

Benefits to Employment

2023

Cathy McRae, Project Coordinator
The Arc Michigan
800-292-7851

Disclosures

No financial conflicts of interest related to this presentation.

Topics

- ▶ Social Security Administration (SSA) Disability Definitions
- ▶ Social Security Disability Insurance - SSDI
- ▶ Supplemental Security Income - SSI
- ▶ Medicare
- ▶ Medicaid
- ▶ Freedom to Work Medicaid - FTW
- ▶ Achieving a Better Life Experience Accounts - ABLE

Definition of Disability Under Age 18

“a person under the age of 18 shall be considered disabled if they have a medically determinable physical or mental impairment which results in marked and severe functional limitations and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.”



SSA Defines Disability (over age 18) as:

- ▶ The inability to engage in any substantial gainful activity (SGA)
- ▶ by reason of any medically determinable physical or mental impairment(s)
- ▶ which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

.....
WORK, WORK, WORK
.....

Substantial Gainful Activity

Is a decision made by SSA.

- ▶ Based on countable gross earnings
- ▶ Changes most years
- ▶ In 2023 SGA is
 - ▶ \$1470 per month - Non-Blind
 - ▶ \$2460 per month - Blind
 - ▶ You will not be found eligible for disability benefits from Social Security if your earnings at application are over SGA.

Social Security and Money

Social Security sees money in two ways:

- ▶ Earned - Money received for employment including self employment.
- ▶ Unearned - Just about everything else including Social Security Disability benefits.



VS



The Two Sides of Disability Benefits

Social Security Disability Insurance (SSDI)

1. Cash Benefit
2. Medical Benefit - Medicare
3. Eligibility based on work history
4. Only counts earned income
5. Has no resource (asset) limits



Supplemental Security Income (SSI)

1. Cash Benefit
2. Medical Benefit - Medicaid
3. Eligibility based on economic need
4. Counts earned and unearned income
5. Has resource (asset) limits



The Two Sides of Disability Benefits

Social Security Disability Insurance (SSDI) *(AKA Title II or RSDI)*

- ▶ Insurance program based on (someone's) work history
- ▶ Must be 18 years of age
- ▶ Five month wait for cash benefits
- ▶ Cash benefit is all or nothing
- ▶ 24 month wait for Medicare eligibility



Social Security Disability Insurance (SSDI)

- ▶ Payable to a worker, and sometimes a family member, insured under the Federal Insurance Contributions Act (FICA).
- ▶ To be insured, the worker must have sufficient work in Social Security tax covered employment or self employment.
- ▶ The worker (and/or family member) must have a qualifying disability.



FICA

7.65/15.3%

**Pay until earnings
reach \$160,200**

SSDI Quarters of Coverage AKA Social Security Credit

- ▶ 2023 one qtr. = \$1640 gross earning/3 month. Four quarters maximum per year.
 - ▶ > 31 years of age you need 20 quarters in the last 10 years to be fully insured
 - ▶ < 31 years of age you need fewer quarters of coverage to be fully insured
 - ▶ < 24 years of age you need 6 quarters of coverage in the last 3 years to be fully insured



<https://www.ssa.gov/pubs/EN-05-10072.pdf>

Childhood Disability Benefit (CDB) Formerly: Disabled Adult Child (DAC)

- ▶ An individual:
 - ▶ Who is unmarried and
 - ▶ Who is age 18 or over and
 - ▶ Whose disability began before the age of 22
- ▶ Can draw from a parent's earnings record if:
 - ▶ The parent is drawing Social Security Disability or
 - ▶ The parent is drawing Social Security Retirement or
 - ▶ The parent is deceased



<https://secure.ssa.gov/poms.nsf/lnx/0300203080>

Disabled Widow(er)s Benefit(DWB)

- ▶ Are payable to the widow, widower, or surviving divorced spouse of an insured worker.
- ▶ The widow, widower, or surviving divorced spouse must be at least age 50
- ▶ and must meet other requirements regarding relationship to the worker and the length of time between the worker's death and the application.



<https://secure.ssa.gov/poms.nsf/lnx/0410110001>

Work Incentives

- ▶ Work Incentives are special tools that help individuals enter or return to work.
- ▶ Both SSDI and SSI have work incentives.
- ▶ SSDI & SSI work Incentives are NOT the same!



