

## **ADDITIONAL WORK INCENTIVES AVAILABLE TO PEOPLE WITH DISABILITIES ON SSI**

### **Additional Work Incentives for SSI Beneficiaries**

SSI recipients may be able to take advantage of one or more of the following incentives:

#### **EARNING RELATED INCENTIVES**

- Student Earned Income Exclusion
- Earned Income Exclusion
- Blind Work Expenses
- Plan for Achieving Self-Support
- Property Essential to Self-Support
- Special SSI Payments for People Who Work

#### **HEALTH COVERAGE INCENTIVES**

- Continued Medicaid eligibility under Section 1619 (a)
- Continued Medicaid eligibility under Section 1619 (b)
- Special benefits for people eligible under Section 1619 (a) or (b) who enter a medical treatment facility
- Medicaid Buy-In Opportunities

#### **REINSTATEMENT OF SSI CASH BENEFITS**

- Reinstating Eligibility Without a New Application

## **Earnings-Related Incentives**

### **What are earned income exclusions for persons on SSI?**

In general, an earned income exclusion allows an individual who qualifies for SSI to earn a certain amount of income and have it “excluded” from being counted against or diminish their cash benefit. There are two types of exclusions that can apply to those on SSI—one that applies to students and the other that applies to all others on the program.

### **What is the student earned income exclusion?**

It allows a student, under age 22, not married nor head-of-household and regularly attending school to exclude up to \$1,410 monthly and the \$5,670 in gross earnings in 2005. These limits are adjusted annually based on any increases in the cost-of-living index. Someone is considered to be a student for this purpose if he or she is:

- In grades 7–12, for at least 12 hours a week; or
- In a college or university, for at least 8 hours a week; or
- In a training course to prepare for employment, for at least 12 hours a week (15 hours a week if the course involves shop practice); or
- In school for less time than indicated above for reasons beyond the student's control, such as illness.

A person who is homebound because of a disability may be a student when he or she studies a course or courses given by a school (grades 7–12), college, university, or government agency; and has a home visitor or tutor from school who directs the study or training.

Students with disabilities on SSI who want to earn more than \$5,670 a year can do so but will have the general earned income exclusion applied to them as described below.

### **What is the earned income exclusion that applies to all others on SSI?**

If your only income besides SSI is the money you make from your job, then SSA does not count the first \$85 of your monthly earnings. After this, SSA deducts from your SSI payments 50 cents of every dollar you earn after the \$85 deduction. So, for example, if the SSI benefit is \$500 a month in your State you can earn up to \$1085 per month before the cash benefits are totally suspended. You may be able to earn even more before the exclusion completely kicks in if you incur impairment-related work expenses or if you can establish a Plan for Achieving Self Sufficiency (PASS plan) with SSA's approval.

Moreover, your payments will automatically start again for any month your income drops to less than the SSI limits. You just need to tell SSA if your earnings are reduced, or if you stop working.

### **What are blind working expenses?**

These are expenses paid by a blind person on SSI out of their earned income for goods or services the individual uses to stay employed. SSA does not count when it determines SSI eligibility and payment amount. The expenses do not need to be related only to blindness. Such costs can include those paid for by earned income to pay for anything job related such as income taxes, meals consumed during work hours, transportation costs or guide dog expenses.

### **What is a Plan for Achieving Self-Support (PASS plan)?**

A PASS plan is a written document approved by SSA that enables a person with a disability or blindness to set aside income or resources to reach a work goal. For example, a person could set aside money for an educational or training program or to start a business. Any person who is blind or disabled and has income or resources that cause either SSI ineligibility or a reduced SSI benefit may request a plan.

This includes a person on SSDI who may need to obtain Medicaid in order to return to work.

### **How does a PASS plan affect my SSI benefit?**

Money that you save under an approved plan will not count against your resource limit of \$2,000 for an individual or \$3,000 for a couple. SSA does not count income that is set aside under an approved plan when it decides how much SSI a person receives. This means that a person who sets aside income under a plan may receive a higher SSI benefit than if he or she did not have a plan.

It also means that a person who would not otherwise be eligible for SSI benefits can set aside income and resources under an approved plan to become eligible for SSI benefits. Again, this could include a person on SSDI who may need to obtain Medicaid in order to return to work.

### **How can someone set up a PASS plan?**

People with disabilities who want to work should consider developing a PASS plan. If someone needs help doing so they may want to get assistance from a vocational counselor or a relative. SSA can also help you with a plan or refer you to someone who can help you write a plan. You can get a copy of the PASS application Form SSA-545-BK from your local Social Security office or online at [www.socialsecurity.gov/online/ssa-545](http://www.socialsecurity.gov/online/ssa-545).

SSA also has contracts with different organizations to assist beneficiaries with disabilities who want to work. For more information, go to the SSA work site at: [www.socialsecurity.gov/work/ServiceProviders/providers.html](http://www.socialsecurity.gov/work/ServiceProviders/providers.html).

### **What is property essential to self-support?**

It is anything you own and that you make use of to earn income. SSA does not count resources that you need to be self-supporting when it decides if you are eligible for SSI. This includes property such as tools or equipment that you use for work. Or, if you have a trade or business, property such as inventory.

### **How does someone qualify for continued Medicaid eligibility under Section 1619 (b)?**

Section 1619 (b) is the provision in the Social Security Act that enables those on SSI to retain Medicaid and earn up to a certain income level as set by their state. In most states, for your Medicaid to continue, you must:

- Need it in order to work;
- Be unable to afford similar medical coverage without SSI;
- Continue to have a disabling condition; and
- Meet all other SSI eligibility requirements.

If you qualify for Medicaid under these rules, SSA will review your case from time to time to see if you are still disabled or blind and still earn less than your state's allowable level. In general, the amount someone can earn and retain Medicaid using Section 1619(b) ranges from \$18,000 in some states to the mid to high 30,000's in other states. To learn what the earnings threshold is in your state, contact your local SSA office. Five states (California, Iowa, Massachusetts, Nevada and Oregon) have set different thresholds for blind persons and individuals with other disabilities.

**If someone exceeds the Section 1619(b) earnings threshold must they automatically lose their Medicaid eligibility?**

No. Anyone who is taking advantage of Section 1619(b) to retain Medicaid to continue to work should immediately contact their local SSA office if this becomes a problem. This is because if a SSI beneficiary has gross earnings higher than the threshold amount for his/her State, SSA can figure an individual threshold amount if that person has:

- Impairment-related work expenses; or
- Blind work expenses; or
- A plan for achieving self-support; or
- Personal attendant whose fees are publicly funded; or
- Medical expenses above the average State amount.

Finally, it should be noted that a person using Section 1619 (b) can receive a SSI cash benefit for up to 2 months while in a Medicaid facility or a public medical or psychiatric facility.