Benefits 101

dsaw

Down Syndrome

Association *of* Wisconsin, Inc.

awareness · acceptance · assistance

About Me

Hello, I’m Becky Scott, and I’ve been a benefits counselor for over 14 years. I received my training from Virginia Commonwealth University, and over the years, I’ve helped individuals and families navigate the complexities of benefits programs to ensure they receive the support they’re entitled to.

In October 2023, I joined the Down Syndrome Association of Wisconsin (DSAW), and in July 2024, I began offering benefits counseling there. My passion for this work is personal—I have a brother with disabilities who has had a profound impact on my life. His journey has inspired me to dedicate my career to helping others access the resources they need to thrive.

How does Social Security Work?

When you work, you pay taxes into Social Security.

That tax money is used to pay benefits to:

- People who have already retired.
- People with qualifying disabilities.
- Survivors of workers who have died.
- Dependents of beneficiaries.

Social Security is more than Retirement benefits

Most people who receive Social Security benefits are retired, but others can also qualify for benefits, such as:

- People with a qualifying disability
- The spouse or child of someone receiving benefits
- A divorced spouse of someone getting or eligible for Social Security
- The spouse or child of a worker who has passed away
- A divorced spouse of a worker who has passed away
- A dependent parent of a worker who has passed away

Supplemental Security Income (SSI)

Supplemental Security Income (SSI)

Social Security provides Supplemental Security Income (SSI) to people who are disabled, blind, or 65 and older with low income and limited resources.

Unlike Social Security benefits, SSI is funded by general federal tax dollars, not the Social Security Trust Fund. Most people who qualify for SSI also qualify for Medicaid.

SSI helps cover basic needs like food and shelter by adding to any other income the beneficiary may have.

SSI continued

- SSI is a need-based program with income and resource limits.

- Social Security decides if someone qualifies for SSI and how much they will receive by looking at their "countable" income and resources, which means the amount left after applying all deductions or exclusions.

- If an individual has countable income, Social Security reduces their SSI payments.

Paying your “Fair Share”

If a Social Security recipient lives in someone else's home and they pay for your food and rent, Social Security can reduce the Recipient's federal SSI payment by one-third. This reduction is known as In-Kind Support and Maintenance.

However, Social Security does not reduce a recipients payment for In-Kind Support and Maintenance if:

- They live alone and pay for their own food and shelter
- They live only with their spouse and minor children, and no one else covers their food and shelter
- They live with others but pay their share of food and shelter expenses

Federal Benefit Rate (FBR)

- The Federal Benefit Rate (FBR) is the amount Social Security pays to someone who is not working and is contributing their "fair share" toward room and board.
- In 2024, the FBR is $943.
  - This amount will increase to $967 in 2025.
- In Wisconsin, people who receive at least $1 in SSI Federal benefits also get a state SSI supplement of $83.78.
- If a person needs at least 40 hours of long-term care to live at home, they qualify for an Exceptional Expense Supplement (SSI-E) of $95.99, which is added to the state SSI payment.

SSI and Resources

- Social Security defines resources as cash or property, like real estate, that a person or their spouse owns and can use for support. They check resources on the first day of each month, and that determination lasts for the whole month. Changes during the month don't affect eligibility until the next month.

- If countable resources are over the limit, the person won't qualify for SSI benefits. Since 1987, the resource limits have been $2,000 for an individual and $3,000 for a couple.

What is counted as resources?

Not everything a person owns counts as a resource for SSI, and some resources are excluded from the SSI limits. Here are some types of resources that Social Security does not count:

- Household goods and personal effects
- Medical devices and adaptive equipment
- Certain life insurance policies
- The home the beneficiary lives in
- One automobile used for transportation
- Certain burial funds, burial spaces, and life insurance assigned to a funeral provider
- Student financial assistance under Title IV of the Higher Education Act (HEA) or Bureau of Indian Affairs (BIA), including Pell grants and Work-Study grants

Can I work if I get SSI Benefits?

YES

There is a myth that people cannot work on SSI. This is NOT true!

SSI is not intended to live on solely. It is intended to supplement other income.

SSI Work Exclusions

When Social Security calculates how much to reduce a person's Federal SSI payment due to working, they use a few key exclusions:

1. **General Exclusion:** $20 is excluded from either unearned or earned income.
2. **Earned Income Exclusion:** $65 is excluded from earned income. This means the first $65 of earnings are not counted.
3. **½ Earnings Offset:** After applying the above exclusions, Social Security divides the remaining earnings by half.

Student Earned Income Exclusion (SEIE)

The Student Earned Income Exclusion (SEIE) helps SSI recipients under 22 by letting them exclude a set amount of their earnings from SSI calculations. In 2024, up to $2,290 per month is excluded. This increases to $2,350 in 2025.

