$507.50}$

If this is an eligibility computation for March, then Eudora is due a payment for March but her payment amount will be based on a prior month's income, unless she was ineligible in the prior month, due to RMA.

If this is a payment computation and March is the Budget Month for May (RMA), Eudora will receive an SSI payment of \$507.50 in May.

## Rounding Income and Payments

### [SI 02001.010](#)

If an SSI payment would include a fraction of a cent, it is raised to the next higher cent. Rounding of payments is done only at the last step of any Federal or state payment computation. Rounding applies only if there is a third digit to the right of the decimal point. If the third digit to the right of the decimal point is "0," do not round. Do not round up the fourth digit to the right of the decimal point to derive the third digit.

### Effect of FLA-B on Eligibility and Payment

The FLA-A FBR is always used to determine eligibility. VTR is an acronym for the **V**alue of the one-**T**hird **R**eduction of the FBR. The dollar value of the VTR for an individual or a couple is income and is not subject to the \$20 general exclusion. The value of the VTR is then added to the countable income. The countable income and the VTR in the computation month is compared to the FLA-A FBR to determine eligibility.

### Effects of FLA-D on Eligibility and Payment

There is a \$30 (\$60 for couples) limit used to determine payment but the FLA-A FBR is still used to determine eligibility. There will be times when an individual will meet the eligibility criteria (because the CI does not exceed the FLA-A FBR), but will not be due payment because his CI plus VTR from the BM equals or exceeds the \$30 payment limit. This situation of being eligible but not payable does not interrupt the standard retrospective rule for determining the next BM.

#### **Example:**

Earl E. Byrdfultz is in a nursing home. Medicaid pays for his stay there. He receives Title II of \$400 a month. His CI does not exceed the 2018 FBR of \$750 but LA-D \$30 payment limit prohibits him from receiving SSI. He is determined to be eligible but not payable. If he leaves the nursing home, his FCI of \$380 (\$400 - \$20 general income exclusion) will be used in conjunction with the new LA to determine his benefit.

**OBJECTIVE 10:**

**Use the Title XVI Interactive Computation Facility to determine eligibility and payment amounts.**

**Title XVI Interactive Comps (ICF)****[MS 02301.002](#)**

On the SSA MAIN Menu, there is a program for Title XVI Interactive Computations. You can use this program to determine either eligibility or payment amounts depending upon the options you choose. First you should use the eligibility ICF to compute eligibility for a particular month by using the income and living arrangement for that month

**ICF for Determining Eligibility**

- From the MAIN Menu, Select #8 (Title XVI Interactive Comps).
- Select #2 to determine an individual's eligibility, or
- Select #4 to determine a child's eligibility.

If you determine the person is eligible, you then use the income and living arrangement from the budget month to perform the payment computation.

**ICF for Determining Payment**

- From the MAIN Menu, Select #8, Title XVI Interactive Comps.
- Select #3 to determine an individual's payment, or
- Select #5 to determine a child's payment.

For both the eligibility and the payment computation, you enter:

- The NH's SSN;
- Your Unit Code;

- Your name as the Requestor;
- The appropriate dates for the Budget Month and the Comp. Month, as applicable; and
- Complete other information as needed and press enter.

## **OBJECTIVE 11:**

**Obtain SSI Queries and interpret them.**

### **SSR the SSI System**

[SM 05905.008](#); [SM 01601.265](#);

The Supplemental Security Record (SSR) Master File is only part of the Supplemental Security System. The system, as a whole, is a mass of computer processes that work in an orderly and programmed sequence to establish the SSR. It is a database, which is maintained for reference in the SSI system. The SSI system sends daily information to the SSR for changes, deletions, and establishment of new SSI records.

