

Social Security - Untangling the Web

by Kevin Nickerson

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Are you receiving SSI or Social Security Disability? Do you understand the rules that apply to these benefits when you work? Do the letters you receive from the Social Security Administration confuse you?

If you answered yes to any of these questions, you may want to read this article. My name is Kevin Nickerson, and although I continue to work for Challenge, a vocational rehabilitation agency in Ithaca, I have recently been contracted by Tompkins Workforce New York as a Disability Program Navigator (DPN). Although I am no longer officially a Benefits Planning Assistance & Outreach (BPAO) provider, I maintain my certification as a benefits planner, and continue to keep an active knowledge of Social Security programs and Work Incentives. My main focus now is on systems change within our local One Stop that will assist individuals with disabilities in obtaining full access to employment services within our community. As one of a handful of DPN's in the nation, this pilot project is designed to make sure individuals with disabilities have full access to the services available through their local One Stop job service both programmatically and physically.

SSI, or Supplemental Security Income, is a program administered by the Social Security Administration for disabled, blind, or aged individuals who also experience financial need. SSI can provide a minimum level of income (\$603 is the 2006 federal rate, excluding the NYS supplement, for a single individual living alone) as well as health care coverage through Medicaid. In order to qualify for SSI, one must meet the following criteria:

- Have a qualifying disability
- Meet the Resource test (less than \$2,000 cash on hand for a single person, and \$3,000 for a couple)
- Be earning below the Substantial Gainful Activity (SGA) level of \$860.00/month gross at the time of application (this is the 2006 rate)

Once eligible, an individual CAN work and continue to receive SSI. In fact, there are work incentives in place to provide for a successful and equitable transition back to work. There is a \$20.00 / month general income exclusion that can be taken off any kind of income (i.e. an SSDI check, WC, etc.). The first \$65.00 of earnings that an SSI recipient works for does not count, and for every \$2.00 earned above and beyond the \$65.00, only \$1.00 is deducted from an individual's potential SSI check. Although there are more rules pertaining to work and SSI, the bottom line is that an individual can end up with more money when working.

What about Medicaid? One of the biggest fears faced by beneficiaries is the thought of losing Medicaid coverage if they work. However, based on section 1619 (b), individuals on SSI who work can continue to receive Medicaid coverage. Even after individuals exceed the break-even point because of earnings (no longer eligible for any cash benefits) one can earn up to \$40,462/year which is the threshold of earnings in New York State [for year 2006].

Disability or SSDI benefits work differently than SSI. The primary difference between the two benefits is that Disability is an entitlement benefit, one that is earned by paying FICA taxes. In order to be eligible for SSDI, one must meet the following criteria:

- Have a qualifying disability

- Earnings below the Substantial Gainful Activity (SGA) level of \$860.00/month gross [at the time of application, indicates 2006 rate]
- Must have “insured status as a former worker” (SSA will look at earnings during the last ten years to determine this)

Once receiving SSDI, an individual is eligible for a different kind of work incentive package. Nine Trial Work Period (TWP) months are available to SSDI beneficiaries that choose to work during which any amount of money can be earned and benefit checks will continue. After the TWP is used up, an Extended Period of Eligibility (EPE) is available which lasts for 36 months. During this time, SSA will monitor the individual's earnings to see if they exceed the Substantial Gainful Activity (SGA) level. The SGA level for 2006 is \$860.00 per month in gross wages. Should an individual exceed this level of earnings while in the EPE, SSA will assess whether or not payments should have been made during months in which earnings were in excess of SGA. However, during the Extended Period of Eligibility, an individual's eligibility for SSDI and Medicare remains intact even if earnings exceed SGA and they are not eligible for a cash benefit. This period can allow an individual who is re-entering the work force, the opportunity to try a career with protections in place that will prevent benefits cessation.

There are many more rules in place now, which can assist individuals who are attempting to return to work from losing their Social Security benefits. In fact, some new rules have been enacted which can assist someone who has lost benefits due to the return to work to regain benefits should they lose their job due to the same disabling condition. This new rule is called an Expedited Reinstatement of Benefits (or EXR). With new legislation, which focuses on assisting individuals with disabilities in returning to work, there are more possibilities now than ever before for people with disabilities to start earning a paycheck again.

For more information about Social Security benefits please feel free to contact me at Tompkins Workforce New York, (607) 272-7575 Ext. 136. Email is kevinn@aboutchallenge.org. You may also contact your local Social Security Office or local Benefits Planning, Assistance & Outreach (BPAO) provider. Take advantage of all of the available work incentives, and reclaim your financial independence today.