



Funding the Future: SSA Benefits & Work Incentives

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Griffin-Hammis Associates, Inc.

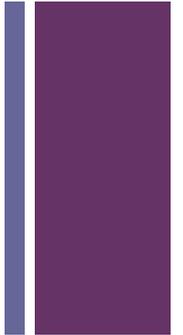
The Center for Social Capital

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What We Know

KNOWLEDGE
IS POWER



- Misinformation re: benefits & work is epidemic

Myth: Benefits = Barrier to Work

Fact: Benefits = Support to Work

- Accurate information is **CRITICAL**
- Don't have to be an expert to make a difference
 - Addressing concerns takes a team

+ The Goal: Getting to the Big Bucks

More, Better Jobs

For Higher Pay

With Greater Stability
& Advancement



+ Busting Down the “Big Bucks”
Barriers

+ Flipping the Frame: *The Benefits Fear Factor*

Benefits are the only thing I can count on... they are my financial safety net.

Reliance on benefits as the only source of income forces an artificial ceiling on earnings, and, in the majority of cases, guarantee a lifetime of poverty.

+ Asking a Different Question...

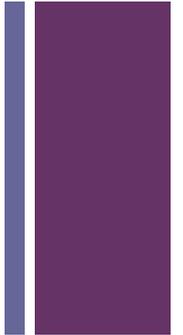
How much can I
earn without
losing my
benefits?



What would you
do with a little
more money???!!!



+ Financial Goals



- Conversation about financial goals should be independent of conversation about benefits
- *“I’d like to be able to make enough money to live independently, have my own car, and go on vacations to the beach once or twice a year”*

VS...

- *“I can only make \$1000/month or I will lose my benefits”*



Dispelling Myths with Facts

Busting Down the Benefit Barrier

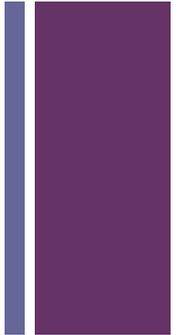
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+ Responding to Myths

- Reality: Benefits are so complex that misinformation is rampant
- 1. Identify a Myth in Action
- 2. Know the Facts
- 3. Be Ready to Encourage and Empower
- 4. Begin Learning the Facts
- 5. Know resources and make referrals

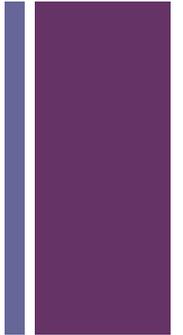


+ Basic Terms



- **SSA:** Social Security Administration
- **SSI:** Supplemental Security Income
- **SSDI:** Social Security Disability Insurance
- **Work Incentives:** Federal- and state-specific benefit program rules that assist in work efforts

+ SSI Basics



- Disability (SSA's definition)-medical reviews

- Financial Need
 - Resource Test: Countable resource limit
 - Income Test: Countable income limit

- Health Insurance: Medicaid
 - Automatic eligibility

+ SSI Federal Benefit Rate (FBR)

- Maximum amount of federal SSI cash benefit
- Typically changes annually

2016 FBR

Individual: \$733

Married Couple: \$1100

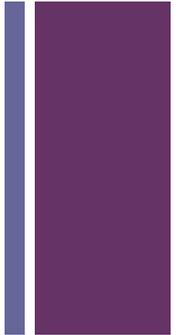
+ SSI Resource limits

- Not changed since 1974
- Key exclusions: home, car, burial funds

Individual: \$2000

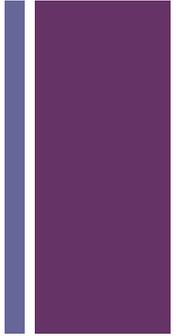
Married Couple: \$3000

+ SSDI (Title II) Basics



- Disability (SSA's definition)-medical reviews
- Insured Status
 - Own, parent's, or deceased spouse's record
- Benefit Amount: based on FICA contributions
- Health Insurance: Medicare after 24 months
- All or nothing program (cash benefit)

+ Important Consideration



SSDI and SSI are two completely different programs,

governed by entirely different rules and regulations

administered by the same agency

(SSA)

+ Myth #1: My SSI goes down when I work, so I end up losing money

- Basic deductions ALWAYS for earned income:
 - \$20 (General/unearned),
 - \$65 (earned),
 - One-half disregard (divide by 2)
- So countable earned ALWAYS less than earned
- Countable earned is deducted from check

FACT

With SSI, working ALWAYS means you have more money.

