

Disability Benefits & Employment Workbook

2016 Edition



Who We Are

The Financial Louisville Alliance for Development through Diversity, Empowerment, and Resources (LADDER) became a collaboration in 2015 with the purpose of increasing the financial capability of individuals with and without disabilities.

Our Mission: *To Create a Community-wide Culture of Financial Inclusiveness and Accessibility that Serves the Diverse Louisville Metro Population.*

Special Thanks

To Jeff White of the Kentucky State Division for Developmental Disabilities and Intellectual Disabilities (DDID) for providing much the content within this workbook.



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DEPARTMENT OF
**COMMUNITY
SERVICES**



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The LEAD Center is a collaborative of disability, workforce and economic empowerment organizations dedicated to a single mission: advancing sustainable individual and systems level change to improve competitive, integrated employment and economic self-sufficiency for all people across the spectrum of disability.

Before We Begin...

The information in this workbook gives an introductory overview of how earned income may affect eligibility for and entitlement to social security disability benefits and supplemental security income.

Our objectives are:

- to clarify the facts about the impact of work upon disability benefits and supplemental security income benefits and
- To provide you with the basic knowledge to make an informed decision about how obtaining employment may affect your financial situation.

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Legend



Throughout the workbook, you'll see a paper and pencil like to the left. When you see this image, you will have the opportunity to stop, think about what you learn, and put it into practice.



Anytime you see a compass, we provide a web resource so you may go online to learn more about the topic.



An exclamation mark indicates an important item that may require additional follow-up between you and a CWIC.



A light bulb will share a fact or tip.

Section 1: Getting Started

Why should you consider working?

Research shows there are many benefits to working in addition to earning income:

- ◆ **Improved Self-esteem**
- ◆ **Better control of psychiatric symptoms**
- ◆ **Reduced substance use**
- ◆ **Greater life satisfaction**
- ◆ **Improved Finances**
- ◆ **Expanded Social Networks**
- ◆ **Feeling productive and valued**
- ◆ **Building a solid foundation** to advance goals and future.
- ◆ **Developing new skills**, both work and non-work related.

Whether you are recently disabled or have been disabled your entire life, meaningful work is part of building a healthy lifestyle as a contributing member of society. It is essential to an individual's economic self-sufficiency, self-esteem, and well-being.

Employment has even been shown to be beneficial to those with ongoing health conditions and disabilities. The positive effects of work indicates that individuals with disabilities or those who have significant illnesses should be supported in their efforts to return to, or remain in, work if their condition permits.



Section 1: Getting Started

Since you are reading this workbook, you must be considering to seek employment and you are now taking the first step to see if it's possible and if, or how, working may affect your disability benefits or supplemental security income. Everyone will have a unique reason for seeking employment.



Take a few minutes to think about your employment goals and write down what you hope to achieve or to get out of the experience.

What is your Employment Goal?

Do you already have a position you want?

How many hours would you like to work each week?

Is there a dollar amount you want to add to your monthly income?

What questions or concerns do you have about employment and disability benefits?

Section 1: Getting Started

Entering the workforce or returning to employment after some time off can be scary, especially if you have a disability and are unsure of your ability to meet the demands of a job; Do not let that prevent you from working.

There are many people and organizations in place to help you find and keep a job.

Some of them include:

- Kentucky One-Stop Career Centers
- Office of Vocational Rehabilitation
- Office for the Blind
- Ticket to Work Employment Networks
- Community Based Work Transition Program
- Veterans' Employment and Training Service (VETS)
- Medicaid Waiver Case Manager



For a full listing of services offered by each organization along with their contact information, visit the Resource Listings on page 33.



Check out the available resources on page 33. Write down the ones you may like to investigate further.

Section 1: Getting Started

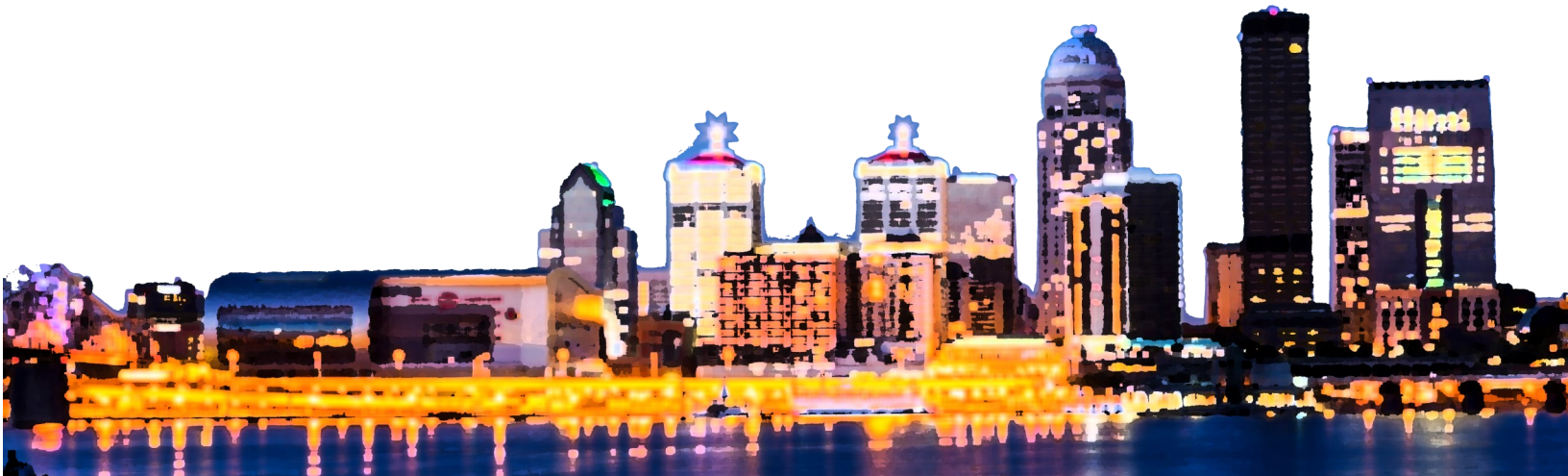
Community Partners are trained to provide you with assistance as you enter the workforce.

