

Work Incentives Connection, Answers, Choices, Possibilities
Moving Forward, Your Connection to Answers about the Impact of Work on Benefits
Winter 2007 to 2008

Taking Charge of Your Life: Todd's Story

The Work Incentives Connection provides answers about the impact of work on benefits, so people with disabilities can clearly see their choices and explore new possibilities. Each individual defines self-sufficiency for themselves. The level of self-sufficiency a person can achieve depends on their health, finances, skills, family obligations, transportation options and a host of other considerations. For some, that means going to work for the first time; for others, it means working part-time or taking on additional hours. Others, like Todd, are able work their way completely off of Social Security benefits. Here is Todd's story...

When Todd contacted the Connection, he was concerned about how working would impact his benefits and those of his family. Connection staff explained that working would reduce their family benefits, and require a lot of budget planning and reporting to benefit providers. Despite that, Todd and his wife pushed forward.

While not working, Todd, his wife and four children were totally dependent on Supplemental Security Income (SSI), the Minnesota Family Investment Program (MFIP) and other government benefits. The Connection showed Todd what would happen to those benefits and their financial bottom line if he worked part-time and if he worked full-time. At first, he was only able to find a part-time job while he was gaining some work experience. In addition, he had to drive over an hour each way to and from work. When Todd landed a secure, full-time job with benefits, he and his family moved closer to his employer. Within a year, he was given a promotion! Since then, Todd has given up all government benefits. He is proud to support his family, and credits his faith for getting his family where they are today!

Inside This Issue:

Executive Director discusses "Moving Forward"

How You can Show Your Support

Are you Familiar with Basic SSDI Work Rules?

Do you Know the Basic SSI Work Rules?

Is Medicare Prescription Drug Plan Right for You?

What are the Social Security Administration's Changes for 2008?

Does it matter which benefits you receive?

Have you seen our New and Improved Website?

Congratulations Are In Order!

Do you want to stay on our mailing list?

Nonprofit Connection Moves Forward

You probably noticed that the "ConnectionNews" is now "Moving Forward". This change comes as part of our efforts as a new nonprofit agency to use new words to define what we believe in and what we are trying to accomplish. In our staff and board discussions during this first year as a nonprofit, using our services to help people with disabilities move forward with their lives was a constant theme.

This past year, the staff and board teams also reviewed and recommitted ourselves to our mission and our core beliefs. Our mission is to provide answers about the impact of work on benefits, so that people with disabilities can see their choices and take advantage of life's opportunities.

The Work Incentive Connection believes in...

Putting People with Disabilities More In Charge of Their Lives – Individual potential is driven by personal goals, wishes, desires, and the need for something more. We teach people about the effect of work on benefits, uncovering new choices and opportunities for them to be more in-charge of their lives.

The Power of Work – Work improves financial security, community involvement, health, and sense of purpose.

Providing Clear and Accurate Answers – The complexity of the system requires us to cut through policy-speak and provide a clear understanding of all the implications employment may have on our clients' government benefits.

Tenaciously Advocating for Our Clients – We are not intimidated by red-tape or bureaucratic barriers. We will work the system and, if need be, challenge the system on our clients' behalf.

By sharing our core beliefs, I hope you come to know the Work Incentives Connection better as an organization that truly values the great potential of people with disabilities and that is strongly committed to providing the highest quality services possible.

I am always interested in your feedback. Tell me about your reactions to the contents of this edition of "Moving Forward" and about your ideas for additional newsletter topics. Since I am difficult to get hold of by phone, and because I do not want to divert our phones away from providing program services, I ask that you contact me by letter, fax (651-632-5121) or e-mail (webmaster@mnworkincentives.com).

I wish you all a peaceful holiday season and all good things in the coming New Year. Barb Smith,
Executive Director

Higher earnings! Fewer benefit dollars!

At 12-month follow up, the Work Incentives Connection's Benefits Analysis participants show statistically significant increases in workforce participation:

12.1 percent increase in hours worked

34.2 percent increase in earnings

Show Your Support

The Work Incentives Connection recently completed its first year as a nonprofit. With the support of many organizations and individuals, we were able to make a smooth transition without interruptions in service.

As we move into the future, your support can help us leverage the funding needed to put even more people with disabilities in charge of their lives. Your tax deductible gift helps us demonstrate to foundations and other funders that we have the support of the community.

