



2008 RED BOOK

**A SUMMARY GUIDE TO EMPLOYMENT SUPPORTS
FOR INDIVIDUALS WITH DISABILITIES UNDER THE
SOCIAL SECURITY DISABILITY INSURANCE AND
SUPPLEMENTAL SECURITY INCOME PROGRAMS**

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INTRODUCING THE RED BOOK 2008

Purpose of the Red Book One of the Social Security Administration's (SSA) highest priorities is to support the efforts of disabled beneficiaries who want to work by developing policies and services to help them reach their employment goal. To that end, the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs include a number of employment support provisions commonly referred to as work incentives.

The Red Book is a general reference tool designed to provide a working knowledge of these provisions. The Red Book is written primarily for educators, advocates, rehabilitation professionals, and counselors who serve individuals with disabilities. We also expect that applicants and beneficiaries will use it as a self-help guide.

The Red Book contains a general description of our disability-related policies. For information specific to your situation regarding eligibility or benefits, you may need to contact us. You can find contact information on page 8.

The Red Book, including the Spanish language version, is available online at <http://www.socialsecurity.gov/redbook>.

Purpose of Employment Supports Congress intended the employment support provisions to provide you with the assistance you need to move further on the way from benefit dependency to independence. In other words, employment supports help you to enter, re-enter, or stay in the workforce by protecting your eligibility for cash payments and/or health care until you achieve this goal.

Disclaimer Different rules apply to benefits based on retirement or age. We cover those rules in our other publications. Most SSA publications and other public information materials are available at our Internet site, *Social Security Online*, located at <http://www.socialsecurity.gov>.

"Plain Language" We tried to keep the Red Book clear and brief. To that end, we followed "Plain Language" guidelines. We generally use "we," "us," and "our" to refer collectively to the Social Security Administration (SSA), the Social Security Act, our regulations, and operating instructions. We use "you" and "your" to refer to the person who is claiming benefits based on disability.

Previous Editions This 2008 edition replaces all previous editions.

WHAT'S NEW IN 2008?

Automatic Adjustments Effective January 1, 2008

Substantial Gainful Activity (SGA)

For individuals with disabilities other than blindness, we increased the earnings that indicate SGA from \$900 to **\$940 per month in 2008**.

For individuals who are blind, we increased the earnings that indicate SGA from \$1,500 to **\$1,570 per month in 2008**. Details on SGA are on page 18.

Trial Work Period (TWP) Months

We increased the amount of earnings that we use to determine if a month counts as a TWP month from \$640 to **\$670 per month in 2008**. Details on the TWP are on page 25.

Federal Benefit Rate

For 2008, we increased the SSI Federal Benefit Rates (FBR) from \$623 to **\$637 per month for an eligible individual** and from \$934 to **\$956 per month for an eligible couple**.

Student Earned-Income Exclusion

For 2008, the amount of earnings that will have no effect on eligibility or benefits for SSI beneficiaries who are students has increased from \$6,100 a year to **\$6,240 a year**. The amount of earnings that we can exclude each month, until we have excluded the maximum for the year, has increased from \$1,510 to **\$1,550 a month**. Details on the Student Earned-Income Exclusion are on page 34.

Medicare Part A Hospital Insurance

For 2008, the monthly Medicare Part A Hospital Insurance base premium is **\$423**, and the 45% reduced premium is **\$233**.

Medicare Part B Supplemental Medical Insurance

For 2008, the Part B Supplemental Medical Insurance monthly base premium is **\$96.40**. Details on Medicare for Individuals with Disabilities Who Work are on page 43.

Medicaid While Working

For 2008, we increased the Medicaid While Working State Threshold Amounts for disabled individuals. We use yearly State threshold amounts to decide if earnings are high enough to replace SSI and Medicaid benefits. The 2008 amounts for each State are listed on page 41.

Demonstration Projects Update

SSA conducts numerous research and demonstration projects to study ways to improve services to our current and future beneficiaries. These projects can lead to ways to better serve individuals with disabilities, as well as potentially changing program rules to allow for better coordination among other federal and state programs.

Accelerated Benefits

The Accelerated Benefits demonstration project will provide immediate health benefits and employment supports when appropriate to certain newly entitled SSDI beneficiaries. Under current law, most SSDI beneficiaries must wait 24 months after cash benefits begin before they become eligible for Medicare. Thus, many have no health insurance and limited access to medical care during a period of time when access to those resources might help improve their medical condition. By accelerating benefits and receiving treatment earlier, beneficiaries may improve their ability to remain at work or the probability of returning to work. The project is in the implementation stage and Phase I will be conducted in New York, Phoenix, Minneapolis and Houston.

National Benefit Offset

The National Benefit Offset demonstration project (also known as the \$1 for \$2 Benefit Offset) will test the effects of allowing SSDI beneficiaries to work without total loss of benefits. Participants in this project will have their monthly benefits reduced one dollar for every two dollars of earnings above a specified level. In August 2005, SSA initiated a pilot in Connecticut, Utah, Wisconsin and Vermont. Information gained from the four-state project will help guide the national demonstration project. Participant enrollment is scheduled to begin in 2009.

Mental Health Treatment Study

The Mental Health Treatment Study will test the impact of increasing access to medical treatment and employment for SSDI beneficiaries with a primary diagnosis of schizophrenia or affective disorder. The primary outcomes for the study focus on medical recovery, and ultimately, a return to employment. The project will provide outpatient treatment and/or employment services. Enrollment of participants started in October 2006 and a final report is anticipated in the winter of 2010.

Youth Transition Demonstration

The Youth Transition demonstration project was designed to further the President's New Freedom Initiative goal of increasing employment of individuals with disabilities. Currently ten projects have been funded by SSA: one each in California, Colorado, Florida, Maryland, Mississippi, Vermont, Washington, West Virginia and two in New York. The project has developed service delivery systems and partnerships with Federal, State, and local entities to assist youth with disabilities to successfully transition from school, which may include post-secondary education, to employment and

economic self-sufficiency. The projects focus on youth ages 14-25 who receive SSI, SSDI or childhood disability benefits, or who are at heightened risk of becoming eligible for such benefits.

Current Events

To keep up with the latest developments and get information about local contacts, visit our Internet web site, <http://www.socialsecurity.gov/disabilityresearch>. This site provides information on major activities such as our demonstration projects as well as work incentive policies and other relevant resources. You can also sign up to get e-mail notices when updates are posted.

HOW TO REACH SOCIAL SECURITY

Internet Access

Our Internet site, *Social Security Online*, is located at <http://www.socialsecurity.gov>. Most SSA publications and other public information materials are available at this site.

Links that may be of interest to the community serving individuals with disabilities:

<http://www.socialsecurity.gov/disability> -- This site provides comprehensive information on our disability benefits programs.

<http://www.socialsecurity.gov/work> -- This site provides information on our Ticket to Work program. It also lists the Work Incentive Planning and Assistance and Protection and Advocacy groups. (See page 13)

By Telephone

Call our toll-free number, 1-800-772-1213, between 7 a.m. and 7 p.m., Monday through Friday. If you have a touch-tone telephone, recorded information and services are available 24 hours a day, including weekends and holidays.

If you are hearing impaired, call our toll-free TTY/TDD number 1-800-325-0778 between 7 a.m. and 7 p.m., Monday through Friday.

Find Your Local Office

If you have a problem or question, you should first try our toll-free telephone number. Our telephone representatives will either help you or put you in contact with your local office, if needed. Many local telephone directories list local offices under "Social Security."

If you have Internet access, you can find your local office by going to the Social Security Office Locator on our website, *Social Security Online*, at <http://www.socialsecurity.gov/locator>. Enter your postal ZIP code to get the address, telephone number, and directions to your local office.

By Mail

If you have been unable to resolve a problem after calling our toll-free telephone number or after contacting your local office, you may write to the Office of Public Inquiries:

Social Security Administration
Office of Public Inquiries
6401 Security Blvd.
Baltimore, MD 21235-6401

Request copies of the Red Book or other SSA Publications

If you want copies of our public information materials (including the Red Book), you may fax 410-965-2037, or mail your request to:

Office of Supply & Warehouse Management
Social Security Administration
239 Supply Building
6301 Security Boulevard.
Baltimore, MD 21235-6301

Shipments will not be made to Post Office Boxes.

**Send Comments or
Suggestions about
the Red Book**

Mail your comments to:

Social Security Administration
Office of Program Development and Research
Attention: Red Book Editor
P.O. Box 17778
Baltimore, MD 21235-7778

or Fax your comments to: 410-597-0961, Attention: Red Book Editor

or Email: red.book.editor@ssa.gov

Addresses of SSA Regional Offices

Boston (Region I)

SSA Regional Office
Attn: Center for Disability
John F. Kennedy Federal Office Building
Room 1900
Boston, Massachusetts 02203

New York (Region II)

SSA Regional Office
Attn: Center for Disability
Jacob Javits Federal Office Building
26 Federal Plaza, Room 40-140
New York, New York 10278-0035

Philadelphia (Region III)

SSA Regional Office
Attn: Center for Disability
P.O. Box 8788
Philadelphia, PA 19101
Physical Location:
300 Spring Garden Street, 7th Floor
Philadelphia, Pennsylvania 19123

Atlanta (Region IV)

SSA Regional Office
Attn: Center for Disability
61 Forsyth St., SW
Suite 23T29
Atlanta, Georgia 30303-8907

Chicago (Region V)

SSA Regional Office
Attn: Center for Disability
P.O. Box 8280
Chicago, Illinois 60680-8280
Physical Location:
600 West Madison, 10th Floor
Chicago, Illinois 60661

Dallas (Region VI)

SSA Regional Office
Attn: Center for Disability
1301 Young St.
Suite 670
Dallas, Texas 75202-5433

Kansas City (Region VII)

SSA Regional Office
Attn: Center for Disability
Room 448, Federal Office Building
601 East 12th Street
Kansas City, Missouri 64106

Denver (Region VIII)

SSA Regional Office
Attn: Center for Disability
Federal Office Building
1961 Stout Street
Room 834
Denver, Colorado 80294-3538

San Francisco (Region IX)

SSA Regional Office
Attn: Center for Disability
P.O. Box 4207
Richmond, California 94804
Physical Location:
Sixth Floor
Frank Hagel Federal Bldg.
1221 Nevin Ave.
Richmond, California 94801

Seattle (Region X)

Attn: Center for Disability
M/S 351A
701 Fifth Avenue - Suite 2900
Seattle, Washington 98104-7075

RESOURCES FOR EMPLOYMENT SUPPORTS

You may obtain information about SSA's employment support provisions at any of our SSA field offices around the country. You also can call us toll free at 1-800-772-1213, from 7 a.m. to 7 p.m., Monday through Friday.

Area Work Incentives Coordinator (AWIC)

AWICs are experienced employment-support experts who:

- Coordinate and/or conduct public outreach on work incentives in their local areas;
- Provide and/or coordinate and oversee training on SSA's employment support programs for all personnel at local Social Security offices;
- Handle sensitive or high profile disability work-issue cases, if necessary; and
- Monitor the disability work-issue workloads in their respective areas.