Within the community, there are Work Incentives Planning and Assistance (WIPA) projects funded through grants from the Social Security Administration that have on staff fully certified **Community Work Incentive Coordinators (CWIC)**. These individuals receive specialized training to attain the appropriate level of knowledge and skills to provide clients with assistance as they enter the workforce. They can offer individuals an analysis of their benefits which includes an assessment of the impact of work on government benefits.

The Social Security Administration instructs the WIPAs to prioritize the services which they provide to the individuals they serve based on specific criteria due to capacity issues. You may not receive services from a WIPA, or you may receive very limited services, if your case does not fit the criteria.

The Center for Accessible Living manages the WIPA project for the Louisville area and roughly the western half of the state. Goodwill Industries of Lexington manages the WIPA project for the eastern half of the state.

Other employment assistance guidance is offered by **community partners**, many of whom are also certified through the CWIC training. They do not have the same service restrictions as the WIPAs, however, access to these community partners is often limited. They generally charge a fee for their services or work exclusively with clients of a particular agency. For instance, the Office of Vocational Rehabilitation can pay for services from a community partner work incentive provider for its consumers. Similarly, the Department of Development and Intellectual Services can offer benefits assistance to individuals in the Supports for Community Living (SCL) Waiver program.



Section 1: Getting Started

Social Security wants you to work if you can and want to work.

A common misconception about disability benefits, whether it's Social Security Disability Insurance or Supplemental Security Income, is that you are not permitted to work *and* be entitled to or eligible for benefits. But having a disability does not mean that you are unable to perform every job task.

The truth is, the government encourages you to work if you can work and if you want to work. You just have to be aware that the amount of countable earned income you receive may affect your entitlement to or eligibility for benefits, and may affect your disability benefits or the amount of supplemental income benefits you receive.

An Introduction to Disability Benefits

Social Security Disability Insurance (SSDI):

Is a benefit to you if you become disabled and

- To qualify, you must have worked to meet an insured status
- If under age 22: To qualify, you must have a parent who is disabled.

Supplemental Security income (SSI):

Is a needs-based program for persons with low incomes who are

- blind,
- 65 or older, or
- disabled.

For individuals with disabilities who have never worked, or those who haven't worked long enough in recent years to qualify for SSDI (Social Security Disability Insurance), SSI may be the only program available to them.



Section 1: Getting Started



The **Social Security Administration (SSA)** is the federal agency that regulates the criteria and policies and procedures for approval for both of these disability benefits.

SSA is an excellent resource for questions you may have about the application process and all of the nuances involved in the disability process and procedure.



Visit **www.ssa.gov** for Information Guides and Frequently Asked Questions about all aspects of disability benefits.



- You can apply for disability benefits online!
 - ◆ You can complete the Medical History and Disability Report online for Supplemental Security Income but you must make an appointment to file the application itself for SSI through social security!
- It can be as easy as making an appointment to file for benefits by telephone or in person. But YOU control the information social security gets when YOU file online.
- For more application tips, check out this online video: https://www.ssa.gov/hlp/video/iclaim_d01.htm



Test Your Knowledge

(answer key on page 39)

1. Which of these is a benefit of working?
 - a. Meet people
 - b. Improved Finances
 - c. Increased self-esteem
 - d. All of the Above

2. True or False: To qualify for Social Security Disability Insurance, You must be “insured” due to contributions made to FICA based on your own earnings, or those of your spouse or your parents.
 - a. True
 - b. False

3. Which of the following does NOT factor in to the criteria to qualify for Supplemental Security Income?
 - a. Have children
 - b. Aged, blind or disabled
 - c. Limited Income
 - d. Limited Resources

4. Which agency regulates your disability benefits?
 - a. US Department of Labor
 - b. Ministry of Disability
 - c. Social Security Administration
 - d. Bureau for Social Security

Section 2: Earned Income's Effect on Benefits

Paid employment and Social Security disability benefits are not mutually exclusive.

After you have been awarded SSDI or SSI benefits, the SSA encourages you to work!

SSDI & Earned Income

SSDI is an all or nothing payment based upon your ability to perform **Substantial Gainful Activity (SGA)**. Following a 9 month trial work period and a 36 month extended period of eligibility (more information on these safety nets is covered in Section 3), if you earn more than \$1,130 gross per month (\$1,820 if you are an individual who is statutorily blind and meet the Social Security definition of blindness) of countable earnings, your SSDI benefit is terminated. If, on the other hand, your disability prevents you from earning more than \$1,130 (\$1,820 for Blindness) in or after your trial work period, you will receive all of your SSDI benefit.

SSI & Earned Income

SSI, on the other hand, is a needs-based program where SSA adjusts your monthly payment based on the amount of your **Countable Income**.

When you go to work as an SSI recipient, the SSA will decrease your cash benefit as your earnings go up, but **you still end up with more money by working than by not working**.

SSA uses your monthly **gross earnings** received in a particular month to determine how much to reduce your SSI payment after they take certain deductions and then divide your remaining earnings in half. That means they count only a portion of your income in the SSI benefit calculation.

We will review a simplification of this calculation later in this section.



Section 2: Earned Income's Effect on Benefits

Let's take a look at some examples showing how your total income may look after starting to work. **Each of these examples highlights how your monthly income (available to spend) increases when you start working.**

SSDI Example 1:

Alice, a non-blind individual, lives alone and receives SSDI benefits of \$1,200 each month. She takes a part-time job earning \$800 a month before taxes. Since her countable earned income is less than \$1,130, she will continue to receive her SSDI payment.

Before Working		After Working	
\$1,200	SSDI Only	\$1,200	SSDI
+ \$0	earnings	+ \$800	earnings
<hr/>		<hr/>	
\$1,200	Total	\$2,000	Total

SSDI Example 2:

Alice, a non-blind individual, lives alone and receives SSDI benefits of \$1,200 each month. She takes a part-time job earning \$1,250 before taxes each month. She successfully completes her 9 month TWP and has now continued to successfully work 3 more months through her grace period*.

Before Working		After Working	
\$1,200	SSDI Only	\$0	SSDI
+ \$0	earnings	+ \$1,250	earnings
<hr/>		<hr/>	
\$1,200	Total	\$1,250	Total

In this example, her earned income is *more* than \$1,130, so she is no longer eligible for her SSDI cash benefits and she is placed in a suspended status by Social Security.

The amount that Alice earns affects whether or not she qualifies for an SSDI cash payment based on the Substantial Gainful Activity rule.