### **How to Obtain SSI Queries?**

[MS 05203.006](#)

- Select #9 from the MAIN MENU;
- Select #10 from the Master File Query Menu (MFQM);
- Input SSN and press enter; and
- Select one of the following:
  - #1 SSID Complete Record Request
  - #2 SSID Selective Request
  - #3 SSI3 General SSI Query (abbreviated)
  - #4 SSI4 Overpayment/Redetermination

To obtain the full SSI query (equivalent of a Title II FACT), enter “H” in the “SSID = LIMIT” field.

If you do not use the H, you will be looking at an abbreviated history, which is indicated by a “+” sign in the ENIH, UMIH, CMPH, and PMTH segments.

To request a prior record, you type the record number you want in the Record Number entry.

## Reading the SSID

### [SM 01601.400](#)

The SSID or complete Record Request, contains the entire record for the most current record established.

A SSID contains:

- Complete payment history, and
- Information regarding ineligibles including the income and resources that are deemed to the eligible individual.

Some old terminated records are shortened online. A SSID request on these records gives only essential data such as the date the record was established and the date the record was terminated.

You can find record number information in the RN field located in the first line of the SSID. The most recent record established will have the highest number. **RN: 02 X 03** means you have record 2 of 3 records. Record 3 is the most recent record.

Data, organized into related groups and identified by a four position code (such as UMIH, ENIH, PRSN, DIAR, PMTH), are called segments. Segments only appear on the SSID if some information for that grouping is present. Within each segment, data can be organized into fields that are identified by a 1, 2, or 3-position code or simply displayed after a segment identifier. Fields are not shown if no entry is present.

Using QueryMaster or the **(b) (2)(b) (2)** will help you translate codes on the SSID.

## The SSI2

### [SM 01601.175](#) ; [SM 01601.190](#)

You may obtain an SSI2 or Selective Request when you want to view **up to 6 segments** of the SSR. Specify which segments you want using a 4-position code. The MSG and CCTL lines of the SSI record along with the requested segments will appear on the screen or printer. This query is used when an entire SSID is not needed.

For example, if you want to check to see if earnings are posted, you would enter as follows:

SSI2 = SEGMENT REQUEST IDENTIFIERS

ENIH (Earned Income)

This limits what is on the screen/printer to only the ENIH segment of the SSID.





## OBJECTIVE 12:

**Explain the Title II and the Title XVI offset provisions to claimants.**

### Offset Provision

#### [GN 026010.016](#)

Supplemental Security Income (SSI) payment amounts are based on countable income. Generally, Title II benefits are counted when received to determine eligibility for SSI.

Prior to offset legislation, some recipients were receiving full Title 2 AND full Title 16 retroactive benefits for the same time period. This created a “windfall” for the recipients because they were getting paid double. The offset provision prevents double payment.

Windfall happens when the combined SSI and retroactive Title II benefits exceed the amount of benefits due had the Title II been paid timely rather than retroactively.

Offset then is a reduction of SSI or retroactive Title II benefits to prevent a windfall. For a complete list of Offset terminology look in [GN 02610.005](#).

The offset amount is the difference between the SSI paid during the retroactive period, and the SSI that WOULD have been paid if the Title 2 benefits had been paid timely.

The following conditions have to exist for offset to apply:

- The beneficiary is entitled to both Title 2 and Title 16 benefits in same month; **and**
- Retroactive T2 benefits are due; **and**
- The Title 16 payments would have been less if the T2 had been paid when it was due; **and**
- The Title 2 claim is adjudicated after 6/30/81.

When processing a Title II claim for an individual who will also be due Title XVI, code the BECF clearance screen with #6 (WF) FAC code to indicate windfall offset is involved.

### **Title II Offset**

#### **[GN 02610.041 B](#)**

Title II Offset is a reduction of retroactive Title II benefits to prevent a windfall payment.

Subtract the Title II Offset amount first from the retroactive benefits due in the offset period.

If any offset remains, subtract it from the retroactive Title II due for months outside the offset period.

### **Title XVI Offset**

#### **[GN 02610.041 A](#)**

Title XVI Offset is a reduction of Title XVI benefits to prevent a windfall payment. To compute a Title XVI Offset, count the retroactive Title II benefit as though paid when due.