SSI & Work	Not Working	Working
Gross Wages	0	
Benefit Rate (SSI)	733	733
Gross Wages	0	
-85	0	
/2	0	
Countable Earnings	0	
SSI Check Amount	733	
Personal Income		
SSI	733	
Gross Wages	0	
Total Income	733	

Total Income Increases By

+ Myth #1: My SSI goes down when I work, so I end up losing money

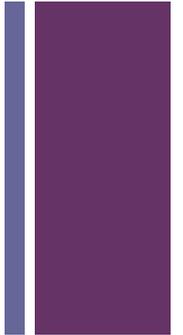
- Additional deductions may apply
- Additional deductions (Work Incentives):
 - Student Earned Income Exclusion (SEIE)
 - Impairment Related Work Expenses (IRWE)
 - Blind Work Expenses (BWE)
 - Plan to Achieve Self Support (PASS)

FACT

With SSI, working ALWAYS means you have more money.



Student Earned Income Exclusion (SEIE)



- Applies to SSI recipients who are:
 - Under age 22
 - Regularly attending school

- Annual limits apply for each calendar year in school (could apply in multiple years)

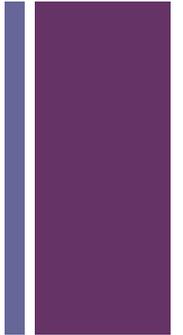
- 2016 SEIE
 - First \$1780 earned/month does not count
 - Up to \$7180/year

+ SEIE Considerations

- First \$1780 earned/month does not count until reach the annual limit of \$7180
- Student works p/t Jan-Dec 2016 & earns:
 - \$500/month = No reduction in SSI (entire year)
 - \$1000/month = No reduction in SSI until Aug (then standard formula kicks in)
- Part-time summer work:
 - \$1500/month, 3 mos = No reduction in SSI
 - \$2000/month, 3 mos = \$68 reduction in SSI (\$665)
total income = \$2665

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
SSI Benefit (max)	733	733	733	733	733	733	733	733	733	733
Monthly Wages	500	500	500	500	500	500	500	500	1800	1800
SEIE Info										
Starting Balance	7180	6680	6180	5680	5180	4680	4180	3680	3180	1400
SEIE \$ Used	500	500	500	500	500	500	500	500	1780	1400
SEIE \$ Remaining	6680	6180	5680	5180	4680	4180	3680	3180	1400	0
Countable Income	0	0	0	0	0	0	0	0	0	158
SSI Benefit (actual)	733	733	733	733	733	733	733	733	733	576
Total Income	1233	2533	2376							

+ IRWEs/BWEs



- IRWE: expense that is paid for out of pocket, necessary for work, and related to disability or medical condition
- BWE: any expense **reasonably attributed to the earning of income**. Applies only to individuals who meet SSA criteria for blindness

SSI Wage Basic **Monthly**
 Gross Wages
SSI - Benefit Rate 733

Income Calculation

Gross Wages 0
 - General Exclusion 20
 - Earned Exclusion 65
 IRWE
 Remainder = 0
 Divide by 2 0 (Countable Earnings)

SSI Check Increases By

SSI Check Amount 733

Personal Income	With IRWE	Without IRWE
Monthly Wages		0
SSI		733
Total		733



SSI Wage Basic **Monthly**
 Gross Wages
SSI - Benefit Rate 733

Income Calculation

Gross Wages	0
- General Exclusion	20
- Earned Exclusion	65
Remainder =	0
Divide by 2	0
BWE	
Countable Earnings	0
SSI Check Amount	733

SSI Check Increases By

Personal Income	With BWE	Without BWE
Monthly Wages		0
SSI		733

+ Myth #2: If I make more than \$1000, I'll lose SSI

- \$1000 is based on outdated figure related to SSDI & earnings (SGA)
- SGA important only at time of application
- Otherwise, SGA relates to SSDI, not SSI

FACT

SGA only applies at time of application- may be able to make significantly more & still get SSI. Individually determined!