SSDI/DAC/DWB Timed Work Incentives

- ▶ TWP - Trial Work Period
 - ▶ Nine months in a rolling 5-year window (in 2023 would look back to 2018)
 - ▶ Begins at \$1050 (gross earnings) in 2023
 - ▶ For self-employment - any month with 80 or more hours worked, or having net earnings of more than \$1050 per month will be counted as a TWP month
 - ▶ Can earn as much as possible w/o loss of SSDI benefit while in the TWP



SSDI/DAC/DWB Timed Work Incentives

- ▶ EPE - Extended Period of Eligibility
 - ▶ Three years beginning the month after TWP
 - ▶ If earnings < SGA you will get a benefit check
 - ▶ If earnings > SGA you will NOT get a benefit check
- ▶ EXR - Expedited Reinstatement
 - ▶ Within five years of the case being closed due to work activity
 - ▶ The individual finds they can no longer work at the SGA level
 - ▶ Six month provisional benefit while disability determination is made
 - ▶ After 24 months under SGA work incentives begin again



SSDI/DAC/DWB Work Incentives that Reduce Countable Income

- ▶ IRWE- Impairment Related Work Expenses
 - ▶ Reasonable cost of out-of-pocket expenses related to both work and the individual's disability
 - ▶ Reduces countable income
 - ▶ Can be used anytime after TWP
- ▶ Subsidy/Special Condition
 - ▶ Supports received while on the job that result in a reduction of the value of the work received for pay given.
 - ▶ Reduces countable income
 - ▶ Can be used anytime after TWP



SSDI/DAC/DWB Unique Work Incentives

- ▶ UWA - Unsuccessful Work Attempt
 - ▶ An effort to work that discontinues or reduces below SGA level after six months or less because of the disability.
 - ▶ Used after TWP but before cessation
- ▶ IA - Income Averaging
 - ▶ May be used if the individual has continuous work, and
 - ▶ Doesn't have a significant change in work patterns, and
 - ▶ Has monthly countable earnings fluctuating from above to below the SGA threshold
 - ▶ Used after TWP but before cessation



Calculating Countable Income

Monthly Gross Earnings	\$1700
- SSA Approved IRWE	<u>- \$50</u>
	\$1650
- SSA Approved 20% Subsidy/Special Condition	<u>- \$330</u>
Total Countable Earnings	\$1320

Above or below SGA?



The Two Sides of Disability Benefits

Supplemental Security Income (SSI or Title XVI)

- ▶ Economic need & disability or age 65+
- ▶ Cash benefit based on the Federal Benefit Rate \$914/\$1371 in 2023
- ▶ Medicaid begins immediately
- ▶ Resource limit of \$2000/3000
- ▶ Cash benefit reduces with income
- ▶ Value of 1/3 reduction = \$609
- ▶ State supplement of \$42 per quarter



Supplemental Security Income (SSI)

- ▶ Payable to disabled adults and children who have limited economic resources.
 - ▶ For children < 18 - parents must be low income
 - ▶ Age 18 redetermination
 - ▶ Must meet adult definition of disability
 - ▶ No longer looking at parental income, only the individuals
 - ▶ If living with another and not paying shelter costs - will receive the 1/3 reduction
- ▶ Also payable to people 65 and older without disabilities who meet the financial limit.
- ▶ This program is funded with general tax dollars.

General
Taxes



SSI Work Incentives Available to All

- ▶ GIE (General Income Exclusion):
 - ▶ First \$20 of unearned income (if no unearned income, then the first \$20 of earned income)
- ▶ EIE (Earned Income Exclusion):
 - ▶ First \$65 of earned income
- ▶ Divide remainder of earned income by 2



SSI Calculation w/o Unearned Income

Step		Calculations
Gross Earned Income		1,409.00
Student Earned Income Exclusion	-	
Remainder		1,409.00
General Income Exclusion (GIE)	-	20.00
Remainder		1,389.00
Earned Income Exclusion (EIE) \$65	-	65.00
Remainder		1,324.00
Impairment Related Work Expense (IRWE)	-	0.00
Remainder		1,324.00
Divide by 2	/	2.00
Blind Work Expenses (BWE)	-	0.00
Total Countable Earned Income	=	662.00
 		
