TITLE II BENEFITS (INCLUDING SOCIAL SECURITY DISABILITY INSURANCE)

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Information In This Presentation Good for Calendar Year 2015 Only

GOALS

1. To gain a *very basic* understanding of Title II Social Security Disability Insurance (SSDI) and Childhood Disability Beneficiaries.
2. To know what the five phases of the Title II survivor and disability insurance processes are when a consumer goes to work.
3. To know that there are programs under Title II survivor and disability insurance that consumers can use to retain all/some of their monthly cash benefit and/or Medicare.
4. To get the proper documents with information you need as a CRP for Title II survivor and disability insurance benefits from the referring VRC.
5. To know where a consumer can get additional assistance with Title II survivor and disability insurance benefits issues.
6. To fully understand the Title II survivor and disability insurance Replacement Rate in order to give consumers accurate information so they can make an informed decision about working!

TITLE II????

- Title II is the section of the Social Security Act that covers Retirement, Survivor and Disability Insurance (RSDI).

- If a consumer tells you they are getting RSDI, they don't what benefit they get! They can get some combination of R and S and D but not all three.

- We will be talking mostly about the "D" but also about some individuals who are receiving the "R" or "S" (but not the "D") by virtue of drawing off a parent's "S" or "R" account. Someone could get "D" *and* draw off a parent's "S" or "R" account, though!

- For people receiving a benefit by virtue of their disability, the rules for Title II are mostly the same. There are a few quirky exceptions we will tell you about.

- And remember when you thought SSI was confusing?

Types of Disability Benefits Under Title II

- Social Security Disability Insurance (SSDI)
- Childhood Disability Beneficiary (CDB, formerly known as Disabled Adult Child/DAC)
- Disabled Widow/Widower

For most of this presentation we will be talking about SSDI.

SSDI BASICS

- SSDI is an insurance program created to assist people with disabilities who are unable to work (or who work, but are not making what the Social Security Administration (SSA) calls "Substantial Gainful Activity (SGA)". SSDI provides a monthly cash benefit and/or health insurance so the individual can get back to work and earn a living wage.
- The highest cash benefit someone on SSDI can get in calendar year 2015 is $2,663. You would have had to make a lot of money (in the six figure range annually) to get that amount. The average SSDI cash benefit in calendar year 2015 is $1,100 a month.
- Just like SSI, the amount of monthly SSDI cash benefit is rarely high enough to be able to pay bills and live a full life. An SSDI cash benefit is provided to help certain people with disabilities go back to work, make a living wage and become independent of public funding systems.

SSDI BASICS

- In some cases family members will get a monthly cash benefit off the SSDI beneficiary's record. If this happens, the amount the SSDI beneficiary gets each month in cash benefit will not go down.
- Family members who get a cash benefit off an SSDI beneficiary's record will not receive the same amount the "record holder" gets. The family member(s) will receive less in monthly cash benefit(s), and there is a maximum amount (typically between 150% and 180% of the record holder's benefit) a family can receive.
- Individuals who receive SSDI can have unlimited <u>un</u>earned income and resources. There are a just a few programs (such as Workers Compensation) that can cause the SSDI monthly cash benefit to be reduced for a period of time.

SSDI BASICS

- In order to get SSDI cash benefits a consumer has to have earned a specific amount of money within a specific period of time (Duration of Work Test) within a specific number of recent years (Recent Work Test) and be determined eligible using the Social Security Administration's five step evaluation.

- How much a consumer receives in SSDI cash benefits monthly depends on how was earned during those specific periods of time.

- There is no resource limit in SSDI. A consumer could be a billionaire and get SSDI….as long as those billions are not being generated by current work activity.

SSDI BASICS

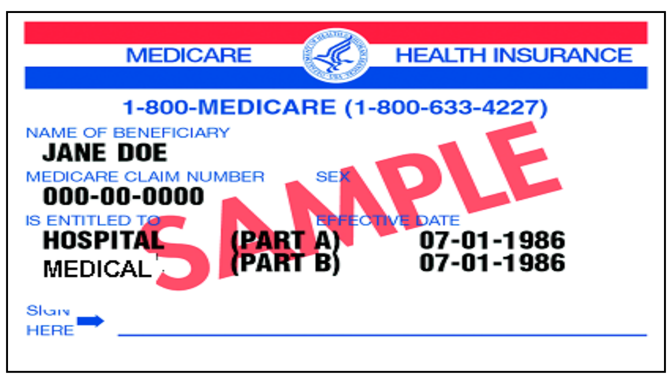
- Eligibility for SSDI is determined by both the local SSA office and SSA's Disability Determination Services (DDS) using both financial and disability criteria.

- There are five steps to this evaluation:

1. Is the consumer working and earning above 'Substantial Gainful Activity (SGA)'?
   - If the answer to this is yes, the consumer is not eligible for SSDI.
2. Does the consumer have a medical condition or combination of medical conditions that have lasted more than 12 months, are expected to last more than 12 months, or will result in death?
3. Does the consumer meet an SSA disability listing *and* severity?
4. Is the consumer able to do done in the past 15 years and earn SGA?
5. Is the consumer able to do work anywhere in the country with their current abilities?

