

Benefits Analysis & Summary and Work Incentive Plan An Example

Scenario: John is a concurrent beneficiary who receives a \$356/month Title II check and an SSI check of \$93/month. John has been receiving benefits since 2005. He is 38 years old, lives with his parents and pays rent in the amount of \$400/month. He also receives \$50 in food stamps monthly. John has just obtained a job that begins on 9/18/2010, where he will be working 25 hours per week, earning \$8.00/hour. John's disability prevents him from driving, thus he will require transportation to and from work.

A Benefits Planning Query (BPQY) has been received, and verifies the date of entitlement and the amounts received for Title II and SSI. The BPQY also indicates earnings in 2008 that totaled \$5676.00; however, no indication of Trial Work Period usage is noted. It is possible that the work was not developed on the Title II side. It is also possible that 2008 earnings did not impact the SSI check, thus creating a potential overpayment. In the initial intake, John indicated that he had worked for 6 months in 2008 and earned an average of around \$950/month.

John is a current customer with Vocational Rehabilitation, who helped him to obtain his new job. After attending orientation, John has indicated that he feels he may need the support of a job coach as he starts in his job. This is not specified as a needed service in his IPE with Vocational Rehabilitation. John has asked if you can assist him in getting this service.

Benefits Summary & Analysis

Customer Name: John Smith

Date: 9/6/10

Summary of your Current Situation

The list of income, benefits and services you told me you get from the SSA and other places (child support, food stamps, Medicaid, etc.):

You stated that you receive SSDI of \$356/month, SSI of \$93/month, Medicare Parts A,B, and D, and Medicaid. You were unsure if you had any subsidy for Part D. You also stated that you receive \$50/month in food stamps.

What I found out when I verified your benefits with SSA and other agencies (as needed):

The BPQY, Benefits Planning Query, from SSA verifies the amount of the benefits received as you stated. It also indicates that your Medicare Part B premium is being paid by Medicaid and

you have 100% subsidy for Part D. The BPQY does not show any work incentives used; however, it does show that you had earnings of \$5,676.00 in 2008.

The Dept. of Children & Families verified your food stamp payment of \$50/month. I also requested their calculation chart to help us determine the impact of future earnings on your food stamps.

What you told me about your employment plans or goals:

You were just offered a job as a customer service representative at a local call center that begins on 9/18/10. You will be working 25 hours per week earning \$8.00/hour.

Analysis of your Current Situation and Plans

How your plans may affect your SSA benefits:

First let's review your SSDI check and the impact of earnings. During the intake you mentioned that you had worked for 6 months in 2008 and had earned about \$5,000. The BPQY showed that your annual earnings in 2008 were actually \$5,676. This would make your average earnings \$946/month. The first work incentive available to you is a Trial Work Period (TWP). There are nine months in a TWP, not necessarily used consecutively, that you can have unlimited earnings without penalty to your disability check. There is a benchmark amount that SSA uses to determine whether earnings constitute a TWP month or not. In 2010, that amount is \$720 gross/month. In 2008, the amount was \$670/month. Based on your average monthly earnings in 2008, you most likely have used six of your nine available TWP months. Remember that they do not have to be used consecutively, but they do need to occur within a 60-month rolling period. We expect your gross earnings at your new job to be approximately \$860/month. At this rate, you will continue to use the remaining TWP months. It is important to report your 2008 work activity to SSA so that they can make a determination of TWP usage as soon as possible.

Once all of your Trial Work Period months are used, you will begin your Extended Period of Eligibility (EPE). We expect that TWP 9 will be November 2010. The Extended Period of Eligibility is a 3 year period during which you are still eligible, but you may or may not receive your disability check based on your work activity. During the EPE, SSA will be looking at your countable earnings to see if you are earning over substantial gainful activity (SGA). In 2010, SGA is \$1000 countable/month. The basic rule is: if you are under SGA, you still receive your check; over SGA, no check. At your projected level of earnings, your check will not be at risk. There are other work incentives that can be utilized during the EPE to reduce your countable income; however, since you are not expected to be earning over SGA yet, they will not apply. I have enclosed an SSA Red Book that explains these other work incentives. As your situation changes, we will update this analysis and discuss other work incentives that may be applicable.

