

Slide 1

Overview of the Work Incentives for Social Security Disability Insurance (SSDI)

June 10, 2010

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Slide 2

Overview

- Disability Benefit Programs
- SSDI Work Incentives
- Income Reporting
- Resources

Slide 3

Disability Benefit Programs

- Social Security Disability Insurance (SSDI)
- Supplemental Security Income (SSI)
- Both SSDI and SSI = Concurrent benefits

Slide 4

Social Security Disability Insurance (SSDI)

- AKA: DI, SSA, Social Security or Title II
- Based on work, not financial need
- Must have worked long enough & recently enough (FICA contributions) to become insured
- Disabled or blind under Social Security rules
- 5 month waiting period
- Medicare eligible after entitled for 24 months
- Not affected by resources
- 3 Different Forms: SSDI, Childhood Disability Benefits (CDB), Disabled Widow(er)s Benefits (DWB)

Slide 5

Social Security Disability Insurance (SSDI)

- Must have insured status on own work record
- At least 20 credits in the 10 years prior to onset of disability
- Those disabled prior to age 31 need fewer credits to qualify
- Possible to earn up to four credits per year-one credit = \$1,120 in 2010
- The amount of disability benefits payable under SSDI is determined by the number holder's work record
- The maximum monthly payment for 2010 is \$2,346

Slide 6

Childhood Disability Benefits (CDB)

- To be eligible for Social Security as an adult child with a disability, individuals must be:
 1. 18 years of age or older
 2. Disabled by SSA's definition before age 22; and,
 3. Child of an insured worker who is either disabled, retired or deceased.
- No 5-month waiting period required
- Benefits not payable prior to the month in which the individual turns 18

Slide 7

Disabled Widow(er)s Benefits (DWB)

- Paid to surviving spouse of insured former worker – worker must be deceased, not merely retired or disabled
- Individual must be disabled per SSA's definition
- Individual must be at least 50 years old
- 5-Month waiting period applies to DWB payments

Slide 8

Supplemental Security Income (SSI)

- Federal income program funded by general tax revenues (not Social Security taxes)
- Aged, blind or disabled people with limited income and limited resources
- U.S. Citizen or qualified alien
- Income/resources of family members or living arrangements may affect eligibility
- No waiting period
- Automatic Medi-Cal eligibility in CA

Slide 9

How do I find out what benefits I receive?

- **Benefits Planning Query (BPQY)**
 - Request from your local Social Security Office
 - Call the Social Security Administration (SSA) at: 800-772-1213 (voice); 800-325-0778 (TTY)
- A Community Work Incentives Coordinator (WIPA projects) will request a BPQY for you as part of benefits counseling

Slide 10

SSDI Work Incentives

- Trial Work Period
- Extended Period of Eligibility
- Expedited Reinstatement
- Extended Medicare Coverage

Slide 11

Trial Work Period (TWP)

- Allows you to test work for at least 9 months while receiving full SSDI benefits
- No limit to earnings during TWP
- 2010: \$720 gross earnings or 80 hours in self-employment = TWP month

Slide 12

Trial Work Period (TWP)

- Lasts until you complete 9 months (not necessarily consecutive) of work within a rolling 60-consecutive month period
- After TWP, there is a 3 month grace period with full SSDI benefits in addition to earned income (may occur during Extended Period of Eligibility (EPE) or after EPE has ended)
- No other work incentives apply during the TWP
- Only one TWP per period of entitlement

Slide 13

Trial Work Period (TWP) Example

- **2010 TWP amount is \$720.00/month**
 - January \$550
 - February \$550
 - March \$700
 - April \$700
 - May \$800-TWP 1
 - June \$800-TWP 2
 - July \$800-TWP 3
 - August \$700
 - September \$700
 - October \$800- TWP 4
 - November \$850-TWP 5
 - December \$825-TWP 6
 - January \$800-TWP 7

- February \$0
- March \$0
- April \$0
- May \$500
- June \$500
- July \$800-TWP 8
- August \$800-TWP 9

Slide 14

What happens after I use my Trial Work Period (TWP)?

