

# T-TAP

Training and Technical Assistance for Providers

Virginia Commonwealth University & The Institute  
for Community Inclusion University of Massachusetts  
Boston

## Q & A on Customized Employment:

Addressing Concerns  
Related to Losing Social  
Security and  
Health Care Benefits

T-TAP conducted a national survey of Community Rehabilitation Programs asking their opinion regarding what factors maintain subminimum wage employment for individuals with disabilities. Specifically, respondents were asked their opinion on the following statement: "Fear of losing benefits such as SSI, SSDI, and/or other health care is one of the primary reasons individuals in subminimum wage programs / 14 (c) programs do not want competitive jobs." Of the agencies submitting a reply, approximately 59% agreed with this statement; 32% disagreed, and 9% expressed no opinion.

Considering that almost 60% of the respondents felt that loss of benefits is a barrier to employment, individuals with disabilities, their family members, and community rehabilitation staff need accurate information and guidance on the potential impact of earnings on benefits. This fact sheet will address common questions regarding how work in an integrated community job may impact an individual's benefits. Readers are reminded that the impact of work on benefits varies on a case-by-case basis.



### How does an individual qualify for Supplemental Security Income (SSI)?



In order to receive SSI, an individual must meet two important criteria. First, the person must either be disabled, as defined by the Social Security Administration (SSA), blind, or 65 years of age or older. According to SSA, an individual is disabled if they are unable to earn more than a specified amount of money per month due to their disability. In 2007, this figure is \$900 and is referred to as Substantial Gainful Activity (SGA). Second, SSA defines disability as individuals who have significant long lasting impairments. The person's disability must be expected to last more than a year. This definition is meant to rule out people who are injured for example in a car accident and are unable to work because of those injuries for a month or two.

In addition, individuals must also meet an income and resource test. Basically, Social Security needs to know how much money the person already has to meet living needs. The first part of this "test" looks at an individual's income. They look at how much the individual earns if they are working. If the amount is more than the current SGA, the person will not be found eligible. This means that the individual is able to work at a



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substantial level and does not need the assistance of an SSI check. Social Security not only looks at earned income but also unearned income. Unearned income includes things such as Social Security Disability Insurance (SSDI), Veterans Benefits, life insurance proceeds, support and alimony, workers compensation, and unemployment compensation. These benefits and income will affect whether or not an individual is eligible for SSI.

The second part of this “income and resource test” looks at the individual’s resources. If an individual has more than \$2,000 in resources, he or she will not be eligible for SSI. Resources include anything that an individual can change to cash and potentially use to pay for food or rent. Some examples of resources include cash, savings accounts, stocks, land or personal property. There are some “resources” that Social Security does not count. Some examples of these include: the home the person lives in and the land the home is on, household items such as furniture, burial spaces for the individual and the immediate family, and one car.

As one can see, SSI is a benefit that is meant for individuals who have very little money whether it is from work or savings. SSI is meant to help people have just enough money to be able to afford somewhere to live and to buy food. Someone that is only receiving SSI and has no other source of income is living below poverty standards.



### **How does an individual qualify for Social Security Disability Insurance (SSDI)?**



In order to qualify for Social Security Disability Insurance, an individual must meet three requirements. First, the person must be disabled--Social Security uses the same definition of disabled for SSDI as it does for SSI. The second requirement that must be met in order to receive SSDI benefits is the individual cannot be working or is earning less than Substantial Gainful Activity (SGA). Remember, as with SSI, Social Security says that individuals who earn over \$900/month (in 2007) are performing SGA. When earning \$900 or higher, an individual’s disability is not significant enough to affect their ability to work.

The last requirement that needs to be met is the individual must have insured status. This means they have worked in the past and have paid into the Social Security system through Federal Insurance Contributions Act taxes (FICA). To become insured, an individual must pay FICA taxes and accrue what are called “credits”. The number of credits a person needs to become insured varies from individual to individual. This depends on the person’s age and when he or she was determined disabled by SSA.

SSDI eligibility is not based on whether or not a person needs it financially. There are no restrictions on unearned income or resources as there are with SSI. The amount of an individual’s SSDI check depends on how much FICA taxes have been paid over that individual’s work history. This will vary from person to person.



## Can you explain the difference between SSI and SSDI?



There are several differences between SSI and SSDI. The first difference is that SSI is based on whether or not an individual needs the additional income in order to pay for food and rent. SSDI is a benefit that people pay into like other insurance programs. This difference is apparent in the eligibility process for each. For SSI, Social Security considers all of the income the person has (wages, other public benefits, bank accounts, etc). On the contrary, SSA only looks at an individual's wages in the eligibility process for SSDI.

