



Social Security Disability Programs and Work Incentives

Mental Health Teleconference
July 23, 2009

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Social Security Work Incentives

- The Social Security Administration (SSA) administers 2 disability benefit programs
 - **Social Security Disability Insurance, or SSDI** (a Title II program)
 - **Supplemental Security Income, or SSI** (also called Title XVI).

SSDI

- **SSDI** is a federal disability insurance program that provides workers with a partial replacement of lost earnings due to disability, and Medicare.
- This is an **entitlement** program, eligibility is NOT based on financial need.
- **SSDI** monthly payment amounts are based on a worker's lifetime earnings.

Substantial Gainful Activity (SGA)

- An SSDI beneficiary must be determined to be disabled **AND** be unable to perform **Substantial Gainful Activity** or **SGA**.
- **In 2009**, SGA is countable gross earnings at least **\$980.00**.
- **In 2009**, SGA for an individual with blindness is **\$1,640.00**.

SSDI programs

- The 2 most common SSDI programs:
 - Disability Insurance Benefits (DIB): Paid to a worker based on their own work record.
 - Childhood Disability Benefit (CDB): Also referred to as DAC (Disabled Adult Child). Paid to an individual age 18 or over, who was found to be disabled before age 22, and has a parent who is deceased, or who is receiving DIB or retirement benefits.

SSDI and Medicare

- SSDI recipients become eligible for **Medicare** after receiving cash payments for 24 months.

Trial Work Period (TWP)

- **TWP** allows beneficiaries **nine months** to test their ability to work without losing SSDI payments.
- A beneficiary can work and earn at any level during nine **TWP** months.
- In order to count as **TWP** month, monthly gross wages need to be at least **\$700.00** a month (**in 2009**).
- The nine months do not have to be consecutive, but all must be counted within the same five-year period.

SSDI Extended Period of Eligibility (EPE)

- The **EPE** begins the first month following ninth TWP month and lasts for thirty-six consecutive months.
- During the **EPE**, a beneficiary will be eligible for a payment in months that earnings **are not** considered SGA, but not eligible in months that earnings **are** considered SGA.

Reducing Countable Earnings in SGA determination

- **Impairment-Related Work Expenses (IRWE):** out-of-pocket expenses related to a person's disability and ability to work.
- **Subsidy and Special Condition:** SSA is only concerned with the **VALUE** of a persons work, not simply the **PAY**. When an individual receives supports (either from the employer or service provider), the value of the work may be less than the pay.
 - Examples of a subsidy or special condition include job coaching, taking extra breaks, less demanding duties, etc.

Expedited Reinstatement (EXR)

- EXR can be requested within five years following the termination of SSDI payments due to working earnings.
- An individual receives six months of provisional payments while SSA determines if they are still disabled.
- No overpayment if an individual is not determined to be disabled.

Change Gears!

- We now will discuss **SSI**
- Remember, **SSI** is a **completely** different program than **SSDI**.
- Rules for working are very different.
- Some individuals may be eligible for both programs

Supplemental Security Income (SSI)

- SSI is a **needs-based** federal program that provides cash assistance to elderly, blind and disabled individuals with **limited income** and **resources**.
- The maximum SSI payment amount that an individual can receive in **2009** is **\$674 (FBR)**.

SSI eligibility

- Age 65 or over, blind, or disabled
- **Countable income** below the FBR (\$674 for an individual or \$1,011 for couple in 2009)
- **Countable assets** less than \$2,000.00 for individual and \$3,000.00 for a couple

SSI and Medicaid

- In the state of Wisconsin, everyone who is eligible for SSI is automatically eligible for **Medicaid**.
- **Medicaid** is a state and federal health insurance program that provides comprehensive coverage.

State SSI Supplements

- All Wisconsin residents receiving at least \$1 in federal SSI also receive an additional supplement \$83.78 per month.
- Additional state SSI supplements are available to:
 - individuals who require 40 hours or more per month of long term support services (Exceptional Expense Supplement or SSI-E)
 - SSI recipients who have children in their care (Caretaker Supplement or C-SUPP, CTS).

SSI Income Exclusions

- SSI uses “countable income” in determining monthly payments.
- SSI allows 2 basic income exclusions that are used to calculate countable income.
- These exclusions are:
 - General Income Exclusion
 - Earned Income Exclusion

General Income Exclusion (GIE)

- The GIE allows for a \$20.00 deduction from someone’s gross income.
- This is first applied to any unearned income.
- For someone who has no unearned income, the GIE can be applied to any earned income.

Earned Income Exclusion (EIE)

- The Earned Income Exclusion (EIE) is a “\$65 and ½” deduction.
- The SSA disregards the first \$65.00 from gross earnings, and one-half of the remainder.

Student Earned Income Exclusion (SEIE)

- For full-time students under the age of 22, SSA will exclude \$1,640 of earnings per month, up to an annual maximum exclusion of \$6,600 (in 2009).
- "Full-time" status can be less than full time is an SSI recipient is limited due to disability.

Impairment-Related Work Expenses (IRWE)

- SSI will deduct out-of-pocket expenses that a person may have related to **disability** and **working**. For every \$2.00 spent on an IRWE, the SSI payment will increase by \$1.00.

Continued Medicaid Eligibility (1619b)

- A provision that allows for Medicaid coverage to continue when a person's SSI payment is reduced to zero **due to work earnings**.

Plan for Achieving Self-Support (PASS)

- A PASS allows a person to set aside “countable” income to fund goods or services needed to reach an **employment goal**.
- By protecting this countable income, an individual may be eligible for a higher SSI payment, or to become eligible for an SSI payment.

SSA Red Book

- SSA’s Red Book contains more complete information on all work incentive programs.
- Request a Red Book from your local SSA Field Office
- Or online: <http://www.ssa.gov/redbook>



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