- Your **Extended Period of Eligibility (EPE)** starts the month after TWP ends
- 36 consecutive months
- Once EPE starts, it cannot be stopped
- Key concept:
 - Substantial Gainful Activity (SGA)
- 2010: SGA is \$1000 in countable earnings (\$1640 for a Blind individual)

Slide 15

Extended Period of Eligibility (EPE)

- First 36 months are Reinstatement Period
 - If monthly countable earnings are over \$1000 not entitled to cash benefits
 - If monthly countable earnings are less than \$1000 then entitled to cash benefits
 - Benefits automatically reinstated without need for new application or disability determination
- During the EPE, work activity over \$1000 may not cause termination of benefits only suspension

Slide 16

Extended Period of Eligibility (EPE)

- SGA is not just a number, it is a decision
- Social Security will consider the value of your work
- There are work incentives that you can use during the EPE to lower your countable earnings:
 - Impairment Related Work Expenses (IRWE)
 - Subsidy or Special Conditions
- Unsuccessful Work Attempt
- Income averaging

Slide 17

Impairment Related Work Expenses (IRWE)

- Item or service enables you to work
- Need item/service because of disabling impairment
- You paid the cost and are not reimbursed
- The cost is reasonable
- You paid the expense in a month that you received earned income or performed work while you used the impairment related item or service
- The cost may be pro-rated over a 12-month period for nonrecurring expenses
- Examples: expendable medical supplies, vitamin supplements, service animal

Slide 18

Impairment Related Work Expenses (IRWE)

- All Impairment Related Work Expenses must be verified by your local Social Security field office
- Provide them with original receipts or canceled checks of the expenses
- Request in writing in case you need to appeal

Slide 19

Subsidy or Special Conditions

Subsidy:

- Support provided by your employer

Special Conditions:

- Support that is provided by someone other than your employer (i.e., Department of Rehabilitation, job coach)
- As a result of this support, you may be receiving more pay than actual value of services you perform

Slide 20

Subsidy or Special Conditions

This may exist when:

- You require more supervision or help from coworkers
- You have a reduced production rate
- You are provided with special equipment for your job
- You have irregular work hours and/or take frequent rest breaks
- You have a job coach
- You have fewer job duties than co-workers in a similar job

Slide 21

Subsidy or Special Conditions

The value of these self-employment subsidies can be used as deductions from countable income:

Unpaid help

- Help provided by a relative or friend
- Example: You have a candy and magazine counter in an office lobby, a friend helps you restock the shelves one hour each day

Unincurred Business Expenses

- Agency or individual has provided things your business needs or pays for certain expenses
- Examples: pays for stock, rent, purchase of equipment, utilities

Slide 22

SGA Example

\$1200.00 Gross Earnings

20% Subsidy = \$240.00

\$50.00 IRWE

$\$1200.00 - \$240.00 - \$50.00 = \910.00

\$910.00 is less than \$1000.00 = **NOT** SGA

Slide 23

Unsuccessful Work Attempt (UWA)

- Attempted SGA level work in employment or self-employment
- Work stopped or was reduced to below SGA after a short time (6 months or less) because of:
 - Impairment
 - Removal of special conditions
- Considered during EPE as part of SGA decision

Slide 24

What happens once my 36 month Extended Period of Eligibility ends?

- Your benefits will continue if you are not working or earning above SGA
- Your benefits will end if you work above SGA after the 36-month reinstatement period
- **Expedited Reinstatement** provides an additional 5 years of reinstatement if work stops and there is no medical improvement

Slide 25

Expedited Reinstatement (EXR)

- Previous entitlement to benefits terminated due to SGA
- Unable to work or perform SGA due to a disabling impairment
- Eligible within 60 months of benefit termination date
- Up to 6 months provisional benefits payable during EXR decision making process
- Medical decision needed

Slide 26

Extended Medicare Coverage

- Medicare coverage uninterrupted during Trial Work Period
- Continues for at least 93 months after the 9 month Trial Work Period
- After that you may be able to purchase Medicare coverage

Slide 27

(2010-2014 Calendar with TWP and SSDI Check or NO SSDI Check)

2010 Calendar starting in the month of May

- May \$900 TWP 1
- June \$900 TWP 2
- July \$1200 TWP 3
- August \$1200 TWP 4
- September \$1200 TWP 5
- October \$1200 TWP 6
- November \$1400 TWP 7
- December \$1350 TWP 9

2011 Calendar starting in January

- January \$1200 TWP 9
- February \$1400 **Start EPE Grace 1**
- March \$1400 Grace 2
- April \$1400 Grace 3
- May \$1535 **NO SSDI Check**
- June \$1535 NO SSDI Check

- July \$1535 NO SSDI Check
- August \$1400 NO SSDI Check
- September \$1535 NO SSDI Check
- October \$1535 NO SSDI Check
- November \$1535 NO SSDI Check
- December \$1535 NO SSDI Check

