

A Quarterly Newsletter Produced by the Eastern Montana Graduate to Work Project

Future Newsletter Topics:

● Self-Employment

● Collaborative Funding

● Case Studies

## Don't Hurt with Your Help! The Case for Benefits Analysis

By Marsha Katz, The University of Montana Rural Institute

### Consider the following situations:

- Maybe you work for a new Ticket to Work Employment Network (EN).
- Maybe you're a Vocational Rehabilitation (VR) Counselor.
- Maybe you're a job developer or job coach for a Center for Independent Living (CIL), a local Arc, or other Community Rehabilitation Provider (CRP).
- Or maybe you're a transition specialist or work-study coordinator for the local high school.

Whatever your job title, if you assist persons with disabilities to find jobs or start businesses, you need to know about *Benefits Analysis*.

*Benefits Analysis* is commonly understood to be: **the process of examining the impact of earnings on the variety of benefits that may be received by persons with disabilities**. But it's really much broader than that. In practice, it is the process of **examining the interaction and impact** of any income, resource, or benefit a person has on any other income, resource, or benefit the person has or might apply for or receive.

Each income source is evaluated on its own merits, and the particular combination of income, resources, and benefits unique to each individual must also be evaluated. Often, there is a precarious balance that must be maintained so that the people we assist don't risk the loss of more than they stand to gain.

### Professional Responsibility

Those of us in the business of "helping" people with disabilities to find work or start a business have a professional, ethical responsibility to assure that all people we assist have access to competent and thorough benefits analysis so they have complete and accurate information as they make important decisions about their lives.

At the end of this article is a list of various sources of income and resources that may pertain to a person with a disability. Some of these have an impact on how much you can receive in benefits, or on whether you are eligible at all. Other items on the list are income or resources that can be put at risk when you are working and have earnings.

### Importance of Benefits

When most of us take a new job, or finally see a profit from our business, our situation can only be expected to improve. We have more discretionary income, we may acquire needed health benefits, we begin to plan for the future, and we enjoy a better quality of life.

Unfortunately, because current state and federal policies can actually penalize workers with disabilities, they don't always see the same benefits from work that most people see. On the contrary, when people with disabilities work, they may be risking the loss of essential Medicaid, their cash benefits, food stamps, and more. If their benefits

## Resources:

RCEP 7 Work Incentives Calculator  
<http://www.rcep7.org/~ssawork/calculations/default.html>

Social Security Administration  
[www.ssa.gov](http://www.ssa.gov)

Ticket to Work  
[www.yourtickettowork.com](http://www.yourtickettowork.com)  
[www.worksupport.com](http://www.worksupport.com)

Plan for Achieving Self Support (PASS)  
[www.passplan.org](http://www.passplan.org)  
[www.passonline.org](http://www.passonline.org)  
[www.barrierbreakers.com](http://www.barrierbreakers.com)

Montana's BPAO  
[www.msubillings.edu/socialsecurity](http://www.msubillings.edu/socialsecurity)

To locate BPAO and PAO providers in other states:  
[www.ssa.gov/work/ServiceProviders/providers.html](http://www.ssa.gov/work/ServiceProviders/providers.html)

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## Don't Hurt with Your Help!, cont.

include Social Security Disability Insurance (SSDI) or another benefit that provides additional cash benefits for dependents, the dependents stand to lose their benefits, as well.

If disabled workers lose Medicaid, they may also lose personal assistance services, mental health services, developmental disability services, and coverage of needed prescriptions, durable medical equipment and day-to-day health care. If they receive a Housing and Urban Development (HUD) subsidy for their housing, they will likely see a rent increase. If they receive food stamps, they will likely see a decrease, or termination altogether.

### Examples

In fact, without careful planning, people with disabilities can end up in a position where they **lose** more than they **gain** by working. For example, Frank is a disabled worker who receives SSDI in the amount of \$800/month. He has a wife and child who together receive an additional \$800/month from his SSDI account, for a total family income of \$1600/month. The family has a mortgage payment of \$600/month, and a car payment of \$250/month. The family's grocery bill averages between \$350 to \$400/month.

