

SSDI and SSDAC

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King County

Department of Community and Human Services

Developmental Disabilities Division

Title II Benefits

- SSI vs. SSDI/SSDAC
- SSDI/DAC and Income
 - Medicare

SSDI and SSDAC

- FICA Taxes > Social Security
- Work History / Credits > “Insured Status”
- Disabled + “Insured Status” = **SSDI** (Social Security Disability Insurance)
- Disabled + Adult + Disability started prior to age 22 + Parent with Insured Status + Parent dies, retires, or becomes disabled = **SSDAC** (Social Security Disabled Adult Child)

SSDI vs SSDAC

- A disabled individual is eligible for SSDI based on his/her own work history.
- A disabled individual is eligible for SSDAC based on a parent's work history.



SSI and SSDI / SSDAC

- It is common for SSI recipients to one day begin receiving SSDI or SSDAC.
 - If the person has been working and paying taxes, he / she may start collecting some SSDI.
 - If the person's parent dies, retires, or becomes disabled, the person may collect SSDAC.



How Much Is It?

- Depends on work history.
- All-or-nothing benefit checks.
- Must have insured status, i.e. vested in SSA.



How long must you work to qualify?



- Depends on disability onset date.
- One credit = \$1,120 in net earnings (2010)
- Maximum four credits earned per year.
- Disabled before age 24: typically six credits



When to apply?

- A person may initiate the application process, or SSA may initiate the application for you.
- 5 month waiting period from eligibility determination to receive first check.
- The true value of work must be less than \$1,000 gross / month at time of application.

Resource Restrictions



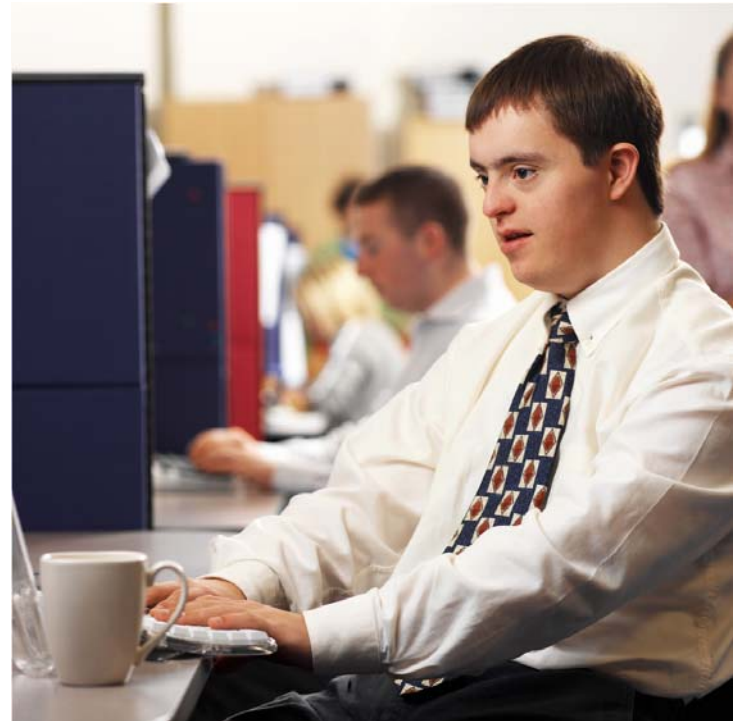
SSDI and SSDAC have no resource restrictions.

A person may have other benefits that do have resource restrictions:

- Waiver (sometimes)
- CNP Medicaid, (sometimes)

Income Restrictions

- Only Earned Income considered.
- Unearned income not considered.
- Earned Income is a tool to determine if a person can successfully work.





Medical

- SSDI and SSDAC beneficiaries become eligible for Medicare.
- A person can have private insurance, Medicare, and Medicaid simultaneously.
- Medicare begins 24 months after a person's disability cash benefits begin (Medicare Qualifying Period).



