
Stephanie L. Derochers

Follow this and additional works at: https://digitalcommons.usm.maine.edu/muskie_capstones

Part of the Health Economics Commons, Retirement Security Law Commons, Social Policy Commons, Social Welfare Commons, and the Social Welfare Law Commons

Recommended Citation
https://digitalcommons.usm.maine.edu/muskie_capstones/33

This Capstone is brought to you for free and open access by the Student Scholarship at USM Digital Commons. It has been accepted for inclusion in Muskie School Capstones by an authorized administrator of USM Digital Commons. For more information, please contact jessica.c.hovey@maine.edu.
Managing Social Security Disability & Other Public Benefits:

Development of a Guide for Consumers and Providers

A Capstone Project

by

Stephanie L. Desrochers

for the

Master’s Degree in Public Policy and Management

Edmund S. Muskie School of Public Service

May 2013

Capstone Advisor: Professor Josie LaPlante

© Stephanie Desrochers, 2013. This document is copyrighted. The guide was developed as a capstone project to meet the requirements of the Master’s Degree in Public Policy and Management in the Edmund S. Muskie School of Public Service. This guide is a draft that will be refined at a later time. This document may not be distributed in print or electronic format in whole or in part or adapted for use without the written consent of the author.
Disability in the U.S. & Maine

One in five Americans has a disability, making it the largest minority group in the U.S. (Soffer, McDonald, & Blanck, 2010). In 2011, 13.4 million working-aged adults received a disability cash benefit from the Social Security Administration (Kregel, 2012). Maine ranks 6th in the U.S. for most Social Security disability beneficiaries per capita behind West Virginia, Kentucky, Alabama, Mississippi, and Arkansas. As of September 27, 2012, Maine had 83,392 Social Security disability beneficiaries, which accounts for 6.2% of the state’s 2010 census population (“Social Security Administration”, 2013).

The Social Security Administration (SSA) is the federal agency responsible for managing, executing and overseeing retirement, survivor, old-age and disability benefits. There are over 1,500 Social Security offices and over 65,000 employees nationwide (SSA, 2013). SSA manages at least five disability benefit programs: Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), Disabled Widow(er) Benefit (DWB), Childhood Disability Benefit (CDB), though the vast majority of SSA staff time is spent managing the retirement benefit system. To qualify for any SSA disability benefit program, a person must demonstrate an “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 to last for a continuous period of not less than twelve months”. In 2013, a person is considered to be engaging in substantial gainful activity if they are earning $1,040 a month before taxes – arguably not enough income to support oneself in most parts of the country.

SSDI is awarded to disabled individuals who have worked and paid enough into the Social Security Disability Trust through past payroll contributions the last 10 years before
DEVELOPMENT OF A GUIDE FOR CONSUMER & PROVIDERS

becoming disabled. There are 8.6 million SSDI beneficiaries in the U.S., of which 59,627 are in Maine. In 2012, the median SSDI monthly cash benefit in the U.S. was $1,022; $954 in Maine (SSA, 2013). SSDI beneficiaries are eligible for Medicare after a two-year waiting period, some SSDI beneficiaries also qualify for Medicaid if their income and assets are below a certain level.

SSI is a needs-based benefit granted to individuals who have not paid enough into the trust fund and is paid from general fund revenues collected from taxpayers. There are 6.7 million SSI recipients in the U.S., of which 30,966 reside in Maine. SSI pays a maximum federal benefit rate of $710 for single individuals or $1,066 for SSI married couples, but will pay less if the individual or couple has other sources of income or in-kind support with food and shelter costs. SSI recipients are automatically eligible for Medicaid in most states. SSI recipients also have an asset limit ($2,000 if single, $3,000 if married).

Without swift and significant changes to the Social Security Disability Trust, trustees estimate the fund will be depleted by 2016 (Congressional Budget Office [CBO], 2012). Since 1970, the number of SSDI beneficiaries has increased six-fold, while benefit payments have risen nine-fold, and the numbers are expected to climb. The Social Security Disability Trust has been spending more than it collects in payroll taxes and interest accrued since 2009. SSDI spending totaled $128 billion in 2011 and the CBO (2012) projects the amount will be at $204 billion in 2022.

In Maine, the number of SSDI beneficiaries has increased 60% from 2000 to 2010 and the number of SSI recipients has increased 20% since 2002 (Maine Department of Health and Human Services & Bureau of Rehabilitation Services [Maine DHHS & BRS], 2012). The Maine economy sees $808 million dollars paid to SSDI and CDB beneficiaries and another $18 million to SSI recipients (SSA, 2012; SSA, 2013).
A widely reported fact is that less than 0.5% of SSDI beneficiaries exit the program rolls each year to return to the workforce (Bond, Xie, & Drake, 2007; Drake, Skinner, Bond & Howard, 2009; Kennedy, Olney, & Schiro-Geist, 2004; O’Leary, Livermore & Stapleton, 2011; Olney & Lyle, 2011, Schimmel & Stapleton, 2011). 2011 marked the highest annual rate of SSDI terminations on record: 648,481. However, only 6,137 (0.009%) were due to leaving the workforce; the rest were due to other reasons such as death, medical recovery, or reaching full retirement age (SSA, 2013). In 2010, 265 Maine SSDI beneficiaries had benefits withheld because of work and 272 had benefits terminated because of work (Maine DHHS & BRS, 2012).

Some literature suggests the SSDI termination rate is not being reported accurately. SSA reports terminations using a statistic called NSTW (nonpayment status following suspension or termination for work), which they did not begin using until 2001. NTSW only counts the first month a person is in benefits suspension or termination, so it does not reflect how long beneficiaries stay in suspension or termination of benefits (Schimmel & Stapleton, 2011). Furthermore, this statistic does not tell the whole story because it is not a cumulative measure of all the people whose benefits have been for more than one month, which at any given time is always greater than the number of people in NSTW for the first time (Liu & Stapleton, 2011; Schimmel & Stapleton, 2011).

Liu and Stapleton (2011) analyzed the return to work efforts of all SSI/SSDI beneficiaries from 1996 to 2005 by using SSA’s Ticket Research File, a file containing information on more than 20 million people who have received at least one month of SSI or SSDI cash benefits since 1996 along SSA’s Master Earnings File, which shows earnings on file with the IRS. The authors found that 28% of beneficiaries returned to work at some point between 1996 and 2005, 6.5% had their benefits suspended for at least one month (NSTW), and 3.7% had their benefits
terminated because of work. Each of these measurements surpassed the most commonly cited statistic that less than 1% of beneficiaries ever leave the SSA disability rolls, suggesting that a longitudinal measurement might be needed in addition to NSTW. The authors estimated that 1996 beneficiaries who went into NSTW generated $1.7 billion in savings.

**Reasons for the Increase in SSA Disability Beneficiaries**

Approximately 50% of all Social Security disability applications get rejected. This figure hasn’t changed over time, but the number of applicants keeps rising. There are several factors driving the growth in the SSA disability rolls. Most notably is the expansion of eligibility criteria for SSA disability benefits (CBO, 2012; Stapleton, O’Day, Livermore, & Imparato, 2006). Social Security began as a retirement system in 1935 for insured workers; individuals who paid enough into the Social Security trust through their payroll contributions. But in 1956, eligibility was expanded to disabled workers 50-64 years old and by 1960 was available to all insured workers. In 1973, Congress approved Medicare health insurance coverage for all SSDI beneficiaries after a 2-year waiting period, which significantly drove up expenditures. In 1974, the government replaced state assistance with SSI, a disability benefit for disabled, elderly and blind individuals not insured by the Social Security Trust. In most states, SSI recipients are automatically eligible for Medicaid health insurance, which also contributes to SSA spending growth. Lastly, Congress made it easier for people to qualify for SSDI when it passed the Disability Benefits Reform Act in 1984. Prior to the law, individuals had to be on a very specific list of impairments to be approved for benefits. The Disability Benefits Reform Act made it possible for a person to be deemed disabled based on multiple impairments that when assessed individually would not be severe enough to qualify for benefits.
Baby boomers and women joining the labor force are two other factors causing the rise in disability rolls (CBO, 2012; Stapleton et al., 2006). The prevalence of disability is not any higher among baby boomers than for other segments of the population. However, because baby boomers are just as likely to become disabled before reaching full retirement age as any other demographic group, the sheer volume of baby boomers that are eligible for disability benefits has had a significant impact on SSDI expenditures. The sustained growth in female labor market participation has also had an impact of the disability rolls. The longer women are in the workforce, the more likely they are to become insured in the Social Security Disability Trust. Before the 1970s, female labor market participation was low or almost non-existent. Women were just as likely to develop a disability in the 1970s, but they were not eligible for SSDI because they were primarily homemakers and were not contributing to the SSDI trust via payroll contributions. Married women could not qualify for SSI either because their husbands’ job earnings were too high. As the female workforce continues to grow, so does the number of insured female workers and the potential for more women to be eligible for benefits if a disabling condition develops.

Another reason for the rise in SSA disability benefits is related to the economy. Statistics show that disability rates rise and fall with the national unemployment rates (CBO, 2012; Stapleton et al., 2006). When the unemployment rate is low, new applications for disability benefits are low and vice versa. The theory for this phenomenon is that many Americans have debilitating conditions that warrant being on disability benefits, but continue working in spite of these conditions because they have a good paying job. However, when a recession or economic downturn occurs, people with disabilities have a harder time finding a job and turn to disability benefits for income support.
Lastly, the rising disability rolls can be attributed to the fastest growing disability diagnosis: mental illness (Bond et al., 2007; Drake et al., 2009). People with a psychiatric disability are not only the fastest growing disability group, but currently occupy the largest share of the disability rolls. Bond et al. (2007) state the primary reason for the growth rate is that psychiatric disabilities are typically diagnosed at a younger age than other disabilities such as stroke, heart attack, or cancer, and are therefore on benefits for a longer period of time than beneficiaries diagnosed later in life.

**Poverty & Disability**

People with disabilities are disproportionately living in poverty compared to their non-disabled counterparts. The poverty rate for working-aged adults with disabilities was 27.8% in 2011, more than twice the national poverty rate of 12.4% for working-aged adults without a disability (Erickson, Lee, & von Schrader, 2012). In 2011, an estimated 41% of people on Social Security disability benefits lived below the federal poverty level (Kregel, 2012). The Federal Poverty Level for a single person in 2011 was $908 a month.

There are several reasons poverty rates are so much higher for people with disabilities. People with disabilities are more likely to be less educated, unemployed, and have greater health issues (Soffer et al., 2010). They also have higher living expenses such as transportation, medical care, home modification, the need for adaptive equipment (Parish, Grinstein-Weiss, Yeo, Rose & Rimmerman, 2010).

Unemployment is one of the major reasons driving the poverty disparity among people with disabilities. In 2011, 33.4% of working-age adults with disabilities were employed compared to 75.6% of working-aged adults without disabilities (Erickson et al., 2012). This
means that the unemployment rate for people with disabilities is approximately 10 times higher than the current national unemployment rate of 7.5%. Not only are people with disabilities less likely to be employed than the non-disabled, but employment rates among people with disabilities have been declining steadily since the 1980s (Olney & Lyle, 2011; Tremblay, Smith, Porter, & Weathers, 2011).

