

BENEFITS AND WORK INCENTIVES

Essential Supports for Employment Success!

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USE WORK INCENTIVES TO:

- **Reduce fear and misunderstanding** about the effect of working on benefits.
- **Prevent crises** that could result if changes occur.
- **Improve employment and economic outcomes** through:
 - Increased employment rates,
 - Increased earnings, *and*
 - Decreased medical expenses.

SOME BASIC TERMS YOU NEED TO KNOW

- **SSA:** Social Security Administration
- **SSI:** Supplemental Security Income
- **SSDI:** Social Security Disability Insurance
- **WORK INCENTIVES:** Both federal *and* state-specific programs that are available to people with disabilities in return to work efforts

SSI and SSDI

- One of the most important things to understand is that:
 - Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) are **not** “disability only” benefit programs.
 - SSI and SSDI are “disability based on your inability to do substantial gainful activity” benefit programs.
 - Substantial Gainful Activity, or “SGA” is a monthly amount that can change each January 1st. In 2012, SGA is \$1,010.00 a month.

SUPPLEMENTAL SECURITY INCOME (SSI)

- **Cash Benefit**

- Disabled by SSA definition.
- Little to no assets; under \$2,000 for an individual, \$3,000 for a couple.
- Little to no income.
- Benefit Amount for 2012 is \$698, \$1,048 for a couple, reduced by other income.

- **Health Care Benefit**

- Medicaid (no waiting period).

STATE'S AGREEMENTS WITH SSA

- **“1634” States**
 - 32 States and the District of Columbia.
 - The 1634 agreement requires SSA to make Medicaid eligibility decisions and the State to provide Medicaid coverage.

STATE'S AGREEMENTS WITH SSA

- **“209(b)” States**

- Use at least one eligibility criterion more restrictive than the SSI program, but not more restrictive standards than those in effect in January 1, 1972.
- Must provide for deducting incurred medical expenses from income through Medicaid spenddown so that individuals may reduce their income to the income eligibility level.
- Currently the 209(b) States are:

Connecticut*, New Hampshire*, Hawaii, North Dakota, Illinois, Ohio, Indiana*, Oklahoma, Minnesota, Virginia, and Missouri*.

**These States do not include nonblind individuals under the age of 18 in their definition of disability. Nonblind children qualify for Medicaid under the AFDC-related eligibility standards or another special standard.*

STATE'S AGREEMENTS WITH SSA

- **“SSI Criteria” States**

- Using the SSI eligibility criteria for Medicaid, these states may make their own Medicaid determinations or ask SSA to do it.
- Currently the SSI Criteria States are:
Alaska, Nevada, Idaho, Kansas, Oregon, Nebraska, Utah
and the Commonwealth of the Northern Mariana Islands

SUPPLEMENTAL SECURITY INCOME

- **Supplemental Security Income** = Title XVI (16) or SSI
- Needs based program that provides a cash benefits and/or Medicaid. Purpose of SSI is to help you obtain food and shelter.
- **To qualify:**
 - Meet all five steps of the Social Security Administration's (SSA) sequential evaluation;
and
 - Meet resource limit of \$2,000 or \$3,000 for a couple (2012) minus standard exclusions.

SUPPLEMENTAL SECURITY INCOME (SSI)

- **Countable Income and Deeming**

- Any factor impacting your income/resources (who you live with, how much you make, how much you have, etc.) may impact SSI.
- Family earned/unearned income or resources can affect eligibility for SSI.
- Income of someone with a legal obligation to provide you food and shelter can impact a person's eligibility and/or SSI amount. SSA considers three groups when looking at legal obligation for food and shelter:
 1. Parent to Minor Child
 2. Spouse to Spouse
 3. Sponsor to Immigrant
- Rules are complicated and complex. You must work with your local SSA office to figure out your individual situation.

SOCIAL SECURITY DISABILITY INSURANCE (SSDI)

- **Cash Benefit**
 - Be disabled by SSA definition.
 - Be “insured”, or draw off “insured” worker who is disabled, retired, deceased. Amount varies based on work history.
 - No asset/resource test.
- **Health Care Benefit**
 - Medicare (after 24 month waiting period).

