

# PASS and Related SSA Work Incentives

The slide features several decorative circles. There are five solid light purple circles and one hollow light purple circle. The hollow circle is positioned in the upper middle section, partially overlapping the word 'PASS'. The other four solid circles are arranged around the lower right portion of the slide, with one overlapping the contact information.

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# Why You Need to Know this Information?

- Reality: People with disabilities consider how work will affect their benefits.
- Reality: Work rules/programs are confusing and there is misinformation everywhere.
- Reality: People are choosing not to work, or limiting work, out of fear of losing access to critical cash benefits and health insurance.

# SSA Work Incentives: The Possibilities

- The Old Way of Thinking (myths):
  - When you work, just stay under \$XXXX.
  - If you earn over \$85 you will lose SSI
  - You have to keep a \$1 of SSI or you'll lose your Medicaid
  - Service providers just needed to know SGA
- Result: Living In the Benefits Box
  - Work Rules Determine Your Work Goal



# SSA Work Incentives: The Possibilities



- The New Way of Thinking:
  - There are work incentives that can assure continued access to critical health insurance, increased financial position, and resources to reach goal
  - Community Work Incentive Coordinators should be part of employment team
  - Providers should know basic possibilities of work incentives
- Result: Living Outside the Benefits Box
  - Work Goal determines which Work Incentives to use



# SSA Work Incentives: The Possibilities

- Work Incentives are special work rules created to support a person in working:
  - Maintain access to health insurance (Medicaid and Medicare)
  - Keep more of cash benefit check
  - Keep eligibility status even if not receiving benefit check due to earned income
  - Access funding to pay for work expenses



Agenda:

We'll discuss:

- Social Security Cash Benefits & Work Incentives
- Plan for Achieving Self Support
- Accessing Work Incentives Planning Services

# What is Social Security Disability Insurance & Who is Eligible?

- Insurance benefit—FICA/SECA
- Eligibility:
  1. Experience a disability
    - Medical criteria
    - Substantial Gainful Activity-SGA criteria (\$1000/mo, \$1640/mo if blindness)
  2. Insured status
    - Self (DI)
    - Parent (DAC/CDB) (over 18 years, parent retired/disabled/deceased, disabled before 22)
    - Spouse (DWB)
- Medicare, after 24 month waiting period

# SSDI & Earned Income



- In general, benefit check is all or nothing, based on earnings below or above Substantial Gainful Activity (SGA)
  - \$1000/month (2010) countable earnings
  - \$1,640/month (2010) if blind by SSA criteria
- Referred to as “cash cliff”
- Work incentives allow beneficiary to maintain SSDI if earning over SGA
- Work incentives allow beneficiary to maintain eligibility “status” if earnings cause check to stop



# SSDI and Earned Income

## Phase 1: Trial Work Period (TWP):

- 9 months to work and earn as much as you want and keep benefit check.
- Use up a Trial Work month each time gross wages over \$720/month (2010)
- When use 9 TWP months within 5 year period, move onto next phase

# TWP Example

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
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97	220	210	0	210	800	0	0	0	0	0	0	0
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99	70	70	70	18	50	100	150	150	220	50	50	50
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04	710	710	710	710	710	729	740	725	735	725	758	760

Identify the beginning and ending of: TWP, EPE, and the Grace Period

TWP amounts: 92 through 00 – \$200

01 – \$530

02 – \$540

03 – \$570

04 – \$580

SGA (non-Blind) amounts: 90 through 6/99 – \$500

7/99 – \$700

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# SSDI and Earned Income

## Phase 2: Extended Period of Eligibility (EPE):

- Begins month after 9<sup>th</sup> Trial Work month & lasts 36 months
- COUNTABLE earnings      SGA = benefit check
- COUNTABLE earnings      SGA = NO benefit check
- PHASE 2 or 3: Grace Period - The first month after TWP COUNTABLE earnings are ABOVE SGA, keep the benefit check that month and the following 2 months, no matter what earnings are

# EPE Example

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97	220	210	0	210	800	0	0	0	0	0	0	0
98	50	50	50	50	70	70	70	70	70	60	0	0
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04	710	710	710	710	710	729	740	725	735	725	758	760
05	800	805	800	800	800	805	810	810	810	810	810	810

