Understanding the Ticket to Work Program

January 2016

Introduction


Social Security revised the program operations instructions (in Program Operations Manual Systems or POMS) in December 2013, and the most current instructions are located online at https://secure.ssa.gov/apps10/poms.nsf/lnx/0455000000. This unit provides an overview of the program as it now exists, in light of the amended regulations and program instructions/POMS.

Many of the former Ticket program rules are described below to provide context for the importance of the new rules that replace them. For example, this unit summarizes some of the old employment network payment structure to illustrate the importance of the changes to that structure. Readers can explore these issues in more detail by reading the discussion that accompanies publication of the final rules in the May 20, 2008 Federal Register, available through the first link above. Readers may also wish to view SSA’s side-by-side chart showing “regulatory improvements” to the Ticket program, located online at https://ftp.ssa.gov/work/documents/Chart_of_Key_Changes_to_Ticket_to_Work_Regulations.pdf. The chart shows the dramatic changes in the employment network payment process as beneficiaries make progress on their path to self-supporting employment.

The First Six Years of the Ticket Program: 2002 to 2008

The Ticket to Work and Work Incentives Improvement Act of 1999 (the Ticket legislation) sought to provide Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) beneficiaries a range of new or improved work incentives and employment-related services to support their movement to financial independence through work. Most observers would agree that the Ticket legislation improved work incentives including, for example, the
new expedited reinstatement provisions, and improvements to the extended Medicare and Medicaid buy-in provisions that have created a better work incentives framework that encourages more beneficiaries to work.

The Ticket legislation also directed the Commissioner of Social Security to establish a Ticket to Work program. The purpose of the Ticket program was to expand the universe of service providers available to Title II (i.e., Social Security) disability and SSI disability beneficiaries by awarding service providers, referenced in the legislation as “employment networks” (ENs), with cash payments based on the work-related success of beneficiaries they served. Social Security initially implemented the program 2002-04 by delivering Tickets to most Title II disability beneficiaries and SSI adult disability recipients in all 50 states, the District of Columbia, and five U.S. Territories. The information Social Security mailed to beneficiaries with their Tickets told them they could, at their option, assign their Ticket to the EN of their choosing, either a private provider or their state’s vocational rehabilitation (VR) agency, in return for receiving services to support their move to self-supporting work.

On the surface, the new Ticket program was straightforward and appeared to create incentives for providers to sign up as ENs and serve beneficiaries with Tickets. Congress didn’t know whether the outcome-based payments to ENs would be an adequate incentive for them to serve beneficiaries. Therefore, the legislation called for an independent study on the subject and required that Social Security revisit the payment schedule if it proved inadequate. Through experience and the Adequacy of Incentives Study conducted by Mathematica Policy Research in February 2004, the original schedule was proven to be inadequate, even with annual increases related to the computation. See Mathematica’s “Evaluation of the Ticket to Work Program: Assessment of Post-Rollout Implementation and Early Impacts” (May 2007) located online at https://secure.ssa.gov/apps10/poms.nsf/lnx/0455000000. Most providers who signed up as ENs quickly realized that the outcome-based payment structure wouldn’t support their participation in the program for several reasons:

- Payments were very limited during the early phases of rehabilitation when services tend to be more intensive and more expensive;
- Payments didn’t reward ENs for a beneficiary’s incremental success;
- Payments didn’t reward ENs for early job placements in part-time jobs with lower wages; and
- Payments for serving SSI beneficiaries were dramatically lower than those available for serving Title II disability beneficiaries.

In addition, Congress and Social Security believed that with many newly enrolled ENs from the private and not-for-profit sectors, beneficiaries would truly be offered and embrace expanded alternatives for vocational rehabilitation and employment services to supplement what was available through the traditional VR system. With significant numbers of beneficiaries obtaining
services from this new network of ENs, many of them would reduce or eliminate their dependence on disability benefits through work.

Unfortunately, what Congress and Social Security hoped for didn’t happen. Despite marketing the program to more than 50,000 organizations, only about 1,000 non-state ENs signed on. Beneficiaries who sought services through private ENs often found there were no private ENs available to take their Tickets and serve them. Many of the ENs that appeared on lists maintained by Social Security’s Program Manager (now known as the Operations Support Manager or TPM) had decided they couldn’t afford to participate in the Ticket program and declined to serve Ticket holders who called them. In many regions of the country, the only entity accepting Ticket assignments was the state VR agency, an entity already mandated to provide services.

Because of these obstacles to EN and beneficiary participation in the original Ticket program, by 2005 Social Security began the process of revising the regulations to make the program work better for ENs and beneficiaries alike.

The 2008 Amendments to the Ticket Regulations

Social Security published the final amendments to the Ticket regulations in the Federal Register on May 20, 2008, and the regulations became effective on July 21, 2008. These 2008 regulations amend regulations originally issued on December 28, 2001. Social Security, in its introductory summary to the final regulations, explained its approach to these amendments:

“We are revising our prior rules to improve the overall effectiveness of the program to maximize the economic self-sufficiency of beneficiaries through work opportunities. We have based these revisions on our projections of the future direction of the Ticket to Work program, our experience using the prior rules, and the recommendations made by commenters on the program.”

Social Security, in substantially revising its Ticket program regulations, maintained the overall principles that are the foundation of this program:

- That private providers will participate and serve beneficiaries in the Ticket program, even if 100 percent of funding for the program is outcome-based, if those outcome-based payments are high enough to support the various EN delivery models; and

- Beneficiaries will participate in the program if:
1. The newly enrolled ENs offer services that both complement and supplement what has been available through the traditional VR system;
2. The moratorium on medical Continuing Disability Reviews (CDRs) is based on timely progress requirements that realistically track the process that beneficiaries go through to achieve self-supporting employment; and
3. Safety nets, in the form of work incentives, are available to protect their health insurance benefits when a work attempt succeeds and to protect cash benefits if a work attempt fails or is interrupted.

Working within this original framework, Social Security sought to dramatically alter the outcome-based payment structure to make sure that ENs can expect enough in reliable payments to justify their enrollment in the program and service to beneficiaries. With expanded VR and employment services now available, the expectation is that beneficiaries will participate in greater numbers and, over time, achieve earnings levels that will eliminate their dependence on disability benefits.

The revised regulations have several major features that go beyond what was available in the former regulations:

- All Title II disability and SSI adult disability beneficiaries ages 18-64 and currently receiving cash benefits are eligible for a Ticket, including those whom Social Security classifies as medical improvement expected (MIE).

- Under the revised Outcome-Milestone System for EN payment, total payments are now approximately 90 percent of the payments available under the Outcome Payment System compared to 85 percent under the old regulations.

- The Outcome-Milestone Payment System now involves three phases for payment, including: Phase 1 payments for gross earnings at the level for a trial work period (TWP) month, with the first of four milestone payments available with earnings at 50 percent of that needed for a TWP month and the second milestone payment available with TWP-level earnings in only three months in a six-month period; Phase 2 payments for gross earnings at the substantial gainful activity level (ignoring deductions for work incentives); and outcome payments for gross earnings that result in ineligibility for cash benefit payments (i.e., after accounting for any Title II or SSI work incentives). The Phase 1 milestones in particular allow an EN to receive milestone payments for lower earnings levels that are often part of the incremental path toward self-supporting employment.

- The dollar value of the EN payment structure for serving SSI beneficiaries is dramatically better than it was under the prior rules and is nearly equivalent to the
dollar value of the payment structure for serving Title II disability beneficiaries.

- State VR agencies that serve a beneficiary under the cost-reimbursement system aren’t consuming the Ticket because the beneficiary didn’t assign them the Ticket.

- After a state VR agency closes a case that serves a beneficiary under the cost-reimbursement designation, a beneficiary may now assign the Ticket to a private EN to receive additional services. Social Security can pay both the VR agency and the private EN under this new arrangement, potentially part of a Partnership Plus arrangement (discussed below). Social Security will pay the VR agency under Social Security’s VR Reimbursement Program and the EN via its chosen EN payment system under the Ticket program.

- Timely progress requirements that ensure continued protection from a medical CDR began in November 2010. The Timely Progress Reviews (TPRs) assess whether a beneficiary has met certain work or education goals during the preceding year sufficient to allow Social Security to continue suspending the beneficiary’s medical CDR. Beneficiaries can now meet the periodic milestones in several different ways at different review periods including, for example: by obtaining a high school or general equivalency diploma during the first year of participation; by working as few as three months at the TWP-earnings level or completing as little as 60 percent of higher education or trade school credits during the first year of participation; and by combining work and education or training levels to meet periodic milestone criteria for timely progress. Social Security will base the relevant TPR period for a current review on how long the Ticket has been assigned (e.g., a person who has been in the program for three years would need to make progress at the level expected for the third 12-month TPR period).

- The revised regulations acknowledge the importance of higher education, technical training, and vocational training by allowing beneficiaries to meet timely progress requirements through long-term participation in those programs, thereby ensuring continued protection from a medical CDR.

**Ticket Eligibility**

Most beneficiaries ages 18-64 are eligible to participate in the Ticket program. An individual whom Social Security entitles to either Title II disability benefits (SSDI, CDB or DWB) or SSI benefits based on disability or blindness must meet the following additional criteria to be eligible for a Ticket:
• Be 18-64 years of age, and
• If an SSI recipient, be eligible for benefits under the adult disability standard and receiving a federal cash SSI benefit.

Under the prior regulations, individuals who had an impairment classified as medical improvement expected (MIE) wouldn’t be entitled to a Ticket until they had undergone at least one medical CDR and Social Security found them to have a continuing disability. That provision has been removed from the regulations, so that individuals classified as MIE are immediately entitled to a Ticket.

A beneficiary who isn’t a current Ticket holder isn’t eligible to participate in the Ticket program if he or she is receiving:

• “Section 301” payments (i.e., continued Title II disability or SSI benefits following a determination of no longer disabled based on medical improvement because he or she is participating in an approved VR program),
• Continued benefits while appealing a cessation of benefits based on a finding of medical improvement,
• Provisional cash benefits while Social Security is considering a request for expedited reinstatement of disability benefits, or
• Presumptive disability payments while awaiting a final decision on an application for benefits.

SSI beneficiaries who are 18 years old and received SSI as children aren’t automatically eligible for the Ticket program upon turning age 18. However, they will qualify for the Ticket program later if Social Security finds them disabled based on the adult standard after conducting an age 18 redetermination.

**Distribution of Tickets**

Social Security phased in the Ticket program from 2002 through 2004 by incrementally distributing Tickets to eligible beneficiaries in all 50 states, the District of Columbia, and five U.S. territories. After the initial phase-in period, Social Security distributed tickets to beneficiaries as they became eligible to participate in the program. This distribution methodology continued under the revised regulations until June 2011, when Social Security stopped sending paper Tickets to eligible beneficiaries.

**Important Update:**
During 2015 Social Security resumed mailing paper Tickets. The goal of this major marketing effort is to drive more beneficiaries to connect to ENs and State VR agencies for employment services that will aid them in finding, maintaining, and advancing in employment. The mailing includes a letter about the program, a “Ticket” inviting eligible beneficiaries to participate in the program, and a brochure titled “Your Ticket to Work.” The letter briefly describes the Ticket program, how it works, and how to find ENs and State VR agencies. It notes that the program is free and voluntary, and explains that Social Security won’t begin a medical CDR if certain requirements are met. The letter also includes information on how beneficiaries can use toll-free phone numbers for specific Ticket program questions, general questions about Social Security benefits, information on new options for health insurance coverage under the Affordable Care Act, and reporting suspected Social Security fraud. Social Security expects to mail up to 60,000 paper Tickets every month to beneficiaries who became entitled the previous month. A sample copy of the cover letter and paper Ticket can be located online at: https://yourtickettowork.com/documents/855575/1053517/SampleLetter_V2.pdf.

