

Let's go to work!!!
Understand the impact of work on benefits!

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Imagine Enterprises
2014

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
- Dependent upon the insured worker
- Unmarried (with some exceptions)

Child's Benefits – (con.)

- The Title 2 disability benefits work incentives do NOT apply to Child's benefits.
- While the beneficiary may be disabled, Title 2 Child's benefits are NOT related to disability status!
- Wages earned by Title II Child beneficiaries are subject to the Annual Earnings Test (AET), not the disability work incentives.
 - The 2014 AET is \$15,480 per year or \$1,290 per month

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 Benefits

- Provides cash benefits (after a 5-month waiting period)
- Medicare (after an additional 24- months) to beneficiaries (and their family members) who have sufficiently contributed to the Social Security Trust Fund.

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

What are the Title 2 Work Incentives?

- Trial Work Period (TWP)
- Extended Period of Eligibility (EPE)
- Cessation/Grace Period
- Impairment- Related Work Expenses (IRWE)
- Special-conditions/ Employer Subsidies
- Section 301
- Medicare Continuation

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 2014, a beneficiary can earn any amount of money - but any **gross** earnings over \$770 will count as a TWP month.
- No work incentives can be used during the TWP

TWP Example

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2004 \$580	500	500	500	500	500	500	500	500	600	500	500	550
2005 \$590	550	550	580	500	450	650	550	550	555	700	560	560
2006 \$620	600	600	600	650	650	650	600	600	600	600	600	600
2007 \$640	400	350	400	350	400	350	400	350	400	350	400	350
2008 \$670	0	0	0	0	0	500	600	650	650	690	900	650
2009 \$700	650	650	650	650	650	650	650	650	650	725	750	625
2010 \$720	175	185	185	185	199	230	300	500	500	625	650	625
2011 \$720	500	500	500	500	500	500	500	810	500	400	500	1100
2012 \$720	950	975	975	975	900	975	1020	1020	1000	1000	1000	1000
2013 \$750	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1200

TWP Example

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2004 \$580	500	500	500	500	500	500	500	500	600	500	500	550
2005 \$590	550	550	580	500	450	650	550	550	555	700	560	560
2006 \$620	600	600	600	650	650	650	600	600	600	600	600	600
2007 \$640	400	350	400	350	400	350	400	350	400	350	400	350
2008 \$670	0	0	0	0	0	500	600	650	650	690	900	650
2009 \$700	650	650	650	650	650	650	650	650	650	725	750	625
2010 \$720	175	185	185	185	199	230	300	500	500	625	650	625
2011 \$720	500	500	500	500	500	500	500	810	500	400	500	1100
2012 \$720	950	975	975	975	900	975	1020	1020	1000	1000	1000	1000
2013 \$750	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1200

TWP Example

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2004 \$580	500	500	500	500	500	500	500	500	600	500	500	550
2005 \$590	550	550	580	500	450	650	550	550	555	700	560	560
2006 \$620	600	600	600	650	650	650	600	600	600	600	600	600
2007 \$640	400	350	400	350	400	350	400	350	400	350	400	350
2008 \$670	0	0	0	0	0	500	600	650	650	690	900	650
2009 \$700	650	650	650	650	650	650	650	650	650	725	750	625
2010 \$720	175	185	185	185	199	230	300	500	500	625	650	625
2011 \$720	500	500	500	500	500	500	500	810	500	400	500	1100
2012 \$720	950	975	975	975	900	975	1020	1020	1000	1000	1000	1000
2013 \$750	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1200

TWP Example

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2004	500	500	500	500	500	500	500	500	600	500	500	550
2005	550	550	580	500	450	650	550	550	555	700	560	560
2006	600	600	600	650	650	650	600	600	600	600	600	600
2007	400	350	400	350	400	350	400	350	400	350	400	350
2008	0	0	0	0	0	500	600	650	650	690	900	650
2009	650	650	650	650	650	650	650	650	650	725	750	625
2010	175	185	185	185	199	230	300	500	500	625	650	625
2011	500	500	500	500	500	500	500	810	500	400	500	1100
2012	950	975	975	975	900	975	1020	1020	1000	1000	1000	1000
2013	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1200

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 2014, these amounts are \$1,070.00 (\$1,800 if 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

EPE Example

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2004	500	500	500	500	500	500	500	500	600	500	500	550
2005	550	550	580	500	450	650	550	550	555	700	560	560
2006	600	600	600	650	650	650	600	600	600	600	600	600
2007	400	350	400	350	400	350	400	350	400	350	400	350
2008	0	0	0	0	0	500	600	650	650	690	900	650
2009 \$980	650	650	650	650	650	650	650	650	650	725	750	625
2010 \$1000	175	185	185	185	199	230	300	500	500	625	650	625
2011 \$1000	500	500	500	500	500	500	500	810	500	400	500	1100
2012 \$1010	950	975	975	975	900	975	1020	1020	1000	1000	1000	1000
2013 \$1040	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1200

Impairment-Related Work Expense (IRWE)

- 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

- 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 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.
 - Premium in 2014 = \$104.90 *Rate increase when you gross over \$85,000/yr.)
- Part D – Drug coverage
 - <http://www.medicare.gov/>

Section 301

- Allows for continuation of benefit payments under both Title 2 and Title 16 to individuals whose disability ceases due to medical recovery while participating in an approved vocational rehabilitation program

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.
- 2014 = \$721 for Individual or \$1,082 for Eligible Couple
- Individuals who receive SSI cash payments also receive Medicaid coverage.

