

# **Employment & Disability**

## **Glossary of Terms**

### **1619(a)**

Rules that allow Supplemental Security Income (SSI) recipients to keep their SSI benefit at a lower level when they return to work.

### **1619(b)**

A rule that allows people on Supplemental Security Income (SSI) to keep Medical Assistance (MA) coverage when their combined income is too high to get any SSI cash benefit. Under 1619(b), you can keep your Medical Assistance (MA) while earning up to \$50,104/year.

### **401(k) Retirement Account**

A type of retirement plan in which people who are employed can automatically have money taken out of their paychecks and put aside into an account that is taxed less than a standard savings or investment account. This helps the account grow more quickly than other accounts. The person who puts the money aside can only use this money after reaching the age of 59 and a half. If money is withdrawn before that age, the person taking the money out has to pay a penalty.

### **Active Work Requirement**

The minimum number of hours per week that an employee is required to work to qualify for and maintain eligibility for benefits.

### **Adjusted Gross Income**

Gross income minus deductions for certain expenses.

### **Americans with Disabilities Act (ADA)**

A federal law that protects the rights of people with disabilities at work and in public places. The ADA makes it illegal for employers, the government, or other public agencies to discriminate against (to treat unfairly or unequally) disabled people at work and in most public places, places, such as restaurants, hotels, and theaters. The law also requires

employers to make reasonable accommodations to allow employees with disabilities to do their jobs.

## **Adjusted Income**

The amount a person pays taxes on after all allowed adjustments are made (deductions and credits).

## **Asset Limit**

The maximum amount of assets you're allowed to own while maintaining eligibility for a particular disability benefits program. Also called a "resource limit."

## **Assets**

Things that you own, like a car or a house. You can only own a certain amount in assets and still qualify for most health care and disability benefit programs. The home you live in and the car you drive to work are exempt under most Social Security and state disability benefit programs. Also called "resources."

## **Assistive Technology**

Technological devices that help people with disabilities carry out daily activities.

## **Benefits Planning Query (BPQY)**

A report that summarizes your current Social Security disability benefits and available work incentives. To order one, visit your local Social Security office or call 1-800-772-1213 (voice); 1-800-325-0778 (TTY). Be sure to review your BPQY carefully.

## **Blind Work Expenses (BWE)**

Documented expenses for services or items that you need in order to work. Service animal expenses, transportation to and from work, and visual and sensory aids are examples of BWEs. You must be eligible for Supplemental Security Income (SSI) based on blindness to use BWEs.

## **Consolidated Omnibus Budget Reconciliation Act (COBRA)**

If you lose your employer-sponsored health coverage, COBRA laws allow you to continue that coverage for up to 18 months in most situations.

## **Continuing Disability Review (CDR)**

A periodic review to determine if there has been any medical improvement in your condition and/or to determine whether you continue to be eligible for Social Security benefits for other reasons. The two types of reviews are called a medical CDR and a work CDR.

## **Countable Income**

The amount of income that Social Security or the state counts when figuring out your benefit amount. Not all of your income counts.

## **Countable Income Calculation**

The calculation used to determine how much of your unearned and earned income is counted when determining your eligibility for certain disability benefit programs. Different programs often use different formulas to determine countable income.

## **Countable Income Calculation (SSI)**

The calculation used to determine how much of your unearned and earned income is counted when determining your SSI benefit and eligibility.

Step 1: If you have unearned income (for example, an SSDI benefit), subtract a \$20 "General Income Exclusion" from it to calculate your countable unearned income. If you do not have unearned income, this exclusion is applied to any earned income.

Step 2: If you have earned income (for example, wages), subtract a \$65 "Earned Income Exclusion" from it (along with the remainder of the \$20 "General Income Exclusion" that you have not applied to Unearned Income), along with any Impairment Related Work Expenses, and divide the resulting figure by two to find your countable earned income. If you have Blind Work Expenses, subtract them after you divide.

