Yes WORK is the Goal: Understanding SSA Benefits and Work Incentives

Michelle Howard-Herbein, MSW, WISA
Executive Director
The Arc of Greater Houston
2018

The Arc does not provide legal assistance or advice
Why is Work So Important?

- Financial security
- Personal challenges and growth
- Development of friends and relationships

*Work is almost always a central part of adult life.*
Basics and Definitions: 
**SSI Versus SSDI**

**Supplemental Security Income (SSI)**
- From general tax revenues
- Low income program
- Eligibility is based on documented medical disability AND on income/resource limits
- Max amount is set by the government (Federal Benefit Rate 2018 = $750)
- Can only have $2000 in resources ($3000 for couples)
- Health insurance = Medicaid

**Social Security Disability Insurance (SSDI)**
- From Disability Trust Fund--funded through FICA taxes that worker pays to the federal government
- Part of larger program (OASDI)-Old Age, Survivor, Disability insurance
- Eligibility (and monthly amount) is determined by the number of accrued work quarters (or a parent’s/spouse’s work quarters)
- No resource limits
- Health insurance = Medicare

These are VERY different programs; and it is possible to have both (concurrent benefits)
Basics and Definitions: Medicaid Versus Medicare

**Medicaid**
- SSI program (low income)
- Medicaid is a jointly funded, Federal-State health insurance program for low-income and needy people. It covers children, the aged, blind, and/or disabled and other people who are eligible to receive federally assisted income maintenance payments.
- Coverage can begin immediately (next month after applying)
- All SSI recipients in Texas, regardless of their living situations, are automatically eligible for Medicaid. If you receive SSI, you should automatically be enrolled in Medicaid. If you have not been enrolled, contact your local Social Security office to find out why.
- Medicaid coverage can continue even if a recipient’s earnings along with other income become too high for a SSI cash payment. (1619b; Medicaid buy-in)

**Medicare**
- OASDI (SSDI)
- Medicare is our country’s health insurance program for people age 65 or older. Certain people younger than age 65 can qualify for Medicare, too, including those with disabilities.
- 24 month waiting period from the time of eligibility
- Consists of hospital insurance (Part A), supplementary medical insurance (Part B), and Medicare Advantage (Part C). Voluntary prescription drug benefits (Part D) are also included.
Basics and Definitions: “Disability”

• "Disability" under Social Security is based on a person’s inability to work in **SGA (Substantial Gainful Employment)—$1180.00 per month (2018)**
  • For a Child – the disability must be severe compared with the abilities of their peers.
  • For an Adult – must show that they cannot earn “**substantial and gainful**” activity.
  • Another word for ‘work’ gainful enough to support yourself.
    • You cannot return to work that you did before your disability or adjust to other work
• Disability has lasted or is expected to last for at least 12 months or to result in death.
• SSA will re-evaluate at age 18 to determine adult definition of disability.
Basics and Definitions:
Earned Versus Unearned Income

**Earned Income**

- Earned income consists of the following:
- Wages - Wages are what an individual receives (before any deductions) for working as someone else's employee. Wages include salaries, commissions, bonuses, severance pay, and any other special payments received because of employment.
- Wages may also include the value of food and shelter, or other items provided instead of cash. For example, shelter provided to an employee can be considered wages. This is considered in-kind earned income. However, for domestic or agricultural workers, in-kind pay is treated as unearned income.
- Net earnings from self employment
- Payments for services in a sheltered workshop, and
- Most royalties and honoraria.

**Unearned Income**

- In-kind support and maintenance (food or shelter) given to an individual or received by an individual because someone else paid for it
- Private pensions and annuities
- Periodic public payments such as Social Security benefits (SSI/SSDI), Railroad Retirement benefits, VA pension and compensation payments, civil service annuities, workers' compensation, unemployment compensation
- Life insurance proceeds and other death benefits
- Gifts and inheritances; Prizes and awards
- Support and alimony payments in cash or in-kind
- Dividends and interest
SSI Eligibility: Determine Child’s Age

Under 18 Years Old:
• Parent’s Income
• Parent’s Resources
• Number in Family
• Max Resources is $5000 if 2 parents live in household

**Always report changes
** Reapply at Age 18 (actually the month AFTER the child turns 18)

Over 18 Years Old:
• OWN Income
• Earned & Unearned income
• OWN Resources
• Amount paid for room and board or “fair share” if living at home
• Max Resources is $2,000

**Always report changes
ELIGIBILITY FOR SSI: OWN Income At Age 18

• Prove how disability keeps you from working.
  • Considers Earned Income & Unearned Income.
  • Cannot have over $2,000 in Savings/Resources.

