



Key Facts

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Benefits Assistance Resource Center
Virginia Commonwealth University, Rehabilitation Research
& Training Center on Workplace Supports

PARENT-TO-CHILD DEEMING: THE DEEMING CONCEPT



When SSA determines the eligibility and amount of payment for an SSI recipient, the income and resources of people responsible for the recipient's welfare are also considered. This concept is called "deeming." It is based on the idea that

those who have a responsibility for one another share their income and resources. It does not matter if money is actually provided to an eligible individual for deeming to apply

Parent-to-Child Deeming

1. The amount of unearned income of the parent(s) is determined. Some forms of income that might count for an eligible individual may not count for deeming purposes.
2. A standard "allocation" (\$290 for 2005) is subtracted for each ineligible child in the household (some exceptions apply--each allocation is reduced by the amount of that child's income).
3. Any remaining allocation balance is subtracted from earned income.
4. To determine countable unearned income, one \$20 general income exclusion is subtracted from parental unearned income. Any portion of the \$20 general income exclusion that is not used on unearned income is applied to earned income.
5. The amount of earned income of parent(s) is determined. Some forms of income do not count!
6. To determine countable earned income, subtract any portion of ineligible child allocations not used for unearned income is subtracted from earned income. Any portion of the \$20 general income exclusion remaining after subtracting from unearned income is subtracted, one \$65 earned income exclusion is excluded and one-half of any remaining earned income is excluded..
7. Add the parent(s) countable earned and unearned income together.
8. Subtract parent(s) allocation from total countable income (individual FBR for 1 parent, couple FBR for 2 parents).
9. Remainder is "deemed" income--counts as un-earned income for the child in the SSI calculations.

Common Parent to Child Deeming Concerns

- Child support counts as the eligible child's income--not deemed income. One third of the child support payment is excluded for youth under 18. (Under specific circumstances this exclusion may apply after age 18)
- Resource limit is \$2,000 for eligible child plus \$2,000 for 1 parent or \$3,000 for 2 parents (maximum of \$5,000).
- Parent-to-child deeming only applies to persons under 18. .

More Parent-to-Child Deeming Facts

- Certain retirement accounts or pensions do not count as parental resources for Parent-to-Child deeming purposes.
- There is one circumstance under which PtC deeming may be waived in most states (child in Medical facility). (For more detailed information refer to POMS SI01310.201--Waiver of Parental Deeming Rules)
- Income from the child is NOT deemed against the parents

Strategies for Success

1. While parent-to-child deeming is certainly complex, the general rules are not beyond the understanding of the average layperson.

It is true that Benefits Specialists cannot determine the exact amount of parental income or resources deemed to a child, but a trained Benefits Specialist can explain broad deeming concepts and how the process works. The most important message to pass along to parents is that not all income or resources count - there are myriad deductions and exclusions. Parents should never assume their child is ineligible without completing the application process, nor assume that ineligibility is a permanent condition. Only the Social Security Administration can determine how much parental income is actually deemed.

2. Deemed income from a parent to an eligible child is treated like unearned income when determining the SSI payment amount.

Since deemed income from a parent is counted along with the child's other earned and unearned income, the child's countable income may be higher than a child who has the same amount of earned and unearned income but does not have deemed income. Benefits Specialists must discuss this effect with parents, but should always point out that use of work incentives such as the Student Earned Income Exclusion in combination with the general earned income exclusion and the SSI one-half reduction often dramatically reduces the effect of earned income on the SSI payment. Many students come out ahead by working.

3. Benefits Specialists must also remember that since deemed parental income is counted as a particular type of unearned income for SSI, it may be used to fund a Plan for Achieving Self-Support (PASS).

PASS is a work incentive under which individuals with disabilities may set aside income and/or resources to be used to achieve a specific occupational goal. A PASS can be established to cover the costs of education, training, starting a business, or buying support services and equipment needed to work. Funds set aside in an approved PASS do not count when determining SSI eligibility or SSI payment amounts. A student with deemed parental income actually has an advantage when it comes to writing a PASS since he/she has income and/or resources to set aside in the PASS without even going to work. For students under age 22 without any unearned income (such as deemed income from the parents), a PASS can be difficult to use since most if not all earned income will be already be excluded by the student earned income exclusion.

Using deemed income in a Plan for Achieving Self Support (PASS) is not difficult. Simply verify the amount of income SSA has determined to be deemed and have the parent(s) contribute that amount of income into the PASS account each month. Deemed resources may be treated in the same manner. Rather than viewing parental deemed income as a thing to be avoided, Benefits Specialists need to see it as a potential opportunity to help students achieve long-term career

goals. Keep in mind that a PASS may also be used to help a student become initially eligible for SSI. If deemed income has precluded eligibility in the past, this income can be set aside in a PASS and thus disregarded during the SSI eligibility determination. Benefits Specialists can use work incentives to reduce countable income and/or resources, thus allowing for the possibility of students to receive SSI and in most states, Medicaid.

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