+ Myth #3: If work reduces SSI to \$0, there's no way to get it back

- 1619b: If earnings cause SSI to be \$0, keep eligibility status, if:
 1. Still have a disability
 2. Need Medicaid to work
 3. Meet all other SSI eligibility criteria, and
 4. Have earnings below annual threshold

FACT

You can stay in SSI eligibility status if earnings cause the cash check to be \$0.

+ Myth #4: If work, I'll lose Medicaid

- 1619b: Maintain Medicaid if earnings cause SSI to become \$0 if income less than annual threshold
 - ME 2016 Annual Threshold: **\$32,667**
 - Individual Threshold may be higher
- Maine Medicaid Buy-In: For working individuals with disabilities- Higher resource limits, greater exclusions (retirement accounts, etc.)

FACT

You can work, earn tons of money, and keep MA.



SSDI MythBusters

+ Myth #5: I'll lose SSDI if I start working

- Trial Work Period (TWP)
 - 9 TWP months; maintain
 - Get full SSDI regardless of earnings
- TWP months occur over 60-month rolling window
- Have to work a certain amount to count:
 - TWP amount 2016: \$810
 - 80 hours or more **ONLY IF SELF-EMPLOYED!**

FACT

During the TWP, you can make
UNLIMITED income & still get full SSDI!

+ Myth #5: I'll lose my SSDI if I keep working

- After TWP, countable earnings compared to SGA
 - If less than SGA, keep full SSDI check
- Work Incentives lower countable earnings
 - Impairment Related Work Expenses (IRWE)
 - Subsidy
- $\text{Gross monthly earnings} - \text{WI} = \text{countable earned}$

FACT

Work incentives let you maintain the SSDI cash check if needed.

+ More EPE Facts

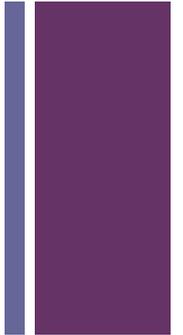
- Countable earnings compared to SGA

SGA 2016:

\$1130/\$1830 (blind)

- Eligible for SSDI check first month countable earnings exceed SGA (cessation) & next two months (grace period months)

+ EPE & SGA, *(cont.)*

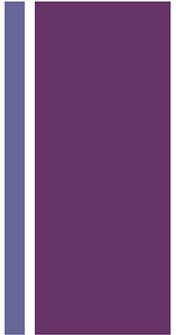


- After the second grace period month:
 - Earnings **below** SGA, **full** SSDI check
 - Earnings **above** SGA, **no** SSDI check
- Continues for remainder of the EPE

+ IRWE Example: Selena

- Selena receives an SSDI cash benefit of \$740 and is an administrative assistant at a doctor's office. She makes \$1200/month and is in the 3rd month of her EPE. She loves her job but thinks she might have to quit because she will lose her DI check next month.
- ***SUPERSTAR Question:*** Why would Selena lose her check the next month??

+ IRWE Example: Selena



- Selena pays:
 - \$150/month for specialized transportation
 - \$100/month on medication she needs to work
- Would these expenses count as IRWEs?
 - Paid by Selena out of pocket?
 - Related to disability?
 - Necessary for work?

How would they impact her countable income????

