

Yes! You Can Work and Continue to Earn SSI Benefits!

A major concern of people with disabilities, caregivers, and social workers is how a person with a disability who is able to work can keep their earnings and continue to receive their Supplemental Security Income (SSI) benefits, and, perhaps more importantly, their Medicare/Medicaid benefits. Now, there are two important ways that Social Security has provided to help with these concerns: the Trial Work Period and the ABLE Act of 2014.

Trial Work Period

The Trial Work Period allows people with disabilities to work for a 9-month period and not lose their SSI benefits. In addition, the month will not be counted toward your trial work period if you earn less than \$780, or if you are self-employed and work for less than 80 hours per month. Social Security will then determine if the activity is under the threshold of “substantial gainful activity” (SGA), usually defined as \$1,090 per month. It is important to note here that the nine months need not be consecutive. In fact, if you stop working and do not use your 9 months in a five-year period, you are entitled to a new Trial Work Period.

After the Trial Work Period ends, you enter your “Extended Work Eligibility” period, or EPE. During this 36 month period, you will continue to receive your full SSI check as long as your countable gross income (gross income minus social security approved subsidies) does not exceed the SGA threshold in a given month. In addition, you are given a three month “grace period” between the trial work period and the EPE. A different formula will be applied if you are self-employed.

During all of this period, your Medicare/Medicaid benefits will not be affected.

ABLE Act of 2014

Under Social Security, individuals cannot hold more than \$2,000 in assets or savings. This essentially keeps individuals with disabilities in poverty. In 2014, Congress and President Obama passed the Achieving a Better Life Experience Act (ABLE).

Michael Morris, Executive Director of the National Disability Institute, recently said:

“A major victory for the disability community, ABLE, for the very first time in our country’s policy on disability, recognizes that there are added costs to living with a disability. For far too long, federally imposed asset limits to remain eligible for critical public benefits have served as a roadblock toward greater financial independence for the millions of individuals living with a disability.”¹

The ABLE Act is an attempt to end the practice of keeping people with disabilities in poverty. For the first time in public policy, people with disabilities now have a chance to put their earnings in a tax-exempt savings account. The legislation for the first time recognizes that people with disabilities have added costs and needs to get along in their daily lives through adaptive equipment, the added costs of hiring healthcare aides, or obtaining special medications. To qualify, you must have a documented disability which began before you turned 26.

Each state must establish its' own rules for administering the ABLE Act. In Wisconsin, the first \$100,000 of funds placed in the ABLE account (or \$14,000 in gifts) would not affect the \$2,000 limit set by SSI. Once these limits are exceeded, the recipient would have their monthly SSI benefits suspended, but could continue to receive Medicaid.

You can use the money you put in your ABLE account for a wide variety of things. The ABLE Act has recognized that people with disabilities have extraordinary expenses that other people do not have, known as “qualified disability expenses.” “A “qualified disability expense” means any expense related to the designated beneficiary

¹ “Congress Passes Able Act: Major Victory for Persons with Disabilities and Their Families,” Real Economic Impact, December 17, 2014, accessed, <http://www.realeconomicimpact.org/news/?id=460>.

as a result of living a life with disabilities. These include education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, financial management and administrative services and other expenses which will be further described in regulations to be developed in 2015 by the Treasury Department.”²

The real advantage of an ABLE account can be seen when it is compared to a Special Needs Trust. Besides being tax deductible, the ABLE account is significantly less complicated to set-up and maintain than a Special Needs Trust or a Pooled Trust. Once ABLE accounts are established, the account holder will also have much more flexibility and control over what to do with their funds than with other types of trusts.

Revision 09/2016: Only a few states have implemented an ABLE account program. The National Down Syndrome Society is maintaining a list of states with ABLE programs under development: <http://www.ndss.org/Advocacy/Legislative-Agenda/Economic-Self-Sufficiency-Employment/Achieving-a-Better-Life-Experience-ABLE-Act/State-ABLE-Programs/>

Some states and federal government have passed legislation allowing individuals to set up their accounts through another state that has implemented their program. Wisconsin has not yet implemented a program. If you live in the state of Wisconsin, State Representative, John Macco, has offered the following resources on his site to choose a program through another state:

The Federal Financial Industry Regulatory Authority (FINRA) has tips on choosing an investment professional: <http://www.finra.org/investors/choosing-investment-professional>

The ABLE National Resource Center has offered educational materials and videos concerning ABLE Basics and how to prepare to enroll in a program. They can be found here: <http://www.ablenrc.org/about/what-are-able-accounts>

If you are a person with a disability and want more detailed help, the benefits specialists located in [Wisconsin Aging and Disability Resource Centers \(ADRCs\)](#) should be able to guide you once ABLE account programs are operating in other states.

Talk to others who may have set up an account. Ask questions. Look for the program that best fits your needs. Review how to set up your account, how to make

²Ibid.

contributions and what you will be able to finance with your account without jeopardizing your benefits. For more information, visit Representative Macco's guide to ABLE below.

Conclusion

People with disabilities once faced major challenges when deciding whether to go to work. They faced a major reduction or loss of SSI or SSDI benefits if they earned too much income. Now with the options of a Trial Work Period or an ABLE account, those concerns have been greatly diminished. There is no longer need to fear losing your benefits, so get out there and work!

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