



2009 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 2009

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 may find contact information on *page 4*.

The Red Book, including the Spanish language version, is available online at 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 other publications. Most SSA publications and other public information materials are available at our Internet site, *Social Security Online*, located at 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 2009 edition replaces all previous editions.

WHAT'S NEW IN 2009?

Automatic Adjustments Effective January 1, 2009

Substantial Gainful Activity (SGA)

For individuals with disabilities other than blindness, we increased the earnings that indicate SGA from \$940 to **\$980 per month in 2009**.

For individuals who are blind, we increased the earnings that indicate SGA from \$1,570 to **\$1,640 per month in 2009**. Details on SGA are on *page 14*.

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 \$670 to **\$700 per month in 2009**. Details on the TWP are on *page 29*.

Federal Benefit Rate (FBR)

For 2009, we increased the SSI Federal Benefit Rates from \$637 to **\$674 per month for an eligible individual** and from \$956 to **\$1,011 per month for an eligible couple**.

Student Earned-Income Exclusion (SEIE)

For 2009, the amount of earnings that will have no effect on eligibility or benefits for SSI beneficiaries who are students has increased from \$6,240 a year to **\$6,600 a year**. The amount of earnings that we can exclude each month, until we have excluded the maximum for the year, has increased from \$1,550 to **\$1,640 a month**. Details on the SEIE are on *page 36*.

Medicare Part A Hospital Insurance

For 2009, the monthly Medicare Part A Hospital Insurance base premium is **\$443**, and the 45% reduced premium is **\$244**.

Medicare Part B Supplemental Medical Insurance

For 2009, the Part B Supplemental Medical Insurance monthly base premium is **\$96.40**. This amount is unchanged from 2008. Details on Medicare for Individuals with Disabilities Who Work are on *page 38*.

Medicaid While Working

For 2009, 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 2009 amounts for each state are listed on *page 33*.

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. Phase I of the project began in October 2007 in New York, Phoenix, Minneapolis and Houston. Participation has now expanded to more than 50 locations nationwide.

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 Fiscal Year 2010.

Mental Health Treatment Study

The Mental Health Treatment Study will test the impact of increasing access to medical treatment and employment supports for SSDI beneficiaries with a primary diagnosis of schizophrenia or affective disorder. The primary outcomes for the study focus on medical recovery, functioning, 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 February 2011.

Youth Transition Demonstration (YTD)

The Youth Transition demonstration project was designed to further the President's New Freedom Initiative goal of increasing employment of individuals with disabilities. The YTD focuses on youths ages 14-25 who receive SSI, SSDI, or childhood disability benefits, or who are at heightened risk of becoming eligible for such benefits. Currently there are seven states where the project is being funded by SSA: California, Colorado, Florida, Maryland, Mississippi, New York, and West Virginia. 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.

Current Events

To keep up with the latest developments and get information about local contacts, visit our Internet website at: 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 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:

www.socialsecurity.gov/disability—This site provides comprehensive information on our disability benefits programs.

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 *pages 9-10*).

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 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: 410-597-0825, Attention: Red Book Editor

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

Addresses of SSA Regional Offices

Boston (Region 1)

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

New York (Region 2)

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

Philadelphia (Region 3)

SSA Regional Office
Attn: Center for Disability
P.O. Box 8788
Philadelphia, PA 19101

Physical Location:
300 Spring Garden Street, 7th Floor
Philadelphia, PA 19123

Atlanta (Region 4)

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

Chicago (Region 5)

SSA Regional Office
Attn: Center for Disability
P.O. Box 8280
Chicago, Illinois 60680-8280

Physical Location:
600 W Madison, 10th Floor
Chicago, IL 60661

Dallas (Region 6)

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

Kansas City (Region 7)

SSA Regional Office
Attn: Center for Disability
Room N 1046, Federal Office Bldg.
601 East 12th Street
Kansas City, MO 64106

Denver (Region 8)

SSA Regional Office
Attn: Center for Disability
Federal Office Bldg.
1961 Stout Street
Room 1054
Denver, CO 80294-3538

San Francisco (Region 9)

SSA Regional Office
Attn: Center for Disability
P.O. Box 4207
Richmond, California 94804

Physical Location:
Frank Hagel Federal Bldg. 6th Floor
1221 Nevin Ave.
Richmond, CA 94801

Seattle (Region 10)

SSA Regional Office
Attn: Center for Disability
M/S 351A – Suite 2900
701 Fifth Avenue
Seattle, WA 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 may also 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)
www.socialsecurity.gov/atlanta/southeast/awic/index.htm

Boston Region (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)
www.socialsecurity.gov/boston/Awic.htm

Chicago Region (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)
www.socialsecurity.gov/chicago/awic.htm

Dallas Region (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)
www.socialsecurity.gov/dallas/dalawic.htm

Denver Region (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)
www.socialsecurity.gov/denver/work.htm

Kansas City Region (Iowa, Kansas, Nebraska, Missouri)
www.socialsecurity.gov/kc/work_incentives.htm

New York Region (New Jersey, New York, Puerto Rico, Virgin Islands)
www.socialsecurity.gov/ny/win-coordinators.htm

Philadelphia Region (Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia)
www.socialsecurity.gov/phila/awics.htm

San Francisco Region (Arizona, California, Hawaii, Nevada, American Samoa, Guam, Saipan)
www.socialsecurity.gov/sf/awic.htm

Seattle Region (Alaska, Idaho, Oregon, Washington)
www.socialsecurity.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 37*. The following Internet site provides a map that you can use to locate the PASS Cadre for your area. 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 continuing disability reviews, representative payee, and work history, as stored in SSA's electronic records. It is an important planning tool for an AWIC, 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 upon 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. and 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 person 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 contact information in our service provider directory on our website at: www.socialsecurity.gov/work.