To qualify:

- Be under 22 years old.
- Be regularly attending school, college, or training.
- Be working.

Regularly attending school means:

- College or university for at least 8 hours per week.
- Grades 7-12 for at least 12 hours per week.
- Transition Programs (18-21 programs) at least 12 hours per week
- Job training for at least 15 hours per week if it involves shop practice, or 12 hours if it doesn't.
- You can also qualify if you're homeschooled or in an online program, even if attendance is reduced for reasons like illness.

SSI Work Example

Here's how Scott's SSI payment is calculated based on his earnings:

1. **Gross Earnings:** $900
2. **Subtract General Exclusion:** $900 - $20 = $880
3. **Subtract Earned Income Exclusion:** $880 - $65 = $815
4. **Divide Remaining Earnings by 2:** $815 ÷ 2 = $407.50

Countable Income: $407.50

5. **Federal Benefit Rate (FBR):** $943
6. **Subtract Countable Income:** $943 - $407.50 = $535.50

Scott's new Federal SSI payment would be **$535.50**.

Social Security Disability Insurance (SSDI)

Social Security Disability Insurance (SSDI)

SSDI is a pension program and provides wage replacement to workers who can no longer work due to disability. To qualify for SSDI, an individual must:

1. **Be Fully Insured:** Meet the requirements for disability insured status.
2. **Meet Disability Standards:** Be considered disabled according to Social Security's criteria.
3. **Apply:** File an application with the Social Security Administration.
4. **Serve a Waiting Period:** Wait for five full calendar months before SSDI payments begin.

Retroactive Payments: SSDI benefits can be paid retroactively, up to 12 months before the application date, starting from the date Social Security determines the disability began.

Childhood Disability Benefits (CDB)

Previously known as Disabled Adult Child (DAC) benefits, CDB is for adult children of insured workers who are deceased or receiving retirement/disability benefits. To qualify for CDB, an individual must:

1. **Be the Child of an Insured Worker:** Either deceased or receiving Social Security benefits.
2. **Have a Disability:** The condition must have started before age 22.
3. **Be at Least 18 Years Old.**
4. **Apply:** File an application with the Social Security Administration.
5. **Be Unmarried:** Some exceptions apply.

Note: CDB benefits begin when the individual turns 18, even if they are disabled. Prior to age 18, they may receive child's benefits based on age and relationship.

Disabled Widow(er)’s Benefits (DWB)

DWB is available to the widow, widower, or surviving divorced spouse of an insured worker. To qualify for DWB, an individual must:

1. **Be At Least 50 Years Old.**
2. **Provide Proof of Marriage:** Meet requirements related to the marriage, the worker’s death, disability onset, age, and application timing.
3. **Be Unmarried:** Some exceptions apply.
4. **Apply:** File an application with the Social Security Administration.
5. **Serve a Waiting Period:** Wait for five full calendar months before DWB payments begin.

Effect of Work on Disability Benefits

To qualify, Social Security checks if a person is earning or could earn more than a certain amount called “Substantial Gainful Activity” (SGA). If a person is earning this amount or more, they are not considered “disabled” and won’t qualify for benefits.

Prior to the SGA level, there is a work incentive called the Trial Work Period

Let’s take a look at some of the Work incentives for Disability Benefits

Disability Work Incentives

The Trial Work Period (TWP) lets people test working for 9 months without losing their SSDI benefits. During this time, they can earn any amount and still receive payments.

The TWP ends after working over the income limit for 9 months within a 60-month period. Each person gets only one TWP during their SSDI entitlement.

- In 2024, earning more than $1,110 per month triggers a TWP month.
- This amount increases to $1,160 in 2025

Substantial Gainful Activity Level (SGA)

Substantial Gainful Activity (SGA) Level: SGA is the standard used by Social Security to determine if an individual is entitled to receive disability benefits. This is the amount of money, before taxes (gross), a person can make each month, and still keep their SSDI cash benefits.

- The SGA level for 2024 is $1,550 is gross countable earnings.
- In 2025, this will increase to $1,620.

Disability Work Incentives continued

Cessation Month and Grace Period:

After the Trial Work Period (TWP), if a person starts working at a level that affects their SSDI benefits, Social Security considers their disability to have "ceased." However, the person will still get payments for the month when they first start working at this level (the "cessation month") and for the next two months (the "Grace Period"). This means they continue receiving benefits for three additional months even though they are working at a level that impacts their benefits.

What if my Benefits stop due to earning above SGA?

The Extended Period of Eligibility (EPE) is a 36-month period that begins immediately after the Trial Work Period (TWP) ends. It helps people who had their benefits stopped due to earning above the Substantial Gainful Activity (SGA) level. During the EPE, they can be requalified for benefits if their income drops below the SGA level.

