



Section 7: Social Security Disability Benefits and Work Incentives

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Social Security Disability Benefits and Work Incentives

Learning Objectives:

1. Identify how to apply for Social Security disability programs.
2. Understand how Social Security makes a disability determination.
3. Become familiar with Social Security Work Incentives.
4. Learn about the disability review process.



DH's Story

DH was 50 years old and lived on an old farm property in eastern Oklahoma. For many years he had been living with disabilities caused by a traumatic brain injury (TBI) he sustained in an accident. The TBI caused problems in memory, partial paralysis of his left arm and leg, and some vision loss. DH tried several times to re-enter the workforce working as a convenience store manager, at odd jobs, and as a day laborer. But the problems created by the TBI made it hard to keep jobs. After years of discouragement in the job market, DH applied for and received Social Security disability income, a federal program he had paid into as part of his work life. When new legislation established Social Security Work Incentives, DH decided to try and create a micro-agriculture business on the old farm property which still had good pasture, a spring-fed pond, and fences.



Introduction

Most Americans know Social Security as a retirement plan. However, Social Security is also an important income safety net for people with disabilities who can no longer participate in the workforce, or for people with disabilities who have limited income and resources among other kinds of recipients of Social Security.

“Disability” under Social Security is based on your inability to work. You are considered disabled under Social Security rules if:

- You can’t do the work that you did before.
- Social Security decides that you cannot adjust to other work because of your condition.
- Your disability has lasted/will last for at least one year.

These three criteria must all be met in order to qualify for Social Security.

Social Security, also known as Title II, was established by law in 1935 as an economic security for older adults, those with disabilities,



and dependent survivors. The agency continues today, despite political and financial challenges. You receive Social Security benefits based on the amount of Social Security taxes you have paid, which up to a certain maximum amount, is based on your income. We often see the tax on a pay stub as Federal Insurance Contributions Act (FICA). Visit the Social Security Administration online at www.ssa.gov for more information.

Social Security Protection if You Become Disabled

Social Security Disability Insurance (SSDI)

Social Security disability insurance (SSDI) pays benefits to you and certain members of your family if you are “insured,” meaning that you worked long enough and paid Social Security taxes (*according to the Official Social Security Website www.ssa.gov*). The disability has to be a health condition that will last more than one year and keeps you from working. Contributions are based on a person’s earnings (or those of a spouse or parents) and are included in the FICA contributions a person makes on each paycheck. If an individual is determined by Social Security to have a disability they will receive an SSDI benefit based on the worker’s lifetime average earnings. Recipients of SSDI will be able to participate in health insurance coverage provided by Medicare, which is a Federal program. If the disability results in death, the person’s surviving family members may be eligible to continue to receive the income.

Disability Determination for SSDI

Disability determination is the process that begins after you become disabled and complete an application for SSDI. The Social Security Administration (SSA) recommends applying for disability benefits as soon as you become disabled because it could take up to five months to process. The process will go quicker if you are able to supply important information such as your Social Security number, birth certificate, and the names, addresses and phone numbers of your healthcare providers and the dates of your visits for medical help.

Other information SSA will need:

- Medicines you are taking and dosages
- Medical records from doctors, therapists, hospitals, clinics, etc.
- Laboratory and test results
- Summary of employment and type of work
- A copy of your most recent W-2 Form

After reviewing your application and other documents SSA will send your application to your state Disability Determination Services office. In Oklahoma, this office is located within the Oklahoma Department of Rehabilitation Services.

Disability Determination Services (DDS) will look at the facts of your case, including the medical evidence and opinions of your healthcare providers to determine how your health conditions are limiting your activities and ability to work. DDS is required to consider several things in making the determination, including:

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whether you are still working and how much you make; whether your medical condition is severe; whether your condition is on the “List of Impairments” or equals that of a condition on the list; whether you can do the work you did before; or whether you can do any other type of work.

Social Security will contact you about your determination result. You will also receive notification from SSA about how much your monthly benefit will be and when it goes into effect. If you disagree with SSA’s decision, there is an appeals process you can go through to have your application examined again.

Supplemental Security Income (SSI)

SSI is a program that pays benefits to disabled adults and children who have limited income and resources (*according to the Official Social Security Website www.ssa.gov*). The federal government pays this benefit from general tax revenues. Some states also have supplemental Social Security programs and combine their payment with the federal SSI payment. SSI is authorized under Title XVI of the Social Security Act. Recipients of SSI will be able to receive health insurance coverage from Medicaid.

Disability Determination for SSI

According to the Social Security Administration, receiving SSI based on age or disability depends on your income and resources. Income includes things like wages, Social Security benefits, pensions, and/or your spouse’s income and resources.

There are many other rules involved in eligibility for SSI, and more information is available at www.SSA.gov or in SSA Publication No. 05-10029.

If you decide to apply for SSI, be sure to gather the paperwork needed:

- Your Social Security card or record of your Social Security Number
- Birth certificate (or other proof of your age)
- Mortgage, lease, or landlord’s information
- Payroll slips, bank books, insurance, and burial fund policies
- Names, addresses, telephone number of healthcare providers if you are applying because of blindness or disability
- Proof of U.S. citizenship or eligible non-citizen status
- Check books and bank statements

Social Security will contact you about the decision to provide SSI assistance. Statistically, it is not unusual to be denied Social Security disability for SSDI or SSI during the initial claim and first appeal phase.