Total Countable Earned Income	+	662.00
PASS Deduction	-	0.00
Total Countable Income	=	662.00
 		
FBR		914.00
Total Countable Income	-	662.00
Adjusted SSI Payment	=	252.00
 		
Adjusted SSI Payment		252.00
Gross earned income received	+	1,409.00
PASS, BWE or IRWE Expenses	-	
Total Financial Outcome	=	1,661.00

SSI Only

25 hours a week at \$13 per hour

+\$747



Dual Beneficiaries - SSDI & SSI

- ▶ Some people receive both SSDI & SSI
- ▶ This happens when the amount of SSDI received is less than the Federal Benefit Rate (\$914 in 2023)

Example: SSDI = \$400 FBR = \$914

GIE - \$20 Countable UIE - \$380

Countable UIE = \$380 SSI = \$534

Total Benefit: SSDI \$400 + SSI \$534 = \$934

- ▶ All the income and resource counting rules of each program apply



SSI Calculation with SSDI

Unearned Income		400.00
General Income Exclusion (GIE)	-	20.00
Countable Unearned Income		380.00
Gross Earned Income		1,127.00
Student Earned Income Exclusion	-	
Remainder		1,127.00
Earned Income Exclusion (EIE) \$65	-	65.00
Remainder		1,062.00
Impairment Related Work Expense (IRWE)	-	0.00
Remainder		1,062.00
Divide by 2	/	2.00
Blind Work Expenses (BWE)	-	0.00
Total Countable Earned Income	=	531.00
Total Countable Unearned Income	+	380.00
Total Countable Earned Income		531.00
PASS Deduction	-	0.00
Total Countable Income	=	911.00
FBR		914.00
Total Countable Income	-	911.00
Adjusted SSI Payment	=	3.00
Adjusted SSI Payment		3.00
Gross unearned income received		400.00
Gross earned income received	+	1,127.00
PASS, BWE or IRWE Expenses	-	
Total Financial Outcome	=	1,530.00



SSI & SSDI



20 hours a week at \$13 per hour

Before working this person got:
SSDI: \$400
SSI: \$534

+\$596

SSI Work Incentives that Reduce Countable Income

- ▶ IRWE- Impairment Related Work Expenses
 - ▶ Reasonable cost of out-of-pocket expenses related to both work and the individual's disability
- ▶ BWE (Blind Work Expense)
 - ▶ Expenses related to work (transportation, lunch, taxes, dues, etc.)
- ▶ SEIE (Student Earned Income Exclusion)
 - ▶ Under age 22
 - ▶ Regularly attending school
 - ▶ Exclude \$2220 a month up to a yearly cap of \$8950 (for 2023)



SSI Other Work Incentives

- ▶ EXR - Expedited Reinstatement
 - ▶ Within five years of the case being closed due to work activity, the individual finds they can no longer work at the SGA level
 - ▶ Six-month provisional benefit while disability determination is made
- ▶ PESS - Property Essential to Self-Support
 - ▶ Allows the individual to own property that helps them produce income (construction vehicles, tools, farmland) that will not be counted as a resource
- ▶ PASS - Plan for Achieving Self-Support
 - ▶ Is a plan to achieve a work goal
 - ▶ Allows the individual to set aside money from SSDI or work to implement plan
 - ▶ Money in a PASS Plan is not a countable resource
 - ▶ Reduces countable income and can increase an SSI benefit amount.



Medical Benefits



The Two Sides of Medical Benefits

SSDI - Medicare

1. Medicare coverage
2. Starts 24 months after entitlement to SSDI
3. Part A covers Hospitalization
4. Part B covers Medical Providers
5. Medicare Part D prescription drug coverage
6. No resource limits



SSI - Medicaid

1. 1634 State
2. Starts the same month as eligibility for SSI
3. Hospitalization, Medical Providers, Prescriptions
4. Resource limits \$2,000 for single, \$3,000 for a couple



Some SSDI Beneficiaries may be eligible for both Medicare and Medicaid. They will need to apply for Medicaid separately from SSDI. DHS determines eligibility for Medicaid.