Information on how to contact your local AWIC is available at the following Internet sites:

Atlanta Region (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

<http://www.ssa.gov/atlanta/southeast/awic/index.htm>

Boston Region (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)

<http://www.ssa.gov/boston/Awic.htm>

Chicago Region (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

<http://www.ssa.gov/chicago/awic.htm>

Dallas Region (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

<http://www.ssa.gov/dallas/dalawic.htm>

Denver Region (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

<http://www.ssa.gov/denver/work.htm>

Kansas City Region (Iowa, Kansas, Nebraska, Missouri)

http://www.ssa.gov/kc/work_incentives.htm

New York Region (New Jersey, New York, Puerto Rico, Virgin Islands)

<http://www.ssa.gov/ny/win-coordinators.htm>

Philadelphia Region (Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia)

<http://www.ssa.gov/phila/awics.htm>

San Francisco Region (Arizona, California, Hawaii, Nevada, American Samoa, Guam, Saipan)

<http://www.ssa.gov/sf/awic.htm>

Seattle Region (Alaska, Idaho, Oregon, Washington)

<http://www.ssa.gov/seattle/awic.htm>

Plan to Achieve Self-Support (PASS) Cadre

SSA has specially trained employees that work with the PASS program. PASS is an SSI work incentive that allows a person with a disability to set aside otherwise countable income and/or resources for a specific period of time in order to achieve a work goal. Individuals who receive SSDI benefits and can qualify for SSI may also have a PASS. When a written proposal is submitted to a PASS Specialist, they will review it to

- Make sure the work goal is reasonable;
- Make sure that items and services listed on the PASS application are needed to reach the work goal;
- Make sure the expenses are reasonably priced; and
- Work with the applicant to make needed changes.

More information about PASS is provided on page 35. The following Internet site provides a map that you can use to locate the PASS Cadre for your area.

<http://www.socialsecurity.gov/disabilityresearch/wi/passcadre.htm>

Benefits Planning Query (BPQY)

Analysis of an individual's disability and work status is the first step in planning a successful return to work initiative. A BPQY provides information about a beneficiary's disability cash benefits, health insurance, scheduled medical reviews, representative payee, and work history, as stored in SSA's electronic records. It is an important planning tool for an AWIC, CWIC, PASS Specialist, benefits counselor, or other individual who may be developing customized services for a disability beneficiary who wants to start working or stay on the job.

We provide BPQYs to beneficiaries, their representative payees and their authorized representatives of record on request. Beneficiaries can request a BPQY by contacting their local SSA office or by

calling SSA's toll free number 1-800-772-1213 between 7 a.m. to 7 p.m., Monday through Friday. People who are deaf or hard of hearing may call our toll-free TTY/TDD number, 1-800-325-0778, between 7 a.m. and 7 p.m. Monday through Friday.

If someone other than the beneficiary, representative payee, or authorized representative (a benefits counselor, for example) wishes to receive a BPQY, they must submit two forms SSA-3288 (Consent for Release of Information) that have been signed by the beneficiary: one to authorize the release of Social Security records and the other to authorize the release of Internal Revenue Service earnings records. Both releases must contain the beneficiary's Social Security Number or the Claim Number of the worker under whose work record the benefits are paid.

RETURN TO WORK PLANNING & ASSISTANCE

Work Incentives Planning and Assistance Organizations (WIPA)

WIPA projects are community-based organizations that receive grants from SSA to provide all Social Security and SSI disability beneficiaries (including transition-to-work aged youth) with free access to work incentives planning and assistance. Each WIPA project has counselors called Community Work Incentives Coordinators (CWIC) who:

- Provide work incentives planning and assistance to our beneficiaries with disabilities;
- Conduct outreach efforts to those beneficiaries (and their families) who are potentially eligible to participate in Federal or state employment support programs; and
- Work in cooperation with Federal, state, private agencies and nonprofit organizations that serve beneficiaries with disabilities.

If you are one of the many SSDI or SSI disability beneficiaries who want to work, a WIPA project can help you understand the employment supports that are available to you and enable you to make informed choices about work.

WIPA services are available in every state, the District of Columbia, and the US Territories of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands. If you want to locate the WIPA organization nearest you, please call 1-866-968-7842 or 1-866-833-2967 (TTY/TDD) for the hearing impaired. You can also find a list with contact information on our web site at: <http://www.socialsecurity.gov/work/ServiceProviders/WIPADirectory.html>.

Work Incentives Seminar (WISE) Events

During the year, SSA-sponsored WISE events will take place throughout the country to provide you with the knowledge necessary to either assign your Ticket to Work or pursue other work incentives.

These seminars will give you the opportunity to meet representatives of organizations who can assist you by providing free information and assistance to help you go to work for the first time, return to work or reach other employment goals. A calendar of upcoming WISE events is available on SSA's public website at <http://www.socialsecurity.gov/work/ticketschedule.htm>.

State Vocational Rehabilitation Providers

State Vocational Rehabilitation agencies furnish a wide variety of services to help people with disabilities return to work. These services are designed to provide you with the training or other services that are needed to return to work, to enter a new line of work or to enter the workforce for the first time. You can also find a list of State Vocational Rehabilitation agencies on our website at <http://www.socialsecurity.gov/work/ServiceProviders/rehabproviders.html>.

Protection and Advocacy

In every state and U.S. Territory, there is an agency that protects the rights of individuals with disabilities. This Protection and Advocacy System also administers the SSA-funded Protection and Advocacy for Beneficiaries of Social Security (PABSS) program. Each PABSS project can:

- Investigate any complaint you have against an employment network or other service provider that is helping you return to work;
- Give you information and advice about vocational rehabilitation and employment services;
- Tell you about SSA's work incentives that will help you return to work;
- Provide consultation and legal representation to protect your rights in the effort to secure or regain employment; and
- Help you with problems concerning your individual work plan under the Ticket to Work program.

These services are free to individuals receiving SSDI or SSI benefits based on disability or blindness. If you want to locate the PABSS project nearest you, please call 1-866-968-7842 or 1-866-833-2967 (TTY/TDD) for the deaf and hearing impaired. You can also find a list with contact information at <http://www.socialsecurity.gov/work/ServiceProviders/PADirectory.html>.

Disability Program Navigators

The Department of Labor (DOL) and the Social Security Administration (SSA) jointly established the Disability Program Navigator (DPN) position. DPNs are located in DOL's One-Stop Career Centers and help disabled individuals navigate the challenges of seeking work. The rules surrounding entitlement programs and a fear of losing cash assistance and health benefits often discourage people with disabilities from working. DOL and SSA established the DPN initiative to better inform

beneficiaries and other people with disabilities about the work support programs available at DOL-funded One-Stop Career Centers. This Initiative is developing new/ongoing partnerships to achieve seamless, comprehensive, and integrated access to services, creating systemic change, and expanding the workforce development system's capacity to serve customers with disabilities and employers. As of October, 2007, there were approximately 500 Navigators in 45 states, the District of Columbia and Puerto Rico. See <http://www.doleta.gov/disability/> for the list of DPN States/contacts.

EARNWorks Job Seeker Network

The Employer Assistance & Recruiting Network (EARN) is funded by the U.S. Department of Labor. It is the nation's premier provider of cost-free services to help employers recruit and hire qualified workers to meet their workforce needs.

EARN also offers assistance to employment service providers and jobseekers with disabilities. This includes providing jobseekers and service providers with job leads from employers specifically interested in including jobseekers with disabilities in their recruiting efforts. Whether an individual is working with a service provider or is on a self-directed job search, EARN can help with online and offline support.

Learn more about how EARN can benefit both organizations and job seekers with disabilities by contacting EARN at:

Toll Free Hotline: Monday through Friday, 9:00 a.m. to 5:00 p.m. (Eastern Time)
1-866-EARN-NOW or 1-866-327-6669 (Voice/TTY)

Web Site: <http://www.earnworks.com>

EARN is an initiative funded by the Office of Disability Employment Policy (ODEP) under the Department of Labor (DOL).

OVERVIEW OF OUR DISABILITY PROGRAMS

SSA manages two programs that provide benefits based on disability or blindness, the Social Security Disability Insurance (SSDI) program and the Supplemental Security Income (SSI) program.

Social Security Disability Insurance Program

SSDI provides benefits to disabled or blind individuals who are "insured" by workers' contributions to the Social Security trust fund. These contributions are based on your earnings (or those of your spouse or parents) as required by the Federal Insurance Contributions Act (FICA). Title II of the Social Security Act authorizes SSDI benefits.

Supplemental Security Income Program

The SSI program makes cash assistance payments to aged, blind, and disabled individuals (including children under age 18) who have limited income and resources. The Federal Government funds SSI from general tax revenues. Most states pay a supplemental benefit to individuals in addition to their Federal benefits. Some of these states have made arrangements with us to combine their supplemental payment with our Federal payment into one monthly check to you. Other states manage their own programs and make their payments separately. Title XVI of the Social Security Act authorizes SSI benefits.

Concurrent Entitlement

We use the term "concurrent" to describe individuals who are eligible for disability benefits under both the SSDI and SSI programs. To show how an individual's concurrent benefits would be affected by returning to work, we have provided an example of a "concurrent" beneficiary situation on page 49.

Comparison of the SSDI and SSI Disability Programs

The SSDI and SSI programs share many concepts and terms, however, there are also many, very important differences in the rules affecting eligibility and benefit payments. The following table summarizes differences between the SSDI and SSI programs. These differences are important as many individuals may apply or be eligible for benefits under both programs

Comparison of the SSDI and SSI Disability Programs

	SSDI	SSI
Source of payments	Disability trust fund	General tax revenues
Minimum Initial Qualification Requirements	<ul style="list-style-type: none"> • Must meet SSA’s disability criteria • Must be “insured” due to contributions made to FICA based on your own payroll earnings, or those of your spouse or your parents 	<ul style="list-style-type: none"> • Must meet SSA’s disability criteria • Must have limited income and resources
Health Insurance Coverage Provided	Medicare. Consists of hospital insurance (Part A) and supplementary medical insurance (Part B). Voluntary prescription drug benefits (Part D) are also included. Title XVIII of the Social Security Act authorizes Medicare.	Medicaid. Medicaid is a jointly funded, Federal-State health insurance program for low-income and needy individuals. It covers certain children, some or all of the aged, blind, and/or disabled in a State who are eligible to receive Federally assisted income maintenance payments. Title XIX of the Social Security Act authorizes Medicaid. The law gives the States options regarding eligibility under Medicaid.
How do we figure your monthly payment amount?	<p>We base your SSDI monthly payment amount on the worker's lifetime average earnings covered by Social Security. We may reduce the amount if you receive Workers' Compensation payments (including Black Lung payments) and/or public disability benefits, for example, certain State and civil service disability benefits. Other income or resources do not affect the payment amount.</p> <p>The monthly payment amount is adjusted each year to account for cost-of-living changes.</p>	<p>To figure your payment amount, we start with the Federal Benefit Rate (FBR). In 2008, the FBR is \$637 for a qualified individual and \$956 for a qualified couple. We add your state supplement, if any, to the FBR and then subtract your countable income.</p> <p>We do not count all the income that you have. The income amount left after we make all the allowable deductions is "countable income." The sections on SSI employment supports explain some of the ways that we can exclude income.</p> <p>The FBR is adjusted each year to account for cost-of-living changes.</p>
Is a State Supplemental Payment provided?	There is no State Supplemental payment with the SSDI program.	Most states pay some individuals who receive SSI an additional amount that is called a “state supplement.” The amounts and qualifications for these state supplements vary from state to state.

