



WEBINAR:  
Putting Work Incentives to Work: SSDI  
with Gene Rada

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*Making Work Incentives  
Work For You  
SSDI*

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Provided by the Oregon Work Incentive Network

# Social Security Disability Insurance (Title II) and Medicare



# Title II Disability Benefit: What and Who

- What are Title II Disability Benefits?
  - Insurance benefit from the Social Security Trust Fund
- Who can get it?
  - Be insured–FICA/SECA
    - SSDI- reached insured status on own work record
    - SSCDB-parent reached insured status
    - SSDWB-spouse reached insured status
  - Experience a disability
    - Medical criteria
    - Substantial Gainful Activity-SGA criteria
  - CDB/DWB meet additional criteria

# Additional Title II Disability Benefit Details

- Benefit Check amount:
  - Amount based on work record (plus some additional factors)
- Resource limits:
  - None—insurance benefit not financial needs based benefit
- Medicare- after 24 month waiting period

# SSDI & Earned Income

- General Rule: benefit check is all or nothing, based on **countable earnings** below or above Substantial Gainful Activity (SGA)
  - SGA: \$1,010/month (2012)
  - SGA: \$1,690/month (2012) if blind by SSA criteria
- Referred to as “cash cliff”
  - Plan to avoid unexpected loss of income
  - Can make financial sense to let SSDI stop
  - Work Incentives can maintain SSDI if appropriate



# Phase 1: Trial Work Period (TWP)



- 9 months to work and earn as much as you want and keep benefit check
- Use up a Trial Work month each time earnings over \$720/month (2012), or work over 80 hrs/month in business
- If use all 9 within 5 year period, move onto next phase

# Basic TWP Example

- Jared was entitled to SSDI in 1/2004
- He tells you he has only worked once since he became entitled: 1/2012-3/2012 earning \$900/month
- It's now November 2012 –
  - He'd like to go back to work, but had a friend who just got an overpayment so he's now concerned
- Jared has used three trial work period months and has six remaining



# Phase 2: Extended Period of Eligibility (EPE)

- Begins month after 9<sup>th</sup> Trial Work month
- EPE lasts 36 months
- COUNTABLE earnings  SGA = benefit check
- COUNTABLE earnings  SGA = NO benefit check

# Concept: SGA Countable Income Test

- SGA is a decision, not a number
- SSA is looking for the **value** of a person's earnings when assessing if they are earning above SGA
- Begins with looking at gross wages earned in a month
- If gross wages exceed SGA, then SSA will look to see if deductions (work incentives) reduce earnings below SGA

# SGA Countable Income Test Summary

- The Basic SGA Test

\$	Gross Wages (earned in a month)
(-) \$	Sick/Vacation/Holiday pay
(-) \$	IRWE
(-) \$	Subsidy/Special Conditions
(-) \$	<u>Unincurred Business Expenses/Unpaid Help</u>
(=) \$	Countable Earnings

- SSA uses Countable Earnings to determine if earnings are above or below SGA
- Can average in some circumstances
- Can waive SGA level work if less than 6 months in some situations



# Impairment Related Work Expenses (IRWE)

- Expenses that are--
  - Out of pocket expenses
  - Related to impairment
  - Needed to work
  - Reasonable
  - Not reimbursed
- Approved amount is deducted from Gross Wage to determine COUNTABLE earnings

# IRWE Example

Expenses: Jared has \$175/month in medications and counseling services

\$1,150 Gross Wages

– \$ 175 IRWE (medications and counseling)

= \$ 975 COUNTABLE Wages

After IRWE wages are below SGA so benefit check continues

# Subsidy/Special Conditions

- Work activity valued at less than pay:
    - Extra support received on the job or lower productivity,
    - Which results in receiving more pay than the actual value of services performed,
    - The value of extra support/lower productivity is deducted from gross wages
- \*\*Unpaid Help & Unincurred Business Expenses are self-employed version of this Work Incentive**



# Subsidy Example

Jared is assisting 25% fewer customers than other co-workers

\$1200 (gross wages)

-\$300 (25%-value of work not performed)

= \$900 (countable wages, below SGA)

After Subsidy wages are below SGA so benefit check continues

# Phase 3: Post EPE

- Phase 3: Post EPE:
  - After EPE, continue to look for SGA--
    - COUNTABLE earnings ↓ SGA = benefit check
    - 1st month COUNTABLE earnings ↑ SGA = termination
  - If COUNTABLE earnings drop BELOW SGA within 60 months of termination--
    - Can request reinstatement of benefits (EXR)
    - Receive up to 6 months of provisional benefits while SSA makes reinstatement decision

