

Social Security and Transition Part I

Ellen Condon

Transition Projects Director

Rural Institute on Disabilities

Phone: (406) 243-4134

condon@ruralinstitute.umt.edu

<http://ruralinstitute.umt.edu/transition>

Today's Agenda

- Distinguish between SSI/SSDI
- Understand impact of wages and income on SSI disability benefits
- And on SSDI disability benefits
- Identify the role of Benefits Planning in Transition Planning

Social Security and Transition

- Disability benefits may be crucial for financing support needs, services, and medical needs.
- Work will impact benefits. Families, young adults, and employment staff need to be aware of how this happens.

Social Security and Transition

- Myths exist about working and wages eliminating benefits.
- Several work incentive programs exist to protect the benefits of recipients as they try out work and the incentives can help pay for services and supports or help a person recover work expenses.

Why more resources?

- To augment what schools are providing for employment
- To fund services when students are on waiting lists for services
- To promote choice and control of families and adults over providers and services
- To Increase the options for people

Social Security

- 2 programs for people with disabilities
- Both offer cash assistance and medical coverage
- SSI funded by general revenue of treasury; SSDI funded by workers for themselves or dependents

“Disability”

Inability to engage in substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last for at least 12 months or result in death.

The 3 Rules

- Save Everything
- Copy Everything
- Don't Look For Logic

Marsha Katz, Rural Institute

SSDI: Social Security Disability Insurance

- The recipient paid into the insurance system and then became disabled, and unemployed or unable to earn SGA (\$1,000/month 2011; \$1,640/month if blind)
- FICA

SSDAC: Social Security for a Disabled Adult Child

- Or (SSDAC), childhood disability benefits, a parent of a disabled child paid into the system and then became disabled, died or retired.
- “Disabled Adult Child”: unmarried, incurred disability before age 22, is or was dependent on the parent, age 18 or older.

While it is less likely for younger people to receive SSDI –many do.

- Rod receives SSDI through his father's retirement account
- Charles receives SSDI from his mom's disability account
- Anne receives SSDI because her biological Dad died

Social Security Disability Insurance (SSDI)

- Check comes on 3rd or other day of month
- Payment varies with age, number of people receiving on the account and previous income,
- Comes with Medicare (24-month wait)

SSDI/SSDAC...

- No limits on resources and unearned income
- All or nothing benefit
- Earning over SGA (\$1,000/month 2011) puts the payment in jeopardy

“Substantial Gainful Activity” (SGA)

- \$1,000 (2011)/month gross earnings
- 40 hours/month or \$800 earnings for Self-Employment
- \$1640/month for Blind

Work Incentives

- A program developed by Social Security
- Enables people receiving Social Security benefits the opportunity to try out or return to employment without fear of losing benefits

Trial Work Period (TWP)

- Earnings over \$720/month 2011 (gross)
- 9 months within a rolling 5-year period starting the first day of eligibility

Extended Period of Eligibility (EPE)

- Begins the month after the end of Trial Work Period (TWP)
- Runs for 36 straight months
- In any month earnings are under SGA, the SSDI check is due
- In any month earnings are over SGA, SSDI check is not due but disability status is retained

Subsidy & Special Considerations

- Subsidy: services, supports, accommodations that help someone find/maintain a job
- Provided by employer or others
- Reduces countable income and allows SSDI recipient to earn over SGA

Examples of a Subsidy

- % of duties performed compared to similar wage coworkers
- % of production as compared to similar wage coworkers
- Additional supports provided by coworkers as compared to similar wage coworkers
- Job coach or follow-along supports provided to employee

Calculating Subsidy:

- # job coach hours x person's hourly wage
- % of duties or production, amount of support needed as compared to non-disabled coworker in similar job/pay
- Write letter on employer letterhead
- Keep on file for disability reviews

Blind Work Expense (BWE)

- Costs of working not disability related
- Examples include: FICA and taxes, lunches, transportation, cost for guide dog, personal assistance, and other disability-related costs paid out of pocket
- Reduces countable income



SSI

Supplemental Security Income

SSI - Supplemental Security Income

- A financial and medical benefit available for people who meet income and resource limits
- Who have a disability or have a child with a disability
- Or are 65 years old or are blind

SSI

- If you are under 18 your income & resources plus your family's income and resources determine your eligibility.
- At age 18 your eligibility is re-determined.
- Only your income and resources are counted.

Supplemental Security Income (SSI)

Annual Federal Benefit Rate

- ◆ \$674/month (2011)
- ◆ \$1,011/couple in (2011)
- Typically comes with Medicaid
- Check comes on the first of the month
- Amount of payment varies based on income and living situation

SSI Resource Limit

- Resources include any cash or item which can be converted to cash: life insurance policy, retirement plan, savings
- \$2000 allowed for an individual
- \$3000 for a couple
- Car and a house are allowed

SSI Resources:

- Personal property over \$500 in value (antiques, coin collections, tools not used for work, boats, snowmobiles, livestock)
- Amount of equity in a second car
- Cash value of life insurance
- 1st moment of the month

2011 Federal Benefit Rate

(doesn't include various state supplements)

- \$674/month for an individual
- \$449.00 for an individual living in the “Household of Another”
(2/3 of the FBR)

Concurrent Recipients

- If SSDI/DAC is less than \$674/month, then a person would be eligible for both benefits
- Total of the checks is \$20 more than SSI alone - \$694.00 in 2011
- Receive both Medicaid & Medicare (Medicaid pays for Medicare)
- Follow SSI AND SSDI rules when working
- Convenient for a PASS plan

Applying for SSI

- List ALL disabilities
- Worst Day scenario
- Statements from friends, families, coworkers, etc.
- Build in support if necessary
- Pain and medication side effects
- Gather your own records and fill in the gaps
- Ability to work, support needs...