Medicare



Medicare



- Medicare is health insurance.
- There are three basic parts:
 1. Hospital Insurance (Part A)
 - Part A is free, but the beneficiary will have to pay a deductible and co-payments if hospitalized.
 2. Medical Insurance (Part B)
 - Part B pays for some doctors' services and some medical services and supplies not covered by Part A.
 - Part B is voluntary;
 - Enrollment costs money: A monthly premium (\$96.40 or \$110.50 if new to Part B) will be deducted from each monthly Social Security benefit check.
 - If the person has Medicaid, WA State will pay for the monthly premium.



Medicare Part D

3. Medicare Recipients will also receive Medicare Part D –Prescription Drug Coverage.
 - With Part D, recipients may pay:
 - A yearly deductible;
 - A monthly premium which varies according to your plan; or
 - A co-payment for prescriptions.

Medicare Part D

- Everyone with Medicare needs to choose a Prescription Drug Plan (PDP).
- Not all PDPs offer the same coverage – some offer more coverage for a higher cost, for ex.
- Failure to choose a PDP will result in one being randomly assigned to you.



Medicare Part D



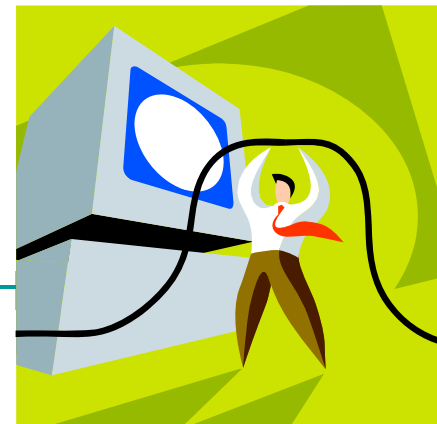
- If you have limited resources and limited income and you do not receive Medicaid, you may be eligible to receive **extra help** to pay for Part D.
 - To apply for extra help, you must contact SSA:

<http://www.ssa.gov/prescriptionhelp/>

Medicare and Medicaid

- If you receive both Medicare and Medicaid, you will:
 - Use the Part D prescription coverage under Medicare.
And
 - No longer receive prescription coverage under Medicaid.
 - For Part D, you will have no premium, no deductible, and pay little (nothing?) for prescriptions.
- You will continue to receive all other typical Medicaid coverage benefits.

Medicare Part D



■ You can:

- Learn about the new Medicare prescription drug coverage;
- Find and compare prescription drug plans that meet your personal needs;
- Enroll in the prescription drug plan that you select by logging on to Medicare's website:

<http://www.medicare.gov/pdphome.asp>


Medicare

A person with Medicare parts A and B can also elect to explore additional insurance coverage:


- Medicare Advantage Plans (Medicare Part C)
- Medigap (Medicare Supplemental Insurance)

Questions?





SSDI, SSDAC, and Medicaid



SSDI, SSDAC, and Medicaid

- If a person receives SSI and then switches entirely over to SSDI, that person may lose Medicaid.
- If a person receives SSI and then switches entirely over to SSDAC, that person may keep Medicaid.

SSDAC Example

- H.E. is 24 years old. He receives SSI. His father retires.
- Due to his father retiring, he will become eligible for $\frac{1}{2}$ of the father's benefits (SSDAC).
- If the SSDAC is over \$694, H.E. will lose SSI; **however, he will maintain his Medicaid coupon.**



SSDAC Example

- The calculations for this SSDAC and Medicaid rule go beyond the scope of this training.
- Typically when a person switches from SSI to SSDAC, Medicaid continues; however, it is not guaranteed.
- If Medicaid does not continue, it may be an error on the part of DSHS.

SSDI Example

- Lily is 28. She is working and receives SSI.
- Social Security recognizes that Lily is now eligible for SSDI, as she has paid enough into the disability insurance program.
- If Lily is awarded SSDI that is larger than \$694 (2010), she will:
 - Lose her SSI; AND
 - Lose her Medicaid*.

