

What happens when a person receiving disability benefits goes to work?

Understanding Benefits & Work Incentives

**Presented by Granite State Independent Living's
Financial Planning for Employment and Benefit Services**

What will this presentation cover?

- This presentation will cover
 - Social Security
 - Medicare
 - Medicaid

Difference between Supplemental Security Income (SSI) and Social Security Disability Income (SSDI)

3

Social Security Disability Insurance (SSDI)

- **Age requirement: 18 – Full Retirement Age**
- **Disability Insurance Program**
- **Significant work history**
 - Can receive it if:
 - you have enough work history
 - if a parent is retired, disabled, or deceased (known as Childhood Disability Benefit (CDB)) and they had a work history
 - if you are a Disabled Widow(er) (DWB) and your (ex)spouse had a work history
- **Medicare coverage**
- **No unearned income or resource limits**
- **Can receive auxiliary benefits for minor children**

Supplemental Security Income (SSI)

- **No age requirement**
 - Can receive as a child or adult with a disability or as a senior (over age 65)
- **Needs-based program**
- **Limited or no work history**
- **Unearned income limit (\$730)**
 - If under 18, parent's income counts toward eligibility
- **Limited resources (\$2,000 for an individual/\$3000 for a couple)**
 - If under 18, parent's resources count toward eligibility
- **Medicaid coverage (*not automatic in New Hampshire*)**
- **Maximum SSI cash benefit (for 2013) is \$710/month for an individual and \$1066/month for a couple**

Not sure what SSA benefit you receive?

4

- If you are not sure what one you receive here are some questions you could ask yourself:
 - Do I receive **1** check or **2**? (If you receive 2 checks you have both benefits)
 - How much do I receive?
 - If you receive \$710 (*at the 1st of the month*) then you *probably* have SSI
 - If you are working and the amount changes then you have SSI
 - If you receive more than \$710 and it does not change month to month with earnings then you probably have SSDI
 - If you are really not sure you can contact Social Security
 - Do you have Medicare? (If so then you have a form of SSDI)

Social Security Administration's (SSA) Definition of an Adult with a Disability

5

“Disability means the inability to engage in Substantial Gainful Activity (SGA) by reason of any medically determinable physical or mental impairment which can be expected to result in death, or has lasted or can be expected to last for a continuous period of not less than 12 months.”

Myth

***If I go to work I will lose
my cash benefits?***

Special rules when you go to work?

7

“Special rules that make it possible for people with disabilities receiving Social Security or Supplemental Security Income (SSI) to work and still receive monthly payments and Medicare or Medicaid. Social Security calls these rules "work incentives.””

SSI Work Incentives

- General Income Exclusion (GIE)
 - Student Earned Income Exclusion (SEIE)
 - Earned Income Exclusion (EIE)
 - Impairment Related Work Expenses (IRWEs)
 - \$2 for \$1 reduction
 - Blind Work Expenses (BWEs)
 - Plan to Achieve Self-Support (PASS)
 - 1619(b) Medicaid Protection
 - **Expedited Reinstatement (EXR)**
- Please note that if you are self-employed there are different work incentives you can use

SSI's Earned Income Exclusion Formula

- Once determined eligible for a SSI cash benefit, the monthly amount of SSI received is dependent on total countable income less income exclusions:
 - \$20.00 general income exclusion (GIE)
 - \$65.00 earned income exclusion (EIE)
 - Count only half of earned income (\$2 for \$1 reduction)
 - **This means that the SSI beneficiary will have more total income when working, than when not working.**

SSI's Earned Income Exclusion Example

John is an SSI beneficiary and receives \$710 per month. He is single and lives alone. He is employed and earns \$1,085 a month.

$$\$1,085 - \$85 = \$1,000$$

$$\$1,000 / 2 = \$500 \text{ (countable income)}$$

$$\$710 - \$500 = \$210 \text{ (SSI check)}$$

$$\underline{\$1,085 + \$210 = \$1,295/\text{month}}$$

What is the Student Earned Income Exclusion (SEIE)?