The declining employment rate for people with disabilities is surprising considering the litany of policies, programs, and initiatives lawmakers have introduced to improve employment outcomes for this population (Kennedy et al., 2004; Livermore, 2011; Schimmel & Stapleton, 2011). There are currently over 27 different federal programs or initiatives currently being offered to promote the employment of people with disabilities. Furthermore, over the last 30 years, the Social Security Administration and lawmakers have developed countless work incentives or special rules that allow Social Security disability beneficiaries to keep some or all of their benefits while working in an effort to alleviate or eliminate the fears beneficiaries have about going back to work (Kregel, 2012; Livermore, 2011; Stapleton et al., 2006).

Some of the literature contends beneficiaries are discouraged from working just by virtue of the application process (Bond et al., 2007; Olney & Lyle, 2011; Stapleton et al., 2006). Applicants must not only wait a long time to be approved for benefits, but must prove their inability to do any work, and if approved, SSDI beneficiaries must wait two years before Medicare coverage starts. Applicants spend so much effort trying to prove they are unable to work in order to get benefits that the application process inherently causes people to have low expectations about returning to work and feel dependent on SSI and SSDI benefits (Chamberless, Julnes, McCormick, & Reither, 2011; Stapleton et al, 2006). “We propose that beneficiaries of
SSA disability programs are receiving two distinct and mutually incompatible messages: You cannot work; however, you should work” (Olney and Lyle, 2011, p.198).

While the overall employment rate of people with disabilities has waned, there is an increasing trend among SSA disability beneficiaries to choose part-time work (Olney & Lyle, 2011). Research suggests the reason for this trend is closely tied to the current policies that dictate how much people with disabilities are allowed to earn (Drake et al., 2009; Olney & Lyle, 2011; Stapleton et al., 2006). Beneficiaries fought so hard to get their benefits and health insurance that they are intentionally keeping their earnings low enough to qualify for disability benefits and health insurance, even though an array of work incentives exist. Olney & Lyle (2011) contend that by selectively limiting their earnings potential, beneficiaries forgo opportunities that come along with full-time jobs such as competitive wages, job security, health insurance, and retirement benefits. This conundrum is referred to frequently in the literature as “the benefits trap” or “the poverty trap” (Cooper, 2013; Olney & Lyle, 2011; Stapleton et al, 2006).

Case in point, SSDI beneficiaries receive a Trial Work Period where they can earn as much as they want for nine months and still receive their entire SSDI check. After the Trial Work Period, beneficiaries lose their entire SSDI check if earnings reach the Substantial Gainful Activity (SGA) level. In 2013, SGA is $1,040 a month before taxes. This effect on benefits is widely referred to as the “cash cliff” (Bond et al, 2007; Chamberless et al., 2011; Stapleton et al, 2006; Tremblay et al., 2011). Chamberless et al. (2011) point out that this all-or-nothing policy “has no relationship to a person’s benefit amount or need” (p. 180). With the median SSDI check being $1,022 a month, it is not uncommon for beneficiaries to “park” their monthly
earnings below the SGA threshold as doing so will result in a greater monthly income than working above SGA (O’Leary et al., 2011; Stapleton et al., 2006; Olney & Lyle, 2011).

Congress and SSA have long recognized the “cash cliff” as impeding reductions in SSDI spending. SSA is currently implementing the Benefit Offset National Demonstration (BOND) project, a five-year study which will exempt certain SSDI beneficiaries from the normal SSDI “cash cliff” rules and instead allow any BOND participant earning over SGA to have their SSDI check reduced $1 for every $2 earned over the SGA limit. If the BOND study proves successful, Congress will consider doing away with the “cash cliff” rule in favor of a graduated $1 for $2 offset (Chamberless et al., 2011; Stapleton et al, 2006; Tremblay et al., 2011). Results from the pilot effort makes the BOND offset look promising. BOND participants were 89.2% more likely to earn above SGA than the control group following the normal SSDI work rules (Chamberless et al., 2011).

SSI recipients, on the other hand, see their check decrease immediately. After the first $85 of monthly job earnings, the SSI check decreases $1 for every $2 earned. Stapleton et al. (2006) assert this policy is problematic as the entire SSI population lives below the federal poverty level, yet is essentially being taxed at a 50% rate, a significantly higher tax rate than any tax bracket the Internal Revenue Service imposes on the wealthiest taxpayers. The authors also point out the SSI asset limit ($2,000 for single individuals, $3,000 for married couples) has not changed in over 30 years and needs to be raised as it reinforces the message that SSI recipients have to stay poor to remain on benefits.

People with disabilities are significantly less educated than non-disabled individuals, so they are more apt to be relegated to low-wage employment jobs that do not pay a livable wage or provide opportunities for career advancement (Parish et al., 2010). According to the most recent
Disability Status Report, only 12.5\% of people with disabilities have a bachelor’s degree or higher, compared to 31.2\% of non-disabled individuals. While about 34.5\% of people with disabilities have a high school diploma or GED as their highest level of education, 22.4\% have less than a high school equivalent. This means that 56.9\% of people with disabilities have a high school education or less, when today’s economy requires a more-skilled workforce (Erickson & von Schrader, 2012).

**Assets, Poverty & Disability**

Another factor contributing to the high poverty rate among people with disabilities is a lack of personal assets. Approximately 80\% of people with disabilities have *zero* assets or *negative* assets, compared to 15\% of all U.S. households (Parish et al., 2010; Soffer, et al., 2010). An estimated 55\% of people with disabilities are “asset poor”, meaning they do not have enough resources to meet their basic level of need beyond the recommended 3-months of emergency savings (Soffer et al., 2010). The World Institute on Disability estimates that only 10\% of Americans with disabilities own their own home compared to the national homeownership rate of 68\%. The accumulation of assets is important because it benefits not just the individual, but their entire family and community. The greater one’s assets, the more likely he or she is to be educated, employed, a homeowner, or have access to a retirement plan (Soffer et al., 2010).

Accumulating assets is especially difficult for people with disabilities because most public benefits such as Supplemental Security Income (SSI), Medicaid, and Food Stamps are means-tested. For example, single SSI recipients are allowed to have up to $2,000 in countable assets at any given time. Any month a SSI recipient exceeds the asset limit, he is not eligible for *any* cash payment for the *entire month*. SSI benefits are terminated after 12 consecutive months
of being over the asset limit. While a person’s house and first car are never counted towards the asset limit, the low asset limit often prevents SSI recipients from saving up the necessary funds to make a down payment on large purchases such as a car, home, or even a first month/last month deposit on an apartment. The SSI asset limit has not changed since 1989 (SSA, 2013). Such asset limits reinforce the “benefits trap” or “poverty trap” (Cooper, 2013; Olney & Lyle, 2011; Stapleton et al, 2006).

The traditional approach to helping low-income people overcome poverty has been through income support programs like Social Security disability benefits, Food Stamps, and tax credits (Parish et al., 2010). Targeted services for people with disabilities also includes career planning, training, employment services and benefits counseling (individualized financial counseling to beneficiaries on how a return to work will or will not impact public benefits). However, lawmakers, social service agencies, and people with disabilities acknowledge that merely getting people with disabilities back to work will not alleviate poverty. Asset development is seen as the key to getting people with disabilities out of poverty.

The concept of promoting asset development to low-income people was introduced by college professor, Michael Sherraden in 1991 (Parish et al., 2010; Soffer et al., 2010). Sherraden proposed that income and assets are different concepts and should be treated as such by means-tested benefit programs. Where income is what people use to meet their day-to-day needs, assets help people improve their standard of living and financial well-being. Having assets “yields improved household economic stability, increased long-term planning, greater educational attainment, reduced generational poverty and increased civic engagement” (Parish et al., p. 72).

Lawmakers listened to Sherraden when he proposed the creation of an Individual Development Account (IDA). IDAs are matched savings accounts for low-income people that
are exempt from all means-tested programs if saved for one of three “big ticket” assets: buying a house, getting an education, or starting a business. For every $1 a person deposits in the FDA, anywhere from $2 to $8 is matched by local nonprofits. An IDA is never counted as income or an asset by means-tested benefits like SSI, MaineCare, or Food Stamps if used for an IDA-approved expense. Unfortunately, many low-income people do not know IDAs exist, do not think these assets are attainable, or believe they are not allowed to have any assets. There are currently over 500 IDA programs in the country, yet only about 50,000 IDA participants (Soffer et al., 2010). The most commonly cited reason for low IDA participation is the requirement that participants can only use earnings from a job to fund the IDA (Cooper, 2013; Soffer et al., 2010).

Sherraden and his colleagues later developed an “institutional theory of saving” based on the notion that there are five institutional factors that influence a person’s ability to save besides personal choices (Parish et al., 2010). The five factors are access, information, incentives, facilitation, and expectations. Access to banks or credit unions is often limited or unavailable in the neighborhoods where low-income people live. Instead, they tend to have access to predatory financial services such as check-cashing, payday loans, or rent-to-own companies. Information refers to the amount of financial education a person has, such as the importance of saving or handling credit responsibly. Low-income people tend to have limited financial education. Incentives refer to the types of incentives people have available to save, such as mortgage tax deductions or employer retirement contributions. People with disabilities are less likely to have access to these incentives because they are less likely to be employed. When employed, people are more likely to have tools available that help facilitate savings, such as direct deposit or automatic savings payroll deductions. Lastly, low-income people tend to have lower expectations of saving because they are not used to see other people in their lives save money.
Cooper (2013) and Hernandez (2011) suggest there is another reason that explains why people with disabilities are not accumulating assets: loss aversion theory. This theory stems from behavior economics, proposing that human beings prefer to avoid losses, even if it means forgoing a gain. The theory suggests that people are naturally afraid of risk and uncertainty. Cooper (2013) explains that people with disabilities are even more afraid of risk and uncertainty because they are already living on the fringes of society, struggling to get by, and therefore more scared to lose what little resources they already have, even if they will be better off financially in the long run by taking the risk. Hernandez (2011) writes about several asset-building initiatives piloted by the Corporation for Enterprise Development (CEFD) in 2009 that incorporated behavioral economics and loss aversion theory research. Many of the initiatives showed dramatic increases in financial stability and asset accumulation among low-income people, something that has recently caught the attention of asset development agencies serving people with disabilities.

Progress in changing the asset rules for means-tested programs has been slow and limited. There has been little policy change since IDAs were introduced, until recently. In 2010, lawmakers approved a temporary measure to exclude tax refunds from being counted as an asset for twelve months instead of two months. The American Taxpayer Relief Act of 2012 made the 12-month exclusion permanent in an effort to encourage low-income people to save their tax refund instead of feeling forced to spend it immediately.

