

# Social Security and Transition Part I

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**Ellen Condon**

**Transition Projects Director,  
Rural Institute on Disabilities**

**Phone: (406) 243-4134 [condon@ruralinstitute.umt.edu](mailto:condon@ruralinstitute.umt.edu)**

**Margaret Keener**

**Project Director CWIC**

**North Central Independent Living Center**

**Phone: (800) 823-6245 (406) 452-9834**

**[ncils.keener@bresnan.net](mailto:ncils.keener@bresnan.net)**

# Today's Agenda

- Distinguish between SSI/SSDI
- Understand impact of wages and income on SSI disability benefits and SSDI disability benefits
- Identify the role of Benefits Planning in Transition Planning

# Social Security and Transition

- Disability benefits may be crucial for financing support needs, services, and medical needs.
- Work will impact benefits. Families, young adults, and employment staff need to be aware of how this happens.

# Social Security and Transition

- Myths exist about working and wages eliminating benefits.
- Several work incentive programs exist to protect the benefits of recipients as they try out work. The incentives can help pay for services and supports or help a person recover work expenses.

# Why more resources?

- To augment what schools are providing for employment
- To fund services when students are on waiting lists for services
- To promote choice and control for families and adults over providers and services
- To Increase the options for people

# Social Security

- Two programs for people with disabilities
- Both offer cash assistance and medical coverage
- SSI funded by general revenue of Treasury, SSDI funded by workers for themselves or dependents.

# “Disability”

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Inability to engage in substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last for at least 12 months or result in death.

# The 3 Rules

- Save Everything
- Copy Everything
- Don't Look For Logic

Marsha Katz, Rural Institute

# SSDI: Social Security Disability Insurance

- The recipient paid into the insurance system and then became disabled and
- Unemployed or unable to earn SGA (\$980/month 2009; \$1,000/month 2010; \$1,640/month if blind)
- FICA

# SSDAC: Social Security for a Disabled Adult Child

- Or (SSDAC), childhood disability benefits, a parent of a disabled child paid into the system and then became disabled, died or retired.
- “Disabled Adult Child”: unmarried, incurred disability before age 22, is or was dependent on the parent, age 18 or older.

# While it is less likely for younger people to receive SSDI –many do.

- Ryan receives SSDI through his father's retirement account
- Chase receives SSDI from his mom's disability account
- Alicia receives SSDI because her biological dad died

# Social Security Disability Insurance (SSDI)

- Check comes on 3<sup>rd</sup> or other day of month
- Payment varies with age, number of people receiving on the account, and previous income
- Comes with Medicare (24-month wait)

# SSDI/SSDAC...

- No limits on resources and unearned income
- All or nothing benefit
- Earning over SGA (\$980/month 2009; \$1,000/month 2010) puts the payment in jeopardy

# “Substantial Gainful Activity” (SGA)

- \$980 (2009) \$1,000 (2010)  
/month gross earnings
- 40 hours/month or \$800  
earnings for self-employment
- \$1640/month for Blind

# Work Incentives

- A program developed by Social Security
- Enables people receiving Social Security benefits the opportunity to try out or return to employment without fear of losing benefits.

# Trial Work Period (TWP)

- Earnings over \$700/month 2009 & \$720/month 2010 (gross)
- 9 months within a rolling 5-year period starting the first day of eligibility

# Extended Period of Eligibility (EPE)

- Begins the month after the end of Trial Work Period (TWP)
- Runs for 36 straight months
- In any month earnings are under SGA, the SSDI check is due
- In any month earnings are over SGA, SSDI check is not due but disability status is retained

# Subsidy & Special Considerations

- Subsidy: services, supports, accommodations that help someone find/maintain a job
- Provided by employer or others
- Reduces countable income and allows SSDI recipient to earn over SGA

# Examples of a Subsidy

- % of duties performed compared to similar wage coworkers
- % of production as compared to similar wage coworkers
- Additional supports provided by coworkers as compared to similar wage coworkers
- Job coach or follow along supports provided to employee

# Calculating Subsidy:

- # job coach hours x person's hourly wage
- % of duties or production, amount of support needed as compared to non-disabled coworker in similar job/pay
- Write letter on employer letterhead
- Keep on file for disability reviews

# Blind Work Expense (BWE)

- ❑ Costs of working not disability-related
  - Examples include: FICA and taxes, lunches, transportation, cost for guide dog, personal assistance, and other disability-related costs paid out of pocket
  - Reduces countable income

# SSI

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## Supplemental Security Income

# SSI (Supplemental Security Income)

- A financial and medical benefit available for people who meet income and resource limits
- Who have a disability or have a child with a disability
- Or are at least 65 years old or are blind

# SSI

- If you are under 18 your income & resources plus your family's income and resources determine your eligibility
- At age 18 your eligibility is re-determined and...
- Only your income and resources are counted

# Supplemental Security Income (SSI)

## Annual Federal Benefit Rate

- ◆ \$674/month (2009 & 2010)
- ◆ \$1,011/couple in (2009 & 2010)
- Typically comes with Medicaid
- Check comes on the first of the month
- Amount of payment varies based on income and living situation

# SSI Resource Limit

- Resources include any cash or item which can be converted to cash: life insurance policy, retirement plan, savings, etc.
- \$2000 allowed for an individual
- \$3000 for a couple
- Car and a house are allowed (not counted toward the limit)

# SSI Resources:

- Personal property over \$500 in value (antiques, coin collections, tools not used for work, boats, snow mobiles, livestock, etc.)
- Amount of equity in a second car
- Cash value of life insurance
- 1<sup>st</sup> moment of the month

# 2009 Federal Benefit Rate

(doesn't include various state supplements)

- \$674/month for an individual
- \$449.00 for an individual living in the “Household of Another”  
(2/3 of the FBR)

# Concurrent Recipients

- If SSDI/DAC is less than \$674/month then a person would be eligible for both benefits
- Total of the checks is \$20 more than SSI alone (\$694.00 in 2009)
- Receive both Medicaid & Medicare (Medicaid pays for Medicare)
- Follow SSI AND SSDI rules when working
- Convenient for a PASS plan

# Applying for SSI

- List ALL disabilities
- Worst Day Scenario
- Statements from friends, families, co-workers, etc.
- Build in support if necessary
- Pain and medication side effects
- Gather your own records and fill in the gaps
- Ability to work, support needs...