The EN with whom a beneficiary chooses to work can verify a beneficiary’s Ticket eligibility. An EN should always contact the Ticket Program Manager (TPM) (i.e., MAXIMUS) to verify the beneficiary’s status as a Ticket holder. A beneficiary can also find out about Ticket eligibility status by calling the Ticket to Work Help Line at 1-866-968-7842 (V)/ 866-833-2967 (TTY).

Eligibility for a Second Ticket

An individual has one period of Ticket eligibility during a period of entitlement to Title II disability or SSI based on disability or blindness. However, if entitlement to Title II disability or SSI ends or Social Security terminates and later reinstates it, the beneficiary will begin a new period of eligibility in the Ticket program. There is no limit to the number of times an eligible beneficiary can participate in the Ticket program.

Assigning a Ticket or Otherwise Using It and Reassigning a Ticket, Inactive Status, and Extension Periods

In general, a beneficiary can assign a Ticket to an EN or state VR agency or otherwise use it with a state VR agency if the Ticket is valid and the beneficiary is receiving a cash payment. To assign a Ticket, a beneficiary must first find an EN or state VR agency that is willing to accept it. If the beneficiary decides to accept services from the state VR agency, the agency will decide whether it wants Social Security to pay it under the Ticket program or Social Security’s VR cost reimbursement program. The Ticket isn’t assigned when the VR agency chooses cost reimbursement. It is placed in a status called “In-Use SVR.” The beneficiary will have the same
rights and responsibilities when Social Security assigns the Ticket and when it is in In-Use SVR status. Most importantly, the VR’s decision regarding its payment option doesn’t affect the beneficiary’s protection from medical CDRs.

Once both parties have agreed, the beneficiary and a representative of the EN must develop and sign an Individual Work Plan (IWP) to initiate a Ticket assignment. If the beneficiary elects to work with his or her state VR agency and the VR agency agrees, at its option, to serve the beneficiary as an EN (rather than through the cost reimbursement option), then the beneficiary and representative of the state VR agency must agree to and sign an Individualized Plan for Employment (IPE). The EN will submit a copy of the signed IWP to the TPM. If a state VR agency is accepting a Ticket assignment, it will submit a completed and signed SSA-1365 to the TPM. As an alternative, the VR agency may submit an IPE with a signed statement on it acknowledging that the beneficiary is assigning the Ticket. In addition, there are new requirements that the IWP/IPE/SSA-1365 be accompanied by the beneficiary’s work history for the past 18 months and information describing the services the EN or VR agency will provide by the end of the initial phase of milestone payments. The effective date of the Ticket assignment will be the first day on which the beneficiary meets the requirements for Ticket eligibility and the IWP or IPE/SSA-1365 has been signed.

IMPORTANT NOTE: Under the original regulations, a state VR agency needed a Ticket assignment to receive payments through the cost reimbursement payment option. Under the revised regulations published in 2008, the state VR agency may serve the beneficiary under the cost reimbursement option without Ticket assignment.

If the state VR agency has chosen to be paid under the cost reimbursement option, none of the forms or information mentioned above applies. The TPM has worked individually with the state VR agencies to identify an efficient monthly electronic process to initiate In-Use SVR status.

If a beneficiary reports to the TPM that he or she is temporarily or otherwise unable to make timely progress toward self-supporting employment, the TPM will give the beneficiary the choice of placing the Ticket in inactive status or, if applicable, taking the Ticket out of assignment.

Inactive Status

A beneficiary may place his or her Ticket in inactive status at any time, by submitting a written request to the TPM. Inactive status will be effective with the first day of the month following the month of the request. Social Security won’t consider the beneficiary to be making timely progress during the months of inactive status, and will subject him or her to medical CDRs
during those months. None of the months of inactive status will count toward the time limitations for making timely progress, as needed for protection from a medical CDR.

A beneficiary may reactivate a Ticket by submitting a written request to the TPM. Typically, the beneficiary would then return to in-use status if the Ticket is still assigned to an EN or a state VR agency acting as an EN. It is important to note that placing the Ticket in inactive status doesn’t affect the beneficiary’s relationship with the service provider, i.e., the beneficiary still is entitled to receive all appropriate services.

**EXAMPLE:** Lionel is receiving support from his state VR agency to attend college to become an engineer. He entered college in August 2013, completed the fall and spring semesters and, having completed more than the minimum 60 percent of his first-year credit requirements, met the Year 1 timely progress requirement for the year ending August 2014. During his second year of college he obtains 30 percent of his second-year credits during the fall semester. Then he has a six-week hospitalization and is forced to drop out of college on February 20, 2015 and will obtain no credits for the spring semester. He arranges to have his Ticket placed into inactive status, effective March 1, 2015. On August 1, 2015 he asked Social Security to reactivate his ticket as his state VR agency was still being serving him. He returned to college in August, taking a full course load and obtaining another 50 percent of required credits for another year of college, ending the semester in December 2015.

When the TPM does the Second 12-Month Progress Review, the relevant review period will be August 2014 through December 2015, adding an extra five months to the usual 12-month period to reflect the five months his Ticket was in inactive status. Since the review period is extended through December 2015, Lionel is able to add his 50 percent of needed credits from the fall 2015 semester to the 30 percent he achieved in the fall 2014 semester. The resulting 80 percent of credits is more than the 75 percent he needed for Year 2 timely progress. As a result, he is once again protected against Social Security scheduling a medical CDR. Lionel will now enter the third review period, which will run from January 2016 through December 2016. (See full discussion of timely progress criteria below.)

**NOTE:** During the period Lionel’s Ticket was in inactive status, March 1 to July 31, 2015, Lionel wasn’t protected from Social Security starting a medical CDR. If, for example, Social Security started the CDR during May 2015,
the CDR process would be completed, even if its completion occurred after Social Security reactivated the Ticket.

**Retrieving and Reassigning a Ticket**

A beneficiary may “retrieve” a Ticket or take it out of assignment at any time and for any reason. The beneficiary must notify the TPM in writing. The Ticket will no longer be assigned to that EN or state VR agency effective with the first day of the month following the month in which the beneficiary notifies the TPM. For example, if the beneficiary notifies the TPM on February 8 that he or she is taking the Ticket out of assignment, the Ticket is no longer assigned effective March 1. If an EN goes out of business or Social Security no longer approves the EN’s participation in the Ticket program, the TPM will take the beneficiary’s Ticket out of assignment. In addition, if the beneficiary’s EN is no longer able to provide services, or if the state VR agency stops providing services because Social Security determines the beneficiary is ineligible for services, the EN or state VR agency may ask the TPM to take the beneficiary’s Ticket out of assignment. In the two latter situations, the TPM will send a notice will to the beneficiary informing him or her of this decision.

A beneficiary may reassign his or her Ticket as long as he or she maintains eligibility in the program. For example, a beneficiary whom an EN served may choose to reassign the Ticket to a different EN or to the state VR agency. To reassign a Ticket, the beneficiary must first meet the criteria for assigning a Ticket described above. If the beneficiary meets those criteria, he or she may re-assign the Ticket only if he or she continues to meet the Ticket eligibility requirements, has an unassigned Ticket, and has an EN or state VR agency that is willing to work with him or her and sign a new IWP or IPE.

**The 90-Day Extension Period**

If Social Security retrieves a beneficiary’s Ticket and takes it out of assignment or In-Use SVR status, the beneficiary is eligible for a 90-day extension period if the Ticket is in use at the time of retrieval (i.e., the Ticket wasn’t in inactive status and the beneficiary was making timely progress toward self-supporting employment at the time of the most recent progress review). During the 90-day extension period, Social Security will consider the Ticket still in use. This means that Social Security won’t subject the beneficiary to medical CDRs, as described below, during this period. The beneficiary doesn’t have to currently be receiving cash benefit payments to assign the Ticket during the 90-day extension period.

The extension period begins on the first day on which the Ticket is no longer assigned and ends 90 days later or when the beneficiary assigns the Ticket to a new EN or state VR agency, whichever occurs first. If the beneficiary doesn’t reassign the Ticket during the extension
period, Social Security considers it not in use at the end of the extension period, and Social Security will once again subject the beneficiary to medical CDRs. In addition, the beneficiary must be receiving cash benefits to assign the Ticket after the extension period. Finally, Social Security doesn’t count the extension period in determining whether the beneficiary is making timely progress toward his or her work goals.

**EXAMPLE:** Lydia assigned her Ticket to EN #1 on January 15th, understanding the EN would assist her with resume writing, job interview skills, and job leads to enable her to move from her part-time job to a better paying full-time position. Lydia is unhappy with EN #1 and four months later, on May 15th, retrieves her Ticket from EN #1. Sixty days later, on July 14th, Lydia assigns her Ticket to EN #2. Lydia’s Ticket continued to be considered “in use” between May 15th to July 14th as she met the 90-day extension period criteria. Social Security didn’t subject her to a medical CDR during the extension period and will continue to have this protection against Social Security scheduling a medical CDR after assigning her Ticket to EN #2 as long as she continues to meet the timely progress requirements described below.

**Protection from Continuing Medical Reviews (CDR) and Use of a Ticket**

Social Security conducts a medical CDR to determine whether or not a beneficiary continues to meet Social Security’s disability standard. Social Security won’t initiate a medical CDR when the beneficiary has a Ticket assigned and in use. However, this protection doesn’t apply to work reviews Social Security may conduct to determine whether or not a Title II disability beneficiary is engaging in substantial gainful activity.

If Social Security initiates a medical CDR before a beneficiary assigns his or her Ticket (or begins service through a state VR agency pursuant to an IPE), Social Security will complete the medical CDR. The CDR initiation date is the date on the notice Social Security sent to the beneficiary that informs him or her that Social Security is beginning to review the disability case. For CDR mailers, the system displays the initiation date as the last day of the month Social Security sent the notice. It is important for WIPA personnel to understand that the CDR initiation date isn’t the same thing as the diaried date because Social Security rarely initiates CDRs on the exact date the beneficiary diaried for review.

It is possible for a beneficiary to assign the Ticket after Social Security initiates a medical CDR, pending the decision on the medical review. However, if the beneficiary has medically improved and is no longer entitled to disability-based benefits, Ticket eligibility will end. If, at the time that Social Security finds medical improvement the beneficiary is already working with the VR agency, has a PASS plan, or is otherwise involved in an approved VR program, he or she
may file for benefit continuation under Section 301. If Social Security approves, the beneficiary may continue to receive any benefits payable until he or she completes the program that qualified the beneficiary for Section 301 payments. Social Security will consider Ticket eligibility terminated when a beneficiary receives continued benefits pursuant to Section 301.

“Using a Ticket”

Social Security defines using a Ticket as a specified period of time during which the beneficiary is actively making progress according to Social Security’s progress review guidelines to become financially independent. The EN or state VR agency monitors the beneficiary’s progress, but the TPM actually decides if the beneficiary is making timely progress. Social Security can’t initiate a medical CDR while the beneficiary is using the Ticket and making timely progress.

**Important Note:** The protection from a medical CDR will be less important to some beneficiaries with disabilities severe enough to meet a medical “listing” for Title II or SSI disability benefits. For example, an individual with significant paralysis who uses a wheelchair may not fear the initiation of a medical CDR if there is no expectation of medical improvement. For him or her, it may be less important to follow a strict pace of movement toward educational or work goals and more important to move at a pace that is realistic in light of the challenges created by his or her disability.

**Timely Progress Reviews**

The beneficiary is required to meet specific criteria, as measured during progress reviews, to be entitled to protection from a medical CDR as the beneficiary makes progress toward self-supporting employment. This section will describe the current timely progress requirements with selected references to how they differ from the criteria in the old regulations.