Three Criteria To Qualify For SSI

**DURATION:** Disability must be expected to last at least 12 months, be life long, or will end in death

**RESOURCES:** Less than $2000 and cannot earn SGA

**MEDICAL PROOF – DOCUMENTS:**
Diagnosis/X-rays/Lab Work/ IQ
OASDI (SSDI): Eligibility

• To qualify for Social Security disability benefits yourself, you must first have worked in jobs covered by Social Security AND you must have a medical condition that meets Social Security's definition of disability.

• Some adults with disabilities may be on SSI, then start working, and then eventually be eligible for SSDI under their own accounts.

• A child (or adult with a disability) may also be eligible for SSDI payments if their parent (or spouse) is retired or deceased or disabled and earned sufficient work credits.

• For a child with a disability to receive benefits on a parent’s record after age 18, the following rules apply: 1) the disabling impairment must have started before age 22; and 2) He or she must meet the definition of disability for adults.
How much to expect: SSI Versus SSDI

**Supplemental Security Income (SSI)**
- Max amount is set by the government (Federal Benefit Rate 2018 = $750)
- For adults living with parents and not paying room board or “fair share” this is cut to $500.

**Social Security Disability Insurance (SSDI)**
- Monthly amount is determined by the number of accrued work quarters (or a parent’s/spouse’s work quarters) and how much was earned
- The average Social Security disability benefit amount (PIA—Primary insurance amount) for a recipient of Social Security Disability Insurance (SSDI) in 2018 is $1,197 per month, but a beneficiary can receive either less than this or up to $2,788.
- The base rate for benefits for an adult child with a disability is 50% of a living parent’s PIA, or 75% of the PIA of a deceased parent. The actual rate payable could be lower if the family maximum is involved.
What can the $ be used for?

• SSDI payments don’t have to be accounted for.
• SSI payments do. Think: FOOD, SHELTER AND CLOTHING! Keep receipts!!!
For both SSI and SSDI: If found not eligible--APPEAL!!!

• Only about 30% of initial claims are approved.
• Local offices do the initial review (of work—checking for SGA), then send to DDS for medical review.
• Biggest reason for denials is incomplete/missing forms, or forms not returned within a 15 day window.
• Function Report/Activities of Daily Living (SSA-3373) VERY important
• Another reason for denial is often due to email, phone, or address change
• “Compassionate” conditions may speed process, but there is still a work review component.
For both SSI and SSDI:
If found not eligible--APPEAL!!!

• If your initial claim is denied, the next step in Texas is to seek a "reconsideration" from DDS. Don’t hire an attorney just yet....

• If your request for reconsideration is denied, then the next step is to ask for a hearing with an administrative law judge (ALJ).

• Appeals much be made within 60 days.

• Eligible children will have to re-apply when they become adults.

• If found eligible--$ may be back paid to time of eligibility—resulting in a “windfall” which could put someone over the resource limits for SSI. You have 30 days to spend it (food, clothing, shelter)—can’t have more than $2000 in resources.
HOW DOES WORKING AFFECT SSI Versus SSDI

**Supplemental Security Income (SSI)**
- ALWAYS better off working. For every 2 dollars you earn, SSA only counts 1.
- Still need to watch resource limitations
- SSI checks may go up and down each month based on earned and unearned income
- See formula next slide
- Work incentives are available
- 1619b and Medicaid buy-in can assist with keeping Medicaid even if SSI checks go to zero.

**Social Security Disability Insurance (SSDI)**
- All or nothing program.
- After Trial Work and Grace Period (total of about 1 year)—SSDI check may END if earnings are over SGA 2018 = $1180
- Plenty of time “to try work” before deciding to end/keep benefits
- Work incentives are available
- Medicare can extend 93 months once eligible even if benefits cease
SSI: Calculate Total Countable Income

Monthly (Gross) income $1,200.00
Minus $65 (earned income)       - 65.00
Minus $20 (unearned income)     - 20.00
Your monthly income then is =   $1,095.00
  ▪ Divide this amount in half  ½ =
  ▪ Your total countable income is = $547.50
The 2018 SSI BFR $750/mo        $750.00
  ▪ Subtract total countable income - $547.50
This is your SSI check amount = $202.50

Before working you had 750.00, but
With working you have 1402.50 (PAYCHECK + SSI CHECK)
Work Incentives For SSI

• **Impairment Related Work Expense (IRWE):** Anything special the beneficiary needs in order to work can include: special work/travel accommodations or equipment, medication copays, medical devices. Social Security must approve these requests before they can be applied and the beneficiary needs to submit receipts at the end of each month to have them counted. Once approved one half of the total cost for the item or services can be deducted from the beneficiary’s gross earnings on a given month.