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 (see [page 26](#)) 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. You can learn more about WISE events on our website at www.socialsecurity.gov/wise.

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 in our service provider directory on our website at www.socialsecurity.gov/work/receivingbenefits.html.

Protection and Advocacy (P & A)

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 agency 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 agency 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 contact information in our service provider directory at: www.socialsecurity.gov/work.

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 develops new/ ongoing partnerships to achieve seamless, comprehensive, and integrated access to workforce services for both customers with disabilities and employers. As of October 2008, there were One-Stop Career Centers in 45 states, the District of Columbia and Puerto Rico. For more information about the Disability Program Navigator Initiative, see www.doleta.gov/disability.

EARN 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: Monday through Friday, 9:00 a.m. to 5:00 p.m. (Eastern Time)

1-866-EARN-NOW (1-866-327-6669) (Voice/TTY)

Website: www.earnworks.com

EARN is an initiative funded by the Department of Labor's Office of Disability Employment Policy.

Individual Development Accounts

If you are working and have limited income, you may be eligible for an Individual Development Account (IDA) through the Temporary Assistance to Needy Families (TANF) program or an Assets for Independence Act (AFIA) grant. An IDA is a trust-like bank account that helps you save your earnings to go to school, buy a home, or start a business. When you make a deposit to the account, a participating non-profit organization matches your deposit. The average match is one dollar for each dollar that you deposit. The Federal government adds an additional match, limited to \$2,000 for an individual or \$4,000 for a household over the life of the program (usually five years).

If you have an IDA through TANF or an AFIA grant, we do not count any earnings you deposit into your account, any matching deposits, or any interest earned as SSI income or resources. As a result, your SSI benefits may increase.

We do not determine whether you are eligible to have an IDA. For more information about IDAs and to locate a program in your area, visit: www.cfed.org/focus.m?parentid=2&siteid=374&id=374 or www.acf.hhs.gov/programs/ocs/afi/index.html.

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) who have limited income and resources. The Federal Government funds SSI from general tax revenues. Many 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 SSI 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 51*.

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

	<u>SSDI</u>	<u>SSI</u>
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), supplementary medical insurance (Part B), and Medicare Advantage (Part C). 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?	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. The monthly payment amount is adjusted each year to account for cost-of-living changes.	To figure your payment amount, we start with the Federal Benefit Rate (FBR). In 2009, the FBR is \$674 for a qualified individual and \$1,011 for a qualified couple. We subtract your countable income from the FBR and then add your state supplement, if any. We do not count all of 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. The FBR is adjusted each year to account for cost-of-living changes.
Is a State Supplemental Payment provided?	There is no state supplemental payment with the SSDI program.	Many 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 work activity (SGA) because of a medically- determinable physical or mental impairment(s):

- that is expected to result in death, or
- that has lasted or is expected 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 the Red 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 determine initial eligibility and to decide if your disability continues after you return to work and complete your Trial Work Period (TWP, see [page 29](#)). 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 35](#).

We do not use SGA as a factor to determine initial eligibility for SSI benefits if you are blind.

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 to be 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 \$980 a month (for the year 2009) generally demonstrate SGA. If you are blind, earnings averaging over \$1,640 a month (for the year 2009) generally demonstrate SGA for SSDI.

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 your receiving SSDI benefits for 24 months. We will also use the three tests to evaluate your work activity during the re-entitlement period to determine if benefits can be reinstated in the extended period of eligibility after we have already determined your disability has ended due to SGA work activity. Your self-employment work activity is SGA if:

- You render significant services to the business, and you had over the SGA level (\$980 in 2009) 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 earnings average more than \$980 (in 2009), 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 earnings average less than \$980, we will not consider you to have engaged in SGA.

If you are self-employed and your disability is blindness, we decide SGA based on whether you have received a substantial income from the business and rendered significant services to the business. We make this determination using your countable earnings. We also use your countable earnings to determine whether you have engaged in SGA and whether payments can be reinstated during the Extended Period of Eligibility (see *page 30*).

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 benefits 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 your work, but your duties, hours, or pay have changed;
- You start paying for expenses that are needed for work 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, or 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. You can find your local office by going to our website at www.socialsecurity.gov.

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 conduct a continuing disability review of your 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 do this review just because you are working. We also will not perform a review to see if your condition has medically improved while you are using a Ticket to Work (see **page 26**). We will review your case when we receive information that you may have medically improved or during a regular, scheduled continuing disability review.

If you are receiving SSI benefits, we may review your case if you work and are eligible for Medicaid While Working or if there are changes in your work status. We will not review your case 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 2 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 and then your earnings fall below SGA within the Extended Period of Eligibility (see **page 30**), or
- If we ceased your disability due to medical improvement *and* you are participating in a program of vocational rehabilitation or similar services (see **page 27**).

If you are receiving SSI benefits and 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 that month and the following 2 months if you meet all the non-disability-related requirements including the income and resources tests. We call these 3 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 27*).