Apply Title XVI offset before determining any reimbursement due to the State under IAR.

## **OBJECTIVE 13:**

### **Understand What Redeterminations Are and Why They Are Conducted**

#### **Definition**

##### **SI 02305.001**

A redetermination (RZ) is a review of a recipient's/couple's non-medical eligibility factors (i.e., income, resources, and living arrangements) to determine if they are still eligible for SSI and are receiving the correct SSI payment. A redetermination can be scheduled or unscheduled.

#### **Selection Process**

##### **SI 02305.002**

Conducting a periodic review of the SSI recipient's/couple's record helps in the prevention of potential overpayments and underpayments. The review process leads to the identification of past overpayments and underpayments. It also allows the discovery of eligibility for other benefits.

Scheduled redeterminations are selected by the system according to the profile code. The concept behind the profile method of selection is that SSI cases can contain characteristics likely to cause payment changes when they are present.

Unscheduled redeterminations are initiated by certain events which require the field office to complete a redetermination even though the record may not yet have been selected for a scheduled redetermination or even though a redetermination may have already been completed recently.

Examples of events which may cause unscheduled redeterminations include the following:

- The offer to donate a SSI check or a portion of an SSI check;
- Any event which causes a large overpayment (\$1,000 or more);

- Marriage of a beneficiary or deemor;
- Multiple changes that affect payment; and
- Recipient returns to the U.S. after having been absent for 30 days or more and the U.S. diary matures.

### Redetermination (CRZD) Codes on the SSID

#### [SM 01501.002](#)

Once a redetermination is completed, it will appear on the SSID under the Case Redetermination Data segment (CRZD).

#### **EXAMPLE:**

```
CRZD PC:A 05/18
      RZ: S RZP T RZD RZI RZC RTD EE
           S 05/01/18 05/18 05/18
```

In this example, the individual had a PERC in 05/2018, which is indicated by the PC code of A and the T field code of S. As mentioned previously, a PERC is conducted for all deferred development claims that are approved.

Using QueryMaster and the (b) (2)(b) (2)(b) (2) will help you translate codes on the SSID's CRZD segment.

## **EXHIBIT 1**

### **Glossary of SSI Terms**

#### **ABON**

ABON is assistance provided under a program which uses income as a factor of eligibility and is funded wholly by a state.

#### **Cafeteria Benefit Plan**

A written benefit plan offered by an employer in which all participants are employees and a plan which allows all participants to choose, cafeteria style, from a menu of two or more cash or qualified benefits.

#### **CMV**

The current market value of any in-kind items is the amount for which the item would sell on the local open market. We generally determine that the CMV of food and shelter is equal to the amount a vendor charges for it. When developing for a rental subsidy, we determine whether the vendor charge equals the CMRV.

#### **FBR**

The Federal Benefit Rate is the maximum Federal SSI payment due before any applicable income deductions are applied.

#### **First-of-the-Month Rule**

The first of the month rule states that the value of ISM received in a given month is based on the individual's permanent residence as of the first of the moment of the month.

## Home Ownership

Home ownership, for LA/ISM purposes, exists if an individual (or the individual's living-with spouse or a person whose income is deemable to the individual) has specified forms of ownership interest in the home in which he/she lives as a permanent resident. A finding of home ownership means that any ISM from within the household received by the individual must be subject to the PMV rule rather than the VTR.

## Household

A household is a personal place of residence in which the individuals share common living quarters and who function as a single economic unit. For purposes of LA and ISM, members of a household need not be related by blood or marriage, but must live together in a single dwelling and function as an economic unit. A person who is temporarily absent from a household is still a member of the household.

## IBON

Income based on need is assistance provided under a program that uses income as a factor for eligibility and is funded wholly or partially by the Federal government or a non-government agency for meeting the basic needs.

## Income

Income is anything an individual receives in cash or in-kind that can be used to meet his or her needs for food and shelter. It is important to consider non-cash (in-kind) times as income. Examples of in-kind income include free rent and payment of grocery bills.