SSDI and Health Insurance

- SSDI comes with Medicare.
- The Centers for Medicare and Medicaid Services (CMS) administers Medicare.
- Medicare is a fully federally funded program. There is no state agency that operates or administers Medicare.
- Consumers who receive Medicare will have the "Red White and Blue" card:



SSDI and Health Insurance

- Medicare is NOT free.
- Some people receiving SSDI cannot afford to pay the Medicare monthly premiums or cost-share. They may qualify for a Medicare Savings Program (MSP) and/or the Low Income Subsidy/Extra Help Program (LIS/Extra Help).
- If someone is on an MSP or LIS/Extra Help it is extremely important to give them contact information for the Health Information Counseling and Advocacy Program at their local Area Agency on Aging.
- Depending on their current health, prescriptions and need for routine doctor's care as well as their past hospitalizations losing MSP/LIS/Extra Help when going back to work could have a negative impact on their finances and life.
- We will go into detail about Medicare, the MSPs and LIS/Extra Help in the third webinar.

Some Potential Disincentives to Working for Those on SSDI

- How earned income is calculated.
- The Cash Cliff and the replacement rate.
- Loss of Medicare Savings Programs and Low Income Subsidy/Extra Help.
- Some quirky rules!

SSDI and Earned Income

- With SSDI and earnings, you either get the whole SSDI monthly cash benefit or no ($0) monthly cash benefit.
- There is no reduction to an SSDI monthly cash benefit as there is with SSI. So, unlike SSI, a person getting SSDI will *not* always have more money when they work. They might have less!
- Quirky Rule: Paid sick and holidays are not counted towards earnings in that month. Bonuses are only counted if they are a direct result of specific work activity (i.e. not everyone gets a bonus).
- To determine if someone is eligible for an SSDI monthly cash benefit, you must know three (3) things:
  1. Monthly Gross Income
  2. What SSDI Return to Work Stage the consumer is in
  3. Possible SSDI Deductions

How Earnings Are Counted in SSDI

- Start with the Gross Income on the paycheck. SSDI counts income **<u>when it is earned</u>**. This means the amount on the paycheck may exceed the countable earned income for SSDI!

- Sometimes income on a pay check will be from days in the previous month.

  Example: Terri is paid every other Friday. She receives three checks that cover time worked in April:

  1. A check on April 3rd for the period of March 23 to April 3rd.
  2. A check on April 17th for April 6th-17th (All income on April 17th's check would count for the month of April).
  3. A check on May 1st for April 20th-May 1st.

- In order to determine Terri's gross income for April, you would have to know:
  1. How many days/hours Terri worked from March 23rd to March 31st.
  2. How many days/hours Terri worked from April 20th to April 30th.

Why Would How Earned Income is Counted Be a Disincentive to Working?

- It takes a LOT of dedication to the documentation on the part of the consumer! And we know from experience few consumers will do the documentation needed unless they truly understand how important it is.

- We advise consumers receiving SSDI to chart *every day of every month* with information including:
  - Hours worked each day;
  - How many of those hours were regular pay;
  - How many were overtime;
  - Any paid sick or holidays; and
  - Any bonuses and if the bonus was related to work activity done by the individual or given to all employees.

SSDI STAGES OF WORK

- The SSDI Return to Work process works has five main stages:
  1. Trial Work Period (TWP)
  2. Extended Period of Eligibility (EPE)
  3. Cessation/Grace Period (GP)
  4. Expedited Reinstatement of Benefits (ExR)
  5. Initial Reinstatement Period (IRP)

- Each stage is designed to help the consumer get off SSDI cash benefits; has specific timelines; is measured by specific different amounts of earned income; and has different rules about when a monthly cash benefit is due and when it is not.

- Generally, SSDI beneficiaries are able to use each of these five stages only once "per period of disability".

- This means that if a consumer has used up one of the five stages, even if it was a long time ago, that stage may not be available anymore.

THE TRIAL WORK PERIOD (TWP)

- The Trial Work Period (TWP) is a time for consumers to try working at the maximum number of hours possible for the most money per hour and still get their monthly SSDI cash benefit.
- A completed TWP is made up of nine (9) months that are used in a "Rolling Sixty (60) Month Period".
- Each month that qualifies towards completion of a TWP is known as a "TWP month".

THE TRIAL WORK PERIOD (TWP)

- In order for a month to qualify as a "TWP month" the consumer must be making above a certain amount of money.
- This monthly amount may change each January 1st. In 2015 the TWP monthly amount is monthly gross income of $780.01 or above.
  - The consumer does not have to use all TWP months in a row, one after the other.
  - The consumer does not have to use all TWP months in one "Rolling Sixty Month Period".
  - The consumer may never complete a TWP. Certain TWP months may "drop off".
- The total amount of earned income for a TWP month is unlimited. A consumer could make a million dollars in a TWP month and still get an SSDI monthly cash benefit.

THE TRIAL WORK PERIOD (TWP)

- To figure out a TWP you have to know which months will be "TWP months".
- You know the TWP month amount in 2015 is $780.01 or above. But the TWP month amount can change every January 1st.
- You have to look at the SSDI worksheet to find the TWP month amounts for each year.

