

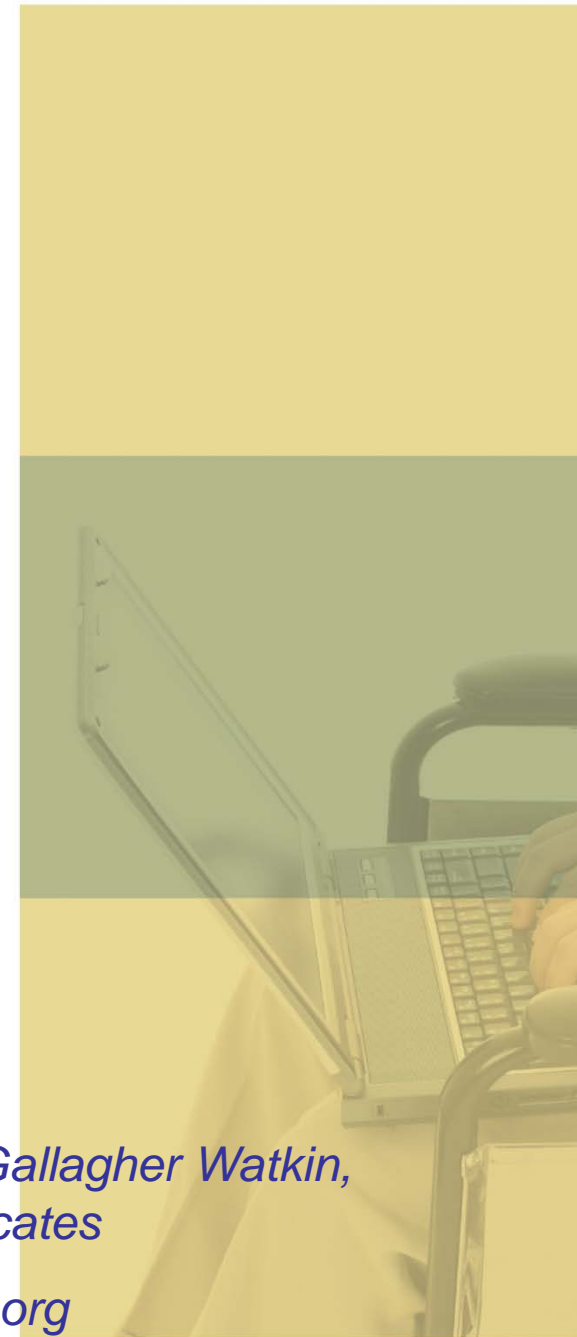
# WORK PAYS: Public Benefits and Employment

