

# Working While on Benefits

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## **What is important?**

- **Maintaining monetary benefits?**
- **Maintaining medical benefits?**
- **Maintaining state services?**

**Will be different for each individual with disabilities**

## Why work at all?

- **Many states have a mandate to have those who can work do so**
- **Self-empowerment**
- **Sense of Accomplishment**
- **Increased self-worth**
- **Additional funds**

# “Federally Disabled”

- **Social Security’s definition of disability**
- **18 and over: You are disabled if you have a medically determinable physical or mental impairment which results in the inability to engage in any Substantial Gainful Activity and can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months.\***
- **Substantial Gainful Activity (SGA) - \$1,470/month (2023)**

\* The Social Security Administration lists all the conditions it considers categorical disabilities in its manual on Disability Evaluation Under Social Security, also known as the Blue Book. The Blue Book is only available online at <https://www.ssa.gov/disability/professionals/bluebook/AdultListings.htm> for adults

- **Effect of Working on SSI**
- **Effect of Working on Medicaid**
- **Effect of Working on SNAP**
- **Effect of Working on Housing Choice Voucher Program**
- **Effect of Working on SSDI**
- **Effect of Working on Medicare**
- **Strategies for Working While on Benefits**

# Effect of Working on Supplemental Security Income (SSI)

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# Supplemental Security Income (SSI) Basics

- **Federally funded income supplement program**
- **Funded from the general federal revenues**
- **Designed to help the aged, blind, and “disabled” who have little or no income and resources**
- **Meant to provide resources for basic needs for food and shelter**
- **Maximum of \$914/mo (2023)**
- **Asset and income limitations**
  - Only get SSI if countable resources under \$2,000 at end of month
  - SSI is reduced when there is earned and/or unearned income
- **In many states traditional Medicaid eligibility (and therefore state services) is tied to SSI eligibility.**

# Effects of Income on SSI

- **\$20 General Income monthly exemption**
  - Can be Earned Income or Unearned Income
- **\$65 Earned Income monthly exemption**
  - Before taxes, benefits, etc.
  - If no Unearned Income, can Earn \$85 before SSI is reduced
- **After exemptions**
  - Unearned Income reduces SSI \$1 for \$1
    - Unemployment Insurance is Unearned Income
  - Earned Income reduces SSI \$0.50 for \$1
- **All income must be reported to Social Security monthly by the 10<sup>th</sup> of the following month.**
  - Income in a month effects SSI 2 months later
- **If SSI is reduced to \$0 for a month, Medicaid may be jeopardized – this is where 1619(b) (Medicaid Buy-In) comes into play in most states**

## Effects of Working on SSI Example

Description	Calculation
Full SSI	\$914
Jane's Gross Wages in January	\$931
General & Earned Income Exemption	$\$931 - \$85 = \$846$
January Countable Income	$\$846/2 = \$423$
Report Countable Income by February 10	
March SSI Payment	$\$914 - \$423 = \$496$

- **IMPORTANT!** SSI will ALWAYS go down when you work, however what is important is to look at the bottom line:
- Jane's Gross wages in January = \$931
- Jane's adjusted SSI wages = \$496
- Total countable wages = \$1,427 before taxes
- **YOU ARE ALWAYS FINANCIALLY BETTER OFF WORKING ON SSI!**

