

# The Red Book: Working While Maintaining Eligibility For Benefits

Regional Center of Orange County  
Employment and Employment Supports  
2015

# Goals of this presentation:

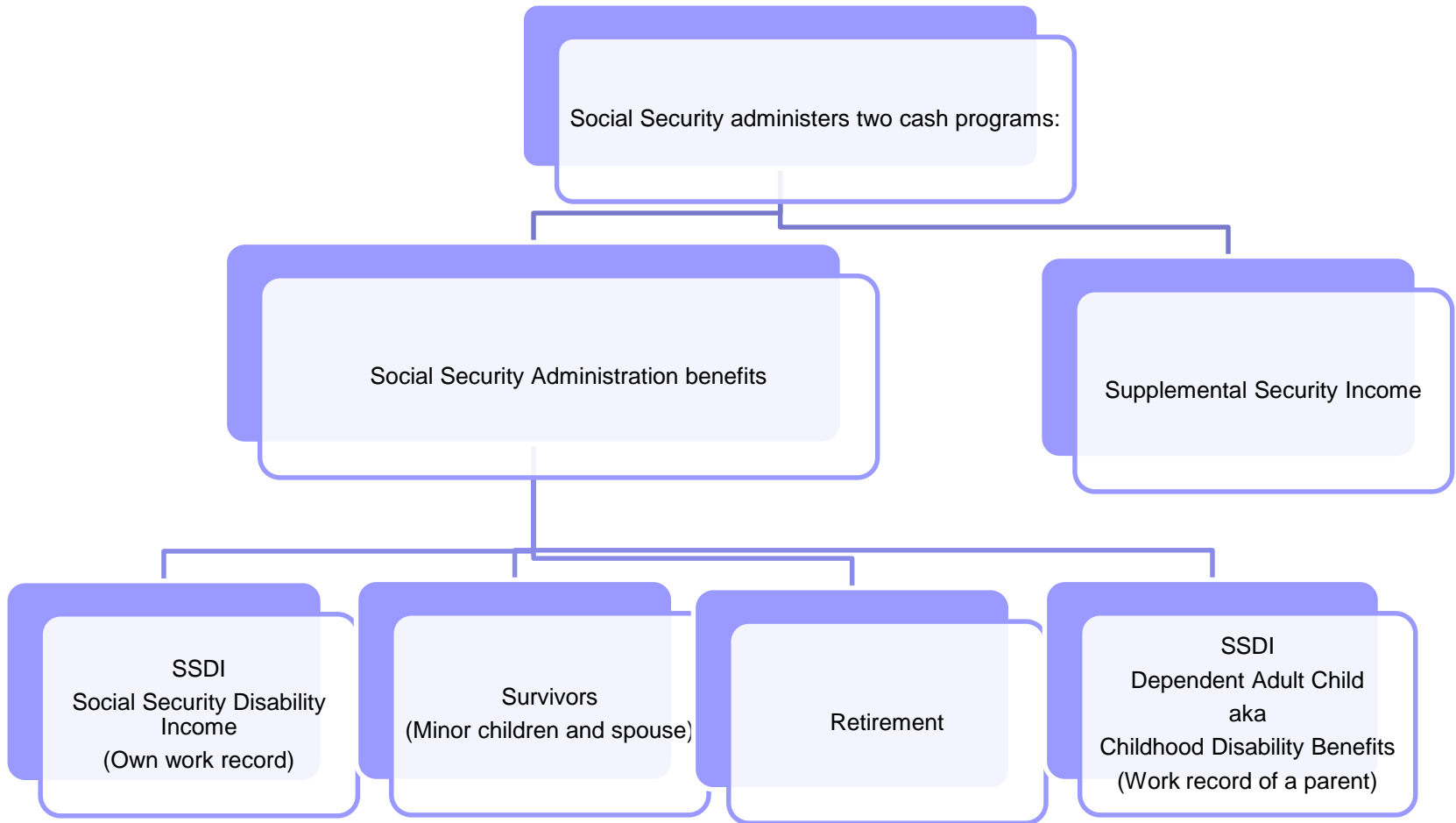
- To answer the most often asked question: How much can I earn and keep SSI?
- Provide information to RCOC staff, consumers, families, and support professionals about how Social Security looks at work and work incentives.
- To ensure that consumers can take advantage of the opportunity to work, if desired.
- To ensure that consumers can make an informed decision about how working will effect their benefits
- To provide information about community resources available to provide information and assistance
- The following information is from the Social Security website and from the Disability Benefits 101 website.

