

Supplemental Guide for Module 6



The Social Security Administration (SSA) pays benefits to people who can't work because they have a medical condition that's expected to last at least one year or result in death. SSA pays disability benefits through two programs, Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI).

Supplemental Security Income benefits: SSI benefits are monthly payments to adults and children with disabilities who meet the SSA definition of disability and have limited income and resources. For SSI, for an adult age 18 and older, a person must have assets below \$2,000 if single, \$3,000 if married, and have low or no income. More information on resources may be found on the [Supplemental Security Income Resources webpage](#). In general, the income limit for SSI is the federal benefit rate (FBR) plus \$20. The FBR changes annually. In 2022, it is \$841 per month for an individual and \$1,261 per month for a couple. For up-to-date FBR, visit the [Social Security website](#).

Social Security Disability Insurance benefits: SSDI benefits are payments to people under full retirement age who have one or more disabilities, cannot work and have sufficient work credits to qualify. Children disabled prior to age 22 and those widowed may qualify under the earnings record of a wage earner who is deceased or receiving a retirement or disability benefit from SSA. When SSA initially evaluates disability, they consider whether or not someone is working at the Substantial Gainful Activity (SGA) without supports. In 2022, the SGA limit is \$1,350 a month (\$2,260 for blind people). The SGA limit is adjusted annually to reflect changes in national average wages. For up-to-date SGA, visit the [Social Security website](#).

There is no asset or resource limit for SSDI. Individuals receiving SSDI can have as many homes, cars, savings accounts, stocks, 401k plans, etc. as they like. SSDI focuses on EARNINGS, not savings, resources or assets. Although assets or resources do not affect SSDI payments, they may affect other public benefits or assistance programs or those which have Medicare premiums.

Disability and Health Insurance

The health insurance that goes with SSDI is Medicare. There is a 24 month waiting period for Medicare from date of entitlement for most individuals. There is no need to apply separately for Medicare. The application for SSDI determines the entitlement date and is the application for Medicare.

Medicaid is health insurance for low-income individuals and does require an additional application in Illinois. Being eligible for SSI does not automatically give eligibility for Medicaid. To apply for Medicaid in Illinois, visit the [Application for Benefits Eligibility \(ABE\) website](#).

Knowing your Benefits: It's important for people to know whether they receive SSDI or SSI or both, as the requirements for initial eligibility and rules for work after entitlement are very different. To find out which benefit a person receives, they can create an online [my Social Security account](#) and call their local SSA office or the Social Security National Call Center at 1-800-772-1213. Find your [local SSA office](#).

Benefits and Working: If someone is receiving disability benefits and is working, or wants to work, there are special rules that make it possible to work and earn income and still receive monthly payments and/or Medicare or Medicaid or to become self-sufficient if that is their choice. Social Security calls these rules “**Work Incentives.**” Some of the more common Work Incentives are listed on the next page. For more information on all SSA work incentives, use the [SSA Redbook – A Guide to Work Incentives](#).

Work Incentives for both SSDI and SSI

- **Impairment Related Work Expenses (IRWE)** – SSA deducts the cost of certain expenses a person pays for in order to work. Examples of impairment-related expenses are things like a wheelchair, certain transportation costs and specialized work-related equipment.
- **Subsidies and Special Conditions** – This is a support someone gets on the job that other workers may not get. SSA deducts the value of the support from the person's earnings to decide what income counts. The SSI program only uses this work incentive during the initial application month only.

Examples of subsidies and special conditions:

- Person receives more supervision than other workers doing the same or a similar job for the same pay.
 - Person has fewer or simpler tasks to complete than other workers who are doing the same job for the same pay.
 - Person has a job coach or mentor who helps them perform some of their work.
- **Expedited Reinstatement (EXR)** - If a person's benefits ended because of work and earnings, he or she can request that benefits start again without having to complete a new disability application when they have the same or related impairment their disability benefit was based upon. While SSA determines whether a person should get benefits again, SSA can provide provisional (temporary) benefits for up to six months.
 - **Section 301 Continued Payments** – If someone is found to have medically improved to the point where they no longer meet the definition of disability, SSA will continue their monthly payments IF they were participating in an employment program which increases the likelihood of their permanent removal from the SSA rolls at the time benefits were ceased. An appropriate employment program includes participation in Vocational Rehabilitation or similar employment service and/or supports.

