



AFI

IDA Support for Social Security Disability Beneficiaries



AFI Resource Center

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Assets for Independence

- ▶ Assets for Independence (AFI), which is administered through the Office of Community Services (OCS), enables community-based nonprofits and government agencies to implement and demonstrate an assets-based approach for giving low-income families a hand up out of poverty. AFI projects help participants save earned income in special-purpose, matched savings accounts called Individual Development Accounts (IDAs).
- ▶ The entire AFI Resource Center team would like to thank you for joining the webinar today.
- ▶ The Administration for Children and Families (ACF) is extremely supportive of asset building strategies for people with disabilities. Today you will hear a bit about one of our initiatives underway.
- ▶ If you have questions after the call, the AFI Resource Center is available to provide support in enhancing asset building efforts. Please use the following link (<http://IDAresources.org>) or reach us by phone at 866-778-6037.

Purpose of the Webinar

Purpose: Examine the Social Security Disability program rules and opportunities for beneficiaries to work, save, and build assets through participation in AFI IDAs.

Presentation Overview:

- Basics of the Social Security Disability Benefit Programs: Title II Disability Benefits and SSI
- Social Security Disability program rules providing opportunities for beneficiaries to work and build assets
- Specific eligibility and income rules promoting the participation of beneficiaries in AFI IDAs
- Opportunities to use PASS and Other Work Incentives Strategically to Help Beneficiaries Meet Their Asset Development Goals
- Resources for support: Work Incentives Planning and Assistance Projects (WIPAs)

Presenters

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- ▶ Jolene Wyler, Project Director
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Many AFI IDA participants with disabilities will receive some type of disability benefit.

Two of the largest Federal disability programs are administered by SSA:

▶ **Title II Disability Benefits**

- Social Security Disability Insurance (SSDI)
- Childhood Disability benefit (CDB)
- Disabled Widow(er) benefit (DWB)

▶ **Supplemental Security Income (SSI)**

Why Asset Building for People with Disabilities? Because Economic Assets Matter!

Individuals with disabilities often have very limited income and few, if any, assets.

- 4.1 million adults receive SSI; the maximum benefit of \$674/month (2011) is only 75% of the federal poverty level for a family of one.
- 6.5 million adults receive Social Security Disability Insurance benefits. The average monthly SSDI payment is \$1004 (2008) – only 116% of the federal poverty level for a family of one.

Title II Disability benefits and SSI are separate and very different programs!

- ▶ While the programs share a common disability requirement, they differ in:
 - Purpose
 - Eligibility requirements
 - Treatment of work and earnings
 - Rules related to savings and assets

Title II Disability Benefits Basics

- ▶ Disability program for workers added in 1956
- ▶ Supplements income of workers and their families when earnings lost as a result of disability
- ▶ Entitlement or insurance program –
 - Have earned sufficient “credits” by paying into the system yourself (SSDI),
 - have a deceased, retired or disabled parent who paid in on your behalf (CDB), or
 - be eligible for Disabled Widow(er)s Benefits (DWB).

Eligibility for Title II Disability

- ▶ Not means tested – resources and other forms of unearned income are irrelevant and are not considered in eligibility determination.
- ▶ No minimum age requirement
- ▶ Must meet the SSA Disability Standard
- ▶ Provides monthly cash benefit and Medicare

SSI Basics

- ▶ Established in 1972
- ▶ Provides a minimum level of monthly income for food and shelter needs to persons who are aged 65 or older, Disabled, or Blind, and economically needy
- ▶ A means tested program – must have limited income and resources to qualify
- ▶ No work or “insured status” requirement for SSI
- ▶ Monthly cash benefits & Medicaid
(Maximum SSI Benefit in 2011: \$674 / mo.)