### Frank

If Frank earns \$900/month for more than 9 months, he will be found to be performing SGA (Substantial Gainful Activity-set at \$810/month in 2004), and both he and his family will stop receiving their cash benefits. In essence, the family will go from receiving \$1600/month before Frank went to work, to an income of \$900/month when he is working. \$900/month is not enough to cover the mortgage, car payment, and grocery bill. If Frank continues to work at this job for these earnings, the family will lose either their house or their car. Clearly, given these circumstances, Frank and his family are not better off by Frank working.

Does this mean that people with disabilities shouldn't work? Of course not.

- But it does mean that a particular job/business needs to be chosen with care.
- It does mean that all benefits, individually and collectively, must be thoroughly

understood and evaluated.

- And it means that all helpful Social Security or other benefit work incentives must be identified and implemented.
- And, sometimes, it means that timing of work and earnings must occur with military precision.

In Frank's case, if he is spending over \$100/month on items he needs in order to work, and which are also related to his disability, he stands a good chance of keeping both his and his family's SSDI benefits while he continues to work and gross \$900/month.

These items are known as Impairment Related Work Expenses (IRWEs). When Social Security is looking at wages to see if the amount represents SGA, the amount being spent on IRWEs is subtracted.

So, if Frank has a psychiatric disability, and he is paying \$125/month for medications that allow him to work, Social Security will subtract

that \$125 from Frank's gross wages before considering whether or not Frank is performing SGA. Once the \$125/month is subtracted from Frank's \$900/month gross earnings, there is \$775 remaining. Since \$775 is less than the 2004 SGA figure of \$810/month in gross earnings, Social Security will find that Frank is NOT performing SGA, and he and his family will continue to get \$1600 from SSA and Frank will continue to gross \$900/month in wages.

### Janine

This is a fairly simple example of using benefits analysis to assure that someone doesn't risk the loss of more than will be gained by working. For some people, utilizing benefits analysis to improve their situation can be much trickier, as in Janine's situation.

Janine is a woman with a chronic medical condition. She has received SSDI for many years, and her SSDI is low enough that she is also eligible for Medicaid in her state. Medicaid is essential to pay for Janine's expensive prescriptions, and the minimal amount of personal assistance she receives to assist her to live independently. She wants to work again, but fears loss of her Medicaid. In addition, she has no transportation, and would need a vehicle to get her to and from a new job.



## Resources:

To locate the Independent Living Center closest to you:

[www.virtualcil.net/cils](http://www.virtualcil.net/cils)

University of Montana's Rural Institute

<http://ruralinstitute.umt.edu/transition>

<http://ruralinstitute.umt.edu/training/publications>

Griffin-Hammis Associates, LLC

[www.griffinhammis.com](http://www.griffinhammis.com)

NCWD - National Center on Workforce and Disability/Adult, based at the Institute for Community Inclusion, UMASS, Boston

[www.onestops.info](http://www.onestops.info)

Montana's Protection and Advocacy Organization (The Montana Advocacy Program) and PABSS program (Protection and Advocacy for Beneficiaries of Social Security), can assist SSA beneficiaries:

- To apply for PASS plans and other work incentives.
- To understand and access various employment services such as Vocational Rehabilitation.
- By offering information about how work will influence SSI or SSDI.

[www.mtadv.org](http://www.mtadv.org)



## Don't Hurt with Your Help!, cont.

Over the years Janine has worked on and off, using her entire Trial Work Period and Extended Period of Eligibility. This means that the next time Janine earns over SGA, she will most likely lose her SSDI entirely.

Looking at Janine's benefits, and particular circumstances, the conservative approach, without a comprehensive benefits analysis, would be to tell her that it looked like any work would result in a threat to her Medicaid, and possible loss of her SSDI. That information would likely dissuade her from ever considering work again.