Selena's IRWE Calculation

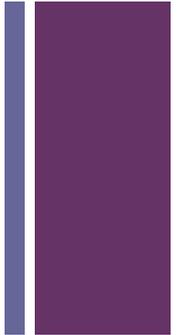


	740
Wages	1200
	1200

ok?	YES
	NO

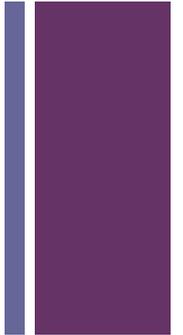
Personal Income	With IRWE	Without IRWE
Wages	1200	
SSDI	0	
Pension	0	
Total Income	1200	

+ Subsidy



- Expenses incurred/absorbed by employer
- Not a cash transaction, e.g.,
 - Extra meetings with supervisor
 - Employee produces at lower rate/percentage
- Work is “subsidized” by employer
- Value of subsidy subtracted to calculate countable earned income

+ Subsidy Calculation



Step 1: Calculate value of subsidy

Step 2: Subtract from gross earnings

Step 3: Compare to SGA

+ Subsidy Example: Malcolm

- Malcolm works for Printing & Things. He has completed his TWP and is in month 13 of his EPE. He has been offered a promotion which would increase his gross monthly earnings to \$1500. Malcolm would like to increase his earnings but is concerned about loss of his SSDI check.
- You talk with the employer about subsidy and learn that Malcolm produces about 70% of what his co-workers produce. He also meets with his supervisor for an extra hour each week. The supervisor is paid \$25/hour.
- Work independently or in small groups to

Malcolm's Subsidy Example

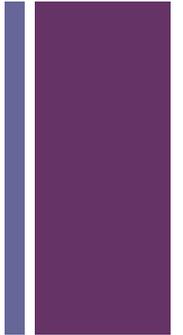
	740	
Wages	1500	Amount
	1350	10%
Subsidy	1350	
Total	150	

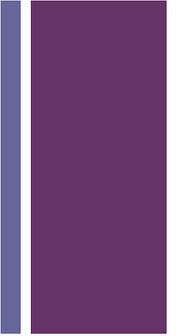
Check? NO
YES

Personal Income	Subsidy	Subsidy
Wages	1500	1500
SSDI	0	740
Total Income	1500	2240

+ SSDI: Self-Employment Work Incentives

- Unpaid Help
 - “Cost” of unpaid help deducted from NESE
 - Reduces amount of NESE that “counts”
- Unincurred Business Expenses
 - “Costs” deducted from NESE
 - Depreciated or full value
- Can significantly reduce countable income





Across (in combination), the TWP & EPE, beneficiaries starting or returning to work are essentially guaranteed to receive their full SSDI check for a minimum of 12 months

+ Myth #6: If work causes SSDI to stop, there's no way to get it back

- Extended Period of Eligibility (EPE)- maintain eligibility status
- Expedited Reinstatement (ExR)- quicker reinstatement process

FACT

You can stay in SSDI eligibility status even when you don't get a cash check or get it reinstated.

+ Myth #7: If I work, I'll lose Medicare

- When working:
 - If SSDI continues, Medicare continues
 - If SSDI stops, Medicare continues for at least 93 months, then buy-in for an unlimited amount of time
- When working: May also become eligible for Medicaid through Maine Medicaid Buy-In

FACT

You can work and keep Medicare. You may even be eligible for more health insurance.

+ Myth #8: There aren't resources to help me achieve my work goal

■ Work Incentives:

- Plan to Achieve Self Support (PASS)
- Individual Development Accounts (IDA)
- HUD Family Self-Sufficiency Programs (FSS)

■ Vocational Programs

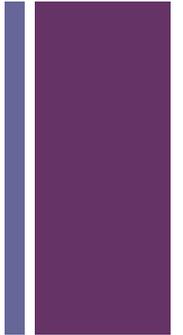
- Vocational Rehabilitation
- Workforce

FACT

There are work incentives and programs that can help you reach your work goal.



Plan for Achieving Self-Support



- PASS allows individuals to:
 - Set aside money for a work goal
 - Have resources over the asset limit
 - Money that is set aside does not “count”
- Individuals contribute funds- (not SSI \$)!!
- SSI benefits can increase to full FBR

+ Possible Sources of Funds for PASS

Earned Income

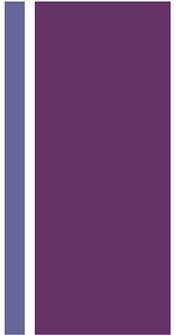
- Wage Employment
- Business Income

Unearned Income

- SSDI
- VA Benefits
- In-Kind Support

+ Possible PASS Expenditures

- Transportation to or from work
- Tuition, books, etc. (school or training)
- Attendant care
- Employment services (job coaching)
- Supplies to start a business
- Equipment/tools, safety equipment
- Uniforms, special clothing