## In-kind Support and Maintenance (ISM)

In-kind support and maintenance (ISM) is unearned income in the form of food, or shelter or any combination of these. All food, and shelter is considered to meet an individual's basic needs even if an item could be subjectively construed to be a "luxury" item.

**ISM from Outside a Household (Outside ISM)**

In-kind support and maintenance from outside a household is the food or shelter provided to household members and paid for by a source outside the household. Outside ISM is considered to benefit all household members.

**ISM from Within a Household (Inside ISM)**

In-kind support and maintenance from within a household is food and/or shelter provided to an individual through the contributions of other household members toward household operating expenses. Food and shelter provided by someone whose income is considered in determination of the individual's eligibility and payment (i.e., an eligible spouse or a person whose income is deemable) is not ISM from within the household.

**Presumed Maximum Value (PMV)**

Presumed maximum value is a regulatory cap on the amount of chargeable ISM which is not subject to the VTR. The PMV for an individual equals one-third the individual FBR plus \$20 (the general income exclusion).

**Pro Rata Share**

Pro rata share is an individual's share of the household operating expenses computed by dividing the household operating expenses by the number of persons permanently residing in the household. The pro rata share represents the dollar value of the individual's food and shelter received from within the household. If the individual pays his/her pro rate share, he/she is not receiving inside ISM.

**Public Assistance Household**

A public assistance household is a household in which each member receives cash or vendor payments from one or more specified public income maintenance programs.

**Rental Liability**

Rental liability is an oral or written agreement between an individual (or the individual's living-with spouse or a person whose income may be deemed to the individual and a landlord that the landlord will provide shelter in return for rent).

**Successful Rebuttal**

Successful rebuttal is evidence obtained that supports a finding that the CMV or AV or ISM is less than the PMV. If the PMV is successfully rebutted, the CMV or AV, whichever is less, is the amount of ISM to be charged.

**Transient**

A transient is an individual who has no fixed place of domicile and who is neither a member of a household nor a resident in an institution.

**Value of the One-Third Reduction (VTR)**

Value of the one-third reduction (VTR) is countable ISM valued at one-third the individual's or couple's Federal benefit rate.



**EXHIBIT 2****Eligibility Determinations and  
Payment Computations, TCC,  
COLAs, and Prospective Accounting****Federal Eligibility****Eligibility Determination Procedure:**

**Use the income and FLA from the Computation Month (CM) to determine eligibility.**

$$\text{CM} = \text{FBR} - (\text{FCI} + \text{VTR}^*)$$

- If the sum of the FCI and VTR\* is less than or equal to the FBR, eligibility for that month is met. A payment computation, explained below, must be performed.

\*if applicable

- If the sum of the FCI and VTR\* is greater than the FBR, eligibility for that month is not met; no payment is due and payment computation is not required.

**Examples of Federal Eligibility Determinations**

Following are two examples of eligibility determinations for the CM.

- Mr. Charlie's FCI is \$420.00. He is in FLA-A, so the VTR does not apply. The FBR in 2018 is \$750.

\$750.00      FBR CM

-420.00      FCI CM

\$330.00      Mr. Howard is eligible this month

- Mr. Frederick's FCI is \$545.00.00. He is in FLA-B, so the VTR applies. The FBR is \$750.

\$545.00 FCI CM

+250.00 VTR CM

\$795.00 Total Countable Income exceeds the FBR for 2018 of \$750. Mr. Frederick is not eligible.

### State Supplementation

Some states pay a supplement in addition to the Federal SSI. This supplement is based on the disability category (aged, blind, or disabled) and/or FLA. The payment level for each state varies.

## Federal Payment

### Payment Computation Procedure

- Add the FCI from the Budget Month (BM) to the VTR, if applicable. (FCI + VTR)
- Determine the CM's FBR. (In this step, use the full FBR based on FLA-A (or FLA-C) or the \$30.00 payment limit based on FLA-D.)
- Subtract the sum of the FCI (and VTR, if applicable) of the BM from the selected FBR or payment limit from the CM.
- The difference is the SSI payment due for the CM.

