

# What You Need to Know about Social Security Disability Benefits, Work and Turning 18

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# What are Social Security Benefits?

- ▶ Title 2 (Disability-related)
  - ▶ Childhood Disability Benefits
  - ▶ Social Security Disability Insurance (SSDI)
  - ▶ Disabled Widow(er)s Benefits (DWB)
  
- ▶ Title 2 (**Non**-disability related)
  - ▶ Auxiliary Benefits (Childs Benefits)
  - ▶ Retirement
  
- ▶ Title 16
  - ▶ Supplemental Security Income (SSI)

# Title 2 Child's Benefits

Provided to certain children of insured workers who are now deceased, retired and receiving Social Security retirement, or disabled and were/are receiving SSDI who are:

- Under age 18; or if 18 or older, a full-time elementary or secondary school student under age 19, and
- Dependent upon the insured worker
- Unmarried (with some exceptions)

# Title 2 Disability Benefits

- ▶ There are multiple ways to become eligible for Title 2 benefits, we focus on:
  - ▶ Social Security Disability Insurance (SSDI)
  - ▶ Childhood Disability Beneficiary (CDB)
  - ▶ Disabled Widow(er) Benefits (DWB)

# Title 2 Disability Benefits

- Provides cash benefits (after a 5-month waiting period)
- Medicare (after an additional 24- month waiting period) to beneficiaries (and their family members) who have sufficiently contributed to the Social Security Trust Fund.
- If the beneficiary goes to work and uses all applicable work incentives and still has countable earnings above SGA, Social Security takes **ALL** the check. There is **no** gradual reduction.

# Social Security Disability Insurance (SSDI)

- Disabled former workers who are fully insured
- Beneficiaries do NOT have to be 18 or older
- Eligibility can happen quickly for young people as fewer work credits are required.
- A 24 Medicare Qualifying Period and 5-month waiting period apply.



# Childhood Disability Beneficiaries (CDB)

- ▶ Must be at least 18;
- ▶ Disabled per SSA's definition prior to age 22; and
- ▶ Child of an insured worker who is deceased, retired, or disabled,
- ▶ Unmarried (with some exceptions)
- ▶ **No waiting period for payments**, but 24 month Medicare Qualifying Period does apply.

# Trial Work Period (TWP)

- Opportunity to test work skills
- Receives full benefit checks
- Ends when nine TW months fall within a 60 consecutive months period.
- TW months need not be used consecutively
- No other work incentives apply during TWP
- No special TWP amount for blind persons



# Trial Work Period (TWP)

- ALL gross earnings count
- Full benefit checks are payable throughout the TWP, regardless of amount of wages
- Only one TWP per period of entitlement
- 2018 limit: \$850

# TWP Example

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1999	100	100	100	100	100	175	175	175	210	175	175	175
2000	100	125	125	199	175	225	175	150	175	230	190	185
2001	180	195	150	550	550	550	195	195	175	198	199	199
2002	175	175	175	175	175	175	175	175	175	175	175	175
2003	196	196	196	196	196	196	196	196	198	625	630	185
2004	185	185	185	185	185	185	190	190	230	625	650	625
2005	175	185	185	185	199	230	300	500	500	625	650	625
2006	500	500	500	500	500	500	500	810	500	400	500	600
2007	750	775	775	775	800	775	775	779	760	725	775	775
2008	790	790	790	795	795	890	890	890	720	805	800	795

# TWP Example

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1999	100	100	100	100	100	175	175	175	210	175	175	175
2000	100	125	125	199	175	225	175	150	175	230	190	185
2001	180	195	150	550	550	550	195	195	175	198	199	199
2002	175	175	175	175	175	175	175	175	175	175	175	175
2003	196	196	196	196	196	196	196	196	198	625	630	185
2004	185	185	185	185	185	185	190	190	230	625	650	625
2005	175	185	185	185	199	230	300	500	500	625	650	625
2006	500	500	500	500	500	500	500	810	500	400	500	600
2007	750	775	775	775	800	775	775	779	760	725	775	775
2008	790	790	790	795	795	890	890	890	720	805	800	795

# TWP Example

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1999	100	100	100	100	100	175	175	175	<b>210</b>	175	175	175
2000	100	125	125	199	175	<b>225</b>	175	150	175	<b>230</b>	190	185
2001	180	195	150	<b>550</b>	<b>550</b>	<b>550</b>	195	195	175	198	199	199
2002	175	175	175	175	175	175	175	175	175	175	175	175
2003	196	196	196	196	196	196	196	196	198	<b>625</b>	<b>630</b>	185
2004	185	185	185	185	185	185	190	190	230	<b>625</b>	<b>650</b>	625
2005	175	185	185	185	199	230	300	500	500	625	650	625
2006	500	500	500	500	500	500	500	810	500	400	500	600
2007	750	775	775	775	800	775	775	779	760	725	775	775
2008	790	790	790	795	795	890	890	890	720	805	800	795

# SGA Determination “Tools”

- ▶ When determining if the value of someone’s work represents SGA, Claims Representatives have four basic tools at their disposal.
- ▶ The tools are:
  - ▶ Subsidy and Special Conditions
  - ▶ Impairment Related Work Expenses (IRWEs)
  - ▶ Income Averaging
  - ▶ Unsuccessful Work Attempt (UWA)

# What does “regularly attending school” mean?

- ▶ Student takes one or more courses of study and attends classes:
  - ▶ college or university (at least 8 hours/week under a semester or quarter system);
  - ▶ grades 7 - 12 (at least 12 hours per week);
  - ▶ course of training to prepare him or her for a paying job (at least 15 hours per week if the course involves shop practice, or 12 hours per week if it does not involve shop.)
    - ▶ This training includes anti-poverty programs, (Job Corps and government-supported courses in self-improvement); **or**
  - ▶ less than the amount of time indicated above for reasons beyond the student's control, (illness, if circumstances justify the reduced credit load or attendance.)





