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## Words of caution

- If you receive both SSI and SSDI you MUST report your income twice.
- Your local SSA office might send you a form entitled Work Activity Report if they think they need more information to determine your eligibility for benefits.
  - Fill out and submit this report promptly!
  - This is how this report might look like: <https://www.ssa.gov/forms/ssa-820.pdf>.
- If you are self-employed, you must still report even if you are not making a profit.
- Keep your own records. Do not rely on SSA filing or record-keeping system.
- DO NOT ASSUME THE CHECK YOU RECEIVE FROM SOCIAL SECURITY IS CORRECT.
  - If you get a check that you are not entitled to, do not spend it. Deposit it in a bank while you work with Social Security.
- Do NOT claim personal expenses as business expenses.
- Do not double deduct expenses
  - For example, if you have deducted an item as an impairment related work expense you cannot deduct the same item again as a business expense.

## Net Earnings from Self-Employment (NESE)

### How NESE is computed:

- Gross receipts minus business expenses (IRS Form 1040, Schedule C).
- Multiply the above amount by .9235 (SSA's exclusion for FICA).
- Divide amount by 12 months.
- This is monthly NESE.
- NESE can then be reduced by any allowable work expenses which have not already been

used to compute NESE (e.g., IRWEs) and exclusions.

- Business losses can be used to offset other earned income.

### Tips for Reporting Self-Employment Income

#### Social Security Disability Insurance:

- Send in profit/loss statements month by month to make sure that income does not exceed Trial Work Period guidelines.
- Track all hours spent working.
- Report excess NESE month by month to SSA. Do not wait until end of fiscal year or there could be a large overpayment due.

**Caution:** NEVER report gross income to SSA instead of NESE.

#### Supplemental Security Income

- Notify SSA when self-employment is initiated regardless of whether profits are generated.
- SSI profits may be adjusted according to estimate profits during initial year of business operation — make sure these estimates are as accurate as possible.
- Profits should be monitored each month and estimates adjusted accordingly.
- After initial year, SSA will adjust payments according to projected NESE — make sure the projected estimate is accurate so that SSA is not over- or underpaying.
- When projected estimates are used to adjust SSI, make sure to track profits accurately and adjust projections accordingly.

### Additional Resources:

- Social Security Administration — (800) 772-1213; [www.ssa.gov](http://www.ssa.gov)
- Massachusetts Department of Transitional Assistance — (877) 382-2363, [www.mass.gov/dta](http://www.mass.gov/dta)
- LandAJob — (855) 245-8991; [www.landajob.org](http://www.landajob.org)

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## Community Enterprise Project Transactional Law Clinics Harvard Law School

# Income Reporting Guide for SSI/SSDI Recipients

November 2017

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## When and what to report

You **MUST** report when you:

- Start employment
- End employment
- Change employment
- Increase/decrease in bonuses

Use Notice of Change of Earning Status Form to report: [https://www.hdi.uky.edu/setp/Materials/Notice\\_of\\_change\\_in\\_earnings\\_status-R.pdf](https://www.hdi.uky.edu/setp/Materials/Notice_of_change_in_earnings_status-R.pdf)

Your report should include:

- Name, address, phone number and SSN
- Type of social security benefits you are receiving
- Name, address and address of employing company
- Name of direct supervisor
- Date of hire/date of termination
- Pay rate and average amount of hours worked per week
- Pay dates
- Job title

## General Reporting Information

- Report any changes no later than 10 days after the end the month in which the change occurred.
- Even without change of circumstances, you should report your income somewhere between every month and every 3 months.
- Keep records and copies of **EVERYTHING** you send to the SSA.
- Take notes whenever you talk to or meet with someone at the SSA. Write down the person's name, what you talked about, and the date you talked or met.

## What you should report Supplemental Security Income

- Unearned income including other Social Security payments
- Any gross wages/earnings and net earnings from self-employment
- Includes in-kind items received instead of wages
- In-kind support and maintenance received from others
- Change of address
- Change in living arrangements
- Change in marital status
- Resources or assets received that cause total countable resources to be over the \$2,000 limit
- Use of any specific work incentives

## Supplemental Security Disability Insurance

- Any gross wages/earnings and net earnings from self-employment – this includes in-kind items received instead of wages
- Change of address
- Receipt of any public disability benefit such as Worker's Compensation
- Use of any specific work incentives

**NOTE:** Unearned income and resources/assets are not considered.



## How to report

**You can report your income in person:**

- Make copies of your pay stubs — keep one set for your records.
- Write your SSN on the copied pay stubs you are submitting to your local Field Office.
- Ask for a receipt from your local Field Office that confirms that you have provided evidence of your earnings and retain these for your records.
- Document the visit: location, date, time and name of individual you spoke with.

**You can also report your income by mail:**

- Make copies of pay stubs — keep one set for your records.
- Write your SSN on the copied pay stubs you are submitting to your local Field Office.
- Include letter asking your local Field Office to send you a receipt.

Use the Social Security Locator to find your nearest field office:

<https://secure.ssa.gov/ICON/main.jsp>

## Supplemental Security Income Telephone Wage Reporting

The SSI Mobile Wage Reporting (SSIMWR) application allows reporting of the total gross monthly wages for the prior month using a mobile device. Wage reporters can download and install the free SSIMWR application on an Apple or Android mobile device.

You can now sign up for email or text reminders to report monthly wages for SSI at: [www.ssa.gov/ssiwagereporting](http://www.ssa.gov/ssiwagereporting).