

REMOVING THE BARRIERS: USING SOCIAL SECURITY WORK INCENTIVES

Presented by Cindy Herzog
IMAG!NE ENTERPRISES

What are Social Security Benefits?

- There are two types of benefits:
- **Title 16**
 - Supplemental Security Income (SSI)
 - Based on the economic need of the family
- **Title 2 Disability**
 - Social Security Disability Insurance (SSDI), Childhood Disability Benefits (CDB), and Disabled Widows Benefits (DWB)
 - Based on a work record of a person who is either retired, disabled or deceased.
 - Retirement and Child's Benefits – are not related to disability

SSI Work Incentives

- General Income Exclusion (GIE)
- Earned Income Exclusion (EIE) and divide by 2
- 1619 b
- Student Earned Income Exclusion (SEIE)
- Plan for Achieving Self-Support (PASS)
- Blind Work Expense (BWE)
- Impairment Related Work Expenses
- Section 301

1619 (b)

- Medicaid coverage can continue, at no cost, even if the beneficiary's earnings become too high for an SSI cash payment, as long as:
 1. The beneficiary needs the Medicaid in order to work
 2. Meet other eligibility requirements, i.e. excess resources, living arrangement (single \$2,000 in assets, \$3,000 if married)
- **Texas State Threshold** for 2014 - \$33,407
- **Individual Threshold** – looks at the beneficiary's individual use of Medicaid, which could be much higher than the state threshold

Student Earned Income Exclusion (SEIE)

- If the beneficiary is under the age of 22 and regularly attending school, we can apply the Student Earned Income Exclusion (SEIE):
 - In grades 7-12 for at least 12 hours a week;
 - College or university at least 8 hours a week under a semester or quarter system;
 - Vocational training that is preparing the individual for employment for at least 15 hours a week
 - SSA does not count up to \$1,750 of earned income per month in 2014 with an annual exclusion of \$7,060
 - January-December is the calendar year
 - The SEIE lowers the individual's countable income, thus reducing the impact of earnings on their SSI check.

Impairment Related Work Expenses (IRWE)

- Any out of pocket expense that is related to the beneficiary's documented disability;
- Not reimbursed by anyone (insurance, DARS, etc);
- Purchased so the beneficiary could continue to work;
- The dollar amount of the IRWE is subtracted from the GROSS monthly earnings of the beneficiary, lowering the countable income and the impact on the SSI cash benefit;
- Examples: copays for doctor visits and prescriptions, par transit or special transportation, durable medical goods.

Blind Work Expenses (BWE)

- Documented expenses a person who has statutorily blindness as his or her primary disability with Social Security
- Incur the expense because the item(s) are needed for work
- These expenses do not have to be related to blindness, just to work

Plan for Achieving Self-Support (PASS)

- PASS will allow recipients to set aside income and or resources for vocational training, self employment or educational costs.
- Monies placed into an approved PASS account does not count towards the resource limit (\$2,000 for an individual, \$3,000 for a married couple).
- The PASS must be approved by the Social Security Administration;
- The money accumulated in the PASS may only be used for the items listed within the PASS application.

Section 301

- Allows for the continuation of benefit payments under both Title 2 and Title 16 to individuals whose disability ceases due to medical recovery while participating in an approved vocational rehabilitation program;
- Not expected to medically recover at the beginning of the program, but does recover;
- Actively participating in a VR program;
- Determination that completion of the program will significantly increase the likelihood of permanent removal from the disability roles.