SGA (non-Blind) amounts: 03 – \$800 05 - \$830  
04 – \$810

# SSDI and Countable Earned Income

Wage Employment

\$Gross Wages  
(-) \$IRWE  
(-) \$Subsidy  
(=) \$Countable Wages

Self Employment

\$NESE\*  
(-) \$IRWE  
(-) \$Unincurred Biz Expense  
(=) Countable NESE

\*Net Earnings from Self Employment (NESE) is  
Gross Profit – Business Expenses x 0.9235



# Additional SSDI Work Incentives

## Impairment Related Work Expenses (IRWE):

**Maintain benefit check** when earnings above SGA

- Expenses that are--
  - Out of pocket expenses
  - Related to impairment
  - Needed to work
- Approved amount is deducted from Gross Wages/NESE to determine COUNTABLE earnings

# Additional SSDI Work Incentives

## IRWE EXAMPLE:

Expenses: \$175/month in medications and job coaching

\$1,100 Gross Wages  
– \$ 175 IRWE (medications and job coaching)  
= \$ 925 COUNTABLE Earnings

After IRWE wages are valued below SGA, so benefit check continues



# Additional SSDI Work Incentives

## Subsidy/Special Considerations:

**Maintain benefit check** when gross earnings above SGA

- Extra support received on the job or lower productivity,
- Which results in receiving more pay than the actual value of services performed,
- The value of extra support/lower productivity is deducted from gross wages

**\*\*Unpaid Help & Unincurred Business Expenses are self-employed version of this Work Incentive**



# Additional SSDI Work Incentives

## SUBSIDY EXAMPLE:

Assisting 25% fewer customers than other co-workers

\$1100 (gross wages)

-\$275 (25%-value of work not performed)

= \$825 Countable Earnings

After Subsidy wages are valued below SGA, so  
benefit check continues

# SSDI and Earned Income

## ● Phase 3: Post EPE

○ After EPE, continue to look for SGA--

- COUNTABLE earnings ↓ SGA = benefit check
- COUNTABLE earnings ↑ SGA = termination

○ If terminate and COUNTABLE earnings drop BELOW SGA within 60 months of termination--

- Can request reinstatement of benefits (EXR)
- Receive 6 months of provisional benefits while SSA makes reinstatement decision



# Medicare and Earned Income

## Medicare Work Incentives:

### **Maintain Medicare when benefit check stops**

- Extended Period of Medicare Coverage (EPMC)
  - If cash benefits stop due to work, Medicare can continue for at least 93 months (7 years, 9 months) after TWP ends
- Medicare for People with Disabilities Who Work
  - After EPMC is exhausted, if cash benefit stop due to work, buy into Medicare

# SSDI & Earned Income Summary

- Work Incentives created to allow a person earning over SGA and maintain check, under certain circumstances:
  - Trial Work Period (time limited)
  - Grace Period (time limited)
  - Impairment Related Work Expenses--IRWE
  - Subsidy/Unincurred Business Expenses

# SSDI & Earned Income Summary

- Work Incentives created to allow a person to maintain eligibility status or to re-establish eligibility quicker when earning over SGA :
  - Extended Period of Eligibility (maintain eligibility status)
  - Expedited Reinstatement (easier re-entry)

# SSDI & Earned Income Summary

- Work Incentives created to allow a person to maintain Medicare when not receiving cash check because of earnings:
  - Continuation of Medicare (maintain Medicare)
  - Medicare for People with Disabilities who Work (maintain Medicare)

# What is Supplemental Security Income (SSI) & Who is Eligible?

- General Fund-financial needs-based
- Eligibility
  1. Experience a disability
    - Medical criteria
    - Substantial Gainful Activity-SGA criteria (\$100/mo, \$1640/mo if blindness) \*\*\*\*AT ELIGIBILITY ONLY\*\*\*\*\*
  2. Have little or no Income or Resources
    - Countable Income below \$674/month (\$1011-couple)
    - Countable Resources below \$2,000 (\$3,000-couple)
- Medicaid

