2017 Updates to Social Security Benefits and Their Impact

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Imagine Enterprises
2017
Training Objective and Assumption

• **Objective**: After this class, you will understand the 2017 updates to Social Security Disability Benefits and their impact.

• **Assumption**: All participants already have a basic understanding of Social Security’s disability benefits and works impact on them.
How does Social Security adjust benefit amounts each year?

- The annual updates occur based on the increase in the Consumer Price Index from the third quarter of 2014 to the third quarter of 2016.

- It is referred to as a Cost-of-Living Adjustments (COLA).
Quick Review: What are Social Security Benefits?

- Title 2 (Disability-related)
  - Childhood Disability Benefits
  - Social Security Disability Insurance (SSDI)
  - Disabled Widow(er)s Benefits (DWB)

- Title 2 (Non-disability related)
  - Auxiliary Benefits
  - Retirement

- Title 16
  - (Supplemental Security Income)
2017 “Quarter” of Coverage

• The amount of earnings required for a quarter of coverage (QC) in 2017 is $1,300.

• "Quarter of coverage" is a legal term, but you may also see the term "Social Security credit" (or just "credit") used elsewhere.

• A QC is the basic unit for determining whether a worker is insured under the Social Security program.

• No matter how high your earnings may be, you can not earn more than 4 QC's in one year.
What are the 2017 Updates to the Title 2 Work Incentives?

Trial Work Period (TWP):

Extended Period of Eligibility (EPE):

Cessation and Grace Period:
Trial Work Period (TWP)

• TWP is a nine-month period accumulated over a rolling 60-month period during which Title 2 beneficiaries can test their ability to work without losing Title 2 cash payments and Medicare coverage.

• In 2017, a beneficiary can earn any amount of money - but any gross earnings over $840 will count as a TWP month.

• No work incentives can be used during the TWP
Extended Period of Eligibility (EPE)

- For 36-months immediately following the end of the (TWP), a beneficiary who continues to be medically disabled, can receive a Title 2 check for each month that they have **COUNTABLE gross** earnings below the Substantial Gainful Activity (SGA) level for that year.

- In 2017, these amounts are $1,170.00
  - ($1,950 if statutory blind)*

- Work incentives can now be used
Cessation and Grace Period

- The first month, after the TWP, a beneficiary goes over the SGA level and is able to maintain that level of earnings for a period of time.

- Will receive the Title 2 check that first month and the following two months.

- SSA looks at unsuccessful work attempt and averaging along with other work incentives to make this determination.
## TWP and EPE Example

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Impairment-Related Work Expense (IRWE) – (No 2017 Changes)

- Any out-of-pocket expense;
- Related to your disability;
- Not reimbursed by anyone;
- Purchased so that you could continue working.
- The dollar amount of the IRWE is subtracted from the GROSS monthly earnings of the beneficiary, potentially reducing their SGA.
Subsidy – (No 2017 Changes)

- When an employer pays workers with disabilities more in wages than the reasonable value of the actual service performed or assistance is provided by an employment service or enclave type of setting.

- The dollar amount of the subsidy is subtracted from the GROSS monthly earnings of the person, potentially reducing their SGA.
Special-condition Subsidy – (No 2017 Changes)

- Human services agencies may provide support and services to B/Rs potentially subsidizing that particular individuals ability to work at an SGA level (example: Job Coach)

- The dollar amount of the subsidy is subtracted from the GROSS monthly earnings of the person, potentially reducing their SGA
Medicare Continuation

- Part A can continue, at no cost, for at least 93 months following the end of the Trial Work Period (TWP) if the individual is still medically disabled, probably longer.

- Part B may be purchased and billed quarterly.
  - Standard Premium in 2017 is $134 *HOWEVER* because the Part B Premium increased more than the COLA for 2017, if the beneficiary pays for Part B out of their Title 2 check, that rate is $109.*
  - If you enroll in Part B for the first time in 2017 or billed directly, you will pay the standard rate.
  - Social Security will clarify the premium rate for individuals that ask.

- Part D – Drug coverage – varies by plan
  - http://www.medicare.gov/
Social Security Disability Benefits and Impact of Work

Title 16 (SSI)
Title 16 - Supplemental Security Income (SSI)

- SSI makes cash assistance payments to aged, blind and disabled people (including children under 18) who have limited income and resources ($2,000 Individual and $3,000 Couple).

- The federal government funds SSI from general tax revenues.

