Hello, and welcome to Benefits Planning 101. Today's training will cover the impact of wages and other income on the Social Security disability and SSI benefits. We'll be covering the rules of those programs for calendar year 2019. My name is Brian Dennis and I will be your trainer.

Let's start off our training with a few true false questions. Oftentimes when individuals are coming with questions about how their earnings and other income impacts either disability or SSI benefits, there is a lot of information and misinformation in our community. Let's run through a few common questions. Up first, on disability, I can only have $2,000 in the bank. If I make more than $1,000 I will lose my disability benefits. I have to keep at least $1 of SSI to keep my Medicaid. I have to report my tax refund to Social Security. The rules for SSI and disability are the same. And finally, if I lose my benefits, either SSI or SSDI, I have to do a new application. The answer to the first five questions is false. And the sixth question, if I lose my benefits, SSDI or SSI, I have to do a new application. While the answer to that is it depends, more often than not, the answer is false. As you can see, each one of these questions are commonly asked to benefits planners. So you can see the misinformation that is unfortunately within our community. However, each one of these does have a reason of how the rules actually work, and we'll be covering those in today's training.

The big question. When individuals are coming in with questions about how their benefits are being affected, they really want to know about two specific benefits: their cash payments, the money that they receive from the Social Security Administration, and their healthcare, their insurance. When an individual first starts receiving benefits, oftentimes the cash benefits and the healthcare benefit go hand in hand. However, once a person gets on benefits, they no longer have to go together. In fact, it is quite possible and probable that an individual can transition off of cash payments and maintain their healthcare. What this really means that an individual is fully able to move to employment and replace the income that they're receiving from Social Security especially when it's SSI and still maintain their healthcare. And again, this situation is not only possible, it is more often probable.

Next, the Social Security Administration is not all-knowing. They base their decision on the information that we provide to them. More often than not, what is the guiding information that they use in deciding whether or not and individual maintains their benefits, how their benefits are impacted, is coming from the person themselves. So if information is provided to the Social Security Administration either slow or inaccurately, then what happens is the decision that they make is probably not going to be accurate for the individual. This is a good time to work with a Social Security Disability Benefits planner. These individuals understand the rules and can also help you in reporting your information to the Social Security Administration. The Social Security Administration also has a variety of programs which they've provided to the community, including Social Security retirement. As a result of this, you may speak to someone who is more comfortable and more commonly dealing with Social Security retirement benefits.

While working with a benefits planner, and there are several in our community, such as the Offices of Vocational Rehabilitation, the Department for the Blind, and the Iowa Workforce Offices, who can assist you in understanding the rules of Social Security Disability and SSI benefits. And as I said before, assisting you in making sure the information is provided to the Social Security Administration in a timely manner. Up next is the definition of experiencing a disability by Social Security. One of the things that can often be a stress for individuals is getting a letter from the Social Security Administration that states they're reviewing to see if a person is still eligible for their disability benefits. Many times folks hear this as Social Security's determining whether or not I'm still disabled. That's really not what the letter is saying. Social Security have a very convoluted and moving parts way of defining if a person meets the standard of being disabled. And because of that, when they're reviewing your file what they're really looking at is are you still disabled by their definition? And their definition is as follows. 'The inability to engage in any substantial' 'gainful activity by reason of any medically determinable' 'physical or mental impairment' 'which can be expected to result in death' 'or which has lasted or can be expected to last' 'for a continuous period of not less than 12 months'. As you can see, this has a lot of moving parts. And really what Social Security is trying to understand is does your disability, does your diagnosis, impact your ability to not only work but work enough to support yourself?

An easy example is a celebrity. Most folks have heard of Stevie Wonder. And we know that Stevie Wonder, beyond being a singer, is a person who's blind. If Stevie Wonder went into the Social Security Administration today and said that he had a disability, Social Security would deny him benefits. They would say that he is not disabled. He has an impairment. He has an inability to see. However, given his chosen profession, his lack of vision does not affect his ability to sing. Not only that, it doesn't affect his ability to earn money from singing. Stevie Wonder is a millionaire. So when Social Security is looking at an individual to determine, one, if they get on benefits, but two if they maintain their benefit. It truly is not a black and white decision. It is truly shades of gray. Again, this would be a great time to connect with a certified benefits planner to help you understand those letters. They are long, they can be convoluted, and they're not always written in plain language. Please do not hesitate to read it to a benefits planner to assist you when you get any type of communication from the Social Security Administration.