# EPE (continued)

- ▶ Always begins the month after TWP ends
- ▶ 36 consecutive months
- ▶ Once it starts, it cannot be stopped – cannot “bank” months
- ▶ Suspended benefits are reinstated if countable earnings fall below SGA level
- ▶ Work activity cannot cause termination during the EPE, only suspension



# EPE Example

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1999	100	100	100	100	100	175	175	175	210	175	175	175
2000	100	125	125	199	175	225	175	150	175	230	190	185
2001	180	195	150	550	550	550	195	195	175	198	199	199
2002	175	175	175	175	175	175	175	175	175	175	175	175
2003	196	196	196	196	196	196	196	196	198	625	230	185
2004	185	185	185	185	185	185	190	190	230	625	650	625
2005	175	185	185	185	199	230	300	500	500	625	650	625
2006	500	500	500	500	500	500	500	810	500	400	500	600
2007	750	775	775	775	800	775	775	779	760	725	775	775
2008	790	790	790	795	795	890	890	890	720	805	800	795

# Title 2 and Medicare

- Medicare is the federal health insurance program for people who are 65 or older, certain younger people with disabilities, and
- people with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant, sometimes called ESRD).

# Medicare

- The different parts of Medicare help cover specific services:
  - **Medicare Part A (Hospital Insurance)**
  - **Medicare Part B (Medical Insurance)**
  - **Medicare Part D (Prescription Drug Coverage)**

# **Title 16: Supplemental Security Income (SSI)**

**What you need to  
know**

# Supplemental Security Income (SSI)

- Cash assistance payments
  - to aged, blind and disabled people (including children under 18)
  - who have limited income and resources (Resource Limit: \$2,000 Individual and \$3,000 Couple).
- Paid from general tax revenues.
- In 2018 (the most SSI checks can be) = \$750 for Individual or \$1,125 for Eligible Couple (both on SSI)
- Individuals who receive SSI also receive Medicaid coverage.
  - In Texas, Medicaid is automatic



# SSI Rules and Processes

**Deeming,  
In-Kind Support and Maintenance (ISM),  
12-month Suspension Period,  
Age 18 Redetermination,  
Work Credits ...**

**OH MY!**

# The Deeming Concept



- When SSA determines the eligibility and amount of payment for an SSI recipient, the income and resources of people responsible for the recipient's welfare are also considered.
- This concept is called "deeming." It is based on the idea that those who have a responsibility for one another share their income and resources.
- It does not matter if money is actually provided to an eligible individual for deeming to apply.
- Deeming Types: Spouse-to-Spouse, **Parent-to-Child** and Sponsor-to-Alien

# In-Kind Support and Maintenance (ISM)

- When a child turns 18, parent-to-child deeming stops and the “adult child” transitions to ISM
- In-kind support is unearned income in the form of food or shelter that is given or received because someone else besides the benefit recipient is paying for it.
- In-kind support will effect the amount of the SSI cash benefit.

# Determining the Value of ISM

- The Value of the One-Third Reduction rule (VTR) applies when an individual/couple
  - over the age of 18 live throughout a month in another person's household and
  - receive **both** food and shelter from others living in the household.
- 2018: \$750 - \$250 = **\$500** (individual)

# SSI Beneficiary (18+ years old and still lives with his/her parents or others)

- In order not to be charged with this support, the youth must show that
  - he/she has rental liability,
  - is paying his/her share of the household expenses, or
  - has some degree of ownership in the home.
- In Texas, this arrangement exists when the rent or flat fee payment equals or exceeds the applicable presumed maximum value (PMV) or \$270.00, in 2018

# Twelve Month Suspension Period

- Reasons other than work
- Over resource limit
- Food and shelter paid by non-Medicaid facility



# Definition of Disability

- ▶ The definition of disability is the same for title 2 and SSI.
- ▶ The law defines disability as
  - ▶ the inability to engage in any substantial gainful activity (SGA –in 2018 is \$1180 non-blind or \$1970 stat blind)
  - ▶ by reason of any medically determinable physical or mental impairment(s)
  - ▶ which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

# Disability Determination in Children for SSI

- ▶ Under SSI, a child under age 18 will be considered disabled if he or she:
  - ▶ has a medically determinable physical or mental impairment or combination of impairments that causes marked and severe functional limitations, and
  - ▶ that can be expected to cause death or that has lasted or can be expected to last for a continuous period of not less than 12 months.

# Review Diaries

- ▶ Medical Improvement Expected (MIE)
  - ▶ 0 to 3 years
- ▶ Medical Improvement Possible (MIP)
  - ▶ 3 to 5 years
- ▶ Medical Improvement Not Expected (MINE)
  - ▶ 5 to 7 years

# Continuing Disability Reviews (CDRs)

- Periodic reviews are made to insure the disability continues after initial entitlement
- For title 2, there are two types of reviews - work reviews and medical reviews.
- SSI program only medical CDRs



# Age-18 Redetermination

- Any person who was found eligible for SSI as a child must have their eligibility for SSI re-determined as an adult.
- The redetermination will be done within a year after the person's 18th birthday.
- It is extremely important to follow through with the Age-18 Redetermination to avoid an overpayment.