Social Security conducts timely progress reviews on each assigned and in-use, and in-use SVR Ticket every 12 months. The requirements for each 12-month progress review periods are:

**First 12-month review:**

- Three months out of the 12 (don’t have to be consecutive) at “trial work” earnings level ($810/month in 2016), or
- Completed G.E.D. or high school diploma, or
- Sixty percent of full-time college credit for one year earned or at least 60 percent of one year’s course work for a vocational or technical school completed (based on what is considered full-time by that particular college or school).
24-month review:

- Six months out of the last 12 at trial work earnings level, or
- Seventy-five percent of full-time college credit earned or 75 percent of one year’s course work at vocational or technical school completed.

36-month review:

- Nine months work out of the last 12 with earnings greater than Substantial Gainful Activity (SGA) level ($1,130/month for non-blind individuals and $1,820 for blind individuals in 2016), or
- Completed a two-year degree or certification program or a vocational or technical program or an additional one-year of full-time college credit earned toward a four-year degree or certification.

48-month review:

- Nine months work out of the last 12 with earnings over SGA, or
- An additional one year of full-time college credit earned toward a four-year degree or certification.

60-month review:

- Six months work out of the last 12 with earnings in each of those six months that preclude payment of Title II disability benefits and federal SSA cash benefits, or
- An additional one year of full-time college credit earned toward a four-year degree or certification.

72-month review:

- Six months work out of the last 12 with earnings in each of those six months that preclude payment of Title II disability benefits and federal SSA cash benefits, or
- Completed four-year degree or certification program.

Successive 12-month periods:

- Six months work out of the last 12 with earnings in each of those six months that preclude payment of Title II disability benefits and federal SSA cash benefits.

NOTE: Beneficiaries can combine work and education to meet timely progress requirements. For example, Social Security is reviewing a beneficiary after the first
12-month period and he or she worked one month at trial work level (33.3 percent of work requirement) and attended school at 40 percent of full-time credit (66.7 percent of education requirement), he or she will have met the timely progress requirement. The combined percentages must add up to at least 100 percent.

NOTE: A Quick Reference Chart is provided at the end of this resource document that lists the various 12-month progress review periods and provides a description of the timely progress requirements. This chart is in a format that will be easy to use as a desk reference and is recommended for use when counseling beneficiaries on Ticket issues.

Beneficiaries who don’t meet the timely progress requirements don’t lose their right to participate in the Ticket program. They only lose their right to protection from a medical CDR. The following discussion that follows elaborates on how the new timely progress provisions operate.

The Work Requirement

The following rules apply to individuals who seek to meet the timely progress requirements based only on their level of earnings (or net income from self-employment) for a particular review period:

- The first two review periods, at the end of years one and two, require work at the level to qualify as a trial work period (TWP) month for three months out of 12 and six months out of 12, respectively, during years one and two. This is a departure from the prior regulations, which only required adherence to active participation in an employment plan during the first 24-month progress review period.

- The second two review periods, at the end of years three and four, require work at the current substantial gainful activity (SGA) level for nine of 12 months in each year. In determining whether the beneficiary has achieved SGA-level work, Social Security makes no deductions for paid time off such as vacation, holiday, or sick time, and Social Security doesn’t consider work incentives such as impairment-related work expenses or subsidies to determine if countable earnings fall below the SGA level.

- At the fifth review period, at the end of year five, the beneficiary must have earnings or net income from self-employment at a level that precludes receipt of Title II disability or federal SSI benefits for six out of 12 months. Social Security will apply work incentives and, in the case of Title II disability benefits, paid time off to determine if the beneficiary meets this criterion. This same criterion will apply in the
During the first four review periods, the rules for Title II disability and SSI beneficiaries are the same. That is, even though Social Security doesn’t subject SSI beneficiaries to the TWP or SGA rules, for progress review purposes the agency measures beneficiaries’ earnings against earnings levels associated with what qualifies as a TWP month or what amounts to SGA. Starting with the fifth and subsequent review periods, because earnings must be at a level that precludes Title II disability payments and federal SSI benefits for at least six months, the amount of earnings needed to achieve this could be very different in each program.

**EXAMPLE**

A non-blind SSDI beneficiary can lose benefits in 2016 with gross monthly earnings of more than $1,130 (after accounting for paid time off and work incentives). By contrast, an SSI recipient whom Social Security pays at the 2016 federal benefit rate of $733 won’t lose benefits until gross monthly earnings are at least $1,551, an earnings level that could be higher if the beneficiary is using work incentives. On the other hand, an SSI recipient who receives a reduced SSI payment because of either in-kind income or unearned income other than Title II benefits could lose SSI at a much lower amount of earned income. For example, Social Security will pay some SSI recipients at the base rate of $488.67 in 2016 because they receive free food and shelter (i.e., their SSI rate is reduced by one third of the federal benefit rate). In that case, the beneficiary would lose SSI when gross monthly earnings are $1,062 or higher. Other SSI recipients might receive greatly reduced checks because of unearned income other than Title II benefits or because of deemed income from a spouse. For example, an SSI recipient whose payment rate is $300 per month because of deemed income would stand to lose SSI when gross monthly income is $685 per month or more.

**High School Diploma or GED**

Unlike the old regulations, the revised regulations recognize that obtaining a high school diploma or GED certificate can be an important step toward self-supporting employment. Accordingly, a high school diploma or GED certificate a beneficiary obtains in the first 12-month progress certification period counts as timely progress. If the beneficiary meets the first year timely progress criteria by obtaining a high school diploma or GED certificate, at the conclusion of the second 12-month review period, Social Security will next review the beneficiary under the year-two review criteria for the work requirement, a degree or certification program, or a technical, trade, or vocational program, as applicable.
Degree or Certification Program

The following rules apply to individuals who seek to meet the timely progress requirements based only on their level of educational achievement for a particular review period:

- The old regulations didn’t specifically address higher education as a pathway toward self-supporting employment. Under the old regulations, Social Security held a student enrolled in a traditional four-year bachelor program to the same progress review criteria as a beneficiary who was going directly into the employment market without first attending college. This is no longer the case.

- The old regulations didn’t address certain realities facing the college student with a disability: That completion of a degree program may take longer than the standard two or four year programs of study; that the ability to complete college course requirements and the Ticket program’s growing work requirements may be compromised for disability-related reasons; and that college students who succeed after graduation often opt for low-paying or unpaid internships in their field during their college years to build a resume that will best enhance employability after graduation. The revised timely progress requirements create a separate track for degree and certification programs and address these realities.

- As laid out in the chart provided at the end of this unit, students in either a two-year or a four-year program can meet progress requirements with 60 percent of full-time credits in year one and 75 percent of full-time credits in year two. This allows the beneficiary to meet the timely progress requirements while achieving modest, but continuing levels of academic success. In year three, the student in the two-year program must complete that program to meet the timely progress requirements. The student in the four-year program must complete an additional year of full-time study to meet timely progress requirements in years three, four, and five, and complete the four-year degree program by the end of year six.

- Keep in mind that some higher education students might not assign their Tickets until they have been enrolled in a two-year or four-year program for some time. In those cases, the beneficiary in question starts with the year-one progress review requirements even though he or she is already nearing his or her degree or certification requirements.

**EXAMPLE:** Jane is a Title II disability beneficiary and is entering her third year of studies in a four-year program, seeking a degree in elementary education, when she begins receiving services from her state VR agency. The VR agency, which will serve Jane under the cost-reimbursement option, will continue to support Jane for the three additional years it should take Jane
to obtain her four-year degree. Since Jane’s sponsorship by the state VR agency doesn’t begin until her third year of undergraduate studies, Social Security will measure that third year of academic progress against the criteria for the year-one progress review (i.e., she will be required to complete 60 percent of a full-time course load for one year). Additionally, Social Security will measure her fourth and fifth years of academic progress against the criteria for year-two and year-three progress reviews. As long as she continues to meet progress review requirements as she completes her fourth and fifth years of undergraduate studies, she will be protected from a medical CDR.

- What progress review criteria apply after the beneficiary obtains a two- or four-year degree and commences work? In the case of the beneficiary who obtains a two-year degree by the end of the third-year review period, Social Security would measure his or her earnings against the work requirement for the fourth review period (requiring nine out of 12 months of SGA-level earnings). In the case of the beneficiary who obtains a four-year degree by the end of the sixth review period, Social Security would measure his or her earnings against the work requirement for the sixth and subsequent 12-month review periods (i.e., he or she must work in six out of 12 months at a level that precludes Title II disability or federal SSI cash benefits). In the example directly above, if Jane obtains her four-year degree by the end of her third review period which, in her case, is her fifth year of college (remember, she didn’t begin receiving state VR agency services until her third year of undergraduate studies), Social Security would next measure her earnings by the work requirements for the fourth review period (requiring nine out of 12 months with SGA-level earnings), without deductions for paid time off or work incentives.

**Technical, Trade, or Vocational School**

The following rules apply to individuals who seek to meet the timely progress requirements based only on their level of educational or training achievement for a particular review period.

- This timely progress category covers a range of occupations that are subject to some educational or training program before entering the field. This might include such diverse occupations as hairdresser, truck driver, real estate salesperson, day care operator, or heating and air conditioning specialist.

- The timely progress requirements under this category are identical to those that apply to individuals enrolled in two-year degree programs. Specifically, the beneficiary meets timely progress requirements if he or she completes 60 percent of full-time course
requirements in year one and 75 percent of full-time course requirements in year two. For example, if a student attends a program that is normally completed in 12 months with 10 units or credits achieved, he or she will meet the year one requirement with six units or credits achieved.

Combining Work and Education or Training

The revised regulations recognize that beneficiaries may combine work and education or training as they progress toward self-supporting employment. Under the current rules, Social Security will consider a beneficiary to have met the requirements for an applicable progress certification period if the beneficiary completes a certain percentage of the work requirement and a certain percentage of the post-secondary education requirement. Similarly, the beneficiary can combine a certain percentage of the work requirement with a certain percentage of the vocational or training requirement. As long as the combined percentages equal 100 or more, the beneficiary meets the timely progress requirements.

EXAMPLE: Sam is a Title II beneficiary and is entering year two of a two-year paralegal program at a local community college. Sam is required to complete 60 credit hours to complete this program, or an average of 30 credits per year. Sam completes 18 credit hours in year one, just enough to meet the timely progress requirements for year one (i.e., 60 percent of full-time course load). He will need to complete 22 credit hours during year two to meet timely progress requirements (i.e., 75 percent of a full-time course load). During the first semester of year two, Sam takes 11 credit hours, including one credit hour for a six-week field placement at a legal services program. The legal services program offers Sam a temporary, four-month paralegal assistant position that would pay him $850 per month for part-time work. The job would begin January 2 and run through April 30. Sam would like to take the job as it could lead to permanent employment, but knows he would have to take off a semester or dramatically reduce his course load if he were to work approximately 20 hours per week. Will Sam meet the timely progress requirements if he accepts the job and doesn’t attend classes during the second semester?

Under these facts, Sam would meet the timely progress requirements. Based on Sam’s 11 credits received during the first semester, he will have met 50 percent of the 22 credits needed to meet timely progress requirements for year two. Based on the projections for four months of work at $850 per month (well over the TWP month amount of $810 for 2016), Sam will have worked 67 percent of the six TWP months needed to meet the work
requirements in year two. Because the combined percentage (117 percent) is more than 100 percent, Sam meets the timely progress requirements and will be entitled to continued protection from a medical CDR.

**Note:** If Sam is getting support from his state VR agency, a scholarship, or certain forms of financial aid, such as a Pell grant, he will want to check on the academic credit requirements for maintaining his assistance from any one of those sources. He will want to find out whether his aid or scholarship package is in any way diminished or jeopardized if he takes a semester off and then returns to school.