# More SSI Examples

## SSI CALCULATION WORKSHEET

	<u>Example 1</u>	<u>Example 2</u>	<u>Example 3</u>
Unearned Income	\$0.00	\$0.00	\$0.00
<b>LESS</b> General Income Exclusion	\$20.00	\$20.00	\$20.00
Countable Unearned Income	\$0.00	\$0.00	\$0.00
<b>Gross Earned Income</b>	<b>\$1,299.00</b>	<b>\$1,623.75</b>	<b>\$2,598.00</b>
<b>LESS</b> Student-Earned Income Exclusion	\$0.00	\$0.00	\$0.00
Remainder	\$1,299.00	\$1,623.75	\$2,598.00
<b>LESS</b> GIE if not used above	\$20.00	\$20.00	\$20.00
Remainder	\$1,279.00	\$1,603.75	\$2,578.00
<b>LESS</b> Earned Income Exclusion	\$65.00	\$65.00	\$65.00
Remainder	\$1,214.00	\$1,538.75	\$2,513.00
<b>LESS</b> Impair. Related Work Exp.	\$0.00	\$0.00	\$0.00
Remainder	\$1,214.00	\$1,538.75	\$2,513.00
<b>Divide</b> by 2	/2	/2	/2
Remainder	\$607.00	\$769.38	\$1,256.50
<b>LESS</b> Work Expenses if Blind	\$0.00	\$0.00	\$0.00
Total Countable Income	\$607.00	\$769.38	\$1,256.50
<b>Base SSI Rate</b>	<b>\$914.00</b>	<b>\$914.00</b>	<b>\$914.00</b>
<b>LESS</b> Total Countable Income	\$607.00	\$769.38	\$1,256.50
Adjusted SSI Payment	<b>\$307.00</b>	<b>\$145.62</b>	<b>\$0.00</b>
Unearned Income	\$0.00	\$0.00	\$0.00
<b>PLUS</b> Gross Earned Income	\$1,299.00	\$1,623.75	\$2,598.00
<b>PLUS</b> SSI Payment	\$307.00	\$145.62	\$0.00
Total Monthly Income	\$1,606.00	\$1,769.37	\$2,598.00
<b>LESS</b> Cost of IRWE or BWE	\$0.00	\$0.00	\$0.00
<b>LESS</b> PASS Expense	\$0.00	\$0.00	\$0.00
<b>Total Monthly Spendable Income</b> (before income taxes)	<b>\$1,606.00</b>	<b>\$1,769.37</b>	<b>\$2,598.00</b>

### Notes

1. 20 hrs/wk @ \$15/hr x 4.33 weeks =  
\$1,299.00 est gross wages

2. 25 hrs/wk @ \$15/hr x 4.33 weeks =  
\$1,623.75 est. gross wages

3. 40 hrs/wk @ \$15/hr x 4.33 weeks =  
\$2,598.00 est. gross wages

\*\* KEEP MEDICAID IN STATUS 1619(b) IF:  
Remain disabled  
Need Medicaid to work  
Stay below \$2,000 asset and resource limit  
Make less than \$53,709 (CT) in 2021

- **Earned Income should be reported to Social Security by the 10th of the month\***
  - September is reported by October 10 and is reflected in the November SSI payment.
- **For SSI, income is the month it is PAID.**
- **You can report income by\*\***
  - Calling or writing your local Social Security Office
  - Using the SSI Telephone Wage Reporting number 800-772-1213
  - The SSI Mobile Wage Reporting Smartphone App
  - Using the My Social Security (<https://www.ssa.gov/myaccount/>) website.
    - Must have Social Security agent enter the employment prior to using this method
- **State Medicaid Agency may also require monthly income reporting**

\* Spotlight on Reporting Your Earnings to Social Security, <https://www.ssa.gov/ssi/spotlights/spot-reporting-earnings.htm>

\*\* SSI Spotlight on Automated Wage Reporting Tools, <https://www.ssa.gov/ssi/spotlights/spot-telephone-wage.htm>

# Effect of Working on Medicaid

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- **Jointly funded, Federal-State health insurance program for low-income and needy people.**
- **Specifically:**
  - Children
  - The aged, blind, and/or disabled
  - Other people eligible to receive federally assisted income maintenance payments.
- **Administered by state Medicaid agency.**
- **Traditionally provided institutional care for the aged, blind and disabled**
- **Medicaid for the Aged, Blind and Disabled is the key to unlocking state services as an adult**
- **In most states getting \$1 of SSI ensures Medicaid eligibility, then 1619(b) can begin to retain Medicaid up to a certain annual income limit\***
- **Most states have a \$2,000 asset limit**
  - Medicaid asset limit in NY is \$28,133 (2023) for an individual (up from \$16,800 in 2022)

