



Work Incentives Transition Network (WITN)

JUNE 1999 FACT SHEET—NUMBER 2

UNDERSTANDING THE SSI WORK INCENTIVES

The Social Security Administration states that one of its "...highest priorities is to help (recipients) with disabilities achieve a better and more independent lifestyle by helping them to take advantage of employment opportunities." One way that the Social Security Administration (SSA) supports this goal is by providing benefits called **work incentives** that are designed to help individuals enter employment. This brief summary offers information on the most commonly used work incentives which can help those who receive Supplemental Security Income (SSI) to attain and succeed in long term employment.

SSI is a monthly cash benefit available from the Social Security Administration to help low income children and adults with disabilities. People who receive SSI also automatically become eligible to receive Medicaid as a source of medical insurance in most states.

Work incentives have been designed to provide the working beneficiary/recipient with the additional income necessary to move toward financial independence. Brief descriptions of some incentives follow below. For more information, it is strongly recommended that you identify a knowledgeable advocate who can help you understand your options, and that you contact your local Social Security office.

Earned Income Exclusion

This allows a portion of a person's salary to be excluded when figuring the SSI payment amount. SSI benefits are adjusted only after a certain level of income is reached:

- ◆ **Up to \$85/month of your income has no impact on your SSI check.** This is the general income exclusion (\$20) and the earned income exclusion (\$65) combined. The general income exclusion applies to all income from any source, while the earned income exclusion only applies to income from a job.
- ◆ **After that, your check is reduced \$1 for every \$2 you earn.** So, if you earn \$285 in a month, your check will be reduced by \$100. You still come out ahead.

Student Earned Income Exclusion

This allows a person who is under age 22 and regularly attending school to exclude up to \$1290 of earned income per month: the maximum annual exclusion is \$5200.* The person must be taking classes at a college or university for at least 8 hours per week; or at a high school for at least 12 hours per week. This exclusion is applied before the general income and earned income exclusions mentioned above.

* SEIE will remain the same or increase each year according to the National Average Wage Index. Refer to SSA for updates.

Blind Work Expense

If a person is on SSI and is blind, expenses needed to earn income that are paid for by the individual (not necessarily related to the disability) can be excluded from the income determination for SSI purposes. Examples of these expenses can include transportation to and from work, federal and state income taxes, union dues, or translation of materials into Braille.

Other Income Reductions

Two additional work incentives allow you to deduct additional money beyond the exclusions mentioned above, under specific circumstances. They are only briefly described here, and are complicated, so you will need to speak to your local Social Security Representative or an advocate for complete details.

- ◆ **Impairment Related Work Expenses (IRWE).** This allows you to deduct from your earnings any disability-related expenses that are necessary to maintaining your job. This might include personal care assistance at work, job coaching services, or special transportation expenses. You cannot use this incentive if you are reimbursed for the expense by another source such as Medicaid.
- ◆ **Plan for Achieving Self Support (PASS).** Under the PASS incentive you can save for or set aside SSI or other income for work goals. The range of possible uses is broad and may include education, vocational training, job coaching services, purchase of adaptive equipment, or health club membership to help with work stamina. The plan must be in writing and approved by the Social Security Administration. There is no limit to how long a PASS plan can be in effect, but plans are reviewed every 12 months.



Continued Medicaid Eligibility

(often referred to as "section 1619b")

This incentive allows you to keep your Medicaid insurance even if your earnings become too high to continue receiving SSI benefits. If you need Medicaid in order to work, your Medicaid benefits will continue until your annual income is greater than a state threshold level. In 2001 the threshold level ranged from \$16,467 (Arkansas) to \$34,036 (Arizona), and was \$25,486 in Massachusetts.

Continued Eligibility for SSI Cash Payments

Under Section 1619, a person who is eligible for continued Medicaid coverage under 1619(b) can begin receiving SSI cash payments without reapplying at any time earnings drop below the break-even point (the point at which after deducting your earned income you would receive an SSI payment). This means that even if your SSI check drops to \$0 because of your earnings, you can restart it at any time if you lose your job or your income decreases.

Expedited Reinstatement of Benefits

As of 1/1/01, individuals who have stopped receiving benefits because of work, and later find themselves unable to work because of their originally determined disability, have 60 months to request that their benefits be reinstated. No new application is needed, but income and resources must again meet the SSI eligibility criteria. While SSA is making the decision, benefits can be received for up to six months and do not have to be repaid if they are found ineligible.

Strategies for Managing your Work Incentives

- ◆ Always report changes in earnings to your local office. Otherwise, you risk being overpaid or underpaid in your monthly check, and could owe them a refund.
- ◆ Remember to make all SSA required reports in writing and keep copies of whatever they provide.
- ◆ Confirm your participation in Section 1619a & 1619b, the incentives which allow continued eligibility for SSI and Medicaid. These should be automatic, but are not always. Don't worry! If they mess it up (you'll know if a Medicaid claim is rejected), it can be fixed. Ask for help.
- ◆ Locate an advocate who is familiar with SSI and the work incentive programs. Employment programs usually have at least one person with expertise in this area. In particular, a PASS or IRWE must be

approved by Social Security. You may find it helpful to get assistance in developing a PASS or IRWE.

- ◆ Contact or visit your local Social Security office and get to know the staff there by name. Recognize that not all Social Security staff understand these programs. Always be willing to ask questions or seek other advice.

For Further Information

Further information about SSI and work incentives is contained in the publication *Red Book On Work Incentives-A Summary Guide to Social Security and Supplemental Income Work Incentives for People with Disabilities*. You can get a copy free from your local office, or by calling the Social Security Administration's toll free number: (800) 772-1213.

Call the Social Security Administration at their toll free number to ask questions or request additional information on any SSI or work incentive topic between 7:00am to 7:00pm on any business day.

The following web sites may also be helpful:

Social Security Administration

www.ssa.gov

WITN

www.vcu.edu/rrtcweb/witn/ssi.htm

**Program on Employment and Disability,
Cornell University**

www.ilr.cornell.edu/ped

The Work Incentives Transition Network (WITN) is a collaborative effort of four projects funded by the Office of Special Education Programs to examine strategies for increasing the use of the SSI work incentives by transition age young adults. The four projects, along with an additional partner funded by the Social Security Administration, include:

Institute for Community Inclusion

Children's Hospital, Boston

Institute on Community Integration

University of Minnesota

Rural Institute on Disability

University of Montana

Rehabilitation Research and Training Center

Virginia Commonwealth University

Employment Support Institute

Virginia Commonwealth University

This fact sheet was developed by:

John Butterworth and Sherill Faris
Institute for Community Inclusion
300 Longwood Avenue
Boston, MA 02115
(617) 355-6506 (v)
(617) 355-6956 (TTY)
ici@tch.harvard.edu



www.childrenshospital.org/ici

This publication will be made available in alternate formats upon request.

This publication was supported by the US Department of Education, grant #HO23D970306, Project Officer, Dr. William Halloran