**The 10 Percent Variance Tolerance Provision**

These provisions apply to beneficiaries attending an educational degree or certification program, or a vocational or technical training program. Under the variance tolerance provisions, if the beneficiary’s completion of credit hours is within 10 percent of the specified goal for the applicable 12-month review period, he or she will have met the timely progress requirement. Similarly, if the beneficiary has combined work with education or training during the review period in question, Social Security will consider the beneficiary to have met the applicable progress review requirement if the sum of the percentages given for education or training credits and work earnings is within 10 percent of the goal.

**EXAMPLE:** Let’s go back to Sam from the example immediately above. Assume that instead of obtaining 11 credit hours during his first semester of year two, he obtained six credit hours that semester (or 27 percent of the 22 credits required to meet the year two timely progress requirements). Also assume that Sam takes the job that pays him $850 gross per month for four months and works instead of taking classes during the second semester. That would be four of the six months (or 67 percent) needed to meet the timely progress requirements. Because the total combined percentages of work and credits from the two-year degree program, 94 percent, is within 10 percent of the combined total of 100 percent needed to meet the timely progress requirements, Sam will meet those requirements under the variance tolerance provisions. He won’t be subject to a medical CDR.

**Timely Progress Reviews for Beneficiaries Served by State VR Agencies**

Under the revised regulations, when a state VR agency serves a beneficiary under the cost reimbursement system, the beneficiary doesn’t assign his or her Ticket to the state VR agency. As mentioned above, it is in a status called In-Use SVR. While the VR case is open, the
beneficiary will have protection from a medical CDR under the same rules that apply with an assigned Ticket. In-Use SVR status begins on the effective date of the IPE or the first day that a Ticket would otherwise have been assignable if a private EN or the state VR agency acting as an EN provided services. All of the progress review criteria discussed above will apply when state VR agencies serve beneficiaries under either the cost reimbursement system or as an EN.

Beneficiaries who continue to meet the timely progress requirements will have 90 days following the date the VR agency closes the VR case to assign the Ticket to a private EN, if they need or desire ongoing services. During this 90-day period, beneficiaries will retain their protection from a medical CDR for 90 days after the VR agency closes the case, even if they haven’t assigned their Ticket to an EN. Once the 90-day period ends, Social Security won’t consider beneficiaries who haven’t assigned their Ticket to an EN to be using a Ticket and will subject them to medical CDRs.

**Appealing Timely Progress Review Decisions**

If a beneficiary disagrees with a decision at the conclusion of a timely progress review, the beneficiary can request a review of the decision made before the 30th day after the date on which the Operations Support Manager sends the notice of the decision. Social Security will consider the beneficiary to be making timely progress until the agency renders a decision. Social Security will send a written notice of its decision to the beneficiary at his or her last known address. If Social Security decides that the beneficiary is no longer making timely progress, its decision will be effective on the date on which the agency sends the notice of the decision to the beneficiary.

**When “Using a Ticket” Ends**

The period of using a Ticket ends with the earliest of the following:

- The date before the effective date of a decision that the beneficiary is no longer meeting timely progress requirements; or
- If the beneficiary’s Ticket was assigned but is no longer assigned to an EN or state VR agency acting as an EN, the last day of the 90-day extension period if the beneficiary fails to reassign his or her Ticket within the extension period; or
- If the beneficiary’s Ticket was in VR cost reimbursement status, the 90th day following the date the state VR agency closes the beneficiary’s case if the beneficiary fails to assign his or her Ticket within that period; or
- The last day of the month before the month in which the Ticket terminates as a result of one of the events listed under the “Ticket Termination” section immediately below.
Ticket Termination

Social Security will terminate a beneficiary’s Ticket if and when he or she is no longer eligible to participate in the Ticket to Work program. If this happens, a beneficiary will no longer be able to assign the Ticket and an EN or state VR agency won’t receive milestone or outcome payments achieved in or after the month in which Social Security terminated the Ticket. A beneficiary’s eligibility to participate in the Ticket to Work program will end and Social Security will terminate the Ticket in the earliest of the following months:

- The month in which entitlement to Title II disability benefits based on disability ends for reasons other than work activity or earnings, or the month in which eligibility for SSI benefits based on disability or blindness terminates for reasons other than work activity or earnings, whichever is later;
- If the beneficiary is entitled to widow’s or widower’s insurance benefits based on disability, the month in which the beneficiary attains full retirement age;
- If the beneficiary is eligible for SSI benefits based on disability or blindness, the month following the month in which he or she turns age 65;
- The month after the month in which the beneficiary’s outcome payment period ends; or
- The month in which the beneficiary dies.

MAXIMUS: The Ticket Program Manager

MAXIMUS, Inc. of McLean, Virginia serves as Social Security’s Ticket Program manager (TPM). As TPM, MAXIMUS is responsible for:

- Serving as the “face of the Ticket Program” to ENs and state VR agencies from the point of initial outreach and recruitment through active EN participation;
- Recruiting experienced and highly qualified ENs;
- Facilitating and monitoring active Ticket program participation by ENs;
- Administering and supporting the Ticket assignment process;
- Administering and supporting the EN payment process.
- Marketing Social Security’s work incentives programs (including the Ticket to Work Program) to beneficiaries with disabilities;
- Facilitating beneficiary access to employment networks serving under the Ticket to Work program; and
- Operating the Ticket to Work Helpline to ensure accurate and timely information to Social Security beneficiaries with disabilities.
Additional information about the TPM and how WIPA projects collaborate with this contractor is included in Module 2 of the WIPA training Manual.

**Employment Networks**

An EN is any qualified entity that has entered into an agreement with the Social Security Administration to function as an EN under the Ticket to Work program. To serve as an EN an entity must meet and maintain compliance with both general and specific selection criteria. A private EN will serve a beneficiary, who has assigned his or her Ticket to the EN, pursuant to a written Individual Work Plan (IWP). A State VR agency, that serves a beneficiary as an EN will do so pursuant to an Individualized Plan for Employment (IPE).

**EN Qualifications**

General criteria include having systems in place to protect the confidentiality of personal information about beneficiaries seeking or receiving services; being both physically and programmatically accessible; not discriminating in the provision of services based on a beneficiary’s age, gender, race, color, creed, or national origin; having adequate resources to perform the activities required under the agreement with Social Security or the ability to obtain them; and, implementing accounting procedures and control operations necessary to carry out the Ticket program.

The specific criteria that an entity must meet to qualify as an EN include:

- Using staff who are qualified under applicable certification, licensing, or registration standards that apply to their profession including certification or accreditation by national accrediting or certifying organizations;
- Using staff who are otherwise qualified based on education or experience, such as by using staff with experience or a college degree in a field related to the services the EN wants to provide such as vocational counseling, human relations, teaching, or psychology;
- Taking reasonable steps to assure that if staff provide any medical and related health, staff provide those medical and health-related services under the formal supervision of persons licensed to prescribe or supervise the provision of these services in the state in which the staff perform the services; and
- Any entity must have applicable certificates, licenses, or other credentials if state law requires such documentation to provide VR services, employment services, or other support services.

The Ticket regulations provide that American Job Center Systems, established under Title I of
the Workforce Investment Act, and American Indian VR programs, established under section 121 of part C of Title I of the Rehabilitation Act, are presumptively eligible to serve as ENs without separately responding to the request for proposals as other entities are required to do. However, these two entities must enter into an agreement with Social Security to serve as an EN under the Ticket Program and must maintain compliance with the rules that apply to ENs.

EN Responsibilities

The EN assumes responsibility for coordinating and delivering employment services, VR services, or other support services to beneficiaries who have assigned their Ticket to that EN. An EN may consist of either a single provider of such services or a group of providers organized to combine their resources into a single entity. An EN provides services either directly or by entering into agreements with other providers, which can furnish appropriate services, serve prescribed service areas, and take measures to ensure that services they provided under the Ticket program meet the requirements of individual work plans (IWP). An EN must develop and implement IWPs in partnership with each beneficiary it agrees to serve in a manner that affords the beneficiary the opportunity to exercise informed choice in selecting an employment goal and specific services needed to achieve that goal.

Finally, the EN must report to the TPM (i.e., MAXIMUS) each time it accepts a Ticket for assignment; submit a copy of each signed IWP to the TPM; submit to the TPM copies of amendments to a beneficiary’s IWP; submit to the TPM a copy of any agreement the EN has established with a state VR agency; submit information to assist the TPM conducting the reviews necessary to assess a beneficiary’s timely progress; report to the TPM the specific outcomes achieved with respect to specific services the EN provided or secured on behalf of the beneficiary; provide a copy of its most recent annual report on outcomes to each beneficiary considering assigning a Ticket to it; meet all financial reporting requirements; collect and record such data as Social Security requires; and, adhere to all requirements specified in the agreement with Social Security.

Social Security periodically will evaluate an EN’s performance to ensure effective quality assurance in the provision of services by ENs. Social Security will solicit and consider the views of the individuals the EN serves and the TPM monitoring the EN. ENs must make the results of these periodic reviews available to beneficiaries to assist them in choosing among available ENs. In addition, Social Security provides an EN Profile for each EN that is displayed on “Find Help” section of ticket website at http://www.chooseworkttw.net/.

The Individual Work Plan (IWP)

An IWP is a required written document signed by an EN and a beneficiary, or a representative
of a beneficiary. A beneficiary and EN develop and implement it in partnership when they have come to a mutual understanding to work together to pursue the beneficiary’s employment goal. The IWP outlines the specific employment services, vocational services, and other support services that the EN and beneficiary have determined are necessary to achieve the stated employment goal. The beneficiary and EN share responsibility for determining the employment goal and the specific services the beneficiary needs to achieve it.

The Ticket legislation provides a representative list of services available through the Ticket program. It includes “case management, work incentives planning, supported employment, career planning, career plan development, vocational assessment, job training, placement, follow up services, and such other services as may be specified by Social Security under the Program.” Although the law and regulations authorize a fairly open-ended array of potential services, there are no criteria or there is no test governing what services a beneficiary will get with a Ticket. Because the program is voluntary, there is no mandate for an EN (other than a state VR agency) to provide any specific service or serve any specific beneficiary, except as established by the IWP.

The EN is responsible for ensuring that, at a minimum, the written IWP includes statements as to the following:

- The vocational goal including, as appropriate, goals for earnings and job advancement;
- The services and supports necessary for the beneficiary to accomplish that goal, including a breakout of the services any agencies will provide during the initial job acquisition phase from those they provided during ongoing support phases;
- Any terms and conditions related to the provision of these services and supports;
- A statement that the EN may not request or receive any compensation for the costs of services and supports from the beneficiary;
- A statement of the conditions under which an EN may amend the IWP or terminate the relationship;
- The beneficiary’s rights under the Ticket program, including the right to retrieve a Ticket at any time if the beneficiary is dissatisfied with the services the EN is providing;
- The remedies available to the beneficiary, including information on the availability of advocacy services and assistance in resolving disputes through the state Protection and Advocacy system;
- The beneficiary’s right to privacy and confidentiality regarding personal information, including information about the beneficiary’s disability;
- The beneficiary’s right to seek amendments to the IWP;
- The beneficiary’s right to have a copy of the IWP, including in an accessible format the beneficiary chooses;
- The beneficiary’s earnings history for the 18-month period immediately before the Ticket assignment; and
- Acknowledgement that the EN has informed the beneficiary of the annual progress reviews and the progress review guidelines.

For individuals served in the Ticket program by a state VR agency, agencies must provide services through the traditional Individual Plan of Employment (IPE), which is described in the next section.

