



## Social Security Benefits for People with Disabilities

### **SOCIAL SECURITY DISABILITY INSURANCE (SSDI) AND MEDICARE**

#### **WHAT HAPPENS TO YOUR SSDI AND MEDICARE WHEN WORKING**

Before you read this information, it is **VERY** important to first know what kind of Social Security benefits (SSI or SSDI) you receive. The rules for the two programs are very different. If you are not sure what kind of benefits you receive, ask your Social Security claims representative. This brochure **only** applies to people who receive regular Social Security Disability Insurance (SSDI).

#### **Twelve Months of Unlimited Earnings While Receiving Benefits**

If you are receiving Social Security Disability benefits and attempt to work, you are generally entitled to 12 months of work during which your earnings will not affect your benefits. Here's how it works:

You are entitled to a Trial Work Period of 9 months while you test your ability to work on a regular basis. These months need not be in a row, but they must take place within a 60 month period to be considered a Trial Work Period. At the end of the nine months of Trial Work, the work is reviewed to see if it shows that your work is "substantial". If it is "substantial" you get 3 more months of benefits before they stop. This rule applies only to the Social Security Disability Insurance program.

#### **What Months Count Toward Trial Work?**

As of January 1, 2005, a Trial Work month is any month in which your earnings are more than \$590. If you were working in your own business or profession, the Trial Work Period would be any month in which your earnings are more than \$590 or you spend more than 80 hours in your business. These amounts increase annually. See the chart on Page 6 for the amounts in previous years.

#### **Is Your Work Substantial?**

The amount of money you earn is the best gauge of whether your work is substantial, although other factors may be taken into account. Starting January 1, 2005, monthly earnings of over \$830 are considered Substantial Gainful Activity (SGA). For blind people, the amount of earnings indicating Substantial Gainful Activity is \$1,380. If Social Security has found you disabled due to blindness, substitute the \$1,380 amount for the SGA of \$830 in earnings throughout this handout. The amount used to determine Substantial Gainful Activity level increases annually based on the national average wage. Refer to the chart on page 6 for the amounts used in previous years.

If you qualify for Impairment-Related Work Expenses or a Subsidy, then it may be possible to earn over the regular limits and still keep your SSDI benefits (see Page 2 for a description of Impairment-Related Work Expenses and Subsidies).

#### **What Happens If You Don't Earn Above SGA During Trial Work?**

If, after your 9 months of Trial Work, you have not performed substantial work and are still disabled, your benefits will continue under the regular rules. You will use your Extended Period of Eligibility even if your work is not substantial. See Page 3 for information on Extended Period of Eligibility.

## **You Can Deduct Work Expenses From Your Income**

It often costs more for a person with a disability to work than for other people. Many of these expenses are a result of the disability. Medication you need in order to be able to work, wheelchairs, a large screen computer to help you see, are all items that may be necessary to permit you to work.

When you pay for these types of items yourself, Social Security excludes the cost of those items in counting your income to see if you are working at substantial work activity level.

### **What Expenses Can be Deducted?**

Some examples of items that can be deducted under this rule (if you pay for them yourself) are:

- o Costs of medicine and doctor visits
- o Job coaching services
- o Pacemakers, braces, and artificial limbs
- o Attendant care services needed to prepare for work, perform at work, or to get to and from work
- o Modifications to your home or car or van
- o Some transportation costs, if needed because of your disability

\*Most individuals on SSDI who work will have the option of becoming eligible for the new Medicaid for the Employed Disabled Program through the State of Connecticut Department of Social Services (see Page 4). Any medical expenses covered by Medicaid would no longer be considered Impairment Related Work expenses as the individual with the disability will not be paying out-of-pocket for them.

### **HOW DO I KEEP TRACK OF MY EARNINGS AND IRWES?**

The chart at the end of this pamphlet will help you keep track of your earnings and IRWES.

### **SUBSIDIES**

#### **Subsidized Employment Not Counted Against Benefits**

Very often, a person with a disability may be able to secure "subsidized" employment. This happens when an employee receives supports on the job that result in more pay than the actual value of the services the person performs.

Social Security deducts the value of a subsidy from earnings to determine if a person is performing substantial work activity. This permits a more realistic assessment of the person's ability to perform substantial work activity in an unsubsidized workplace. It also makes the transition to the workplace somewhat easier.

#### **Examples Of Subsidies**

- An employer or a job coach gives an employee with a disability more supervision than other employees doing the same job but pays him at the same rate.
- An employer rehires a former employee at the same rate of pay he was getting prior to his disability but allows him to work fewer hours with lower productivity.
- An employer gives an employee with a disability fewer or simpler tasks to complete than other employees doing the same job but pays the employee with a disability at the same rate.