* More information on these incentives is provided in Section 3.

In each of these SSDI examples, notice Alice's earnings while working are always more than when she's not working. Wouldn't it be nice to have additional income available to spend each month?

Section 2: Earned Income's Effect on Benefits



SSI Example:

James lives alone and receives SSI benefits of \$733 each month. He takes a part-time job earning \$1,000 before taxes. He reports his earnings to Social Security and his benefit is adjusted. SSI will now be \$275 per month. Let's compare his income:

Before Working		After Working	
\$733	SSI Only	\$275	Adjusted SSI
+ \$0	earnings	+ \$1,000	earnings
<hr/>		<hr/>	
\$733	Total	\$1,275	Total

As you can see, James' monthly SSI payment decreases once he starts working, but because SSA does not count every dollar earned against his SSI rate, he will bring home *more* money each month by working part-time. **Working pays!**

Section 2: Earned Income's Effect on Benefits

Calculating Your Adjusted SSI Rate

The remainder of section 2 takes a look at a very simplified version of what your SSI payment and total income may look like once you start working.

SSA determines your SSI payment starting at the Federal Base Rate (FBR). In 2016 that maximum check is \$733 per month for individuals and \$1,100 for couples. All countable earned income and unearned income is then subtracted from the base rate to determine your cash payment.

Countable income which affects the **Adjusted SSI cash rate** is anything you receive during a calendar month which can be used to meet your needs for food or shelter. It may be in cash or in kind and may include:



- **Earned income** from work
- **In-kind** support such as food or shelter you get for free
- Money given to you from friends and family
- **Unearned income** from other benefits such as workers' compensation, unemployment compensation, SSDI, or a pension.
- If you are married to an ineligible spouse, your spouse's earned and unearned income is considered.

For the purpose of this workbook, only the worker's Earned Income and SSDI Unearned Income are included in the examples and practice problems.



You are required to report your earnings to SSA every month. SSI now accepts reporting via smartphone, in many instances.

If you receive both SSI and SSDI, you only need to report your earnings to SSA once each month.

Section 2: Earned Income's Effect on Benefits

Step 1: Calculate your Countable Income

In your countable income calculation, the SSI program allows you to exclude the following from your countable income calculation:

- the first \$20 of any income you receive whether it is earned or unearned income
- the first \$65 of money you earn from working
- half of the remaining earned income balance

If you receive only SSI and have earned income every month, you can deduct \$85 (\$20 of any income + the first \$65 from earned income) from your earned income plus half of the remaining balance.

\$1,000	gross earnings
- \$85	\$20 + \$65
\$915	
- \$458	50% of remaining not counted
\$458	Net Countable Earned Income (rounded in this example)

If you receive both SSI and SSDI and have earned income, \$20 of your SSDI unearned income is excluded first to determine your countable unearned income, and \$65 plus half of the remainder of your earnings is excluded to determine your countable earned income.

\$285	SSDI unearned income
- \$20	First \$20 of any income is not counted
= \$265	Net countable unearned income
\$1,000	Gross wages
- \$65	First \$65 of earned income is not counted
\$935	
- \$468	50% of remaining not counted
\$468	Net Countable Earned Income (rounded in this example)

Add your Unearned Income (if any) and your Earned Income to get your *Total Countable Income*.

In this example, the SSI benefit is reduced to zero, but this individual has more money by working than by not working!

Countable Unearned Income (if Any)	\$265
+ Countable Earned Income	+ 468
Total Countable Income	\$733

Section 2: Earned Income's Effect on Benefits

Step 2 Calculate Your New Adjusted SSI Payment

Once you have your total countable income, subtract that figure from the SSI Base rate (\$733 for 2016) to get your adjusted SSI rate.

SSI Base Rate
- Net Total Countable Income
Adjusted SSI Rate

Let's revisit James to see how this works.

Example: James lives alone and receives SSI benefits of \$733 each month. He takes a part-time job earning \$1,000 before taxes. Let's see how to calculate his new SSI payment.

Countable Income:		
\$1,000	gross earnings	
- \$85	\$20 + \$65 excluded	
= \$915		
- \$458	50% of remaining not counted	
= \$458	Net Countable Income	
\$733	2016 SSI benefits base rate	
- 458	Net Countable Earned Income	
= \$275	Adjusted SSI rate (rounded up in this example)	

Section 2: Earned Income's Effect on Benefits



Now you try it. Donna receives only SSI cash benefits and will be starting a new job earning \$920 per month. What will be her new monthly SSI Cash benefit amount? (answer is on page 39)

		Gross Earnings
Step 1:	-	The first \$20 of any income received
Step 2:	-	The first \$65 of money from work income
	=	
Step 3:	-	50% of remaining not counted
	=	Net Countable Earned Income
	\$733	2016 SSI benefits base rate
Step 4:	-	Net Countable Earned Income
	=	Adjusted SSI Rate



BONUS! Use the space below to calculate Donna's new monthly income.

Section 2: Earned Income's Effect on Benefits

Now let's see an example calculating the adjusted SSI rate for an individual that has both unearned (SSDI in this case) and earned income.

Example: Marie is 52 years old and receives SSDI of \$285 each month. She takes on a part-time job earning \$725 before taxes. Here's how her SSI payment is affected...

Countable Income:

\$285	SSDI unearned income
- \$20	First \$20 of any income is not counted
<hr/>	
= \$265	Net countable unearned income
\$725	Gross wages
- \$65	First \$65 of earned income is not counted
<hr/>	
\$660	
- \$330	50% of remaining not counted
<hr/>	
\$330	Net Countable Earned Income (rounded up in this example)
\$265	Net countable unearned income
+ \$330	Net Countable Earned Income
<hr/>	
\$595	Total Countable Income

Adjusted SSI Rate:

\$733	2016 SSI benefits base rate
- \$595	Total Countable Earned Income
<hr/>	
\$138	Adjusted SSI rate (rounded up in this example)
<hr/>	
\$1,148	New Total Monthly Income (\$285+\$725+\$138)

Section 2: Earned Income's Effect on Benefits



Try it Yourself! TJ receives \$325 in SSDI each month. He gets a job earning \$840 before taxes each month. Calculate his new SSI amount and his total monthly income. (answer is on page 40)

	SSDI unearned income
-	First \$20 of any income is not counted
=	Net countable unearned income
	Gross wages
-	First \$65 of earned income is not counted
=	
-	50% of remaining not counted
=	Net Countable Earned Income (rounded up)
	Net countable unearned income
+	Net Countable Earned Income
=	Total Countable Income
\$733	2016 SSI benefits base rate
-	Total Countable Earned Income
=	Adjusted SSI Rate (rounded up)
	New Adjusted SSI Amount
+	SSDI amount
+	Gross Wages
=	Total Monthly Income

Section 2: Earned Income's Effect on Benefits



Now it's your chance to see how earned income may affect your own monthly income if you work and receive disability benefits. Use your own finances to fill out the worksheet on page 20. It's ok to make up numbers or make an estimate for your expected earned income.