# SSI & Income

- Maximum SSI \$674 (2010), \$1011 if couple
  - Reduced by:
    1. In-Kind Support (free food and/or shelter),
    2. Unearned Income, and
    3. Earned Income
- 1. In-Kind Support & Maintenance
  - Free food and shelter
    - Value of One-Third Reduction (VTR)- SSI base amount  $1/3^{\text{rd}}$  less)
  - Partial help with food and/or shelter
    - Presumed Maximum Value (PMV)- Value of free food or shelter considered unearned income

# SSI & Income

## 2. Unearned Income: all but \$20 is counted

Unearned Income	\$400.00
General Income Exclusion	(-) \$20.00
Countable Unearned Income	(=) \$380.00
Base Rate SSI (check for VTR)	\$674.00
Countable Unearned Income	(-) \$380.00
Adjusted SSI Check Amount	(=) \$294.00
Unearned Income	\$400.00
Adjusted SSI Check Amount	(+) \$294.00
Total Income	(=) \$694.00

# SSI & Earned Income



3. Basic SSI Earned Income Exclusions (apply to all):
  - General Income Exclusion: If not used on unearned income, can use \$20 General Income Exclusion on earned income
  - Earned Income Exclusion: \$65 of earnings are excluded
  - One-Half Disregard: After deducting \$65/\$85, half of remaining earned income is excluded
- What's left is what SSI check is reduced by

# SSI & Earned Income Example

<b>\$1000.00</b>	<b>Earned Income</b>
<u>(-) \$ 85.00</u>	General (\$20) and Earned Income (\$65) Exclusion
= \$ 915.00	Subtotal
<u>(x) .50</u>	One-Half Disregard
<b>= \$ 457.50</b>	<b>Countable Earned Income</b>

\$674.00	Maximum SSI
<u>(-) \$457.50</u>	Countable Earned Income
<b>(=) \$216.50</b>	<b>New SSI check</b>

\$ 216.50	New SSI check
<u>(+) \$1000.00</u>	Earned Income
<b>(=) \$1216.50</b>	<b>Total Income</b>



# SSI & Earned Income

- Additional Deductions

- Student Earned Income Exclusion (SEIE)
- Impairment Related Work Expenses (IRWE)
- Blind Work Expenses (BWE)
- Plan for Achieving Self Support (PASS)

# Additional SSI Work Incentives

## Student Earned Income Exclusion (SEIE):

Students get to **keep MORE SSI** while WORKING

- Make \$6,600/year of earnings and have NO reduction in SSI (use up to \$1,640/month) -2010 amounts
- If under 22 & regularly attending school—
  - In college or university 8 hrs/week
  - Grades 7-12 at least 12 hrs/week
  - Training course to prepare for employment 12 hrs/week, 15 hrs/week if involves shop practice

# Additional SSI Work Incentives

## Impairment Related Work Expenses (IRWE):

**Keep MORE SSI** when paying expenses

- Expenses that are:
  - Out of pocket
  - Related to impairment
  - Needed to work
  
- Can be deducted from earned income



# Additional SSI Work Incentives

## Blind Work Expenses (BWE):

### **Keep MORE SSI** when paying work expenses

- For individuals determined blind by SSA standards
- Expenses that are:
  - Out of pocket expenses
  - Related to work (ie., service animals, transportation to/from work, taxes, sensory aids, union due, etc.)
- Can be deducted from earned income

# SSI & Earned Income Example

\$1700	Earned Income
<b>(-) \$1550</b>	<b>SEIE</b>
(-) \$ 85	General and Earned Income Exclusions
<b><u>(-) \$ 100</u></b>	<b>IRWE</b> (job coaching)
= \$ 0	Subtotal
<b><u>(x) .50</u></b>	One-Half Disregard
= \$ 0	Subtotal
<b><u>(-) \$</u></b>	<b>BWE</b>
(=) \$ 0	Countable Earned Income

