

SDEP Module 5-Dealing with Public Benefits

1. SDEP Module 5 11-13-12

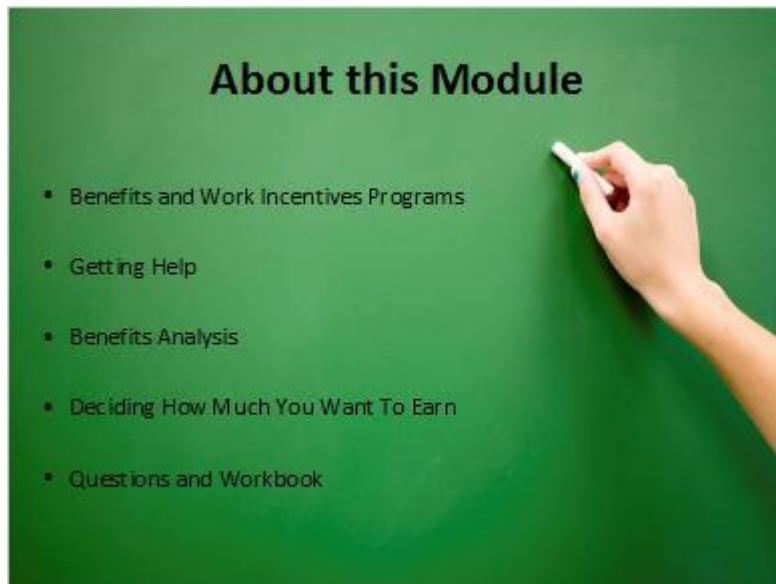
1.1 Title



Notes:

Welcome to Module 5 of the Self-Directed Employment Planning Training. This module is called “Dealing with Public Benefits.”

1.2 About this Module



Notes:

In this Module, you will learn a little about Work Incentive programs for Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI). Work Incentives help you to work and earn money, while keeping the benefits you need. You will also learn how to get help to learn more about your benefits and to use the Work Incentives available to you. This information should help you decide how much you want to earn.

So that you don't get more information than you need, if you receive SSI benefits, you can skip the section in this module related to SSI work incentives. If you receive SSDI benefits, you can skip the section in this module related to SSDI work incentives. You can skip to the section that you need by clicking on the slide title SSI Benefits or SSDI Benefits in the menu on the left side of the screen.

If you are not sure what benefits you receive or if you receive both SSI and SSDI, you should listen to both sections in this module.

The benefit amounts and calculations in this training reflect the Social Security Administration's 2013 Federal Benefit Rate and Substantial Gainful Activity amount.

The contents of this module may be difficult for you to understand. Benefits are very complex. You may want to watch this module more than once. Or you may want to ask someone to watch it with you and help you understand the material. Take as much time as you need. Do what is best for you to learn.

You will find the questions and worksheets that go with this module in section five of the Employment Planning Workbook that you downloaded after the introduction to this

training. If you have not downloaded the workbook yet, click on the Resources tab on the right hand corner of the screen to download the workbook before you go through this module.

1.3 Will I lose my benefits?



Notes:

Are you afraid that you might lose some or all of your benefits if you earn money from a job or a business? The truth is, you can work and keep the benefits you need.

One of the biggest barriers to employment that people with disabilities face is the fear of losing public benefits like Supplemental Security Income, Medical Assistance, Social Security Disability Insurance, Medicare and other subsidies.

1.4 Myths and Facts

Myths and Facts

<u>False:</u> If I earn more than \$85 in a month, I will lose my SSI payment.	<u>True:</u> The SSI check is reduced \$1 for every \$2 you earn after the first \$85. You will have more money if you are working.
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Notes:

Public benefit systems are very confusing. You may get wrong or misleading information from people who are trying to help but do not know all the rules of the programs.