THE TWP and THE "ROLLING SIXTY MONTH PERIOD"

Year: 2012	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
TWP MONTH												
Rolling 60 Mo.												
Year: 2013	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
TWP MONTH												
Rolling 60 Mo.												
Year: 2014	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
TWP MONTH												
Rolling 60 Mo												
Year: 2015	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
TWP MONTH												
Rolling 60 Mo												
Year: 2016	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
TWP MONTH												
Rolling 60 Mo												
Year: 2017	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
TWP MONTH												
Rolling 60 Mo								T	T	T	T	
Year: 2018	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
TWP MONTH												
Rolling 60 Mo												
Year: 2019	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
TWP MONTH												
Rolling 60 Mo												X

The BPQY

- Remember the Benefits Planning Query (aka SSA Form 2459)?
- The BPQY will tell you if someone has used any TWP months or completed their TWP and when!

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NAME: SSN:

HEALTH INSURANCE	MEDICARE		MEDICAID
Type	PART A	PART B	No Medicaid Eligibility
Start	03/1996	07/2001	
Stop			
Buy-In	No	Yes	

SSI WORK EXCLUSIONS

Blind Work Expenses

Impairment Related Work Expenses

Student Earned Income Exclusions

PASS Exclusion

SSDI WORK ACTIVITY

Trial Work Months	Start: 12/95	End: 12/97	Used: 9 Months (Completed)
Month of Cessation	N/A		
Current SGA Level	$1,090.00		
Last Work Review Action	12/01/2011		

EXTENDED PERIOD OF ELIGIBILITY (EPE)

- Once the TWP is completed SSDI Stage 2, the Extended Period of Eligibility (EPE), starts.
- The EPE begins the month after a TWP is completed and lasts for thirty-six (36) months, or three (3) years.
- Once the EPE starts it does not stop until the thirty-sixth (36th) month.
- The EPE starts because the TWP has been completed. No amount of earned income causes the EPE to start or not start.
- Once the EPE starts it will last thirty-six (36) consecutive months - even if the consumer stops working and doesn't earn any money!

EXTENDED PERIOD OF ELIGIBILITY (EPE)

HERE'S HOW THE THIRTY-SIX (36) EPE MONTHS MIGHT LOOK:

MONTHS	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2014: Earnings				TWP	TWP	TWP	TWP	TWP	TWP	TWP	TWP	TWP
TWP months				1	2	3	4	5	6	7	8	9
2015 Earnings												
EPE MONTHS	1	2	3	4	5	6	7	8	9	10	11	12
2015 Earnings												
EPE MONTHS	13	14	15	16	17	18	19	20	21	22	23	24
2017 Earnings												
EPE MONTHS	25	26	27	28	29	30	31	32	33	34	35	36

EXTENDED PERIOD OF ELIGIBILITY (EPE)

- During the EPE there is a specific amount of gross monthly earned income that affects whether or not someone gets an SSDI cash benefit for that month. That amount is called "Substantial Gainful Activity" (SGA). SGA is an amount of money that the Social Security Administration uses to measure the level of work activity someone is doing, or the earnings they are making. In calendar year 2015 SGA is $1,090 gross a month.

- If gross earnings are above SGA in any month during the EPE consumers will NOT get a SSDI cash benefit for that month, with one exception which will we discuss later on in this presentation.

- If consumers earn below SGA in any month during the EPE they WILL get an SSDI cash benefit for that month.

- SGA is the only monthly gross earning amount that consumers have to worry about once the TWP ends.

EXTENDED PERIOD OF ELIGIBILITY

MONTHS	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2014: Earnings				TWP	TWP	TWP	TWP	TWP	TWP	TWP	TWP	TWP
TWP months				1	2	3	4	5	6	7	8	9
2015 Earnings	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200
EPE MONTHS	1	2	3	4	5	6	7	8	9	10	11	12
2016 Earnings	$0	$0	$0	$900	$900	$900	$900	$900	$900	$950	$950	$950
EPE MONTHS	13	14	15	16	17	18	19	20	21	22	23	24
2017 Earnings	$950	$950	$950	$950	$950	$950	$950	$1,000	$2,100	$2,100	$2,100	$2,100
EPE MONTHS	25	26	27	28	29	30	31	32	33	34	35	36

Boxes in green during the EPE are those months the consumer gets the SSDI cash benefit –Notice the earnings are below "SGA" these months.

Boxes in red during the EPE are those months the consumer does not get an SSDI cash benefit – Notice the earnings are above "SGA" these months.

THE CASH CLIFF and The SSDI REPLACEMENT RATE

- When the consumer makes above SGA after the end of the Trial Work Period, or the first month in which he makes above SGA gross after the EPE ends, SSDI cash benefits are terminated either for the month (during EPE) or altogether (after EPE). The consumer always hits the "Cash Cliff" when this happens.
- To provide the consumer with informed choice you need to figure out what the "Replacement Rate" is.
- This is an extremely important concept for CRPs to understand!
- You give the consumer the figures and let him decide what he wants to do. What may seem like a bad (or good) financial decision to you is not necessarily the case for that consumer.

THE SSDI REPLACEMENT RATE

The SSDI Replacement Rate is what the consumer would need to gross monthly to replace the amount of the SSDI cash benefit PLUS the net amount they could earn if they stayed below SGA.