Medicare and Work

- ▶ Medicare is a federal program that is the same all over the country
- ▶ After the 24-month waiting period (waived in some cases), as long as you are receiving an SSDI check you will receive Medicare
- ▶ EPMC - Extended Period of Medicare Coverage
 - ▶ Medicare Part A free for at least 93 months after TWP
 - ▶ Medicare Part B premium must be paid by beneficiary
 - ▶ Medicare Part D premium must be paid by beneficiary



Medicaid and Work

- ▶ Medicaid is a federal program that is administered by the states and varies from state to state.
- ▶ As long as the person is receiving an SSI check they will receive Medicaid because Michigan is a 1634 state!
- ▶ Also, we are a 1619b state, so Medicaid will continue as long as they:
 - ▶ Have received SSI for at least 1 month
 - ▶ Still meet the disability requirement
 - ▶ Still meet all other non-disability SSI requirements (resources below limit)
 - ▶ And, have gross earnings below the state threshold amount (\$3,502 mo. in 2022 (\$42,027 yr.))



Freedom to Work Medicaid - Eligibility (Michigan's Medicaid Buy in Program)

- ▶ If Resources go above \$2,000 (but below \$9,090)

or

- ▶ Countable Earned Income + Unearned Income (using SSI method) are below 250% Federal Poverty Level

(250% FPL = \$3,037 mo./\$36,450 yr.)

and

- ▶ Working

then

- ▶ Eligible to Move to Freedom to Work Medicaid!

Full Time at
\$15 per hour

Unearned Income

$$\$700 - 20 = \$680$$

Countable Earned Income

$$(\$2,604 - 65) / 2 = \$1270$$

Add

$$\$680 + 1270 = \$1950$$



Freedom to Work Medicaid

- ▶ Once Enrolled allows for:
 - ▶ Up to \$75,000 in savings
 - ▶ Unlimited retirement savings (401k, IRA, etc.)
 - ▶ Premium paid after 138% FPL (\$1,677) at 2.5% of the individuals Modified Adjusted Gross Income (MAGI)
 - ▶ A MAGI of \$3,000 would result in a premium of \$75 a month
 - ▶ Savings accrued while on FTW will be held harmless for returning to another Medicaid program



SSA Decisions

Any decision made by SSA is appealable!

SSA decision letters will give time frame for the appeal.



Achieving a Better Life Experience Act (ABLE)

▶ Federal Law!