# So...how much can I earn?

Answer:

- It depends
  - On the benefit
  - On the goal of the wage earner
  - On whether the wage earner qualifies for employment supports

# The benefits



# Supplemental Security Income

The Basics

# SSI: The Basics

## When paid?

- SSI benefits are paid on the 1<sup>st</sup> of each month

## What health benefit automatically accompanies SSI benefits?

- Medi-Cal

## What is the SSI monthly payment based on?

- The identified living arrangement and other income being received

## How much can be earned each month and remain eligible for SSI?

- SSI uses a fixed formula based on income

***SSI: Wages are counted as income in the month they are paid, not necessarily in the month they are earned***

# SSI: Living Arrangements

What are the living arrangement options?

- Independent living (IL)
- Household of Another (HOA)
  - Someone else helps with your expenses
- Non-medical out-of-home care (aka B&C facilities)
- Long-term care (ICF, SNF, Sub-acute facility)

What defines the 'living arrangement'?

- Where the consumer lives
- Who else lives with him/her
- Who pays for his/her food and shelter costs

# SSI: Living Arrangement Amounts

## Disabled:

- Independent Living: \$877.40
- Independent Living, no cooking: \$961.40
- Non-medical out-of-home care: \$1133
- Long-Term care: \$50
  
- Household of Another: \$640.50 (Adult)
  - IL rate – In-kind support = HOA (\$ reduction of up to 260.33)
  
- Disabled minor child: \$784.40
- Household of Another: \$547.50 (Minor)



# SSI: Living Arrangement Amounts

## Blind

- Individuals qualifying for SSI under blindness are paid a higher amount in these two categories.
- Independent Living: \$932.40
- Household of Another: \$695.50

# SSI: Income definitions

## **Earned income**

- Gross wages earned through employment

## **Unearned income**

- Defined as any monthly income received passively (not earned)
- Child support, pensions, Social Security
- SDI (state disability insurance), unemployment benefits
- Cash from family and friends

SSI only  
Employment  
supports

# Continued Medicaid eligibility 1619(a) program

SSI Employment Support

# SSI: Section 1619 (a)

- SSI recipients can continue to receive SSI checks while they are working, if they still have a disability and meet other requirements
- If the individual earns above SGA (2014 = \$1070 per month), the individual can remain SSI eligible until the Break-Even Point
- The Break-Even Point is when the individual's earnings are high enough that the SSI payment amount is \$0.00.
- At that point, the individual should be evaluated for the 1619(b) program

# SSI: How to use the formula

- $\text{SSI payment} = \text{Living arrangement} - (\text{Countable unearned income} + \text{Countable earned income}) = \text{Total countable income}$
- This is called the Earned Income Exclusion
- SSI payment amount this month based on the above information reported to SSI two months ago
- SSI and Medi-Cal have an asset limit of \$2000.