- You may qualify for the Student Earned Income Exclusion (SEIE) if you receive Supplemental Security Income (SSI) and:
 - Are under the age of 22;
 - Are regularly attending school; and
 - Are working.
- To determine your SSI cash benefit, the Social Security Administration (SSA) will not count up to \$1,730 of your wages per month (in 2013), with a yearly maximum exclusion of \$6,960 (in 2013), while you are attending school and working.
 - This exclusion is applied before any other exclusions
- Because you are able to exclude some or all of your earnings and still receive your SSI cash benefit, you still have to be careful of not going over the resource limits for any benefits you receive

Impairment Related Work Expenses (IRWEs)

- Is a SSI and SSDI work rule
- Impairment Related Work Expenses (IRWEs) allow you to deduct the cost of items and services that are needed for you to work. The cost of these work-related expenses are deducted from your gross wages. IRWEs reduce the total countable income that is used when figuring your SSI cash benefit. The cost must be paid by you and not be reimbursable from other sources (including Medicaid).
 - SSA has to approve the costs
- IRWEs can also be used in some State programs, like Medicaid only

Blind Work Expenses (BWEs)

- If you are receiving SSI due to blindness, you are able to claim Blind Work Expenses (BWEs). Blind Work Expenses basically allow you to deduct ANY expense you incur that is related to your job – the expense does not have to be related to your blindness or to any impairment you may have.

Plan to Achieve Self-Support (PASS)

14

- Plan to Achieve Self-Support (PASS) is a SSI work rule under which a person can set aside income, besides their SSI cash benefit, to be used to achieve specific work goals. A PASS can be established to cover the costs of obtaining an education, receiving vocational training, starting a business, or purchasing support services which enable individuals to work and eventually result in reduction/cessation of benefits.
- When you have an approved PASS, SSA doesn't count the income that you set aside when figuring your SSI payment amount or when they determine eligibility for SSI.

What is the 1619(b) Medicaid Protection?

- Most people receiving SSI should qualify for 1619(b) Medicaid Protection, if:
 - SSI payments stop because of increased earnings (\$1505 or over per month for 2013) *this is called the break-even point*
 - Gross earnings are below \$40,779/year in 2013 *this is called the threshold amount*
 - Resources are below \$2000 for an individual
 - Meets Medicaid “Needs” test
 - Used Medicaid in last 12 months
 - Expect to use Medicaid within the next 12 months
 - Would be unable to pay medical bills in the next 12 months without Medicaid

SSDI Work Incentives

- Trial Work Period (TWP)
- Extended Period of Eligibility (EPE)
- Substantial Gainful Activity (SGA)
- Cessation and Grace Period months
- Impairment Related Work Expenses (IRWEs)
- Subsidy and Special Conditions
- **Unsuccessful Work Attempt (UWA)**
- **Expedited Reinstatement (EXR)**
- **Extended Period of Medicare Coverage (EPMC)**
- Please note that if you are self-employed there are different work incentives you can use

Trial Work Period (TWP)

17

- This is your time to “test” your ability to work
- You can work and have unlimited wages for **nine months** without a loss of your disability check
 - This means that if you return to work, you will continue to receive your SSDI cash benefit, in addition to your earnings, for at least nine months
- The Trial Work Period months can be, but are not necessarily, consecutive (one right after another)
- You only get one 9-month TWP per entitlement
- Only months when the person earns \$750 (in 2013) or more are counted as TWP months
 - Note: there are different rules if you are self-employed

Extended Period of Eligibility (EPE)

18

- Begins the month after the completion of the 9th trial work month
- 36 consecutive months – every month counts whether you are working or not!
- Earnings compared to Substantial Gainful Activity (SGA) - \$1,040 in 2013 and \$1,740 for individuals who are blind;
- When a person consistently earns SGA there may be the Cessation Month and followed by 2 months of Grace Period where the beneficiary still receives their SSDI cash benefits

Only SSA can make a decision if a Cessation occurs

- After a Cessation decision is made, SSDI cash benefits will be paid for any month the beneficiary earns below SGA during the EPE.

