

How Work Impacts Benefits

Kendra Berry
Supervising Community Work Incentives Coordinator
Indiana Works
866-968-7842

Social Security

- 2 Types of Social Security Disability Benefits:
 - Social Security Disability Insurance
 - Supplemental Security Income

Social Security Disability Insurance (SSDI)

- SSDI pays benefits to disabled or blind individuals who are insured by workers' contributions to the Social Security trust fund (FICA taxes)
- Disabled Adult Child (DAC) / Childhood Disability Benefit (CDB)
 - Individuals receiving benefits against a parents' record because they were disabled before the age of 22

SSDI Work Incentives

- **Trial Work Period (TWP)**
 - 9 month period in which you can earn any amount of money and continue to receive SSDI benefits
 - The 9 months do not have to be consecutive, and are figured using a 60 month rolling time frame

If earnings are more than \$810 in 2016, a TWP month will be considered used

The point of a TWP is to allow you to find a job that is a good fit.

Extended Period of Eligibility (EPE)

- 3 year period of automatic reinstatement if earnings drop below **Substantial Gainful Amount (SGA)**
 - SGA is the level that Social Security has determined people can live on without receiving their SSDI payments.
 - For most disabilities (except blindness), the amount of SGA is \$1,130 in 2016.
 - If earnings are below SGA monthly, SSDI benefits will continue without change.

Impairment Related Work Expenses

- Ways to lower Countable Earnings
 - If you are earning more than \$1,130 in 2016, but have costs related to your disability, you can use **Impairment Related Work Expenses (IRWEs)** to lower the income Social Security counts.
 - Gross monthly earnings of \$1,200 and IRWEs of \$100 medication co-pays and \$150 therapy and doctor co-pays – Social Security would only count \$950 of your earnings, and your SSDI would continue

Subsidy and Special Conditions

- Social Security also takes into account any **special conditions or subsidies** an employer may provide because of your disability
 - Subsidies can include:
 - Extra breaks, doing less tasks than coworkers with the same title, job coaching

Social Security will determine the value of the subsidy, and subtract that from the gross earnings to help lower monthly countable income.

Expedited Reinstatement (EXR)

- Five year period immediately following the Extended Period of Eligibility
 - If SSDI cash benefits have stopped, but you are no longer able to work, and your disability is the same, you can request Expedited Reinstatement.
 - You do not have to reapply for SSDI, benefits are automatically restarted, and Social Security will review your case to ensure your disability is the same.
 - As soon as you request EXR and complete the paperwork, provisional benefits will be restarted while Social Security examines the case.

Supplemental Security Income (SSI)

- SSI pays cash benefits to disabled and blind individuals with limited income and resources.
- SSI recipients have little to no work history, or did not earn enough credits to qualify for SSDI in the years before they became disabled.

SSI Work Incentives

- SSI is a completely different program than SSDI, because it is needs based.
- The Federal Benefit Rate (FBR) in 2016 is \$733
- Your earnings will affect the amount of SSI that is received.
 - Social Security counts less than half of monthly earnings. For example:
 - \$885 in gross monthly wages
 - Social Security would count \$400 to determine the amount of the SSI check

Impairment Related Work Expenses (IRWEs)

- Similar to the SSDI program, out of pocket costs related to the disability can be used to lower countable earnings
- Let's review an example of how the calculation would work:

Step 1	\$885.00	gross monthly earned income
	<u>- 20.00</u>	general exclusion
	\$865.00	
	- 65.00	earned income exclusion
	<u>-250.00</u>	IRWE
	\$550.00	
	<u>+ 2</u>	divide by 2
	\$275.00	countable earned income
Step 2	\$733.00	<u>Federal Benefit Rate for 2016</u>
	<u>-\$275.00</u>	total countable income
	\$458.00	new SSI payment
Step 3	\$458.00	SSI payment
	<u>+885.00</u>	gross earned income
	\$1343.00	gross monthly income
	<u>- 250.00</u>	IRWE
	\$1093.00	total gross monthly income after paying IRWE

- It is extremely important for SSI recipients to report their earnings because the SSI calculation will be based on those reported earnings.
- *Budgeting is IMPORTANT.*

Concurrent Beneficiaries

- Concurrent Beneficiaries are those receiving both SSDI and SSI benefits.
- All of the work incentives discussed apply to concurrent beneficiaries and it is important to receive benefits counseling before beginning employment.

