Introduction

Teaching beneficiaries how to correctly report earned income to Social Security and other agencies providing public benefits is an important job for the CWIC. It is essential to note that you are not responsible for reporting wages on behalf of beneficiaries. However, you should help beneficiaries develop methods for organizing wage information and assist in the preparation and of earnings reports.

Work Reports within the Title II Disability Program

Advising Title II beneficiaries on when and how to report work is one of the greatest challenges facing a CWIC. As a general rule beneficiaries must promptly report any changes in work activity. They must tell Social Security right away if:

- Work starts or stops;
- Duties, hours, or pay changes; or
- They stop paying for items or services needed for work due to the disability.

How work activity and earnings affect benefits varies with each consumer’s situation. Essentially, the report should occur when there is a change in work activity. The change may impact the beneficiary’s payments or work incentives status. For example:

- Trial Work Period months have been used or the TWP has been completed;
- Payments should be suspended during the EPE;
- Payments should be reinstated during the EPE;
- Payments should terminate because the 36-month reinstatement period of the Extended Period of Eligibility (EPE) has been completed, and the person has demonstrated the ability to perform SGA;
After termination of payments a person should request Expedited Reinstatement or reapply due to a drop in earnings.

Assisting beneficiaries in reporting work changes and helping them to understand how their benefit status may be affected is very important. Social Security’s work report and review processes can be confusing. Here are some of the reasons:

1. **Work decisions are always retrospective.** Social Security reviews work activity that has already occurred. A Claims Representative tries to reconstruct a pattern of past work activity to determine if a beneficiary was due payments or not. The CWIC role, however, is to anticipate and help the beneficiary understand what will happen in the future, when and if work activity occurs. One of the challenges with this is that work incentives like Impairment Related Work Expenses (IRWE) and subsidy are only applied once the person’s gross earnings have exceeded the applicable Substantial Gainful Activity amount. If Social Security doesn’t approve the deductions, the person may be overpaid.

2. **The Title II program uses the amount earned in a month, rather than the amount paid when assessing whether or not work activity should impact payments.** This can be confusing to beneficiaries. The pay stub itself is an easier measure to consider as a concept of earnings than a computation of hours worked multiplied by the hourly wage. The pay stub, however, would provide misleading information in situations where a person’s check represents work activity in more than one month, as often happens at the beginning or end of the month.

3. **Different Social Security field offices may process work reports differently.** In some offices a particular workgroup, or the Work Incentive Liaison, processes the work activity reports. In other offices, the workload is distributed alphabetically. Without knowledge of the office staff and how the work distribution occurs, a CWIC may not know the best contact person to receive a particular beneficiary’s report. The local office WIL may help the CWIC in understanding how each office operates.

4. **Beneficiaries do not realize that telling Social Security about work is only a work activity report if a Claims Representative looks at the pattern of work, and makes a decision.** They are unaware of the structure of the agency and often feel that calling the 800 number in one month, and receiving their payment the next month means that the report was properly processed.

5. **Even when work is reported with pay stubs at the local office it is not monthly examined for impact on Title II benefits.** Often, the people taking reports are not the decision-makers. Instead, the front-line staff that takes the report gives the beneficiary a receipt, and enters the data into the computer system, but they do not examine it to determine if
benefits should stop. Meanwhile, the beneficiary believes he or she has met all responsibilities to report work and assumes that any impact will be determined as soon as possible.

6. **eWork is a system that Social Security Claims Representatives use when making decisions about work activity.** Prior to eWork, the decisions were completed manually, and information was not always transmitted electronically so that it could be associated with the person’s file. The eWork system has significantly improved Social Security’s service to working beneficiaries. The eWork system produces receipts when work reports are made, and keeps track of the amounts the person earns. However, eWork does not do anything more than store the reports until a Claims Representative looks at the work reported, evaluates earnings and applicable work incentives, and makes a decision.

**What CWICs Can Do**

Social Security is actively seeking solutions to the challenges outlined above. Until the time that the systems are perfected, however, a CWIC has to educate beneficiaries and themselves to make reports as painless as possible for everyone. Here are some strategies for success:

1. Get to know how the offices in your catchment area process work reports. This may mean frequent visits to talk with staff, to get to know them – particularly the Work Incentives Liaison - and to ask about their preferred manner for beneficiaries to make reports effectively and efficiently.

