

Title II Social Security

Social Security Disability – SSDI

Disabled Adult Child – DAC

Disabled Widow/Widower - DWB

What are Title II benefits?

All Title II benefits are based on someone's work record -

SSDI is based on your own work record

DAC is based on a parent's and grandparent's work record

DWB – is based on a spouse's work record

How do you get these benefits?

You (or your spouse or parents) must first have worked in a job paying FICA taxes and earned enough work credits.

You must have a medical condition that meets Social Security's definition of disability – (will last beyond 12 months or expected to result in death).

You must not be able to work at a Substantial Gainful Activity Amount (SGA) level (more on this coming up).

What is an Auxiliary Benefit?

Auxiliary benefits are for the children and/or spouse of a disabled or deceased worker.

The benefits received by children may continue past age 18 if they are disabled and then it may continue as a **Disabled Adult Child benefit (DAC)**.

If the child is not disabled the benefit ends at age 18 or 19 if still in high school.

Can I work while getting SSDI?

Definitely!

There are work incentives that have been created to assist you with going to work while still receiving benefits and it starts with a Trial Work Period (TWP)

How does the TWP help you?

If you are earning over \$880 gross per month in 2019 and you haven't used all of these months previously you are using a Trial Work Period.

During the TWP you can earn as much as you are able and keep your benefits!

The TWP continues until you accumulate nine TWP service months (not necessarily consecutive) within a rolling 60-month period.

Example Trial Work Periods

- Bob has been getting \$1,250 in Social Security Disability Insurance for two years. He received employment assistance from Michigan Rehabilitation Services and benefits counseling from Disability Network SWMI and realizes he is able to return to work and have a much higher financial outcome.
- Bob starts a full-time job earning \$3,000 gross per month. He is able to keep his \$1,250 SSDI for nine months because he is using the Trial Work Period.
- The TWP's are counted consecutively because he is over the 2019 amount of \$880 per month. During the TWP's Bob's income is \$4,250 per month (SSDI + Earned Income).

What happens when you complete your TWP?

- You move right into the **Extended Period of Eligibility or EPE**. The EPE begins the month after the Trial Work Period (TWP) ends, even if you are not working that month and lasts 36 consecutive months.

How does the EPE help you?

During the 36-month Extended Period of Eligibility you get benefits for all months your earnings are below the substantial gainful activity (SGA) level [*\$1,220 non-blind/\$2,040 blind*].

Cash benefits are suspended for months your earnings are over the SGA level. If your earnings fall below the SGA level in the re-entitlement period, your benefits start again.

I'm in the EPE, now what?

- The very next month after the last (9th) Trial Work Period month Bob moved into the Extended Period of Eligibility (EPE). His gross earnings of \$3,000 puts him over the Substantial Gainful Activity (SGA) amount (\$1,220 in 2019).
- Bob will get his SSDI check for the first three months of the EPE because he gets a Cessation Month and Grace Period. After that he will not get his benefit check because he is over SGA.

What happens if I can't continue to work full-time?

- If Bob has to reduce hours because of the same or a related disability and he is no longer able to earn above the SGA amount his SSDI benefit will begin again after reporting the reduction in pay to SSA if still in the 36 month Extended Period of Eligibility.
- If Bob is able to work part-time and earns \$1,000 he is under SGA so would continue to receive his SSDI. His financial outcome would then be \$2,250 (SSDI of \$1,250+ Earned Income of \$1,000).

How does SSA count my income?

SSA always looks at gross income, this is before any deductions come out, unless you are self-employed.

For self-employment SSA looks at the number of hours you work per month and Net Earnings from Self-Employment (NESE)

There are other work incentives that actually reduce the amount of gross income counted if you are eligible.

Other Work Incentives

- Expedited Reinstatement of Benefits
- Impairment Related Work Expenses
- Subsidies and Special Conditions
- Extended Medicare Coverage
- Ticket to Work

Expedited Reinstatement of Benefits (EXR)

If your cash payments ended because of your work and earnings after the Extended Period of Eligibility, and you stop work within five years of when your benefits ended, you may be able to have your benefits started again right away through a request for EXR. The EXR provision allows you to receive up to six months of temporary cash benefits while SSA conducts a medical review to decide if they can reinstate your benefits. If reinstated your benefits continue.

Impairment Related Work Expenses (IRWE)

- SSA deducts the cost of certain impairment-related items and services that you need to work from your gross earnings when they decide if your work is substantial gainful activity (SGA). It does not matter if you also use these items and services for non-work activities. SSA deducts IRWE for SGA purposes when:
 - The item(s) or service(s) enables you to work;
 - You need the item(s) or service(s) because of a physical or mental impairment;
 - You pay for the item(s) or service(s) and are not reimbursed by another source;
 - The cost is “reasonable

Subsidies and Special Conditions

- A *subsidy* is support provided by your employer that may result in your receiving more pay than the actual value of the services you perform.
- *Special conditions* refers to support and on the job assistance provided by your employer, or by someone other than your employer, for example, a vocational rehabilitation agency. Because of this support, you may receive more pay than the actual value of the services you perform.
- SSA only uses earnings that represent the real value of the work you perform to decide if your work is at the SGA level.

Extended Medicare Coverage

Most persons with disabilities who work will continue to receive at least 93 consecutive months (seven years and nine months) of Hospital Insurance (Part A); Supplemental Medical Insurance (Part B), if enrolled; and Prescription Drug coverage (Part D), if enrolled, after the nine-month Trial Work Period (TWP). You do not pay a premium for Part A. Although cash benefits may **cease** due to work activity, you have the assurance of continued health insurance.

Ticket to Work

Ordinarily Social Security reviews your medical condition from time to time to see whether you have a disability through a process called the medical Continuing Disability Review (CDR). When you are working with Michigan Rehabilitation Services and you are making “timely progress” following your employment plan, Social Security will not conduct a review of your medical condition if your plan started before they started the review. As long as you continue making progress in your plan you are covered from having a medical CDR.

What Should I Report?

- Let your local Social Security Administration office know that you are working.
- Get copies of your paystubs.
- It is important that you provide information on how much your gross earnings are so that SSA can keep track of your use of TWPs and EPE months.
- If you do not report your income it could cause you to go into an overpayment and you will be required to pay back any amount you were overpaid.

Who Do I Contact For More Information?

- SocialSecurity.gov
- Social Security Administration (SSA) Red Book: <https://www.ssa.gov/redbook/documents/TheRedBook2018.pdf>
- Work Incentives Seminar Events (WISE): <https://www.choosework.ssa.gov>
- Michigan Works! Association: www.MichiganWorks.org
- Michigan Rehabilitation Services: www.Michigan.gov/mrs
- Disability Network Southwest Michigan: www.dnswm.org