\*\*Still receive FULL SSI of \$674, plus \$1700 of Wages



# SSI/Medicaid & Earned Income

When SSI cash check goes to \$0 because of earned income--

**Keep Medicaid** and **SSI status** through 1619b:

1. Earned income reduced SSI to \$0, and
2. Need Medicaid to work, and
3. Still experience a disability, and
4. Meet other SSI eligibility requirements, and
5. Earning under threshold (\$49,245/yr-2010)  
(\*higher, individualized threshold possible)

# Plan for Achieving Self Support (PASS)



- A Work Incentive that helps a beneficiary who needs to pay for work expenses
- Beneficiary sets aside their own income and/or resources, (other than SSI)
- In return receive increased SSI, or become eligible for SSI, to pay for living expenses

# Plan for Achieving Self Support (PASS)



- Funds set aside are used to purchase items/services that help reach a specific work goal
- Length of PASS based on individual consideration
- Reduce/eliminate need for SSI/SSDI
  - Support a work goal that reduces SSI or eliminates need for SSDI

# A Getting A Ballpark PASS Figure

Unearned (SSDI)

Example

\$604	SSDI check
<u>(-) \$20</u>	Exclusion
<b>\$584</b>	<b>PASS/month</b>
<u>X 12</u>	Months
<b>\$7008</b>	<b>PASS/year</b>

Earned (Wages)

Example

\$600	Wages
<u>(-) \$85</u>	Exclusions
<u>(/ ) 2</u>	Exclusion
<b>\$257.50</b>	<b>PASS/month</b>
<u>X 12</u>	Months
<b>\$3090</b>	<b>PASS/year</b>



# Plan for Achieving Self Support (PASS)

Funds can be used for work related expenses:

- Career Planning activities
- Job search expenses
- Job coaching
- School/Training
- Transportation
- Equipment
- Business start-up expenses
- Dues/subscriptions
- Attendant care

# Example



- Emily: Didn't have long term job coaching funding. Received SSI only.
  - VR paid for discovery, job development, and first 6 months of job coaching.
  - PASS: During first 6 months of job she banked up her countable earnings in her PASS, when VR closed she used those PASS funds to cover job coaching plus she continued to deposit and use countable earnings for another 12 months until support became maintenance (\$100/month).
  - IRWE: The ongoing \$100/month was deducted as an IRWE in the SSI calculation, giving her \$50 back in SSI she wouldn't have gotten if she didn't claim the IRWE.



# Example

- Andy: Secured job at a bookstore, needed job coaching, equipment, vehicle
  - Health Insurance: Dynavox and power wheelchair
  - VR: Engineering and parts for assistive technology
  - PASS: Job coaching and wheelchair accessible van



## The PASS form (SSA-545)

- Once background is complete—fill out the form and submit to local SSA
  - Best to have Community Work Incentive Coordinator involved
- SSA office will send to PASS Cadre (you could also send copy in advance)

A decorative graphic at the top of the slide consists of two overlapping circles on the left and three separate circles on the right. The leftmost circle is solid light purple, and the one it overlaps is a white circle with a light purple outline. The three circles on the right are arranged horizontally: a solid light purple circle, a white circle with a light purple outline, and another solid light purple circle.

# PASS Cadre

- PASS Cadre has responsibility for determining if feasible and viable goal
- PASS Cadre will approve and monitor or deny application
- PASS Cadre can be a resource when developing PASS
- Community Work Incentive Coordinators are tremendously helpful with this process!

# Monitoring and amending PASS

- Beneficiary must:

- Keep and provide receipts
- Keep and provide other documents to support progress
- Keep PASS funds in separate account
- Amend plan if necessary



# PASS Online Resource

University of Montana Rural Institute

- [www.passplan.org](http://www.passplan.org)

Cornell University

- [www.passonline.org](http://www.passonline.org)

Social Security Administration

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

# Work Incentive Planning: A Critical Service

- Work Incentive Planning was created to:
  - Remove misinformation barrier.
  - Provide beneficiaries assistance in using work incentives.
  - Provide beneficiaries assistance in identifying plan to use and implement work incentives.
  - Assist beneficiaries in problem solving benefit issues related to employment.
  
