What Professionals Need to Know about Social Security Benefits and Work

Sandy Hardy-Smith
Imagine enterprises
2019
Goal: At the end of this training, you will understand the:

- basic difference between title 2 and supplemental security income (SSI);
- basic process and impact on these benefits when a student turns 18; and

- Supplemental Security Income (SSI) eligibility
- Title 2 eligibility
- Medicaid

- that work is a good thing for students... and
- how you can help!
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)
Title 2 Child’s Benefits

Provided to certain children of insured workers who are now deceased, retired and receiving Social Security retirement, or disabled and were/are receiving SSDI who are:

- Under age 18; or if 18 or older, a full-time elementary or secondary school student under age 19, and

- Dependent upon the insured worker

- Unmarried (with some exceptions)
Title 2 Disability Benefits

- There are multiple ways to become eligible for Title 2 benefits, we focus on:
  - Social Security Disability Insurance (SSDI)
  - Childhood Disability Beneficiary (CDB)
  - Disabled Widow(er) Benefits (DWB)
Title 2 Disability Benefits

- Provides cash benefits (after a 5-month waiting period)

- Medicare (after an additional 24-month waiting period) to beneficiaries (and their family members) who have sufficiently contributed to the Social Security Trust Fund.

- If the beneficiary goes to work and uses all applicable work incentives and still has countable earnings above SGA, Social Security takes **ALL** the check. There is **no** gradual reduction.
Social Security Disability Insurance (SSDI)

- Title 2 disability benefit paid to disabled former workers who are **fully insured**

- Beneficiaries do **NOT** have to be 18 or older

- Eligibility for SSDI can happen quickly for young people as **fewer work credits are required**.

- A 24 Medicare Qualifying Period **and** 5-month waiting period apply.
Childhood Disability Beneficiaries (CDB)

- Must be at least 18;
- Disabled per SSA’s definition prior to age 22; and
- Be the child of an insured worker who is deceased, retired, or disabled,
- Unmarried (with some exceptions)
- **No waiting period for payments**, but 24-month Medicare Qualifying Period does apply.
- Earnings are treated the same for all Title 2 disability beneficiaries
- Eligible for all applicable disability work incentives.
Trial Work Period (TWP)

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

- In 2019, a beneficiary can earn any amount of money - but any gross earnings over $880 will count as a TWP month.

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

- For 36 CONSECUTIVE 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 2019, these amounts are $1,220.00**
  - ($2,040 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)

• Any out-of-pocket expense;
• Related to your disability;
• Not reimbursed any 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

- 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

- Human services agencies may provide support and services to beneficiary potentially subsidizing that particular individual's 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
Title 2 and Medicare

- Medicare is the federal health insurance program for people who are 65 or older, certain younger people with disabilities, and

- people with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant, sometimes called ESRD).
Medicare

- The different parts of Medicare help cover specific services:
  - Medicare Part A (Hospital Insurance)
  - Medicare Part B (Medical Insurance)
  - Medicare Part C (Medicare Advantage Plans)
  - Medicare Part D (prescription drug coverage)
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 2019** is $135.50

- Part D – Drug coverage – varies by plan
Title 16: Supplemental Security Income (SSI)

What Professionals need to know
Supplemental Security Income (SSI)

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

- The federal government funds SSI from general tax revenues.

- In 2019 (the most SSI checks can be) = $771 for Individual or $1,157 for Eligible Couple (both on SSI)

- Individuals who receive SSI also receive Medicaid coverage. In Texas, Medicaid is automatic
SSI Rules and Processes

Deeming,
In-Kind Support and Maintenance (ISM),
12-month Suspension Period,
Age 18 Redetermination,
Work Credits …

OH MY!
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.

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

- **When a child turns 18**, parent-to-child deeming stops and the “adult child” transitions to 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**.
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.

- 2019: $771 - $257 = $514 (individual)
SSI Beneficiary (18+ years old and still lives with his/her parents or others)

- In order not to be charged with this support, the youth must show that
  - he/she has rental liability,
  - is paying his/her share of the household expenses, or
  - has some degree of ownership in the home.