# Applying for SSI

- Must be earning less than SGA (\$980/month in 2009; \$1,000/month in 2010 or \$1640 if blind, at the time of application)
- Can use an IRWE or Subsidy to lower your countable income at application time

# Income and living situation

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Influence the amount of your SSI check (2 months later)

# Income

- Earned
  - Wages
  - Net income from self-employment
  - Food/shelter in lieu of wages
- Unearned
  - SSDI/SSDAC
  - Railroad Benefits
  - Alimony
  - Child support
  - VA benefits
  - Section 8 subsidy
  - Adoption subsidy
  - In-kind support

# WIPA- Work Incentive Planning Assistance

- What are they?
- Where are they in MT?
- How do you find them in other states?
- What do they do?

# The relationship between benefits analysis and transition:

- What would a benefits analysis look like?
- What information would it provide?
- How would it help transition?
- Who would initiate this?

# Doing the MATH...

# Calculating the effects of income on SSI:

- Earned income only
  - ◆ Disregard the first \$85/month earned, then divide by 2= the amount the SSI will be decreased.
  - ◆ Gross wages  
- \$85.00  
X divide by 2= amount SSI will be reduced

If Matt works 20 hours a week, earning \$7.25/hr for an average of \$580.00/month, how much is his SSI check?

How much income did he have monthly without working?

How much income does he have now with working even with the reduction in SSI?

# Impact of Wages on SSI

- \$674/month
- $\$580 - \$85 = \$495$
- $\frac{1}{2}$  of  $\$495 = \$247.50$
- $\$674 - \$247.50 = \$426.50$  SSI
- $\text{Income} = \$580 + \$426.50 \text{ SSI} = \$1006.50$

# Calculating the effects of income on SSI:

- Earned **and** unearned income
  - ◆ Disregard the first \$65 of earned then divide by 2; “earned income exclusion”
  - ◆ Disregard the first \$20 of unearned income; “general income exclusion”
  - ◆ Add the two together=the amount of countable income

**Alicia receives SSI and SSDI.**

**She earns \$385/month and her SSDAC check is \$320/month. How much SSI does she get?**

# Impact of wages and unearned income on SSI

- $\$320 \text{ SSDI} - \$20 = \$300$
- $\$385 - \$65 = \$320$
- $\$320 \text{ divided by } 2 = \$160$
- $\$300 + \$160 = \$460$
- $\$674 - \$460 = \$214$

# Student Earned Income Exclusion

- ◆ Students can earn up to \$1640/month before their SSI check is reduced
- ◆ Up to \$6600/year
- ◆ If they earn over \$6600 then their SSI check is reduced

# 1619(a) and 1619(b)

- 1619 (a)

SSI benefits and eligibility continue even though earnings are over the SGA level

Break Even Point SSI= \$0

When  $FBR \times 2 + \$85$

- 1619 (b)

Medicaid & SSI eligibility continue when no check is payable, due to amount of earnings, up to state/personal threshold

# Montana 2009 Threshold (amount you can earn before losing Medicaid)

■ \$28,682.00

gross earnings/year

\$28,819/2010

# SSI Work Incentives

- Allow you to shelter income so it is not counted against you and your SSI check remains higher, or you recover work expenses or protect eligibility for SSI and Medicaid.
- PASS Plans
- IRWE
- BWE

# A.W.A.R.E. Inc. Work Incentives and Benefits Planning

- Erin Miller, Anaconda  
(406) 563-8117
- Jessica Karjala, Billings  
(406) 698-0636

1-800-432-6145

# Another Resource

- Esther R. Medina
- Area I Work Incentives Coordinator
- Social Security Administration
- 175 E. 400 S., Suite 500
- Salt Lake City, UT 84111
- 801-524-4145 x3883
- Fax: 801-524-5892
- [esther.medina@ssa.gov](mailto:esther.medina@ssa.gov)

# SS Part II- January 19th

- Using Work Incentives of PASS (Plan for Achieving Self-Support) and IRWE (Impairment-Related Work Expenses) to enhance employment outcomes for youth with disabilities

# SS Part III – February 9th

- Benefits analysis and overpayments



# Impairment-Related Work Expense (IRWE)

- Paid out of pocket
- Directly related to disability
- Expense necessary to work
- Recover +/- 50% of costs

# Calculating an IRWE

- Gross wages/month
- Less general and earned income exclusion
- Less IRWE
- Divide amount by 2
- Sum equals the countable income

# Blind Work Expense

- Any costs of working
- FICA, lunch, transportation, guide dog...
- Paid out of pocket
- Recover 100% of cost

# Calculating a BWE

- Gross monthly wages
- Less general and earned income exclusions
- Divide amount by 2
- Less BWE
- Sum equals countable income

# Plan for Achieving Self-Support (PASS)

- Plan approved by SSA
- Expenditures lead to a vocational goal
- Timelines
- Budget
- Can save money or use monthly

# Questions?