• **Student Earned Income Exclusion**—A student (under 22) regularly attending school, college, or university, or a course of vocational or technical training, can have limited earnings that are not counted against his or her Supplemental Security Income (SSI) benefits. The maximum amount of the income exclusion applicable to a student in 2018 is $1820 per month but not more than $7,350 in 2018.

• **Plan for Achieving Self Support (PASS):** The Social Security Act authorizes the exclusion of income and resources of an individual who has a disability d when the individual needs such income and resources to fulfill an approved Plan to Achieve Self-Support (PASS). Any earned income set aside under a PASS does not affect the amount of earnings considered for the purposes of a substantial gainful activity determination, if needed.

• **Health Insurance Premium Payment (HIPP):** Medicaid will pay the family's private health insurance if the total cost of that insurance is less than the total cost of care with Medicaid. The total cost of the private insurance includes the premium, coinsurance and deductibles. Will reimburse even if entire family is on the plan. To learn more or to apply, call 1-800-440-0493.

• **1619b (up to 34,821.00 annually) and Medicaid Buy-in:** Ways to keep Medicaid

• **Earn credits towards own OASDI account**

• **Ticket to Work**
HOW DOES WORKING AFFECT SSI Versus SSDI

**Supplemental Security Income (SSI)**
- ALWAYS better off working. For every 2 dollars you earn, SSA only counts 1.
- Still need to watch resource limitations
- SSI checks may go up and down each month based on earned and unearned income
- See formula next slide
- Work incentives are available
- 1619b and Medicaid buy-in can assist with keeping Medicaid even if SSI checks go to zero.

**Social Security Disability Insurance (SSDI)**
- All or nothing program.
- After Trial Work and Grace Period (total of about 1 year)—SSDI check may END if earnings are over SGA 2018 = $1180
- Work incentives are available
- Medicare can extend 93 months once eligible even if benefits cease
Work Incentives for SSDI

• **Trial Work**- First 9 months in a rolling 60. A recipient can earn as much money as they want without affecting their cash or medical benefits. Every month that they earn 850.00 (2018) or more it’s considered to be one trial work month.

• **Grace Period**- After trial work is completed the individual enters a continuous 36 month period, extended period of eligibility. The first 3 months they earn over SGA (1,180 non-blind/1,970 blind) are considered the grace period and their cash benefits are not affected. (2018)

• **Extended Period of Eligibility**- After the 3 month grace period is done any month the beneficiary earns over SGA they are not eligible for their SSDI benefits, if they earn under SGA they are eligible. After 36 months SSA will review their case to determine their average earnings and decide if their case will be continued or closed.

• **Impairment Related Work Expenses (IRWEs)**- just like in SSI these can be applied to gross earnings to bring the beneficiaries income down under SGA (1,180 non-blind/ 1,970 blind) after the Trial Work period is completed. (2018)

• **Ticket to Work**
Texas ABLE Program

• The Texas Achieving a Better Life Experience (Texas ABLE℠) Program is now available.

• Texas ABLE is a new tax-advantaged savings program that encourages and assists individuals with disabilities and their families to save and pay for disability-related expenses to maintain an eligible individual’s health, independence and quality of life.

• Texas residents who became disabled or blind before the age of 26 and meet program eligibility requirements may open a Texas ABLE account.

• Texas ABLE Program Highlights
  • Save up to $15,000 per year beginning in 2018 without losing government benefits such as Supplemental Security Income, Social Security Disability Insurance and Medicaid.
  • Withdrawals are tax-free if used to pay for qualified disability expenses, and any earnings on your investments grow tax-free.
  • Maintain control of your account, and choose how you want your funds invested.
  • Online gifting tool makes it easy for others to make contributions to your account including your friends and family, business entities or even trusts.