There is a key to understanding this concept…and it is a math formula

THE SSDI REPLACEMENT RATE

A Consumer with SSDI Has 3 Choices:

1. Work and earn under SGA and keep SSDI. Total income would be work earnings plus the SSDI check.
2. Work and earn over SGA and lose SSDI. Total income would be work earnings <u>and less than #1.</u>
3. Work and earn over SGA and lose SSDI. Total income would be work earnings <u>and $1 or above what they would have if staying at #1</u>.

Which makes obvious financial sense? #1 and #3.

Most consumers want to stay at #1. #1 is easy – just earn less than SGA.

#3 is a little harder to figure out because you have to know the replacement rate.

THE SSDI REPLACEMENT RATE FORMULA

1. **Take (approximate) Net of SGA**
2. **ADD** amount of SSDI monthly cash benefit
3. **DIVIDE BY .75**

THE SSDI REPLACEMENT RATE EXAMPLE

- Kerri gets an SSDI monthly cash benefit of $1,400.
- You help her find a job making $1,500 gross a month.
- Once Kerri completes her TWP she will hit the "Cash Cliff".
- Kerri will not get an SSDI monthly cash benefit during her EPE.
- If, when Kerri's EPE ends, she is still earning above SGA she will be terminated from SSDI monthly cash benefits.

THE SSDI REPLACEMENT RATE EXAMPLE

- Step One:
- During the TWP Kerri will get her SSDI month cash benefit of $1,400.
- She will get an approximate net of $1,125 from her $1,500 gross monthly earnings. (Take 75% of $1,500. The 25% is for FICA and other taxes.)
- This means she has approximately $2,525 in cash each month of her TWP. (SSDI monthly cash benefit of $1,400 + approximate net earned income of $1,125).

THE SSDI REPLACEMENT RATE EXAMPLE

- Step Two:
- When her TWP ends Kerri will get an approximate net of $1,125 from her $1,500 gross monthly earnings.
- This is the only income she has for the month because she no longer gets an SSDI monthly cash benefit due to earning gross monthly wages over SGA.

THE SSDI REPLACEMENT RATE EXAMPLE

- Step Three:
- If Kerri were to keep her earned income below SGA she would not lose her SSDI monthly cash benefit. (SGA in calendar year 2015 is $1,090 gross a month).
- But Kerri wants to work more than that. Let's figure out her Replacement Rate:
- $817.50 (approximate net of SGA: $1,090 x 75%)
- $817.50 + $1,400 (Amount of Kerri's monthly SSDI cash benefit) = $2,217.50
- $2,217.50/.75 = $2,956.66 is Kerri's SSDI Replacement Rate. This is the gross earned income she would have to earn to avoid the "Cash Cliff".


PROBLEM
SOLVING

IN YOUR OPINION

For the next example we want your *opinion*: is the consumer better off financially taking the job you helped her find or staying below SGA?

- Give the consumer the facts about what the approximate Replacement Rate would be. Let the consumer make up his/her mind.

- Remember to try not to influence him/her!

- Don't forget the last step - netting out the gross earned income by multiplying by 75%!

IN YOUR OPINION

1. **Karen gets $800 in monthly SSDI cash benefits. You help her find a job paying $1,100 a month.**

   In your opinion is she better off financially taking this job or staying below SGA?

THE CESSATION/GRACE PERIOD (GP)

- To understand this third stage in the SSDI work process we need to go back to the Extended Period of Eligibility….maybe.
- The GP starts the first month that gross monthly earnings go above SGA after completion of the Trial Work Period
- The GP lasts three (3) months. During all three (3) months of the GP the consumer gets an SSDI cash benefit even if earning above SGA.
- Once a GP starts it will not stop. It runs one month after the other for three (3) months regardless of the amount of earnings the final two months.
- The GP can happen anytime during the EPE *OR* the GP can happen after the EPE has ended. If the consumer never makes above SGA after the TWP is completed the GP never happens.

THE CESSATION/GRACE PERIOD DURING THE EPE

MONTHS	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2014: Earnings				TWP	TWP	TWP	TWP	TWP	TWP	TWP	TWP	TWP
TWP months				1	2	3	4	5	6	7	8	9
2015 Earnings	$1,200 GP	$1,200 GP	$1,200 GP	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200
EPE MONTHS	1	2	3	4	5	6	7	8	9	10	11	12
2016 Earnings	$0	$0	$0	$900	$900	$900	$900	$900	$900	$950	$950	$950
EPE MONTHS	13	14	15	16	17	18	19	20	21	22	23	24
2017 Earnings	$950	$950	$950	$950	$950	$950	$950	$1,000	$2,100	$2,100	$2,100	$2,100
EPE MONTHS	25	26	27	28	29	30	31	32	33	34	35	36

The consumer earns above SGA the first month of the EPE (or, you can think of it as the first month after the TWP ends). This triggers the three GP months, so the consumer gets their SSDI cash benefit!

