

Benefits Counseling 101: Nuts and Bolts of Work Incentives



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Need for Benefits Counseling

- Employment counseling experience showed that a major barrier in returning or starting to work for people with disabilities was loss of benefits, mainly SSA and Medicaid.
- Benefit programs for people with disabilities tend to be complex, fragmented, and even contradictory.

Benefits Counseling Role

- To assist people with disabilities:
- Overcome barriers to employment using work incentives
 - Gain entitlement to all available benefits and services
 - Make informed choices
 - Deal with fears, confusion, frustration, and misconceptions often experienced in working with government agencies

Types of Benefits Counseling

- Work Incentive Benefits Specialists (WIBS)
 - Fee for Service (Purchase of Service)
 - Work Incentive Planning and Assistance Project (WIPA) – formerly BPAO
- Disability Benefits Specialists (DBS)
- Elderly Benefits Specialists (EBS)

WIBS Services

- Interview client and obtain facts
- Verify benefits and other information
- Analyze situation & identify possible plans of action and other available benefits
- Write complete report (benefits analysis)
- Help develop and prepare PASS plan
- Provide other information and referral
- Monitor actions and give further assistance as appropriate

SSA Program Basics

Two main programs: Title II and Title XVI:

- Title II (“regular” Social Security): cash benefit based on FICA tax paid - partial replacement of earnings lost due to retirement, death, or disability.
- Title XVI (Supplemental Security Income/SSI): cash payment at a set level to elderly and disabled who have limited income and resources – low or no Title II benefit.



Title II Benefits

Social Security benefits - based on lifetime FICA earnings of worker.

- Retirement
- Survivor
- Auxiliary
- Disability - Social Security Disability Insurance (SSDI)

Having a physical or mental condition that prevents a person from engaging in substantial work for 12 months or that is expected to end in death.



Title II Disability (SSDI)

- Disability Insurance Benefits (DIB)
- Disabled Widow(er) Benefits (DWB)
- Child's Disability Benefits (CDB)
(also know as Disabled Adult Child's or DAC benefits)



Medicare

- Basic health coverage for retired (over 65) and for disabled beneficiaries who have been entitled to SSDI for 2 years.
- Part A (HI – inpatient services)
- Part B (SMI – doctor/outpatient services)
- Part C (Medicare Advantage)
- Part D (Prescription Drug)

Title XVI (SSI)

Supplemental Security Income (SSI) provides a minimum level of income to those who have limited income and resources and are also:

- Aged (65 and over), or
- Blind, or
- Disabled

Wisconsin provides a supplemental payment in addition to the federal one.

Title XVI (SSI)

- Level of income and assets for eligibility:

“Countable” income less than:

- \$637 individual/\$956 couple (2008)

“Countable” assets less than:

- \$2,000 individual/\$3,000 couple

(Certain income/resources are excluded)

- Federal payments for 2008:

\$637 individual/\$956 couple

(Minus countable income)

Medicaid

- State and federal program providing comprehensive medical assistance for people with low income and resources.

- People get Medicaid automatically with SSI in Wisconsin.

- Other people with disabilities who do not receive SSI may also qualify in various ways. Example: Medical Assistance Purchase Plan (MAPP.)

Work Incentives

- Provisions in Social Security law that help people with disabilities enter or reenter the workforce by protecting their eligibility to SSDI, SSI, and health care coverage.
- Temporary or partial exemptions from earning/asset restrictions that encourage people with disabilities to try to work - reductions in benefits are often gradual.

Work Incentives - SSDI

Trial Work Period (TWP): Opportunity to test ability to work for 9 months without losing benefits regardless of earnings – TWP month used if gross earnings over \$670 (2008.)

Substantial Gainful Activity (SGA): at end of TWP SSA conducts work review to determine if work is substantial, i.e. if earnings are more than \$940/month, \$1,570 for blind (2008) - if so, benefits are paid for the three more months following the last month of the TWP then end.

Work Incentives - SSDI

Extended Period of Eligibility (EPE): 36 month period beginning at end of TWP - cash benefits reinstated for any month beneficiary does not earn above SGA

Expedited Reinstatement (EXR): 60 month period after termination of benefits due to SGA in which benefits can be reinstated:

- Impairment must be found to be the same
- 6 months of provisional benefits available while disability decision being made

Work Incentives - SSDI

Certain work incentives are used to reduce work earnings that are countable toward SGA

Subsidy and Special Conditions: support on the job resulting in more pay than value of work - value of the assistance deducted from gross wages to determine countable income for SGA purposes

Impairment Related Work Expenses (IRWE): cost of items/services deducted from income if:

- Needed to work
- Related to disability
- Paid for by recipient

Work Incentives: SSI

Earned Income Exclusion: \$65 (\$85 if no unearned income) plus half of the remainder excluded per month of wages or self-employment income:

\$185 earned income	\$637 FBR
- <u>85</u> disregard	- <u>50</u> countable
<u>\$100</u> divided by 2 = <u>\$50</u>	<u>\$587</u> fed payment

Student Earned Income Exclusion: up to \$1,550 per month, annual max of \$6,240 (2008) of earned income disregarded from gross work income.

Work Incentives: SSI

Impairment Related Work Expenses (IRWE): cost of items/services deducted from income if:

- Needed to work
- Related to disability
- Paid for by recipient

Blind Work Expenses (BWE): for recipients with diagnosis of blindness – similar to IRWE except:

- The expense need not be related to the person's blindness.
- In payment computation the cost of the expense is deducted after earned income exclusion.

Work Incentives: SSI

Plan to Achieve Self Support (PASS): recipient can set aside money (e.g. work income) for a specific work goal and none of it will count in computing the monthly payment amount or as a resource

1619(b): MA coverage continues if:

- Work earnings is what prevents cash payment
- MA services used
- All other SSI eligibility criteria met
- Total income below yearly threshold (\$32,991 in 2008)

Other Benefit Programs

- Food Stamps - Up to 20% of gross earned income for work expenses and SSI income used in a Plan for Achieving Self Support deducted in computing food stamp allocation
- Public Housing - Increases in earned income not counted for 12 months in determining the adjusted income for disabled in section 8 or public housing
- Veterans Benefits - Under compensation programs disabled vets can work, usually without reducing benefits

Wisconsin Disability Benefits Network

- Wisconsin's training & support network for disability benefits specialists.
- Provides experienced cadre of trainers using a multi-tiered curriculum for specialist training as well as for public and professional outreach.
- Provides an infrastructure for training, TA, and disability benefits information dissemination: quarterly meetings and newsletter.



Information Sources

- **Benefit Specialists in Wisconsin:**
<http://www.eri-wi.org/Benefitspecialists.htm#POS>
OR
1-800-710-WDBN (9326)
- **DBS Program:**
<http://dhfs.wisconsin.gov/disabilities/benspecs/program.htm>
- **Social Security Administration (SSA):**
www.ssa.gov
- **Work Incentive Planning and Assistance (WIPA):**
<http://www.yourtickettowork.com/bpao>