What Impacts SSI?

What is deeming?
What is ISM?

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

Common PtC Deeming Questions

- Child support counts as the eligible child's income – not deemed income. **One third of the child support payment is excluded for youth under 18.**
- Resource limit is \$2,000 for eligible child plus \$2,000 for 1 parent or \$3,000 for 2 parents (maximum of \$5,000).
- Parent-to-child deeming only applies to persons under 18. PMV/VTR applies to SSI recipients over 18.

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.
 - 2014: $\$721 - \$240.33 = \underline{\$480.67}$ (Individual)

Twelve Month Suspension Period

- Reasons other than work
- Over resources
- Food and shelter paid by non-Medicaid facility

Age-18 Redetermination

- 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

1619(a)

- 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

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)
- Section 301

Unearned Income ONLY

STEP ONE:

Unearned Income	\$ 225.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 205.00

STEP TWO:

Gross Earned Income	\$ 0
- SEIE	<u>\$ 0</u>
= Remainder	\$ 0
- GIE if not used above	<u>\$ 0</u>
= Remainder	\$ 0
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 0
- IRWE	<u>\$ 0</u>
= Remainder	\$ 0
Divide by 2	<u>/ 2</u>
= Remainder	\$ 0
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 0

STEP THREE:

Countable Unearned Income	\$ 205.00
+ Countable Earned Income	<u>\$ 0</u>
= Countable Income	\$ 205.00
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 205.00

STEP FOUR:

Base SSI Rate:	\$ 721.00
- Total Countable Income	<u>\$ 205.00</u>
= SSI Payment	\$ 516.00

Earned Income and EIE

STEP ONE:

Unearned Income	\$	0
- General Income Exclusion (GIE)	\$	<u>20.00</u>
= Countable Unearned Income	\$	0

STEP TWO:

Gross Earned Income	\$	350.00
- SEIE	\$	<u>0</u>
= Remainder	\$	350.00
- GIE if not used above	\$	<u>20.00</u>
= Remainder	\$	330.00
- Earned Income Exclusion	\$	<u>65.00</u>
= Remainder	\$	265.00
- IRWE	\$	<u>0</u>
= Remainder	\$	265.00
Divide by 2		<u>12</u>
= Remainder	\$	132.50
- BWE	\$	<u>0</u>
= Total Countable Earned Income	\$	132.50

STEP THREE:

Countable Unearned Income	\$	0
+ Countable Earned Income	\$	<u>132.50</u>
= Countable Income	\$	132.50
- PASS	\$	<u>0</u>
= Total Countable Income	\$	132.50

STEP FOUR:

Base SSI Rate:	\$	721.00
- Total Countable Income	\$	<u>132.50</u>
= SSI Payment	\$	588.50

\$350.00	Gross Income
+ <u>588.50</u>	Revised SSI Check
\$938.50	

Both Earned and Unearned Income

STEP ONE:

Unearned Income	\$ 225.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 205.00

STEP TWO:

Gross Earned Income	\$ 463.00
- SEIE	<u>\$ 0</u>
= Remainder	\$ 463.00
- GIE if not used above	<u>\$ 0</u>
= Remainder	\$ 463.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 398.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 398.00
Divide by 2	<u>/ 2</u>
= Remainder	\$ 199.00
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 199.00

STEP THREE:

Countable Unearned Income	\$ 205.00
+ Countable Earned Income	<u>\$ 199.00</u>
= Countable Income	\$ 404.00
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 404.00

STEP FOUR:

Base SSI Rate:	\$ 721.00
- Total Countable Income	<u>\$ 404.00</u>
= SSI Payment	\$ 317.00

\$225.00 Unearned
 +463.00 Earned
 +317.00 SSI Check
 \$1,005.00

Student Earned Income Exclusion (SEIE)

- If you are under age 22 and
- Regularly attending school.
- SSA does not count up to \$1,750 of earned income per month in 2014
- The 2014 maximum calendar year exclusion is \$7,060

Calculating SEIE

STEP ONE:

Unearned Income	\$ 200.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 180.00

STEP TWO:

Gross Earned Income	\$ 1,750.00
- SEIE	<u>\$ 1,750.00</u>
= Remainder	\$ 00.00
- GIE if not used above	<u>\$ 0</u>
= Remainder	\$ 00.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 0.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 0.00
Divide by 2	<u> / 2</u>
= Remainder	\$ 0.00
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 0.00