# SSI Formula Example: IL/Wages only

- Living arrangement: Independent Living (\$877.40)
- No other unearned income
- Gross Wages: 15 hours/week x \$9/hour= \$584.55/month
- Earned income calculation:
- \$584.55-\$20 (unearned income disregard) - \$65 (earned income disregard )= \$781 (Total income disregard \$85)
- \$781 /2 = \$390.50 (Countable earned income)
  
- \$877.40      SSI Living arrangement : IL
- -\$390.50      Countable earned income
- =\$486.90      SSI payment amount two months from now

**Total income= \$866 + \$486.90 = \$1352.90**

# SSI Formula Example: IL/SSA/Wages

- Living arrangement: Independent Living (\$877.40)
- SSA earned income: \$620
- Gross Wages: 25 hours/week x \$8/hour= \$866/month
  
- Unearned income calculation:
- \$620 - \$20 (unearned income disregard) = \$600 (Countable unearned income)
  
- Earned income calculation:
- \$866- \$65 (earned income disregard) = \$801
- \$801 /2 = \$400.50 (Countable earned income)
  
- \$877.40            SSI Living arrangement : IL
- -\$1000.50        Countable unearned and earned income
- = \$0.00            SSI payment amount two months from now

**Total income:** \$620 + \$866= **\$1486**



# SSI Formula example: HOA/Wages only

- Living arrangement: Household of Another (\$640.50)
- No other unearned income
- Gross Wages: 25 hours/week x \$8/hour= \$866/month
  
- Earned income calculation:
- \$866-\$20 (unearned income disregard) - \$65 (earned income disregard) = \$781 (Total income disregarded \$85)
- \$781 /2 = \$390.50 (Countable earned income)
  
- \$640.50 (SSI Living arrangement : HOA)
- -\$390.50 (Countable earned income)
- = \$250.00 (SSI payment amount two months from now)

**Total income:** \$866 + \$250 = **\$1116**

# SSI Formula Example: HOA/SSA/Wages

- Living arrangement: Household of Another (\$640.50)
- SSA earned income: \$620
- Gross Wages: 25 hours/week x \$8/hour= \$866/month
  
- Unearned income calculation:
  - \$620 - \$20 (unearned income disregard) = \$600 (Countable unearned income)
  
- Earned income calculation:
  - \$866- \$65 (earned income disregard) = \$801
  - \$801 /2 = \$400.50 (Countable earned income)
  
- \$640.50 (SSI Living arrangement : IL)
- -\$1000.50 (Countable unearned and earned income)
- =\$0.00 (SSI payment amount two months from now)
- Total income: \$620 + \$866= \$1486

# SSI Formula example: B&C/Wages only

- Living arrangement: Non-medical out-of-home care (B&C) (\$1133.00)
- No other unearned income
- Gross Wages: 25 hours/week x \$8/hour= \$866/month
- Earned income calculation:
  - \$866-\$20 (unearned income disregard) - \$65 (earned income disregard )= \$781 (Totals an \$85 income disregard)
  - \$781 /2 = \$390.50 (Countable earned income)

- \$1133.00 (SSI Living arrangement : B&C)
- -\$390.50 (Countable earned income)
- = \$742.50 (SSI payment amount two months from now)

Total income: \$866 + \$742.50 = \$1608.50 (\$605.50 P&I)

# SSI Formula Example: B&C/SSA/Wages

- Living arrangement: Non-medical out-of-home care (includes AFHA placement, B&C facility aka Group homes) (\$1133.00)
- SSA earned income: \$620
- Gross Wages: 25 hours/week x \$8/hour= \$866/month
  
- Unearned income calculation:
  - \$620 - \$20 (unearned income disregard) = \$600 (Countable unearned income)
  
- Earned income calculation:
  - \$866- \$65 (earned income disregard) = \$801
  - \$801 /2 = \$400.50 (Countable earned income)
  
- \$1133.00 (SSI Living arrangement : B&C)
- -\$1000.50 (Countable unearned and earned income)
- =\$132.50 (SSI payment amount two months from now)
- Total income: \$620 + \$866 + \$132.50 = \$1618.50

# Continued Medicaid eligibility 1619(b) program

SSI Employment Support

# SSI: 1619(b)

- To qualify for continuing Medicaid (Medi-Cal) coverage, a person must:
- Have been eligible for an SSI cash payment for at least 1 month;
- Still meet the disability requirement; and
- Still meet all other non-disability SSI requirements; and
- Need Medicaid (Medi-Cal) benefits to continue to work; and
- Have gross earnings that are insufficient to replace SSI, Medicaid (Medi-Cal) and publicly funded attendant care services.