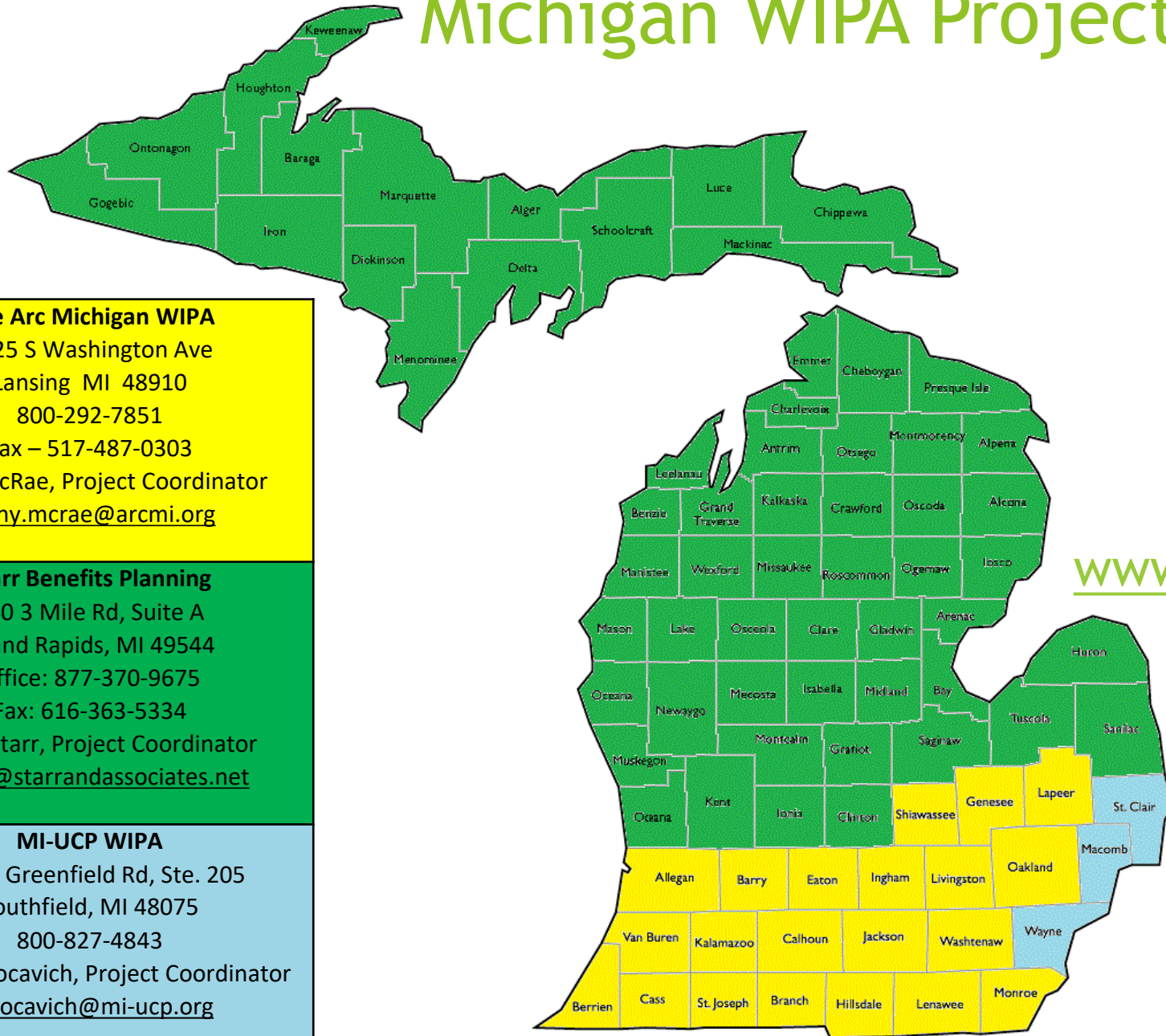
- ▶ Onset of disability was on or before age 26
- ▶ \$500,000 in ABLE Account
- ▶ Up to \$100,000 will not counted as resource for Medicaid
- ▶ \$17,000 yearly contribution limit
 - ▶ Employed beneficiaries may contribute an additional \$14,580 of their income (it is still income but not a resource once in the ABLE account)
- ▶ Spending regulations
- ▶ Medicaid Payback upon death.

savewithable.com/mi/home.html

Resources

- ▶ Ticket to Work Helpline: 866-968-7842 (V) 866-833-2967 (TTY)
- ▶ Ticket to Work Online: choosework.ssa.gov
- ▶ Disability Rights Michigan - Protection & Advocacy for Beneficiaries of Social Security (PABSS): <https://www.drmich.org/> or Phone - 800-288-5923
- ▶ Disability Benefits 101: mi.db101.org
- ▶ Social Security My Account: www.ssa.gov/myaccount/
- ▶ Social Security Program Operations Manual System (POMS): <https://secure.ssa.gov/apps10/>
- ▶ MDHHS MIBridges: newmibridges.michigan.gov
- ▶ Michigan ABLE Accounts: savewithable.com/mi/home.html

Michigan WIPA Projects



www.miwipa.org

The Arc Michigan WIPA

1325 S Washington Ave
Lansing MI 48910
800-292-7851
Fax – 517-487-0303

Cathy McRae, Project Coordinator
cathy.mcrae@arcmi.org

Starr Benefits Planning

640 3 Mile Rd, Suite A
Grand Rapids, MI 49544
Office: 877-370-9675
Fax: 616-363-5334

Karen Starr, Project Coordinator
kstarr@starrandassociates.net

MI-UCP WIPA

23077 Greenfield Rd, Ste. 205
Southfield, MI 48075
800-827-4843

Kendall Brocovich, Project Coordinator
kbrocovich@mi-ucp.org