

# PFA Tips

## You Know About SSI and Work...Now What About Social Security Disability Insurance (SSDI) and Work?

**R**ule number one for bureaucrats trying to confuse the public is: Give very different benefits very similar names. “SSI” and “SSDI” differ by only one letter, but they are quite different. It’s important to be informed about them both.

### My son/daughter gets SSI. Why should I learn about SSDI?

Just because a person gets only SSI now doesn’t mean s/he will always get SSI. Many people are later switched from SSI to SSDI. And if they are eligible for SSDI, they MUST accept the switch. They are not allowed to just keep SSI and forgo SSDI.

### What’s the difference between SSI and SSDI?

Supplemental Security Income (SSI) is a monthly payment for people who are disabled (or at least 65 years old) and have income and assets below certain limits. Social Security Disability Insurance (SSDI) is a monthly payment for people who are disabled and are “insured”. They become insured when they (or a certain family member) has worked and paid Social Security taxes on their earnings for a long enough period.

### Who can qualify for SSDI?

A person can qualify for SSDI if s/he has a disability that limits his/her work ability (but does not necessarily prevent him/her from working) and if s/he has “insured” status through work. A young adult with a disability may get SSDI if either s/he or a parent has worked long enough to be insured.

S/he qualifies for SSDI on his/her own work record if s/he has worked and paid Social Security taxes on his/her earnings long enough to be insured. Usually, a person must have worked at least 5 out of the last 10 years to be insured, but a person under age 31 may qualify with less work.

S/he qualifies for SSDI on a parent’s work record if the parent has worked long enough to be insured, and the parent is now:

1. Receiving a Social Security Retirement benefit, OR
2. Receiving SSDI on his/her own record, OR

### 3. Deceased

To qualify, the son/daughter with a disability must be:

- At least 18 years old, AND
- Have been disabled since before age 22

SSDI received on a parent’s work record is called a **Childhood Disability Benefit (CDB)** or **Disabled Adult Child (DAC)** benefit.

A person who gets SSDI on either his/her own work record or a parent’s record will qualify for Medicare after s/he has been entitled for 2 years.

### What happens if you get SSDI and go to work?

People who get SSDI and go to work have a series of safety nets called “work incentives” to lessen the impact of earnings on their benefits.

#### Work Incentive #1 – Trial Work Period (TWP)

The Trial Work Period (TWP) lets a person on SSDI try working without affecting SSDI or Medicare at all. The TWP is usually the first 9 months the person earns at least a certain amount before taxes are deducted – in 2018, the amount is \$850/month before taxes are deducted. If s/he earns this amount or more in a month, then s/he uses one of the 9 months. The 9 months are not necessarily consecutive. No matter how high the earnings during the TWP, SSDI and Medicare continue. (If earnings are below \$850/month in a month, then a TWP month is not used, and SSDI and Medicare continue.)

#### Work Incentive #2 – Extended Period of Eligibility (EPE)

After the TWP ends, Social Security evaluates any work the person does to see whether it is “substantial gainful activity (SGA)”. Earnings of at least \$1,180/month (in 2018) before taxes are deducted MAY be SGA, but certain deductions can let a person earn more and



still not be doing SGA. (A blind person would need to earn \$1,970/month or more (in 2018) before earnings might be SGA.) Social Security deducts from earnings:

1. Impairment Related Work Expenses (IRWE's) – expenses the person pays for (without being reimbursed) that are needed because of his/her disability (or another condition being treated by a health care provider) that are needed for work. Examples: Specialized transportation for work, medical needs, prescription drugs, therapies, attendant care, assistive technology, etc.
2. Subsidies and Special Conditions – circumstances that show the person is not earning all that s/he is paid. If the person works more slowly than coworkers, is not able to fully perform all the job duties due to his/her disability, or gets extra help (from a supervisor, coworker or job coach) to do the job, then a value is determined for these subsidies and special conditions and is deducted from earnings.

If pre-tax earnings – after deducting IRWE's, subsidies and special conditions – are below \$1,180/month (or, if blind, below \$1,970/month), then the person is not doing SGA. If the person’s work after the TWP is considered SGA, then SSDI cash payments will continue for 3 months, called a “grace period”. If earnings continue to be SGA after the 3-month grace period, then SSDI payments will stop...but not necessarily permanently. That’s where the Extended Period of Eligibility (EPE) comes in.