2014 Threshold Amounts for disabled SSI beneficiaries:

**CALIFORNIA    \$36,928/year**

# Student Earned Income Exclusion (SEIE)

SSI Employment Support

# SEIE

## How can the SEIE help?

If student is under age 22 and regularly attending school : (2014)

- SSI doesn't count up to \$1,750 of earned income per month .
- The maximum yearly exclusion is \$7,060.

## What is the definition of “regularly attending school?”

- Attending a college or university for at least 8 hours a week under a semester or quarter system
- Being in grades 7 – 12 for at least 12 hours a week
- Being in a course of training (with shop practice) to prepare for a paying job for at least 15 hours a week
- Being in a course of training (without shop practice) for 12 hours a week
- If there are reasons beyond your control that prevent you from going to school quite this much, Social Security can make an exception to these rules.



# SSI formula example with SEIE: IL/Wages only

- Living arrangement: Independent Living (\$877.40)
- No other unearned income
- Gross Wages: 40 hours/week x \$8/hour= \$1385.60/month
- SEIE
  
- Earned income calculation w/ SEIE:
  - \$1750 (SEIE) - \$1385.60 (gross wages)
  - -\$20 (unearned income disregard) - \$65 (earned income disregard)
  - = \$0.00
  - $\$0.00 / 2 = \$0.00$  (Countable earned income)
  
- \$877.40 (SSI Living arrangement : IL)
- -\$0.00 (Countable earned income)
- = \$877.40 (SSI payment amount two months from now)
  
- Total income= \$1385.60 + \$877.40 = \$2263.00
- \$7060 - \$1385.60 = \$5674.40 (First month)

# How to apply for SEIE

**Student needs a letter from their school on the school letterhead with the following information:**

1. Student name and SSN
2. School year and hours attending
3. Letter must be written by:
  - Guidance Counselor, Special Ed Case Manager, Vocational Counselor if attending High School (School Transcript may be acceptable)
  - Transition Department Head if attending a Transition program
  - ROP personnel responsible for Enrollment Verification if attending ROP
  - Admissions, Counselor, Disabled Student Center if attending College (School Transcript may be acceptable)
4. Take letter to Social Security office.
5. Ask them to date stamp letter and request a copy
6. Keep your copy in a safe place

# Social Security Administration benefits

SSDI, SSA-DAC

The Basics

# SSA: The Basics

## **When paid?**

- SSA benefits are paid on the 3rd of each month, or on the 2<sup>nd</sup>, 3<sup>rd</sup>, or 4<sup>th</sup> Wednesday

## **What health benefit automatically accompanies SSA benefits?**

- Medicare

## **What is the SSA monthly payment based on?**

- The amount the individual earned over a lifetime of working that was subject to Social Security taxes

## **How much can be earned each month and remain eligible for SSA?**

- SGA (Substantial Gainful Activity) for 2014: \$1070

***SSA: Wages count as income in the month it is earned regardless of when it is paid***

# Tip: Terms

- Social Security calls all disability benefits received by adults age 18-64, SSDI.
- Individuals disabled prior to age 22 drawing on their parent's work record receive Childhood Disability Benefits (CDB), or Dependent Adult Child (DAC) benefits.

# SSA: How wages impact eligibility?

- SGA: Substantial Gainful Activity
  - Term used by Social Security to mean doing significant physical or mental activity for pay or profit.
  - To be eligible for disability benefits, a person must be unable to engage in substantial gainful activity (SGA).
  - 2014 SGA:        Disabled \$1070/gross monthly wage  
                      Blind \$1800/gross monthly wage

# Trial Work Period (TWP)

SSA Employment Support

# Trial Work Period (TWP)

## **What is a Trial Work Period?**

- It is a period of time when Social Security allows individuals to test their ability to work without the risk of losing their SSA benefits.

