



# New York **Makes Work Pay**

Developing a path to employment for New Yorkers with disabilities

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## **Supporting Work, Health Care and Self-Sufficiency for New Yorkers with Disabilities: Building a Statewide Work Incentive Network**

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New York Makes Work Pay is a Comprehensive Employment System Medicaid Infrastructure Grant (Contract No. #1QACMS030318) from the U.S. Department of Health and Human Services, Center for Medicaid and Medicare Services to the Office of Mental Health on behalf of New York State. It is a joint effort of the Burton Blatt Institute at Syracuse University and the Employment and Disability Institute at Cornell University with the collaborative support of the Employment Committee of the New York State Most Integrated Setting Coordinating Council to remove barriers to employment and develop pathways to work for New Yorkers with disabilities.

# The Two Disability Programs

## Programs Known As

### ❖ Social Security Disability Benefits

- **RSDHI (Retirement, Survivor, Disability, Health Insurance)**
- **SSDI (Social Security Disability Insurance)**
- **Title II, DIB (Disability Insurance Benefits)**

### ❖ Supplemental Security Income

- **SSI (Supplemental Security Income)**
- **Title XVI**

# Work History

## ❖ Social Security Disability Benefits

- **Wage Earner must have accrued sufficient “credits of coverage”**

## ❖ Supplemental Security Income

- **No work history is required**

# SSDI Work Incentives

# The Nitty Gritty of Work Incentives – Phase I

## ❖ Trial Work Period [TWP]

- a 9-month period, within 60 months, in which a person on SSDI can work and earn any amount of money without the earnings affecting their SSDI eligibility
- Each month an SSDI recipient earns more than \$720 counts as one month of the TWP
- These months need not take place one after another or reflect earnings from just one job

# The Nitty Gritty of Work Incentives – Phase II

## ❖ Extended Period of Eligibility [EPE]

- A period of eligibility that starts with the month after the TWP ends and continues for the next 36 months.
- For any month during this period that the person's countable earned income is less than the SGA level they continue to receive the SSDI check.
- When they earn more than the SGA level, Social Security will plan to stop the benefits - but will allow the person to receive a check for that month and for 2 more months as a "grace period" before stopping checks altogether.

# The Nitty Gritty of Work Incentives – Phase II (cont'd)

## ❖ Extended Period of Eligibility [EPE]

- After the grace period ends, the person's SSDI stops if their earnings ever go above the SGA level during the grace period.
- If the person's countable earnings again fall below the SGA limit during the remaining months of the EPE, the SSDI benefits can be restored

# Substantial Gainful Activity [SGA]

- Countable gross earned income over a set amount per month.
- Currently, in 2010, the set amount is \$1000/month for all SSDI recipients who are not legally blind.
- Currently, in 2010, the set amount is \$1,640/month for those that are legally blind.

# The SSDI SGA Rule Looks at Monthly Wages “When Earned”

Roger is paid on Sept. 4<sup>th</sup> for the two-week period ending Aug. 29<sup>th</sup>. Gross earnings for period = \$500.

- For SGA purposes, the \$500 is counted in August because it was earned in August.
- When analyzing earnings under the SGA rule, advocates will need to look at day-to-day earnings.

# The Following Are Available To Reduce Gross Monthly Wages

- Paid time off: vacation, personal, holiday and sick pay not counted
- Impairment Related Work Expenses
- Subsidies

# The Nitty Gritty of Work Incentives – Phase III

## ❖ Expedited Reinstatement [EXR]

- SSDI benefits shall be reinstated without a new application if the person:
  - was eligible for SSDI; and
  - lost SSDI due to performance of substantial gainful activity (SGA)
  - files a request for reinstatement within 60 months of the last month of entitlement

# The Nitty Gritty of Work Incentives – Phase III (cont'd)

## ❖ Expedited Reinstatement [EXR]

- is disabled by a condition that is the same as (or related to) the physical or mental disability that was the basis for their original claim; and
- that disability renders the individual incapable of SGA.
- If the individual ceases performing SGA and meets other EXR criteria, there need not be a showing that the termination of work or reduction in hours is related to the individual's disability as had been required in the POMS.

# The Nitty Gritty of Work Incentives – Phase III (cont'd)

## ❖ Expedited Reinstatement [EXR]

- SSDI dependent's benefits may be reinstated if the dependent satisfies all of the requirements for entitlement to the benefits
- Provisional benefits may be received up to 6 months pending the reinstatement application (only for the wage earner)
- Once the individual receives EXR benefits for 24 months, not necessarily continuous, he or she will be eligible for a new trial work period, extended period of eligibility and expedited reinstatement period

# Extended Medicare Eligibility

- An SSDI recipient is entitled to continued Medicare coverage during a nine-month trial work period and for at least 93 months following the ninth trial work month.
- During this entire period, hospital coverage is automatic and cost-free. Outpatient coverage continues to be optional and subject to premium payment (\$96.40 per month in 2010 for lower income & existing enrollees) & (\$110.50 per month in 2010 for new enrollees & higher income existing enrollees)
- This means that the SSDI recipient who goes to work can keep Medicare for at least *102 months* (or, nearly 9 years)!

