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# CENTER FOR EVIDENCE-BASED PRACTICES

*at Case Western Reserve University*



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A partnership between the Jack, Joseph and Morton Mandel  
School of Applied Social Sciences & Department of Psychiatry  
at the Case Western Reserve School of Medicine

Center for Evidence-Based Practices  
at Case Western Reserve University  
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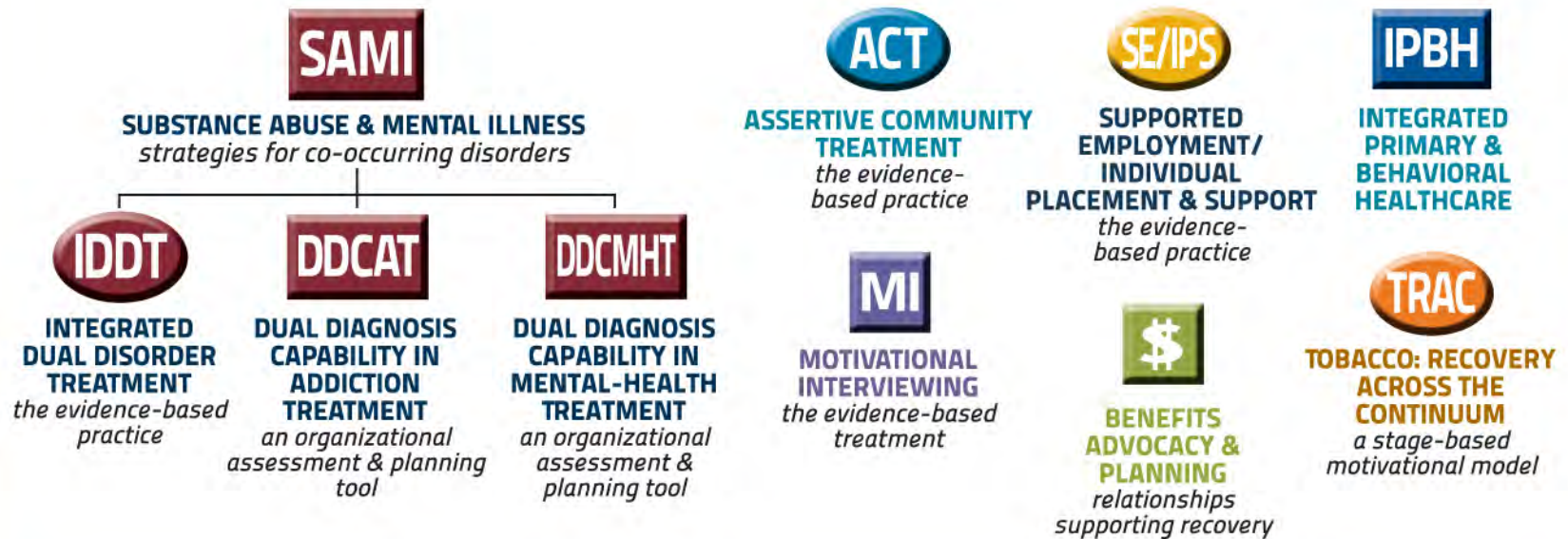
Ohio Department of Mental Health  
and Addiction Services  
<http://mha.ohio.gov>



# A Technical-Assistance Center

Providing consultation, training, and evaluation for the implementation of integrated behavioral healthcare services

# Service innovations for people with mental illness, substance use disorders



# Benefits Information for Members of Employment and Treatment Teams

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**Center for Evidence-Based Practices**

# Learning Objectives

By the end of this training, you should be able to:

1. Recognize the major myths and misconceptions that become barriers for individuals who are interested in working.
2. Recognize the basic SSI calculation, the SSDI timeline and the impact of employment on Medicaid and Medicare benefits.
3. Identify at least three key roles of a benefits advocate and the reasons these roles are important supports for beneficiaries

# What is the Role of a Benefits Advocate?

Typical roles of a benefits advocate include:

- Providing basic information about benefits aimed at dispelling common myths and misconceptions about benefits and employment
- Assisting beneficiaries with reporting to various benefits providers
- Helping beneficiaries access more detailed benefits services

# Common Benefit Myths and Misconceptions

- Common misconceptions about work and benefits:
  - If I work, my (SSI, SSDI, Medicaid, Medicare) will be stopped
  - I'm applying for (SSI, SSDI) and if I go to work, I won't be eligible
  - If I go to work, I'll end up being overpaid and Social Security will ask for money back
  - It won't be worth it for me to go back to work

# Providing Basic Benefits Information

- Purpose is to dispel misconceptions
- Basic information can be helpful
- Requires some basic understanding about the impact employment earnings have on benefits



# SSI vs. SSDI

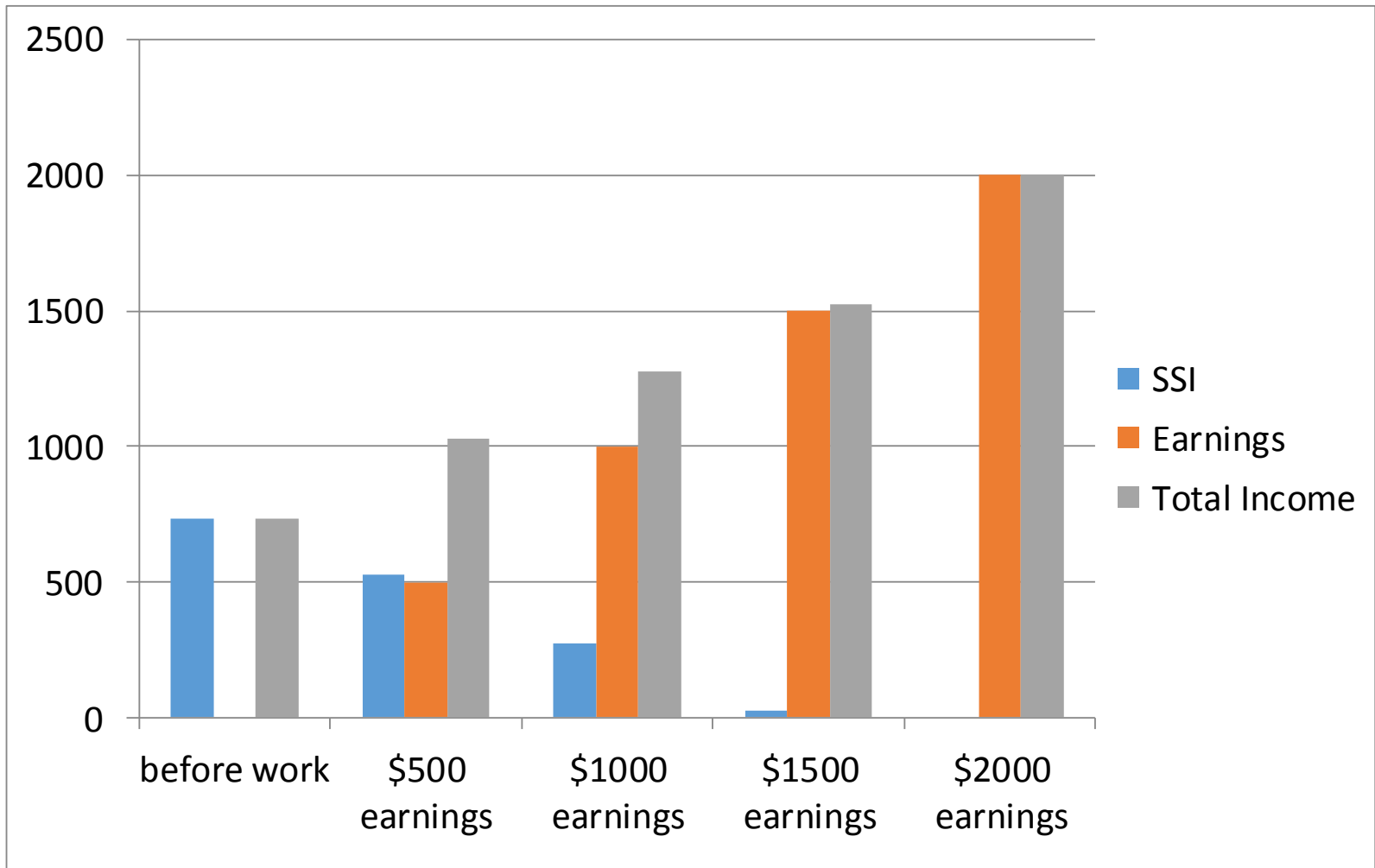
## **SSI (Supplemental Security Income)**

