



2004 RED BOOK

**A SUMMARY GUIDE TO EMPLOYMENT SUPPORT
FOR INDIVIDUALS WITH DISABILITIES UNDER THE
SOCIAL SECURITY DISABILITY INSURANCE AND
SUPPLEMENTAL SECURITY INCOME PROGRAMS**

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INDIVIDUALS WITH DISABILITIES UNDER THE SOCIAL SECURITY DISABILITY
INSURANCE (SSDI) AND SUPPLEMENTAL SECURITY INCOME (SSI) PROGRAMS**

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INTRODUCTION

Purpose of this Book	<p>One of the Social Security Administration's (SSA) highest priorities is to help individuals with disabilities achieve independence by helping them to take advantage of employment opportunities. This book is a general reference source about the employment-related provisions of Social Security Disability Insurance (SSDI) and the Supplemental Security Income (SSI) programs. We wrote the book for educators, advocates, rehabilitation professionals, and counselors who serve individuals with disabilities. Its purpose is to provide a working knowledge of the technical provisions involved so that they can advise individuals with disabilities appropriately and recognize when to seek case-specific guidance from SSA. We also expect that many applicants and beneficiaries will use this book as a self-help guide to the employment-related provisions under our programs.</p> <p>(A note of caution: This book is a general description of our disability-related policies. For information specific to your situation regarding eligibility or benefits, you may need to contact us. You can find contact information on page 12. In addition, different rules may often apply to individuals who are claiming benefits based on retirement or age. We cover those rules in our other publications.)</p>
SSA's Web Site	We post up-to-date information about the latest developments on our Internet web site, www.socialsecurity.gov/work .
"Plain Language"	We tried to make this book clear and brief. To that end, we followed "Plain Language" guidelines. We generally use "we," "us," and "our" to refer collectively to the Social Security Administration, SSA, the Social Security Act, our regulations, and operating instructions. We use "you" and "your" to refer to the person who is claiming benefits based on disability.
Purpose of Employment Support	Congress intended the employment support provisions to provide you with the assistance you need to move further on the way from benefit dependency to independence. In other words, employment supports help you to enter or re-enter the workforce by protecting your eligibility for cash payments and/or health care until you achieve this goal.
Previous Editions	This edition replaces all previous editions.

WHAT'S NEW FOR 2004?

NOTE: For more information about local contacts and the latest developments, visit our Internet web site, www.socialsecurity.gov/work.

Amount Adjustments for 2004

We increased the **Substantial Gainful Activity (SGA)** amount for individuals with disabilities other than blindness from \$800 to **\$810 for 2004**. Details are on page 17.

We increased the **SGA amount for individuals who are blind** from \$1,330 to **\$1,350 for 2004**. Details are on page 17.

We increased the monthly earnings amount that we use to determine if a month counts for the **Trial Work Period (TWP)** from \$570 to **\$580 for 2004**. Details are on page 35.

For 2004, we increased the **Supplemental Security Income (SSI) Federal Benefit Rates (FBR)** from \$552 to **\$564** for an eligible individual and from \$829 to **\$846** for an eligible couple. Details are on page 20.

We increased the income amounts that will have no effect on eligibility or benefits for child SSI beneficiaries who are **students**. **For 2004**, we increased the **monthly amount** from \$1,340 to **\$1,370** and the **yearly maximum** from \$5,410 to **\$5,520**. Details are on page 40.

For 2004, the monthly Medicare Part A Hospital Insurance Base Premium is **\$343**, and the 45% Reduction Premium is **\$189**. The Part B Supplementary Medical Insurance monthly Base Premium is **\$66.60**. Details on Medicare for individuals with disabilities who work are on page 37.

For 2004, there are increases in the **State Threshold Amount for Disabled Individuals**, a set of annual measures that we use to decide if earnings are high enough to replace SSI and Medicaid benefits. Details are on page 44.

Area Work Incentives Coordinator (AWIC)

By the end of 2003, Social Security trained all of its field employees, including the personnel in all 1,338 local Social Security offices, on SSA's employment support programs in order to better assist Social Security Disability Insurance beneficiaries and Supplemental Security Income disability beneficiaries who want to start or keep working.

Social Security created a new full-time position in May 2003, the Area Work Incentives Coordinator (AWIC). The 58 newly-appointed AWICs:

- . Coordinate and/or conduct public outreach on work incentives in their local areas;
- . Provide and/or coordinate and oversee training on SSA's employment support programs for all personnel at local Social Security offices;
- . Handle some sensitive or high profile disability work-issue cases, if necessary; and
- . Monitor the disability work-issue workloads in their respective areas.

The AWICs coordinate with the 1,335 Work Incentives Liaisons in local offices, Public Affairs Specialists, the Plan to Achieve Self-Support (PASS) Cadre members, Benefits Planning, Assistance, and Outreach (BPAO) Benefits Specialists, and other personnel to provide improved services and information on SSA's employment support programs to beneficiaries with disabilities who want to start or keep working.

ONGOING ACTIVITIES

The Disability Program Navigator

In 2002, SSA signed an agreement with the Department of Labor (DOL) to establish, train and evaluate a new position, the Disability Program Navigator, or Navigator, within DOL's One-Stop Career Centers in selected states. The Navigator will:

- Develop linkages with employers and employer organizations through the One-Stop Career Centers and local Workforce Investment Boards to promote the hiring of individuals with disabilities and to facilitate their job placement;
- Assist individuals with disabilities, including Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) beneficiaries, to access and “navigate” the complex provisions under various programs that impact their ability to gain, return to, or retain employment;
- Serve as a resource to the workforce investment staff within the service area to ensure the availability of comprehensive information of Federal, state, local and private programs that impact the ability of individuals with disabilities to enter and remain in the workforce;
- Facilitate universal access to the One-Stop system for individuals with disabilities;
- Serve as a One-Stop Career Center resource on SSA’s work incentives and other employment support programs, including the Ticket to Work provisions and programs; BPAO organizations; Protection and Advocacy systems (P&As); SSA’s employment-related demonstration projects and state vocational rehabilitation (VR) agencies;
- Facilitate the transition of in- or out-of-school youth with disabilities to secure employment and economic self-sufficiency; and
- Conduct outreach on SSA employment support programs and One-Stop partner funded programs to community agencies and organizations that serve individuals with disabilities.

SSA is providing funding for a 2-year pilot demonstration project of the Navigator position. Navigators are located in selected One-Stop Career Centers in 14 states where SSA is undertaking employment support initiatives: Arizona, California, Colorado, Delaware, Florida, Illinois, Iowa, Maryland, Massachusetts, New York, Oklahoma, South Carolina, Vermont, and Wisconsin.

Benefits Planning, Assistance, and Outreach (BPAO) Program

As authorized by the Ticket to Work and Work Incentives Improvement Act of 1999, we awarded and currently maintain 114 cooperative agreements with community-based organizations to provide all SSA disability beneficiaries (including transition-to-work aged youth) with access to benefits planning and other assistance. Three rounds of cooperative agreements were awarded in fiscal years 2000 through 2003 throughout every state, the District of Columbia, and the US Territories of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands. The goal of the BPAO program is to better enable SSA's beneficiaries with disabilities to make informed choices about work.

Each BPAO project has Benefits Specialists who will:

- Provide work incentives planning and assistance to our beneficiaries with disabilities;
- Conduct outreach efforts to those beneficiaries (and their families) who are potentially eligible to participate in Federal or state work incentives programs; and
- Work in cooperation with Federal, state, and private agencies and nonprofit organizations that serve beneficiaries with disabilities.

Cornell University, Virginia Commonwealth University, and the University of Missouri-Columbia provide technical assistance and training to all BPAO Benefits Specialists on our disability programs and work incentives, the Medicare and Medicaid programs, and on other Federal work incentives programs. BPAO program awardees must provide training and technical assistance to their Benefits Specialists about their own state and local programs and their effects on other programs' eligibility and benefits.

These services are free to individuals receiving Social Security Disability Insurance or Supplemental Security Income benefits based on disability. If you want to locate the BPAO project nearest you, please call 1-866-968-7842 or 1-866-833-2967 (TTY/TDD) for the hearing impaired. You can also find a list with contact information on our web site at www.socialsecurity.gov/work/ServiceProviders/BPAODirectory.html.

Protection and Advocacy

In every state and U.S. Territory, there is an agency that protects the rights of individuals with disabilities. Each Protection and Advocacy System administers the SSA-funded Protection and Advocacy for Beneficiaries of Social Security (PABSS) program. Each PABSS project can:

- Check out any complaint you have against an employment network or other service provider that is helping you return to work;
- Give you information and advice about vocational rehabilitation and employment services;
- Tell you about SSA’s work incentives that will help you return to work;
- Provide consultation and legal representation to protect your rights in the effort to secure or regain employment; and
- Help you with problems concerning your individual work plan under the Ticket to Work program.

These services are free to individuals receiving SSDI or SSI benefits based on disability or blindness. If you want to locate the PABSS project nearest you, please call 1-866-968-7842 or 1-866-833-2967 (TTY/TDD) for the hearing impaired. You can also find a list with contact information at www.socialsecurity.gov/work/ServiceProviders/PADirectory.html.

Ticket to Work Program

The Ticket to Work Program is a Social Security Administration program for individuals with disabilities who want to work. It increases your choice in obtaining the employment services, vocational rehabilitation services, and other support services you may need to get and keep a job.

This program, phased-in nationally over a 3-year period, is available in all 50 states and United States Territories. Many Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) disability beneficiaries will receive a “Ticket” they can use to obtain services from a state vocational rehabilitation (VR) agency or another approved provider of their choice. We call these approved providers “Employment Networks” which are private organizations or government agencies that have agreed to work with Social Security in providing employment services to beneficiaries with disabilities. The program is voluntary, and the services will be provided at no cost to you.

We will not conduct a continuing disability review of your medical condition while you are using a Ticket to Work.

For Ticket to Work Information:

Contact the SSA Program Manager, MAXIMUS:
Toll-Free: 1-866-YOURTICKET (1-866-968-7842)
Toll-Free TDD: 1-866-833-2967
Hours of Operation: 8 a.m. to 10 p.m. EST (M-F)

You can find current information about the Ticket to Work Program, including a list of approved Employment Networks at www.socialsecurity.gov/work/Ticket/ticket_info.html, and at www.yourtickettowork.com or you can call the toll-free numbers listed above.

Employer Assistance Referral Network (EARN)

The Employer Assistance Referral Network (EARN) is a free national employment referral service for employers. EARN is sponsored by the U.S. Department of Labor, with additional support from the Social Security Administration.

EARN is designed to assist employers with recruitment and informational resources that will connect them to *Employment Service Providers* who have access to job-ready candidates in their community.

EARN works with Employment Service Providers and/or Employment Networks to increase exposure in the employer community and expand job placement opportunities.

The enrollment process is simple. Once an organization is enrolled in EARN, it is eligible to receive job vacancy announcements from employers in your community who are also enrolled with EARN.

Learn more about how EARN will benefit both organizations and the job candidates with disabilities that organizations are looking to place.

