

# Employment and Work Incentives



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The Division of Health Care Finance shall develop and maintain a coordinated health policy agenda that combines the effective purchasing and administration of health care with promotion oriented public health strategies.

# Social Security Act

**Enacted in 1935 to provide pensions for retired workers age 65 and older. Congress has gradually expanded the original Act, increasing benefits and covering more classes of employees.**

# Supplemental Security Income

**1974: Supplemental Security Income (SSI) for people with disabilities unable to qualify for Social Security benefits based on their own or a family member's work history.**

**SSI is not meant to support someone and meet all their financial needs.**

**SSI is designed to supplement an individual's income until he/she can earn enough that this supplemental income is no longer necessary.**

# **THE EMPLOYMENT OPPORTUNITIES FOR DISABLED AMERICANS ACT OF 1986**

**Offered “work incentives” for people with disabilities to assist them in returning to work; included 1619(a) & 1619(b).**

**Additional work incentives added to the Social Security Act over the years to encourage employment and increased income, including:**

**Plan for Achieving Self Support;  
Property Essential for Self Support;  
Impairment Related Work Expenses;  
Blind Work Expenses;  
Earned Income Exclusion;  
Student Earned Income Exclusion;  
Expedited Reinstatement.**

# WORK INCENTIVES

**Persons with disabilities can work, earn more money,  
be self sufficient and maintain health insurance.  
You do not have to live in poverty to protect your  
health insurance.**

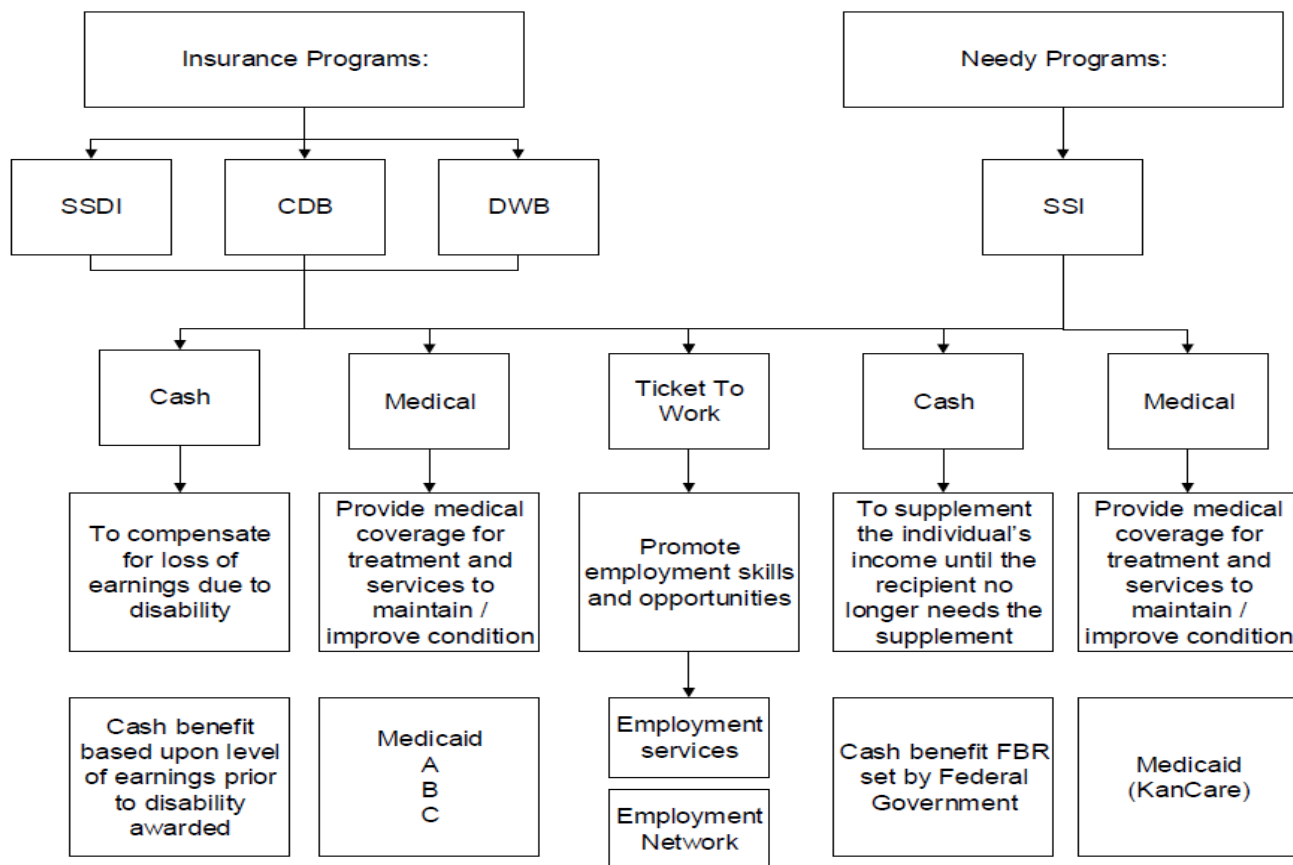
**The work incentives outlined in this presentation will  
help you understand;  
how to ease off of cash benefits, and  
how to return to cash eligibility if your  
situation changes.**