We are deeply grateful to those who donated and became Founders of the Connection last year. This year, we invite you to renew your support or contribute for the first time by giving whatever you can. Unless you prefer to remain anonymous, your name will be listed on the Connection's website (www.mnworkincentives.com) and in our Annual Report. Please make your check payable to: MN Work Incentives Connection and send it in the envelope attached to this newsletter. Thank you!

Basics of The Social Security Disability Insurance (SSDI) Program

The SSDI program has a number of work incentives, designed to encourage people with disabilities to work. The rules for SSDI are very different than those for people on Supplemental Security Income (SSI).

It's important to know that SSDI is an "all or nothing" program. You either receive your entire SSDI check or none of it. As we start talking about SSDI, there are 3 different time periods to keep in mind:

1. Trial Work Period
2. Extended Period of Eligibility or EPE (a time when "Substantial Gainful Activity" or SGA becomes an issue)
3. Beyond the EPE

Trial Work Period:

Nine months when you can earn any amount of money and still receive your full SSDI check.

The 9 months do not have to be consecutive, so you can start and stop work if you need to.

In 2008, if you earn less than \$670 in a month, that month won't even be counted as one of your 9 Trial Work months.

This threshold was lower in past years, so if you previously worked after you started receiving SSDI, you may have used some of your Trial Work months without realizing it. The Work Incentives Connection can help you figure this out.

Extended Period of Eligibility (EPE) and Substantial Gainful Activity (SGA)

The Extended Period of Eligibility (EPE) begins automatically the month after you use your 9th Trial Work month.

The EPE lasts for 36 consecutive months, whether you are working or not.

In the EPE, Social Security's Substantial Gainful Activity (SGA) level becomes an issue. In 2008, SGA is \$940 per month (\$1,570 per month if blind). Someone earning more than SGA may not be eligible for SSDI payments, unless they can use work incentives (see separate article).

If you are in the EPE and your countable earnings are below the SGA level, you continue to receive your monthly SSDI check.

In the EPE, you are not eligible for your SSDI check in any month when your countable earnings are above SGA (\$940 per month or \$1,570 if blind).

During the 36-month EPE, no new application is required to get your benefits restarted if your earnings fall back below the SGA level. You just need to call Social Security and let them know whenever your earnings change.

Beyond the EPE

Once you complete your 36-month EPE, it is important to track earnings carefully if you are close to the SGA level and need to keep your SSDI.

SSDI can continue indefinitely if your countable earnings are below the SGA level.

If your countable earnings go above SGA after the EPE, your SSDI benefits will be terminated, unless you can use work incentives (see separate article).

Word of Caution: You must check with Social Security to find out which time period applies to you. Do not assume you have the TWP or EPE available. You may have used them previously.

Read the next article to see how SSDI work incentives may reduce the earnings that Social Security counts, allowing you to keep your SSDI benefits longer while you make the transition to work.

How SSDI Work Incentives Can Help You

SSDI work incentives lower the amount of earnings Social Security counts and may let you keep your entire SSDI monthly payment, even if you are earning more than the SGA (in 2008, \$940 per month or \$1,570 if blind). Key SSDI work incentives include: Impairment-Related Work Expenses, Subsidy, Plan for Achieving Self-Support and Expedited Reinstatement.

Remember: If you are in your Trial Work Period, you do not need to use work incentives because you are allowed to earn any amount and still receive your SSDI check. You also do not need to use work incentives if you are in your Extended Period of Eligibility and earning less than SGA (\$940 per month or \$1,570 if blind).

If you are in your EPE or beyond and earning more than SGA, these work incentives may help:

Impairment Related Work Expense (IRWE)

The Social Security Administration (SSA) recognizes that people with disabilities may have higher expenses when they work. Impairment-related work expenses (IRWE) can include: adaptive equipment; special transportation; assistance from an interpreter, note taker, typist or reader; medication co-pays; or other disability-related expenses. The cost of these items can be deducted from the earnings SSA counts in determining if you are still eligible for your SSDI check. IRWEs must be: paid for out of your own pocket; related to a serious medical condition; necessary in order to go to work; and approved by SSA.

Subsidy

If you receive extra support on the job, you may qualify for a work incentive, called "Subsidy". Subsidy can include: job coaching; extra supervision on the job; needing extra breaks; or getting assistance from a co-worker. Unlike IRWE, you don't need to pay for the support out of your own pocket for it to be considered Subsidy. The value of the support can be deducted from the earnings SSA counts in determining if you are still eligible for your SSDI check.

Sometimes, individuals and their employers are reluctant to say there is Subsidy because it could imply that the person isn't doing a good job. This is not the case. People who claim Subsidy are reliable and valued employees who simply need some accommodations due to their disabilities. Subsidy must be approved by SSA.