How Do We Define Disability?

The inability to engage in any substantial gainful activity (SGA) because of a medically determinable physical or mental impairment(s):

- That can be expected to result in death, or
- That has lasted or that we can expect to last for a continuous period of not less than 12 months.

Note: There is a separate definition of disability for children (under age 18) who are applying for the SSI program. A disabled child also qualifies for the SSI employment supports described later in this book.

What is Substantial Gainful Activity (SGA)?

The term “substantial gainful activity” is used to describe a level of work activity and earnings.

Work is “substantial” if it involves doing significant physical or mental activities, or a combination of both. For work activity to be substantial, it does not need to be performed on a full-time basis. Work activity performed on a part-time basis may also be substantial gainful activity.

“Gainful” work activity is:

- Work performed for pay or profit; or
- Work of a nature generally performed for pay or profit; or
- Work intended for profit, whether or not a profit is realized.

If you are receiving SSDI benefits based on disability, SGA is used as a factor to decide if your disability continues after you return to work and complete your trial work period (TWP). If you are receiving SSI benefits based on disability, SGA is only used as a factor to determine initial eligibility for SSI benefits. Once you are receiving SSI benefits, different standards are applied. For details on how we calculate SSI benefits, see page 33.

SGA does not apply to individuals who are blind in the SSI program. Your eligibility continues until you medically recover or your eligibility stops because of a non-disability related reason.

How do we evaluate your work activity for SGA purposes?

We generally use *earnings guidelines* to evaluate whether your work activity is SGA, and whether we may consider you disabled under the law.

The amount of monthly earnings considered as SGA depends on the nature of a person’s disability. The Social Security Act specifies a higher SGA amount for statutorily blind individuals. If your impairment is anything other than blindness, earnings averaging over \$940 a month (for the year 2008) generally demonstrate SGA. If you are blind, earnings averaging over \$1570 a month (for the year 2008) generally demonstrate SGA.

What if you are Self-Employed?

If you are self-employed and your disability is not blindness, the way we evaluate your work activity for SGA purposes will depend on whether the work activity being evaluated occurs before or after you have received SSDI benefits for 24 months and the purpose of the evaluation. We will apply either the Three Tests or the Countable Income test to determine if your work activity is SGA, depending on when you work.

The Three Tests:

We apply the three tests to evaluate your work activity when you initially apply for SSDI and prior to you receiving SSDI benefits for 24 months. We will also use the three tests to evaluate your work activity during the reentitlement period to determine whether benefits can be reinstated after we have already determined your disability has ended due to SGA work activity. Your self employed work activity is SGA if:

- you render significant services to the business, and you had over the SGA level (\$940 in 2008) average monthly income; or
- your work is comparable to the work of individuals without disability in your community engaged in the same or similar businesses; or
- your average monthly work is worth the SGA level earnings in terms of its effects on the business, or when compared to what you would have to pay an employee to do the work.

The Countable Income Test:

We will apply the countable income test if you have been entitled to and received SSDI benefits for at least 24 months. We will only use the countable income test to determine whether you have engaged in SGA, and if your disability has ended as a result of that SGA.

We will compare your countable earnings to the SGA earnings guidelines. If your monthly countable income averages more than \$940 (for 2008) we will determine that you have engaged in SGA unless there is evidence you are not rendering significant services in the month. If your monthly countable income averages less than \$940 (for 2008) we will not consider you to have engaged in SGA.

If you are self-employed and your disability is blindness, we decide SGA based solely on your earnings. This evaluation criterion is used to determine whether you have engaged in SGA and whether payments can be reinstated during the extended period of eligibility.

If you are self-employed, your disability is blindness, and you are age 55 or older, special rules apply. If your earnings demonstrate SGA but your work requires a lower level of skill and ability than the work you did before age 55, or when you became blind, whichever is later, we will suspend, not terminate, your benefits. Your eligibility for SSDI benefit continues indefinitely and we pay your benefits for any months earnings fall below SGA.

RETURNING TO WORK

What Are Your Responsibilities When You Return to Work?

If you are receiving SSDI or SSI benefits, you or your representative payee must promptly report any changes in work activity that could affect your benefits. You must tell us right away if:

- You return to work;
- You already reported to work, but your duties or pay have changed;
- You start paying for work expenses due to your disability. See page 28 for more information on impairment-related work expenses.

You can report changes in your work activity by phone, fax, mail or in person. Call our toll free number 1-800-772-1213 between 7 a.m. and 7 p.m., Monday through Friday, or visit your local SSA office.

When you report changes in your work activity, we will give you a receipt to verify that you have properly fulfilled your obligation to report. Keep this receipt with all of your other important papers from Social Security.

When Will We Review Your Disability?

We will review your disability case periodically to see if your condition has medically improved or if you can perform SGA.

If you have been receiving SSDI benefits for at least 24 months, we will not conduct a medical review just because you are working. We will not conduct a review to see if your condition has medically improved while you are using a Ticket to Work. (See page 25) We will review your case when we receive information that you may have medically improved or during a regularly scheduled medical review.

If you are receiving SSI benefits, we may review your case if you work and are eligible for Medicaid While Working under Section 1619(b) or if there are changes in your work status, but not more often than once a year.

When Will Your Benefits Stop?

If you are receiving SSDI benefits and we find you no longer have a disabling impairment due either to work at the SGA level or medical improvement, we say that your disability "ceased." If we find that your disability ceased due to work at the SGA level, our decision is effective in the month shown by the evidence. If we find that your disability ceased due to medical improvement, our decision is effective in the month shown by the evidence, or the month we give you written notice, if later. In either case, we pay SSDI benefits for the cessation month and the following two months. We call these 3 months the "grace period."

Your SSDI benefits may continue:

- If we cease your disability due to your work at the SGA level (see page18), or
- If we ceased your disability due to medical improvement, your benefits may be continued if you are participating in a program of vocational rehabilitation, or similar services, employment services or other support services (see page 38).

If you are receiving SSI benefits, you are not eligible for benefits for the months you do not meet the non-disability-related eligibility requirements, for example, the income and resources tests.

If we find that you no longer have a disabling impairment due to medical improvement, we say that your disability “ceased.” Our decision is effective with the month shown by the evidence, or the month we give you written notice, if later. However, your SSI eligibility continues for this month and/or the following two months if you meet all the non-disability related requirements including the income and resources tests. We call these three months the “grace period.”

If we ceased your disability due to medical improvement, your SSI benefits may be continued if you are participating in a program of vocational rehabilitation or similar services, employment services, or other support services (see page 38).

HOW DO EMPLOYMENT SUPPORTS HELP?

The employment-support provisions are intended to assist you in your efforts to become as self-sufficient as possible through work. Employment supports can help you find a job or start a business, protect your cash and medical benefits while you work, or save money to go to school. If you work your way off benefits and later have to stop working, they also can make it easy to begin receiving benefits again.

We discuss each employment support on the following pages. It is important to view all of the employment supports as a total package to fully appreciate the multiple levels of support available to help individuals with disabilities achieve their goal of greater economic independence. Refer to the table on the next page for a brief description of the SSDI and SSI employment supports. The last column in the table indicates the page number in the Red Book where you can find a more detailed description of the employment support.

SSDI Employment Supports

The SSDI employment supports provide help over a long time to allow you to test your ability to work, or to continue working, and gradually become self-supporting and independent. In general, you have at least 9 years to test your ability to work. This includes full cash payments during the first 12 months of work activity, a 36-month extended eligibility period, and a 5-year period in which we can start your cash benefits again without a new application (see page 27). You may continue to have Medicare coverage during this time or even longer.

SSI Employment Supports

The SSI employment supports offer ways for you to continue receiving your SSI checks and/or Medicaid coverage while you work. Some of these provisions can increase your net income to help cover special expenses.

Once you receive SSI, we consider that your disability continues until you medically recover, even if you work. If you cannot receive SSI checks because your earnings are too high, your eligibility for Medicaid while working may continue. In most cases, if you lose your job or are unable to continue working, you can begin receiving checks without filing a new application.

GUIDE TO EMPLOYMENT SUPPORTS

How Employment Supports Can Help You	Name of Employment Support	Page
Do you want assistance to help you return to work?	Ticket to Work (Ticket or TTW)	25
How can you test your ability to work without losing your SSDI benefits?	Trial Work Period (TWP)	25
How long can you receive SSDI benefits after you return to work?	Extended Period of Eligibility (EPE)	27
What happens to your SSDI benefits if you try to return to work but have to stop working or reduce your hours because of your disability?	Unsuccessful Work Attempt (UWA)	28
Are you paying for items or services related to your disability that you need in order to work?	Impairment-Related Work Expenses (IRWE)	28
Do you work, receive SSI based on blindness, and have work related expenses?	Blind Work Expenses (BWE)	46
Do you receive SSDI and work but have extra support on-the-job or have fewer or simpler tasks than other workers?	Subsidy and Special Conditions	31
Do you receive SSDI, and are self-employed?	Unincurred Business Expenses	32
How do we figure your monthly SSI payment amount if you work?	Earned Income Exclusion	33
Are you under age 22, receiving SSI, attending school and working?	Student Earned Income Exclusion (SEIE)	34
Do you receive SSI (or are you eligible for SSI) and want to set aside money to pursue an employment goal?	Plan to Achieve Self-Support (PASS)	35
Do you receive SSI and own property or resources that are essential to your means of self-support?	Property Essential to Self-Support (PESS)	36
	Special SSI Payments for	37

How Employment Supports Can Help You	Name of Employment Support	Page
What happens to your SSI cash benefits when your earned income is substantial but you are still disabled?	Individuals Who Work - Section 1619(a)	
How can you restart your SSI cash payments if you stop working?	Reinstating Eligibility Without a New Application	37
What happens to your SSI payment if you are working, but you have to enter a medical facility?	Special Benefits for Individuals Eligible Under Section 1619 Who Enter a Medical Treatment Facility	38
Has your medical condition improved and are you participating in a vocational rehabilitation or similar program?	Continued Payment Under a Vocational Rehabilitation or Similar Program (Section 301)	38
If your entitlement to benefits ended because you successfully returned to work, can you get benefits again if you stop working?	Expedited Reinstatement (EXR)	39
What happens to your Medicare after you return to work?	Continuation of Medicare Coverage	40
What happens to your Medicaid after you return to work?	Medicaid While Working – Section 1619(b)	40
What happens if you are no longer eligible for free Medicare Part A because of your work?	Medicare for Individuals with Disabilities Who Work	43

Ticket to Work

SSDI and SSI eligible

What is a Ticket?	The Ticket to Work Program is an innovative program for individuals with disabilities who want to work. It increases your available choices when obtaining employment services, vocational rehabilitation services, and other support services you may need to get or keep a job. It is a free and voluntary service. You can use the Ticket if you choose, but there is no penalty for not using it. While you are using the Ticket, SSA will not conduct a continuing disability medical review of your case.
Where can I use a Ticket?	This program is available in all 50 States and 10 United States Territories. Many SSDI and SSI disability beneficiaries will receive a "Ticket" they can use to obtain services from a state vocational rehabilitation (VR) agency or another approved provider of their choice. We call these approved providers "Employment Networks." Employment Networks are private organizations or government agencies that have agreed to work with Social Security to provide employment services to beneficiaries with disabilities.
Where do I get more information?	<p>For more information on Ticket to Work, including a list of approved Employment Networks, contact the SSA Ticket Program Operations Support Manager, MAXIMUS, at their toll free numbers; 1-866-YOURTICKET (1-866-968-7842) or for TTY/TDD call 1-866-833-2967 between 8 a.m. to 10 p.m. Eastern time (Monday through Friday).</p> <p>Current information about the Ticket to Work Program can be found online at www.ssa.gov/work/Ticket/ticket_info.html or www.yourtickettowork.com.</p>

Trial Work Period (TWP)

SSDI eligible

How does the TWP help individuals?	The TWP allows you to test your ability to work for at least 9 months. During your TWP, you will receive <i>full</i> SSDI benefits <i>regardless of how high your earnings might be</i> so long as your work activity has been reported and you have a disabling impairment.
When does the TWP start?	Your TWP starts the first month you are eligible for SSDI benefits or the month in which you file for benefits, whichever is later.
How long does the TWP last?	The TWP continues until you accumulate 9 months (not necessarily consecutive) in which you perform what we call "services" within a rolling 60-consecutive-month period. We use this "services" rule only to count TWP months.