For instance, it is common for family members or support staff to believe that someone who gets Supplemental Security Income (SSI) will lose benefits if he or she makes more than \$85 per month. The information they have is not accurate. They have misunderstood how SSI works. The truth is a person who is working and getting SSI will see their SSI check go down \$1 for every \$2 they earn after the first \$85. This means, if you are working and you get SSI, you will have more money each month if you are working. Even though your SSI check is going down, you still come out ahead with more money each month by adding your work earnings and your SSI check together.

1.5 Example

Example	
<u>Not Working:</u> Monthly SSI payment = \$710 Total Monthly Income = \$710	<u>Working:</u> Monthly Earnings = \$688 - \$85 income disregard = \$603 ÷ 2 = \$301.50 (amount to deducted from SSI payment) \$710 - 301.50 = \$408.50 SSI payment + \$688 monthly earnings = \$1096.50 Total Monthly Income = \$1096.50

Notes:

Here's an example. If Tom gets SSI and is not working, he has to live on an SSI payment of \$710 each month.

If Tom works 20 hours per week for \$8.00 per hour, he will make \$688 in earnings each month. Less than half of his earnings each month are counted when figuring out his SSI payment. To figure out his SSI payment, the Social Security Administration subtracts \$85 dollars from his earnings and then divides the remainder of his earnings by two. This amount, \$301.50, is subtracted from his SSI payment. Therefore, Tom's SSI payment will be \$408.50. When you add his work earnings and his SSI payment together, his total monthly income is \$1,096.50. This is more money each month than if he wasn't working. Tom is better off financially by working.

This may seem complex but don't worry. There are professionals, known as Work Incentives Benefits Specialists available throughout the state that can help you. You do not have to be an expert on Social Security Benefits and Work Incentive programs. However, it is helpful to have a basic familiarity with the most common SSI and SSDI Work Incentives. By listening to this module and reading the information in Section 5 of the Resource Guide you will learn more about these basics and where to find help.

1.6 SSI Benefits



Notes:

We will first start by learning about SSI Benefits and Work Incentives. SSI stands for Supplemental Security Income. SSI is a federal benefit program administered by the Social Security Administration. SSI is a benefit for people with disabilities who have little or no income and assets. The purpose of SSI is to provide a cash benefit to meet a person's basic needs for food, clothing, and shelter. A person who is eligible for SSI automatically receives Medical Assistance. Medical Assistance is also called Medicaid or MA. To be eligible for SSI a single person with a disability must have less than \$2000 in assets and own only one house. A person on SSI can own a vehicle as well; and actually a person on SSI can own more than one vehicle if the additional vehicle is considered Property Essential to Self Support or excluded under a Plan to Achieve Self-Support, for example a truck or van used for a business.


People who receive SSI also receive supplemental payments from the State. The amount of your supplements may range depending on your living situation and the amount of support you need. The state supplement for a single person is \$83.78. And, if you need support at home or if you live in a group home, you may also get an additional \$95.99 each month. If you get one or both of these supplements you will receive them as long as you receive at least \$1 of federal SSI each month.

If you receive SSI and you begin working, you will see your SSI payment go down. This gradual decline, of \$1 less of SSI for every \$2 you earn, helps you to gradually decrease your need for SSI as you begin to earn more money by working. As you learned with Tom's example, people on SSI are always better off working.

1.7 SSI Work Incentives

SSI Work Incentives

- Student Earned Income Exclusion
- Continuation of Medicaid through 1619b
- Impairment Related Work Expense
- Blind Work Expense
- Plan to Achieve Self-Support
- Property Essential to Self-Support



Notes:

Some important SSI Work Incentives to know about are:

Student Earned Income Exclusion

Continuation of Medicaid coverage under 1619(b)

Impairment Related Work Expense

Blind Work Expense,

Plan to Achieve Self Support, and

Property Essential to Self-Support

In your workbook, there is a list of these Work Incentives along with a brief description. You can choose the ones you are interested in learning more about. You can learn a little more about each one of these by getting help to review the information in section 5 of the Resource Guide and by talking with a Work Incentives Benefits Specialist.