THE CESSATION/GRACE PERIOD AFTER THE EPE

MONTHS	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2012: Earnings				TWP	TWP	TWP	TWP	TWP	TWP	TWP	TWP	TWP
TWP Months				1	2	3	4	5	6	7	8	9
2013 Earnings	$900	$900	$900	$900	$900	$900	$900	$900	$900	$900	$900	$900
EPE Months	1	2	3	4	5	6	7	8	9	10	11	12
2014 Earnings	$900	$900	$900	$900	$900	$900	$900	$900	$900	$900	$900	$900
EPE Months	13	14	15	16	17	18	19	20	21	22	23	24
2015 Earnings	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
EPE Months	25	26	27	28	29	30	31	32	33	34	35	36
2016 Earnings	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050
2017 Earnings	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080
2018 Earnings	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080	$2,000	$2,000	$2,000	$2,000

The consumer doesn't earn above SGA until long after the EPE ends. The month earnings go over SGA the three month GP is triggered.

SSDI WORK INCENTIVES

- Once consumers complete the TWP and enter the EPE they can use one or both SSDI work incentives if they qualify for them. The two SSDI work incentives are:
  1. Impairment Related Work Expense (IRWE)
  2. Subsidy/Special Condition

- You might remember IRWEs from SSI. The SSDI IRWE is just a little different.

- The two SSDI work incentives are used when the consumer is in, or has finished the EPE in order to reduce countable earned income to below SGA.

SSDI IRWE

- The IRWE rules are the same as with SSI. The differences are:
  1. Consumer use IRWE in SSDI to retain their entire cash benefit
  2. IRWE expenses are counted dollar for dollar by SSA when figuring countable earned income.

- A consumer would not use an IRWE during TWP as amount of earned income does not matter in this period.

- Quick IRWE Recap:
  - IRWEs allow consumers to deduct from SSA countable earned income those expenses directly related to helping them work and necessary because of their physical or mental impairment. IRWEs are paid by the consumer. An IRWE cannot be an item or service someone other than the consumer pays for.
  - For complete list of allowable IRWEs go to: ***https://secure.ssa.gov/apps10/poms.nsf/lnx/0500820555***

SSDI IRWE EXAMPLE

- Michael gets $900 in SSDI cash benefit. He has a job paying $1,092 a month and works four days a week.
- During his TWP he gets his SSDI cash benefit and earnings. After the TWP is over he will lose the SSDI cash benefit and only get his $1,092 gross a month.
- Michael has a note from his doctor saying he cannot drive due to his disability. A co-worker drives him to and from work every day. He pays the co-worker $5 per day. This comes out to $86.60 a month (5 x 4 x 4.33).
- He applies for an IRWE and SSA approves it. He reduces his countable earned income from $1,092 to $1,005.40. Michael is now below SGA and his SSDI cash benefit continues.

SSDI SUBSIDY/SPECIAL CONDITION

- Like the IRWE, a Subsidy/Special Condition is used to reduce countable earned income to below SGA after completion of a TWP.
- *It is the only work incentive that someone other than the consumer pays for*. When DARS pays you for job coaching services that is a Subsidy. Supported Employment through a DADS waiver is a Subsidy.
- A Subsidy/Special Condition exists when the consumer does not do all of the tasks normally required for a job; takes extra time to do the tasks; or receives extra supervision but the employer pays the same wages as they would to someone who does not need job carving or extra help.
- Common Subsidy/Special Condition: Job coach; extra breaks related to disability; works at slower pace than other employees in similar position; "carved" or restructured job duties.

SSDI SUBSIDY/SPECIAL CONDITION

- Use SSA Form 3033 to apply for a Subsidy. Usually the CRP will talk with the employer about the Subsidy and help them complete SSA Form 3033.

- If the consumer has a job coach the amount of time the job coach spends with that person each week/month is the first part of the Subsidy formula. The person's hourly wage (not the Job Coach's wage) is the second part. Multiply the job coaching hours per week times the person with the disability's hourly wage time 4.33 to get the amount you would deduct as a Subsidy from the gross monthly earnings.

- A Subsidy/Special Condition is no reflection on the quality of the person with a disability's work. In fact, it is just the opposite. Subsidy/Special Condition is a recognition that the person with the disability is such a valuable employee that it is worth it for the employer to provide extra supervision, give extra time to complete tasks, or restructure the job tasks so that the job is customized to the person with the disability.

SSDI SUBSIDY EXAMPLE

- Paul receives $1,800 in Social Security Disability Insurance. He earns $1,200 per month working part-time at an art framing shop. He has completed his TWP. Without any deductions, Paul would trigger the three month Grace Period and his SSDI cash benefit would stop.

- Paul is deaf and needs additional time to learn new tasks because the Supervisor first physically demonstrates the steps of the job and then texts the steps to Paul. He also takes more time with customers as all communications are done by text.

- Paul is very artistic and skilled at framing. Customers consistently request him, and his skills and abilities have increased sales by 10%.

- His employer estimates that his productivity level is about 25% less than a person who is hearing, and fills out the SSA Form 3033. SSA now considers his monthly countable income as $900, not $1,200. Since this is below SGA Paul continues to receive his monthly SSDI cash benefit of $1,800.

USING AN IRWE AND A SUBSIDY!