There are currently two legislative efforts in the works to allow people with disabilities to accumulate more assets. First, is the SSI Restoration Act (H.R. 1601), which proposes many long overdue changes to the SSI program. If passed, the SSI asset limit would increase from $2,000 to $10,000 for single individuals and from $3,000 to $15,000 for an eligible couple. The
law would also appeal a rule that allows SSA to reduce a person’s SSI check by 1/3 ($236.67 a month) if the recipient is getting in-kind support with food and shelter costs. Lastly, the SSI income disregards would be increased to 2013 adjusted dollars, and adjusted yearly thereafter. The SSI income disregards are currently $85 a month and have not changed since 1981 (SSA, 2013).

Another bill in the pipeline is Achieving a Better Life Experience (ABLE). ABLE intends to address the high living costs associated with having a disability by allowing people on SSI and Medicaid to set up a tax free account to save money for certain expenses and still maintain their benefit eligibility (Cooper, 2013). If passed, SSI and Medicaid recipients could save up to $100,000 for expenses such as education, housing, transportation, assistive technology, and job support before their benefit eligibility was affected, up to a lifetime savings maximum of $500,000.

Why Do Consumers and Providers Need a Guide to Managing Disability Benefits?

Social Security disability benefits in and of themselves are complicated. There are at least five different benefits SSA can pay to an adult with a disability. Besides SSDI and SSI, a person could receive Childhood Disability Benefits (CDB), Disabled Widower Benefits (DWB) or a combination of SSI with SSDI, CDB or DWB. While there are similarities among these disability benefits, there are stark differences that can have a significant impact on a beneficiary’s benefit eligibility if not understood. Furthermore, people on Social Security disability benefits usually get more than just a disability check. They often receive several other public benefits such as Medicare, Medicaid, Medicare Savings Program, Medicare Part D Extra Help, Food Stamps and subsidized housing. Each of these benefits comes with its own income
limits and eligibility requirements, which typically vary state by state. For instance, a Maine SSI recipient is allowed to earn more money at a job before losing their Medicaid than a SSI recipient in New Hampshire.

Presently, there is no “one-stop” guide for Social Security beneficiaries to gain a cursory overview of all of their benefits. There is an abundance of benefits information available online and in print, but it is segmented. A consumer cannot find the answers to all their benefits-related questions in one place. If a consumer has questions about their Social Security disability check, Medicare, and Medicaid – he or she has to go to three different places for information because each agency is only at liberty to write about their own benefit programs. Furthermore, SSA has a myriad of benefits booklets or publications that are brief and simply written, but it is very easy for a consumer to stumble upon benefits information that does not apply to him or her. Medicare has an introductory publication called *Medicare & You 2013*, but it is 141 pages long. The only Medicaid (MaineCare) guide available for Maine residents is written by Maine Equal Justice Partners, is 66 pages, and covers all of the MaineCare eligibility categories for disabled and non-disabled individuals. If a beneficiary does not realize the necessity to go to multiple agencies for answers to their benefits questions, it is easy for them to overlook how or what other public benefits might be impacted.

Due to the complexity of each public benefit, it is also difficult for consumers and providers to synthesize the benefits information they receive. For example, if a single beneficiary reads in an SSA publication that they can earn as much as they want for 9 months and still keep their Social Security check, but can only keep MaineCare if their income is less than $2,394 a month, it is common for the consumer to wonder which statement is correct – when in actuality both are correct because each benefit program’s rules are mutually exclusive.
How Was the Guide Prepared?

The author has worked as a Community Work Incentives Coordinator (CWIC) for Maine Medical Center’s Benefits Counseling Services program since 2007. A CWIC is a trained professional who understands the Social Security work incentives and the effect of employment on other public benefits such as MaineCare, Medicare, subsidized housing, and Food Stamps. Maine Medical Center provides free benefits counseling services to anyone in Maine ages 14 or older who receives Social Security disability benefits and wants to know how working will affect their benefits.

The idea for a guide emerged out of several circumstances. First, when federal funding for benefits counseling lapsed June 30, 2012, Maine’s Benefits Counseling Services program was facing the possibility of needing to reduce the number beneficiaries served. Thanks to the generosity of existing and new funding sources, Maine Medical Center did not have to reduce services or staff, but had reduced services become necessary, the guide could have served as alternative for those no longer eligible for CWIC services. Second, Maine CWICs were becoming increasingly aware of systemic issues around the impact of work, income, and assets on disability benefits. CWICs had begun meeting with the appropriate agencies to generate awareness of the systemic issues and brainstorm potential solutions. In one brainstorm session, the author discovered case managers and Representative Payees do not get a comprehensive training on benefits management. This led to the realization that a guide could help not just consumers, but family members, case managers, Representative Payees, and other support providers. Third, CWICs only serve Social Security disability beneficiaries who are working or interested in working, but all beneficiaries have questions about managing their benefits. Lastly,
the author realized that CWICs are the only individuals in a position to write such a guide since CWICs are the most knowledgeable about the interactions among all public benefits and no public agency is able to provide advisement on other agency’s programs.

Before writing began, an extensive search of existing benefits guides was conducted. While several benefits-related guides were identified, none of the existing guides captured the essence of *Guide to Managing Your Social Security Disability & Other Public Benefits*. For example, SSA publishes *The Red Book: A Summary Guide to Employment Supports for Persons with Disabilities under the Social Security Disability Insurance and Supplemental Security Income Programs*. The Red Book only focuses on SSA work incentives and does not cover income reporting requirements or state-specific benefits such as MaineCare and Medicare Savings Program. The Red Book is disjointed in that the work incentives are not listed in a logical, linear fashion; the reader almost has to have an existing understanding of work incentives to reap the guide’s benefits. Even SSA acknowledges in the introduction that “We write the Red Book primarily for educators, advocates, rehabilitation professionals, and counselors who serve persons with disabilities. We also expect that applicants and beneficiaries will use it as a self-help guide.” Maine Equal Justice Partners publishes several “how-to” guides on Food Stamps, Temporary Assistance for Needy Families (TANF), and MaineCare. The Food Stamps and TANF guides are easy to read, but the MaineCare guide is 66 pages long and goes into extensive detail of all the MaineCare program rules. The author was looking for the simplicity of the Food Stamps and TANF guides, but to include a perfunctory overview of all the public benefits a Social Security disability beneficiary receives. Massachusetts’ benefits counseling program, Work Without Limits, produces several guides for youth with disabilities transitioning from high school to adulthood. The guides are very user friendly and visually
appealing, but apply only to a small audience – youth entering the workforce. Lastly, the author discovered that Michael Walling, a work incentives consultant who travels around the country offering one-day trainings to providers for $95 a person, also has several publications for sale: *The Guide: Social Security Benefits & Work Incentives* for $52, *Managing Your SSDI Benefits and Income Handbook* for $9, and *Managing Your SSI Benefits and Income Handbook* for $9. None of his publications were purchased, but it is clear his publications do not provide any state-specific benefits information.

Initially, the author set out to write one guide with a separate chapter for each of the types of disability benefits and other public benefits, which would allow other states to adapt the guide to their own needs with the author’s written permission. Almost immediately, it became clear that three separate guides were needed because there were really three separate audiences: people on SSI, Social Security Disability (SSDI, CDB or DWB), and Concurrent Beneficiaries (people who get a combination of SSI and Social Security Disability). Having one guide would not only cause confusion, but would mislead readers who were reading chapters of the guide that did not pertain to them. For the purposes of this capstone project, the author completed the first of the three guides which is intended for Maine residents currently receiving Social Security Disability Insurance (SSDI), Childhood Disability Benefits or Disabled Widow(er) Benefits (DWB). The SSI and Concurrent guides will be written in the near future, with the goal of having all three guides available for free online by September 1, 2013. Unless money becomes available to print the guides, the guides will only be available online. However, provider agencies will be allowed to print as many copies of the guide as they would like to distribute to consumers for free, as long as the guide was not altered or adapted without written permission. The guide will be updated when income limits or policy changes occur, which typically occurs on a yearly basis.
What Does the Guide Cover?

The goal was to produce a guide that a Social Security beneficiary or provider could read from start-to-finish and gain a cursory understanding of all public benefits, the income limits and eligibility rules for each benefit, and income reporting responsibilities to each benefit agency. The author sought to include questions asked most frequently by beneficiaries, as well as information that beneficiaries tend to be unaware of, such as why they get the benefits they get, and what factors affect or do not affect their benefits. Lastly, elements of economic empowerment and financial stability were incorporated into the guide. Beneficiaries have often never heard that it is possible to work, acquire assets safely, and become financially stable – or that there are free resources to help achieve these aspirations.

Who Will Use the Guides & How Will the Guides Be Used?

The expectation is the guides will be used not just by Maine consumers, but their family members, Representative Payees, case managers, Vocational Rehabilitation counselors, MaineCare eligibility workers, group home staff, Employment Specialists, and any other providers who support Social Security disability beneficiaries. Newly hired providers, newly appointed Representative Payees, and newly awarded Social Security disability beneficiaries could also benefit from the guides. The guides could also serve as a primer to help dispel myths from fact for other groups, such as employers and policy makers. With the increasing access to information via the internet, smartphones, and social media, there is a potential for this guide to reach an audience of Social Security disability beneficiaries currently unengaged with the vast resources and programs available only to people with disabilities. Lastly, there are potential
uses for the guides beyond Maine. Other states and disability organizations could use the guides as a template to add or subtract sections based on their own state rules.

The guides will be made available in alternative formats, such as large print or screen-reader format for people with visual impairments. Eventually, the author would like to see the guides recorded as a video for people who have difficulty reading or are auditory learners. The video would also be closed-captioned for people who are deaf or late-life deafened.
References


Kregel, J. (2012). Work incentives planning and assistance program: Current program results document the program's ability to improve employment outcomes, reduce dependence on benefits, and generate cost savings for SSA. *Journal of Vocational Rehabilitation, 36*(1), 3-12.


HOW TO USE THIS GUIDE

This guide was written to help Maine residents who already get Social Security disability benefits understand the basic rules and responsibilities when receiving public benefits. Because Social Security has three types of disability benefits and each has very different rules, we created three different guides. The chart below can help you figure out which guide you should read based on which benefit you get. Are you still not sure what guide to read? Ask your local Social Security office what benefit you get before you start reading this guide.

