

Benefits Counseling: an overview of SSA programs and work incentives



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SSA Introduction

Two main SSA programs for persons with disabilities:

1. **Social Security Disability Insurance (SSDI)**, also known as "Title II"
2. **Supplemental Security Income (SSI)**, also known as "Title XVI"

Social Security Disability Insurance (SSDI)

A person becomes "insured" through paying FICA payroll taxes.

An individual's monthly SSDI payment is based on lifetime earnings and the amount of FICA taxes paid.

SSDI eligibility is not based on "need," but rather is an insurance policy that one has purchased, an entitlement.

SSDI: CDB or DAC

Another way to become eligible for SSDI payments is the Child's Disability Benefits (CDB) or also know as a Disabled Adult Child (DAC).

A person determined to be disabled before the age of 22 (and at least 18 years of age) is eligible based on a parent's work record, if the parent is either retired, disabled, or deceased.

(DACs are usually eligible for Special Status Medicaid through county human services)

SSDI: Medicare

SSDI comes with Medicare after 24 months of entitlement. Medicare is very basic health care coverage. It is not comprehensive Medicaid coverage.

- Part A (HI – inpatient services; premium free for SSDI beneficiaries)
- Part B (SMI – doctor/outpatient services; premium of \$93.50)
- Part D (prescription drug coverage; there may be out-of-pocket costs for premiums, deductibles, and co-pays)

SSDI: Medicare

There are ***Medicare Buy-In programs*** that can help cover premium and deductible costs associated with Medicare. These programs (QMB, SLMB, SLMB+, QDWI) can be applied for through county human services.

Eligibility based on SSI status or income level.

**Supplemental Security
Income (SSI)**

SSI provides a minimum level of income for the elderly and persons with disabilities who demonstrate financial need.

Eligibility asset levels:

\$2,000 for an individual

\$3,000 for a married couple

Eligibility income levels:

"countable" income less than \$623.00 in 2007
(or less than \$934.00 for a married couple)

SSI: Federal Benefit Rate (FBR)

The FBR is the maximum payment an SSI recipient may receive. The FBR increases annually.

2007 FBR for an individual: **\$623.00**
2007 FBR for a married couple: **\$934.00**

SSI: Countable Income

In determining eligibility and on-going payment amounts, SSI considers only "countable" income:

Unearned income (SSDI, pensions, unemployment, private disability insurance payments) - \$20.00 = **countable unearned income.**

Earned Income (wages or self-employment) - 65.00, ÷ 2 = **countable earned income.**

FBR – countable income = monthly SSI payment

SSI: Retrospective Monthly Accounting (RSA)

Monthly SSI payment amounts are based on income received 2 months prior to the payment.

For example, payment received in March is based on income reported in January.

The exception is when income or assets cause an individual to be INELIGIBLE for a payment, then the effect is immediate

SSI: State Supplements

The State of Wisconsin supplements SSI income. Eligibility for any state supplement requires the recipient to receive at least \$1.00 in Federal SSI.

Basic supplement (\$83.78), available to all SSI recipients.

Exceptional Expense Supplement or SSI-E (\$95.99), available to those SSI recipients who demonstrate a NEED for 10 hours per week of long term community support.

Caretaker Supplement or C-SUPP (\$250 for first child/\$150 for each additional child) (separate applications are needed for SSI-E and C-supp at County Human Services)

SSI: Medicaid

- Medicaid is a state and federal program providing comprehensive medical assistance for people with low income and resources.
- People who receive SSI get Medicaid automatically in Wisconsin.
- Other people with disabilities who do not receive SSI can also qualify in various ways by applying at county human services.

SSDI compared to SSI

SSDI

FICA earnings

Amount varies

No resource limit

Dependent benefits
payments

No state supp

Medicare

SSI

Financial need

Basic amount fixed

Resource limit

No dependents

State supplement

Medicaid

SSDI: Work Incentives

Trial Work Period (TWP):

Opportunity to test ability to work without losing benefits regardless of earnings

- Each beneficiary has 9 TWP months (do not have to be consecutive, but must fall within 60 month period).
- A month is counted as a TWP month if earnings meet or exceed earnings over \$640 (2007)
- Work review by is completed by SSA at end of TWP to determine if work is "substantial."

SSDI: Work Incentives

Substantial Gainful Activity (SGA)

Work is considered SGA if earnings meet or exceed \$900.00 per month in "countable" income (2007).

SGA is considered at initial application and then again after the TWP

Wages count when they are earned, not when paid

Various deductions are possible using work incentives to reduce countable income below SGA

SSDI: Work Incentives

Cessation Month and Grace Period

The first month after the TWP that a beneficiary has countable earnings over SGA is called the "Cessation Month." A beneficiary receives a payment for this month and for the following 2 months (called the "Grace Period") regardless of earnings level.

SSDI: Work Incentives

Extended Period of Eligibility (EPE)

The EPE is a consecutive 36 month period beginning immediately following the 9th TWP month.

- A beneficiary is due a payment for any month earnings are not considered SGA, and NOT eligible for a payment for any month earnings are considered SGA.
- After the EPE is completed, when earnings are considered SGA, benefits will terminate.
- If SGA is never reached, benefits continue indefinitely (as long as other criteria are met)

SSDI: Work Incentives

Expedited Reinstatement (EXR)

A person can use EXR if:

1. SSDI benefits are terminated due to work earnings, and
2. it has been 5 years from the date of termination, and
3. the disabling condition is the same or similar,

Under EXR, provisional payments will begin immediately (for up to 6 months) while a disability determination is being made. After 24 payments, a new TWP and EPE will be awarded.