Trial Work Period (TWP)

SSDI eligible

In 2008, we consider your work to be “services” if your gross earnings are more than \$670 a month, **or** if you work more than 80 self-employed hours in a month.

What happens when you complete your TWP?

After you complete your TWP, you begin your extended period of eligibility (EPE), unless we conduct a medical review of your disability and find your impairment has medically improved. After the TWP ends, we take into account your work and earnings to decide if you can work at the SGA level (see page 18).

When your TWP is complete, you become eligible for other employment supports and we consider whether any of them apply to your situation.

What else do you need to know about the TWP?

- You are not eligible for disability benefits or a TWP if you work at the SGA level within 12 months of the start of your impairment(s) and before we approve your claim for disability benefits. This is because your impairment does not meet our definition of disability (see page 18).
- We can consider medical evidence that might demonstrate your medical recovery at any time. Therefore, it is possible for your benefits to stop due to your medical recovery before the end of your TWP.
- We will not conduct a medical review of your disability if you are participating in the Ticket to Work program and your ticket is “in-use.” (see page 25).
- Unsuccessful work attempts (UWA) do not apply during the TWP (see page 28).
- The dollar amount of TWP “services” can be adjusted each year based on the national average wage.

Does the TWP apply to SSI?

No. A TWP does not apply to the SSI program.

Extended Period of Eligibility (EPE)

SSDI eligible

What is the EPE?	During the 36 consecutive months following the TWP, if you qualify, we may restart your SSDI benefits without a new application, disability determination, or waiting period.
When does the EPE begin?	The EPE begins the month after the TWP ends, whether you are working or not.
How does the EPE help you?	The first 36 months of the EPE is the reentitlement period. During the reentitlement period benefits are paid for months your earnings or work activities are below the substantial gainful activity limits as long as you continue to have a disabling impairment. Benefits are suspended for months your earnings or work activities are over the substantial gainful activity limit. A new application and/or disability determination are NOT required to start your benefits again. (This is a different rule than expedited reinstatement that is described on page 39)
What happens the first time you work above SGA?	If we find you have worked above SGA in the EPE for the first time, we will pay for the first month your benefits cease due to SGA and the following 2 months. This is referred to as the grace period.
Can you continue to receive benefits after the reentitlement period ends?	If you are eligible for a benefit payment for the 37 th month, you will continue to be eligible for benefits until you: <ul style="list-style-type: none">• Work a month at the SGA level, or• Medically recover.
What happens if I work after the reentitlement period ends?	Your benefits will end if you work above SGA limits after the 36-month reentitlement period. However you may be able to start your benefits again if you stop work within the next 5 years. See the information on expedited reinstatement, on page 39.
Do you get an EPE under SSI?	No. The EPE applies only to individuals who receive SSDI cash benefits.

Unsuccessful Work Attempt (UWA)

SSDI eligible

What is an UWA?	<p>A UWA is an effort to do substantial work, in employment or self-employment, that you stopped or reduced to below the SGA level after a short time (6 months or less) because of:</p> <ul style="list-style-type: none">• Your impairment; or• Removal of special conditions related to your impairment and essential to the further performance of your work. (see page 31)
What is the benefit of an UWA if I receive SSDI?	<p>When we make a SGA decision to determine if your disability continues or ceases because of your work, we do not count your earnings during a UWA.</p>
Can a UWA occur during the extended period of eligibility?	<p>Yes. During the Extended Period of Eligibility (see page 27), we consider UWA(s) as part of our SGA decision(s) for months up to and including the month (if any) in which we cease your disability.</p>
Can a UWA occur during the trial work period?	<p>No. We do not consider UWA during the trial work period (see page 25), or after the month (if any) in which we cease your disability.</p>
Does a UWA affect my monthly SSI payment?	<p>For SSI we only consider a UWA at the time you file an initial claim. After that time, a UWA is not considered in figuring your SSI payment.</p>

Impairment-Related Work Expenses (IRWE)

SSDI and SSI eligible

How do IRWE help you?	<p>We deduct the cost of certain impairment-related items and services that you need to work from your gross earnings when we decide if your “countable earnings” demonstrate performance of SGA. It does not matter if you also use these items and services for non-work activities.</p>
When will we deduct your IRWE?	<p>We deduct IRWE for SGA purposes when:</p> <ol style="list-style-type: none">1. The item(s) or service(s) enables you to work;2. You need the item(s) or service(s) because of a physical or mental impairment;3. You paid the cost and are not reimbursed by another source such as Medicare, Medicaid or a private insurance carrier;4. The cost is "reasonable", that is, it represents the standard charge for the item or service in your community; and5. You paid for the expense in a month you are or were working.

Impairment-Related Work Expenses (IRWE)

SSDI and SSI eligible

How do we use IRWE to figure your SSI monthly payments?

If you are receiving SSI benefits, we will also exclude IRWE from your earned income when we figure your monthly payment amount when you meet requirements 1 through 4 above, and you paid the expense in a month that you receive earned income or performed work while you used the impairment related item or services.

Can IRWE be deducted during a non-work month?

In certain situations, we can deduct IRWE amounts for expenses paid before you start or after you stop work.

Where can you get more detailed information on these deductible expenses?

The following table outlines the types of expenses that are deductible as IRWE.

Examples of Deductible and Non-Deductible IRWE

TYPE OF EXPENSE	IRWE DEDUCTIBLE ✓	NOT DEDUCTIBLE ⊗
Transportation Costs	<ul style="list-style-type: none"> ✓ The cost of structural or operational modifications to your vehicle that you need in order to travel to work, even if you also use the vehicle for non-work purposes. ✓ The cost of driver assistance or taxicabs that is required because of your disability rather than the lack of public transportation. ✓ Mileage expenses at a rate determined by us for an approved vehicle and limited to travel to and from employment. 	<ul style="list-style-type: none"> ⊗ The cost of your vehicle whether modified or not. ⊗ The costs of modifications to your vehicle that are not directly related to your impairment or critical to the operation of your vehicle, for example, paint or pin striping. ⊗ Your travel expenses related to obtaining medical items or services.
Attendant Care Services	<ul style="list-style-type: none"> ✓ Services performed in the work setting. ✓ Services performed to help you prepare for work, the trip to and from work, and after work; for example, bathing, dressing, cooking, and eating. ✓ Services that incidentally also benefit your family, for example, meals shared by you and your 	<ul style="list-style-type: none"> ⊗ Services performed on non-workdays or help with shopping or general housekeeping, for example, cleaning and laundry. ⊗ Services performed for someone else in your family, for example, babysitting. ⊗ Services performed by your family member for payment "in-kind", for example, room and board (even if the family member suffers economic loss.

TYPE OF EXPENSE	IRWE DEDUCTIBLE ✓	NOT DEDUCTIBLE ⊗
	<p>family.</p> <p>✓ Services performed by your family member for a cash fee where he/she suffers an economic loss by reducing or ending his/her work in order to help you. This includes your spouse reducing work hours to help you get ready for work.</p>	<p>⊗ Services performed by your family member for a cash fee where he/she suffers no economic loss. This includes services provided by your non-working spouse.</p>
Medical Devices	<p>✓ Deductible devices include wheelchairs, dialysis equipment, pacemakers, respirators, traction equipment, and braces.</p>	<p>⊗ Any device you do not use for a medical purpose.</p>
Prosthesis	<p>✓ Artificial hip, artificial replacement of an arm, leg, or other parts of the body.</p>	<p>⊗ Any prosthetic device that is primarily for cosmetic purpose</p>
Residential Modifications	<p><i>If you are employed outside of home, modifications to the exterior of your house that permit access to the street or to transportation; for example:</i></p> <ul style="list-style-type: none"> ✓ Exterior ramps ✓ Railings ✓ Pathways <p><i>If you are self-employed at home, modifications made inside your home in order to create a workspace to accommodate your impairment. This includes:</i></p> <ul style="list-style-type: none"> ✓ Enlarging a doorway into an office or workroom ✓ Modifying office space to accommodate your dexterity challenges 	<p><i>If you are employed outside of home, modifications to your house to help you in your home; for example:</i></p> <ul style="list-style-type: none"> ⊗ Enlarging interior door frames ⊗ Lowering kitchen appliances and bathroom facilities ⊗ Installing interior railings or a stairway chair lift <p>⊗ <i>If you are self-employed at home, you cannot deduct any modification-related expenses that will be deducted as a business expense when determining SGA.</i></p>
Routine Drugs & Routine Medical Services	<p>Regularly prescribed medical treatment or therapy that is necessary to control your disabling condition, even if control is not achieved. This includes:</p> <ul style="list-style-type: none"> ✓ Anti-convulsant drugs ✓ Blood level monitoring ✓ Radiation treatment ✓ Chemotherapy 	<p>Drugs and/or medical services used for your minor physical or mental health problems, for example:</p> <ul style="list-style-type: none"> ⊗ Routine physical examinations ⊗ Allergy treatments ⊗ Dental examinations ⊗ Optician services.

TYPE OF EXPENSE	IRWE DEDUCTIBLE ✓	NOT DEDUCTIBLE ⊖
	<ul style="list-style-type: none"> ✓ Corrective surgery for spinal disorders ✓ Anti-depressant medication ✓ Your physician's fee relating to these services. 	
Diagnostic Procedures	<ul style="list-style-type: none"> ✓ Procedures related to the control, treatment, or evaluation of your disabling condition; for example, brain scans, electroencephalograms. 	<ul style="list-style-type: none"> ⊖ Procedures not related to your disabling condition, for example, allergy testing.
Non-Medical Appliances & Devices	<ul style="list-style-type: none"> ✓ In unusual circumstances, devices or appliances that are essential for the control of your disabling condition either at home or at work; for example, an electric air cleaner if you have severe respiratory disease. Your physician must verify this need. 	<p>Devices you use at home or at the office that are not ordinarily for medical purposes and for which your doctor has not verified a medical work-related need. These include:</p> <ul style="list-style-type: none"> ⊖ Portable room heaters ⊖ Air conditioners ⊖ Dehumidifiers ⊖ Humidifiers
Other Items & Services	<ul style="list-style-type: none"> ✓ Expendable medical supplies; for example, incontinence pads, elastic stockings, and catheters. ✓ The cost of a service animal including food, licenses, and veterinary services. 	<ul style="list-style-type: none"> ⊖ An exercise bicycle or other device you use for physical fitness, unless verified as necessary by your physician. ⊖ Health insurance premiums.

