



RURALFACTS

WEIGHING THE RISKS: Some Tools for Benefits Analysis & Planning for SSI & SSDI Recipients

When most of us take a new job, our financial situation improves. We have more discretionary income, may acquire needed health insurance, begin to plan for the future, and enjoy a better quality of life. Unfortunately, because current state and federal policies can actually penalize workers with disabilities, they don't always see the same financial results from work that most people see. On the contrary, when people with disabilities work, they may be risking the loss of essential Medicaid, cash benefits, food stamps, and more. If their benefits include Social Security Disability Insurance (SSDI) or another benefit that provides additional cash benefits for dependents, the dependents stand to lose their benefits, as well. If they receive a HUD subsidy for their housing, they will likely see a rent increase. If they receive food stamps, they will likely see a decrease, or termination altogether.

Does this mean that people with disabilities shouldn't work? Of course not. But it does mean that a particular job/business needs to be chosen with care and that all benefits, individually and collectively, must be thoroughly understood and evaluated. *Benefits Analysis* is the process of examining the interaction and impact of any income, resource, or benefit a person with disabilities has on any other income, resource, or benefit the person has, or might apply for, or receive. Each benefit/resource is evaluated on its own merits, and the particular combination of income, resources, and benefits must also be evaluated. Often, there is a precarious balance that must be maintained so that people with disabilities don't risk the loss of more than they stand to gain when working.

Those of us who "help" people with disabilities to find work or start a business have a professional ethical responsibility to assure that each person we assist has access to competent and thorough benefits

analysis so they have complete and accurate information as they make important decisions about their lives.

Following are three simple forms you can use to help you begin the process of analyzing the impact of work on someone's benefits. While you won't find a complete or comprehensive overview of benefits and how they relate to each other, you will find a starting point for asking the questions you need to ask as you help people with disabilities weigh the risks to their benefits when they begin working or start a business. On *Page 4* there are additional resources you can use to find more comprehensive information on benefits analysis.

About the Forms

Use Form 1 to get a brief overview of the person's financial situation. The person may have other sources of income or resources/assets than those listed on this form, so it is essential that a benefits analyst ask additional questions to reveal the person's complete situation. An unrevealed source of income (such as a bonus or Individual Indian Money) could result in Social Security overpaying the person and that person having to pay back those overpaid benefits. The form lists both countable and non-countable income and resources.

Forms 2 and 3 will help you calculate how a worker's gross wages will impact SSI on a month-to-month basis. Because SSA uses a three-month cycle to calculate SSI due, a person's SSI check in one month should reflect wages from two months prior. This should be factored in when budgeting monthly expenses.

PLEASE NOTE:

* Forms 2 and 3 reflect the Federal Benefit Rates and Substantial Gainful Activity levels for 2005 and do not apply to students eligible for Student Earned Income Exclusion (SEIE).

Form 1. Financial Risk Assessment

Worker's Name _____

Social Security # _____ Social Security Claim # _____

Blind: Yes or No (if "yes," person is eligible for SSA blind benefits/work incentives)

Living situation (circle 1):

- household of another;
of people in household _____
(Can "sharing" be established?)
- independent/sharing
- child
- institutional
- foster care/group home

Health care (circle all that apply):

- Medicaid • Medicare
- Other Insurance (source/company) _____

Marital Status (circle all that apply):

- Married, living with spouse
- Married, not living with spouse
- Children, Yes or No
- Not married

Monthly Income/Benefits: Write in the dollar amounts for all that apply.

Earned Income

- \$ _____ Wages
- \$ _____ Net Income from Self-Employment
- \$ _____ Food/Shelter in lieu of wages
- \$ _____ Indian Per/Capita (Casino-Living Off Reservation)
- \$ _____ Work Study
- \$ _____ Honoraria
- \$ _____ Royalties
- \$ _____ Bonuses

