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&



Social Security Benefits for Young Adults & Work Incentives.

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Social Security Disability Benefits

Social Security Administration has two (2) disability programs.

- The Social Security Disability Insurance (SSDI) and
- Supplemental Security Income (SSI) programs.

This presentation provides information to help one understand how “earned” income affects Social Security benefits.

Supplementary Security Income “SSI”

- SSI is a means tested program that provides income to individuals who are aged, blind, or disabled.
- <\$2k in resources
- SSI beneficiaries are automatically eligible for Medicaid and Food Stamps (SNAP).

SSI - Why is SSI so strict?

- SSI is financed by **general funds of the U.S. Treasury--personal income taxes, corporate and other taxes**. Social Security taxes collected under the Federal Insurance Contributions Act (FICA) or the Self-Employment Contributions Act (SECA) **do not** fund the SSI program.
- SSI Living arrangement impacts benefits.
<https://www.ssa.gov/ssi/text-living-ussi.htm>.
- NY Supp - <https://otda.ny.gov/programs/ssp/>

Social Security Disability Insurance “SSDI”

The SSDI program pays benefits to person and certain family members if one is “insured.”

This means that one worked long enough & recently & paid Social Security taxes on one’s earnings.

Disabled adult child (DAC) – does not affect parent’s SS benefit.

SSDI – source of funds?

- The FICA withholdings also insure workers for retirement, and may pay benefits to dependents of the insured worker (spouse & the disabled adult child before the age of 22 (“DAC”).
- SSDI beneficiaries will receive Medicare benefits after receiving 24 monthly cash payments. Beneficiaries affected by Amyotrophic Lateral Sclerosis (ALS) or End Stage Renal disease are exempt from this waiting period.

What type of Social Security is one on?

- Confirm by a Benefits Planning Query report. Ask SSA.gov for yours
- Is it SSI, SSD or a mixture of SSDI?
- Report indicates also Medicare, Medicaid, work history, trial work period, and so much more.
- See sample in handbook.

Most young adults start with SSI but

What happens if I go to work?

- 1st \$20 unearned income exclusion from monthly gross income
- \$65 earned income exclusion
- Impaired related work incentives (“IRWE”) deducted from gross.
- Divided by 2 and that is subtracted from the SSI monthly check
- SSA Redbook describes this further.
(<https://www.ssa.gov/redbook/>)

What is Substantial Gainful Activity “SGA”

- Countable gross earned income over a set amount per month.
- Currently, in 2024, the set amount is \$1550/month for all SSDI recipients who are not legally blind or blind.
- Currently, in 2024, the set amount is \$2590/month for those that are statutorily blind (often referred to as legally blind).

Application of the SGA Rule: Applicants for SSDI & SSI

1. If an applicant's countable earnings are over the SGA amount, the application will be denied.
2. This is true for both SSI (except those who are statutorily blind) and SSDI applications.
3. However, the SGA rules will never apply to any SSI recipients – only for SSDI/DAC if working.
4. The SGA rules will apply to SSDI/DAC recipients after the 9-month trial work period is exhausted (infra).

SSDI & SSI Work Incentives

SSA Work Incentives

What is a Work Incentive?

- **Special rules make it possible for people with disabilities receiving** Social Security or Supplemental Security Income (SSI) to work and still receive monthly payments and Medicare or Medicaid.

Social Security calls these rules "work incentives."

<https://choosework.ssa.gov/about/work-incentives/index.html>

SSI & Impact of Income

- SSI is “needs-based,” significantly affected by both earned and unearned income.
- Deductions and exclusions from income result in “countable income.”

General Income Exclusion (GIE)

Earned Income Exclusion (EIE)

- Not all income received is considered.
- \$20 general income exclusion is first applied to the unearned income; any remainder is applied to earned income.
- All other exclusions apply to earned income – work incentives.
- \$65 earned income exclusion plus $\frac{1}{2}$ remainder.

Student Earned Income Exclusion

- **SSI-** If one is under age 22 and regularly attending school (high school), SSA does not count up to \$1,971 of earned income per month when SSA figures the person's SSI payment amount.
- The maximum yearly exclusion is \$9,230. These amounts are for the year 2024; they may be adjusted each year based on the cost-of-living.
- See SS student exclusion income:
<https://www.ssa.gov/oact/cola/studentEIE.html>

Blind Work Expenses

- ssi -- Earned income that a blind individual uses to meet the expenses of working does not count when SS determines SSI eligibility and payment amount. The expenses do not need to be related to blindness and include earned income used to pay income taxes, meals consumed during work hours, transportation costs or guide dog expenses.
- <https://www.ssa.gov/ssi/spotlights/spot-blind-work.htm>
- Other considerations – Plan to Achieve Self Support, PASS Plan

What is an Impairment Related Work Expenses IRWE?