This worksheet is just to show you how the calculation works and does not serve as the final determination for your expected income.

1. Add up your total Unearned Income, *if any*—include Social Security benefits, pensions, State disability payments, unemployment benefits, interest income, and cash from friends and relatives.

Monthly Unearned Income Total \$ _____

Place this number in box 1 on page 21.



Visit <https://www.ssa.gov/ssi/text-income-ussi.htm> for more information on unearned income.

2. Think about how much you hope to earn from your new job every month.

Estimated Future Monthly Work Earnings \$ _____

Place this number in box 4 on page 21.

3. Fill in the remaining boxes. If lines 5, 11, 15, or 20 do not apply to you or if you are unsure what those amounts may be once you start working, you can leave them blank at this time.



Be sure to review Student Earned Income Exclusion, Impairment-Related Work Expenses, Blind Work Expenses, and PASS deductions with your CWIC.

4. Fill in the remainder of the worksheet.

Section 2: Earned Income's Effect on Benefits

STEP 1 Calculating Total Countable Unearned Income	1	Unearned Income*		
	2	"Any-Income" Deduction (only if you have unearned income)	-	20.00
	3	Total Countable Unearned Income (Subtract line 2 from line 1.)	=	
STEP 2 Calculating Total Countable Earned Income	4	Gross Earned Income		
	5	Student Earned Income Exclusion	-	
	6	Remainder (subtract Line 5 from Line 4)	=	
	7	"Any-Income" deduction if not used before**	-	20.00
	8	Remainder (Subtract line 7 from line 6.)	=	
	9	Earned-Income Deduction	-	65.00
	10	Remainder (Subtract line 9 from line 8.)	=	
	11	Impairment-Related Work Expense, if not blind (IRWE)	-	
	12	Adjusted Gross Earned Income (Subtract line 11 from line 10.)	=	
	13	50% of Adjusted Gross Earned Income as a Work Incentive Deduction (Divide line 10 in half.)	-	
	14	Remainder (Subtract line 13 from line 12.)	=	
	15	Blind Work Expenses (BWE)	-	
16	Total Countable Earned Income (Subtract line 15 from line 14.)	=		
STEP 3 Calculating Total Countable Income	17	Total Countable Unearned Income (Amount from line 3)		
	18	Total Countable Earned Income (Amount from line 16)	+	
	19	Total Countable Income (Add line 17 and line 18.)	=	
	20	PASS Deduction	-	
	21	Total Countable Income (Subtract line 20 from line 19.)	=	
STEP 4 Calculating Adjusted SSI Payment	22	Total Countable Income (Amount from line 21)		
	23	Base SSI Rate (fill in appropriate amount)	-	
	24	Adjusted SSI Payment (Subtract line 23 from line 22.)	=	
STEP 5 Calculating Total Usable Income	25	Adjusted SSI Payment (Amount from line 24)		
	26	Gross Earned Income Received (Amount from line 4)	+	
	27	Gross Unearned Income Received (Amount from line 1)	+	
	28	IRWE, BWE or PASS Expenses (Combine lines 11, 15, & 20.)	-	
	29	Total Financial Outcome (Add lines 25, 26, and 27. Subtract line 28.)	=	

*Insert sum of all combined unearned income on line 1.

** You only get to use the \$20 any-income deduction once. If you do not use all of the deduction to reduce your unearned income, you can use the balance to reduce your earned income.

Section 2: Earned Income's Effect on Benefits



Test Your Knowledge

(answer key on page 40)

1. Which disability benefit is an All or Nothing program?
 - a. Social Security Disability Insurance
 - b. Supplemental Security Income

2. What is the first amount excluded from the Adjusted SSI Calculation?
 - a. 50% of earned income
 - b. First \$65 from earned Income
 - c. First \$20 from either unearned or earned income
 - d. 3.14159

3. True or False: You are financially better off earning a little income than no income.
 - a. True
 - b. False

4. Before gaining employment, with whom should you speak to analyze your current and potential future disability benefits?
 - a. Benefit Enrollment Counselor
 - b. Disability Advocate
 - c. Community Work Incentive Coordinator
 - d. Employment Mentor

Section 3: Incentives & Safety Nets

Now you know that you want to work and that it doesn't mean you will automatically lose the disability benefits you need. But what if your future earnings are high enough that you do lose your cash benefits? What if you work for 4 months and realize you are in too much pain and can't keep up? What if you can't afford the transportation to and from work?

The government has thought of all these 'what-ifs'.

There are incentives in place to encourage and to help you work while offering safety nets to fall back on if you realize your disability is too difficult to manage while employed.

SSDI incentives provide help for individuals with disabilities to test their ability to work without immediately losing all cash benefits or Medicare coverage.

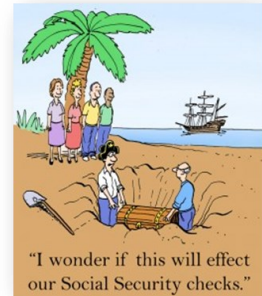
SSI incentives offer employment supports as well as maintenance of eligibility for benefits and continuation of Medicaid coverage while working which can increase overall income.

Incentives by Program		
	SSI	SSDI
Ticket to Work Program	✓	✓
Expedited Reinstatement of Benefits	✓	✓
Impairment Related Work Expenses	✓	✓
PASS Plan	✓	✓
Blind Work Expenses	✓	
Student-Earned Income Exclusion	✓	
Continued Medicaid - 1619(A)	✓	
Continued Medicaid - 1619(B)	✓	
Trial Work Period		✓
Extended Period of Eligibility		✓
Subsidy		✓
Extended Period of Medicare Coverage		✓

Section 3: Incentives & Safety Nets

Incentives for both SSDI & SSI

Just because you start working, SSA does not automatically decide you are no longer disabled.