Plan for Achieving Self-support (PASS)

PASS is an SSI work incentive, but it can be used by people on SSDI in certain circumstances. A PASS may be used to save for schooling, adaptive equipment, or other high cost items you need in order to work your way off of SSDI. See the SSI section of this newsletter for more information on PASS.

Expedited Reinstatement

If you work off SSDI benefits after your Extended Period of Eligibility, Expedited Reinstatement can be a safety net, in case things don't work out. Under Expedited Reinstatement, your benefits can be restarted quickly if it has been 5 years or less since you worked off of SSDI.

In some cases, it may be more advantageous for you to file a completely new application, instead of requesting Expedited Reinstatement. Social Security will advise you about which is best for you.

Is it Worth it to Work on SSDI?

During the Trial Work Period, you can earn any amount of money and keep your monthly SSDI check. In the Extended Period of Eligibility (EPE), you can choose to work and keep your SSDI benefits or work off of SSDI.

After the EPE, SSDI benefits can continue if your countable income is below the Substantial Gainful Activity level (SGA: \$940 per month or \$1,570 per month, if blind).

Work Incentives can reduce the earnings Social Security counts, allowing you to retain your SSDI longer while you make the transition to work.

After you've moved off of SSDI, Expedited Reinstatement can help you get your benefits restarted if you need to cut back or stop working.

To find out how work will affect your specific benefits, contact the Work Incentives Connection

Twin Cities Metro Area: 651-632-5113

Toll-free from Greater Minnesota: 1-800-976-6728

TTY: 651-632-5110 or MN Relay – 711

Basics Of The SSI Program

Unlike SSDI, Supplemental Security Income (SSI) does not have a Trial Work Period or Extended Period of Eligibility. Similarly, the Substantial Gainful Activity (SGA) level does not apply to people on SSI, except when they first apply for benefits. Instead, SSI uses a predetermined formula for calculating benefits.

The maximum payment an individual on SSI can receive in 2008 is \$637 per month. The maximum payment is gradually reduced as earnings increase. Only about half of what a person earns is counted in determining their SSI benefit, so it is almost always worth it for people on SSI to work.

For example, someone who does not work in 2008 would have a total income of \$637 per month from SSI. If that individual earned \$615 per month from a job, they would have:

\$615 in wages;

a reduced SSI payment of \$372 per month; and

approximately \$61.50 per month in taxes deducted from their paychecks.

Those reductions may sound scary, but their total monthly income after taxes would be \$925.50 (\$372 reduced SSI + \$615 wages - \$61.50 approximate taxes = \$925.50). This is \$288.50 or 45% more per month than when they were not working!

See the article on SSI Work Incentives to learn how you can keep even more money in your pocket when you work.

Be aware that transportation and other expenses can increase as a result of working, and those in subsidized housing may see their rent increase. The impact of work on benefits can be highly individualized. The Work Incentives Connection can tell you how these rules will affect your bottom line.

SSI Work Incentives Let You Keep More Money

Work incentive rules for SSI allow you to keep even more of your SSI cash payment when you are employed. Key SSI work incentives include: Impairment-related Work Expenses, Plan for Achieving Self-Support (PASS), Student Earned Income Exclusion and Blind Work Expense.

Impairment Related Work Expense (IRWE)

Like SSDI, SSI recognizes that people with disabilities may have higher expenses when they work.

Impairment-related work expenses can include: adaptive equipment; special transportation; assistance

from an interpreter, note taker, typist or reader; medication co-pays; or other disability-related expenses. IRWEs must be:
paid for out of your own pocket;
related to a serious medical condition;
necessary in order to go to work; and
approved by SSA.

Under SSI, having an approved IRWE reduces the earnings that are counted in determining your SSI benefit. This results in a higher SSI payment than you would get without using an IRWE.

Plan for Achieving Self-Support (PASS)

Using a PASS, you can set aside income in order to save for a specific work goal, such as education, vocational training, buying equipment or inventory to start a business, etc. The funds must be saved in a separate bank account and the goal of the PASS must result in less dependence on SSI when the PASS is completed. While using a PASS, the money you set-aside is not counted in calculating your monthly SSI payment. This allows you to receive more SSI than you would without the PASS.

If you are receiving SSDI, you may also be eligible to use PASS. Call the Connection for more information .

The Social Security Administration (SSA) has a group of staff members, called the PASS Cadre, who can help you understand all the aspects of a PASS. The PASS Cadre coordinates PASS activities from start to finish, and can help you in preparing your PASS application.