Step 3: Add your countable unearned income to your countable earned income to find your total countable income.

## **Countable Resources (SSI)**

Resources are things you own, like a home or car. To be eligible for SSI, you can only have up to \$2,000 in resources (\$3,000 for a couple).

When determining whether or not you qualify for SSI, Social Security excludes certain resources from your countable resource total. Your home and one car do not count as resources, for example. Income received from Earned Income Tax Credits (EITC), Child Tax

Credits (CTC), SNAP (formerly Food Support/Food Stamps), grants, scholarships, fellowships, gifts, property essential to self-support, Individual Development Accounts (IDAs), and many other items may be excluded as well.

## **Countable Unearned Income**

Funds received from sources for which no paid work activity is performed are considered "unearned income" (for example, disability benefits such as SSDI, SSI, short- and long-term disability insurance; VA benefits; Workers' Compensation; income from a trust or investment; spousal support).

Your "countable unearned income" is the portion of that unearned income that the Supplemental Security Income (SSI) program considers when deciding how much your SSI benefit should be. The SSI program uses a special calculation to determine your countable earned and unearned income, your total countable income, and ultimately, your SSI benefit.

## **Deemed Income (SSI)**

The amount of another person's income (a spouse or parent, for example) that is considered to belong to the individual regardless of whether the person receives this money.

## **Earned Income (EI)**

Salaries, wages, tips, professional fees, and other amounts you receive as pay for physical or mental work you perform. Funds received from any other source are not included.

## **Earned Income Disregard (Section 8)**

A rule designed to encourage people on Section 8 to try working. It allows people with disabilities to take a new job and exclude 100% of their earnings during their first year of employment, and 50% of their earnings during the second year.

So if you're on Section 8 and you start working after being unemployed, the amount you pay in rent will stay the same for the first 12 months. And during the second 12 months, your housing authority will only count half of your total work earnings towards rent.

## **Earned Income Exclusion (Supplemental Security Income Program)**

\$65 of earned income that is not considered when Social Security uses the SSI Countable Income Calculation to determine the benefit amount for a Supplemental Security Income (SSI) beneficiary. This \$65 is in addition to the \$20 general income exclusion, which may be earned or unearned income.

## **Earned Income Tax Credit (EITC)**

A federal income tax credit for low income working individuals and families. The credit reduces the amount of federal income tax you owe and can result in a refund check. Most people claim their Earned Income Tax Credit (EITC) when they file their federal income taxes.

## **Employment Network**

An employment services agency that is approved by Social Security. Employment Networks may offer a variety of services such as job readiness services, placement services, vocational rehabilitation, training, job coaches, transportation or other supports.

Employment Network examples:

- Employers
- Employers offering or arranging for job training
- Employers collaborating with community based organizations
- Transportation providers
- Staffing and placement agencies
- Consumer groups
- State Department of Rehabilitation
- Private providers of rehabilitation services
- Vocational rehabilitation Service Projects for American Indians with disabilities
- Cottage industries such as benefits planning services combined with other services
- Public or private schools providing transitional education or career development services
- Organizations working with ethnic, disability, or religious faith groups

A current list of Employment Networks can be found on the Ticket to Work website

## **Expedited Reinstatement of Benefits**

A quicker way to get benefits restarted for individuals whose Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI) ends due to employment. You get up to 6 months of benefits while SSA decides if you have medically improved or not. This provision is available for up to 5 years after your benefits end.

## **Extended Period of Eligibility**

A period of time (36 months) after your Trial Work Period ends, during which you can continue to get your SSDI benefits during months when you earn less than a certain amount. If earnings exceed that amount, your SSDI benefits will be suspended, but you

remain in eligibility status. That means if earnings drop, your SSDI benefits can simply be restarted.

### **Federal Benefit Rate (FBR)**

The national benefit amount, established by the Social Security Administration (SSA), for Supplemental Security Income (SSI) recipients. The Federal Benefit Rate (FBR) is administered by SSA for all states and Commonwealths annually. For 2013, the FBR is \$710 for an individual and \$1,066 for a couple.