### **PLAN FOR ACHIEVING SELF SUPPORT (PASS)**

If you are receiving monthly SSDI benefits and have an idea that will bring you closer to independence, it may be possible for the SSI program to help you. First, you have to develop your idea into what Social Security calls a "Plan for Achieving Self-Support" or PASS. A PASS can help you

pay for such things as a training program, job coaching or assistance with starting a business. This

rule usually applies only to the SSI program. Sometimes, a Social Security Disability (SSDI) beneficiary may become eligible for SSI by using a PASS.

### **How does a PASS work for SSDI beneficiaries?**

If you qualify for a PASS, you would use your SSDI benefits for the services or items you need to reach your vocational goal. These services or items must be approved by Social Security. By using your SSDI benefits in this way, you may then be eligible to receive SSI benefits.

### **WHAT HAPPENS AFTER TRIAL WORK IS COMPLETED?**

When benefits stop because you have completed a trial work period and are doing substantial work, you become entitled to a number of work incentives designed to support your ability to work if you continue to be medically disabled.

### **EXTENDED PERIOD OF ELIGIBILITY**

#### **36 Months of Income Protection**

Holding a job with a disability can be unpredictable. There may be good days and bad days - periods during which it is not possible to work, and earnings drop accordingly. For this reason, the rules provide an "extended period of eligibility" designed to protect your right to benefits after a successful trial work period.

#### **How Benefits Start Again**

The rule says that for 36 months following a trial work period, you may receive a benefit for any month earnings do not exceed \$830, so long as you remain medically disabled. This means that for any month you cannot work, or if you work less and your earnings drop below \$830, your benefits can be started again without a new application, disability determination, or waiting period. All you have to do is notify the Social Security office and tell them that your earnings have dropped below \$830. You can report this to your local Social Security office.

#### **When Extended Coverage Begins**

The extended period of eligibility begins the month after the trial work period ends. It continues for 36 months, and ends with the first month after this period. If you are earning above SGA (\$830) after your trial work period ends, you will receive your SSDI benefits for an additional three-month grace period, which overlaps the first three months of your extended period of eligibility. The "grace period" may occur later if you are not working at SGA at the end of your trial work period.

### **EXPEDITED REINSTATEMENT EXTENDS SSDI SAFETY NET**

Expedited reinstatement of benefits for people who need to stop working because of their disability became effective January 1, 2001. If you have completed the 9-month trial work period and the 36-month extended period of eligibility for SSDI and have lost eligibility due to performance of Substantial Gainful Activity (over \$830 / month in earnings), you may be able to request reinstatement of your benefits. You must be **unable to continue working above SGA due to your disability** and must file the request during the 60-month period following the month of termination of eligibility. For individuals who are receiving both SSDI and SSI, SSI beneficiaries who go off benefits for 12 consecutive months and do not qualify for 1619B will also be able to request reinstatement of cash benefits for 60 months.

You will be eligible for up to 6 months of benefits while SSA does a medical continuance review to determine if you can be reinstated. These provisional benefits will not have to be paid back to SSA if it is determined you are not eligible for reinstatement.

### **Changes Effective January 1, 2002**

Work activity will no longer trigger a Medical Review for individuals who have been receiving SSDI benefits for at least 24 months. Continuing Disability Reviews, not triggered by work activity, will be done on a regularly scheduled basis. If you earn above Substantial Gainful Activity (over \$830/month in 2005), you may have your cash benefits terminated upon completion of the Trial Work Period and Grace Period (for termination exceptions, refer to Page 2 for a description of Impairment Related Work Expenses and Subsidies).

The Ticket to Work/Work Incentives Improvement Act also states that individuals who have given their "Ticket" to an Employment Network *and* are cooperating with a written employment plan will not be subject to medical Continuing Disability Reviews for at least two years.

## **WHAT ABOUT MEDICAL COVERAGE?**

### **Medicare Coverage Continues After Benefits Stop**

Much of the expense of working with a disability comes from medical bills. Medical expenses resulting from the disability can be so high that they eat up the extra income from work. To make it possible for you to work with a disability, a special rule extends Medicare coverage up to 39 months after the end of the trial work period.

### **Extended Medicare**

As of October 1, 2000, Medicare coverage was extended at least an additional 4½ years. This extension can provide you with a total of at least 93 months of Medicare coverage.

### **How Long Coverage Continues**

The coverage may continue no matter how much you are earning during this period. When coverage stops, and if you are still medically disabled, you can purchase Medicare benefits. In some instances, if your income is low enough, it may be possible for the state Medicaid program to pay for this coverage for you.

