

U.S.C.A.
Positive Futures:
HIV, Employment & Rehabilitation in 2008
SSA WORK INCENTIVES

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*How much can I earn without
losing my
benefits?*

As much as
POSSIBLE!

SSA

SOCIAL SECURITY ADMINISTRATION



SOCIAL SECURITY ADMINISTRATION

- Social Security's definition of disability:
 - See form 3368-BK ([The Green Form](#))
- “ The inability to engage in any substantial gainful activity 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.”

SSI

SUPPLEMENTAL SECURITY INCOME



SUPPLEMENTAL SECURITY INCOME

- A needs based program
- Supplements a monthly benefit when recipients countable disability income is less than \$870
- Paid from date of application
- Maximum monthly payment for single individual is \$870
- Payment increased to \$890 if also receiving SSDI
- Any SSI income -- even \$1 -- will qualify for SSI-Linked Medi-Cal

SUPPLEMENTAL SECURITY INCOME

Supplemental Security Income allows individual recipients

- One Home (primary residence)
- One Car (of any value)
- Under \$2,000 in the bank

SUPPLEMENTAL SECURITY INCOME

- DEFINITION OF “ASSETS”

- Assets are monies that can be hidden, saved, invested, given, or taxed

Specific examples:

- IRA'S, CD'S, Stocks, Bonds, Money Market Funds, Mutual Funds, Retirement accounts, etc

SSI

PRESUMPTIVE SSI



SUPPLEMENTAL SECURITY INCOME

PRESUMPTIVE SSI

- Must be in dire need
(risk of not eating; imminent eviction)
- If these conditions are met, Social Security can presume that the individual will be found to be disabled
- SSI payments can be made immediately
- Payments will be made for up to six months while claim is being processed

SSI & MEDICAID

- Supplemental Security Income
- Federal Healthcare and Income support for those found to be disabled and destitute
- Comprised of Federal Benefit Rate and State Supplement (as applicable)

Google SSA Federal Benefit Rate 2008 or go to
<http://www.ssa.gov/pressoffice/colafacts.htm>

- SSI recipients also receive Medicaid

SSDI

SOCIAL SECURITY DISABILITY INSURANCE



SOCIAL SECURITY DISABILITY INSURANCE

- **THE CHECKSTUB**

- Deductions may include:

• FWT	\$142.88	IRS
• FICA	\$87.99	Social Security
• MEDFICA	\$ 20.57	Medicare
• CA SWT	\$ 37.81	State Withholding
• SDI	\$ 16.75	State Disability
• CAF PLAN 2	\$ 10.00	Cafeteria Plan (elected)
• Insurance	\$ 9.50	Life Insurance Premium
•		
• Total	\$306.00	

SOCIAL SECURITY DISABILITY INSURANCE

ENTITLEMENT PROGRAM ADMINISTERED BY SSA

- FICA = Federal Insurance Contribution Act
- Pays monthly for duration of disability
- \$ amount based upon accrued work credits
- Usually, consistent work for five out of previous 10 years qualifies for eligibility
- Fewer work credits required of those under 25

SOCIAL SECURITY DISABILITY INSURANCE

- SSDI CASH BENEFIT
 - Maximum benefit up to approximately \$1800 per month
 - Five month waiting period from onset
 - First payment received at beginning of 7th month
 - Upon approval benefits can be paid retroactive up to 12 months

SSI & SSDI

WORK INCENTIVES



SSI

WORK INCENTIVES



SSI WORK INCENTIVES: MEDICAID & EARNED INCOME

- Earned Income Calculation subtracts \$1 SSI for every two dollars earned
- \$1 SSI retains no share of cost Medi-cal.
- SSA's Title XVI (SSI) provision 1619(b) protects Medicaid earnings reach the *"break-even point"* (double SSI payment + \$85)

SSI WORK INCENTIVES

THE EARNED INCOME CALCULATION

\$1000 ***Wages (reported earned income)***

-\$85 ***Exempt (not counted)****

\$915 ***Subtract \$1 dollar for every \$2 counted***

\$915 / 2 =

\$488 ***Countable Wages***

\$870 ***California's SSI Monthly Benefit***

- \$488 ***Subtract Countable Wages***

\$382 ***SSI Adjusted Benefit***

+\$1000 ***Wages***

\$1382 ***Total Income (excluding taxes)***

SSI WORK INCENTIVES

- Earn enough to replace your SSI benefit
- If your benefit is \$870, your cash benefit will end when your gross wages reach \$1,825
- To calculate your SSI benefit “break even point,” double your SSI monthly benefit and add \$85

$$\text{\$ } 870 \times 2 = \text{\$ } 1,740 + \text{\$ } 85 = \text{\$ } 1,825$$

(Remember, these are California Numbers... The Federal Benefit Rate and State Supplement varies from State to State)

What if I get
sick again?

