Implications of Social Security and Disability Payments on Filing Status & Dependency

Who Received the Payments?	Implications for Filing Status: Head of Household or/and Qualifying Surviving Spouse	Implications for Dependency
TAXPAYER (or spouse)	For Head of Household and Qualifying Surviving Spouse, the cost of keeping up the home INCLUDES SSI payments and other public assistance payments such as TANF and SNAP (food stamps). These amounts MUST be included in the calculation of income available and the total cost of keeping up the home. SSI and public assistance are considered to be paid by a third party, not by the taxpayer or qualifying person. Social Security Retirement, Disability and Survivor benefits received by the taxpayer are considered to be paid by the taxpayer. [Payments for the qualifying person received in the taxpayer's name are considered provided by the qualifying person, not by the taxpayer.]	In the **Support Test** to determine whether a person is a qualifying child or qualifying relative: ● Total support includes all Social Security benefits (Retirement, Disability, and Survivors) and SSI. ● Support provided by the taxpayer includes all Social Security benefits (Retirement, Disability, and Survivors) received by the taxpayer. ● Support provided by the potential dependent includes all Social Security benefits (Retirement, Disability, and Survivors) received by the potential dependent (even if it is received in care of someone else. ● Support provided by the State includes SSI benefits. These are considered to be provided by the state, not by the taxpayer or the potential dependent.

Who Received the Payments?	Implications for Filing Status: Head of Household or/and Qualifying Surviving Spouse	Implications for Dependency
DEPENDENT (receiving disability or social security income)	For Head of Household and Qualifying Surviving Spouse, the cost of keeping up the home INCLUDES SSI payments and other public assistance payments such as TANF and SNAP (food stamps). These amounts MUST be included in the total cost of keeping up the home to figure if the taxpayer paid more than half the cost. These amounts are not considered paid by the taxpayer. SSI and public assistance are considered to be paid by a third party, not by the taxpayer or qualifying person. Social security retirement, disability and survivor benefits and other amounts received by the qualifying person are not considered to be paid by the taxpayer, but rather are considered provided by the qualifying person.	In the **Gross Income Test** which determines whether a person is a qualifying relative (and which is not applicable to a Qualifying Child: ● Social Security Retirement, Survivors and Disability benefits are only considered part of gross income if the filer is Married Filing Separately and lived with their spouse at any time during the tax year **OR** if 1/2 the Social Security benefits plus their other gross income and tax exempt interest is more than $25,000 ($32,000 if MFJ). ● SSI is not considered part of Gross Income. ● Income from a sheltered workshop is excluded if the availability of medical care is the main reason for the individual's presence there. In the **Support Test** to determine whether a person is a qualifying child or qualifying relative: Total support includes all social security benefits, SSI, and sheltered workshop. Support provided by the dependent includes Social Security Retirement, Survivors or Disability benefits received by the potential dependent (even if the benefits are received in care of someone else), and sheltered workshop. SSI benefits are considered to be provided by the state, not by the taxpayer or the potential dependent. **Note:** A totally and permanently disabled individual may be a qualifying child regardless of age.

Note: This is not a complete list! Refer to IRS Publication 4012 for more information.