- Know who to call for help and when to call

# Work Incentive Planning Services

- Continuum of Services

- Discovery/Career Planning—Give Basic Info
- Job Search—Give Comprehensive-Specific Info
- Job Secured—Implement Work Incentive
- Maintaining Job—Plan for ongoing benefits management needs

# Information a Community Work Incentive Coordinator Will Need:

- Contact Information
- Questions and Concerns about benefits and Working
- Work goal
- Support Needs
- Benefit Information



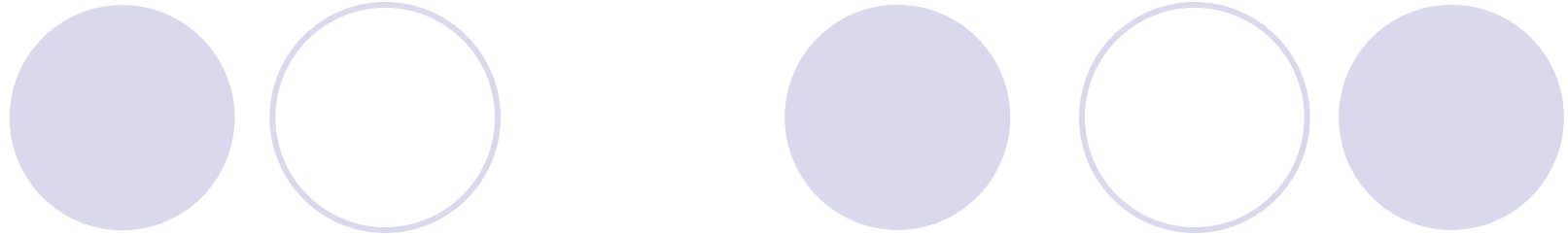
With that Information in Hand, CWIC will:

- Verify Benefit information
- Assess potential use of SSA work incentives
  - SSDI
  - SSI
  - Consider adding other local work incentives
- Provide input on what Work Incentives are expected to be most supportive
- Provide support in implementing work incentives



# Summary

- Work Incentives exist and support work!
- Work Incentives are underutilized!
- With proper planning people with disabilities can be working/earning more!
- Incorporate Work Incentives Planning in the entire Employment process!



Contact me anytime!

- **Molly Sullivan**

Griffin-Hammis Associates

503-703-3650

[msullivan@griffinhammis.com](mailto:msullivan@griffinhammis.com)

# WORK INCENTIVES CONNECTION

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**Provides clear, accurate information about impact of work on government benefits**

## **General Information:**

- Started in 1998—11 years of experience and expertise
- Serves the entire state
- Serves all disability groups
- Provides easy access through toll free hotline
- Offers immediate assistance
- Works with all forms of government benefits
- Protects the individual from having “benefits surprises”
- Provides key, understandable information at the relevant time
- Carries the responsibility for getting it right

## **Services include:**

- ◆ Phone hotline for specialized info and referral
- ◆ Problem solving & advocacy for benefit issues
- ◆ Benefits Analysis
- ◆ Outreach
- ◆ Website full of information at:  
[www.mnworkincentives.com](http://www.mnworkincentives.com)

Contact us by calling 8 a.m.-4:30 p.m. on Monday, Tuesday, Thursday or Friday

**Twin Cities Metro: 651-632-5113**

**Greater MN: 1-800-976-6728**

If you happen to get v-mail please leave a message and your call will be returned shortly.

## SSI Calculation Sheet

Step	Calculations
<b>Step 1: Countable Unearned Income</b>	
Unearned Income	
General Income Exclusion (GIE)	-
<b>Countable Unearned Income</b>	=
<b>Step 2: Countable Earned Income</b>	
Gross Earned Income	
Student Earned Income Exclusion	-
Remainder	
GIE (if not used above)	-
Remainder	
Earned Income Exclusion (EIE)	-
Remainder	
Impairment Related Work Expense (IRWE)	-
Remainder	
Divide by 2	
Blind Work Expenses (BWE)	-
<b>Total Countable Earned Income</b>	=
<b>Step 3: Total Countable Income</b>	
Total Countable Unearned Income (Step 1)	
Total Countable Earned Income (Step 2)	+
PASS Deduction	-
<b>Total Countable Income</b>	=
<b>Step 4: Adjusted SSI Check Amount</b>	
Base SSI Rate (check for VTR)	
Total Countable Income (Step 3)	-
<b>Adjusted SSI Payment</b>	=
<b>Step 5: Total Income</b>	
Unearned Income	
Earned Income	+
Adjusted SSI Check Amount	+
Less PASS/BWE/IRWE Expenses	-
<b>Total Income</b>	=