Employers and organizations, contact EARN at:

Toll Free Hotline: 1-866-Earn Now or 1-866-327-6669 (V/TTY)
9:00 a.m. to 10:00 p.m. (Eastern Time) Monday - Friday

Web Site: www.EARNworks.com

TICKET TO HIRE – A Specialized Unit of EARN

TICKET TO HIRE, also a free national employment referral service, assists employers in hiring qualified workers with disabilities through the Social Security Administration's Ticket to Work Program. It is sponsored by the Social Security Administration with additional support from the U.S. Department of Labor.

We link employers to Employment Networks (ENs) and state vocational rehabilitation (VR) agencies in their community that have job-ready candidates. (See page 9 for information on the Ticket to Work Program.) ENs and state VR agencies are automatically enrolled in Ticket to Hire. Participating Employment Networks with the Ticket to Work program are enrolled as Employment Service Providers. Employment Service Providers will receive job postings for

their service area. Employment Service Providers can also receive additional job postings by contacting our partner, EARN, and enrolling with them.

Employers, ENs, and state VR agencies may contact TICKET TO HIRE for additional information or to report changes (point of contact, address, etc.) at:

Toll Free Hotline: 1-866-TTW- HIRE, or 1-866-889-4473 (V/TTY)
11 a.m. - 7 p.m. (Eastern Time) Monday – Friday

E-mail Address: tickettohire@EARNworks.com

TICKET TO HIRE and EARN do not provide services directly to Social Security Disability or Supplemental Security Income beneficiaries. Beneficiaries and other individuals with disabilities must be receiving services from an Employment Service Provider, and be referred by that organization to an employer.

HOW TO REACH SOCIAL SECURITY

- Contact Us By Telephone** We have a toll-free number, 1-800-772-1213, which operates between 7 a.m. and 7 p.m., Monday through Friday. If you have a touch-tone telephone, recorded information and services are available 24 hours a day, including weekends and holidays.
- If you are hearing impaired, you may call our toll-free "TTY/TDD" number, 1-800-325-0778, between 7 a.m. and 7 p.m., Monday through Friday.
- Find A Local Office** If you have a problem or question, you should first try our toll-free telephone number. Our telephone representatives will either help you or put you in contact with your local office, if needed. Many local telephone directories list local offices under "Social Security."
- If you have access to the Internet, you can use the Social Security Office Locator on our home page, *Social Security Online*, at www.socialsecurity.gov/locator. Just type in your postal ZIP code and we will give you the address, telephone number, and directions to your local office.
- Contact Us By Mail** If you have a problem, you should first call our toll-free telephone number or contact your local office. If you still need additional help, you may write to the Office of Public Inquiries:
- Social Security Administration
Office of Public Inquiries
6401 Security Blvd.
Baltimore, MD 21235-6401
- Find Us On The Internet** As mentioned above, our Internet site *Social Security Online* is located at www.socialsecurity.gov. Most SSA publications and other public information materials are available at this site. We have also included links to the home pages of our regional offices – Atlanta, Boston, Chicago, Dallas, Denver, Kansas City, New York, Philadelphia, San Francisco and Seattle – highlighting regional initiatives, local public information resources, and connections to local offices. There are also links to the home pages of offices within SSA. The following are of particular interest to the community serving individuals with disabilities:
- www.socialsecurity.gov/disability -- This site provides comprehensive information on our disability benefits programs.
 - www.socialsecurity.gov/work -- This site provides information on our efforts to help individuals with disabilities enter the workforce through

employment or self-employment. Topics covered include: Vocational Rehabilitation Programs, Employment Support, Legislation, Employment Programs, State Employment Activities, Health Care for Individuals with Disabilities, and much more.

Send Us
Comments
About The
Red Book

Mail your comments or suggestions about this publication to:

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Office of Program Development and Research
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Baltimore MD 21235-7778
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Fax: 1-410-597-0961, attention: Red Book Editor

Email: red.book.editor@ssa.gov

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If you want copies of our public information materials (including this one), send your request to:

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Social Security Administration
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Baltimore MD 21235-6301

Fax: 410-965-2037

No shipments will be made to Post Office Boxes.

BASIC SSDI and SSI INFORMATION

What are SSDI and SSI?

We manage two major programs that provide benefits based on disability or blindness.

SSDI Social Security Disability Insurance (SSDI) provides benefits to disabled or blind individuals who are "insured" by workers' contributions to the Social Security trust fund. These contributions are required by the Federal Insurance Contributions Act (FICA) which created Social Security taxes which are paid based on your earnings or those of your spouse or your parents. Title II of the Social Security Act authorizes SSDI benefits. See page 21 for related health insurance information.

SSI The Supplemental Security Income (SSI) program makes cash assistance payments to aged, blind, and disabled individuals (including children under age 18) who have limited income and resources. The Federal Government funds SSI from general tax revenues. Most states pay a supplemental benefit to individuals in addition to their Federal benefits. Some of these states have arranged with us to combine their supplementary payment with our Federal payment into one monthly check to you. Other states manage their own programs and make their payments separately. Title XVI of the Social Security Act authorizes SSI benefits. See page 21 for related health insurance information.

SSDI These two programs share many concepts and terms. However, there are also
SSI many, very important differences in the rules affecting eligibility and benefit payments. Keep this in mind, since many individuals may apply or be eligible for benefits under both programs at the same time. We use the term "concurrent" when individuals are eligible for benefits under both programs. We have provided an illustration of a "concurrent" beneficiary situation on page 51.

Are You Eligible?

SSDI To be eligible for SSDI:

You must have worked and paid Social Security taxes for enough years to be covered under Social Security insurance; some of the taxes must have been paid in recent years; and you must:

1. Be the worker, the worker's widow(er), the surviving divorced spouse, or the worker's child with disabilities (requirements for a childhood disability beneficiary include: the individual must be unmarried, age 18 or over, and

his/her disability must have begun before age 22);

2. File an application;
3. Meet our definition of medically disabled (see page 17); and
4. Not be working or working but not performing substantial gainful activity (SGA). (See page 17.)

SSI

To be eligible for SSI based on disability, you must:

1. Have limited income and resources (see pages 61 and 62, for definitions of income and resources);
2. Be a U.S. citizen or meet the requirements for non-citizens;
3. Be considered medically disabled or blind (see page 17);
4. Be a resident of the 50 states, District of Columbia, or Northern Mariana Islands;
5. File an application;
6. File for any and all other benefits for which you are eligible; and,
7. Not be working or working but not performing SGA when you apply, if your impairment is other than blindness. (See page 17.) (Once you are receiving SSI benefits, this requirement no longer applies. Your eligibility will continue until you medically recover or do not meet a non-disability-related requirement.)

If you are blind, only the first six requirements apply to you. While receiving SSI, you could become eligible for SSDI if you begin to work and pay sufficient Social Security taxes to become eligible.

When and How Do You File for Benefits?

When do you file?

You should file for benefits as soon as you believe that you might be eligible. Waiting to file may result in loss of benefits and could make it more difficult to collect the records that you need to support your claim.

How do you file?

Call our toll-free number. We may be able to answer your questions over the telephone. We will then arrange to take your claim either over the telephone or at our office and will send you a confirmation of this appointment. We will also send you a form to get your claim started. Fill in the form as completely and as

accurately as you can. Our claims representative will tell you how to send the form to us. If you visit our office before then, bring the form with you.

If you have access to the Internet, you can file for Social Security disability benefits on our web site, www.socialsecurity.gov/onlineservices.

What Records Do You Need?

SSDI
SSI

Do not wait to file for benefits just because you do not have all of the information you need. The Social Security office will be glad to help you. However, you can speed things up by bringing certain documents with you when you apply, if they are available. You can also help by bringing any other information or medical evidence needed to assess your medical condition. These items include (but are not limited to):

- The Social Security number and birth certificate or other proof of age for each person applying for benefits (This includes your spouse and children, if they are applying for benefits.);
- Names, addresses, and telephone numbers of doctors, hospitals, clinics, and institutions that treated you and dates of treatment;
- Names and prescribed dosage of all medications you are taking;
- Medical records from your doctors, therapists, hospitals, clinics, and caseworkers;
- Laboratory and test results;
- A summary of where you worked in the past 15 years (company names, addresses, supervisors' telephone numbers) and the kind of work you did;
- A copy of your W-2 Form (Wage and Tax Statement), or if you are self-employed, your federal tax return for the past year; and
- Dates of your current and any prior marriages, if applicable.

If you have a checking or other bank account, you should also bring something from your bank that shows your account number so we can have your benefits deposited directly.

SSI

If you are applying for SSI, you should have all the documents listed above. In addition, you may need:

- Information about where you live, for example, your mortgage or lease and your landlord's name;
- Payroll slips, bank records, insurance policies, car registration, burial fund records, and other information about your income and the things you own (including loan notes, stocks, bonds, or other investments); and
- Proof of U.S. citizenship or non-citizen status, such as a birth certificate, a government-issued passport, or immigration documents (for non-citizens).

How Do We Define Disability?

SSDI
SSI

For both SSDI and SSI, we define disability as the inability to engage in any substantial gainful activity (SGA) because of a medically determinable physical or mental impairment(s):

- That can be expected to result in death, or
- That has lasted or that we can expect to last for a continuous period of not less than 12 months.

We evaluate the work activity of individuals claiming or receiving disability benefits under SSDI. For the SSI program we evaluate only those individuals claiming benefits because of a disability. Under both programs, we use earnings guidelines to evaluate whether the work activity is SGA, and whether we may consider you disabled under the law. While this is only one of the tests used to decide if you meet our definition of disability, it is the critical first step in the disability evaluation.

If your impairment is other than blindness, earnings averaging over \$810 a month (for the year 2004) generally demonstrate SGA. If you are blind, earnings averaging over \$1,350 a month (for the year 2004) generally demonstrate SGA. These amounts are established by law and are adjusted each year based on the national average wage. Deductions from your earnings that are counted toward this SGA determination may be available. (See pages 28-33.)

SSDI

When applying for SSDI benefits, we use SGA as a factor to decide if you have a disability. We also use SGA as a factor to decide if your disability continues when you are already receiving benefits (except during the trial work period [TWP], see page 35).

SSI When you apply for SSI based on a disability other than blindness, we use SGA as a factor to decide if you have a disability. We use the same SGA level as we do in SSDI. SGA is not a factor for SSI applicants who are blind.

For SSI, we do NOT use SGA as a factor to decide if your disability continues after you begin receiving benefits. Your SSI eligibility continues until you recover medically or your eligibility stops for a non-disability-related reason.

What if You are Self-Employed?

If you are not blind

SSDI
SSI If you are self-employed and your disability is not blindness, we are required to look at your activities and their value to the business to decide if you are performing SGA. Self-employment earnings alone are not a reliable measure of SGA because they are affected by many other factors (for example, market conditions or income sharing arrangements).

Your self-employed work is SGA if:

- You render significant services to the business, AND you receive the SGA level average monthly income, or
- Your work is comparable to the work of individuals without disabilities in your community engaged in the same or similar businesses; or
- Your average monthly work is worth the SGA level earnings in terms of its effect on the business, or when compared to what you would have to pay to an employee to do the work.

If you are blind

SSDI Special SSDI rules are in the law for individuals who are blind. (See page 48.)

SSI In the SSI program, SGA does not apply to individuals who are blind. Current law requires that your eligibility continue until you medically recover or your eligibility stops because of a non-disability-related reason.