Another difference in the two programs is how the amount of the check is determined. For SSI, Social Security has a specific calculation that takes into consideration any unearned income an individual receives (e.g., SSDI, Veteran's benefits, etc.), the individual's earnings from a job (if they have one), and applicable work incentives. Once all numbers are calculated, the SSI check amount is determined. The amount of someone's SSI check can vary from month to month based on the factors mentioned above. The most an individual can receive in SSI per month in 2007 is \$623.

The amount of an individual's SSDI check will not vary from month to month. However, the amount received from one person to another will vary. One individual may receive an SSDI check of \$1,000 and another only \$200. This is the difference in how long a person has paid into the system and how many credits he or she had when they became disabled by Social Security's standards.

The last difference between the two programs is how they are affected by work. When an individual is receiving SSI only and works, the SSI check will decrease as the paycheck increases. If the person decreases the number of work hours, the paycheck decreases, then the individual's SSI check will increase. For individuals receiving SSDI, they will either receive the full SSDI check or no check at all. This depends on where they are in their benefits cycle, as well as how much they are earning. There is no gradual increase or decrease as a person's paycheck varies.



## What do you mean by where the individual is in the benefits cycle?



When an individual becomes eligible for SSDI or Childhood Disability Benefits, they also become eligible for two important work incentives: Trial Work Period (TWP) and Extended Period of Eligibility (EPE). The trial work period is a nine month time period in which individuals can try out work without the fear of losing their cash benefits. The Trial Work Period begins when individuals become eligible for benefits, but ends at different times for different people. An individual's TWP will end when they have worked at least 9 months (not necessarily consecutive) in a rolling 60-month period above the trial work period amount (\$640/month in 2007).

After an individual's Trial Work Period ends, their Extended Period of Eligibility begins. The EPE is 36 consecutive months during which they can work and still receive benefits for any month their earnings are not "substantial." Remember that in 2007 earnings of \$900 or more (\$1,500 if an individual is blind) are considered substantial.

Each person who receives a SSDI or CDB benefit can be at various stages in their TWP or EPE. Dependent on when a person became disabled and eligible for benefits and how much he or she has worked since receiving benefits will determine where the individual falls in this cycle. It is best to work with the Social Security Administration to figure this out.



**Can a person with a disability get SSDI even though he or she has never worked? I know a person in our facility-based program whose father does not want her to work for fear of losing her SSDI check.**



A person with a disability cannot get SSDI if he or she has never worked and in turn never became insured by paying FICA taxes. But, a person can receive a different type of Social Security disability check called Childhood Disability Benefits or CDB that falls under the same umbrella as SSDI. Many times people think that these two benefits are the same but they are not.

Childhood Disability Benefits (CDB) were previously known as Social Security for Disabled Adult Children. Individuals may receive CDB based on their parents' work records. In other words, their parent's have paid into the Social Security system through FICA and have earned enough credits to become insured. In order to be eligible for CDB, an individual must:

- be at least 18 years old,
- meet Social Security's definition of disabled before they turn 22, and
- be the child of an insured worker who is either disabled, retired, or deceased.

If an individual does become eligible for and begins receiving CDB, it is important for him or her to understand that these benefits will be lost if the person gets married to anyone other than another Social Security beneficiary.

Although Childhood Disability Benefits and SSDI have two different names, they work the same other than the eligibility criteria. Like SSDI, the amount of the CDB check will depend on how much was paid into the system through the FICA taxes. If the individual who receives Childhood Disability Benefits goes to work, he or she will either receive the full check or no check at all. This will depend on where the individual is in the benefits cycle as well as how much they are earning.



**Does everyone getting an SSI or SSDI check get the same amount each month?**



No, each person's situation is different and so the amount of the benefit each person receives will be different. For individual's who receive SSI, if they don't have any unearned income, are not married, living alone, and are not working, they will probably receive the full SSI check of \$623 (in 2007) per month. However, if they begin working or have any unearned income, the amount of SSI will change.

The amount of an individual's SSDI check depends on when Social Security determined that the person was disabled, how much FICA was paid over the individual's work history, and how many credits were earned. These factors will cause SSDI checks to vary from person to person.