# Age 18 Redetermination

- Only applies to SSI recipients.
- Remember: SSI program has two different definitions of disability – one for children under age 18 and one for adults aged 18 and above.
- Title II disability beneficiaries are NOT subject to redeterminations at the age of 18 since there is only one disability standard in the title II program.



# Age 18 Redetermination Process

- ▶ Considered to be initial eligibility decision
- ▶ The burden of proof lies with the individual in establishing that the adult disability criteria for SSI are met.
- ▶ Need for youth, their families, school personnel, and others to provide:
  - ▶ accurate and up-to-date documentation and
  - ▶ evidence related to the disabling condition and the person's ability to function and work.

# Age 18 Redetermination Process

- Social Security requests permission to contact physicians, service providers, and teachers who work with the individual.
- Disability Determination Services (DDS) examines the individual's ability to earn income in future employment by reviewing information gathered from the young adult's teachers regarding his/her abilities.

# Age 18 Redetermination Process

- Frequently, the Social Security forms **only** include questions related to school performance.
- If the student has participated in community based work experiences, supplemental documentation should be provided that states:
  - the level of performance in these settings and
  - what supports are required to perform work activities.
- SSA-5665 Teacher's Questionnaire

# Age 18 Redetermination Process

- ▶ Social Security will ask the individual if he/she is receiving:
  - ▶ vocations rehabilitation,
  - ▶ employment,
  - ▶ training,
  - ▶ educational, or
  - ▶ other support services from any source during the redetermination interview.
- ▶ The answer provided to this question is critically important because it indicates the potential for Section 301 continuation of benefits if an adverse determination is possible.

# Section 301

- ▶ SSI payments continue even if the person is not found eligible for SSI as an adult
- ▶ actively participating in an appropriate program of vocational rehabilitation or
- ▶ receiving special education services under an Individualized Education Plan (IEP) before the disability determination was made.

# Section 301

- Social Security has to determine that the person will be less likely to need SSI benefits in the future if the person completes their education or vocational rehabilitation program.
- **For youth under age 22**, Social Security assumes that continued participation in educational program under an IEP is likely to result in permanent removal from the disability rolls.



# Age 18 Redetermination DENIED

- ▶ Entitled to receive two more months of payments after the date of this notice
- ▶ Overpayment may occur if an ineligible individual continues to receive payments after the two-month grace period.
- ▶ The good news is that individuals found ineligible under the adult rules, are **NOT** required to pay back of all SSI payments received after the 18th birthday month.

# Benefits on Your Own Record

- Someone who has worked and earned enough Social Security credits and is disabled can receive Social Security Disability Insurance (SSDI) based on their own work record.
- A Childhood Disability Beneficiary (CDB) who have worked enough may be entitled to DIB. Similarly, CDB's who work after age 18 may earn enough Social Security credits to become entitled on their own work record.
- A youth under age 24 needs only six (6) credits to qualify.

# 2018 “Quarter” of Coverage

- ▶ The amount of earnings required for a quarter of coverage (QC) in **2018 is \$1,320.**
- ▶ "Quarter of coverage" is a legal term, but you may also see the term "Social Security credit" (or just "**credit**") used elsewhere.
- ▶ A QC is the basic unit for determining whether a worker is insured under the Social Security program.
- ▶ No matter how high your earnings may be, **you can not earn more than 4 QC's in one year.**

# Retrospective Monthly Accounting

- RMA has two elements:
  - The eligibility test which is based on the individual's or couple's income, resources and other factors in the month for which the payment calculation is made; and,
  - The payment computation, which is generally based on the income in the second month before the month for which payment is being computed.
- **Stated more simply**, eligibility is for the current month, but an individual or couple's SSI benefit is usually based on the income received two months earlier.

# Retrospective Monthly Accounting – Example

- ▶ Korra works and receives SSI. In August, she earns \$285.00. In October, she earns \$400.00. Because of RMA, Korra's October payment is based on her August, not her October earnings.
  - ▶ It is helpful to remind SSI recipients that there is a delay in the effect earnings have.
  - ▶ Korra, for example, will have extra to live on in October, because her earnings were higher, and her SSI was based on August's lower earnings.
  - ▶ In December, however, when Korra does not have work income, her SSI payment is based on October, and she has much less income in the month for her living expenses.
  - ▶ This can leave someone without enough funds to pay living expenses in a given month.



# SSI Work Incentives

- General Income Exclusion (GIE) (\$20)
- Earned Income Exclusion (EIE) (\$65) and divide by 2
- 1619 (b)
- Student-Earned Income Exclusion (SEIE)
- Impairment- Related Work Expenses (IRWE)
- Blind Work Expense (BWE)
- Plan for Achieving Self-Support (PASS)
- Section 301



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# Unearned Income ONLY

## STEP ONE:

<b><u>Unearned Income</u></b>	\$ 225.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 205.00

## STEP TWO:

Gross Earned Income	\$ 0
- SEIE	<u>\$ 0</u>
= Remainder	\$ 0
- GIE if not used above	<u>\$ 0</u>
= Remainder	\$ 0
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 0
- IRWE	<u>\$ 0</u>
= Remainder	\$ 0
Divide by 2	<u>12</u>
= Remainder	\$ 0
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 0

## STEP THREE:

Countable Unearned Income	\$ 205.00
+ Countable Earned Income	<u>\$ 0</u>
= Countable Income	\$ 205.00
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 205.00

## STEP FOUR:

Base SSI Rate:	\$ 750.00
- Total Countable Income	<u>\$ 205.00</u>
= SSI Payment	\$ 545.00