SSDI
SSI **How Do We Decide if You are Disabled?**

The process we use to decide if you are disabled involves five steps. They are:

1. Are you working?

If you are working and your average monthly earnings are at the SGA level, we generally cannot consider you disabled. If your monthly earnings average less than the SGA level, we look at your medical condition.

2. Is your medical condition "severe"?

For us to consider you disabled, your impairment(s) must significantly limit your ability to do basic work activities, for example walking, sitting, seeing, and remembering. If it does not, we cannot consider you disabled. If it does, we go to the next step.

3. Is your medical condition in the list of disabling impairments?

We maintain a list of impairments for each of the major body systems that are so severe we automatically consider you disabled. If your medical condition(s) is not on the list, we have to decide if it is of equal severity to an impairment on the list. If it is, we approve your claim. If it is not, we go to the next step.

4. Can you do the work you did previously?

If your medical condition is severe, but not at the same or equal severity as an impairment on the list, then we must decide if you can do your past relevant work. If you can, we will deny your claim. If you cannot, we go to the next step.

5. Can you do any other type of work?

If you cannot do your past relevant work, we then see if you can do any other type of work. We consider your age, education, past work experience, and transferable skills. If you cannot do any other kind of work, we will approve your claim. If you can, we will deny your claim.

Who Decides if You are Disabled?

SSDI
SSI

After helping you complete your application, we will review it to see if you meet the basic requirements for SSI or SSDI. If you meet these basic requirements, we then send your application to the disability determination services (DDS) office in your state. The DDS office will decide if your medical condition is considered a disability under the Social Security law.

In the DDS office, a team consisting of a physician (or psychologist) and a disability examiner will consider all the facts in your case and decide if you are disabled. They will use the medical evidence from your doctors and from hospitals, clinics, or institutions where you were examined or treated. The quicker we get the evidence, the faster we can process your claim. This is why we suggest you give us any copies of medical reports you have.

You should also be sure to contact the doctors and treatment facilities to let them know we will be requesting medical evidence in your case. We ask your doctors or other sources for a medical history of your condition, when it began, how it limits your activities, what the medical tests have shown, and what treatment has been provided. We also ask about your ability to do work-related activities, for example, walking, sitting, lifting, carrying, and remembering. We do not ask them to decide if you are disabled. The DDS team may need additional medical information to decide your case. We may ask you to have a special examination called a consultative examination. We prefer that your doctor or the medical facility where you were treated perform this examination. We will pay for the examination and/or any other additional medical tests, and travel expenses related to it.

We may also request the names, addresses, and telephone numbers of other individuals who know you and can provide information about you. We will consider statements you and other individuals make about your medical history, treatment and response to treatment, your daily activities, work history and efforts to work, and about your symptoms and how the symptoms affect your ability to work.

Our rules for determining disability differ from those in other government agencies and private programs. However, we may consider the medical reports used by another agency to decide if you are disabled under our rules.

When we reach a decision on your claim, we will send you a letter. If we approve your claim, the letter will show your benefit amount and when payments will start. If we do not approve your claim, the letter will explain why and tell you how you may appeal our decision.

How Do We Figure Your Payment Amount?

SSDI

We base your SSDI payment amount on the worker's lifetime average earnings covered by Social Security. The amount is adjusted each year to account for cost-of-living changes. We may reduce the amount if you receive Workers' Compensation payments (including Black Lung payments) and/or public disability benefits, for example certain State, and civil service disability

benefits. Other income or resources do not affect the payment amount.

SSI We base your SSI payment amount on the amount of countable income that you receive, your living arrangement, and the state in which you live. We call the basic monthly payment the "Federal Benefit Rate" (FBR). The FBRs for the year 2004 are \$564 per month for an eligible individual and \$846 per month for an eligible couple. The FBRs are adjusted each year to account for cost-of-living changes. Most states pay some individuals an additional amount that we call a "state supplement." The amounts and qualifications for these state supplements are different from state to state.

To figure your SSI payment amount, we start with your FBR, add your state supplement, if any, and then subtract your countable income.

See page 61 for our definition of income. We do not count all the income that you have. (For example, we do not count any part of a scholarship or grant that you use to pay for tuition, books, fees, or related educational expenses.) The income amount left after we make all the allowable deductions is "countable income." The sections on SSI employment supports explain some of the ways that we can exclude income.

Will You Get Health Insurance Coverage?

SSDI You will receive Medicare coverage if you are eligible for SSDI benefits. However, you may need to wait for your Medicare coverage to begin. (See page 22.) (If you are a former Federal, state or local government employee, you may be eligible for Medicare coverage without being eligible for SSDI.) Medicare consists of hospital insurance (Part A) and supplementary medical insurance (Part B), and starting in 2006, voluntary prescription drug benefits (Part D). Title XVIII of the Social Security Act authorizes Medicare. The Centers for Medicare and Medicaid Services (CMS) administers Medicare, and you can get more information from CMS by calling 1-800-MEDICARE or visiting their web site at www.cms.gov.

SSI **Medicaid** is a jointly funded, Federal-state health insurance program for low-income and needy individuals. It covers certain children, and some or all of the aged, blind, and/or disabled in a state who are eligible to receive Federally assisted income maintenance payments. Title XIX of the Social Security Act authorizes Medicaid. The law gives the states options regarding eligibility under Medicaid. CMS oversees state administration of Medicaid.

Thirty-two states and the District of Columbia provide Medicaid eligibility to individuals eligible for SSI benefits. In these states, your SSI application is also your Medicaid application.

The following states/territories use the same rules to decide eligibility for Medicaid as we use for SSI, but require you to file a separate application:

Alaska	Nebraska	Utah
Idaho	Nevada	N. Mariana Islands
Kansas	Oregon	

The following states use their own eligibility rules for Medicaid, which are different from our SSI rules. In these states, you must file a separate application for Medicaid:

Connecticut	Minnesota	Ohio
Hawaii	Missouri	Oklahoma
Illinois	New Hampshire	Virginia
Indiana	North Dakota	

Contact your local Social Security office or state Medicaid agency for information about eligibility rules in your state, and how you can apply. See page 58 for information about additional Medicaid protection for working individuals with disabilities.

Will You Have to Wait for Your Benefits to Start?

SSDI Generally, you must be disabled for 5 full calendar months before you can receive SSDI benefits for the first time. If you received SSDI benefits before and you return with the same or a related impairment within 5 years, we do not require a new waiting period for SSDI.

NOTE: We do not require a waiting period for children filing for benefits on their parent's earnings record.

Medicare If you have chronic kidney disease requiring regular dialysis or a transplant, you may qualify for Medicare almost immediately whether or not you are disabled.

If your disabling impairment is Amyotrophic Lateral Sclerosis (ALS), also known as Lou Gehrig's disease, you will be eligible for Medicare coverage the same month you are eligible for SSDI benefits.

For everyone else, the first 24 months of disability benefit entitlement is the waiting period for Medicare coverage. During this qualifying period for Medicare, you may be eligible for health insurance through a former employer. You should contact the employer for information about health insurance

coverage. If you received SSDI benefits before and you return with the same or a related impairment within 5 years (7 years for widow(ers) and childhood disability beneficiaries), we do not require a new waiting period for Medicare.

SSI There is no waiting period required before receiving SSI benefits. Your payments will start as soon as you meet the eligibility requirements.

Medicaid If your state does not require a separate application for Medicaid, your Medicaid eligibility starts the same month as your SSI eligibility. In some situations, retroactive eligibility for Medicaid to cover unpaid medical expenses may be possible. (See page 22 for lists of states that require a separate application for Medicaid.)

When Will We Review Your Disability?

SSDI SSI We will review your disability case periodically to see if your condition has medically improved or if you can perform SGA. The only exception is that we do not conduct a review to see if your condition has medically improved while you are using a Ticket to Work. (See page 9.)

- If your original disabling condition is expected to improve, we review your case on or about the date we expect the improvement; or
- If medical improvement is possible, we review your case at least once every 3 years; or
- If medical improvement is not expected, we review your case every 5 - 7 years.

We also review your case when we receive information that you may have medically improved.

SSDI Effective January 1, 2002, if you have received Social Security disability benefits for at least 24 months, we will not conduct a medical review just because you are working.

SSI We may also review your case if you become eligible for benefits under section 1619 or there are changes in your 1619 status (see page 42), but not more often than once a year.

When Will Your Benefits Stop?

SSDI

The last month you can receive SSDI benefits generally is whichever of the following events occurs earliest:

- If we find you no longer have a disabling impairment due either to work at the SGA level or medical improvement, we say that your disability "ceased." Our decision is effective in the month shown by the evidence, or the month we give you written notice, if later. However, we pay SSDI benefits for this month and the following two months. We call these 3 months the "grace period."
- The month before the month you reach full retirement age. This is when your SSDI benefits convert to retirement insurance benefits.
- The month before the month in which you die.

Your SSDI benefits may continue:

- During the extended period of eligibility, if we cease your disability due to your work at the SGA level (see page 36), or
- During your participation in a vocational rehabilitation program, if we cease your disability due to medical improvement. (See page 34.)

SSI

You are not eligible for an SSI benefit for any month you do not meet the non-disability-related eligibility requirements, for example the income and resources tests.

If we find that you no longer have a disabling impairment due to medical improvement, we say that your disability "ceased". Our decision is effective with the month shown by the evidence, or the month we give you written notice, if later. However, your SSI eligibility continues for this month and/or the following 2 months if you meet all the non-disability-related requirements including the income and resources tests. We call these 3 months "the grace period".

- If we ceased your disability due to medical improvement, there is an exception to the above. Your SSI benefits may be continued even longer if you are participating in a vocational rehabilitation program. (See page 34.)

Can You Get Benefits Again if Your Benefits Ended Because of Work?

SSDI
SSI

If your benefits ended because you worked and had earnings, you can request to have your benefits started again without having to complete a new application. We call this process "expedited reinstatement." It was effective January 1, 2001.

You can request that your benefits start again if you:

- Stop receiving SSDI or SSI benefits because of earnings from work;
- Are unable to work or perform SGA because of an impairment(s) that is the same as or related to the impairment(s) that allowed you to get benefits earlier; and
- Make the request within 5 years from the month we terminate your entitlement or eligibility. (The termination month is usually later than the month you stop receiving cash benefits.)

SSDI
SSI While we determine whether you can get benefits again, we can give you provisional (temporary) benefits for up to 6 months. These benefits include payments and Medicare/Medicaid coverage. If we deny your request, we will not ask you to repay the provisional benefits unless you knew or should have known that you did not qualify for reinstatement.

SSDI If we approve your request for expedited reinstatement of SSDI benefits, your eligible spouse and dependent children may also get benefits. We can pay you for up to 12 months before your request, if your condition kept you from working.

During the first 24 months you are eligible for benefits, we will not pay you for any month(s) you perform SGA, but your Medicare coverage will continue. Once you have received 24 months of benefits, which do not have to be in a row, you get a new trial work period and extended period of eligibility. (See pages 35-37.)

SSI If we approve your request for expedited reinstatement of your SSI benefits, your benefits will begin the month after your request. You may be eligible for Medicaid coverage. (See page 22 for a listing of states where you may have to file a separate new application for Medicaid.) Your spouse may also be eligible for reinstatement of his/her SSI benefits. (See page 46 for additional ways that your SSI benefits may be reinstated.)

OVERVIEW OF EMPLOYMENT SUPPORT

How Does Employment Support Help Individuals?