SOCIAL SECURITY DISABILITY INSURANCE (SSDI)

- **Social Security Disability Insurance** = Title II (Two) or SSDI
- Insurance Program. You or a family member pays into the program in order to draw benefits if qualified.
- **To qualify:**
 - Meet all five steps of the Social Security Administration's (SSA) sequential evaluation;
and
 - Meet “recent work” and “duration of work” tests. (Certain blind workers have to meet only the “duration of work” test).

Myth #1: I will lose my SSI if I go to work

FACT: Work Incentives let you keep SSI cash check or status when you work!

- Basic Deductions: SSI reduced \$1 for every \$2 after first \$20/\$65.
- Additional Work Incentives let you keep more:
 - Impairment Related Work Expense
 - Blind Work Expense
 - Student Earned Income Exclusion
 - Plan to Achieve Self Support

EXAMPLE: MAKING SUBSTANTIAL GAINFUL ACTIVITY

UNEARNED INCOME		\$0
General Income Exclusion (GIE)	-	\$0
TOTAL COUNTABLE UNEARNED INCOME	=	\$0
GROSS EARNED INCOME		\$1,010.00
Student Earned Income Exclusion (SEIE)	-	\$0
	=	\$1,010.00
GIE (if not used above)	-	\$20.00
Earned Income Exclusion (EIE)	-	\$65.00
Impairment Related Work Expense (IRWE)	-	\$0
	=	\$925.00
	Divide by 2	= \$462.50
Blind Work Expense (BWE)	-	\$0
TOTAL COUNTABLE EARNED INCOME	=	\$462.50
TOTAL COUNTABLE UNEARNED INCOME		\$0
TOTAL COUNTABLE EARNED INCOME	+	\$462.50
PASS Deduction	-	\$0
TOTAL COUNTABLE INCOME	=	\$462.50
BASE SSI RATE FOR THIS INDIVIDUAL/COUPLE (2012)		\$698.00
TOTAL COUNTABLE INCOME	-	\$462.50
ADJUSTED SSI AMOUNT	=	\$235.50

SSI

Myth #2: There is no incentive for students to try working

Fact: Students have a special rule that lets them keep more of their SSI when they work!

- Student Earned Income Exclusion

SSI

STUDENT EARNED INCOME EXCLUSION (SEIE)

- Under age of 22.
- Regularly attending school. Home schooling counts if you are following your state's home schooling regulations.
- \$1,700 a month or \$6,840 maximum (2012) a year is forgiven from SSI check.
- Must be requested. No SSI beneficiary is automatically considered for this work incentive-not even someone in public high school!
- No formal SSA form, write a letter requesting SEIE.

SSI

STUDENT EARNED INCOME EXCLUSION (SEIE)

- Regularly Attending School means:
 - Grades 7-12: at least 12 hours a week *or*
 - College or university: at least 8 hours a week *or*
 - In a training course to prepare for employment for at least 12 hours a week (15 hours a week if the course involves shop practice); *or*
 - For less time than indicated above for reasons beyond the student's control, such as illness.
- Will have to provide proof of attendance.

SSI

EXAMPLE: SEIE

UNEARNED INCOME		\$0
General Income Exclusion (GIE)	-	\$0
TOTAL COUNTABLE UNEARNED INCOME	=	\$0
GROSS EARNED INCOME		\$1,700.00
Student Earned Income Exclusion (SEIE)	-	1,700.00
	=	0
GIE (if not used above)	-	20.00
Earned Income Exclusion (EIE)	-	65.00
Impairment Related Work Expense (IRWE)	-	0
	=	0
	Divide by 2	0
Blind Work Expense (BWE)	-	0
TOTAL COUNTABLE EARNED INCOME	=	0
TOTAL COUNTABLE UNEARNED INCOME		0
TOTAL COUNTABLE EARNED INCOME	+	0
PASS Deduction	-	0
TOTAL COUNTABLE INCOME	=	0
BASE SSI RATE FOR THIS INDIVIDUAL/COUPLE		\$698.00
TOTAL COUNTABLE INCOME	-	0
ADJUSTED SSI AMOUNT	=	\$698.00

