

Basics on Social Security Benefits, Earning Wages and Work Incentives 2020

Individuals with disabilities can work, earn money, and *retain the Social Security benefits they need for long-term services and support*. Unfortunately, a person is often advised not to work or earn a regular wage for fear of losing their SSA benefits or accruing an overpayment. Trouble can happen when there is misinformation, lack of preparation and poor follow through. The fact is a person can work, earn competitive wage, and still keep their benefits. To achieve this the person with the disability, family and professionals providing services need to follow the basic ground rules, utilize the SSA **work incentives**, and get help when needed.

When a Social Security beneficiary goes to work they must submit monthly earnings reports. This report can include evidence of an approved work incentive. Ask for assistance to complete this required step from the local SSA office, a Work Incentive Planning and Assistance program (find help at <https://choosework.net/findhelp/>) or other knowledgeable source, such as a vocational rehabilitation counselor. Quality employment services must include support for the worker with a disability to *learn how wages will impact their benefits, identify the work incentives that may apply to their situation, and create an individual budget and reporting system to avoid problems*.

The tables below outline basic information about benefits and work incentives with [examples in blue](#).

Table I: Overview of SSDI and SSI

There are two categories of SSA for disability benefits: Title 2 & Title 16/Supplemental Security Income. These benefits usually include a monthly check and health insurance. When a person receives both Title 2 and SSI, he/she must meet ALL income and resource requirements for both benefits.

Title 2 – Social Security Disability Benefit	Title 16 – Supplemental Security Income
<p>Social Security Disability Benefit:</p> <ul style="list-style-type: none"> - Childhood Disability Benefit (CDB) - Social Security Disability Insurance (SSDI) - Disabled Widow(er) Benefit (DWB) 	<p>Supplemental Security Income (SSI): benefits for aged, blind and disabled children & adults who have <i>limited income and resources</i>. Children receive a redetermination at age 18.</p>
<p>Disability Payments:</p> <ul style="list-style-type: none"> - CDB, SSDI, and/or DWB require 5-month waiting period for the Title 2 check after eligibility is determined. - Monthly payment is based on what is <u>paid into the system</u>, through payroll tax, by the parent, the person with the disability, or deceased spouse. 	<p>Payment:</p> <ul style="list-style-type: none"> - Supplemental Security Income – SSI check starts when person is found eligible. - 2020* Monthly Payment: \$783/person or \$1175/married couple - SSI is funded through <u>general tax revenues</u>.
<p>Health Insurance: Medicare requires a 24-month qualifying period, after the Title 2 five-month waiting period.</p>	<p>Health Insurance: Medicaid starts when the person is found SSI eligible.</p>
<p>No deeming test for eligibility</p>	<p>Deeming test on financial status</p>
<p>No resource limit</p>	<p>\$2000 resource limit / \$3000 couple</p>

* SSA payments and threshold amounts are established annually. Check <https://www.SSA.gov> for the most up to date information.

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Table II: Automatic Work Incentives by Title

Before reducing the SSA cash payments or impacting the health benefit, automatic work incentives provide time for trial and error, episodic employment or other limitations. In general, SSA has a lag period of about 90-days to work calculations. Here are the standard rules that always apply:

Title 2 – Automatic Work Incentives	SSI/Medicaid – Automatic Work Incentives
<p><i>*Trial Work Period (TWP) – 9 months within a 60-month period when gross wages > \$910/mo. (\$910/month is about 29hrs/wk at \$7.25 per hr). Then move in to the Extended Period of Eligibility.</i></p>	<p><i>Exclusions gradually reduce the SSI payment based on wages & other income: \$20 unearned income (i.e. SSDI payment) \$65 from earned income (i.e. wages) THEN – SSI check reduced \$1 for every \$2 earned</i></p>
<p><i>Extended Period of Eligibility – 36-month period *Substantial Gainful Activity (SGA) = \$1,260/mo. (\$1,260 is about 40 hrs/wk at \$7.27 per hr)</i></p> <p><i>Countable Wages = gross wages minus work incentives (described below) Countable Wages < SGA, YES SSA check that mo. Countable Wages > SGA, NO SSA check that mo.</i></p>	<p><i>Break-even Point - 1619(a): SSA calculates your countable income and the cash benefit goes down to \$0. (Individual earns wages of \$1,712/month working about 40 hrs/wk at \$9.88 per hour -or - \$20,544/year. He/she does not use a work incentive as listed below. The break-even point is reached, resulting in a cash benefit of \$0.)</i></p>
<p><i>Cessation/Grace Period – determined by SSA after the TWP the first month wages goes over the SGA level and that level of earnings is maintained for a period of time. This determination may happen during the EPE or years later.</i></p>	<p><i>Medicaid Health Insurance - 1619 (b): Medicaid health insurance continues at no cost, even if earnings become too high for the monthly SSI payment, up to the State Threshold. *State of Texas 2019 Threshold = \$35,685 (Consumer receives \$0 cash benefit, and is still eligible for Medicaid.)</i></p>

Table III: Work Incentives That Reduce Countable Wages

There are both similar and unique work incentives which may assist the beneficiary to retain their Title 2 or SSI benefit by reducing the countable wages (as defined in Table II). Both benefits provide for Expedited Reinstatement (EXR) which allows benefits to restart without a new application *and* temporary benefits for 6-months while in redetermination. Find the details and complete list of work incentives on-line at <https://www.SSA.gov> and talk to a VR Counselor or a Work Incentive Planning and Assistance benefits advisor.

Title 2 – Work Incentives	SSI/Medicaid – Work Incentives
Impairment-Related Work Expenses (IRWE)	Impairment Related Work Expense (IRWE)
Special-conditions / Employer Subsidies	Student Earned income Exclusion
Plan for Achieving Self Support - circumstances apply	Plan for Achieving Self Support (PASS)
Medicare Continuation	Blind Work Expenses

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