SSI Income Test

Federal Benefit Rate (\$674 or \$1,011 in 2011)

- Countable Earned and Unearned Income

= SSI Cash Benefit Amount

SSI Resource Test

- ▶ Resources are any cash or liquid resources a person has, or any real or personal property they own that can be converted into cash and used to meet their food clothing and shelter needs.
- ▶ Countable Resources must be below statutory limits:
 - \$2000.00 for an individual
 - \$3000.00 for an SSI eligible couple



**Opportunities for
Social Security Disability Beneficiaries
to Work and Build Assets**



Work & Earnings and Social Security Disability Benefits are not mutually exclusive!

- ▶ Common misconception: Disability beneficiaries will lose their eligibility for benefits if they work.
- ▶ The Reality: There are a number of rules and incentives in place with both the SSI and Title II disability programs that encourage and support work.

The SSI Reality: It Pays to Work!

Beneficiaries will always have more
money in their pocket if they
receive SSI and work!!!

Impact of Earnings on SSI

- ▶ The SSI program provides for a gradual reduction in monthly cash benefits as earnings increase.

It is not a “dollar for dollar” reduction!

- ▶ Beneficiaries with no other income can earn up to \$1433/month in 2011 before losing their SSI cash benefit.

Continued Access to Healthcare

- ▶ Even when earnings increase to the point that they are too high to receive an SSI cash benefit, Medicaid coverage can continue for working SSI beneficiaries.
 - Section 1619(b)
 - Medicaid Buy-In Programs
- ▶ SSI Beneficiaries can work, earn, and have Medicaid all at the same time!

Title II Disability Benefits and Work

- ▶ Title II provisions, including the Trial Work Period and Extended Period of Eligibility, allow for beneficiaries to keep their monthly cash benefits for a period of time when they begin work.
- ▶ Beneficiaries who have all their work incentives intact keep their full payment for a minimum of 12 months after going to work – **no matter how much they earn!**

Title II Disability Benefits and Work

- ▶ As long as the beneficiary does not consistently have countable earned income over the current Substantial Gainful Activity (SGA) amount (\$1,000/\$1,640 per month in 2011), cash benefits can be retained indefinitely!
- ▶ After cash benefits have stopped, healthcare coverage can continue under the Extended Period of Medicare Coverage.



**Opportunities for
Social Security Disability Beneficiaries
to Save and Build Assets**

SSDI Benefits: Saving & Building Wealth

- ▶ Title II Disability Benefits (SSDI) are not based on economic need and there are no restriction on savings, investment or asset accumulation.
- ▶ Planning for the future, saving, and building assets has no negative impact on eligibility for Title II beneficiaries!

SSI Benefits: Saving & Building Wealth

- ▶ The SSI program is means-tested and does impose restrictions on both income and resources.

However, there are numerous resource exclusions that do not count in any way against the beneficiary in SSI eligibility determinations.

SSI Common Resource Exclusions:

- ▶ The home in which the beneficiary lives
- ▶ Household goods and personal effects
- ▶ One automobile per household
- ▶ Some life insurance policies
- ▶ Some burial funds, burial spaces, and life insurance assigned to funeral provider
- ▶ Medical devices and adaptive equipment
- ▶ Some student financial assistance
- ▶ Federal Individual Development Accounts (IDAs)
- ▶ Plan for Achieving Self-Support (PASS) exclusions
- ▶ Some trusts



Social Security Disability Program Rules Promoting Participation in AFI IDAs



Social Security Disability Beneficiaries are wonderful candidates for AFI IDAs!

- ▶ As Title II Disability Benefits are not based on economic need, participating in an AFI IDA has no negative impact for Title II beneficiaries!
- ▶ While asset accumulation is limited in the SSI program, the “good news” is that funds set aside in an AFI IDA are NOT counted as either income or resources.