Many individuals with disabilities want to work. It is important for disability beneficiaries to understand that they can still receive benefits while they test their ability to work. Anyone who represents or deals with SSDI or SSI beneficiaries who are working or interested in working should encourage them to contact us about the employment support provisions and learn how these provisions can affect their benefits.

SSDI

Employment Supports provide help over a long time to allow you to test your ability to work and gradually become self-supporting and independent. In general, you have at least 9 years to test your ability to work. This includes full cash payments during the first 12 months of work activity, a 36-month extended eligibility period, and a 5-year period in which we can start your cash benefits again without a new application. (See page 25.) You may continue to have Medicare coverage during this time or even longer.

The SSDI employment supports are:

- Impairment-Related Work Expenses;
- Subsidy and Special Conditions;
- Unincurred Business Expenses (Self-Employed Only);
- Unsuccessful Work Attempt;
- Trial Work Period;
- Extended Period of Eligibility;
- Continuation of Medicare Coverage;
- Medicare for Individuals With Disabilities Who Work; and
- Continued Payment under a Vocational Rehabilitation Program, also known as Section 301.

We discuss each employment support on the following pages. It is important to view all of the employment supports as a total package to appreciate fully the level of support offered to help individuals achieve their goal of greater economic independence.

SSI

SSI Employment Supports offer you ways to continue receiving your SSI checks and/or Medicaid coverage while you work. Some of the provisions can increase your net income to help cover special expenses.

Once you receive SSI, we will consider that your disability continues until you medically recover, even if you work. If you cannot receive SSI checks because your earnings are too high, eligibility for Medicaid may continue. In many cases, if you lose your job or are unable to continue working, you can begin receiving checks without filing a new application.

The SSI employment supports are:

- Impairment-Related Work Expenses;
- Subsidy and Special Conditions;
- Unincurred Business Expenses (Self- Employed Only);
- Unsuccessful Work Attempt;
- Earned Income Exclusion;
- Student Earned Income Exclusion;
- Blind Work Expenses;
- Plan to Achieve Self-Support;
- Property Essential to Self-Support;
- Special SSI Payments for Individuals Who Work – section 1619(a);
- Continued Medicaid Eligibility – section 1619(b);
- Special Benefits for Individuals Eligible Under Section 1619 (a) or (b) Who Enter a Medical Treatment Facility;
- Reinstating Eligibility Without a New Application; and
- Continued Payment under a Vocational Rehabilitation Program, also known as Section 301.

We also discuss these provisions on the following pages. They offer individuals who receive SSI, based on disability, an opportunity to overcome some of the barriers that may have kept them from working.

SSDI/SSI EMPLOYMENT SUPPORTS

Impairment-Related Work Expenses (IRWE)

SSDI
SSI

How do IRWE help you?

We deduct the cost of certain impairment-related items and services that you need to work from your gross earnings when we decide if your "countable earnings" demonstrate performance of SGA. It does not matter if you use these items and services for non-work activities.

SSI

How do we use IRWE to figure your SSI monthly payments?

We also exclude IRWE from your earned income when we figure your SSI monthly payment amount.

SSDI
SSI

When will we deduct your IRWE?

We deduct IRWE for SGA purposes when:

1. The item or service enables you to work;
2. You need the item or service because of your disabling impairment;
3. You paid the cost and are not reimbursed by another source, for example Medicare, Medicaid, or private insurance;
4. The cost is "reasonable"—that is, it represents the standard charge for the item or service in your community; and
5. You paid the expense in a month that you are or were working.
Occasionally, an impairment-related work expense may be used before the first or after the last month of work activity.

SSI

We deduct IRWE when we figure SSI payment amounts when:

- You met requirements 1 through 4 above, and
- You paid the expense in a month that you received earned income or performed work while you used the impairment-related item or service.
Note: In certain situations, we can deduct IRWE amounts for expenses paid before you start or after you stop work.

Examples of Expenses Likely and Not Likely to be Deductible

DEDUCTIBLE

1. Attendant Care Services

- Performed in the work setting.
- Performed to help you prepare for work, the trip to and from work, and after work, for example bathing, dressing, cooking, and eating.
- Services that incidentally also benefit your family, for example meals shared by you and your family.
- Services performed by your family member for a cash fee where he/she suffers an economic loss by reducing or ending his/her work in order to help you. This includes your spouse reducing work hours to help you get ready for work.

2. Transportation Costs

- The cost of structural or operational modifications to your vehicle that you need in order to travel to work, even if you also use the vehicle for non-work purposes.
- The cost of driver assistance or taxicabs that is required because of your disability rather than the lack of public transportation.
- Mileage expenses at a rate determined by us for an approved vehicle and limited to travel to and from employment.

NOT DEDUCTIBLE

1. Attendant Care Services

- Performed on non-workdays or helping you with shopping or general homemaking, for example cleaning, and laundry.
- Performed for someone else in your family, for example babysitting.
- Services performed by your family member for a cash fee where he/she suffers no economic loss. This includes services provided by your non-working spouse.
- Services performed by your family member for payment "in-kind," for example room and board (even if the family member suffers economic loss).

2. Transportation Costs

- The cost of your vehicle whether modified or not.
- The cost of modification to your vehicle not directly related to your impairment or critical to your operation of the vehicle, for example paint or pin striping.
- Your travel expenses related to obtaining medical items or services.

DEDUCTIBLE

3. Medical Devices

- Wheelchairs, hemodialysis equipment, pacemakers, respirators, traction equipment, and braces.

4. Work-Related Equipment and Assistants

- All impairment-related work-assistive devices, services, methods, or systems, including service animals.

5. Prosthesis

- Artificial hip, artificial replacement of an arm, leg, or other parts of the body.

6. Residential Modifications

If you are employed outside of home:

- Modifications to the exterior of your house that permit access to the street or to transportation, for example exterior ramps, railings, and pathways.

If you are self-employed at home:

- Modifications made inside your home in order to create a workspace to accommodate your impairment. This includes enlarging doorway into an office or workroom, modifying office space to accommodate your problems in dexterity.

DEDUCTIBLE

NOT DEDUCTIBLE

3. Medical Devices

- Any device you do not use for a medical purpose.

4. Work-Related Equipment and Assistants

- If you are self-employed, any specific items that were deducted as a business expense.

5. Prosthesis

- Any prosthetic device that is primarily for cosmetic purposes.

6. Residential Modifications

If you are employed outside of home:

- Modifications to your house to help you in your home, for example enlarge interior doorframes, lower kitchen appliances and bathroom facilities, and install interior railings or stairway chair lift.

If you are self-employed at home:

- Any modification expenses you previously deducted as a business expense in determining SGA.

NOT DEDUCTIBLE

7. Routine Drugs and Routine Medical Services

- Regularly prescribed medical treatment or therapy that is necessary to control your disabling condition, even if control is not achieved. This includes: anti-convulsant drugs, blood level monitoring, radiation treatment, chemotherapy, corrective surgery for spinal disorders, and anti-depressant medication. Your physician's fee relating to these services is deductible.

8. Diagnostic Procedures

- Any procedure related to the control, treatment, or evaluation of your disabling condition, for example brain scans and electroencephalograms.

9. Non-Medical Appliances and Devices

- In unusual circumstances, devices or appliances are essential for the control of your disabling condition either at home or at work, for example an electric air cleaner if you have severe respiratory disease. Your physician must verify this need.

10. Other Items and Services

- Expendable medical supplies, for example incontinence pads, elastic stockings, and catheters.
- The cost of a service animal including food, licenses, and veterinary services.

7. Routine Drugs and Routine Medical Services

- Drugs and/or medical services used for your minor physical or mental problems, for example routine physical examinations, allergy treatment, dental examinations, and optician services.

8. Diagnostic Procedures

- Procedures not related to your disabling condition, for example allergy testing.

9. Non-Medical Appliance and Devices

- Devices you use at home or at the office that are not ordinarily for medical purposes. These include: portable room heaters, air conditioners, dehumidifiers, and humidifiers for which your doctor has not verified a medical work-related need.

10. Other Items and Services

- An exercise bicycle or other device you use for physical fitness unless verified as necessary by your physician.
- Health insurance premiums.

Subsidy and Special Conditions

SSDI
SSI "Subsidy" and "special conditions" are our names for support you receive on the job that may result in you receiving more pay than the actual value of the services you perform. "Subsidy" is support provided by your employer. "Special conditions" are generally provided by someone other than your employer, for example a vocational rehabilitation agency.

We consider the existence of subsidy and special conditions when we make an SGA decision. We use only earnings that represent the real value of the work you perform to decide if your work is at the SGA level.

SSI We do **not** take into account subsidy or special conditions when we figure your SSI payment amount.

SSDI
SSI Subsidy or special conditions may exist if:

- You receive more supervision than other workers doing the same or a similar job for the same pay;
- You have fewer or simpler tasks to complete than other workers doing the same job for the same pay; or
- You have a job coach or mentor who helps you perform some of your work.

If your employer and/or other involved parties cannot or will not set the real value of your work, we will decide the value of your work.

Unincurred Business Expenses (Self-Employed Only)

SSDI
SSI "Unincurred business expenses" is our name for contributions made by others to your self-employment business effort.

For examples, the state VR agency gives you a computer for your business, or a friend works for your business as unpaid help.

If you are self-employed, we generally follow the Internal Revenue Service (IRS) rules to figure your net earnings from self-employment. However, the IRS only allows you to deduct expenses for which you actually paid or incurred debt. When we make an SGA decision, we also deduct unincurred business expenses from your net earnings because we want an accurate measure of the value of your work.

SSI We do **not** deduct unincurred business expenses from earnings when we figure your SSI payment amount.

SSDI
SSI For an item or service to qualify as an unincurred business expense:

- It must be an item or service that the IRS would allow as a legitimate business expense if you had paid for it; and
- Someone other than you must have paid for it.

Unsuccessful Work Attempt

SSDI
SSI An unsuccessful work attempt is an effort to do substantial work, in employment or self-employment, that you stopped or reduced to below the SGA level after a short time (6 months or less) because of:

- Your impairment; or
- Removal of special conditions (see page 32) related to your impairment and essential to the further performance of your work.

When we make an SGA decision for initial eligibility for SSDI or SSI, we do not count earnings during an unsuccessful work attempt that occurred prior to your award.

SSDI When we make an SGA decision to determine if your disability continues or ceases because of your work, we do not count earnings during an unsuccessful work attempt.

During the extended period of eligibility, we consider unsuccessful work attempt(s) as part of our SGA decision(s) for months up to and including the month (if any) in which we cease your disability.

During the trial work period, or after the month (if any) in which we cease your disability, we do not consider unsuccessful work attempts because they only have effect when we make an SGA decision.

SSI We only consider an unsuccessful work attempt at the time you file an initial claim. Unsuccessful work attempts are not considered after that time.

Continued Payment Under a Vocational Rehabilitation

Program (also known as Section 301)

SSDI
SSI

If we find you no longer have a disabling impairment due to medical improvement, your benefit payments usually stop. (See page 24.) However, if you participate in an appropriate program of vocational rehabilitation services, employment services or other support services, your benefits may continue until your participation in the program ends.

To qualify:

- You must be participating in an appropriate program of vocational rehabilitation services, employment services or other support services before your disability ended under our rules; and
- We must review the situation and decide that your continued participation in the program would increase the likelihood of your permanent removal from the disability benefit rolls.

