

What Happens to SSA Cash
When Somebody Works?

Report Income Because Benefits Can Be Impacted

- In general, SSA cash benefits are there to replace earnings. So, naturally, if there are earnings, there can be an impact.
- SSA benefits are not a check because you have a disability. They are a check because you have a disability that impacts your ability to work.
- SSDI and SSI treat earnings completely differently. Don't fall in the trap of giving specific advice!

Impact Of Earnings On SSDI

- SSDI is an ALL or NOTHING program
- The amount of the check is not reduced – a person is either eligible for their entire check or they do not get a check at all.

SSDI Trial Work Period

- A period of time where an individual is able to work and keep their check no matter what the earnings.
- Allows “trying” of work without impact.
- Trial work period months could be used and the person does not even know.
- In order to properly assess TWP entitlement, must confirm with SSA.

SSDI: Extended Period Of Eligibility

- The Extended Period of Eligibility (EPE) is a 36-month period immediately following the Trial Work Period.
- During this time, a person is entitled to a check or not entitled to a check depending on countable income.
- Allows person to continue road of employment but with a “net” to catch the person if the earnings fall below specified amount.

Expedited Reinstatement (EXR)

- After the Extended Period of Eligibility, if an individual's monthly countable income is above that year's limit, they are "terminated" from cash benefits.
- But, if in the future, within 5 years of the last check or the end of the EPE, whichever is later, individual has the option to get back into the system through EXR instead of going through the long application process again.
- EXR allows for 6 months of provisional benefits right away while they make sure you are still disabled.

SSDI Summary Timeline

- 9 months Trial Work Period
- 36 month EPE
- 3 month Grace Period [can be during or after EPE, 3 “free checks”]
- Expedited Reinstatement within 5 years of benefits terminating due to earning too much money.

What is the “Magic” Substantial Gainful Activity Number?

- Beneficiaries often want to know what they can make and keep their check or what the number is that may impact their benefits.
- Then number they are looking for is called “Substantial Gainful Activity”
- 2010 SGA: **\$1,000** in countable earnings for non-blind, **\$1640 for blind.**
- SGA is irrelevant during the Trial Work Period.
- SGA does not mean you can never go back to SSDI if you need to.....
- And, there are deductions.....

SSDI: Deductions from Countable Income

- Impairment Related Work Expense allows individual to deduct expenses that are related to impairment and work.
- Subsidy/Special condition allows deductions if person receive extra help or support because of the disability that others do not receive.

Is it Always Best to Stay Under SGA?

- Individuals need to make their own decision on if they want to work above SGA.
- Sometimes, more money can be made by working and losing the check.
- Other times, working under SGA and keeping that check may maximize income.
- People sometimes fear going above SGA because they think that means they can never go back to the system except by reapplying.
- Keeping people under SGA is often the easiest but not always the best answer!

SSDI Bottom Line

- A beneficiary is connected to the SSA system even if you no longer receive cash from it due to earnings for several years.
- There are many opportunities to try work and go back if needed.
- If you earn under Substantial Gainful Activity in countable income, the check will not stop due to work earnings, but this should not ALWAYS be the goal.

SSI: Follow the Formula

- Unlike SSDI, SSI follows a formula for gradual deduction.
- As money comes in, the check will go down.
- With earnings, you always have more money overall. The check decreases at a rate slower than earnings are increasing.
- If you think of it, SSA has a rule about it.

SSI and Unearned Income

Unearned income reduces the SSI amount dollar for dollar after the first \$20.

Example: Mary gets SSI and receives alimony of \$200 cash every month. Her check will be reduced by \$180.

Supplemental Security Income and Employment

SSI and earnings are calculated with a formula. These deductions are subtracted from the gross income to determine countable income:

- General Income Exclusion ***\$20.00***
- Earned Income Exclusion ***\$65.00***
- Deductions/Exclusions

Example of Working @ \$7.25/ Hr. Total Gross Earnings From Work

Part Time

$$\begin{array}{r} \$7.25 \\ \times 20 \\ \hline \end{array}$$

\$145.00

$$\begin{array}{r} \times 4.33 \\ \hline \end{array}$$

\$627.85

Hourly Wage

Hours/Week

Avg Hours/Month

Gross Monthly Earnings/Employment

Full Time

$$\begin{array}{r} \$ 7.25 \\ \times 40 \\ \hline \end{array}$$

\$290.00

$$\begin{array}{r} \times 4.33 \\ \hline \end{array}$$

\$1,255.70

Calculating Total Monthly Countable Income From Employment

Part Time

\$627.85

Monthly Income

-\$20.00

General Income Exclusion

\$607.85

-\$65.00

Earned Income Exclusion

\$542.85

Gross Monthly Earnings/Employment

 /2

Divide by 2

\$271.43

Total Monthly Countable Income

Full Time

\$1,255.70

 -\$20

\$1,235.70

 -\$65

\$1,170.70

 /2

\$585.35

Calculating SSI payment

Part Time

Full Time

\$ 674	2009 Federal Benefit Rate	\$ 674.00
<u>- 271.43</u>	Total Countable Income	<u>- 585.35</u>
\$ 402.57	Adjusted SSI Benefit Check	\$ 88.65

Total Monthly Income
Adjusted SSI Benefit +
Monthly Income From Employment

Part Time

Full Time

\$ 627.85

Earnings from Employment

\$1,255.70

+402.57

Adjusted SSI Benefit Check

+ 88.65

\$ 1030.42

Total Monthly Income

\$1344.35

Break Even Point – Without Deductions

\$ 674 SSI amount

 x 2

= 1348

+ 85

= \$1433 **If no deductions, earnings of \$1433 will reduce a SSI standard benefit to zero**

SSI Deductions

- Impairment Related Work Expenses are deductions for work expenses that are disability related.
- Blind Work Expenses are general work expenses that blind individuals can deduct.
- Student Earned Income Exclusion allows students to keep more or all of their SSI when they work.
- Plan Achieving Self-Support (PASS) allow deductions to save for a vocational goal.

SSI Bottom Line

- As earnings go up, check goes down but always more money overall.
- The SGA “magic number” is totally irrelevant to the cash amount of somebody receiving only SSI.
- Look out for special deductions to bring back more SSI.

Discussing Benefits and Work

- Dispel the myths and refer to experts.
- More likely that a member will mention this as a barrier to going back to work without you having to bring it up.
- Might be helpful to do a “did you know?” to prompt interest in work.
- Benefits planning is necessary component of employment and so important that this is happening.