## **How does it help?**

- During the TWP, individuals continue receiving their SSA checks regardless of how much they earn in wages.

## **When does the TWP begin?**

- The TWP does not begin until the 1<sup>st</sup> month the individual has been filed for or been entitled to SSA benefits, whichever is later.

## **How long does the TWP last?**

- Until an individual has earned \$770 or more (2014 amount) for 9 months during a 5-year rolling period.

## **What happens after the TWP ends?**

- Social Security grants an Extended Period of Eligibility (EPE).



# Monthly earnings that trigger a trial work period

YEAR	AMOUNT
1978 & prior	\$50
1979-1989	75
1990-2000	200
2001	530
2002	560
2003	570
2004	580
2005	590
2006	620
2007	640
2008	670
2009	700
2010	720
2011	720
2012	720
2013	750
2014	770

# TWP: Examples

- Works at a job earning \$866/month.

If continues working at same job for 9 consecutive months at same wage amount, TWP ends the 9th month as individual is over \$770 each month

Enters EPE

- Works at job where monthly wages vary.
- 1<sup>st</sup> month: \$560
- 2<sup>nd</sup> month: \$790
- 3<sup>rd</sup> month: \$665
- 4<sup>th</sup> month: \$800
- Months 2 and 4 are considered TWP month; 1 and 3 are not as earnings are under \$770

# Extended Period of Eligibility (EPE)

SSA Employment Support

# Extended Period of Eligibility (EPE)

## **When does it begin?**

- As soon as the TWP ends

## **How long does it last?**

- For 3 years after the TWP ends

## **How does it work?**

- Individuals continue to receive their SSA check as long as the gross monthly earning is under SGA (2014- \$1070).
- If individuals earn SGA during the EPE, the first time starts a 3 month grace period.
- During the grace period, individuals continue receiving the SSA check.
- Once the grace period ends, the first month that an individual earns SGA, the SSA check will stop.
- During the EPE, any month that earnings are not at SGA, then individual can contact Social Security and receive the SSA check.

# Subsidies

SSA Employment Support

# SSA: Why subsidies?

- Reduces 'countable' income for SSA
- May allow individual to earn higher wages but remain eligible for SSA income
- Allows individuals to keep the 'safety net' of SSA
- Example: Job coaching subsidy- 20%  
Gross Wages-20% subsidy.=Countable wage

# SSA: Wage subsidies

Wage subsidy or special conditions may exist if:

- You get more supervision than other workers doing the same or a similar job for the same pay
- You have fewer or simpler tasks to complete than other workers doing the same job for the same pay, or
- You have a job coach or mentor who helps you perform some of your work

# SSA: How are subsidies determined?

- If the individual is not fully earning his or her wages because the work is performed under special conditions (e.g., close and continuous supervision, on-the-job-coaching and substitution during which the job coach performs part or all of the individual's job duties), then we must deduct that part of his or her wages that are not "earned" by the individual from his/her average gross wages. This is true whether or not the employer or someone else provides the special (on-the-job) conditions.

In order to determine the amount an individual actually earns, SSA determines the value of the individual's services (i.e., work) by contacting the individual, his or her employer, supervisor(s), work peers, and the job-coach and any one else who would have this knowledge.



# Expedited Reinstatement (EXR)

SSI and SSA Employment Support

# Expedited Reinstatement

- Expedited Reinstatement allows former SSDI beneficiaries who have gone back to work and used up their Trial Work Period and Extended Period of Eligibility to get up to 6 months of temporary SSDI cash benefits if their income drops below the Substantial Gainful Activity (SGA) level.
- During those 6 months, Social Security will conduct a medical review to figure out if the beneficiary still meets Social Security's disability requirements. If they do, they'll be placed back on benefits without having to reapply for SSDI. If they don't, their SSDI benefits will stop.
- To be eligible for Expedited Reinstatement, you must request it within 5 years of the end of the Extended Period of Eligibility
- (Thanks DB101!)

