



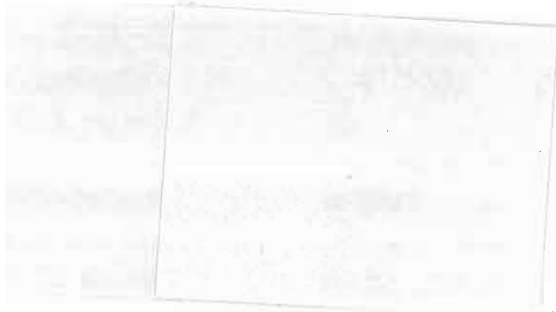
A Specialized Human Resource Organization

Meeting the employment needs of people with disabilities and the business community

Promoting Employment Among Transition Aged Youth Receiving SSA Benefits

Regional Contacts

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Introduction

Many youth and adults with disabilities qualify for benefits and related health insurance through the Social Security Administration (SSA). For many, these programs are confusing and misinformation may undermine the career goals of beneficiaries. SSA administers two cash benefit programs for people with disabilities: Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI). These programs are very different in purpose and scope and employment affects these programs differently!

Social Security Disability Insurance

Social Security Disability Insurance (SSDI) is the nation's primary long-term disability insurance program. Generally a young with

a disability might be eligible for a share of a retired, deceased or disabled parent's Social Security, under "Childhood Disability Benefits" (CDB). There are specific work incentives applicable to SSDI, as well as work incentives that are common to both SSI and SSDI.

If a young SSI beneficiary (<24) had continuous work activity, the individual needs only 6 credits to qualify for SSDI. In 2009, someone must earn \$1,090 in covered earnings to get 1 Social Security or Medicare work credit and \$4,360 to get the maximum 4 credits for the year. Once the SSI beneficiary becomes eligible for SSDI, this "new income" is treated as unearned when determining the monthly SSI cash benefit.

Supplemental Security Income

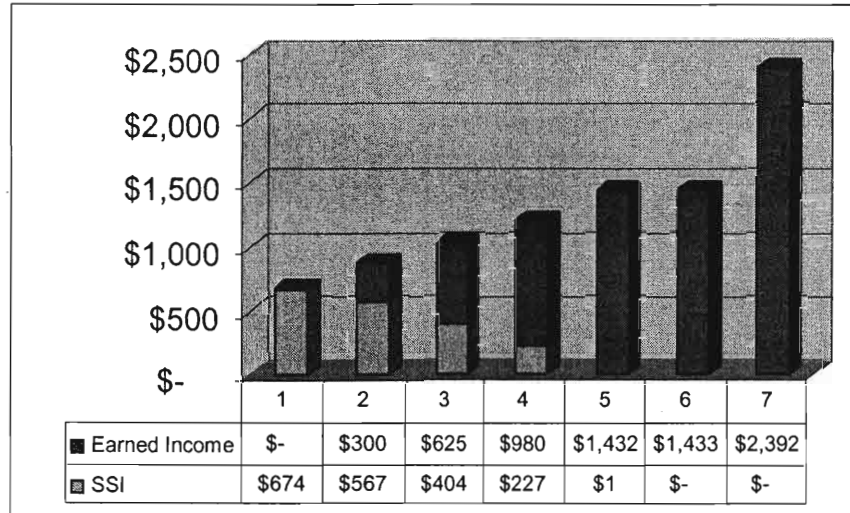
Supplemental Security Income (SSI) is payable to adults or children who are "disabled or blind, have limited income and resources, meet the living arrangement requirements." The monthly SSI amount includes a federal benefit rate (\$674 CY 09) plus a PA state supplement (\$27.40). The design of the SSI program is such that a beneficiary is obligated each month to report changes in earned and unearned income, so that the SSI amount is properly adjusted.

As a general observation, SSI is a work friendly program. Assuming on-going eligibility, the SSI beneficiary who works may have a reduced SSI payment but will have significantly greater monthly income. For CY 09, an SSI beneficiary who receives the standard SSI, excluding state supplement, with no unearned income or specific work

incentives would need a monthly employment income of least \$1,433 in order to have the SSI reduced to \$0. Furthermore, the PA beneficiary would need to earn an

annual salary of \$28,699 (2009 PA Medicaid Threshold) in order to have earnings that result in termination

The chart to the right reflects the change in monthly income for an SSI beneficiary who is working. This includes the change in the SSI federal benefit rate plus earned income of the individual, including standard exclusions.



There are a variety of work incentives specific to persons receiving SSI. The Student Earned Income Exclusion is specifically for in-school youth under 22. For CY 09, a student can have up to \$1,640/mo. and \$6,600/yr. of earnings excluded from reportable earnings. Individuals can also apply for a savings plan under a Plan for Achieving Self Support in order to pay for training, items and employment related activities.

Representative Payee

Social Security's Representative Program provides financial management of payments for beneficiaries who are incapable of managing their SSA payments. Having power of attorney or a joint bank account with the beneficiary is *not* the same thing as being a representative payee. Payees are expected to report all relevant changes to SSA including changes in income, living arrangement, and other eligibility requirements.