Believe it or not, Social Security actually wants individuals who receive benefits to go back to work. As a result of that, they have multiple steps and work incentives that typically help an individual transition off of benefits in a timely and orderly manner. The slide on the screen is of the steps going into a pool. And this is really how Social Security looks at going back to work for most individuals. It can be orderly, timely, and hopefully not too scary. But again, a big part of that is understanding the rules. We'll begin that discussion now. The first step in going back to work when you receive funds from the Social Security Administration is understanding which benefit that you receive. Social Security has two primary benefits if you experience a disability. One is Social Security Disability Insurance, which is usually shortened to SSDI or just disability. And the Supplemental Security Income program which most people call SSI. Also some individuals receive both benefits in SSDI and SSI, and those folks are called concurrent beneficiaries. While both SSDI and SSI are benefits provided by the Social Security Administration because you have a disability, they do function differently and have very different rules. So we'll cover those briefly right now. First off, Social Security Disability Insurance or SSDI is a Title II benefit. This is what most people consider true disability. This is an entitlement program based on insured data which means that someone has worked enough to pay into the system to create the benefit. There are three forms of disability. There's SSDI, there's CDB, and there's DWB.

So before we get lost in the alphabet soup, I'll try and explain briefly. When a person receives Social Security Disability Insurance they are at what is called disabled worker status which means that a person receiving the benefit also is the person that worked to create the benefit. You can also draw benefits off of other people. CDB stands for Childhood Disability Benefit. And DWB stands for Disabled Widower's Benefit. Both of those mean you can draw off someone else's work record. When you receive the Childhood Disability Benefit, that means you are drawing off of a parent. And when you receive the Disabled Widower's Benefit, it means you are drawing off of a deceased spouse. If you're not sure which benefit you receive or understand the rules of those benefits, again, now's a great time to meet with a certified benefits planner who can tell you, with a little paperwork, which benefit receive and explain to you if there's any specific rules to receiving those benefits. However, for the most part, whether you receive disabled worker status, childhood disability status, or disabled widower's benefit status, for the most part, those benefits all function the same. Title II or Disability benefits comes with Medicare as your primary insurance. The amount of the benefit varies. When you receive disability, your income, the benefits you receive, is based usually on a percentage of what the average wage was for that position. What I mean by that is this. If you took two different workers, one person worked as a cashier and the other worked as an attorney, they're going to most likely have very different benefit amounts. As you can imagine, a person who worked as an attorney probably receives a larger benefit. Disability benefits are typically received on the third of the month or a certain Wednesday. And when a person is working, the income is counted usually when it's received. However, Social Security may also in some instances count it when it's earned.

If you receive Title XVI, which is the SSI program benefit, that is benefits that are based for individuals who don't qualify for SSDI. When you receive SSI, that is money funded out of general tax dollars. It is a needs-based program based on being low-income. In the state of Iowa, it comes with Medicaid, and it has what is called a full benefit amount. What is the max amount of benefit that you can receive? So every individual in the state of Iowa in 2019, if they receive their full SSI benefit, it is $771. SSIs also typically receive on the first of the month, and when you are on SSI, the income is always counted when it's received. It is counted in the month that you receive your paycheck.

Now we'll talk a little more in detail when it comes to how the programs function, especially when an individual returns to work. Up first is understanding this. When it comes to SSDI, it is an all or nothing program. Which means that if an individual is on disability, and they are working, they either receive all of their SSDI check plus all of their paycheck, or they receive only their income for work. That is how Social Security disability works. When an individual is on disability, and they're first returning to work, they go through three stages of that process. They're called the trial work period, the extended period of eligibility, and what is called expedited reinstatement. We'll talk about those processes here in a moment. But we go any further, I want to make sure to explain the income that the Social Security Administration counts when a person receives SSDI benefit. When a person is on the SSDI program, when they receive disability, the only income which matters for Social Security's purposes is the income that that person receives from their job. So if Brian is receiving disability, the only income that matters to Social Security is the money that Brian is making from Brian's job. It does not matter if I'm married, the income that my spouse is making, it also doesn't matter how much money I have in the bank. Doesn't matter how many homes I own, how much property, how many cars are in my name. Again, this is strictly for the Social Security Administration's processes if you receive disability.

If you receive SSI, we'll talk about those rules here shortly. And if you have other services from places such as the Department of Human Services, their rules will most likely be different.