Health Insurance

- **Medicare**

- As long as you are receiving your SSDI check, your Medicare will continue.
- Medicare will continue for at least 93 months (7years and 9 months) after the Trial Work Period ends. This is known as **Extended Medicare**.
- Depending on your needs, you can buy Medicare Insurance after that period has ended.

- **Medicaid for SSDI Recipients**

- As soon as you begin working, you could qualify for M.E.D. Works.
 - Depending on the total income, there may be a premium
 - You can continue in M.E.D. Works after employment ends, provided you work with an agency, such as your Employment Network, to find new employment.
 - M.E.D. Works has a higher resource limit, but beneficiaries are still required to meet Medicaid rules for eligibility.

- **Medicaid for SSI recipients**

- As long as you are receiving your SSI, Medicaid will continue. Once you reach the break-even point (when SSI payments stop), Medicaid will continue indefinitely, as long as SSI stopped due to work earnings.
 - **1619(b)** protection states you must need Medicaid in order to work, your gross annual income has to be below \$36,772 in 2016 and you cannot accumulate more than \$2,000 in resources to remain eligible for this protection.
- You must continue to meet eligibility requirements for Medicaid.

Plan to Achieve Self-Support (PASS)

- A **PASS** allows you to set aside either work earnings or SSDI money to save for a vocational goal.
- You must be eligible for SSI, or able to become eligible for SSI.
- Some examples of what a PASS can be used for include:
 - Continuing education, vocational training, self-employment, paying for work-related expenses.
- Approved PASS funds will not count as income when determining the SSI payments.

Individual Development Accounts (IDAs)

- An IDA is a four-year, matched savings program.
- You can use an IDA for only four things:
 - Buying or rehabilitating a home, college or saving for a dependant's college, self-employment, or job training.
- You must contribute at least \$35 of work earnings monthly, and the state will match that contribution at a 3:1 match.
- The maximum amount that will be matched is \$1600 over the life of the IDA, meaning a beneficiary contributes \$1600, and it is matched with \$4800, for a total of \$6400.

Food Stamps

- Work earnings will impact Food Stamps.
- For SSDI and concurrent beneficiaries, every \$4 earned will cause the loss of \$1 in Food Stamps.
- For SSI recipients, every \$5 earned will cause the loss of \$1 in Food Stamps.

Temporary Assistance for Needy Families (TANF)

- TANF is a needs-based program, and work earnings will impact eligibility.
- It is important to speak with your caseworker about how working will impact TANF payments.
- Because there is a limit to the amount of TANF assistance that can be received in a lifetime, working will allow you to have TANF as a safety net, should you need it in the future.

HUD

- For those of you who have a HUD voucher, there is a work incentive to help!
 - The Earned Income Disregard allows the first 12 months of earnings to not be counted when figuring rent payments, and the second 12 months of earnings to be counted at 50%.

Other Considerations

- Marriage
 - Marriage can negatively impact SSI recipients, and if you plan to get married, you should be aware of how it will impact your benefits. The maximum benefit for an SSI married couple is \$1,100 in 2016.
 - SSDI recipients who are receiving Childhood Disability Benefits will lose their SSDI if they get married to anyone but an SSDI recipient.

• Reporting Earnings

- You should report earnings to all agencies you are working with (Social Security, Medicaid, HUD, Food Stamps, TANF)
- It is important to keep your pay stubs, as it will be required to submit copies of these to some of the agencies you are working with.

Ticket to Work

Social Security Administration

Ticket to Work and Self-Sufficiency

Ticket Number: 123-45-6789TW

Claim Account Number: 987-65-4321 W

Issue Date: _____

SEMI

This ticket is issued to you by the Social Security Administration under the Ticket to Work and Self-Sufficiency Program. If you want help in returning to work or going to work, for the first time, you may offer this ticket to an Employment Network of your choosing or take it to your State vocational rehabilitation agency for services. If you choose an Employment Network and it agrees to take your ticket, or if you choose your State agency and you qualify for services, these providers can offer you services to help you go to work.

An Employment Network provides the services at no cost to you. The Social Security Administration will pay the Employment Network if you assign your ticket to it, and the Employment Network helps you go to work and complies with other requirements of the Program. An Employment Network serving under the Program has agreed to abide by the rules and regulations of the Program under the terms of its agreement with the Social Security Administration for providing services under the Program. Your State agency can tell you about its rules for getting services.

[Signature]
Commissioner of Social Security

Why Use Your Ticket?

- There is no medical review while your Ticket is in use
- The program is voluntary
- You are in charge!
- You select your Employment Network
- Your Employment Network works for you
- Change your Employment Network is Necessary



Questions?