**State Vocational Rehabilitation Agencies**

Under the prior regulations, Social Security required every state VR agency to participate in the Ticket to Work program if it wished to receive payments from Social Security for serving beneficiaries whom Social Security issued a Ticket. This was true whether the state VR agency served beneficiaries under the traditional cost reimbursement system or, at its option, as an EN. Under the amended regulations, no Ticket assignment is needed for a VR agency to serve a beneficiary under the cost reimbursement system. However, the VR agency must have an assigned Ticket if the VR agency opts to serve the beneficiary as an EN. A state VR agency will, in all cases, provide services pursuant to the requirements of Title I of the Rehabilitation Act with all services delivered pursuant to a written individualized plan of employment (IPE).

A state VR agency selects its service delivery option, cost reimbursement, or EN, on a case-by-case basis. When the state agency serves a beneficiary with a Ticket as an EN, the agency will use the EN payment system it has elected for this purpose, either the outcome or outcome milestone payment system. The state VR agency will have periodic opportunities to change the payment system it uses when serving as an EN. When serving a beneficiary who doesn’t have a Ticket, the state VR agency may seek payment only under the cost reimbursement payment system.

An EN may refer a beneficiary it is serving to a state VR agency for services if the state agency and EN have an agreement that specifies the conditions under which services will be provided by the state agency. This agreement must be in writing and signed by both parties prior to the EN referring any beneficiary to the state agency for services.

**The Individualized Plan of Employment (IPE)**

For individuals served in the Ticket program by a state VR agency, the agency must provide services through the traditional Individualized Plan of Employment (IPE). In contrast to the EN, the state VR agency is required to serve all eligible individuals (subject to any limitations
imposed in many states to serve only the most severely disabled under an Order of Selection), and, in general, provide any and all services as necessary to achieve a work goal. The written IPE must comply with the requirements of Title I of the Rehabilitation Act and the implementing regulations of the federal Rehabilitation Services Administration.

**Employment Network Payment Systems**

Since its inception, Social Security has based the underlying premise of the Ticket to Work program on paying ENs when the EN’s services lead to satisfactory employment (or self-employment) outcomes of the Title II disability or SSI beneficiary. Under the prior regulations, Social Security based nearly all EN payments on work activity that results in the beneficiary’s loss of Title II disability benefits or federal SSI benefits based on disability or blindness. The exception was four milestone payments, all tied to SGA-level work, available under the outcome milestone payment system.

Under the prior rules, ENs received much more substantial payments for serving Title II disability beneficiaries than for serving SSI beneficiaries. For example, under the prior rules the total value of the four SSI beneficiary milestones was less than 60 percent of the total value of the four Title II disability beneficiary milestones. This has changed dramatically. Under the amended regulations, the total value of all milestones for serving the SSI beneficiary is 98 percent of the value of all milestones for serving the Title II disability beneficiary. In fact, the combined potential payments for serving SSI beneficiaries under either of the two payment systems are nearly identical to the combined potential payments for serving Title II disability beneficiaries.

**Election of an EN Payment System**

ENs may elect Social Security to pay it under one of two payments systems: the Outcome Payment System or the Outcome-Milestone Payment System. The schedule of payments under these two payment systems differs.

An EN elects one of the two payment systems when it enters into an agreement with Social Security to serve as an EN. After first electing a payment system, the EN can then make one change in its chosen system during each calendar year thereafter. The prior regulations allowed one change in the elected payment system during the first 12 months after becoming an EN and an opportunity to change at least once every 18 months thereafter.

**The Payment Calculation Base**
Each calendar year Social Security bases the payments for both EN payment systems, described below, on something called the Payment Calculation Base (PCB). Social Security uses one of two PCBs, depending on whether the individual served is a Title II or SSI beneficiary. For Title II disability beneficiaries (including concurrent beneficiaries), the PCB is the average monthly disability insurance benefit payable during the preceding calendar year to all disabled beneficiaries. For SSI beneficiaries (who aren’t concurrently Title II disability beneficiaries), the PCB is the average monthly federal SSI payment based on disability payable during the preceding calendar year to all beneficiaries who: a) have attained age 18 but not age 65; b) aren’t concurrent beneficiaries; and c) are in current pay status for the month in which Social Security makes the payment.

**The Outcome Payment System**

The Outcome Payment System is the easier of the two EN payment systems to understand, because all payments are based on the same formula. Total payments under this option are potentially about 10 percent higher than under the Outcome-Milestone Payment System. However, the trade-off for the EN is that payments are only available for months when the beneficiary isn’t eligible for Title II disability or no federal SSI payment is due based on earnings. An EN is most likely to opt for the Outcome Payment System if it serves primarily beneficiaries with high levels of earning capacity. For example, an EN that serves only beneficiaries who are college students might opt for this payment system.

Under the prior rules, Social Security could pay the EN for up to 60 outcome payment months that a beneficiary attained during his or her outcome payment period. Under the old and revised rules, a beneficiary attains an outcome payment month when no Title II disability payments or disability based federal cash SSI payments are payable because of work or earnings. Social Security can pay an EN for an outcome month only if the EN attains it after a beneficiary has assigned his or her Ticket to the EN and before the individual’s Ticket terminates. Payments under the old Outcome Payment System were equal to 40 percent of the Payment Calculation Base for Title II disability or SSI respectively, for the calendar year in which the outcome payment month occurred, rounded to the nearest whole dollar.

The current outcome payment rules make two significant changes that should encourage more EN participation when an EN serves Title II disability or concurrent Title II or SSI beneficiaries. They allow for larger payments over a shorter period (i.e., with payments spread out over 36 months rather than 60 months), and when an EN serves SSI beneficiaries, as noted below, the current rules provide for much higher payments that are nearly equal to the payments for serving Title II disability beneficiaries.

**Beneficiaries Who Receive SSDI Only or Who Receive Concurrent Benefits**
When ENs serve Title II disability beneficiaries or concurrent beneficiaries, they can receive up to 36 payments based on 67 percent of the PCB for Title II disability benefits. An outcome payment would be available for each month when no monthly cash payment would be due for either Title II disability (based on performance of SGA) or, in the case of concurrent beneficiaries, SSI (because of earnings). The outcome payments need not be for consecutive months of non-benefit status.

The 36-month payment period is a dramatic change compared to the prior regulations that used a 60-month outcome payment period with a payment formula based on 40 percent of the PCB for Title II disability benefits. While the total payments available to the EN are nearly identical under the old and new rules, the new payment system allows an EN to potentially receive payments within a three-year rather than five-year period.

**Beneficiaries Who Receive SSI Only**

When ENs serve beneficiaries who receive only SSI, they can receive up to 60 payments based on 67 percent of the SSI Payment Calculation Base. An outcome payment would be available for each month when no federal SSI payment would be due based on the beneficiary’s earnings. The outcome payments need not be for consecutive months, allowing the beneficiary’s earnings to go up and down. As noted in the discussion of timely progress requirements above, the amount of earnings necessary for Social Security to reduce an SSI payment to zero could vary greatly depending on such factors as receipt of in-kind support and maintenance, receipt of unearned income other than Title II disability benefits, or the availability of deemed income from a spouse.

**SSI Beneficiaries Who Become Concurrent Beneficiaries**

Many SSI beneficiaries become concurrently eligible for Title II disability benefits after assigning their Ticket. If eligibility for Title II disability occurs before Social Security processes any payments, Social Security will base the payments on the Title II payment rate. If eligibility for Title II disability benefits occurs after Social Security processes one or more payments, Social Security will continue to base payments on the SSI payment formula. In other words, once Social Security makes a payment at one program rate, they will continue to make payments on the Ticket at that program rate throughout the life of the Ticket, even if the beneficiary becomes concurrently entitled.

**EXAMPLE:** A.J. was an SSI beneficiary when he assigned his Ticket to an EN. Based on his work and wages, the EN received five payments under the Outcome-Milestone Payment System through the end of 2014. In late
2014, A.J.’s father retired, and in February 2015 A.J. became eligible for Title II Childhood Disability Benefits (CDB). A.J. now receives both SSI and Title II benefits. Although A.J. now receives Title II benefits, Social Security will continue to pay the EN under the SSI Payment Calculation Base because the EN has already received one or more payments under the SSI PCB.

NOTE: What if Social Security hasn’t made any EN payments at the time A.J. became eligible for Title II benefits in February 2015 and then the EN becomes eligible for a first milestone payment in June 2015? In that case, Social Security will base the payments on the Title II payment rate, because Title II eligibility occurred before Social Security processed any Ticket payments.

The Outcome-Milestone Payment System

The changes in the EN payment structure are most dramatic in the Outcome-Milestone Payment System. This payment system now allows the EN to receive larger milestone payments based on lower levels of earnings, and receive them much earlier in the rehabilitation process. An EN is most likely to select the Outcome-Milestone option, rather than the Outcome Payment option, if it serves primarily beneficiaries who have a lower ceiling of expected earnings.

This revised payment structure recognizes two important realities: that for many beneficiaries the path to self-supporting employment is an incremental one, which may be interrupted periodically, with short-term success appropriately equated with more modest earnings levels; and that the beneficiaries need higher milestone payments during the earlier stages of rehabilitation when services are often both more intensive and more expensive.

Under the new rules, payments to ENs are available in three distinct stages:

- Phase I milestone payments,
- Phase 2 milestone payments, and
- Outcome payments.

In addition to payments being available earlier and for more modest earnings during Phase 1, the potential for total payments is higher as well. Under the old rules, total potential payments would be 85 percent of total potential payments under the Outcome Payment System. Under the current rules, total potential payments are now 90 percent of the total under the Outcome Payment System.
Phase 1 Milestone Payments

The previous Ticket rules provided for four milestone payments, with each tied to SGA-level earnings. After achieving those four milestones, outcome payments were the only other payments available and required a zero benefit payment status based on earnings. The current Phase 1 payments payable to an EN are the same for all beneficiaries regardless of which type(s) of disability benefits beneficiaries receives. Each of four milestones is the same, and Social Security bases them on 120 percent of the PCB for Title II disability benefits. The payments are the same, and Social Security bases them on the same earnings levels for Title II beneficiaries, SSI beneficiaries, and concurrent Title II or SSI beneficiaries. Social Security bases each of the four milestone payments on gross earnings measured against the level for a trial work period (TWP) month:

- **Milestone 1**: Requires one month of gross earnings at or above 50 percent of the level needed for a TWP month;
- **Milestone 2**: Requires three months of gross earnings within a six-month period at or above the level needed for a TWP month;
- **Milestone 3**: Requires six months of gross earnings within a 12-month period at or above the level needed for a TWP month; and
- **Milestone 4**: Requires nine months of gross earnings within an 18-month period at or above the level needed for a TWP month. Additionally, the EN must have substantially completed the services agreed to in the IWP or IPE to achieve this milestone.

Social Security may count earnings used to meet the first, second, and third Phase 1 milestones in determining if the beneficiary meets a later Phase 1 milestone, provided the earlier milestone fell within the relevant time period for meeting the later milestone.

**EXAMPLE:**
Erica is an SSI beneficiary who assigned her Ticket to an EN in January 2015. In October 2015, the EN arranges for Erica to take a job in a private school as a teacher’s aide, earning $850 per month in a part-time position. Erica remains in that position through the end of December and earns $850 gross in October, November, and December of 2015.

In January 2016, the EN arranges for an unpaid internship at a nursing home in which the nursing home staff agrees to provide intensive supervision and coaching in exchange for Erica’s free services. Erica continues in this unpaid position through the end of June. In July 2016, the nursing home agrees to hire Erica in a paid position where she will earn $1,000 gross per month. She
continues working through the remainder of 2016, earning $1,000 per month gross between July and December.

Will the EN be able to collect any Phase 1 milestone payments for Erica’s success?

The EN can collect for each of the four milestones as Erica’s earnings meet the criteria for all four as follows:

- **Milestone 1**: This was met when Erica earned $850 in October 2015 exceeding required earnings of half the amount needed for one TWP month.

- **Milestone 2**: This was met when Erica earned $850 for November and December 2015 (more than the $780 required for a TWP month in 2015). As allowed under the rules, Social Security uses the earnings from October to meet the three months out of six months requirement for TWP-level earnings.