2. Explain to beneficiaries that work reports and reviews under the Title II programs are complex. Tell them that Social Security does not rely on accessing earnings from the IRS records to make work decisions; instead, it is up to the beneficiary to report work and to report changes in work activity.

3. Make sure that beneficiaries understand that in addition to reporting work they must provide proof, and receive a receipt. Also, teach beneficiaries to keep a good record of all contacts with Social Security. Whenever a beneficiary makes a work report, have him or her keep all the receipts and pay stubs. Remind the beneficiary also to keep all of the IRWE receipts, letters regarding subsidy, or any other evidence that may help prove appropriate work incentives in the future. These should always be submitted at the same time work reports are made or repeated. At the end of this module, there are worksheets you can use to facilitate reporting of the use of appropriate work incentives.

4. As part of your Work Incentive Plan, make sure the beneficiaries know the “critical points” for their particular circumstances. When possible, map out the dates on the WIP that reports would be most effective.
5. As part of your proactive follow-up plan, check with beneficiaries to insure that they made reports when important events occur. For example, if you know that a beneficiary will complete his or her Trial Work Period in four months, put a mark on your calendar to check to make sure the beneficiary made the report. Did he/she keep receipts? Did he/she give Social Security receipts or other evidence to show that work incentives were used?

Each beneficiary’s situation is unique. The critical piece is to educate beneficiaries, so that they can be proactive.

**When Work Reports Are Not Timely**

One of the tools CWICs have is the Benefits Planning Query (BPQY). This invaluable tool offers Social Security a quick way to provide essential information needed to conduct an analysis. The BPQY draws information directly from five different Social Security database records. The BPQY also provides IRS earnings information. The IRS data may never have been seen in conjunction with the Social Security benefit information until you look it over.

Occasionally, you will find that there is an extensive work history that has not been reported, or that Social Security has not adjudicated to determine the impact on Social Security Title II payments. Use the BPQY as a tool to determine the need for reporting past work history.

The TWP information is one piece of information that is often incorrect on the Benefits Planning Query. This is not a function of the query itself, rather it is a function of the paper-based process for work events previously adjudicated by Social Security. The TWP field on the BPQY is a hint, rather than reliable evidence of the use of TWP months. Here are some guidelines on how to use this information as part of your analysis:

Compare the TWP field to the earnings and:

- If earnings are present, and the TWP is showing as having been completed, it should be correct.
- If no earnings are shown or alleged by the beneficiary since the date the disability benefits began, and no TWP months are used, it is likely to be accurate.
- If earnings are shown, but no TWP months are indicated, explore further!

It is at this point that the beneficiary may need to report his or her earnings. The CWIC can be instrumental in helping this happen in a productive way. Help the beneficiary gather evidence of work activity and work incentives to help the Social Security have all of the information necessary to make an appropriate decision. Also help the beneficiary anticipate what might happen as a result of the work report. Keep a few things in mind:
• Earnings may not be shown for the most recent calendar year because there may be a lag crediting the person’s earnings.

• Earnings that represent sick pay, separation pay, vacation, etc., are not work for Title II work review purposes. Often beneficiaries will show earnings the year after disability onset that may simply represent a payout of vacation or sick pay, or disability payments.

• If you look at the monthly breakdown of SSI earnings instead of the annual earnings, remember that the SSI program bases determinations on the wages received, not the wages earned in a month.

• Remember that self-employment reports should be made when the work activity begins but a review of the work activity can only occur when the person’s self-employment tax return is complete. Social Security needs the self-employment schedules from the tax return in order to make accurate determinations.

• Remember that you may uncover a can of worms but it is a can that will open by itself at a later date! Social Security’s computers will send alerts to the field offices when IRS recorded earnings show up on a disabled beneficiary’s record. It may take years for Social Security to act upon the alert, and that may mean an enormous overpayment. Instead, proactive intervention from you may expose “the can of worms” earlier and in a manner that is likely to help the beneficiary in the long run.

Finally, remember CWICs do NOT make these work decisions. Only Social Security personnel can make work activity determinations. Do not make predictions or guarantee anything!

