

How Work Affects SSA Disability Benefits

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Work and SSA Disability Benefits are NOT Mutually Exclusive!

- Beneficiaries can earn money and still keep cash benefits in almost all cases
- Even if earned income causes loss of cash payments, Medicaid and/or Medicare coverage can be kept – sometimes indefinitely
- Even full time work for better than minimum wage is possible in many cases

First Step – Know Which Benefits You Get!

- SSA disability benefits are paid through two basic programs
 - SSI – Supplemental Security Income
 - Title II Disability Benefits – often referred to simply as “disability” or sometimes as “SSDI”.
- These two programs are completely different and treat earned income very differently.
- Some people get BOTH types of benefits

Comparison of SSI and Title II Disability Benefits

SSI:

- Welfare program funded by federal tax dollars, not SSA trust fund
- Limits on earned income, unearned income & resource
- Comes with Medicaid

Title II Disability:

- Entitlement program based upon insured status funded by SSA trust fund
- No limits on unearned income or resources – just earned income
- Comes with Medicare

Employment and SSI

1. Start with the GROSS monthly earnings and subtract a \$20.00 general exclusion.
2. Next, subtract a \$65.00 earned income exclusion.
3. Take the remaining amount and divide it by two. You are left with what is called countable earned income.
4. Subtract the countable earned income from the base SSI rate for the person. The remaining amount is the adjusted SSI check.

A simple way to explain this ...

The first \$85.00 that you earn each month does not count against you. For anything above \$85.00, the SSA will take away one dollar from your SSI check for every two dollars that you earn. **SSI recipients ALWAYS come out ahead by working!**

1619(b) Extended Medicaid

- Even after earnings cause the loss of SSI cash payments, Medicaid can be continued indefinitely -
 - Must still be disabled
 - Must meet the Medicaid “needs” or “use” test
 - Must have annual earnings under 2007 threshold amount (\$24,771)
 - Must meet ALL other SSI income and resource rules

Special Work Incentives for SSI Recipients

- Student Earned Income Exclusion (SEIE)
- Impairment related Work Expenses (IRWE)
- Blind Work Expenses (BWE)
- Plans for Achieving Self-Support (PASS)

Employment and Title II Disability Benefits

- There is no gradual reduction of payments in this program – all or nothing deal
- Work incentives consist of a series of “phases” – each successive phase provides less protection than the one before
- The phases include Trial Work Period (TWP), Extended Period of Eligibility (EPE) and Extended Period of Medicare Coverage (EPMC)

Employment and Title II Disability Benefits

- The work incentive phases are complex and difficult to understand – get help!
- Worst case scenario, beneficiaries keep their full payment for a minimum of 12 months after going to work – no matter how much they earn.
- As long as the beneficiary does not consistently earn over the current SGA amount (\$900/\$1,500 per month in 2007), cash benefits can be retained indefinitely

Extended Medicare Coverage

- Even if title II disability cash benefits are lost due to work, Medicare coverage (Parts A & B) can be retained for a **minimum** of **93 months** after the end of the Trial Work Period
- SSA will bill the individual for Part B premiums each quarter

Special Work Incentives for Title II Disability Beneficiaries

- Work incentives in this program are used to reduce countable earnings during SGA determinations
- Impairment Related Work Expenses (IRWE)
- Subsidy and Special Conditions
 - Employer Subsidies
 - Special conditions provided by third parties
 - Subsidy for self-employed persons

Advantages of Self-Employment

- Assets owned by a small business do not count against an SSI recipient
- Countable income can be controlled to some extent for title II beneficiaries
- Self-employment offers tremendous flexibility and can readily accommodate significant disabilities

Where to go for more information

- www.socialsecurity.gov
- www.vcu-barc.org
- www.venturementors.biz
- Call your local WIPA provider for individualized work incentives counseling and planning
