

Employment and Supplemental Security Income

The Social Security Administration defines Supplemental Security Income or SSI as a Federal income supplement program funded by general tax revenues to assist older, blind, and disabled people, who have little or no income with meeting their basic needs. Supplemental Security Income is provided to help an eligible individual purchase food, clothing, and shelter (Social Security Administration, 2015). Whenever a SSI beneficiary is considering employment it's important for him to understand possible work incentives, requirements for reporting earnings, and resources to obtain useful and up to date information. This fact sheet will cover those topics and more.



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QUESTION:

What is Social Security Income?

ANSWER

Supplemental Security Income, or SSI, is a needs-based program. In order to qualify for SSI, a person must have a low income and limited resources. Because SSI is a needs-based program, the amount of money a person receives is specific. That amount is called the Federal Benefit Rate (FBR) and is set by Congress each year.

In 2015, the FBR for a person is \$733, and in 2014, the FBR was \$721. For an eligible couple, two people who are both SSI-eligible, the rate is \$1,100 in 2015 and was \$1,082 in 2014. Each member of an eligible couple will get half of the total SSI amount. These figures are indexed annually.

There are many factors considered when the Social Security Administration (SSA) is determining whether someone is eligible for SSI and how much cash assistance that person will receive. Some of those factors are:

- the amount of unearned income,
- the amount of earned income,
- any income that might be deemed from an ineligible spouse or parent,



- any in-kind support and maintenance that might be received,
- the person's living arrangements, and
- applicable work incentives.

A person may also qualify for Medicaid with the SSI program.

QUESTION:

How does employment impact SSI benefits?

ANSWER

Social Security encourages people to think about work. Disability benefits and paid employment are not mutually exclusive. A beneficiary will almost always come out ahead financially, by working. There are a number of work incentives or safety nets that can help a person transition back to work without experiencing an immediate loss of benefits.

These include:

- Income exclusions,
- Impairment Related Work Expenses,
- Plan for Achieving Self Support,
- 1619(b), and
- Expedited reinstatement.

These work incentives and safety nets make SSI a very work-friendly program. The SSI program uses a specific calculation to determine benefit amount, and allowable exclusions are applied in a very specific order.

Following is the basic SSI calculation:

Gross unearned income

- \$20 general income exclusion
- = Countable unearned income

Gross earnings

- Student earned income exclusion
- \$65 earned income exclusion
- Impairment related work expenses
- Divide by 2
- Blind work expenses
- = Countable earned income

Countable unearned income

- + Countable earned income
- PASS
- = Total countable income

SSI Federal Benefit Rate (in 2015: \$733 individual / \$1,100 couple)

- Total countable income
- = Adjusted SSI check

QUESTION:

What are General and Earned Income Exclusions?

ANSWER

These are exclusions that will always be applied when Social Security is making a determination about a beneficiary's SSI payment amount. There is a general income exclusion of \$20. The general income exclusion applies to unearned income, or earned income if a person does not have any unearned income. There is also an earned income exclusion of \$65, and then one half of the remainder of earnings is discounted. There is also a Student Earned Income Exclusion.

QUESTION:

What is a Student Earned Income Exclusion?

ANSWER

The Student Earned Income Exclusion (SEIE) allows earnings up to a specific monthly maximum to be excluded first in the calculation. There is also an annual maximum for this exclusion. The criteria for using the SEIE are that the individual is:

- under the age of 22,
- regularly attends school, and
- is employed.

If a student is under age 22 and considered to be regularly attending school, he can exclude up to \$1,780 in 2015 (\$1,750 in 2014) per month of earnings. Anything up to that maximum amount each month can be totally excluded in the SSI program. This work incentive encourages young people to attempt to work at an earlier age.

There is also an annual maximum exclusion of \$7,180 in 2015 (\$7,060 in 2014). It is important to note that if a person is not in school during the summer break, as long as the intent is to return to school, then the Student Earned Income Exclusion can still be applied during the break.

QUESTION:

What is an Impaired Related Work Expense?

ANSWER

Social Security also can exclude Impairment-Related Work Expenses (IRWE). These are special items or services necessary for work. An expense may be deducted when Social Security is determining the SSI payment if it meets all of the following criteria.

- The expense was paid for by the beneficiary, and not reimbursed by anybody else.
- The items or services are
 - needed for the person to work,
 - related to the person's disability or other condition being treated by a medical professional,
 - something that was paid for in a month that the individual had earnings, and
- the expense must be reasonable.