**The intention of work incentives is to increase self  
sufficiency and decrease dependency on public  
supports.**

# Flow chart here

## SOCIAL SECURITY WORK INCENTIVES

Rev. 3/22/2016



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# Ticket To Work

Employment Program for people with disabilities who want to work.

Part of the Ticket to Work Legislation

Goal: Increase opportunities and choices for Social Security Beneficiaries to obtain employment, access support services from public and private providers, organizations or individuals.

# Process to use your Ticket

**Contact National Ticket To Work Help-line:**

**1-866-968-7842**

**[www.chooseworkttw.net/](http://www.chooseworkttw.net/)**

**1-866-833-2967 (TTY)**

**Select an Employment Network (EN)**

**Develop and sign your plan**

**Ticket is assigned to your EN**

**Implement Plan**

**Maintain Employment**

**EN services end**

**Ticket is now used.**

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# Kansas Work Incentives Network

Kansas Work Incentives Network is there to help you put some of the work incentives to work for you!

The WIPA Project – Work Incentive Planning and Assistance helps disability beneficiaries to plan how to use the Work Incentives while you are planning to work. They can provide support and guidance.

Please contact the Ticket To Work Help Line for a referral. KWIN is located at CPRF, Wichita

# SSDI WORK INCENTIVES

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# **TRIAL WORK PERIOD (TWP)**

**(see TWP Chart)**

**The TWP is a 9 month period in which Social Security allows you to earn any amount and receive SSDI cash benefits.**

**For 2016, TWP months are counted if gross earning are \$810 or more (this amount can change and past years may be different) or if one works more than 80 hours in self-employment.**

**TWP months do not have to be consecutive.**

**TWP is completed when you have worked 9 months in a rolling 60 month period.**

**Once TWP is completed, Social Security will make a decision as to whether work is substantial.**

By using the Trial Work Periods, you are providing yourself the opportunity to explore and test your ability to earn without affecting your benefits. Social Security offers this to allow you to return to some level of employment.

If a beneficiary wants to work but is not sure what level of work or earnings they can tolerate, then this is the time to find out. This is the chance to plan your return to work. Adjust your work level to your tolerance and see what is possible. By using the 9 months consecutively you are also testing your ability to sustain that level of employment without jeopardizing your benefits.