# Earned Income Only

## STEP ONE:

Unearned Income	\$ 0
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 0

## STEP TWO:

Gross Earned Income	\$ 350.00
- SEIE	<u>\$ 0</u>
= Remainder	\$ 350.00
- GIE if not used above	<u>\$ 20.00</u>
= Remainder	\$ 330.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 265.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 265.00
Divide by 2	<u>12</u>
= Remainder	\$ 132.50
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 132.50

## STEP THREE:

Countable Unearned Income	\$ 0
+ Countable Earned Income	<u>\$ 132.50</u>
= Countable Income	\$ 132.50
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 132.50

## STEP FOUR:

Base SSI Rate:	\$ 750.00
- Total Countable Income	<u>\$ 132.50</u>
= SSI Payment	\$ 617.50

\$350.00	Gross Income
+ <u>617.50</u>	Revised SSI Check
\$967.50	

# Both Earned and Unearned Income

## STEP ONE:

Unearned Income	\$ 225.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 205.00

## STEP TWO:

Gross Earned Income	\$ 463.00
- SEIE	<u>\$ 0</u>
= Remainder	\$ 463.00
- GIE if not used above	<u>\$ 0</u>
= Remainder	\$ 463.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 398.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 398.00
Divide by 2	<u>2</u>
= Remainder	\$ 199.00
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 199.00

## STEP THREE:

Countable Unearned Income	\$ 205.00
+ Countable Earned Income	<u>\$ 199.00</u>
= Countable Income	\$ 404.00
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 404.00

## STEP FOUR:

Base SSI Rate:	\$ 750.00
- Total Countable Income	<u>\$ 404.00</u>
= SSI Payment	\$ 346.00

\$225.00 Unearned  
+463.00 Earned  
+346.00 SSI Check  
\$1,034.00

# Student Earned Income Exclusion (SEIE)

- If you are under age 22 and
- Regularly attending school.
- SSA does not count up to \$1,820 of earned income per month in 2018
- The 2018 maximum calendar year exclusion is \$7,350



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# How does Social Security know when someone is a student?

- Social Security verifies student status during the SSI re-determination process.
- Report school attendance when reporting employment
- Social Security verifies school enrollment by asking to see school records such as an ID card, tuition receipts, or other comparable evidence.
  - If the individual doesn't have any evidence to present, Social Security may contact the school to verify attendance.
  - Social Security will accept either a written or an oral statement from the school or agency.



# What happens to the SEIE when school attendance is interrupted?

- ▶ An SSI recipient remains a student when classes end **if** he or she is under 22 years old, attended classes regularly just before the school closed for school break and;
  - ▶ tells Social Security that he or she **intends to resume** attending regularly when school reopens; or
  - ▶ **resumes attending** regularly when school reopens.
- ▶ This would allow the SEIE to be applied to summer employment when school is not in session.



# Example of SEIE when intent to resume school changes:

- Korra is a 19-year-old student who enrolled in a vocational course.
- In June 2017, she completed one-half of the courses, and reported her intent to return to school for the second half in late August 2017.
- In October 2017, Korra contacted Social Security to let them know that she didn't return to school.
- Korra lost her student status effective August 1, 2017.

# Examples of School Attendance

- ▶ School attendance less than the required hours
  - ▶ Gemma is a physically disabled student who attends vocational school only one day per week due to the unavailability of transportation.
  - ▶ Although her enrollment for attendance is less than 12 hours per week, Gemma qualifies as regularly attending school because the lack of transportation is a circumstance beyond her control.

# Examples of School Attendance

- Enrollment in special course of study
  - David is a 17-year-old student attending a public high school.
  - He does not attend regular classes but receives special training to meet self-improvement skills such as combing hair, dressing, and eating.
  - David is not a student for SSI purposes despite attendance at a secondary school facility because he is not attending a curriculum for grades 7-12.



# Examples of School Attendance

## ➤ Student in a training course

- Lavaya is a 21-year-old student who attends Austin School for the Blind. She is in a training course 20 hours per week.
- Lavaya spends 15 hours per week learning office skills and 5 hours per week learning personal grooming skills. At the conclusion of the course, Lavaya will be able to use her office skills for a paying job.
- The 15 hours per week that she spends on learning office skills meets the required attendance hours and qualifies her as a student for SSI purposes.



# Additional Types of Students

- ▶ In addition to the general requirements above, a person may qualify as a student in any of the following categories provided the additional criteria are met:
  - ▶ Homeschooled Students:
    - ▶ A private educational program in which a parent or tutor educates the student at home.
    - ▶ A program of study completed by choice.
    - ▶ Regularly attending school if he or she is instructed at home in grades 7-12 for at least 12 hours a week.
    - ▶ Instruction must be in accordance with the homeschool laws of the state or other jurisdiction of the student's residence.





# Additional Types of Students

## ➤ Homebound Students:

- Individual forced to cease actual physical presence in the classroom due to illness, injury, or other circumstances beyond the student's control.
- Regularly attending school, if he or she:
  - must stay home because of a disability;
  - studies a course or courses given by a school in grades 7-12, college, university, or government agency; and
  - has a home visitor or tutor from school who directs the studying or training.



# Additional Types of Students

## ➤ Online School:

- Internet-based courses to students.
- Vary considerably in the methods used to provide education to students.

## ➤ Some features of online schools may include:

- Virtual classrooms;
- E-mail for submission of assignments and communication with teachers;
- Telephone for communication with teachers;
- Access to teachers, either online, by telephone or in-person;
- Completion of credits and tests;
- Requirements for time spent online monitored by the school; and
- Individualized instruction.