# SSI Work Incentives

# NYS SSI Payment Rates 2010

- \$761 - “living alone” rate
- \$697 - “living with others” rate (paying your share of household expenses)
- \$472.34 - “living in the household of another” rate (paying less than your share of household expenses)
- No increase is expected next year either!

# SSI: Income At-A-Glance

- Income: Anything received in cash or in kind that can be used to meet needs for food or shelter.
- Two Types of Income: Earned Income and Unearned Income
  - *Earned Income*: Typically, gross wages - salaries, commissions, bonuses, self-employment; sheltered workshop earnings.
  - *Unearned Income*: All income that is not earned income. Unearned income is counted when it is actually or constructively received.

# When an SSI Recipient Goes To Work A Simple Formula Applies

- The first \$20 earned is disregarded if the individual has no unearned income
- The next \$65 earned is disregarded as a work exclusion
- One half of the remaining earned income is disregarded
- What is left is the net countable earned income
- The net countable earned income is subtracted from the SSI benefit rate depending on the living arrangement

# SSI Budget Example #1

- Ted has a disability and lives alone.
- Ted receives \$385/month Social Security Disability Insurance (SSDI) benefits.
- The SSI program will disregard or not count the first \$20 each month of Ted's SSD benefits.



\$ 385	Social Security Disability
<u>- 20</u>	Disregarded
\$ 365	Countable income
\$ 761	SSI base rate
<u>- 365</u>	Countable income
\$ 396	

# SSI Budget Example #1 Continued

- Income available to Ted is greater if he gets both SSDI & SSI:



\$ 385  
+\$ 396  
\$ 781

SSDI  
Monthly SSI check  
Ted's monthly income

## SSI Budget Example #2

- Ted lives alone.
- Ted earns \$385/month.
- SSI will disregard the first \$85 each month (20 general, 65 earned income disregards)
- Then, an additional 50% will also be disregarded



\$ 385	Gross wages
<u>- 20</u>	General Disregard
\$ 365	
<u>- 65</u>	Earned Income Disregard
\$ 300	
<u>- 150</u>	Additional 50% disregarded
\$ 150	Countable wages
\$ 761	SSI base rate
<u>- 150</u>	Countable income
\$ 611	Monthly SSI check

# SSI Budget Example #2 Continued

- Income available to Ted is greater if he is working:



\$ 385  
+\$ 611  
\$ 996

**Gross wages**  
**Monthly SSI check**  
**Ted's monthly income**

# SSI Resources At-A-Glance

- ❖ Resources: Cash or other liquid assets or real or personal property that an individual owns and could convert to cash which can be used to provide for food or shelter.
  - The general rule is that an item received in a month is income and, unless spent, becomes a resource in the following month.
  - General resource limit is \$2,000 for an individual, \$3,000 for a federally married eligible couple.

## SSI & Medicaid

- ❖ In New York State, SSI Recipients Automatically Qualify for Medicaid:
  - If a person gets as little as \$1 in SSI benefits, Medicaid is automatic

# SSI & Section 1619(b) Medicaid

- ❖ Under Section 1619(b), Former SSI Recipients Can Still Get Automatic Medicaid:
  - The person must lose SSI due to budgeting of wages
  - Person living alone in 2010 will lose SSI if gross monthly wages are \$1607 or higher
  - Person living with others in 2010 will lose SSI if gross monthly wages are \$1479 or higher
  - The person's disability must continue

# Section 1619(b)'s Financial Criteria

- ❖ Person must be otherwise eligible for SSI
  - Unearned income must be within SSI's limits
  - Resources must be within SSI's limits

# Section 1619(b)'s Financial Criteria

- ❖ Section 1619(b)'s Earned Income Threshold:
  - For calendar year 2010, New York's earned income threshold is \$43,957 per year
  - If annual wages are below \$43,957 and the other criteria is met, Medicaid will continue
  - Some people can have an "individualized threshold" if income over \$43,957

## Example: 1619(b)

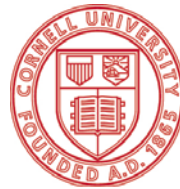
- ❖ Cynthia receives \$620 in SSDI and \$97 in SSI. She goes to work and earns \$365 per month in gross wages.
- ❖ Do the Budget

## Example: 1619(b)

- ❖ Cynthia receives \$620 in SSDI and \$97 in SSI. She goes to work and earns \$365 per month in gross wages.
  - She will lose SSI benefits because countable income of \$750 (\$600 of her SSDI and \$150 of her wages) will be counted against the living with others SSI rate of \$697.
  - Cynthia should be able to continue Medicaid through 1619(b) as she lost her SSI due to wages and should meet the other 1619(b) criteria.

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## Partnering Organizations



Cornell University  
ILR School  
Employment and Disability Institute

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