**FBR – (FCI + VTR) = SSI payment due**

### Example of Payment Computation:

Mr. Markmyword has received SSI continuously for 2 years (i.e., his BM=2). In March, he has FCI of \$200. His FCI for January was \$150. For both months, his FLA is A and the FBR for 2018 is \$750. Determine Mr. Markmyword's SSI payment for March.

Eligibility Computation

\$750.00 FBR March

- 200.00 FCI March

\$555.00 Eligible in March

Payment Computation

\$750.00 FBR March

- 150.00 FCI January (BM=2)

\$600.00 SSI payment due in March

**Transitional Computation Cycle (TCC)****SI 02005.005**

RMA uses a BM, which is 2 months prior to the CM. There are several exceptions to standard RMA which require a method of computation called TCC. In TCC, the BM is not always two months prior to the CM. This occurs in the following situations:

- Computing payments for April 1982 and May 1982;
- The first and second months of eligibility for payment (not E02) in an initial claims situation;
- The first and second months of eligibility following a period of ineligibility. This ineligibility could be for any reason (for example - excess resources, non-residency); and
- When an ineligible spouse or an essential person who is also the ineligible spouse becomes eligible.

**Formula**

The formula used for TCC is as follows:

- For the first month in each TCC, the BM is the same as the CM (BM=0);
- For the second month, the BM is the month before the CM (BM=1); and
- For the third month (and the following months), the BM is two months prior to the CM – the standard retrospective computation- (BM=2). The budget month will remain 2 unless an event occurs that interrupts payments. When this happens, the budget month becomes zero during the month of interruption and the cycle begins again the following month with a budget month of zero.

## Applying TCC

For initial claims filed after 8/22/96, for the first month of payment the BM and the CM are the same. But, it will be the first month following the later of:

- The date the application is filed (including the protective final date if material); or
- The date the claimant first meets all factors of eligibility.

### **EXAMPLE #1:**

Louis R. Wynn applied for SSI on January 20, 2019. Assuming he is eligible and continues to be so, February is the BM for February (BM=0), March (BM=1) and April (BM=2).

### **EXAMPLE #2:**

Laureen Gleefull is an SSI recipient. In April, she receives a cash inheritance which makes her ineligible for that month (N01). Effective May she again is eligible. May is the BM for May, June and July. Beginning with August, the BM will continue to be 2 until an event occurs which interrupts the cycle.

April N01 BM=0  
May C01 BM=0 (May)  
June C01 BM=1 (May)  
July C01 BM=2 (May)  
August C01 BM=2 (June)

## Cost of Living Adjustment (COLA)

### **[SI 02005.010](#)**

The law requires that SSA determine payments for SSI at the time of a COLA to coordinate the Title II and Title XVI increases. Under RMA, an individual's benefit is generally based on income received 2 months before the month in question (BM=2).

The COLA coordination is a special payment computation that allows for the COLA increases to be used in SSI payment computations for the first and second months of a COLA increase. Immediate adjustments without regard to RMA are necessary to prevent SSI payments from fluctuating. This prevents an SSI

payment increase in January and February followed by a decrease in March that would occur with the standard 2 budget month payment computations.

**EXAMPLE:**

Jill Jordan received \$340 a month in Title II and has been continuously eligible for SSI since January 2017. She has no other income. Her Title II increased with the COLA and the new amount received in January 2018 was \$341. The \$1.00 is added to the Title II amount of \$340 for 11/17 to get \$341. The general income exclusion of \$20 is subtracted from \$341 to get FCI of \$321 which is used in January's and February's payment computation.