1.8 SSDI Benefits



Notes:

Social Security Disability Insurance, or SSDI, is a federal benefit available to people with disabilities who have paid in enough money through employment taxes (or their parent has paid in enough money through employment taxes) to the federal government to qualify for cash payment. When you work, Social Security taxes are one of the payroll taxes that are taken out of your paycheck each pay period.

SSDI beneficiaries begin to get Medicare insurance 24 months after starting SSDI. People who get only SSDI do not have asset limits like people who receive SSI do.

SSDI is sometimes called the 'all or nothing' check. This is because, unlike SSI payments, SSDI does not gradually go down with work earnings. If someone who receives SSDI earns more than \$1,040 of countable earnings in a month, they will not get their SSDI payment. The \$1,040 threshold amount is known as Substantial Gainful Activity, or SGA. SGA goes up a little bit each year. In 2013, the SGA amount is \$1,040 per month. A person gets their SSDI check or not depending if their earnings are above or below SGA. One important thing to keep in mind is that SGA is based on your countable earnings. There are work incentives that may allow you to work above SGA and keep your benefit check.

1.9 SSDI Work Incentives

SSDI Work Incentives

- Trial Work Period
- Extended Period of Eligibility
- Extended Period of Medicare Coverage
- Expedited Reinstatement
- Subsidies or Special Conditions
- Impairment Related Work Expense
- Blind Work Expense
- Plan to Achieve Self-Support



Notes:

The important Work Incentives that help SSDI beneficiaries are called:

Trial Work Period

Extended Period of Eligibility

Extended Period of Medicare Coverage

Expedited Reinstatement

Subsidies or Special Conditions,

Impairment Related Work Expense

Blind Work Expense

Plan to Achieve Self-Support

In your workbook, there is a list of these Work Incentives along with a brief description. You can choose the ones you are interested in learning more about. You can learn a little more about each one of these by getting help to review the information in section 5 of the Resource Guide and by talking with a Work Incentives Benefits Specialist.

1.10 Getting Help



Notes:

As someone who gets public benefits, it is important that you understand, or have help to understand, what benefits you have, how your benefits might change if your life changes, and your responsibilities as a benefit recipient. But don't worry! Work Incentives Benefits Specialists can be found in many parts of Wisconsin and they can help you understand how working will help you to have more money and use work incentive programs that are right for you.

1.11 Benefit Specialists



Notes:

There are two types of Benefits Specialists you should know about. Disability Benefits Specialists and Work Incentives Benefits Specialists. They provide different kinds of services depending on what you need.

Disability Benefit Specialists provide general information and counseling free of charge about getting on and maintaining disability benefits such as SSI, SSDI, Medicaid and other public benefits. Disability Benefits Specialists can be found at the Aging and Disability Resource Centers. Typically Disability Benefits Specialists are not considered experts on how employment may affect your public benefits. And they may not know how to help you take advantage of Work Incentives.

Work Incentive Benefit Specialists are the experts in understanding how earned income from work will affect your benefits. They can help you learn more about the Work Incentives available to you and help you to use these Work Incentives. Work Incentive Benefit Specialists can be found throughout the state. If you are working with DVR, DVR has service contracts with Work Incentive Benefits Specialists. If you would like to learn more about Work Incentives, your DVR counselor can help you connect to a Work Incentives Benefits Specialist. Just be sure to ask them about including the service in your plan for employment. You can also work with your Family Care or IRIS staff to help you connect to a Work Incentives Benefits Specialist.

Be sure that you get an appointment with a Work Incentives Benefits Specialist and not a Disability Benefits Specialist when you are seeking employment. Disability Benefits Specialists meet with people to figure out if they qualify to be on public benefit programs. You will need to meet with a Work Incentives Benefits Specialist to have a Benefits Analysis.

1.12 Before You Meet

Before You Meet

- Think about your job goals.
- Write down your questions and concerns.
- Make a list of your benefits.