This is a common concern for individuals currently receiving benefits and for individuals applying for benefits who also hope be able to continue to work at some level. Many factors go into SSA's disability determination. Your ability to work does not automatically disqualify you.

Expedited Reinstatement—If your SSDI and/or SSI payments are terminated due to an excess of earned income or a combination of earned and unearned income AND if you become unable to work again due to your medical condition, you may request that SSA restart your payments under expedited reinstatement. You may have heard this referred to as "EZ back on." You will not have to file a new disability application as long as you make this request within 5 years of the termination date and you continue to meet all requirements. If so, Social Security will begin paying up to 6 months of provisional cash benefits while they conduct a medical review to determine if you are still disabled.

There is assistance available to cover costs related to returning to work.



When you return to work, you may have **Impairment Related Work Expenses (IRWE)**. These are expenses for items or services that you pay for out-of pocket that you need in order to work and are directly related to a medically determinable impairment. Both SSDI and SSI subtract these out of pocket expenses from earnings. With SSDI, IRWEs can reduce the SGA level earnings when a SGA determination is made. With SSI, IRWEs will reduce the countable income.

IRWE can include some of these examples in certain instances:

- Transportation Costs
- Residential Modifications
- Medical Supplies
- Service Animals
- Medical Services
- Medical Equipment
- Attendant Care Services
- Job Coaching
- Prescription Drugs

Section 3: Incentives & Safety Nets

In section 1, we mentioned the availability of community partners who provide job assistance and resources to individuals with disabilities.

One of the federal job assistance programs available to SSDI and SSI beneficiaries between the ages of 18-64, is the ***Ticket to Work Program***, which offers free vocational rehabilitation, training, job referrals, and other employment support. If you are using your "ticket" (i.e., it is assigned to an Employment Network) and you are making timely progress towards your employment goal, SSA will not conduct any regularly scheduled medical reviews!

The SSA has a Ticket to Work Hotline available that allows you to get information about work, benefits, or the work incentive programs.

Call 1-866-YOURTICKET (1-866-968-7842), Monday through Friday between 8 a.m. and 8 p.m. EST. If you're deaf or hard of hearing, you may call the TTY number, 1-866-833-2967.



Or visit www.socialsecurity.gov/work for more information on the Ticket to Work Program.

And visit www.chooseworkttw.net to find an Employment Network near you.

Ticket to Work service providers serving the Louisville area include:

- Career Opportunities, LLC
- Center for Accessible Living
- Community Services Project
- Kentucky Office of Vocation Rehabilitation
- Options Unlimited
- Path Forward of Kentucky

Visit the Resource Listings on page 33 for contact information and to find the services offered by each agency.

Section 3: Incentives & Safety Nets

If you have a special goal related to employment such as furthering your education or starting your own business, you might be interested in a **PASS Plan**. PASS stands for Plan to Achieve Self Support. PASS plans usually are used by people who receive SSI or who have concurrent eligibility (SSDI and SSI). In general, a PASS plan will allow you to set aside income (other than SSI) or resources to pay for expenses associated with achieving a feasible and viable work goal without impacting other benefits. This means that you could possibly receive a full SSI cash benefit while the PASS Plan is in effect.

With a PASS Plan, the work goal must produce sufficient earnings to:

- Reduce dependency on SSI
- Eliminate dependency on SSDI



A CWIC or Community Partner can assist you with the creation of your PASS Plan.

SSI Only Incentives

An individual's SSI cash benefit is based on countable income. Several incentives exist to help decrease countable income in order to secure you higher net total income each month.

Blind Work Expenses (BWE) - When determining if you are eligible for Supplemental Security Income (SSI) and calculating your payment amount, SSA does not count any earned income used to meet expenses that you need to earn that income. To qualify for BWEs you must be eligible for SSI due to Blindness under SSA rules.



Examples:

- Service animal expenses
- Transportation to and from work
- Federal, state, and local taxes
- Social Security taxes
- Attendant care services
- Visual and sensory aids
- Translation of work related materials into braille
- Professional association fees and union dues

BWE are also treated differently than IRWE in the SSI calculation in order to net you a higher SSI payment.

Student-Earned Income Exclusion (SEIE) allows students under the age of 22 who regularly attend school, receive SSI, and work to exclude up to \$1,780 per month to a maximum of \$7,180 per year in 2016 from their adjusted SSI calculation. These figures usually change annually.

Section 3: Incentives & Safety Nets

You may be able to keep your health benefits.

If you receive **SSI** benefits:

- As long as you received at least \$1 in benefits for at least one month, you are still disabled, you need Medicaid in order to work, and you have gross earned income that is insufficient to replace SSI, Medicaid and any publicly funded attendant care benefits will continue.
- In general, your Medicaid coverage will continue even after your SSI cash payments stop until your income reaches a certain level. That level is called a threshold level and it varies with each state and reflects the cost of health care in your state.

Even if SSI cash payments stop, Medicaid coverage will usually continue until your earnings exceed the state threshold for Medicaid qualification.

2016 Medicaid Income Thresholds by State	
Indiana	\$36,772
Kentucky	\$29,746

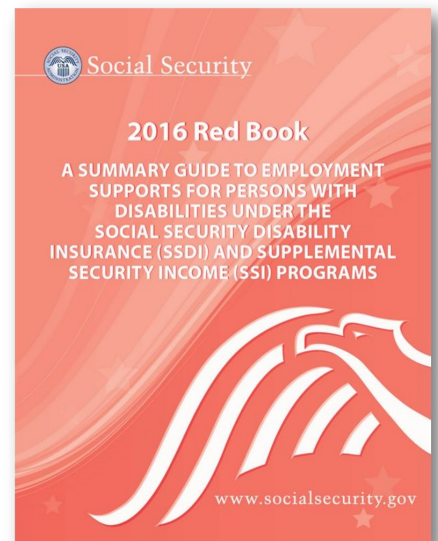
A full listing of state thresholds is available at
<https://www.ssa.gov/disabilityresearch/wi/1619b.htm>

If you receive **SSDI**:

- You will continue to be eligible for Medicare for any month that you are eligible for SSDI.
- You have free Part A **Continuation of Medicare Coverage** - Medicare will continue for at least 93 consecutive months after your trial work period; you do, however, have to purchase Medicare Part B or Medical Part D coverage if you wish that to continue as well.