- \$ _____ Scholarships/Grants
- \$ _____ Long Term Disability Payments
- \$ _____ Cash/In-kind Support from Others
- \$ _____ Civil Service Retirement
- \$ _____ Military Retirement
- \$ _____ Military Disability Retirement
- \$ _____ Military Allotment
- \$ _____ Housing on Military Base
- \$ _____ Pensions/Retirement
- \$ _____ Indian Per/Capita (Casino-Living On Reservation)
- \$ _____ Legal Settlement
- \$ _____ Periodic Trust Income
- \$ _____ Medicaid Waiver
- \$ _____ Americorp
- \$ _____ State General Assistance
- \$ _____ Energy Assistance
- \$ _____ Tax Refunds
- \$ _____ Foster Grandparents Pay
- \$ _____ RSVP Payments
- \$ _____ Meals Older Americans
- \$ _____ Senior Companion
- \$ _____ School Loans
- \$ _____ Inheritance
- \$ _____ Lottery/Gambling
- \$ _____ BIA payment to students, assistance, Foster Care Funds

- \$ _____ IIM Accounts
- \$ _____ Safe Deposit Box Contents
- \$ _____ Bank Accounts
- \$ _____ Insurance Policies
- \$ _____ Retirement/Pension Plan
- \$ _____ IDA (Individual Dev. Acct.)
- \$ _____ ITA (Individual Train. Acct.)
- \$ _____ Non-Home Real Property
- \$ _____ Coin/Stamp/Collections
- \$ _____ PASS Plan Accounts
- \$ _____ Trusts
- \$ _____ Bonds
- \$ _____ Stocks
- \$ _____ Home
- \$ _____ Art Collection/Antiques
- \$ _____ Vehicles (Cars, Trucks, Boats, Snowmobiles)
- \$ _____ Livestock
- \$ _____ IRA, 401K
- \$ _____ Property Essential for Self Support
- \$ _____ Funeral/Burial Agreement
- \$ _____ Cremation Agreement
- \$ _____ Cemetery Plot
- \$ _____ Grave Stones/Markers

Unearned Income

- \$ _____ SSDI-Social Security Disability Insurance
- \$ _____ VA (Veterans) Benefits
- \$ _____ Railroad Retirement
- \$ _____ Black Lung Benefits
- \$ _____ Section 8/HUD Subsidy
- \$ _____ TANF Benefits
- \$ _____ Food Stamps/WIC
- \$ _____ Unemployment Benefits
- \$ _____ Workers' Comp Benefits
- \$ _____ Child Support
- \$ _____ IIM (Individual Indian Money)
- \$ _____ Interest and/or Dividends
- \$ _____ Lease/Rental Income
- \$ _____ Alimony
- \$ _____ Adoption Subsidies
- \$ _____ Food/Shelter in lieu of wages (e.g. Religious Orders, Military)
- \$ _____ Personal Assistance Pay

Resources

- \$ _____ U.S. Savings Bonds

Form 2.

Calculating Monthly SSI Benefit Due to a Working SSI Recipient

Month wages were RECEIVED	1	
GROSS wages for month on line #1	2	\$
Amount of Earned and General Income Exclusions (\$20 + \$65)	3	-\$ 85.00
<u>Subtract</u> General and Earned Income Exclusions	3a	=\$
Amount of Impairment Related Work Expenses (IRWEs); if none, enter \$0	4	-\$
<u>Subtract</u> amount of any IRWEs	4a	=\$
<u>Divide</u> amount on line #4a by 2.	5	=\$
<u>Subtract</u> any Blind Work Expenses (BWEs) or any income set aside for a PASS (wages, etc.) If none, enter \$0	6	-\$
Amount remaining is Countable Earned Income	7	=\$
Amount of SSI due in 2005 if there is <u>no</u> countable earned income (choose the amount in the category below that applies to the working SSI recipient.) Enter that amount in the space at right. <input checked="" type="checkbox"/> \$386 (household of another) <input checked="" type="checkbox"/> \$579 (independent/sharing/child) <input checked="" type="checkbox"/> \$30 (institutional) <input checked="" type="checkbox"/> \$____ (other; FBR + state supplement)	8	\$
Enter amount from line 7.	9	-\$
Subtract Countable Earned Income (amount on line 7) from SSI possible (amount on line 8). The result is the amount of SSI which <u>should</u> be received <u>two months</u> after the month on line #1	10	=\$

Form 3.