Impact of AFI IDAs on SSI Eligibility

SSI Income Test:

- IDA earnings contributions deducted from wages in determining countable income
- IDA matching funds excluded from income
- Interest earned also excluded
- IDA disbursement for qualified asset purchases (home, education, self-employment) excluded
- Emergency withdrawals are considered loans and therefore not counted as income

Impact of AFI IDAs on SSI Eligibility

SSI Resource Test:

- Individual IDA contributions excluded as resource
- Matching IDA funds and interest earned excluded as resource
- IDA asset goals excluded as resource

SSI and AFI IDA Asset Goals:

- ▶ SSI beneficiaries are permitted to own one home of any value, as long as it is the beneficiary's primary residence. (SI 01110.210)
- ▶ SSI permits ownership of a business through a specific resource exclusion known as "property essential for self-support" (PESS). (SI 01130.500)
- ▶ SSI offers a variety of income and resource exclusions specifically designed to encourage saving for post secondary education, including educational loans, scholarships or grants. (SI 01130.455)

SSI Resource Exclusions: Educational Grants, Scholarships, Fellowships, and Gifts

All student financial assistance received under Title IV of the Higher Education Act of 1965 or Bureau of Indian Affairs (BIA) student assistance programs is excluded from income and resources. No time limit on exclusion and may be used for any educational expenses, including food and shelter.

(Examples: Pell Grants, Work-Study Programs)

Educational Grants, Scholarships, Fellowships, and Gifts:

- ▶ Federal Educational Loans used to support educational costs are excluded as income and resources.
- ▶ All other grants, scholarships, fellowships and gifts used to pay for tuition, fees, and other educational expenses at any educational institution – including vocational and technical education – are excluded for 9 months.

Impact of AFI IDAs on SSI Payments

- ▶ SSI program rules allow for deducting AFI and TANF earnings contributions directly from countable earnings or net earnings from self-employment.
- ▶ SSI beneficiaries recover half of their IDA contribution through their SSI cash benefit!

Regulation Link

- [SI 00830.670](#) Exclusion from income and resources of Demonstration Project IDAs (AFI IDAs)

Keys to Success:

**The Plan to Achieve Self-Support (PASS)
Work Incentive and Other Supports**

Plan to Achieve Self -Support

- ▶ PASS is an SSI work incentive that makes it possible for people with disabilities to set aside and use their income and/or resources to achieve their specific work goal.
- ▶ PASS makes it possible for beneficiaries to save for and purchase assets needed for work.
- ▶ PASS also allows for beneficiaries to use their income to pay for services or supports they need to be successful in reaching their work goal.

How PASS Works

- ▶ Development & Approval of a plan to reach a specific career goal.
- ▶ The income and resources saved under a PASS is used by the beneficiary to pay for items or services needed to reach their career goal.
- ▶ SSA does not count this income and resources in determining SSI eligibility and payment amount. Less countable income equals a higher SSI cash benefit.

IDAs and PASS

IDA: promote self-sufficiency through accumulating savings & acquiring assets that grow in value over time

PASS: promote self-sufficiency through employment

- When considering PASS opportunities for IDA participants, keep in mind that acquiring assets through use of a PASS always needs to be tied to an employment outcome.

Circumstances where using PASS and IDA together may be helpful...

- ▶ A person is contributing earnings to an IDA for an asset that promotes an employment outcome. The earnings contributed to the IDA can simultaneously be excluded under a PASS, enabling the beneficiary to leverage additional funds (savings) through their SSI benefit.
- ▶ A person is contributing earnings to an IDA, and has additional unearned income. While the unearned income can not be used as contribution to the IDA, it can be used in a PASS. If the IDA is for education or self-employment, the unearned income can be set aside in the PASS to enable the person to reach their goal more quickly.

Circumstances where using PASS and IDA together may be helpful...

- ▶ Other items or services are needed to meet the work goal that are not permissible AFI IDA savings goals (e.g. assistive technology, personal assistance services, transportation).
- ▶ A participant's IDA account will be closed and there are unused earnings contributions that will be returned to them. It will count as income for SSI in the month it is received. Any amount remaining at the beginning of the second month will count as a resource.

PASS Considerations

- ▶ Does it make sense given the person's employment goals / needs?
- ▶ Does PASS make good financial sense?
- ▶ Is the person willing to commit the time and effort to develop a feasible plan for employment and complete the PASS application / approval process?
- ▶ Need for separate IDA and PASS Plans and Accounts?
- ▶ Need for additional case management and monitoring supports?

