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EMPLOYMENT AND DISABILITY: DEBUGGING THE MYTH OF
EMPLOYMENT AND LOSS OF BENEFITS.

By

Matthew Fred

B.A. Southern Illinois University, 2005

A Research Paper Submitted in Partial Fulfillment of the Requirements for the

Masters of Science Degree

Rehabilitation Counselor Training Program

In the Graduate School

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RESEARCH PAPER APPROVAL

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EMPLOYMENT AND LOSS OF BENEFITS

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in the field of Rehabilitation Counseling

Approved by:

Dr. Thomas Upton

Graduate School

Southern Illinois University Carbondale

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TITLE: EMPLOYMENT AND DISABILITY: DEBUGGING THE MYTH OF EMPLOYMENT AND LOSS OF BENEFITS.

MAJOR PROFESSOR: Dr. Thomas Upton.

In the United States those with disabilities have few options for support outside of family and friends. For most persons with disabilities this support comes in the form of either Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) provided through the Social Security Administration (SSA). Throughout the years qualifying for these benefits has become a labor intensive process. During this process a person must demonstrate an inability to work under a definition that nearly requires a complete incapacity of the individual. This difficulty in qualifying has resulted in a long held belief among recipients that if one returns to work one will immediately lose one's benefits. An examination of "Work Incentives" provided by SSA reveals the availability of regulations that will allow most beneficiaries to return to work while continuing to receive payments and maintain health coverage. These work incentives and how they work are discussed for both SSI and SSDI recipients. Special Exemptions for the blind are also provided. Examination of the literature illustrates the vast amount of information available for applying to receive Social Security benefits but there is a lack of discussion about employment and its impact on benefits thereafter.

TABLE OF CONTENTS

<u>CHAPTER</u>	<u>PAGE</u>
ABSTRACT.....	i
CHAPTERS	
CHAPTER 1 – Introduction.....	1
CHAPTER 2 – Literature.....	8
CHAPTER 3 – Summary.....	26
REFERENCES	30
VITA	32

CHAPTER 1

Introduction

For individuals with disabilities in the United States a major source of support is through governmental programs such as Supplemental Security Income (SSI), or Social Security Disability Insurance (SSDI). Under these programs individuals must qualify under a definition of having a disability which is “the inability to do any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period not less than twelve months” (Duddleston, 2002, p.220). It is under this broad definition that those with a disability must function while attempting to remain as contributing members of society.

For those with disabilities the process of becoming qualified to receive benefits can be such a complicated task that once approved the fear of losing their coverage may discourage efforts in finding employment. The application for receiving disability asks the person to gather information from a litany of sources. A list of needed information provided by Social Security asks the applicant for the following information: 1) Social Security number(s) for you, your spouse and any minor children, 2) Birth or baptismal certificate, 3) Name, address, phone numbers of the doctors, case workers, hospitals and clinics that took care of you and dates of visits, 4) Names and dosage of medicines taken, 5) Medical records from doctors, therapists, hospitals, clinics and caseworkers that you already have in possession, 6) Laboratory and test results, 7) A summary of where you worked and type of work done, 8) Copy of most recent W-2, or federal tax return if self-employed, 9) Name, address, and phone number for an alternate contact person, 10) A list

of the kinds of jobs and dates worked in the previous 15 years (SSA, 2008). And this is just to complete the initial application.

This information is gathered and brought to the persons' interview. Even after supplying the information from their physicians the applicant may still have to undergo another evaluation by a physician designated by Social Security. The applicants' information is then sent to a state agency that makes disability decisions. After completing the application and interview the decision process can still take 3 to 5 months. It is this complicated process of qualification along with poorly understood incentives to finding employment after qualifying for disability that can at times act as a disincentive to future efforts (Better, 1979). The availability of incentives allowing one to keep benefits while returning to work can make for an easier transition period back into employment. These incentives and the process for using them will be the focus of this study. Congress approves these employment supports in the effort to provide assistance in moving from benefit dependency to independence. The supports are designed to help the person enter, re-enter, or stay in the workforce by protecting eligibility to cash payments and/or health care until a goal is achieved. The importance of this information is to provide a readily accessible source for funding options available through the Social Security Administration (SSA). The importance of these programs and incentives to those with disabilities can be seen in the increasing number of people receiving benefits.

The SSDI program has grown rapidly in the past two decades which is a trend that can be attributed to different factors which include population growth, policy changes by the SSA, and dislocations in the U.S. labor market (Kennedy, 2004). In an effort to update figures on the prevalence and most common causes of disabilities among adults

the CDC and the U.S Census Bureau analyzed the most recent figures from the Survey of Income and Program Participation (SIPP). This longitudinal study is conducted by the U.S. Census Bureau and represents the civilian non-institutionalized population living in the United States. This analysis indicated that the prevalence of disability in 2005 (21.8%) remained unchanged from 1999 (22.0%). Due to the aging of the population, particularly to the large group born between 1946-1964 (“baby boomers”) though the number of persons reporting a disability increased 7.7% from 44.1 million to 47.5 million (Hootman, 2009).