November 2011

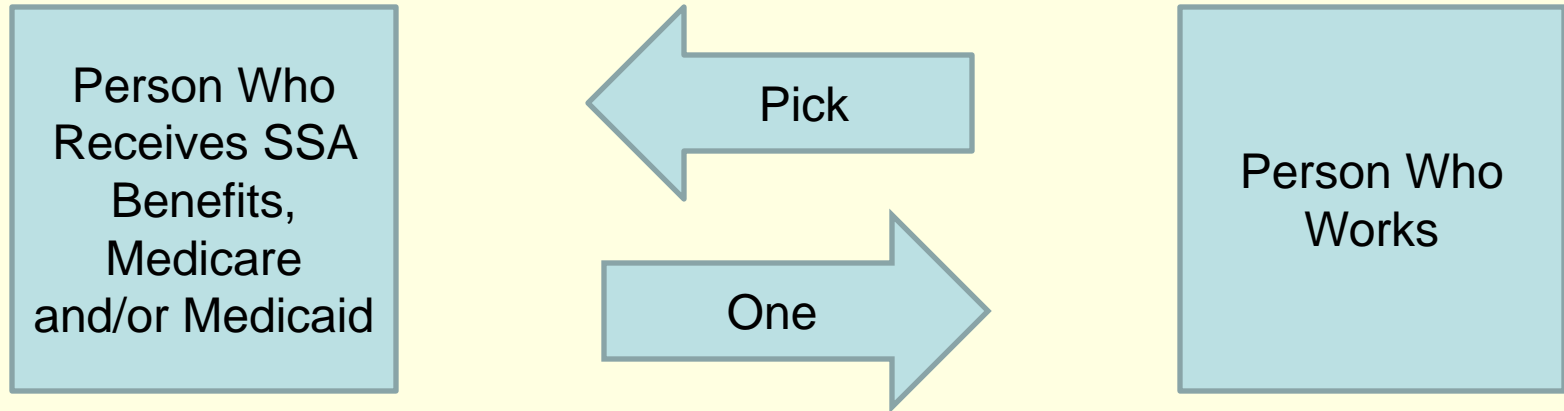
HDA

*Presentation by: Laura Gallagher Watkin,  
Health & Disability Advocates*

*[Lgwatkin@hdadvocates.org](mailto:Lgwatkin@hdadvocates.org)*



# Biggest Myth About Work



## Big Myth Leads To....

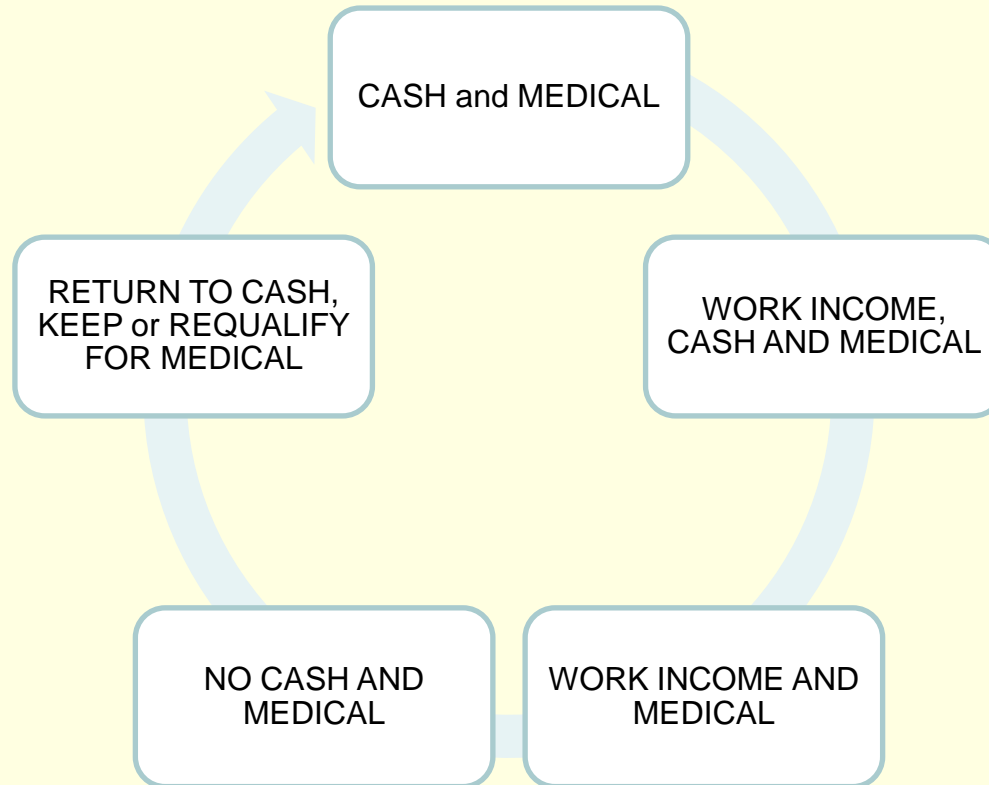
“It took me forever to get my SSDI check. I am not working and messing with that!”

“I want to work but what if my disability worsens after a while?”

“I would love to work, but I cannot afford to lose my healthcare.”

“I can't work. I get disability.”

# FACT



# Cash Benefits Programs for People With Disabilities

- Social Security Disability Insurance
- Supplemental Security Income
- Same definition of disability used to qualify for both programs.
- SSA determines what, if any, program a person qualifies for and how much the cash benefit will be.

# Program Rules are Different

- Rules for SSDI and SSI when you go back to work are completely different.
- Often, beneficiaries and their service providers get confused as to which rules apply.
- If person receives both checks, one set of rules applies to one check and the other set of rules applies to the other check.

# Social Security Disability Insurance

- Insurance system.
- Individual must have relevant work history or be related to somebody (child, spouse, former spouse, parent) who is disabled, retired or deceased with work history.
- Benefit amount will vary depending on when relevant work income earned and the amount earned.

# Impact Of Earnings On SSDI

- SSDI is an ALL or NOTHING program
- The amount of the check is not reduced – a person is either eligible for their entire check or they do not get a check at all.

# Stages in SSDI

- 9 months Trial Work Period
- 36 month EPE
- 3 month Grace Period
- Expedited Reinstatement within 5 years of benefits terminating due to earning too much money.

# What is the “Magic” Substantial Gainful Activity Number?

- Beneficiaries often want to know what they can make and keep their check or what the number is that may impact their benefits.
- Then number they are looking for is called “Substantial Gainful Activity”
- SGA: **\$1,000 (\$1010 in 2012)** in countable earnings for non-blind, **\$1640 (\$1690 in 2012) for blind.**
- SGA is irrelevant during the Trial Work Period.
- SGA does not mean you can never go back to SSDI if you need to.....
- And, there are deductions.....

# Is it Always Best to Stay Under SGA?

- Individuals need to make their own decision on if they want to work above SGA.
- Sometimes, more money can be made by working and losing the check.
- Other times, working under SGA and keeping that check may maximize income.
- People sometimes fear going above SGA because they think that means they can never go back to the system except by reapplying.
- Keeping people under SGA is often the easiest but not always the best answer!

# SSDI Bottom Line

- A beneficiary is connected to the SSA system even if you no longer receive cash from it due to earnings for several years.
- There are many opportunities to try work and go back to benefits if needed.
- Keeping that check does not always have to be the goal to keep a safety net in place!