- Needs based program
- Fixed Maximum Benefit – \$733 in 2016
- Reduced by earnings
- Limited resources
- Impacted by other income in the household
- Income counted when paid

## **SSDI (Social Security Disability Insurance)**

- Insurance Program
- Benefit amount is based on payment into system
- “All or nothing” benefit
- No limit to resources
- Not impacted by other income in the household
- Income counted when earned

# Total income for SSI recipient with Earned Income



# SSI Benefits Calculation

- Determine total monthly income
  - SSI counts gross income as it is paid
  - Example: John goes to work and receives two paychecks during his first month of work. The gross amount of each paycheck was \$500.
    - Step One Total income for the month would be the total of the two paychecks
      - $\$500 + \$500 = \$1000$

# SSI Benefits Calculation

- Once the total monthly income is calculated, Social Security allows for two small exclusions:
  1. The first exclusion is called the General Income Exclusion (GIE)
    - \$20 of any income is excluded
  2. The second exclusion is called the Earned Income Exclusion (EIE)
    - \$65 of any earned income is excluded
- When there is only income from work, the calculation looks like this (using the \$1000 John earned on the previous slide):
  - $\$1000 - \$20 = \$980$
  - $\$980 - \$65 = \$915$

Step  
Two

# SSI Benefits Calculation

- After the General and Earned income exclusions are subtracted, Social Security allows half of any remaining earned income be subtracted

- Using John's example, the calculation looks like this:

Step  
Three

- $\$915 \text{ divided by } 2 = \$457.50$
- This amount (\$457.50) is the portion of the original \$1000 that John earned that will impact his benefits

# SSI Benefits Calculation

- To determine the final amount of John's SSI benefit, we subtract the countable income from John's original benefit amount
  - This is almost always the federal benefit rate (\$733 in 2015)
- The calculation looks like this:
  - $\$733 - \$457.50 = \$275.50$
  - John's new SSI benefit (rounded down) is \$275

Step  
Four

# SSI Benefits Calculation

- It is important that individuals also see their total income
  - Without this explanation, many will focus only on the reduction in the SSI check
- For John, total income is his earning from work plus his adjusted SSI benefit:
  - $\$1000$  (earnings) +  $\$275$  (SSI) =  $\$1275$  (minus tax on the earnings)
- Compare this to the federal benefit rate of  $\$733$  before John worked

Step  
Five

# SSI Benefits Calculation

- Individual with Two paychecks during the month - \$500 each. Receiving full SSI benefit of \$733
  - Total earnings:  $\$500 + \$500 = \$1000$
  - Subtract the GIE:  $\$1000 - \$20 = \$980$
  - Subtract the EIE:  $\$980 - \$65 = \$915$
  - Subtract half the remainder:  $\$915 \text{ divided by } 2 = \$457.50$
  - Determine new SSI Check:  $\$733 - \$457.50 = \$275.50$
  - Determine new total income:  $\$1000 \text{ (earnings)} + \$275 \text{ (SSI)} = \$1275 \text{ (minus tax on the earnings)}$



# Example 1– Basic SSI Calculation

- See Worksheet in handout packet
- Edna receives \$733 from SSI. She decides to go to work. During her first month of work, Edna receives paychecks in the amounts of \$285, \$220, and \$260.
- Edna is concerned about how this income will impact her SSI benefits. Use the worksheet in your packet to determine how Edna's SSI will be impacted.