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Exemptions are NOT applied during the Trial Work Periods, as there is no 'maximum' amount of earnings per month or year to affect the cash benefit. Therefore 'gross earnings' does not need to meet a ceiling or limit

# **EVALUATION OF WORK AFTER TRIAL WORK PERIOD**

**Substantial Gainful Activity (SGA)**

**Benefits may continue after you have completed the TWP if earnings are less than substantial gainful activity (SGA, \$1130 per month effective 01/16) (this amount may change each year);**

**Benefits may stop, after a 3 month grace period, if work during the TWP is considered to be SGA, or if work after the TWP is SGA;**

**Note: SGA for blind/visually impaired is \$1820 per month effective 01/16( this amount may change each year).**

# **EXTENDED PERIOD of ELIGIBILITY (EPE)**

**The EPE begins the month following the 9<sup>th</sup> TWP month. At any time during the EPE when SGA is achieved is considered the Cessation month. Following are 2 grace months when the beneficiary will be eligible to receive their cash DI benefit. Cash benefits will be continued while countable earnings remain below SGA and disability criteria is met. In the months when countable earnings is equal or above SGA the beneficiary is not eligible for a cash DI benefit. When the Cessation month occurs in the EPE, cash DI benefits can be terminated once the re-entitlement period is completed.**



## **EXTENDED PERIOD of ELIGIBILITY 2 (EPE)**

**After experiencing the success of maintaining employment through the TWP, the Beneficiary starts the Extended Period of Eligibility. The re-entitlement period runs concurrently for a maximum 36 consecutive months. The Extended Period of Eligibility can be an indefinite period of time, depending on the Cessation month.**

**During the EPE SSA is looking to see if the beneficiary may be able to return to work at some level.**

**Building on the employment success the beneficiary has continued to receive their DI cash benefit and earnings.**

# **EXTENDED PERIOD of ELIGIBILITY 3 (EPE)**

**The EPE provides a safety net for the beneficiary. If they are able to continue employment at or above SGA, they have demonstrated to themselves they can maintain this opportunity for self-sufficiency. If they find they cannot sustain this level of employment, then a real effort has been made but benefits have not been ceased or terminated. This minimizes the risk to beneficiaries who are worried if they try to work and cannot, they will lose their benefits and be back at square one. It also reduces the risk to those who can work by providing the TWP plus the re-entitlement period to graduate from cash benefits.**

# **EXTENDED PERIOD of ELIGIBILITY 4**

## **Gross versus Countable earnings**

**During EPE SSA changes their assessment of a person's countable earnings. Now exemptions can be applied to the gross to reduce the amount SSA counts towards assessing if a person's work can be 'valued' at SGA.**

**Exemptions can include:**  
**Impairment Related Work Expenses (IRWE)**  
**Subsidies**  
**Special Conditions**

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# SUBSIDY

## Also applicable after the TWP

**A subsidy may be used to reduce countable earnings below SGA. Any amount of subsidy that the individual receives may be deducted from gross earnings to determine if the work was substantial.**

**A subsidy is special assistance or consideration that enable the individual to work.**

**Social Security makes a determination of the value of the subsidy and deducts the amount from wages when determining SGA.**

**Examples include job coaching, job sharing, lower production or quality of work, fewer or simpler tasks than other workers doing the same job, special accommodation in the workplace such as separate work area, extra support or supervision, special time off to see a physician.**

**Phasing out a job coach may cause the loss of the subsidy. Social Security must approve the subsidy.**

**NOTE: Subsidy applies to SSI only at initial eligibility.**

# Unsuccessful Work Attempt

**This is applicable after the TWP**

**Earnings above SGA for no more than 3 months and earnings end because of the impairment; benefits may not “cease.” UWA may be allowed.**

**Earnings above SGA for no more than 6 months and earnings end because of the impairment OR the removal of special conditions related to the impairment AND one or more of the following: excessive absences, unsatisfactory work, temporary remission of impairment, or work was performed under special conditions. UWA may be allowed.**