With the increasing numbers of people reporting a disability the number of those receiving benefits also increases. According to Social Security approximately 7.5 million people received payments in December of 2008 in the SSI program (Annual Statistical Report). This is compared to approximately 7.4 million people receiving payments in December of 2007. As can be seen it is an increase of approximately 100 thousand. Of those receiving payments most, 84 percent in 2008 , and 83 percent in 2007, were eligible on the basis of disability. And this is just the one program. The Annual Statistical Report on the Social Security Disability Insurance program, 2009 states that Disability benefits were paid to over 8.9 million people compared to 8.5 million people in 2008. Some of these people also qualified for payments under SSI. This increase is larger than with SSI and represents even greater expenditures and a greater number of people that are no longer employed. workers had benefits terminated. This represents a very small portion of those receiving payments successfully returning to work and no longer relying these programs for support.

There are many theory’s that may contribute to the lower number of people with

disabilities finding employment than those without. One of the widely recognized reasons for employers not hiring a person with a disability is the fear of increased cost in such areas as accommodations, absenteeism, and worker's compensation. Research has been conducted which demonstrates that when employees with disabilities are compared to employees without disabilities in these areas that there is very little difference. In a study conducted by Hernandez and McDonald employees with disabilities were compared to those without for the three sectors in the workforce of Healthcare, Hospitality, and Retail. Workers were compared on the areas of job performance, supervision, tenure, job performance, supervision, absences (scheduled and unscheduled), workers compensation claims, and accommodations. In entirety the findings indicated that the work variables of employees with and without disabilities were often cost neutral (Hernandez, 2010).

The need for information such as this is demonstrated by the difference in employment rates for those with and without disabilities. According to the American Community Survey conducted by the Census Bureau the percentage of non-institutionalized, males or females, with a disability, aged 18-64, all races, regardless of ethnicity, with all education levels in the United States in 2008 who were employed was 39.3% (von Schrader, 2010). By increasing the knowledge of available resources to those receiving benefit's the number of beneficiaries returning to work will increase as well. Not every person that is currently receiving benefits will successfully transition from the disability roles to full-time gainful employment, but even a small decrease can have a significant impact. With the increasing number of the aged population that is becoming eligible for these benefits after years of working society cannot afford to ignore

the number of those receiving benefits that want and can return to employment after disability.

Purpose

The intentions of this paper is to identify and illustrate efforts made through employment incentive programs that a return to employment does not mean an automatic loss of benefits including health coverage. This will be accomplished by reviewing Work Incentives for those receiving Supplemental Security Income, Social Security Disability, and Special exemptions for the Blind along with the methods for utilizing them. The three areas; the number of persons in the United States receiving SSI and SSDI; the number of those beneficiaries currently employed; and potential impact for employers hiring those with disabilities will be highlighted. These areas will be used to illustrate the potential impact for the consumer and the employer of finding employment for, or returning those receiving disability to employment.

Several terms are used for different programs that provide work incentives receiving Social Security or Disability benefits. These plans are typically know by their acronym such as -SSDI-Social Security Disability Insurance. The understanding of these terms along with the processes involved with them can improve the ability of the person in successfully applying for the incentive.

Terms

SSDI -Social Security Disability Insurance-Program provides benefits based on a persons work history.

SSI-Supplemental Security Income-Program makes cash payments available to aged, blind, and disabled persons with limited income and resources.

SGA- Substantial Gainful Activity-Term is used to describe a level of work activity and earnings.

TWP-Trial Work Period-Allows the person to test their ability to work for at least 9 months.

FBR-Federal Benefit Rate-is the maximum amount payable to an individual with no other income and is based on living arrangement.

SEIE-Student Earned Income Exclusion-If the person is under the age of 22 and regularly attending school Social Security does not count up to a set amount of earned income per month while figuring the SSI payment.

PASS-Plan to Achieve Self-Support-Person can set aside income other than their SSI for a specified period of time to pursue a work goal.

BWE-Blind Work Expenses-Any income used to meet the needs to earn that income are not considered when figuring their payment amount.

EPE-Extended Period of Eligibility-Allows the recipient to resume receiving benefits if they are not working during the 36 month re-entitlement period.

EXR-Expedited Reinstatement-Allows an individual to receive up to 6 months of temporary cash benefits while SSA conducts a medical review to determine whether the individual can be reinstated to benefits.

IWRE-Impairment Related Work Expense-Program deducts the cost of certain impairment-related items and services the person needs to work.

PESS-Property Essential to Self Support-Resources that are essential to a persons means of self-support are not counted in determining eligibility.

