

*The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Massachusetts Rehabilitation Commission
Statewide Employment Services Department*

PROJECT IMPACT
*600 Washington Street
Boston, MA 02111-1704*

Understanding the SSDI Work Incentives

Hermin Miranda, MA CWIC
Public Disability Benefits Counselor
Herminio.Miranda@massmail.state.ma.us
617-204-3691



SSDI Basics

TITLE II

Social Security Disability is a public Insurance program by which you become insured by paying “premiums” through FICA payroll tax

A beneficiary receives SSDI based on :

- ✓ their work history
 - ✓ their deceased spouses work history
 - ✓ their parent, if the individual is disabled prior to age 22
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SSDI Eligibility

- ✓ Eligibility is based on number of “Credits” Earned by paying premiums
- ✓ “Fully insured” means that an individual has accumulated the necessary credits to qualify for benefits based on age
- ✓ Also for SSDI, generally one needs to have acquired $\frac{1}{2}$ of the credits needed in the previous 10 years of becoming disabled
- ✓ 1 credit = \$1,360 earned, maximum is 4 credits per year



SSDI Eligibility

- ✓ Filing date is protected
- ✓ Benefits may be awarded retroactively prior to the application date depending on disability “onset date”
- ✓ 5 month waiting period after “onset date”
- ✓ No asset limit
- ✓ Medicare eligibility after 24 months
- ✓ Wages must be below \$1220 at application
- ✓ Benefit amount is based on the “Primary Insurance Amount” (PIA) which is the result of a complex benefit calculation done by SSA based on earnings history and time worked



Substantial Gainful Activity SGA (2019)

- ✓ SGA is how Social Security measures a beneficiaries ability to work productively
- ✓ SGA is currently \$1220 in gross monthly earnings
- ✓ SGA is currently \$2040.00 gross monthly earnings if blind.
- ✓ Goes up every year with the cost of living



Substantial Gainful Activity SGA (2019)

- ✓ SSA determines the “value” of work compared to the SGA amount mentioned above.
- ✓ Once SSA applies all applicable work incentives they will determine if “countable” income is at or below the current SGA level
- ✓ Even though it is a dollar figure, SGA is more than just a number!
- ✓ SGA determinations require that SSA gather specific information regarding the situation and apply the appropriate rules and procedures in order to determine the “value” of work



SSDI's 3 Steps to Self Sufficiency

1. Trial Work Period (TWP)
2. Extended Period of Eligibility (EPE)
3. Post EPE and Expedited Reinstatement

How it's utilized should depend on the individual's situation, expectation of medical recovery and implementation of work supports



SSDI Trial Work Period – Step I

- ✓ TWPs are nine calendar months time where beneficiaries can earn as **MUCH** as they can and **STILL** be eligible for a **FULL** SSDI benefit
- ✓ The purpose of a Trial Work Month is to **TEST** the ability to work without having to **WORRY** about whether one is going to receive a cash benefit
- ✓ The 9 TWP do not need to be used consecutively, SSA determines one to use a TWP once their earnings are above **\$880** per month
- ✓ This amount should **NOT** be used as some kind of limit or amount to stay under
- ✓ Since 9 TWP are not consecutive, once use 9 in 60 months (5 years), then move on to step 2



SSDI Extended Period of Eligibility (EPE) – Step II

- ✓ 2nd step is a **36** month **continuous** time frame (3 years)
- ✓ Eligibility for benefits becomes “month to month”
- ✓ If SSA determines that the “value of work” is above **SGA (\$1220)** then the beneficiary is not eligible to receive their SSDI cash benefit for that one calendar month.
- ✓ However, If then earnings fall **below SGA**, then beneficiary **is eligible** to receive their SSDI cash benefit
- ✓ The first time one earns above SGA in step II is called cessation and one is give an additional three month “grace period”
- ✓ EPE continues to roll regardless of employment situation.



Post EPE and EXR – Step III

- ✓ Beneficiary continues to receive SSDI cash benefit until earnings are determined to have reached SGA.
- ✓ The first month earnings reach SGA, termination of SSA claim occurs
- ✓ Could be the month immediately following end of step II, or could be 10 years following the end of step II
- ✓ “termination” is by no means as final as it sounds.....