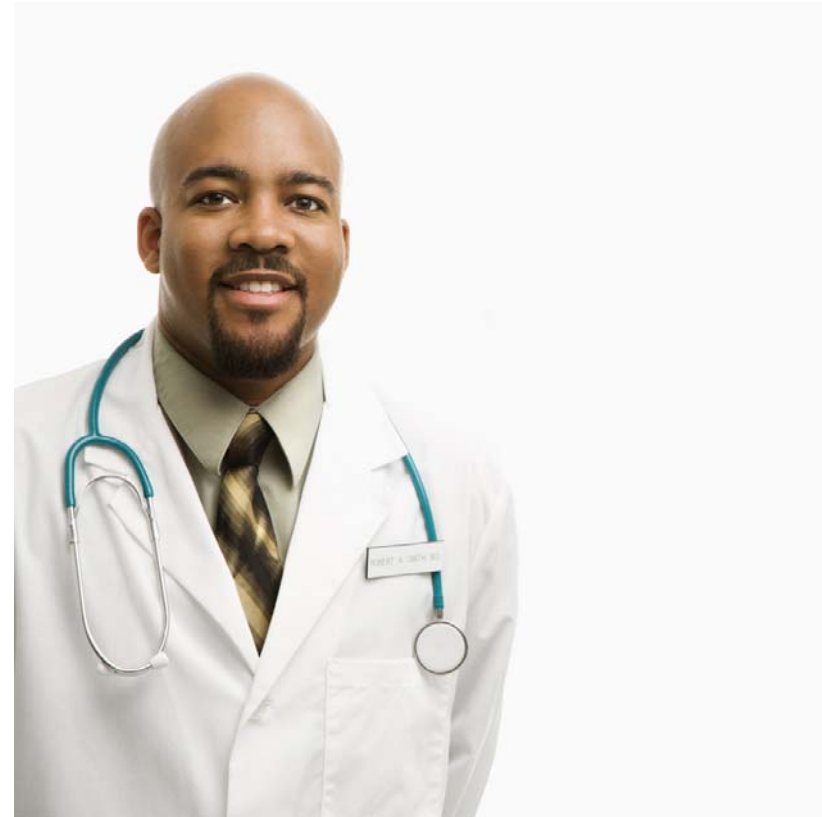


Lily's Options

- Lily needs Medicaid, as she relies on Medicaid Personal Care, and she utilizes Medicaid to pay for therapy. Without Medicaid, she will not be able to work.
- Can Lily refuse to accept the SSDI?
 - No. SSA is required to award a person the largest benefit check for which he/she is eligible.
- Lily decides to purchase Medicaid through Healthcare For Workers with Disabilities.

Healthcare for Workers with Disabilities (HWD)

- Disability
 - Working
 - Income restriction (high)
 - No resource restriction
-
- Once eligible, will pay a monthly premium
 - Cost: no more than 7.5% total income



Waiver



- Lily may not need to purchase Medicaid if she's eligible for the Waiver.
- The Waiver is a Medicaid program.
- If Lily was on the Waiver, then when she switched over to SSDI, she lost SSI but kept Medicaid due to her Waiver status.

Questions?





Working and Title II
Benefits:
The Short Version



How Title II Benefits Work – The Short, Somewhat Inaccurate Version

- A beneficiary of Title II is eligible for benefits until he/she:
 - No longer has a medically determinable impairment; or
 - Can demonstrate that he/she is no longer so disabled that he/she cannot successfully work.

How Title II Benefits Work – The Short, Somewhat Inaccurate Version

- SSA determines successful work by using SGA (Substantial Gainful Activity) as a measurement.
- SGA can be viewed many ways; the most common is way is by designating a dollar amount and labeling it as SGA.



How Title II Benefits Work – The Short, Somewhat Inaccurate Version

- In 2010, SGA is \$1,000 gross / month.
- Title II benefits are all-or-nothing, so, in simplified terms:
 - If gross wages *earned* in a month are less than \$1,000, the person keeps the entire SSDI benefit check.
 - If gross wages *earned* in a month are more than \$1,000, the person loses the entire SSDI check for that month.

How Title II Benefits Work – The Short, Somewhat Inaccurate Version

- Only earnings earned in a month (not when they are received) are considered.
- Vacation pay, holidays not worked, sick time, bonuses not reflective of work performance are not considered.