# Additional Types of Students (Online)

- Regularly attending school if:
  - Studies a course or courses given by an online school in grades 7-12, a college or university, or a government agency; **and**
  - It is authorized by the laws of the state in which the online school is located.

# How is the Student Earned Income Exclusion applied?

- ▶ Applied to a student's gross wages before any other allowable deductions.
- ▶ In 2018, Social Security will exclude all gross earnings up to a maximum of: \$1,820 per month until (\$7,350 a calendar year)

# Calculating Student Earned Income Exclusion (SEIE)

## STEP ONE:

Unearned Income	\$ 00.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 00.00

## STEP TWO:

Gross Earned Income	\$ 1,820.00
- SEIE	<u>\$ 1,820.00</u>
= Remainder	\$ 00.00
- GIE if not used above	<u>\$ 0</u>
= Remainder	\$ 00.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 0.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 0.00
Divide by 2	<u> / 2</u>
= Remainder	\$ 0.00
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 0.00

## STEP THREE:

Countable Unearned Income	\$ 00.00
+ Countable Earned Income	<u>\$ 0.00</u>
= Countable Income	\$ 00.00
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 00.00

## STEP FOUR:

Base SSI Rate:	\$ 750.00
- Total Countable Income	<u>\$ 00.00</u>
= SSI Payment	\$ 750.00

1820.00 Earned  
750.00 SSI  
 2570.00 (**DANGER!**)

\*\*\* NOT DONE YET\*\*\*

\$7350-1820=\$5530 remaining for **Calendar**  
 Year (at \$1820/month it will only last 4 full  
 months with \$70 for the 5<sup>th</sup> month)  
 REMEMBER, it is a calendar year!

# Calculating Student Earned Income Exclusion (SEIE)

## STEP ONE:

Unearned Income	\$ 00.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 00.00

## STEP TWO:

Gross Earned Income	\$ 612.50
- SEIE	<u>\$ 612.50</u>
= Remainder	\$ 00.00
- GIE if not used above	<u>\$ 20.00</u>
= Remainder	\$ 00.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 0.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 0.00
Divide by 2	<u> / 2</u>
= Remainder	\$ 0.00
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 0.00

## STEP THREE:

Countable Unearned Income	\$ 00.00
+ Countable Earned Income	<u>\$ 0.00</u>
= Countable Income	\$ 00.00
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 00.00

## STEP FOUR:

Base SSI Rate:	\$ 750.00
- Total Countable Income	<u>\$ 00.00</u>
= SSI Payment	\$ 750.00

612.50 Earned  
750.00 SSI  
 1362.50

\*\*\* NOT DONE YET\*\*\*

\$7350-612.50=\$6737.50 remaining for **Calendar** Year (at \$612.50/month it will last the full 12 month) **REMEMBER**, it is a calendar year!



# Requesting, Tracking and Reporting

## Requesting:

- Use attached template letter and submit to local Social Security Claim Representative

## Tracking:

- Report wages monthly
- Remember to deduct monthly SEIE from annual cap

## Reporting:

- Annual re-determination and as things change (stop working, end education, etc...)





# Impairment-Related Work Expense (IRWE)

- Out-of-pocket expense;
- Related to your disability;
- Not reimbursed by anyone,
- Purchased so that you could continue working.



# Determining if the IRWE Cost is Reasonable

- ▶ The amount is within reasonable limits if it is no more than the prevailing charge for the same item or service.
  - ▶ Prevailing charges: range of charges that are most frequently and widely used in a community.
  - ▶ The top of this range establishes the standard or normal cost that can be accepted as within reasonable limits for a given item or service.
- ▶ If Social Security determines that the cost paid is unreasonable, they will use the standard or normal cost that is established from the sources contacted.



# Recurring Non-Monthly Expenses

- ▶ A special rule applies in situations where a person with a disability pays recurring IRWEs less frequently than monthly, e.g., quarterly.
- ▶ These expenses either may be deducted entirely in the month payment is made or allocated over the months in the payment period, whichever the person selects.

# Nonrecurring Expenses

- ▶ Part or all of a person's IRWE may not be recurring (e.g., the person with a disability makes a one-time payment in full for an item or service).
- ▶ Such nonrecurring expenses either may be deducted entirely in 1 month, or may be prorated over a 12-consecutive month period, whichever the person chooses.
- ▶ The beneficiary should consider which method will provide more benefits, including the amount of SSI payment in SSI cases.



# IRWE Calculation

## STEP ONE:

Unearned Income	\$	0
- General Income Exclusion (GIE)		
	\$	<u>20.00</u>
= Countable Unearned Income	\$	0

## STEP TWO:

Gross Earned Income	\$	750.00
- SEIE	\$	<u>0</u>
= Remainder	\$	750.00
- GIE if not used above		
	\$	<u>20.00</u>
= Remainder	\$	730.00
- Earned Income Exclusion	\$	<u>65.00</u>
= Remainder	\$	665.00
- <b>IRWE</b>		<u><b>\$ 100.00</b></u>
= Remainder	\$	565.00
Divide by 2		<u>2</u>
= Remainder	\$	282.50
- BWE	\$	<u>0</u>
= Total Countable Earned Income	\$	282.50

## STEP THREE:

Countable Unearned Income	\$	0
+ Countable Earned Income	\$	<u>282.50</u>
= Countable Income	\$	282.50
- PASS	\$	<u>0</u>
= Total Countable Income	\$	282.50

## STEP FOUR:

Base SSI Rate:	\$	750.00
- Total Countable Income	\$	<u>282.50</u>
= SSI Payment	\$	467.50

\$750.00 Earned	
+ <u>467.50 SSI</u>	
\$1217.50	
<u><b>100.00 (IRWE)</b></u>	
\$1117.50	

# Requesting, Tracking and Reporting

## Requesting:

- Letter to SSA that itemizes (out-of-pocket and disability related) costs and how often they are purchased.
- Work Activity Report (Form 821)

## Tracking and Reporting:

- Keep receipts until Social Security requests them –usually at annual re-determination



# Blind Work Expense (BWE)

- Documented expenses a person, who has statutory blindness as his or her primary disability with SSA;
- Incurs because the item(s) is needed for work.
- These expenses **do not** have to be related to blindness, just to work.