TTW-Ticket To Work-increases ones available choices when obtaining employment

services, vocational rehabilitation services, and other support services they may need to get or keep a job.

UWA-Unsuccessful Work Attempts-An effort to do substantial work, in employment or self-employment, which is stopped or reduced to below SGA level after a short time (6 months or less) because of ones impairment or removal of special conditions related to ones impairment and essential to further performance of the work.

CHAPTER 2

This chapter will identify incentives offered to beneficiaries receiving both Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI). A review of the programs run by the SSA is given first illustrating characteristics for each. A discussion of the term Substantial Gainful Activity (SGA) will be given and what type of activity may qualify. This is followed by the use of SGA in the initial determination and continuing eligibility. The different incentives available to those receiving SSI and SSDI will be discussed. The benefits allowed from each individual incentive will be identified along with the specific requirements to qualify for the benefit. Special exemptions allowed for individuals that are blind and receiving either SSI or SSDI will also be provided.

The following is a brief description of the two programs run by the SSA that provide benefits based on disability or blindness. The two programs offered are Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI). SSDI provides benefits to blind or disabled persons that are “insured” through the workers contributions to the Social Security trust fund. Contributions are based on the persons earnings (or those of a spouse or parent) which is required by the Federal Insurance Contributions Act (FICA). This benefit is authorized by Title II of the Social Security Act. If the person has dependents they may also be eligible for benefits off the workers earnings record. SSI makes cash payments available to aged, blind, and disabled persons with limited income and resources. This may also include children. This program is funded through the Federal Government by general tax revenues. Some states pay a supplemental benefit to persons along with their Federal benefit. Through arrangements

some of these states combine their payments with the Federal into one payment while others maintain their own payment system. SSI is authorized by Title XVI of the Social Security Act.

The SSI and SSDI programs share many terms and concepts. There are also important differences in the rules that may affect eligibility and benefit payments. It is important to understand these differences because some people may apply for or be eligible for benefits under both programs. The initial difference comes in the minimum initial qualification. For SSDI a person must meet the SSA definition of disability along with be “insured” through FICA contributions of their earnings, or those of a spouse or parent. To be eligible for SSI a person must meet the SSA definition of disability and have limited income and resources. The next difference is in health coverage.

Under SSDI health coverage is provided by Medicare and its’ included parts but under SSI health coverage is through Medicaid. Some SSDI recipients may also qualify for Medicaid if they meet the income and resource requirements. How a person’s payment is figured also differs by program. For SSDI the person’s payments are based on their lifetime average earnings covered by Social Security while SSI is based on the Federal Benefit Rate. The availability of state subsidy also is different. There is no subsidy available under SSDI while as previously some states offer an SSI subsidy for which qualifications and payment amounts vary by state. The impact of employment on the persons eligibility for and amount of cash payments will be discussed in the following sections.

Research shows that most persons with disabilities want to work, and with the right support systems along with appropriate opportunities can work (Kennedy, 2004).

For many receiving SSI or Disability the long held belief has been that if they return to work they will lose their financial and more importantly their health care benefits.

Although returning to work can have an impact on ones financial benefits, depending on ones given form of assistance, SSI or Disability, there are programs that will allow the recipient to continue receiving their financial benefits and maintain health care coverage after returning to work.

For recipients wanting to work, regardless of which form of benefit they are receiving, a major threshold is known as Substantial Gainful Activity (SGA). This term is used to describe a level of work activity and earnings. According to the 2010 Red Book from Social Security work is considered “substantial” if it involves doing significant amounts of physical or mental activities or a combination of both. For their activity to be considered substantial it does not need to be done on a full-time basis. An activity is considered “gainful” if the work is performed for pay or profit; or is work of a nature generally performed for pay or profit; or is intended for profit whether or not a profit is realized. If the person is receiving SSDI based on disability SGA is used to determine initial eligibility. SGA is also used to determine if the persons disability continues after returning to work and completing TWP. For those receiving SSI due to disability SGA is only used to determine initial eligibility. Once receiving SSI different standards are applied. SGA is not used as a factor for initial eligibility for those that are blind.