But that's not what we did. After thoroughly examining Janine's benefits, the rules that applied to those benefits, and Janine's great desire to work and be productive, here's what we offered her as a possible option in her particular circumstances.

- Because Janine needed transportation in order to start work, a Social Security Plan for Achieving Self Support (PASS plan) was a possible option to help her purchase a new car.
- Because Janine received SSDI, she was a good candidate for a PASS plan as long as her vocational goal would result in a job that grossed over the SGA amount.
- Because Janine had used her entire Trial Work Period and Extended Period of Eligibility, her first month's work at the SGA level would result in her SSDI benefits ceasing.
- Because Janine would be receiving SSI and Medicaid during a PASS plan, if she lost her SSDI, she would continue to receive SSI...perhaps indefinitely. Then she could have ongoing Medicaid, she could work and earn up to \$20,000/year in her state without fearing loss of that Medicaid, she could make her PASS plan car payments using her SSI countable earnings, and she would continue to receive SSI and Medicaid after her PASS was completed.

Janine decided that this option sounded pretty good. She had a lot to gain, and would be able to replace the loss of her SSDI with SSI. And she would gain a lot more income per month without threatening or losing her Medicaid, which would continue to pay for her prescriptions and personal assistance.

So, we wrote Janine's PASS to pay for her

car, and included one milestone that marked the beginning of her earning SGA, and the cessation of her SSDI. The PASS had to run for 16 months in order to pay off the car. Janine took the new job, and during her 12<sup>th</sup> month of employment, she got a raise and began to gross more than the SGA amount (\$810/month in 2004) each month. Not wanting to leave anything to chance, we made a personal visit to SSA to report her new wage level and assure that SSA would stop her SSDI.

It's now three years later. Janine continues to drive her car to work everyday, she grosses about \$1000/month at a job she loves, and most importantly, she still has Medicaid coverage because she is considered SSI eligible even though she receives little or no SSI every month.

Planning for loss of SSDI benefits during a PASS, and thus converting to SSI-only benefits, which typically come with Medicaid, is a complicated process demanding strict attention to specific timeframes. While a few of us had thought this planned SSDI loss



was theoretically possible, about ten years ago, David Hammis, of the Rural Institute and Griffin-Hammis Associates, began to actually put it into practice successfully. At about the same time, award-winning SSI/SSDI advocate Laura Hershey, of Push the System, was pressing the Social Security Administration to honor the

process in her own situation. While their persistence with Social Security has resulted in more of us successfully using this approach, it is not one that most Benefits Analysts have enough experience to even consider, let alone use.

Using this planned loss of SSDI benefits in appropriate situations is actually a win-win situation for all involved:

- The *person wins* by being able to work, contribute to her family and community, and greatly improve her economic status while maintaining irreplaceable health coverage;
- SSA *wins* by providing healthcare benefits in exchange for not having to pay out any SSDI, and by paying a greatly reduced amount of SSI, or none at all;
- The *community wins* because Janine has more income, which she spends in local businesses, and donates to local charities;

## Upcoming Trainings

### December 13, 2004

- 1:00 – 4:00 PM METNET  
“SSA Part 1: An Introduction to SSI/SSDI and the Impact of Wages on Benefits”

### January 6, 2005

- 1:00 – 4:00 PM METNET  
“SSA Part 2: Overview of SSA Work Incentives”

### January (to be scheduled)

- Teleconference with PowerPoint show “The Vocational Profile”

### February 3, 2005

- 1:00 – 4:00 PM METNET  
“Writing PASS Plans”

### February (to be scheduled)

- Teleconference with PowerPoint show “Planning for Employment”

You can register for a training by emailing Ellen Condon at least five days in advance at: [condon@ruralinstitute.umt.edu](mailto:condon@ruralinstitute.umt.edu)



## ***Don't Hurt with Your Help!, cont.***

- The *community also wins* by benefiting from the effort and talents of workers like Janine, and by her contributions to the tax base and the Social Security Trust Fund.