**A Note about Self-Employment**

If a beneficiary is self-employed, the earnings should be reported when the work begins and when there is change. Proof of the self-employment activity should be submitted annually, when the individual has completed his or her tax return. If the individual has not completed the Trial Work Period, Social Security may also request a monthly breakdown of profit and loss. The tax return is critical, however, because it shows all of the deductions, and the net profit, rather than an estimate. For this reason, it is particularly important that beneficiaries who are self-employed report their tax liability to the IRS early in the next year. They can then take a photocopy of the finalized IRS 1040 and associated tax forms to the Social Security office, along with proof of deductions for IRWE, unpaid help, and unincurred business expenses.
Reporting for the SSI Program

SSIs are very different programs, requiring different protocols for reporting wages or other income. Because SSI is income sensitive, frequent and timely reporting can be effective in aiding the beneficiary to receive proper payment. One challenge with monthly adjustments, however, is that they generate monthly notices that may confuse the beneficiary. If that is particularly stressful, the beneficiary may wish to estimate future income with Social Security, and report less frequently.

It is also valuable to keep in mind that self-employed individuals should estimate their Net Earnings from Self-Employment (NESE) as accurately as possible. Remember in the SSI program, Net Earnings from Self-Employment are always averaged over the calendar year, regardless of when the money was earned in the calendar year. For this reason, estimates that significantly change annual self-employment income can drastically affect benefits, since they affect the entire year, rather than a single month.

Automated Reporting

SSI beneficiaries now have two convenient ways to report monthly wages. The first is the SSI Telephone Wage Reporting system (SSITWR) which permits beneficiaries or their representatives to call a toll-free number to report the prior month’s gross wages. Second is a mobile application that allows for monthly wage reporting using smartphone technology. The SSI Mobile Wage Reporting (SSIMWR) application can be downloaded and installed on an Apple or Android device. Both systems will accept wage reports on any day during the current month, but beneficiaries should be advised to report wages during the first six days of the month to prevent improper payments.

The use of the automated system is somewhat limited because it does not permit deductions for the work incentives that beneficiaries may access. If a beneficiary does not have work incentive deductions, use of this system is a valuable tool. The individual will be required to authenticate his or her Social Security Number, name and date of birth. The system will mail a wage receipt to the beneficiary or their representative payee. See http://www.socialsecurity.gov/ssiwagereporting/

The wage reporting system works well for:

- Parents or spouses who are not disabled and need to report income that will be deemed to the beneficiary;
- SSI beneficiaries with no work incentive deductions other than the Student Earned Income Exclusion; and
Concurrent beneficiaries with no work incentive deductions other than the Student Earned Income Exclusion. (NOTE: The automated report may not be used by individuals that only receive Title II benefits.)

Those who may not use the wage reporting system:

- Beneficiaries who have Impairment Related Work Expenses (IRWE);
- Beneficiaries who meet the definition of statutory blindness;
- Beneficiaries who have a Plan to Achieve Self-Support (PASS);
- Beneficiaries who have deemed income;
- Beneficiaries contributing earnings to an Individual Development Account (IDA);
- Beneficiaries with more than one employer in a month; and
- Beneficiaries who have difficulty with technology, and for whom this would be a burden.

**Wage Reporting Reminder**

Beneficiaries can now sign up for email or text reminders to report monthly wages for SSI at [http://www.socialsecurity.gov/ssiwagereporting/](http://www.socialsecurity.gov/ssiwagereporting/)

**Strategies for Success**

- Recommend that beneficiaries keep ALL correspondence sent to Social Security;
- Suggest beneficiaries use the form “Notice of Change in Earnings Status” to report work. This form can be found at the end of Unit 4 in Module 6 of the WIPA Training Manual.
- Demonstrate how to calculate wages in a month based on each program’s rules.
- Use “How to Calculate Earnings for Wage Reports” and “Reporting Tips for Beneficiaries” as ongoing learning tools for beneficiaries. These tools can be found at the end of Unit 4 in Module 6 of the WIPA Training Manual.
- Remind beneficiaries that the Title II program and the SSI program do not always communicate with each other or share reported wage information. This is especially important for concurrent beneficiaries who will need to report to both programs.