



LEAD CENTER

Promoting Economic Advancement – Using Work Incentives to Build Financial Stability

April 24, 2013
3:00PM EST

TODAY'S SPEAKERS

Elizabeth Jennings

Assistant Project Director
LEAD Center

Tara Kavanagh

Peer Advocate
Independent Living Center of the Hudson Valley



TODAY'S SPEAKERS, CONT.

Geri Walsh

Disability Resource Coordinator
Rehabilitation Initiatives
Schenectady County One-Stop

Kevin Nickerson

DRC State Lead
Tompkins Workforce Center



The National Center on Leadership for the Employment and Economic Advancement of People with Disabilities (LEAD) is a collaborative of disability, workforce and economic empowerment organizations led by **National Disability Institute** with funding from the **U.S. Department of Labor's Office of Disability Employment Policy**, Grant No. #OD-23863-12-75-4-11.



WELCOME

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Supervisory Policy Advisor, Workforce System Policy

US Department of Labor

Office of Disability Employment Policy



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Please note: This webinar is being recorded and the materials will be placed on the LEAD Center website at www.leadcenter.org/webinars/using-work-incentives-build-financial-stability



TECHNICAL ASSISTANCE

- ▶ If you experience any technical difficulties during the webinar, please use the chat box to send a message to the host Nakia Matthews, or you may also email nmatthews@ndi-inc.org.



LEAD CENTER MISSION

- ▶ To advance sustainable individual and systems level change that results in improved, competitive integrated employment and economic self-sufficiency outcomes for individuals across the spectrum of disability.



AGENDA

- ▶ Review of Learning Objectives
- ▶ Framing the Issue –
 - ▶ Disability and Poverty
 - ▶ Planning for Economic Advancement
- ▶ Overview of SSA's Definition of Disability
- ▶ Overview of SSDI and SSDI Work Incentives
- ▶ Overview of SSI and SSI Work Incentives
- ▶ The Interplay of Economic Advancement Strategies with SSA Disability Benefits
- ▶ Peer Experience
- ▶ Questions



WEBINAR OUTCOMES

- ▶ Attendees have a context of the rate of poverty among individuals with disabilities.
- ▶ Attendees have a better understanding of the Social Security Administration's two disability programs.
- ▶ Attendees have a better understanding of the work incentives available to individuals who receive SSDI and/or SSI.
- ▶ Attendees have a better understanding of how using work incentives can support them to improve their economic advancement.
- ▶ Attendees understand the practical application from the perspective of a peer.



FRAMING THE ISSUE: DISABILITY AND POVERTY

- ▶ People with disabilities are more likely to be unemployed and to live in poverty than any other single demographic group in the United States today.
- ▶ Public benefit programs for people with disabilities, especially Supplemental Security Income (SSI), are not aimed at increasing assets and independence for people with disabilities.
 - ▶ More so than any other population on a fixed income, services and policies do not hold the expectation of economic self-sufficiency.

FRAMING THE ISSUE: PLANNING FOR ECONOMIC ADVANCEMENT

- ▶ Returning to work and earning more income is a cornerstone for economic advancement.
- ▶ SSA has provided a sense of financial stability.
 - ▶ Letting go of SSA is more easily palatable with a plan that includes meeting your financial goals.
- ▶ Understanding your benefits, improving your financial literacy, and utilizing financial stability opportunities (like Individual Development Accounts) are steps you can take to increase your economic advancement.



OVERVIEW OF SSA'S DEFINITION OF DISABILITY

- ▶ The Social Security Administration has two programs to support individuals with disabilities who are not able to work and earn at a substantial level.
 - ▶ Social Security Disability Insurance (SSDI)
 - ▶ Supplemental Security Income (SSI)
- ▶ Both SSDI and SSI have work incentives available that make it possible for individuals to test their ability to work and continue to receive some or all of their cash and health benefits.



SSA ELIGIBILITY

Individuals must prove 2 things to be eligible for SSDI or SSI:

1. Prove that they have a documented medical disability that will last 12 months or longer or result in death.
2. Meet SSA's definition of disability:
The inability to engage in Substantial Gainful Activity (SGA, which is paid work) by reason of any documented medical impairment (physical or mental) that will last 12 months or longer and/or result in death.



