Objectives

Better understand:

- The rate and impact of poverty among people with disabilities.
- Economic Empowerment and Financial Stability and why they are important.
- Strategies to improve an individual’s financial stability:
  1. Financial Literacy
  2. Volunteer Income Tax Assistance (VITA)
  3. Earned Income Tax Credit (EITC)
  4. Individual Development Accounts (IDAs)
- Why using your Ticket is a great first step towards financial stability.
What do we know about people with disabilities and poverty?


- Nationally, in 2008, 25.3% of people with disabilities have an income that falls below the federal poverty level compared to 9.6% of people without a disability.

People with disabilities are more likely to be unemployed and to live in poverty than any other single demographic group in the United States today.

Public benefit programs for people with disabilities are not aimed at increasing assets for people with disabilities.

Poverty diminishes your life choices and your overall quality of life.
Economic Empowerment, What is it? Why is it important?

Economic Empowerment, What is it?

• Economic Empowerment is a series of strategies that has the potential to:
  – help you improve their economic stability,
  – decrease stress and financial crisis in your life
  – expand opportunities for community participation, and
  – positively impact your quality of life.
**Strategies**

**Choose Fulfillment. Choose Earnings. Choose Work.**

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- Protection and Advocacy, Taxpayer Advocates, Credit Counseling
- Volunteer Income Tax Assistance, Work Incentive Planning and Assistance

Support for Americans with disabilities who want to work
Economic Empowerment, Why is it important?


• The presence of a disability and the need to maintain a public benefit should not require one to forfeit their economic stability and live in poverty. Without knowledge, guidance and encouragement, you are not empowered to earn, learn, save and build.

• Working, earning, saving money and developing assets will produce choices that directly impact your quality of life, especially regarding:
  — your mental and physical health
  — your positive self-concept and level of community participation
  — your expectations and status with other community stakeholders

- The Nation’s proper goals regarding individuals with disabilities are to assure equality of opportunity, full participation, independent living, and economic self-sufficiency for such individuals;


- the continuing existence of unfair and unnecessary discrimination and prejudice denies people with disabilities the opportunity to compete on an equal basis and to pursue those opportunities for which our free society is justifiably famous, and costs the United States billions of dollars in unnecessary expenses resulting from dependency and non-productivity.

Strategies for Building Financial Stability

Financial Literacy
Volunteer Income Tax Assistance (VITA)
Earned Income Tax Credit (EITC)
Individual Development Account (IDA)
Free financial literacy tools are available online and in most communities.

- FDIC provides FREE Financial Literacy Curriculum - Money Smart and Money Smart for Young Adults
  - Available online and in paper form
  - Available in Braille and multiple languages
File For Free!!!

- The VITA Program offers free tax help to low- to moderate-income (generally, $49,000 and below) people who cannot prepare their own tax returns. Certified volunteers sponsored by various organizations receive training to help prepare basic tax returns in communities across the country. VITA sites are generally located at community and neighborhood centers, libraries, schools, shopping malls, and other convenient locations. Most locations also offer free electronic filing.

To locate your nearest VITA site call 1-800-829-1040.

The IRS is working with diverse community partners to establish Volunteer Income Tax Assistance (VITA) Sites to help prepare tax returns and help people claim the EITC.

By offering these services free of charge it provides the opportunity for persons to file their taxes and take advantage of the Earned Income Tax Credit at no cost to them.

In 2009, VITA saved taxpayers with disabilities $36.2 million*.

*Includes 89 REI Tour cities only.
The Earned Income Tax Credit (EITC) is a credit for people who earn low-to-moderate incomes. EITC can reduce your taxes, and can mean a refund. In simple terms, working families and individuals may keep more of what they work for.
• The EITC is a **refundable credit**. What this means is that if you qualify based on your income, even when you have no tax liability, you will receive a tax refund.

• You **must file** your taxes to receive this refund, even if you do not have any tax liability.