- **Milestone 3**: This is met when Erica works three more months, in July, August, and September 2016 and earns $1,000 gross per month (more than the $810 required for a TWP month in 2016). As allowed under the rules, the TPM can count October, November, and December 2015 again, allowing Erica to achieve 6 months of TWP-level work in a 12-month period.

- **Milestone 4**: This is met when Erica works three more months in October, November, and December 2016 at TWP-level earnings levels. As allowed under the rules, the TPM can once again count previous months of TWP-level earnings. In this case, we may count any of nine TWP-level earnings months within an 18-month period ending December 2016 (assuming the EN has substantially completed the services agreed to in the IWP).

**Significant Work Activity Prior to the Ticket Assignment**: All work and earnings counted toward reaching the four Phase 1 milestones must occur after the beneficiary assigns the Ticket. Significant work activity prior to Ticket assignment will limit the availability of Phase 1 milestone payments:

- **Milestone Payment 1** isn’t available if the beneficiary has worked above the TWP level in the calendar month prior to the Ticket assignment.

- **Milestone Payment 2** isn’t available if the beneficiary has worked above the TWP level in three of the six months prior to the Ticket assignment.

- **Milestone Payment 3** isn’t available if the beneficiary has worked above the TWP level in six of the 12 months prior to the Ticket assignment.

- **Milestone Payment 4** isn’t available if the beneficiary has worked above the TWP level in nine of the 18 months prior to the Ticket assignment.
If the beneficiary has had no TWP-level earnings in the 18 months immediately prior to assigning the Ticket to the EN, the EN is potentially eligible to receive all Phase 1 milestone payments. Earlier TWP-level work, i.e., 19 months or more before the Ticket assignment won’t affect the EN’s potential eligibility for Phase 1 milestone payments.

**Phase 2 Milestone Payments**

Social Security can pay the EN for up to 11 Phase 2 milestones the Title II disability or concurrent beneficiary achieves, and for up to 18 milestones the SSI beneficiary achieves. The beneficiary meets a Phase 2 milestone for each month in which he or she has gross earnings (or net earnings from self-employment) that are more than the SGA level (without accounting for work incentives).

For Title II disability and concurrent beneficiaries, Social Security bases the Phase 2 payment on 36 percent of the SSDI Payment Calculation Base. For SSI beneficiaries, the agency bases the Phase 2 payment on 36 percent of the SSI PCB.

**Reconciliation Payments**

Reconciliation payments are sometimes available to an EN who has elected to serve beneficiaries under the Outcome-Milestone Payment System. These payments will be available if a beneficiary’s outcome payment period begins before the beneficiary has attained all Phase 1 and Phase 2 milestones. The reconciliation payment will equal the total amount of the milestone payments that were available when the beneficiary first assigned the Ticket, but that weren’t paid before the outcome period began. Social Security will base the reconciliation payment on the Payment Calculation Base for the calendar year in which the first month of the beneficiary’s outcome period occurs. Social Security will make the payment when the EN has qualified for 12 outcome payments.

**EXAMPLE:** Derek, an SSI beneficiary, assigned his Ticket to the state VR agency acting as an EN in his case, during his second year of a four-year college program. During his remaining time at college, Derek worked during the summer months but worked only sporadically during the school semesters and at earnings levels below that needed for a TWP month. At the time he graduated, Derek had achieved enough TWP-level earnings months to qualify the EN for Phase I payments for milestones 1 and 2.

Shortly after graduation, Derek starts a full-time job making $30,000 per year and loses his right to SSI payments. Currently he has been at the same job for 40 continuous months with his pay gradually increasing to its current level of $38,000 per year. This allowed the EN to collect 40
outcome payments under the SSI Payment Calculation Base, with up to 20 more outcome payments available.

Will the EN be eligible for any reconciliation payments for the missed milestone payments? Yes. Social Security can now pay the EN can for the remaining two Phase 1 milestones and for all 18 Phase 2 milestones under the payment schedules discussed above. In fact, the EN should ask the TPM to process these payments once the beneficiary has met the Phase 1 and Phase 2 milestone criteria.

An EN May Use Outcome or Milestone Payments to Make Payments to a Beneficiary

Social Security does allow ENs to use outcome or milestone payments to make payments directly to a beneficiary. For example, ENs may pay beneficiaries a percentage of the outcome or milestone payments the EN receives, so that beneficiaries may use the money as work support payments to purchase items or services they need to reach their work goals. The revised regulations clarify that Social Security specifically authorizes those types of payments, but ENs must follow strict rules if they are following this model.

IMPORTANT NOTE: Social Security considers any Ticket payments ENs make to a beneficiary to be unearned income. This could affect SSI eligibility and Medicaid!

Opportunity for PASS or IDA

Keep in mind that the beneficiary could use any Ticket payments in an approved Plan for Achieving Self Support (PASS) to purchase items and services related to the work goal or to save toward a major purchase, such as the purchase of a vehicle, to support progress toward the work goal. If WIPA personnel are aware that an active EN for their region routinely pays beneficiaries a percentage of milestone or outcome payments, the WIPA staff can work with the EN to identify good candidates for using this money in a PASS. WIPA staff can, in appropriate cases, assist in preparation of PASS proposals. Since the use of a PASS can enhance the beneficiary’s long-term earning capacity, the EN can thereby maximize its ability to receive all available milestone and outcome payments. Individual Development Accounts (IDAs) or matched savings accounts are available in many regions of the country. When available to support an employment goal, the IDA agency will match the individual’s deposits at a ratio of anywhere from 1:1 ($1 match for each $1 deposited) to 4:1 or higher. If an IDA is available, EN payments could fund it to leverage extra money to support the work goal.
Payments to State VR Agencies

A state VR agency participates in the Ticket program in one of two ways: as an EN, or under the cost reimbursement payment system that is spelled out in the Title II disability and SSI regulations. The state VR agency, on a beneficiary-by-beneficiary basis, may choose whether it will serve a beneficiary as an EN or under the cost reimbursement program. The state VR agency makes this choice when it first notifies the Operations Support Manager of its decision to serve the beneficiary. If the beneficiary was already a consumer of the state VR agency prior to receiving a Ticket, the agency notifies the TPM of its election at the time the beneficiary decides to assign the Ticket to the state VR agency.

For those beneficiaries it serves as an EN, the state VR agency has the same option as other ENs to elect either the Outcome Payment System or the Outcome Milestone Payment System. When the VR agency elects to serve an individual beneficiary as an EN, it will be bound by the EN payment system it elected. Like other ENs, the state VR agency will periodically have opportunities to change the payment system it uses when serving as an EN.

Under the prior regulations, the state VR agency could only participate in the cost reimbursement option if a beneficiary assigned his or her Ticket to the agency. This has changed under the new regulations, as there is no assignment of a Ticket when the VR agency serves a beneficiary under this option. When the state VR agency uses the cost reimbursement option, Social Security pays the agency for all of its qualified rehabilitation expenses with respect to a particular beneficiary. The total payment to the agency under this traditional reimbursement system may, on a case-by-case basis, be more or less than what it would receive for the same beneficiary using one of the EN payment systems.

Limitations on Payments to Employment Networks

Social Security will pay an EN only for milestones or outcomes achieved after the beneficiary assigned the Ticket to the EN and before the Ticket terminates.

If the EN offers some services beyond those it makes available under the Ticket program, the EN must be clear in its advertising of this and must list in the IWP the services it will provide under the Ticket program. An EN may not charge beneficiaries for services it provides under an IWP.

In some cases, an EN may get paid a number of milestone or outcome payments based on the level of work the beneficiary reports. What if during a later review, the SSA finds that the beneficiary attained the required level of work for some, but not all of the milestone or outcome payments it provided to the EN. Can the EN keep the milestone and outcome
payments in such a case? The answer is yes. Under the prior regulations, the EN was required to pay money back to Social Security when Social Security made a retroactive decision affecting the beneficiary’s program benefit entitlement that caused a past EN payment to be incorrect.

Social Security will pay each milestone or outcome payment to an EN based on whether the beneficiary met the criteria for that payment. So, for example, an EN that serves a Title II disability or concurrent beneficiary who exhausts his or her trial work period, works for 27 months at the SGA level immediately following the trial work period, and then has to quit working, won’t achieve all 36 outcome months. In the example, the person would have probably achieved 24 outcome months following the nine-month trial work period and a three-month grace period with continued benefits. In that case, even though the beneficiary can return to Title II disability payment status because he or she stopped performing SGA and is within the 36-month extended period of eligibility, the EN can keep the 24 outcome payments due as the result of the 24 months in which the beneficiary wasn’t eligible for a Title II disability payment.

There will be some cases in which two or more ENs qualify for payment on the same Ticket. This may occur because the beneficiary assigned the Ticket to more than one EN at different times, and now more than one EN is claiming that their services contributed to the achievement of a milestone or outcome. When that happens, Social Security will still limit payment based on the payment formulas discussed above (i.e., the total payments aren’t increased because more than one EN is involved), Social Security will have to split up the milestone or outcome payments. The Operations Support Manager must make an “allocation” recommendation with regard to what percentage of a particular payment will go to each EN. If two ENs that have each selected a different payment option are serving the beneficiary, the TPM must recommend a payment allocation, and Social Security will bases each EN’s payment on the payment option in effect for each EN when the beneficiary assigned the Ticket to each.

This splitting of payments could involve an EN and a state VR agency that serves the beneficiary as an EN. In that case, Social Security would allocate the payments as described above. However, if Social Security pays the state VR agency under the cost reimbursement system, under the prior regulations such a payment would have precluded any later payment to an EN, or state VR agency serving the beneficiary as an EN, under either the Outcome Payment or Outcome Milestone Payment Systems. That has changed under the new regulations as described immediately below.

Receiving Services from both the State VR Agency and an EN – The Partnership Plus Program
In the past, Social Security either reimbursed a State VR agency under the traditional cost reimbursement (CR) program for successfully serving a beneficiary or paid an EN or a state VR agency acting as an EN for successfully serving a beneficiary under the Ticket program. Social Security didn’t make payments under both the CR program and the Ticket program on behalf of the same beneficiary using the same Ticket.

Under current regulations a beneficiary may receive services from both a State VR agency and then an EN, and, if the state VR agency is serving the beneficiary under the cost reimbursement program, both agencies may seek compensation from Social Security on behalf of the same beneficiary using the same Ticket. To ensure some savings to the Social Security Trust Fund and the General Revenue Fund, the regulations are written so that Social Security can only compensate for the provision of sequential, not concurrent, services. While a beneficiary’s Ticket is in the “in-use SVR” status, it isn’t otherwise available for assignment to another EN; however, a beneficiary may assign his or her Ticket to an EN after receiving services from the State VR agency under the “Partnership Plus” program. Social Security created the Partnership Plus option allow a beneficiary to receive VR services to meet his or her intensive up-front service needs and, after the VR case is closed, assign his or her Ticket to an EN to receive ongoing support services or job retention services.

Partnership Plus is specific to EN-VR partnerships. If two ENs serve the same beneficiary due to a change in Ticket assignment, they may agree to determine how they will share EN payments or MAXIMUS, Social Security’s Operations Support Manager for the Ticket to Work program, can assist the ENs in determining how to split the EN payments based on the services each EN provides.

**How Does Partnership Plus Work?**

After a VR case is closed, the beneficiary has the option of assigning his or her Ticket to an EN in exchange for job retention services and other ongoing support services. If VR served the beneficiary under the cost reimbursement program, the EN would then be eligible to receive Milestone and Outcome payments as the beneficiary reaches the designated levels of work and earnings for EN payments.