Earned Income PASS Calculation



	No Pass	W/ PASS
SSI with PASS		
Gross Wages	985	985
Benefit Rate (SSI)	733	733
Gross Wages	985	985
-85	900	900
/2	450	450
Remainder	450	450
- PASS	x	450
Nettable Earnings	450	0
SSI Check Amount	283	733
Personal Income		
SSI	283	733
Gross Wages	985	985
PASS Expenses	x	450
Total Income	1268	1268
PASS Income	0	450

ANNUAL PASS TOTAL
\$5,400

SSI Check Increases By
\$450

Unearned Income PASS Calculation



	No Pass	W/ PASS
SSI with PASS		
Unearned Income	485	
Benefit Rate (SSI)	733	
Total Unearned	485	
-20	465	
- PASS	0	
Countable Unearned	465	
SSI Check Amount	268	
Personal Income		
SSI	268	
Unearned Income	485	
- PASS Expenses	x	
Total Income	753	
PASS Income	0	

ANNUAL PASS TOTAL

SSI Check Increases By



Myth #9: Benefits Sustain Me; I Should Limit Work to Maintain Them

- Focusing solely on maintaining benefits limits income and typically guarantees a life of poverty
- Benefits are a part of the financial planning picture- not the sole focus

FACT

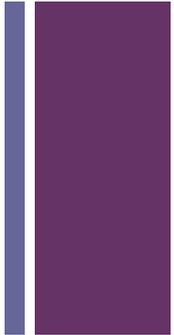
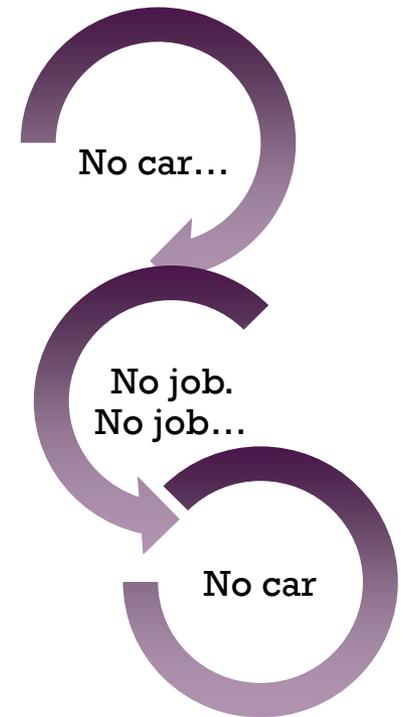
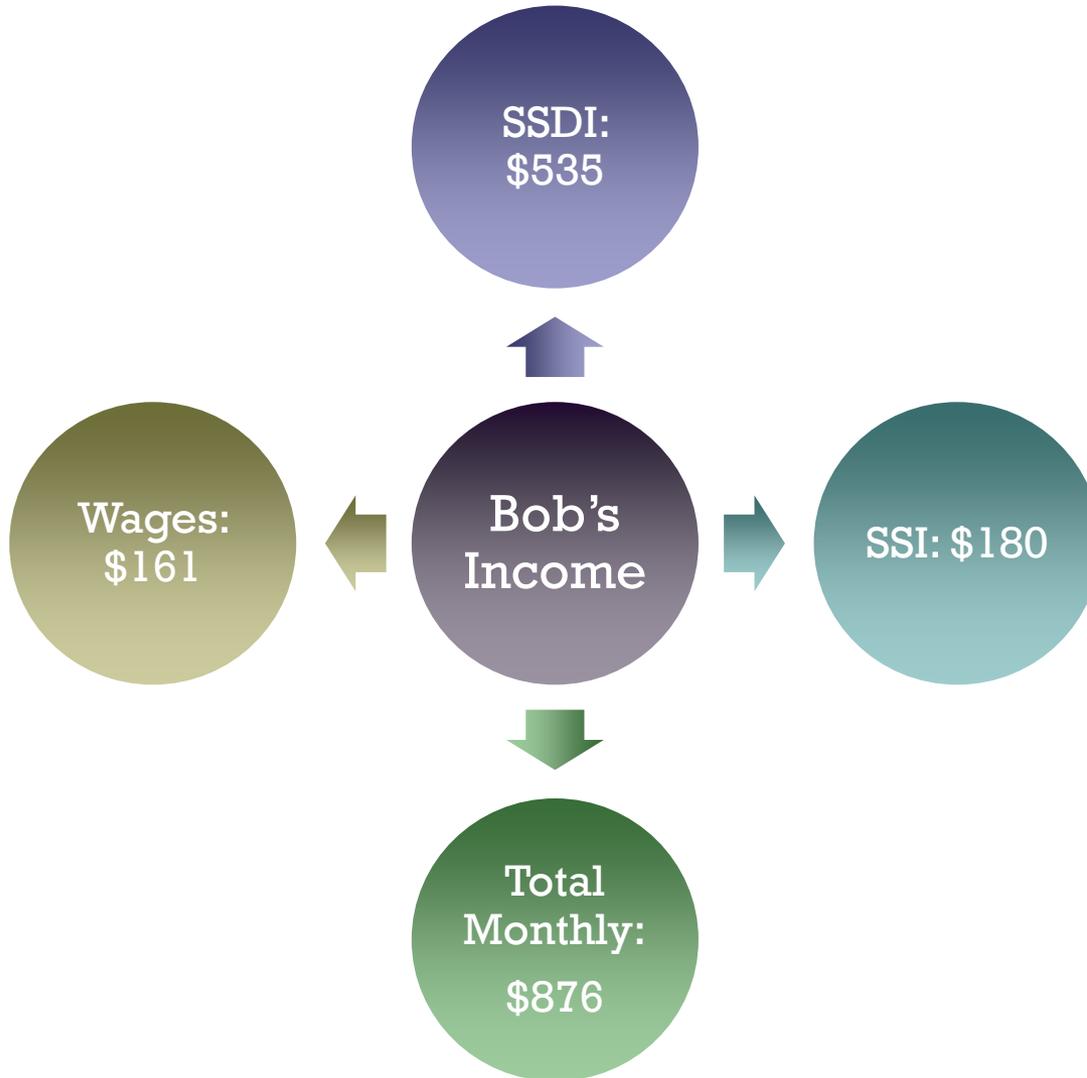
With careful planning, benefits can be used to help you reach your financial goals.