# SSI and Unearned Income

- SSA definition: Income that is not earned from a job or business:
  - Examples
    - *SSDI benefits*
    - VA benefits
    - Prizes, lottery winnings and settlements
    - Life insurance proceeds
    - Inheritance
    - Alimony
- All but \$20 of unearned income will be deducted from an individual's SSI check

# SSDI – Social Security Disability Insurance

- Key Information:
  - Eligibility based on having “insured status” – gained by paying into Social Security over time
    - In 2016, one credit is earned for every \$1260 earned up to a maximum of four credits each year
    - “Insured status” gained with enough credits earned in the years immediately prior to the onset of disability
  - Benefit amount is set based on the amount paid into the system
    - Large variation in the amount of benefit
- Resources are not limited
- Over time, Income in excess of the Substantial Gainful Activity (SGA - \$1130 non-blind, \$1820 blind in 2016) level will lead to benefits being stopped

# SSDI – Countable Income

- Income is counted based on when it is earned not when it is paid
- A reasonable estimate can be obtained by multiplying weekly pay by 4.3 weeks or bi-weekly pay by 2.15 weeks
  - Estimates based on only four weeks of pay will be inaccurate

# An Example of the Impact of Employment on SSDI



# SSDI – Trial Work Period

- Available once an individual becomes eligible for SSDI benefits
  - As long as at least one trial work month is remaining, a beneficiary may earn any amount from work without losing their benefits
  - A trial work month is used during any month during which a beneficiary earns more than \$810 in 2016
  - Once nine trial work months are used within a 60 month rolling period, the trial work period is completed

# SSDI – Trial Work Period

Barbara receives her SSDI benefits in 2010. She returns to work in January 2015. During this month she earns \$500. In February, she works a full month and earns \$870. She works at this rate through May 2015. In June 2015 she loses her job due to a layoff. She only earns \$400 in June 2015 and does not work in July 2015. In August, Barbara finds a new job and begins earning \$1400 a month. She continues in this job through the end of the year and earns \$1400 each month.

<b>Jan 2015</b> <b>\$500</b>	<b>Feb 2015</b> <b>\$870</b> <b>Trial work 1</b>	<b>March 2015</b> <b>\$870</b> <b>Trial Work 2</b>	<b>April 2015</b> <b>\$870</b> <b>Trial Work 3</b>	<b>May 2015</b> <b>\$870</b> <b>Trial work 4</b>	<b>June 2015</b> <b>\$400</b>
<b>July 2015</b> <b>\$0</b>	<b>Aug 2015</b> <b>\$1400</b> <b>Trial work 5</b>	<b>Sept 2015</b> <b>\$1400</b> <b>Trial work 6</b>	<b>Oct 2015</b> <b>\$1400</b> <b>Trial work 7</b>	<b>Nov 2015</b> <b>\$1400</b> <b>Trial work 8</b>	<b>Dec 2015</b> <b>\$1400</b> <b>Trial work 9</b>

# SSDI – Extended Period of Eligibility (EPE)

- Begins the month after the ninth trial work month is used
- Lasts 36 consecutive months
- Social Security compares earnings each month to Substantial Gainful Activity level (SGA, \$1130 in 2016 for individuals who are not considered blind)
  - Monthly earnings above SGA mean SSDI check stops for that month
  - Earnings below SGA means SSDI check continues



# SSDI – Grace Period and Cessation Month

- Cessation month – First month following trial work period when earnings exceed SGA
  - Can take place during or after the EPE
- Grace Period Months – Two months immediately following cessation month
  - Benefits check is received during cessation and grace period months

# SSDI – EPE, Cessation, and Grace Period

Barbara’s trial work period ended in December 2015. Her Extended Period of Eligibility begins the next month, January 2016. She continues her job and earns \$1400 from January 2016 to July 2016. In August 2016, Barbara becomes ill and has to leave her job. She only works part of the month and earns \$1150. She does not work the rest of the year.