Subsidy and Special Conditions

SSDI and SSI initial eligibility

When do we consider? We consider the existence of subsidy and special conditions when we make a SGA decision. We use only earnings that represent the real value of the work you perform to decide if your work is at the SGA level.

What is a subsidy? “Subsidy” is support provided by your employer that may result in you receiving more pay than the actual value of the services you perform.

What are special conditions? “Special conditions” refers to support provided by someone other than your employer, for example, a vocational rehabilitation agency. As a result of this support, you may be receiving more pay than the actual

value of the services you perform.

How can I tell if they apply to me?

A subsidy or special conditions may exist if:

- 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 doing the same job for the same pay; or
- You have a job coach or mentor who helps you perform some of your work.

If your employer and/or other involved parties cannot or will not set the real value of your work, we will decide the value of your work.

Do they affect my SSI payments?

No, we do **not** take into account subsidy or special conditions when we figure your SSI payment amount.

Unincurred Business Expenses (Self-Employment Only)

SSDI eligible

What are they?

"Unincurred business expenses" are contributions made by others to your self-employment business effort. For example, if the state VR agency gives you a computer for your business, or a friend works for your business as unpaid help, these are "unincurred business expenses."

SSA generally follows the Internal Revenue Service (IRS) rules to figure your net earnings from self-employment. The IRS only allows you to deduct expenses for which you actually paid or incurred debt. When we make a SGA decision, we also deduct unincurred business expenses from your net earnings because we want an accurate measure of the value of your work.

What qualifies as an unincurred business expense?

For an item or service to qualify as an unincurred business expense:

- It must be an item or service that the IRS would allow as a legitimate business expense if you had paid for it; and
- Someone other than you must have paid for it.

Do they affect my SSI payments?

No. We do **not** deduct unincurred business expenses from earnings when we figure your SSI payment amount.

Earned Income Exclusion

SSI eligible

We do not count the first \$65 of your earnings in a month plus one-half of the remainder. This means that we count less than one-half of your earnings when we figure your SSI payment amount.

We apply this exclusion in addition to the \$20 general income exclusion (an exclusion that is first applied to any unearned income that you may receive).

This table shows an example of the earned income exclusion.

Example of the Earned Income Exclusion

<u>Situation 1</u>	<u>Situation 2</u>
Ed receives \$361 SSDI each month, \$10 unearned income from another source and no wages.	Ed receives wages of \$361 per month, no SSDI and \$10 unearned income from another source.
\$361 SSDI	\$ 0 SSDI
+ 10 Other unearned income	\$ 10 Other unearned income
\$371	- 20 General income exclusion
- 20 General income exclusion	\$ 0 Countable unearned income
\$351 Countable income	
	\$361 Earned income
	- 10 Remaining general income exclusion
	\$351
	- 65 \$65 Earned income exclusion
	\$286
	-143 ½ remaining earnings
	\$143 Countable earned income
\$637 2008 Federal Benefit Rate	\$637 2008 Federal Benefit Rate
-351 Countable income	-143 Countable income
\$286 SSI payment	\$494 SSI payment
Available income:	Available income:
\$361 SSDI	\$361 Earned income
+ 10 Other unearned income	+ 10 Other unearned income
+286 SSI	+494 SSI
\$657 Total Monthly Income	\$865 Total Monthly Income

Student Earned Income Exclusion

SSI eligible

How does the student earned income exclusion help you?

If you are under age 22 and regularly attending school, we do not count up to \$1,550 of earned income per month when we figure your SSI payment amount. The maximum yearly exclusion is \$6,240. These amounts are for the year 2008; they are adjusted each year based on the cost-of-living.

What is the definition of “regularly attending school?”

“Regularly attending school” means that you take one or more courses of study and attend classes:

- In a college or university for at least 8 hours a week; or
- In grades 7-12 for at least 12 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
- For less time than indicated above for reasons beyond the student’s control, such as illness.

Does home schooling qualify?

If you are home taught, you may be considered “regularly attending school” if:

- You are instructed in grades 7-12 for at least 12 hours a week; and
- The instruction is in accordance with a home school law of the State or other jurisdiction in which you reside.

If you are home taught because of a disability, you may be considered “regularly attending school” by:

- Studying a course or courses given by a school (grades 7-12), college, university or government agency; and
- Having a home visitor or tutor who directs the study.

How is the income exclusion applied?

We apply the student earned income exclusion before the general income exclusion or the earned income exclusion.

Plan to Achieve Self-Support (PASS)

SSI eligible

How does it help you?

A PASS allows you to set aside income and/or resources for a specified period of time so you can pursue a work goal. For example, you could set aside money to pay expenses for education, vocational training, or starting a business as long as the expenses are related to achieving your work goal.

We do not count the *income* that you set aside under your PASS when we figure your SSI payment amount. We do not count the *resources* that you set aside under your PASS when we determine your initial and continuing eligibility for SSI.

A PASS can help you establish or maintain SSI eligibility and can increase your SSI payment amount. For example, if you receive \$800 in SSDI, you have too much income for SSI. But if you otherwise qualify for SSI and have a work goal, you could use some of your SSDI to pay for PASS expenses. That could reduce your income enough to be eligible for SSI. The result will be a higher monthly cash benefit with eligibility for both SSDI and SSI.

Who can have a PASS?

If you receive SSI or could qualify for SSI, you can have a PASS. You may not need a plan now, but you may need one next month or next year to remain eligible or to increase your SSI payment amount.

What are the requirements for a PASS?

Your PASS must:

- Be designed especially for you;
- Be in writing (we prefer that you use our form, the SSA-545-BK). You can get copies of the PASS form, SSA-545-BK, at your local office, from any PASS Expert, or from our web site at <http://www.ssa.gov/online/ssa-545.html>;
- Have a specific work goal that you are capable of performing;
- Have a specific timeframe for reaching your goal;
- Show what money (other than your SSI payments) and other resources you have or receive that you will use to reach your goal;
- Show how your money and resources will be used to reach your work goal;
- Show how the money you set aside will be kept separate from other funds;
- Be approved by us; and
- Be reviewed by us periodically to assure your plan is actually helping you achieve progress.

Who can help you set up a PASS?	Anyone may help you with your PASS; for example, vocational counselors, social workers, benefit specialists or employers. SSA evaluates the plan and decides if it is acceptable. We also help individuals put their plans in writing.
How does a PASS affect your SSI eligibility and/or payment?	<p>We do not count resources set aside under a PASS towards the resource limit.</p> <p>When we figure your SSI payment amount, we do not count income set aside under a PASS. We apply this exclusion to your countable income after we apply all other applicable exclusions.</p>
Where can you get more information about a PASS?	<p>You can get a PASS Expert's telephone number by calling our toll-free number 1-800-772-1213 between 7 a.m. and 7 p.m. Monday through Friday or visit our web site at: http://www.socialsecurity.gov/disabilityresearch/wi/passcadre.htm.</p> <p>We also have a pamphlet entitled <i>Working While Disabled – A Plan for Achieving Self-Support</i> (SSA Publication No. 05-11017) that is available online at http://www.ssa.gov/pubs/11017.html. You can also get a copy from your local office or by calling our toll-free number 1-800-772-1213 between 7a.m. and 7p.m. Monday through Friday.</p>

Property Essential to Self-Support (PESS)

SSI eligible

How does PESS help you?	We do not count some resources that are essential to your means of self-support when we decide your continuing eligibility for SSI.
What is not counted?	<p>We do not count your property if you use it in a trade or business (for example, inventory) or use it for work as an employee (for example, tools or equipment), regardless of the value or rate of return. Other use of the items does not matter.</p> <p>We do not count up to \$6,000 of equity value of non-business property that you use to produce goods or services essential to daily activities, regardless of the rate of return. An example is land used to produce vegetables or livestock solely for consumption by your household.</p> <p>We do not count up to \$6,000 of equity value of non-business income-producing property if the property yields an annual rate of return of at least 6 percent. An example is a rental property.</p>

What type of resources do not qualify as PESS?

We do not consider liquid resources; for example, stocks, bonds, or notes as PESS, unless you use them as part of a trade or business.

Special SSI Payments for Individuals Who Work – Section 1619(a)

SSI eligible

What is Section 1619(a)?

You can receive SSI cash payments even when your earned income (gross wages and/or net earnings from self-employment) is at the SGA level. This provision eliminates the need for the trial work period or Extended Period of Eligibility under SSI.

How do you qualify?

To qualify, you must:

- Have been eligible for an SSI payment for at least 1 month before you begin working at the SGA level;
- Still be disabled; and
- Meet all other eligibility rules, including the income and resource tests.

How does it work?

Your eligibility for SSI will continue for as long as you meet the basic eligibility requirements and the income and resource tests. We will continue to figure your SSI payment amount in the same way as before. If your state provides Medicaid to individuals on SSI, you will continue to be eligible for Medicaid.

Do you need to apply?

You do not need to file a special application. Just keep us up to date on your work activity.

Reinstating SSI Eligibility Without a New Application

SSI eligible

How does it help you?

If you have been ineligible for a SSI payment due to your work, you may be able to restart your SSI cash payment again at any time without a new application. If you have been ineligible for SSI and/or Medicaid for any reason other than medical recovery or work, you may be able to restart your SSI cash payment and/or Medicaid coverage within 12 months without a new application. When your situation changes, contact us and ask about how you can restart your SSI benefits and/or Medicaid. *If your cash payment and Medicaid benefits ended because of your work and earnings, and you stop work within 5 years of when your benefits ceased, we may be able to start your benefits again. See page 39, Expedited Reinstatement.*

Special Benefits for Individuals Eligible under Section 1619 Who Enter a Medical Treatment Facility

SSI eligible

How does it help you?	If you are eligible under section 1619, you can receive an SSI cash benefit for up to 2 months while in a Medicaid facility or a public medical or psychiatric facility.
What happens if you enter a Medicaid facility?	Usually, if you enter a Medicaid facility where Medicaid pays more than 50 percent of the cost of care, your SSI payment is limited to \$30 per month, plus any state supplement, minus any countable income. However, if you enter a Medicaid facility while you are eligible under section 1619, your benefit will be figured using the full Federal Benefit Rate (see page 5) for up to 2 months.
What happens if you enter a public medical or psychiatric facility?	Usually, if you are in a public medical or psychiatric facility, you are not eligible to receive an SSI payment. However, if you enter a public medical or psychiatric facility while you are eligible under section 1619, your SSI cash benefits can continue for up to 2 months. For this provision to apply, the facility must enter an agreement with us that will allow you to keep all of the SSI payment.