<table>
<thead>
<tr>
<th>If You Get Paid On:</th>
<th>Then You Are Getting...</th>
<th>... And You Should Read:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st of the month</td>
<td>Supplemental Security Income (SSI)</td>
<td>SSI Guide</td>
</tr>
<tr>
<td>3rd of the month or later</td>
<td>SSDI, CDB or DWB (Title II)</td>
<td>Social Security Disability Guide</td>
</tr>
<tr>
<td>1st &amp; 3rd of the month</td>
<td>Both SSI and Title II</td>
<td>Concurrent Guide</td>
</tr>
</tbody>
</table>

This guide was designed to be a resource and should not be considered benefits advice. Because every person’s benefits situation is unique, you should always contact the agency responsible for managing the benefit to ensure you have the correct information for your situation. The rules and income amounts for public benefit programs can change year to year. The amounts in this guide are accurate for 2013.
## TABLE OF CONTENTS

4  What is Social Security Disability?  
5  What Factors Affect My Social Security Check?  
6  What Factors Do Not Affect My Social Security Check?  
7  What Other Public Benefits Are Available?  
   Medicare  
   Medicare Savings Program (also called Medicare Buy-in)  
   Medicare Part D Extra Help  
   Medicaid (MaineCare)  
   Food Stamps  
   Subsidized & Supportive Housing  
13  How Does Working Affect My Social Security Check?  
15  How Does Working Affect My Health Insurance?  
   Medicare  
   Medicare Savings Program (also called Medicare Buy-in)  
   Medicare Part D Extra Help  
   Medicaid (MaineCare)  
18  How Does Working Affect My Other Public Benefits?  
   Food Stamps  
   Subsidized & Supportive Housing  
20  What Are Some Examples of How Working Affects Benefits?  
22  How Do Assets Affect My Benefits?  
23  Are There Programs to Help Me Build Assets & Become More Financially Stable?  
26  What Are My Reporting Responsibilities?  
   Social Security & DHHS Reporting Responsibilities  
   Everyday Tips for Managing Your Benefits  
   Tips for Managing Your Benefits When Working  
30  What Are Social Security Overpayments?  
31  Income Taxes & Social Security  
   Are My Benefits Taxable?  
   When Am I Required to File?  
   Get Your Income Taxes Done for Free!  
32  What Other Resources Might I Be Interested In?  
   CareerCenter  
   DHHS Offices  
   Social Security Offices  
   Ticket to Work  
   Vocational Rehabilitation
What is Social Security Disability?

Social Security disability benefits are paid to certain people who become disabled by Social Security rules before reaching full retirement age. To qualify, someone must have worked and paid enough taxes into the Social Security Disability Trust before becoming disabled - or be able to get benefits from a parent or spouse who paid enough into the trust. There are 3 types of Social Security Disability Benefits:

- **Social Security Disability Insurance (SSDI):** For people who had a work history and paid enough into the Social Security trust the past 10 years before they became disabled.

- **Disabled Widow(er) Benefits (DWB):** A benefit paid to disabled widows or widowers 50 years or older because their deceased spouse paid enough into the Social Security trust before they died.

- **Childhood Disability Benefits (CDB):** A benefit paid to an adult child from a parent who gets SSDI, Social Security retirement, or paid enough into the Social Security trust before the parent died. The adult child had to be disabled according to Social Security’s rules before turning 22 years old.

Everyone on SSDI, CDB and DWB gets a different check amount. This is because the check is based on how much the worker paid into the Social Security trust all the years they worked. The longer a person worked and the more a person made before becoming disabled, the higher the Social Security check.

Social Security can sometimes pay a monthly benefit to children of SSDI beneficiaries, but only if the SSDI beneficiary paid enough money into the Social Security disability trust. This is called an auxiliary benefit or a “dependent” benefit and can be paid even if the child is not living with the SSDI beneficiary. The child will get a dependent benefit any month the SSDI beneficiary is eligible for a SSDI check.

Dependent benefits stop when the child graduates high school or turns 18, whichever happens later. However, if the child applies for disability benefits as an adult and is approved, Social Security might be able to pay CDB to the adult child from the SSDI beneficiary’s record if the child was disabled before the age of 22.
What Factors Affect My Social Security Check?

- **Earnings from a Job:** Many people on Social Security disability want to work but are afraid they will lose their benefits if they do. Social Security created special rules called *work incentives* that allow SSDI beneficiaries to work, which are described later in this guide.

- **Your Medical Condition:** Once approved for SSDI, CDB or DWB benefits, Social Security will review your medical condition from time to time to see if you still meet Social Security’s guidelines for being disabled. These are called Continuing Disability Reviews (CDRs). Social Security *cannot* do a medical review whenever they want to or because you went back to work; it must be scheduled. How often your medical review is scheduled depends on how severe your disability is and how likely your disability will improve. Your Social Security check stops immediately if Social Security decides after your medical review that you do not have a disabling condition anymore. If your medical condition improves, you must tell Social Security right away.

- **Workers Compensation:** This is a benefit paid to people who become injured on the job. You must tell your local Social Security office within 10 days if you start getting Workers Compensation benefits. Social Security will figure how much your SSDI check needs to decrease based on the amount of Workers Compensation you get.

- **Disability Benefits from Maine Public Employees Retirement System:** You have 10 days to tell your local Social Security office if you start getting disability benefits from MainePERS. Because Maine State employees do not pay into Social Security, your SSDI check will be reduced when you start getting a MainePERS benefit. This happens because of a law in some (but not all) states called the Windfall Elimination Provision.

- **Prison or Jail:** You are not eligible for a SSDI, DWB or CDB check if you are convicted of a crime and spent 30 days or more in jail or prison.

- **Getting married can sometimes affect your Social Security check:** If you are on SSDI, getting married never affects your SSDI check. Your DWB check only stops if you get remarried before turning 50 years old. Your CDB check stops right away if you get married, *unless* you marry someone who gets SSDI, CDB, or Social Security retirement. You can never get CDB benefits back once lost, even if you get a divorce later on. If you lose CDB because you got married, you still might qualify for SSDI on your own work record or Supplemental Security Income (SSI). SSI is paid to disabled, blind or elderly people who have limited income and assets and do not qualify for SSDI, CDB, DWB, or Social Security retirement.
What Factors DO NOT Affect My Social Security?

There are just as many things that do not affect your Social Security check, some of which might surprise you:

- **Assets**: Social Security *never* counts the assets (also called resources) you have if you are on SSDI, CDB or DWB benefits. But, you might get other public benefits that have asset limits such as Food Stamps and MaineCare, which are discussed later in this guide. Assets are resources that you own that are worth money when you sell them. Common examples of assets are your house, car, or the money you have in checking or savings account.

- **Living Expenses**: Your Social Security check is not affected by your living expenses. For example, how much you pay (or don’t pay) for rent or electricity does not affect how much your check is.

- **Loans**: The money you borrow from a friend, relative, or bank is never counted by Social Security.

- **Money You Get From Other People**: Your Social Security check is not affected by the money you get from family, friends or other people.

- **School**: Many people on SSDI, DWB and CDB benefits worry that going back to school will affect their benefits. This is not true. You do not need special permission from Social Security to go back to school. Any money you get for school (scholarships, grants, student loans, etc.) will not affect your check.

- **Spouse’s Income**: If you are on SSDI benefits, your spouse’s income never impacts your SSDI check.

- **Unearned Income**: Unearned income is any income that you did not earn from a job during the month. Examples of unearned income are: Unemployment Insurance, VA Benefits, Long Term Disability insurance payments, insurance settlements, lottery winnings, or inheritance.

Some of these factors might affect other public benefits you get. For example:

- **MaineCare** does look at your assets, money you get from other people, spouse’s income & unearned income.

- **Food Stamps** does look at your assets, living expenses, money you get from other people, spouse’s income, unearned income.
What Other Public Benefits Are Available?

People on SSDI, CDB and DWB benefits usually get more than just a Social Security check. They often get other public benefits such as Medicare, Medicare Savings Program, Medicare Part D Extra Help, MaineCare, Food Stamps, or subsidized housing. This section explains what other benefits you might be getting and why you get this benefit.

Medicare

Medicare is a government health insurance for people getting Social Security retirement or Social Security disability. Everybody on SSDI, CDB or DWB automatically gets Medicare health insurance after being on benefits for 2 years.

Medicare health insurance is broken up into different parts (A, B, C and D) to let beneficiaries mix and match the coverage they need:

<table>
<thead>
<tr>
<th>Medicare</th>
<th>What is it?</th>
<th>How much does it cost?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part A</td>
<td>Hospital coverage</td>
<td>$0</td>
</tr>
<tr>
<td>Part B*</td>
<td>Medical coverage</td>
<td>$104.90 a month in 2013</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If you drop Part B and do not have employer-sponsored coverage, you’ll pay a penalty in addition to the monthly premium if you enroll in Part B later.</td>
</tr>
<tr>
<td>Part C</td>
<td>Medicare Advantage (plan that replaces Part A &amp; B)</td>
<td>Monthly premium varies depending on the plan you choose</td>
</tr>
<tr>
<td>Part D*</td>
<td>Prescription drug program</td>
<td>Monthly premium varies depending on the plan you choose</td>
</tr>
<tr>
<td>Medigap</td>
<td>Supplemental coverage (does not replace Parts A and B, but covers some expenses that Parts A and B do not cover)</td>
<td>Monthly premium varies depending on the plan you choose</td>
</tr>
</tbody>
</table>

* Financial assistance is available to help low-income Medicare beneficiaries pay for these premiums. To learn more about this help, see the next two sections called Medicare Savings Program and Part D Extra Help.

Medicare does not cover all medical services. Plus, Medicare does not always pay the entire cost of services you received. For more information on what Medicare covers, check out the 2013 Medicare & You Handbook or go to www.medicare.gov.
Did You Know?
Maine has 5 Area Agencies on Aging that provide free Medicare health insurance counseling to anyone on Medicare - not just the elderly? They can help answer your questions about Medicare, such as how to sign up for Medicare, how to switch to a different Medicare plan, the bills you are getting, and much more! Call 1-877-353-3771 (1-877-Elders1) to connect to the office nearest you.

Medicare Savings Program
This is a program that helps Medicare beneficiaries with limited income save money on some or all of their Medicare Part B expenses. In Maine, this program is known as Medicare Buy-in, the “buy-in” or “partial MaineCare” and is run by the Department of Health & Human Services (DHHS).

Medicare Part B has three out-of-pocket expenses:
1. Monthly premium, currently $104.90 a month. If you are on the Medicare Savings Program, DHHS pays the premium for you. If you do not qualify for the Medicare Savings Program, the premium is automatically deducted from your Social Security check each month.
2. A deductible, which is currently $147 a year.
3. 20% coinsurance (like a copay) on all Part B covered expenses because Medicare only pays 80% of the bill.

There are 3 Medicare Savings Programs: QMB, SLMB and QI. QMB offers the most help because it pays for all three expenses listed above. With SLMB and QI, you only get help paying your Part B premium. DHHS determines which program you are eligible for based on your monthly income:

<table>
<thead>
<tr>
<th>Program</th>
<th>DHHS Pays Your</th>
<th>Monthly Income Limits in 2013*</th>
</tr>
</thead>
</table>
| QMB (Qualified Medicare Beneficiary) | - Medicare Part B premium  
- Yearly deductible  
- 20% coinsurance | $1,341 if single or $1,810 if married                     |
| SLMB (Specified Low Income Medicare Beneficiary) | - Medicare Part B premium | $1,532 if single or $2,068 if married |
| QI (Qualified Individual)       | - Medicare Part B premium if you do not have MaineCare | $1,676 if single or $2,262 if married |

*Maine’s income limits for the Medicare Savings Program is much higher than other states, even after the Maine state government lowered the monthly income limits by
10%. In most states, the Medicare Savings Program only covers people with incomes below 150% of the Federal Poverty Level and has an asset limit. In Maine, the Medicare Savings Program covers people below 175% of the Federal Poverty Level and has NO ASSET LIMIT.