You are not eligible for an SSI payment for any months you do not meet the non-disability eligibility requirements, for example, the income or resources tests.

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 your benefits end because of your work and you have to stop working later, employment supports can make it easy to begin receiving benefits again.

We discuss each employment support on the following pages. You should view all of the employment supports as a total package to fully appreciate the multiple levels of support available to help disabled individuals achieve their personalized goal of greater economic independence. See the following table 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 period of 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 (EPE), and a 5-year period in which we can start your cash benefits again without a new application (see Expedited Reinstatement, *page 28*). 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 may continue while you are working. 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

<u>Employment Support</u> <u>(Alphabetically Listed)</u>	<u>How This Employment Support Can Help You</u>	<u>See Page</u>
Blind Work Expenses (BWE)	Do you work, receive SSI based on blindness, and have work-related expenses?	48
Continued Payment Under a Vocational Rehabilitation or Similar Program (Section 301)	Has your medical condition improved and are you participating in a vocational rehabilitation or similar program?	27
Earned Income Exclusion	How do we figure your monthly SSI payment amount if you work?	35
Expedited Reinstatement (EXR)	If your benefits ended because you successfully returned to work, can you get benefits again if you stop working?	28
Extended Period of Eligibility (EPE)	How long can you receive SSDI benefits after you return to work?	30
Impairment-Related Work Expenses (IRWE)	Are you paying for items or services related to your disability that you need in order to work?	23
Medicaid While Working – Section 1619(b)	What happens to your Medicaid after you return to work?	43
Medicare Continuation	What happens to your Medicare after you return to work?	32
Medicare for Individuals with Disabilities Who Work	What happens if you are no longer eligible for free Medicare Part A because of your work?	33
Plan to Achieve Self-Support (PASS)	Do you receive SSI (or SSDI and are eligible for SSI) and want to set aside money to pursue an employment goal?	37
Property Essential to Self-Support (PESS)	Do you receive SSI and own property or resources that are essential to your means of self-support?	39
Reinstating SSI Eligibility Without a New Application	How can you restart your SSI cash payments if you stop working?	41
Special SSI Payments for Individuals Who Work - Section 1619(a)	What happens to your SSI cash benefits when your earned income is substantial but you are still disabled?	43
Special SSI Payments for Individuals Eligible Under Section 1619 Who Enter a Medical Treatment Facility	What happens to your SSI payment if you are working, but you have to enter a medical facility?	42

<u>Employment Support</u> <u>(Alphabetically Listed)</u>	<u>How This Employment Support Can Help You</u>	<u>See Page</u>
Subsidy and Special Conditions	Do you receive SSDI and SSI and work but have extra help on the job or have fewer or simpler tasks than other workers?	21
Ticket to Work (Ticket or TTW)	Do you want assistance to help you return to work?	26
Trial Work Period (TWP)	How can you test your ability to work without losing your SSDI benefits?	29
Unincurred Business Expenses	Do you receive SSDI and are you self-employed?	31
Unsuccessful Work Attempt (UWA)	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?	22

SSDI AND SSI EMPLOYMENTS SUPPORTS

Subsidy and Special Conditions

SSDI and SSI initial eligibility

When do we consider?

We consider the existence of a subsidy and/or special conditions when we make an 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?

A “subsidy” is support provided by your employer that may result in your 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 you tell if a subsidy or a special condition applies to you?

A subsidy or special condition may exist if:

- You receive more supervision than other workers doing the same or a similar job for the same pay; *or*
- 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.

What is a UWA?

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:

- Your impairment; or
- Removal of special conditions related to your impairment and essential to the further performance of your work (see *page 21*).

What is the benefit of a UWA if you receive SSDI?

When we make an SGA decision to determine if your disability continues or ceases because of your work, we do not count your earnings during a UWA.

Can a UWA occur during the Extended Period of Eligibility?

Yes. During the EPE (see *page 30*), we consider a UWA as part of our SGA decision for months up to and including the month (if any) in which we cease your disability.

Can a UWA occur during the Trial Work Period?

No. We do not consider UWA during the TWP (see *page 29*) or after the month (if any) in which we cease your disability.

Does a UWA affect your monthly SSI payment?

For SSI, we only consider a UWA at the time you file an initial claim. After that, a UWA is not considered in figuring your SSI payment.

How can IRWE help you?

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.

When will we deduct your IRWE?

We deduct IRWE for SGA purposes when:

- The item(s) or service(s) enables you to work;
- You need the item(s) or service(s) because of a physical or mental impairment;
- You paid the cost and are not reimbursed by another source such as Medicare, Medicaid, or a private insurance carrier;
- The cost is “reasonable”, that is, it represents the standard charge for the item or service in your community, and you paid for the expense in a month you are or were working.

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

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

Can IRWE be deducted during a non-work month?

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

What types of expenses are deductible?