- 2016 *= $733 for Individual or $1,100 for Eligible Couple
  - Child and Adult Definitions!

- Individuals who receive SSI cash payments also receive Medicaid coverage.
What Impacts SSI?

What is deeming?
What is ISM?
The Deeming Concept – No 2017 Changes

- 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.

- Deeming Types: Spouse-to-Spouse, Parent-to-Child and Sponsor-to-Alien
In-Kind Support and Maintenance (ISM)

- In-kind support is unearned income in the form of food or shelter that is given or received because someone else besides the benefit recipient is paying for it.

- In-kind support will effect the amount of the SSI cash benefit.

- When a child turns 18, parent-to-child deeming stops and the “adult child” transitions to ISM
Determining the Value of ISM

- The Value of the One-Third Reduction rule (VTR) applies when an individual/couple over the age of 18 live throughout a month in another person's household and receive both food and shelter from others living in the household.

- **2017**: $735 – $245 = $490 (Individual)
Twelve Month Suspension Period – (No 2017 Changes)

- Reasons other than work
- Over resources
- Food and shelter paid by non-Medicaid facility
Age-18 Redetermination – (No 2017 Changes)

- Any person who was found eligible for SSI as a child must have their eligibility for SSI redetermined as an adult.

- The redetermination will be done within a year after the person’s 18th birthday.

- It is extremely important to follow through with the Age-18 Redetermination to avoid an overpayment.
Social Security Disability Benefits and Impact of Work

Title 16 - SSI
SSI Work Incentives

- General Income Exclusion (GIE) ($20)
- Earned Income Exclusion (EIE) ($65) and divide by 2
- 1619 (a) & (b)
- Student-Earned Income Exclusion (SEIE)
- Plan for Achieving Self-Support (PASS)
- Blind Work Expense (BWE)
- Impairment-Related Work Expenses (IRWE)
SSI continues past the SGA to the break-even point

The break-even point is when SSA calculates your incomes and work incentives and you go to a zero cash benefit
**Both Earned and Unearned Income**

**STEP ONE:**
- Unearned Income $225.00
  - General Income Exclusion (GIE) $20.00
  = Countable Unearned Income $205.00

**STEP TWO:**
- Gross Earned Income $463.00
  - SEIE $0
  = Remainder $463.00
  - GIE if not used above $0
  = Remainder $463.00
  - Earned Income Exclusion $65.00
  = Remainder $398.00
  - IRWE $0
  = Remainder $398.00
  Divide by 2 $199.00
  = Total Countable Earned Income $199.00

**STEP THREE:**
- Countable Unearned Income $205.00
  + Countable Earned Income $199.00
  = Countable Income $404.00
  - PASS $0
  = Total Countable Income $404.00

**STEP FOUR:**
- Base SSI Rate: $735.00
  - Total Countable Income $404.00
  = SSI Payment $331.00

$225.00 Unearned
+463.00 Earned
+331.00 SSI Check
$1,019.00
Student Earned Income Exclusion (SEIE)

- If you are under age 22 and
- Regularly attending school.
- SSA does not count up to $1,790 of earned income per month in 2017 *
- The 2017 maximum calendar year exclusion is $7,200 *
Calculating SEIE

STEP ONE:

Unearned Income $ 200.00
- General Income Exclusion (GIE) $ 20.00
= Countable Unearned Income $ 180.00

STEP TWO:

Gross Earned Income $ 1,790.00
- SEIE $ 1,790.00
= Remainder $ 00.00
- GIE if not used above

= Remainder $ 00.00
- Earned Income Exclusion $ 65.00
= Remainder $ 00.00
- IRWE
= Remainder $ 00.00
Divide by 2
= Remainder $ 00.00
- BWE
= Total Countable Earned Income $ 00.00

STEP THREE:

Countable Unearned Income $ 180.00
+ Countable Earned Income $ 00.00
= Countable Income $ 180.00
- PASS
= Total Countable Income $ 180.00

STEP FOUR:

Base SSI Rate: $ 735.00
- Total Countable Income $ 180.00
= SSI Payment $ 555.00

200.00 Unearned
1790.00 Earned
555.00 SSI
2545.00 (DANGER!) *** NOT DONE YET***

$7,200-1790=$5410 remaining for Calendar Year (at $1790/month it will only last 4 full months with $40 for the 5th month)
REMEMBER, it is a calendar year!
Impairment-Related Work Expense (IRWE)

