Counseling Transition-aged Youth

IMAGINE ENTERPRISE:
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STACEY LEVRETS
Goals of this training

- Understand, recognize and pro-actively notify students and families for Social Security change of benefits when students turn the age of majority (18).

- Use the Student Earned Income Exclusion for SSI beneficiaries working while in school.

- Identify additional SSA work incentives that students may use while working and in school and after they graduate.
Assumptions

- It is assumed the audience understands:

- the difference between Title 2 and Supplemental Security Income (SSI);

- the differences between Retirement Benefits, Auxiliary Benefits, Social Security Disability Insurance (SSDI), Childhood Disability Benefits (CDB) and Disabled Widow(er) Benefits (DWB) under Title 2;

- the terms Trial Work Period (TWP), Extended Period of Eligibility (EPE), Substantial Gainful Activity (SGA), SSI terms; and

- the difference between Medicare and Medicaid.
This could happen to someone under 18, but rare!

- If an SSI beneficiary works and is **younger than 24 years of age**, they may qualify for SSDI payments, too.

- If the SSI beneficiary, under the age of 24, works, **they only need 6 work credits**.

  - **Work credits**: When you work, you earn credits toward Social Security benefits. The number of credits you need to be eligible for Social Security benefits depends on your age and the type of benefit for which you are applying.

  - You can earn a **maximum** of four credits each year.

  - **2016** $1,260 earns one credit
If that happens... (Title 2) Social Security Disability Insurance (SSDI)

- Based on own work record
- Five-month waiting period for cash benefits
- Twenty-four month waiting period for Medicare (A&B, must enroll for Part D)
- Eligible for Trial Work Period, Extended Period of Eligibility, all applicable Title 2 Work Incentives and Extended Medicare.
- If concurrent (SSI and SSDI), must look at Title 2 earnings first and then SSI. Title 2 impacts the amount of SSI cash benefit a beneficiary receives.
- Look at the VCU Age-18 Check-up Handout
This could happen to someone under 18 and on SSI - not so rare!

- If a parent of an SSI beneficiary works (or has worked) and paid enough credits in to SSA’s Title 2 and the “insured” parent becomes disabled, retired or deceased, the child on SSI will become eligible for:
  - Child’s Benefits, if under 18 (no Medicare – not related to disability – no work incentive available – Annual Earning Test $15,720/year, then $1 for every $2 earned)
  - Childhood Disability Benefits (CDB), if over 18 (Medicare after 24 months – related to disability – work incentives available)
    - SSA used to refer to this a Disabled Adult Child (DAC) and some in SSA still use this term

- SSI is a needs-based benefit and Title 2 is an entitlement program (someone paid in), so they must take the Title 2 benefit

- Depending on the amount of the Title 2 benefit, the beneficiary may be able to keep SSI and will be considered a concurrent beneficiary.

- If the amount is high enough to take the SSI check to zero, the child will be ineligible for the SSI check, but retain Medicaid under the Pickle Amendment.

- Do not assume all youth under 18 get SSI, verify with SSA (BPQY)
Turning 18

- When a beneficiary turns 18, **SSA no longer considers them a child**…. Many critical items to watch out for:
  - **SSI: age-18 redetermination**
    - Received SSI under the child’s definition, must reapply and be found eligible under the adult definition.
  - **SSI: Parent-to-Child Deeming stops and In-Kind Support and Maintenance (ISM) begins**
    - Parents income and resources no longer count
    - Great time to reapply, if formally denied due to parent income and resources.
    - Now SSI wants to know where the beneficiary is living and is he/she paying his/her fair share of food and shelter
  - **Title 2**: those on child’s benefits who meet SSA’s disability standards, will transition to Childhood Disability Benefits (CBD)
  - **Both**: Parental guardianship ends and parents must evaluate the need for a Representative Payee
More on SSI Age 18 Determination

- Must have the age-18 determination to be found eligible for SSI as an adult
- Should occur within 12 months of the 18th birthday – may be initiated a month prior
- It is treated as an initial application, however it does not need to meet the Medical Improvement Standard (MIRS)
- When the MIRS is applied, the burden of proof falls on Social Security to document that medical improvement has occurred. Without the application of the MIRS, the burden of proof lies with the individual in establishing that the adult disability criteria for SSI are met.
- The SGA is not taken in to consideration during this process
... and more

- If found eligible, SSI and Medicaid continue

- If denied, benefits are terminated 2 months after the date on the notice, regardless of when it was done in the 18th year. They do not go back to the month the beneficiary turned 18

- Section 301

- The beneficiary can appeal the denial decision.