1. an expense for an item or service that
 2. Enables the person to work and,
 3. Is necessary because of a physical or mental impairment
- The cost of an IRWE is deducted from gross earnings, reducing countable income below SGA

Examples of IRWE

- **SSDI & SSI** -- SS deducts the cost of certain impairment-related expenses that a person needs in order to work from their earnings when SS decides if one is performing substantial work. Examples of impairment-related expenses are things such as a wheelchairs (electricity to charge), certain transportation costs, therapies (co-pays) and specialized work-related equipment and or services, such as home health aide.
- **SSI** -- SS also excludes BRE (“Blind Related Expenses”), which can be either the greater of the IRWE or the person’s paid Fed & State taxes from their earned income.
- See SSA Redbook. <https://www.ssa.gov/redbook/>

IRWE cont'd

1. Must be approved by the SSA Claims Representative and costs are: directly related to an impairment for which they receive treatment.
2. Paid by the individual; not reimbursable.
3. Paid in a month in which the individual is working (some exceptions).
4. Reasonable (typical for the community).

IRWE cont'd

5. Recurring monthly or non-monthly expenses – installment payment.
6. May be deducted entirely in the month the payment is made or prorated over months in the payment period.
7. Non-recurring (one-time) expense may be prorated over a 12-month period.

Policy & Practice Tips

Certain items or services may be approved as IRWE even though they are also needed for non-work activities, such as prescription medication or other health-related services.

***The impairment must be
“of record;” report
additional impairment
to SSA.***

Other Examples of Deductible IRWEs

1. Supported Employment Services
2. Attendant Care
3. Transportation
4. Medical Equipment/Devices
5. Work-Related Equipment & Assistants
6. Service Animals
7. Residential Modifications
8. Routine Drug/Medical Services
9. Non-medical Appliances & Devices
10. Services Received Through Community-Based Residential Program

Impact of Income on SSI

- After the application of all approved IRWE deductions, remaining earned income is divided by two.

After work history, one becomes eligible for SSDI. SSDI provides other “Work Incentives” besides IRWEs

- Trial Work Period
- Extended Period of Eligibility (36mos)
- Extended Medicare (96mos)
- Expedited Reinstatement (w/in 5yrs)
- Subsidy and Special Conditions
- Income Averaging – hours fluctuate
- Unsuccessful Work Attempt – lose job(s)

SSDI Work Incentives

- **Trial Work Period - SSDI** -- The trial work period allows a person to test their ability to work for at least 9 months. During the person's trial work period, the person will receive their full disability benefit regardless of how much one earns as long as their work activity has been reported and one continues to have a disabling impairment. The 9 months does not need to be consecutive and the person's trial work period will last until one accumulates 9 months within a rolling 60-month period.

Extended Period of Eligibility – EPE

- **SSDI** -- If the disability benefits stop after successfully completing the trial work period because person worked at the substantial gainful activity (SGA) level, SS can automatically reinstate one's benefits without a new application for any months in which the person's earnings drop below the SGA level. This reinstatement period lasts for 36 consecutive months following the end of the trial work period. One must continue to have a disabling impairment in addition to having earnings below the SGA level for that month.
- Ex. my SSDI check stops after 12mos as I earned >SGA, if on the 20mos my SGA goes below, contact SS, can get SSDI check back. SS does not review eligibility at that time.
- Difference with Expedited reinstatement, after exhausted extended (36 mos) within 5 yrs. – provisional for 6mos, SS reviews eligibility, such as medical review. Ex. After 42mos. I lost job request SSD, can get SSDI back but it will be reviewed.

Subsidies and Special Conditions

- **SSI & SSDI** -- "Subsidies" and "Special Conditions" refers to support one receives on the job that could result in receiving more pay than the actual value of the services performed. SS deducts the value of subsidies and special conditions from one's earnings when SS decides whether one is working at the SGA level.
- See <https://www.ssa.gov/disabilityresearch/wi/subsidies.htm>

Following are examples of subsidies and special conditions

- One receives more supervision than other workers doing the same or a similar job for the same pay; or
- One has fewer or simpler tasks to complete than other workers who are doing the same job for the same pay; or
- One has a job coach or mentor who helps the person perform some of the work.
- **SSI**-- SS does not deduct subsidies or special conditions when SS figures the person's SSI payment amount.

Other SSA Work Incentives

- Medicaid for Working People with Disabilities, MBI-PWD
 - https://www.health.ny.gov/health_care/medicaid/program/buy_in/
 - Between 16 to 65 yrs
 - Earn \$75,385; resources <\$31,175
 - Can have 401k
- SSI continued Medicaid Eligibility, 1619b. See <https://www.ssa.gov/disabilityresearch/wi/1619b.htm>. Can earn \$59,826 in NY; can't have a 401k; total resource level \$2k. Strategy ABLE & or 1st party SNT.
- SS PASS Plans – see <https://www.ssa.gov/disabilityresearch/wi/pass.htm>

SOCIAL SECURITY OVERAGES

- DO NOT PANIC!
- SSA may deduct money from Social Security benefits if a recipient earns more than a certain amount while working OR if SSA paid benefits and recipient was over the resources threshold, i.e. >\$2,000.
- This can happen if a recipient doesn't update the SSA on changes in their life, such as:
 - Income
 - Marital status
 - Living situations
 - More resources (\$) than allowable
 - No longer disabled
 - Catch all – do not report a change to SS

SSA may do with overages/response

- SSA may withhold payments from SS benefits
- Provide in writing your appeal rights, including a reconsideration
- Recommended response to SSA
 - Do not put it to side – appeal is 60days from SS decision
 - Ask for a BPQY report to confirm your SS benefits
 - Contact knowledgeable person, such as benefits counselor

Question and Answer



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