Key points about the EPE:

- **Work Incentive Protection:** It supports beneficiaries who still have a disabling impairment.
- **Timing:** The EPE starts the month after the TWP ends and lasts for 36 months, regardless of continued work.
- **Benefit Suspension:** If earnings exceed the SGA level during the EPE, benefits are suspended, not terminated.

Expedited Reinstatement (EXR)

Expedited Reinstatement (EXR) lets people quickly get their Social Security disability benefits back if they were stopped because they earned too much.

Key points:

- **Provisional Benefits:** You can get up to six months of temporary benefits while Social Security reviews your case.
- **Eligibility:**
    - You must not be able to perform SGA when you request EXR.
    - You need to have fully lost your benefits (not just suspended) due to SGA.
    - You must request EXR within 60 months of losing benefits.
    - You must still have the same or a related disability that caused the initial benefits.

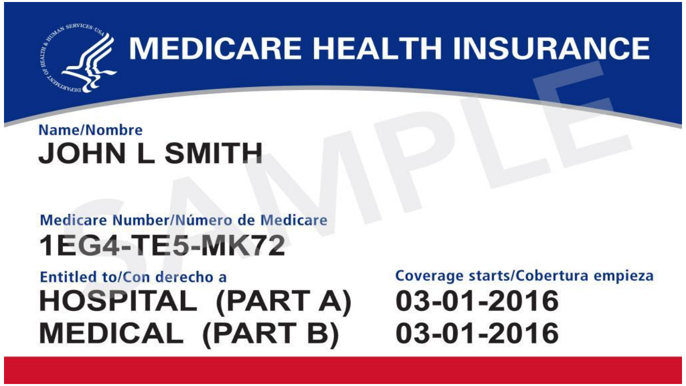
Medicare and Medicaid

Medicare

Medicare is a health insurance program in the U.S. for:

- People age 65 and older
- Certain younger individuals with disabilities
- People of any age with permanent kidney failure

It helps with basic health care costs but does not cover all medical expenses or most long-term care costs.



Premium for 2024 is $174.70

Premium for 2025 is $185

Medicare

Eligibility: You qualify for Medicare after a 24-month waiting period.

Part A (Hospital Insurance): Free and automatic. Covers hospital stays, skilled nursing facilities, home health care, and hospice.

Part B (Medical Coverage): Optional, unless you have other credible health insurance. Covers doctor visits, outpatient care, and other medical services. In 2024, the premium is $174.70 per month. For some people, a Medicare Savings Plan (MSP) may cover the cost.

Part D (Prescription Drug Coverage): Optional, unless you have other creditable drug coverage. Premiums vary by plan. For some people, a Low-Income Subsidy (LIS) may cover the cost.

Medicare Savings Program (MSP)

The Medicare Savings Program (MSP) helps people with limited income and assets pay for Medicare costs. Wisconsin offers several MSP options:

- **Qualified Medicare Beneficiary (QMB) Program:** This covers Medicare premiums, deductibles, and co-payments. To qualify, your monthly net income must be below $1,132.50 and resources must be below $8,400.
- **Specified Low-Income Medicare Beneficiary (SLMB) Program:** For those who earn too much for QMB but still need assistance. Eligibility requires a monthly net income below $1,506 and resources below $8,400.

In both cases, Medicaid helps cover Medicare costs if you qualify.

Low-Income Subsidy (LIS)

The Low-Income Subsidy (LIS), also known as “Extra Help,” is available for those who receive both Medicare and Medicaid. It helps by:

- Allowing you to enroll in Medicare Part D without a monthly premium.
- Assisting with some deductible costs for Medicare.

As long as you keep receiving both Medicare and Medicaid, you will continue to be eligible for LIS.

Medicaid

In the State of Wisconsin, a person who qualifies for SSI is automatically eligible for Medicaid. Medicaid is also known as Title 19 or Medicaid Assistance (MA).

When a person is working, there is a special work incentive in place to continue Medicaid eligibility, if they are not receiving their SSI cash benefit.

Continued Medicaid Eligibility, Section 1619(b)

If earnings are too high to receive SSI cash benefits, you might still qualify for Medicaid coverage under this work incentive. To qualify:

- You must have received SSI cash benefits for at least 1 month.
- You need Medicaid to keep working.
- Your countable resources must be below $2,000.
- You must still be considered disabled.
- Your annual earnings must be at or below the threshold amount. For 2024 this is:
  - $46,545 OR
  - $48,848 for a person receiving SSI-E

Other Benefits

FoodShare

The FoodShare program helps people with low or no income buy food using a QUEST card. The benefit amount depends on your household size and monthly net income after deductions; lower income means higher benefits.