# **EXPEDITED REINSTATEMENT**

- Allows for reinstatement within 60-months from the last month of entitlement if benefits ceased due to SGA; and**
- Must be unable to perform SGA because of the same medical condition;**
- Will receive provisional benefits for up to 6 months while a new decision of disability is being made;**
- If approved, will receive benefits for any month in which SGA was not achieved subject to retroactivity of 12 months (no earlier than January 2002);**
- Entitled to new trial work period after 24 months of paid benefits (may not be consecutive months).**

# Medical Work Incentives

## Extended Medicare

**Extended Medicare provides ‘extended’ medical coverage through Medicare after the beneficiary no longer receives cash DI benefits due to their ability to work. But they have not ‘lost their disability status’. The beneficiary is still ‘disabled’. Therefore the medical benefits continue. Medicare coverage can be extended for at least 93 months after the TWP ends. The beneficiary must continue to meet the criteria of disability for these benefits to continue.**

# **Medical Work Incentives**

## **Working Healthy**

**Working Healthy is Kancare coverage that allows a person with a medical disability to have critical full Kancare insurance without a spend-down. A person is encouraged to increase their earnings without the loss of Kancare. Beneficiaries can increase their earnings, increase their resources and continue with Working Healthy until (for a single house-hold) their gross monthly earned income reaches \$5971.00. This figure is before any IRWEs or BWE is applied.**



# **Medical Work Incentives**

## **Working Healthy**

### **Program Highlights:**

**Earn more and keep your Kancare coverage**

**Accumulate assets (up to \$15,000.00)**

**No Spend-down**

**Help with Medicare expenses**

**In some cases, assistance with employer Health**

**Insurance premium costs**

**Personal Assistance services under WORK program**

**Medically Improved Provision**

**Benefits Planning and Assistance available**

# SSI WORK INCENTIVES

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# Examples of SSI cash Work Incentives

General Income Exemption (GIE)

Earned Income Exemption (EIE)

Property Essential to Self-Support (PESS)

Plan to Achieve Self-Support (PASS)

Impairment Related Work Expenses (IRWE)

Special Conditions

Subsidies

Student Earned Income Exclusion (SEIE)

Calculation for self-employment (NESE)

# How to calculate countable earnings

Gross earnings paid in the month	\$685.00
Minus GIE	20.00
	\$665.00
Minus EIE	65.00
	\$600.00
Minus one half	\$300.00
Countable income =	\$300.00

FBR = \$733.00 - \$300.00 = \$433.00 (adjusted SSI cash benefit).

# **STUDENT EARNED INCOME EXCLUSION (SEIE)**

**(see SEIE Fact Sheet)**

**Under age 22, and Full-time student (12/hrs per week – High School or 8/hrs week – college/university.**

**Exclude \$7180 per year (this amount may change each year) earned income.**

**Exclusion cannot exceed \$1780 per month (this amount may change each year).**

**Applied before general & earned income exclusions.**

# Example

Gross month earnings	\$485
Student earned income exclusion ( <i>subtract up to \$1,780/month*</i> )	\$485
General income exclusion ( <i>subtract</i> )	\$ 00
Earned income exclusion ( <i>subtract</i> )	\$ 00
<b>Countable Income</b>	\$ 00
SSI payment	\$733
 Plus Monthly earnings	 \$485
<b>Total monthly income</b>	<b>\$1218</b>
\$485 X 12 months = \$5820 < \$7180*	

\*these amounts may change each year

# Property Essential to Self-Support (PESS)

**Does not apply to SSDI.**

**Resources essential to the means of self-support are exempted.**

**Property used in trade or business (inventory, tools, equipment).**

**Exempts \$6000 in equity value of non-business property used to produce goods or services essential to daily activities such as land used to produce vegetables or livestock solely for household consumption.**

**Exempts \$6000 in equity value of non-business income producing property yielding an annual return of at least 6 percent, i.e. rental property.**