Generally the SSA uses *earnings guidelines* to evaluate if work activities are SGA and if the person is considered disabled under the law. The amount of monthly earnings considered for SGA is based on the nature of the persons disability. The Social Security

Act specifies higher SGA amounts for statutorily blind persons. It is this threshold, which is calculated annually, that often determines continuing benefits after returning to work. For 2010 SGA was raised from \$980 per month to \$1,000. For the blind individual earnings averaging over \$1640 a month generally demonstrate SGA. But even when a recipient starts making this amount they may continue to remain eligible for benefits due to exclusions from what Social Security calls employment incentives. These incentives are available to both those receiving SSI and SSDI. Many of the incentives are the same for each type of benefit with a few exceptions. For those receiving Social Security Disability the SGA threshold is accompanied by the Trial Work Period (TWP) and the Extended Period of Eligibility *Incentives for SSI*

For those who are receiving SSI the impact of returning to work is different than someone receiving Social Security Disability. When figuring a persons' SSI payment Social Security begins with a twenty dollar general income exclusion. This is applied to any unearned income a person may receive. After this the persons' first sixty five dollars of earned income is excluded along with half of their remaining earnings. So simply put after the initial exclusions the persons payment is reduced one dollar for every two dollars earned. Overall it means that over half of the persons earnings are not counted when figuring their payment. Beyond this there are further incentives for SSI recipients to be able to exclude higher amounts of income.

One incentive a student can utilize is the Student Earned Income Exclusion. As listed in the "2010 Red Book", provided as a summary guide to employment supports by Social Security, if the person is under the age of 22 and regularly attending school Social

Security does not count up to \$1,640 of earned income per month while figuring the SSI payment. The maximum yearly exclusion under this incentive for 2010 is \$6,600. These amounts are adjusted each year for the cost-of-living. To qualify for this exemption a person must be “regularly attending school”. This is defined as taking 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 at least 12 hours a week; or In a training course to prepare for employment at least 12 hours a week (15 hours a week if the course includes shop practice); or For less time than indicated above for reasons beyond the students control such as illness.

The Student Earned Income Exclusion benefit also applies for persons that are home schooled if: You are instructed in grades 7-12 for at least 12 hours a week; and The instruction is in accordance with a home school law for the State or jurisdiction in which you live. If the person is home schooled because of a disability they are 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 that instructs the study. The student earned income exclusion is applied before the general income exclusion or the earned income exclusion. To learn if one is eligible for this incentive they need to contact their local Social Security office and speak with a Claims Representative.

Another possible exclusion for SSI recipients is the Plan to Achieve Self-Support (PASS). With a PASS plan one can set aside income other than their SSI for a specified period of time to pursue a work goal. This other income can be set aside to pay for expenses for education, vocational training, or starting a business as long as the expenses

are related to achieving a work goal. This income that is set aside is not counted when figuring the persons payment or continuing eligibility for SSI. Beyond maintaining continuing eligibility for SSI a PASS may increase the amount of ones payment. To be eligible though a PASS must contain certain criteria.

To begin the PASS must be designed especially for the person. Next the PASS must be in writing. It is preferred that one uses the form SSA-545-BK. This form is available at Social Security offices, from a PASS expert, or on Social Security's website, www.ssa.gov/online/ssa-545.html. The PASS must also have a specific work goal the person is capable of performing. There must also be a specific time frame for achieving the goal. The PASS must also show what money (other than SSI payments) and other resources the person has or receives that will be used to achieve the work goal. Also listed must be how the money or resources will be used to reach the goal. The PASS must also show how the funds will be kept separate from other funds. Finally the PASS must be approved and periodically reviewed by Social Security to assure that the plan is actually helping the person achieve progress. One can get help with a PASS from anyone such as a vocational counselor, social worker, benefit specialist, or employer. The plan will be reviewed by Social Security and they will decide if it is acceptable. The exclusions under this benefit are applied to ones countable income after all other appropriate exclusions.

For some SSI recipients certain resources may not be counted when deciding continuing eligibility. Under the Property Essential to Self-Support (PESS) resources that are essential to ones means of self-support are not counted in determining eligibility. The items are not included if they are used in a trade or business, or personal property

that one uses for work as an employee. Under this plan up to \$6,000 of equity value of non-business property used to produce goods or services essential to daily activity is counted. This can be land used to produce things such as vegetables or livestock solely for the individuals consumption. A person can also exclude up to \$6,000 of equity value of non-business income-producing property such as rental property if the property yields an annual rate-of-return of at least 6 percent. The person must be currently using the property being excluded under the PESS for their self-support activities or if not expect to be within a reasonable period of time, usually 12 months. Liquid resources such as stocks or bonds are not considered for the PESS unless they are used as part of a business or trade. To establish a PESS plan contact Social Security and speak with a claims representative.

There is also a work incentive that will consider certain expenses one has when figuring their payment. The incentive Impairment Related Work Expense (IRWE) deducts the cost of certain impairment-related items and services the person needs to work. These costs are deducted when Social Security decides if ones “countable earnings” demonstrate performance of SGA. It does not matter if these items are also used for non-work activities. The deductions are made for SGA purposes when: The item(s) or service(s) enable the person to work; The item(s) or service(s) are needed because of a physical or mental impairment; the person pays the cost and is reimbursed by another source such as Medicaid, Medicare, or private insurer; and The cost is “reasonable”, that is, it represents the standard charge for the item or service in their community, and it was paid for in a month in which they were working.

