

Student Earned Income Exclusion

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The student earned income exclusion (SEIE) is a work incentive that allows certain SSI recipients who are under age 22 and regularly attending school to exclude a specified amount of gross earned income per month up to a maximum annual exclusion. The student earned income exclusion (SEIE) decreases the amount of countable earned income, thus permitting SSI recipients to keep more of the SSI check when they work. In many cases, the SEIE allows students to test their ability to work without experiencing any reduction in the SSI check at all.

Who is eligible for the student earned income exclusion?

Currently, individuals may qualify for this income exclusion as long as they are under age 22 and a student regularly attending school, college or training to prepare for a paying job. In the past, individuals had to meet SSA's definition of a "student child" which meant the individual could not be married or the head of a household. Effective April 1, 2005, Public Law 108-203 (the Social Security Protection Act) eliminated the requirement that an individual need be neither unmarried nor the head of household in order to qualify for the Student Earned Income Exclusion.

In addition, Section 432 of the Social Security Protection Act extended the Student Earned Income Exclusion (SEIE) to all individuals on a record who are working students under the age of 22, not just those who meet the SSI definition of a child. This means that the SEIE will apply to earnings deemed from an ineligible spouse or parent(s) and it will apply to the joint earned income of eligible couples when both members are under age 22 and are working students. This represents a significant expansion of this provision!

What does "regularly attending school" mean?

Regular attendance means the individual takes one or more courses of study and attends classes:

- in grades 7 - 12 for at least 12 hours a week; or
- in a college or university for at least 8 hours a week under a semester or quarter system; or
- in a course of training to prepare him/her for a paying job for at least 15 hours a week if the course involves shop practice or 12 hours a week if it does not involve shop practice. This kind of training includes anti-poverty programs, such as the Job Corps and government-supported courses in self-improvement.

In some cases, SSA will consider an individual to be regularly attending school even if they spend less time in school than indicated above. If the reason for spending less time in school is beyond the student's control and if the circumstances justify the reduced credit load or attendance, SSA may still allow the student to apply the SEIE. Examples of circumstances that would meet these requirements might include illness or unavailability of transportation.

Prior to December 18, 2006, an individual who was being home schooled, but was not homebound, did not meet SSA's definition of a student. However, effective December 18, 2006, an individual may be a student regularly attending school when he/she is instructed at home:

- in grades 7 – 12,
- for at least 12 hours per week,
- in accordance with the home school law of the State or other jurisdiction in which he/she resides.

An individual may also be a student regularly attending school when he/she:

- has to stay home because of a disability;
- studies a course or courses given by a school (grades 7 - 12), college, university, or government agency; and
- has a home visitor or tutor from school who directs the studying or training.

How is the student earned income exclusion applied?

The SEIE is applied to a student's gross wages or net earnings from self-employment before any other allowable exclusions. In 2011, the Social Security Administration (SSA) will exclude all gross earnings up to a maximum of \$1,640 per month until the full annual exclusion of \$6,600 is exhausted, the individual reaches age 22, or the individual is no longer a student. The annual SEIE maximum applies to the true calendar year that begins in January and ends in December. It is not possible to apportion the amount of the SEIE applied in a given month. All earnings received in a month up to the current monthly maximum will be excluded as long as the annual maximum has not been reached.

The student earned income exclusion is applied directly to gross wages or net earnings from self-employment before any other deductions or work incentives are applied. The SEIE may be used in addition to other work incentives such as impairment related work expenses, blind work expenses, or a plan for achieving self-support as long as income remains to be excluded after the SEIE has been applied.

As of January of 2001, SEIE amounts are indexed annually, meaning they go up (or at least remain the same) each year in January. In future years, the monthly amount and the yearly limit will be adjusted annually based on any increases in the cost-of-living index. SEIE amounts for all prior years are shown in the following chart:

| For Months | Maximum Exclusion Per Month | Maximum Annual Exclusion |
|-------------------------------|------------------------------------|---------------------------------|
| In calendar years before 2001 | \$400 | \$1,620 |
| In calendar year 2001 | \$1,290 | \$5,200 |
| In calendar year 2002 | \$1,320 | \$5,340 |
| In calendar year 2003 | \$1,340 | \$5,410 |
| In calendar year 2004 | \$1,370 | \$5,520 |
| In calendar year 2005 | \$1,410 | \$5,670 |
| In calendar year 2006 | \$1,460 | \$5,910 |
| In calendar year 2007 | \$1,510 | \$6,100 |
| In calendar year 2008 | \$1,550 | \$6,240 |
| In calendar year 2009 | \$1,640 | \$6,600 |
| In calendar year 2010 | \$1,640 | \$6,600 |
| In calendar year 2011 | \$1,640 | \$6,600 |

What happens to the SEIE over vacations or the summer break?

An individual remains a student for the purposes of the SEIE when classes are out if he/she actually attends classes regularly just before the time classes are out and:

- tells SSA that he/she intends to resume attending regularly when school reopens; or
- actually does resume attending regularly when school reopens.

For most students, this would allow the SEIE to be applied to summer employment when school is not in session. When an SSI recipient graduates from school and does not intend to resume school later, the SEIE will apply for the last month during which school was attended, then stop. When a student changes his/her intent to return, and does not return to school, the individual is no longer considered a student effective with the month the intent changed.

How does the Social Security Administration know whether student child status applies?

SSA verifies student status during the annual SSI re-determination process. School enrollment may be documented by presenting a school record such as an ID card, tuition receipt, or other comparable evidence. If the individual does not have any evidence to present, the SSA may contact the school to verify attendance. If the SSA is aware of the child's student status, the SEIE generally will be applied automatically when earnings are reported. However, it is recommended that student status be clearly indicated in writing when notifying the SSA of employment. There is no special form or process needed to request the SEIE.

Conducting Independent Research

POMS SI 00501.020 -- Student – SSI

POMS SI 00820.510 -- Student Earned Income Exclusion

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