**Does an individual automatically lose health care benefits (e.g., Medicaid coverage) when he or she begins to work earning minimum wage?**



No, work does not automatically cause loss of health care benefits for individuals who go to work. For individuals who receive SSI benefits, there is a safety net called 1619(b) that protects from the loss of Medicaid when an individual goes to work. 1619(b) is available to SSI recipients whose SSI decreases to zero due to their work earnings. In order to be eligible for 1619(b) it must be earned income or wages that force the SSI check to zero. In addition, the individual must continue to meet all of the other SSI eligibility requirements. He or she must continue to be disabled according to SSA standards and have resources less than \$2,000. Individuals can keep their Medicaid through 1619(b) until they earn what is called their state threshold. This is an amount that varies from state to state and can range from \$15,000 per year in the Northern Mariana Islands to \$49,000 in Alaska. To find out what each state's threshold amount is, visit:

<https://s044a90.ssa.gov/apps10/poms.nsf/lnx/0502302200>

Some individuals who receive SSI have extremely high medical costs and the state threshold amount for the state in which they live is not an incentive to return to work. For these individuals, it is possible for them to receive what is called an individualized threshold. A person with a disability can request an individualized threshold through the local SSA office.

For individuals who receive SSDI benefits and have never worked while on benefits, they will have at least eight and a half years of Medicare coverage when they do begin working. The first nine months of Medicare would be covered under what is called a Trial Work Period (TWP). The following 93 months are called Extended Medicare Coverage. Even after the Extended Medicare Coverage ends, it does not mean that the individual will lose this medical benefit. Following Extended Medicare, individuals are able to purchase their Medicare coverage. This means that they would pay a premium to keep their Medicare.

Medical coverage, both Medicaid and Medicare, are extremely important to a large number of people with disabilities. **It is critical for them to understand that going to work does not mean that their medical coverage will immediately end.** This is a myth that has long been prevalent in the disability community.



**I know an individual who is still getting the same SSI check even though he is working 20 hours a week earning minimum wages. Is that possible? Whose responsibility is it to tell Social Security that he is working?**



If an individual is working 20 hours a week earning minimum wages, he or she should not be getting the same SSI check as when not working. It sounds like this person has not reported earnings to Social Security. Reporting earnings or wages is a critical part of receiving benefits. It is the responsibility of the person who receives Social Security benefits to report this information to Social Security. Eventually the IRS shares information regarding individuals' work history with Social Security; however it usually takes several years. Individuals are responsible for reporting the following information to the Social Security Administration:

- Beginning or ending of a job,
- Number of hours worked per month,
- Amount of money earned per month,
- Changes in address,
- Changes in marital status, and
- Changes in living arrangement.

Individuals who do not report their earnings will receive an overpayment from Social Security. This is when Social Security gives an individual a check that they should not have received (or were not eligible for). Overpayments can sometimes be very large if the individual is unaware of how benefits work and when a check should and should not be received. Fortunately, Social Security is very good about working out payment plans with people so that they do not have to repay large sums at one time. Often, Social Security will reduce the amount of the individual's check for a number of months or years until the overpayment has been repaid.



**How can individuals with disabilities afford all the related expenses for working such as specialized transportation? Wouldn't they be better off not working and just getting a SSI or SSDI check?**



Social Security has a work incentive that helps individuals go to work and keep the supports that they need in order to work. This work incentive is called Impairment Related Work Expense or IRWE. In any month an individual is working, he or she can use this work incentive, no matter how many months or years the job lasts. The individual gets "credit" for these expenses every month as long as he or she meets the rules associated with the work incentive. These rules are as follows.

1. The item or service must be needed to help the individual work.
2. The individual must need the item or service because of a disability or any other impairment that is being treated by a doctor.
3. Individuals must pay for these support items and services out of their own pocket and cannot be reimbursed for them from anyone else (i.e. State Rehabilitative Services).
4. The cost of the service or item must be reasonable. This means that the individual is paying the same for the item or service as anyone else in the community.
5. Individuals must get the expenses approved by Social Security.

There are several other things for people to remember about this work incentive. It is available to individuals who receive both SSI and SSDI. Also, individuals must keep copies of their receipts for their work support items and services. These receipts must be submitted to SSA in a timely manner. Individuals can contact their local SSA office to find out how often they should submit this information.



**One person that I know really wants to go to work. But, she has a lot of medical expenses including mental health counseling once a week. What should she do?**



An individual's counseling and some medical expenses may be considered Impairment Related Work Expenses (IRWE) as outlined in the previous answer. Often in order for a person to go to work and stay employed, he or she will need counseling and medications.