Your benefits may continue until you complete your program, your participation in the program stops, or we decide that your continued participation in the program will not increase the likelihood of your permanent removal from the disability benefit rolls.

SSDI EMPLOYMENT SUPPORTS

Trial Work Period (TWP)

How does the TWP help individuals?	The TWP allows you to test your ability to work for at least 9 months. During your TWP, you will receive <i>full</i> SSDI benefits <i>regardless of how high your earnings might be</i> so long as you have a disabling impairment.
When does the TWP start?	Your TWP starts with the first month you are eligible for SSDI benefits or the month in which you file for benefits, whichever is later.
How long does the TWP last?	<p>The TWP continues until you accumulate 9 months (not necessarily consecutive) in which you performed what we call “services” within a rolling 60-consecutive-month period. We use this "services" rule only to count TWP months.</p> <p>We currently consider your work to be “services” if you earn more than \$580 a month (for the year 2004), or work more than 80 self-employed hours in a month. The dollar amount can be adjusted each year based on the national average wage.</p>
What else do you need to know?	<p>You are not eligible for disability benefits or a TWP if you work at the SGA level within 12 months of the start of your impairment(s) and before we approve your claim for disability benefits. This is because your impairment does not meet our definition of disability. (See page 17.)</p> <p>We can consider medical evidence that might demonstrate your medical recovery at any time. Therefore, it is possible for your benefits to stop due to your medical recovery before the end of your TWP.</p> <p>Unsuccessful work attempts (see page 33) do not apply during the TWP.</p>
What happens when you complete your TWP?	<p>We consider your work and earnings after the end of the TWP to decide if you can work at the SGA level. We also consider whether any of the employment supports may affect your situation.</p> <p>After you complete your TWP, you begin your extended period of eligibility, unless we review your disability case and find your impairment has medically improved.</p> <ul style="list-style-type: none">• If we decide that you cannot work at the SGA level, your SSDI benefits continue.• If we decide that you can work at the SGA level, we pay your SSDI benefits for the month your disability ceased due either to medical improvement or your work at the SGA level plus the next 2 months. We call this the "grace period." Then, we stop paying your benefits.

Note: We will not conduct a medical review of your disability case if you are participating in the Ticket to Work program and your ticket is “in-use.” (See page 9.)

Extended Period of Eligibility (EPE)

How does the EPE help you? If we stopped your disability payments because you worked at the SGA level -- we can automatically start your benefit payments again. No new application and/or disability determination is required. (This is a different rule than expedited reinstatement that is described on page 25.)

When can we start your benefits again? The earliest we can start your benefits again is the month after the end of the grace period. (You are paid for the first month your benefits cease due to SGA, and the following 2 months.)

The latest we can start your benefits again is the 37th consecutive month after the end of the trial work period. If your earnings change significantly from month-to-month, it is possible that we could restart your benefits frequently during this period.

How do you qualify for benefits again? Your benefits can start again for any month in the period described above in which:

- You continue to have a disabling impairment, and
- Your earnings in that month fall below the SGA level.

Can you receive benefits after the 37th month? If you are eligible for a benefit payment for the 37th month, you will continue to be eligible for benefits until you:

- Work a month at the SGA level, or
- Medically recover.

What happens if you continue to work? If your benefits end because of your work, we may be able to start your benefits again if you stop work within 5 years. (See page 25.)

Continuation of Medicare Coverage

How does it help you? Most individuals with disabilities who work will continue to receive at least 93 consecutive months of hospital and supplementary medical insurance under Medicare. You pay no premium for hospital insurance. Although cash benefits may cease due to work, you have the assurance of continued health insurance.

When does this start? The 93 months start the month after the last month of your TWP.

How do you qualify? You must work and perform SGA, but not medically improved.

When would you get less than 93 months? You must satisfy your Medicare waiting period. (See page 22.) Once that is complete, your continued Medicare coverage can start and continue for at least the remainder of the 93 consecutive months.

Medicare for Individuals With Disabilities Who Work

Can you buy Medicare coverage? After premium-free Medicare coverage ends due to work, some individuals who have returned to work may buy continued Medicare coverage, as long as they remain medically disabled. Some individuals with low incomes and limited resources may be eligible for state assistance with this cost.

Who is eligible to buy Medicare Coverage? You are eligible to buy Medicare coverage if:

- You are not yet age 65;
- You continue to have a disabling impairment; and
- Your Medicare stopped due to work.

What kind of Medicare can you buy? You can buy Premium Hospital Insurance (Part A) at the same monthly cost that uninsured eligible retired beneficiaries pay, \$343 for 2004; and

You can buy Premium Supplemental Medical Insurance (Part B) at the same monthly cost that uninsured eligible retired beneficiaries pay, \$66.60 for 2004; or

You can buy Hospital Insurance separately without Supplemental Medical Insurance. You can buy Supplemental Medical Insurance only if you also buy Hospital Insurance.

You may qualify for a reduction in the monthly amount of your premium for Hospital Insurance, if you:

- Have 30 or more quarters of coverage on your earnings record; or

- Have been married for at least 1 year to a worker with 30 or more quarters of coverage; or
- Were married for at least 1 year to a deceased worker with 30 or more quarters of coverage; or
- Are divorced, after at least 10 years of marriage, from a worker who had 30 or more quarters of coverage at the time the divorce became final.

When can you enroll?

You may enroll:

- During your initial enrollment period (the month you are notified about the end of your premium-free health insurance and the following 7 months);
- During the annual general enrollment period (January 1 through March 31 of each year); or
- During a special enrollment period. You can enroll at any time while you are working, still have a disabling impairment, and are covered under an employer group health plan, or during the 8-month period that begins with the first full month after your employment or group health plan coverage ends, whichever occurs first.

How does it work with an employer group health plan?

If you purchase Premium Hospital Insurance (Part A) and maintain your employer group health plan, Medicare will be your primary payer if you are working. Your group health plan would become a secondary payer.

When does the state pay premiums for Medicare?

States are required to pay Hospital Insurance premiums for some working individuals with disabilities. You qualify if you:

- Are eligible to enroll in Premium Hospital Insurance for individuals with disabilities who work;
- Meet certain income and resource standards; and
- Are ineligible for Medicare on any other basis.

NOTE: Individuals with disabilities who work should contact their state agency for information. See page 58 for more information about state help with Medicare Part A premiums.

SSI EMPLOYMENT SUPPORTS

Earned Income Exclusion

How does it help you? We do not count most of your earned income when we figure your SSI payment amount.

We do not count the first \$65 of your earnings in a month plus one-half of the remainder. This means that we count less than one-half of your earnings when we figure your SSI payment amount.

We apply this exclusion in addition to the \$20 general income exclusion (an exclusion that is first applied to any unearned income that you may receive).

Examples The following examples show how the earned income exclusion can help you. In Example 1, the individual receives \$361 SSDI each month and \$10 unearned income from another source; in Example 2, the individual receives wages of \$361 per month, no SSDI, and \$10 unearned income from another source.

Example 1

\$361	SSDI
<u>+ 10</u>	Other unearned income
371	
<u>- 20</u>	General income exclusion
\$351	Countable income

\$564	2004 Federal benefit rate
<u>- 351</u>	Countable income
\$213	SSI payment

Available income:

\$361	SSDI
10	Other unearned income
<u>+213</u>	SSI
\$584	Total monthly income

Example 2

\$ 10	Other unearned income
<u>- 20</u>	General income exclusion
\$ 0	Countable unearned income
\$361	Earned income
<u>- 10</u>	Remaining general income exclusion
\$351	
<u>- 65</u>	\$65 Earned income exclusion
\$286	
<u>- 143</u>	½ remaining earnings
\$143	Countable earned income

\$564	2004 Federal benefit rate
<u>- 143</u>	Countable income
\$421	SSI payment

Available income:

\$361	Earned income
10	Other unearned income
<u>+421</u>	SSI
\$792	Total monthly income

Student Earned Income Exclusion

How does it help you?

If you are under age 22, not married nor head of your household, and regularly attending school, we do not count up to \$1,370 of earned income per month when we figure your SSI payment amount. The maximum yearly exclusion is \$5,520. These amounts are for the year 2004; they are adjusted each year based on the cost-of-living.

What is the definition of "regularly attending school?"

"Regularly attending school" means that you take one or more courses of study and attend classes:

- In a college or university for at least 8 hours a week; or
- In grades 7-12 for at least 12 hours a week; or
- In a training course to prepare for employment for at least 12 hours a week (15 hours a week if the course involves shop practice); or
- For less time than indicated above for reasons beyond the student's control, such as illness.

If you are home taught because of a disability, you may be considered "regularly attending school" by:

- Studying a course or courses given by a school (grades 7-12), college, university or government agency; and
- Having a home visitor or tutor who directs the study.

How does it work?

We apply the student earned income exclusion before the general income exclusion or the earned income exclusion.

Plan to Achieve Self-Support (PASS)

How does it help you?

A plan to achieve self-support (PASS) allows you to set aside income and/or resources for a specified time for a work goal.

For example, you could set aside money to pay expenses for education, vocational training, or starting a business as long as the expenses are related to achieving your work goal.

We do not count the income that you set aside under your PASS when we figure your SSI payment amount. We do not count the resources that you set aside under your PASS when we determine your initial and continuing

eligibility for SSI.

A PASS can help you establish or maintain SSI eligibility and can increase your SSI payment amount.

A PASS does not affect any SGA determination for your initial eligibility decision.

Who can have a PASS? If you receive SSI or could qualify for SSI, you can have a plan. For example, if you have too much income to be eligible for SSI now, using the income to pay PASS expenses may make you eligible for SSI. You may not need a plan now, but you may need one next month or next year to remain eligible or to increase your SSI payment amount.

What are the requirements for a PASS? In brief, your plan must:

- Be designed especially for you;
- Be in writing (we prefer that you use our form, the SSA-545-BK);
- Have a specific work goal which you are capable of performing;
- Have a specific timeframe for reaching your goal;
- Show what money (other than your SSI payments) and other resources you have or receive that you will use to reach your goal;
- Show how your money and resources will be used to reach your work goal;
- Show how the money you set aside will be kept identifiable from other funds;
- Be approved by us; and
- Be reviewed by us periodically to assure your plan is actually helping you achieve progress.

Who can help you set up a PASS? Anyone may help you with your PASS, for example vocational counselors, social workers, benefit specialists, or employers. We evaluate the plan and decide if it is acceptable. We also help individuals put their plans in writing.

How does a We do not count resources set aside under a PASS towards the resource limit.

PASS affect your SSI eligibility and/or payment? How can you get more information about a PASS?

When we figure your SSI payment amount, we do not count income set aside under a PASS. We apply this exclusion to your countable income after we apply all other applicable exclusions.

You can get a PASS Expert's toll-free telephone number by calling 1-800-772-1213 or visiting our web site, www.socialsecurity.gov/work/ResourcesToolkit/pass.html.

You can get copies of the SSA-545-BK form at your local office, from any PASS Expert, or from our web site.

Property Essential to Self Support

How does it help you?

We do not count some resources that are essential to your means of self-support when we decide your initial and continuing eligibility for SSI.

What is not counted?

We do not count your property if you use it in a trade or business (for example inventory) or use for work as an employee (for example tools or equipment), regardless of the value or rate of return. Other use of the items does not matter.

