



Wage Reporting for Beneficiaries of
SSA Disability Programs

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The Importance of
Wage Reporting

- Failure to report wages causes more problems for beneficiaries than any other single issue.
- Beneficiaries often have no idea what information needs to be reported. Even when they do know to report, they often go about it incorrectly.

The Importance of
Wage Reporting

- Information that is reported is not always acted upon in a timely fashion – follow up is required!
- Failure to report wage information can cause serious overpayments which may burden beneficiaries for years!

An Ounce of Prevention

- CWICs are NOT responsible for providing wage reports themselves and should not engage in reporting activity.
- Teaching beneficiaries proper wage reporting procedures is a critically important function for CWICs to perform.

An Ounce of Prevention

- Reporting usage of work incentives is an essential part of the wage reporting process.
- Once reporting skills are taught, monitoring must occur to make certain wage information is acted upon.

Reporting Wages in the Title II Disability Program

Reporting should occur whenever there is a change that requires a decision by SSA such as:

- Use of TWP service month
- Completion of TWP
- SGA level work that would cause payment cessation
- The need to suspend payments during EPE
- The need to reinstate payments during the EPE

Challenges for Title II Beneficiaries

- Wages under the TWP guideline don't cause changes in the Title II program and are often ignored.
- Title II TWP/SGA determinations require the review of a pattern of past work. Monthly wage reporting does not lend itself to this process.

Challenges for Title II Beneficiaries

- Title II program looks at what is earned, rather than wages paid in a month.
- Different Field Offices use different processes.
- Work report only counts if it has been developed and adjudicated.

How CWICs Can Help

- Get to know the local office and what reporting procedures are preferred
- Stress beneficiary responsibility to report
- Teach beneficiaries to keep records and receipts in one place, and retain them in case needed in the future

How CWICs Can Help

- Use the WIP to help structure the reporting periods for the beneficiary
- Follow-up proactively!

BPQY is a valuable tool to help determine what wages have or have not been reported and/or developed. Events indicate a possible problem:

- **Beneficiary** reports past work since entitlement, but no wage data shows on BPQY
- Earned income reported to IRS does not match SSA wage data
- Annual income shows, but no monthly break-down has been done
- Annual income shows, but no TWP usage is indicated

Reporting in SSI Program

- All changes in income need to be reported – not just changes in earned income – Make sure beneficiaries KNOW what needs to be reported!
- Monthly income affects the amount of the SSI cash payment, so income changes should be reported promptly to avoid over or under payments

Reporting in SSI Program

- Using monthly wage estimates is often preferred by SSA personnel and is easier for the beneficiary in most cases.
- Monthly wage reporting can cause confusion and constant re-adjustment of the cash payment

Ways to Report Wages in the SSI Program

- Reports may be:
 - Mailed to the local Field Office
 - Faxed to the local Field Office
 - Delivered to SSA in person
 - Submitted using the new automated reporting system

Ways to Report Wages in the SSI Program

- Reporting over the phone by calling the toll-free number or the local Field office is NOT recommended!
- Beneficiaries need to keep copies of everything they submit to SSA

Automated Wage Reporting

- SSA has introduced a new system to facilitate wage reporting in the SSI program. This reporting system is known as the “SSI Automated Telephone Wage Reporting System” or SSITWR.
 - Wage reports are made by phone using a toll free number and processed automatically
 - SSITWR does not work for beneficiaries who have wage deductions due to use of work incentives (BWEs, IRWEs, or PASS)

Good Candidates for SSITWR

- SSI beneficiaries with no work incentive deductions other than the Student Earned Income Exclusion
- Parents or spouses who are not disabled, and have income that will be deemed to the beneficiary
- Concurrent beneficiaries with no work incentive deductions other than the Student Earned Income Exclusion
 - NOTE: The automated report does not meet the Title II program reporting responsibilities. The automated reports only affect the SSI payments!

Who May Not Use the SSITWR System

- Beneficiaries who have Impairment Related Work Expenses
- Beneficiaries who meet the definition of statutory blindness
- Beneficiaries who have a Plan to Achieve Self-Support

Who May Not Use the SSITWR System

- Beneficiaries who are not working, but who have income other than wages, including In-Kind Support and maintenance, deemed income, or unearned income
- Beneficiaries with more than one employer in a month

Automated Wage reporting is NOT Required!

- Even if a beneficiary CAN use the system, they are not required to do so.
- Reports MUST be made within the first 6 days of the month.

Automated Wage reporting is NOT Required!

