BENEFITS PLANNING 101-2021
Brian S. Dennis
True or False?

• On Disability I can only have $2,000 in the Bank.

• If I make more than $1,000 I will lose my Disability benefits.

• I have to keep at least $1.00 of SSI to keep my Medicaid.

• I have to report my tax refund to Social Security.

• The rules for SSI and Disability are the same.

• If I lose my benefits (SSDI or SSI benefits) I have to do new application.
The Big Question

Will I lose my benefits?
  • Cash payments
  • Health Care
Social Security isn’t all knowing

They base decisions on what you tell them.
Social Security’s Definition of having a “Disability”

“The inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.”
Benefits and Going Back to Work
Disability Benefit Programs

Social Security Disability Insurance (SSDI)

Supplemental Security Income (SSI)

Both SSDI and SSI = Concurrent Benefits
Overview of Social Security Benefit Programs

Title II Social Security Disability Insurance (SSDI)
- Entitlement program based upon insured status
- 3 different forms – SSDI, CDB and DWB
- Comes with Medicare coverage
- Amount of benefit varies
- **Received on 3rd of month**
- Income counted when it’s **earned.**
- **Pay Periods Matter**

Title XVI Supplemental Security Income (SSI)
- Funded by federal tax dollars, not Social Security trust fund
- Needs-based program based upon financial eligibility
- Comes with Medicaid coverage
- Set full benefit amount (**$794**) **received.**
- **Pay Days Matter**
SSDI
Social Security Disability Insurance

Three Phases

Trial Work Period -- Income over $940 triggers it for 2021. Allows you to work and still receive benefits. 9 months, non consecutive. NEVER jeopardizes cash benefits.

Extended Period of Eligibility – 36 months. Cash benefit determined by whether you earn above or below Substantial Gainful Activity (SGA) – For 2021, $1,310 for non-blind/$2,190 for blind.

Expedited Reinstatement – 60 months. Work income over SGA results in termination. A contacting SSA reinstates provisional (temporary) benefits.
Trial Work Period

• A 9-month “Trial Work Period”

• Income equal to or more **$940.00** (2021); **$970.00** (2022)

• Allows you to work & receive SSDI benefits.

• 9 months not necessarily consecutive

• The amount of income earned NEVER jeopardizes cash benefits
Extended Period of Eligibility

- 36 months of Extended Period of Eligibility (EPE)

- Income less than SGA ($1,310 for non-blind/$2,190 for blind) = cash benefit. ($1,350/$2,260)-2022

- Income at SGA or over = no cash benefit (for 1 month).

- 3 Grace Period Checks.

- Check can be “ceased”.

- Medicare continues/Medicaid continues.

- Reinstatement is automatic.
What is Expedited Reinstatement

If your benefits ended because you worked and had earnings, you can request that your benefits start again without having to complete a new application. While we determine whether you can get benefits again, we can give you provisional (temporary) benefits for up to 6 months.

Are you eligible?

If you are an SSDI or SSI beneficiary who:

1. Stopped receiving benefits because of earnings from work,

2. Are unable to work or perform substantial gainful activity (SGA)

3. Are disabled because of an impairment(s) that is the same as or related to the impairment(s) that allowed you to get benefits earlier, and

4. Make the request within 5 years from the month your benefits ended.
Other SSDI Work Incentives

Impairment Related Work Expense (IRWE)

- Out of pocket costs needed to work:
  - Supported employment services
  - Attendant care services
  - Special transportation
  - Medical support devices
  - Counseling and medication
  - Work equipment
  - Over the counter items
  - Etc.

- Subsidy or Special Conditions
  - Participants “earn” less than 100% of their wages
  - Participants receive additional assistance
What happens to Medicare if SSDI benefits stop?

• Continues for at least 93 months (7 years and 9 months) after the 9-month Trial Work Period

• After that you may be able to purchase Medicare coverage
Supplemental Security Income (SSI)
SSI Benefits

• Needs-based

• Paid out of general federal tax dollars

• Meant to provide enough $ for basic food and shelter

• Comes with Medicaid/Title 19
Basic Eligibility for SSI

• Aged 65 or older;
• Blind (20/200 or less in better eye with glasses or field of vision less than 20 degrees); or,
• Disabled; and
• Meet the income and resource tests; and
• Certain citizenship or residency requirements.
• File an application.
• Iowa Medicaid Website
Federal Benefit Rate (FBR)

• Rate set each year by SSA

• Receive the full FBR when responsible for food and shelter; and little to no income.

• 2021 Rates:

  • Individual: $794 ($841-2022)

  • Eligible Couple: $1,191 ($1,261-2022)
Income That Impacts SSI

• Unearned income

• Gross wages/earnings and net earnings from self-employment, including in-kind items received in lieu of wages (like room and board)

• In-kind support and maintenance received from others
Unearned Income and SSI

Common forms of unearned income would include the following:

- Social Security Title II benefits (SSDI)
- Veteran’s benefits
- Worker’s Compensation
- Unemployment Insurance
- Child Support
- Family Investment Program
What is **NOT** Considered to be Income

- Any item that is **not** food or shelter and **cannot** be used to obtain food or shelter
  - Examples:
    - Housing Subsidy (Section 8/PH)
    - Income tax refunds
    - Proceeds of a loan
    - Payment of an individual’s bills that are not for food or shelter items
    - Clothing
Resource Limits

• Individual’s countable resources must not exceed $2,000 as of the last day of a given month.

