

Question: Does SSA count money a person receives as part of a training or educational program as wages?

Under certain VERY prescribed circumstances, money a beneficiary is paid during a training program may be disregarded as earned income. In the SSI program, this income may even be disregarded entirely, meaning that it would not even count as unearned income. However, these determinations are made on a case-by case-basis and they can ONLY be made by SSA personnel. CWICS can look at the rules and make educated guesses about how SSA will look at income received during training programs, but cannot tell beneficiaries for certain how the income will be regarded.

Here are some general guidelines to use when giving people advice. SSI and the Title II disability programs will be discussed separately:

SSI - The POMS citation which covers the exclusion of certain types of cash or in-kind items used most often in the situations being discussed is [SI 00815.050](#) Medical and Social Services, Related Cash, and In-Kind Items.

This citation says that certain types of cash or in-kind items a SSI beneficiary receives as part of receiving medical services or participating in social service programs do not count in any way as income or resources. One of the social service programs specifically named in this citation is services from state VR agencies under the Rehabilitation Act of 1973. In some states, the VR agency has people participate in short term rehabilitation and training programs for which some sort of stipend is provided. This stipend is not provided as a form of wages, but is intended to be reimbursement for expenses the person incurs by participating in the training program. In almost all cases, these stipends are a flat amount of money each week/month and it is NOT subject to FICA deductions.

Be careful here! This citation clearly states that “training for a specific job skill or trade (vocational training) is not a social service. Do not confuse vocational training with vocational rehabilitation. Vocational rehabilitation refers to a set of social services (not income) that is directed at bringing the abilities of the handicapped up to par with those of the non-handicapped. However, if part of the vocational rehabilitation includes vocational training, treat both as a social service (i.e., not income)”.

Do not make a blanket assumption that anytime an SSI recipient participates in some sort of training program, the income received is going to be disregarded. It just isn't that simple. It all depends on whether the training is part of a rehabilitation program, and what the income is intended for, and how the income is dispensed. CWICs cannot assume that if a person is getting income from a sheltered workshop that it automatically does not count. In most cases, income received in a sheltered workshop is wages and will count. There are a few exceptions to this, but in the majority of cases, sheltered workshops have an employer-employee relationship with the people they serve and the money they give people IS wages.

Title II Disability Programs –

The two citations that cover most of the issues related to training situations not being counted as earned income for the purposes of the title II disability programs are:

DI 10505.025 Special Employment Situations

<https://secure.ssa.gov/apps10/poms.nsf/lnx/0410505025!opendocument>

DI 13010.060 Determining Trial Work Period (TWP) Service Months and Evaluating Subsequent Work Activity

<https://secure.ssa.gov/apps10/poms.nsf/lnx/0413010060!opendocument>

The POMS citation defining the TWP terms contains the following statement:

1. Work that constitutes services

Work activity in employment constitutes services only if it is actually or usually performed for remuneration or profit:

- *Only count services that produce earnings higher than the TWP amounts in a month either in cash or for earnings that are normally done for pay or profit.*
- *Commissions constitute services when it is possible to isolate the earnings for each particular month. When it is not possible to isolate the earnings, divide the commissions for the particular period by the months of employment to find the commissions earned per month.*
- *Sheltered workshop earnings, under a program of rehabilitation training constitute “services” for TWP purposes.*
- *Vocational rehabilitation (VR) program earnings constitute “services” for TWP purposes.*

References:

- [*RS 02101.270B*](#), *Services for Sheltered Workshops*
- [*DI 13501.001*](#), *The Vocational Rehabilitation (VR) Program*
- [*DI 13010.025*](#), *Referral Procedure*

2. Work that does not constitute services

Activity performed without remuneration, (e.g., therapy, training, or self-care) does not constitute “services”. Additionally, if a beneficiary performs an activity where the payment is more than the amount shown in the table of service months, find that the activity does not constitute “services” if the activity, although resembling services in employment for remuneration or gain, is:

- *part of a prescribed program of medical therapy; or*

- *carried out in a hospital under the supervision of medical and administrative staff; or*
- *not performed for remuneration or gain; or*
- *the result of a beneficiary performing as a volunteer in a program under the Domestic Volunteer Service Act (DVSA) or the Small Business Act.*
- *not performed in an employer-employee relationship per [RS 02101.005](#).*

Every training situation has to be examined on a case-by-case basis to see if the money is given out under an employer-employee relationship and whether the money is provided as remuneration for work performed. Again, these are NOT determinations that CWICs are authorized to make. You have to refer this to SSA leadership for a formal determination.

The way you do this is by writing up a description of the training and how the money is provided. You submit this to your Area Director's office (perhaps with help from your AWIC) and ask for a formal determination. In most cases, the Area Director will forward the question on to either the Regional Office, or to SSA headquarters in Baltimore . When the determination is made, be sure to keep a copy of it in writing to use whenever working with individuals who participate in that training program.