Notes:

If you plan to meet with a Work Incentives Benefits Specialist, some things you should do to prepare for that meeting are:

Think about your job goals. How much do you want to work? How much money would you like to make? Do you want to be self-employed?

Write down questions or concerns you have.

Make a list of all the benefits you get and the amounts, if you know them. The Work Incentive Benefits Specialist can help answer questions about a variety of public benefits, as well as private benefits you are receiving.

If you complete section 5 of the Workbook that goes with this module, you will have good information to take to your Benefits Analysis appointment.

1.13 You Should Expect

You Should Expect

- Timely, individualized services
- Written summary
- In-person review
- Answers to your questions

A photograph showing a man in an orange polo shirt and khaki pants standing and talking to a woman in a wheelchair. The woman is wearing a dark purple top and glasses. They are in an office setting with a green wall and a window with blinds in the background.

Notes:

Things you should expect from a Work Incentives Benefits Specialist:

Timely service

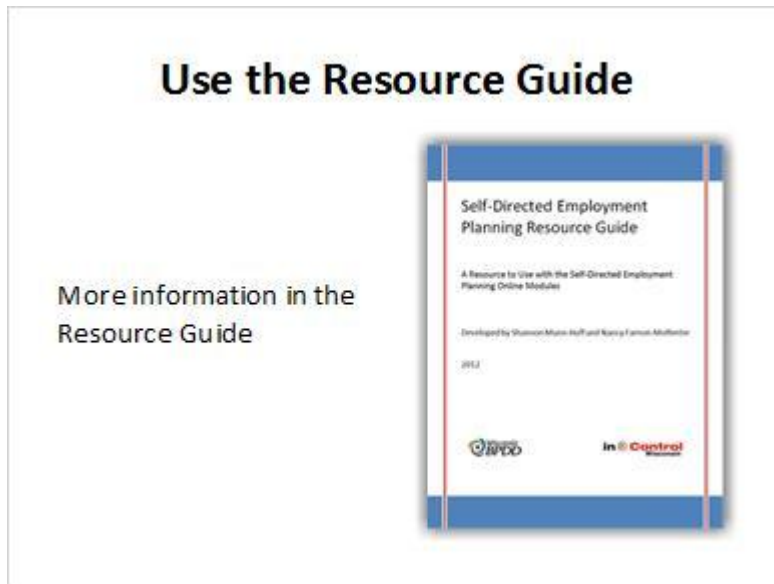
Individualized service

An individualized, comprehensive, written benefits analysis if you would like one. A benefits analysis will explain, in simple and plain language, all of the benefit programs you receive, what your responsibilities are and how life changes and earnings will impact these benefits.

The specialist should be available to meet with you in person to review your benefit analysis and give you an opportunity to ask questions.

The specialist should be available to you to after you review your summary to answer your questions by phone, in person or by email.

1.14 Use the Resource Guide



Notes:

If you are interested in learning more about Work Incentives on your own take a look at the resources listed in section five of the Resource Guide that goes with this training. There are examples in the Resource Guide as well as information about work incentives for people on SSI and SSDI.

1.15 Deciding How Much to Earn

Deciding How Much to Earn

Think about:

- Hours you want to work
- Days you want to work
- Typical pay range
- Personal priorities

Photo of a man thinking.

Notes:

Making the decision to work is an important life decision. Working has many rewards, especially the paycheck! As you think about your job goals, deciding how much you would like to make is a big part of that decision.

To begin thinking about how much you want to make each month, consider these questions:

- How many hours you would like to work in a day?
- How many days per week do you want to work?

These questions will help you figure out about how many hours per week and per month you think you will work.

- What do employers typically pay in your area for the jobs you are interested in? You may need to do some research to answer this question.
- Are there things in your life that you want to do that need money? Things like traveling, shopping, going to movies, or taking your girlfriend out to dinner?