Jan 2016 \$1400 Cess. Month full benefit	Feb 2016 \$1400 GP month – full benefit	March 2016 \$1400 GP month – full benefit	Apr 2016 \$1400 Over SGA SSDI benefit stops	May 2016 \$1400 Over SGA No SSDI check	June 2016 \$1400 Over SGA No SSDI check
July 2016 \$1400 Over SGA No SSDI check	Aug 2016 \$1150 Over SGA No SSDI check	Sept 2016 \$0 Under SGA SSDI starts full check	Oct 2016 \$0 Under SGA Full SSDI check	Nov 2016 \$0 Under SGA Full SSDI check	Dec 2016 \$0 Under SGA Full SSDI check

# SSDI – After the EPE

- Following the 36 month EPE, earnings in excess of the SGA amount lead to benefits termination
  - If the Cessation month and grace period months have not been used, they could occur following the EPE
  - If cessation happens after the EPE, benefits would continue through the cessation month and two grace period months, then benefits would terminate
- Termination means that SSA has determined the beneficiary can work and earn in excess of SGA and therefore is no longer disabled to work.
  - Benefits do not return if earnings go below SGA
  - Exception is if individual becomes eligible for Expedited Reinstatement

# SSDI – After the EPE

- Barbara returns to work in January 2017 and begins earning \$1400 per month. Her benefits stop since she is in the EPE. Her EPE ends in December 2019 (36 months after her last trial work month in December 2015). Her earnings remain over SGA.
  - Because she has used her cessation month and grace period months, Barbara's benefits terminate in January 2020
    - Her SSDI will not return if her income decreases to less than SGA unless she is eligible for Expedited Reinstatement

# Example 2 – SSDI

Phillip begins working. He receives \$780 in SSDI and this is his first job since he started receiving benefits. He starts work in March 2016. The worksheet for example 2 in your handout shows his income for each month for the next five years.

- On the worksheet, mark months you think are trial work months with the letters TW.
- Mark the beginning of the Extended period of eligibility with “EPE start” and the end with “EPE end”
- Mark the cessation month with “CESS”
- Mark the month of termination with “TERM”

# Medical Benefits

## Medicaid

- Needs based program – financial component to eligibility
- Pays for the majority of medical costs
- Administered by ODJFS and a variety of Managed Care providers
- Eligibility may vary based on the Medicaid program

## Medicare

- Not needs based – eligibility through SSA
- Pays for about 80% of many medical expenses
- Administered through SSA
- One program with multiple parts (A, B, C and D)

# Impact of Earnings on Medicare

- Person becomes eligible for Medicare 24 months after eligible for Social Security benefits
- Continue to be eligible as long as beneficiary is eligible for a cash benefit
- Regardless of status of cash benefit, a beneficiary retains eligibility for Medicare for at least 93 months past the last trial work month
  - May have to pay a premium for some benefits
- QMB, SLMB, Q1 programs that help pay Medicare costs are income based and can be impacted by work

# SSI Work Incentives that Impact Medicaid

## 1619a

- Available to individuals who receive SSI and Medicaid
- Eligible when beneficiary earns more than SGA (\$1130 in 2016) and can show a need for Medicaid
- No change to resource limit

## 1619b

- Available to individuals who receive SSI and Medicaid
- Eligible when earnings from work cancel out full amount of SSI benefit
- Protects SSI cash benefit – benefit will restart if income decreases



# MBIWD and Employment

- Developed as a program for individuals who go to work and continue to need Medicaid benefits
- Increases resource and income limits for individuals who work
- Family income of over 150% (currently \$16,755 annual for family of 1) of Federal Poverty Level (after some exclusions) will lead to premium
- Eligibility for MBIWD with income of up to 250% (\$27,925 annual) of the federal poverty level (***with some significant income exclusions***)
- Resource limit increased to \$11,473