AVOID

OVERPAYMENTS...

Play by the rules!

SOCIAL SECURITY OVERPAYMENTS (SSI & SSDI)

- SSA benefits payments usually don't stop when they should
- Expect a notice of OVERPAYMENT
- Respond to the letter immediately
- Pay back the extra money
- Negotiate the overpayment away
- Negotiate the overpayment amount down
- Negotiate a repayment schedule

SSI REPORTING REQUIREMENTS

What to report:

- Change of Address
- Persons moving in or out of household
- Death of a member of the Household
- Changes of income
- Changes of In-Kind Support
- Marriage, separation or divorce
- Leaving the US for more than 30 consecutive days
- Changes in school attendance (if under 22)
- Death of recipient in deeming cases

SSI REPORTING REQUIREMENTS

When to report:

- Report any changes immediately
- Report within 10 calendar days after the month in which the change occurred
- Report by telephone, in writing or in person

SSI REPORTING REQUIREMENTS

Not reporting could lead to:

- Incorrect benefit amounts
- Overpayment
- Penalties deducted from SSI payment
- Loss of benefit

SSI WORK INCENTIVES

SSI's EARNED INCOME REVIEW

- Allows for part-time or full-time work
- Earned income reduces monthly benefit according to the Earned Income Calculation
- Medi-Cal eligibility remains with \$1 in monthly SSI benefit
- When SSI payment is suspended, 1619b protects Medicaid up to the State Threshold

SSDI

WORK INCENTIVES



SSDI WORK INCENTIVES

TRAIL WORK PERIOD

- Allows 9 Trial Work Months (TWM) in a 60 month (5 year) period
- Any month when earnings are at or above \$670 is considered a Trial Work Month
- The Trial Work Period starts with the first Trial Work Month
- TWM's do not have to be consecutive
- The SSDI benefit will remain unaffected until all nine Trial Work Months have been used
(Earn as much as you can...)

SSDI WORK INCENTIVES

EXTENDED PERIOD OF ELIGIBILITY

- The Extended Period of Eligibility (EPE) begins the month after the Trial Work Period Ends
- The EPE spans 36 consecutive months
- During the 36 months of the EPE the disability claim remains active
- If works stops at any time during the EPE, or if wages fall below \$940 (SGA), the full benefit is paid for that month(s)
- When the EPE has been satisfied Cash Benefit Status ends

SSDI WORK INCENTIVES

SUBSTANTIAL GAINFUL ACTIVITY

- Gross monthly wages above \$940 constitutes, in most cases, SGA (Self-Employment is subject to additional Earnings Tests)
- Reported earnings at SGA or above in any month disqualify the cash benefit for that month
- When a pattern of earnings over SGA three “Grace Period” months of full benefit are paid

SSDI WORK INCENTIVES

MEDICARE CONTINUATION

- 24 months of SSDI payments qualifies the recipient for Medicare Part B, C (if elected) and Part D
- Medicare stays in place for 8+ years: throughout the 9 month trial work period, 36 month EPE and an additional 4 1/2 years
- Part A is free, Part B premium is \$94.60 a month
- Arrange Medicare B Payment directly to Social Security when SSDI cash benefit stops

SSDI WORK INCENTIVES REPORTING REQUIREMENTS

- What to report:
- Improved medical condition allowing work (even if work has not yet begun)
- A return to work (employed or self-employed)
- Receiving a Worker's Compensation Benefit
- Confinement to jail, prison, a penal institution or correctional facility

SOCIAL SECURITY OVERPAYMENTS (SSI & SSDI)

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MEDI-CAL

WORK INCENTIVES



CONTINUED MEDI-CAL ELIGIBILITY

Four Disability Categories:

1. SSI's 1619(b)
2. Aged & Disabled Federal Poverty Level
3. Medically Needy w/Share of Cost
4. 250% Working Disabled Program

SSI-LINKED MEDI-CAL 1619b

- A provision to Supplemental Security Income (SSI) linked Medi-Cal
- Allows working SSI recipients to keep full-scope Medi-Cal
- Medi-Cal retained when SSI payment is reduced to \$0.00 per month due to wages
- Earned income threshold for 1619(b) program in California is \$34,346 (2008)

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AGED, DISABLED & FPL MEDI-CAL

