

Cornell University  
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# **Glossary of SSA Disability Programs and Related Terms**

**Age 18 Re-determination (SSI):** Any person who was found eligible for SSI as a child in the month before they turned 18 must have their eligibility for SSI re-determined as an adult. This review should be completed before the age of 19.

**Appeals:** Individuals have the right to appeal any “initial determination” made by the SSA. Individuals may also appeal denial of benefits, reduction of benefits, termination of benefits, and/or the assessment of overpayments. There are four levels of the appeals process with certain time restrictions for each. Individuals generally have 60 days from the time they receive a notice from the SSA to file appeals.

**Blind Work Expense (SSI):** Any SSI recipient whose primary diagnosis is blindness, and who receives earned income is entitled to exclude from that income any ordinary and necessary expenses attributable to the earning of income. This is not counted in determining SSI eligibility and monthly cash payments.

**Break-Even Point (SSI):** While a reduction in the SSI cash payments will occur as a recipient’s earnings increase, SSI recipients will continue receiving cash payments until their total countable income increases to the point where their SSI payment is reduced to zero.

**Childhood Disability Benefits (SSDI):** Adults with disabilities who do not have sufficient Social Security-covered work history for insured status may receive Social Security benefits based on their parents’ insured status. To be eligible for Social Security as a disabled adult child, individuals must be: 18 years of age or older; disabled by SSA’s definition before age 22; and the child of an insured worker who is either disabled, retired or deceased. (If adult child marries, benefits end unless marriage is to another Title II beneficiary.)

**Continuing Disability Review:** The Social Security Act requires that the SSA periodically update records and review the disability status of beneficiaries and recipients to ensure that they continue to be disabled and thus eligible for disability payments. These reviews are called Continuing Disability Reviews (CDRs) and apply to persons receiving both SSDI as well as SSI. These reviews can be based on either medical improvement or work activity.

**Countable Income (SSI):** The amount of combined earned and unearned income remaining after SSA has subtracted all allowable income exclusion and deductions from your income. This amount will determine the amount of the SSI eligibility and payment amount.

**CDR Protections:** Effective January 1, 2001, SSA was no longer able to initiate a Continuing Disability Medical Review while an SSI recipient or Title II beneficiary is using a “Ticket” under the Ticket to Work and Self-Sufficiency program. Extending CDR protections further, effective January 1, 2002, work activity by a Title II beneficiary who has received Title II for at least 24 months cannot be used as a basis for conducting a medical CDR.

**Deemed Income (SSI):** When the SSA determines the eligibility and amount of payment for an SSI recipient, the income and resources of people responsible for the recipient’s welfare are also considered. This concept is called “deeming.” It is based on the idea that those who have a responsibility for one another share their income and resources. It does not matter if money is actually provided to an eligible individual for deeming to apply. There are three main situations where income and resources are “deemed”: from an ineligible spouse to an eligible individual; from an ineligible parent(s) to a child; or, from a sponsor to an alien.

**Disability Standard:** “The inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.” This is the legal definition of disability used by the Social Security Administration in both the SSI and SSDI programs.

**Earned Income (SSI):** Earned income may be paid in cash or in-kind. If it is in-kind and in exchange for labor, its full current market value is the amount used to determine countable income. Earned income is: wages paid; net earnings from self-employment; payments for participating in a sheltered workshop or work activity center; sickness or temporary disability payments received within the first six months of stopping work; royalties earned in connection with any publication of the individual’s work or any honoraria received for services rendered. Earned income is favored by SSA and receives significant exclusions and deductions before “countable income” is determined.

**Employment Network (EN):** A qualified public or private organization that has entered into an agreement with SSA to function as an EN under the Ticket to Work program and take responsibility for the coordination and delivery of employment services, vocational rehabilitation services, and/or other support services.

**Expedited Reinstatement of Benefits:** An individual, who has had their disability benefits ceased as a result of work and earnings and have had to subsequently reduce their work below substantial gainful activity levels or stop work as a result of their impairment, may request reinstatement of benefits within five years of their benefits stopping. Up to six months of provisional benefits can be paid while a disability determination is made. Provisional benefits will never be considered an overpayment.

**Extended Medicare Coverage (SSDI):** Beneficiaries who continue to work can generally continue to receive Medicare for 78 months with the first month of SGA occurring after the 15th of the month of the EPE. Medicare coverage extends for at least 93 months.