# MBIWD – Application Process

- Three forms need to be completed:
  - JFS 7200
  - **JFS 7211 (MBIWD addendum)**
  - JFS 7236 (Rights and Responsibilities)
- Forms need to be turned in at ODJFS
- ***If in doubt, turn in the application***

# MBIWD - Troubleshooting

- Common barriers:
  - Difficulties with application process
    - Beneficiaries informed that program does not exist
    - Beneficiaries told they are ineligible prior to submission of application
  - Problems with premiums
    - Premium payments
    - Incorrect premium calculation
    - Individuals not notified of premium payments that are due
  - Helping individuals recognize these barriers and helping recognize solutions is a key role for an advocate

# How can we be of assistance?

- Talk with individuals about questions or concerns they might have about SSI and SSDI benefits
- Provide copies of fact sheets and basic information about the impact of earnings on SSI and/or SSDI benefits
  - SSI key talking points
    - Is reduced when individuals have earnings from employment
    - Individuals will earn more from work than they will lose from their SSI
    - It is very important that earnings are reported so the check can be adjusted

# How can we be of assistance?

- Provide copies of fact sheets and basic information about the impact of earnings on SSI and/or SSDI benefits
  - SSDI key talking points
    - In many cases individuals can work without impacting their SSDI check
    - Income over a specific amount can cause the SSDI check to stop completely
    - There are many programs (work incentives) in place to delay benefits from stopping or to allow an individual whose benefits have stopped to regain benefits without having to completely re-apply
    - It is very important that earnings from work are reported to keep Social Security's work record up to date.

# How can we be of assistance?

- Assist with helping individuals gather and organize correspondence
  - Provide manila folders or clasp envelopes
  - Stress the importance of keeping and/or responding to:
    - letters from the Social Security Administration and other benefit providers
    - Pay stubs from employment
- Help document past work history and earnings

# How can we be of assistance?

- Help individual access a benefits planner for more information
- Benefits Planning
  - A professional discipline that requires significant training and practical experience
  - Provides detailed, individualized information about the impact of work on benefits
  - Available through WIPA programs and other sources
    - Helpful to find out the benefits planning resources in your community
- Ohio Benefits Bank ([ohiobenefits.org](http://ohiobenefits.org))
  - Assistance with application process for many benefits
  - Identify resources for benefits planning that are available in your community

# How can we be of assistance?

- Emphasize and, when possible and desired by the beneficiary, assist with reporting
  - Both income and changes in life status should be reported as soon as possible
  - Reporting:
    - Helps beneficiaries avoid overpayment
    - Is required by Social Security and ODJFS
    - Leaves open the option of a waiver
    - Helps keep records current
      - Allows problems and data entry errors to be identified more quickly



# Assisting with Reporting Responsibilities

- SSI or SSDI should report monthly
  - Not always what beneficiaries are told by SSA
  - Report by sixth day of the month
- Benefits from ODJFS (Medicaid, food stamps)
  - report job changes and any increase in household income within 10 days
- Should always receive a receipt

# Common Methods for Reporting Income

- Telephone or smartphone reporting
  - SSI only
- Mail
- Fax
- In person

# Identifying changes in life or employment status

- Once employed, changes may impact the benefits picture
  - Raises or other job changes
  - Change in living situation
    - Moving out of someone else's home
    - Someone new moving into beneficiary's home
  - New family member
  - Any change in address or contact information

# Assisting with Reporting Responsibilities

- Ask if individual has reported
- Offer assistance
  - Support when phone call is made
  - Assistance getting the individuals to benefits office
  - Support and encouragement while individuals make contact
  - Use of phone or fax to help with reporting
  - Manila folder or clasp envelope to help organize

# Discussion

- What can you do differently to more effectively assist individuals with benefits in the future?

# Contact Us

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