• If you are filing for the EITC for the first time, you may file to claim the credit for a three-year period.
Earned Income Tax Credit


Preview of 2010 Tax Year EITC

Earned Income and adjusted gross income (AGI) must be less than:
- $43,352 ($48,362 married filing jointly) with three or more qualifying children
- $40,363 ($45,373 married filing jointly) with two qualifying children
- $35,535 ($40,545 married filing jointly) with one qualifying child
- $13,460 ($18,470 married filing jointly) with no qualifying children

Tax Year 2010 maximum credit:
- $5,666 with three or more qualifying children
- $5,036 with two qualifying children
- $3,050 with one qualifying child
- $457 with no qualifying children

- Investment income must be $3,100 or less for the year.

*For more information on whether a child qualifies you for the EITC, see IRS Publication 596, Chapter 2.
To see if you may qualify for the Earned Income Tax Credit, make an appointment to have your taxes done for free at a VITA site or check out the IRS EITC Assistant:

http://www.irs.gov/individuals/article/0,,id=130102,00.html

- The money received as a result of the EITC can be used to build assets...By saving the money, or part of the money received as a result of the EITC, one can begin to build assets.
  - For example, the money received as a result of the EITC could be used to establish a relationship with a financial institution (e.g. Opening a Savings or Checking Account).

- Persons now have the ability to split the refund they receive in up to three different accounts making saving the money easier than ever.

Support for Americans with disabilities who want to work
Income

• ‘Exclude from income any EITC payments received either as an advance or as a refund, regardless of the tax year involved.’

Resources

• Any unspent Federal tax refund or payment made by an employer related to an EITC that is received on or after 3/2/04 is excluded from resources for the 9 calendar months following the month the refund or payment is received.

  – Income - https://secure.ssa.gov/poms.nsf/lnx/0500820570
Individual Development Accounts

• Individual Development Accounts (IDAs) are matched savings accounts that allow individuals with limited income and limited wealth to save money and to build assets.

• The IDA Provider partners with Financial institutions, foundations, churches, private donors, and state and local governments to fund the matches to the personal savings of IDA holders (usually at a rate ranging from $1 to $8 for each dollar saved).

For example, an IDA program with a 2:1 match would provide $2 for every $1 dollar saved in the IDA, $1000 saved in the IDA would receive a $2000 match.
Individual Development Accounts


• An IDA can be used to purchase
  1. a home
  2. higher education and training
  3. business capitol

  o Federally funded IDA programs require that participants enroll in financial education classes. Most projects require at least 12.5 hours of training before a proposed asset can be purchased.

  o The IDA provider may also provide connections to credit counseling, VITA services, EITC and public benefit enrollment. These services provide an individual the opportunity to increase their ability to earn, budget and save towards their goal.
You must have earned income and meet the program’s income guidelines.

For AFI IDAs, the individual must:

- be eligible for Temporary Assistance for Needy Families, or receive TANF, at the time of application,
- OR
- have an adjusted gross household income equal to or less than 200 percent of the Federal poverty level and have a household net worth less than $10,000 (excluding the value of a primary dwelling unit and one motor vehicle),
- OR
- be eligible for the federal Earned Income Tax Credit.

- Programs can vary in several ways:
  - Target population
  - Program requirements
  - Minimum investment
  - Minimum/maximum amount saved each month
  - Length of required savings
  - Savings goal (may be more limited or broader)

- It’s important to know up front the program rules and whether or not the program is TANF or AFI funded.
• Assets accrued in an IDA established using TANF or AFIA money can not, under Federal regulations, negatively impact an individual’s eligibility for federal programs. The individual’s contributions, matching contributions, and interest can not be considered as an asset when determining eligibility or benefit levels for federal benefit programs like Social Security, Medicaid and Food Stamps.

• SSI does not count the individual’s contributions, matching contributions, and interest as a resource.

• SSI also excludes the individuals contribution from their countable earned income.

http://www.ssa.gov/ssi/spotlights/spot-individual-development.htm

- To learn more about AFI IDAs and locate an IDA Provider in your state please visit the Assets for Independence IDA Online Directory, http://www.acf.hhs.gov/programs/ocs/afi/states.html.

- cfed (Corporation for Enterprise Development) provides a directory of IDA Providers (which may or may not receive TANF or AFI funding), http://cfed.org/programs/idas/directory_search/
Re-consider Employment as a Goal

How do you go about seeking employment?

