

## Financial Independence

### How do I get there?

- Financial independence is one of the most important issues for any young person to consider as s/he plans for the future.
- Employment is the primary method of achieving financial independence.
- As a young person explores different jobs, federal and/or state cash benefits are bridges that can provide a minimum standard of living. The health insurance programs associated with these benefits can often provide the supports needed for a person with disabilities to begin training and work.

The Social Security Administration is very committed to helping people with disabilities go to work. They have introduced a number of new work incentives and have strengthened the ones already in place. These work incentives can help provide some cash benefits and health insurance as an individual with a disability transitions into work.

It is very important for young people with disabilities and their families to understand what benefits are available to them and the work incentives associated with each program. They can then enter training and employment confident that they understand the supports available to them and make informed decisions.

### Are there federal programs to provide financial support?

#### Social Security Disability Benefits

The Social Security Administration has two programs that were developed to provide cash benefits and access to health care coverage to people whose disabilities make it harder for them to work.

### Social Security Disability Insurance (SSDI) & Supplemental Security Income (SSI)

<b>Social Security Disability Insurance (SSDI)</b>	<b>Supplemental Security Income (SSI)</b>
<b>SSDI</b> provides cash benefits and health-care coverage (Medicare) to individuals who have worked and paid into this insurance program through FICA (federal withholding for SSA and Medicare) taxes.	<b>SSI</b> provides cash benefits to individuals with disabilities who have not worked enough to qualify for SSDI and who have little income or resources. In Utah, many people who qualify for SSI are also eligible for Medicaid but they must apply for it separately through the Department of Workforce Services. Some people will get a combination of SSI and SSDI.

SSDI	SSI
<p>Applies to young people in three ways:</p> <ul style="list-style-type: none"> <li>➤ When a young person is the dependent of a parent (or in some cases step-parent, grandparent or other legal guardian) who is disabled, deceased or retired and is eligible for Social Security, s/he can receive a payment from Social Security until age 18 (up to age 19 if still in high school). That benefit amount is based upon the work record of the person and is a portion of that amount.</li> <li>➤ This dependent benefit can continue past the age of 18 (or 19) if the young person has a disability that started before age 22, is unmarried and has a disability that is severe enough to meet the adult eligibility requirements. It is the responsibility of the young person and their family to contact Social Security and ask for a disability determination at age 18. Social Security does not have any disability information about the dependent.</li> <li>➤ A young adult can also be eligible for SSDI if they have worked enough quarters and paid into FICA and have a disability that meets the adult disability requirements.</li> </ul>	<p>Requirements for SSI:</p> <ul style="list-style-type: none"> <li>➤ This is a needs-based program that not only requires the young person to have a significant disability that keeps them from working substantially, but also assumes that the individual has little or no income and under \$2000 in resources.</li> <li>➤ If the individual is <u>under</u> 18 years old, the <u>parents' income and resources</u> are used to determine eligibility. The amount of income allowed is based upon the number of children in the family and whether the income is earned (wages) or unearned (other benefits) or a combination of the two.</li> <li>➤ If the individual is 18 years or older only the young person's income and resources are considered.</li> <li>➤ The maximum payment an individual can receive on SSI is \$674/month for 2009.</li> <li>➤ If someone has been receiving SSI as a child, Social Security will do a redetermination at age 18. At that time they will use the adult criteria, which is more stringent than the childhood criteria. It is possible for someone to receive SSI as a child and be found ineligible because of the age 18 redetermination.</li> </ul>
<p>To be eligible for SSDI, an individual can be working but not earning more than \$980/month in 2009 (or \$1640/month if the individual is blind).</p>	<p>At the time of application, the young person can be working but cannot be earning more than \$980 per month (\$1640/month if the person is blind).</p>

### How does working affect someone's Social Security disability benefits?

Social Security wants people with disabilities to work and has put together a number of work incentives to help them reach their goals. SSDI and SSI have a number of work incentives but each program has its own rules.