SSDI Work Incentives

- **Trial Work Period (TWP)** – During a trial work period, someone can try work and still be considered disabled. A person can try to work for at least nine months (not necessarily consecutive but all must occur in a rolling 60-month period). In order for a month to count as a TWP in 2022: (1) the gross monthly wages need to total \$970 or more for an employee; or (2) more than \$970 net or more than 80 hours for self-employment. [Learn more about TWP.](#)
- **Extended Period of Eligibility (EPE)** - If disability benefits stop after successfully completing the trial work period because someone is working at the SGA level, SSA can automatically reinstate benefits without a new application if earnings drop below the SGA level. Special rules may apply to self-employed if they exceed the SGA level. This reinstatement period lasts for 36 consecutive months following the end of the trial work period and benefits can continue indefinitely in the EPE when earnings are under the SGA level. SSDI payments can be received for any month during this time when earnings are below SGA.
- **Continuation of Medicare Coverage** - Most SSDI beneficiaries who work will continue to receive at least 93 consecutive months of Hospital (Part A); Supplemental Medical Insurance (Part B), if enrolled; and Prescription Drug coverage (Part D), if enrolled, after the nine-month Trial Work Period. There is no cost for Part A however, premiums must be paid for the other parts of Medicare to continue. Although payments may stop due to work, a person can have the assurance of continued health insurance. (Ninety-three months is seven [7] years and nine [9] months.)

SSI Work Incentives

- **1619(b)** – SSI beneficiaries who have earnings too high for an SSI monthly payment may remain eligible for Medicaid under 1619(b) even after their SSI check stops.
- **Blind Work Expenses** – Money spent in order to go to work on things like taxes, transportation, costs involved with having a guide dog and other expenses do not count as part of income for SSA to determine if an individual, who is legally blind, continues to get SSI benefit when working.

- **Student Earned Income Exclusion** – For a student under age 22 who is regularly attending school (or in some cases of home schooling), wages earned from work, up to \$2,040 a month for a total of \$8,230 a year, do not count against the student’s SSI benefit. These numbers are for 2022 and change annually based on cost-of-living.
- **Plan to Achieving Self-Support** – A Plan to Achieve Self-Support (PASS) allows a person to use income to reach a work goal when achievement of the goal with either decrease a SSI payment or eliminate the SSDI payment. For example, a person can set aside money to go back to school, to get specialized training for a job or to start a business and the income does not count against the SSI benefit. *(Note: May be used in SSDI program also)*
- **Property Essential to Self-Support (PESS)** – This applies to those who are self-employed or own a business. PESS allows exclusion of certain properties (resources necessary for self-support) when Social Security calculates the SSI eligibility.
- **Self-Employment** –SSA counts earnings quite differently for Self-Employment. For more information on Self-Employment and benefits consult a professional benefit counselor or contact SSA.

Wage Reporting

Regardless of which benefit is received, or which Work Incentive may be used, it is important to report all wages or self-employment income to SSA. Failure to report wages or self-employment income, may create an **overpayment** and that could result in having to pay the money back to SSA.

SSA makes it easy to report wages to them. Reporting can be done online, by phone or in-person. The electronic methods may only be used when not using work incentives. For those receiving SSI benefits, reporting may also be done through a mobile or phone app. For more information on how to report, read the **Wage Reporting Fact Sheet**.

Attachments: The attached handouts provide a one-page information sheet on SSI and SSDI and working.

SSI & EMPLOYMENT



Supplemental Security Income (SSI): Needs-based program, meant to provide enough money for basic food and shelter; paid out of general federal tax dollars

Eligibility: Age 65+; OR; Blind; OR; Disability (children and adults) AND meet Income/Resource Test AND Citizen/Residency Requirements

2022 Amount: \$841 individual/\$1,261 couple (rate is set each year)

Income Affecting SSI: Unearned income, wages, in-kind support and maintenance received from others.