Ticket to Work (TTW)

- Eligibility for the TTW program expanded to include all adult beneficiaries ages 18-64;
- The purpose and intent of the TTW program was to increase disability beneficiaries access to employment services, vocational rehabilitation services and/or other support services needed to obtain, retain, or maintain employment, which in turn would reduce disability roles;
- A beneficiary receives a “Ticket”
- Ticket holder contacts an approved Employment Network (EN)
- EN and the Ticket holder agree to work together and develop an Individual Work Plan (IWP) that outlines the mutual commitment they are making to each other

Overview Continued

- The IWP must be approved by Maximus (the contractor who facilitates the TTW program)
- Once approved, the EN will provide the agreed upon services needed to return to work
- The Beneficiary performs the agreed upon actions to go back to work
- Beneficiary will not be subjected to a Continuing Disability Review (CDR) as long as the beneficiary's Ticket is assigned or in use, and the beneficiary is making timely progress towards self-sufficiency
- If a beneficiary is working with State VR (DARS), the Ticket is "in use" and cannot be assigned to another EN.

Medicaid Buy In Program

- The Medicaid Buy-In Program offers affordable health care coverage to people with disabilities who work and earn a paycheck.
- Premiums range from \$0 to \$500 a month based on countable income

Medicaid Buy-In Program Qualifications

Who might qualify?

A person who meets the disability requirements of the Social Security Administration and receives Social Security disability may meet the Medicaid Buy-In disability requirement.

A person who is employed or self employed, either part-time or full-time, and earns enough to qualify for a Social Security qualifying quarter* may qualify for Medicaid Buy-In.

(*A three month period ending on March 31, June 30, September 30, and December 31 each year. Income limits change annually.)

***A quarter of coverage in 2014 is \$1,200 in earnings**

Medicaid Buy-In Program

How to Apply

MEDICAID BUY-IN PROGRAM- HOW TO APPLY?

- Call 2-1-1 for a location near you.
- Go to www.yourtexasbenefits.com.
- Visit a local HHSC Benefits Office.
- Get an [application](#).



<http://www.hhsc.state.tx.us/MBI.shtml>

SSI Calculation Sheet 2014

- **Scenario Description: Beneficiary works part time and earns \$500 a month from his job;**
- **He receives the full amount of SSI (\$721/month);**
- **He is enrolled full-time at school;**
- **The following example shows what happens to the SSI check based on \$500 a month in earnings and applying the Student Earned Income Exclusion:**

Step	Calculations
Unearned Income	0.00
General Income Exclusion (GIE) \$20	- 0.00
Countable Unearned Income	= 0.00
Gross Earned Income	500.00
Student Earned Income Exclusion	- 500.00
Remainder	0.00
GIE (if not used above) \$20	- 0.00
Remainder	0.00
Earned Income Exclusion (EIE) \$65	- 0.00
Remainder	0.00
Impairment Related Work Expense (IRWE)	- 0.00
Remainder	0.00
Divide by 2	0.00
Blind Work Expenses (BWE)	- 0.00
Total Countable Earned Income	= 0.00
Total Countable Unearned Income	0.00
Total Countable Earned Income	+ 0.00
PASS Deduction	-
Total Countable Income	= 0.00
Base SSI Rate	721.00
Total Countable Income	- 0.00
Adjusted SSI Payment	= 721.00
Adjusted SSI Payment	721.00
Gross earned income received	+ 500.00
Gross unearned income received	+
PASS, BWE or IRWE Expenses	- 0.00
Total Financial Outcome	= \$1,221.00

In this example, the beneficiary has total income of \$1,221. Because he is a full time student, his SSI check is unchanged, PLUS he retains Medicaid health insurance.

Title 2 Work Incentives

- **Trial Work Period (TWP)**
- **Extended Period of Eligibility (EPE)**
- **Cessation and Grace Period**
- **Impairment Related Work Expenses (IRWE)**
- **Special Conditions Employer Subsidies**
- **Section 301**
- **Continuation of Medicare**

Trial Work Period (TWP)

- Allows a beneficiary to test his/her ability to work
- Social Security does not reduce or suspend the Title 2 check during this period, regardless of the amount of wages earned
- In 2014, Social Security monitors the monthly gross wages to see how long it takes him/her to gross over \$770 per month, nine times
- Social Security verifies that the individual completed all nine months within a five year period
- No work incentives can be used during the TWP

Extended Period of Eligibility (EPE)