# Medicare Work Incentives

- Medicare has 3 main parts: A, B and D
- Continuation of Medicare Coverage (CM)
  - If cash benefits stop due to work, Medicare can continue for at least 93 months (7 years, 9 months) after TWP ends
- Medicare for People with Disabilities Who Work
  - After CM is exhausted, if cash benefit stop due to work, buy into Medicare



# Managing Benefits

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# Proactive

# When to Report

- Common changes that should be reported to benefit agencies:
  - Start or stop working
  - Increase or decrease in earnings
  - Get married, divorced, or separated
  - Change in living arrangement
  - Leave or go back to school
- When in doubt... REPORT!!!!!!



# How to Report

- Most changes require calling the relevant benefit agency and notifying them of the change
  - Housing authority (HUD)
  - Aging and People with Disabilities office (i.e. Medicaid, SNAP, Medicare Savings Program)
  - Social Security (SSDI, SSI and Medicare)
- Agency may send out a form for person to complete or ask for paystubs

# Reporting Earnings for SSDI

- Required to report new work activity to SSA
  - Should report to SSA by the 10<sup>th</sup> of the following month
    - Call 1-800-772-1213 and do a “work report”
    - Bring pay stubs to local office
- If TWP will be use or work activity appears to be SGA
  - SSA will conduct Work Activity Review

# Work Activity Review Process

- SSA will send Work Activity Report (820/821) which asks for information about:
  - Monthly Earnings
  - Employer (Name, Date of Hire, Wage, etc.)
  - SGA Work Incentive Information (IRWE, Subsidy)
- SSA will send a letter summarizing decision from Work Review (you used 8 TWP months, etc.)



# After Work Review is Done

- SSA will send another Work Activity Report when/if they anticipate a future change in earnings or change in work incentive use, for example:
  - At end of Trial Work Period
  - First time earnings are over SGA
- If you continue to be eligible for cash check and no changes are anticipated, you are responsible for notifying SSA when a change occurs.
  - For SSDI, there is no need to report monthly. Only report when a change occurs.

# Recordkeeping

- Keep Good Records!
  - Letters received from benefit agency
  - Copy of completed forms returned to agency
  - Paystubs
  - Receipts for turning in paystubs
  - Communication log (date/time/who/what)
- Find a record keeping method that work for you.
  - Create a binder with folders
  - Use an accordion file
  - A collection of small boxes or envelopes that are labeled for each type of record

# Reactive



# What is Reactive Benefits Management?

- Reactive – address benefit issues when they arise
  - Identify who can help address benefit issue
  - Communicate with benefit experts to identify options and create plan
  - Appeal when necessary
  - Follow up and make sure issue is addressed
  - Find an advocacy group if needed to help advocate for your rights as a beneficiary

# Help Addressing Benefit Issues

- A variety of benefit experts that could possibly be utilized, depending upon the circumstances:
  - Work Incentive Coordinators
  - Benefit Agency Staff
  - Attorneys

# Work Incentive Coordinators

- Funding for Work Incentive Coordinators is changing:
  - SSA funding ended – advocacy continuing
    - Ticket Call Center: [www.choosework.net](http://www.choosework.net),  
866-968-7842
  - Ask your local Vocational Rehabilitation Office or other state agencies about the availability of Work Incentive Coordinators (or Benefits Planner) in your area.



# Benefit Agency Staff & Attorneys

- Benefit Agency Staff –
  - Build relationships – have a goal of establishing a good working relationship with your case manager or another contact person at the agency
  - Huge caseloads- staff is very busy and so be aware of how you utilize their time
  - Ask for an adverse decision to be put in writing
- Attorneys –
  - Many states provide free legal aid services
  - Sometimes free hotline services are offered

# Prepare Yourself Before a Meeting

- **Prepare yourself for a meeting or phone call with a benefits staff person:**
  - Prepare a list of specific questions you want to ask
  - Commit to staying calm in the conversation, even if you receive bad news
    - If you receive bad news you can usually appeal
  - Use good communication skills
    - Try to use “I statements” and avoid accusing or verbally attacking the staff member
  - Ask the benefits expert to help clarify options and create plan for addressing issue



# Appeals Process

- The plan can involve appealing a decision
  - First level of appeals – generally just providing additional information (info that was missing)
  - SSA
    - Request for Reconsideration – giving additional info to reverse decision, 60 day deadline
    - Waiver of Overpayment – not at fault and can't pay it back, no deadline
  - State Agencies
    - Ask the agency staff about appeals policy and about your rights in general





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