

WORK-RELATED INCENTIVES FOR PERSONS ON EITHER SSDI OR SSI

Work Incentives for Persons Receiving SSDI or SSI Payments

Individuals with disabilities can use one or more of the following work incentives to work on a part-time or full-time basis if they are receiving SSDI or SSI payments.

TRAINING AND REHABILITATION INCENTIVES

- Continued Payments Under a Vocational Rehabilitation Program
- The Ticket to Work Program

EARNINGS-RELATED INCENTIVES

- Retaining Earned Income Up to a Certain Dollar Amount, also known as “earning up to the substantial gainful activity limit”
- Impairment Related Work Expenses
- Subsidies and Special Conditions
- Unincurred Business Expenses
- Unsuccessful Work Attempts
- Establishing a Plan for Achieving Self Sufficiency (PASS plan)

HEALTH COVERAGE INCENTIVES

- Obtaining or Retaining Medicaid Coverage While Working

Training and Rehabilitation Incentives

What are continued payments under a vocational rehabilitation program?

If you medically recover and no longer meet SSA’s definition of disability, your monthly SSDI and/or SSI payments can continue if you are actively participating in an approved vocational rehabilitation (VR) program. To accept you, such a program must have the expectation that you will become self-supporting.

Your monthly SSDI and/or SSI Payments can continue until you complete the program. Examples of “approved VR programs” include those provided by your State Rehabilitation Agency and Ticket to Work programs.

What is the Ticket to Work?

It is a “ticket” or voucher that someone on SSDI or SSI may request and use to obtain vocational rehabilitation, employment or other support services from an approved provider of their choice to help them go to work and achieve their employment goals.

You can get more information on the Ticket to Work program by calling Maximus, Inc., the ticket program manager, at **1-866-968-7842 toll-free** (TTY **1-866-833-2967**). Or you can call the toll-free number, **1-800-772-1213** (TTY number **1-800-325-0778**) and ask for the publication, *Your Ticket To Work* (Publication No. 05-10061).

Earnings-Related Incentives

What is meant by the substantial gainful activity (SGA) limit?

The substantial gainful activity (SGA) requirements apply to those on SSDI and/or SSI. Simply put, this means that to receive SSDI the individual is only able to work—and, therefore, earn—a limited amount each month.

In 2005, most Social Security Disability beneficiaries can earn \$830 per month and remain eligible for benefits. By law, blind persons can earn a somewhat higher SGA amount than those with other disabilities. In 2005, the amount is \$1,380/month for persons who are blind.

In this way, therefore, the SGA limit itself can be seen both as a “work incentive” in itself—to work at least up to a certain income threshold—and as a disincentive to work in ways that exceed the SGA limits. It also means that in order to earn income that exceeds the SGA limit, a person on SSDI or SSI may need to take advantage of one or more of the additional incentives that are discussed below.

What are impairment-related work expenses (IRWEs)?

These are the cost of certain impairment-related work expenses (IRWEs) that someone incurs in order to work. Examples of impairment-related work expenses are things such as wheelchairs, personal assistance you pay for, certain transportation costs and specialized work-related equipment. SSA deducts these from your earnings if it decides you are performing substantial work. Thus, if you're a person who has a disability with monthly earnings of \$1,300 and monthly personal assistance costs of \$500, SSA regards the \$500 as an

impairment-related work expense and deducts it making your monthly earnings \$800 and your earnings are below SGA.

Special application to SSI: SSA also excludes IRWEs from your earned income when it figures your monthly SSI payment amount.

What are “subsidies and special conditions”?

These refer to support you receive on the job that could result in your receiving more pay than the actual value of the services you performed. These can include:

- You receive more supervision than other workers doing the same or a similar job for the same pay.
- You have fewer or simpler tasks to complete than other workers who are doing the same job for the same pay.
- You have a job coach or mentor who helps you perform some of your work

As with IRWEs, SSA deducts the value of such subsidies and special conditions from your earnings when it decides whether you are working at the SGA level.

Special application to SSI: Unlike with IRWEs, however, SSA does not deduct subsidies or special conditions when it figures your SSI payment amount.

What are unincurred business expenses?

These are self-employment business support that someone provides to you at no cost. In deciding whether you are working at the SGA level, SSA deducts such expenses from your net earnings from self-employment. Examples of unincurred business expenses are (1) a vocational rehabilitation agency gives you a computer that is used in a graphic arts business; and (2) a friend works for your business as unpaid help. One way to identify an unincurred business expense is that the Internal Revenue Service (IRS) does not allow you to deduct the cost for income tax purposes because someone gave you the item or services.

Special application to SSI: SSA does not deduct such unincurred business expenses when it figures your SSI payment amount.

What are unsuccessful work attempts?

An unsuccessful work attempt is an effort by a person with a disability to do substantial work that either stopped or produced earnings below the SGA level after 6 months or less because of:

- The individual's disabling condition, or
- Elimination of the special services or assistance that the individual needed in order to work.

Special application to SSI: SSA does not consider such attempts as a factor in determining your SSI payment.

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

A plan for achieving self support is a document that allows you to use your income or things you own to reach a work goal and still maintain your eligibility for SSI and/or Medicaid.

PASS plans are typically used by SSI beneficiaries, but there are some ways that SSDI beneficiaries can use one both to set aside funds to achieve an employment goal and become eligible for Medicaid as well. For more information on how to create and make a PASS plan work for you see pages 14–15.

SSA has teams that can answer questions on such plans called PASS Cadres. For the location nearest you, go to:

<http://www.ssa.gov/work/ResourcesToolkit/cadre.html>. Or, you can call SSA at call 1-800-772-1213 from anywhere in the U.S.

Health Coverage Incentives

How can people with disabilities obtain or retain Medicaid coverage while working?

Depending on what state you live in, Medicaid can offer people with disabilities access to the wide range of health care, equipment and supportive services they need to live and work in their communities. There are a variety of ways that people with disabilities can retain or obtain Medicaid coverage when they are employed by meeting certain requirements. It is important to point out this applies to employed individuals with disabilities who fall into one of the following categories:

- Certain persons with disabilities who are eligible for Medicaid only or are dually eligible for Medicare and Medicaid
- Certain persons with disabilities who are eligible for Medicare only; and,
- Certain other employed individuals with disabilities who can “buy into” Medicaid in their state even when their earnings and assets would otherwise make you ineligible.

About 2 million working age people with disabilities receive both SSDI and SSI and are dually eligible for Medicare and Medicaid as well. If you are one of these individuals, you may be able to use a combination of one or more of the SSDI and SSI work incentives that will be described in the following sections. The best way to know if you are dually eligible for Medicare and Medicaid is to look at your Medicaid card. If you have both Medicare and Medicaid, the state will make some notation on your Medicaid card so that providers for services can bill appropriately. If you receive both SSDI and SSI, then you are eligible for both Medicare and Medicaid.