- **Medicaid Buy-In for Working People with Disabilities**
- **Available in over 40 states**
- **Depending on the state, may allow earned income up to \$75,000 countable assets above \$2,000**
  - If income above SGA, may lose “federal” disability qualification and Childhood Disability Benefits.
- **Pay for Medicaid on a sliding scale**
- **Can keep Medicaid-based services**

- **Medicaid Buy-In for Working People with Disabilities**
- **Allows income up to \$68,988 (2022) and countable assets up to \$28,133 (2023), up from \$20,000 (2022)**
  - If income above SGA, may lose “federal” disability qualification and Childhood Disability Benefits.
- **Pay for Medicaid on a sliding scale**
- **Can keep Home-and-Community-Based services, including OPWDD**

# Effect of Working on Supplemental Nutritional Assistance Plan

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- **Income Limits (10/1/2022 – 9/30/2023)**

- Gross Income Limits - Household of 1 = 130% Federal Poverty Level
  - $\$13,590 \times 1.30 / 12 = \$1,472/\text{month}$
  - States have options to allow larger percentage of FPL
    - In NY, 200% of FPL, or \$2,266/mo
  - Included Earned Income and Unearned Income (ie, SSI)
  - Waived if “Disabled”
- Net Income Limits
  - Deductions
    - 20% of Earned Income
    - Standard deduction of \$193 for 1 person Household
    - Unreimbursed Medical Expenses over \$35/mo
    - Excess Shelter Costs (costs above 50% of household income after other deductions)
  - \$1,133/mo after deductions
- Special rules if you are “disabled”

- **No resource limit if under 185% of FPL**

- In NY, no resource limit if “disabled”
- NY SNAP Calculator at [https://bplc.cssny.org/benefit\\_tools/snap\\_calculator](https://bplc.cssny.org/benefit_tools/snap_calculator)



# Effects of Working on SNAP in NY Example (2023)

Elderly/Disabled Household Income Computation	Example
Determine household size...	1 person who are elderly or disabled.
Add gross monthly income...	\$483.50 SSI (reduced for earnings) + \$800 earned income = \$1,283.50 gross income.
Subtract 20% earned income deduction...	\$1,283.50 – \$160 (\$800 x 20%) = \$1,123.50
Subtract standard deduction...	\$1,123.50 - \$193 standard deduction for a 1-person household = \$930.50
Subtract dependent care and/or child support deduction...	0
Subtract medical costs over \$35 for elderly and disabled...	\$930.50 - \$100 excess medical expenses = \$830.50
Excess shelter deduction...	
Determine half of adjusted income...	\$830.50 adjusted income/2 = \$415.25
Determine if shelter costs are more than half of adjusted income...	\$600 total shelter - \$415.25 (half of income) = \$184.75 excess shelter cost
Subtract excess amount, but not more than the limit, from adjusted income...	\$830.50 - \$184.75 = \$645.75 net monthly income
Apply the net income test...	Since the net monthly income is less than \$1,133 allowed for 1-person household, the household has met the income test. SNAP reduced by \$194 (645.75 * 30%)

# Effect of Working on Housing Choice Voucher Program

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# Housing Choice Voucher Program Basics

- **Provides low-income housing to persons with disabilities and to low-income people**
- **Tenant-based or project-based assistance**
- **Eligibility for Section 8 is based on income**
  - Generally not to exceed 50% of the median income for the county or metropolitan area in which the family chooses to live
    - For example, in 2022 50% of the median income in White Plains, NY for 1 person was \$48,500.
- **No resource test; however certain assets may be deemed to generate income, which is counted**
- **Rental obligation (including some utilities) of voucher holder is generally 30% of adjusted income**
  - SSI counts as Income for this purpose
  - Periodic payments by others (including Special Needs Trusts) may count as income; sporadic payments usually do not.
  - Gross wages count as income