Unearned Income: SSDI benefits, Veterans benefits, worker's compensation, unemployment insurance, child support, alimony

NOT Considered Income: Any item that is not food or shelter and cannot be used to obtain food or shelter (e.g., housing subsidy (Section 8), income tax refunds, proceeds of a loan, clothing)

Resource Limits: Resources are countable if they exceed the resource limit as of the first day of a full month

Resource Exclusions: Household goods, medical devices and adaptive equipment, some life insurance policies, primary home, one car per household, some burial funds and life insurance assigned to funeral provider, some student financial assistance, individual development accounts, some trusts, support from programs such as DHS and Section 8

How income affects SSI monthly payments: SSA does not count the first \$20 of ANY kind of income; SSA does not count the first \$65 of EARNED income; SSA counts half of EARNED income. Certain impairment related work expenses can be deducted from your gross wages

Example:

\$885 (Earned Income)
- \$20 (General Exclusion) = \$865
-\$65 (Earned Income Exclusion) = \$800 / 2 = \$400 COUNTABLE EARNINGS
\$841 (2022 Federal Benefit Rate) - \$400 (countable earnings) = \$441 SSI payment
\$441 (SSI payment) + \$885 (gross earned income) = \$1,326 Total Gross Income

SSI Work Incentives:

- **Student Earned Income Exclusion (SEIE):** Under age 22 and regularly attending school/training for 2022; excludes \$2,040 of income per month/\$8,230 per year
- **Blind Work Expenses (BWE):** anything considered IRWE+ (e.g., lunch costs, transportation, service animal expenses, federal/state/local income taxes, Social Security taxes, attendant care, taxes, visual and sensory aids, translation of materials into braille)
- **Plan for Achieving Self Support (PASS):** Allows individuals to set aside income/resources for a specified period to achieve a vocational goal (e.g., capital for starting a business, educational and training expenses, child care, equipment or tools, uniforms or special clothing, etc.) *(Note: May be used in SSDI program also)*

If earnings cause SSI to stop: benefits can restart if a person stops working or if earnings decrease. Medicaid continues until earn above the Illinois threshold (\$38,350) unless individual threshold is established.

SSDI & EMPLOYMENT – TRANSITION TO WORK



Phase 1 – Trial Work Period (TWP): Nine (9) months (non-consecutive)

- Nine-month “trial work period” where monthly payments are NEVER jeopardized
- Use a TWP month each time earnings go over **\$970 gross** (employee) or \$970 net or over 80 hours (self-employed) (2021 amount)
- Nine TWP months are not necessarily consecutive
- When all nine trial work periods are used (within five years), TWP ends

Phase 2 – Extended Period of Eligibility (EPE): 36 months/3 years (consecutive)

- Start the month after ninth TWP and are consecutive
- When countable earnings are below SGA = receive payment that month
- When countable earnings are above SGA = do NOT receive a payment that month
 - Please note, a person will receive their SSDI the first three months of EPE when their wages are above SGA; these three months are called grace period months.
- SGA = Substantial Gainful Activity = \$2,260 for blind/\$1,350 for non-blind

*Gross amount for employee; net amount for self-employed. Self-employed may be subject to three tests versus net countable earnings once they exceed SGA level

Phase 3 – Expedited Reinstatement: 60 months/5 years

- If individual has the same or a related impairment and countable earnings are below SGA, up to six months of provisional SSDI payments will be paid pending the disability determination.
- Payments are not due for any month of countable earnings at SGA.
 - Please note, this is an important work incentive that allows disability benefits to begin again, without needing to reapply for benefits, as long as the request is made within 60 months of when the prior benefit was terminated.

SSDI Work Incentive: Impairment Related Work Expense (IRWE): Out-of-pocket costs needed to work. (e.g., supported employment services, transportation, medical support devices, medication, counseling, work equipment, etc.)

Medicare: Part A continues free for at least 93 months (seven [7] years and nine [9] months) after nine-month trial work period. Other parts of Medicare are subject to payment of premiums.

Health Benefits for Workers with Disabilities (HBWD): Individuals with a disability, who are working and are US citizens or legal permanent residents between the ages of 16 and 64 may qualify for HBWD in Illinois. Workers may have countable income equal to or less than 350% of the Federal Poverty Level for their family size. Unlike other Medicaid programs, HBWD allows enrollees to have up to \$25,000 in assets. Depending on their income, enrollees pay a [monthly premium](#) based on their income range to receive comprehensive healthcare coverage. For more information, visit [the HBWD webpage](#) on the Illinois Healthcare and Family Services website.