

"The difference between those who fail and those who succeed is largely perseverance. Never quit."

Charles Schwab: Founder of Schwab Learning

Social Security Brief

Social Security Disability Benefits are paid under two programs. Social Security Disability Insurance (SSDI) program pays benefits to individuals or certain family members if they have paid in social security taxes and worked long enough to earn benefits. Supplemental Security Income (SSI) pays benefits to disabled adults and children who have limited income and resources. Persons age 65 and older without disabilities may receive SSI benefits if they meet financial limits.

Social Security Disability Insurance and Supplemental Security Income programs are processed using the same criteria for medical requirements for disability payments and the same process for determining disability is used for both SSI and SSDI. The Social Security Administration automatically enrolls persons, who have been determined eligible and receiving their benefits for disability, in Medicare after two years of receiving benefits. There are two types of Medicare – medical insurance and hospital insurance. Medical insurance helps with doctor bills, outpatient hospital care and other medical services. This insurance cost a monthly premium for persons who want the coverage. Free Hospital insurance is available to cover inpatient hospital bills and limited follow-up care. Taxes paid while working covers the cost of the premium for hospital insurance. In addition to medical and hospital insurance, every person with Medicare has access to prescription drug coverage. Help is available to persons with limited resources and income for prescription drug coverage.

Benefits may be stopped for an individual if they return to working at a "substantial" level as determined by the Social Security Administration (SSA). During 2009, an average earning of \$980 or more per month is considered substantial and \$1,640 or more per month for persons who meet the criteria for being blind is considered substantial. Also, if a person receives benefits for medical conditions and the conditions improve to condition that person is no longer considered disabled benefits will stop. Each person receiving benefits must report to the SSA if they return to work or if they have any improvement in their condition.

Dependent children may receive benefits under the parent benefits until age 18 unless he or she is a full-time student then benefits continue until age 19. If a child is disabled, for him or her to receive benefits from the adult record after age 18, the child's disability must have started before age 22, and; he or she must meet the definition of disability as recognized by SSA for adults. Adults with disabilities may become eligible for benefits under their parents record later in life. This usually occurs when a parent begins collecting Social Security retirement benefits. The child with a disability will start collecting the child benefits on the parent's Social Security record.

Members of a family may qualify for benefits on a record of another family member. These benefits may be paid to a child, a child with a disability, a spouse or a divorced spouse. These family members may be

eligible for monthly benefits of up to 50 percent of the disability rate of the family member who is or has received benefits. Limits for the total family benefits for other family members are between 150 to 180 percent of benefits received by the person receiving the initial benefits. For example, if the husband is receiving benefits, other family members: child, child with disability, spouse or divorced spouse cannot receive more than 150 to 180 percent of the husband's benefits. If the family member benefits are more than the family limit, benefits to family members will be reduced proportionate. Benefits of the person receiving the initial benefits will not be reduced or affected.

According to SSA, a child who may be qualified to receive benefits from a parent record is identified as a biological child, a child who has been adopted by the parent, a stepchild or a dependent grandchild. Benefits will stop at age 18 unless the child is disabled. However, if the child is a full-time student at a secondary or elementary school at age 18, the child will continue to receive benefits until the child graduates or until two months after the child becomes age 19, whichever is first.

Special rules through SSA apply to persons with low vision or that are blind. A person is considered to be legally blind under SSA rules if the vision cannot be corrected to better than 20/200 in the better eye of the person. If the visual field is 20 degrees or less, even with corrective lens a person is also considered legally blind through SSA. Persons who do not meet the definition for legal blindness may still qualify for benefits if the vision problems alone or combined with other health issues prevent the person from working. Monthly benefits for persons with blindness are usually higher than persons who are disabled but non-blind. During 2009, a person receiving benefits for blindness would receive benefits of \$1,640 monthly. The amount of benefits changes each year.