2012 Calendar starting in January

- January \$1600 **No SSDI Check**
- February \$1600 No SSDI Check
- March \$1600 No SSDI Check
- April \$1600 No SSDI Check
- May \$1600 No SSDI Check
- July \$1600 No SSDI Check
- August \$0 **SSDI Check**
- September \$0 SSDI Check
- October \$0 SSDI Check
- November \$500 SSDI Check
- December \$500 SSDI Check

2013 Calendar starting in January

- January \$500 SSDI Check
- February \$800 SSDI Check
- March \$800 SSDI Check
- April \$800 SSDI Check
- May \$800 SSDI Check

- June \$800 SSDI Check
- July \$800 SSDI Check
- August \$800 SSDI Check
- September \$1300 **NO SSDI Check**
- October \$1300 NO SSDI Check
- November \$1300 NO SSDI Check
- December \$900 SSDI Check

2014 Calendar starting in January

- January \$900 **End EPE**
- February \$900 SSDI Check
- March \$1600 **TERMINATION**
- April \$1600
- May \$1600
- June \$1600
- July \$1600
- August \$1600
- September \$1600
- October \$1600
- November \$1600
- December \$1600

Slide 28

Have you worked since receiving SSDI?

If the answer is yes:

- You will need to find out if you have used some or all of your TWP months
- Start by requesting a Benefits Planning Query
 - TWP months are often incorrect in Social Security's records
 - If earnings are showing, but no TWP months have been used, Social Security must review your past work and make a decision before you can know how many TWP months are left
- Meet with a benefits planner to find out which work incentives you may have used or to get help with a work review

Slide 29

Income Reporting

- Report all wages & net earnings from self-employment (NESE)
- Income counted when it is earned, not when it is paid
- Report new employment to your local Social Security office in person or with a letter
- Report changes in work status
- Generally, you do not report monthly with pay stubs
 - Complete Work Activity Report at end of TWP
 - Some offices require monthly reports with stubs if earnings greater than SGA

Slide 30

Income Reporting for Self-Employment

- Track income, expenses, & hours worked each month
- Report income annually when tax return is completed
- Provide Social Security copies of:
 - IRS Form 1040
 - Self-employment schedules (i.e., Schedule C, SE)
- Get help from a Community Work Incentives Coordinator (CWIC)/Work Incentives Planning and Assistance (WIPA) Project
 - See resources for link to find one in your area

Slide 31

Resources

Talent Knows No Limits

- <http://www.talentknowsnolimits.info/>

Disability Benefits 101

- <http://www.disabilitybenefits101.org/>

Closeup SSDI Work Rules-Disability Benefits 101

- http://www.disabilitybenefits101.org/ca/programs/income_support/ss_disability/ssdi/closeup_work_rules.htm

Slide 32

Resources

Work Incentives Planning and Assistance (WIPA) Projects

- Community Work Incentives Coordinators (CWIC)
- Free benefits counseling (SSDI and SSI)
- <https://secure.ssa.gov/apps10/oesp/providers.nsf/bystate>

Area Work Incentives Coordinators (AWIC)

- Work incentives experts
- Provide public outreach locally
- Train staff at Social Security offices
- <http://www.ssa.gov/sf/awic.htm>

Slide 33

Resources

Independent Living Centers-Find an ILC

- <http://www.cfilc.org>

SSA Red Book-Guide to Work Incentives

- <http://www.ssa.gov/redbook/>

Ticket to Work

- <http://www.yourtickettowork.org/>

- <http://www.choosework.net/>

WISE Events

- <http://www.cessi.net/WISE/>

Slide 34

Resources

Free Medicare Counseling (HICAP)

- 1-800-434-0222
- <http://www.cahealthadvocates.org/HICAP/>

Disability Rights California

- Protection and Advocacy for Beneficiaries of Social Security (PABSS)
- Assistance with appeals, overpayments, problems with Employment Networks
- <http://www.disabilityrightsca.org/>
- 800-776-5746/TTY 800-719-5798

Slide 35

Resources

For more information or questions, contact Karla Bell at 619-594-5381, kbell@interwork.sdsu.edu

- **To order brochures or promotional materials, contact Nicholas Moore at 916-654-8194, Nicholas.Moore@edd.ca.gov**
 - **The Medi-Cal Working Disabled Program Brochure**
 - **I Can Work Brochure**