DHHS does not count all of your income when deciding if you qualify for the Medicare Savings Program. Here are the most common income deductions:

- ½ of monthly job earnings (before taxes)
- Federal disregard ($55 if single or $80 if married)
- State disregard ($20 if single or married)
- Impairment Related Work Expenses (IRWEs), which are expenses related to your disability that also help you to work.

If you think you qualify for the Medicare Savings Program, you need to apply at your local DHHS office. If you have MaineCare, you do not need to fill out an application - you just need to show DHHS a copy of your Medicare card. If you are approved for the Medicare Savings Program, it can take a few months to process your request. While you wait, Social Security will still deduct the Part B premium from your Social Security check, but will give you this money back after DHHS starts paying your premium.

**Part D Extra Help**

This is a program that helps Medicare beneficiaries with limited income and assets save money on their Medicare Part D (drug plan) expenses. Extra Help pays for your Medicare Part D premium, yearly deductible, and covers the “donut hole”. The donut hole is a point when some Medicare Part D beneficiaries have to pay a bigger share of their prescription drug costs until they reach the yearly maximum out-of-pocket costs.

There are two ways to qualify for Extra Help. First, if you are on the Medicare Savings Program (QMB, SLMB, or QI) you automatically get Part D Extra Help and do not have to apply for it. This is because if your income is low enough to qualify for Medicare Savings Program, then your income is low enough to get Part D Extra Help.

If you don’t qualify for Medicare Savings Program, then you must apply for Extra Help at Social Security every year. If you are single, you qualify if your yearly income is less than $17,235 and your assets are below $13,300. If you are married, you qualify if your yearly income as a couple is less than $23,265 and if your assets as a couple are less than $26,580. Keep in mind that the Part D Extra Help program does not count all of your income and assets. Once you are approved, you get to keep Extra Help for the rest of the calendar year even if you go over the income or asset limit.
There are several ways to apply for Part D Extra Help:

- Apply online at www.socialsecurity.gov/extrahelp
- Apply at your local Social Security office
- Call Social Security at 1-800-772-1213 (TTY 1-800-325-0778) to apply over the phone or to request an application.

Medicaid (MaineCare)

Medicaid is a type of government insurance for certain people who have low income and limited assets (also called resources). Many states use a different name for their Medicaid program. In Maine, it is called MaineCare and is run by the Department of Health & Human Services, Office of Family Independence.

Not all people on SSDI, CDB, or DWB benefits qualify for MaineCare. This is because in order to qualify for MaineCare, a person has to fit into one of the “covered groups” listed below. Each coverage group has different eligibility rules and income limits, and some have asset limits.

- **A person with a disability** by Social Security or DHHS rules gets “SSI Related MaineCare” if his or her monthly income is below $1,033 if single (or $1,393 if married). Assets must be less than $2,000 if single ($3,000 if married), but not all assets are counted.
- **Parents with children under 19** qualify for MaineCare if their household monthly income is below 133% of the Federal Poverty Level for their family size. Assets must be less than $2,000 if single ($3,000 if married), but not all assets are counted.
- **Children 0-18 years old** get MaineCare if their monthly income is below 200% of the Federal Poverty Level for their family size. Children pay $8-$32/month (called a Cub Care premium) if income is between 150%-200% of the Federal Poverty Level. No asset limit for this coverage group.
- **Certain people with intellectual and physical disabilities** get MaineCare through one of the Home & Community Based Waiver programs. A waiver covers necessary services that regular MaineCare does not cover, such as day program or a group home for people with intellectual disabilities or personal care attendant services for people with physical disabilities.
- **Pregnant women** get MaineCare if their monthly income is below 200% of the Federal Poverty Limit for their family size. There is no asset limit for pregnant women.

If you get MaineCare, be sure to read “How does working affect my health insurance?” The MaineCare income limits are usually much higher for SSDI, CDB, and DWB beneficiaries who go to work.
- **19 & 20 year-olds** get MaineCare if their monthly income is below 150% of the Federal Poverty Limit for their family size. Must have less than $2,000 in assets, but not all assets are counted.
- **Women with Breast Cancer or Cervical Cancer** get MaineCare if their income is below 250% of the Federal Poverty Level for their family size. There is no asset limit for this coverage group.
- **People who are HIV+** get MaineCare if their income is below 250% of the Federal Poverty Level for their family size. There is no asset limit for this coverage group.
- **Non-categoricals** are individuals who do not fit into any of the other coverage groups, have monthly income below $1,033 a month if single ($1,393 if married), and less than $2,000 in assets ($3,000 if married). *MaineCare is not accepting any new people into this coverage group.*
- **Medically Needy** coverage is for people who have too much income or assets for the other coverage groups, but can get MaineCare coverage after they meet a deductible or “spend-down”. The deductible amount depends on the person’s income.

If you don’t have MaineCare but think you might qualify, there are many ways to apply:
- At your local [DHHS Office of Family Independence](http://www.maine.gov/mymaineconnection)
- Click [here](http://www.maine.gov/mymaineconnection) to print out an application and mail it in
- Online at [www.maine.gov/mymaineconnection](http://www.maine.gov/mymaineconnection)

### Food Stamps
The Food Stamps program helps people and families with limited income pay for food. The program is run by the DHHS Office of Family Independence. The amount of Food Stamps a person or family gets depends on things like their monthly income, living expenses, household size, who they share meals with, and if they help from low-income heating assistance program (LiHEAP).

Food Stamp recipients get their benefit on an EBT card, which is like a debit card that is accepted at grocery stores, large department stores that sell groceries, and even some Farmer’s Markets in Maine. In Maine, Food Stamps are deposited on the EBT card on the 10th–14th of each month, depending on the person’s birthday. The amount of Food Stamps a person or family gets is never enough to meet all of their food needs. For example, in 2013, the maximum Food Stamps allotment for a single person is $200 a month. A family of three gets no more than $526 a month.

There are several ways to apply for Food Stamps:
- At your local [DHHS Office of Family Independence](http://www.maine.gov/mymaineconnection)
- Click [here](http://www.maine.gov/mymaineconnection) to print out an application and mail it in
- Online at [www.maine.gov/mymaineconnection](http://www.maine.gov/mymaineconnection)
Subsidized & Supportive Housing

Many people with disabilities live in subsidized or supportive housing. Subsidized housing helps people with low income live in decent, affordable housing by paying a portion of the monthly rent. Supportive housing provides affordable housing to people who need help with daily living or have additional barriers like mental illness or a severe disability. Here are the most common subsidized and supportive housing programs for people with disabilities:

Subsidized Housing Programs

Residents in these housing programs cannot afford to pay the “fair market price” for an apartment. They pay 30% of their monthly income for rent. The rest of the rent is paid for or “subsidized” by the Maine State Housing Authority or the Housing Authority where the person lives. There is a very long waitlist for all of these programs.

- **Public Housing:** These are apartments owned and run by local Housing Authorities.
- **Section 8 Housing Choice Voucher Program (HCVP):** The renter gets a voucher that allows him or her to rent an apartment from any private landlord who accepts Section 8 tenants. After the first year on Section 8, the renter can move anywhere in the U.S. where the Section 8 HCVP is accepted. With this program, the rent subsidy follows the renter.
- **Section 8 Project-Based Housing:** Private landlords who agree to accept Section 8 tenants get a voucher from the Maine State Housing Authority or U.S. Department of Housing & Urban Development. With this program, the rent subsidy stays with the landlord, not the renter. When the renter moves, he or she has to find another landlord that has a Section 8 Project-Based voucher.

For more information about how to apply for subsidized housing or for a list of housing agencies providing rental assistance, check out the [Maine Rental Housing Guide](#) written by the Maine State Housing Authority.

Supportive Housing Programs

- **Bridging Rental Assistance Program:** BRAP provides temporary housing (up to 2 years) to people with mental illness until they transition to more permanent housing. BRAP residents pay 51% of their monthly income for rent.
- **Shelter Plus Care (S+C):** Provides both housing and care to homeless people who have a severe and long term disability. Shelter Plus Care residents pay 30% of their monthly income for rent.
- **DHHS Residential Care:** DHHS approves many private facilities to provide housing to people on MaineCare who cannot live by themselves because they need help with daily living, managing their medication, or 24-hour supervision. These places are called Private Non-Medical Institutions (PNMIs) or Residential Care Facilities. Residents pay a monthly “room & board” to the facility based on their income. MaineCare pays for the expenses that room & board does not cover.
How Does Working Affect My Social Security check?

Many people on Social Security disability want to work but are afraid they will lose their benefits if they do. Social Security created special rules called work incentives that allow people on SSDI, CDB or DWB to work. This section gives a basic overview of how working affects your Social Security check.

**Trial Work Period**

The first work incentive that all SSDI, CDB and DWB beneficiaries get is the Trial Work Period (TWP). The TWP lets you test your ability to work by letting you earn as much as you want for 9 months and get your full Social Security check. The 9 Trial Work Period months do not have to be used in a row. For example, if you work for 2 months and have to stop working for any reason, you will still have 7 TWP months left when you are ready to try working again.

In 2013, you only use one of your 9 TWP months if you earn $750 or more a month from a job before taxes. Any month you earn less than $750 a month from a job does not count as one of your 9 months. The amount that counts as a TWP month usually increases every January (or stays the same).

The TWP ends when you have used 9 TWP months in a 5 year period. Keep in mind that if you have worked since your Social Security check started, you may have used some or all of your TWP months.

**Substantial Gainful Activity**

After the Trial Work Period ends, Social Security pays benefits based whether you are able to work at a certain level called Substantial Gainful Activity, or SGA for short.

SGA is the value of your work. In 2013, you are earning SGA if your countable monthly earnings are $1,040 (or $1,740 if blind).
Social Security starts with your gross earnings (before taxes), but there are work incentives that can lower your countable job earnings:

- **Unsuccessful Work Attempt (UWA):** A UWA is when you try to earn SGA, but after 6 months or less cannot earn SGA anymore because of your disability. In this case, Social Security might decide your past work was not SGA.

- **Impairment Related Work Expenses (IRWE):** If your gross earnings are over SGA, Social Security might be able to deduct out-of-pocket expenses directly related to your disability and your job. For example, let’s say you earned $1,100 last month but spent $100 in disability related expenses last month. Because these expenses were related to your disability, Social Security could subtract $100 from your gross job earnings ($1,100-$100=$1,000) and you’d be under SGA.

- **Subsidy and Special Conditions:** If your gross earnings are over SGA, Social Security might be able to lower your countable earnings because of extra support you receive from your employer or a job coach. For example, if you are only able to perform 90% of your job duties because of your disability, Social Security would only count 90% of your earnings.

