SSI & SSDI: Applications of Work Incentive Provisions, Other Rules

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Case Study

On analysis sheets please provide your name, address, phone number, and email.

Make sure to attach all computation and Trial Work Period, Extended Period of Eligibility and Extended Medicare worksheets used in your responses. Remember, content and writing style count and you should respond to questions as though responding to a beneficiary.

[Please assume that Anne’s SSDI and SSI rates do not change as the years change. The SSI rates in question for each year will be the FBR for 2004. In addition please use the 2004 TWP, SGA, and SEIE rates through the entire case study.]

Scenario #1

Anne is 38-years old and lives with her mother. Anne does not contribute to household expenses. During her early and mid-20s, Anne worked as a secretary. At age 28, Anne had an emotional breakdown and was hospitalized for several months. During the next four years, she attempted to work several times but each time she had a relapse and was forced to stop working. Finally, at age 32 she stopped work altogether and applied for Social Security Disability Insurance (SSDI) benefits. She was initially denied and denied again following a request for reconsideration. Her claim was then approved when she appeared before an Administrative Law Judge (ALJ).

Anne has now been collecting SSDI benefits since her claim was approved by the ALJ. Her monthly check is $486 and she qualifies for Medicaid because her monthly countable income is less than $642, the one-person income limit for Medicaid under her state’s “medically needy program.” If it was higher she would be required to pay a Medicaid “spend down.” (Note: New York’s Medicaid eligibility criteria is used in this example. About 1/3 of states will not have the optional “medically needy program” and, thus, will not have a Medicaid spend down.)

1. Anne has called you and wants to know if she qualifies for SSI. She claims that a friend gets a similar amount of SSDI per month and qualifies for a small SSI check. Is Anne eligible for SSI?

2. Anne’s mother recently received a $6,000 inheritance and gave one half of it to Anne.

   a. Will this $3,000 gift affect Anne’s SSDI eligibility? Please explain.

   b. If Anne is receiving SSI, will the $3,000 gift affect her SSI eligibility? If so, how?
Scenario #2

Let’s change the facts a little. In June 2004, Anne told you she was thinking of moving into her own apartment. She knew that money would be tight but she had been offered a pretty good deal. She wanted to know if either her SSDI benefits would increase upon moving out or if she would now qualify for an SSI supplement.

3. Please answer Anne’s questions.
   a. Will her SSDI benefits increase? Please explain.
   b. Will she now qualify for an SSI supplement? If so, how much?

Scenario #3

In January 2005, Anne is offered work with a bulk mailing service run by a private rehabilitation agency, ABC Rehab, Inc. Anne has not worked since obtaining SSDI. This is unskilled work and Anne will have support from a job coach. She will work 100 hours per month and make $6.60 per hour, a total of $660 gross per month.

Anne calls you. She is excited about getting out of her apartment and working again, but is also nervous about this opportunity. She has heard stories about people losing all their benefits when they go to work; about the trial work period; and about being able to work and keep half her benefits. She also has heard something about the “519-c” program but has no idea what that is about. Anne has become agitated in response to all of these issues. She is also obviously confused and is in need of your support.

4. How will this work affect her SSDI?
   a. Will she have a trial work period (TWP)? If so, how will this work affect her TWP?
   b. What about the extended period of eligibility (EPE)? What is her status with regard to the EPE?
   c. Will her wages affect the amount of SSDI she gets each month? Please explain.

5. How will this work affect Anne’s SSI cash benefit? Please explain.

6. Is she protected by any special work incentive that allows her to keep her Medicaid benefits? Please explain.

Scenario #4

Anne continues working throughout 2005, making $660 per month at ABC Rehab. Based on her performance, in January 2006 she is placed at a commercial business, Quality Mailers that does similar work.
Throughout the first nine months of 2006, Anne works at Quality Mailers and earns $850 gross per month, working 100 hours per month at $8.50 per hour. During the first three months at this job (January – March 2006), she receives three hours of job coaching services per week. ABC Rehab supplies the job coach services at a cost to ABC of $20 per hour (covering salary, fringe benefits, and overhead). Starting in April 2006, Anne works without any job coach services. In September 2006, Quality Mailers tells her it is about to hit its busy season and will give Anne more hours. She will earn $1400 gross during October, and expects to earn the same in November and December 2006.

Anne has reported all of this information to the Social Security Administration (SSA) in a timely fashion. Through September 2006, she has continued to receive SSDI benefits of $486 per month, with no SSI. She calls you in late September 2006 because she has heard nothing from SSA and is very nervous about all of this. Recently, a friend told her about another friend who, like Anne, had worked for two years with no word from SSA. He wound up with his benefits terminated and a $15,000 overpayment.

7. Please explain how would you deal with Anne’s concerns?

8. Anne wants to know if she was entitled to the SSDI benefits she received during all of 2005 and the first nine months of 2006. Please go over the entire period for her based on what you know about the TWP and EPE rules.
   a. Does Anne have any impairment related work expenses (IRWEs) or is she getting a subsidy? Please explain. How does that fit into your analysis?
   b. Please describe any special work incentive that may allow her to keep her Medicaid benefits?

9. Anne has not received SSI benefits since shortly after she started the work at ABC Rehab in January 2005.
   a. Assume that Anne gets no SSDI check in July 2006. Will she now be eligible for an SSI check? If so, how much will she get in SSI benefits?

Scenario #5

On January 2, 2007, Anne is called by her boss at Quality Mailers. It seems that the company has a major problem with its computers and other processing equipment. The company will be subcontracting out most of its work until the problem is fixed. Anne is to be laid off and will not be able to return to work until June 1st. She will receive no paychecks during the five-month period, January through May 2007.

Anne calls you and is all upset. She stopped getting SSDI checks in December after you insisted that she let you call all her latest wage information into SSA. She now is without an SSDI check or a paycheck. Worse yet, she was depending on her paycheck to pay her rent. What is she to do?

10. Can she get her SSDI checks back? If yes, under what theory? What will she need to do?
11. Anne asks you again about SSI. Is there any way that she will now qualify for SSI? Please explain.


13. If Anne cannot pay her rent during January 2007, is there any place she can go for help? Please explain.

14. You sense that Anne may be heading toward a worsening of her mental illness symptoms. You, however, are not a mental health counselor. What can you do or recommend? Please explain.

15. Is there any other benefit out there for which Anne may be eligible?

Scenario #6

It is now the first week of June 2007. Anne has gone back to work at Quality Mailers. She will be earning $600 gross per month again and continue at that rate of pay at least through the summer.

Anne now calls you again. She wants to know about her potential eligibility for SSDI, SSI, and Medicaid. She is less certain now about the security of the job and wants to be sure she is not left “high and dry” if the job should suddenly end.

16. Please explain what will happen with Anne’s SSDI upon her return to work?

17. Will she be eligible for SSI?

18. What about Medicaid?

19. Please explain what happens to her benefits if the paychecks suddenly end again?

Scenario #7

Anne continues to earn $600 gross per month throughout 2007. Her wages increase to $1,200 gross per month in January 2008 and remain at that level throughout 2008.

20. Please explain what will happen to Anne’s SSDI during the remainder of 2007.

21. What will happen to her SSDI in 2008?

22. What can you tell Anne about her future eligibility for expedited reinstatement of benefits? Will she ever qualify for a new trial work period or extended period of eligibility? Explain.