# Supplemental Security Income

- Needs based program. Not an insurance program.
- Strict asset and income guidelines.
- Countable income includes both earned and unearned income. Any money coming in could count, even gifts!
- Also considers the income of other relatives in certain cases (deeming).

# Supplemental Security Income

- Federal Benefit Rate - standard amount of SSI in 2011 is \$674 (\$698 in 2012) for individual and \$1011 (\$1048 in 2012) for couple.
- May vary if there has been an overpayment or other income is being counted.
- Usually received on the 1<sup>st</sup> of the month.

# SSI: Follow the Formula

- SSI follows a formula for gradual deduction.
- All unearned income is counted against the check after first \$20.
- A little under half of the earnings are counted against the check so the check decreases at a rate slower than earnings are increasing.
- SGA is irrelevant to SSI.
- There are work incentive deductions in SSI too.

# SSI: Bottom Line

- Under the formula, you can never have less money coming in overall (although food stamps could go down).
- As far as cash is concerned, limiting your earnings makes no sense.
- Check is adjusted as circumstances change.

# SSDI/Medicare

- SSDI is always connected to Medicare.
- 24 month waiting period begins with first month of check entitlement.
- Medicare is not free.....there can be significant premiums and cost sharing.
- Low income program assist with Medicare costs.

# Will Medicare Continue When Person Gets A Job?

- Medicare continues as long as you get a check.
- Even if the check stops, Medicare continues through the Trial Work Period and Extended Period of Eligibility.
- Even if the check stops, most individuals who work will continue to receive at least 93 consecutive months of Medicare after the Trial Work Period

# Will Medicare Costs Increase When Person Gets a Job?

- Medicare costs can go up if a person loses eligibility for the low income programs that help with costs.
- Some increased costs can be avoided by careful planning and eligibility for Medicaid Buy In programs (discussed later).
- Normally, the increase in costs would not preclude reaching a work goal.

# SSDI/Medicaid

- SSDI and Medicaid are not connected.
- SSDI beneficiaries may or may not access Medicaid in your state depending on the state rules.
- In almost every state, there is a program for people with disabilities who work to qualify for Medicaid.
- Usually called “working disabled Medicaid” or “Medicaid Buy In” or something like that.

# Buy Ins

- Texas: Medicaid Buy In
- Illinois: Health Benefits for Workers with Disabilities (HBWD)
- Massachusetts: CommonHealth Plan
- New York: Medicaid Buy In Program for Working People with Disabilities
- New Mexico: Working Disabled Individuals (WDI)
- Arkansas: Working Disabled Medicaid
- Washington: Healthcare for Workers with Disabilities
- California: Medi-Cal 250% Working Disabled Program

# Supplemental Security Income-- Medicaid

- In most states, SSI and Medicaid are connected and if you get \$1 of SSI, you get Medicaid.
- In some states (called 209(b) states), SSI and Medicaid are not automatically connected, although usually the SSI recipients get Medicaid.
- In all states, as earned income increases, certain incentives will allow individuals to keep Medicaid are in place.

# Section 1619 (b) Eligibility

- \$0 federal SSI benefit is the result of earnings.
- Gross earnings fall below applicable threshold amount.
- Have disabling condition or continue to be blind
- Need Medicaid to work
- Unable to afford benefits equivalent to those received if not working
- Meet all other requirements for SSI

# Maintaining 1619(b) Eligibility

- Must report income to SSA monthly
- Must keep resources within \$2,000 limit (\$3,000 for couple)
- Keep earnings under state Threshold.

# State Thresholds 2011

- Texas: \$29,329
- Illinois: \$26,141
- Massachusetts: \$36,391 (\$37,240 blind)
- New York: \$45,454
- New Mexico: \$36,421
- Arkansas: \$28,730
- Washington: \$28,160
- California: \$35,023 (\$35,716 blind)

# 1619(b) Individualized Threshold

- Standard Threshold of does not always apply.
- If a person's earnings are reaching that limit, an individualized threshold may increase the limit for that person.
- SSA determines individualized thresholds.
- Recipient needs to request an individualized threshold from SSA.

# How Is Individual Threshold Determined?

- State Threshold is based on state's average per capita Medicaid expenditures.
- If a person's actual Medicaid expenditures are higher than that state average, that amount becomes the "base" for determining the threshold.
- Bottom line: An individual threshold is increased at least as much as the difference between the average and actual.

# Help Outside SSA

- **Work Incentive Planning and Assistance Projects (WIPA):** Staffed by Community Work Incentive Coordinators (CWICs) who conduct individualized assessment and planning of impact of work income on benefits.
- **Protection and Advocacy for Beneficiaries of Social Security (PABSS):** provide advocacy services for beneficiaries returning to work
- **Employment Networks or State VR:** At certain employment milestones, paid by SSA for providing employment services.
- <https://secure.ssa.gov/apps10/oesp/providers.nsf/bystate>