# Effect of Working on Social Security Disability Income (SSDI)

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# Social Security Disability Income (SSDI) Basics

- **Social insurance program for people who are “disabled”**
- **Funded from the Social Security Trust Fund (FICA)**
- **Based on a wage earners work record**
- **Generally need 40 qualified quarters of employment to be fully vested**
  - Less for individuals disabled before 30
- **Provides monthly cash payment**
- **Not means tested**
- **Not reduced by working in certain circumstances**
- **Receive MediCARE 24 months after first payment**

- **SSDI is considered Unearned Income for SSI purposes**
- **Reduces SSI dollar-for-dollar after the \$20 general exclusion**
- **If SSI is reduced to \$0, Medicaid is not lost due to the Pickle Amendment \***

\* Social Security POMS SI 01715.015, *Special Groups of Former SSI Recipients*

# Qualifying for SSDI On Own Work Record

- **\$1,640 earned = 1 credit (2023); Maximum 4 credits/year**
- **Reduced requirements if disabled prior to 31:**

Become Disabled at Age	Number of Credits Needed for SSDI on own work Record	Number of Years of Work
21 through 24	6	1.5
25	8	2
26	10	2.5
27	12	3
28	14	3.5
29	16	4
30	18	4.5
31 through 42	20	5

See Social Security brochure "How You Earn Credits", <https://www.ssa.gov/pubs/EN-05-10072.pdf>

# Qualifying for SSDI On a Parent's Work Record (Childhood Disability Benefits)

- **Childhood Disability Benefits (CDB)**
  - Sometimes referred to as Disabled Adult Child (DAC) benefits
- **Must be continuously “Disabled” since age 22**
- **Can collect CDB on a parent's work record once the parent collects Social Security due to death, disability or reaching full retirement age**
  - Can collect on Stepparent if parents married for 1 year prior to Stepparent collecting \*
- **CDB Benefit Amount**
  - 50% of parent's Primary Insurance Amount (PIA) while parent is alive
  - 75% of parent's PIA after parent's death
  - Subject to Family Maximums

\* Social Security POMS - GN 00306.002, *Parent-Child Relationship Categories for Title II Benefits - Overview*

- **Individuals on SSDI get a Trial Work Period (TWP)**
- **The TWP is any 9 individual months in a rolling 60 month period where an individual earns more than \$1,050 (2023)**
- **During the TWP there is no reduction in SSDI for earned income**
- **After the TWP the individual is in the Extended Period of Eligibility (EPE), which lasts 36 months**
- **During the EPE**
  - If Earned Income is below SGA (\$1,470 for 2023), individuals get their full SSDI for that month
  - If Earned Income is above SGA, individuals get no SSDI for that month
  - Individuals can get SSDI cash benefits back at any time during EPE if they fall below SGA

- **After the 36 month EPE**

- SSDI is continued until the first month that SGA is earned
  - SSDI is then terminated (after grace and cessation months)

- **Expedited Reinstatement of Benefits (EXR)**

- 5 year period after where SSDI can be reinstated without new application
- Must apply to Social Security

- **Resetting benefits**

- After 24 months of reinstated benefits (i.e., no earnings above SGA), new TWP, EPE and EXR periods reinstated.