SSDI: Work Incentives

Subsidy and Special Conditions

Support on the job may result in the value of the work being less than the pay. In such instances, SSA will only "count" the value of the work.

Examples:

- Subsidy: more supervision, less production, fewer or simpler tasks for same pay as others
- Special Condition: assistance from someone other than employer, e.g. job coach

SSDI: Work Incentives

Impairment Related Work Expenses (IRWE)

Out-of-pocket expenses related to a person's disability AND working. The value of an IRWE can help reduce countable income below SGA. An IRWE must be approved by SSA.

Examples: Prescription drugs, special equipment, readers, interpreters, attendants, special transportation.

SSDI: Work Incentives

Unsuccessful Work Attempt (UWA): earnings above SGA from an attempt to work that fails in less than 6 months will be disregarded in attempting to establish the Cessation Month.

Averaging earnings: if earnings vary over a period, SSA can average to bring below SGA

Extended Period of Medicare Coverage (EPMC): insures at least 93 months of Medicare coverage after the TWP

Section 301: SSDI payments will continue if a beneficiary is determined to be no longer medically disabled, but participates in an appropriate voc rehab program.

SSI: Work Incentives

Provisions used to reduce the amount of countable earned income when computing an SSI payment

Earned Income Exclusion: \$65 (\$85 if no unearned income) plus half of the remainder are excluded per month.

Example:

\$185 earned income
- ~~\$85~~ earned income exclusion (no unearned inc)
\$100 divided by 2 = \$50

\$623 2007 Federal Benefit Rate (FBR)
- \$50 countable earned income
\$573 federal SSI payment

SSI: Work Incentives

Student Earned Income Exclusion (SEIE)

Excludes up to \$1,510/month with an annual maximum exclusion of \$6,100/year (2007)

- Must be a student under age 22
- Must attend school regularly: 8 hrs/wk if college, 12 hrs/wk if in grades 7-12 or in training course preparing for employment
- The earned income exclusion (\$65 and one-half of the remainder) still applied after SEIE

SSI: Work Incentives

Impairment Related Work Expenses (IRWE)

These are the same kinds of expenses as IRWE used for SSDI: out-of-pocket expenses related to both one's disability and working. In SSI, IRWE helps to reduce countable income in the calculation of the monthly SSI payment. IRWE must be established with SSA. An IRWE is used in addition to other income exclusions.

Example:

\$300 Wages
-\$20 General Income Disregard
-\$65 Earned Income Disregard
-\$55 IRWE Exclusion
 $\$160 \div 2 = \80 countable earned income; \$623 (FBR) - \$80 =
\$543(Federal SSI payment)

SSI: Work Incentives

Continued Medicaid Eligibility 1619(b)

If ***work earnings*** cause your SSI payment to be reduced to \$0, Medicaid eligibility will continue.

- Resources must still be below \$2,000.
- Disabling condition must continue
- Annual income must be below 1619(b) threshold amounts : \$31,323 in 2007 (\$33,626.48 for SSI-E recipients)

SSI: Work Incentives

Plan to Achieve Self Support (PASS)

A PASS Plan allows a person set aside money for a specific work goal. This money set aside does not "count" as income in computing an SSI payment

- Must have income other than SSI (e.g. SSDI, work earnings)
- Be in writing
- Establish a specific and feasible work goal
- Set up a specific timeframe for reaching the goal
- Plan must be approved and reviewed periodically

SSI: Other Work Incentives

- **Reinstatement without a new application:** eligibility restarts without new application if ineligible less than 12 months
- **Continued Payments under a Vocational Rehabilitation Program (Section 301):** decisions based on medical Continuing Disability Reviews will be postponed until participation in an appropriate rehabilitation program ends.

Medicaid Purchase Plan (MAPP)

- Medicaid coverage for people with disabilities who are working or want to work
- Work is considered at least 1 hour per month; payment can be in-kind.
- Higher income and asset limits than most Medicaid programs: adjusted income must be less than 250% FPL (\$2,127 for an individual in 2007); \$15,000 initial asset limit
- May have a monthly premium if gross income greater than 150% of the FPL (\$1,276 for an individual in 2007)

(apply for MAPP at county human services)

MAPP (cont'd)

If an individual is not working but wants to work, can apply for MAPP through Health and Employment Counseling (HEC) program. Participation in HEC allows a person to gain access to MAPP while engaging in an approved vocational plan designed to find employment in 9-12 months.

Call the HEC Line at 800-391-2950 to locate a HEC Screener in your area.

Benefits Counseling in WI

- SSA Work Incentive Planning and Assistance (WIPA) **1-877-242-1357**
- Fee for Service (DVR, etc.)
- Wisconsin Disability Benefits Network (WDBN) Information and Referral Line **1-800-710-9326**

Benefits Resources

SSA Red Book:

<http://www.socialsecurity.gov/disabilityresearch/redbook.htm>

BPQY Handbook:

<http://www.ssa.gov/chicago/BPQYHandbookSep04.pdf>
