

Concurrent Beneficiary Issues and Considerations

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An overview of how paid employment or self-employment affects a concurrent beneficiary:

When a concurrent beneficiary begins to work or reports net earnings from self employment, the first thing that happens (generally) is the loss of the SSI cash payment due to the combination of unearned income (the Title II payment) and the earned income going over the individual's break-even point (BEP).

Once the SSI cash payment stops, the beneficiary will move into 1619(b) status – assuming all of the eligibility requirements for this provision are met. The individual is still considered to be an “SSI recipient” for SSA purposes while in 1619(b) status, even though no cash payment is received. As long as 1619(b) status is preserved, the individual retains the ability to move back into SSI cash benefit status at any time without filing a new application. The individual also will retain access to the 12- month suspension period protection in case SSI eligibility is lost for reasons other than earned income (such as excess unearned income or resources).

If the beneficiary earns over the current SGA limit on an ongoing basis, the Title II cash payment will eventually be ceased. While the beneficiary remains in the EPE, Title II benefits are not terminated, but are suspended due to countable earned income over the SGA level. If SGA level work remains in effect after the EPE, the beneficiary will be terminated from title II disability benefits. Medicare may continue subject to the EPMC rules.

The important thing to remember and to stress with beneficiaries or family members is that as soon as the Title II cash payment stops, SSI cash payments may resume as long as total countable income is below the BEP and the recipient has maintained eligibility for 1619(b) or is still in the 12 month suspension period. The loss of the Title II payment means the less unearned income now affects the SSI cash payment. In many cases, countable income now will be low enough that a small cash SSI payment may be due.

Considerations:

1. In some cases, beneficiaries suppress their earnings to stay under SGA to keep the Title II benefit, when in fact; it might actually be in the beneficiary's best interests to purposefully engage in SGA in order to terminate from the Title II disability program. This is referred to as the Title II benefit sacrifice play. The only way to know which is best is to run the numbers both ways and have the beneficiary make an informed choice.
2. As long as 1619(b) status is maintained, a beneficiary who sacrifices Title II cash payments remains eligible for Medicaid. In some cases, the recipient even retains a small SSI cash payment since the unearned income (Title II check) is now gone.
3. Medicare will continue as long as the EPMC rules apply, regardless of earnings level. QMB or SLIMB may be lost due to the earnings being over allowable limits. In some states, as long as Medicaid is retained, the Medicare Part B premium will be paid, but this doesn't happen in all states.
4. The Medicare Part D 100% low-income subsidy will remain in effect since the beneficiary remains eligible for Medicaid under 1619(b). Federal rules require that all Medicaid eligible individuals with dual Medicare entitlement be enrolled in the Part D prescription drug program and retain the low-income subsidy. There should be NO state variance on this as federal law requires it.
5. Loss of the Title II benefits is NOT permanent in most cases. Of course, Title II payments will not resume until such time as earnings fall below SGA. The beneficiary still has access to the EPE and EXR provisions to get back on cash payments quickly if employment ends or is reduced. If these provisions are not applicable to the beneficiary, the individual may be required to re-apply for Title II benefits (assuming SSA notices the Title II eligibility potential) since SSI is payer of absolute last resort.
6. Re-establishing eligibility for a Title II cash benefit after a period of non-payment has several implications. First, the individual's Title II benefit may be re-calculated due to increased credits having been earned. If the Title II check is more than the FBR plus \$20, SSI and Medicaid may be lost due to excess unearned income. Second, in some cases, SSDI may now be due instead of (or in addition to) CDB or DWB since the person may have achieved insured status on his/her own work record. If this happens, the beneficiary is afforded a new TWP/EPE since a new period of entitlement is established.
7. Over time, continuing to work under the SGA guideline may actually harm concurrent beneficiaries. Work activity still generates work credits. Eventually, enough work credits may be gained to establish insured status as long as the beneficiary is earning under SGA. If the Title II benefit is more than the current FBR plus the \$20 GIE, SSI and Medicaid will be lost. In some cases, it may be possible to apply the Pickle Amendment provisions to protect Medicaid eligibility, but this will not work in all cases.

8. In some cases, there are auxiliaries drawing off of the insured person's work record. If the insured worker's Title II benefits are suspended or terminated, these payments will also cease. Again, the total monetary outcome must be considered during counseling.
9. There are cases in which an SSI eligible couple is also a concurrent couple. Counsel on the Title II benefit first, then deal with the SSI issues. In some cases, letting go of the Title II benefit can be quite advantageous to an eligible couple.
10. All concurrent beneficiaries should have the interaction of the Title II and SSI benefits explained in detail and should be assisted to determine if loss of the Title II benefit due to earned income is advantageous or not.
11. Remember that concurrent beneficiaries are strong candidates for PASS since they have a form of unearned income (the Title II payment) which can be used right away to fund the PASS. It is essential that PASS be explored with all concurrent beneficiaries to make certain this opportunity is not overlooked.

Remember your mission!

Sometimes CWICs get confused about their role and believe that their job is to help beneficiaries retain all benefits they started with. Unfortunately, when CWICs take this approach they find themselves discouraging people from working to their greatest potential, even when doing so would increase the overall financial benefit from employment.

Remember – the mission of the WIPA program is not to keep people on disability benefits, nor is it to maximize disability benefits. The mission of the WIPA program is to promote employment and enhance self-sufficiency. In some cases, working at a level which causes the loss of the Title II cash payments actually increases the total financial outcome for the beneficiary.

It can be very difficult to convince a beneficiary or family members that letting go of the Title II payment is actually an advantageous move. Beneficiaries tend to be very risk averse and become invested in hanging onto whatever benefits they started with. That Title II check is the proverbial “bird in the hand” and it is very difficult for some beneficiaries to give that up in favor of the unseen bird in the bush. The CWIC can merely present the options, explain the pros and cons of each course of action and then offer recommendations based on his/her knowledge and experience. What the beneficiary decides to do with that information is beyond the CWIC's control.

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