MONTHS	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2015 Earnings	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500
SSDI Return to Work Stage	TWP ends	EPE begins	No cash benefit	No cash benefit	No cash benefit	No cash benefit	No cash benefit	No cash benefit	No cash benefit	No cash benefit	No cash benefit	No cash benefit
2016 Earnings	$1,500 - 450 = $1,050	$1,500 - 450 =$1,050	$1,500 - 450 =$1,050	$1,500 - 450 =$1,050	$1,500 -450 =$1,050	$1,500 -450 =$1,050	$1,500 -450 =$1,050	$1,500 - 450 =$1,050	$1,500 -450 =$1,05 0	$1,500 - 450 =$1,050	$1,500 - 450 =$1,050	$1,500 - 450 =$1,050
IRWE of $325 and Subsidy of $125 ($450 total)	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit
2017 Earnings	$1,500 - 450 = $1,050	$1,500 - 450 =$1,050	$1,500 - 450 =$1,050	$1,500 - 450 =$1,050	$1,500 -450 =$1,050	$1,500 -450 =$1,050	$1,500 -450 =$1,050	$1,500 - 450 =$1,050	$1,500 -450 =$1,05 0	$1,500 - 450 =$1,050	$1,500 - 450 =$1,050	$1,500 - 450 =$1,050
$450 IRWE & Subsidy	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit
2018 Earnings	$1,500 - 450 = $1,050 End of EPE	$1,500 - 450 = $1,050	$1,500 - 450 =$1,050	$1,500 - 450 =$1,050	$1,500 -450 =$1,050	$1,500 -450 =$1,050	$1,500 -450 =$1,050	$1,500 - 450 =$1,050	$1,500 -450 =$1,05 0	$1,500 - 450 =$1,050	$1,500 - 450 =$1,050	$1,500 - 450 =$1,050
$450 IRWE & Subsidy	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit	Cash benefit

TERMINATION OF SSDI CASH BENEFITS

- You now know that during the TWP and GP the consumer gets an SSDI cash benefit regardless of earned income amount.

- You also know that during the EPE the consumer may not get a cash benefit depending on earned income, but are still 'attached to the system". In other words, earnings below SGA any month of the EPE means they will get their cash benefit for that month.

- Once the EPE ends the *immediate* SSDI safety nets are gone.

- If, after the EPE ends the consumer makes above SGA and has no IRWE or Subsidy to use, SSDI cash benefits will be terminated.

SSDI CASH BENEFITS TERMINATED AFTER EPE ENDS

MONTHS	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2014: Earnings				TWP	TWP	TWP	TWP	TWP	TWP	TWP	TWP	TWP
TWP months				1	2	3	4	5	6	7	8	9
2015 Earnings	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200
EPE MONTHS	1	2	3	4	5	6	7	8	9	10	11	12
2016 Earnings	$0	$0	$0	$900	$900	$900	$900	$900	$900	$950	$950	$950
EPE MONTHS	13	14	15	16	17	18	19	20	21	22	23	24
2017 Earnings	$950	$950	$950	$950	$950	$950	$950	$1,000	$1,000	$1,000	$1,000	$1,000
EPE MONTHS	25	26	27	28	29	30	31	32	33	34	35	36
2018 Earnings	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$2,500			
NO SSDI SAFETY NET EXCEPT IRWE/SUBSIDY												

Earn above SGA after EPE ends and SSDI cash benefits will be terminated.

Information In This Presentation Good for Calendar Year 2015 Only

SSDI EXPEDITED REINSTATEMENT (ExR)

WE'RE NOT DONE WITH THE GOOD NEWS YET!

Consumers who are terminated from SSDI monthly cash benefits because of earning above SGA can get back on SSDI very quickly if they lose their job, *or* drop below SGA *and* their disability has not improved! This is called Expedited Reinstatement (ExR).

SSDI EXPEDITED REINSTATEMENT (ExR)

- If the consumer loses the job for any reason (quits, is terminated, the company goes out of business, etc., etc.) *or earnings drop below SGA*, the consumer can go into the local SSA office and fill out a one page form to request ExR.
- ExR must be filed for no later than 60 months, or five years from date of termination of SSDI cash benefits.
- The consumer will get six SSDI monthly cash benefits and Medicare while SSA re-determines eligibility based on the original qualifying disability.
- If SSA determines that the disability has not improved, the consumer continues to receive SSDI monthly cash benefits and Medicare.
- If SSA determines that the disability has improved, the consumer does not have to pay SSA those six months of SSDI cash benefits back!

EXAMPLE: USING ExR TO START GETTING SSDI CASH BENEFITS AFTER TERMINATION

(Assume TWP, EPE and GP have all been used)

MONTHS	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2015 Earnings		$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500
ExR Months		1	2	3	4	5	6	7	8	9	10	11
2016 Earnings	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,000	$1,000	$1,000	$1,000	$1,000
ExR Months	12	13	14	15	16	17	18	19	20	21	22	23
2017 Earnings	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
ExR Months	24	25	26	27	28	29	30	31	32	33	34	35
2018 Earnings	$1,000	$1,000	$1,000	$1,000	$0	$0	$0	$0	$0	$0	$0	$0
ExR Months	36	37	38	39	40	41	42	43	44	45	46	47
2019 Earnings	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ExR Months	48	49	50	51	52	53	54	55	56	57	58	59
2020 Earnings	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ExR Months	60											

↓

January 2020 is the last month the consumer can go to local SSA office and fill out SSA Form 833-U3 for Exr.