Substantial Gainful Activity (SGA)

19

- SGA is not just a dollar amount! Social Security considers many different things such as:
 - the value of your work (This refers to Subsidy and Special Conditions)
 - how long you were able to earn more than the SGA level (This refers to the Unsuccessful Work Attempt, which is not mentioned in detail)
 - and whether or not special work incentives can be used to lower the amount of earned income they count (This refers to Impairment Related Work Expenses)
- Basically, if your countable earned income is consistently above the SGA guideline, your work activity is probably going to be considered SGA. If your countable income is consistently below the SGA guideline, your work is unlikely to be considered SGA

Subsidy and Special Conditions

- Support may be provided by your employer that may result in you receiving more pay than the actual value of the services you perform. They call this “subsidy”.
- You may receive support provided by someone other than your employer, for example, a vocational rehabilitation agency. As a result of this support, you may be receiving more pay than the actual value of the services you perform. They call this type of support “special conditions”.
- Social Security may reduce the amount of income they count by the value of the subsidy and/or the special conditions you receive when deciding if your earnings are SGA

Medicare Coverage

- Medicare goes with Social Security benefits
- Must wait an additional 24 month from the first SSDI check received to qualify for Medicare coverage
- Once eligible, most beneficiaries are eligible for at least 7½ years of coverage after they have completed the TWP (This refers to the Extended Period of Medicare Coverage)
- If the person goes back to work and earns enough that their cash benefit stops, then the beneficiary may have to pay a premium to keep Medicare coverage

Parts of Medicare

- **Part A – Hospital**
 - No Cost
 - Automatic
- **Part B – Medical**
 - Premium required
 - Optional (*automatic unless you opt out*) - **CAUTION** – be aware of possible penalties
 - The 2013 premium amount is \$104.90 per month
 - Premium can be paid by State under QMB or SLMB
- **Part D – Prescription**
 - Premiums, deductibles and co-pays or other expenses apply. (If not a dual eligible).
 - Optional – **CAUTION** – Be aware of possible penalties
 - Low income subsidy (automatic for dual eligibles)

Medicare Beneficiary Savings Program

- Help in paying Medicare Part B premiums, deductibles and co-payments
- Resource limit in 2013- \$7,080 for individuals & \$10,620 for couples
- Income limits vary- see next slide
- SSI benefits do NOT count as income

Medicare Beneficiary Savings Programs – Income Limits

HH Size	QMB	SLMB 120	SLMB 135
% of poverty level	≤ 100 %	≤ 120 %	≤ 135 %
1	≤ \$958	≤ \$1149	≤ \$1293
2	≤ \$1293	≤ \$1551	≤ \$1745
Pay Part B Premium?	Yes	Yes	Yes
Pay Part A deductibles?	Yes	No	No
Pay Part B deductibles?	Yes	No	No
Pay Part B 20% co-payments?	Yes	No	No
May be eligible for other Medicaid programs?	Yes	Yes	NO

What is a “Dual Eligible” Individual?

- Defined as enrolled in Medicare and Medicaid
- Includes beneficiaries who are eligible for Medicaid and:
 - enrolled with no Spend-down (Categorically Needy)
 - enrolled with a Spend-down and meeting spend-down
 - Enrolled in Medicaid for Employed Adults with Disabilities (MEAD)
 - Enrolled in Medicare Savings Program (QMB/SLMB)

Department of Health and Human Services' (DHHS) Definition of an Adult with a Disability

“be physically or mentally disabled to the extent the individual cannot engage in a substantial gainful employment activity; **and** have a disability that is a condition of physical or mental disease, impairment, or limitation which is likely to result in death, or can be expected to last for a continuous period of not less than 48 months.”

Myth

***If I go to work I will lose my
medical coverage?***

Medicaid Programs

Medicaid Programs for Adults with Disabilities – over 18

- Financial and Medical Assistance (Categorically Needy)
 - Aid to the Permanently and Totally Disabled (APTD)
 - Aid to the Needy Blind (ANB)
- Medical Assistance Only
 - APTD and ANB
- Medicaid In and Out (with a spend-down) (Medically Needy)
 - APTD and ANB
- 1619(b) Medicaid Protection
- Medicaid for Employed Adults with Disabilities (MEAD)
- Home and Community Based Care Waivers (HCBC)
 - Developmental Disabilities (DD)
 - Acquired Brain Disorder (ABD)
 - Choices For Independence (CFI)

Medicaid Programs for Children – under 18

- Children's Medicaid
- Special coverage programs
 - Katie Beckett – Home Care for Children with Severe Disabilities (HC-CSD)
 - Children with Severe Disabilities (CSD)
 - Home and Community Based Care – In-Home Supports (HCBC-IHS)
 - Home and Community Based Care – Developmental Disabilities (HCBC-DD)