If the person is receiving SSI benefits the IWRE are excluded from their earnings

when figuring the payment. The person must meet requirements and the expense must be in a month where they received earned income or performed work while using the impairment-related item or service. In certain situations Social Security can deduct IWRE amounts for expenses the person pays before starting or after stopping work. There are many different categories that qualify for deductible expenses. Some deductible categories are transportation costs, attendant care, medical devices, prosthesis, residential modifications, routine drugs and medical services, diagnostic procedures, non-medical appliances and devices, and select other items and services. In each of these categories there are deductible and not deductible items. To find out which items may be deductible the person would consult with their benefit planner and physician.

Another work incentive available for SSI recipients is the Special SSI Payments for Individuals Who Work-Section 1619(a). Under this incentive a person may continue to qualify to continue receiving cash payments from SSI even when their earned income (gross wages and/or net earnings from self-employment) reaches the SGA level. This provision eliminates the need for the Trial Work Period or the Extended Period of Eligibility under SSI. To be qualified the person must: Have been eligible for an SSI payment for at least 1 month prior to their working at the SGA level; and Still be disabled; and Meet all other eligibility rules, including the income and resource tests. The persons eligibility will continue as long as they meet the basic eligibility requirements and the resource tests. The SSI payment amount will continue to be figured the same way as before. If the State the person is in provides Medicaid to those on SSI they will also continue to be eligible for Medicaid. Recipients do not need to file a separate application for this benefit, only keep Social Security up-to-date on their work

activity.

For the SSI recipients that have been ineligible for an SSI payment due to work they may be able to restart their SSI cash payment at any time without a new application. Under the provision Reinstating SSI Eligibility Without a New Application it states that if the person has been ineligible for SSI and/or Medicaid for any reason other than work or recovery they may be eligible to restart their SSI cash payment and/or Medicaid coverage within 12 months without a new application. When a recipients situation changes they need to contact Social Security and ask about restarting their SSI benefits and/or Medicaid. If the persons SSI cash payments and/or Medicaid coverage ended because of work earnings and they stop working within 5 years of when their benefits ceased they might be able to have benefits reinstated under Expedited Reinstatement (EXR).

Expedited Reinstatement is a safety net for those who successfully return to work and later lose entitlement to benefits or payments. The EXR provision allows an individual to receive up to 6 months of temporary cash benefits while SSA conducts a medical review to determine weather the individual can be reinstated to benefits. The individual may also be eligible to receive Medicare and/or Medicaid during the provisional benefit period. A person is eligible to request EXR if they meet the following requirements: Previous entitlement to SSDI payments was terminate due to performance of SGA; or previous SSI disability/blindness eligibility was terminated due to excess earned income or a combination of earned and unearned income; Not be performing SGA in the month applying for EXR; Not be able to perform at SGA due to their medical condition; Have a current medical impairment(s) that is the same as or related to the

original disabling impairment(s); and Requesting EXR within 5 years of the month benefits were terminated. To apply a beneficiary can contact Social Security and set an appointment to apply for Expedited Reinstatement.

For those who may lose income due to entering the hospital there is an incentive to help extend coverage. Under the provision Special Benefits for Individuals Under 1619 Who Enter a Medical Facility a recipient may be eligible to receive an SSI cash payment for up to 2 months while in a Medicaid facility or in a public medical or psychiatric facility. Typically if a recipient enters a Medicaid facility where Medicaid pays more than 50% of the cost of care their SSI payment is limited to \$30 per month, plus any state supplement, minus any countable income. Although if the person enters a Medicaid facility while eligible under 1619 their payment will be figured using the full Federal Benefit Rate for up to 2 months. If a person enters a public medical or psychiatric facility they are usually not eligible to receive an SSI payment. However if the person enters one of these facilities while eligible under 1619 their SSI cash payments may continue for up to 2 months. For this provision to apply the facility must enter into an agreement with Social Security that will allow the person to keep all of their SSI payment.

After a recipient returns to work there is a provision that may allow them to maintain Medicaid coverage. The provision Medicaid While Working 1619(b) may allow the recipients Medicaid coverage to continue even if their earnings (alone or in combination with other income) become too high for an SSI cash payment. To qualify the recipient must: Have been eligible for an SSI cash payment for at least 1 month; Would be eligible for cash payment except for earnings; Still be disabled; Need Medicaid

in order to work; and have gross income that is insufficient to replace SSI, Medicaid, and any publicly funded attendant care. The decision of whether or not a person's income is too high is based on what is termed a "Threshold Amount". A threshold amount is based on the amount of earnings that would cause the person's SSI cash payments to stop in their state and the annual per capita Medicaid expenditure for that state. If the person's gross earnings are higher than the threshold amount for their state they still may be eligible if they have: Impairment Related Work Expenses; Blind Work Expenses; A Plan to Achieve Self-Support; Publicly funded attendant or personal care; or Medical expenses above the state per capita amount.