**Extended Period of Eligibility**

After your Trial Work Period ends, you get another work incentive called the Extended Period of Eligibility (EPE). The EPE work incentive goes on for 3 years. During the EPE, your Social Security check is automatically turned on any month your job earnings are below SGA. In 2013, SGA is $1,040 a month ($1,740 if blind) - but as the last paragraph discussed, Social Security does not count all of your income.

**What Happens after Your EPE Ends?**

Your Social Security benefits terminate if you are still earning SGA after your Trial Work Period and Extended Period of Eligibility are over. But if your Social Security check terminates, there is a safety net called Expedited Reinstatement (EXR) or “Quick Benefits Restart”. This work incentive lets you ask for your Social Security check back if you cannot work at SGA anymore, for up to 5 years after your benefits are terminated. If you qualify for Expedited Reinstatement of Benefits, you may be eligible for a new Trial Work Period and a new Extended Period of Eligibility after you have received 24 months of Social Security checks.

**Want to start your own business?** You should meet with a CWIC because there are special work incentives for self-employed beneficiaries that are not covered in this guide.
How Does Working Affect My Health Insurance?

There are a lot of special rules called “work incentives” that allow people with disabilities to keep their health insurance when they start working. The work incentives are different for Medicare, MaineCare and Medicare Buy-in.

What happens to Medicare when I am working?

A lot of people think their Medicare will stop right away when they start working, but this is not true. Medicare continues for at least 7.75 years (7 years and 9 months) after your 9-month Trial Work Period ends, even if you are making too much at your job to get a Social Security check. This is a work incentive called the Extended Period of Medicare Coverage, or Extended Medicare for short.

After the 7.75 years of Extended Medicare, you keep getting Medicare as long as you are still getting a Social Security check. If you are still earning SGA when your Extended Medicare is over, Social Security will let you buy into Medicare through a program called Premium Health Insurance for the Working Disabled.

What happens to Medicare Savings Program when I am working?

You will qualify for some level of financial help from the Medicare Savings Program if you still have Medicare and your countable monthly income is less than $1,676 a month if you are single (or $2,262 a month if you are married). Because there are three different Medicare Savings Programs (QMB, SLMB, QI), the amount of help you get might change. Below is the chart shown earlier in this guide because it reviews the different income limits for the three Medicare Savings Programs.

<table>
<thead>
<tr>
<th>Program</th>
<th>DHHS Pays Your</th>
<th>Monthly Income Limits in 2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>QMB (Qualified Medicare Beneficiary)</td>
<td>- Medicare Part B premium</td>
<td>$1,341 if single or $1,810 if married</td>
</tr>
<tr>
<td></td>
<td>- Yearly deductible</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 20% coinsurance</td>
<td></td>
</tr>
<tr>
<td>SLMB (Specified Low Income Medicare Beneficiary)</td>
<td>- Medicare Part B premium</td>
<td>$1,532 if single or $2,068 if married</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>QI (Qualified Individual)</td>
<td>- Medicare Part B premium if you do not have MaineCare</td>
<td>$1,676 if single or $2,262 if married</td>
</tr>
</tbody>
</table>

Because DHHS doesn’t count all of your income, let’s look at an example. If you are single and your only monthly income is your $1,100 Social Security check, you would be on the QMB Medicare Savings Program because your monthly income is below $1,341 a month. Now, let’s say you get a job making $600 a month. You would still
qualify for QMB because of how DHHS counts your income:

<table>
<thead>
<tr>
<th></th>
<th>$1,100.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Social Security check</td>
<td>$1,100.00</td>
</tr>
<tr>
<td><strong>Gross Monthly Job Wages</strong></td>
<td>$600.00</td>
</tr>
<tr>
<td><strong>Your Gross Monthly Income</strong></td>
<td>$1,700.00</td>
</tr>
<tr>
<td>Federal Disregard</td>
<td>- $55.00</td>
</tr>
<tr>
<td>State Disregard</td>
<td>- $20.00</td>
</tr>
<tr>
<td>Amount of Your Wages DHHS doesn't count</td>
<td>- $332.50</td>
</tr>
<tr>
<td><strong>Your Countable Monthly Income</strong></td>
<td>$1,292.50</td>
</tr>
</tbody>
</table>

After a few months, you get promoted and start earning $900 a month. You would no longer qualify for QMB because your countable income is too high, but you would still qualify for the SLMB Medicare Savings Program. But, this switch is not always permanent. If your job ends or your income decreases below the $1,341 a month, you would be switched back to QMB.

What happens to Medicare Part D Extra Help when I am working?
The answer depends on what your monthly countable income is and if you still get Medicare coverage. If you qualify for one of the Medicare Savings Programs (QMB, SLMB, QI) when you are working, then your Medicare Part D Extra Help will continue too. This is because if your income is low enough to still qualify for Medicare Savings Program, then your income is low enough to still get Part D Extra Help too.

If you don’t qualify for Medicare Savings Program, then your Extra Help will continue for the rest of the calendar year no matter how much you are making at your job. When you re-apply for Extra Help at the end of the year, you’ll still qualify if your yearly income as a single person is less than $17,235 and your assets are below $13,300. If you are married, you qualify if your yearly income as a couple is less than $22,695 and if your assets as a couple are less than $26,120. Keep in mind that the Part D Extra Help program does not count all of your income and assets. A CWIC can help you figure out if you will still qualify for Extra Help when you are working.
What happens to MaineCare when I am working?

How much you can earn and still keep MaineCare depends on which “covered group” you are in. Each coverage group has different eligibility rules and income limits, and some have asset limits.

Most people on Social Security Disability are in the “SSI Related MaineCare” coverage group. This coverage group is for people who are disabled by Social Security or DHHS rules AND are below a certain income and asset limit. In 2013, single people must have less than $1,033 of monthly income and less than $2,000 in countable assets. A married person must have less than $1,393 of monthly income as a couple and less than $3,000 in countable assets.

When someone on SSI Related MaineCare goes to work, he or she rarely loses MaineCare. This is because DHHS has a special program called MaineCare for Workers with Disabilities, or “Working Disabled”. This program only counts about half of your gross job wages AND has a very high income limit - 250% of the Federal Poverty Level!

Your MaineCare continues through this program if your Social Security check plus ½ of your gross job wages is less than $2,394 a month if you are single (or $3,232 a month if married). Sometimes there is a $10-20/month cost for this program depending on your income.

You can keep MaineCare for Workers with Disabilities as long as you are working, have a disability, have Medicare coverage, and are under the monthly income and asset limits. Plus, you are allowed to have more assets on this program. You can have up to $8,000 in assets if you are single ($12,000 if you are married). What DHHS counts as an asset are discussed later in this guide.

If you lose MaineCare when you start working, contact a CWIC right away at 1-888-208-8700. This may be a mistake. A CWIC can figure out if you are over the MaineCare income limits for your coverage group and help you get your MaineCare back if a mistake was made.
How Does Working Affect My Other Public Benefits?

Food Stamps
As your monthly income increases, your Food Stamp benefit gradually decreases. Some information on the internet says that for every $1 you earn, your Food Stamps will go down $3. This is not true. Income affects each person’s Food Stamps benefit amount differently, so only DHHS can determine how a change in income will affect your Food Stamps benefit.

DHHS does not count all of your income when deciding if you qualify for Food Stamps or how much you should receive. Here are the most common deductions:

- Standard deduction depending on your household size ($142 for 1-3 people, $153 a 4-person household, $179 for a 5-person household, or $205 for households with 6 or more people)
- 20% of your household’s gross earned income
- Some of your shelter expenses (such as rent, mortgage, heat, electricity, etc.)
- People with a disability can also deduct any medical expenses above $35 a month
- Legally owed child support that you or someone in your household paid
- Reasonable dependent care costs if needed for work, training, or education.

Subsidized & Supportive Housing
Working affects each housing program differently. Here is an overview of job income is treated by the most common subsidized and supportive housing programs:

If you live in Public Housing or Section 8 Housing Choice Voucher Program (HCVP):
There is a work incentive called the Mandatory Earned Income Disregard (MEID) that might apply to you. With MEID, if you were unemployed (or working less than 10 hours per week at minimum wage) for at least a year before you started your new job, your housing agency will not count your job income when calculating your rent payment for the first 12 months. In the following 12 months, they will only count half of your new wages. The 24 MEID months do not have to be used in a row, but you only have 48 months to use the MEID months. Any unused months are lost. Every person with a disability who has a Section 8 HCVP or lives in Public Housing gets one MEID.

If you live in Section 8 Project-Based Housing or Shelter Plus Care:
Your rent is always based on 30% of your monthly income, so working will cause your rent to increase. If you got a job earning $500 a month, your rent would increase $150 a month, but you would have $350 more a month than if you were not working.
If you live in BRAP housing:
Your rent is based on 51% of your income before taxes, so working will increase your monthly rent. If you got a job earning $500 a month, your rent would increase $255 a month but you would have $245 more a month than if you were not working. Plus, keep in mind that you can never be charged more than the maximum cost of the apartment. For example, let’s say you are paying $450 a month for your apartment but the maximum cost of the apartment if $600. Your rent can never be more than $600 a month no matter how much income you have.

If you live in DHHS Residential Care (also called Private Non-Medical Institutions or Residential Care Facilities):
Your room & board is based on your monthly income. When you are not working, you are only allowed to keep $70 of your income each as a Personal Needs Allowance. The rest of your income is paid to the facility as your room & board. When you go to work, your room & board will increase but you will have more personal spending income each month! This is because DHHS has an Earned Income Disregard where they do not count the first $65 you earn and only count ½ of your remaining job income. For example, let’s say you earned $365 at your job. DHHS would only count $150 of your job income ($365-65=$300, ½ of $300= $150). Your room & board would increase $150 each month, but you would get to keep $220 for personal spending!
What Are Some Examples of How Working Affects Benefits?

Social Security Disability benefits are complicated. When you add in the other benefits you are getting, the work rules can get really confusing. Here are few examples or scenarios that show how the many work incentives discussed in this guide fit together.

FRANK
Frank just got offered a job working 25 hours a week at $8/hour, about $860 a month before taxes. He has never worked since his Social Security Disability benefits began. Frank is single and gets a $900 Social Security check, Medicare, and MaineCare. Because he has both Medicare and MaineCare, he automatically gets the Medicare Savings Program and Part D Extra Help. **What will happen to his benefits?**

All of Frank’s benefits will continue as long as he is medically disabled. Frank will get his full Social Security check during his 9 month Trial Work Period. His check will continue after the Trial Work Period because he is not doing Substantial Gainful Activity ($1,040 in 2013). His Medicare will continue because of the Extended Medicare work incentive and he’ll get to keep MaineCare because of the MaineCare for Workers with Disabilities program. Because Frank is still getting Medicare and MaineCare, his Medicare Savings Program and Part D Extra Help will continue too.