Aid to the Permanently and Totally Disabled (APTD) and Aid to the Needy Blind (ANB)

- For Cash Assistance and Medicaid (Categorically Needy)
 - For APTD be between the ages of 18–64
 - For ANB there is no age requirement but have a disability of blindness
 - Must have disabling condition that is likely to last for at least 4 years
 - Not be earning over Substantial Gainful Activity (SGA), \$1040 gross per month in 2013, at the time of application;
 - Have resources below \$1,500; *and*
 - *If you do not qualify for cash or elect not to have cash (for example if you 1619b eligible) then the resource limit is \$2,500*
 - Have income below the “Standard of Need” (\$724 in 2013 for an individual or \$1067 for a couple)
 - Please note that your Standard of Need can be more than the \$724 depending on your housing arrangements
 - Must file for Social Security to receive cash assistance

Aid to the Permanently and Totally Disabled (APTD) and Aid to the Needy Blind (ANB)

- For Medicaid In and Out or Medicaid with a Spend-down (Medically Needy)
 - For APTD be between the ages of 18–64
 - For ANB there is no age requirement
 - Must have disabling condition that is likely to last for at least 4 years
 - Not be earning over Substantial Gainful Activity (SGA), \$1040 gross per month in 2013, at the time of application;
 - Have resources below \$2,500 (or \$4000 for a couple); *and*
 - If you have income over \$724/individual or \$1067/couple, you would have to “spend-down” before you were eligible for Medicaid coverage each month
 - This is based off the Protective Income Level
 - \$591 for an individual and \$675 for a couple
 - » Any income over these amounts would be what your spend-down is

Home and Community Based Care (HCBC) Waivers

- Must be receiving Medicaid
 - Resource limits are the same
 - There can be a cost to you (called a Cost of Care) if you are not receiving cash assistance depending on your income
- The HCBC waivers are:
 - Choices for Independence (CFI);
 - Note this used to be called Elderly and Chronically Ill (ECI)
 - Development Disabilities (DD); and
 - Acquired Brain Disorder (ABD)
- An assessment of services needed must be done

What happens if you are receiving cash assistance and go to work?

- If you are receiving cash assistance and go to work, the exclusions are:
 - Earned Income Disregard of \$20;
 - \$30 or $\frac{1}{2}$ of the remainder whichever is smaller;
and
 - Employment Expense Disregard of \$18 or the actual expense if greater
 - Employment Expense Disregard is different than Impairment Related Work Expenses, examples are:
 - Social Security and Federal withholding taxes; Transportation to and from work or to and from child care if needed due to work; Child care cost if needed due to work; Special clothing; Other mandatory deductions

Medicaid for Employed Adults with Disabilities (MEAD)

33

- If a person is working they may qualify for Medicaid if:
 - Be between the ages of 18–64
 - Must be employed or self-employed for pay and paying FICA taxes
 - Must have some disabling condition that is likely to last for at least 4 years
 - Have countable income less than \$4,309 per month in 2013 for an individual or \$5,816 per month for a couple.
 - Have resources below \$26,754 in 2013 for individual or \$40,131 for couple
- Possible monthly premium
- If a person has a spend-down or Cost of Care, MEAD would eliminate it

MEAD: *Items Not Included in Resource Limit*

- Retirement plans
- Medical savings accounts
- MEAD Employability accounts
- MEAD Protected Earned Income (EI) Accounts – this is counted as a resource for MEAD but not if a person has to switch back to APTD/ANB

If Someone on MEAD Loses Their Job?

- Individuals on MEAD who become unemployed can remain on MEAD for up to 6 months if:
 - They intend to return to work within the next 6 months
 - *additional 6 months (12 months all together) can be granted if a good cause has been established*
 - They lost their job for good cause

Resources for More Information

- Social Security Administration
 - www.ssa.gov
- Medicare
 - www.medicare.gov
- Department of Health & Human Services
 - www.dhhs.nh.gov
- Granite State Independent Living
 - www.gsil.org or benefits@gsil.org or 877-809-7028
- NH's Work Incentive Resource Center
 - www.nhwirc.org