SSDI Work Incentives	SSI Work Incentives
<ul style="list-style-type: none"> <li>➤ <b>Trial Work Period (TWP)</b> - If an individual receives SSDI s/he is entitled to a nine-month trial work period that allows them to earn as much as they can without affecting their cash benefit. After the trial work period ends, if the person were earning more than <b>Substantial Gainful Activity (SGA)</b>, \$980/month for 2009 (\$1640 if blind), the cash benefit would stop after a three-month "grace period".</li> <li>➤ <b>Extended Period of Eligibility (EPE)</b> - SSA has two "safety nets" that allow an individual to go back on benefits without a new application. An Extended Period of Eligibility (EPE) continues for 36 months after the trial work period. During this time, a person can go back on benefits any month s/he does not earn \$980 or work 80 hours in self-employment.</li> <li>➤ <b>Expedited Reinstatement</b> – If the individual is not receiving a cash benefit at the end of their EPE or at the point their cash benefits stop, another support begins. For the next 60 months, if the individual can not earn \$908/month because of their disability, s/he can apply for Expedited Reinstatement and SSA will restart benefits and do a continuing disability review. If the person has not medically improved, benefits will continue.</li> <li>➤ <b>Subsidies</b> - Sometimes, a person with a disability may be able to secure "subsidized" employment. This happens when an employee receives supports on the job that result in more pay than the actual value of the services the person performs. Social Security deducts the value of a subsidy from earnings to determine if a person is performing substantial work activity.</li> <li>➤ <b>Impairment Related Work Expenses (IRWE)</b> - A person with a disability often has more costs related to work than other people. When a person pays for medical or equipment expenses themselves, SSA may exclude these costs when counting his/her income to see if someone is working at a substantial gainful activity level. The cost of special arrangements for transportation to work is also a common IRWE.</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>When someone receiving SSI</b> begins to work, Social Security uses a formula to determine what their new cash benefit will be. Basically, for every \$2 someone earns SSA reduces his or her benefits by \$1.</li> <li>➤ <b>Student Earn Income Exclusion</b> - This exclusion allows young adults who are under 22 years of age and regularly attending school to exclude up to \$1550/month in wages before the formula above is used. They can exclude up to \$6240 a year as of January 2008.</li> <li>➤ <b>1619B</b>-This provision is a "safety net" for SSI recipients. It allows someone to continue SSI eligibility and Medicaid coverage even if s/he is no longer receiving a cash benefit.</li> <li>➤ <b>Impairment Related Work Expenses (IRWE)</b> - A person with a disability often has more costs related to work than other people. When a person pays for medical or equipment expenses themselves, SSA may exclude these costs when counting his/her income to see if someone is working at a substantial gainful activity level. The cost of special arrangements for transportation to work is also a common IRWE.</li> <li>➤ <b>Plan for Achieving Support (PASS)</b> - This work incentive allows the young person to set aside income and assets to be used to pay for goods and services needed to reach a vocational goal.</li> <li>➤ <b>1619A</b>-This provision allows SSI eligibility to continue even if someone is earning above SGA.</li> </ul>

SSDI	SSI
<p><b>Medicare</b> can be continued in some cases for up to 93 months after cash benefits stop.</p>	<p><b>Medicaid</b> eligibility can continue even if someone is earning enough that their cash benefit stops. <b>1619B</b> allows someone on SSI in Utah to earn up to \$2,427/month and still remain on Medicaid as long as his or her assets stay under \$2000. It also protects eligibility for SSI.</p>

### **Medicaid Work Incentive**

Utah also has a Medicaid program called Medicaid Work Incentive (MWI). This program allows individuals who are working and meet the SSA definition of disability to be eligible for Medicaid with higher income and assets. Someone on this program can earn up to 250% of poverty level and have up to \$10,000 in liquid assets if they are single and \$15,000 if they are married. For more specific information, go to the [MWI <http://workabilityutah.org/documents/healthcare/MEDICAID%20WORK%20INCENTIVE.doc>](http://workabilityutah.org/documents/healthcare/MEDICAID%20WORK%20INCENTIVE.doc) web page.

### **Where can I get more information?**

This is a very simplified explanation of Social Security Disability Benefits and the work incentives associated with both programs. It is important to talk with someone who is knowledgeable about these programs before you make any decisions about employment.

Two good sources for information about Social Security Disability Benefits and work incentives are:

#### **Work Incentive Planning and Assistance (WIPA) Program**

This is a benefits planning assistance and outreach program that helps you build a better understanding about Social Security Disability Benefits and work. You can contact them by calling 1-801-887-9530.

#### **Social Security Administration**

You can reach Social Security by calling 1-800-772-1213.

If you are interested in applying for Social Security Disability Benefits you can either call **Social Security** at 1-800-772-1213 or go online at [www.SSA.gov](http://www.SSA.gov).

#### **Ticket to Work**

The Ticket to Work Program is an initiative of the Social Security Administration and is administered through Maximus. All SSDI and SSI beneficiaries will eventually receive a "Ticket" in the mail. This voluntary program assists people receiving disability benefits to go to work by decreasing barriers to employment and increasing their choice of vocational service providers.

Adapted from Connecticut State Department of Education/Bureau of Special Education Transition Task Force/Transition Training Manual

- Participation in the program is voluntary. Beneficiaries DO NOT have to take part in this program to keep their disability benefits.
- SSA will not do continuing disability reviews of your medical condition while they consider you to be using your ticket.
- Participants in the “**Ticket-to-Work**” program can receive employment services or other services to help them go to work or earn more money from work.
- In the “**Ticket-to-Work**” program, participants can choose from among several providers of vocational services called **Employment Networks, (EN’s)**. Employment Networks are organizations or agencies that have agreed to work with the Social Security Administration to provide employment services to beneficiaries with disabilities. VR is an Employment Network.
- **Maximus, INC.** is a private company that is working with SSA to help manage the Ticket-to-Work program. Maximus can answer questions about the Ticket-to-Work and can provide the names, addresses, and telephone numbers of other Employment Networks that are in the beneficiary’s area.
- When a beneficiary and EN agree to work together, the “Ticket” is assigned to that EN. If the services do not meet the beneficiaries’ needs, they may choose to **reassign** their ticket to another EN.
- Anyone interested in taking part in, or getting more information about the Ticket-to-Work program should contact **Maximus, INC.** at 1-866-968-7842 or 866-833-2967 TDD or [www.yourtickettowork.com](http://www.yourtickettowork.com) (Current VR consumers can get information from their counselor).