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 family. ✓ 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. 	<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. ⊗ 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.
Medical Devices	<ul style="list-style-type: none"> ✓ Deductible devices include wheelchairs, dialysis equipment, pacemakers, respirators, traction equipment, and braces. 	<ul style="list-style-type: none"> ⊗ Any device you do not use for a medical purpose.
Prosthesis	<ul style="list-style-type: none"> ✓ Artificial hip, artificial replacement of an arm, leg, or other parts of the body. 	<ul style="list-style-type: none"> ⊗ Any prosthetic device that is primarily for cosmetic purpose
Residential Modifications	<ul style="list-style-type: none"> ✓ <i>If you are employed outside of home</i>, modifications to the exterior of your house that permit access to the street or to transportation; for example: Exterior ramps Railings Pathways ✓ <i>If you are self-employed at home</i>, modifications made inside your home in order to create a workspace to accommodate your impairment. This includes enlarging a doorway into an office or workroom and/or modifying office space to accommodate your dexterity challenges 	<ul style="list-style-type: none"> ⊗ <i>If you are employed outside of home</i>, modifications to the interior of your house. ⊗ <i>If you are self-employed at home</i>, you cannot deduct any modification-related expenses that will be deducted as a business expense when determining SGA.

Impairment-Related Work Expenses (IRWE)

SSDI and SSI eligible

TYPE OF EXPENSE	IRWE DEDUCTIBLE	NOT DEDUCTIBLE
Routine Drugs & Routine Medical Services	<ul style="list-style-type: none"> ✓ Regularly prescribed medical treatment or therapy that is necessary to control your disabling condition, even if control is not achieved. This includes: <ul style="list-style-type: none"> Anti-convulsant drugs Blood level monitoring Radiation treatment Chemotherapy Corrective surgery for spinal disorders Anti-depressant medication Your physician's fee relating to these services. 	<ul style="list-style-type: none"> ⊗ Drugs and/or medical services used for your minor physical or mental health problems, for example: <ul style="list-style-type: none"> Routine physical examinations Allergy treatments Dental examinations Optician 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, and 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. 	<ul style="list-style-type: none"> ⊗ 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: <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.

What is a Ticket?

The Ticket to Work Program is an innovative program for individuals with disabilities who want to work and participate in planning their employment. A Ticket 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. You might not be subject to a continuing disability review while you are using your Ticket.

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 (ENs) are private organizations or government agencies that have agreed to work with Social Security to provide employment services to beneficiaries with disabilities. The EN you choose will help you activate your Ticket.

Where do I get more information?

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).

Information about the Ticket to Work Program can be found online at www.socialsecurity.gov/aboutticket.html or www.yourtickettowork.com.

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 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:

- The Ticket to Work
- A Vocational Rehabilitation Agency using an individualized plan for employment (IPE)
- Support services using an individualized written employment plan
- A Plan to Achieve Self-Support (PASS)
- An individualized education program (IEP) for an individual age 18 through 21

How long may my benefits continue?

Under Section 301, your benefits may continue until you:

- 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.

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?

You are eligible to request EXR if you meet *all* the following requirements:

- 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.

SSDI ONLY EMPLOYMENT SUPPORTS

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 *full* SSDI benefits *regardless of how high your earnings might be* as 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-month period. We use this “services” rule only to count TWP months.

In 2009, we consider your work to be “services” if your gross earnings are more than \$700 a month, **or** if you work more than 80 hours in self-employment in a month.

What happens when you complete your TWP?

After you complete your TWP, you begin your Extended Period of Eligibility (EPE, see [page 30](#)), unless we conduct a continuing disability review 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 14](#)).

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 14](#)).
- 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 continuing disability review if you are participating in the Ticket to Work program and you are using your ticket (see [page 31](#)).
- Unsuccessful Work Attempts (UWA) do not apply during the TWP (see [page 22](#)).

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.

What is the EPE?

The EPE is a period of 36 consecutive months following the TWP when, 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, even if you are not working that month.

How does the EPE help you?

The first 36 months of the EPE is the re-entitlement period. During the re-entitlement period, benefits are paid for months your earnings or work activities are below the substantial gainful activity level 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 level. A new application and/or disability determination is not required to start your benefits again. (This is a different rule than Expedited Reinstatement (EXR) that is described on *page 28*.)

What happens the first time you work above SGA?

If we find you worked above SGA in the EPE for the first time and are continuing to engage in SGA, we will pay for the first month your benefits stop due to SGA and the following 2 months. This is referred to as the grace period. If your earnings fall below SGA and you are still in the 36-month re-entitlement period, we can reinstate your benefits without a new application.

Can you continue to receive benefits after the re-entitlement period ends?

If you are eligible for a benefit payment for the 37th month, you will continue to be eligible for benefits until you:

- Work a month at the SGA level, *or*
- Medically recover.

What happens if you work after the re-entitlement period ends?

Your benefits will end if you work above SGA after the 36-month re-entitlement period. However you may be able to start your benefits again if you stop work within the next 5 years (see EXR on *page 28*).

Do you get an EPE under SSI?

No. The EPE applies only to individuals who receive SSDI cash benefits.

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 an 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 your SSI payments?

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

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); Supplemental Medical Insurance (Part B), if enrolled; and Prescription Drug coverage (Part D), if enrolled, after the 9-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.

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 these costs under various Medicare Savings Programs. Your State Health and Human Services agency makes the determination about whether you qualify for this help.

Who is eligible to buy Medicare coverage?

You are eligible to buy Medicare coverage if:

- You are not yet age 65; *and*
- 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 \$443 in 2009. However, you may qualify for a reduction in this premium (see below).

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 2009.

You can buy Hospital Insurance separately without Supplemental Medical Insurance. You can buy Supplemental Medical Insurance only if you also buy Hospital Insurance. Premium Prescription Drug coverage (Part D) is also available.