SUBSTANTIAL GAINFUL ACTIVITY (SGA)

SGA is a basic test used by SSA to establish disability status.

- ▶ SGA is the performance of significant mental and/or physical duties for profit.
- ▶ It is usually determined to be gross earnings (before taxes) of an amount of money that is set January 1 of each calendar year based on the National Average Wage Index.
- ▶ To meet this test a person must not be working, or if working, earning less than the SGA level amount.

2013 SGA for non-blind individuals = \$1040/month

2013 SGA for blind individuals = \$1740/month



OVERVIEW OF SSDI – SOCIAL SECURITY DISABILITY INSURANCE



SSDI

- ▶ SSDI benefits are based on a person's work history (F.I.C.A. taxes). SSDI check amount will vary from person to person.
- ▶ DAC –Disabled Adult Children
 - ▶ Disability Prior to Age 22
 - ▶ Not Legally Married
 - ▶ Insufficient FICA or higher parent amount
 - ▶ Parent's record is open (Deceased, Disabled, or Retired)
- ▶ Medical Insurance – MEDICARE
 - ▶ 24 month waiting period upon eligibility
 - ▶ Part A-Free, Part B/D-Premium
- ▶ 5 Month Waiting Period for cash benefits to start
- ▶ No asset limit
- ▶ SSDI pays close attention to SGA



SSDI WORK INCENTIVES

- ▶ These are some of the SSDI work incentives SSA offers:
 - ▶ Trial Work Period = \$750/Month 2013
 - ▶ Extended Period of Eligibility
 - ▶ Impairment Related Work Expenses
 - ▶ Special Condition/Subsidies
 - ▶ Extended Medicare Coverage
 - ▶ Expedited Reinstatement



TRIAL WORK PERIOD (TWP)

- ▶ 9-month period, within 60 months, in which a person on SSDI can work and earn any amount of money without the earnings affecting their SSDI cash payment
- ▶ Each month an SSDI recipient earns more than \$750 counts as one month of the TWP (indicated 2013 amount)
- ▶ These months do NOT need to be consecutive

Supports: Planning, Earning more



EXTENDED PERIOD OF ELIGIBILITY (EPE)

- ▶ A period of extended eligibility that starts with the month after the TWP ends and continues for the next 36 months.
- ▶ Months that countable earned income is less than the SGA level, you should be eligible for your full SSDI check.
- ▶ Months that countable earned income is more than the SGA level, you should not be eligible for your SSDI cash benefit.
- ▶ When countable wages first exceed the SGA level (cessation month), you should remain eligible for a 3-month grace period - the cessation month plus the next 2 months (regardless of earnings). Wages above SGA beyond the cessation month and grace period may result in loss of SSDI eligibility.

Supports: Planning, Earning more



IMPAIRMENT RELATED WORK EXPENSES (IRWE)

- ▶ An IRWEs allow you to deduct the cost of disability-related items and services you utilize to be successful at work.
- ▶ An IRWE may exist when it meets these three rules:
 - ▶ You paid for an item or service (yourself),
 - ▶ To go to work,
 - ▶ Because of your disability

Note: Costs should be reasonable. You must keep receipts and claim these work incentives.

Supports: Budgeting, Earning More



SUBSIDIES

- ▶ A Subsidy allows you to deduct the value of extra support you receive at no cost to you. A Subsidy may exist when:
 - ▶ Your employer.....
 - ▶ provides accommodations, support, or extra supervision
 - ▶ customizes a job to meet your needs
 - ▶ allows lower productivity for the same job at the same wage
 - ▶ An agency.....
 - ▶ assists you in securing employment
 - ▶ provides you with accommodations you use on the job
 - ▶ supports you in getting to work
 - ▶ provides you with on-the-job supports

Note: **Subsidies** apply to **SSDI** during the initial eligibility process as well as when an individual is working and earning income.

Supports: Earning more



EXTENDED MEDICARE

- ▶ SSDI beneficiaries are entitled to continued Medicare coverage after the trial work period and for up to an additional 93 months (regardless of your eligibility for your cash benefit) following the ninth trial work month, unless you medically recover.
- ▶ During this period, hospital coverage is automatic and cost-free, and outpatient coverage continues to be optional and subject to premium payment (\$104.90/month in 2013)

Supports: Planning, Earning more



EXPEDITED REINSTATEMENT

Should you be terminated from SSDI benefits due to work at the SGA level, you may request to reinstate benefits without filing a new application.