Working and Title II
Benefits:
Additional Details



Trial Work Period

- When people first begin receiving SSDI/SSDAC, they become eligible for a Trial Work Period (**TWP**).
- TWP is a period when a person can test his/her work skills without worrying about losing any benefits.
- A Title II beneficiary can earn unlimited money during the TWP and not lose SSDI/SSDAC benefits!



Trial Work Period

- A person is entitled to nine months of “completed” Trial Work Period Months.
- Social Security designates a lesser standard than SGA to a Trial Work Period Month.
- In 2010, if you earn \$720 gross or more in one month, you have completed one Trial Work Period month. (If self-employed, 80 hours / mo is one TWP.)
- These nine months do not need to be consecutive.
- The nine months are looked at in a rolling five-year period.

Trial Work Period Example

- Hank started receiving SSDAC in January 2002.
- Hank has worked some since January 2002.
 - He earned \$570 gross for 4 months 2002;
 - He earned \$400 gross for 12 months in 2003;
 - He earned \$785 gross for 4 months in 2004;
 - He earned \$775 gross for 1 month in 2005.

How many TWP months has Hank completed?

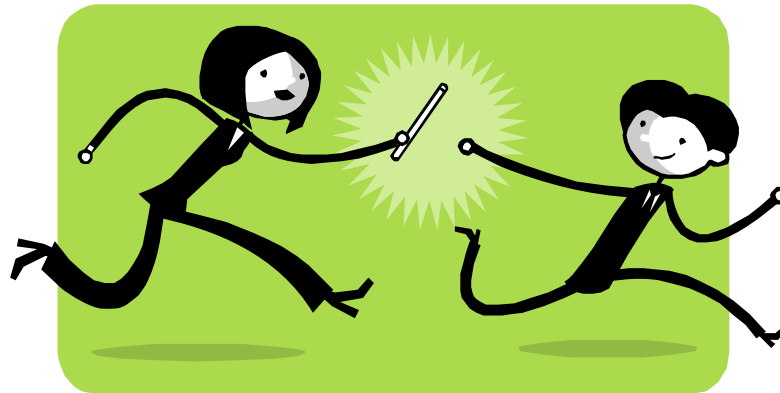
Trial Work Period Example

- Hank has worked nine TWP months.
- TWP amounts change each year. In 2002, the TWP month was \$560.
- Hank has performed all nine TWP months within a five year period. His TWP is now over.



TWP Ends

- The person immediately enters the next phase: The Extended Period of Eligibility (**EPE**).



Extended Period of Eligibility

- The EPE is a 36-consecutive-month period.
- During the EPE, individuals receive SSDI/SSDAC benefit checks **only during months when they are performing below SGA.**
- If a person performs at or above SGA anytime during the EPE, SSDI/SSDAC benefits will stop at the end of the 36-month period.
- If a person never performs at or above SGA during the EPE, the EPE simply continues on a month-to-month basis until SGA is performed.

1

EPE Example – Year 1

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
780	780	780	1,010 (?)	760	780	810	1,060 (?)	780	780	760	800

- In the first year, Mr. Blue only slightly earns over SGA a couple of months, and his earnings are fairly consistent. SSA could make the decision that no SGA was performed this year if they choose to average.

2

EPE Example – Year 2

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
780	780	780	1,010	780	780	810	1,060	780	780	760	800
760	750	0	0	0	0	1,100	1,050	1,010	1,000	1,010	1,030

- In the second year, Mr. Blue appears to clearly earn over **SGA** beginning in July. In month's he is performing over SGA, he will not be eligible for SSDI, with an exception...

2

EPE Example – Year 2, cont.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
780	780	780	1,010	780	780	810	1,060	780	780	760	800
760	750	0	0	0	0	1,100 Check	1,050 Check	1,010 Check	1,000 No Check	1,010 No Check	1,030 No Check

- Mr. Blue will actually receive SSDI checks for July, August, and September. SSA awards people a three-month “grace period” when SGA is first performed.

3

EPE Example – Year 3

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
780	780	780	1,010	780	780	810	1,060	780	780	760	800
760	750	0	0	0	0	1,100	1,050	1,010	1,000	1,010	1,030
1,100 No check	1,050 No check	950 SSDI	1,000 No check	920 SSDI	1,090 No check	1,005 No check	910 SSDI	990 SSDI	1,005 No check	1,080 No check	1,050 No check

- Mr. Blue will continue to receive SSDI checks during those months he performs below SGA.*

*Technically, this should happen; what actually happens will be discussed in detail later.