### **Five-Year Window**

The 60 consecutive months during which you can work 9 Trial Work Months.

The Window begins on the 1st TWP month, but rolls forward until you have worked 9 Trial Work Months within 60 consecutive months.

### **Grace Period**

When a person has a pattern of work in which countable earnings exceed Substantial Gainful Activity (SGA), the first 3-months of that pattern are the Grace Period. A person gets full Social Security Disability Insurance (SSDI) payments regardless of wages during this period.

### **Gross Income**

Your earned income (before taxes and other deductions are made) plus your unearned income.

### **Impairment Related Work Expenses (IRWE)**

Documented expenses for services or items that are related to a serious medical condition or impairment and needed in order to work. Wheelchairs, physician visits, copayments for prescriptions, and other medical expenses are some examples of IRWEs. The expenses must be verified by original receipts and canceled checks and approved by Social Security.

### **Income Limit**

The maximum amount of income you're allowed to have while maintaining eligibility for a particular benefits program.

## **Individual Development Account (IDA)**

A savings account in which your deposits are "matched" at a certain rate. If you have a 2-to-1 match, for example, an additional \$2 will be deposited for every \$1 that you deposit in your account. IDAs are usually used to save for school, purchasing a home, or starting a business.

## **Individual Retirement Account (IRA)**

A type of retirement plan in which people who are employed can put aside money every year into an account that is taxed less than a standard savings or investment account. This helps the account grow more quickly than other accounts. The person who puts the money aside can only use this money after reaching the age of 59 and a half. If money is withdrawn before that age, the person taking the money out has to pay a penalty.

## **Individual Work Plan (IWP)**

A formal agreement between a ticket holder and an Employment Network that describes how services will help the person to achieve an employment goal. The Plan includes specific steps and a time schedule that may span several years.

## **Open Enrollment Period**

The annual time period when an individual may add or change coverage in an employer-provided or association-affiliated insurance plan. Changes during most of these annual periods will require medical underwriting to add benefits not elected during the initial enrollment period. The federal government calls this period "open season", and other insurers may use different terms.

## **Overpayment**

Payment that exceeds the approved benefit amount.

## **Peer Employment Specialist\***

A peer who has been trained, using the Peer Employment Specialist model, to provide employment supports.

## **Plan for Achieving Self-Support (PASS)**

A Supplemental Security Income (SSI) program that allows you to set aside income and assets for expenses related to a specific work goal. Income that you use for these expenses

will not cause your SSI benefits to go down. Assets that you spend on PASS expenses won't count towards the SSI limit.

## **Property Essential to Self-Support (PESS)**

Anything that you own and need to support yourself. If the Social Security Administration (SSA) approves the property that you claim is Property Essential to Self-Support (PESS), Social Security will not count these things as resources when figuring out if you are eligible for Supplemental Security Income (SSI) benefits. Three types of property can be excluded as PESS:

Property that you use in a trade or business (for example, your inventory) or personal property you use for work as an employee (for example, tools or equipment)

Up to \$6,000 of the value of nonbusiness property that you use to produce something that helps with your daily living (for example, land that you use to produce vegetables that you eat)

Up to \$6,000 of the value of property if the property gives you a return of at least a 6% per year (for example, property you own and rent to someone else)

You must be using the property to support yourself or expect to start using it again within a reasonable period of time, usually 12 months.

## **Reasonable Accommodation**

An adjustment or modification to a job or workplace that enables an employee to successfully perform the essential functions of the job.

In education, a reasonable accommodation is a modification that allows a student with a disability to successfully participate in an activity, class, test, or other aspect of school.