• Money has to be for Disability-Related Expenses--related to the Designated Beneficiary’s education, housing, transportation, employment training and support, assistive technology and related services, personal support services, health, prevention and wellness, financial management and administrative services, legal fees, expenses for oversight and monitoring, funeral and burial expenses, and other expenses that may be identified from time to time by the IRS.

• Contributions to an ABLE account are not tax-deductible, but all investment earnings remain untaxed as long as money taken from the account is used for "qualified disability expenses."

• The Texas ABLE Program is an online program which means you can enroll and manage your Account online. Online enrollment is quick and easy at TexasABLE.org. The minimum initial contribution to open an Account is $50, and there is a minimum of $25 for subsequent contributions.
  • After establishing an Account, you can access and manage it online.
  • There is no “brick and mortar” location for ABLE programs. Enrollment and account activity are administered fully online at www.TexasABLE.org

• Medicaid Recapture--Upon the death of the Designated Beneficiary, a state may be required to file a claim for the amount of the total medical assistance paid for the Designated Beneficiary under the state’s Medicaid plan after the establishment of the Program Account (or any ABLE account from which amounts were rolled or transferred to the Program Account)
Rules for Working and Collecting Benefits

• It is VERY important they keep SSA updated about any changes to employment status as well as address, email, and phone number.

• The beneficiary is responsible for reporting their wages to SSA each month for the month prior (example March 10 for February earnings). The best way is to physically take the pay stubs to the local SSA field office and have them date stamped; or to send them certified mail.

• Telephone and mobile app. Reporting is now available for SSI only.

• Reporting each month is the best protection from an overpayment situation where the beneficiary receives money they are not eligible for. They will be required to pay this back.

• Request a copy of your BPQY each year. Beneficiaries can request a BPQY by contacting their local office, or calling 1-800-772-1213.
Random thoughts about Adult Services in Texas

• Not in Kansas anymore! or Indiana, or Virginia or…. Texas is 50\textsuperscript{th} in the country for persons with adults with IDD

• During school—insist on as much inclusion as possible, as well as vocational/training/employment assistance in high school and during summers

• Get on waiting lists for services 15 years ago....

• If you aren’t familiar with all of the waivers—get familiar and sign up for everything

• If you aren’t familiar with Vocational Rehabilitation (TWC) —get familiar and sign up

• Consider using services at TWC Workforce Solutions if you aren’t eligible for TWC

• Become an “informed shopper” of services

• Learn the facts—(such as YES, you can work and keep your SSI/SSDI)

• Unlike school services, many “adult services” (except waivers) are not mandated. You choose providers AND they can choose you. This takes a whole different kind of parental advocacy

• Realize that your adult child is now the focus of services (and not necessarily what mom/dad wants)

• Understand that the whole landscape of adult services in Texas is changing because of the move to managed care
Mission: The Arc promotes and protects the human rights of people with intellectual and developmental disabilities and actively supports their full inclusion and participation in the community throughout their lifetimes.

We are located at 3737 Dacoma, Suite E (in The Harris Center’s Northwest Building)
713-957-1600 www.aogh.org

• Michelle Howard-Herbein, Executive Director
• Dory Cayten, Assistant Executive Director/Development
• Joanna Leger, Director of Programs
• Dr. Karen Snead, Director of Education
• Myrta Torres, Parent Advocate
• Toni Pompa-Rodriguez, Parent Advocate
• Irene Gonzalas, Intake Coordinator
• + 26 part time/weekend program staff
• + 75+++ volunteers/contractors for summer camp/programs
The Arc of Greater Houston

- Information, Referral, and Public Awareness
- Training for Families, Professionals, and the Community
- Legislative and Systems Advocacy
- Educational Advocacy—RIGHT TO LEARN PROGRAM
- Support Groups
- Social and Recreational Programs (Saturday activities, camps, vacations, monthly dances)
- Respite Programs (Saturdays and full weekends)
THANK YOU!

Great resource/website:  [www.ssa.gov](http://www.ssa.gov)
Redbook:  [https://www.ssa.gov/redbook/](https://www.ssa.gov/redbook/)

More info is also available at  **1-800-772-1213**

**Also check out The Arc of Greater Houston’s website for a copy of this presentation and simple info sheets on various topics.**
[https://www.aogh.org/understanding-ssa](https://www.aogh.org/understanding-ssa)