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Work Incentives Planning and Assistance
National Training and Data Center

Introduction to Social Security Disability Benefits, Work Incentives and Employment Support Programs – Lesson 2

Lesson 2: Introduction to Social Security Disability Benefit Programs

Learning Objectives

Upon completion of this training, participants will:

1. Understand the eligibility criteria for Title II disability and SSI benefits;
2. Describe Social Security's definition of disability and the disability determination process;
3. Identify and describe the basic program concepts that distinguish Title II disability benefits from SSI; and
4. Describe the interaction between the disability programs for concurrent beneficiaries.



Basic Facts about Social Security's Disability Programs

- Two separate disability programs – Title II disability insurance (SSDI) and Supplemental Security Income (SSI).
- Individuals typically apply for both programs with one application.
- For adults, Social Security determines disability for both programs using the same criteria. In the SSI program, a separate definition of disability is applied for children under age 18.

Social Security's Definition of Disability

*“The inability to engage in any **substantial gainful activity** by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.”*

Important Concepts in Social Security's Disability Definition

1. Earnings Test: Individuals must either not be working at time of application, or if working, countable earnings must be less than a designated dollar figure known as "Substantial Gainful Activity" (SGA).
2. Medical Test: Individual must have a disability which can be documented by a qualified medical examiner. The disability must meet a certain level as described in the "Listing of Impairments".
3. Duration Test: The disability must have lasted 12 consecutive months, be expected to last 12 or more months, or expected to result in death.

Disability Determination Process

- Determinations are NOT made by Social Security, but by state agencies known as Disability Determination Services (DDS).
- DDS reviews the medical and non-medical evidence to render a determination about whether or not applicants meet Social Security's definition of disability.
- Determination process can be lengthy.
- Initial determinations are subject to Social Security appeals process.

Statutory Blindness

- Individuals may establish eligibility for Social Security disability benefits based on disability or blindness.
- These are separate and distinct eligibility categories.
- Social Security's definition of statutory blindness is very specific.
- Different criteria are applied to statutorily blind individuals during initial application and post-entitlement.

Overview of Disability Benefit Programs Administered by Social Security

Title II Social Security Disability Benefits

- Entitlement program based upon insured status.
- Assumes 3 different forms – SSDI, CDB and DWB.
- Comes with Medicare coverage after a waiting period.

Title XVI Supplemental Security Income (SSI)

- Funded by federal tax dollars, not Social Security trust fund.
- Welfare program based upon financial eligibility.
- Comes with Medicaid coverage (in most states).

Understanding Title II Disability Benefits

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Title II of Social Security Act

- Passed in 1937 as a means of partially replacing wages lost due to retirement, or death of “wage-earner”.
- Began to include disabled workers in 1956.
- Now pays benefits to:
 - Retired or disabled workers and their dependent family members, and
 - Dependent family members of deceased workers.

Eligibility for Social Security Disability Insurance (SSDI)

- Must have insured status on own work record.
- At least 20 “credits” in the 10 years prior to onset of disability.
- Those disabled prior to age 31 need fewer credits to qualify.
- Possible to earn up to four credits per year. A credit is earned when a certain dollar amount of earnings is accrued. This figure changes each year.
- Benefits may be paid retro-actively back to date of disability onset or 12 months prior to application – whichever is less.
- Five-month waiting period before benefits may begin.



Childhood Disability Benefits (CDB)

- To be eligible for Social Security as an adult child with a disability (CDB), individuals must be:
 1. 18 years of age or older;
 2. Disabled by Social Security's definition before age 22; and
 3. Child of an insured worker who is disabled, retired or deceased.
- If child marries, benefits end unless marriage is to another Title II beneficiary (some exceptions).
- No five-month waiting period required.
- Benefits not payable prior to the month in which the individual turns 18.



Some Things to Remember about All Title II Disability Benefits

- Title II disability benefits are a form of insurance - not welfare.
- These benefits are NOT means-tested. There are no limits on resources or most forms of unearned income.
- The amount of disability benefits payable under Title II is determined by the number holder's work record.
- The SGA limit on countable earned income applies at initial application and forever onwards .

Understanding Supplemental Security Income (SSI) Benefits

SSI Program Basics

- SSI program created in 1974 with Title XIV of the Social Security Act.
- Federalization of state welfare programs for aged, blind and disabled.
- Needs-based program intended to cover basic food and shelter costs for people with little income and few (if any) resources.
- Payer of last resort.
- Paid out of general federal tax dollars, not the Social Security Trust Fund.



Eligibility Requirements for SSI

- Aged 65 or older; blind (20/200 or less in better eye with glasses or field of vision less than 20 degrees); or disabled; **and**
- Meet earned and unearned income tests.
- Meet resource test.
- Certain citizenship or residency requirements.
- File an application – no retroactive payments.

Amount of SSI Payment Affected by Many Things

- Current Federal Benefit Rate (FBR).
- State supplement (if available).
- Earned Income (wages, net earnings from self-employment, in-kind items in lieu of pay).
- Unearned income.
- In-kind support & maintenance (ISM).
- Overpayment recovery.



Understanding Concurrent Beneficiaries

What is a “Concurrent Beneficiary?”

A “concurrent beneficiary” is someone who is entitled to a Title II disability benefit (SSDI, CDB or DWB) and is also found eligible for SSI benefits.

Concurrent beneficiaries get two separate checks each month and are eligible for both Medicare (after the required waiting period) and Medicaid (in most states).



What Causes Concurrent Beneficiary Status

- Eligibility for Title II disability is established, but the amount of monthly benefit check is below the current FBR for the SSI program.
- Eligibility for SSI is established (the individual meets the income & resource requirements).
- The SSI check is reduced due to the fact that unearned income is received (the Title II check).

Summary and Next Lesson

- This lesson provided a general overview of the eligibility requirements and program characteristics of Title II disability benefits and SSI.
- We have provided additional resources that further explain the concepts presented - videos, links to websites, excerpts from CWIC training manual.
- The next lesson will cover how work affects Title II disability benefits.