- www.medicaid.gov
- 1800-MEDICARE Or visit www.medicare.gov
- or in the **RedBook** available at <https://www.choosework.net/library/red-book-2014>



Section 3: Incentives & Safety Nets

SSDI only Incentives

SSDI Beneficiaries can test their skills and abilities before SSA suspends their cash payment.

Trial Work Period—The Trial Work Period (TWP) gives an SSDI beneficiary nine months (within a rolling 60-month period) to test their ability to work while they and continue to receive their full SSDI monthly cash benefit. Months are only counted when earnings are over \$810 gross per month, but beneficiaries can earn any amount during a Trial Work Period and continue to receive full cash benefits.

Since the trial work period is an opportunity for beneficiaries to test their ability to work, the nine months do not have to be consecutive and the work does not have to be for the same employer. This provides the chance to try different jobs, test abilities and stamina to find the most suitable position or work schedule.

After completion of the 9 month TWP and the three month grace period which immediately follows the TWP, SSDI is suspended if income exceeds SGA.

Trial Work Period Example 1

Ashleigh became disabled in 2014. In April 2016, she decides to return to work and earns \$1,400/month.

Ashleigh's trial work period is:

4/2016, 5/2016, 6/2016, 7/2016, 8/2016, 9/2016, 10/2016, 11/2016, 12/2016

Ashleigh will receive her full SSDI benefit during this trial work period and during the 3 grace months that follow.

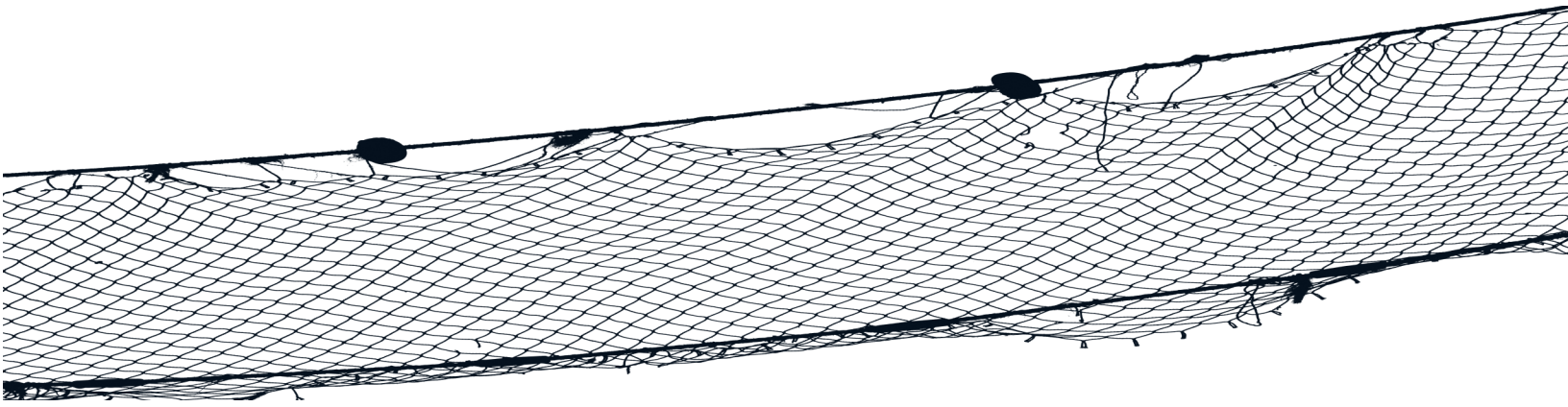
Trial Work Period EXAMPLE 2

Joe has been disabled since 2012. In January 2016, he decides to return to work part-time to test out his abilities. If his monthly income through 2016 is as follows:

Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
\$1,000	\$900	\$750	\$800	\$925	\$950	\$950	\$800	\$900	\$805	\$950	\$950

Only the months where he earns over \$810 count towards his TWP. So in this example, he would use eight of his nine trial months.

Section 3: Incentives & Safety Nets



Extended Period of Eligibility—If the Trial Work Period is complete, a 36-month Extended Period of Eligibility begins in the next month. The benefit of the 36 months is that you can continue to test your ability to work above the substantial gainful activity level (\$1,130 in 2016 or \$1,820 if you are blind) without the fear of completely losing your benefit if you cannot sustain working at that level. During this period, you receive full benefits for all the months that your earnings or work activities are below the SGA level. Cash benefits are suspended for months your earnings are over the SGA level, but if your earnings drop below the SGA level in this period, your benefits start again.

Extended Period of Eligibility Example

Returning to Ashleigh in Example 1 on the previous page, following her TWP, her Extended Period of Eligibility begins 1/2017 and she continues to earn \$1,400/month.

1/2017, 2/2017, and 3/2017 are grace months where she will continue to receive full SSDI benefits.

Assuming the 2017 SGA limit remains at \$1,130, her SSDI benefits will be suspended 4/2017 as long as she continues to earn above SGA in her EPE. Cash benefits will terminate at month 37 of the EPE.

But what if Ashleigh suffers a complication in 1/2018 that limits her ability to work? Since she is still within the 36-month extended period of eligibility, if her monthly income in 1/2018 drops to \$950 (below SGA), her SSDI benefit will be reinstated for 1/2018.

Subsidies or **Special Considerations** can also lower countable earned income. Employer provided subsidies are support that may result in your receiving more pay than the actual value of the services you perform. Special considerations refers to support and on the job assistance provided by your employer, or by someone *other than* your employer, for example, a vocational rehabilitation agency. Subsidies and Special Considerations *do not* affect your SSI payment, but are simply a form of job assistance available for individuals with disabilities.