# Agencies That Can Provide Personal Benefits Planning

# Work Incentive Planning & Assistance (WIPA) Project

## **What is it?**

- A grant awarded by the Social Security Administration to local organizations to provide work incentive planning services to those receiving SSI, SSDI, and/or SSA-DAC.

## **Who is eligible for WIPA services?**

- Those currently receiving SSI, SSDI, and/or SSA-DAC; AND either working, looking for work, or thinking about looking for work.

## **What services are provided under WIPA?**

- Work incentive planning analysis
- Explanation of work incentives available to the individual
- Explanation of Ticket to Work program
- Assistance in developing a PASS plan

# Agency: Project Independence Work Incentives Coordination

Work Incentive Planning & Assistance (WIPA) Project  
**Serving:** *Orange & Los Angeles Counties*

**Community Work Incentives Coordinator (CWIC):**  
Nick Harriger

**Phone:** (714) 549-3464 Ext. 228

**Email:** [nick@proindependence.org](mailto:nick@proindependence.org)

**Location:** 3505 Cadillac, Suite O-103  
Costa Mesa, CA 92626

# Agency: Dayle McIntosh Center

## Benefits Planning Assistance

- **Location:** 501 N. Brookhurst Street, #102  
Anaheim, CA 92801  
**Phone:** 714-621-3300  
714-663-2087 TTY
- **Website:** <http://daylemc.org>
- **Satellite Offices:** South Orange County Office  
24031 El Toro Rd, #300  
Laguna Hills, CA 92653  
**Phone:** (949) 460-7784  
**Fax:** (949) 855-8742  
**TTY:** (949) 855-6749

# Sources used in the presentation

- [www.ssa.gov](http://www.ssa.gov) SSA Red Book
- <http://ca.db101.org/> Disability Benefits  
101
- <http://choosework.net/resource/jsp/searchByState.jsp> Choose Work

# GOOD INFORMATION



# Tip: Reporting wages

- Individuals receiving SSI benefits should report wages every month as soon as the month ends. Needs to be reported no later than the 10<sup>th</sup> of the next month to avoid an underpayment or overpayment. Be sure to include all stubs including vacation, bonuses, or overtime.
- Individuals receiving SSDI benefits should report wages monthly (even if the wages do not vary). Be sure to submit stubs on the months that vacation, bonuses, or sick time is paid as these do not count as 'earned' income.
- Social Security may tell the payee that wages don't need to be submitted each month for those on SSDI...Do it anyway.
- Submit wage information by mail, by phone, in person.
- Keep copies of the original pay check stubs...just in case.

# Tip: Own Representative Payee

- If a consumer qualifies for SSI and/or SSA benefits on a diagnosis of cognitive disability, that consumer should not be his or her own payee.
- Reason: If the consumer has the ability to independently handle his or her own finances and the accompanying paperwork, how is the consumer 'too disabled' to work? SSA may determine that the consumer is 'not disabled'.

# Tip: Fair market rate & Fair Share

- Two ways that a consumer qualifies for SSI at the Independent Living rate:
- Fair market rate: Room in parent's home is rented out to the consumer at the same price that it would be rented out to a stranger. Check Craigslist. And there is money left over for clothing and miscellaneous expenses.
- Fair share: When the household expenses are divided equally between all household members, the consumer can pay their 'fair share', and have money left over for clothing and miscellaneous expenses.

# Tip: Housing

## Income guidelines for Section 8 housing

- **Orange County**

### Extremely Low (L30)

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
20,250	23,150	26,050	28,900

### Very Low Income (L50)

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
33,750	38,550	43,350	48,150

For more information, consult with someone knowledgeable about housing vouchers.