Incentives for SSDI

Many of the work incentives that are available for SSI recipients also apply to those receiving SSDI. Although for those receiving SSDI the initial transition to employment has provisions different from SSI. As stated earlier the provisions of the Trial Work Period and the Extended Period of Eligibility are the first differences. Under SSDI for a recipient that returns to work the first threshold the TWP allows the person to test their ability to work for at least 9 months. Under TWP the recipient will receive full SSDI payments, regardless of how much they earn, as long as their work is reported and they have a disabling impairment. Social Security states that the TWP starts the first month the person is eligible for SSDI payments or the month in which they apply for benefits, whichever is later.

The TWP continues until the recipient accumulates 9 months (not necessarily consecutive) in which they perform what Social Security calls "services" within a rolling 60 month period. The "services" rule is only used to count TWP months. A person's

work is considered “services” if their gross earnings are more than \$720 a month for 2010, or more than 80 hours in self-employment in a month. After the TWP the person then enters the Extended Period of Eligibility unless a continuing disability review is conducted and it is found that their medical condition has improved. After TWP ends Social Security takes into account the persons work and earnings to determine if they can work at SGA. Also when the TWP completes the person may become eligible for other employment supports and Social Security determines weather any of them apply to the recipients situation.

There is other important information regarding the Trial Work Period. A person does not qualify for TWP if they work at the SGA level within 12 months of the start of their impairment(s) or before approval of the claim for disability benefits. This is because the impairment does not meet the definition of disability. SSA may consider medical evidence that might demonstrate the persons medical recovery at any time. This means that it is possible for a recipients benefits to stop before the end of their TWP due to medical recovery. Continuing disability reviews will not be conducted if the person is participating in the Ticket to Work Program and are using their ticket. Unsuccessful Work Attempts (UWA) do not count during the TWP. The dollar amount of TWP “services” can be adjusted each year based on the national average wage index.

As has already been stated, after completion of the TWP one then enters the Extended Period of Eligibility (EPE). The EPE begins the first month after TWP ends, even if the person is not working that month. The first 36 months of EPE is the re-entitlement period. The EPE allows the recipient to resume receiving benefits if they are not working during the re-entitlement period. During this 36 month period benefits are

paid for months that the persons earnings (or work activities) are below SGA level as long as they continue to have a disabling impairment. Benefits are suspended for the months that earnings are above the SGA level. The persons benefits will be restarted within the re-entitlement period if their earnings fall below SGA. A new application and/or disability determination is not required. If it is found that the recipient works above SGA for the first time, and they are continuing to work above SGA the recipient will be paid for the first month and the following two months which is known as the grace period. If the person is still in the 36 month re-entitlement period and earnings fall below SGA benefits can be reinstated without a new application. If the person is not working at SGA and are eligible for a payment during the 37th month they will continue to be eligible for benefits until they either work a month at SGA level or medically recover.

For those receiving SSDI and are self-employed there is an additional consideration when determining if the person is working at SGA. "Unincurred Business Expenses" which are contributions made by others to your self employment business efforts, such as a computer provided by a State VR agency or a friend that works for free, are deducted from the persons net earnings when figuring SGA. This is done to get an accurate measure of the value of the persons work. For an item 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 else must have paid for it. An unincurred business expense does not effect an SSI payment if the person is receiving one.

For those receiving SSDI the continuation of their medical coverage is also

possible after returning to work. After receiving SSDI for 24 months recipients qualify for Medicare coverage. It is the continuation of this coverage that some employment incentives help to maintain. When one returns to work they will continue to receive at least 93 consecutive months of Hospital (Part A); Supplemental Medical Insurance (Part B); and Prescription Drug Coverage (Part D), if enrolled, after the 9 month TWP. These 93 months begin the month after the end of TWP. To qualify the person must already have Medicare and be working at SGA, but not be medically improved.

Even after premium-free Medicare coverage ends when one returns to work they may be able to purchase continued Medicare coverage. To start the person must still be medically disabled. For some with low incomes and limited resources they may be eligible for state assistance with these costs under certain Medicare Savings Programs. The persons state Health and Human Services determines if they qualify for this help. A person is qualified to buy Medicare coverage if: They are not yet age 65; and They continue to have a disabling impairment; and Their Medicare stopped due to work. Those eligible are able to buy Part A (Hospital), and Part B (Supplemental Medical Insurance) coverage at the same premium rate for uninsured retired beneficiaries. The Hospital Insurance can be purchased without the Supplemental Insurance, but the Supplemental Insurance can only be purchased with the Hospital Insurance. Part D (Prescription Drug) coverage is also available.