- Out-of-pocket expense;
- Related to your disability;
- Not reimbursed by anyone;
- Purchased so that you could continue working.
IRWE Calculation

STEP ONE:

Unearned Income $ 0
- General Income Exclusion (GIE) $ 20.00
= Countable Unearned Income $ 0

STEP TWO:

Gross Earned Income $ 750.00
- SEIE $ 0
= Remainder $ 750.00
- GIE if not used above $ 20.00
= Remainder $ 730.00
- Earned Income Exclusion $ 65.00
= Remainder $ 665.00
- IRWE $ 100.00
= Remainder $ 565.00
Divide by 2 / 2
= Remainder $ 282.50
- BWE $ 0
= Total Countable Earned Income $ 282.50

STEP THREE:

Countable Unearned Income $ 0
+ Countable Earned Income $ 282.50
= Countable Income $ 282.50
- PASS $ 0
= Total Countable Income $ 282.50

STEP FOUR:

Base SSI Rate: $ 735.00
- Total Countable Income $ 282.50
= SSI Payment $ 452.50

$750.00 Earned
+ 452.50 SSI
1202.50
100.00 (IRWE)

1102.50

p.117
Blind Work Expense (BWE)

- Documented expenses a person, who has statutory blindness as his or her primary disability with SSA;

- Incurs because the item(s) is needed for work.

- These expenses do not have to be related to blindness, just to work.
Calculating BWE

STEP ONE:

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<td>- General Income Exclusion (GIE)</td>
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STEP TWO:

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STEP THREE:

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STEP FOUR:

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<td>+ 717.50 SSI</td>
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<td>1317.50</td>
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<td>$240.00 BWE</td>
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Plan for Achieving Self-Support (PASS)

- PASS will allow recipients to set-aside income and/or resources for vocational training, self-employment or educational cost.
Calculation w/ PASS

STEP ONE:
Unearned Income $  220.00
- General Income Exclusion (GIE) $    20.00
= Countable Unearned Income. $  200.00

STEP TWO:
Gross Earned Income $  498.00
- SEIE $           0
= Remainder $  498.00
- GIE if not used above $           0
= Remainder $  498.00
- Earned Income Exclusion $  65.00
= Remainder $  433.00
- IRWE $           0
= Remainder $  433.00
Divide by 2 / 2
= Remainder $  216.50
- BWE $           0
= Total Countable Earned Income $  216.50

STEP THREE:
Countable Unearned Income $  200.00
+ Countable Earned Income $  216.50
= Countable Income $  416.50
- PASS $  416.50
= Total Countable Income $  0

STEP FOUR:
Base SSI Rate: $  735.00
- Total Countable Income $  0
= SSI Payment $  735.00
$220.00 Unearned
+498.00 Earned
+735.00 SSI
$1453.00
- 416.50 (PASS)
$ 1,036.50
1619 (b)
(2017 amount is not out yet)

- Medicaid coverage can continue, at no cost, even if your earnings become too high for a SSI cash payment, as long as
  - you need Medicaid in order to work and
  - meet other eligibility requirements.

- State of Texas 2016 threshold = $34,670
Individualized Threshold Amounts

- Individual calculation for someone with special needs or unusually high medical costs

- Earnings are not sufficient to replace cash and health benefits

- Consider: IRWE, BWE, PASS, and the value of publicly-funded personal/attendant care

- Can be done at the local SSA office
Finding Experts

- SSA (AWIC and WIC)
  http://www.socialsecurity.gov/redbook/eng/resources-supports.htm#1
- Ticket to Work – Employment Networks
  http://www.ssa.gov/work/overview.html
- TX Vocational Rehabilitations
  http://www.twc.state.tx.us/jobseekers/vocational-rehabilitation-services

Independent Living Center
http://www.ncil.org/

- WIPA Projects
  http://www.choosework.net/resource/jsp/searchByState.jsp
In Texas

- Texas Workforce Solution – Vocational Rehabilitation Services (TWS-VRS) will refer a consumer who has a completed Individualized Plan for Employment (IPE).

- Fee-for service relationship

- The IPE has an identified work goal - including preferred number of hours and pay.
Services TWS-VRS will purchase

- Benefits Information and Referral/Work Incentive Analysis/Plan
- Federal Work Incentive Programs
- State Work Incentive Programs
  - Including Medicaid Buy-in
- (I have a secret about obtaining the BPQY)
THANKS!

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