1.16 Benefits and Self-Employment



Benefits and Self-Employment

- Reinvest money back into your business
- Paycheck = Owner's Draw
- Report Net Income to Social Security
- Help from a Work Incentives Benefits Specialist

The slide includes a photograph of a young woman with long dark hair, wearing a dark top, smiling and holding a small white card in her hand.

Notes:

If you are thinking about self-employment, it will be important for you to understand that you may not earn money right away with your business. Self-employed people generally put most of the money they make back into their business to grow it just after


they start. Some business owners must do this for several months before taking earnings for themselves. Business owners must set aside some of the money the business makes for taxes, operating expenses and equipment.

When self-employed people pay themselves from their business it is called an owner's draw, not a wage. At the end of the year, your net income (that is the income that you pay taxes on and report to public benefit programs) is determined by subtracting your business expenses from all of the money you generated from the sales of your product or service. If your businesses net profit is \$400 or more in a calendar year, you will need to file taxes with the IRS and the state, and report your income to Social Security. If you are planning a self-employment venture, it is strongly recommended that you get help from someone who understands self-employment finances and work closely with a Work Incentives Benefits Specialist who understands self-employment.

1.17 Questions and Workbook

Questions and Workbook

- What benefits do you have?
- Do you want to see a Work Incentives Benefits Counselor?
- How much do you want to work?
- What things in life do you want that require extra money?



Notes:

Section 5 Dealing with Public Benefits. Remember, as you plan for employment, you should set up an appointment with a Work Incentives Benefits Specialist in your area. The Resource Guide that goes with the on-line modules has information about what those people do and where to find one. Taking the information you write down in this section of the Workbook will be helpful to getting your Benefits Analysis completed. This is a very important step in your employment planning process. Get help with this step as needed.

The questions that go with Module 5: Dealing with Public Benefits are:

1) What benefits do you have? (you should check all that apply)

Supplemental Security Income (SSI) and Medicaid

Medicaid through Medicaid Purchase Plan (MAPP)

Medicaid through another source (for example through the county economic support office)

Social Security Disability Insurance (SSDI)

Medicare

Housing assistance

Heating Assistance

Food Share

Other:

For benefits you get, you will list the amount per month. If you are not sure what benefits you have or the amount you get, ask someone to help you find out.

2) Do you want to ask your DVR counselor to include Work Incentives Benefits Counseling in your employment plan with DVR? Yes or No

The workbook also has a place for you to explain why you said yes or no to this question.

3) Where is the nearest Work Incentive Benefits Specialist(s) to you?

You may need to look up resources for the Resource Guide that goes with the on-line modules to find one near you.

4) What are your biggest concerns about your benefits?

5) How many hours per day do you want to work? You should circle your ideal number from the list provided (ranges from 2-8 hours).

6) How many days per week do you want to work? Circle your ideal number (ranges from 1-6 days).

7) How many hours per week do you want to work (ranges from 10-40 hours)?

Once you have these questions answered then, you will take your ideal number of hours per day and your ideal number of days per week and multiple to get your ideal number of hours you want to work each week. There is a place in your workbook to calculate this.

8) How much money per hour do you want to make based what you know about the jobs you are interested in this part of the workbook (ranges from \$7.25-\$13 or more)?

9) Next, you will calculate your Approximate Monthly Income (use the chart provided in the workbook with help as needed). This will help you calculate about how much money you will make each month when you reach your employment goal. It is approximate and the exact amount will vary based on the job you get, the hours you work, the days per week you work, and the amount of money you make per hour. This information will also be useful for your benefits analysis. The Benefits Specialist can help yo see how much extra money you will have by working the kind of job you want each month.

10) What things in life do you want that require extra money?

What would you like to do or have?

What is the cost of those?

By listing those here you can think about the extra money you want to make and what you would be able to do with it.

The last part of section 5 in the Workbook asks you to look at the list of Work Incentives available to you based on whether you get SSI or SSDI. You should read through the list with help as needed and check any that you want more information about. Remember, these incentives are in place to help you to be able to work.