Some workers might qualify for a reduced rate for the Hospital Insurance (Part A) premium. For 2010 a person will qualify if they: Have 30 or more quarters of coverage on their earnings record; or Have been married for at least one year to a worker with at least 30 quarters of coverage; or Were married at least 1 year to a deceased worker with

at 30 quarters of coverage; or Are divorced, after at least 10 years of marriage, from a worker with at least 30 quarters of coverage at the time the divorce became final. The worker can enroll for this coverage during their initial enrollment period (the month they are notified about the end of their premium-free health insurance and the following 7 months); or During the annual general enrollment period (January 1 thru March 31 each year); or During a special enrollment period. The person can enroll at any time while they are working, covered under an employer group health plan, still have a disabling impairment, or during the 8 month period that begins with the first full month after their employment group health plan coverage ends, or whichever comes first. For Prescription Drug Coverage (Part D) they can enroll (or change plans) during the annual coordinate election period (November 15 thru December 31 of each year).

If a worker purchases Premium Health Insurance (Part A) and maintains their employers group health plan Medicare would become the primary payer if they are working. The group health plan would become the secondary payer. Under this incentive States are required to pay Hospital Insurance (Part A) premiums for some workers with disabilities. The worker qualifies if: They are eligible to enroll in Hospital Insurance for persons with disabilities who work; and Meet certain income and resource standards; and Apply for assistance with their stated Medicaid agency; and Are ineligible for Medicaid on any other basis.

Special Exemptions for the Blind

For those individuals that are blind there are special rules when applying these exemptions. With these employment supports which generally help a person return to work congress included special language in the law that makes it easier for blind persons

to return to work. Blindness is defined as a central visual acuity of 20/200 or less in the better eye with the best correction or a limitation in the visual field in the better eye so that the widest diameter of the visual field subtends an angle of 20 degrees or less. The conditions of blindness are not applied the same to SSI and SSDI. For SSDI the condition must have lasted or is expected to last at least 12 months. There is no requirement of duration for SSI. Two work incentives are available only to persons who are blind. Blind Work Expenses (BWE) are available if the person receives SSI based on blindness and IWRE are available if the person receives SSDI based on blindness. For the blind recipient of SSI utilizing the BWE means that any income used to meet the needs to earn that income are not considered when figuring their payment amount. BWE items do not need to be related to the persons blindness. When figuring the persons SSI payment items are treated as BWE instead of IWRE because it results in a higher payment for the person. Some examples of BWE 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. Another difference for those individuals that are blind is the application of SGA.

As was stated earlier the SGA amount for 2010 is \$1,640 which is higher than the amount for non-blind disabled workers. For those blind SSDI beneficiaries that are working SGA is figured solely on earnings. The time spent on the business or services rendered is not considered as is with non-blind disabled workers. There are special rules that apply after a persons 55th birthday. If earnings demonstrate SGA but their work requires a lower level of skill and ability than the work done before age 55 or when they

became blind, whichever is later, benefits will be suspended not terminated. Eligibility for SSDI benefits continues indefinitely and benefits are paid for any month earnings fall below SGA. The SGA factors do not apply to those that are blind and receiving SSI. Blind SSI beneficiaries remain eligible as long as they meet the medical definition of blindness or until they recover, or benefits are stopped due to non-disability factors.

The ultimate goal of these work incentives is to help those with disabilities find or return to employment. In the year 2009 there were approximately 15.2 million men and women between age 18-64 in the United States that reported having a work limiting condition. Of those millions of men and women approximately 2.5 million were employed (Von Schrader, 2010). According to the American Community Survey, a questionnaire conducted by the Census Bureau, in 2008 only around 900,000 of those 21-64 with a work limiting condition that were not working were actively looking for work (Erickson, 2010). This demonstrates the lack of openness for those receiving benefits to even try to find employment.

The SSI Annual Statistical Report for 2009 states that 7.7 million people received payments in December and of those approximately 5.2% or 340,175 were reported as working. For the SSDI program there were approximately 8.9 million people that received benefits and of these 87% were disabled workers. And of those receiving SSDI 285,868 had dual entitlement. The number of SSDI recipients employed at the time was not provided. The impact of the employment can be seen in different areas. The area of cost of employing persons with disabilities is regularly a concern for employers. Although the prevailing thought is that employing those with disabilities will cost the employer more this is not necessarily the case. In certain settings the employment of

those with disabilities can be financially beneficial for an employer. In a small study comparing the cost of supported employees to non-supported employees the supported employees produced a greater net benefit for the employer (Cimera, R., 2009).

Employing those with disabilities can have an impact on the image of the company as well. A study by Siperstein, Romano, Mohler, and Parker (2005) showed that 92% of consumers surveyed said that they felt more positive toward companies that hire individuals with disabilities, and 87% agreeing that they would rather give their business to those companies. This increase in image can have an overall financial impact as well.