If a person decides that they had rather work than live on disability benefits, there are special rules that apply and will help keep the cash benefits and Medicare while testing the ability to work. These special rules are called "work incentives". The incentives include, but are not limited to, continued monthly benefits and Medicare coverage while attempting to work on a full-time basis. A trial work period allows a person to test their ability to work for a period of at least nine months. During the trial work period, full Social Security benefits are received as long as the person reports the work activity and continue to have a disabling impairment. A trial work months is defined as "any month in which your total earnings are \$700 or more, or if you are self-employed, you earn more than \$700 (after expenses) or spend more than 80 hours in your own business." (SSA). The trial work period continues until a person has worked nine months within a 60-month period.

After a trial work period, people have 36 months during which time they can work and still receive benefits for any month the earnings are not "substantial". If benefits stop because earnings are substantial, a person has five years during which they may ask to start benefits immediately if they find themselves unable to continue working because of the condition of the disability. A person does not have to wait for the medical condition to be reviewed for disability determination. The benefits will start as the condition is being reviewed.

Relating to Medicare, if Social Security benefits stop because of earnings and the person is still disabled the free Medicare Part A coverage will continue for at least 93 months after the nine-month trial work period. After the 93 months, the coverage is available to be purchased for a monthly premium. Part B

coverage must continue to be paid or ended. If ending the Part B coverage, a writing request must be made.

Work expenses related to disability may be deducted from the monthly earnings before SSA determines if a person is still eligible for benefits. Items or services that may benefit a person in their daily living may be determined to be a work expense that is deductible. For example, cost of prescriptions; wheelchairs or any specialized equipment; under certain conditions, transportation to and from work; and a personal attendant or job coach are deductible if a person needs these items or services to work.

In reference to SSI benefits, a person may continue to receive SSI benefits and work until the total earnings exceed the SSI income limits. Each state has an SSI income limit that determines when a person has exceeded the limit. Medicaid coverage usually continues if the earnings are less than state level.

Within five years after SSI benefits stop because of earnings, benefits may be reinstated if person becomes unable to work again because of medical conditions. A request to reinstate benefits is needed but a person does not have to reapply for benefits.

Certain items and services may be necessary in order to work. The expenses may be deductible from the monthly earnings before determining eligibility for benefits. For example, if you need to pay for transportation to work, this could be deducted.

SSI recipients may also submit plans for a work goal that will reduce the dependence on SSI or help to leave the SSI roll. This plan to achieve self-support (Plans for Achieving Self Support - PASS) allows for any money used for the purpose of the goal not to be counted when figuring out how current income and resources affect payment amounts.

Amount of SSI payments are based on how much income the recipient collects. When other income increases the SSI payments decrease. If a person earns more than the SSI limit, the payments of SSI benefits will stop for the months that exceed the limits. Payments will automatically start again for months that income drops to less than the limit or if the person stops working. For income earned from a job, the first \$85 earned does not count. After the first \$85, 50 cents of every dollar earned is deducted from SSI payments. If eligible for the PASS Plan and a plan is accepted, the funds do not count when SSA figures out the current income and resources.

According to SSA, Medicaid coverage will continue even if your SSI payments stop, until income reaches a specific level. Each state has a specific Medicaid level. If health care costs are higher than the state level, a recipient can have more income and keep the Medicaid coverage. For Medicaid, to continue, most states require that a recipient need the coverage to work; continue to have a disabling condition; be unable to afford similar medical coverage without SSI; and met all other SSI eligibility requirements. Cases are reviewed from time to time to determine if recipient is still disabled and still earning less than the state's allowable level.

Work Incentives Planning and Assistance program (WIPA) is available through community-based organizations to answer questions about Social Security Work incentives and to help make decisions about working. Each community work incentive coordinator can assist with understanding how work

affect benefits and provide information concerning other federal, state and local supports available to persons with disabilities who want to work. Call 1-866-968-7842 to find a WIPA near your community.

Information provided for this brief was obtained through the Social Security Administration website.