- Aged, Disabled & Federal Poverty Level Medi-Cal provides free, full scope Medi-Cal
- Blind people are also eligible, but must be determined disabled
- Typical income threshold is \$1,097/month for a single individual

AGED, DISABLED & FPL MEDI-CAL

- Assets may not exceed \$2,000 in value (\$3,000 for a couple)
- Home and one car are exempt
- Assets may include:
 - checking and savings accounts
 - the value of stocks, bonds, and trust deeds
 - additional cars or recreational vehicles
 - promissory notes and loans that are payable to you

MEDICALLY NEEDY – SHARE OF COST

- Countable Income above \$1,097
- Maintenance Need Level is \$600 per month + \$20
- All other monthly countable income must be spent towards physical and mental health care
- Full scope Medi-Cal is then available for remainder of the month

MEDI-CAL 250%

WORKING DISABLED PROGRAM

Premium Payment Medi-Cal Program

- Allows working disabled to buy into Medi-Cal.
- 250% is a NOC category
- Monthly premiums range from \$20-\$375
- Must meet SSA's disability criteria and assets guidelines for SSI
- Working and earning annual gross income of less than \$53,028
- IRA's, KEOGH, and 401K are exempt from asset limits.

MEDI-CAL WORKING DISABLED PROGRAM

To qualify for this program:

- Be a resident of the United States living in California
- Meet Social Security's *medical* definition of disability
- Be employed with *countable* earnings below 250% of the Federal Poverty Level
- No minimum work requirement – can find a job that fits with your disability

MEDI-CAL WORKING DISABLED PROGRAM

- Assembly Bill 155 (Migden): California legislation passed in 1999 which created the CA 250% Working Disabled Program – program implemented April 2000
- “Medicaid buy-in program” allows individuals to buy-in to full-scope Medi-Cal
- Monthly premiums range from \$20-\$250 for individuals (\$25-\$375 for couples)

MEDI-CAL WORKING DISABLED PROGRAM

To qualify you must also:

- Meet the same asset and resource limitations for Medi-Cal
 - Own less than \$2,000 in assets (or less than \$3,000 for a couple)
 - One car and the home you live in are exempt
 - IRS-approved retirement accounts (i.e. 401k, 403b, etc.)
 - Unique to the Working Disabled Program

MEDI-CAL WORKING DISABLED PROGRAM

What is “work”?

- “Work” is undefined
- Earned Income qualifies
- Pet-sitting, domestic support services, research activities, clerical work
- No minimum earnings - earned income can be as little as \$20 per week

MEDI-CAL WORKING DISABLED PROGRAM

Proof of Employment:

- Pay Stubs
- Written verification of employment from an employer

If self-employed:

- Contract
- W-2's
- 1099 IRS form

MEDI-CAL WORKING DISABLED PROGRAM

ALL Disability income:

- SSDI
- Childhood Disability Benefits
- State Disability Insurance
- Private Disability Insurance
- Workers Compensation

is not counted when determining premium amount and maximum earnings

MEDI-CAL WORKING DISABLED PROGRAM

Income Eligibility:

- SSI's *countable income* calculation is applied to all wages/salaries
- All disability income is excluded when determining countable income
 - * However, keep in mind that earned income may impact cash benefits

MEDI-CAL WORKING DISABLED PROGRAM

Countable Income From:	Countable Income To:	Premium for Eligible Individual	Premium for Eligible Couple
\$1	\$600	\$20	\$30
\$601	\$700	\$25	\$40
\$701	\$900	\$50	\$75
\$901	\$1,100	\$75	\$100
\$1,101	\$1,300	\$100	\$150
\$1,301	\$1,500	\$125	\$200
\$1,501	\$1,700	\$150	\$225
\$1,701	\$1,994	\$200	\$275
\$1,995	\$2,100	\$250	\$300
\$2,101	\$2,673	N/A	\$375

MEDI-CAL WORKING DISABLED PROGRAM

Total income = \$3,200/month

- Working Disabled Program monthly premium = \$75/month
- If in Medically Needy Share of Cost Program, share of cost = \$1477.50

MEDI-CAL WORKING DISABLED PROGRAM

Enrollment

- Eligibility Worker Initiates Enrollment
- If not already enrolled in Medi-Cal, they should call the Beneficiary Unit for Medi-Cal (916-636-1980), or download and application from www.dhcs.ca.gov/services/medi-cal
- Latest SSA award letter confirming medical disability determination is still active
- Copies of two most recent payroll checks or stubs (or letter from employer)
- Copies of two most recent bank statements