Section 3: Incentives & Safety Nets



Test Your Knowledge

(answer key on page 40)

1. The following individuals receive SSI and all "regularly" attend school. Which qualifies for the Student Earned Income Exclusion?
 - a. Theo, 25, part-time student, works 20 hours a week
 - b. Diane, 48, single mother of 2 non-disabled students in elementary school, works 40 hours a week.
 - c. Lauren, 17, works 10 hours a week

2. Which incentive gives you credit for the cost of services or other expenses you may need due to your impairment in your to return to work?
 - a. Job Cost Replacement
 - b. Impairment Related Work Expenses
 - c. Disability Employment Reimbursement
 - d. Tax Rebate

3. True or False: SSA suspends SSDI payments once a beneficiary earns more than the \$810 for nine consecutive months.
 - a. True
 - b. False

4. Which of these incentives does not affect your SSI payment?
 - a. Blind Work Expenses
 - b. Student Earned Income Exclusion
 - c. Subsidies
 - d. Impairment related work expenses

Wrap Up

What would you do with an additional \$200, \$500, \$800 each month?

Pay off debt? Put most into savings? Treat yourself?



What would you do with an extra:

\$200	
\$500	
\$800	

Even a little extra money each month could make a difference.

Hopefully, this workbook has provided you with the information you need to decide to enter the workforce.

Remember:

- There are many people and organizations to help you find and keep a job.
- The government wants you to have the opportunity to work if you can and want to.
- You will NOT automatically lose your disability benefits if you return to work.
- There is assistance available to cover costs related to returning to work.
- Just because you start working, SSA does not automatically decide you are no longer disabled.
- You may be able to keep your health benefits.

Wrap Up



What questions do you still have?

Questions for SSA

Questions for your existing supportive assistance agency, if applicable

Questions about health insurance

Other Questions

Next Steps

As you move forward in your employment search, here are some helpful steps we suggest you take.

- 1. Get approved for SSI and/or SSDI, if not already.
 - Visit www.ssa.gov for information and to apply or start the process.
- 2. Visit SSA.gov or call **1-800-772-1213** to get all your questions answered about working while receiving disability benefits.
- 3. Contact your area WIPA partner to see if you are eligible to receive CWIC assistance.
- 4. If you already receive assistance from one of the agencies in the Resource Listing, ask them about access to a CWIC for employment assistance.
- 5. Visit www.choosework.ttw.net or telephone 1-866-968-7842 for information on the Ticket to Work Program and to get information about work incentives.

Resource Listing

▲ - WIPA CWIC

◇ - Community Partner CWIC

Job Resources, Training, and Assistance

Center for Accessible Living ▲

A disability rights and resource center for people with disabilities, governed by people with disabilities. Services are offered to individuals with all types of disabilities. Experienced staff provides information, advocacy and services that create opportunities for people with disabilities to live as independently as possible.

Services include: First Impression Suit Closet (men's professional clothing for job seekers); job placement, career advancement, training services (i.e. job readiness training, job skills training), supportive services, and assistance for individuals with disabilities in work settings.

www.calky.org | Contact: 502-589-6620 (Louisville office)

Coalition for Workforce Diversity

Workforce development services for individuals with disabilities including: personalized services, on the job training and support, and benefits analysis.

<http://www.coalition fwd.com> | Contact: 502-955-7280

Community Based Work Transition Program

The Community Based Work Transition Program (CBWTP) is a collaborative effort between participating local school districts, the Kentucky Department of Education (KDE), Office of Vocational Rehabilitation (OVR), and the Human Development Institute at the University of Kentucky (HDI).

The CBWTP is designed to provide a positive beginning in the world of work for students in special education during their last two years of high school.

<http://www.hdi.uky.edu/cbwtp/AboutUs.aspx> | Contact: meada.hall@uky.edu

Division of Developmental and Intellectual Disabilities ◇

Administers the Supports For Community Living Waiver and the Michelle P Waiver.

<http://dbhdid.ky.gov/ddid> | Contact: 502-782-6228

Resource Listing

Goodwill Industries of Kentucky ▲ ◆

Goodwill's workforce development programs benefit people who are looking for and want to maintain a job. Goodwill's services include training in job seeking skills, job placement, referral services, vocational counseling, follow-up, and exit consultation. Help with academic skills is also available in Louisville through Goodwill's Alice H. James Adult Learning Center.

<http://www.goodwillky.org> | Contact: 502-585-5221

Goodwill's toll-free WIPA line: (866) 336-3316

Ticket to Work helpline: (866) 968-7842

TTY (hearing impaired): (866) 833-2967

Harbor House of Louisville

Supported employment services for individuals with disabilities.

<http://www.hhlou.org> | Contact: 502-719-0072

Jewish Family & Career Services

Provides employment assistance in the form of job search readiness training, career testing, one on one career counseling and self-employment start-up assistance. Also offers mental health counseling on a sliding fee schedule and free mental health services for individuals 60+ years of age who live in the state of Kentucky.

<http://jfcslouisville.org> | Contact: 502-452-6341

Job Accommodation Network (JAN)

A service of the Office of Disability Employment Policy, U.S. Department of Labor. Leading source of free, expert, and confidential guidance on workplace accommodations and disability employment issues to help people with disabilities enhance their employability. JAN consultants offer one on-one guidance on workplace accommodations, the Americans with Disabilities Act and related legislation, and self-employment options for people with disabilities

<http://askjan.org> | Contact: Visit Website

KentuckianaWorks

Customized career advice, assistance with interview skills, specialized services for qualifying veterans, group workshops, resources for individuals with disabilities, and more.

<http://www.kentuckianaworks.org> | Contact: 502-574-2500

Resource Listing

Kentucky Career Center

Job seeker services for individuals with disabilities, veteran services, job training, workforce development, and more.

<http://kentuckycareercenter.ky.gov>

Contact: Visit website to find an office near you.

Kentucky Office for the Blind

Individuals with significant visual disabilities seeking employment may receive services such as assessment to determine eligibility and needs, vocational guidance and counseling, job development, job placement services, assistive technology services and devices, orientation and mobility, work experience, bioptic driving, and other support services.

<http://blind.ky.gov/consumerservices>

Contact: 502-429-4460; 800-346-2115 (toll free); TTY: 502-429-7105

Kentucky Office of Vocational Rehabilitation

Social Security Administration (SSA) Ticket to Work program provider. Provides access to services such as assessment, vocational counseling, training, rehabilitation technology, interpreter services, disability resource information, community resource information, educational support services, driver evaluation, attendant care, comprehensive rehabilitation center services, and job placement and follow-up.

<http://www.ovr.ky.gov/programservices/district.htm> | Contact: 502-595-4173

Options Unlimited

Assists individuals with disabilities to become as independent as possible by obtaining opportunities to participate in and contribute to their community through work and educational programs.