To contact the St. Paul PASS Cadre, which serves most of Minnesota, call:
651-290-0304 or 1-800-551-9796.

If your last name begins with A-L, ask for Nellie Adrover, extension 23040

If your last name begins with M-Z, ask for Mark Vevea, extension 23074

To contact the Denver PASS Cadre, which serves the Fergus Falls, Moorhead, East Grand Forks and Crookston areas of Minnesota, call:
1-800-551-1034

If your last name begins with A-L, ask for Muoi Nguyen, extension 35011

If your last name begins with M-Z, ask for Diane Vider, extension 35009

Contact the Connection or see our website (mnworkincentives.com) for more information.

Student Earned Income Exclusion (SEIE)

The Student Earned Income Exclusion (SEIE) is the ideal work incentive for students who work while in school and want to increase work hours during the summer or between semesters. The SEIE helps students keep more of their SSI check to pay for school expenses while they gain work experience. It is available to SSI recipients who meet the following requirements: under age 22; regularly attending school (some restrictions apply); receiving SSI payments; and working. In 2008, up to \$1,550 per month in wages may be excluded in determining a student's SSI payment. There is a maximum exclusion of \$6,240 per year. SSA must approve the use of the Student Earned Income Exclusion.

Blind Work Expense (BWE)

If you are blind, certain work expenses may be deducted in calculating your SSI payment. This results in a higher SSI payment than you would otherwise receive. Blind Work Expenses (BWEs) may include: guide dog expenses; transportation to and from work; federal, state and local income taxes; Social Security taxes; visual and sensory aids; Braille translation, etc. All expenses must be approved by SSA.

Medicare Prescription Drug Plans – Time To Review Your Choices

To receive Medicare Prescription Drug coverage, you must enroll in a Medicare Prescription Drug Plan or Medicare Advantage (managed care) plan. “Open Enrollment” for coverage in 2008 runs from 11/15/07 through 12/31/07.

Even if you are satisfied with your Medicare Prescription Drug Plan, we recommend that you review your options for 2008. More plans have been added, several have been discontinued and some plans have changed their formularies (lists of drugs they cover). Costs have also changed.

For help in reviewing your Medicare Prescription Drug Plan options, contact:

Disability Linkage Line - 1-866-333-2466 (TTY: 1-800-627-3529 or 711)

Medicare toll-free number: 1-800-MEDICARE (1-800-633-4227); TTY: 1-877-486-2048

Medicare Website: www.medicare.gov

People who receive Medicare and Medical Assistance (MA) are automatically eligible for Medicare Prescription Drug coverage at low cost. Those not on MA may also be eligible for “Extra Help” in paying Medicare Prescription Drug costs. For more information about “Extra Help”, call the Social Security Administration at 1-800-772-1213 (TTY: 1-800-325-0778). Website: www.socialsecurity.gov/prescriptionhelp

Social Security Administration announces increases for 2008:

SSI Federal Benefit Rate to Increase

The Supplemental Security Income (SSI) Federal Benefit Rate (FBR) will increase in January 2008. The FBR is the maximum amount someone on SSI can receive if they have no other income. The FBR is also important in calculating how a person’s SSI payment is affected when they work. If you receive SSI and want to know how this applies to your situation, call the Work Incentives Connection.

Federal Benefit Rate for 2007: \$623 for a single individual; \$934 for a couple

Federal Benefit Rate for 2008: \$637 for a single individual; \$956 for a couple

Resource limits for SSI and SSI 1619(b) will remain the same (\$2,000 for an individual; \$3,000 per couple).

SSDI/RSDI Cost of Living Adjustment (COLA)

In January 2008, Social Security Disability Insurance (SSDI) and Retirement, Survivors, Disability Insurance (RSDI) benefit payments will increase by 2.3 percent. For example, a \$700 SSDI benefit will increase to about \$716. SSDI and RSDI beneficiaries should receive letters from the Social Security Administration in December, telling them how much their monthly benefit will be for 2008.

Medicare Part B Premium:

The Medicare Part B premium will increase from \$93.50 to \$96.40 per month in 2008.

Substantial Gainful Activity (SGA) Level for People with Disabilities:

The Substantial Gainful Activity (SGA) level for people with disabilities will increase from \$900 to 940 per month in 2008. When applying for SSI, SSDI or RSDI, a person’s earned income must be below the SGA level. Once benefits are approved, the SGA is only relevant for those on SSDI or RSDI. After the Trial Work Period has been completed, persons on SSDI/RSDI risk losing all their cash benefits if their

earned income goes over the SGA level. However, special work incentives may allow them to earn more. Call the Work Incentives Connection for further information.