3

EPE Example – Year 3

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
780	780	780	1010	780	780	810	1060	780	780	760	800
760	750	0	0	0	0	1,100	1,050	1,010	1,000	1,010	1,030
1,100 No check	1,050 No check	950 SSDI	1,000 No check	920 SSDI	1,090 No check	1,005 No check	910 SSDI	990 SSDI	1,005 No check	1,080 No check	1,050 No check

- **December of Year three** is the last month of Mr. Blue's Extended Period of Eligibility.



Medicare

- Though Mr. Blue's benefits have stopped, Medicare will continue for many more months.
- The exact calculation is very complicated and beyond the scope of this training.
- Medicare eligibility can last for up to 93 months (and possibly longer).

Expedited Reinstatement of Benefits.

- After the 36-month EPE is finished, that person's benefits may stop. He / she may need to reapply for benefits at this time.
- To reapply for benefits, the person should ask for an Expedited Reinstatement of Benefits.
- With an Expedited Reinstatement of Benefits, a new application does not need to be submitted.
- Becoming eligible again for Social Security benefits can sometimes be challenging.

Overpayments and Solutions



Why an overpayment?

- Social Security may tell Title II beneficiaries not to report income.
- Social Security workers have given Title II beneficiaries no or wrong information.
- Social Security can be years behind in calculating a person's TWP and EPE.
- Social Security may have made a mistake in calculating a person's TWP and EPE.

Good Practices

- Title II beneficiaries should:
 - keep good records and never throw anything away;
 - record wages on a monthly basis;
 - be vigilant of wages in relation to SGA.

SGA

Social Security is required to consider the true value of someone's work when determining if that person is successfully working (SGA).



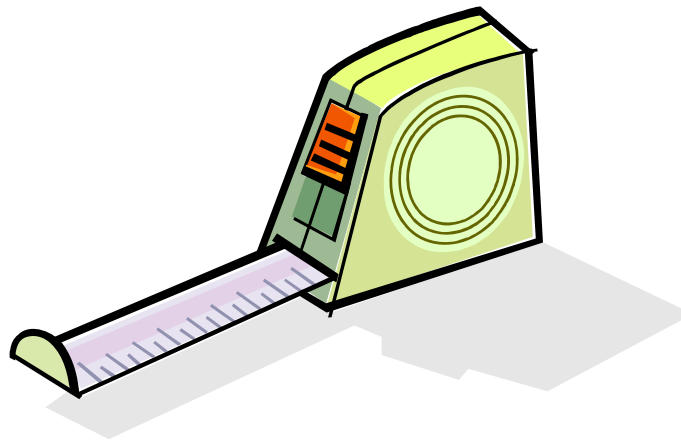


Subsidies and Special Conditions



Subsidy and / or Special Conditions

If a person needs extra assistance on the job, is slower than coworkers, or is unable to complete all of his/her work duties, then the argument is that the gross wages are not an accurate reflection of the person's work ability.



Subsidy & Special Conditions Example

- Gwen receives SSDAC. She is working at a Library, and due to a recent raise, she is now earning \$1,000 gross / month.
- Based on this wage information alone, Gertrude would appear to be at SGA (\$1,000) and in jeopardy of losing her SSDAC benefits.



Example

- However – Special Conditions and a Subsidy exists:

Subsidy:

- She is unable to accurately re-shelve books; as such, this task has been taken away from her position;
- Due to her disability, she requires longer breaks than her coworkers.

Special Condition:

- She requires the ongoing support of a job coach;

Example

- The employer and the employment specialist decide that the Gwen's productivity and work ability, compared to other coworkers without disabilities, is about 70%.
- This is documented via a Work Activity Questionnaire.
- If accepted, SSA will now only look at 70% of her wages to determine if she is earning above or below SGA.
- $70\% \times \$1,000 = \700
- The true value of Gwen's work is \$700. As \$700 is less than SGA - \$1,000 - she is NOT performing SGA.
- Gwen will keep her benefits.