In regards to the impact of earnings on your SSI check, things are counted a bit differently. SSA counts all forms of income when determining how much your SSI check will be. During the intake, you mentioned that you had a rental agreement with your parents and that you paid \$400/month in rent. According to SSA, you are under the Value of the One-Third Reduction

(VTR) rule, which lowers your Federal Benefit Rate (FBR) by one-third. Based on the information that you have provided, you may be eligible for the full FBR, which would increase the amount of SSI that you receive. I have attached a fact sheet about Rental Liability for your reference. You should provide your SSI claims representative with a copy of your rental agreement so she can make a determination. As we go through some calculations, I will provide you examples using both the VTR amount of \$449 and the full FBR of \$674 for your comparison.

As you know, your unearned income (your SSDI) impacts the amount of your SSI check. There is a \$20 general income exclusion that applies to unearned income. When earnings are counted, there is first an earned income exclusion of \$65 and then an exclusion for Impairment Related Work Expenses (IRWE). You mentioned that you are unable to drive yourself to and from work and will be paying the local community transportation provider \$4.00/day. This amount can be used as an IRWE. Your estimated IRWE will be \$86/month (\$4/day times 5 days/week times 4.3 weeks/month). Once these are deducted, SSA divides by 2 to calculate your countable earned income. See attached calculation sheet. Countable unearned income is added to countable earned income and the total is subtracted from the Federal Benefit Rate (FBR) to determine your SSI payment.

Again, there are other SSI work incentives that are available, but not currently applicable in your case. I have marked those pages in the SSA Red Book for your reference. As things change, we will review other incentives as they apply.

How your plans affect your medical benefits:

As long as you continue to receive your SSDI check, you will have Medicare. If you begin working over the SGA amount that we discussed and your SSDI check stops, there is a work incentive that protects your Medicare for at least 93 months after the TWP ends. This is called the Extended Period of Medicare.

Your Medicare Part B premium is currently being paid by the State under a program called QMB. Once you begin earning \$860/month, you may no longer qualify for the QMB program. You may still be able to get help paying the Part B premium through another program called "SLIMB" which we will need to apply for at the Department of Children & Families office. If you earn too much to qualify for SLIMB, it means that the \$96.40 Medicare premium will begin to be deducted from your SSDI check.

Your low income subsidy that pays for your Part D expenses will continue as long as you are eligible for Medicaid. If your Medicaid eligibility changes, we will need to look at potential changes to your extra help for Part D.

If your earnings are high enough that the calculation results in your SSI check becoming zero, there is a provision called 1619(b) that will allow you continued Medicaid eligibility provided you meet certain criteria. The criteria are: that you are still disabled, lost SSI due to earnings, are under the state threshold, \$28,427 in Florida for 2010, or individualized threshold, pass the Medicaid "need" test, and still meet all other non-disability criteria (such as no excess resources).

How your plans may affect other benefits you receive:

We discussed the impact of earnings on your food stamps. You should expect to see your food stamps stop once you begin working. It will be important to communicate with your case worker at the food stamp office to report your earnings to them as well. Although you are losing this \$50 of food stamps, remember that you have an increased financial outcome that provides you more money per month by working and giving up your food stamps than by not working at all. Refer to the calculation sheets.

Other things we discussed:

I have already mentioned to you that SSA has a different living arrangement on record than you told me. There is a strong possibility that you should be getting a larger amount of SSI. You will need to take a copy of your rental agreement and some cancelled rent checks with you to the SSA office to get this straightened out.

We also talked about reporting your past wages to SSA so that they can make a determination of potential TWP usage. Be aware that if your earnings were not reported on the SSI side also, there may be an overpayment for SSI from 2008 earnings. I will provide you the form to use when reporting your past earnings and answer any questions you may have about completion of the Form 821, Work Activity Report. Remember that it is important to get this done as quickly as possible so that we have accurate information as you begin your new job.

Important Things for You to Remember

Dates or deadlines:

- ASAP – complete the form 821-Work Activity Report and turn it in to SSA with documentation of your past wages.
- Contact SSA about your current living arrangement and provide the documentation described above.
- 10/5/10 - Deadline to report your first month of earnings to SSA. You should report to both your SSI claims rep and the SSDI post-entitlement claims rep.