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 \$244 in 2009 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); *or*
- 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.

For Prescription Drug coverage (Part D), you may enroll (or change plans) during the annual coordinated election period (November 15 through December 31 of each year).

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; and
- Meet certain income and resource standards; and
- Apply for assistance with your state Medicaid agency; and
- Are ineligible for Medicaid on any other basis.

Note: *Individuals with disabilities who work should contact their state health and human services agency for information. See [page 50](#) for more information about state help with Medicare Part A premiums.*

SSI ONLY EMPLOYMENT SUPPORTS

Earned Income Exclusion

SSI eligible

Do we count all your earned income when we figure your SSI payment?

We do not count the first \$65 of the earnings you receive in a month, plus one-half of the remaining earnings. 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. The \$20 general income exclusion is first applied to any unearned income that you may receive.

The following table shows examples of how the general income exclusion and the earned income exclusions are applied.

Examples of the Earned Income Exclusion

Situation 1		Situation 2	
Ed receives \$361 SSDI each month, wages of \$289 each month, and no other income.		Ed receives wages of \$450 each month, no SSDI, and \$13 of unearned income from another source.	
\$361	SSDI	\$0	SSDI
- 20	General income exclusion	\$ 13	Other unearned income
\$341	Countable unearned income	- 20	General income exclusion
\$289	Earned income	\$(7)	Remaining general income exclusion
- 65	Earned income exclusion	- 20	General income exclusion
\$224		\$450	Earned income
- 112	½ remaining earnings	- 7	Remaining general income exclusion
\$112	Countable earned income	\$443	
\$341	Countable unearned income	- 65	Earned income exclusion
+ 112	Countable earned income	\$378	
\$453	Total countable income	-189	½ remaining earnings
		\$189	Countable earned income
\$674	2009 Federal Benefit Rate	\$674	2009 Federal Benefit Rate
-453	Total countable income	-189	Total countable income
\$221	SSI payment	\$485	SSI payment
Available Income		Available Income	
\$361	SSDI	\$450	SSDI
+289	Earned Income	+ 13	Other unearned income
+221	SSI	+485	SSI
\$871 Total Monthly Income		\$948 Total Monthly Income	

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 \$1,640 of earned income per month when we figure your SSI payment amount. The maximum yearly exclusion is \$6,600. These amounts are for the year 2009; 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.

How can a PASS help you?

A PASS allows you to set aside other income besides your SSI and/or resources for a specified period of time so that you may pursue a work goal. For example, if you receive SSDI, wages, or other income, you could set aside some of that 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 may increase your SSI payment amount. For example, if you receive \$800 per month 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. Because we would not count the portion of your SSDI you are using toward your PASS, this could reduce your countable income enough so you could be eligible for SSI.

Who can have a PASS?

If you receive SSI or could qualify for SSI, you could benefit from a PASS. You may not need a plan now, but you may need one sometime in the future to remain eligible or to increase your SSI payment amount while fulfilling your work goal.

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 website at www.socialsecurity.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 income you receive (other than your SSI payments) and/or resources you have that you will use to reach your goal;
- Show how your income 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 periodically by us 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. We will evaluate the plan and decide if it is acceptable. We also will help individuals put their plans in writing.

How does a PASS affect your SSI eligibility and/or payment?

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 use all other appropriate exclusions.

We do not count resources set aside under a PASS towards the resource limit.

Where can you get more information about a PASS?

You can get a PASS Specialist'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 website at: www.socialsecurity.gov/passcadre.

You can ask for a pamphlet entitled *Working While Disabled — A Plan for Achieving Self-Support* (SSA Publication No. 05-11017). It is also available online at www.socialsecurity.gov/pub11017. 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.

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?

We do not count your property if you use it in a trade or business (for example, inventory of goods) or personal property you use for work as an employee (for example, tools or equipment). Other use of the item(s) does not matter.

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. An example is land used to produce vegetables or livestock solely for consumption by your household.

We do not count up to \$6,000 of the 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.

You must be using the property we are excluding under the PESS provision for your self-support activities. If you are not currently using this property because of circumstances beyond your control, you must expect to start using it again within a reasonable period of time, usually 12 months.

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.

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;
and
- 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.

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* work or medical recovery, 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 under Expedited Reinstatement (see **page 28**).*

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

SSI eligible

How does it help you?

If you are working and eligible under section 1619, you may 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% 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 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 may 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 your SSI payment.

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:

- Have been eligible for an SSI cash payment for at least 1 month;
- Would be eligible for cash payment except for earnings;
- Still be disabled;
- Still meet all other eligibility rules, including the resources test;
- Need Medicaid in order to work; and
- Have gross earned income that is insufficient to replace SSI, Medicaid, and any publicly funded attendant care. (See following “threshold amount” discussion.)

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:

- 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 following chart), you may still be eligible if you have:

- Impairment-related work expenses (see *page 23*);
- Blind work expenses (see *page 48*);
- A Plan to Achieve Self-Support (see *page 37*);
- Publicly funded attendant or personal care; or
- Medical expenses above the state per capita amount.