<http://www.optionsunlimitedinc.org> | Contact: 502-955-7271

Path Forward of Kentucky

Social Security Administration (SSA) Ticket to Work program provider. Supported Employment Services. Provides effective and individualized support to individuals with disabilities.

<http://www.pathforwardky.com> | Contact: 502-451-2565

Resource Listing

Social Security Administration

The federal agency that reviews, approves and manages Retirement, Disability, and SSI Benefits.

<https://www.ssa.gov> | contact: 1-800-772-1213

United States Department of Veterans Affairs

Compensated Work Therapy (CWT) vocational rehabilitation program; Vocational Rehabilitation and employment services for veterans.

<http://www.benefits.va.gov/vocrehab>

Contact: Vocational Rehab: Bernard Hayward, 502-619-9103; CWT: 502-287-4230

Veterans' Employment and Training Service (VETS)

VETS serve America's veterans and separating service members by preparing them for meaningful careers, providing employment resources and expertise, and protecting their employment rights.

<http://www.dol.gov/vets>

Zoom Group

Zoom Group offers assistance to adults with developmental disabilities with services, including: job training, employment services, and involvement in the community.

<http://zoomgroup.org> | contact: 502-581-0658

Additional Online Resources

<https://www.ssa.gov/redbook/> For more in-depth information about SSI and SSDI.

Adjusted SSI cash rate - The cash payout after all countable income is deducted from the base SSI rate.

Blind Work Expenses (BWE) - many expenses used out of earned income in order to earn that income may be excluded from the SSI calculation. Must qualify under blindness.

Community Partner - agencies that offer employment assistance that may include benefits counseling.

Community Work Incentives Coordinator (CWIC) - highly skilled individuals specifically trained to provide counseling to educate beneficiaries how employment will affect their public benefits such as SSI, SSDI, Medicare, Medicaid, subsidized housing and food stamps. Funded through SSA WIPA projects, these individuals are limited by who they can assist and when.

Continuation of Medicare Coverage - once no longer on SSDI, individuals are allowed coverage under Medicare for an additional 93 consecutive months.

Countable Income - the wages, salaries, and tips used in the calculation of SSI payouts after all applicable exclusions have been deducted.

Earned Income - wages, salaries, and tips that are taxable by the federal government.

Expedited Reinstatement - a safety net for people who successfully return to work and lose their entitlement to Social Security Disability Insurance and Supplemental Security Income benefits and payments. If your cash payments ended because of your work and earnings, and you stop work within

5 years of when your benefits ended, you may be able to have your benefits started again right away.

Extended Period of Eligibility - a 36 consecutive month time following a trial work period to give beneficiaries a chance to continue to test their work skills

Gross Earnings - income earned prior to any tax deductions or adjustments.

In-kind - assistance provided in the form of goods and services, such as food or shelter.

Income Related Work Expenses (IRWE) - the cost of certain impairment-related items and services that you need to work are deducted from your gross earnings when determining substantial gainful activity (SGA). It does not matter if you also use these items and services for non-work activities.

PASS Plan - allows you to set aside other income besides your Supplemental Security Income (SSI) and/or resources for a specified period of time so that you may pursue a work goal that will reduce or eliminate the SSI or Social Security Disability Insurance (SSDI).

Social Security Administration - an independent agency of the United States federal government that administers Social Security, a social insurance program consisting of retirement, disability, and survivors' benefits.

Social Security Disability Insurance (SSDI) - a program designed for people who have worked and paid taxes into the Social Security system for years prior to becoming disabled.

Special Consideration - see subsidy

Student Earned Income Exclusion (SEIE)-

an income reduction to SSI allowed by individuals under age 22 who regularly attend school.

Subsidy - support that may result in your receiving more pay than the actual value of the services you perform

Substantial Gainful Activity (SGA) - the maximum income "All or Nothing" point SSA uses to decide if your eligibility for benefits continues after you return to work and complete your Trial Work Period (TWP).

Supplemental Security Income (SSI) - a United States government program that provides stipends to low-income people who are either aged (65 or older), blind, or disabled.

Ticket to Work Program - a program offered to individuals receiving disability benefits that provides free vocational rehabilitation, training, job referrals, and other employment support.

Trial Work Period (TWP)- a 9 month, non-consecutive period of time in which, if you are qualified for Social Security Disability, you may try to work without losing any of your Social Security Disability benefits.

Total Countable Income - the combined earned and unearned income that is used to determine the adjusted SSI rate amount.

Unearned Income - Any revenue that comes from investments and other sources unrelated to employment services. Some examples include SSDI and SSI payments, in-kind support, pensions, inheritance, dividends and interest.

Answer Key

Page 10

1. d
2. a
3. a
4. c

Page 17

	\$920	Gross Earnings
Step 1:	- 20	The first \$20 of any income received
Step 2:	- 65	The first \$65 of money from work income
	= 835	
Step 3:	- 418	50% of remaining not counted
	= 418	Net Countable Earned Income
	\$733	2015 SSI benefits base rate
Step 4:	- 418	Net Countable Earned Income
	= 315	Adjusted SSI Rate

New Monthly Income:	New SSI	\$315
	Earnings	+ \$920
		\$1,235

Answer Key

Page 19

\$325	SSDI unearned income
- 20	First \$20 of any income is not counted
= 305	Net countable unearned income
\$840	Gross wages
- 65	First \$65 of earned income is not counted
= 775	
- 388	50% of remaining not counted
= \$388	Net Countable Earned Income (rounded up)
\$305	Net countable unearned income
+ 388	Net Countable Earned Income
= 693	Total Countable Income
\$733	2015 SSI benefits base rate
- 693	Total Countable Earned Income
= 40	Adjusted SSI Rate (rounded up)
\$40	New Adjusted SSI Amount
+ 325	SSDI amount
+ 840	Gross Wages
= \$1,205	Total Monthly Income

Page 22

1. a
2. c
3. a
4. c

Page 28

1. c
2. b
3. b

The Trial Work Period gives an SSDI beneficiary nine months (within a rolling 60-month period) where months only count if earnings exceed \$810 that month, plus an additional 36-month Extended Period of Eligibility. Payments may be suspended during the Extended Period when monthly earnings exceed SGA after the three month grace period.

4. c