- ▶ You must be unable to work and earn SGA because of the same or similar medical condition
- ▶ You must file the request for reinstatement with Social Security within 60 months from the month your benefits are terminated.
- ▶ SSA will provide up to six months of provisional benefits (including Medicare) while your case is being reviewed.
- ▶ Beneficiaries found not disabled, do not repay the provisional benefits

Note: You always have the option of re-applying for benefits.



MEDICAID BUY-IN PROGRAMS

Purpose of the Program: To provide an opportunity for persons with disabilities who are working the opportunity to purchase Medicaid coverage.

Sample Eligibility Criteria:

1. Between the ages of 16 and 65
2. Have a permanent disability
3. Be employed (full or part time)
4. Meet the income and asset guidelines

To locate a Medicaid Buy-in program, check with your State Medicaid office.

Based on the rules of your State, you may also be able to use the Medicaid Buy-In program to supplement your Employer's coverage.

Supports: Planning, Earning more, Savings, Asset Building



TICKET TO WORK

- ▶ A voluntary employment program for Beneficiaries who want to work.
- ▶ Ticket provides:
 - ▶ Greater Choice through an Increased Network of Providers (Employment Networks)
 - ▶ Protection from Continuing Disability Reviews
 - ▶ Long-term support
- ▶ For more information
 - ▶ <http://www.choosework.net/>
 - ▶ 1-866-968-7842 / 866-833-2967 (TTY/TDD)

Supports: Planning, Earning more / Savings, Asset Building (In the long term)



OVERVIEW OF SSI – SUPPLEMENTAL SECURITY INCOME



SSI

- ▶ SSI is provided to individuals who:
 - ▶ Meet SSA's definition of disability, AND
 - ▶ Have countable income under \$710 per month (*\$1,066 per month for eligible couples*), AND
 - ▶ Have countable assets under \$2000 (*\$3000 for eligible couples*)
- ▶ SSI is the payer of last resort.
- ▶ Federal Benefit Rate Maximum: 2013 equals \$710 per month.
- ▶ Medical Insurance - Medicaid



FEDERAL BENEFIT RATE (FBR)

- ▶ Not everyone receives the full Federal Benefit Rate
- ▶ The rate of pay an individual is eligible for is based on:
 - ▶ Family composition (i.e. Living alone, with others, etc.)
 - ▶ Marital status
 - ▶ Deeming of income
 - ▶ Type of housing (i.e. congregate care)
 - ▶ In-Kind support and maintenance
- ▶ State Supplements – Some states offer supplemental payments to individuals eligible to receive SSI.



SSI: INCOME AT-A-GLANCE

- ▶ Income: Anything received in cash or in kind that can be used to meet needs for food or shelter.
- ▶ Two Types of Income: Earned Income and Unearned Income
 - ▶ *Earned Income*: Gross wages: salaries, commissions, bonuses, self-employment; sheltered workshop earnings. Earned income is counted when it's received.
 - ▶ *Unearned Income*: All income that is not earned income. Unearned income is counted when it's received.



SSI: RESOURCES AT-A-GLANCE

- ▶ Resources: **Cash or other liquid assets or real or personal property that an individual owns and could convert to cash which can be used to provide for food or shelter.**
 - ▶ The general rule is that an item received in a month is income and, unless spent, becomes a resource in the following month.
 - ▶ General resource limit in 2013 is \$2,000 for an individual, \$3,000 for an eligible couple.



SAVINGS AND THE SSI ASSET LIMIT

- ▶ SSI excludes some assets:
 - ▶ Your home, vehicle, goods you use for self-support, etc.
 - ▶ <http://www.ssa.gov/ssi/spotlights/spot-resources.htm>
 - ▶ Properly established Trusts
 - ▶ <http://www.ssa.gov/ssi/spotlights/spot-trusts.htm>
 - ▶ Individual Development Accounts
 - ▶ <http://www.ssa.gov/ssi/spotlights/spot-individual-development.htm>