These supports must meet the IRWE criteria mentioned above. This individual will need to contact SSA and explain how these supports meet the IRWE criteria. If Social Security does approve the counseling and medical expenses, then the individual will need to keep receipts for the expenses and submit these receipts to SSA in a timely fashion.



**What happens if a person goes to work and then loses their job? I have heard that it is very difficult to get back on the “benefits roll.” Several individuals are afraid they won’t get a check if this happens, and have decided to stay in our facility-based program.**



Losing a job is a natural part of the working world. It happens to almost everyone at some point in his or her life. Often people are concerned about going to work, because they have spent so much time trying to get onto Social Security benefits that they fear work will automatically mean they will lose their benefits. However, Social Security has a number of “safety nets” built into both the SSI and SSDI systems.

For individuals who receive either SSI or SSDI and lose their job, as long as they are still eligible for benefits, all they need to do is contact Social Security. They should notify SSA that they have lost their job and are requesting reinstatement of their benefits. SSA will verify their benefits information and resume the SSI or SSDI benefits.

In the event that an individual’s benefits have been terminated, there is a protection called Expedited Reinstatement (EXR). Expedited Reinstatement is available to individuals who received either SSI or SSDI and had their benefits stopped by SSA due to their work or earnings. Individuals are able to request that their benefits start again without having to complete a new application. While SSA determines whether an individual can get benefits again, SSA will give the person provisional (temporary) benefits for up to 6 months. Individuals are eligible for Expedited Reinstatement if they are an SSDI or SSI beneficiary who:

- Stopped receiving benefits because of earnings from work,
- Are unable to work or cannot work at what SSA says is a substantial level,
- Are disabled because of an impairment(s) that is the same as or related to the impairment(s) that allowed them to get benefits earlier, and
- Make the request within 5 years from the month their benefits ended.



**I know that a person can’t have more than \$2,000 and still qualify for benefits. I hear a lot about individuals with disabilities starting their own businesses. How is that possible?**



The \$2,000 resource limit is only applicable to individuals who receive SSI. Social Security has two programs that help SSI recipients start businesses without having to worry about the resource limit: Plan to Achieve Self-Support (PASS) and Property Essential to Self Support (PESS).

A PASS allows individuals to use their own income and/or things they own to reach a work goal. For example, an individual can set aside money to go back to school, or to get specialized training for a job or to start a business. An individual’s goal should be a job that allows him or her to earn enough to reduce or eliminate the need for benefits provided under the SSDI and SSI programs.

Social Security does not count some resources that individuals need to be self-supporting when they decide if an individual is eligible for SSI. These items are called Property

Essential to Self-Support (PESS). Examples of PESS would be property such as tools or equipment that an individual uses for work. Or, if the individual has a business, inventory would be considered property essential to self-support.

There are no resource limits for individuals who receive SSDI. Individuals who receive SSDI and want to start a business are able to save money without fear that it will affect their benefits.



**Should our program have someone on staff that is an “expert” in benefits counseling to help consumers decide how they can pursue competitive employment vs. staying in the facility-based program?**



Programs should either have an “expert” on staff or know how to contact a local “expert”. The benefit of having an expert on staff is that customers can find out all they need to know about work and their benefits at one location. It is important to remember that in order to become an expert, the staff member will need extensive training on all of the nuances of all Social Security Disability programs. And because Social Security benefits are complex and change often, the staff person will need to participate in continued training to ensure that they have accurate information and do not give incorrect information to customers.

If it is not possible to have an expert on staff, then programs should know where to send their customers for expert assistance. Programs have two options: Social Security local field offices and Work Incentives Planning and Assistance (WIPA) projects formerly known as BPAOs or Benefits Planning Assistance and Outreach projects. In order to find the Social Security office for a given area, go to: <https://s044a90.ssa.gov/apps6z/FOLQ/fo001.jsp>. Individuals can find the WIPA project that covers a given county or state, by visiting [www.vcu-barc.org](http://www.vcu-barc.org) or [www.ssa.gov](http://www.ssa.gov).



## Resources

*Red Book: A Summary Guide to Employment Support for Individuals with Disabilities under the Social Security Disability Insurance and Supplemental Security Income Programs*

Available Online: <http://www.socialsecurity.gov/redbook/eng/redbook2006.pdf>

Social Security Online: <http://www.ssa.gov/>

**For additional information, you may contact:**

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**For more information on T-TAP, please visit:**

**<http://www.t-tap.org>**

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