Jill's SSI payments for January and February 2018 are:

\$750 FBR 2018  
-321 FCI 11/17 (BM) and 12/17 (BM) plus COLA of \$1.00  
\$414 SSI for 1/18 and 2/18

March 2018 SSI payment is based on the 01/18 Title II income of \$341

\$750 FBR 2018  
- 321 FCI 01/18 (BM)  
\$414 SSI for 3/18

This payment amount continues throughout 2018 unless there is a change in countable income or a month of ineligibility.

## Prospective Accounting

### [SI 02005.025](#)

#### Background

Certain kinds of income, like Income Based on Need (IBON), stop when SSI payments begin. Under normal RMA rules, this income would be used to compute SSI payments 2 months after it stops. With the implementation of Prospective Accounting, the income will count only for the months it is received.

## Types of IBON

### [SI 00830.170](#)

Examples of IBON include:

- AFDC and the successor TANF program income [SI 00830.403](#),
- Foster Care (Title IV-E) [SI 00830.410](#),
- Refugee Cash Assistance [SI 00830.645](#),
- Cuban and Haitian Entrant Assistance [SI 00830.645](#), and
- Bureau of Indian Affairs (BIA) general and child welfare assistance [SI 00830.800](#).

**Note:** There is no Federal bar to simultaneous SSI/TANF eligibility. An individual may be included in a TANF grant for the same months that he or she is eligible for SSI. In developing their TANF programs, most States prohibited payment of TANF to SSI recipients. Consult regional instructions for information about your State.

## OFF-AIR ACTIVITIES

To learn more about the principles of SSI, you may wish to investigate the information that can be found in the following two locations. The information shown in the sites listed below will help to supplement the SSI chapter you have just completed. Briefly review each of the sites listed below, choose one and proceed to page through the information listed there.

- Go to the Office of Learning's Homepage.
- Once there, click on Online Lessons.
- Next, click on Title XVI.

There, you will find information to cover many aspects of SSI, including, basic eligibility, income, resources, living arrangements, citizenship, and how to read a SSID.

Additional information regarding the general features of SSI is located within the (b) (2)(b) (2)(b) (2)

- Once there, go to the section labeled Program Information.
- At this section, you can choose from a number of items that provide additional information. You can choose from the (b) (2)(b) (2)(b) (2)(b) (2) (b) (2) or, the (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) .

To discover several online resources that are available to assist you with interpreting the fields shown on the SSID, check out the following sites. This will help you to feel more comfortable negotiating your way around a SSID in the future when beneficiaries call or stop in the office with questions concerning their SSI payments or overpayments.

- First, go to the (b) (2)(b) (2)(b) (2)
- Under the section labeled Query Readers, click on the section for the (b) (2)
- This site will provide the descriptions of each line on the SSID and the codes used on each line.
- You may also check out the OQP Toolbar in PCOM.
- Use the button labeled QM.
- Once there, make sure you are on the MAIN Menu.

- Choose the SSID query.
- Once the SSID appears, highlight the line you wish to interpret and click on translate, which is the open book icon.

Locate the various places where you will find an SSA-L991. Can it be found in the paper forms storage area? Is it in DPS? Is it located in Uniforms?

If there are several in-office SSI Disability or Aged claims today (or a PERC or RZ) request to sit in on and observe the interview(s) with the CS/TE who is handling that interview.

### **Application Exercise:**

You will be entering an Abbreviated SSI application and a Deferred SSI application into MSSICS using **PCOM Training**.

Click on this link [\(b\) \(2\)\(b\) \(2\)\(b\) \(2\)\(b\) \(2\)\(b\) \(2\)\(b\) \(2\)\(b\) \(2\)](#). Next, click on Request a cloned SSN. On the next page, select "MSSICS". This will provide you with different scenarios that can be used to load an SSI claim. Choose any of the "Disabled Individual" cases. Use the SSNs in **PCOM Training** to load the applications into MSSICS. (If you have any questions about the use of the cloned SSN, check with your mentor or manager first, before proceeding.)

It is wise to keep the printed copy of the SSN provided to you by the Office of Learning. Use the information listed below and your cloned SSNs to enter Abbreviated and Deferred Applications into MSSICS.