- If the automated wage report time-frame is missed, or the person is ineligible to use the system, use traditional methods to report that month's earnings

The individual placing the call must be able to:

- Clearly speak first and last name information,
- Understand requests for information given by the automated system, and,
- Either speak, or use the telephone key-pad to enter, date of birth and social security number information.

Emphasize to the individual:

- They must call phone # between 1st and 6th of the month following the month in which the wages were received,
- The name to be used for authentication is the name that is on their most recent Social Security card,

Emphasize to the individual:

- If he is reporting wages for another individual (e.g. a representative payee reporting for a beneficiary) they will need their own name, Social Security Number (SSN), and date of birth information, as well as, the SSN information for the beneficiary.

Preparing for Automated Wage Reports

- Make sure report is appropriate via this system
- Determine gross wages received in the month
- Make sure SSN's are handy
- Call 1-866-772-0953 and make the report

Warning! Reporting for Self-Employment is Different than for Wage reporting

- For both Title II and SSI, it is Net Earnings from Self-Employment (NESE) which are counted – NOT gross income from the business or even gross profit from the tax returns – certainly NOT “owner’s draw”.

Warning! Reporting for Self-Employment is Different than for Wage reporting

- NESE is determined by taking the gross profits from the year profits and multiplying this figure by .9325
- Countable NESE may be further reduced by applying work incentives.

General Reporting Reminders for Self-Employment Situations

- The biggest problem people cause for themselves is not keeping their books on a regular basis. If the beneficiary doesn't know what the business is making, there is no way to know what to report to SSA. Keeping good business accounts is critical!

General Reporting Reminders for Self-Employment Situations

- In self-employment cases, reporting too diligently and frequently can cause almost as many problems as not reporting at all. The best thing to do is to report at the end of the tax year using well prepared tax returns.

Reporting Tips for Title II Disability Beneficiaries

- **Practical TIP #1** – Beneficiaries must keep business financials on a calendar month basis during the TWP.

Report each month in which NESE is over the current TWP amount or when more than 80 hours of work is performed.

Sending in month-by-month P&L states will work for this reporting.

Reporting Tips for Title II Disability Beneficiaries

- **Practical TIP #2** – After the TWP ends, monthly financial statements are no longer necessary.

From that point forward, annual tax returns will be used to make SGA determinations.

Prompt preparation and submission of tax returns is essential!

Reporting Tips for Title II Disability Beneficiaries

- **Practical TIP #3** – NEVER report gross income to SSA!

Beneficiaries must retain all documentation of work incentives and should submit the Work Activity Report for self-employment (SSA Form 820) with the returns each year.

Self-Employment Income in the SSI Program

- Remember that in the SSI program, NESE is determined at the end of the first year of operations, then divided by a full 12 months.

This is done even if the person only ran the business for part of the year.

Self-Employment Income in the SSI Program

- SSI cash payments are adjusted retroactively over that first year of operations – this can mean significant overpayments!
- After the first year, SSA cash payments are adjusted prospectively using estimates of NESE.

Reporting Tips for SSI Recipients

- **Practical TIP #1** – If the business is not expected to make a profit initially and in fact does not generate a profit, there is no point in reporting anything to SSA in the first year of operations. In most cases, the best thing to do is to simply wait until the tax year ends and report your income using tax returns. If the business loses money, no earned income is attributable.

Reporting Tips for SSI Recipients

- **Practical TIP #2** – After the initial year of operations, watch out for using projected NESE! SSA will estimate annual income based on these projections and will adjust the SSI payment accordingly. If the projections are inaccurate, overpayments or underpayments will occur.

Reporting Tips for SSI Recipients

- **Practical TIP #3** - When estimates are used to adjust the SSI cash payment, the beneficiary must diligently and carefully track actual NESE and adjust the projections quarterly as needed.

General Reminders about Work Incentives and Reporting

Use of work incentives creates more work when reporting wages.

Beneficiaries should keep receipts to verify all expenditures. If receipts are lost, other options include:

- Ask for a print out from the pharmacy
- Ask Dr's office for print-out
- Look at credit card statements & cancelled checks

If Reporting by Mail or Fax

- Tell beneficiary to include:
 - Pay slips
 - Receipts
 - Letter identifying them by SSN, address and phone
 - SSN of worker (if Title II)

Final Words

- Nothing a CWIC does has a bigger pay-off than teaching beneficiaries HOW and WHEN to report information to the SSA!
- Teaching wage reporting processes to community partner agency personnel such as job coaches, case managers, residential support providers also helps tremendously.

Final Words

- Teaching is not enough – monitoring over time is essential!
- Be available to resolve problems when reporting isn't done properly, or reported wages are not acted upon.