However, when a person receives disability, Social Security only cares about the income that that person receives from their job. First up, we have what is called the trial work period. The trial work period is the first stage you go to when returning to work after getting on your benefits. The trial work period functions much like it sounds. It's a period of time that Social Security wants you to try working. The way the trial work period actually functions is that Social Security gives you a period of nine months they will call service months, that during this period of time there is no limit on the amount of income that you can make. The trial work period looks a lot like a house. It's a house that doesn't have a roof. There is no max amount of money that when you're in your trial work period that you can earn that will impact your disability benefits. However, it does have a basement. It has a minimum amount of money that you need to work, you need to earn, for it to impact using up a trial work period month. That amount of money is $880, gross. Social Security counts your income before tax, and we'll explain how that looks when it comes to being on your benefits. For a moment we're going to say that Brian Dennis works at a insurance company. That insurance company pays me a thousand dollars a month before tax. A thousand dollars is more than $880. Now let's assume that I have all nine of my trial work period months. If I make a thousand dollars in January, that means I've used one of my months. So I will start the month of January with nine trial work period months. If I make a thousand dollars in January, when I get to February, I now have eight trial work period months. I used a month. I still receive my full disability benefit, but I've just used one of my trial work period months. In the month of February, the same situation occurs, I make a thousand dollars, so at the end of February I go from having eight trial work period months down to seven. Then in March, something happens. I may get sick, I may reduce my hours, I may lose my job. In reality it doesn't matter why I make less money, but instead of making a thousand dollars a month, I make $500 dollars a month. I may make nothing. Because that amount of money is less than $880, what happens is, while I had started the month with seven trial work period months, I also end the month with seven trial work period months. When you receive, when you're in your trial work period, those nine months do not need to be consecutive. When a person first returns to work it's very dependent on their situation. Some individuals return to work in the first nine months, they use their trial work period months. Other individuals it may take years, some individuals it may not happen. Again, it is very very situational. But, while you're in your trial work period, no amount of money can cause your benefits to be jeopardized. In fact, when you're in your trial work period month, you could literally make a million dollars and you would keep your disability. For individuals who have worked since getting on benefits, they may have used some of their trial work period. They may have actually used all of it. Again, this is a good time to meet with a certified benefits planner who can help you communicate with the Social Security Administration to find out if you've used any or all of your trial work period.

While on the trial work period, we have what is called the extended period of eligibility. This begins the month after a person uses up their trial work period. Because the trial work period months do not necessarily go in a row, it is very important to work with a benefits planner, if you're not sure, to determine when you use up your trial work period. From the end of the trial work period, everything else will tend to go in order by months on the calendar, but because that trial work period is kind of a moving target, again, you want to make sure you reach out to a benefits planner. But when an individual enters the extended period of eligibility, that begins the month after their trial work period ends. So, if a person's trial work period would end in January, their extended period of eligibility or their EPE would begin in February. If a person's trial work period ends in June, their EPE begins in July. If a person's trial work period ends in December, the EPE would begin the following January. At that point the EPE runs for the next 36 months, and these months are consecutive, they're the months on the calendar. So, if a person's extended period of eligibility was to begin in July of 2019, those 36 months would end in June of 2022. Those are 36 consecutive months. When you're in your extended period of eligibility, the numbers change. So while it's important to understand trial work period when you experience trial work period, once you've moved to extended period of eligibility, the numbers do move.

At this point, the numbers are what is called substantial gainful activity. And hopefully that term sounds familiar, because that was what we looked at a few slides ago when it comes to the Social Security Administration's definition of experiencing a disability. So, the SGA or substantial gainful activity, is two things. It's a concept and it's a dollar amount. The concept is the idea of, can you work enough enough to support yourself? And the number amount really depends on the year we're talking. So in 2019, substantial gainful activity is established. However there's two different numbers. One is for individuals who are not blind. And for individuals who do not experience blindness, the substantial gainful activity is $1,220 per month. And again, Social Security typically counts income as gross unless you're self-employed. If a person is categorized as blind, their substantial gainful activity number is $2,040, again, for the month. When a person is in the extended period of eligibility, if their income is less than the applicable SGA, it is less than either 1,220 if you're not blind, and $2,040 if you experience blindness. If your income is under that amount of money, your disability benefit is not impacted. However, there is no need to artificially lower your income for most individuals. But there are several work incentives that can be applied. They can allow you to make more money and still maintain your benefits. We'll talk about those shortly. However, if a person's income reaches substantial gainful activity or more then they could, and I stress the word could, lose their benefit for only one month at a time. The first thing that happens though is that Social Security gives a person what are called three grace period checks. Here's an example of what I mean by that. Let's pretend that Brian is again still working at the insurance company, but now I've gotten a raise. And I make let's say $1500. If I'm a person that makes $1500, then the first thing that does is that triggers that I have made substantial gainful activity. The first time that I make substantial gainful activity, Social Security does not impact my benefits. What it does do is that it triggers what is called a grace period. During that grace period I will receive the next three Social Security benefits check that I am eligible for. This is where I want to take a moment and explain how a person is paid by the Social Security Administration when you receive disability.