If you receive SSI assistance, you may also get Medicaid health insurance or, assistance with paying your Medicare premiums, deductibles, and co-insurance.





Comparison of SSDI and SSI		
	SSDI	SSI
Source of Payments	Disability trust fund.	General tax revenues.
Minimum Initial Qualification Requirements	Must meet SSA's disability criteria, and be "insured" based on your own earnings, or the earnings of your spouse or parents.	Must meet SSA's disability criteria and have limited income and resources.
Health Insurance Coverage Provided	Medicare	Medicaid
How do we Determine Your Monthly Payment Amount?	Based on the worker's lifetime average earnings covered by Social Security.	Social Security subtracts the worker's countable income from the Federal Benefit Rate (FBR) and then adds state supplements.
Is a State Supplemental Program Provided	No	Varies from state to state

Each state Medicaid program decides this. Currently in Oklahoma, you will need to complete a separate Medicaid application at your local Department of Human Services office.

Social Security Employment Supports

Social Security employment supports are provisions to assist people receiving SSDI or SSI to become self-sufficient through work. They are intended to help individuals find a job, start a business, and protect cash and medical benefits while they work. If you are thinking of using SSI or SSDI to enter or maintain an agricultural enterprise, you need to be well informed about every aspect of the program including time limits, reporting responsibilities, etc. Call (800) 722.1213 or (800) 325.0778 for more information.

For more complete information, you can download a copy of the most current edition of the Social Security Red Book from of the Social Security website.

Impairment Related Work Expenses (IRWE)

Impairment Related Work Expenses (IRWE) deducts the cost of impairment-related items and services that you need to work from your gross earnings. IRWEs are generally deductible if:

- The item or service enables you to work.
- You need the item or service because of a disability condition.
- You pay for it out of your own pocket and aren't reimbursed for it by another program.
- The cost is "reasonable" (meaning it hasn't

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been inflated in cost).

Some of the types of expenses that might be deductible as IRWEs include:

- Transportation costs - modifications needed for your vehicle, driver assistance, or mileage expenses.
- Attendant Care Services - performed in the work setting to support you working or preparing to work (bathing, dressing, cooking, and eating are included).
- Medical Devices - wheelchairs, respirators, pacemakers, braces, etc.
- Prosthesis - artificial joints, artificial arms or legs, or other body parts.
- Home modifications - Ramps, railings, or pathways.
- Routine medicines and medical services - to control a disabling condition.
- Diagnostic procedure – related to your disability.
- Non-medical devices – non-medical but essential to control a disabling condition.
- Expendable items - catheters, incontinence pads, or service animals.

Plan to Achieve Self-Support (PASS)

A PASS plan allows you to set aside other income besides your SSI for a period of time so that you can try to reach your work goal. The idea is you will eventually reduce or eliminate the SSI or SSDI you currently receive after you go back to work and are gainfully employed.

There are several requirements for a PASS. Your PASS must:

- Be designed specifically for you
- Be in writing
- Have a specific work goal
- Have a specific time frame
- Show what income you receive
- Show how you will use your income to reach your work goal
- Be approved by SSA
- Be reviewed periodically to assure your plan is actually helping you make progress

Anyone can help you with your PASS: vocational counselors, social workers, benefits specialist, or employers are all good resources to help develop a PASS.





Ticket to Work (TTW)

Ticket to Work (TTW) program helps get vocational rehabilitation, training, job referrals and other employment support services free of charge. The TTW program can increase your available choices when obtaining employment services. TTW is a free and voluntary service.

You can use TTW to get the services and support you need to go to work or to earn more money. The ultimate goal is to help you earn enough money so that you can become financially independent.

Everyone from ages 18-64 that receives SSDI or SSI is eligible to participate in TTW; which is available in all 50 states. If you are interested in using the Ticket program to go to work or get vocational services, call the Ticket helpline at (866) 968-7842.

Summary

Several other work incentives and employment supports are available for Social Security disability recipients. The objective of work incentives is to return individuals back to substantial gainful employment and gradually phase out of receiving benefits. If you decide to use work incentives, be sure to carefully keep records, track your expenses and expenditures, and record important dates related to Social Security.

At some point SSA will review your case to see if you have had any medical improvement or can perform substantial gainful activity. You have a responsibility to let SSA know if you have started or stopped work, if you start paying for any impairment-related work expenses, or if your duties, hours, or pay have changed. You can report your activities to your local office or call SSA at (800) 325-0778 (TDD) during normal office hours.

Social Security and Social Security Work Incentives

RESOURCES

Social Security Resources

✓ **To Contact Social Security by Phone**

Phone: (800) 722-1213 or (800) 325-0778 (TTY)

This number will allow you to listen to an automated telephone service, and receive recorded information. If you need more assistance you can visit www.ssa.gov and locate your local Social Security office.

✓ **Find Your Local Social Security Office**

Visit www.ssa.gov/agency/contact/ and select the “Find an Office” option.

Social Security Employment Supports Resources

✓ **Impairment Related Work Expenses (IRWE)**

Phone: (800) 722-1213 or (800) 325-0778 (TTY)

Or contact your local Social Security office

✓ **Plan to Achieve Self-Support (PASS)**

Phone: (800) 722-1213 or (800) 325-0778 (TTY)

Or contact your local Social Security office

✓ **Ticket to Work (TTW)**

Phone: (866) 969-7842 or (866) 833-2967 (TTY)

Or contact your local Social Security Office