Applying for SSI

- Must be earning less than SGA (\$1,000 in 2011 or \$1640 if blind) at the time of application.
- Can use an IRWE or Subsidy to lower your countable income at application time.

Income and Living Situation

Influence the amount of your SSI check (2 months later)

Income

- Earned
 - Wages
 - Net income from self-employment
 - Food/shelter in lieu of wages
- Unearned
 - SSDI/SSDAC
 - Railroad Benefits
 - Alimony
 - Child support
 - VA benefits
 - Section 8 subsidy
 - Adoption subsidy
 - In-kind support

WIPA- Work Incentive Planning Assistance

- What are they?
- Where are they in MT?
- How do you find them in other states?
- What do they do?

Montana WIPAs

Margaret Keener

- **Project Director CWIC**
- **North Central Independent Living Center**
- **Phone: (800) 823-6245
(406) 452-9834
Ncils.keener@bresnan.net**

Tiffany Kelker, CWIC

- **MSU Billings
1500 University Dr
Billings, MT 59101**
- **Phone: (888) 866-3822
(406) 657-2098
tkelker@msubillings.edu**

[https://secure.ssa.gov/apps10/
oesp/providers.nsf/bystate](https://secure.ssa.gov/apps10/oesp/providers.nsf/bystate)

The relationship between benefits analysis and transition:

- What would a benefits analysis look like?
- What information would it provide?
- How would it help transition?
- Who would initiate this?

Doing the MATH...

Calculating the effects of income on SSI:

- Earned Income only
 - ◆ Disregard the first \$85/month earned, then divide by 2= the amount the SSI will be decreased.

- ◆ Gross wages

- \$85.00

X divide by 2= amount SSI will be reduced

Matt works 20 hours a week, earning \$7.50/hr for an average of \$600.00/month. How much is his SSI check?

How much income did he have monthly without working?

How much income does he have now with working even with the reduction in SSI?

Impact of Wages on SSI

- \$674/month
- $\$600 - \$85 = \$515$
- $\frac{1}{2}$ of $\$515 = \257.50
- $\$674 - \$257.50 = \$416.50$ SSI
- $\text{Income} = \$600 + \$416.50 \text{ SSI} = \$1016.50$

Calculating the effects of income on SSI:

- Earned **and** unearned income
 - ◆ Disregard the first \$65 of earned then divide by 2; “earned income exclusion”
 - ◆ Disregard the first \$20 of unearned income; “general income exclusion”
 - ◆ Add the two together=the amount of countable income.

Anne receives SSI and SSDI.

She earns \$385/month and her SSDAC check is \$320/month. How much SSI does she get?

Impact of wages and unearned income on SSI:

- $\$320 \text{ SSDI} - \$20 = \$300$
- $\$385 - \$65 = \$320 \frac{1}{2} \text{ of } 320 = \160
- $\$674 - \$460 = \$214$

Student Earned Income Exclusion

- ◆ Students can earn up to \$1640/month before their SSI check is reduced
- ◆ Up to \$6600/year
- ◆ If they earn over \$6600 then their SSI check is reduced

1619 (a) and 1619 (b)

- 1619 (a)

SSI benefits and eligibility continue even though earnings are over the SGA level

Break Even Point SSI= \$0

When $FBR \times 2 + \$85$ (\$1433/month)

- 1619 (b)

Medicaid & SSI eligibility continue when no check is payable, due to amount of earnings, up to state/personal threshold

Montana 2011 Threshold (amount you can earn before losing Medicaid)

■ \$29,429.00
gross earnings/year

SSI Work Incentives

- Allow you to shelter income so it is not counted against you, and your SSI check remains higher, or you recover work expenses or protect eligibility for SSI and Medicaid.
- PASS Plans
- IRWE
- BWE

Impairment Related Work Expense (IRWE)

- Paid out of pocket
- Directly related to disability
- Expense necessary to work
- Recover +/- 50% of costs

Calculating an IRWE

- Gross wages/month
- Less general and earned income exclusion
- Less IRWE
- Divide amount by 2
- Sum equals the countable income

Blind Work Expense

- Any costs of working
- FICA, lunch, transportation, guide dog...
- Paid out of pocket
- Recover 100% of cost

Calculating a BWE

- Gross monthly wages
- Less general and earned income exclusions
- Divide amount by 2
- Less BWE
- Sum equals countable income

SSA Part II-May 17

- Using Work Incentives of PASS (Plan for Achieving Self-Support) and IRWE (Impairment-Related Work Expenses) to enhance employment outcomes for youth with disabilities.

Plan for Achieving Self Support (PASS)

- Plan approved by SSA
- Expenditures lead to a vocational goal
- Timelines
- Budget
- Can save money or use monthly