We do not count up to \$6,000 of equity value of non-business property that you use to produce goods or services essential to daily activities, regardless of the rate of return. An example is land used to produce vegetables or livestock solely for consumption by your household.

We do not count up to \$6,000 of equity value of non-business income-producing property, if the property yields an annual rate of return of at least 6 percent. An example is a rental property.

However, we do not consider liquid resources, for example stock, bonds, or notes as property essential to self-support, unless you use them as part of a trade or business.

Special SSI Payments for Individuals Who Work – Section 1619(a)

How does it help you?

You can receive SSI cash payments even when your earned income (gross wages and/or net earnings from self-employment) is at the SGA level. This provision eliminates the need for the trial work period or extended period of eligibility under SSI.

NOTE: If you are blind, this does not apply to you because current law doesn't apply the SGA requirement to individuals who are blind.

How do you qualify? To qualify, you must:

- Have been eligible for an SSI payment for at least 1 month before you begin working at the SGA level;
- Still be disabled; and
- Meet all other eligibility rules, including the income and resources tests.

How does it work? Your eligibility for SSI will continue for as long as you meet the basic eligibility requirements and the income and resources tests.

We will continue to figure your SSI payment amount in the same way as before.

If your state provides Medicaid to individuals on SSI, you will continue to be eligible for Medicaid.

Do you need to apply? You do not need to file a special application. Just keep us up to date on your work activity.

Continued Medicaid Eligibility -- Section 1619(b)

How does it help you? Your Medicaid coverage can continue, even if your earnings alone or in combination with your other income become too high for an SSI cash payment.

How do you qualify? To qualify, you must:

- Have been eligible for an SSI cash payment for at least 1 month;
- Still be disabled;
- Still meet all other eligibility rules, including the resources test;
- Need Medicaid in order to work; and
- Have gross earned income that is insufficient to replace SSI, Medicaid, and any publicly funded attendant care. (See the "threshold amount" discussion in the next section.)

What is the The "threshold amount" is the measure that we use to decide whether your

"threshold amount"?

earnings are high enough to replace your SSI and Medicaid benefits. Your threshold amount is based on:

- The amount of earnings which would cause your SSI cash payments to stop in your state; and
- The annual per capita Medicaid expenditure for your state.

If your gross earnings are higher than the threshold amount for your state (see chart below), you may still be eligible if you have:

- Impairment-related work expenses (see page 28);
- Blind work expenses (see page 49);
- A plan to achieve self-support (see page 40);
- Publicly funded attendant or personal care; or
- Medical expenses above the state per capita amount.

2004 State Threshold Amounts for Disabled Individuals

State	Threshold	State	Threshold
ALABAMA	\$18,719.00	MONTANA	\$23,105.00
ALASKA	\$41,058.00	NEBRASKA	\$27,851.00
ARIZONA	\$23,209.00	NEVADA	\$25,962.00
ARKANSAS	\$21,592.00	NEW HAMPSHIRE	\$40,158.00
CALIFORNIA	\$29,040.00	NEW JERSEY	\$27,021.00
COLORADO	\$28,713.00	NEW MEXICO	\$25,430.00
CONNECTICUT	\$42,390.00	NEW YORK	\$34,765.00
DELAWARE	\$29,247.00	NORTH CAROLINA	\$25,856.00
D.C.	\$31,269.00	NORTH DAKOTA	\$30,168.00
FLORIDA	\$22,585.00	OHIO	\$27,345.00
GEORGIA	\$21,337.00	OKLAHOMA	\$19,770.00
HAWAII	\$22,372.00	OREGON	\$23,045.00
IDAHO	\$32,071.00	PENNSYLVANIA	\$22,448.00
ILLINOIS	\$25,641.00	RHODE ISLAND	\$33,103.00
INDIANA	\$28,341.00	SOUTH CAROLINA	\$23,568.00

State	Threshold	State	Threshold
IOWA	\$22,688.00	SOUTH DAKOTA	\$26,660.00
KANSAS	\$27,330.00	TENNESSEE	\$19,443.00
KENTUCKY	\$22,245.00	TEXAS	\$24,792.00
LOUISIANA	\$22,510.00	UTAH	\$23,815.00
MAINE	\$31,213.00	VERMONT	\$27,989.00
MARYLAND	\$30,080.00	VIRGINIA	\$24,055.00
MASSACHUSETTS	\$30,452.00	WASHINGTON	\$21,145.00
MICHIGAN	\$20,204.00	WEST VIRGINIA	\$22,988.00
MINNESOTA	\$36,180.00	WISCONSIN	\$27,645.00
MISSISSIPPI	\$21,227.00	WYOMING	\$21,854.00
MISSOURI	\$25,655.00	NORTHERN MARIANA ISLANDS	\$14,556.00

State Threshold Amounts for Blind Individuals

State	Threshold
CALIFORNIA	\$30,576.00
IOWA	\$23,216.00
MASSACHUSETTS	\$30,954.00
NEVADA	\$30,210.00
OREGON	\$23,645.00

Is there continued Medicaid eligibility in certain states?

These states use their own eligibility rules for Medicaid which are different from our SSI eligibility rules:

Connecticut	Minnesota	Ohio
Hawaii	Missouri	Oklahoma
Illinois	New Hampshire	Virginia
Indiana	North Dakota	

If you live in one of these states, you will continue to be eligible for Medicaid under section 1619(a) & (b) if you were eligible for Medicaid in the month before you became eligible for section 1619.

Special Benefits for Individuals Eligible Under Section 1619 (a) or (b) Who Enter a Medical Treatment Facility

How does it help you?

If you are eligible under section 1619, you can receive an SSI cash benefit for up to 2 months while in a Medicaid facility or a public medical or psychiatric facility.

What happens if you enter a Medicaid facility?	Usually, if you enter a Medicaid facility, for example a facility where Medicaid pays more than 50 percent of the cost of care, your SSI payment is limited to \$30 per month, plus any state supplement, minus any countable income. However, if you enter a Medicaid facility while you are eligible under section 1619, your benefit will be figured using the full Federal Benefit Rate (see page 20) for up to 2 months.
What happens if you enter a public medical or psychiatric facility?	Usually, if you are in a public medical or psychiatric facility, you are not eligible to receive an SSI payment. However, if you enter a public medical or psychiatric facility while you are eligible under section 1619, your SSI cash benefits can continue for up to 2 months. For this provision to apply, the facility must enter an agreement with us that will allow you to keep all of the SSI payment.

Reinstating Eligibility Without a New Application

How does it help you?	<p>If you have been ineligible for an SSI benefit for 12 months or less for any reason other than medical recovery, you may be able to restart your SSI cash payment and/or continued Medicaid coverage without a new application. When your situation changes, contact us and ask about how you can restart your SSI benefits or Medicaid.</p> <p>Good News: If your benefits ended because your earnings put your countable income over the limit, and you stopped work within 5 years, we may be able to start your benefits again. (See page 25, expedited reinstatement.)</p>
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Examples	<p>Example 1 -- If:</p> <ul style="list-style-type: none"> • You are eligible for continued Medicaid coverage under section 1619(b); and • Your countable income drops enough to allow a payment. <p>Then: we can start your SSI cash payments again.</p> <p>Example 2 -- If:</p> <ul style="list-style-type: none"> • You become ineligible for SSI because your earnings exceed the threshold amount; and • Your countable income drops enough to allow payment within 12 months. <p>Then: we can start your SSI cash payments again and notify your state to start your Medicaid coverage again.</p>
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Example 3 -- If:

- You become ineligible for continued Medicaid coverage under section 1619(b) because your earnings exceed the threshold amount; and
- Your earnings drop below the threshold amount.

Then: we can notify your state to start your Medicaid coverage again.

SPECIAL RULES FOR INDIVIDUALS WHO ARE BLIND

How do they help you?	Employment supports, in general, are special rules that help you return to work or work for the first time. Some of the rules apply only to individuals who are blind. Congress included language in the law specifically to make it easier for individuals who are blind to go to work.
How do we define blindness?	Blindness is central visual acuity of 20/200 or less in the better eye with best correction, or a limitation in the field of vision in the better eye so that the widest diameter of the visual field subtends an angle of 20 degrees or less.
SSDI	Under SSDI, this condition has to have lasted or is expected to last at least 12 months.
SSI	There is no duration requirement for blindness under SSI.

How SGA is Applied Under SSDI to Individuals Who Are Blind

How is SGA applied to blind SSDI beneficiaries who work?	We change the SGA level for beneficiaries who are blind every year to reflect changes in general wage levels. For the year 2004, if you are blind, average monthly earnings over \$1,350 will ordinarily demonstrate that you are performing SGA. This is higher than the current guideline for non-blind disabled workers.
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REMINDER: If you are blind, you may use any or all of the deductions from earnings that apply to SGA decisions. (See pages 28 through 33.) However, we deduct each item only once.

How is SGA applied to self-employed SSDI beneficiaries who are blind?	We decide the SGA of self-employed individuals who are blind solely on their earnings. We do not look at time spent in the business or services rendered as we do for non-blind self-employed individuals.
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How is SGA applied to SSDI beneficiaries who are blind and age 55 or older?	Special rules apply after your 55 th birthday. If your earnings demonstrate SGA but your work requires a lower level of skill and ability than the work you did before age 55, or when you became blind, whichever is later, then benefits are only suspended, not terminated. Your eligibility for SSDI benefits continues indefinitely and we pay your benefits for any month earnings fall below SGA.
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SGA is Not Applied Under SSI to Individuals Who are Blind

SGA and SSI

If you meet the medical definition of blindness, the law prohibits us from using SGA as a factor for your SSI eligibility. Your SSI eligibility continues until you medically recover, or we end your eligibility because of a non-disability-related reason. See page 20 for an explanation of how we figure your SSI payment amount.

Blind Work Expenses (BWE) Under SSI

How does it help you?

We do not count any earned income that you use to meet expenses that are needed to earn that income in deciding your SSI eligibility and your payment amount. To qualify you must be:

- Under age 65; or
- Age 65 or older and receiving SSI payments due to blindness.

The BWE items do not have to be related to your blindness.

When we figure your SSI payment amount, we treat items as BWE instead of IRWEs. We do it this way because it always results in a higher SSI payment amount for you.

Examples

Some examples of BWE items are:

- Service animal expenses,
- Transportation to and from work,
- Federal, state and local income taxes,
- Social Security taxes,
- Attendant care services,
- Visual and sensory aids,
- Translation of materials into Braille,
- Professional association fees, and

- Union dues.

What is the effect of BWE on SSI payment amounts? This example uses the same case facts to show how BWEs of \$40 per month affect the SSI payment amount.

<u>Without BWE</u>		<u>With BWE</u>	
\$361	Earned Income	\$361	Earned Income
- 20	General Income Exclusion	- 20	General Income Exclusion
\$341		\$341	
- 65	\$65 Earned Income Exclusion	- 65	\$65 Earned Income Exclusion
\$276		\$276	
- 138	1/2 Remaining Earnings	- 138	1/2 Remaining Earnings
\$138	Countable Income	\$138	
		- 40	Blind Work Expenses
		\$ 98	Countable Income
\$564	2004 Federal Benefit Rate	\$564	2004 Federal Benefit Rate
- 138	Countable Income	- 98	Countable Income
\$426	SSI Payment	\$466	SSI Payment

EXAMPLE OF CONCURRENT BENEFITS AND EMPLOYMENT SUPPORT

Many individuals are eligible for benefits under both the SSDI and SSI programs at the same time. We use the term “concurrent” when individuals are eligible for benefits under both programs. Below we describe how an individual’s concurrent benefits would be affected by his return to work.