Social Security makes all decisions on whether an expense meets the IRWE criteria and specific documentation is required. When approved, the IRWE deduction comes before the divide by two in the calculation so half of the expense is recouped in the SSI payment. The following scenario illustrates how a person might become eligible for an IRWE.

A SSI beneficiary is unable to drive himself to work because of his disability, and has to pay for transportation to and from work and no public transportation is available. If this expense is paid for by the beneficiary and not reimbursed by anybody else, the service is needed for him to work, is related to his disability, and is a reasonable expense, then it might qualify as an IRWE and reduce his countable earnings.

QUESTION: What is a Blind Work Expense?

ANSWER

If a beneficiary meets Social Security's definition of statutory blindness, he can be eligible to use Blind Work Expenses (BWE) under the SSI program. This is very similar to IRWE. The major difference is that the expense does not have to be related to a person's blindness. This is any expense a person pays for in order to go to work, is reasonable, not reimbursed by anybody else, and it is paid in the month that is worked. Another difference is where the BWE is deducted in the calculation – after the divide by two; so this means that there is a dollar for dollar recoup in the SSI check. This special work incentive is only for individuals who are statutorily blind, and is only available in the SSI program.

QUESTION: What is a Plan for Achieving Self Support?

ANSWER

A Plan for Achieving Self-Support (PASS) is another type of work incentive. A PASS allows a person to set aside any countable income or excess resources into a special account that is designed to pay for any services or items that are necessary to meet a specific vocational goal.

It is important to note that a PASS is not some type of special savings account that allows a person to stash away money that does not count towards the SSI payment or resource limit. Instead, it is related to something that helps a beneficiary obtain a specific vocational goal. For example, it could be savings for education, business start-up costs, or supplies and other things needed to reach that specific goal.

One way to think about a PASS is as a contract between a beneficiary and the Social Security Administration. Together, they develop a plan that identifies the things needed to reach the individual's specific vocational goal. The person's answers to the following questions can help determine what is necessary.

- What is my expected earnings level once I have reached this work goal?
- What items or services do I need to pay for in order to reach my work goal?

- What money do I have available to set aside?

Sometimes a person may be a concurrent beneficiary, meaning he receives a Title II Disability Benefit payment, (e.g. Social Security Disability Insurance) in addition to SSI. Under these circumstances a person may want to set aside his Title II check into a PASS plan.

A PASS is Social Security's short-term investment in a beneficiary who is trying to reach a specific vocational goal that will reduce his reliance on benefits. Therefore, if the Title II check is set aside in this special PASS account, the SSI check will increase. A person would be living off of the same amount of money, but he would also be able to save money to pay for those specific items or services that he must pay for in order to reach his vocational goal.

QUESTION: What is 1619(b)?

ANSWER

As stated earlier, whenever a person meets eligibility for SSI this usually means that he is also eligible for Medicaid. Many people who are considering going to work are concerned about continued Medicaid coverage. There is a special work incentive called 1619(b) that maintains a person's eligibility for SSI, and also protects Medicaid. Even though the cash payment might cease, a person can still maintain that critical Medicaid coverage. The provision may apply if the following criteria are met.

- Earnings must have caused the SSI check to go to zero.
- The beneficiary must
 - still be disabled,
 - need Medicaid in order to work,
 - have annual earnings under the state or individualized threshold, and
 - meet all other eligibility rules, including a resource test.

There is no time limit on the amount of time a beneficiary can be in 1619(b) status, as long as, all the criteria continue to be met.

QUESTION: What is Expedited Reinstatement?

ANSWER

The final safety net is Expedited Reinstatement (EXR). If a person was eventually terminated from the SSI rolls due to work, then EXR may be used as a quick and easy way to get back on benefits. There is also the option of reapplication. It should be noted that SSI has to be fully terminated due to work, not just in non-payment status, for EXR to be an option.

QUESTION:

What type of information should a person keep to help report work activity, request work incentives, and document correspondence or conversations with Social Security?

ANSWER

A person must keep good records about work activity. For instance, he should keep a calendar that shows what days and how many hours were worked. Every paycheck stub including those that document overtime, bonuses, and vacation time should also be saved.