Continued Payment under a Vocational Rehabilitation Program or Similar Program (Section 301)

SSDI and SSI eligible

How do I qualify for continued payment?	If we find that you no longer have a disabling impairment due to medical improvement, your benefit payments usually stop. However, if you are participating in an appropriate program of vocational rehabilitation services or similar services, your benefits may continue until your participation in the program ends.
What is an appropriate program of vocational rehabilitation or similar services?	An appropriate program must be approved by us and includes: <ul style="list-style-type: none">• The Ticket to Work• A Vocational Rehabilitation Agency using an individualized plan for employment• Support services using an individualized written employment plan• A Plan to Achieve Self-Support• An individualized education program for an individual age 18 through 21
How long may my benefits continue?	Under Section 301, your benefits may continue until you either

- Complete your program; or
- Your participation in the program stops; or
- We decide that your continued participation in the program will not increase the likelihood of your permanent removal from the disability benefit rolls.

How do I qualify for Section 301?

To qualify for Section 301:

- You must be participating in an appropriate program of vocational rehabilitation or similar services that began before your disability ends under our rules; and
- We must review the situation and decide that your continued participation in the program will increase the likelihood of your permanent removal from the disability benefit rolls.

Expedited Reinstatement (EXR)

SSDI and SSI eligible

What is EXR?

EXR is a safety net for those individuals who successfully return to work, and later lose their entitlement to SSDI or SSI 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, we may be able to start your benefits again.

How does EXR help you?

If you have stopped receiving benefits due to your work, you may be able to restart them again without a new application. The EXR provision allows an individual to receive up to 6 months of temporary cash benefits while SSA conducts a medical review to determine whether the individual can be reinstated to benefits. The individual may also be eligible for Medicare and/or Medicaid during the provisional benefit period.

Who can be reinstated?

If you meet all the following requirements you are eligible to request EXR:

- Previous entitlement to SSDI benefits was terminated due to performance of SGA; or previous SSI disability/blindness eligibility was terminated because of excess earned income or a combination of earned and unearned income;
- Not be performing SGA in the month you apply for EXR;
- Be unable to work at the SGA level due to your medical condition;
- Have a current medical impairment(s) that is the same as or related to the original disabling impairment(s); and
- Request EXR within 5 years from the month we terminate your

benefits.

Continuation of Medicare Coverage

SSDI eligible

What is Continuation of Medicare Coverage?	Most individuals with disabilities who work will continue to receive at least 93 consecutive months of Hospital (Part A) and Supplemental Medical Insurance (Part B) under Medicare, after the nine month trial work period. You do not pay a premium for Part A. Although cash benefits may cease due to work, you have the assurance of continued health insurance.
When does this start?	The 93 months start the month after the last month of your TWP.
How do you qualify?	You must already have Medicare and be working at SGA, but not be medically improved.

Medicaid While Working – Section 1619(b)

SSI eligible

How does it help you?	After you return to work, your Medicaid coverage can continue, even if your earnings (alone or in combination with your other income) become too high for an SSI cash payment.
How do you qualify?	To qualify, you must meet all of the following qualifications: <ol style="list-style-type: none">1. Have been eligible for an SSI cash payment for at least 1 month;2. Still be disabled;3. Still meet all other eligibility rules, including the resources test;4. Need Medicaid in order to work; and5. Have gross earned income that is insufficient to replace SSI, Medicaid, and any publicly funded attendant care. (See the “threshold amount” discussion in the next section.)
What is the “threshold amount”?	The “threshold amount” is the measure that we use to decide whether your earnings are high enough to replace your SSI and Medicaid benefits. Your threshold amount is based on: <ul style="list-style-type: none">• The amount of earnings that would cause your SSI cash payments to stop in your state; and• The annual per capita Medicaid expenditure for your state.

If your gross earnings are higher than the threshold amount for your state (see chart below), you may still be eligible if you have:

- Impairment-related work expenses (see page 28);
- Blind work expenses (see page 46);
- A Plan to Achieve Self-Support (see page 35);
- Publicly funded attendant or personal care; or
- Medical expenses above the State per capita amount.

**State Threshold Amounts
for Individuals with Disabilities
2008**

STATE	THRESHOLD		STATE	THRESHOLD
Alabama	\$23,363		Montana	\$28,212
Alaska	\$53,821		Nebraska	\$33,015
Arizona	\$28,171		Nevada	\$29,850
Arkansas	\$26,388		New Hampshire	\$38,727
California	\$34,346		New Jersey	\$33,022
Colorado	\$29,409		New Mexico	\$32,574
Connecticut	\$53,631		New York	\$43,636
Delaware	\$33,317		North Carolina	\$31,474
District of Columbia	\$39,311		North Dakota	\$37,917
Florida	\$27,655		Ohio	\$32,983
Georgia	\$27,646		Oklahoma	\$24,360
Hawaii	\$30,540		Oregon	\$29,638
Idaho	\$36,562		Pennsylvania	\$28,554
Illinois	\$31,200		Rhode Island	\$36,148
Indiana	\$32,148		South Carolina	\$27,108
Iowa	\$30,688		South Dakota	\$31,835
Kansas	\$31,870		Tennessee	\$27,811
Kentucky	\$25,386		Texas	\$28,358
Louisiana	\$27,166		Utah	\$28,235
Maine	\$41,139		Vermont	\$36,207
Maryland	\$35,962		Virginia	\$29,348
Massachusetts	\$36,056		Washington	\$27,143
Michigan	\$26,318		West Virginia	\$27,154
Minnesota	\$44,799		Wisconsin	\$32,991

Mississippi	\$24,963		Wyoming	\$27,233
Missouri	\$30,454		N. Mariana Islands	\$16,308

**States with Separate Threshold Amounts for Blind Individuals
2008**

STATE	THRESHOLD
California	\$35,906
Iowa	\$31,216
Massachusetts	\$36,905
Nevada	\$32,473
Oregon	\$30,238

Do all States use the same Medicaid eligibility rules?

These States use their own eligibility rules for Medicaid that are different from our SSI eligibility rules:

Connecticut	Minnesota	Ohio
Hawaii	Missouri	Oklahoma
Illinois	New Hampshire	Virginia
Indiana	North Dakota	

If you live in one of these States, you will continue to be eligible for Medicaid under section 1619(a) or (b) if you were eligible for Medicaid in the month before you became eligible for section 1619.

Medicare for Individuals with Disabilities Who Work

Can you buy Medicare coverage?

Yes. After premium-free Medicare coverage ends due to work, some individuals who have returned to work may buy continued Medicare coverage, as long as they remain medically disabled. Some individuals with low incomes and limited resources may be eligible for State assistance with this cost.

Who is eligible to buy Medicare coverage?

You are eligible to buy Medicare coverage if:

- You are not yet age 65;
- You continue to have a disabling impairment; and
- Your Medicare stopped due to work.

What kind of Medicare coverage can you buy?

Premium Hospital Insurance (Part A) is available at the same monthly cost that uninsured eligible retired beneficiaries pay. If you have less than 30 quarters of coverage, the premium is \$423 in 2008. However, you may qualify for a reduction in this premium.

Premium Supplemental Medical Insurance (Part B) is available at \$96.40 per month; this is the same monthly cost that uninsured eligible retired beneficiaries pay in 2008.

You can buy Hospital Insurance separately without Supplemental Medical Insurance. You can buy Supplemental Medical Insurance only if you also buy Hospital Insurance.

Do you qualify for a reduction in your monthly Part A premium?

You may qualify for a 45% reduction in the monthly amount of your premium for Hospital Insurance (Part A). You qualify for the reduced premium of \$233 in 2008 if you:

- Have 30 or more quarters of coverage on your earnings record; or
- Have been married for at least 1 year to a worker with 30 or more quarters of coverage; or
- Were married for at least 1 year to a deceased worker with 30 or more quarters of coverage; or
- Are divorced, after at least 10 years of marriage, from a worker who had 30 or more quarters of coverage at the time the divorce became final.

When can you enroll? You may enroll:

- During your initial enrollment period (the month you are notified about the end of your premium-free health insurance and the following 7 months);
- During the annual general enrollment period (January 1 through March 31 of each year); or
- During a special enrollment period. You can enroll at any time while you are working, covered under an employer group health plan, still have a disabling impairment, or during the 8-month period that begins with the first full month after your employment or group health plan coverage ends, whichever occurs first.

How does it work with an employer's group health plan? If you purchase Premium Hospital Insurance (Part A) and maintain your employer group health plan, Medicare will be your primary payer if you are working. Your group health plan would become a secondary payer.

When does the State pay premiums for Medicare? States are required to pay Hospital Insurance (Part A) premiums for some working individuals with disabilities. You qualify if you:

- Are eligible to enroll in Hospital Insurance for individuals with disabilities who work;
- Meet certain income and resource standards; and
- Are ineligible for Medicare on any other basis.

NOTE: Individuals with disabilities who work should contact their State agency for information. See page 48 for more information about State help with Medicare Part A premiums.

SPECIAL RULES FOR INDIVIDUALS WHO ARE BLIND

What do you mean by special rules for individuals who are blind?	Employment supports, in general, are special rules that help you return to work or work for the first time. Congress included language in the law specifically to make it easier for individuals who are blind to go to work. Some of these rules apply only to individuals who are blind.
How do we define blindness?	Blindness is central visual acuity of 20/200 or less in the better eye with best correction, or a limitation in the field of vision in the better eye so that the widest diameter of the visual field subtends an angle of 20 degrees or less.
Do the same conditions of blindness apply in SSDI and SSI?	No. Under SSDI, this condition has to have lasted or is expected to last at least 12 months. There is no duration requirement for blindness under SSI.
What employment supports are available only to individuals who are blind?	Blind work expenses (BWE) are available if you receive SSI. See page 46 for more information on BWE.

How SGA is Applied under SSDI to Individuals Who Are Blind

How is SGA applied to blind SSDI beneficiaries who work?	We change the SGA level for beneficiaries who are blind every year to reflect changes in general wage levels. For the year 2008, if you are blind, average monthly earnings over \$1,570 will ordinarily demonstrate that you are performing SGA. This is higher than the current guideline for non-blind disabled workers. REMINDER: If you are blind, you may use any or all of the deductions from earnings that apply to SGA decision.
How is SGA applied to <i>self-employed</i> SSDI beneficiaries who are blind?	We decide the SGA of self-employed individuals who are blind solely on their earnings. We do not look at time spent in the business or services rendered as we do for non-blind self-employed individuals.
How is SGA applied to SSDI beneficiaries who are blind and <i>age 55 or older</i> ?	Special rules apply after your 55 th birthday. If your earnings demonstrate SGA but your work requires a lower level of skill and ability than the work you did before age 55, or when you became blind, whichever is later, we will suspend, not terminate, your benefits. Your eligibility for SSDI benefits continues indefinitely, and we pay your benefits for any month earnings fall below SGA.

Does SGA apply to individuals who are blind under SSI?

No. If you meet the medical definition of blindness, the law prohibits us from using SGA as a factor for your SSI eligibility. Your SSI eligibility continues until you medically recover, or we end your eligibility because of a non-disability-related reason. See page 33 for an explanation of how we figure your SSI payment amount.

Blind Work Expenses (BWE)

SSI eligible

How do BWE help you?

We do not count any earned income that you use to meet expenses that are needed to earn that income in deciding your SSI eligibility and your payment amount. To qualify you must be receiving SSI payments due to blindness.

The BWE items do not have to be related to your blindness. When we figure your SSI payment amount, we treat items as BWE instead of IRWE. We do it this way because it always results in a higher SSI payment amount for you. The table below shows how BWE affect your monthly payment.

