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## **SSI and Postsecondary Education Support for Students with Disabilities**

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Young adults with disabilities who receive Supplementary Security Income (SSI) may think that postsecondary education is beyond their financial reach because their SSI benefits do not provide them with enough income for living and medical expenses after the costs of education have been met. Employment in addition to schooling may not seem a viable option because earned income can result in a decrease in, or disqualification from, the receipt of SSI and related medical benefits. However, there are ways that students with disabilities can finance postsecondary education and retain all or some of their SSI benefits.

The option of retaining benefits while financing postsecondary education is especially important for students with disabilities given findings that only approximately 27% of these students go on to postsecondary education as compared to 68% of students without disabilities (Blackorby and Wagner, 1996; Wittenburg, Fishman, Golden & Allen, 2000). Further, data shows that youth who participate in and complete postsecondary education or vocational training are more likely to secure employment than are those who do not (Benz, Doren and Yvanoff, 1998; Blackorby & Wagner, 1996; National Organization on Disabilities, 1998). The remainder of this article examines ways in which SSI can be compatible with postsecondary education support.

### **Tuition Waivers and Financial Aid**

Given that SSI is a means-tested program, based on an individual's income and resources, recipients of SSI can take advantage of several incentives that exist under other state and federal programs. For example, most state community college systems offer tuition waivers for students who meet certain financial requirements (e.g. Florida and Maryland to name two). In many states, youth who receive SSI are automatically entitled to tuition waivers as long as they meet entrance requirements. Further, most institutions of higher education offer financial aid packages of which students with disabilities should be aware.

It is important to remember that when accessing a tuition waiver, a student should make sure to understand the impact that a part-time job or participation in a work-study program may have on this benefit. In some cases, earnings may impact the amount of the SSI check received and inadvertently impact qualifying for the waiver.

Though income earned while receiving SSI will usually reduce the amount of benefit that an individual receives, once that individual is enrolled in postsecondary school or further education some earnings from work-study programs or part-time employment can be excluded so that they do not impact SSI benefits. These exclusions are possible under several incentives administered by the Social Security Administration (SSA).

### **Impact of Earnings on SSI and Income Exclusions**

The SSA allows students under age 22, who regularly attend school and who meet other criteria, to exclude up to \$1,320 of earned income per month (up to a total of \$5,340 per year) in 2002. This is known as the Student Earned Income Exclusion. Under this incentive, a student who meets eligibility criteria could earn up to \$5,340 a year and not affect the amount of SSI received.

The Student Earned Income Exclusion is applied prior to any other exclusions. It is applied only to earned income on a monthly basis up to the monthly threshold until the annual exclusion limit is either exhausted or the student is no longer eligible. When taking advantage of this income exclusion, students must provide documentation of their attendance/participation in school and the amount of monthly earnings. An example illustrating the Student Earned Income Exclusion follows:

Chris attends his local community college and earns \$900 per month as a part-time librarian. Using the Student Earned Income Exclusion, all of his monthly income for his first month of work will be “excluded” and will not impact his monthly SSI check. His second month’s earned income will also be excluded as he is beneath the monthly allowable limits in 2002 of \$1,320 and has only used \$1,800 of his maximum allowed threshold of \$5,340. Chris can continue working at this level for the next three months without impacting his SSI. At the end of five months of work he will only have exhausted \$4,500 of his Student Earned Income Exclusion for the year. However, in the sixth month he can only exclude \$840 of his \$900 monthly earnings as that will bring him to the annual limit of \$5,340. In months one through five of employment Chris will continue to receive a full SSI check.