**Extended Period of Eligibility (EPE) (SSDI):** At the conclusion of the nine-month Trial Work Period (TWP), as long as individuals continue to have their original disabling condition, a 36-month EPE will begin in the month following the ninth TWP month. During these 36 consecutive months, individuals will receive benefit checks when their earnings are below SGA. During the EPE, individuals are due payment (disability benefits) for any month they do not work, or when work and earnings fall below the SGA level. During this period, it is not necessary to file a new application for benefits to resume.

**Federal Benefit Rate (SSI):** SSI is an economic “need-based” program and is intended to supplement any income individuals already possess, to ensure that they are afforded a minimum level of income. Therefore, the dollar amount of SSI benefits received on a monthly basis varies from person to person. The Federal Benefit Rate (FBR), is the maximum dollar amount that individuals or couples can receive in SSI cash benefits on a monthly basis from the federal government. Some states supplement the FBR.

**Income Averaging (SSDI):** When conducting the SGA determination, or work CDR, the Claims Representative may average income when monthly earnings are typically under the SGA level but there are one or two months in which the reported earnings are above the SGA limit. Income averaging can only occur during a period of time when the SGA level is consistent and only when job duties are the same or very similar.

**Income Disregards (SSI):** SSA allows individuals a \$20 general income exclusion, which is subtracted from their income. The general income exclusion is first applied to unearned income received. Any portion of the general income exclusion remaining is then applied to earned income. In addition to the general income exclusion a \$65 earned income exclusion is subtracted from earned income. For SSI recipients, earned income is the gross amount received in the calendar month, regardless of when it was earned. After the earned income exclusion is applied, SSA counts one-half of the remaining earned income. Then, the remaining amount of earned and unearned income after exclusions is combined to give the countable income. This is the dollar amount that SSA uses to determine the SSI payment.

**Impairment-Related Work Expense (IRWE) (SSDI):** The cost of certain impairment-related items and services required by individuals in order to work are deducted from gross earnings in calculating SGA, even if these items and services are also needed for non-work activities. The purpose of the IRWE is to allow beneficiaries to reduce income below SGA levels until they can work at a level of self-sufficiency, which decreases reliance on benefits. The cost of IRWE expenses can also be deducted from gross earnings during initial application processes, enabling individuals to meet the SGA requirement. In order for the expense to be deductible it must be related to the work activity and paid for by the recipient.

**IRWE (SSI):** For SSI recipients, deducting the cost of the IRWE from monthly gross wages increases the SSI cash payments they can receive. The cost of IRWE expenses can also be deducted from gross earnings during initial SSI application processes, enabling individuals to meet the SGA requirement. IRWE may also help individuals meet the income test for SSI eligibility. In order for the expense to be deductible it must be related to the work activity and paid for by the recipient.

**Income Exclusions (SSI):** In determining SSI eligibility, individuals may exclude any of the following: parent's income/resources once a child reaches the age of 18, regardless of their student status; any portion of student's grants, scholarships, or fellowships used to pay the cost of tuition, books, and other education related expenses; and/or food and shelter provided "in-kind" by a non-profit organization as income if the assistance is based on need and is certified by the state.

**Medicaid Buy-In:** States can extend Medicaid coverage to certain individuals with disabilities who work under a provision known as the Medicaid Buy-in. The Medicaid Buy-in first appeared as an option for States under Section 4733 of the Balanced Budget Act of 1997. The Buy-in is designed to provide Medicaid to working people with disabilities, who, because of relatively high earnings, cannot qualify for Medicaid under one of the other statutory provisions. The Medicaid Buy-in program allows working individuals with disabilities to "buy into" their state's Medicaid program by paying a premium and/or cost share amount similar to the manner in which they would purchase health coverage on the private market. Any working individual with a disability who meets their state's specific eligibility requirements for the Buy-in may enroll in the program.

**Plan for Achieving Self-Support (PASS) (SSI):** PASS is an SSI work incentive under which persons with disabilities can set aside income and/or resources to be used to achieve specific work goals. A PASS can be established to cover the costs of obtaining an education, receiving vocational training, starting a business, or purchasing support services which enable individuals to work and result in reduction/cessation of benefits.

**Property Essential to Self-Support (PESS) (SSI):** This SSI provision allows individuals to exclude certain resources which are essential to their means of self-support. Properties that are used in

trades or businesses by individuals for work as employees are totally excluded as of May 1, 1990. Up to \$6,000 of the equity value of non-business properties that are used to produce goods or services essential to daily activities are excluded. Also, up to \$6,000 of the equity value of non-business income-producing properties are excluded, provided that the property yields an annual rate of return of at least six percent.