Supports: Savings, Asset Building



SSI WORK INCENTIVES

- ▶ These are some of the SSI work incentives SSA offers:
 - ▶ Student Earned Income Exclusion
 - ▶ Impairment Related Work Expense (IRWE)
 - ▶ Blind Work Expense
 - ▶ Plan For Achieving Self-Support (PASS)
 - ▶ Property Essential for Self-Support (PESS)
 - ▶ 1619b
 - ▶ Expedited Reinstatement
 - ▶ Ticket to Work



SSI AND WAGES

▶ **SSI wage Formula:**

\$1185 Gross Wages

**-20 General Income
Exclusion**

-65 Earned Income Exclusion

\$1100

÷ 2

\$550 Countable Wages

\$710 2013 FBR

- 550 Countable Wages

\$160 SSI Cash Benefit

Before Work...

Monthly Income = \$710 SSI

After Work....

Monthly Income = \$1185 Wages

+ \$160 SSI

\$1,345 Income

Are you worried that you earned
over SGA?



STUDENT EARNED INCOME EXCLUSION (SEIE)

- ▶ Student Earned Income Exclusion (SEIE) - allows an individual who is under age 22 and regularly attending school ([SI 00501.020D.](#)) to have earnings excluded from income as shown below:
 - ▶ 2013 Monthly Exclusion = \$1730
 - ▶ 2013 Maximum exclusion for calendar year = \$6,960

Supports: Earning more



IMPAIRMENT RELATED WORK EXPENSES (IRWE)

- ▶ IRWEs allow you to deduct the cost of disability-related items and services you utilize to be successful at work.
- ▶ An IRWE may exist when it meets these three rules:
 - ▶ You paid for an item or service (yourself),
 - ▶ To go to work,
 - ▶ Because of your disability

Note: Costs should be reasonable. You must keep receipts and claim these work incentives.

Supports: Budgeting, Earning more



BLIND WORK EXPENSES - BWE

- ▶ BWEs allow you to deduct any cost incurred to work.
 - ▶ The expense does not have to relate directly to blindness.
 - ▶ The expense does need to be a work related expense.
 - ▶ The expense does need to be one a person pays out of pocket.
 - ▶ Examples of Allowable Expenses:
 - ▶ Taxes
 - ▶ Transportation to and from work
 - ▶ Guide Dog costs
 - ▶ Equipment and Services
 - ▶ Meals during work hours
 - ▶ Attendant Services

Supports: Budgeting, Earning more



PLAN TO ACHIEVE SELF-SUPPORT (PASS)

- ▶ A PASS Plan allows you to set aside income and/or resources to be used to assist you in achieving a specific work goal.
 - ▶ A PASS can be used to assist in the costs of education, starting a business or purchasing support services that will result in the reduction / cessation of benefits.
- ▶ By utilizing PASS, you may reduce your countable income and maintain all or some of your SSI cash benefits.
- ▶ If you receive SSDI, you may be able to qualify for a PASS if you can set aside enough income/assets to qualify for SSI.

Supports: Planning, Budgeting, Earning more, Savings, Asset Building



PLAN FOR ACHIEVING SELF-SUPPORT (PASS), CONTINUED

The PASS plan must:

- ▶ Be submitted in writing – to be approved by Social Security’s PASS Cadre
- ▶ Increase an individual’s ability to be self-supporting by decreasing the amount they receive in cash benefits from Social Security
- ▶ Have a specific work goal
- ▶ Have a specific time frame for reaching the goal
- ▶ Show what money and any other contributions will be used to reach the work goal
- ▶ Show how any money set aside in savings will be kept separate from other funds
- ▶ Show how the money and resources will be saved and, later, spent
- ▶ Include a Business Plan if the PASS is for self-employment
- ▶ Be reviewed periodically to assure compliance

SSA - <http://www.socialsecurity.gov/disabilityresearch/wi/pass.htm>

Cornell University - www.passonline.org



SECTION 1619(B) - MEDICAID

- ▶ Protects Medicaid eligibility when SSI Cash Benefits are Zero:
 - ▶ You must lose eligibility for SSI cash benefits due to earnings
 - ▶ You must be otherwise eligible for SSI
 - ▶ You must need Medicaid to Work
 - ▶ Your earnings must be below your State's Earned Income Threshold: www.ssa.gov/disabilityresearch/wi/1619b.htm#threshold
 - ▶ An individualized threshold amount may also be an option.

