

Why On Earth Should I Work My Way Off SSDI?:

WHY LOSING BENEFITS CAN
BE GIVING YOURSELF A HAND,
INSTEAD OF SHOOTING
YOURSELF IN THE FOOT

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2019



Learning Objectives

1. Explain why many Title II beneficiaries are hesitant to work their way off cash benefits.
2. Categorize people's willingness to consider working off Title II (green, yellow, red profiles).
3. Identify work incentives advisement strategies (green, yellow, red profiles).
4. Apply strategies through case studies.

Background

Most people who receive Title II benefits can hardly imagine working their way off their cash benefits.

Many have had to fight hard and wait long to get them. Appeals can often take more than two years, and hiring lawyers can consume much of the retroactive benefit.

While waiting, people often use up their life savings.

Background

Title II benefits may not provide much money, but beneficiaries view them as financial security – guaranteed income.

Dirty little secret: These benefits often represent guaranteed poverty.

Most beneficiaries refuse to earn more than the SGA level (\$1,220/month non-blind; \$2,040/month blind in 2019) to avoid losing their cash benefits. This practice condemns them to very low incomes – like a vow of poverty.

Background

Once a person has committed to work their way off Title II benefits, the sky becomes the limit. They can earn as much as they want.



Benign Profiling



Benefit-to-Work Coaches should offer Title II beneficiaries enough information so they can make informed choices about whether to work their way off cash benefits.

Sometimes, it's a good idea to explain the benefits of full-time work, so a person may quickly decide to work their way off benefits.

Other times, it's best to proceed with caution.

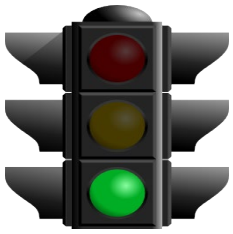
Benign Profiling



Still other times, it's important to go VERY slowly, and not even mention the possibility of losing cash benefits (at least at first).

The best way to proceed depends on the hopes, fears and motivations of the beneficiary.

It may help to “profile” people to determine the best approach to take.



Green (Go) People

Green people are often highly motivated to work and earn as much as they can.

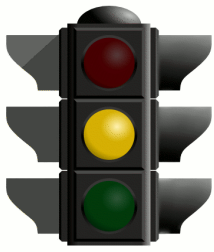
They don't care whether they'll lose cash benefits. Some of them actually WANT to lose these benefits.



Green (Go) People

They value their independence, often mistrust government, prefer not to accept “charity”, or simply want to regain a better standard of living than Social Security benefits provide.

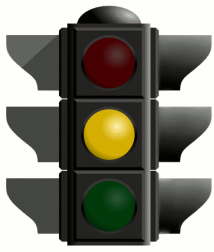
They are often willing to work full-time and lose Title II benefits, even if their income would be higher if they earned below SGA and kept Title II payments.



Yellow (Cautious) People

Yellow people want to work and increase their incomes, but don't want to risk benefits they've come to rely on.

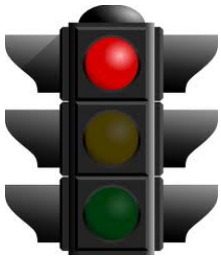
They may be willing to consider losing some benefits (more likely in the future than right away), but want to know the safety nets they have available.



Yellow (Cautious) People

Yellow people want to know:

- That they'll be much better off financially if they lose cash benefits than if they keep them (they want their incomes to be higher than if they kept their earnings under SGA and kept cash benefits).
- How they can get cash benefits back again if they stop work or their earnings drop.
- How they can keep medical benefits while working, even if they lose cash benefits.



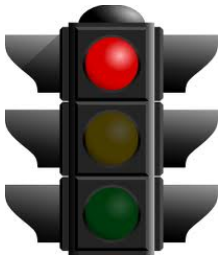
Red (Stop!) People

Red people don't take chances with their benefits.

Some are absolutely terrified of losing benefits.

Many are unwilling to work at all for fear they'll lose something, regardless of what the rules actually say. They believe that Murphy worked for Social Security.

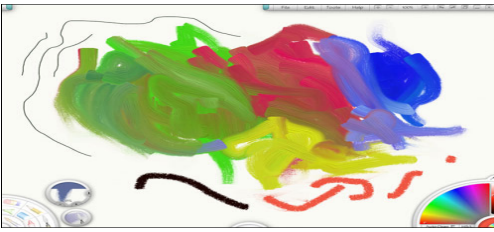
They often believe that even if a benefit is reduced (rather than cut off) they'll be on a fast and slippery slope to perdition.



Red (Stop!) People

If they're willing to work at all, red people won't even consider the possibility of losing Title II benefits.

They've often heard horror stories about people losing essential benefits when they went to work, having huge overpayments, etc. They need to see GOOD THINGS happen to them to help overcome their fears.