If self-employed, a person should keep copies of federal income tax, Schedule SE, Schedule C, Schedule C-EZ, or a Schedule F for farmers. It is important to keep copies of these records along with any receipts for work expenses related to the disability and if a person is blind, receipts for any work expenses. In addition, receipts for anything that was paid for under an approved PASS plan should be kept. All receipts should be saved.

The beneficiary, or representative payee, should also make notes about reporting work activity and other conversations with SSA. At a minimum this should document how a person reported work activity (i.e. in person or phoned in). The date and time of day he visited the office or called Social Security. And, if there was a conversation, it is important to get the name of whomever he talked to and make a note about what was discussed.

When a person submits pay stubs, or receipts that document IRWE, it is essential for him to keep a copy. Then, whenever, Social Security is making a determination about the impact on benefits, the beneficiary has back-up documentation if he disagrees with any decisions.

A person should also keep all receipts issued by Social Security. Any letters from Social Security or any other agencies, such as the Medicaid agency, the food stamp agency or from housing, should be kept. Copies of letters that indicate what might happen to benefits are also important to keep.

Some beneficiaries may be working with professionals who provide sample calculation sheets or tracking charts to demonstrate an estimate of the impact of work on benefits. It's also important for a person to keep copies of those charts and calculations for future reference too.

All of this information can be organized into a benefits binder. For example, someone might use a three-ring binder or a folder with several pockets; whatever works best for him.

QUESTION:

When should earnings be reported to Social Security?

ANSWER

A person must report earnings to Social Security on time, every time. In addition reports should be made to all other entities that may be providing benefits. For example, this might include the State's Medicaid agency, food stamps office, housing authority, Workers' Comp or other public disability agency.

An SSI beneficiary should report earnings to Social Security no later than the tenth of the next month. And, it is very important to report on time.

QUESTION:

What are the options for reporting earnings to Social Security?

ANSWER

The SSI program has multiple methods for reporting earnings. For example, the SSI program, offers a telephone automated wage report system, as well as, a mobile reporting app. Individuals can get the telephonic wage report system set-up by contacting a local Social Security office. A person may also visit or write his local Social Security Office or call Social Security using this toll free number (1-800-772-1213).

To find out the best way to report, a person should contact their local office. A beneficiary who works with a professional benefits planner, a work incentive counselor, or an Employment Network can receive assistance with reporting requirements.

QUESTION:

What is a Work Incentives Planning and Assistance Agency?

ANSWER

A Work Incentives Planning and Assistance Agency (WIPA) can offer information about the work incentives and how they might apply to a beneficiary's specific situation. The WIPA can help the beneficiary:

- gather information about benefits and employment goals,
- identify very specific work incentives that would be available to him, and
- develop a plan to
 - manage the work incentives,
 - report earnings to Social Security and other entities, and
 - communicate other important and essential information to Social Security and other benefit programs.

The WIPA programs are funded by Social Security to help beneficiaries get back to work and on the road to financial independence. Their support is available on a long-term and intensive basis. In addition, the programs are connected with a lot of other entities within a local area and may also be able to also help a beneficiary connect with other resources. For example the WIPA might provide referrals to State Vocational Rehabilitation (VR) services or community employment service providers etc... It's a good idea for anyone who is thinking about returning to work to make contact with, and connect with a WIPA.

QUESTION:

What other resources are available to learn more about the Supplemental Security Income Program?

ANSWER

A good resource to learn more about work incentives can be found at: www.SSA.gov/redbook. A local WIPA provider can also offer a lot more specific and individualized information on work incentives that are applicable to a beneficiary's situation.

A good resource to get more information about reporting in the SSI program can be found at: <http://www.ssa.gov/pubs/EN-05-10503.pdf>

Another good resource that is online at: www.chooseworkTTW.net. When visiting the web site a person can click on the button that says "find help" and enter his city, state, or zip code. This will bring up a list of providers that serve the local area like the State's vocational rehabilitation (VR) agency, the entities that make up the employment networks (ENs), the WIPA provider, and the protection and advocacy provider.

A person can also call the Ticket to Work Help Line at 1-866-968-7842. This is a good place to get general information about the Ticket to Work program, some of the work incentives and the best way to connect with VR, ENs, the WIPA provider, and protection and advocacy agencies.

VCU's National Training Center website is another great resource for more information about the Social Security work incentives and some other related topics. The website can be found at: www.VCU-NTC.org/resources.

REFERENCES

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**For more information on the VCU-RRTC, please visit:
<http://www.vcurrtc.org>**

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