**Re-determination Review (SSI):** Re-determinations are non-medical reviews, which occur annually. During the re-determination reviews, the SSA updates the individual's income, resources, and living arrangement in order to ensure continued financial eligibility for SSI benefits.

**Representative Payee:** It is the policy of the SSA that every legally competent beneficiary or recipient has the right to manage his or her own cash benefits. However, when there is evidence that an individual is not able to manage or direct the management of benefit payments in their best interests, representative payment may be made. Benefits are then paid to a third party for the use and benefit of the beneficiary.

**Resource Test (SSI):** The SSI benefit program has specific resource limitations that are set by statute and include real or personal property (including cash). This must not exceed the specified amount at the beginning of each month. The resource limits are not subject to regular cost-of-living increases, and the current limit is \$2,000 for individuals and \$3,000 for married couples.

**Section 1619(a) (SSI):** 1619(a) enables individuals who continue to be disabled to receive special SSI cash benefits in place of their regular SSI payments, when earnings exceed the SGA level. To be eligible for 1619(a) benefits, individuals must continue to have the original disabling impairment under which eligibility for SSI was initially determined, and must currently meet all other eligibility rules, including the income and resource test. If all eligibility requirements continue to be met, when earnings increase too greater than the SGA level but remain lower than the break-even point, SSI recipients will automatically move into 1619(a) status. There is no application for 1619(a). This process happens automatically upon the beneficiary's report of income above SGA levels.

**Section 1619(b) (SSI):** 1619(b) provides for continued Medicaid eligibility for individuals whose incomes are too high to qualify for an SSI cash payment, but are not high enough to offset the loss of Medicaid or publicly funded attendant care. Individuals will be eligible only for the 1619(b) protected Medicaid status if the sole cause for SSI payments cessation is increased earnings over the break-even point. If cash excess cessation is a result of anything other than earnings (e.g. determination of medical recovery or excess resources and/or excess unearned income.) individuals will not be eligible for 1619(b). A second criterion for 1619(b) status requires that individuals' gross earnings fall below certain limits called threshold amount. There is no application for 1619(b). This process happens automatically upon the beneficiary's report of increased earned income.

**Section 301:** The Social Security Act provides for continuation of SSI and/or Title II benefits respectively to individuals who have medically recovered but who are participating in a program consisting of the Ticket to Work and Self-Sufficiency Program or another program of vocational rehabilitation services, employment services or other support services. These provisions allow individuals who have medically improved and are no longer considered disabled to continue receiving SSDI and SSI benefits if: they are participating in approved vocational rehabilitation programs at the time their disability ceases and SSA has determined that the beneficiary's continued participation in the vocational rehabilitation programs will increase the likelihood of permanent removal from the disability benefit rolls.

**SSDI:** Social Security Disability Insurance, authorized under Title II of the Social Security Act.

**Social Security Eligibility (SSDI):** To be eligible for Social Security, individuals must have insured status as former employed workers; that is, they have been employed for a specified minimum period in Social Security-covered employment. To establish insured status for disability benefits, individuals need 20 credits (formerly called “quarters of coverage”) in the 10 years prior to the onset of disability. Those disabled before age 31 need less work to qualify. It is possible to earn up to four credits of coverage yearly based on annual earnings. In 2007, employees earn one credit for every \$1000 of earnings. This amount is automatically increased each year under a formula that takes into account increases in average wage levels nationally. In summary, to be eligible for Social Security individuals must: be determined medically disabled; not be working or earning less than SGA; and have insured status as former workers.

**SSI:** Supplemental Security Income program authorized under Title XVI of the Social Security Act.

**SSI Eligibility (SSI):** To be eligible for SSI an individual must fit into one of the following categories: disabled (as defined earlier); blind: 20/200 or less in better eye with glasses, or field of vision less than 20 degrees; or aged: 65 or older. In addition, they must meet the Income and Resource Test and other SSI eligibility requirements.

**Subsidies and Special Conditions:** A subsidy is support a person receives on the job, which could result in more pay than the actual value of the services the person performs. Only earnings that represent the real value of the work performed are used to determine SGA. SSA makes a determination of the value of the work, after subsidies are subtracted. Subsidies and special conditions are applicable to both SSI applicants and SSDI applicants and beneficiaries. The dollar amount of these is subtracted from gross monthly earnings during the initial eligibility process for both SSI and Social Security, potentially reducing gross earnings below the SGA level. They are applicable to the SSI program only during initial eligibility. For the Social Security program, however, they are considered in ongoing SGA determinations.