Janine's outcome was always possible, but would not have happened without an accurate and comprehensive benefits analysis.

The accurate and comprehensive benefits analysis was always possible, but would not have happened without an organizational commitment to assure that staff received the training, materials, ongoing technical assistance, support, and time necessary to produce a knowledgeable Benefits Analyst.

### **Training in Benefits Analysis**

With passage of the *Ticket to Work and Work Incentives Improvement Act (TWWIIA)*, Congress and the Social Security Administration have formally recognized the importance of and need for good benefits analysis. Over the past two years a total of over 80 trainings have been provided to approximately 800 or more new and seasoned Benefits Planning Assistance and Outreach (BPAO) staff across the country under grants from Social Security. Additional funding has been provided to the

Protection and Advocacy Organizations in the states so they will also have staff who become well versed in benefit issues, and can provide advocacy in benefit-employment situations.

Learning about benefits doesn't happen in a crash course, no matter how bright the learner, how expert the trainers, or comprehensive the materials. Accurate and competent benefits analysis is learned one person at a time, with plenty of monitoring and technical assistance from experts, and with continual researching and utilization of actual written policy and regulations.

So, even though many of the newer BPAOs are still learning the basics, and still need a fair amount of technical assistance, their very existence bodes well for the employment and benefit future for SSI/SSDI recipients who want to work. The more their expertise grows, and the greater their ranks, the less possibility that our assistance to persons with disabilities will ever result in harm. The important thing now is to assure that this new emphasis on benefits planning/benefits analysis continues to grow and strengthen.

In these days of trying to avoid the various state and federal budget axes, we can all use the "win-wins" that benefits planning provides!

## **Possible Income Sources**

### **Unearned Income**

SSDI-Social Security Disability

Social Security Retirement

VA (Veterans) Benefits:

Retirement, Agent Orange,  
Disability, Disabled Children

Railroad Retirement Benefits

Black Lung Benefits

Section 8/HUD Subsidy

TANF Benefits

Dept. Of Agriculture Programs:

WIC coupons, free lunch program,  
Food Stamps, breakfast programs

Unemployment Benefits

Workers' Comp Benefits

Child Support

Lease/Rental Income

IIM (Individual Indian Money) Accounts

Interest and/or Dividends

Alimony

Adoption Subsidies

Food/Shelter in lieu of wages (e.g. Religious Orders,  
Military)

Personal Assistance Payments

Scholarships, Fellowships, Grants

Long Term Disability Payments

Cash/In-kind Support from others

Civil Service Retirement

Military Retirement

Military Disability Retirement

Military Allotment

Free Housing on Military Base

Pension/Retirement Payments

Legal Settlement

Periodic Trust Income

Medicaid Waiver

Americorp

State General Assistance

Energy Assistance

Home Energy Assistance

Tax Refunds

Foster Grandparent Payments

RSVP Payments

Meals for Older Americans

Senior Companion

School Loans

Inheritance

Lottery/Gambling Winnings

BIA Payments to students:

assistance, Foster Care Funds

## Possible Income Sources, cont.

### Resources

U.S. Savings Bonds  
IIM Accounts  
Safe Deposit Box Contents  
Bank Accounts  
Insurance Policies  
Retirement/Pension Plan  
IDA-Individual Dev. Acct.  
Non-home Real Property  
Coin/Stamp Collections  
PASS plan accounts  
Trusts  
Bonds  
Stocks  
Home  
Valuable Antiques  
Vehicles-cars, trucks, boats, snowmobiles  
Art Collection  
Livestock  
IRA, 401K  
Property Essential for Self Support  
Funeral/Burial Agreement  
Cremation Agreement  
Cemetery Plot  
Head/Foot Stones, Markers

### Earned Income

Wages  
Net Income from Self-Employment  
Food/Shelter in lieu of wages  
Indian Per Capita Payments (example: Casino distribution  
to off-reservation tribal members)  
Work Study  
Honoraria  
Royalties  
Bonuses

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