SSI

STUDENT EARNED INCOME EXCLUSION (SEIE)

- The student earns gross \$1,700.00 in May, June, July and August (Total gross of \$6,800.00).
- Under SEIE the student can deduct up to \$1,700 month until gross earnings reach \$6,840 (2012). Therefore, the student will get a full SSI check (\$698 in 2012) *plus* earnings for all four months.
- The student stops working at the end of August. The SSI check of \$698 (2012) continues.
- For calendar year January 1, 2012 through December 31, 2012, this student will make \$6,800 in gross earnings and receive monthly SSI checks in the amount of \$8,376. Assume approximate net of \$5,100, add your SSI and you have an annual income of \$13,476!
- And don't forget most or all of the taxes will come back in the form of a return through the Earned Income Tax Credit!

SSI

Myth #3: I don't make enough to lose my cash benefit

Fact: There is a work incentive you can use and get up to ½ of your expenses back in your cash benefit!

- Impairment Related Work Expense (IRWE)

SSI

IMPAIRMENT RELATED WORK EXPENSE (IRWE)

- A plan that has expenses for items or services which are directly related to enabling a person with a disability to work.
- Services or items have to be things that cannot be paid through another source, and the cost must be reasonable. Any service or item someone else can pay for will not be approved as an expense in the IRWE.
- Up to $\frac{1}{2}$ the money put aside for expenses in an IRWE comes back to the beneficiary's SSI check.

SSI

EXAMPLE: USING AN IRWE

UNEARNED INCOME		\$0
General Income Exclusion (GIE)	-	\$0
TOTAL COUNTABLE UNEARNED INCOME	=	\$0
GROSS EARNED INCOME		\$1,010.00
Student Earned Income Exclusion (SEIE)	-	\$0
	=	\$1,010.00
GIE (if not used above)	-	\$20.00
Earned Income Exclusion (EIE)	-	\$65.00
Impairment Related Work Expense (IRWE)	-	\$200.00
	=	\$725.00
	Divide by 2	= \$362.50
Blind Work Expense (BWE)	-	\$0
TOTAL COUNTABLE EARNED INCOME	=	\$362.50
TOTAL COUNTABLE UNEARNED INCOME		\$0
TOTAL COUNTABLE EARNED INCOME	+	\$362.50
PASS Deduction	-	\$0
TOTAL COUNTABLE INCOME	=	\$362.50
BASE SSI RATE FOR THIS INDIVIDUAL/COUPLE (2012)		\$698.00
TOTAL COUNTABLE INCOME	-	\$362.50
ADJUSTED SSI AMOUNT	=	\$335.50

SSI

IMPAIRMENT RELATED WORK EXPENSE (IRWE)

- In this example, the individual earns gross \$1,010.00 a month. The *approximate* net earning is \$757.50 monthly.
- The individual puts \$200.00 a month in an IRWE to cover transportation (related to disability, such as paratransit system).
- The individual's adjusted SSI monthly check is \$335.50.
- The individual now has monthly income of \$1,093.00 (approximate net earnings of \$757.50 plus SSI cash benefit of \$335.50) or yearly approximate net of \$13,116.00 as opposed to \$8,376 if just receiving SSI.
- And don't forget most or all of the taxes will come back in the form of a return through the Earned Income Tax Credit!

SSI

Myth #4: There aren't any resources to help me reach self-sufficiency

Fact: There are work incentives that will match funds you set aside to pay for expenses related to a vocational goal!

- Plan to Achieve Self Support (PASS)
- Individual Development Accounts (IDA)
<http://cfed.org/> to find an IDA in your state.

SSI

PLAN TO ACHIEVE SELF SUPPORT (PASS)

- Time limited (48 months; can be extended).
- Must have earned or unearned (e.g. SSDI) income to create plan.
- Must be able to live on amount left after putting money into PASS.
- All purchases in plan must be related to employment goal.
- Money in PASS must be spent on what is in plan or consumer will get overpayment notice.
- SSA will review PASS once a year at a minimum.
- PASS plans are excellent tools for someone who is organized and committed to an employment goal.
- Students and people saving for their own business can be good candidates for a PASS.