Tom has a severe mental illness. He has a relapse in his condition, which forces him to stop working while he is hospitalized. He files an application for Social Security Disability Insurance (SSDI) benefits and Supplemental Security Income (SSI) on February 27, 2001. Although he has had a mental illness since he was a teenager, he believes that he meets our definition of disability beginning February 14, 2001. We call this his alleged onset date of disability.

Tom is approved for disability benefits.

Tom receives an award letter on June 05, 2001 stating he had been approved for disability benefits with his onset date of February 14, 2001.

For SSDI benefit purposes, Tom must serve a 5-month waiting period before becoming eligible for SSDI benefits. The 5 months begin the first full month Tom is approved for disability. In Tom's case the 5 months are March, April, May, June and July. Tom is eligible to receive SSDI benefits beginning August 2001. Tom receives \$300 in SSDI benefits a month.

For SSI benefit purposes, Tom is eligible for SSI benefits beginning March 2001. Tom receives \$251 a month in SSI benefits.

Tom will qualify for health insurance.

After Tom serves a 24-month waiting period for Medicare coverage, Tom will qualify for Medicare coverage August 1, 2003. Medicare Hospital Insurance (Part A) will be premium-free, and Medicare Supplemental Medical Insurance (Part B) is optional but there is a premium. Since Tom is eligible for SSI, the state will pay the Part B premium for him.

When Tom has both Medicare and Medicaid coverage, Medicare will be the primary payer and Medicaid the secondary.

Tom wants to work.

Tom contacts his local office in December 2001 to learn more about his benefits, specifically how a recent job offer will affect his SSDI, SSI, and health insurance benefits.

Tom is certified as an auto mechanic and a local car dealership has offered him a job. Despite the fact Tom's medical condition has not improved, Tom decides he wants to work for the dealership. The dealership will pay him \$1600 a month.

Tom returns to work within a year of his onset date.

Tom begins his work at the car dealership in January 2002. Since Tom returned to work after the final award letter date (June 2001) and after his 5-month waiting period, Tom is eligible for a trial work period.

If Tom has a medical improvement expected diary, (that is, we expect his mental illness to improve) we may start a medical review to determine if he is still meeting the disability requirements.

Tom is working in his trial work period (TWP).

During the TWP, Tom can continue receiving full SSDI benefits for at least 9 months regardless of the amount of his earnings. Each month that Tom earns over \$560 in 2002 will count as a trial work period service month. His TWP ends with the 9th month of service in a rolling 60-month period.

Tom reports to us that he is earning \$1600 a month beginning January 2002. Tom continues to work at the same level and in October 2002, he contacts the office with an update on his work activity.

Tom provides his pay stubs showing the steady work activity from January 2002 through October 2002. We make a determination to document the fact that Tom has completed his trial work period.

TWP months are January, February, March, April, May, June, July, August, and September 2002.

Tom completed his TWP and is now eligible for an extended period of eligibility (EPE).

Tom has completed his TWP. His EPE begins with the first month after the TWP. The first month of Tom's EPE is October 2002. For the next 36 months (through September 2005), Tom will be paid benefits based on his substantial gainful activity (SGA) level. We refer to this 36-month period of time as the reentitlement period. During these 36 months, benefits can be reinstated based on Tom's level of work activity. The SGA limit for 2002 is \$780 per month for non-blind individuals and \$800 per month for 2003.

Is Tom performing SGA?

We know from his pay stubs that Tom is receiving \$1600 a month in wages. While completing the work report we learn from the discussion that Tom is taking a taxi to and from work at a cost of \$400 per month. Tom's treating physician confirms that Tom's condition prevents him from driving. Crowded situations, such as in public transportation, aggravate his condition. Since Tom is paying for the transportation, and there is a medical need for him to take a taxi to and from work, we can deduct the cost of his transportation expenses as Impairment Related Work Expenses (IRWE).

Tom mentions during the interview that he is able to complete 4 car repairs a day compared to his co-workers who complete an average of 6-8 car repairs a day. Tom believes he is paid the same salary as his fellow co-workers. If this is the case, Tom's employer may be subsidizing his wages. We contact the employer and learn that the employer is paying Tom \$1,600 a month, the same rate as experienced employees who produce 6-8 repairs a day. The employer pays Tom the same rate as the experienced employees because he is aware of Tom's disability and understands it takes him longer to complete tasks. The employer calculates the service Tom provides is worth \$1,300 a month.

Based on this information we calculate Tom's SGA earnings. We know the value of his services is \$1300 a month. We deduct the \$400 for his IRWE to determine that his earnings for SGA purposes are \$900 a month. This is still over the monthly SGA limit for 2002, so for the first month of his EPE, Tom is engaging in substantial gainful activity.

How does Tom's SGA level work activity affect his benefits in the EPE?

In the first month of the EPE we determine if an individual is engaging in SGA. If the beneficiary is engaging in SGA, we cease benefits with that month. A beneficiary can be paid for the month of cessation and the two following months. We refer to this as the "grace period."

Tom's month of cessation was October 2002, but we paid him for October and the two following months (November 2002 and December 2002.)

If Tom's earnings fall below the SGA limit, benefits can be reinstated without filing an application if Tom is still in his 36-month reentitlement period.

If Tom is re-entitled to benefits during the 36-month reentitlement period, he can continue to collect benefits if his work activity is below the SGA limit, even after the 36-month re-entitlement period ends.

Will Tom's entitlement to SSDI terminate?

If Tom continues to work at the same level, with his work activity constantly over the SGA limit, Tom's entitlement to SSDI will terminate the first month after the end of the 36-month EPE. His entitlement would terminate October 2005.

Tom's entitlement may stop earlier than October of 2005 if he no longer meets our disability requirements.

Will Tom continue to have Medicare coverage?

If Tom continues to work above the SGA level and no longer receives his SSDI payment, he can continue to have Medicare coverage for at least an additional 93 months after his TWP period. This is as long as he continues to have a disabling impairment (has not medically improved). Tom's Medicare coverage would thus end on June 30, 2010, and terminate on July 1, 2010.

Tom can then choose to purchase Premium Medicare Hospital Insurance coverage (Part A). If he purchases Part A, he can then purchase Part B. Since Tom has earned at least 30 quarters of coverage, he can qualify for the reduced Part A rate of \$174 (2003 rate). The full premium for Part A is \$316 in 2003. The Premium Supplemental Medical Insurance (Part B) rate for 2003 is \$58.70. So Tom's Premium Medicare Insurance (Parts A & B) coverage based on the 2003 rate would total \$232.70. Tom's actual rate will be based on the rates in 2010, the year his premium free coverage ends.

If Tom decides to purchase Medicare coverage, he must file an application with Social Security, and we will conduct a medical continuing disability review. After the medical review, if we determine that Tom's medical condition has not improved, he can purchase Medicare coverage.

At age 65, if he still has Medicare it will automatically convert to Medicare under the Aged provisions.

If Tom's employer offers him a Group Health Plan, Medicare could be either the primary or secondary payer. Different rules apply for a small group health plan and a large group health plan (LGHP). Tom's company is a large corporation. While Tom is still entitled to SSDI benefits his insurance through his employer, the LGHP, will be the primary payer and Medicare secondary. After Tom's entitlement to SSDI ends, if Tom chooses to purchase Part A then Medicare would be the primary payer. His LGHP would be secondary payer. This changes because Tom is now paying a premium for Part A.

Tom may decide that he does not want coverage under the LGHP, and may want to get a Medicare supplemental plan. Tom will need to carefully consider his insurance options through his employer, Medicare, and Medicaid. See the information below about Medicaid with the SSI program.

How does Tom's work activity affect his SSI benefit?

Unlike SSDI, SGA is not an issue once a person becomes eligible for SSI. It is considered when filing for SSI disability benefits, unless the disability is blindness. So, if an SSI beneficiary returns to work, we determine whether the individual continues to meet the non-disability requirements, including income and resources. (TWP and EPE apply only to SSDI, not SSI.) For Tom, we will determine the effect of his \$1,600 earnings on his SSI eligibility and payment amount on a month by month basis.

Remember that he is receiving \$300 SSDI monthly for January 2002 through January 2003 and has wages of monthly \$1,600 beginning January 2002.

We start by calculating his SSI payment for January 2002. In this case, since his monthly income does not change, the calculation will be the same for all months of 2002.

First, we subtract the \$20 general income exclusion from his SSDI.

$\$300 \text{ SSDI} - \$20 = \$280 \text{ countable unearned income}$

Then, we subtract the \$65 earned income exclusion from his wages.

$\$1,600 - \$65 = \$1,535 \text{ earned income}$

Next, we deduct the \$400 IRWE from the earned income and divide the results by 2 (the second step in the earned income exclusion).

$\$1,535 - \$400 \text{ IRWE} = \$1,135.00 \div 2 = \$567.50 \text{ countable earned income}$

(Note: Subsidy is not an SSI earned income exclusion; it only applies to SGA. This means we cannot subtract the \$300 per month subsidy that was used in determining SGA for SSDI entitlement. However, IRWE applies to both SGA and SSI income.)

Then, add the countable unearned income to the countable earned income to determine countable income.

$\$280 \text{ countable unearned income} + \$567.50 \text{ countable earned income} = \$847.50 \text{ countable income.}$

We subtract the countable income from the SSI Federal Benefit Rate (FBR) to determine SSI eligibility and payment amount.

$\$545 \text{ FBR in January 2002} - \$847.50 \text{ countable income} = \text{no SSI payment.}$ (Note: He might be due an SSI payment if he lives in a state that combines its supplemental payment with the Federal payment, and the combined monthly payment exceeds his countable income.)

Tom will not receive SSI payments for January 2002 through December 2002 because of his monthly earnings and his SSDI benefits. However, he will still be eligible for SSI and Medicaid

under section 1619(b) of the Social Security Act, as long as his earnings remain under his state's threshold amount, he needs the Medicaid coverage, and he continues to be eligible for SSI except for his earnings.

Since he will not receive SSDI benefits beginning January 2003 for as long as he works over the SGA level, we determine if he is eligible for SSI effective January 2003. Assuming his salary and IRWE remain the same for all months of 2003, below is an explanation of how we figure his SSI eligibility and payment amount:

Tom has no unearned income, so both the general income exclusion and earned income exclusion will be subtracted from his monthly wages.

$\$1,600$ monthly wages - $\$20$ general income exclusion - $\$65$ earned income exclusion = $\$1,515$

$\$1,515$ - $\$400$ IRWE = $\$1,115 \div 2 = \557.50 countable earned income

$\$552.00$ FBR for January 2003 - $\$557.50$ countable income = no SSI payment. (He does not live in a state that has arranged with us to combine the state supplement with the Federal payment.)