Do you consider……..
  1. your talents and abilities?
  2. your budget?
  3. the cost of going to work?
  4. benefits offered?
Do you consider SSA work incentives available to increase your income and/or resources:

- Student Earned Income Exclusion
- Blind Work Expense
- PASS
- PESS
- 1619b
- Subsidy
- Impairment Related Work Expense
- Medicaid Buy-In
• The Ticket to Work program provides an opportunity for you to be supported in making long-term choices about your work to fulfill your career goals and your personal finance goals.
Ticket to Work


- Ticket to Work program by Social Security
  - Started in 1999
  - For SSDI or SSI beneficiaries with disabilities
  - Ages 18 through 64
  - Increases choice and access to employment-related supports and services
  - Voluntary
  - Free!
  - More information to help you decide through WIPA and WISE
Goal of the Ticket to Work program:

Self-sufficiency!

Help those who are interested and able to achieve employment goals and decrease reliance on SSA benefits.
Ticket to Work


Ticket Holder basics

• Voluntary -- I decide to participate or not
• Choice – I decide where I assign my Ticket based upon who I feel can best provide the services I need
• Long-term employment support – assigning my Ticket can mean receiving up to 7 years of supports and services
• Protections --
  – using my Ticket can mean SSA will not conduct a medical continuing disability review
  – If my cash benefits end due to my earnings but I stop working within 5 years, SSA can start paying me again without a new application

Ticket to Work

Basics

- SSA sends paper Tickets in the mail
- You may have received it a long time ago
- You don’t need to have paper Ticket to use it
  - Call 1 (866) 968-7842 (v) or 1 (866) 833-2967 (tty) to confirm you have Ticket and get information about how to use it
Employment Networks (ENs)

- Service providers approved by SSA
  - All State VR agencies (DORS, DRS, VESID, etc.)
  - Many One-Stop Career Centers, Workforce Boards, other government agencies
  - Many traditional providers such as Goodwill Industries, Easter Seals, and private employment agencies
  - Even some employers

- List available at [www.yourtickettowork.com](http://www.yourtickettowork.com) or by calling: 1 (866) 968-7842 (v) or 1 (866) 833-2967 (tty)

- ENs may serve people with all types of disabilities or specialize
- All ENs don’t provide the same supports and services—check out several and find one that is a good fit for you
- ENs receive Ticket payments from SSA, but only if you work and hit certain earnings levels—so they will want to help you be successful!
Ticket to Work


• If you are a client of state VR, your Ticket has value and can be assigned to EN after VR case is closed
• If you receive services that are paid under Medicaid or a Medicaid waiver you can still use your Ticket
  Ŷ Your service provider can become an EN and accept your Ticket assignment
  http://www.cessi.net/ttw/CMS_Medicaid.html
  Ŷ You don’t have to change providers; Ticket payments help them fund their program if you are successful
Steps to Using Your Ticket

1. Get information about how work affects your SSA benefits and choose the EN that’s right for you
   • Call 1 (866) 968-7842 (v) or 1 (866) 833-2967 (tty)
   • Visit www.yourtickettowork.com
   • Find your Work Incentives Planning and Assistance project at www.ssa.gov/work/WIPA.html

2. Assign your Ticket, receive services and start working

3. Remember to report your earnings to your local SSA office

4. Make progress using your Ticket to postpone medical Continuing Disability Reviews

5. Take Advantage of having earned income
   • File your taxes
   • Claim the EITC
   • Invest in your financial future

Program Resources:
• For general information about Ticket and videos of beneficiaries who chose to work visit: [www.choosework.net](http://www.choosework.net)
• For SSA Work Incentives information or to find a WIPA, visit: [www.socialsecurity.gov/work](http://www.socialsecurity.gov/work)
• For a list of ENs serving your area visit: [www.yourtickettowork.com](http://www.yourtickettowork.com)
• Assets For Independence Resources- [www.idaresources.org](http://www.idaresources.org)
• National Disability Institute- [www.realeconomicimpact.org](http://www.realeconomicimpact.org)
• If you are a provider interested in becoming an EN, visit: [www.cessi.net/ttw](http://www.cessi.net/ttw)

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