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The Extended Period of Eligibility (EPE) is the first 36 months after the Trial Work Period (TWP) ends. If the person earns at the SGA level in a month during the EPE, s/he will not be eligible for a SSDI cash payment (except during the 3-month grace period). However, if earnings drop below SGA in a later EPE month, then the person is eligible for a SSDI payment in that month – without having to reapply. S/he just needs to notify Social Security that earnings have dropped. During the EPE, SSDI cash payments may stop and start repeatedly, if the person's earnings go above and below SGA level repeatedly. However, the person remains entitled to SSDI during the entire EPE. If payments stop in some months due to SGA, the SSDI is only “suspended”, not “terminated”.

### Work Incentive #3 – Expedited Reinstatement

If a person does SGA after the Extended Period of Eligibility (EPE) has ended, then SSDI payments are terminated. This means if his/her earnings later fall below SGA, s/he can't simply call Social Security to re-start SSDI payments.

However, if earnings fall below SGA after SSDI has been terminated, there is a quicker, easier way to re-start benefits than reapplying. It's called Expedited Reinstatement (ExR). A person can request ExR if:

1. His/her SSDI was terminated due to SGA after the EPE, AND
2. Earnings have fallen below SGA within 5 years after SSDI was terminated, AND
3. The person is unable to do SGA in the month s/he requests ExR, AND
4. S/he still has the same disability, or a related disability, to the one s/he had before SSDI was terminated.

ExR is quicker than a new application. SSDI is usually approved within several months, rather than much longer for a new application. It's also easier to get approved for ExR than to get a new application approved. The person

doesn't need to prove that his/her disability meets Social Security's definition of disability; s/he just needs to show that the disability has not gotten significantly better since the last medical review.

Finally, ExR lets a person get SSDI payments while awaiting a decision on ExR. These “provisional payments” can last up to 6 months. Even if ExR is denied, the provisional payments do not need to be repaid.

### Work Incentive #4 – Extended Period of Medicare Coverage

If your SSDI payments stop due to SGA, does your Medicare also stop? Luckily, no. The Extended Period of Medicare Coverage lets you keep Medicare – without having to pay anything extra – for at least 7 years and 9 months after your TWP has ended, and often much longer. Even after this period, many individuals can continue receiving Medicare longer, or indefinitely.

### Work Incentive #5 – Employed Individuals with Disabilities (EID) Program

The Employed Individuals with Disabilities (EID) Program provides Medicaid (also known as Medical Assistance) to people with disabilities who are working and meet a few other criteria. Medicaid:

- Provides comprehensive medical insurance if the person has no other insurance
- Supplements private insurance if the person has it. Medicaid covers some services that private insurance doesn't.
- Supplements Medicare if the person has it. Medicaid eliminates almost all of the out-of-pocket costs (premiums, deductibles, coinsurance) that most people on Medicare have to pay. This may save the person thousands of dollars each year.

A person may be eligible for EID if s/he:

1. Meets Social Security's medical criteria for

disability (a person who gets SSDI meets these criteria), AND

2. Is 18 – 64 years old, AND
3. Is a U. S. citizen or “qualified alien”, AND
4. Works for pay (even with very minimal earnings), AND
5. Meets income and asset limits.

The income limit is very high. For example, an unmarried person whose only income is earnings from work can earn over \$73,000 a year and still be eligible.

The asset limit is also much higher than for other forms of Medicaid - \$10,000 for an unmarried person. Some types of assets (primary home, motor vehicles, special needs trusts, certain retirement accounts, ABLE accounts, etc.) do NOT count against the \$10,000 limit.

EID charges monthly premiums on a sliding scale (\$0, \$25, \$40 or \$55), but people who enroll usually save much more on medical expenses than the premium amount.

### How can you get help using work incentives?

- The Division of Rehabilitation Services (DORS), a state agency that helps people with disabilities gain employment – if you have a case open with DORS (find your local DORS office at <http://dors.maryland.gov/resources/Pages/locations.aspx>), or
- The Maryland Work Incentives Network (MD WIN), if you receive SSI or Social Security Disability and are 14 – 65 years old. Just call 1-888-838-1776.

### Do you need to report your earnings to Social Security if you work?

Yes! And it's a good idea. Reporting your earnings helps make sure you get SSDI payments only when you are eligible for them. If you don't report earnings and work at the SGA level, you may receive SSDI longer than you should, and have to pay the extra back!

### Additional Resources

PFA Tips: “You Can Go to Work, Keep SSI and Medical Assistance . . . and Live to Tell About It!”

<http://pathfindersforautism.org/articles/financial/pfa-tips-you-can-go-to-work-keep-ssi/>

PFA Tips: Language Matters – Understanding SSI and SSDI in the Community

<http://pathfindersforautism.org/articles/adults-with-autism/pfa-tips-understanding-ssi-and-ssdi-in-the-autism-community/>

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