Calculating Monthly SSI Benefit Due to a Working Concurrent (SSI & SSDI) Recipient

Month wages were RECEIVED	1	
GROSS wages for month on line #1	2	\$
Amount of Earned Income Exclusion (\$65)	3	-\$ 65.00
<u>Subtract</u> Earned Income Exclusion	3a	=\$
Amount of Impairment Related Work Expenses (IRWEs); if none, enter \$0	4	-\$
<u>Subtract</u> amount of any (IRWEs)	4a	=\$
<u>Divide</u> amount on line #4a by 2	5	=\$
<u>Subtract</u> any Blind Work Expenses (BWEs) or any income set aside for a PASS (wages, etc.). If none, enter \$0.	6	-\$
Amount remaining is Countable Earned Income	7	=\$
Amount of SSDI and/or other unearned income not already excluded in a PASS.	8	\$
<u>Subtract</u> amount on line 8 from one of the amounts below: <input checked="" type="checkbox"/> \$406 (household of another + \$20) <input checked="" type="checkbox"/> \$599 (independent/sharing/child + \$20) <input checked="" type="checkbox"/> \$50 (institutional + \$20) <input checked="" type="checkbox"/> \$____ (other; FBR + state supplement + \$20)	9	=\$
Result is amount of SSI due when there is <u>no</u> earned income	10	=\$
Enter Countable Earned Income amount from line 7.	11	-\$
<u>Subtract</u> Countable Earned Income (amount on line 11) from SSI possible (amount on line 10). The result is the amount of SSI which <u>should</u> be received <u>two months</u> after the month on line #1.	12	=\$

Where to Go for More

Information

With the passage of the Ticket to Work and Work Incentives Improvement Act (TWWIIA), Congress and the Social Security Administration have formally recognized the importance of and need for good benefits analysis. Over the past two years approximately 800 Benefits Planning Assistance and Outreach (BPAO) staff across the country have been trained. Learning about benefits doesn't happen in a crash course, no matter how bright the learner, expert the trainers, or comprehensive the materials. Accurate and competent benefits analysis is learned one person at a time, with plenty of technical assistance and continual researching and utilization of written policy and regulations.

This factsheet provides a brief overview of how benefits, particularly wages, can impact SSI/SSDI benefits. Below are lists of websites, publications, and other resources you can access to learn more about benefits analysis.

Code of Federal Regulations (CFR)

Title 20, Employees' Benefits, 20CFR Parts 400-499 Revised as of April 1, 2002. (Publication # 869-048-00057-7) \$60.

www.ssa.gov/op_Home/cfr20/cfrdoc.htm

Social Security POMS (Program Operations Manual System)

<http://policy.ssa.gov/poms.nsf/poms?OpenView>

You can purchase the CFR from Government Bookstores (usually located in Federal Buildings), or online at <http://bookstore.gpo.gov> or from:

Superintendent of Documents
P. O. Box 371954
Pittsburgh, PA 15250-7954
Washington, D.C. 20402-9328.

The Redbook, Work Incentives for People with Disabilities, SSA Pub. No 64-030, view or download online at

http://www.socialsecurity.gov/work/ResourcesToolkit/redbook_page.html

Web Links

- Social Security: www.socialsecurity.gov
- All Social Security Law, Policy, and Regulations: www.socialsecurity.gov/regulations/index.htm
- Work related information, including TWWIIA: www.socialsecurity.gov/work
- PASS Plan Form and many other forms: www.socialsecurity.gov/online/forms.html
- CMS: Centers for Medicaid and Medicare Services: <http://www.cms.hhs.gov>
- Ticket to Work and Work Incentives Improvement Act, including list of BPAOs: www.yourtickettowork.com
- Comprehensive Person-Centered State Work Incentive Initiatives: www.uiowa.edu/~lhpdc/work/map.html
- Food Stamps Information: www.fns.usda.gov/fsp/menu/faqs/faqs.htm
- HUD: www.hud.gov
- Benefit Eligibility Screening Tool (BEST): www.benefitscheckkup.org

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Marsha Katz and Nancy Maxson

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THE RURAL INSTITUTE

52 Corbin Hall

The University of Montana

Missoula, MT 59812

(406) 243-5467 Voice/TT • (406) 243-4730 Fax

<http://ruralinstitute.umt.edu>



The University of Montana

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