DEBBIE
About 5 months ago, Debbie started her first job since her Social Security check began. She is working about 20 hours/week at $12/hour, or about $1,032 a month before taxes. Debbie still gets a $1,200 check, Medicare, Medicare Part D Extra Help, but switched from the QMB to SLMB Medicare Savings Program because of her job earnings. Debbie really likes her job, getting out of the house, and having extra money during the month. Her company really likes her too. They would like to hire her full-time, but Debbie is afraid of what this will do to her benefits.

**What will happen to Debbie’s Social Security Check?**
Debbie has used 5 of her 9 Trial Work Period (TWP) months so far. If she takes the full-time job, she’ll get a Social Security check for the rest of her TWP. After the TWP ends, her 3-year Extended Period of Eligibility (EPE) will begin. She’ll get 3 more checks in because Social Security pays 3 checks in a row the first time someone earns SGA after the TWP ends (called the Cessation Month). After the Cessation Month, her checks will be put “on hold”, but she can get her check back any month during the EPE that her income drops below SGA.

**What will happen to Debbie’s Health Insurance?**
Debbie’s Medicare would continue for 7.75 year (93 months) after her Trial Work Period ends, even though her Social Security check will be on hold after the Cessation
Month. Once her check is on hold, she will qualify for the QMB Medicare Savings Program again AND MaineCare for Workers with Disabilities. This is because both these programs only count ½ of her job income and she is below the MaineCare asset limit for a single working person. Lastly, she will still get Medicare Part D Extra Help because she is on one of the Medicare Savings Programs.

JEFF
Jeff works about 30 hours/week at $9/hour, or about $1,160 a month. He used his 9-month Trial Work Period and 3-year Extended Period of Eligibility many years ago. He still gets his Social Security check because he has $200 of Impairment Related Work Expenses (IRWEs) that keep him below SGA every month. Jeff gets a $700 SSDI check, MaineCare, Medicare, the Medicare Saving Program and Part D Extra Help. He was recently offered a full-time job making $30,000 a year. He wants to take it, but is afraid he won’t be able to get his benefits back if he gets sick or can’t do the job.

If Jeff takes the job, he’ll get 3 more checks (called the Cessation Month) and then his check will be terminated because he is earning SGA. But, Social Security’s “Quick Benefits Restart” work incentive gives him up to 5 years to ask for his benefits back without having to reapply. He just has to be earning less than SGA when he asks for Quick Benefits Restart and he must have the same disability he had before his benefits terminated. Even though his Social Security check will stop, Jeff’s Medicare will continue for 6.5 years after his Cessation Month AND he’ll still get MaineCare the entire time he has Medicare because MaineCare for Workers with Disabilities only counts ½ of his job income. He’ll also still qualify for the Medicare Savings Program and Part D Extra Help.
How Do Assets Affect My Benefits?

Assets are resources you own that are worth money when you sell them. Some of the public benefit programs have asset limits, and many have no asset limit. It is important for people on Social Security disability to know which public benefits have an asset limit and what is considered an asset for each benefit because any month you are over the asset limit you are not eligible for the benefit.

These benefits DO NOT have an asset limit:
- Social Security Disability (SSDI, CDB, DWB)
- Medicare
- Maine’s Medicare Savings Program (QMB, SLMB, QI)
- Food Stamps (there used to be an asset limit for this benefit, but most states dropped the asset limit due after the last recession)

These benefits DO have an asset limit, but there are many deductions:
- **MaineCare**
  - Your *countable* assets usually have to be less than $2,000 if you are single (or $3,000 if married). You can have more assets if on MaineCare for Workers with Disabilities: $8,000 if single and $12,000 if married.
  - There are certain assets that DHHS *never* counts, such as your car, house, burial plot, and common household possessions.
  - DHHS also does not count all of the money you have in checking, savings, retirement, stock, bonds, etc. DHHS calls this a *savings exclusion*. All single MaineCare recipients get an $8,000 savings exclusion ($12,000 if married).
- **Medicare Part D Extra Help:**
  - If you are on one of Maine’s Medicare Savings Programs, you do not have an asset limit for Medicare Part D Extra Help. This is because if your income is low enough to qualify for one of Maine’s Medicare Savings Programs, then you automatically qualify for Part D Extra Help.
  - If you don’t qualify for Medicare Savings Program, then your *countable* assets must be less than $13,300 if you are single ($26,580 if married).
  - The Extra Help program does not count certain assets like your house, car, truck, household possessions, motorcycle, boats, snowmobiles, ATVs. They also do not count some of the money you save for burial funds ($1,500 if you are single, $3,000 if married).
  - If you go over the asset limit, you get to keep Extra Help for the rest of the calendar year.
What Programs Help Me Build Assets & Become Financially Stable?

Do you want to own your own home someday? Start a business? Further your education? These big life accomplishments often seem out of reach for people with disabilities for many reasons. Many people on Social Security Disability have bad credit, or have a problem getting a line of credit because they are on a fixed income. Plus, some public benefits like MaineCare and Part D Extra Help have asset limits that make it difficult to save money. But there are many programs and resources that can help you build assets and become more financially stable.

**Family Development Account**

This is a special account created to help low-income individuals and families save money without jeopardizing their benefits. A FDA is a matched savings program designed to help low-income individuals and families overcome these savings obstacles if trying to save for one of these “big ticket” items:

- Furthering your education
- Buying a home
- Starting or expanding your own business

For every $1 you deposit into an FDA, your money is matched with $4. Yes, $4! For example, if you deposited $20 into an FDA, you will get an $80 match. You are allowed to deposit anywhere from $20-$80 into an FDA each month with earnings from a job. Job earnings could be money from babysitting, delivering newspapers or a traditional job where you get a paycheck every week or two weeks. Unfortunately, you cannot use money from public benefits to fund your FDA.

### Maine Agencies Offering FDAs

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aroostook County Action Program</td>
<td>1-800-432-7881</td>
</tr>
<tr>
<td>Coastal Economic Development Corp.</td>
<td>1-800-221-2221</td>
</tr>
<tr>
<td>Community Concepts, Inc.</td>
<td>207-743-7716</td>
</tr>
<tr>
<td>Penquis CAP</td>
<td>1-800-215-4942 or 973-3500</td>
</tr>
<tr>
<td>People’s Regional Opportunity Program</td>
<td>1-800-698-4959</td>
</tr>
<tr>
<td>Waldo Community Action Partners</td>
<td>207-338-6809</td>
</tr>
<tr>
<td>Western Maine Community Action</td>
<td>1-800-645-9636</td>
</tr>
<tr>
<td>York County Community Action Corp.</td>
<td>1-800-965-5762 or 324-5762</td>
</tr>
<tr>
<td>Women, Work, and Community</td>
<td>1-800-442-2092 or 621-3434</td>
</tr>
</tbody>
</table>

There are income limits and other requirements for this program. In 2012, annual household income had to be under $22,340 for one person, $30,260 for two people (with higher income limits for bigger households). The maximum you can save for a home is $2,000 or $1,000 for school or a business. To sign up or learn more about the program, contact one of the Maine agencies offering FDAs.
Plan to Achieve Self-Support (PASS)
This is a Social Security work incentive that lets you put money and/or assets aside for a certain period of time to pay for things you need to reach a specific job goal if you can become eligible for SSI. For example, if you can become SSI eligible you would use SSI ($710/month in 2013) for your living expenses (rent, food, etc.), and you would put your Social Security check (plus about half of your gross earnings if you are working) into a separate bank account to buy the things you need to reach your job goal. To qualify for PASS, you must have a clear job goal that will eventually get you off Social Security Disability. To use this work incentive you must fill out an application, which a CWIC can help you fill out.

Who is eligible to use a PASS?
You may be eligible for PASS if you:
- Have a specific work goal
- Are a Social Security Disability beneficiary who can become eligible for SSI
- Intend for your Social Security Disability check to stop by the end of a PASS

What can be purchased with PASS funds?
Funds set aside for PASS can be used to obtain many items/services in order for you to reach your employment goal. Popular examples include:
- Equipment needed to perform a job
- Computers
- Medical equipment
- Vehicles, or the cost of transportation
- Education and training

Of course, these are just a few examples and any reasonable request will be considered.

For a PASS to be approved, it must:
- Be submitted in writing using the PASS application (SSA Form # SSA-545-BK)
- Show how money/resources will be used and where it will be kept
- Have a specific work goal determined feasible by Social Security, and a timeframe for accomplishing the goal
- Include a business plan and 2-3 years of income projections if the goal is self-employment

What makes a good PASS?
- It has a clear employment goal which the individual has a reasonable chance of achieving
- The plan is organized and steps taken are clearly identified
- Expenses are necessary & reasonable
- The final goal is employment
**My Money Works**
This is a 15-hour class offered by Women, Work & Community that can help you gain the skills and confidence you need to stretch your money, pay your bills, reduce debt, find money for savings, plan for retirement, and set personal financial goals. At the end of the class you will have a plan to achieve greater financial stability. A follow-up session is scheduled to provide additional networking and support. Successful completion of this class meets one of the requirements for the FDA matched savings program. Click [here](#) to see a list of upcoming My Money Works classes in your area. **Note:** Women, Work & Community serves both men and women.

**Money Smart**
This is a free financial education course that you can do at your own pace online at [www.fdic.gov/consumers/education](http://www.fdic.gov/consumers/education). There are 11 money smart topics to learn about such as:
- Money Matters: how to keep track of your money
- Financial Recovery: how to financially recover and rebuild your credit after a financial-setback
- Charge It Right: how to make a credit card work for you
- Loan To Own: know what you’re borrowing before you buy
- Your Own Home: what home ownership is all about

**Free Annual Credit Report**
Until a few years ago, consumers would see their credit score drop anytime they looked at their own credit report. A law was passed that lets you get a free credit report every 12 months from each of the 3 credit reporting companies (Experian, Equifax, and Transunion) without impacting your credit score. Only the credit report (not the credit score) is free and you must pull your credit report from this website: [www.annualcreditreport.com](http://www.annualcreditreport.com)
What Are My Reporting Responsibilities?

Many people on SSDI, CDB, and DWB benefits do not know what information needs to report to the agencies who give them benefits. Plus, there are a lot of myths, misinformation, and confusion about what, when and how to report. The reporting requirements depend on what agency you get benefits from. If you are ever unsure whether something needs to be reported, report it to all the agencies you get benefits from just to be safe.

Social Security Reporting Responsibilities

You or your Representative Payee has **10 days** to tell Social Security about these changes by phone, in writing, or in person at your local office:

- You have a new address or phone number
- Any job income (if you start working, stop working, get a raise or if your work hours increase/decrease)
- If your disability improves
- If you start getting another government benefit like Workers Compensation or Maine Public Employees Retirement System
- If you are convicted of a crime with a sentence of 30 days or more
- If the court orders you to an institution for a crime you did because you were mentally impaired
- If you are going outside the U.S. for 30 days or more
- If you are a CDB or DWB beneficiary and you get married

Things You DO NOT have to report to Social Security: Assets, unemployment income, spouse’s income, inheritance, lottery winnings, loans, living expenses, living arrangements or money that other people give you (like your friends and family).