• Eligible couple’s countable resources must not exceed $3,000 as of the last day of a given month.
How earnings affect SSI payments

- SSA counts less than half of your earned income

- SSA does not count the first $20 of any kind (monthly)

- SSA does not count the first $65 of earned income (monthly)

- Certain impairment related work expenses can also be deducted from your gross wages.
Calculation of SSI w/earned income only

$885 Earned Income
-20 General exclusion
$865
-65 Earned Income Exclusion
$800
/2 ½ remaining earnings
$400 Countable earnings

$794.00 Federal Benefit Rate- 2021
-400.00 Countable earnings
$394.00 SSI payment
+ $885 gross income =
$1,279.00 Total Gross Income

2-MONTH LAG
*MAGIC NUMBER $1,673 per month (for most people)*
What happens if my earnings are so high that my SSI stops?

• Benefits can start again if you stop working or your earnings decrease *(12-month ineligible grace period)*

• If your earnings are so high that your SSI payments stop:
  
  • Medicaid continues until you earn above a threshold ($43,741); this is called *1619b*

• People with high medical costs can earn even more
SSI and Work Incentives

- Student Earned Income Exclusion (SEIE)
- Impairment Related Work Expense (IRWE)
- Blind Work Expenses (BWE)
- Plan for Achieving Self-Support (PASS)
What about a 3rd Paycheck?!?!?!
If you get both SSI & SSDI

All of the work incentives apply
Medicaid for Employed People with Disabilities (MEPD)

• Must be disabled
• Must have earned income from employment
• Must be under age 65
• Must meet income and resource requirements (higher than SSI requirements)
• Same as Title 19 - administered by DHS
• Some individuals may pay a premium
• Higher resource limit ($12,000/$13,000)

Iowa MEPD Website
General Eligibility Requirements

- Under age 65

- Determined disabled based on Social Security criteria

- Have you been denied disability due to earnings (SGA) or self-employed and not enough work history?
  - We can look at doing a state disability determination
Earned Income

Must have earned income each month.

No stipulations on the amount earned each month.

6-month intent to return to work period if unable to work.

If self-employed, must provide proof.
Household size

• Applicant/member is under 18 and unmarried:
  • Parents
  • Siblings under age 18 and unmarried
  • Children of the applicant/member.

• Applicant/member is over 18 or married:
  • Spouse
  • Unmarried children under age 18.
Income eligibility

• $20 general income deduction

• $65 earnings income deduction

• 50% exclusion from the balance of earned income.

Net income compared to 250%

<table>
<thead>
<tr>
<th>HH Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
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<tr>
<td>Limit</td>
<td>$2,684</td>
<td>$3,630</td>
<td>$4,575</td>
<td>$5,521</td>
<td>$6,467</td>
<td>$7,413</td>
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</table>

Additional person: $946 each
Resources

• $12,000 individual / $13,000 couple

  • Retirement or pension funds can be exempt.

  • Funds in a medical savings account are exempt.

  • Funds in assistive technology accounts saved for assistive devices/services can be exempt.
Premiums

• Applicant or member’s **gross** income is above 150% of the federal poverty level a premium is assessed.

<table>
<thead>
<tr>
<th>Premium Schedule</th>
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<tbody>
<tr>
<td>If the gross monthly income of the person getting MEPD is:</td>
</tr>
<tr>
<td>$1,610 or less</td>
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<tr>
<td>Above: $1,610</td>
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<td>$1,771</td>
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<td>$12,344</td>
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<tr>
<td>$13,954</td>
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<tr>
<td>$15,886 and above</td>
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</tbody>
</table>
Premiums **MUST** be paid in order to have Medicaid for the month.

- Premiums are due by the 14\textsuperscript{th}, but best to pay one month ahead.

- If payment not received by the 14\textsuperscript{th} of each month, MEPD is cancelled.
What is a Ticket to Work?

A ticket you can use to get free employment services
Why Assign Your Ticket

• Access to Benefits Planning Assistance
• No medical review while ticket is in use and making *timely progress*
• Provides $ for additional services for persons with a disability
• The program is voluntary
• You can always change your mind
Things to remember

- Everyone can work
- You can work and maintain benefits
- You can gradually transition off benefits
- You can maintain your Medicare/Medicaid
- ALWAYS reports wages to SSA, get receipt
- Assign T2W
True or False?

• On Disability I can only have $2,000 in the Bank.
  Only applies to SSI Recipients. Can be raised through MEPD

• If I make more than $1,000 I will lose my Disability benefits.
  This refers to the SGA (SSDI); which $1,310.00 or $2,190.00.

• I have to keep at least $1.00 of SSI to keep my Medicaid.
  Absolutely not; even if you receive $0.00 in SSI you can make $43,741 per year.

• I have to report my tax refund to Social Security.
  No. SSDI does not count unearned income. SSI has already counted the funds.

• The rules for SSI and Disability are the same.
  Duh. 😊

• If I lose my benefits (SSDI or SSI benefits) I have to do new application.
  If benefits are lost by working; only after the EXR period has expired.
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Have a Nice Day
THANK YOU.