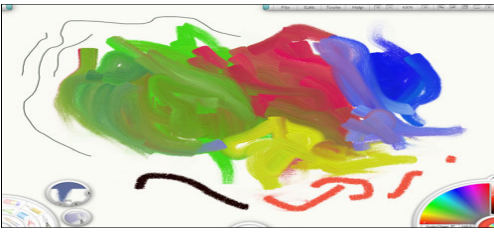


Blending Colors

In the Title II world, as in the natural world, there are far fewer green people than yellow or red people.

These colors often mix. It's common to find orange and chartreuse people.

Even people who seem ready to work their way off benefits without hesitation may grow cautious later.



Blending Colors

People who are terrified of losing benefits may eventually soften their stance.

Yellow is the most common color in this spectrum, whether it appears alone or mixed with green or red.

For this reason, it's usually vital to show people they'll be better off financially if their Title II payments stop, and to highlight the work incentives that let them keep medical benefits and regain cash benefits if they stop work or cut their earnings.

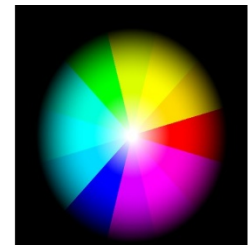
Color-Coordinated Benefits Advisement



For Green People

1. Serve them quickly. They're eager to work!
2. Show them they're better off working than not.
3. Highlight the advantages of full-time work, if available, so the person can make an informed choice.

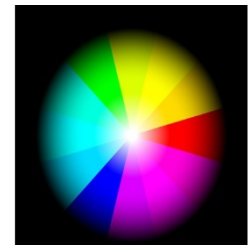
Color-Coordinated Benefits Advisement



For Green People

4. Review work incentives that:
 - Continue cash benefits for up to a year while working full-time.
 - After cash benefits stop, restore them quickly and easily if earnings later drop below SGA or stop.
 - Protect Medicare even after cash benefits stop.
5. Consider Freedom to Work to get (or keep) Medicaid.

Color-Coordinated Benefits Advisement



For Yellow People

1. At first, you may need to focus on how to keep earnings below SGA. If wages are above the nominal SGA level, use deductions:

- Impairment Related Work Expenses (IRWEs) – disability-related expenses needed for work
- Subsidies and Special Conditions - reduced productivity or extra help to do the job
- Refer to a Benefit Planner if these work incentives may apply

Color-Coordinated Benefits Advisement



For Yellow People

2. Help the person to consider (at least in the future) full-time earnings that would make income higher than working below SGA and keeping Title II benefits.

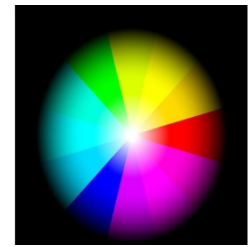
Color-Coordinated Benefits Advisement



For Yellow People

3. Look at Benefits and Work Calculator results to highlight positive results, such as increased net income and Freedom to Work eligibility.
4. If the person shows any interest in earning enough to stop Title II benefits, underscore the work incentives that would enable them to regain cash benefits if earnings later fell below SGA or stopped.

Color-Coordinated Benefits Advisement



For Yellow People

4. Highlight work incentives that would protect Medicare.
5. Refer to Benefit Planner if earnings may stop Title II benefit.

Color-Coordinated Benefits Advisement



For Red People

1. It may be a challenge to persuade a red person to work at all.
2. Initially, focus on only a few work incentives that would provide protection and increased income or reduced costs. For example, use the Benefits and Work Calculator to show that earnings below SGA will not affect Title II and Earned Income Tax Credit will provide a larger tax refund.

Color-Coordinated Benefits Advisement



For Red People

3. Red people need to be won over. (This helps with yellow and green people, too.) They need you to show them that good things will result for them from work incentives. Focus on incentives that can yield tangible benefits quickly (e.g., Freedom to Work). If good things happen, red people will trust you more about more difficult issues.

Color-Coordinated Benefits Advisement



For Red People

4. Highlight positive results using Benefits and Work Calculator.
5. If necessary, consider connecting the beneficiary or family with someone else who had similar fears, but went to work and used work incentives successfully.
6. If the person's fears begin to ease enough, move to strategies for yellow people.

Never Do This

Never show a beneficiary a comparison chart that suggests it's a bad idea to work full time.

Example: Jasmine receives \$1,000/month SSDI and earns an average of \$1,083/month gross wages (\$10/hour x 25 hours/week x 4.33 weeks/month). Her total monthly income is $\$1,000 + \$1,083 = \$2,083$.

Never Do This

If she worked full-time at \$10/hour, her average gross wages would be \$1,733/month ($\$10/\text{hour} \times 40 \text{ hours/week} \times 4.33 \text{ weeks/month}$). With those wages, her SSDI would most likely be suspended after her Trial Work Period and Grace Period.