## **Regular Attendance (SEIE definition)**

To be considered “regularly attending” school for the Student Earned Income Exclusion (SEIE), a student has to meet one of the following requirements:

Attend a college or university for at least 8 hours a week under a semester or quarter system

Be in grades 7 - 12 for at least 12 hours a week

Be in a course of training (with shop practice) for at least 15 hours a week to prepare for a paying job

Be in a course of training (without shop practice) for 12 hours a week

In some circumstances, like illness or unavailability of transportation, students may be allowed to spend less time than indicated above and still be considered "regularly attending" for the purposes of the SEIE.

## **Resource Exclusions (SSI)**

In addition to the home you live in and one car, there are several other resources that may be excluded when determining your Supplemental Security Income (SSI) countable resource total. Earned Income Tax Credits (EITC), Child Tax Credits (CTC), SNAP (formerly Food Support/Food Stamps), grants, scholarships, fellowships, gifts, property essential to self-support, Individual Development Accounts (IDAs), and many other items may be excluded.

## **Resource Limit**

The maximum amount of resources you're allowed to own while maintaining eligibility for a particular disability benefits program. Also called an "asset limit."

## **Resources**

Cash or property that you own, can convert to cash, or can use to support yourself. Stocks, bonds, and savings accounts are a few examples of resources. Also called "assets."

## **Revenue**

The total amount of money that a business earns before expenses are deducted. Example: Julia's consulting business earns \$5,000 per month, but spends \$2,000 per month on expenses. Her company's total monthly revenue is \$5,000; her company's monthly net income (\$5,000 minus \$2,000) is \$3,000.

## **Satisfactory Academic Progress**

An institution's minimum academic requirements that a student must meet to be eligible for federal student aid.

## **Self-Employment**

Working for yourself rather than someone else. If you run your own business, you're "self-employed."

## **Social Security Disability Insurance (SSDI)**

Wage replacement income for individuals who have worked and paid FICA taxes and who now have a disability meeting Social Security disability rules. SSDI provides a variety of benefits to family members when a primary wage earner in the family becomes disabled or dies. SSDI is financed with Social Security taxes paid by workers, employers, and self-employed persons. SSDI benefits are payable to disabled workers, widows, widowers, and children or adults disabled since childhood who are otherwise eligible.

## **Student Earned Income Exclusion (SEIE)**

An exclusion that allows most students to work without their SSI benefit decreasing. The SEIE lets you keep the first \$1,730 in earnings each month without affecting the countable earned income calculation. But there is an annual cap of \$6,960, so if you earn more than this in any given year, the income starts counting again.

## **Substantial Gainful Activity (SGA)**

A term used by Social Security to mean doing significant physical or mental activity for pay or profit. SGA is used when screening for initial eligibility for Social Security disability benefits. For people who receive SSDI and are also working, Social Security will use SGA to determine if they continue to be eligible for SSDI benefits.

For 2013, SGA is \$1,040 (\$1,740 for people who are blind).

## **Supplemental Security Income (SSI)**

A Social Security Administration program that provides cash benefits to people with disabilities who have limited income and resources. The amount of the SSI benefit is based on financial need and on details of your living situation. The maximum monthly SSI benefit for most individuals in 2013 is \$710, or \$1,066 for a qualifying couple.

## **Supported Employment Services**

Services to help people with disabilities find a job or remain employed. Services include things like job skills training, job coaching, or help requesting workplace accommodations.

## **Temporarily Inactive Ticket**

A Ticket that has been temporarily inactivated because a beneficiary could not make progress on his/her Individual Work Plan due to illness or disability. The clock stops on the timely progress review schedule, and there is no penalty for the delay.

## **Ticket**

A standard electronic form that indicates eligibility for the Ticket to Work Program.

## **Ticket on Demand**

An option for requesting a Ticket to Work by calling the Ticket Program Manager: 1-866-968-7842.

## **Ticket to Work Program**

A program of the federal Social Security Administration (SSA) designed to expand access to employment for Social Security beneficiaries with disabilities.

## **Timely Progress**

Active participation in the Individual Work Plan (IWP) during the first two years of the Ticket program. Thereafter, timely progress is referred to as "increased work activity and earnings" (Year 3, 4, and 5).