On disability you get your cash benefit the month after you're eligible for it. Here's what that means. For individuals who receive a Social Security disability benefit check in the month of January, the check that they receive in January is their December money. The check that they receive in February is their January money. So, if a person works at substantial gainful activity and triggers their grace period, let's say in January of 2019. What that means is that their checks will be guaranteed for the month that they're eligible, January, February, and March, but it will be the checks that they receive in February, March, and April. Want to make sure that I'm clear with that. If a person reaches substantial gainful activity the very first time in January of 2019, that means that the benefits checks that are protected are going to be the benefit checks for January, February, and March, but because you're paid a month behind by Social Security, it'll be the benefits checks you receive in February, March, and April. Again, if that is unclear, this is a great time to connect with a Social Security disability benefits planner. Once an individual has triggered their grace period, then what happens is Social Security will look at their income month by month to see if they're eligible for their benefits check. If a person is making substantial gainful activity or higher after they've utilized their grace period, then their benefits checks can be ceased.

I will take a moment and explain two different terms that Social Security uses which sounds like they mean the same thing, but mean very different things. Social Security can say that your check has either been ceased, or can say that your check has been terminated. Ceased means that an individual has made enough money from their job that they're not eligible for that check for that particular month. So that would mean that if a person in April made $1500, then they should not get their check in May. If they've already used their grace period months. If a person does not make at least substantial gainful activity, then their checks will go on as normal. When you are working, you cannot be terminated for work by the Social Security Administration from disability while you're either in the trial work period period of time or the extended period of eligibility. Your checks can be ceased during the extended period of eligibility, but they cannot be terminated. Based on working you cannot be terminated from disability until you've exhausted both the trial work period and the extended period of eligibility. While you're in this extended period of eligibility, you also can maintain your Medicare and your Medicaid benefits, and, if you're a person who is working at substantial gainful activity but your income drops, you can be reinstated automatically. There are no additional steps that you need to do other than reporting your wages. What is so important that when you're reporting your wages to the Social Security Administration, you do so in a very timely manner.

Up next is expedited reinstatement. If a person is working and they have utilized all their trial work period and they've gone through their 36 months of the extended period of eligibility, the next time that that individual makes substantial gainful activity or more, whatever year that we're talking, then that person can be terminated. However, you're not fully off of benefits. If a person is terminated by the Social Security Administration because of work, they enter into a safety net period which is called expedited reinstatement. What expedited reinstatement means is this. If you're receiving either SSDI or SSI benefits, and you get terminated off of those benefits because you were working, you have a 60 month or five year safety net that if your income either stops or drops to a level that you should receive your benefits again, then you can get those benefits reinstated without having to do a new application. The way that you know if you're eligible are what you would see on the screen. First off, you have stopped receiving your benefits because you are working. You are now no longer able to perform or work at substantial gainful activity, again, those dollar amounts we discussed just a moment ago, and you still have the same or related disability as you had when you initially got on benefits. If you were getting disability benefits because you experienced diabetes, and you're still diabetic, then this would apply to you. If you're a person experiencing mental health and your mental health is still, that diagnosis is still there, then you will qualify under expedited reinstatement. And again, you're still within those five years or 60 months from the month that you were terminated.

In order to get your benefits back you need to go down to the Social Security Administration, identify yourself, give them proof that you are no longer working, or working at a less than the substantial gainful activity amount, and they will have you fill out paperwork for expedited reinstatement. Once you're reinstated, you get up to six months of provisional benefit, which means Social Security is going to give you benefits on your word while they're determining if you still meet the medical standard. While they are making the determination, you'll receive provisional benefits. At the end of this provisional period, which for most folks can be around six months, they make their final decision. If they determine that you still meet the standard for being disabled, then your benefits will continue as they did before, and if you are not considered to be disabled by their standard, then your benefits will stop, but, this is a huge but, you do not owe provisional benefits back. Also, if they deny your expedited reinstatement, it doesn't mean that you cannot reapply for benefits, but it does mean that you need to do the full application. Again, as you listen to this presentation, I really want to make sure that folks are comfortable connecting with a benefits planner who can walk you through these steps.