If Social Security closed the cost reimbursement case with the beneficiary in employment (regardless of the hours of work or the beneficiary’s earnings), the Phase 1 Milestone payments aren’t available to the EN that accepts the beneficiary’s Ticket assignment. This is because the Phase 1 Milestone payments are designed to provide compensation to ENs for the initial services, including job placement, which resulted in the beneficiary’s entry into employment. Since the VR agency will be able to submit a CR claim when the beneficiary reaches nine months of continuous SGA-level earnings, Social Security won’t compensate both the VR agency
and the EN for providing the services that led to the job placement. However, the EN can submit for Phase 2 Milestone payments as soon as the beneficiary’s gross earnings exceed the applicable SGA level.

If a beneficiary assigns his or her Ticket to an EN after the VR agency closes a cost reimbursement case and the EN is operating under the Outcome only payment system, all Outcome payments are available to the EN as the beneficiary attains the required levels of work and earnings.

**EXAMPLE:** Maria, age 22, is an SSI beneficiary who is spinal cord injured, uses a wheelchair, and never assigned her Ticket. She currently receives SSI benefits at the 2016 federal benefit rate of $733. Her state VR agency has provided services to Maria, pursuant to an IPE, to obtain a four-year degree that will enable her to work in the computer-assisted drafting field. As part of its sponsorship, the state VR agency has funded college tuition and books; adaptive computer equipment; special transportation to attend college classes; and a ramp at her residence to allow her to leave the home to attend college. The VR agency has opted to serve Maria under the cost reimbursement system.

After obtaining her four-year degree, Maria finds a part-time job working as an assistant to a computer-assisted draftsperson. In this job, she will be paid $1,200 per month with no clear indication that a higher paying job as a computer-assisted draftsperson will be available any time soon. The state VR agency closes Maria’s case following 90 days of successful employment as is the practice authorized by Title I of the Rehabilitation Act. Maria now seeks the services of Seeds to Success, a private EN. Assuming that Maria is able to assign her Ticket, Seeds to Success indicates it can provide the following services: job placement services to help her find a better paying job in her field; computer-related training and on-site job coaching services to assist Maria with integrating her adaptive computer software and adapted keyboard with the updated computer assisted drafting programs she can be expected to use; and other technical assistance she will need to ensure that she retains any new job she obtains. If the EN accepts Maria’s Ticket for assignment, Seeds to Success will serve her under the Outcome Milestone payment system.
Can Seeds to Success serve Maria under the Ticket program after the state VR agency closes her case? What payments can the VR agency expect to receive through the cost reimbursement system? What additional payments can Seeds to Success expect to receive if Maria makes enough to leave the SSI rolls?

In this example, both the state VR agency (under the cost reimbursement system) and Seeds for Success (under the EN Outcome Milestone payment system) can receive payments for Maria’s success if she achieves certain earnings levels. The facts say that Maria is earning $1,200 per month. Because this is more than the SGA level for 2016 ($1,130 per month), Social Security can pay the VR agency under the cost reimbursement system if Maria attains this level of earnings for nine consecutive months. In that case, Social Security would reimburse the state VR agency according to Social Security’s rules for certain direct and indirect expenses.

Seeds for Success, as an EN, can receive some milestone payments if Maria continues working at the present rate and additional outcome payments if her earnings increase so that she is no longer eligible for an SSI payment. Under the current rules, because Maria had achieved an employment outcome before the VR agency closed its case, through 90 days of successful employment, any milestone payments to Seeds for Success must begin with the Phase 2 milestones. Here is what is potentially available to them as a private EN:

- Up to 18 Phase 2 milestone payments if Maria continues to have gross earnings above the SGA level.

- If Maria earns enough to reduce her federal SSI payment level to $0 (in her case, provided that she didn’t have any work incentives deductions, this would occur at gross earnings of $1,551 per month in 2016), Seeds of Success can collect an outcome payment for each month this is true, for up to 60 non-consecutive months.

- In this case, the state VR agency and the private EN should be able to team up, sequentially, to provide an array of funding and supports to help Maria complete college, find her first job, and then find and retain a better-paying second job. Under this scenario, if this college graduate earns as little as $1,560 to $1,600 per month over the next five years, Seeds for Success can receive more than $17,000 in combined payments under the Ticket program.

**WIPA’s Potential Collaboration with VR Agency and EN in Maria’s Case**

The example suggests that an early VR agency and EN partnership will ensure a seamless transition from employment preparation services (education and counseling) to post-employment support by the EN as the VR agency closes its case. Services from a WIPA CWIC
can also provide an important component for a three-way partnership (VR/EN/WIPA) to ensure that Maria receives timely and accurate work incentives counseling to support her move to self-supporting employment. An early referral to WIPA, when the VR agency is first working with Maria to develop her IPE, would ensure that Maria learns about any work incentives immediately available as a first-year college student, such as the student earned income exclusion. Later, as she is preparing to graduate and seek employment, the CWIC can discuss the availability of work incentives such as the PASS and 1619(b) Medicaid. If Maria has already identified the EN, it can be brought into discussions about Maria’s use of work incentives as she starts working.

Dispute Resolution

The Ticket program offers a dispute resolution system for four types of disputes: those between beneficiaries and state VR agencies acting as ENs; those between beneficiaries and ENs that aren’t state VR agencies; those between ENs that aren’t state VR agencies and the Ticket Program Manager; and those arising under agreements between ENs and state VR agencies.

Disputes between Beneficiaries and State VR Agencies

When a state VR agency serves a beneficiary, Social Security requires the agency to comply with all of the provisions under Title I of the Rehabilitation Act of 1973 and its implementing regulations. One of those requirements is the opportunity to resolve disputes through formal mediation services or an impartial hearing process.

Any individual who is seeking or receiving VR agency services, who is dissatisfied with a determination made by personnel of the agency, has the right to a timely review of that determination. Each state VR agency must develop and implement procedures to ensure that an individual may request a timely review, which must include the right to mediation and an administrative hearing before an impartial hearing officer. The VR agency must notify individuals, in writing, of their right to mediation, an impartial hearing, and the availability of the Client Assistance Program (CAP) to assist them with disputes. The agency must provide this at the following times:

- At the time the individual applies for VR services;
- At the time VR assigns the individual to a category in the state’s order of selection, if the state VR agency has established an order of selection;
- At the time the individual and VR develop the Individualized Plan for Employment (IPE); and
- Upon the denial, reduction, suspension, or cessation of VR services.
At an impartial hearing, the individual has the right to be represented by an attorney or other advocate. Both the individual and the agency can present evidence and cross-examine witnesses. The hearing decision is final and must be implemented by all parties, unless appealed and overturned.

Title I of the Rehabilitation Act provides that a state VR agency may establish a procedure for a second level of administrative review. The review officer must be the chief official of the designated state VR agency or an official from the office of the Governor. If the state does establish a second level of administrative review, either party may appeal within 20 days of the hearing officer’s decision. The review officer can’t overturn a hearing decision unless, based on clear and convincing evidence, the decision is “clearly erroneous” based on an approved state VR Plan, federal law, federal VR regulations, or state regulations or policies that are consistent with federal regulations. Both the beneficiary and the VR agency have the right to appeal a final administrative decision to federal court (or to state court if your state provides for court review of administrative decisions).

The administrative hearing required by state VR agencies is very similar to the hearing available to SSI and Title II disability beneficiaries who are dissatisfied with decisions by Social Security affecting their benefits. Unlike the very informal dispute resolution procedures governing ENs that aren’t state VR agencies, described below, the VR agency hearing provides an extensive opportunity to present live testimony and cross examine adverse witnesses. The hearing officer is then required to render a written decision, which must determine if the services in dispute are mandated under the very intricate provisions of Title I and its implementing regulations.

**Disputes between Beneficiaries and ENs**

For disputes between beneficiaries and ENs that aren’t state VR agencies, the Ticket program offers a three-step dispute resolution process:

1. The beneficiary can file a complaint through the EN’s internal grievance process.
2. If the EN’s internal grievance procedures don’t result in an agreeable resolution, either the beneficiary or the EN may seek a resolution from the TPM.
3. If either the beneficiary or the EN is dissatisfied with the resolution proposed by the TPM, either party may request a decision by Social Security.

All ENs that aren’t state VR agencies must establish written grievance procedures that a beneficiary can use as a first recourse to seek a resolution to a dispute under the Ticket program. The EN must give each beneficiary seeking services a copy of its internal grievance procedures and inform him or her of the right to refer a dispute to the TPM for review, and
then to Social Security for a decision. The EN also must to inform each beneficiary of the availability of assistance from the State Protection and Advocacy system.

At a minimum, the EN must inform each beneficiary seeking services under the Ticket program of the procedures for resolving disputes when:

- The EN and the beneficiary complete and sign the IWP;
- Social Security reduces, suspends, or terminates services in the beneficiary’s IWP; and
- A dispute arises related to the services spelled out in the beneficiary’s IWP or to the beneficiary’s participation in the program.

When the EN’s grievance procedures don’t result in a satisfactory resolution, either the beneficiary or the EN may ask the TPM to review a disputed issue. The regulations don’t spell out any time limit for requesting this review, but do require the TPM to contact the EN to submit all relevant information within 10 working days. The information the beneficiary should submit should include:

- A description of the disputed issue(s);
- A summary of the beneficiary’s position, prepared by the beneficiary or a representative of the beneficiary, related to each disputed issue;
- A summary of the EN’s position related to each disputed issue; and
- A description of any solutions the EN proposed when the beneficiary sought resolution through the EN’s grievance procedures, including the reasons the beneficiary rejected each proposed solution.

The TPM has 20 working days to develop a “written recommendation” that should explain the reasoning for the “proposed resolution.” Upon receiving the TPM’s recommendation, either the beneficiary or the EN may request, in writing, a review by Social Security. The TPM must receive that request for review within 15 working days of the beneficiary’s or EN’s receipt of the TPM’s recommendation. The TPM has 10 more working days to refer this request to Social Security. The request for Social Security review must include a copy of the beneficiary’s IWP; information and evidence related to the disputed issue(s); and the TPM’s conclusion(s) and recommendation(s). Social Security’s decision in response to this request is final. No further appeal within Social Security is available.

**Representation of Beneficiaries in Ticket Disputes**

If a beneficiary is using either the appeals system for resolving disputes with state VR agencies, pursuant to Title I of the Rehabilitation Act, or using the more informal procedures for resolving
disputes with ENs, pursuant to the Ticket regulations, an attorney, advocate, or any other person can represent the beneficiary. The two advocacy programs, available in every state and territory to assist beneficiaries with these disputes, are the Client Assistance Program (CAP) and the Protection and Advocacy program. The CAP was created in the mid-1980s, largely to assist individuals with disabilities in connection with state VR agency disputes, and may also be available to assist with EN disputes.

**Disputes between ENs and the Ticket Program Manager (TPM)**

For disputes between ENs that aren’t state VR agencies and the TPM that don’t involve an EN’s payment request, there is a two-step dispute resolution process:

1. The EN can seek a resolution through the TPM’s internal grievance process; and
2. If the TPM’s internal grievance procedures don’t result in a mutually agreeable solution, the TPM must refer the dispute to Social Security for a decision.

Whenever there is no mutually agreeable solution to the EN’s dispute, the TPM has 20 working days to refer the dispute to Social Security with all the relevant information. The information should include:

1. A description of the disputed issue(s);
2. A summary of the EN’s and the TPM’s position related to each disputed issue; and
3. A description of any solutions the EN and TPM proposed when the EN sought resolution through the TPM’s grievance procedures, including the reasons each party rejected each proposed solution.

Social Security’s decision in response to this dispute is final. No further appeal within Social Security is available and the regulations don’t provide for any court appeal.

