



# Funding the Future: SSA Benefits & Work Incentives

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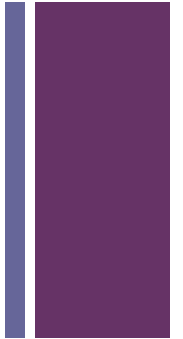
The Center for Social Capital

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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**

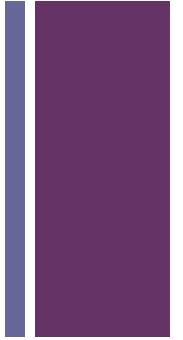
**Married Couple: \$3000**

# + 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 |
|-------------------------|-------------|---------|
| <b>Gross Wages</b>      | <b>0</b>    |         |
| Benefit Rate (SSI)      | 733         | 733     |
| Gross Wages             | 0           |         |
| -85                     | 0           |         |
| /2                      | 0           |         |
| Countable Earnings      | 0           |         |
| <b>SSI Check Amount</b> | <b>733</b>  |         |
| <b>Personal Income</b>  |             |         |
| SSI                     | 733         |         |
| Gross Wages             | 0           |         |
| <b>Total Income</b>     | <b>733</b>  |         |

**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*

|                      | <b>Jan</b>  | <b>Feb</b>  | <b>Mar</b>  | <b>Apr</b>  | <b>May</b>  | <b>Jun</b>  | <b>Jul</b>  | <b>Aug</b>  | <b>Sep</b>  | <b>Oct</b>  |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 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        |
| <b>SEIE Info</b>     |             |             |             |             |             |             |             |             |             |             |
| 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         |
| <b>Total Income</b>  | <b>1233</b> | <b>1233</b> | <b>1233</b> | <b>1233</b> | <b>1233</b> | <b>1233</b> | <b>1233</b> | <b>1233</b> | <b>2533</b> | <b>2376</b> |

# + 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   | <input type="text"/> | 0            |
| <b>SSI</b>      | <input type="text"/> | 733          |
| <b>Total</b>    | <input type="text"/> | 733          |



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

**Income Calculation**

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

**SSI Check Increases By**

| Personal Income | With BWE | Without BWE |
|-----------------|----------|-------------|
| Monthly Wages   |          | 0           |
| <b>SSI</b>      |          | 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

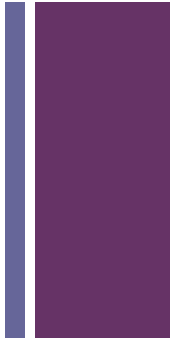


|       |             |
|-------|-------------|
|       | 740         |
| Wages | 1200        |
|       |             |
|       | <b>1200</b> |

|     |     |
|-----|-----|
| ck? | YES |
|     | NO  |

| Personal Income     | lo IRWE     | th IRWE |
|---------------------|-------------|---------|
| Wages               | 1200        |         |
| SSDI                | 0           |         |
| ense                | 0           |         |
| <b>Total Income</b> | <b>1200</b> |         |

# + 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   | <b>150</b> |        |

Check? NO  
YES

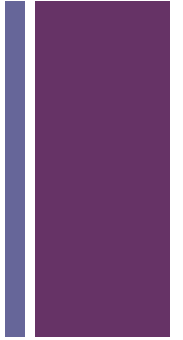
| Personal Income     | Subsidy     | Subsidy     |
|---------------------|-------------|-------------|
| Wages               | 1500        | 1500        |
| SSDI                | 0           | 740         |
| <b>Total Income</b> | <b>1500</b> | <b>2240</b> |



# + 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     |
|-------------------------|-------------|-------------|
| <b>SSI with PASS</b>    |             |             |
| <b>Gross Wages</b>      | <b>985</b>  | <b>985</b>  |
| Benefit Rate (SSI)      | 733         | 733         |
| Gross Wages             | 985         | 985         |
| -85                     | 900         | 900         |
| /2                      | 450         | 450         |
| Remainder               | 450         | 450         |
| <b>- PASS</b>           | <b>x</b>    | <b>450</b>  |
| Nettable Earnings       | 450         | 0           |
| <b>SSI Check Amount</b> | <b>283</b>  | <b>733</b>  |
| <b>Personal Income</b>  |             |             |
| SSI                     | 283         | 733         |
| Gross Wages             | 985         | 985         |
| PASS Expenses           | x           | 450         |
| <b>Total Income</b>     | <b>1268</b> | <b>1268</b> |
| <b>PASS Income</b>      | <b>0</b>    | <b>450</b>  |

**ANNUAL PASS TOTAL**  
**\$5,400**

**SSI Check Increases By**  
**\$450**

# Unearned Income PASS Calculation



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

**ANNUAL PASS TOTAL**

**SSI Check Increases By**

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

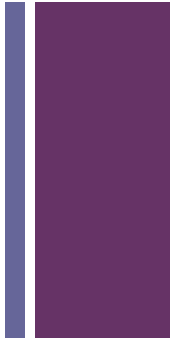
- Focusing solely on maintaining benefits limits income and typically guarantees a life of poverty
- Benefits are a part of the financial planning picture- not the sole focus