To apply for FoodShare:

- **Online:** Go to access.wisconsin.gov and click on "Apply for Benefits" to submit your application.
- **By Phone:** Call your local agency to apply.

Energy Assistance

The Wisconsin Home Energy Assistance Program (WHEAP) helps eligible households with heating and electric bills. It is funded by the Low Income Home Energy Assistance Program (LIHEAP) and the Public Benefits (PB) program.

To qualify:

- Monthly income must be below $2,820.67.
- Yearly income must be below $33,848 in 2024.

To apply:

- Call 1-866-432-8947.

Special Needs Trust Funds

For people with disabilities who need to qualify for means-tested public benefits like Medicaid or SSI, having assets over $2,000 presents a challenge. They have two main options:

1. **Spend Down:** Quickly spend the extra money, but this can be impractical, especially with large sums.
2. **Special Needs Trust (SNT):** Place the money into a Special Needs Trust. This allows them to retain their assets while still qualifying for public benefits. The trust can be used to cover expenses that improve their quality of life.

Gifted assets have a five-year “look back” period, so using an SNT helps manage and protect assets without violating these rules.

Special Needs Trust Continued

A Special Needs Trust (SNT) has five main restrictions:

1. **Irrevocable:** Once established, the funds cannot be returned or altered.
2. **Beneficiary-Only Use:** The trust funds must be used solely for the benefit of the beneficiary.
3. **Expense Restrictions:** Depending on the public benefits received, there may be limitations on what the SNT can pay for.
4. **No Direct Payments:** Funds cannot be given directly to the beneficiary as cash.
5. **Disability Requirement:** The beneficiary must be disabled according to Social Security Administration standards.

Where Can I set up a Trust?

In Wisconsin:

1. Wispact: (833) 653-6503

   https://www.wispact.org/

2. Life Navigators: 414-774-6255

   https://lifenavigators.org/

3. Private Attorneys specializing in irrevocable Special Needs Trusts

ABLE Accounts

ABLE Accounts are tax-advantaged savings accounts for disability expenses. To be eligible to open an ABLE account:

1. **Disability Onset:** The disability must have begun before age 26.
2. **Severity of Disability:**
   - Either receive Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits, or
   - Have a physician's certification that includes a diagnosis and confirms "marked and severe" functional limitations that started before age 26.

Enrollment requirements can differ depending on the state.

For more information, visit https://www.ablenrc.org/

ABLE | NATIONAL RESOURCE CENTER

ABLE Accounts Qualified Expenses:

- **Education:** Costs related to schooling and learning.
- **Housing:** Rent, mortgage, or home modifications.
- **Transportation:** Vehicle costs or public transit.
- **Employment Training and Support:** Job training and support services.
- **Assistive Technology and Related Services:** Devices or services that assist with daily living.
- **Health:** Medical expenses and health-related services.
- **Prevention and Wellness:** Services to maintain or improve health.
- **Financial Management and Administrative Services:** Managing funds and other administrative needs.

Qualified Expenses Continued

- **Legal Fees:** Costs for legal assistance.
- **Expenses for Oversight and Monitoring:** Costs related to overseeing the ABLE account.
- **Funeral and Burial Expenses:** Costs associated with end-of-life services.
- **Basic Living Expenses:** Food and other essential living costs.
- **Other Approved Expenses:** Additional expenses that may be approved by the U.S. Treasury Secretary.

Benefits Counseling

Want to Learn More?

Benefits Counseling helps individuals understand how working will affect their benefits and provides guidance on making informed choices about employment. It is available to people aged 18 to 59 and can be accessed through long-term care funders or the Division of Vocational Rehabilitation (DVR).

Each benefits counseling meeting is tailored to the individual’s specific situation and needs. The focus is on providing personalized advice based on your unique benefits, employment goals, and circumstances. A detailed benefits analysis is provided.

Benefits Counseling continued

Benefits Counseling can help you understand how work will impact your benefits and offer guidance on managing changes. Key areas of support include:

- **Social Security Disability Insurance (SSDI) and Disabled Adult Child (DAC) benefits**
- **Supplemental Security Income (SSI)**
- **Long-Term Care services** (e.g., IRIS, Family Care)
- **Healthcare benefits** (Medicare, Medicaid)
- **Housing assistance**
- **FoodShare**
- **Special Needs Trust Funds**

Contact Information

When to Connect with a Benefits Specialist:

- When considering employment
- If there's a change in your benefits
- If a parent retires, passes away, or becomes disabled
- Transitioning from childhood to adult benefits
- If you're new to benefits

Contact Information

- Email Becky Scott at bscott@dsaw.org
- Call the Think Ability Wisconsin Center at 414-327-3729
- https://www.dsaw.org/benefits-counseling


Questions