- **Prior to collecting CDB**

- Individuals on CDB who exceed SGA in any 9 individual months in rolling 60 month period are no longer considered “disabled” since the age of 22 and will lose CDB permanently

- **After collecting CDB**

- Individuals on CDB who exceed SGA in any 9 individual months in rolling 60 month period are no longer considered “disabled” since the age of 22 and will lose CDB but can get it back if they are “disabled” again with 84 months\*

\* Social Security POMS - DI 10115.035, *Requirements for Reentitlement*

# Sample Benefits Planning Calendar

## BENEFITS PLANNING CALENDAR

West Virginia University Center for Excellence in Disabilities

*John Q. Sample*

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	0	0	700	1060	1060	695	1080	665	900	1150	1150	0
Status				TWP #1	TWP #2		TWP #3			TWP #4	TWP #5	
2023	0	0	0	0	0	0	550	1500	1500	1500	0	0
Status								TWP #6	TWP #7	TWP #8		
2024	0	0	0	0	1075	1220	600	790	1470	1470	1500	690
Status					TWP #9	EPE begins NO SGA	keep	check	cessation	grace	period	
2025	1490	1490	1490	1510	1050	1050	1490	1560	525	600	580	780
Status	SGA	SGA	SGA	SGA			SGA	SGA				
	no check	no check	no check	no check			no check	no check				
2026	750	750	1510	500	560	700	0	0	0	0	200	200
Status			SGA									
			no check									
2027	475	1570	600	725	985	1480	600	600	600	600	600	550
Status		SGA			EPE Ends	SGA	no SGA					
		no check				NO CHECK	EXR?					
2028	0	0	0	0	0	0	0	200	150	295	315	350
Status												

Notes													
TWP:	90-00:\$200	01:\$530	02:\$560	03:\$570	04:\$580	05:\$590	06:\$620	07:\$640	08:\$670	09:\$700	10:\$740	11:\$720	
	12:\$720	13:\$750	14:\$770	15:\$790	16:\$810	17:\$840	18:\$850	19:\$880	20:\$910	21:\$940	22:\$970		
SGA (non blind)	90-June 99: \$500			July 99-00: \$700			01: \$740	02: \$780	03: \$800	04: \$810	05: \$830	06: \$860	07: \$900
		08: \$940	09: \$980	10: \$1000	11: \$1000	12: \$1010	13: \$1040	14: \$1070	15: \$1090	16: \$1130	17: \$1170	18: \$1180	
<b>September 2024 = cessation month (KEEP CHECK)</b>						19: \$1220	20: \$1260	21: \$1310	22: \$1350	23: \$1470			
<b>October and November 2024 = grace period (KEEP CHECK) if average of three months is over SGA for 2024</b>													

- **Earned Income should be reported to Social Security “promptly”**
  - You can report wages up to 24 months in arrears.
  - You can't go wrong with monthly, especially if you have had a Trial Work Month or are in the Extended Period of Eligibility
  - If unsure, check with your local Social Security office to see how and when they want you to report wages
- **Income counts the month it is EARNED not when it is paid (unless you can't determine when it is earned).**
- **You can report income by**
  - Writing your local Social Security Office
  - Using the My Social Security (<https://www.ssa.gov/myaccount/>) website.
- **Report when you start or stop a job**
- **State Medicaid Agency may also require monthly income reporting**

\*

# Effect of Working on Medicare

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- **Individuals on SSDI (whether on their own record or CDB) are eligible for Medicare after 24 months**
- **Medicare continues for 7 years and 9 months after the end of the TWP if SSDI is discontinued after the end of the EPE**

# Effect of Self-Employment Income on Benefits

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- **Any work on a 1099 basis or starting a business is considered self employment for benefits purposes**
- **Business bank accounts and inventory are not Resources for SSI and Medicaid due to Property Essential for Self-Support (PESS) provision\***
- **Sole Proprietor or Partnership is preferred organizational structure for those on means-tested benefits**
  - Ownership of C-Corp, S-Corp or LLC “stock” is counted as a resource and negates the PESS exclusion
- **Report to Social Security that you are starting a business**
- **Choose the right accounting method**
  - Cash Accounting favors SSI recipients
  - SSDI/CDB recipients are REQUIRED to use Accrual Accounting
- **Strongly consider using the services of a qualified CPA, accountant or bookkeeper**