**FACT**

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

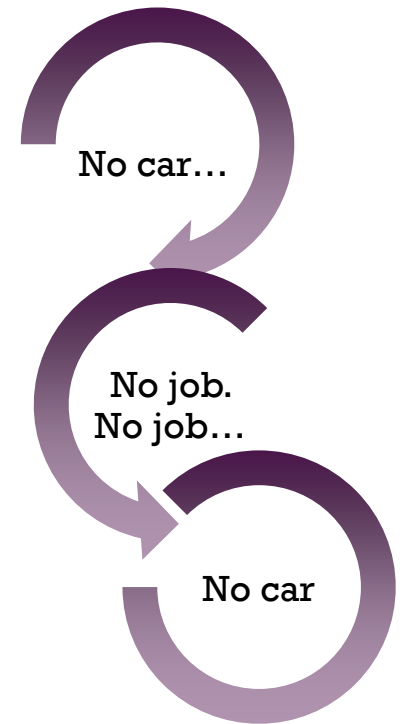
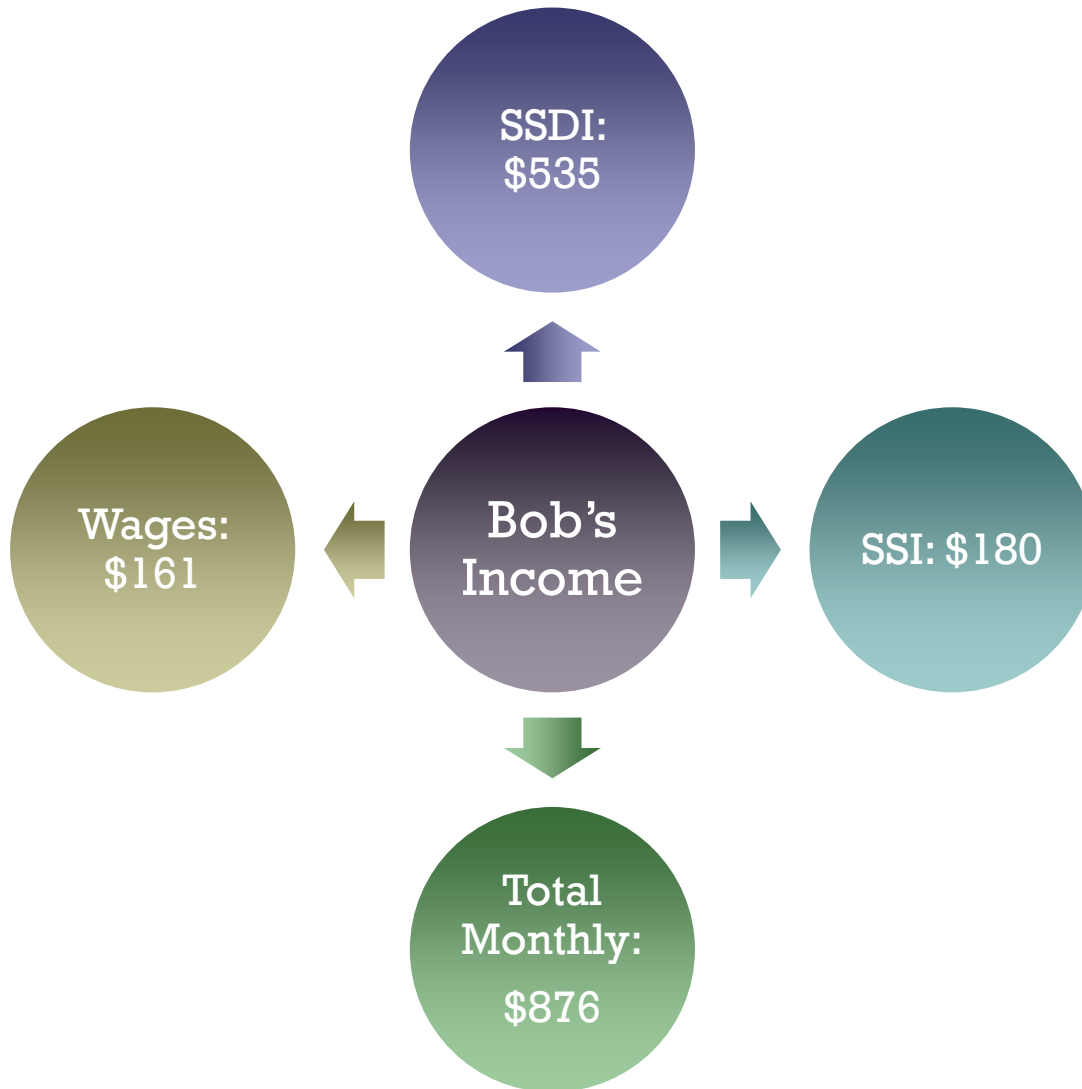


# What About Bob?



- 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

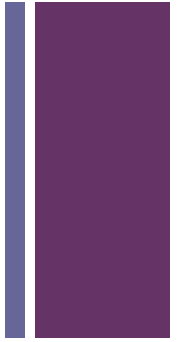
**TOTAL: \$1844**  
(previously \$876)

## Other Benefits

- Medicare
- Medicaid
- SSDI Eligible
- SSI Eligible

**82% Increase in Personal  
Income**

+ Hooray!



Questions??? Comments???

***THANK-YOU!!!***