When you're on disability benefits, there are also several work incentives that apply to you which can lower the amount of income that Social Security counts. It doesn't change the amount of money that you make, but it does lower the amount of income from what Social Security can count. Chief among these if you receive disability are what are called IRWEs, I-R-W-E, which stands for impairment related work expenses. These are costs that are out of pocket that you can basically claim as a dollar for dollar deduction from your earned income. There are several examples, as you can see on the screen, supported employment services, attendant care, special transportation, over the counter medication, and any type of things you spend at the doctor or the pharmacist. Here's an example. For 2019, the substantial gainful activity for Brian, assuming that I'm not blind, is $1,220 a month. Let's say I make $1400 a month from my job. However, my medical expenses are $300. As long as I provide documentation, a receipt, to show that these were expenses that were incurred and paid then if I spent $300 on medical bills, if I spent $300 at the pharmacy, if I have to buy some type of equipment, what Social Security would say is this, I did not actually earn $1400, I earned $1100. And $1100 is less than 1220, which means I would maintain my benefits. Another couple of really powerful work incentives when you're on disability benefits are what is called a subsidy or special condition. Subsidies are this, if a person earns less than 100% of their wages, and earn is in quotation marks. If a person receives some type of subsidy, it basically means that they are receiving some type of additional assistance on the job to make their position work. Maybe they're getting extra assistance from a supervisor, from a co-worker, maybe they have different types of accommodation. Maybe there are parts of my job that I may not do because I experience a disability. If the employer can provide a statement showing that, then Social Security will actually determine how much of that income that you can receive. If you have a person that is on benefits or if you have received benefits, and you feel that a subsidy may attach to you because you're receiving extra assistance, you should really reach out to a benefits planner to assist you in making that report to the Social Security Administration.

Also, individuals may receive what's called a special condition. A special condition is that there's an additional support that exists that allows you to work. The most common special condition that we see is if a person receives job coaching. If they have job coaching it actually would be deducted dollar for dollar from a person's wages. The person does not have to pay for the job coaching. So if you receive job coaching and it's paid for by a waiver, if it's paid for by the department of VR, from vocational rehabilitation, or Department for the Blind, these are still services that you can get the benefit of for the cost of them. Again, if you believe you may receive either a subsidy or a special condition, or have any type of questions about IRWEs, please contact a certified benefits planner.

Up next are a few questions when it comes to medical insurance. First off is what happens to my Medicare if my disability benefits actually stop? As I said before you can transition away from a cash benefit while maintaining your insurance. This is called the extended period of Medicare coverage. If a person reaches a point that they no longer receive disability benefits, because they're working, they can maintain their payments, excuse me, they can maintain their insurance for up to 93 months. Which is in seven years and nine months. So if an individual has worked to a point that they have been terminated off of Social Security and disability benefits cash benefits, they can maintain their insurance for at least 93 months, which in real time is seven years and nine months. After that you also may be able to purchase your Medicare coverage if you still need that assistance. You'll see on the screen there's a couple different examples of what a Medicare card may look like, if you're unfamiliar with what those cards resemble. When a person is on disability, the insurance that comes with it automatically is Medicare. Medicare is given to Title II beneficiaries, again, folks who receive disability, also retirees, but to get it because of disability, you have to have been eligible for disability for 24 months. And again, you had to receive two years of payments. You do not have to wait for the two years of eligibility, however, if you are in either renal failure, kidney failure, or you have Lou Gehrig's disease. For those two disability groups and those two disability groups only, you jump immediately to receiving Medicare. Medicare consists of four parts. Part A, which is free, covers your hospitalization. Part B covers things such as doctors services, ER visits, outpatient care and clinic. This actually has a cost attached to it which comes directly out of your disability benefit. Depending on the year in which you receive benefits, the cost varies, but it averages about $130. Part C or Medicare Advantage plan, and Part D is prescription drug coverage.

However, in the state of Iowa you also have additional ability to gain insurance. That is through a program called MEPD, or Medicaid for Employed People with a Disability. When a person receives MEPD, it is actually what's called the Medicare buy in program. That means that an individual who receives disability can actually get Medicaid if they are basically working. To meet the standards for MEPD you first must be disabled, which means you receive disability benefits. You must have a job, so earned income. Be under the age of 65. Again meet the income and resource requirements. It is the same Medicaid or Title 19 program administered by the Department of Human Services. Because of this you may pay a premium based on your earnings but the biggest piece is that MEPD comes with a really high resource limit, and if you're interested in applying for MEPD you can first contact the Social Security disability benefits planner, or, as you see in blue, there's a hyperlink that will take you to the Iowa website that talks about the application process for getting on MEPD.