SGA for People who are Blind:

The SGA for people who are blind will increase from \$1,500 to \$1,570 per month in 2008.

Trial Work Period Months (for persons on SSDI)

The minimum amount of earnings for a Trial Work Period month will increase from \$640 to \$670 in 2008. The Trial Work Period is nine months (not necessarily consecutive) during which an SSDI/RSDI beneficiary may test his or her ability to work. Beginning in January 2008, if a person earns less than \$670 in a month, that month will not count as one of the nine Trial Work Period months. If self-employed, working more than 80 hours in a month may also count as a TWP month.

Student Earned Income Exclusion (for people on SSI)

The Student Earned Income Exclusion is an SSI work incentive, which enables students to earn money to pay for school expenses. A portion of the money the student earns is not counted in determining how much their SSI payment is reduced because of their work. In 2008, the Student Earned Income Exclusion will increase, so that up to \$1,550 per month may be excluded, with a maximum annual exclusion of \$6,240 per year.

SSI 1619(b)

Minnesotans who qualify for the SSI 1619(b) program can earn up to \$44,799 per year in 2008 (or possibly more if they have high health care expenses.) The SSI 1619(b) program allows SSI recipients who work to continue receiving Medical Assistance at no cost after their SSI cash payments stop. Loss of SSI cash benefits must be due to earnings.

To learn more about these and other work incentives, contact the Minnesota Work Incentives Connection:

Phone: 651-632-5113 or 1-800-976-6728

TTY: 651-632-5110 or MN Relay – 711

Website: www.mnworkincentives.com

Know Which Benefit You Receive

If you want to work, knowing which benefit you receive from the Social Security Administration (SSA) is vital. SSA has two main programs for people with disabilities: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI). Some people are on both programs.

Work rules and work incentives for SSDI and SSI are very different. Earnings can impact your benefits differently than you might expect and may also affect your health coverage. Using the wrong program rules can cause you to receive more benefits than you should, and SSA will eventually require you to pay back the money you were overpaid. Using SSA work rules correctly can help you avoid overpayments and allow you to have more money in your pocket.

To confirm which benefit you receive, call SSA at 1-800-772-1213 and ask for a “Benefits Verification Letter” or a “Benefits Planning Query”. Once you receive the letter, call the Work Incentives Connection. We can teach you what will happen to your benefits if you take a job or start working more. We can also help you use SSA work incentives to retain more of your benefits while you are making the transition to employment. Knowing which rules apply to your situation can open up new choices and allow you to take charge of your life.

To contact the Work Incentives Connection, call:
Twin Cities Metro Area: 651-632-5113
Toll-free from Greater Minnesota: 1-800-976-6728
TTY: 651-632-5110 or MN Relay – 711

New and Improved Website

If you haven't looked at the Connection's website recently, check it out at www.mnworkincentives.com. We've updated the look and made a number of other changes to make the site more user-friendly. In the future, we hope to do even more with the website for people who like to get their information over the Internet.

Congratulations are in order!

On November 15th, the Work Incentives Connection celebrated its 8th Annual Recognition Awards Ceremony. Fifteen people with disabilities were recognized for working off of Social Security benefits in the past year. While many people with disabilities work, taking the risk to give up benefits is no small feat. Kudos to our awardees and any of our readers who've also been able to achieve that extra level of self-sufficiency!

The Connection also recognized 5 people for assisting consumers and promoting systems changes to reduce barriers related to work and benefits. Awardees included: three Social Security Administration representatives and two State Rehabilitation Services counselors. Congratulations to everyone!

Do you want to stay on our mailing list?

Once a year, we update the MN Work Incentives Connection's mailing list. Please respond if you wish to be taken off the list, or if you would like to update your record.

To be removed from the list, or to make changes, you can contact us in several ways:

Leave a phone message by calling 651-632-5113 or toll free at 1-800-976-6728 (TTY: 651-632-5110).

Or

Mail your request to:

MN Work Incentives Connection, 2200 University Ave West #240, St. Paul, MN 55114

Or

Send it via fax to 651-632-5121

This document was prepared with support from a Competitive Employment Systems – Medicaid Infrastructure grant from the Centers for Medicare and Medicaid Services to Minnesota's Department of Human Services, Pathways to Employment Program. The funds for this grant were authorized through the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170).