

Question: What is the difference between Stop Pay, Suspension, Reinstatement, and Termination of SSI and how does this pertain to 1619(b)?

CWICs often wonder how to describe what happens in the SSI program when earned income causes the cash payment to be reduced to zero. This is referred to as the breakeven point. When this occurs, the beneficiary receives no cash payment, and remains otherwise eligible for SSI, the beneficiary is eligible for the work incentive known as 1619(b). CWICs need to be aware when counseling beneficiaries that entering into 1619(b) does not trigger suspension. Rather, it is a status called “stop pay” also referred to as non-payment status.

There are four main post-eligibility events that CWICs should be aware of when counseling beneficiaries on SSI and 1619(b). These are Stop Pay, Suspension, Reinstatement, and Termination. These four concepts are described below.

Stop Pay

First, let us explore the meaning of stop pay or non-pay due to excess income. Section 1619(b) provides continued eligibility for SSI and Medicaid when a SSI Beneficiary's earnings either alone, or combined with other income (for example, a Title II benefit) are too high to allow a cash payment. The great thing about this provision is that it allows the beneficiary to stay on the SSI rolls, and continue to receive Medicaid until earnings exceed the state threshold limit for Medicaid. In other words, the SSI file remains open even though the beneficiary's check is in stop pay status. When a SSI beneficiary enters stop pay, the Benefits Planning Query or BPQY will indicate “Non-Pay due to excess income.” A stop payment is simply an interruption in payment. It is not a suspension nor is it a loss of eligibility for SSI. This basically means that a recipient is section 1619(b) SSI eligible, but due no payment as long as the beneficiary meets the five criteria for 1619(b). As a reminder, the criteria are:

1. Must meet the SSA disability requirement;
2. Must have been eligible for a SSI cash payment for at least one month prior to ineligibility;
3. Must continue to meet all other non-disability SSI requirements (i.e., resources and citizenship);
4. Must need Medicaid benefits in order to continue working; and
5. Must not have earnings sufficient to replace SSI cash benefits, Medicaid benefits, and publicly funded personal or attendant care that would be lost due to earnings (in other words, earnings above the state threshold or when applicable above the

Here is an example:

Ruth receives SSI only. She began working in January earning \$1,500 per month. Given that she has no SEIE, IRWE, BWE or PASS exclusions, her total countable income is \$707.50 after applying the General Income Exclusion, Earned Income Exclusion and the 2 for 1 reduction. This is higher than the standard Federal Benefit Rate of \$698 in 2012. As long as she meets the criteria for 1619(b), she enters non-payment or stop pay status.

Ruth continues working, and in June, her hours are reduced. She is now earning \$1150 per month. After applying the exclusions, her total countable income is now \$532.50, and is below the Federal Benefit Rate. She notifies SSI of her reduced earnings, and her SSI benefits are in pay status again, because her countable income is below the standard Federal Benefit rate. In October, Ruth resumes earning \$1,500 per month, and again is moved into 1619(b) and her SSI returns to stop pay status.

For 1619(b) eligible individuals, SSA will conduct annual redeterminations and will normally verify earnings on a quarterly basis for individuals eligible for SSI through 1619(b). See: [SSA - POMS: SI 02302.060 - Quarterly Verification of Earnings - 12/22/2009](#).

Suspension

A suspension of SSI benefits is required when a recipient is not eligible. A common cause of suspension during 1619(b) status is excess resources. When this occurs, ineligibility will begin as of the first day of the month in which income or resources exceeds statutory limits or another eligibility factor ceases to be met (i.e. person is incarcerated).

Suspension may also occur if an SSI eligible individual fails to provide information required by SSA. This may often occur if 1619(b) recipients who are in stop pay status do not respond to inquiries by SSA for quarterly reviews or annual redeterminations, so it is critically important to remind 1619b eligible recipients of their responsibilities in following up with inquiries from SSA after they enter 1619(b) status. See: [SSA - POMS: SI 02301.235 - Failure to Provide Information \(N20\) - 02/12/2010](#). CWICs should be aware of this issue, because if an SSI recipient who is in 1619(b) has SSI benefits suspended, Medicaid may also be suspended as well.

Beginning with the first month of ineligibility, individuals begin a suspension period of up to 12 months. The 12-month suspension period generally allows an individual 12 consecutive months after the effective date of a suspension to regain eligibility and have benefits reinstated without having to file a new application. Before benefits may be reinstated, the individual must inform SSA that they are now meeting eligibility requirements.

It is also important to note that because suspension results from factors that make an SSI beneficiary ineligible, this can occur in all SSI statuses: 1611--when earnings are under SGA; 1619(a)--when earnings are over SGA; or, 1619(b)--when there is a stop pay in the SSI due to earned income.

Let us revisit Ruth's scenario again. In November, she receives a notice from SSA that they will suspend her benefits due to excess resources. Effective in December, her first suspension month is posted to her SSI record. Even though she was in 1619(b) status, her benefits are now suspended. The Benefits Planning Query will indicate this under the SSI record by indicating current status "Suspended." If Ruth spends down her resources below the statutory limits within the next 12 months, she may notify SSA to have her SSI reinstated. If she does not spend down her resources and 12 months lapse, she will have to file a new application to get SSI after the 12-month suspension period.

Reinstatement

A reinstatement is a resumption of benefits for a past or current month(s) that the recipient is eligible. A new application is not required. Reinstatement is effective the first month or earliest day in a month that a recipient is eligible. SSI recipients generally have 12 consecutive months after the effective date of a suspension to have benefits reinstated. However, if the beneficiary does not regain eligibility during the 12-month suspension, they must submit a new application for SSI benefits. The active record is terminated in this situation. [SSA - POMS: SI 02301.205 - Suspension and Reestablishing Eligibility - 07/22/2008](#).

Termination

A termination event ends SSI eligibility. Generally, if a recipient does not appeal a termination, he or she must file a new application to reestablish eligibility. A termination event **only** happens when: a recipient no longer has a disabling impairment, voluntarily requests benefit termination, or dies.

It is important to for CWICs to understand and clearly articulate how stop pay, suspension and termination works for SSI recipients, and understand the conditions that cause each of these events. For more information, refer to: [SSA - POMS: SI 02301.201 - Description of SSI Posteligibility \(PE\) Events - 11/23/2007](#) and [SSA - POMS: SI 02301.215 - Summary of Posteligibility \(PE\) Suspension, Stop Payment and Termination Events by Payment Status Code \(PSC\) - 03/12/2007](#).