

Social Security Work Incentives QuickGuide

The Social Security disability benefit programs have proactive, consumer-oriented provisions that encourage people with disabilities to begin or return to work. Called work incentives, these rules if used correctly by consumers and properly administered by the Social Security Administration prevent premature loss of a disabled worker's cash and medical coverage benefits eligibility as they seek to become self-supporting through work. The Social Security Act provides for two separate and distinct programs that provide supports to people with disabilities: Social Security disability insurance (SSDI) with federally administered Medicare coverage and Supplemental Security Income (SSI) with state administered Medicaid supports. Because eligibility for the programs is based on different criteria, the work incentives for each program and their application are different.

SSDI Work Incentives

Trial Work Period (TWP) 9-month period accumulated over a "rolling 60 months" during which SSDI beneficiary can test their ability to work without losing SSDI/ Medicare benefits. Monthly earnings over \$640 will count as a service month for the month in which those earnings are earned. After 9 service months are accumulated, the TWP is complete and SSA should evaluate the individual to determine if they continue to be "disabled" and thus eligible or ineligible for SSDI benefits.

Extended Period of Eligibility (EPE) For 3 years after the TWP, a SSDI beneficiary who continues to be medically disabled can receive a SSDI check for each month they report earnings below the \$900 (\$1,500 if blind) SGA threshold level. Medicare can continue for at least 8 1/2 years including the 9-month TWP.

Impairment-Related Work Expense (IRWE) Documented expenses that a person who is disabled necessarily incurs because of their impairment that are needed in order to work. IRWEs are deducted from gross earnings to determine if individual is working at SGA levels for initial or continuing SSDI eligibility.

Subsidy Supports similar to IRWE but provided by someone other than individual. Must be supports individual needs in order to work because of their impairment; value deducted from earnings to determine SGA for initial or continuing eligibility.

Unsuccessful work attempt (UWA) Work effort that is involuntarily discontinued or reduced below SGA \$900 (\$1,500 if blind)) after a short period of time (6 months or less) because of an individual's functional limitations caused by their disabling impairment or removal of special IRWE or subsidy supports (e.g. job coaching, special transportation). Earnings from a documented UWA do not count as substantial work (SGA) when determining initial or continued disability eligibility for SSDI.

Medical Recovery During Vocational Rehabilitation(§ 301) SSDI and Medicare continues until their participation in the program is completed for individuals who medically recover from their impairment but are participating in a vocational rehabilitation program that likely will lead to self-support .

SSI Work Incentives

1619 A Continues SSI disability status and categorical Medicaid eligibility based on that status when reported earnings exceed SGA level. SSI cash payments are reduced proportionally to earnings rather than losing SSI outright. Allows monthly earnings up to \$2314.58 (\$27,775 yearly) in 2007 before all SSI cash payment eligibility ends.

1619 B Continues SSI related Medicaid eligibility if individual needs Medicaid to continue working and earnings are below individual's state threshold level needed to replace the equivalent value of SSI/ Medicaid coverage. Individuals with higher Medicaid expenses resulting from PASS, IRWE or state-funded attendant services can calculate a higher individualized threshold. Threshold is \$27,775 for TX.

Student Work Exclusion Earnings of up to the first \$1,510 in a month and a total of \$6,100 in a year are not counted for SSI income purposes for any student who is disabled or blind who is regularly enrolled in school and is under the age of 22.

Plan for Achieving Self-Support (PASS) Vocational and training and educational expenses incurred by individual can be returned to individual through higher SSI cash payments up to the current benefit rate under an SSA approved plan that could result in self-support. Can be used to establish or maintain SSI check and Medicaid eligibility while working by not counting earned and unearned income spent on approved PASS expenditures. Can fund rehabilitation goods/ services.

Impairment Related Work Expense (IRWE) Documented expenses that the individual with a physical or mental impairment incurs because of their impairment that are needed for work (e.g. special transportation, assistive technology). Individuals can recover up to 50% of their costs through higher SSI payments. Can also be used to establish eligibility for initial SSI disability status.

Blind Work Expenses (BWE) Documented expenses that a person who is blind incurs because they are needed to work(e.g. guide dog expenses, adaptive devices). The expenses do not have to be related to blindness. People who are blind may be able to recover 100% of BWE through higher SSI cash payments.