While that was an overview of receiving disability benefits, up next we're going to talk about SSI. One of the big differences between disability and SSI is that SSI is a program designed to cover a person's basic needs, and also when you're on SSI your benefits go up and down based on your earnings. When we initially talked about disability, we mentioned that disability is not impacted by things such as being married, and what income your spouse has, and money from any other kinds of sources. When you're on the SSI program, that source is, that benefit is impacted by all of those resources. First up, on SSI it is a needs-based program. It's paid for out of general tax dollars and is meant to provide enough money for basic food and shelter. So SSI is a very very small amount of money, and in the state of Iowa it automatically comes with Title 19 or Medicaid. If you're talking to a customer who mentions that they may be moving out of the state, you really should advise them to look into if Medicaid comes automatically with their SSI when they move to another state. While most states provide Medicaid to SSI beneficiaries, it is not universal, so again, if you are speaking to someone who is looking to relocate, or if you're looking to relocate yourself, it would be a good idea to call the state that you're transferring to to see if Medicaid is automatic due to your SSI status.

To be eligible for SSI, you have to either be 65 or older, experience a certain level of blindness, or be disabled. There's also an income and resource test. There's also certain citizenship and residency requirements, and you have to also apply for the benefit. If you have curiosity about how to apply for Medicaid, though, when it comes in the state of Iowa, there again is a hyperlink to take you to that page. When you receive SSI there's a fixed max amount of money that you can receive. That amount of money is called a Federal Benefit Rate. That number is set by the Social Security every calendar year, and you'll receive the full benefit rate when you're responsible for your own food and shelter, and you have little to no other income. For 2019, that single individual receives a total of 771, that is the max amount of money you can receive if you are on SSI. However, if you are part of what is called an eligible couple, the maximum you can receive for both members of that couple is $1,157, combined. What this means is this. If two individuals receive SSI separately, each one of them receives 771. If they are what's considered an eligible couple, their total benefit that both receive is 1157. An eligible couple is when two individuals who both receive SSI are considered basically a married couple. Now, you do not have to be married to be considered as an eligible couple, you can be considered what is called holding up as an eligible couple. Again, if you are a person that receives SSI you need to be careful on things such as getting married, having two names on things such as utility bills, leases, bank accounts, tax returns. While this is not to discourage anyone from getting married or living as a couple with another individual, you do need to understand that there is possible ramifications when it comes to your SSI benefits. If you have questions when it comes to what does or does not constitute an eligible couple, again, you should contact a certified benefits planner. Income that impacts SSI.

When a person receives SSI benefits, most income impacts their benefit, unearned income. So if a person receives SSI and they receive an unearned income such as a pension payment, if they are on unemployment, if they apply for FIP, those types of income can impact the SSI program. And will affect the SSI. Their gross wages and earnings from a job, if they're self-employed, if they receive assistance with things such as room and board, food and shelter, and if they get what's called in-kind support and maintenance from others, those are different forms of income and assistance that can be counted against your SSI checks. Common forms of unearned income that you're going to see on SSI would be first off, the Social Security Title II benefit or disability benefits. Veterans benefits, workers comp, unemployment, job support, and again, FIP, can all impact your SSI payments. What is not considered income is any item that is not food or shelter and cannot be used to obtain food or shelter. Some common examples would be any type of housing assistance from Section 8, public housing, any type of program assistance is typically not counted against SSI. Money from an income tax return, proceeds from a loan, payment of bills that are not food and shelter, and if individuals assist a person with clothing. SSI also has resource limits. If you are a single individual, your income limit, your resource limit, excuse me, is $2,000 on the last of any given month. So if an individual receives SSI, they need to have $2,000 or less in the bank, or resource-wise, by the end of any given month. If you're part of an eligible couple, that amount of money is $3,000. If an individual or if a couple, however, does apply for the MEPD program, their resource limit gets a 10 thousand dollar a month bump. So, if you're an individual, it goes from two thousand to twelve thousand, if you're a couple it goes from three thousand to thirteen thousand. Again, if you have questions about how these resource limits are impacted and counted, please contact a benefits planner.

Here come the resource exclusions. Household goods and services, medical expenses, some life insurance policies, the home where the individual lives, and one automobile per customer. The home that you live in is not counted as a resource for SSI's purposes. However, if you live in a home and also have property in another location, the non, the property where you are not living, the value of that actually is counted. And that can be a problem because it is hard to find a piece of property that is worth less than $2,000. You're also allowed to have a vehicle in your name that is not counted as a resource, however, if you have multiple vehicles in your name, those other vehicles can definitely be counted as a resource. Some burial funds, some student aid, is not considered as a resource. Individual development accounts are not considered a resource, trust funds, excuse me, some trusts, and again support from programs such as through the Department of Human Services and Housing.