**State Threshold Amounts
for Individuals with Disabilities
2009**

STATE	THRESHOLD
Alabama	\$24,293
Alaska	\$53,808
Arizona	\$28,114
Arkansas	\$27,623
California	\$34,788
Colorado	\$30,201
Connecticut	\$53,537
Delaware	\$34,945
District of Columbia	\$40,459
Florida	\$28,075
Georgia	\$26,816
Hawaii	\$32,927
Idaho	\$36,226
Illinois	\$26,852
Indiana	\$32,615
Iowa	\$29,680
Kansas	\$34,133
Kentucky	\$26,190
Louisiana	\$27,654
Maine	\$42,287
Maryland	\$37,517
Massachusetts	\$37,757
Michigan	\$27,653
Minnesota	\$46,694
Mississippi	\$25,634
Missouri	\$30,877

STATE	THRESHOLD
Montana	\$28,682
Nebraska	\$35,430
Nevada	\$32,448
New Hampshire	\$39,882
New Jersey	\$34,284
New Mexico	\$33,533
New York	\$43,421
North Carolina	\$33,226
North Dakota	\$38,040
Ohio	\$33,194
Oklahoma	\$26,031
Oregon	\$29,050
Pennsylvania	\$28,699
Rhode Island	\$36,604
South Carolina	\$26,267
South Dakota	\$30,806
Tennessee	\$25,146
Texas	\$29,152
Utah	\$28,860
Vermont	\$37,006
Virginia	\$30,478
Washington	\$28,080
West Virginia	\$26,980
Wisconsin	\$32,156
Wyoming	\$30,492
N. Mariana Islands	\$17,196

**States with Separate Threshold Amounts for Blind Individuals
2009**

STATE	THRESHOLD
California	\$36,348
Iowa	\$30,208
Massachusetts	\$38,260
Nevada	\$35,071
Oregon	\$29,650

Do all States use the same Medicaid eligibility rules?

Most states use our SSI eligibility rules to determine Medicaid eligibility. However, the following 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 1619(b) if you were eligible for Medicaid in the month before you became eligible for section 1619.

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 based on blindness (see *page 48*). Impairment-related work expenses (IRWE) are available if you receive SSDI based on blindness (see *page 24*).

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 2009, if you are blind, average monthly earnings over \$1,640 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 blind SSDI beneficiaries who are self-employed?

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 age 55 or older?

Special rules apply after your 55th 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 35* for an explanation of how we figure your SSI payment amount.

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 eligible for SSI based on 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 your monthly payment would be affected by BWE versus IRWE.

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 BWE Versus IRWE

<u>With \$40 BWE</u>		<u>With \$40 IRWE</u>	
\$361	Earned Income	\$361	Earned Income
- 20	General Income Exclusion	- 20	General Income Exclusion
\$341		\$341	
- 65	Earned Income Exclusion	- 65	Earned Income Exclusion
\$276		\$276	
-138	½ Remaining Earnings	- 40	Impairment Related Wk Expenses
\$138		\$236	
- 40	Blind Work Expenses	- 118	½ Remaining Earnings
\$ 98	Countable Income	\$118	Countable Income
\$674	2009 Federal Benefit Rate	\$674	2009 Federal Benefit Rate
- 98	Countable Income	- 118	Countable Income
\$576	SSI Payment	\$556	SSI Payment

Accommodations for Individuals Who Are Blind or Visually-Impaired

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

Website

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

www.socialsecurity.gov/disabilityresearch

www.socialsecurity.gov/redbook

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 website at: *www.socialsecurity.gov/pubs/alt-pubs.html*.

You may order these publications while you are online, or you may contact our Braille Services Team by telephone at: **410-965-6414**, or **410-965-6407**, or by fax at **410-965-6413**. TTY users may 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; *and*
- Sign up for Premium Hospital Insurance (Part A); *and*
- Have limited income; *and*
- 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 files applications for Social Security Disability Insurance (SSDI) benefits and Supplemental Security Income (SSI) on February 27, 2004. His medical condition caused him to stop work beginning February 14, 2004. We call this date his “alleged onset date” of disability.

Tom is approved for disability benefits.

Tom receives an award letter on June 7, 2004, stating he is approved for disability benefits with his alleged onset date of February 14, 2004.

March 2004 Tom’s SSI benefits begin the month after he filed his application. He is eligible for \$564 per month (the FBR in 2004). Tom also becomes eligible for Medicaid.

August 2004 Tom’s SSDI benefits begin. This is the month after Tom completed his 5-month waiting period. The 5 months began the first full month after Tom’s approved onset date of 2/14/04. The 5 months were March, April, May, June, and July 2004. Tom is eligible to receive SSDI benefits beginning August 2004. His monthly benefit amount is \$300 which reduces his SSI to \$284:

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

$\$564 \text{ FBR} - \$280 \text{ countable income} = \284 SSI payment

Tom qualifies for Medicare.

August 2006 Tom qualifies for Medicare after 24 months of entitlement to SSDI benefits. Medicare Hospital Insurance (Part A) is premium-free; Medicare Supplemental Medical Insurance (Part B) is optional but there is a premium. Tom’s state pays his Part B premium for him because he is eligible for SSI and has been covered by Medicaid since March 2004. Tom now has both Medicare and Medicaid. Medicare is the primary payer and Medicaid is the secondary payer.

Tom wants to work.

December 2007 Tom contacts his local Social Security office on December 7, 2007, to learn how a job will affect his SSDI, SSI, and health insurance benefits. Tom is a certified auto mechanic, and a local car dealership has offered him a job.