**Substantial Gainful Activity (SGA):** SGA is defined as the performance of significant physical or mental duties for pay or profit and in 2007 is generally determined to be gross earnings in excess of \$900 a month for individual with a disability other than blindness and \$1,500 for a person who is blind.

**SGA Determination and Grace Period (SSDI):** When individuals have accumulated nine months of trial work, a work CDR is conducted by SSA. The purpose of the review is to determine whether or not the work is SGA. A decision of SGA implies that individuals are performing significant mental or physical duties for profit, and are, therefore, demonstrating the ability to work in spite of their disabling impairment. If individuals are determined to be engaging in SGA, they “cease” eligibility for cash benefits, they will receive full benefit checks for an additional three months (the first month of SGA after the end of TWP (cessation month) and the two following months), and then the cash benefits will stop. This three-month period is called the “grace period” and may occur at any time after the end of the TWP. If individuals are determined not to be engaging in SGA, they will continue to receive full benefit checks.

**Student-Earned Income Exclusion (SEIE) (SSI):** SEIE is a SSI work incentive program which allows individuals under age 22 who regularly attend school to exclude (as of January 2007) up to \$1,510 of earned income per month (up to a maximum of \$6,100 per year). This exclusion is applied before any other exclusion. These amounts will be automatically adjusted on an annual basis

to higher or the previous year's amounts or increased amounts based on the cost of living. The exclusion is only applied to the earned income and consecutively to months in which there is earned income until either the exclusion is exhausted or the individuals are no longer a student child.

**Ticket to Work and Self-Sufficiency Program:** Public Law 106-170 directed the Commissioner of Social Security to establish a Ticket to Work and Self-Sufficiency program (section 1148), which would expand the universe of service providers available to SSDI and SSI disability beneficiaries and provide them with a ticket they may use to obtain vocational rehabilitation services, employment services, and/or other support services from an employment network of their choice.

**Trial Work Period (TWP) (SSDI):** Unless medical recovery is an issue, individuals receiving Social Security based on disability are entitled to a nine-month TWP, which provides opportunities to test work skills while maintaining full benefit checks regardless of any income earned. The TWP is a work incentive and begins the first month that individuals are entitled to Title II benefits or file applications for disability benefits (whichever is later). Effective January 2007, only months during which an individual earns over \$640 or works over 80 hours in self-employment are service months and count as TWP months.

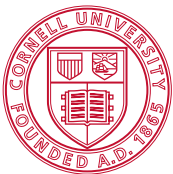
**Unearned Income (SSI):** Unearned income is all income that is not earned. Some common types may include: in-kind support and maintenance; private pensions and annuities; periodic public payments such as SSDI, Veteran's Benefits, railroad retirement benefits, workers' compensation, unemployment compensation, etc; and others.

**Unincurred Business Expense (SSDI):** Unincurred Business Expense is SSA's term for self-employment business support that someone else gives to the beneficiary without cost. Examples include: unpaid help; a third party buys a computer for your business; unincurred business expenses (e.g., business loss); and/or Soil Bank Payments (farmers).

**Unsuccessful Work Attempts (UWA) (SSDI):** When work at the SGA level cannot be sustained by the individual for more than six months, a provision called "Unsuccessful Work Attempt," or UWA, may apply in both initial determinations and for continuing disability. Termination or reduction of work must be due to the individual's impairment or the removal of special conditions that are necessary because of the disability.

**Waivers:** When an individual receives a written notice from SSA, which states that he or she has been overpaid, the individual can file an appeal and/or seek a waiver of overpayment recovery. Many overpayment determinations relate to work activity and wages. A waiver request is based upon the recipient not being at fault in causing the overpayment and being unable to repay the overpayment without risking the ability to meet basic needs.

**Work Incentives:** The Social Security Act outlines several work incentives intended to help SSI recipients and SSDI beneficiaries in two significant ways. First, they can help individuals pay for services or items that they need in order to work and to maintain, or even increase, their cash benefits until they are stable in employment. Second, in addition to the 1619(b) work incentives, the Plan for Achieving Self-Support (PASS), Impairment Related Work Expense (IRWE), and Blind Work Expense (BWE) are incentives that enable people with disabilities to recover expenses they incur while working towards greater economic self-sufficiency. The goals of the work incentive programs are to assist individuals to achieve gainful employment, increase independence, facilitate empowerment, and acquire self-support.



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