## This includes, but is not limited to, reasonable deductions for:

- Federal, state, and local income taxes.
- Transportation expenses (i.e., taxi, bus, etc.).
- Sensory or visual aids.
- Leader dog and all associated expenses (food, veterinarian bills, etc.).
- Braille translation of work materials.
- Lunch money.
- Union or Association dues.
- Social Security taxes.
- Professional training.
- Training to use work related devices.
- Medical supplies or devices deemed necessary for your job performance.

# Calculating BWE

## STEP ONE:

Unearned Income	\$	0
- General Income Exclusion (GIE)	\$	<u>20.00</u>
= Countable Unearned Income	\$	0

## STEP TWO:

Gross Earned Income	\$	600.00
- SEIE	\$	<u>0</u>
= Remainder	\$	600.00
- GIE if not used above	\$	<u>20.00</u>
= Remainder	\$	580.00
- Earned Income Exclusion	\$	<u>65.00</u>
= Remainder	\$	515.00
- IRWE	\$	<u>0</u>
= Remainder	\$	515.00
Divide by 2		<u>2</u>
= Remainder	\$	257.50
- <b>BWE</b>	\$	<b><u>240.00</u></b>
= Total Countable Earned Income	\$	17.50

## STEP THREE:

Countable Unearned Income	\$	0
+ Countable Earned Income	\$	<u>17.50</u>
= Countable Income	\$	17.50
- PASS	\$	<u>0</u>
= Total Countable Income	\$	17.50

## STEP FOUR:

Base SSI Rate:	\$	750.00
- Total Countable Income	\$	<u>17.50</u>
= SSI Payment	\$	732.50

\$600.00 Earned
<u>+732.50 SSI</u>
1332.50
<b><u>240.00 BWE</u></b>
\$1092.50

# Requesting, Tracking and Reporting

## Requesting:

- Letter to SSA that itemizes (out-of-pocket) costs and how often they are purchased.
- Reminder: Costs do **NOT** need to be related to blindness
- Work Activity Report (Form 821)

## Tracking and Reporting:

- Keep receipts until Social Security requests them –usually at annual re-determination



**Now let's look at a  
scenario**



**IMAGINE  
ENTERPRISES**

# Part 1 (assumption: there is NO deeming)

- ▶ Denise is a 17 year old girl who has Down Syndrome. She is currently a full-time student at her local high school. Denise lives with her parents and has received SSI since birth. Her SSI check is \$750/month. Denise wants to work and she LOVES flowers!
- ▶ With the help of her school, in January Denise starts working 30 hours a month at the local greenhouse. She earns \$7.25/hour (or \$217.50/month)



**IMAGINE**  
ENTERPRISES



# Part 1 Calculation Sheet

## March – December (Jan and Feb RMA)

### STEP ONE:

Unearned Income	\$ 00.00
-General Income Exclusion (GIE)	\$ <u>20.00</u>
= Countable Unearned Income	\$ 00.00

### STEP TWO:

Gross Earned Income	\$ 217.50
-SEIE	\$ <u>217.50</u>
= Remainder	\$ 00.00
-GIE if not used above	\$ <u>0</u>
= Remainder	\$ 00.00
-Earned Income Exclusion	\$ <u>65.00</u>
= Remainder	\$ 0.00
-IRWE	\$ <u>0</u>
= Remainder	\$ 0.00
Divide by 2	<u>    / 2</u>
= Remainder	\$ 0.00
-BWE	\$ <u>0</u>
= Total Countable Earned Income	\$ 0.00

### STEP THREE:

Countable Unearned Income	\$ 0.00
+ Countable Earned Income	\$ <u>0.00</u>
= Countable Income	\$ 0.00
- PASS	\$ <u>0</u>
= Total Countable Income	\$ 0.00

### STEP FOUR:

Base SSI Rate:	\$ 750.00
- Total Countable Income	\$ <u>0.00</u>
= SSI Payment	\$ 750.00

0.00 Unearned  
 217.50 Earned  
735.00 SSI  
 952.50

\$7,350-217.50=\$7132.50 remaining for Calendar Year  
 (at 217.50/month it will last the calendar year!

➤ 217.50 x 10 month = \$2175

## Part 2

- Denise turns 18 the following year and she pays her fair share to her parents of \$400/month for food and shelter.
- What are two significant events that will happen and what does Denise need to know about them.



**IMAGINE**  
ENTERPRISES

# Part 3

- Denise is now 21 and has just graduated high school.
- She continues to receive SSI as an adult and she has moved in to her own apartment.
- She is able to afford the apartment because in January she started working 120 hours/month and earns \$10.00/hour (or \$1200/month).
- She is also taking a floral class that is 12 hours/week to enhance her skills.