As long as an individual is making timely progress on the IWP, Social Security will not initiate a medical Continuing Disability Review (CDR).

## **Trial Work Month (SSDI)**

Any month when gross monthly earnings are above \$750 (for 2013). Impairment-Related Work Expenses (IRWEs) cannot be deducted when figuring out Trial Work month earnings.

## **Trial Work Period (TWP)**

The Trial Work Period is the nine Trial Work months occurring within a five-year window when you can work and continue to get your full SSDI benefit. These work months can occur one right after the other or be spread out over time.

## **Undue Hardship**

"Undue hardship" means that the reasonable accommodation you requested is too difficult or too expensive for the employer to get, in relation to the employer's size, financial resources, and the needs of the business. If a reasonable accommodation request causes the employer "undue hardship," then the employer does not have to get the requested accommodation.

## **Unearned Income (UI)**

Funds received from sources for which no paid work activity is performed. Disability benefits such as SSDI, SSI, short-term disability insurance, and long-term disability insurance; VA benefits; Workers' Compensation; income from a trust or investment; spousal support; dividends, profits, or funds received from any source other than work are all usually considered unearned income.

## **Unincurred Business Expenses**

Financial or other assistance from an agency or individual to help establish or sustain a self-employed person's business. Examples include a government agency paying for some of your business expenses, or providing you with things of value (e.g. office space) free of charge.

Social Security rules do not penalize you for receiving unincurred business expenses. Instead, Social Security deducts the value of any unincurred business expenses from your net income when deciding if you have reached the Substantial Gainful Activity (SGA) level for any given month. SSA uses fair market value to assess the value of any unincurred business expenses.

## **Vocational Assessment**

A service to help a person examine their work skills, education level, employment background, and interests, in order to help them decide on a career path that will be well matched to their skills and interests.

## **Vocational Counselor**

A counselor who works with people to help them identify potential job options.

## **Vocational Rehabilitation**

State agencies that help people with disabilities prepare for, find, and keep a job that is consistent with their skills, strengths, and interests.

## **Wage Subsidy and Special Conditions**

For the purposes of calculating Substantial Gainful Activity (SGA), wage subsidy and special conditions are support you get on the job that may result in your getting more pay than the actual value of the services you perform. Wage subsidy refers to support you get from your employer; special conditions are generally given to you by someone other than your employer, for example a vocational rehabilitation agency.

Social Security looks at wage subsidy and special conditions when they make an SGA decision. They only use earnings that represent the real value of the work you perform to decide if your work is at the SGA level. If Social Security decides that wage subsidy or special conditions exist, you can earn more while continuing to get your benefits.

Wage subsidy or special conditions may exist if:

You get more supervision than other workers doing the same or a similar job for the same pay

You have fewer or simpler tasks to complete than other workers doing the same job for the same pay, or

You have a job coach or mentor who helps you perform some of your work

Note that Social Security uses wage subsidy and special conditions rules when they are deciding if you have earned Substantial Gainful Activity after your SSDI Trial Work Period is over. Social Security does not use these rules during your Trial Work Period or in any Trial Work month.

## **Work Goal**

The specific job an individual wishes to have after completing a Plan for Achieving Self-Support. Also known as a vocational or occupational goal.

## **Work Incentives**

Rules used to encourage people to work when they use public benefits. Social Security Disability Insurance (SSDI), Supplemental Security Income (SSI), Medicare, and Medical Assistance all have work incentive rules.

## **Workplace Personal Assistance**

Services that enable an employee with a disability to perform the essential duties of a job.

## **Work-Study**

A program that you may qualify for if you apply for financial aid at your college or university. If you qualify, it will be easier for you to get a part-time job on campus or nearby, because the federal government will help some employers pay your salary.

Sources: unless noted otherwise, material has been drawn from Disability Benefits 101 <http://mn.db101.org/>. \* Source from Mental Health America of Oregon.