Step III - Expedited Reinstatement (EXR)

- ✓ Process by which if benefits have been terminated due to earnings, beneficiaries are eligible to have benefits reinstated if:
- ✓ Earnings are below SGA (\$1220) due to the same disability as the original claim
- ✓ Are still medically eligible
- ✓ Apply for EXR within 5 years of termination
- ✓ Will receive 6 months of “provisional” benefits while a consolidated review process is completed and benefits are reinstated
- ✓ If denied, one can elect to submit a new claim and would not need to pay the 6 months back to SSA



YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TWP	SGA
2014	\$720	\$680	\$690	\$700	\$750	\$780 TWP 1	\$720	\$750	\$790 TWP 2	\$800 TWP 3	\$700	\$795	\$770	\$1070
2015	\$770	\$900 TWP 4	\$720	\$1000 TWP 5	\$1150 TWP 6	\$1200 TWP 7	\$760	\$655	\$750	\$750	\$750	\$750	\$780	\$1090
2016	\$780	\$800	\$900 TWP 8	\$780	\$780	\$780	\$800	\$1100 TWP 9	\$1000 EPE BEGINS	\$1050	\$1050	\$950	\$810	\$1130
2017	\$1100	\$1000	\$990	\$990	\$1300 GRACE PERIOD	\$700 GRACE PERIOD	\$1480 GRACE PERIOD	\$1000	\$990	\$1000	\$1300 NB	\$990	\$840	\$1170
2018	\$1380 NB	\$1100	\$1100	\$1150	\$1250 NB	\$1560 NB	\$995	\$1350 NB	\$1440 NB	\$1580 NB	\$880	\$885	\$850	\$1180
2019	\$1600 NB	\$1560 NB	\$995	\$1580 NB	\$1100	\$1175	\$1000	\$990 EPE ENDS	\$1190	\$1770 TERM			\$880	\$1220

Extended Medicare

- ✓ Have a total of 93 months (7+ years) of coverage.
- ✓ The 93 months start the month after the TWP (step I) ends.
- ✓ Option to buy Medicare after 93 months.
- ✓ Medicare Parts
 - A – out patient
 - B – In patient
 - D – Rx Drug benefit



Impairment Related Work Expenses (IRWEs)

- ✓ If you pay for something out-of-pocket that is related to your disability and without it you would not be able to work...
- ✓ This Could be something not covered by health insurance, alternative therapies, certain over-the-counter medications...
- ✓ For example if you have \$200 per month in these types of expenses, then “your SGA” rises from \$1220 to \$1420 due to these expenses.



Subsidy and Special Conditions (SSDI)

- ✓ Generally for beneficiary who may not have a responsible expectation to work off benefits due to the severity of the disability
- ✓ If one receives special accommodations at work, then one could have a subsidy
 - ✓ More frequent rest periods
 - ✓ Lighter responsibilities or job tasks than those who are non-disabled
 - ✓ Extra supervision
 - ✓ Job Coach
- ✓ Subsidies exist when employers pay workers more in wages than that value of the actual services performed



Subsidy and Special Conditions (SSDI)

- ✓ Accommodations are assigned a \$\$ amount by SSA and then beneficiary is allowed to earn that much over SGA and able to retain cash benefits
- ✓ Using a Subsidy does mean that beneficiary would have to disclose to the employer that he/she has a disability since SSA requires documentation regarding the accommodations/special conditions
- ✓ Rational is to allow people with more severe types of disability to earn above SGA



Reporting earnings to SSA

- Over the last few years SSA has made attempts to make it easier to report earnings, however due to the complexities of the work incentives a beneficiary should watch out for “pitfalls” in order to avoid an **OVERPAYMENT**.
- Three main ways to report earnings while receiving SSDI
- Which ever way you choose, it is vital that you request a receipt;

Section 202 of the Social Security Act of 2004 requires SSA to issue a receipt when they receive a report of a change in work activity or earnings status from a disabled beneficiary, or their representative. The receipt acknowledges that the beneficiary (or representative) gave SSA information about a change in his or her work or earnings, and documents the date that SSA received the report. **BUT --- You must ask for it!!!!!!!**



Reporting earnings to SSA

1. Calling 1-800-772-1213 – Although not the most efficient manner to report income, one can call and report wages.

✓ If one chooses this option it is vital to request a RECEIPT, which should be mailed to you within a few weeks. This receipt is a vital piece of evidence if you incur an overpayment and need to access your procedural rights to contest the overpayment

2. Using the “My Social Security Account” at

<https://www.ssa.gov/myaccount/>

- ✓ SSA released a new tool to make it easier for SSDI beneficiaries to report wages securely online. You should be able to report your wages online from your computer or mobile device.
- ✓ After you report your wages, you'll be able to save or print a copy of your receipt for your records.
- ✓ Reports have been mixed in how accurately the online reporting process has been



Reporting earnings to SSA

3. In Person at your local SSA office

- Preferable but cumbersome (lines, wait times, odd hours).
- Still need to ask for a receipt!
- Which ever manner you choose it is important to realize that SSA does not track work incentives (3 steps) in real time, but rather perform periodic “work reviews” and apply these incentives retroactively
- As such it is very important for the beneficiary to know when they are or not eligible for a cash benefit. This is truly the only manner in which to avoid an overpayment



To make a referral to Project IMPACT:

Contact: Joseph Reale, Program Supervisor
Joseph.Reale@massmail.state.ma.us
1-800-734-7475 / 617-204-3709

Or Referral forms can be found at;

www.mass.gov/mrc

Click on Vocational Rehabilitation then on Benefits Planning