# Part 3 Calculation Sheet Jan - June

## STEP ONE:

Unearned Income	\$ 00.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 00.00

## STEP TWO:

Gross Earned Income	\$ 1,200.00
- SEIE	<u>\$ 1,200.00</u>
= Remainder	\$ 00.00
- GIE if not used above	<u>\$ 0</u>
= Remainder	\$ 00.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 0.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 0.00
Divide by 2	<u>/ 2</u>
= Remainder	\$ 0.00
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 0.00

## STEP THREE:

Countable Unearned Income	\$ 00.00
+ Countable Earned Income	<u>\$ 00.00</u>
= Countable Income	\$ 00.00
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 00.00

## STEP FOUR:

Base SSI Rate:	\$ 750.00
- Total Countable Income	<u>\$ 000.00</u>
= SSI Payment	\$ 750.00

000.00 Unearned  
 1200.00 Earned  
750.00 SSI

1950.00 (**DANGER!**)

\*\*\* NOT DONE YET\*\*\*

\$7,350-1200=\$600 remaining for **Calendar** Year (at \$1200/month it will only last 6 full months with \$150 in 7<sup>th</sup> month) REMEMBER, it is a calendar year!

# Part 3 Calculation Sheet

## July

### STEP ONE:

Unearned Income	\$ 00.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 00.00

### STEP TWO:

Gross Earned Income	\$ 1,200.00
- SEIE	<u>\$ 70.00</u>
= Remainder	\$ 1,130.00
- GIE if not used above	<u>\$ 20.00</u>
= Remainder	\$ 1,110.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 1,045.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 1,045.00
Divide by 2	<u>      / 2</u>
= Remainder	\$ 522.50
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 522.50

### STEP THREE:

Countable Unearned Income	\$ 00.00
+ Countable Earned Income	<u>\$ 522.50</u>
= Countable Income	\$ 00.00
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 522.50

### STEP FOUR:

Base SSI Rate:	\$ 750.00
- Total Countable Income	<u>\$ 522.50</u>
= SSI Payment	\$ 227.50

000.00	Unearned
1200.00	Earned
<u>227.50</u>	SSI
1427.50	

No SEIE



# Part 3 Calculation Sheet

## August - December

### STEP ONE:

Unearned Income	\$ 00.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 00.00

### STEP TWO:

Gross Earned Income	\$ 1,200.00
- SEIE	<u>\$ 00.00</u>
= Remainder	\$ 1,200.00
- GIE if not used above	<u>\$ 20.00</u>
= Remainder	\$ 1,180.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 1,115.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 1,115.00
Divide by 2	<u>      / 2</u>
= Remainder	\$ 557.50
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 557.50

### STEP THREE:

Countable Unearned Income	\$ 00.00
+ Countable Earned Income	<u>\$ 557.50</u>
= Countable Income	\$ 00.00
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 557.50

### STEP FOUR:

Base SSI Rate:	\$ 750.00
- Total Countable Income	<u>\$ 557.50</u>
= SSI Payment	\$ 192.50

000.00	Unearned
1200.00	Earned
<u>192.50</u>	SSI
1392.50	

No SEIE



# Part 4

- Denise is now 22 and has successfully completed her training class.
- She has moved into a duplex and continue to work at the greenhouse.
- In January, on her 22<sup>nd</sup> birthday, the greenhouse increases her hours to full-time, 160 hours/month, and increased her to \$12.00/hour (or \$1,920/month).
- She no longer takes any classes.



# Part 4 Calculation Sheet

## STEP ONE:

Unearned Income	\$ 00.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income	\$ 00.00

## STEP TWO:

Gross Earned Income	\$ 1,920.00
- SEIE	<u>\$ 00.00</u>
= Remainder	\$ 1,920.00
- GIE if not used above	<u>\$ 20.00</u>
= Remainder	\$ 1,900.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 1,835.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 1,835.00
Divide by 2	<u>      / 2</u>
= Remainder	\$ 917.50
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 917.50

## STEP THREE:

Countable Unearned Income	\$ 00.00
+ Countable Earned Income	<u>\$ 917.50</u>
= Countable Income	\$ 00.00
- PASS	<u>\$ 0</u>
= Total Countable Income	\$ 917.50

## STEP FOUR:

Base SSI Rate:	\$ 750.00
- Total Countable Income	<u>\$ 917.50</u>
= SSI Payment	\$ 000.00

000.00 Unearned  
 1920.00 Earned  
000.00 SSI  
 1920.00

NO SEIE, Age 22

1619(b) 1920 x 12 = \$23,040 TX Threshold is \$34,821

# What is a PASS?

- An SSI work incentive
- Set aside income and/or resources
- Cover the costs:
  - education;
  - vocational training;
  - starting a business; or
  - purchasing support services

# PASS Approval

- ▶ The PASS must be reasonable and make a clear connection between the vocational goals and the ability to increase earnings.

# Income and Resources

- Set aside one or more of the following:
  - Earned income
  - Unearned income
  - Resources.



# PASS Requirements

- Feasible occupational goal
- Limits on occupational goals
- Interval steps/milestones
- Definable timeframe
- Sources to be set aside
- Expenditures
- Major purchases
- Organization / SSA-545
- Deferred expenses



# Occupational Objectives

- Individualized
- Specific
- Feasible

# Interval Steps / Milestones

- Identify steps to attain vocational objective .
- Identify timeframe to attain each step

# Definable Timeframes

- Specific time frames
- Identify when the PASS will start and when it will end
- The time allotted must reasonable relate to the goal.
- Initial time period of up to 18 months.
- Can be extended

# Sources To Be Set Aside

- Identify source(s) and amount of income or resources to be set aside
- Income/resources are set aside in a separate PASS account.