Examples of BWE

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

Comparison of Monthly SSI Payment With Blind Work Expenses

Without BWE		With BWE	
\$361	Earned Income	\$361	Earned Income
<u>- 20</u>	General Income Exclusion	<u>- 20</u>	General Income Exclusion
\$341		\$341	
<u>- 65</u>	\$65 Earned Income Exclusion	<u>- 65</u>	\$65 Earned Income Exclusion
\$276		\$276	
<u>- 138</u>	½ Remaining Earnings	<u>- 138</u>	½ Remaining Earnings
\$138	Countable Income	\$138	
		<u>- 40</u>	Blind Work Expenses
		\$ 98	Countable Income
\$637	2008 Federal Benefit Rate	\$637	2008 Federal Benefit Rate
<u>- 138</u>	Countable Income	<u>- 98</u>	Countable Income
\$499	SSI Payment	\$539	SSI Payment

Accommodations for Individuals Who Are Blind

We recognize our duty to inform you of your rights and responsibilities under our programs.

Web Site

We make every reasonable effort to maintain the accessibility of our web sites:

- <http://www.socialsecurity.gov/disabilityresearch>
- <http://www.socialsecurity.gov/redbook>
- <http://www.socialsecurity.gov/work>

Letters

We can send letters and other correspondence to you by first class mail followed by a telephone call to explain the information in the letter; by first class mail, without a telephone call; or by certified mail. Please let us know your preference.

Publications are available in alternate formats

This book, *The Red Book*, and some other publications are available in alternative media. You can get some of these materials in Braille, audiocassette tape, disk, or enlarged print form. A list of the publications available in alternate formats can be found on our web site at: <http://www.socialsecurity.gov/pubs/alt-pubs.html>

You may order these publications while you are online, or you may contact our Braille Services Team at:

Braille Services Team

L1141 West Low Rise Building

Baltimore, Maryland 21235-0000

Phone: (410) 965-6414 or (410) 965-6407

Fax: (410) 965-6413; or

Call our national toll free number, 1-800-772-1213;

TTY users can call 1-800-325-0778.

ADDITIONAL HELP WITH HEALTH CARE FOR INDIVIDUALS WITH DISABILITIES

Medicaid Buy-In for Working Individuals with Disabilities

How does it help you? Your State may allow you to buy Medicaid if you are disabled and no longer entitled to free Medicaid because you returned to work.

How do you qualify? You may qualify if you:

- Meet the definition of “disabled” under the Social Security Act; and
- Would be eligible for Supplemental Security Income (SSI) payments if it were not for your earnings.

If you are not an SSI recipient, your State decides if you are disabled. Your State will not consider whether you are working when it makes that decision.

How can you get more information? Contact your State Medical Assistance office. Call 1-800-MEDICARE to get their telephone number. (TTY users call 1-877-486-2048.) Ask about the Medicaid buy-in program.

Help with Medicare Part A Premiums

How does it help you? If you are under age 65, disabled, and no longer entitled to free Medicare Hospital Insurance Part A because you successfully returned to work, you may be eligible for a program that helps pay your Medicare Part A monthly premium.

How do you qualify? To be eligible for this help, you must:

- Continue to have a disabling impairment;
- Sign up for Premium Hospital Insurance (Part A);
- Have limited income;
- Have limited resources; and
- Not already be eligible for Medicaid.

For more information To find out more about this program, contact your State Medical Assistance office. Call 1-800-MEDICARE to get their telephone number. (TTY users call 1-877-486-2048. Ask about Medicare for Qualified Disabled and Working Individuals.

EXAMPLE OF CONCURRENT BENEFITS WITH EMPLOYMENT SUPPORTS

Many individuals are eligible for benefits under both the SSDI and SSI programs at the same time. We use the term “concurrent” when individuals are eligible for benefits under both programs. Below we describe how an individual’s concurrent benefits would be affected by his return to work.

Tom filed an application for Social Security Disability Insurance (SSDI) benefits and Supplemental Security Income (SSI) on February 27, 2002. His medical condition caused him to stop work beginning February 14, 2002. We call this date his “alleged onset date” of disability.

Tom was approved for disability benefits.

Tom received an award letter on June 06, 2002 stating he was approved for disability benefits with his onset date of February 14, 2002.

For SSDI benefit purposes, Tom completed a 5-month waiting period before becoming eligible for SSDI benefits. The 5 months began the first full month after Tom’s approved onset date. In Tom’s case, the 5 months were March, April, May, June, and July. Tom was eligible to receive SSDI benefits beginning August 2002.

For SSI benefit purposes, Tom was eligible to receive SSI benefits beginning March 2002.

Tom qualified for health insurance.

After Tom completed a 24-month waiting period for Medicare coverage, Tom qualified for Medicare beginning August 1, 2004. Medicare Hospital Insurance (Part A) is premium-free; Medicare Supplemental Medical Insurance (Part B) is optional, but there is a premium. Since Tom is eligible for SSI, he has been covered by Medicaid since March 2002, and the State pays the Part B premium for him. Since Tom has both Medicare and Medicaid coverage, Medicare is the primary payer and Medicaid the secondary.

Tom wanted to work.

Tom contacted his local office in December 2006 to learn more about his benefits, specifically how a recent job offer will affect his SSDI, SSI, and health insurance benefits. Tom is certified as an auto mechanic, and a local car dealership offered him a job.

Tom returned to work.

Tom began work at the car dealership in January 2007. The dealership paid him \$1,600 a month. If Tom’s medical condition is expected to improve we may start a medical review at any time to determine if he still meets the disability requirements.

Tom is working in his trial work period (TWP).

Tom is eligible for a trial work period (TWP). During the TWP, Tom can continue receiving full SSDI benefits for at least 9 months regardless of the amount of his earnings. Each month that Tom earns over \$640 in 2007 (\$670 in 2008) will count as a trial work period service month. His TWP ends with the 9th month of service in a rolling 60-month period.

Tom reported to us that he is earning \$1,600 a month beginning January 2007 and provided his pay stubs showing the steady work activity from January 2007 through October 2007. We determined that Tom has completed his trial work period. TWP months were January, February, March, April, May, June, July, August, and September 2007.

Tom completed his TWP and is now eligible for an Extended Period of Eligibility (EPE).

Tom has completed his TWP. His EPE begins with the first month after the TWP. The first month of Tom's EPE is October 2007. For the next 36 months (through September 2010), Tom will be paid benefits if he is not working over the substantial gainful activity (SGA) level. We refer to this 36-month period of time as the reentitlement period. During these 36 months, benefits can be reinstated based on Tom's level of work activity. The SGA level for 2007 was \$900 per month for non-blind individuals (\$940 in 2008).

Is Tom performing SGA?

We know from his pay stubs that Tom is receiving \$1,600 a month in wages. Tom is taking a taxi to and from work at a cost of \$350 per month and brings the receipts into the Social Security office. We confirm with Tom's treating physician that Tom's condition prevents him from driving. Crowded situations, such as in public transportation, aggravate his condition. Since Tom is paying for the transportation, and there is a medical need for him to take a taxi to and from work, we can deduct the cost of his transportation expenses as Impairment Related Work Expenses (IRWE).

Tom mentioned during our discussion that he is only able to complete four car repairs a day compared to his co-workers who complete an average of 6-8 car repairs a day. Tom believes he is paid the same salary as his fellow co-workers. If this is the case, Tom's employer may be subsidizing his wages. We contacted the employer and learn that the employer is paying Tom \$1,600 a month, the same rate as experienced employees who produce 6-8 repairs a day. The employer pays Tom the same rate as the experienced employees because he is aware of Tom's disability and understands it takes him longer to complete tasks. The employer calculates the service Tom provides is worth \$1,300 a month.

Based on this information we calculated Tom's SGA earnings. With the \$300 subsidy, the value of his services is \$1,300 a month. We deduct the \$350 for his IRWE from \$1,300 to determine that his earnings are \$950 a month. This is over the monthly SGA level for 2007, so for the first month of his EPE, Tom is engaging in substantial gainful activity.

How does Tom's SGA level work activity affect his benefits in the EPE?

If we determine that a beneficiary engages in SGA in the Extended Period of Eligibility, we cease benefits with that month. A beneficiary can be paid for the month of cessation and the two following months. We refer to this as the "grace period."

Tom's month of cessation was October 2007, but we paid him for October and the two following months (November and December 2007.)

If Tom's earnings fall below the SGA limit, benefits can be reinstated without filing an application if Tom is still in his 36-month reentitlement period.

If Tom is re-entitled to benefits during the 36-month reentitlement period, he can continue to collect benefits if his work activity is below the SGA limit, even after the 36-month reentitlement period ends.

Will Tom's entitlement to SSDI terminate?

If Tom's work activity continues at over the SGA level, his entitlement to SSDI will terminate the first month after the end of the 36-month EPE. Tom's entitlement would terminate October 2010.

Tom's entitlement may stop earlier than October of 2010 if he no longer meets our disability requirements.

Will Tom continue to have Medicare coverage?

If Tom continues to work above the SGA level and no longer receives his SSDI payment, his Medicare coverage will continue for at least 93 months after his TWP period as long as he continues to have a disabling impairment (has not medically improved). Tom's Medicare coverage would end on June 30, 2015, and would terminate on July 1, 2015.

Tom can then choose to purchase Premium Medicare Hospital Insurance coverage (Part A). If he purchases Part A, he can then purchase Part B. Since Tom has earned at least 30 quarters of coverage, he can qualify for the reduced Part A rate. Tom's Medicare Insurance (Part A and B) premiums will be based on the rates in 2015, the year his premium free coverage ends.

If Tom decides to purchase Medicare coverage in 2015, he will have to file an application with Social Security, and we will conduct a medical continuing disability review. After the medical review, if we determine that Tom's medical condition has not improved, he can purchase Medicare coverage.

At age 65, if he still has Medicare it will automatically convert to Medicare under the Aged provisions.

How does Tom's work activity affect his SSI benefit?

Unlike SSDI, SGA is not an issue after a person becomes eligible for SSI. It is only considered when initially filing for SSI disability benefits, unless the disability is blindness. Therefore, if an SSI beneficiary returns to work, we determine whether the individual continues to meet the non-disability requirements, including income and resources. (TWP and EPE apply only to SSDI, not SSI.) For Tom, we will determine the effect of his \$1,600 earnings on his SSI eligibility and payment amount on a month by month basis.

Tom is receiving \$300 SSDI monthly for January 2007 through December 2007 and has monthly wages of \$1,600 beginning January 2007. We start by calculating his SSI payment for January 2007. In this case, since his monthly income does not change, the calculation will be the same for all months of 2007.

First, we subtract the \$20 general income exclusion from his SSDI:

$$\$300 \text{ SSDI} - \$20 = \$280 \text{ countable unearned income}$$

Then, we subtract the \$65 earned income exclusion from his wages:

$$\$1,600 - \$65 = \$1,535 \text{ earned income}$$

Next, we deduct the \$350 IRWE for the taxi transportation from the earned income:

$$\$1,535 - \$350 \text{ IRWE} = \$1,185.00$$

(Note: Subsidy is not an SSI earned income exclusion; it only applies to SGA. This means we cannot subtract the \$300 per month subsidy that was used in determining SGA for SSDI entitlement. However, IRWE applies to both SGA and SSI income.)