How to Document a Subsidy / Special Conditions

- Work Activity Report – typically mailed to the individual
- Work Activity Questionnaire – can be proactively completed by an employer, employment specialist, or both
 - Including a letter is optional
 - May trigger a Work Activity Report



Subsidies, SSDI/DAC – Additional Information

- With Title II benefits, subsidies can only be looked at when the TWP has ended.
- Subsidies can be back-dated.





Impairment-Related Work Expenses (IRWE)



IRWE

If a person is spending out-of-pocket for an item or service that is

1. related to his/her disability, AND
2. necessary for work, that cost will be deducted from the gross monthly wages before comparing the wage to SGA.



Impairment-Related Work Expense (IRWE)

Tim, a Social Security Beneficiary, is earning \$1,000 gross wages per month. He spends \$100 per month for a therapy his doctor feels is necessary for work.

$$\$1,000 - \$100 = \$900$$

As \$900 is less than SGA (\$1,000), Tim keeps his Social Security Benefits.



Questions?



Quiz

1. Suzie reports that she gets a benefit check that's \$800 per month. Suzie has never worked. What kind of benefit check does she probably receive?

- SSI
- SSDI
- SSDAC



Quiz

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- SSI
- SSDI
- SSDAC



Quiz

2. Flavio, who has never worked and has little money, received SSI until his father retired; now, he receives Title II benefits. Flavio lost his Medicaid in the process of switching benefits. Should he have lost his Medicaid?

- Yes
- No
- I guess so; that's what they're telling me.



Quiz

2. Flavio, who has never worked and has little money, received SSI until his father retired; now, he receives Title II benefits. Flavio lost his Medicaid in the process of switching benefits. Should he have lost his Medicaid?

Yes

No

I guess so; that's what they're telling me.





Quiz

3. Lola moves from SSI to SSDAC. When Lola begins working, which event will happen first?
- Lola begins her Extended Period of Eligibility.
 - Lola begins her Trial Work Period.
 - Lola begins her Grace Period.



Quiz

3. Lola moves from SSI to SSDAC. When Lola begins working, which event will happen first?
- Lola begins her Extended Period of Eligibility.
 - Lola begins her Trial Work Period.
 - Lola begins her Grace Period.

Quiz

4. Marsha receives a monthly SSDI check in the amount of \$800. Once Marsha begins working, earning \$600 gross per month, what will be the amount of her SSDI check?

- \$0
- \$600
- \$800
- \$284.50

Quiz

4. Marsha receives a monthly SSDI check in the amount of \$800. Once Marsha begins working, earning \$600 gross per month, what will be the amount of her SSDI check?

- \$0
- \$600
- \$800
- \$284.50



Quiz

5. Flip, who receives SSDAC, begins his first job and is earning \$800 gross per month. In nine months, Flip will have exhausted his:

- Trial Work Period
- Extended Period of Eligibility
- SSDAC benefits

Quiz



5. Flip, who receives SSDAC, begins his first job and is earning \$800 gross per month. In nine months, Flip will have exhausted his:

- Trial Work Period
- Extended Period of Eligibility
- SSDAC benefits

Quiz

6. Chester, an SSDAC beneficiary, has been working for a couple of years and earning \$1,100 per month. What should Chester do?
- Nothing. He's fine.
 - Submit information about a Subsidy or Special Conditions, if appropriate

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- Nothing. He's fine.
- Submit information about a Subsidy or Special Conditions, if appropriate



Quiz

7. Magnum received a letter from SSA stating that he owes \$36,450 back to them due to performing SGA six years ago. What should Magnum consider doing?
- Flee the country
 - File an appeal, then begin researching to see if an IRWE or a subsidy / special conditions existed at the time the overpayment occurred.



Quiz

7. Magnum received a letter from SSA stating that he owes \$36,450 back to them due to performing SGA six years ago. What should Magnum consider doing?

Flee the country

File an appeal, then begin researching to see if an IRWE or a subsidy / special conditions existed at the time the overpayment occurred.



Questions?



Thank You!

Please fill out the evaluation before
you leave.



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