# **IMPAIRMENT RELATED WORK EXPENSES (IRWE) – SSI**

**(see IRWE example)**

**Same rules that apply to SSDI benefits  
insofar as what is allowed.**

**Amount is deducted from earnings before  
the one-half disregard.**

**Reduction occurs in month wages are  
received.**

**IRWE can be used for both SSDI & SSI.**



# **BLIND WORK EXPENSES (BWE)**

**(see BWE example)**

**Applies to SSI benefits only.**

**Deducted from remaining earnings  
after the one-half disregard.**

**Must meet SSA definition of blind/  
visual impairment.**

# PLAN FOR ACHIEVING SELF-SUPPORT (PASS)

**A PASS allows an individual to set aside income and/or resources to purchase items or services that are necessary to achieve a specific occupational goal.**

**The income and/or resources that the individual sets aside will not be counted in determining eligibility for SSI.**

# RELATED POINTS

**Income/resources set-aside may still be counted by other assistance programs.**

**Returning to work may affect other benefits.**

**PASS does not protect entitlement to SSDI benefits.**

**Can be retroactive if currently eligible for SSI benefits.**

# Cash Work Incentives

**Provide the recipient of SSI to work to their ability while being provided a safety net of continued eligibility, assuming all other criteria is met. Exemptions provide additional uncounted income to offer the resources necessary for a person to continue to work.**

# Cash Work Incentives

**As long as a recipient meets the criteria for SSI, their cash benefits may be suspended for up to 12 consecutive months due to their ability to earn, before termination.**

**A single person with FBR without additional exemptions must be paid \$1551.00 per month to reach Break Even Point (no cash benefit due to amount of earnings paid).**

# SSI Medical Work Incentive

## SECTION 1619(B)

**Continued KanCare eligibility when the recipient's wages alone stop SSI check.**

**Must have been eligible for SSI for at least one month without 1619b.**

**Must need KanCare coverage to continue working.**

**Must continue to meet SSI resource limit.**

**Meet earnings threshold limit:**

**Kansas threshold is \$35,021.00 for 2016** (this amount may change each year) **or an individualized threshold as determined by SSA.**

# **SSI Medical Work Incentive**

## **SECTION 1619(B)**

**Social Security determines 1619b status.**

**It lasts indefinitely while the recipient meets criteria.**

**1619b Examples of termination when the recipient is:**

**Medically Improved**

**Has resources of \$2,000.00 or more**

**Exceeds State Threshold in annual earnings**

**Exceeds Individual Threshold in annual earnings**

**Recipient has returned to SGA earnings within 12 months of onset of disability**

**No longer need medical coverage to continue working**

**When earnings fall beneath BEP and return to 1619a**

# 1619(A) AND 1619(B)

**1619(a)**-allows SSI recipients to receive cash benefits when earnings exceed Substantial Gainful Activity (SGA), but earnings plus any other income are less than the SSI break-even point.

**1619(b)**- is protected KanCare status for SSI recipients whose earnings plus any other income exceed the SSI break-even point and earnings are less than the state threshold or individualized threshold. It must be the earnings alone that causes SSI cash ineligibility.

The Kansas threshold for **2016** is **\$35,021.00** per year (this amount changes each year). If earnings are insufficient to replace SSI and KanCare benefits, yet earnings exceed the state threshold, an individualized threshold may be determined by Social Security.



# **DO YOU KNOW WHERE TO TURN FOR HELP???**

**Karen Baessler Central KS (620)672-5955x211**

**Madeleine Bowens South Central KS (316)337-6390**

**Terry Cronin Kansas City Metro (913)279-7173**

**Michael Burt South East KS (620)860-7240**

**Earl Williams North East KS (785)296-5136**

**Ramona Ortiz Western KS (620)225-0596**

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# DO YOU KNOW WHERE TO TURN FOR HELP???

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# ***Working Healthy Administrators***

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# Web Site

To learn more about the *Working Healthy* Program, visit our web site at:

<http://www.kdheks.gov/hcf/workinghealthy/index.htm>

# Questions



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[www.kdheks.gov/hcf](http://www.kdheks.gov/hcf)

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