### **Continued Medicaid Coverage For SSDI Recipients**

If you receive SSDI *and* State Supplement before you begin working and then lose your State Supplement because of earnings, you can keep your Medicaid benefits as long as you continue to have a disability and your income and liquid assets are below a certain level. This regulation is called 1905Q. DSS calls this SO4. Currently, the limit for earned income is \$45,095 and the asset limit is \$1,600 for a single individual. If you were not receiving State Supplement, but had SSDI and Medicaid coverage, you may still be able to retain Medicaid (see below). Also, if you received SSI that stopped due to earnings, you would continue Medicaid under 1619B (SO4) with the same income limit and a \$2000 asset limit. See the SSI handout for additional information.

### **Medicaid for the Employed Disabled**

If you are 18 through 64 years of age and continue to meet Social Security's definition of disability, you may continue on Medicaid. You must work and pay F.I.C.A. taxes or have bonafide wage stubs proving earnings if not paying FICA. You can have income of up to \$75,000 annually and be eligible for Medicaid/Title XIX on a sliding scale buy-in. (Spouse's income is not considered in determining initial eligibility but is used to calculate buy-in premium.) Liquid assets, if you are single, must be below \$10,000 (for couples below \$15,000). Your home and one vehicle are not counted as assets. Monies held in retirement accounts, individual development accounts, medical accounts, and accounts for disability related expenses are excluded.

If you are found to be medically improved by SSA but still have a severe medically determinable impairment, you can keep Medicaid as long as you work and earn a monthly wage equal to or greater than the Federal minimum wage times 40 (Currently \$5.15/hour so earnings per month must be at

least \$5.15 x 40=\$206.00). You will then be under the new Title XIX **Medically Improved Group**.

**HOW DO YOU KEEP TRACK OF YOUR EARNINGS AND IRWES?**

The chart and information on this page and the additional chart on the back of this page will help you keep track of your earnings and IRWEs.

**How to use the chart on this page**

- 1) Enter your earnings for each month. Monthly earnings to be used in this chart are based on the number of hours in a calendar month x pay per hour, not on paychecks received during a calendar month.
- 2) Trial Work Period (TWP) - Begins 1st month above TWP Limit (\$590/month for 2005) and ends 9th month above TWP Limit. These months do not have to be in a row and must be with in a five-year period.
- 3) **Once Trial Work Period has ended**, you can use Impairment Related Work Expenses (IRWEs) to reduce your countable income. Enter the amount of IRWEs and subtract from gross wages. Remember to keep proof of IRWEs, i.e. receipts and canceled checks, for Social Security.
- 4) Grace Period - Checks are received for the first month above Substantial Gainful Activity (SGA) after Trial Work ends (this is the cessation month) and for two additional months. SGA for 2005 is \$830/month.
- 5) Extended Period of Eligibility (EPE) - Begins the month after TWP is completed and ends after 36 consecutive months. EPE months are counted even if you stop working after Trial Work Period is completed.
- 6) Termination - Eligibility for SSDI stops the first month of SGA after EPE ends unless you have not used the Grace Period (See #4 above).

<i>Year</i>		<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sept</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>
	Wages - IRWEs												
	= Subtotal												
	Wages - IRWEs												
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	Wages - IRWEs												
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	Wages - IRWEs												
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	Wages - IREWs												
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**See other side for Trial Work and Substantial Gainful Activity dollar amounts**

Year	Trial work month	Hours for self-employment	SGA for non-blind beneficiaries	SGA for blind beneficiaries
2005	\$590	80	\$830	\$1380
2004	\$580	80	\$810	\$1350
2003	\$570	80	\$800	\$1330
2002	\$560	80	\$780	\$1300
2001	\$530	80	\$740	\$1240
2000	\$200	40	\$700	\$1170
1999-1990	\$200	40	\$500	\$1110 ('99), \$1050 ('98), \$1000 ('97), \$960 ('96), \$940 ('95), \$930 ('94), \$880 ('93), \$850 ('92), \$810 ('91), \$780 ('90)

**For more information about the ways work affects State Supplement, Social Security Disability Insurance (SSDI), Supplemental Security Income (SSI), Medicare, Medicaid and other benefits and services, contact a Benefits Specialist in your area. To find the Benefits Specialist closest to you call:**

**The Connect to Work Center  
Bureau of Rehabilitation Services/Department of Social Services  
(800) 773-4636**



The Department of Social Services' programs are available to all applicants and recipients without regard to race, color, creed, sex, sexual orientation, age, disabilities, learning disabilities, national origin, ancestry or language barriers. The Department has a TDD/TTY line for persons who are deaf or hearing impaired and have a TDD/TTY: 1-800-842-4524. Auxiliary aids are also available for blind or visually impaired persons.

The Department of Social Services is an equal opportunity, affirmative action employer.

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