Then divide the result by 2, the second step in the earned income exclusion:

$$\$1,185.00 \div 2 = \$592.50 \text{ countable earned income}$$

Then, add the countable unearned income to the countable earned income to determine countable income.

$$\$280 \text{ countable unearned income} + \$592.50 \text{ countable earned income} = \$872.50 \text{ countable income.}$$

We subtract the countable income from the SSI Federal Benefit Rate (FBR) to determine SSI eligibility and payment amount.

$$\$623 \text{ FBR in January 2007} - \$872.50 \text{ countable income} = \text{no SSI payment.}$$

(Note: He might be due an SSI payment if he lives in a state that combines its supplemental payment with the Federal payment, and the combined monthly payment exceeds his countable income.)

Tom will not receive SSI payments for January 2007 through December 2007 because of his monthly earnings and his SSDI benefits. However, he will still be eligible for SSI and Medicaid While Working (under section 1619(b) of the Social Security Act), as long as his earnings remain under his state's threshold amount, he needs the Medicaid coverage, and he continues to be eligible for SSI except for his earnings.

Tom will not receive SSDI benefits beginning January 2008 for as long as he works over the SGA level. In January 2008, Tom reports that he received a pay increase to \$1,800 per month beginning January 2008. His IRWE expenses have increased to \$400 per month. Below is an explanation of how we figure his SSI eligibility and payment amount for January 2008:

Subtract both the general income exclusion and earned income exclusion from Tom's monthly wages since he does not have any "unearned income."

$\$1,800$ monthly wages - $\$20$ general income exclusion - $\$65$ earned income exclusion = $\$1,715$

$\$1,715$ - $\$400$ IRWE = $\$1,315 \div 2 = \657.50 countable earned income

$\$637.00$ FBR for January 2008 - $\$657.50$ countable income = no SSI payment.
(He does not live in a state that has arranged with us to combine the state supplement with the Federal payment.)

Tom remains ineligible for any SSI payment unless his earnings or IRWE change. His Medicaid will continue as long as his earnings are below his state's threshold amount, he needs Medicaid coverage, and he would be eligible for SSI payments except for his earnings. During this time, he is eligible for an SSI payment for any month that his countable income decreases to below the FBR amount. When Tom's earnings exceed the state threshold amount, his Medicaid will end. However, he may then be eligible to buy-into Medicaid if he resides in a state that has the optional Medicaid buy-in program.

**SUMMARY OF CONCURRENT BENEFITS AND EMPLOYMENT SUPPORTS –
EXAMPLE TIMELINE**

- SSI and Medicaid start 3/02.
- SSDI benefits start 8/02.
- Medicare begins 8/04 after 24 months. Medicare is primary payer, and Medicaid is secondary.
- Begins work 1/07. Earned income stops SSI.
- 9 month TWP is 1/07 through 9/07. SSDI continues.
- EPE begins 10/07. Working at SGA.
- SSDI ceases due to SGA in 10/07.
- Benefits paid for 10/07, 11/07 & 12/07.
- Working at SGA but below SSI state threshold amount; Medicaid continues.
- Last month of EPE is 9/10.
- SSDI termination month is 10/10.
- Extended Medicare continues if still disabled.
- Medicaid ends when earnings above SSI state threshold amount.
- Extended Medicare terminates 7/1/15.
- If still working and disability continues, may be able to purchase Premium HI and/or buy into Medicaid.
- If no longer working and disability continues, may file for EXR within 5 years of 10/10 termination month (until 9/15).

3/02	8/02	8/04	1/07	9/07	10/07	12/07	9/10	7/1/15	09/15
	SSDI Starts		Begin Work 9 mo. TWP	TWP Ends	EPE begins SGA continues SSDI ceases	Last SSDI payment	EPE ends		End of period to Request EXR
SSI Starts			Income Stops SSI						
		Medicare Coverage Primary					Extended Medicare Begins	Medicare Term May Buy Premium HI	
Medicaid Coverage		Medicaid Secondary					Medicaid Ends Due to Earnings	May Buy Into Medicaid	

ACRONYMS

AWIC	Area Work Incentive Coordinator
BPQY	Benefits Planning Query
BWE	Blind Work Expenses
CMS	Centers for Medicare & Medicaid Services
CDB	Childhood Disability Benefits
CWIC	Community Work Incentives Coordinator (formerly BPAO Benefits Specialist)
DDS	Disability Determination Services
DOL	Department of Labor
DPN	Disability Program Navigator
EARN	Employer Assistance Referral Network
EN	Employment Network
EPE	Extended Period of Eligibility
EXR	Expedited Reinstatement
FBR	Federal Benefit Rate
FICA	Federal Insurance Contributions Act
IRS	Internal Revenue Service
IRWE	Impairment-Related Work Expenses
P&A	Protection and Advocacy
PABSS	Protection and Advocacy for Beneficiaries of Social Security
PASS	Plan to Achieve Self-Support
PESS	Property Essential for Self-Support
SGA	Substantial Gainful Activity
SSA	Social Security Administration
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
TTW	Ticket to Work
TWP	Trial Work Period
UWA	Unsuccessful Work Attempt
VR	Vocational Rehabilitation
WIPA	Work Incentives Planning and Assistance

GLOSSARY

Blind Work Expenses (SSI)	If you are blind, we do not count any earned income that you use to meet expenses in earning that income when we decide your SSI eligibility and payment amount.
Break-Even Point (SSI)	The dollar amount of total income that will (after applicable deductions are applied) reduce the SSI payment to zero in a given set of case facts. Your break-even point depends on your earned and unearned income, living arrangements, applicable income exclusions, and state supplement, if any.
Continuing Disability Review (SSDI and SSI)	Our process of obtaining complete current information about your condition to decide if your SSDI and/or SSI benefits should continue.
Continuation of Medicare Coverage (SSDI)	You can receive at least 93 consecutive months of Medicare hospital and supplemental medical insurance after the trial work period. This provision allows health insurance to continue when you go to work and are engaging in SGA.
Countable Income (SSI)	The amount of money left after we have subtracted all available deductions from your total income. We use this amount to decide your SSI eligibility and payment amounts.
Countable Income Test (SSDI)	One of the tests we may use to evaluate self-employment income if you received SSDI benefits for 24 months.
Expedited Reinstatement	Qualified individuals may request reinstatement of benefits, within 5 years of benefits having stopped, without having to file a new application. Up to 6 months of provisional benefits are available while we make a decision on the request.
Extended Period of Eligibility (SSDI)	During the 36 consecutive months following the trial work period, if you qualify, we may restart your SSDI benefits without a new application, disability determination, or waiting period.
Impairment-Related Work Expenses (SSDI and SSI)	We deduct the cost of items and services that you need to work because of your impairment; for example, attendant care services and medical devices, when we decide if you are engaging in SGA. It does not matter if you also need the items for normal daily activities. We can usually deduct the cost of these same items from earned income to figure your SSI payment.
Income (SSI)	SSI income is: <ul style="list-style-type: none">• Earned income – money received from wages, including

from a sheltered workshop or work activity center, self-employment earnings, and some royalties and honoraria; and

- Unearned income – money received from all other sources; for example, gifts, interest, Social Security, veteran’s benefits, and pensions. Unearned income also includes “in-kind income” (food or shelter) and “deemed income” (some of the income of a spouse, parent, or sponsor of an alien).

Medicaid
(Medi-Cal in California,
AHCCS in Arizona) (SSI)

Medical coverage provided to a person by the state title XIX program.

Medicaid Protection for
Individuals with Disabilities
Who Work

A state may provide Medicaid coverage for individuals with disabilities who:

- have earnings that are too high to qualify under current rules;
- are at least 16, but less than 65 years of age; and
- meet state resource and income limits.

A state may also provide Medicaid coverage to these individuals when they lose coverage due to medical improvement, but still have a medically determinable severe impairment.

Medical Improvement
Expected (SSDI and SSI)

When we decide you have a disabling impairment, we also decide that the disabling impairment(s) may improve; we document that your case will need a future review.

Medicare (SSDI)

Health insurance program for eligible disabled individuals and individuals age 65 or older usually consisting of:

- Hospital Insurance under Medicare (Part A)
- Supplementary Medical Insurance under Medicare (Part B); and
- Voluntary prescription drug coverage with a Prescription Drug Provider (PDP) under Part D.

Low-income beneficiaries with Medicare can get Extra Help paying their prescription drug coverage premiums by filing an application with SSA. More information is available at: <http://www.socialsecurity.gov/prescriptionhelp/>.

Medicare for Individuals With
Disabilities Who Work
(SSDI)

Some individuals with disabilities who have returned to work can buy continued Medicare coverage when their premium-free Medicare ends due to work activity. States are required to help

pay the hospital insurance premiums for some working individuals with disabilities.

Plan to Achieve Self-Support (PASS) (SSI)

Under an approved PASS, you may set aside income and/or resources over a reasonable time period that will enable you to reach a work goal to become financially self-supporting. You then can use the income and resources that you set aside to obtain occupational training or education, purchase occupational equipment, establish a business, etc. We do not count the income and resources that you set aside under a PASS when we decide SSI eligibility and payment amount.

Property Essential to Self-Support (SSI)

We do not count some or all of certain property necessary for self-support when we apply the SSI resources test.

Resources (SSI)

Resources are anything you own; for example, a bank account, stocks, business assets, real property, or personal property that you can use for your support and maintenance. We do not count all your resources when we decide your SSI eligibility.

Substantial Gainful Activity (SSDI and SSI)

We evaluate the work activity of individuals claiming or receiving disability benefits under SSDI, and/or claiming benefits because of a disability (other than blindness) under SSI. Under both programs, we use earnings guidelines to evaluate your work activity to decide whether the work activity is substantial gainful activity, and whether we may consider you disabled under the law. While this is only one of the tests used to decide if you are disabled, it is a critical first step in the disability evaluation.

SSDI

Social Security Disability Insurance authorized under title II of the Social Security Act.

SSI

Supplemental Security Income program authorized under title XVI of the Social Security Act.

Subsidy and Special Conditions (SSDI and SSI)

Supports you receive on the job that may result in more pay than the actual value of the work you perform. We use only the actual value of the work you perform when we make a SGA decision.

The Three Tests (SSDI)

One of the tests we may use to evaluate self-employment income when an individual initially applies for SSDI and prior to the individual's receiving SSDI benefits for 24 months. The three tests are also used when evaluating work activity in the reentitlement period after benefits have ended due to SGA.

Trial Work Period (SSDI)

The trial work period is an incentive for the personal

rehabilitation efforts of SSDI beneficiaries who work. The trial work period lets you test your ability to work or run a business for at least 9 months and receive full SSDI benefits, if you report your work activity and your impairment does not improve.

Unincurred
Business Expenses

Support contributed to your self-employment effort by someone else. If you are self-employed, we deduct unincurred business expenses from earnings when we make a SGA decision.

Unsuccessful Work
Attempt

An effort to do substantial work (in employment or self-employment) that you stopped or reduced to below the SGA level after a short time (6 months or less). This change must have resulted because of your impairment, or the removal of special conditions related to your impairment that was essential to the further performance of your work. We do not count earnings during an unsuccessful work attempt when we make an SGA decision.

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