Once the Student Earned Income Exclusion is applied and exhausted on either a monthly or annual basis, there are additional income exclusions that may be applied if the student still has countable earned income. The SSA will also deduct an Earned Income Disregard of \$65 from any remaining countable earnings. It also allows a \$20 General Income Exclusion, which can be applied to unearned income (i.e. Social Security Disability Insurance, monetary gifts), or if the student has no unearned income this can be applied to remaining countable earned income after the \$65 disregard. From the remaining countable earned income, the SSA will only count half of that income, meaning that they

will divide what earnings remain by half and then deduct that amount from the federal benefit rate allowed for that individual. Using the example of Chris:

In Chris' sixth month of employment, he will only be able to exclude \$840 of his \$900 earnings – leaving countable earnings of \$60. From this remaining \$60 the SSA will subtract the \$65 Earned Income Disregard, meaning that Chris will still have no countable income in his sixth month of work and will receive a full SSI check. However, Chris' seventh month of employment has a very different impact on Chris' benefit check. If Chris earns \$900 during the seventh month of employment, and is not in a new calendar year, no Student Earned Income Exclusion will be available. This means that SSA will begin by deducting the \$65 Earned Income Disregard from the \$900 earnings, leaving countable earnings of \$835. As Chris has no unearned income, the SSA will deduct the General Income Exclusion of \$20 leaving countable earned income of \$815. The SSA will then divide the \$815 in half leaving countable earnings of \$407.50. This amount will be subtracted from the federal benefit rate. So if Chris is single and living alone in 2002 in a state that doesn't supplement the federal benefit rate, his normal monthly SSI check of \$545 will be reduced to \$137.50.

This example illustrates how the Student Earned Income Exclusion can support the pursuit of postsecondary education by increasing monthly disposable income. If Chris simply attended school and did not work, during the seven months outlined above he would have had only \$3,815 of disposable income. However, by working and by being able to retain much of his SSI check to support his postsecondary education, Chris has a disposable income of \$6,300 in earnings plus his SSI benefit of \$3,407.50, totaling \$9,707.50 – a \$5,892.50 increase from collecting SSI benefits alone. Also note that as long as he is eligible for SSI, Chris is also eligible for the federal and state medical benefits that exist under this program.

### **Additional Work Incentives**

The Social Security Administration provides several other work incentives that may support a student with a disability to pursue postsecondary education. Impairment-Related Work Expense allows a SSI recipient to exclude from their countable earned income work expenses that are related to their disability. These work expenses must be impairment-related and paid for by the recipient. These expenses are excluded prior to dividing countable income in half as referenced in the example above, meaning that a person can only re-coup up to 50% of the amount of the actual expense. In addition, the SSA also has a Blind Work Expense for individuals who are legally blind. Blind Work Expenses are deducted from countable earnings after the SSA divides earned income in half. This means that the recipient can re-coup up to 100% of work expenses paid out of pocket. Finally, the SSA administers the Plan for Achieving Self-Support Program, which allows eligible recipients to set aside certain income and resources that they need in order to reach a specific vocational objective.

More information about these and other work incentive provisions are outlined in the SSA Red Book on Employment Support (SSA Publication #64-030) that can be found online at <http://www.ssa.gov/work> or by visiting your local SSA office. A national network of Benefits Planning, Assistance and Outreach Projects has also been established by the SSA to provide supports and information to SSI recipients and to SSDI beneficiaries seeking vocational goals and employment. A listing of these centers across the U.S. is available at the Administration's Web site listed above.

### **Implications for Practitioners**

Although it is evident that Social Security work incentives can assist postsecondary students with disabilities by allowing them to work and still retain all or some of their SSI benefits, many may not be aware that these incentives exist. They may also be daunted or confused by the paperwork, reporting requirements, and formulas that are required and applied in order to receive incentives. For students with disabilities to benefit from receiving SSI while working and attending school, it is necessary to:

- Educate high school and postsecondary school guidance counselors, postsecondary student employment personnel, and disability service personnel about the benefits of and procedures for applying for SSI and related work incentives.
- Provide students with direct assistance in applying for SSI benefits, filling out PASS plans, etc.
- Offer career counseling geared specifically for postsecondary students with disabilities.
- Conduct outreach to local employers promoting employment of students with disabilities.

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