If the consumer waits until after January 2020 he will have to re-apply for SSDI benefits.

ExR In Action

MONTHS	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2012: Earnings				TWP	TWP	TWP	TWP	TWP	TWP	TWP	TWP	TWP
TWP Months				1	2	3	4	5	6	7	8	9
2013 Earnings	$900	$900	$900	$900	$900	$900	$900	$900	$900	$900	$900	$900
EPE Months	1	2	3	4	5	6	7	8	9	10	11	12
2014 Earnings	$1,100	$900	$900	$900	$900	$900	$900	$900	$900	$900	$900	$900
EPE Months	13 GP	14 GP	15 GP	16	17	18	19	20	21	22	23	24
2015 Earnings	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
EPE Months	25	26	27	28	29	30	31	32	33	34	35	36
2016 Earnings	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050
2017 Earnings	$1,080	$1,500	$1,000	$1,000	$	$	$	$	$	$	$	$

GO TO LOCAL SSA OFFICE AND FILL OUT SSA FORM 833-U3

First month of six month's provisional ExR SSDI monthly cash benefit

Determined eligible: Disability not improved; making under SGA. SSDI cash benefits resume.

SSDI INITIAL REINSTATEMENT PERIOD (IRP)

- The final SSDI Return to Work Stage is the Initial Reinstatement Period (IRP).
- The IRP starts the first month of ExR entitlement to SSDI cash benefits and ends when the consumer has received twenty-four (24) months of SSDI cash benefits.
- After completion of the IRP the consumer gets a new nine (9) month TWP; a new thirty-six (36) month EPE, new three month GP and a new sixty (60) month ExR period.
- The 24 months of the IRP do not have to occur consecutively.
- Consumers are not eligible for an SSDI monthly cash benefit during the IRP any month in which earnings are above SGA, and that month will not count towards the completion of the twenty-four (24) month IRP.

EXAMPLE: INITIAL REINSTATEMENT PERIOD (IRP)

MONTHS	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2015 Earnings			$1,000 ExR begins	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
IRP Months			1	2	3	4	5	6	7	8	9	10
2016 Earnings	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$0	$0	$0	$850	$850	$850
IRP Months	0	0	0	0	0	0	8	9	10	11	12	13
2017 Earnings	$850	$850	$850	$850	$850	$900	$900	$900	$900	$900	$2,500	$2,500
IRP Months	14	15	16	17	18	19	20	21	22	23	0	0
2018 Earnings	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500
IRP Months	0	0	0	0	0	0	0	0	0	0	0	0
2019 Earnings	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500	$0
IRP Months	0	0	0	0	0	0	0	0	0	0	0	24
2020 Earnings	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200
TWP/EPE Months	1	2	3	4	5	6	7	8	9	EPE 1	EPE 2	EPE 3

Consumer gets twenty-four (24) months of cash benefits as of December 2019. Any month he earns *over* SGA does not count towards completion of his IRP, and there is no cash benefit that month. Earnings *under* SGA mean a cash benefit. An endless EPE!

Title II Childhood Disability Beneficiaries

- Used to be called "Disabled Adult Child" (and still is a lot)
- Must be over age 18.
- Disability must have occurred prior to age 22.
- One or both parents must have either retired, passed away or themselves became disabled.
- When one or both parents retire, pass away or themselves become disabled the adult child 18 years of age or older whose disability occurred prior to age 22 will "draw" off the parent's RSDI (Retirement Survivor Disability) account.

Title II Childhood Disability Beneficiaries

- Everyone receiving a cash benefit from RSDI must receive a monthly sum equal to the Federal Benefit Rate (the SSI benefit rate) + $20 for that year
- In 2015 that sum is $753 ($733 + $20).
- Some CDBs will not receive the required cash amount monthly from a parent's RSDI account because the parent did not work or earn enough.
- Some CDBs receive much more than the required amount because their parent's earnings were so high.
- What happens to the CDBs who don't get the required amount and those who get above the required amount?

Title II Childhood Disability Beneficiaries

- If the consumer was getting SSI in the month prior to becoming a CDB and gets a Title II CDB monthly cash benefit in an amount at or above the Federal Benefit Rate + $20, SSI cash benefits will be terminated.

- Termination from SSI automatically triggers a termination letter from HHSC Medicaid, and this triggers a termination letter from DADS if the consumer gets Home and Community Based Waiver services (e.g. HCS, CLASS).

- Due to a special rule these individuals can remain on Medicaid. (*SSA POMS SI 01715.015 Special Groups of Former SSI Recipients*).

- Consumers who were not on SSI will simply receive the CDB cash benefit and Medicare…unless they receive less than the FBR +$20; then they will get some SSI cash benefit and Medicaid. These consumers are called "Concurrent Beneficiaries" and we'll talk about them in the next webinar.

Quirky CDB Rule

- A CDB cannot marry anyone other than another Title II beneficiary (i.e. another CDB, SSDI or Widow/Widower). If the CDB marries outside this group all cash and health care is immediately terminated.

What Happens to the CDB's Work Incentives and Health Care?