# Impairment Related Work Expenses (IRWE)

SSA Employment Support

# IRWEs

IRWE are deducted for SGA purposes when:

- The item(s) or service(s) enables an individual to work;
  - The item(s) or service(s) is needed because of a physical or mental impairment;
  - The individual pays for the item(s) or service(s) and is not reimbursed by another source such as Medicare, Medicaid, or a private insurance carrier;
  - The cost is “reasonable”, that is, it represents the standard charge for the item or service in your community.
- 
- Examples: Equipment, specialized transportation, medications co-pays

**RCOC often funds some items that would count as IRWEs**

# Social Security's Section 301 program

SSI and SSA Employment Support

# Section 301

## What is Section 301?

- Individuals can continue to get SSI or SSDI benefits even if they have medically recovered and no longer meet Social Security's criteria for being disabled.

## Who qualifies?

- Individuals participating in an approved Vocational Rehabilitation (VR) program that is expected to help them become *self-supporting*.

## How long will benefits continue?

- Until the individual completes the program; or
- The individual stops participating in the program; or
- Social Security decide that continued participation in the program will not increase the likelihood of the individual's permanent removal from the disability benefit rolls



# Section 301

Programs and providers that are usually approved for Section 301 include:

- [Ticket to Work](#) providers
- Vocational Rehabilitation agencies that use individualized plans for employment
- Support services that use individualized written employment plans
- A [Plan for Achieving Self-Support](#) (PASS)
- An [Individualized Education Program](#) (IEP) for young persons (ages 18 - 21)

To find out if a specific provider or program is approved under Section 301, talk to a benefits planner or a Work Incentives Coordinator.

# Ticket to Work Program

SSI and SSDI Employment Support

# Ticket to Work

## **Who's eligible?**

- Anyone between the ages of 18-64 currently receiving SSI and/or SSDI benefits

## **What are the advantages of the Ticket to Work program?**

- Consumers can go to work without automatically losing disability benefits;
- Consumers can return to benefits if they need to stop working;
- Consumers can continue to receive healthcare benefits; and
- They are protected from receiving a medical continuing disability review while using the Ticket and making the expected progress with work or educational goals.

# Ticket to Work: Links for more information

Department of Rehabilitation, Work Incentive Coordinators, Employment Networks can help you get a ticket.

<http://www.chooseworkttw.net/resource/jsp/searchByState.jsp>

Choose Work website

<http://www.socialsecurity.gov/pubs/EN-05-10061.pdf>

Social Security publication

[http://www.proindependence.org/programs\\_wipa.php](http://www.proindependence.org/programs_wipa.php)

Project Independence WIPA project

# Plan to Achieve Self-Support (PASS)

SSI Employment Support

# SSI: PASS

## **What is a PASS?**

- A PASS is for people with disabilities who want to save money for a work-related goal that will help them become self-sufficient.

## **To be eligible to apply for a PASS, individual must:**

- .Have SSI or become eligible for SSI because of an approved PASS application
- Have another source of income (SSA or wages) or have resources over \$2000 that can be used to fund the PASS plan
- Have a work goal to reduce or eliminate the need for benefits
- Create a written plan and get it approved by a PASS Cadre
- Be under age 65.

# PASS: Links for more information

Social Security publication: Working While Disabled-A Guide to Plans for Achieving Self-Support

- [www.socialsecurity.gov/pubs/EN-05-11017.pdf](http://www.socialsecurity.gov/pubs/EN-05-11017.pdf)

Social Security Disability Help: How to complete the SSA-545 form

- <http://www.disability-benefits-help.org/faq/form-ssa-545>

Disability Benefits 101: The PASS program

- [http://ca.db101.org/ca/programs/job\\_planning/pass/program.htm](http://ca.db101.org/ca/programs/job_planning/pass/program.htm)