# Expenditures

- All expenses must be connected to the vocational goal
- Expenses must be reasonable.
- Identify where the items will be purchased and if they will be bought outright, rented or leased.

# Deferred Expenses

- ▶ Not all expenses may be allowed at the beginning of the PASS.  
(car AFTER drivers license is secured)



# Developing A PASS

- Develop at any time.
- If beneficiary receives SSI, meeting initial SSI eligibility criteria is not required.
- If beneficiary doesn't receives SSI, they must apply for SSI simultaneously.



# Amending a PASS

- Can amend anything but the vocational goal
- No limits on the number of amendments
- Amendments must be in writing and approved

# Suspending vs. Terminating PASS

- Suspending
  - Everything stays where it is
  - Time limited
  - Can restart when ready

# Terminating a PASS

- Terminating
  - Totally stop
  - Can never have that occupational goal again
  - PASS Specialist will need to audit the PASS

# Calculation w/ PASS

## STEP ONE:

Unearned Income	\$ 220.00
- General Income Exclusion (GIE)	<u>\$ 20.00</u>
= Countable Unearned Income.	\$ 200.00

## STEP TWO:

Gross Earned Income	\$ 498.00
- SEIE	<u>\$ 0</u>
= Remainder	\$ 498.00
- GIE if not used above	<u>\$ 0</u>
= Remainder	\$ 498.00
- Earned Income Exclusion	<u>\$ 65.00</u>
= Remainder	\$ 433.00
- IRWE	<u>\$ 0</u>
= Remainder	\$ 433.00
Divide by 2	<u>2</u>
= Remainder	\$ 216.50
- BWE	<u>\$ 0</u>
= Total Countable Earned Income	\$ 216.50

## STEP THREE:

Countable Unearned Income	\$ 200.00
+ Countable Earned Income	<u>\$ 216.50</u>
= Countable Income	\$ 416.50
- <b>PASS</b>	<u><b>\$ 416.50</b></u>
= Total Countable Income	\$ 0

## STEP FOUR:

Base SSI Rate:	\$ 750.00
- Total Countable Income	<u>\$ 0</u>
= SSI Payment	\$ 750.00

\$220.00 Unearned
+498.00 Earned
+750.00 SSI
<u>\$1468.00</u>
- <u><b>416.50 (PASS)</b></u>
\$1,051.50

# Dream-makers

- We offer dreams through the use of PASS
  - Assist in finding their dream
  - Have them participate in reaching their dream
  - Allow them to dream without judgment
  - Rally the VR troops to support
- We are bridge-builders
  - Building relationships
  - Building dreams





# Requesting, Tracking and Reporting

## Requesting:

- SSA Form 545 and requested documents
- SSA Form 3288 Consents
- In Texas, submit to Social Security PASS Specialist (aka: Area Work Incentive Coordinator)

## Tracking:

- Follow approved PASS deposits and transactions
- Keep receipts

## Reporting:

- Monthly to PASS Specialist or
- As PASS Specialist requests or
- Any amendments to the approved PASS



# Medicaid

- Medicaid is a jointly funded, Federal-State health insurance program for low-income and needy people.
- It covers children, the aged, blind, and/or disabled and other people who are eligible to receive federally assisted income maintenance payments.
- In Texas, when someone is eligible for SSI, that person is automatically eligible for Medicaid.

# Medicaid and 1619 (b)

- When a beneficiary goes to work there is a gradual reduction in benefits (it is not all or nothing)
- Medicaid coverage can continue, at no cost, even if earnings become too high for a SSI cash payment, as long as
  - the person needs Medicaid in order to work and
  - meet other eligibility requirements.
- State of Texas 2017 threshold for 1619(b) = \$34,821
  - (2018 Threshold is not released yet)

# Requesting, Tracking and Reporting

## Requesting:

- Social Security codes the transition in their system and it is read by the local Medicaid office and continues Medicaid under 1619(b)
- Should be automatic – usually there may be delays
- Be proactive

## Tracking and Reporting:

- Maintain communication with SSA regarding work and any other changes (marriage, move, etc...), as 1619(b) retains SSI eligibility
- Usually done as an annual redetermination



# Individualized Threshold Amounts

- ▶ Individual calculation for someone with special needs or unusually high medical costs
- ▶ Earnings are not sufficient to replace cash and health benefits
- ▶ Consider: IRWE, BWE, PASS, and the value of publicly-funded personal/attendant care
- ▶ Can be done at the local SSA office

# Requesting, Tracking and Reporting

## Requesting:

- Go to local Social Security office to request
- Take list of Medicaid-paid expenses

## Tracking and Reporting:

- Maintain communication with SSA regarding work and any other changes (marriage, move, etc...), as Individual Threshold retains SSI eligibility
- Usually done as an annual redetermination



# Things to Remember

- **Congratulations**, now you understand that work is good!!
- Make sure that work is on the IEP
- Make sure Social Security is notified of work and student status
- Make sure wages and any changes are reported to Social Security
- Get TWS involved
- Refer to the student to their local WIPA for long-term, ongoing supports



# Finding Experts



- SSA (AWIC and WIC)  
<http://www.socialsecurity.gov/redbook/eng/resources-supports.htm#1>
- Ticket to Work – Employment Networks  
<http://www.ssa.gov/work/overview.html>
- TX Vocational Rehabilitations  
<http://www.twc.state.tx.us/jobseekers/vocational-rehabilitation-services>
- Independent Living Center  
<http://www.ncil.org/>
- WIPA Projects <http://www.choosework.net/resource/jsp/searchByState.jsp>

# THANKS!



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