Things to tell SSA:

You need to notify SSA about the following things as they happen. Remember that you should always provide notification of changes in writing!

- 1.) Start or stop working
- 2.) Increase or decrease your hours
- 3.) Get married

- 4.) Leave school or go back to school
- 5.) Move

Recordkeeping:

Please keep this Benefits Summary & Analysis in your records. Remember to keep letters you get about your benefits. Keep notes and receipts whenever you report changes and be sure to keep everything together in one place so you can find it. The notes should include:

- The agency where you made the report
- The date you made the report;
- Who you talked to;
- What you told them; and
- What papers you submitted.

NOTE: The information in this packet is meant to help you understand your benefits, and help you make choices about your future. To prepare this packet, we depended on the information you gave us. Keep in mind that if you left something out, or if your situation changes, this information may not be correct for you. Remember that the SSA and other agencies make decisions about your benefits. This packet is meant to be a resource, not a decision about eligibility.

CWIC Signature: Wanda Coordinator **Date:** 9/6/10

Beneficiary Signature: John Smith **Date:** 9/7/10

Scheduled date for Work Incentive Plan Development: 9/12/2010

Work Incentive Plan

Beneficiary: John Smith **Date:** 9/12/2010
Employment Goal: To obtain and maintain a position as a call center Customer Service Representative

ACCESSING EMPLOYMENT SERVICES AND SUPPORTS

Action Step	Person Responsible	Target Date	Completed Date
Contact VR counselor to update IPE, possible job coach needed at new job	John Smith	9/15/2010	
Contact disabled transportation provider to arrange transport to/from work	John Smith	9/12/2010	

RESOLVING EXISTING BENEFIT ISSUES

Action Step	Person Responsible	Target Date	Completed Date
VTR in effect for SSI check – contact SSA with documentation of rent, etc paid	John Smith & parents	9/15/2010	
BPQY shows previous earnings undeveloped – Complete SSA 821 Work Activity Report to document and develop possible TWP usage	John Smith & CWIC	9/15/2010	

MANAGING SSA BENEFITS AND WORK INCENTIVES

Action Step	Person Responsible	Target Date	Completed Date
Turn in completed SSA 821 to post-entitlement claims rep at local SSA office	John Smith	9/15/2010	
Report information about job starting 9/18/10 to SSA, rate of pay, employer, # of hours/week	John Smith	10/5/2010	
Document cost of expenses for transportation to/from work monthly – IRWE development	John Smith & CWIC	10/01/2010 & ongoing monthly	
Follow up with SSA regarding possible prior TWP usage – updated BPQY	John Smith & CWIC	10/1/2010	
Report monthly earnings and IRWE to SSA (remember to report to both SSI & SSDI)	John Smith & CWIC	10/05/2010	
Discuss and document possible subsidy indicators	John Smith, CWIC, employer	10/01/2010	

MANAGING FEDERAL, STATE OR LOCAL BENEFIT PROGRAMS

Action Step	Person Responsible	Target Date	Completed Date
Report earnings to Food Stamp office	John Smith	10/05/2010	

PLANNING FOR FUTURE HEALTHCARE NEEDS

Action Step	Person Responsible	Target Date	Completed Date
Check with employer on healthcare plans available – eligibility, coverage and costs	John Smith	12/15/2010	

Discuss impact of earnings on Medicare Part B assistance and plan for possible premium deductions from SSDI	CWIC	10/05/2010	
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FOLLOW-UP CONTACT PLAN

Action Step	Person Responsible	Target Date	Completed Date
Schedule appointment with CWIC for update of benefits impact upon resolution of VTR issue with SSA	John Smith	Upon notice from SSA	
Call for appointment with CWIC to prepare and review report of earnings & documentation	John Smith	10/03/2010 & monthly as needed	
Call CWIC after 90 days of employment for update of work incentive plan as needed	John Smith	12/15/2010	
Call as needed with work incentive questions and updates	John Smith	As needed	

Beneficiary Signature: _____ Date: _____

CWIC Signature: _____ Date: _____