### **Details for an Abbreviated Application:**

When you are finished, this application will be denied due to excess resources:

- SSN - Use cloned SSN.
- Name – Will propagate from cloned SSN.
- DOB – Will propagate from cloned SSN.
- Birthplace – Any town, state will propagate.
- Application Type - #3 Abbreviated.
- Protective Filing Date and Effective Filing Date – Today's date.
- The NH is the Applicant. The NH has never been married.



- The NH became disabled yesterday due to a heart attack.
- The NH's address is 789 Social Security Rd. Use your city's name, state and zip code to complete the ADDR screen.
- The NH has never been accused or convicted of a felony. He or she is not on parole or probation, nor does he or she have any unsatisfied warrants.
- The NH has lived alone in his or her own home since 1990. There is no phone number at which the NH can be reached.
- The NH owns two countable resources: A 2010 Honda Accord (it is paid for) valued at \$7000.00. And, a checking account at Farmers and Merchants State Bank in which he has a \$15000.00 balance.
- The NH is not insured for T2 benefits, and applied for food stamps approximately. 1-1/2 months ago.

Following is a reminder list of things you will need to do before this claim is fully processed:

- Print the application.
- Receipt it in on the Development Worksheet.
- Clear the application via the Decision Input.
- Answer "yes" to the "Close Event?" question.
- Double check the PSY field on the simulated SSR. What payment status does it show? If it doesn't show N04, recheck the claims path and attempt to clear the claim again.
- Send this information to the SSR.

### Details for a Deferred Application

- SSN - Use cloned SSN #2.
- Name – Will propagate from cloned SSN.
- DOB – Will propagate from cloned SSN.

- Birthplace – Any town, state will propagate. The NH brought in a certified birth certificate which was recorded before the age of 5.
- Application Type - #1 Deferred.
- Protective Filing Date and Effective Filing Date – Today's date.
- The NH is the Applicant. The NH has never been married.
- The NH became disabled yesterday due to a heart attack. Also, include your DDS' three-digit code and the fictitious date that you are sending this claim to DDS for a medical decision.
- Complete the Citizenship screen with relevant information. Remember...the NH was born in the U.S. and has provided a certified birth certificate.
- Complete the residence screen with appropriate information. The NH has always resided in the U.S.
- The NH's address is 789 Social Security Rd. Use your city's name, state and zip code to complete the ADDR screen. The NH does not want direct deposit but is interested in Direct Express.
- The NH has never been accused or convicted of a felony. He or she is not on parole or probation, nor does he or she have any unsatisfied warrants.
- The NH has lived alone in his or her own home since 1980. There is no phone number at which the NH can be reached.
- The NH owns three countable resources: \$20.00 in cash; one \$100.00 EE Savings Bond which was purchased in 2000; another \$100.00 HH Savings Bond which was purchased in 1998. The cash is not set aside for burial expenses. The HH bond does not pay interest.
- The NH has no income.
- The NH is not insured for T2 benefits, and applied for food stamps approximately 1-1/2 months ago. The county has not made a decision on the application for food stamps. Complete the Social Security Lead screen with information about the NH's lack of insured status. (And again...remember to...)
- Print the application.
- Receipt it in on the Development Worksheet.

- Complete the transmittal form at the time you are ready to send the claim to DDS.
- Answer “no” to the “Close Event?” question. Enter.
- Double check the PSY field on the simulated SSR. What payment status does it show? If it doesn't show H80, recheck the claims path and attempt to clear any edits that may have occurred.
- Send this information to the SSR.

Using the cloned SSN(s) you already have, complete the appropriate Title XVI Interactive Comps screens to determine if the individual is eligible for SSI. Make up different figures for the income amounts (both earned and unearned) to see how it affects eligibility. Make a screen print of the results and have your mentor show you what information is most important.

## **CONGRATULATIONS!**

You have just successfully entered two claims into the MSSICS path!