Next up is how are your wages going to impact your benefits. The primary difference between how wages impact SSI versus SSDI is that SSI is not necessarily an all or nothing program. When a person goes to work on the SSI program, their benefits can be reduced, and they definitely can be reduced to zero. However, there is math that is involved when determining how much a person's SSI benefit will be. Typically SSI counts less than half of your earned income, it does not count the first $20 that you make in any given month, does not count the next $85 if that money is from work, and, it does not apply to certain work expenses. When you're on the SSI program, the way that Social Security counts your income is two-fold. Here's an example that will make my math easy. When a person is working a job and they receive income of let's say $885, Social Security will not count the first $85 if they're working. The first $20 is not included due to a general exclusion, and then the next $65 is not counted because it's from a job. 20 and then 65 equals $85. They don't count that money. What that leaves you is an amount of $800. They divide the $800 in half and what they count is $400. $400 is what is reduced out of your SSI benefit. So if a person was receiving a full amount, 775, and they subtract 400 from it, that leaves them $371. That 371 SSI payment is also now added to their $885 from gross earnings, which means that they actually have much more money than what they started with. On the SSI program, which is hard to say necessarily for a disability, is that on the SSI program, if you get and keep a job you will always have more money in the bank. One of the things though to keep in mind on the SSI program is that it takes Social Security two months to reduce your checks. Here's why. SSI is received on the first of any given month. So if an individual is working, even if they run their pay stubs down to the Social Security Administration, Social Security will not be able to adjust a check they're going to get on the first of the month. Most individuals get their last paycheck near the end of any given month. As a result of that, Social Security understands this, and enforces a two month lag. What that means is this. The money that the individual was to make in the month of January will impact their SSI check in the month of March. The money the individual would receive in the month of February would affect their SSI check beginning the month of April. So, because SSI checks take two months to be reduced, if a person's earnings stop, it will take two months of their earnings to go back up, excuse me, for the SSI check, to go back up to the full amount.

What is important to understand is that when you're on the SSI program, it is so vital to not only get, but to keep, a job. Lastly on the SSI program is what I call the magic number, Social Security call it the break even point. Which is the amount of money that will bring your SSI check down to zero. That amount of money is $1,627 per month, for most individuals. So if an individual makes at least 1627 a month, that is what will move their SSI check down to zero. But what happens if your SSI check cash benefit goes down to zero? First off, Social Security employs what is called a 12 month ineligible grace period. Which means this. If a person's working and it brings their SSI check down to zero, you must go a full 12 consecutive months before you are terminated from the SSI program. I'll say that again, you must go 12 consecutive months. So if an individual starts getting zero cash payments in the month of January, and they go from January to November of getting no SSI cash benefit, but they get even just $1 of SSI in the month of December, that now will restart that 12 month clock. The next time their SSI check would go down to zero, that restart the clocks, and the first month they go down to zero is month one all over again. In addition, if a person's check goes down to zero they can also maintain their Medicaid as long as they don't make more than the threshold. Iowa's threshold based on 2018 numbers is $33,261. That is the amount of income that you can make before you are considered ineligible for receiving your Medicaid, even if you no longer get your SSI benefits. And people who have really high medical costs can earn even more money. If you have questions about how the ineligible grace period or the 12 month no payment period works, please contact a certified benefits planner. SSI comes with a few more work incentives, the student earned income exclusion, the impairment related work expenses, blind work expenses, and PASS. If a person is under 22 and going to school, if they gain a job, Social Security will actually exclude the vast majority of those earnings. If an individual is under the age of 22, and they're working and going to school, they can make up to $1870 a month that Social Security will completely exclude. They also can make $7,550 within a year that Social Security will also exclude. If you're curious what regular attending school or training looks like, there actually is a link in the presentation that would take you to the explanation of those standards. And the rules will change if you're talking high school, college, job training, however there is guidance from the Social Security Administration. Or, you can contact a certified benefits planner. Blind work expenses are again, costs that are specifically for persons who experience blindness. There's a list of these types of work expenses that again will reduce your countable wages in the eyes of Social Security.