A comparison of her current job (25 hours/week) and full time work in the same job might look like this:

Never Do This

	Not Working	Working 25 Hours/Week, \$10/Hour	Working 40 Hours/Week, \$10/Hour
Income	\$1,000 SSDI	\$1,000 SSDI \$1,083 Wages	\$ 0 SSDI \$1,733 Wages
Work Expenses	\$ 0	\$ 0	\$ 0
Taxes	\$ 0	\$ 106	\$ 255
Part B Premium	\$ 0	\$ 135.50	\$ 0
Net Income	\$1,000	\$1,841.50	\$1,478

Never Do This

The comparison on the previous slide looks like an advertisement against full-time work.

An alternative: Consider full-time work at a higher hourly wage. If Jasmine could earn \$16/hour, her comparison would look more like this:

Instead, Do This

	Not Working	Working 25 Hours/Week, \$10/Hour	Working 40 Hours/Week, \$16/Hour – After TWP, Grace Period
Income	\$1,000 SSDI	\$1,000 SSDI \$1,083 Wages	\$ 0 SSDI \$2,773 Wages
Work Expenses	\$ 0	\$ 0	\$ 0
Taxes	\$ 0	\$ 106	\$ 503
Part B Premium	\$ 0	\$ 135.50	\$ 0

Instead, Do This

The comparison on the previous slide holds out hope that Jasmine can be better off financially working her way off SSDI – perhaps in the future after getting additional training, education, technology, etc.

Even if Jasmine never achieves this level of earnings, she will at least understand that she COULD be better off working her way off SSDI, if she could earn enough from work.

Example 1: Josiah

Josiah receives \$864/month SSDI and Medicare. He is 26 years old and unmarried.

He is offered a full-time job with an auto company. His average gross wages will be \$2,700/month. He'll pay about \$300/month for work-related transportation.

He is not worried about losing his cash benefits, but is a little concerned about losing Medicare.

1. Which color profile matches Josiah?
2. Which earnings option(s) would you show him?

Example 1: Josiah

1. Which color profile matches Josiah? **Green**
2. Which earnings option(s) would you show him?
 - A. **Not working, and**
 - B. **Working in the full-time job he was offered**

Josiah's Options

	Not Working	Working Full-Time
Income	\$864 SSDI	\$ 0 SSDI <u>\$2,700</u> Wages \$2,700 Total
Work Expenses	\$ 0	\$ 300
Taxes	\$ 0	\$ 495
Part B Premium	\$ 0	\$ 0
Net Income	\$864	\$1,905

Example 2: Kara

Kara receives \$1,100/month SSDI and Medicare.

She earns \$16/hour and works 14 hours/week (\$970/month average). She's nervous about earning enough to lose her SSDI and Medicare.

Example 2: Kara

Kara drives 350 work-related miles/month in her adapted car. At \$0.58/mile, this totals \$203/month (an Impairment Related Work Expense (IRWE) approved by SSA).

Her employer would like her to work full time. If she worked full-time, she would be able to earn \$20/hour and receive paid leave and a 403(b). She'd drive about 700 miles/month for work.

1. Which color profile matches Kara?
2. Which earnings options would you show her?

Example 2: Kara

1. Which color profile matches Kara? **Yellow**
2. Which earnings options would you show her?
 - A. **Current earnings,**
 - B. **Earning just below SGA using IRWE, and**
 - C. **Working full time earning \$20/hour**

Kara's Options

	Working Below SGA – 14 Hours/Week @ \$16/Hour	Working Below SGA – 19 Hours/Week @ \$16/Hour	Working 40 Hours/Week @ \$20/Hour
Income	\$1,100 SSDI <u>970</u> Wages \$2,070 Total	\$1,100 SSDI <u>1,316</u> Wages \$2,416 Total	\$ 0 SSDI <u>3,464</u> Wages \$3,464 Total
Mileage	\$ 203	\$ 203	\$ 406
Taxes	\$ 87	\$ 174	\$ 678
Part B Premium	\$ 135.50	\$ 135.50	\$ 135.50
Net Income	\$1,644.50	\$1,903.50	\$2,244.50

Kara's Options

In addition, in the full-time job, Kara would get:

- Paid leave
- A 403(b) retirement plan

Your Mission:



1. Reach green people quickly and help them work (full-time).
2. Support yellow people to work more than they otherwise would, and maybe work their way off Title II, sooner or later.
3. Soften the resistance of red people.

Think It'll Never Work? Think Again.



It's likely that most people on Title II benefits will choose to keep their earnings below SGA...but some will choose to work full-time above SGA.

If you reach people early in their decision process about work, some will choose higher earnings goals so they'll be better off without Title II.

When people work their way off Title II, they enjoy greater freedom. They no longer need to worry about limiting their earnings.