- Continues for 36 consecutive months immediately following the end of the Trial Work Period
- Continues to be medically disabled
- Receive a Title 2 check for each month that they have gross wages under “Substantial Gainful Activity” SGA
- SGA for 2014 is \$1,070/gross per month (\$1,800 for blind)
- Work Incentives can now be used

Cessation and Grace Period

- Cessation is triggered the first month after the Trial Work Period when a beneficiary goes over the SGA level and is able to maintain that level of earnings for a period of time (usually 6 months)
- Individual will receive his Title 2 check for that first month and the following two months
- Social Security looks at “unsuccessful work attempts” and other work incentives during this time

Impairment Related Work Expenses (IRWE)

- Any out of pocket expense that is related to the beneficiary's documented disability
- Not reimbursed by anyone (insurance, DARS, etc)
- Purchased so the beneficiary could continue to work
- The dollar amount of the IRWE is subtracted from the GROSS monthly earnings of the beneficiary, potentially reducing their SGA

Subsidy

- When an employer pays workers with disabilities more in wages than the reasonable value of the actual services performed or assistance is provided by an employment service, a subsidy may be present
- The dollar amount of the subsidy is subtracted from the GROSS monthly earnings of the person, potentially reducing their SGA

Medicare

- Our country's health insurance program for people age 65 or older, certain people with disabilities who are under age 65, and people of any age who have permanent kidney failure
- Provides basic protection against the cost of health care, but does not cover all medical expenses or the cost of long-term care

Who is Eligible for Medicare?

- Individuals who are:
- Age 65 and insured for retirement benefits either through their own work record, or through a spouse's work record
- Receiving SSDI who have met the 24-month qualifying period for Medicare
- Receiving CDB who have met the 24-month qualifying period for Medicare, no earlier than the person's 18th birthday
- Entitled to DWB or Medicare on a deceased worker's record and who have met the 24-month qualifying period

Medicare Parts

- **Medicare Part A**
 - Hospital Insurance
 - Helps pay for care in a hospital or skilled nursing facility, home health care and hospice care
- **Medicare Part B**
 - Supplemental medical insurance
 - Helps pay for doctors, outpatient hospital care and other medical services

Continuation of Medicare

- Medicare Part A can continue, at no cost, for at least 93 months following the end of the Trial Work Period (TWP) if the individual is still medically disabled
- Part B may be purchased and billed quarterly at the monthly premium of \$104.90

Medicare Part D – Prescription Coverage

- Voluntary prescription drug program – was effective 1/1/2006
- Individuals who have Part A and/or Part B, may voluntarily enroll in the voluntary prescription drug program
- Social Security does not process Part D enrollments
- Enroll with a participating approved Medicare Part D Prescription Drug Provider or a Medicare Advantage plan that offers prescription drug coverage
- Plans are developed and operated by private insurance companies that contract with Centers for Medicare Services (CMS)

SOCIAL SECURITY LINKS

- Social Security Administration Disability Information:
 - <http://www.ssa.gov/pgm/disability.htm>
- Ticket to Work Program Information for Beneficiaries and Providers:
 - <https://yourtickettowork.com/web/ttw/home>
- Social Security Red Book (available on-line only):
 - <http://www.ssa.gov/redbook/eng/main.htm>

HEALTH CARE RESOURCES

- Covering your child on your private health insurance? Contact <http://gethipptexas.com/>
- You may be eligible to receive reimbursement of health care premiums through HIPP!

Work Credits Needed for Social Security Disability Insurance Benefits

- Younger workers may qualify with fewer than 40 credits.
- **Before age 24**--You may qualify if you have 6 credits earned in the 3-year period ending when your disability starts.
- **Age 24 to 31**--You may qualify if you have credit for working half the time between age 21 and the time you become disabled. For example, if you become disabled at age 27, you would need credit for 3 years of work (12 credits) out of the past 6 years (between ages 21 and 27).

My Head is Spinning!

Questions and Answers