- If the CDB gets SSI and Title II CDB cash benefits he/she is entitled to all SSI and SSDI work incentive programs including SSI 1619b Medicaid.
- If the CDB gets SSI and Title II CDB cash benefits he/she is entitled to Medicaid and Medicare (after a 24 month waiting period).
- If just Title II CDB then he/she is entitled to TWP, GP, EPE, ExR, IRWE and Subsidy and Medicare- but NOT Medicaid or any SSI work incentive like PASS, SEIE, BWE or 1619b Medicaid.
- We'll discuss in detail how all this works when the consumer gets both SSI and Title II in the next webinar.

REPORTING INCOME

- THE SINGLE MOST IMPORTANT AND POSITIVE THING YOU CAN DO FOR YOUR CONSUMERS IS EDUCATE THEM ON REPORTING THEIR INCOME…NO MATTER WHAT SSA HAS TOLD THEM (OR TELLS THEM IN THE FUTURE).

EARNED INCOME SHOULD BE REPORTED EVERY MONTH

REPORTING INCOME

- SSA rule says people on SSDI must "*…report any changes in work activity. ….Work activity and earnings may affect benefits, and they must tell us right away if work starts or stops; duties, hours, or pay changes; or they stop paying for items or services needed for work due to the disability.*"

- As a consumer becomes more financially independent through working, his focus and reliance on SSDI cash benefits will decrease, and the likelihood of him reporting his income will also decrease.

REPORTING INCOME

- If a consumer loses his job, his focus will be on how to pay his rent and other bills, not on reporting that he lost his job to SSA.
- Therefore it is important to get consumers on SSDI in the habit of reporting income to SSA every month regardless of the amount of that income.
- Each year SSA mails a Form 821-BK "Work Activity" to SSDI beneficiaries who have reported working - or that SSA has found out are working - to see if there are any changes in earned income. Getting an annual Form 821-BK "Work Activity" is not something your consumers should rely on. They must rely only on themselves, not SSA.
- It is up to you to educate your consumers so that they can start to change their belief that they should not have to tell SSA about their earnings, or that they are entitled to their monthly SSDI cash benefit because they have a disability. Neither of these things is true.

BENEFITS PLANNING QUERY

- The best way to verify where the consumer is in the SSDI Return to Work process is to get a Benefits Planning Query (BPQY). The BPQY is available for consumers on SSI as well.

- The easiest way for your consumers to get a BPQY is to go into the local SSA office and request a "completed SSA Form 2459". The consumer can try to call their local SSA office or the SSA 800 number and request a completed SSA Form 2459. They may or may not be successful getting the BPQY this way.

- If the consumer does call and request a completed SSA Form 2459 and does not get one in the mail within three weeks (21 days) they will need to go into their local SSA office to get the BPQY.

BENEFITS PLANNING QUERY

- If the consumer has a Rep Payee or Authorized Rep you need to make sure you are in contact with this individual.

- If you see on the BPQY the consumer receiving SSDI is in overpayment status you can advise them to go in to their local SSA office and request a lower monthly payment of $25.

  An overpayment usually is a clue that the consumer or their Rep needs education on reporting earned income.

- Non-certified yearly total of earnings are potential clues for job discovery and development, especially if the consumer is not a good historian!

WHERE TO GET ASSISTANCE

- The DRS Counselor you work with can access a Benefits Subject Matter Utilization Resource Facilitator (Smurf) to assist the consumer and you. There is at least one Smurf in every DRS Unit.

- Consumers can contact their SSA funded Work Incentive Planning and Assistance Community Work Incentive Coordinator (WIPA/CWIC) if they are actively looking for work, or have started working. DARS can pay for this service! Ask the Smurf in the referring VRC's office about this. Find Texas' WIPA CWICs at ***http://choosework.net***.

- Consumers can call the Ticket to Work Help Line at 1-866-968-7842 (voice) or1-866-833-2967 (TDD).

- Consumers can request information and assistance (especially with overpayments related to work) from the Protection and Advocacy for Beneficiaries of Social Security (PABSS) run by Disability Rights Texas at 1-800-252-9108.

WHERE TO GET ASSISTANCE

- The Area Agency on Aging's Health Information Counseling and Advocacy Program (HICAP) Regional Benefits Counselors are very important to those on Medicare and/or the Medicare Savings Programs.
- Be sure to refer consumers on MSPs to them when they are offered a job or get an increase in pay.
- Be sure to refer consumers who are paying out of pocket for Medicare monthly costs and whose monthly cash benefit (and earned income) seems low to you.

DO I REALLY NEED TO KNOW ALL THIS?

- You need to know *enough* to know that what you are hearing sounds wrong.
- You cannot ignore these issues when you are an Employment Specialist! When you are working with a consumer on SSDI or another Title II program it is very important to figure things out on the front end (or to find the people can help you figure them out).
- It is *not* true that working when on SSDI will always result in more money. If the consumer uses work incentives and the five stages wisely, though, it is possible to make working result in higher net earned and/or unearned income.
- Our consumers need a lot of support through this process and it is up to you to start the conversation and keep it alive so they are able to live independently in the community!

DON'T FORGET…

"The world turns on our every action, and our every omission, whether we know it or not."

-Abraham Verghese, MD

Professor for the Theory and Practice of Medicine at the Stanford University School of Medicine and Senior Associate Chair of the Department of Internal Medicine