+ What About Bob?



- Wants a car & a home of his own
- More money to spend on a monthly basis
 - Barely making ends meet currently
- Wants to work as a peer specialist 20 hours/wk
- Worried about benefits but open to discussing

+ Bob's Reality



+ Bob's Benefits Solution

PASS →



PASS: \$575/month
6 mos = Downpayment

- No Change in Personal Income
- \$575 in PASS account
 - SSI check ↑ by \$575



**Month 6:
Buy Car &
Begin Job
Search**

**Secures Job:
\$1039/wages
Income ↑ by
\$300**

**PASS Continues:
Car payment +
Insurance/Gas
(until paid off- 12 months)**

During the PASS...



Personal Income

Wages: \$552
SSDI: \$20
SSI: \$733

TOTAL: \$1305
(previously \$876)

PASS Income

Wages: \$487
SSDI: \$515
SSI: \$0

TOTAL: \$1002

Total Monthly Income (PASS +
Personal) **\$2307**

When the PASS Ends...



Personal Income

Wages: \$1039
SSDI: \$535
SSI: \$0

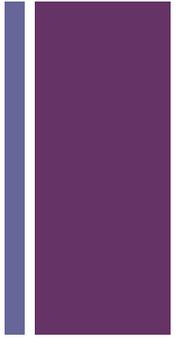
TOTAL: \$1844
(previously \$876)

Other Benefits

- Medicare
- Medicaid
- SSDI Eligible
- SSI Eligible

**82% Increase in Personal
Income**

+ Hooray!



Questions??? Comments???

THANK-YOU!!!