SSI

Myth #5: If I go back to work, I will lose medical coverage

Fact: You can keep medical when you work!

- 1619(b) Medicaid
- Individualized Threshold
- Check to see if your state has a Medicaid Buy-In program

SSI

*Myth #6: If wages cause SSI cash benefit to stop,
there's no way to get it back*

**FACT: You can stay in eligibility status even
when you don't get a cash check!**

- 1619(b)
- Expedited Reinstatement
- Individualized Threshold

SSI

1619(b)

- 1619(b) is required in all states.
- When earnings cause SSI cash benefit to go to \$0 a month, person retains Medicaid until he/she reaches the state “threshold”.
- <http://www.socialsecurity.gov/disabilityresearch/wi/1619b.htm> for your state’s 1619(b) threshold amount.

SSI

Individualized Threshold

- After the beneficiary earns over the state threshold he/she can request an Individualized Threshold from SSA.
- The individualized threshold begins with the base amount from the state threshold and adds:
 - The higher of the individual's actual Medicaid expenditures or the average per capita Medicaid expenditure. Find your state at <https://secure.ssa.gov/apps10/poms.nsf/lnx/0502302200>;
 - The higher of the State supplement rate for the individual's actual living arrangement or a “living alone” rate;
 - Any IRWE or BWE the person has;
 - Amounts of income excluded under an approved PASS; and
 - The value of publicly-funded personal/attendant care which the individual receives.

SSI

Myth #7: I will lose my SSDI if I go to work

FACT : Work Incentives let you keep SSDI cash check or status when you work!

- Trial Work Period (time limited)
- Impairment Related Work Expenses (IRWE)
- Subsidy/Unincurred Business Expense
- Extended Period of Eligibility

SSDI

IRWE and SUBSIDY in SSDI

- In SSDI a person uses Impairment Related Work Expense (IRWE) or Subsidy after completion of the Trial Work Period.
- Use IRWEs or Subsidy when making over Substantial Gainful Activity to reduce income to below SGA and continue to receive full SSDI check during and/or after 36 month Extended Period of Eligibility (EPE).

SSDI

Myth #8: If wages cause SSDI cash benefit to stop, there's no way to get it back

FACT: You stay in eligibility status even when you don't get a cash check!

- Extended Period of Eligibility
- Expedited Reinstatement

SSDI

Myth #9: Working always results in overpayments

Fact: There are strategies to prevent overpayments!

- Report regularly.
- Get a receipt from SSA to document you reported.
- Get assistance for help developing a strategy and reporting earned income.
- Know the rules - negotiate!
- Overpayments under \$1,000 can be automatically waived.
- Don't ignore the letter, no matter how scary it sounds.

Myth #10: If I retire my child loses SSI

Fact: You keep Medicaid when you become an SSDI beneficiary through a parent's account!

- Childhood Disability Beneficiary (formerly Disabled Adult Child).
- Person is over the age of 18 and disability occurred prior to age 22.
- Mom or Dad retired, passed away or became disabled.
- Person starts to receive SSDI as a result of parent's account. A special SSA provision allows person to retain Medicaid regardless of the amount of the SSDI check.

SSI and SSDI

Find Out Who's Who in Your State's Benefits World

- Check to see if your Work Incentive Planning and Assistance Program (WIPA) is still operating.
- Contact your Protection and Advocacy for Beneficiaries of Social Security (PABSS) at your state's Disability Rights agency.
- Contact your state's Vocational Rehabilitation, Intellectual and Developmental Disability or Mental Health agency, or your Governor's Office on People with Disabilities, Council on Developmental Disabilities or University Center for Excellence in Development Disabilities to find out if your state has a benefits and work incentives planning supports and services system other than the WIPA.
- Consumers needing general information about what will happen to their SSI and/or SSDI benefits when they go to work, or about the SSI and/or SSDI work incentives program can call SSA's Work Incentive Information and Referral Center (WIIRC) at 1-866-968-7842 (voice) or 1-866-833-2967 (TDD).