Tom returns to work.

January 2008 Tom begins work at the car dealership. The dealership pays him \$1,600 a month. If Tom’s medical condition is expected to improve, we may start a continuing disability review at any time to determine if he still meets the disability requirements.

How Tom’s work affects his SSDI benefits.

January 2008 Tom’s Trial Work Period (TWP) begins. During the TWP, Tom can continue to receive full SSDI benefits for at least 9 months regardless of the amount of his earnings. Each month that Tom earns over \$670 in 2008 (\$700 in 2009) will count as a TWP service month. His TWP ends with the 9th month of service in a rolling 60-month period.

September 2008 Tom provides pay stubs showing his steady work activity since January 2008. We determine Tom's TWP are January, February, March, April, May, June, July, August, and September 2008. Tom completes his TWP in September 2008.

October 2008 Tom's TWP has ended and his EPE begins. This is the month after his TWP ended. For the next 36 months (through September 2011), Tom will be paid benefits for any month he does not work over the Substantial Gainful Activity (SGA) level. We refer to this 36-month period of time as the re-entitlement period. During these 36 months, benefits can be reinstated based on Tom's level of work activity. The SGA level for 2008 was \$940 per month for non-blind individuals (\$980 in 2009).

Is Tom performing SGA?

We know from Tom's pay stubs that he receives \$1,600 a month in wages. Tom tells us that he is able to complete only 4 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 contact the employer and learn that the employer is paying Tom \$1,600 a month, the same rate as experienced employees who complete 6-8 repairs a day. The employer pays Tom the same rate as the experienced employees because he knows about Tom's disability and understands it takes him longer to complete tasks. The employer calculates that the actual worth of Tom's services is \$1,400 a month a month. This means that Tom has a monthly subsidy of \$200 which is the difference between what he is paid (\$1,600) and what his employer says his services are worth (\$1,400).

Tom takes a taxi to and from work and provides receipts which show this cost is \$350 per month. Tom's treating physician confirms that his condition prevents him from driving. He cannot take public transportation because crowded situations aggravate his condition. Since Tom pays for his work transportation and there is a medical need for him to take a taxi, we can deduct the cost of his transportation expenses as Impairment-Related Work Expenses (IRWE).

We use Tom's subsidy and IRWE to calculate his SGA earnings as follows:

$\$1,600 \text{ wages} - \$200 \text{ employer subsidy} - \$350 \text{ IRWE} = \mathbf{\$1,050 \text{ SGA earnings}}$

\$1,050 is over the monthly SGA level for 2008 of \$940, so Tom is engaging in SGA in the first month of his EPE, October 2008.

Tom's SGA level work activity affects his benefits in the EPE.

January 2009 Tom's SSDI benefits are stopped. He was ceased in 10/08 because we determined he is engaging in SGA. Tom can be paid for the month of cessation and the 2 following months. We refer to these 3 months as the "grace period". Tom's grace period months are October, November, and December 2008.

For any month that Tom's earning fall below the SGA limit during his 36-month re-entitlement period, his benefits can be reinstated without filing a new application. If Tom's benefits are reinstated during the re-entitlement period, he can continue to collect benefits if his work activity is below the SGA limit, even after the 36-month re-entitlement period ends.

Will Tom's entitlement to SSDI terminate?

October 2011 Tom's entitlement will terminate if his work activity continues at over the SGA level. This is the first month after the end of the 36-month EPE. Tom's entitlement may stop earlier than October 2011 if he no longer meets our disability requirements.

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

SGA rules are different for SSI. For SSI disability benefits, SGA is considered only at the time the initial claim is filed (unless the disability is blindness). SGA is not an issue after a person becomes eligible for SSI. However, we must determine whether the individual continues to meet the non-disability requirements, including income and resources. We will determine the effect of Tom's earnings on his SSI eligibility and payment amount on a month-by-month basis.

January 2008 Tom's income for 1/08 through 12/08 is SSDI of \$300 per month and wages of \$1,600 per month. Because Tom's monthly income does not change, the calculation will be the same for all months in 2008.

First, we figure his countable unearned income by subtracting the \$20 general income exclusion from his SSDI:

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

Next, we calculate his countable earned income by first subtracting the \$65 earned income exclusion from his wages:

$$\$1,600 - \$65 = \$1,535$$

From this amount, we deduct the \$350 IRWE for the taxi transportation:

$$\$1,535 - \$350 \text{ IRWE} = \$1,185$$

NOTE: Tom's subsidy is not an earned income exclusion for SSI; it applies only to the SSDI SGA determination. This means we cannot subtract the \$300 monthly subsidy when we figure his SSI payment and eligibility. However, the IRWE deduction applies to both the SSDI SGA and SSI payment determinations.

The second step in figuring Tom's earned income is to divide this result by 2:

$$\$1,185 \div 2 = \mathbf{\$592.50 \text{ countable earned income}}$$

We now add the countable unearned income and the countable earned income to determine total countable income:

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

Finally, we subtract the total countable income from the SSI FBR to determine SSI eligibility and payment amount:

$$\$637 \text{ (FBR in 1/08)} - \$872.50 \text{ countable income} = \mathbf{\$0 \text{ SSI payment}}$$

Tom will not receive SSI payments for January 2008 through December 2008 because of his SSDI benefits and monthly earnings. However, he still will 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 2009 as long as he works over the SGA level.