Tom remains ineligible for any SSI payment unless his earnings or IRWE change. Again, his Medicaid will continue as long as his earnings are below his state's 1619(b) threshold amount, he needs Medicaid coverage, and he would be eligible for SSI payments except for his earnings. During this time, he is eligible for an SSI payment for any month that his countable income decreases to below the FBR amount. If Tom's earnings do exceed the state threshold amount that makes him ineligible for Medicaid under the 1619(b) provision, he may be eligible to buy-into Medicaid if he resides in a state that has the optional Medicaid buy-in program.

ACCOMMODATIONS FOR INDIVIDUALS WHO ARE BLIND

We recognize our duty to inform you of your rights and responsibilities under our programs.

Web Site We make every reasonable effort to maintain the accessibility of our web site, www.socialsecurity.gov/work.

Letters We can send letters and other correspondence to you by regular mail, followed by a telephone call to explain the information in the letter; by regular mail, without a telephone call; by certified mail; and in Braille for certain correspondence. You need to let us know your preference.

Publications available in alternate formats This book, *The Red Book*, and some other publications are available in alternative media. You can get these materials in Braille, audiocassette tape, disk, or enlarged print form. A list of the publications available in alternate formats can be found on our web site at www.socialsecurity.gov/pubs/alt-pubs.html. You may order these publications while you are online, or you may:

- Contact our Braille Services Team at:

Social Security Administration
Braille Services Team
6401 Security Boulevard
1-A-19 Operations Building
Baltimore, Maryland 21235-0000

Phone: (410) 965-6414 or (410) 965-6407

Fax: (410) 965-6400

- Call our toll free number, 1-800-772-1213

ADDITIONAL HELP WITH HEALTH CARE FOR INDIVIDUALS WITH DISABILITIES

Medicaid Protection For Working Individuals With Disabilities

How does it help you? Your state has several ways to provide Medicaid to workers with disabilities.

How do you qualify? You may qualify if you:

- Meet the definition of "disabled" under the Social Security Act; and
- Would be eligible for Supplemental Security Income (SSI) payments if it were not for your earnings.

If you are not an SSI recipient, your state decides if you are disabled. Your state will not consider whether you are working when it makes that decision.

How can you get more information? Contact the state Medicaid office in your area.

Visit the Centers for Medicare and Medicaid Services' (formerly the Health Care Financing Administration) web site at www.cms.gov.

View the State Chart of Work Incentives Activities at www.socialsecurity.gov/work/Beneficiaries/activity2.html.

Help With Medicare Part A Premiums

How does it help you? If you are under age 65, disabled, and no longer entitled to free Medicare Hospital Insurance Part A because you successfully returned to work, you may be eligible for a program that helps pay your Medicare Part A monthly premium.

How do you qualify? To be eligible for this help, you must:

- Continue to have a disabling impairment;
- Sign up for Premium Hospital Insurance (Part A);

- Have limited income;
- Have resources worth not more than \$4,000 for an individual and \$6,000 for a couple, not counting the home where you live, usually one car, and certain insurance; and
- Not already be eligible for Medicaid.

For more information

To find out more about this program, contact your local, county, or state social services or medical assistance office. Ask about the Medicaid buy-in program for Qualified Disabled and Working Individuals (QDWI).

GLOSSARY

Blind Work Expenses (SSI)	If you are blind, we do not count any earned income that you use to meet expenses in earning that income when we decide your SSI eligibility and payment amount.
Break-Even Point (SSI)	The dollar amount of total income that will (after applicable deductions are applied) reduce the SSI payment to zero in a given set of case facts. Your break-even point depends on your earned and unearned income, living arrangements, applicable income exclusions, and state supplement, if any.
Continuing Disability Review (SSDI and SSI)	Our process of obtaining complete current information about your condition to decide if your SSDI and/or SSI benefits should continue.
Continuation of Medicare Coverage (SSDI)	You can receive at least 93 consecutive months of hospital and supplemental medical insurance after the trial work period. This provision allows health insurance to continue when you go to work and are engaging in SGA.
Countable Income (SSI)	The amount of money left after we have subtracted all available deductions from your total income. We use this amount to decide your SSI eligibility and payment amounts.
Deeming (SSI)	Our process of considering some of the income and resources of your parent, spouse, or sponsor (if you are an alien) to be your income and resources when you are applying for or receiving SSI benefits.
Expedited Reinstatement	Qualified individuals may request reinstatement of benefits, within 5 years of benefits having stopped, without having to file a new application. Up to 6 months of provisional benefits are available while we make a decision on the request.
Extended Period of Eligibility (SSDI)	During the 36 consecutive months following the trial work period, if you qualify, we may restart your SSDI benefits without a new application, disability determination, or waiting period.

Impairment-Related Work Expenses (SSDI and SSI)

We deduct the cost of items and services that you need to work because of your impairment, for example attendant care services and medical devices, when we decide if you are engaging in SGA. It does not matter if you also need the items for normal daily activities. We can usually deduct the cost of these same items from earned income to figure your SSI payment.

Income (SSI)

SSI income is:

- Earned income -- money received from wages, including from a sheltered workshop or work activity center, self-employment earnings, and some royalties and honoraria; and
- Unearned income -- money received from all other sources, for example gifts, interest, Social Security, veteran's benefits, pensions. Unearned income also includes "in-kind income" (free food, clothing, or shelter) and "deemed income" (some of the income of a spouse, parent, or sponsor of an alien).

Medicaid (Medi-Cal in California, AHCCS in Arizona) (SSI)

Medical coverage provided to a person by the state title XIX program.

Medicaid Protection for Individuals with Disabilities Who Work

A state may provide Medicaid coverage for individuals with disabilities who: have earnings that are too high to qualify under current rules; or are at least 16, but less than 65 years of age; and meet state resource and income limits. A state may also provide Medicaid coverage to these individuals when they lose coverage due to medical improvement, but still have a medically determinable severe impairment.

Medical Improvement Expected (SSDI and SSI)

When we decide you have a disabling impairment, and we also decide that the disabling impairment(s) may improve, we document that your case will need a future review.

Medicare (SSDI)	<p>Two-part health insurance program for eligible disabled individuals and individuals age 65 or older:</p> <ul style="list-style-type: none"> • Hospital Insurance under Medicare (Part A); and • Supplementary Medical Insurance under Medicare (Part B).
Medicare for Individuals With Disabilities Who Work (SSDI)	<p>Some individuals with disabilities who have returned to work can buy continued Medicare coverage when their premium-free Medicare ends due to work activity. States are required to help pay the hospital insurance premiums for some working individuals with disabilities.</p>
Plan to Achieve Self-Support (PASS) (SSI)	<p>Under an approved PASS, you may set aside income and/or resources over a reasonable time period which will enable you to reach a work goal to become financially self-supporting. You then can use the income and resources that you set aside to obtain occupational training or education, purchase occupational equipment, establish a business, etc. We do not count the income and resources that you set aside under a PASS when we decide SSI eligibility and payment amount.</p>
Property Essential To Self-Support (SSI)	<p>We do not count some or all of certain property necessary for self-support when we apply the SSI resources test.</p>
Resources (SSI)	<p>Resources are anything you own, for example a bank account, stocks, business assets, real property, or personal property that you can use for your support and maintenance. We do not count all your resources when we decide your SSI eligibility.</p>
Substantial Gainful Activity (SSDI and SSI)	<p>We evaluate the work activity of individuals claiming or receiving disability benefits under SSDI, and/or claiming benefits because of a disability (other than blindness) under SSI. Under both programs, we use earnings guidelines to evaluate your work activity to decide whether the work activity is substantial gainful activity and whether we may consider you disabled under the law. While this is only one of the tests used to decide if you are disabled, it is a critical first step in the disability evaluation.</p>

SSDI	Social Security Disability Insurance authorized under title II of the Social Security Act.
SSI	Supplemental Security Income program authorized under title XVI of the Social Security Act.
Subsidy and Special Conditions (SSDI and SSI)	Supports you receive on the job that may result in more pay than the actual value of the work you perform. We use only the actual value of the work you perform when we make an SGA decision.
Trial Work Period (SSDI)	The trial work period is an incentive for the personal rehabilitation efforts of SSDI beneficiaries who work. The trial work period lets you test your ability to work or run a business for at least 9 months and receive full SSDI benefits <u>no matter how high your earnings are</u> if your impairment does not improve.
Unincurred Business Expenses	Support contributed to your self-employment effort by someone else. If you are self-employed, we deduct unincurred business expenses from earnings when we make an SGA decision.
Unsuccessful Work Attempt	An effort to do substantial work (in employment or self-employment) which you stopped or reduced to below the SGA level after a short time (6 months or less). This change must have resulted because of your impairment, or removal of special conditions related to your impairment that were essential to the further performance of your work. We do not count earnings during an unsuccessful work attempt when we make an SGA decision.

LIST OF ACRONYMS

AWIC	Area Work Incentive Coordinators
BPAO	Benefit Planning, Assistance and Outreach
BWE	Blind Work Expenses
CMS	Center for Medicare & Medicaid Services
EARN	Employer Assistance Referral Network
EN	Employment Network
EPE	Extended Period of Eligibility
EXR	Expedited Reinstatement
FBR	Federal Benefit Rate
FICA	Federal Insurance Contributions Act
IRWE	Impairment Related Work Expenses
P&A	Protection and Advocacy
PABSS	Protection and Advocacy for Beneficiaries of Social Security
PASS	Plan to Achieve Self-Support
PESS	Property Essential for Self-Support
SGA	Substantial Gainful Activity
SSA	Social Security Administration
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
TTW	Ticket to Work
TWP	Trial Work Period
UWA	Unsuccessful Work Attempt
VR	Vocational Rehabilitation

ADDRESSES FOR SOCIAL SECURITY REGIONAL OFFICES

Boston (Region I)

Regional Commissioner, SSA
Attn: Center for Disability Programs
Room 1900
John F. Kennedy Federal Building
Boston, Massachusetts 02203

Dallas (Region VI)

Regional Commissioner, SSA
Attn: Disability Programs
1301 Young St.
Suite 670
Dallas, Texas 75202-5493

New York (Region II)

Regional Commissioner, SSA
Attn: Disability Center
Jacob Javits Federal Office Building
26 Federal Plaza, Room 40-102
New York, New York 10278

Kansas City (Region VII)

Regional Commissioner, SSA
Attn: Disability Programs
Room 461, Federal Office Building
601 East 12th Street
Kansas City, Missouri 64106

Philadelphia (Region III)

Regional Commissioner, SSA
Attn: Disability Programs
P.O. Box 8788
Philadelphia, PA 19101
Physical Location:
300 Spring Garden Street
Philadelphia, Pennsylvania 19123

Denver (Region VIII)

Regional Commissioner, SSA
Attn: Disability Programs
Federal Office Building
1961 Stout Street
Denver, Colorado 80294-3538

Atlanta (Region IV)

Regional Commissioner, SSA
Attn: Disability Programs
61 Forsyth St., SW
Suite 22T64
Atlanta, Georgia 30303-8907

San Francisco (Region IX)

Regional Commissioner, SSA
Attn: Disability Programs
Sixth Floor
Frank Hagel Federal Bldg.
1221 Nevin Ave.
Richmond, California 94801

Chicago (Region V)

Regional Commissioner, SSA
Attn: Disability Programs
10th Floor
600 West Madison
Chicago, Illinois 60661

Seattle (Region X)

Regional Commissioner, SSA
Attn: Disability Programs
Mail Stop 303A
701 Fifth Avenue - Suite 2900
Seattle, Washington 98104-7075

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