STEP THREE:

Countable Unearned Income	\$ 180.00
+ Countable Earned Income	<u>\$ 0.00</u>
= Countable Income	\$ 180.00
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 180.00

STEP FOUR:

Base SSI Rate:	\$ 721.00
- Total Countable Income	<u>\$ 180.00</u>
= SSI Payment	\$ 541.00

200.00 Unearned
 1750.00 Earned
541.00 SSI

2491.00 (**DANGER!**)

*** NOT DONE YET***

\$7,060-1750=\$5310 remaining for Calendar
 Year

Impairment-Related Work Expense (IRWE)

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

IRWE Calculation

STEP ONE:

Unearned Income	\$ 0
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 0

STEP TWO:

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

STEP THREE:

Countable Unearned Income	\$ 0
+ Countable Earned Income	<u>\$ 282.50</u>
= Countable Income	\$ 282.50
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 282.50

STEP FOUR:

Base SSI Rate:	\$ 721.00
- Total Countable Income	<u>\$ 282.50</u>
= SSI Payment	\$ 438.50
\$750.00 Earned	
+438.50 SSI	
1188.50	
<u>100.00 (IRWE)</u>	
1088.50	

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:

Unearned Income	\$	0
- General Income Exclusion (GIE)	\$	<u>20.00</u>
= Countable Unearned Income	\$	0

STEP TWO:

Gross Earned Income	\$	600.00
- SEIE	\$	<u>0</u>
= Remainder	\$	600.00
- GIE if not used above	\$	<u>20.00</u>
= Remainder	\$	580.00
- Earned Income Exclusion	\$	<u>65.00</u>
= Remainder	\$	515.00
- IRWE	\$	<u>0</u>
= Remainder	\$	515.00
Divide by 2		<u>/ 2</u>
= Remainder	\$	257.50
- BWE	\$	<u>240.00</u>
= Total Countable Earned Income	\$	17.50

STEP THREE:

Countable Unearned Income	\$	0
+ Countable Earned Income	\$	<u>17.50</u>
= Countable Income	\$	17.50
- PASS	\$	<u>0</u>
= Total Countable Income	\$	17.50

STEP FOUR:

Base SSI Rate:	\$	721.00
- Total Countable Income	\$	<u>17.50</u>
= SSI Payment	\$	703.50

\$600.00 Earned
<u>+703.50 SSI</u>
1303.50
<u>240.00 BWE</u>
1063.50

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)	<u>\$ 20.00</u>
= Countable Unearned Income.	\$ 200.00

STEP TWO:

Gross Earned Income	\$ 498.00
- SEIE	<u>\$ 0</u>
= Remainder	\$ 498.00
- GIE if not used above \$ 0	
= Remainder	\$ 498.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 433.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 433.00
Divide by 2	<u>/ 2</u>
= Remainder	\$ 216.50
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 216.50

STEP THREE:

Countable Unearned Income	\$ 200.00
+ Countable Earned Income	<u>\$ 216.50</u>
= Countable Income	\$ 416.50
- PASS	<u>\$ 416.50</u>
= Total Countable Income	\$ 0

STEP FOUR:

Base SSI Rate:	\$ 721.00
- Total Countable Income	<u>\$ 0</u>
= SSI Payment	\$ 721.00

\$220.00 Unearned	
+498.00 Earned	
<u>+721.00 SSI</u>	
\$1440.00	
<u>- 416.50 (PASS)</u>	
\$ 1,023.50	

SEIE and PASS

- SEIE can make it difficult to use a PASS since SEIE applies first in the SSI calculation and is NOT optional. In most cases, ALL earned income is disregarded at this step
- Unless the student has unearned income to set aside, there may be no countable income left to fund the PASS after SEIE is applied
- Earnings can be “saved” by putting them in the bank and then set aside in a PASS as a resource instead of income.

1619 (b)

- 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 2014 threshold = \$33,407

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

Concurrent Beneficiaries

- Receive both Title 2 and SSI benefits
- SSI recipients may subsequently become eligible for a Title II payment, or Title 2 beneficiaries may subsequently meet the eligibility criteria for SSI.
- Must continue to meet all SSI income and resource requirements.
- All work incentives potentially apply, but those concurrent are natural PASS candidates.

Section 301

- Allows for continuation of benefit payments under both Title 2 and Title 16 to individuals whose disability ceases due to medical recovery while participating in an approved vocational rehabilitation program

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>
- Vocational Rehabilitations
<http://askjan.org/cgi-win/typequery.exe?902>
- Independent Living Center
<http://www.ncil.org/>
- WIPA Projects
<http://www.choosework.net/resource/jsp/searchByState.jsp>

In Texas

- Division for Rehabilitation Service (DRS) 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 DRS will purchase

- Benefits Information and Referral
- Work Incentive Analysis/Plan
- Federal Work Incentive Programs
- State Work Incentive Programs

THANKS!

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