\* Social Security POMS – SI 01130.500 Property Essential to Self Support - Overview

# Calculating and Reporting Net Earnings from Self Employment

- **For SSI**

- Estimate the first year Net Profits from the business (Schedule C)
- Calculate Net Earnings from Self Employment (NESE)
  - Net Profit minus  $\frac{1}{2}$  self-employment taxes (7.65%)
- Social Security will divide NESE by the number of months worked monthly income
  - SSI will be adjusted accordingly
- At end of tax year, report actual Net Profits to Social Security
  - If different than original estimate, SSI will be adjusted accordingly
  - Social Security will use actual NESE to project effect on next year's SSI

- **For SSDI**

- If possible, track and report NESE on a MONTHLY basis

# Deductions from Net Earnings from Self Employment

- **Unincurred Business Expenses\***
  - Deduction for value of business expenses that another person or agency paid for
  - Must meet the IRS definition of a business expense
- **Unpaid Help\***
  - Deduction for value of wages the business would have otherwise had to pay for
- **Impairment Related Work Expenses**
  - Non-IRS deductible out-of-pocket expenses necessary to work due to disability

\* POMS DI 10510.012 Determining Countable Income

- **Use a separate business bank account and deposit all income attributable to the business into this account**
- **Owners Draw, or taking money out of the business, often is NOT income for SSI/SSDI purposes, as it is accounted for in the Net Profits calculation**
  - But it becomes a Resource if in personal account at end of month
- **If you are on SSDI, working 80 hours/mo (regardless of net income) will count as a Trial Work Month**

# Strategies for Minimizing Effects of Working on Benefits and Services

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- **Weekly hours vs. monthly paycheck**
- **For SSI, SNAP, wages count when PAID**
  - Bi-weekly – 2 months of “extra” paychecks/year
  - Weekly – 4 months of “extra” paychecks/year
- **For SSDI – wages count when EARNED**
  - Will have to calculate earnings for the month
- **Watch Overtime**

# Impairment Related Work Expenses (IRWE)

- **What are Impairment Related Work Expenses (IRWE)**
  - Expenses you incur from the purchase or payment related to special equipment, training, or anything else directly related to your ability to perform work with your impairment.
- **Documenting IRWE paid by the individual can lower countable income and preserve CDB**
  - Includes attendant care services, transportation costs that are impairment related, medical devices, prosthesis, work related equipment or services such as typing aids, page turning devices, telecommunications devices for the deaf, seeing eye dog, medical supplies such as elastic stockings, catheters, incontinence pads.\*
- **Consult with Social Security prior to relying on IRWE to reduce countable income**
- **Must keep receipts of payment and submit with paystubs to SSA every month**

\* Social Security POMS SI 10520.001, *Impairment-Related Work Expenses (IRWE)*

- **Employer Subsidy**

- a Social Security work incentive when employee is earning more than the value of the services rendered
- Accommodations such as special assistance, additional breaks and/or a modified work routine or tasks can qualify
- Only can be used once TWP has ended (ie, during EPE or EXR)
- Reduces countable income towards SGA
- Employer must complete the Employee Work Activity Questionnaire (Form SSA-3033)
- Reviewed annually

- **Special Conditions**

- On-site job coaching may reduce countable wages

- **See “SSDI, Subsidies, and Substantial Gainful Activity During the 36-Month Extended Period of Eligibility”**

<https://ssdiyouthtoolkit.org/topic/6/home> for more examples

- **Helps with Asset Test not Income Test for benefits**
- **Money transferred to ABLE Accounts do not interfere with Medicaid and SSI**
- **ABLE Accounts can be used for Qualified Disability Expenses**
- **General contribution limit of \$17,000/yr (2023)**
- **Individuals who work can transfer compensation up to the Federal Poverty Level (\$13,590 in 2022) in addition to the general contribution limit**

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**Thank you!**