- Prepare the beneficiary and family – be pro-active, not reactive!
SSI Beneficiary’s Transition from Deeming to ISM

- Parent-to-Child Deeming prior to 18th birthday
- Deeming stops on the 18th birthday
- Contact SSA prior to 18th birthday to complete the ISM evaluation
- ISM is considered unearned income in the form of food and/or shelter that someone else pays for.

- How SSA counts the ISM depends on the beneficiary’s living situation
  - Value of the 1/3 Reduction (VTR) - pays nothing toward food and shelter
  - Presumed Maximum Value (PMV) – pays some things, part of food and/or shelter is furnished by another - can never exceed more than 1/3 of the current SSI Federal Benefit Rate (FBR) + $20
    - Also, there is a Flat Rate Rental Agreement

- There is no rental subsidy, and no PMV charged, in Texas if the rent charged is equal to or exceeds the PMV amount.  DAL 00835.380.  (Diaz case) Bottom Line:  If a parent charges their kid $265 (1/3+$20) in rent and the adult-child pay for their own food, then they will get the full $733.
Student-Earned Income Exclusion (SEIE)

- SSI work incentive ONLY!

- Allows SSI beneficiaries, under the age of 22, who regularly attend school to exclude up to $1,780/month of grossed earned income, with maximum calendar year cap of $7,180 (in 2016)
Regularly Attending School

- As long as the SSI youth is regularly attend school prior to the end of the school year and plan to return the next school year, the student status applies for all months within the quarter, including summer months.

- SSA verifies the student’s status during the annual determination

- SEIE in NOT optional, if the student is eligible, the exclusion must be applied

- Do not assume that SSSA does this automatically, the SEIE need to be requested in writing (see handout)
"Regularly attending school" means that the person takes one or more courses of study and attends classes:

- in a college or university, for at least 8 hours a week; or
- in grades 7–12, for at least 12 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
- in a home school situation, for at least 12 hours per week and in accordance with the home school law of the State or jurisdiction in which the student resides; or
- for less time than indicated above for reasons beyond the student's control, such as illness.

A person who is homebound because of a disability may be a student when he or she: studies a course or courses given by a school (grades 7–12), college, university, or government agency; and has a home visitor or tutor from school who directs the study or training.
Procedure when a student changes intent to return to school

When a student changes intent to return to school, determine that the individual is no longer a student effective with the month the intent changed.

**EXAMPLE:** Jane Lett is a 19-year-old enrolled in a vocational course. She completes one-half of the course in June. She plans to return to school for the second half in late August.

In October, the field office (FO) discovers that she did not return to school. Effective August 1, she loses her student status.
SEIE and SSA Approval

- Do not assume SSA know this SSI beneficiary meets the “student” requirements - be sure to report to SSA when initial work is reported.

- Provide verification of student enrollment with school records, ID card, tuition receipt or other fact-based evidence.

- Provide: name and address of the school, institution, or instructor (in home schooling situation) furnishing the training; name and phone number of a contact person to verify, if necessary; and information on the course or courses of study, dates on enrollment, number of hours in attendance, and other information requested.

- Be sure to document that the program involves training to prepare the beneficiary for a paying job.
SEIE and Plan for Achieving Self Support (PASS)

➤ SEIE is **deducted first** on the SSI calculation sheet, usually disregarding all earned income that could normally be set aside in a PASS.

➤ If the student has **unearned** income, the SEIE has **no impact**; all countable **earned** income is disregarded under SEIE.

➤ The student **can have** “saved” earnings by putting them in a bank and then set aside in a PASS as a resource instead of income.
  ➤ Remember the resource limit for SSI is $2,000
Examples to work through

- Savana receives SSI and is 16 and is a full-time high school student. She regularly attends class and she just received her driver’s license. Savana wants to work and save to buy a car. January 1, she secures a job working evening and weekends at the mall and will gross $985/month. She has no other source of income.

- Does Savana meet the eligibility criteria for SEIE?
- If eligible for the SEIE, at $985/month, how long will her SEIE last? Will it last 12 months? If not, what happens to those additional moments?
- Will she still be eligible next school year (Jr. year)? When will it start again?
- What is she started working in October?

- Let’s look at the SSI calculation sheet:
Savana receives SSI and is 16 and is a full-time high school student. She regularly attends class and just received her driver’s license. Savana wants to work and save to buy a car. January 1, she secures a job working evening and weekends at the mall and will gross $985/month. She has no other source of income.