**Role of WIPA Programs in Working with Beneficiaries on Ticket Issues**

CWICs have a critically important role in helping beneficiaries understand and utilize the Ticket to Work as part of a holistic strategy for achieving employment and enhancing self-sufficiency. The Ticket to Work is a powerful work incentive for certain individuals, and may make the difference between remaining unemployed or successfully attaining a satisfying career.

CWICs can support participation in the Ticket program in the following ways:
1. Screening all beneficiaries who request services to identify those who would most benefit from Ticket assignment and who would make strong candidates for Ticket assignment.

2. Explaining in clear and understandable terms how the Ticket to Work program functions and what benefits individuals receive from using their Ticket.

3. Encouraging beneficiaries who are strong Ticket candidates and who would benefit from the Ticket to Work program to consider Ticket assignment.

4. Counseling beneficiaries on Ticket assignment by providing information about available ENs and helping the beneficiaries select an EN that best matches the individual’s service or support needs and preferences.

5. Counseling beneficiaries on what constitutes “timely progress” for each 12-month review period in the Ticket program. This will vary depending on the amount and type of employment preparation the beneficiary needs to achieve the desired occupational goal. Some beneficiaries will start with a goal of attaining a GED, while other may move directly into paid employment. Still others will pursue various types of post-secondary education or training. The CWIC will need a solid understanding of the planned route for achieving employment and will need to counsel individual beneficiaries on the timely progress requirements applicable to them.

6. Coordinating with ENs to ensure that they properly apply work incentives, conduct work CDRs in a timely fashion, and adjust or cease appropriately cash benefits. CWICs should work collaboratively with the EN, the beneficiary, and Social Security to make sure that they apply countable earnings correctly and cease cash payments when they should.

7. Assisting with making Ticket assignment changes such as placing the Ticket in inactive status, un-assigning a Ticket, or re-assigning a Ticket.

8. Helping resolve any problems with assigning or using a Ticket. Potential Ticket problems would include eligible individuals who failed to receive a Ticket, individuals whose Ticket isn’t showing as being assigned, and individuals who don’t receive correct determinations of timely progress during annual reviews.

**Role of WIPA Programs in Working with Employment Networks on Ticket Issues**
The WIPA projects have an important role to play in supporting the efforts of ENs. CWICs need to work in close partnership with ENs to overcome potential barriers to employment related to the Social Security disability benefits or other federal, state, or local benefits. CWICs have an obligation under the new Ticket Program to support ENs in the following ways:

1. **CWICs should work collaboratively with ENs to conduct joint outreach to Social Security disability beneficiaries in their catchment area.**

   For the Ticket Program to be successful, Social Security disability beneficiaries need to be aware of and understand the unique opportunities available through the program. To be most effective, outreach activities need to include the local field office, local Employment Networks, and the WIPA project. Each of these key players provides a critical piece of the service array that will lead to self-supporting employment for beneficiaries.

   CWICs can collaborate with community partners in outreach efforts by participating in periodic Work Incentive Seminar Events (WISE), but also by making certain that information about local ENs is disseminated every time their community partners perform outreach activities. CWICs must understand that it isn’t enough to inform beneficiaries about WIPA services alone, or to simply talk about how paid work affects disability benefits — you must describe the entire service array under the Ticket to Work program.

2. **CWICs should be knowledgeable about the ENs serving the WIPA project catchment area and help ENs understand and utilize WIPA services.**

   Being knowledgeable about ENs goes far beyond just maintaining a list of these agencies to hand out to beneficiaries — although that certainly is a start! In addition, CWICs need to know which ENs are currently accepting Tickets, what services the various ENs provide, and what the participant eligibility requirements are, and they need to be aware of any restrictions on services or eligibility. Keeping abreast of local ENs requires that CWICs make regular contact with ENs and ask for updates. This is an ongoing effort!

   CWICs also must move beyond simply providing beneficiaries with basic information about ENs. Under the WIPA program, CWICs are required to help beneficiaries choose an appropriate service provider for Ticket assignment and make direct referrals to ENs. To fulfill this role, CWICs must be able to match beneficiaries with available ENs based on individual employment goals and service preferences. A general familiarity with the local ENs won’t be sufficient to perform this role. CWICs must have in-depth knowledge of how these providers operate, the services they provide, and eligibility procedures and criteria.
Finally, it is imperative that CWICs provide specific information to ENs about WIPA services. This includes:

- The overall mission and goals of the WIPA program;
- Eligibility requirements for WIPA services;
- Characteristics of a high-priority WIPA referral;
- Services provided by WIPA projects;
- How the WIPA program delivers services to eligible beneficiaries; and
- How to make a referral for WIPA services.

CWICs are responsible for helping ENs understand how WIPA services fit into the larger picture of the Ticket Program and how these services can help ENs be more effective in helping beneficiaries obtain and maintain paid employment. CWICs must provide a great deal of education to new ENs to help staff members understand how they can utilize WIPA services to promote employment and decrease dependency on Social Security disability benefits.

3. **CWICs should assist ENs to understand and use Benefits Summary & Analysis reports and Work Incentive Plans when working with beneficiaries to plan and deliver employment services and supports.**

CWICs have an obligation to provide high-quality individualized work incentives planning, counseling and assistance to beneficiaries with Tickets assigned to local ENs. As a matter of fact, beneficiaries with Tickets in assignment and in use constitute a very high priority for WIPA services! As a part of this, CWICs need to help ENs understand how paid employment or self-employment affects a beneficiary’s Social Security disability benefits, Medicaid/Medicare, and all other applicable federal, state, and local benefit programs. This includes helping ENs to understand when and how Social Security applies specific work incentives to the Social Security disability benefit programs to help beneficiaries achieve employment goals. The best way to accomplish this task is by sharing the information CWICs gather about an individual’s benefits as well as the reports they develop summarizing advice about work incentives and next steps. This information would include:

- **Benefits Planning Queries (BPQY)** – These reports generated by Social Security verify benefits received and work incentives used. These reports also indicate what Social Security has on file for reported wages or earnings from self-employment.
- **Benefits Summary & Analysis Reports (BS&A)** – These reports developed by CWICs summarize the various public benefits an individual receives and describe how an individual’s employment goal would affect the various benefits. These
reports also offer specific advice about the use of various work incentives as well as advice about how to resolve barriers to employment associated with disability benefits.

- **Work Incentive Plans (WIP)** – These documents contain measurable action steps related to disability benefits for the beneficiary, the CWIC, or other responsible parties to accomplish. Each action step has a designated individual responsible for completing the step and indicates dates by which the individual should accomplish the steps. The WIP holds everyone accountable for accomplishing the benefits-related tasks necessary for achieving the beneficiary’s employment goal.

The CWIC can use these documents to help ENs gain an understanding of how specific work incentives apply to the beneficiaries they are working with. It is important that CWICs review these documents with EN staff so that they can answer questions and clarify key work incentive provisions applicable to a specific beneficiary. Of course, before CWICs can share any documents or reports with EN staff members, CWICs must obtain a signed release of information from the beneficiary. CWICS can’t share information with anyone without the express written approval of the individual or his or her legal guardian!

CWICs aren’t required to provide training, technical assistance, or other information on EN payment mechanisms under the Ticket Program. You should refer ENs with questions about how Social Services pays for services under the Ticket Program to Maximus. CWICs are also not required to provide intensive training or technical assistance to ENs on Social Security benefits and work incentives, except as part of working collaboratively to serve specific beneficiaries who have assigned tickets assigned and in use.

4. **CWICs should be knowledgeable about the Ticket Program provisions and how the Ticket Program functions as an important work incentive for beneficiaries.**

CWICs can also support the efforts of ENs by providing complete and accurate information to beneficiaries on topics such as placing Tickets in assignment, re-assigning Tickets, moving a Ticket in or out of inactive status, or understanding the medical CDR protections. In addition, CWICs can help beneficiaries understand the employment or educational requirements for the various progress certification periods related to having the Ticket be “in use.” CWICs should work collaboratively with ENs to support beneficiaries in their efforts to meet the various requirements necessary to keep the Ticket in use.

Another important function CWICs perform is working collaboratively with ENs to resolve problems beneficiaries experience while using a Ticket, such as a medical CDR that Social Security initiated after the beneficiary assigned and used a Ticket, or an incorrect determination during a progress certification review. CWICs are uniquely positioned to
assist with these activities due to their relationships with local Social Security field offices and their knowledge of how the Ticket functions as a work incentive for disability beneficiaries. CWICs need to make certain that ENs are aware of the support they can provide in solving Ticket-related problems a beneficiary may experience.

WIPA projects have a critically important role to play in helping beneficiaries realize their employment goals. However, they don’t provide all of the services necessary to achieve these ends. Only by working in tandem with ENs that provide the actual vocational rehabilitation, career preparation, and employment services will CWICs achieve the most positive employment outcomes for the beneficiaries they serve.

Conclusion

A great deal more information will be provided in Module 6 on how to provide high-quality WIPA services to beneficiaries. Advisement on use of the Ticket to Work is an important part of service provision. CWICs should remember that the Ticket program is one of many work incentives available to beneficiaries of the Social Security disability programs. Like all work incentives, it is designed to meet the needs of certain beneficiaries, but isn’t intended to be applicable to every individual or to resolve every barrier to employment a beneficiary may encounter.

Conducting Independent Research

Federal Regulations on Ticket to Work Program: http://www.socialsecurity.gov/OP_Home/cfr20/411/411-0000.htm


Ticket to Work FAQs: http://www.chooseworkttw.net/about/frequently-asked-questions/index.html
# Timely Progress for Ticket Users Quick Reference Chart

<table>
<thead>
<tr>
<th>12-Month Review Period</th>
<th>High School Diploma / GED</th>
<th>Technical Trade or Vocational Program</th>
<th>Degree / Certification Program</th>
<th>Work Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>Obtained high school diploma or GED certificate.</td>
<td>Completed 60% of full time course load for 1 academic year.</td>
<td>Completed 60% of full time course load for 1 academic year.</td>
<td>3 out of 12 months with gross earnings at TWP level or above.</td>
</tr>
<tr>
<td>2nd</td>
<td>Completed 75% of full time course load for 1 academic year.</td>
<td>Completed 75% of full time course load for 1 academic year.</td>
<td>6 out of 12 months with gross earnings at TWP level or above.</td>
<td></td>
</tr>
<tr>
<td>3rd</td>
<td>Completed the technical, trade or vocational program.</td>
<td>Completed a 2-year program, or for a 4-year program, completed an additional academic year of full time study.</td>
<td>9 out of 12 months with gross earnings at non-blind SGA level or above.</td>
<td></td>
</tr>
<tr>
<td>4th</td>
<td>For a 4-year program, completed an additional academic year of full time study.</td>
<td>For a 4-year program, completed an additional academic year of full time study or completed the 4-year degree program.</td>
<td>9 out of 12 months with gross earnings at non-blind SGA level or above.</td>
<td></td>
</tr>
<tr>
<td>5th</td>
<td>For a 4-year program, completed an additional academic year of full time study or completed the 4-year degree program.</td>
<td>For a 4-year program, completed an additional academic year of full time study or completed the 4-year degree program.</td>
<td>6 out of 12 months with earnings that preclude cash payments from either SSI or the Title II disability benefit programs.</td>
<td></td>
</tr>
<tr>
<td>6th</td>
<td>Completed the 4-year degree program.</td>
<td>Completed the 4-year degree program.</td>
<td>Work requirements are the same for the 5th and all subsequent 12-month review periods.</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** In lieu of fully meeting the guidelines for one category of progress, Social Security considers a beneficiary to have met the requirements of a 12-month period when the percentage of the educational or vocational training requirement completed and the percentage of the work requirement completed adds up to 100% or more.

In addition, Social Security affords Ticket users a “variance tolerance” to provide a margin of flexibility in determining when timely progress is being made. Social Security considers the beneficiary to be making timely progress when the completed course hours or course requirements are within 10% of the specified goal.