



# How Can Work Incentives Help You Receive Supplemental Security Income (SSI) and Medicaid While Working?

How can work incentives help you keep your SSI payments and Medicaid while working?

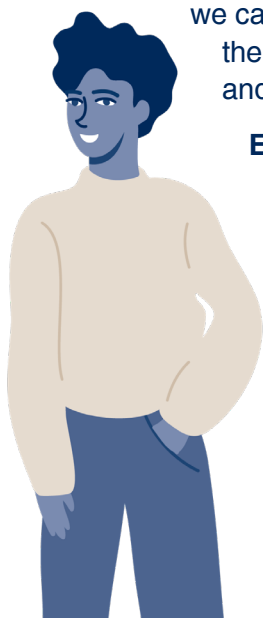
- Some work incentives allow us to exclude some of your income or resources when we determine your eligibility for SSI and payment amount.
- Other work incentives let you continue to receive Medicaid coverage if you stop receiving SSI.

You may take advantage of more than one work incentive. The income we may not count and your SSI payment may change each month depending on the types and amounts of your other income. It is important you tell us when your income changes and that you know the amount of your income we can set aside.

## Work Incentive Examples

### Student Earned Income Exclusion (SEIE)

The Student Earned Income Exclusion (SEIE) allows a person under age 22 who regularly attends school to have earnings excluded from their income before we calculate their SSI payment. In 2025, the maximum monthly SEIE is \$2,350, and the yearly limit is \$9,460.



**Example:** Chayton is a student on summer break who works at a local recreation center earning \$2,350 a month in June, July, and August 2025. In September, Chayton will return to school but will continue working part time

earning \$1,180 a month from September through December 2025. Applying the SEIE, we can exclude all of Chayton's summer earnings (June, July, and August), a total of \$7,050.

We can also exclude all of Chayton's earnings for

September and October, a total of \$2,360. Through October, we can exclude all \$9,410 (\$7,050 + \$2,360) in earnings, the yearly SEIE maximum for 2025. Chayton will receive his entire SSI payment from June through October, even though he will be working. Chayton's payment for November and December will be adjusted monthly, depending on his earnings for these months.

## Impairment Related Work Expenses (IRWE)

**Example:** Asia receives SSI payments and is self-employed. Her earnings vary each month and are the only income she receives (besides her SSI). In a typical month, Asia earns \$1,025 selling photographs in a local art co-op. Due to her disabling condition, Asia uses a motorized wheelchair and a special transportation service to get to and from work.

In 2025, Asia's work expenses are:

- \$250 a month for art co-op dues and insurance.
- \$100 a month in printing costs.
- \$250 a month for a special transportation service.

Asia's total work expenses are \$600 a month. The \$250 she spends each month for the special transportation service is her only work expense related to her impairment. We do not count her transportation costs when we determine the amount of her SSI payment:

$\$1,025 - \$20 \text{ (general exclusion)} = \$1,005$

$\$1,005 - \$65 \text{ (earned income exclusion)} = \$940$

$\$940 - \$250 \text{ (IRWE)} = \$690$

$\$690 / 2 = \$345$

$\$345 = \text{Asia's countable earnings}$

*The cost of public transportation is not typically an IRWE.*

**Note:** You must report your monthly wages and changes in other income to get accurate monthly SSI payments. Not reporting monthly wages accurately and timely can result in an overpayment. Timely reporting is especially important for self-employed people whose earnings often change month to month. We will work with you to apply the special earnings rules for self-employment.

## Plan To Achieve Self-Support (PASS)

**Example:** Roberto has cerebral palsy and receives SSI. At 17, he started working weekends and during the summer as an assistant to a writer for an online tech magazine. Roberto wants to take journalism classes at the local community college when he graduates from high school in June.

Roberto's case manager is on his Individualized Education Plan (IEP) team. His case manager told him he could apply for a PASS that would allow him to set aside money for his education to achieve his goal of becoming a journalist. The case manager connected Roberto with a benefits counselor at the local Work Incentives, Planning, and Assistance (WIPA) project. The benefits counselor helped Roberto write and submit the plan to the local Social Security PASS Specialist. Once Social Security approves his plan, he will set aside \$50 each paycheck through next fall. That money will help pay for 2 journalism classes during his first semester. After earning an associate degree, Roberto plans to apply for full-time journalist positions in the online tech magazine industry.



**Note:** It is unlikely Social Security will approve Roberto's plan without details about how he intends to fund the rest of his education.

We will exclude earnings Roberto sets aside each month for his PASS as income when determining his SSI payment amount. Also, we will not count money in his PASS savings account toward the resource limit. He will need to track his savings in a separate bank account and keep payment receipts for his classes. We will ask to see Roberto's receipts and proof of his deposits into his PASS account.

For more information, **visit [www.ssa.gov/disabilityresearch/workincentives.htm](http://www.ssa.gov/disabilityresearch/workincentives.htm)** and **[www.ssa.gov/redbook](http://www.ssa.gov/redbook)**.

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