Redetermination at Age 18

When a child (<18) receives SSI, SSA will conduct a "re-determination" to see if the individual can continue to qualify under adult standards. If someone is working, this will not be a reason for benefits to be terminated. If a young adult is terminated because SSA believes the impairment no longer qualifies, this individual can maintain eligibility through completion of an approved educational (e.g. IEP) or vocational program (e.g. OVR).

Work Incentives Planning Assistance

The Work Incentives Planning Assistance Program (WIPA) is available in each community through cooperative agreements with SSA. The WIPA provides individualized information about the impact of work on the SSA cash and related benefits of the beneficiary. Individuals who receive SSI and/or SSDI may be eligible for WIPA services **beginning at age 14.**

Medical Assistance for Workers with Disabilities

In PA, SSI recipients are automatically eligible for Medicaid. There are additional ways in which persons can become eligible for Medicaid. The Department of Public Welfare (DPW) offers Medical Assistance for Workers with Disabilities (MAWD) to persons 16 and older. Individuals must have a severe disability (i.e. comparable to eligibility for SSA benefits) and must be working. Under MAWD, DPW has increased the Medicaid asset limitation from \$2,000 to \$10,000.

Feature Story

Steven Stevick is a 20 year old senior at Sunrise Schools in Pittsburgh. Despite having a disability, he has worked regularly since he was sixteen. His schedule begins at 6 AM when he takes the bus to attend food service classes at Community College of Allegheny County. Afterwards, Steven goes to his regular high school classes at Sunrise Schools/Allegheny IU #3. After school, he works at the restaurant where he has been employed for the last 2 years.



Steven Stevick (center) with Michelle Heath, AHEDD Work Incentive Coordinator and Dan Morgan, Sunrise School. Transition Specialist, Career Development Program

Due to Steven's disability, he qualifies for Supplemental Security Income (SSI) through the Social Security Administration (SSA). SSI is an income support program for youth and adults with disabilities who have low income and savings. Dan Morgan, Sunrise Schools, learned about AHEDD's local Work Incentives Planning Assistance Program (WIPA) and referred Steven to the service. Work Incentives Planning Assistance is a community program sponsored by the SSA. The WIPA staff specializes in helping SSA beneficiaries understand the financial aspects of working while receiving their benefits. Through a grant from the FISA Foundation in Pittsburgh, AHEDD has been able to provide a special focus on young adults attending school in Allegheny and surrounding counties.

Michelle Heath, AHEDD's Work Incentive Coordinator, reviewed Steven's case and discovered that he was eligible for a work incentive for students that he was not claiming. She provided him with instruction on how to qualify for this incentive and helped him follow-up with the SSA. Within a few weeks, Steven was shocked to learn that he was going to receive a refund of over \$3,000 since his eligibility for the incentive spanned an entire year. In addition, Steven will continue to receive a full SSI benefit plus his paycheck while he attends school. When Steven received his refund, he was able to catch up on his bills, and plans on using the remaining money to purchase items for his new apartment.

In Pennsylvania, there are over 500,000 working aged adults and 50,000 youth receiving SSA benefits. As demonstrated by Steven Stevick, many of these individuals can work, develop a career and become independent.

Transition Work Incentives Q&A

Why does it matter if a student receives SSA benefits?

Eligibility for SSA benefits represents a platform that profoundly impacts career planning.

If the student is receiving SSI benefits prior to age 18 does the individual continue to receive benefits?

SSA is required to re-determine eligibility for a child who turns 18. If someone is working, this will not be the reason for eligibility to stop. If someone is determined no longer eligible, the benefits can continue until they complete a current educational (IEP) or vocational (OVR) plan.

Why does a student need to report earnings to SSA?

The program requires all individuals to report monthly changes in income. There are no exceptions. The best method of reporting earnings is by mailing paystubs with a standard cover letter to the local SSA office.

How is the SSI benefit impacted by working?

The SSI program is much more generous towards someone who is earning income vs. someone who is receiving additional unearned income. Following disregards, SSI would generally be reduced \$.50 for every \$1 of earnings. For students who are developing money management skills, tracking SSI payments and pay roll is a great activity

How does a student qualify for a Student Earned Income Exclusion (SEIE) and what does this matter?

The SEIE allows a student who receives SSI and is working the opportunity to receive their maximum SSI cash benefit which they are eligible by being able to exclude significant reportable earned income. Someone needs to inform SSA in writing that the student is requesting the SEIE.

How does a student qualify for a Plan for Achieving Self Support (PASS) and what does this matter?

The PASS allows the SSI beneficiary to set aside funds for a current or future employment goal. In addition to the employment goal, the person needs to qualify for SSI and have 1 other source of income, including earnings, unearned income, deemed income, in-kind support or resources to set aside in the PASS. A PASS

What happens if a SSI student who is working starts to save money?

The traditional approach has been to simply discourage individuals from saving more than \$2,000 in order to maintain eligibility for SSI and Medicaid and/or establish a special needs trust. As an excellent alternative, a working beneficiary could voluntarily leave the SSI program and acquire Medicaid with a savings limit of \$10,000 through MAWD. An individual could also channel excess resources into a PASS.

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