# SUPPLEMENTAL SECURITY INCOME (SSI) AND MEDICAID:

**Earnings**

**SSI**

**TOTAL**

Earnings = \$0.00



SSI = \$674.00



Total = \$674.00

Earnings = \$1,000.00



SSI = \$216.50



Total = \$1,216.50

Earnings = \$1,433.00



1619b:  
SSI status  
and  
Medicaid

SSI = \$0.00



Total = \$1,433.00

Earnings = \$4,103.75  
\$4,103.75  
(\$49,245/year)



1619b:  
SSI status  
and  
Medicaid

SSI = \$0.00



Total =

\*\*Use SSI Calculation Worksheet to determine changes to SSI check.

## SSDI Transition to Work

Phase 1	Phase 2	Phase 3										
TRIAL WORK PERIOD (TWP)	EXTENDED PERIOD OF ELIGIBILITY (EPE)	POST EPE										
9 TWP within 60 months	3 years (36 months)											
<p>(1) Keep SSDI check no matter how high wages go, for 9 months.</p>	<p>(1) Starts the month after 9<sup>th</sup> TWP month, ends 36 months later.</p>	<p>(1) After EPE ends:</p> <ul style="list-style-type: none"> <li>If <b>countable earnings</b> are below SGA, cash benefit continues</li> <li>The first month <b>countable earnings</b> go above SGA the SSDI benefit will terminate.</li> </ul>										
<p>(2) Use a TWP month each time earnings go above \$720 (2010).</p>	<p>(2) Safety Net:</p> <ul style="list-style-type: none"> <li>Months when <b>countable earnings</b> are below SGA = cash check that month.</li> <li>Months when <b>countable earnings</b> are above SGA = no cash check that specific month.</li> <li>STAY IN ELIGIBILITY STATUS during 36 months even in months not getting check.</li> <li>Simply report reduction in earnings to SSA to restart SSDI check if stopped.</li> </ul>	<p>(2) If terminate, but then <b>countable earnings</b> drop below SGA, and unable to work at SGA level work due to disability, can request Expedited Reinstatement (ExR).</p> <p>With ExR, receive up to 6 months of provisional benefits while SSA makes a decision on your request for reinstatement.</p> <p>If found eligible, get new TWP/EPE/ExR.</p>										
<p>(3) When all 9 used within 5 years, TWP ends.</p>	<p>(3) Keep SSDI check each month <b>countable earnings</b> below SGA (\$1,000 in 2010, \$1,640 if blindness)</p> <p><b>Countable Earnings Calculation:</b></p> <table style="margin-left: 20px;"> <tr><td>\$</td><td>Gross Wages/NESE</td></tr> <tr><td>-\$</td><td>Sick/Vacation/Holiday pay</td></tr> <tr><td>-\$</td><td>IRWE</td></tr> <tr><td>-\$</td><td>Subsidy/Unincurred Biz Expenses</td></tr> <tr><td>= \$</td><td>Countable Earnings</td></tr> </table>		\$	Gross Wages/NESE	-\$	Sick/Vacation/Holiday pay	-\$	IRWE	-\$	Subsidy/Unincurred Biz Expenses	= \$	Countable Earnings
\$	Gross Wages/NESE											
-\$	Sick/Vacation/Holiday pay											
-\$	IRWE											
-\$	Subsidy/Unincurred Biz Expenses											
= \$	Countable Earnings											
<p><u>Grace period:</u> The first month <b>countable earnings</b> go above SGA after TWP, keep SSDI check that month and the following two months no matter how high earnings go.</p>												
<p><u>Extended Period of Medicare Coverage:</u> If cash benefits cease due to work, Medicare can continue for at least 93 months after TWP ends.</p>												