- In Texas, this arrangement exists when the rent or flat fee payment equals or exceeds the applicable presumed maximum value (PMV) or $277, in 2019
Twelve Month Suspension Period

- Reasons other than work
- Over resource limit
- Food and shelter paid by non-Medicaid facility
Definition of Disability

- The definition of disability is the **same** for title 2 and SSI.
- The law defines disability as:
  - the inability to engage in any substantial gainful activity (SGA – in 2019 is $1,220 non-blind or $2,040 stat blind)
  - by reason of any **medically determinable** physical or mental impairment(s)
  - which can be expected to result in death, or which has lasted or can be expected to last for a **continuous period of not less than 12 months**.
Disability Determination in Children for SSI

- Under SSI, a child **under age 18** will be considered disabled if he or she:
  
  - has a **medically determinable** physical or mental impairment **or** combination of impairments that causes marked and severe functional limitations, and
  
  - that can be expected to cause death or that has lasted or can **be expected to last** for a continuous period of not less than 12 months.
Age-18 Redetermination

- Any person who was found eligible for SSI as a child must have their eligibility for SSI re-determined 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.
Age 18 Redetermination

- **Only** applies to SSI recipients.

- Remember: SSI program has two different definitions of disability – one for children under age 18 and one for adults aged 18 and above.

- Title II disability beneficiaries are **NOT** subject to redeterminations at the age of 18 since there is only one disability standard in the title II program.
Age 18 Redetermination Process

- Considered to be **initial** eligibility decision

- The **burden of proof lies with the individual** in establishing that the adult disability criteria for SSI are met.

- Need for youth, their families, **school personnel**, and others to provide:
  - accurate and up-to-date documentation and
  - evidence related to the disabling condition and the person’s ability to function and work.
Age 18 Redetermination DENIED

- Entitled to receive two more months of payments after the date of this notice

- Overpayment may occur if an ineligible individual continues to receive payments after the two-month grace period.

- The good news is that individuals found ineligible under the adult rules, are NOT required to pay back of all SSI payments received after the 18th birthday month.
Section 301

- SSI payments continue even if the person is not found eligible for SSI as an adult

- actively participating in an appropriate program of vocational rehabilitation or

- receiving special education services under an Individualized Education Plan (IEP) before the disability determination was made.
Section 301

- Social Security has to determine that the person will be less likely to need SSI benefits in the future if the person completes their education or vocational rehabilitation program.

- **For youth under age 22**, Social Security assumes that continued participation in educational program under an IEP is likely to result in permanent removal from the disability rolls.
Benefits on Your Own Record

- Someone who has worked and earned enough Social Security credits and is disabled can receive Social Security Disability Insurance (SSDI) based on their own work record.

- A Childhood Disability Beneficiary (CDB) who have worked enough may be entitled to DIB. Similarly, CDB’s who work after age 18 may earn enough Social Security credits to become entitled on their own work record.

- A youth under age 24 needs only six (6) credits to qualify.
The amount of earnings required for a quarter of coverage (QC) in 2019 is $1,360.

"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.
Medicaid

- Medicaid is a jointly funded, Federal-State health insurance program for low-income and needy people.

- It covers children, the aged, blind, and/or disabled and other people who are eligible to receive federally assisted income maintenance payments.

- In Texas, when someone is eligible for SSI, that person is automatically eligible for Medicaid.
Medicaid and 1619 (b)

- When a beneficiary goes to work there is a gradual reduction in benefits (it is not all or nothing)

- Medicaid coverage can continue, at no cost, even if earnings become too high for an SSI cash payment, if
  - the person needs Medicaid in order to work and
  - meet other eligibility requirements.

- State of Texas 2018 threshold for 1619(b) = $35,181 (2019 Threshold is not released yet)
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
Retrospective Monthly Accounting

- **RMA has two elements:**
  - **The eligibility test** which is based on the individual’s or couple’s income, resources and other factors in the month for which the payment calculation is made; and,
  - **The payment computation**, which is generally based on the income in the second month before the month for which payment is being computed.

- **Stated more simply**, eligibility is for the current month, but an individual or couple’s SSI benefit is usually based on the income received two months earlier.
Retrospective Monthly Accounting – Example

- Korra works and receives SSI. In **August**, she earns $285.00. In **October**, she earns $400.00. Because of RMA, Korra’s **October** payment is based on her **August**, not her **October** earnings.
  - It is helpful to remind SSI recipients that there is a delay in the effect earnings have.

- Korra, for example, will have extra to live on in **October**, because her earnings were higher, and her SSI was based on August’s lower earnings.

- **In December**, however, when Korra does not have work income, her SSI payment is based on **October**, and she has much less income in the month for her living expenses.