There's also what is called a PASS, the plan for achieving self-support, which is a plan in which an individual needs to save money to achieve a goal. There are several common PASS goals. It can be going to school or training, starting a business, buying a vehicle, work clothing, tools, there's several different reasons that you can start a PASS plan. If you have an interest in starting a PASS, you really should reach out to a certified benefits planner to assist you in this process. As you can see there are several possible expenditures. Again, paying for supported employment services, starting a business, training cost, child care, attendant care, tools, equipment, and vehicle purchases.

Finally, what do you do if you receive both benefits? You really need to contact a certified benefits planner if you receive both SSI and SSDI. A common question is why would some individuals get both benefits instead of one or the other? Here is why. Some individuals when they are working, they may not earn a great deal of money. And when the Social Security Administration evaluates you for disability you may receive a disability benefit, but it maybe a very small benefit. If a person's disability benefit is less than what the full amount of an SSI check is, that person does receive their disability benefit, but they also receive SSI to basically make up the difference between what the disability check is and what an SSI check would be. So if an individual receives $500 in disability, they will get just under $300 in SSI benefits to bring them up to, again, a similar level to what an SSI payment would be. However, all the work incentives do apply if you receive both SSI and SSDI. And we've talked a bit in our presentation how earnings affect SSI and SSDI are different, and you should definitely call a benefits planner.

As we're nearing the end of this training, we also want to make sure to mention Ticket to Work, which is a program that runs alongside your SSDI or your SSI benefits when it comes to assisting an individual willing to work. Many individuals wonder, well where is my ticket? Very few individuals have actually received a ticket to work, a physical document, from the Social Security Administration. The best way to remember this is that an individual's benefit is their ticket. If an individual who is receiving either SSI or SSDI chooses to assign their ticket to an employment network, they gain certain benefits. First off, there is no medical review while the ticket is in use and that individual is making what's called timely progress. You can see there's a blue link that would take you to what timely progress looks like. They get additional funds for services, potentially by that employment network, and the program most importantly is voluntary. An individual has a choice of what employment network that they work with, as well as choosing to participate and choosing not to participate. When it comes to Ticket to Work, you can always change your mind. A few things to remember while you're working and receiving your benefits is first off, everyone can work. Hopefully you have seen enough examples that Social Security Administration truly wants to empower people to move to employment. You can work and maintain your benefits, you can gradually transition off of those benefits, and you can maintain your Medicare and your Medicaid. When you are working, please make sure to always report your wages to the Social Security Administration, and get some type of receipt or documentation to prove that you did report your wages. Also it is typically in your best interest to assign your Ticket to Work.

As we're concluding, let's go through those true false questions again. Up first, on disability I can only have $2,000 in the bank. That is false, because this only applies to SSI recipients. If you're on disability there is no resource limit in the eyes of Social Security. Also if you're on SSI you'd have that resource limit raised for participating in the MEPD program. If I make more than a thousand dollars I will lose my disability benefits. No, this refers to substantial gainful activity which again is an SSDI rule, and for 2019, that is either $1,220 dollars if you're non-blind, and $2,040 if you experience blindness. I have to keep at least a dollar of SSI to keep my Medicaid. Again, that is false. Even if you receive no SSI cash benefit, you now fall under the state threshold which is for this year at least $33,261. Have to report my tax refund to Social Security. You do not. Tax refunds are considered unearned income, and if you are on the disability program you do not have to report it. Also, because tax refunds are generated from paychecks that are received the previous year, SSI would've already counted that income when you reported it when you were working to earn the money. So regardless of SSI or SSDI, you never have to report a tax refund. The rules for SSI and disability are the same. I think this training's hopefully shown you that it's most definitely not.

And finally, if I lose my benefits, I have to do a new application. And again, you typically do not. If you lose your benefits by working, you only have to do a new application if the extended, excuse me, the expedited reinstatement period has passed, or you were denied. If you were denied or that time period has passed, you do need to do a new application, or if your benefits were stopped for a non-work reason. Finally, the last pop quiz we have as part of this program is ways to help individuals understand which benefits they're on, or, help you understand which benefit that you are currently receiving. So we have what I like to call our three magic questions. Question one. When do you usually receive your check? If a person receives their check on the first typically, then that person receives SSI. If that check comes on the third or a certain Wednesday, then that person receives SSDI. How much is your check? If the check is 771 or less that person receives SSI. If the check is more than 771, they receive disability. And how many checks do you receive? If a person typically receives one check a month they receive either SSI or SSDI, and if they receive two, that person would be a concurrent beneficiary which means receives both SSI and SSDI.

My name is again Brian Dennis, if you have any questions about this presentation, feel free to contact me, or, reach out to certified benefits planner. I hope you have a nice day.