January 2009

Tom reports that he received a pay increase to \$1,900 per month beginning in January. His IRWE has increased to \$400 per month. Tom's only income is his wages since he is not receiving an SSDI payment. Here is how we figure his SSI eligibility and payment amount for January 2009.

We subtract *both* the general income exclusion and earned income exclusion from monthly earnings:

\$1,900 wages - \$20 general income exclusion - \$65 earned income exclusion = **\$1,815**

\$1,815 - \$400 IRWE = \$1,415 ÷ 2 = **\$707.50** countable earned income

\$674 (FBR in 1/09) - \$707.50 countable income = **\$0 SSI payment**

Tom is not eligible for any SSI payment unless his earnings or IRWE change.

Will Tom continue to have Medicaid?

Medicaid will continue as long as Tom's earnings are below his state's threshold amount, he needs the Medicaid coverage, and his eligibility for SSI payments is prevented only by his earnings. During this time, he is eligible for an SSI payment for any month that his countable income is under 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.

Will Tom continue to have Medicare?

Tom will no longer receive SSDI payments, but his Medicare coverage will continue for at least 93 months after his TWP period (which ended 9/08) as long as he continues to have a disabling impairment (has not medically improved). Tom's Medicare coverage would end on June 30, 2016 and would terminate on July 1, 2016.

Tom could then choose to purchase Premium Medicare Hospital Insurance coverage (Part A). If he purchases Part A, he can purchase Part B. He can qualify for the

Part A reduced rate since he has earned at least 30 quarters of coverage. Tom's Medicare Insurance (Parts A and B) premiums will be based on the rates in 2016, the year his premium-free coverage ends.

Tom will have to file an application with Social Security if he decides to purchase Medicare coverage in 2016. He will also have to undergo a medical continuing disability review. Tom can purchase Medicare coverage if we determine that his medical condition has not improved after conducting this review.

If Tom still has Medicare when he turns age 65, it will automatically convert to Medicare under the Aged provisions.

SUMMARY OF CONCURRENT BENEFITS AND EMPLOYMENT SUPPORTS

Example Timeline

3/04	SSI and Medicaid start
8/04	SSDI benefits start
8/06	Medicare starts
1/08	Starts work TWP begins SSI stops due to earnings
9/08	TWP ends
10/08	EPE begins Work at SGA continues SSDI benefits cease, grace months for payment are 10/08-12/08
9/11	EPE ends Extended Medicare begins
10/11	SSDI termination month Medicaid ends if earnings are over state threshold amount
7/16	Extended Medicare stops May be able to purchase Premium HI and/or buy into Medicaid
9/16	Last month to file for EXR if no longer working and still disabled

ACRONYMS

AFIA	Assets for Independence Act
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
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
IDA	Individual Development Account
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 for Achieving Self-Support
PESS	Property Essential for Self-Support
SEIE	Student Earned Income Exclusion
SGA	Substantial Gainful Activity
SSA	Social Security Administration
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
TTW	Ticket to Work
TANF	Temporary Assistance to Needy Families
TWP	Trial Work Period
UWA	Unsuccessful Work Attempt
VR	Vocational Rehabilitation
WIPA	Work Incentives Planning and Assistance
WISE	Work Incentives Seminar Events

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 (SSI) (Medi-Cal in California, AHCCS in Arizona)	Medical coverage provided to a person by the state title XIX program.

GLOSSARY

<p>Medicaid Protection for Individuals with Disabilities Who Work</p>	<p>A state may provide Medicaid coverage for individuals with disabilities who:</p> <ul style="list-style-type: none"> • have earnings that are too high to qualify under current rules; <i>and</i> • are at least 16, but less than 65 years of age; <i>and</i> • meet state resource and income limits. <p>A state may also provide Medicaid coverage to these individuals when they lose coverage due to medical improvement, but who still have a medically determinable severe impairment.</p>
<p>Medical Improvement Expected (SSDI and SSI)</p>	<p>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.</p>
<p>Medicare (SSDI)</p>	<p>Health insurance program for eligible disabled individuals and individuals age 65 or older usually consisting of:</p> <ul style="list-style-type: none"> • 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. <p>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: www.socialsecurity.gov/prescriptionhelp.</p>
<p>Medicare for Individuals With Disabilities Who Work (SSDI)</p>	<p>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.</p>
<p>Plan for Achieving Self-Support (SSI)</p>	<p>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.</p>
<p>Property Essential to Self-Support (SSI)</p>	<p>We do not count some or all of certain property necessary for self-support when we apply the SSI resources test.</p>
<p>Resources (SSI)</p>	<p>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.</p>

GLOSSARY

Substantial Gainful Activity (SSDI and SSI)	<p>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.</p>
SSDI	<p>Social Security Disability Insurance authorized under title II of the Social Security Act.</p>
SSI	<p>Supplemental Security Income program authorized under title XVI of the Social Security Act.</p>
Subsidy and Special Conditions (SSDI and SSI)	<p>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.</p>
The Three Tests (SSDI)	<p>We may use one of these 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 re-entitlement period after benefits have ended due to SGA.</p>
Trial Work Period (SSDI)	<p>The TWP 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.</p>
Unincurred Business Expenses	<p>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.</p>
Unsuccessful Work Attempt	<p>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 a UWA when we make an SGA decision.</p>

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