- This can leave someone without enough funds to pay living expenses in each month.
SSI Work Incentives

- General Income Exclusion (GIE) ($20)
- Earned Income Exclusion (EIE) ($65) and divide by 2
- 1619 (b)
- Student-Earned Income Exclusion (SEIE)

- Plan for Achieving Self-Support (PASS)
- Blind Work Expense (BWE)
- Impairment-Related Work Expenses (IRWE)
- Section 301
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
- GIIE if not used above $0
= Remainder $463.00
- Earned Income Exclusion $65.00
= Remainder $398.00
- IRWE $0
= Remainder $398.00
Divide by 2 / 2
= Remainder $199.00
- BWE $0
= 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: $771.00
- Total Countable Income $404.00
= SSI Payment $367.00

$225.00 Unearned +463.00 Earned +367.00 SSI Check $1,055.00
Student Earned Income Exclusion (SEIE)

- If you are under age 22 and
- Regularly attending school.
- SSA does not count (up-to) $1,870 of earned income per month in 2019
- The 2019 maximum calendar year exclusion is $7,550
Calculating Student Earned Income Exclusion (SEIE)

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1870.00 Earned

771.00 SSI

2641.00 (DANGER!)

$7,550 - 1,870 = $5,680 remaining for Calendar Year (at $1870/month it will only last 3 full months with $70 for the 4th month) REMEMBER, it is a calendar year!

*** NOT DONE YET***
Calculating Student Earned Income Exclusion (SEIE) (BETTER)

STEP ONE:

Unearned Income $ 00.00
- General Income Exclusion (GIE) $ 20.00
= Countable Unearned Income $ 00.00

STEP TWO:

Gross Earned Income $ 629.16
- SEIE $ 629.16
= Remainder $ 00.00
- GIE if not used above $ 00.00
= Remainder $ 00.00
- Earned Income Exclusion $ 65.00
= Remainder $ 00.00
- IRWE $ 00.00
= Remainder $ 00.00
Divide by 2 $ 00.00
= Remainder $ 00.00
- BWE $ 00.00
= Total Countable Earned Income $ 00.00

STEP THREE:

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

STEP FOUR:

Base SSI Rate: $ 771.00
- Total Countable Income $ 00.00
= SSI Payment $ 771.00

629.16 Earned
771.00 SSI
1400.16 (NO DANGER)

*** NOT DONE YET***

$629.16 x 12 months = $7,549.92 – just under the calendar cap of $7,550
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:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unearned Income</td>
<td>$ 0</td>
</tr>
<tr>
<td>- General Income Exclusion (GIE)</td>
<td>$ 20.00</td>
</tr>
<tr>
<td>= Countable Unearned Income</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

---

**STEP TWO:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Earned Income</td>
<td>$ 750.00</td>
</tr>
<tr>
<td>- SEIE</td>
<td>$ 0</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$ 750.00</td>
</tr>
<tr>
<td>- GIE if not used above</td>
<td>$ 20.00</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$ 730.00</td>
</tr>
<tr>
<td>- Earned Income Exclusion</td>
<td>$ 65.00</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$ 665.00</td>
</tr>
<tr>
<td>- IRWE</td>
<td>$ 100.00</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$ 565.00</td>
</tr>
<tr>
<td>Divide by 2</td>
<td>/ 2</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$ 282.50</td>
</tr>
<tr>
<td>- BWE</td>
<td>$ 0</td>
</tr>
<tr>
<td>= Total Countable Earned Income</td>
<td>$ 282.50</td>
</tr>
</tbody>
</table>

---

**STEP THREE:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countable Unearned Income</td>
<td>$ 0</td>
</tr>
<tr>
<td>+ Countable Earned Income</td>
<td>$ 282.50</td>
</tr>
<tr>
<td>= Countable Income</td>
<td>$ 282.50</td>
</tr>
<tr>
<td>- PASS</td>
<td>$ 0</td>
</tr>
<tr>
<td>= Total Countable Income</td>
<td>$ 282.50</td>
</tr>
</tbody>
</table>

---

**STEP FOUR:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base SSI Rate</td>
<td>$ 771.00</td>
</tr>
<tr>
<td>- Total Countable Income</td>
<td>$ 282.50</td>
</tr>
<tr>
<td>= SSI Payment</td>
<td>$ 488.50</td>
</tr>
<tr>
<td>$750.00 Earned</td>
<td></td>
</tr>
<tr>
<td>+ 488.50 SSI</td>
<td></td>
</tr>
<tr>
<td>$1,238.50</td>
<td></td>
</tr>
<tr>
<td>100.00 (IRWE)</td>
<td></td>
</tr>
<tr>
<td>$1,138.50</td>
<td></td>
</tr>
</tbody>
</table>
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.
This includes, but is not limited to, reasonable deductions for:

- Federal, state, and local income taxes.
- Transportation expenses (i.e., taxi, bus, etc.).
- Sensory or visual aids.
- Leader dog and all associated expenses (food, veterinarian bills, etc.).
- Braille translation of work materials.
- Lunch money.
- Union or Association dues.
- Social Security taxes.
- Professional training.
- Training to use work related devices.
- Medical supplies or devices deemed necessary for your job performance.
## Calculating BWE

### STEP ONE:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unearned Income</td>
<td>$0</td>
</tr>
<tr>
<td>- General Income Exclusion (GIE)</td>
<td>$20.00</td>
</tr>
<tr>
<td>= Countable Unearned Income</td>
<td>$0</td>
</tr>
</tbody>
</table>

### STEP TWO:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Earned Income</td>
<td>$600.00</td>
</tr>
<tr>
<td>- SEIE</td>
<td>$0</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$600.00</td>
</tr>
<tr>
<td>- GIE if not used above</td>
<td>$20.00</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$580.00</td>
</tr>
<tr>
<td>- Earned Income Exclusion</td>
<td>$65.00</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$515.00</td>
</tr>
<tr>
<td>- IRWE</td>
<td>$0</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$515.00</td>
</tr>
<tr>
<td>Divide by 2</td>
<td>/2</td>
</tr>
<tr>
<td>= Remainder</td>
<td>$257.50</td>
</tr>
<tr>
<td>- BWE</td>
<td>$240.00</td>
</tr>
<tr>
<td>= Total Countable Earned Income</td>
<td>$17.50</td>
</tr>
</tbody>
</table>

### STEP THREE:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countable Unearned Income</td>
<td>$0</td>
</tr>
<tr>
<td>+ Countable Earned Income</td>
<td>$17.50</td>
</tr>
<tr>
<td>= Countable Income</td>
<td>$17.50</td>
</tr>
<tr>
<td>- PASS</td>
<td>$0</td>
</tr>
<tr>
<td>= Total Countable Income</td>
<td>$17.50</td>
</tr>
</tbody>
</table>

### STEP FOUR:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base SSI Rate:</td>
<td>$771.00</td>
</tr>
<tr>
<td>- Total Countable Income</td>
<td>$17.50</td>
</tr>
<tr>
<td>= SSI Payment</td>
<td>$753.50</td>
</tr>
<tr>
<td>$600.00 Earned</td>
<td></td>
</tr>
<tr>
<td>+753.50 SSI</td>
<td></td>
</tr>
<tr>
<td>1,353.50</td>
<td></td>
</tr>
<tr>
<td><strong>$240.00 BWE</strong></td>
<td></td>
</tr>
<tr>
<td>$1,113.50</td>
<td></td>
</tr>
</tbody>
</table>
What is a PASS?

• PASS is an SSI work incentive

• **Set aside income** (earned, unearned, deemed or in-kind) **and/or resources** to be used to achieve specific work goals.

• **Cover the costs** of obtaining an education; receiving vocational training; starting a business; or, purchasing support services
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: $771.00
- Total Countable Income $0
= SSI Payment $771.00

$220.00 Unearned +498.00 Earned +771.00 SSI
$1,489.00
- 416.50 (PASS)
$1,072.50
Finding Experts

- SSA (AWIC and WIC)
  [http://www.socialsecurity.gov/redbook/eng/resources-supports.htm#1](http://www.socialsecurity.gov/redbook/eng/resources-supports.htm#1)

- Ticket to Work – Employment Networks
  [http://www.ssa.gov/work/overview.html](http://www.ssa.gov/work/overview.html)

- TX Vocational Rehabilitations
  [http://www.twc.state.tx.us/jobseekers/vocational-rehabilitation-services](http://www.twc.state.tx.us/jobseekers/vocational-rehabilitation-services)

- Independent Living Center

- WIPA Projects
  [http://www.choosework.net/resource/jsp/searchByState.jsp](http://www.choosework.net/resource/jsp/searchByState.jsp)
THANKS!

Sandy Hardy-Smith,
Imagine.SandyHS@gmail.com