Supports: Earning more



STATE THRESHOLD AMOUNTS

Alabama	\$25,783	Louisiana	\$30,666	Ohio	\$35,160
Alaska	\$55,752	Maine	\$32,084	Oklahoma	\$30,663
Arizona	\$36,517	Maryland	\$40,752	Oregon	\$33,464
Arkansas	\$30,349	Massachusetts	\$38,936 (\$39,785)	Pennsylvania	\$34,917
California	\$35,740 (\$37,060)	Michigan	\$33,517	Rhode Island	\$35,187
Colorado	\$35,129	Minnesota	\$50,104	South Carolina	\$30,882
Connecticut	\$72,805	Mississippi	\$27,403	South Dakota	\$34,857
Delaware	\$39,957	Missouri	\$33,754	Tennessee	\$32,430
District of Columbia	\$39,253	Montana	\$30,159	Texas	\$32,387
Florida	\$30,786	Nebraska	\$37,017	Utah	\$33,256
Georgia	\$28,547	Nevada	\$30,386 (\$33,009)	Vermont	\$38,135
Hawaii	\$36,265	New Hampshire	\$40,779	Virginia	\$33,747
Idaho	\$40,538	New Jersey	\$33,976	Washington	\$29,269
Illinois	\$27,811	New Mexico	\$33,462	West Virginia	\$29,645
Indiana	\$36,139	Connecticut	\$72,805	Wisconsin	\$37,068
Iowa	\$31,367 (\$31,895)	New York	\$45,239	Wyoming	\$36,333
Kansas	\$34,251	North Carolina	\$34,039	N. Mariana Islands	\$18,060
Kentucky	\$28,759	North Dakota	\$42,063		

Note: Numbers in parentheses are for Blind Individuals in that State.



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Supports: Planning, Earning more / Savings, Asset Building (In the long term)



ECONOMIC ADVANCEMENT STRATEGIES YOU CAN USE WHILE ON DISABILITY BENEFITS

- ▶ Earned Income Tax Credit - <http://www.irs.gov/EITC>
- ▶ Individual Development Accounts - www.idaresources.org/disability and www.ssa.gov/ssi/spotlights/spot-individual-development.htm
- ▶ HUD Earned Income Disregard - www.hudhre.info/index.cfm?do=viewEID
- ▶ Family Self-Sufficiency - www.portal.hud.gov/hudportal/HUD?src=/program_office_s/public_indian_housing/programs/hcv/fss



PEER EXPERIENCE



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PEER EXPERIENCE

Geri Walsh

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Rehabilitation Initiatives

Schenectady County One-Stop

Red Book:

<http://ssa.gov/redbook/eng/TheRedBook2013.pdf>



PEER EXPERIENCE

Tara Kavanagh

Peer Advocate

Independent Living Center of the Hudson Valley



QUESTIONS?



LEAD CENTER *FREE* WEBINAR SERIES

- ▶ The LEAD Center will provide a new webinar on the last Wednesday of the month from 3:00p.m. EST - 4:30p.m. EST.
- ▶ Webinars will include three mini-series on:
 1. Economic Advancement
 2. Employment
 3. Leadership (Public Policy)
- ▶ The next mini-series will focus on employment strategies for workers with disabilities. www.LEADCenter.org/webinars



UPCOMING WEBINARS: EMPLOYMENT SERIES

May 29, 2013 from 3:00pm to 4:30pm EST

Introduction to Customized Employment and Customized Self Employment

Webinar will provide information on two best practices – Customized Employment and Customized Self Employment. Participants will gain an understanding of how these practices can support job placement efforts for a variety of job seekers both with and without disabilities.

Target Audience: Workforce Development Professionals and related stakeholders



UPCOMING WEBINARS: EMPLOYMENT SERIES, CONTINUED

June 26, 2013 from 3:00pm to 4:30pm EST

Group Discovery: An Alternative Assessment Tool for Workforce Centers and Community-Based Providers

Webinar will provide information on Group Discovery – an alternative assessment tool proven to identify the strengths of job seekers with and without disabilities; particularly those with multiple barriers to employment. Participants will gain an understanding of the Group Discovery process and potential outcomes.

Target Audience: Workforce Development Professionals and related stakeholders



THANK YOU

Elizabeth Jennings

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