Other Important IDA Considerations for Social Security Disability Beneficiaries

- ▶ IDA earnings contributions returned to SSI beneficiary may adversely impact benefit eligibility and payment amount.
- ▶ SSI program rules favoring IDA participation do not extend to non-Federal IDAs. PASS is a means to exclude non-federal IDA funds as income and resources.
- ▶ AFI and TANF IDA resource exclusion applies to all Federal means-tested programs.

Keys to Success: Establish Partnerships

Work Incentives Planning and Assistance Projects

- ▶ Local organizations funded by SSA to provide benefits information and planning services.
- ▶ Staffed by trained and certified Community Work Incentives Coordinators who can answer questions about work, earnings, and opportunities to build assets.
- ▶ AFI Grantees and WIPA Projects share common goals and are critical partners in supporting successful participation of beneficiaries in AFI IDAs.

WIPA Services: What to Expect

- ▶ CWICs work in concert with beneficiaries and members of their employment team to establish employment goal and preferences.
- ▶ Gather and verify information on benefits, work incentives, services
- ▶ Development of Benefits Summary & Analysis (BS&A) Report and Work Incentives Plan (WIP)
- ▶ Proactive follow-up benefits and work incentives supports

WIPA Supports for IDA Participation

- ▶ Provide information on WIPA services & Disability Benefits – IDA interface
- ▶ Identify & refer WIPA Candidates for IDA participation
- ▶ Provide ongoing support as need to beneficiaries participating in IDAs
- ▶ Development of additional work incentives to support asset development goal (PASS, PESS, SEIE...)
- ▶ Link AFI grantees to information & resources in the disability community

WIPA Basic Eligibility Criteria:

- ▶ At least age 14, but not yet full retirement age
- ▶ Disabled per SSA's definition
- ▶ Already receiving Social Security benefits based on disability
 - Supplemental Security Income (SSI)
 - Social Security Disability Insurance (SSDI)
 - Childhood Disability Benefit (CDB)
 - Disabled Widow or Widowers Benefit (DWB)

Locating Your Local WIPA Project

- ▶ Social Security Administration Web Site:

<https://secure.ssa.gov/apps10/oesp/providers.nsf/bystate>

- ▶ VCU WIPA National Training Center Web Site:

<http://www.vcu-ntc.org>

Sources of Information:

- ▶ Social Security Administration: The Work Site
<http://ssa.gov/work/>
- ▶ VCU WIPA National Training Center Web Site:
<http://www.vcu-ntc.org>

AFI Resource Team

- ▶ Technical Assistance available to grantees from the AFI Resource Center Team, including:
 - Telephone
 - Email
 - on-site TA
- ▶ To contact the AFI Resource Center Team, call (866)-778-6037 or email the Team at info@idaresources.org.
- ▶ Visit www.idaresources.org for more information.



How Will Participating in an IDA Affect a Person's Eligibility for Disability Benefits?

"Because the Title II disability benefits are not based on economic need, unearned income and resources are not considered and have no bearing on eligibility or payment amount."

Two of the largest Federal programs that pay monthly cash benefits to qualified individuals with disabilities are the Title II Disability benefit program (also commonly referred to as Social Security Disability or SSDI) and the Supplemental Security Income program (SSI). In addition to income support, these programs also provide beneficiaries with access to health insurance and a variety of incentives to encourage and support work. While the Title II and SSI programs share a common disability requirement and process for determining disability, they are very different programs in regards to their purpose; non-disability eligibility requirements; and their treatment of work, earnings, and resources. Based on these important programmatic differences, answering the question, "How will participating in an IDA affect a person's eligibility for disability benefits and monthly benefit amounts?" requires first understanding which of the Social Security benefits a participant receives.

Introduction to Title II Disability Benefits

The Social Security Act, which became a law in 1937, was originally designed to serve solely as a retirement program for workers. Over the years, however, a number of benefit programs have been gradually added under Title II of the Social Security Act. These include benefits paid to a worker's family members and survivors, as well as a disability program for workers.

Questions?