The lack of awareness of these existing benefits is likely due in part to the makeup of transition supports many with disabilities receive after injury or school. This research has shown that the literature provided to individuals applying for or receiving Social Security gives a through explanation of applying for benefits but very little about working. The effects of employment on an individuals payment is not often discussed in the educational or rehabilitation process for those with disabilities. Making individuals and families aware of these incentives earlier can facilitate a smoother transition from school or injury. As is shown here there is a wealth of information available but it is not provided to persons with disabilities early enough. This leaves those receiving benefits further behind when struggling to find work.

CHAPTER 3

Summary

In summary the findings show that gaining employment while receiving benefits from Social Security can be an ominous task. After undergoing the rigorous process of qualifying to receive benefits one must carefully balance efforts to gain independence with rules that determine continuing eligibility. The ability to find or return to employment does exist but the incentives available to aid in transitioning are not highly discussed. The “Red Book” provided by SSA as a guide to available benefits can assist people in finding incentives to discuss with a benefits counselor. The impact of employment will be dependent on the type of assistance received. How ones payment is figured is different for SSI than those receiving SSDI. The earnings allowed by the incentives can allow one to acquire the tools and/or training needed to transition from dependency to independence. For those that are not able to completely transition from the disability rolls the benefits of employment can be significant as well. The transition process conducted either after an injury or with those going from school to employment should include the impact of employment on benefits earlier in the process. Consultation with a benefits planner can increase the help one receives.

Conclusion

I believe the literature shows that there has been an effort made to include those with disabilities in the work force but the complications involved in the process of qualifying for benefits along with the poorly publicized incentives leave beneficiaries fearful of termination. The implications of this lack of knowledge about these incentives

will be two fold; 1) the continued high rates of unemployed among the disabled, and 2) the increased burden on the Social Security system. Educating beneficiaries of their ability to find meaningful employment while maintaining cash payments along with health coverage would increase the willingness of recipients to try and work. The development of programs that identify and address the different needs of those with disabilities can increase the possibility of productive employment.

By developing programs that match the assistance needed to the individual the ability of a person with a disability to productively compete for employment increases. Literature shows that when accommodations are made those with disabilities view themselves as significantly more able to perform job tasks. A concept that has transitioned from strictly a community based idea to work place accommodation is Personal Assistance Services (PAS). This idea that comes from helping those with disabilities with day-to-day tasks can also refer to other types of help such as direct, standby, or supervisory, whether paid or unpaid. An investigation of people with disabilities who had contacted the Job Accommodation Network demonstrated the perceived value and benefit of effective PAS implementation. In this study the majority of the participants without accommodation viewed themselves as “Substantially Limited” versus zero responses of “Substantially Limited” for those with accommodations (Solovieva, 2010). This demonstrates the value of effective accommodations for those that need them.

Another form of assistance can come from a program that assists more than those with disabilities. The Employee Assistance Program (EAP) which has been around for years can prove as a significant asset for employers of those with disabilities. There is

very little research on companies with an EAP that employ persons with disabilities. A study reviewing a pilot EAP in an organization with 88% of its' workforce being disabled indicated that a program designed to serve employees with disabilities can be effective and benefit more than one stakeholder. This program met its' stated goals of increase the number of full-time positions, increase average weekly wage, and a job retention rate of 75% (Anema, 2010). This type of understanding and assistance by employers can benefit both those with and without disabilities.

Beyond developing programs that target the needs of those with disabilities that are seeking employment is examining programs that assist students with disabilities in school. The use of career assessment services for youth with disabilities is regularly conducted by school personnel and state vocational rehabilitation counselors. These assessments typically focus on career interests, aptitudes, and achievements instead of values and knowledge of work. In a study examining career assessment practices for high school students with disabilities it was found that in general students are receiving these services and about half by the 10th grade. "For students that received them earlier career assessment and related outcomes have a stronger chance for success as it allows students greater opportunities for career exploration"(Herbert, 2010, p.23). By increasing the effectiveness of the interventions used early with students with disabilities the number of those finding successful employment should increase as well.

The questions raised by reviewing this literature can be many. Which forms of interventions are most effective with certain disabilities? This question can only be answered through continued examination of prescribed methods. Are the transition teams made up of the appropriate mix of disciplines? By having the transition teams made up of

the appropriate disciplines the student can be better served in finding career choices that are likely to be successful. “To provide students with disabilities with the appropriate support as they transition from high school into the adult world, rehabilitation professionals’ participation in interagency collaboration is critical (Oertle, 2007, p.38). Rehabilitation counselors are uniquely positioned to provide a variety of career services and information regarding post-secondary and employment opportunities (Herbert, 2010). The key for rehabilitation professionals will be to facilitate the communication among all the appropriate parties and the person with a disability.

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