- Does Savana meet the eligibility criteria for SEIE? **YES**
- If eligible for the SEIE, at $985/month, how long will her SEIE last? **Seven full months with $285 left over for August.** Will it last 12 months? **No** If not, what happens those additional moments? **SEIE is not available the remainder of the calendar year**
- Will she still be eligible next school year (Jr. year)? **Yes, as long as she plans to return** When will it start again? **January 1 – be sure to check new SEIE thresholds!**
- What is she started working in October? **She would only have 3 months on SEIE before a new calendar year would start**
Calculating SEIE - January

### STEP ONE:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unearned Income</td>
<td>$ 00.00</td>
</tr>
<tr>
<td>General Income Exclusion (GIE)</td>
<td>$ 20.00</td>
</tr>
<tr>
<td><strong>Countable Unearned Income</strong></td>
<td>$ 00.00</td>
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</table>

### STEP TWO:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Gross Earned Income</td>
<td>$ 985.00</td>
</tr>
<tr>
<td>SEIE</td>
<td>$ 985.00</td>
</tr>
<tr>
<td><strong>Remainder</strong></td>
<td>$ 00.00</td>
</tr>
<tr>
<td>GIE if not used above</td>
<td>$ 00.00</td>
</tr>
<tr>
<td><strong>Remainder</strong></td>
<td>$ 00.00</td>
</tr>
<tr>
<td>Earned Income Exclusion</td>
<td>$ 65.00</td>
</tr>
<tr>
<td><strong>Remainder</strong></td>
<td>$ 00.00</td>
</tr>
<tr>
<td>IRWE</td>
<td>$ 00.00</td>
</tr>
<tr>
<td><strong>Remainder</strong></td>
<td>$ 00.00</td>
</tr>
</tbody>
</table>

Divide by 2

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Remainder</strong></td>
<td>$ 00.00</td>
</tr>
<tr>
<td>BWE</td>
<td>$ 00.00</td>
</tr>
<tr>
<td><strong>Total Countable Earned Income</strong></td>
<td>$ 00.00</td>
</tr>
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</table>

### STEP THREE:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Countable Unearned Income</td>
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</tr>
<tr>
<td>+ Countable Earned Income</td>
<td>$ 00.00</td>
</tr>
<tr>
<td><strong>Countable Income</strong></td>
<td>$ 00.00</td>
</tr>
<tr>
<td>- PASS</td>
<td>$ 00.00</td>
</tr>
<tr>
<td><strong>Total Countable Income</strong></td>
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### STEP FOUR:

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<tr>
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</thead>
<tbody>
<tr>
<td>Base SSI Rate:</td>
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<tr>
<td>- Total Countable Income</td>
<td>$ 00.00</td>
</tr>
<tr>
<td><strong>SSI Payment</strong></td>
<td>$ 733.00</td>
</tr>
</tbody>
</table>

00.00 Unearned
985.00 Earned
733.00 SSI

1718.00 (DANGER)

*** NOT DONE YET***

$7,180-$985=$6195 remaining for Calendar Year
Two years later

Savana receives still receives SSI and is now 18 – she is still full-time high school student ready to graduate High School and start college in the fall. She wants to be a lawyer. She regular attends class and excited about graduating and starting college. Savana secures a job as a legal assistance. She starts January 2 and will be working 35 hours a week. She will gross $2,000/month. Due to her previous work, she is now eligible for $200 in SSDI.

Does Savana meet the eligibility criteria for SEIE?

If eligible for the SEIE, at $2000/month, how long with her SEIE last? Will it last 12 months? If not, what happens those additional moments?

Will she still be eligible next school year (Freshman Year of college)? When will it start again?

What happens to her SSI if her SEIE runs out?
Savana receives still receives SSI and is now 18 – she is still full-time high school student ready to graduate High School and start college in the fall. She wants to be a lawyer. She regular attends class and excited about graduating and starting college. Savana secures a job as a legal assistance. She starts January 2 and will be working 35 hours a week. She will gross $2,000/month. Due to her previous work, she is now eligible for $200 in SSDI.

- Does Savana meet the eligibility criteria for SEIE? Yes
- If eligible for the SEIE, at $2000/month, how long with her SEIE last? 4 full months with $60 left over in May. Will it last 12 months? No If not, what happens those additional moments? SEIE is not available the remainder of the calendar year
- Will she still be eligible next school year (Freshman Year of college)? Yes, as long as she plans to return When will it start again? January 1 – be sure to check new SEIE thresholds!
- What happens to her SSI if her SEIE runs out? Zero SSI check – need to check State’s 1619(B) threshold for Medicaid. BUT .... Could look at PASS to pay for college
### Calculating SEIE - January

#### STEP ONE:

<table>
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<tbody>
<tr>
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<tr>
<td>= Countable Unearned Income</td>
<td>$180.00</td>
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#### STEP TWO:

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
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<td>$2,000.00</td>
</tr>
<tr>
<td>- SEIE</td>
<td>$1,780.00</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$ 220.00</td>
</tr>
<tr>
<td>- GIE if not used above</td>
<td>$ 0</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$ 220.00</td>
</tr>
<tr>
<td>- Earned Income Exclusion</td>
<td>$ 65.00</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$ 155.00</td>
</tr>
<tr>
<td>- IRWE</td>
<td>$ 0</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$ 155.00</td>
</tr>
<tr>
<td>Divide by 2</td>
<td>/ 2</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$ 77.50</td>
</tr>
<tr>
<td>- BWE</td>
<td>$ 0</td>
</tr>
<tr>
<td>= Total Countable Earned Income</td>
<td>$ 77.50</td>
</tr>
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#### STEP THREE:

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Countable Unearned Income</td>
<td>$180.00</td>
</tr>
<tr>
<td>+ Countable Earned Income</td>
<td>$ 77.50</td>
</tr>
<tr>
<td>= Countable Income</td>
<td>$257.50</td>
</tr>
<tr>
<td>- PASS</td>
<td>$ 0</td>
</tr>
<tr>
<td>= Total Countable Income</td>
<td>$257.50</td>
</tr>
</tbody>
</table>

#### STEP FOUR:

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Base SSI Rate</td>
<td>$ 733.00</td>
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<tr>
<td>- Total Countable Income</td>
<td>$257.50</td>
</tr>
<tr>
<td>= SSI Payment</td>
<td>$ 475.50</td>
</tr>
</tbody>
</table>

**200.00 Unearned**  
2000.00 Earned  
475.50 SSI  
2675.50 (DANGER!)  
*** NOT DONE YET***  
$7,180-$1,780=$5400 remaining for Calendar Year
Calculating SEIE (May)

**STEP ONE:**

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

**STEP TWO:**

- **Gross Earned Income**: $2,000.00
  - SEIE: $60.00
  = **Remainder**: $1,940.00
  - GIE if not used above: $0
  = **Remainder**: $1,940.00
  - Earned Income Exclusion: $65.00
  = **Remainder**: $1,875.00
  - IRWE: $0
  = **Remainder**: $1,875.00
  Divide by 2
  = **Remainder**: $937.50
  - BWE: $0
  = **Total Countable Earned Income**: $937.50

**STEP THREE:**

- **Countable Unearned Income**: $180.00
  + **Countable Earned Income**: $937.50
  = **Countable Income**: $1,117.50
  - **PASS**: $0
  = **Total Countable Income**: $1,117.50

**STEP FOUR:**

- **Base SSI Rate**: $733.00
  - Total Countable Income: $1,117.50
  = **SSI Payment**: $0

200.00 Unearned
2000.00 Earned
0 SSI
2200.0 0 (DANGER!)
*** NOT DONE YET***
$7,180-$7,180=$0 remaining for Calendar Year
Health Care and Turning 18

No impact to:
- SSI: Medicaid or 1619(b)
- CDB Special Medicaid Beneficiary (Pickle) status
- Medicaid Buy-in
- Medicaid Waivers
- Medicare eligibility, including Extended Period of Medicare Coverage (EPMC)
- Employer Health Care
- Extended parental coverage under the Affordable Care Act (up to age 26)
Title 2 and Transition-aged Youth

- Consider loss of Child’s benefits – do not meet SSA disability standards
- Transition to Childhood Disability Benefits (CDB) from Child’s Benefits
  - If the CDB marries, must be to someone also on Title 2 only ... or CDB benefits are stopped
- Impact of CDB on SSI
- Paying in enough work credit and becoming eligible for SSDI
- Potential to receive SSDI and CDB (Dual Eligible Beneficiary)
- Potential to receive SSDI, CDB and SSI (Dual-Concurrent Beneficiary)
Turning 18 and Representative Payee

- Not the same as a legal guardian

- Need for Rep Payee is reviewed at age 18

- Rep Payee can be a person, agency, organization, or institution the at will receive and manage benefits, as well as submitting changes and reports to SSA.

- The more the beneficiary is financially and benefits literate, the less likely a Rep Payee is needed
Career/Futures Planning and Transition-aged Youth

- SSA, State and Federal considerations:
  - SSI: Student Earned Income Exclusion (SEIE)
  - Plan for Achieving Self Support (PASS)
  - Ticket to Work
  - One-Stops and Workforce Centers
  - TANF – Individual Development Accounts
  - PELL grants and educational loans and scholarships