What is a Representative Payee?

This is a person or organization that Social Security chooses to manage a person’s Social Security benefits when the person is unable to manage and direct his or her own benefits. A Rep Payee is only responsible for managing the person’s **Social Security benefits**. A Rep Payee has no authority or responsibility with other agencies like DHHS, housing, etc.
DHHS Reporting Responsibilities
What you have to report to DHHS depends on which benefits you get from DHHS (Food Stamps, MaineCare, or Medicare Savings Program). The good news is that you have the same DHHS Eligibility Worker for all of these benefits. You or your Authorized Representative has 10 days to tell DHHS about these changes:

- Address or phone number *(all DHHS benefit programs)*
- Any change in your income *(all DHHS benefit programs)*
- Assets *(MaineCare only)*
- Living expenses like rent, electricity, child care, etc. *(Food Stamps only)*
- If your household size changes *(all DHHS benefit programs)*

You must report these changes within 10 days, **even if it is not time for your yearly review**. For example, let’s say you start getting child support in May but your next review is not until September. You must report this new income to DHHS within 10 days even if your annual review is not for several months.

You can report these changes in person, by phone, or in writing. If you are calling DHHS, it is important to know that each DHHS worker has over 1,000 cases. You will likely have to leave a voicemail. Always leave a detailed message with your name, Social Security Number, and change you are reporting instead of leaving a message asking your worker to call you back.

**A Word about Authorized Representatives:** An Authorized Representative is not the same as a Representative Payee. An Authorized Representative is someone you give permission for DHHS to speak to about your benefits. This permission has to be put in writing by you (or your Legal Guardian) and does not expire until you say so.

---

**Did You Know You Can Manage Some of Your Benefits Online?**

**Social Security** has an online tool called “My Social Security”. If you set up a free account, you can:
- Change your address and phone number
- Set up or change direct deposit
- See your current & past check amounts
- Get a benefit verification letter at any time (like if you need one for housing, heating assistance, etc.)

**DHHS** has an online tool called “My Maine Connection”. If you set up an account, you can apply for benefits online **AND complete your yearly review**. In the future, you will also be able to change your address and phone number here. The website is: [www.maine.gov/mymaineconnection](http://www.maine.gov/mymaineconnection)
Reporting Responsibilities to Other Benefit Agencies
If you receive benefits from other agencies (like housing, unemployment, Workers Compensation), you generally have **10 days** to notify them of any changes in your income.

Everyday Tips for Managing Your Benefits

- Be aware that your Social Security check you receive is for the previous month. For example, your May check is based on your April eligibility.

- If you are not sure whether something will affect your benefits, be on the safe side and tell all the agencies who give you benefits. It is the agencies’ job, not yours, to decide what changes do or do not affect your benefits.

- Do not ignore letters that come in the mail from your benefit agencies. The worst thing you can do is ignore these letters! If you do not understand what the letter says, ask a friend or relative or call the agency that sent the letter.

- Make sure all of your benefit agencies always have your current mailing address as this is how they contact you. For example, DHHS sends your annual review form by mail. If you haven’t given DHHS your new address, you will not get the form, and your benefits will get shut off until you complete the review form.

- Make and save copies of **everything** you give to Social Security, DHHS, housing, etc. These agencies deal with a lot of people, so paperwork sometimes gets lost. You’ll save time, energy and frustration if you can photocopy the forms you have already filled out.

- Get a receipt any time you drop off paperwork at Social Security, DHHS, etc. The receipt should list the date and what paperwork you dropped off.

- Keep a log or journal of phone calls you make to Social Security, DHHS, or other benefit agencies. Write down the date and time you called, the name of the person you spoke with (or left a message for), and details about the call. A call log can help you stay organized, help you remember who you spoke with, but can also be used to prove that you reported information if there is ever a discrepancy with your benefits.

- Use a 3-ring binder to hold the letters from the different benefit agencies, your paystubs (if you are working), or other important documents that the benefit agencies might ask such as a copy of your rental agreement, verification of Social Security benefits, etc. Take your “benefits binder” with you whenever you go to Social Security, DHHS, or other benefit agencies.
Tips for Managing Your Benefits When Working

- All benefit agencies count your GROSS pay (before tax are taken out), not your net pay (take home).

- Be sure to mail copies of your paystubs to your local Social Security office every month you work.

- Keep track of the hours you work each month on a calendar or in a notebook. Social Security counts your job earnings the month you worked the hours, not the month you get paid. We also recommend sending a copy of the hours you work to Social Security with your paystubs each month.

- Tracking the hours you work each month will also help you know if you have earned too much after the Trial Work Period (and therefore have been overpaid).

- Do not spend any Social Security checks or Food Stamps that you know or think you should not have received. Social Security and DHHS will eventually realize the error and ask you to repay the money, which will be easy to do if you haven’t spent it.

- Don’t panic if you get a form from Social Security called a “Work Activity Report”. This is a form they use to review your job earnings to see if you have used any of your 9 Trial Work Period months or if you are earning Substantial Gainful Activity after the Trial Work Period is over. Simply complete it, make a copy of it, and send it back to Social Security. A CWIC can also help you with the form.

- If you have to stop working, don’t forget to tell the agencies you get benefits from. They do not know your job ended unless you tell them. We recommend giving all of your benefit agencies a letter from your employer that states your last day of work. This can speed up getting your benefits back since every agency you get benefits from has to verify with the employer that your job has ended, they cannot just take your word for it.

- If you lose any of your benefits because you are working and think it is a mistake, contact a CWIC right away at 1-888-208-8700. A CWIC can figure out if you should have lost the benefit and help you get it back if a mistake was made.

Your Job Earnings Are Counted Differently Than You Think!

**Social Security** counts your earnings the month you worked the hours, **not the month you get paid**. Your monthly job income is how much you have earned on the last day of the month.

**DHHS** counts your average monthly earnings. If you get paid every week, they multiply your average weekly pay by 4.3 weeks to figure your monthly job income. If you get paid every 2 weeks, they multiply your average weekly pay by 2.15 weeks.
What Are Social Security Overpayments?

An overpayment is when Social Security pays you more than you should have received. Overpayments usually happen because of the reasons discussed in the section “What Factors Affect My Social Security Check?”.

Whenever an overpayment happens, Social Security will send you a letter asking for the money back. The worst thing you can do when you get an overpayment letter is to ignore it! If you do not respond to the letter, Social Security will start deducting an amount from your check each month until the entire overpayment is paid back. But if you were overpaid and don't think it is your fault, think it is in error, or cannot afford to repay it, you have three options:

1. **Request for Waiver**: You can fill out a Request for Waiver form, which lets you explain why the overpayment is not your fault and why paying it back would either be unfair or would pose a financial hardship for you. You can get a Request for Waiver form [here](#) or from your local social security office and request a waiver form. There is no time limit on waiver requests. Social Security stops collection of the overpayment until a decision is made about your waiver request.

2. **Reconsideration/Appeal**: You can file an appeal if you believe there has not been an overpayment, or that the amount of the overpayment is incorrect. If you want to appeal, you must turn in your appeal form within 60 days of getting the overpayment notice. You can get an appeal form [here](#) or from your local Social Security office.

3. **Repayment Agreement**: If you know the overpayment was correct, but you can't afford to pay the amount Social Security is asking for, call Social Security right away. They can let you choose a smaller monthly payment to have deducted from your check each month. You can always change your repayment amount later if your financial situation changes.
Income Taxes & Social Security Disability

Are My Benefits Taxable?
Some people on SSDI, CDB, and DWB have to pay income tax to the Internal Revenue Service on their Social Security benefits. Whether you have to pay income tax depends on how much you (or your spouse) earn at a job. If you are single, you will pay income tax on a portion of your Social Security income if you earn $25,000 a year or more at a job. If you are married, a portion of your Social Security benefits are taxable if you and your spouse earn $32,000 a year or more at a job.

If you think you might have to pay income tax on your Social Security income, you can ask Social Security to take taxes out of your disability check every month. You must fill out an IRS Form W-4V which lets you choose how much tax you want taken out each month. When you file your income taxes at the end of the year, the Internal Revenue Service will give you some of this money back if you had too much tax taken out.

When Am I Required to File My Income Taxes?
Each year, the Internal Revenue Service decides who has to file a tax return. In 2012, single people must file a tax return if they earned $9,750 or more at a job. Married couples must file if their job earnings as a couple are $19,500 or more.

Even if you are not required to file, you might want to file your income taxes anyway. This is because you may be eligible for a refund for some or all of the federal and state income tax that was deducted from your paycheck all year long. Plus, there are additional credits such as the Earned Income Tax Credit (EITC) that you might qualify for, but cannot get unless you file. In 2012, a single person who is at least 25 years old is eligible for the EITC if they earned less than $13,980 from a job. The EITC income limits are even higher for people who have children or are married.

Get Your Income Taxes Done for FREE!
The average person pays someone else $200 to get their taxes done. There are two ways to make the most of your money and get your income taxes done for free:

1. CA$H Maine (Creating Assets Savings & Hope): An IRS-certified volunteer can do your federal and state income taxes for free if you make less than $51,000 a year. Call 211 or visit www.cashmaine.org to find a free tax site closest to you.
2. My Free Taxes: If you have an email address and make less than $57,000 a year, you can do your own income taxes at www.myfreetaxes.com/Maine.

A new law called the American Taxpayer Relief Act of 2013 says a tax refund will not count as income for any federal benefit or any state benefit that receives federal funding. The law also states that a tax refund will not be counted as an asset for 12 months.
What Other Resources Might I Be Interested In?

**CareerCenter**
The Maine CareerCenter provides free employment services, training, and workshops for Maine workers and businesses. Below is a list of all CareerCenters in Maine. To see a list of upcoming workshops, click on the name of the CareerCenter nearest you.

**Augusta CareerCenter**
21 Enterprise Drive, Suite 2
Augusta, ME 04333
Phone: 624-5120 or 1-800-760-1573

**Portland CareerCenter**
185 Lancaster Street
Portland, ME 04101-2453
Phone: 771-5627 or 1-877-594-5627

**Bangor CareerCenter**
45 Oak Street, Suite 3
Bangor, ME 04401-6667
Phone: 561-4050 or 1-888-828-0568

**Presque Isle CareerCenter**
66 Spruce Street, Suite 1
Presque Isle, ME 04769-3222
Phone: 760-6300 or 1-800-635-0357

**Brunswick CareerCenter**
275 Bath Road
Brunswick, Maine 04011
Phone: 373-4000 or 1-888-836-3355

**Rockland CareerCenter**
91 Camden Street, Suite 201
Rockland, ME 04841-2421
Phone: 596-2600 or 1-877-421-7916

**Calais CareerCenter**
One College Drive
Calais, ME 04619-0415
Phone: 454-7551 or 1-800-543-0303

**Skowhegan CareerCenter**
98 North Avenue
Skowhegan, ME 04976-1923
Phone: 474-4950 or 1-800-760-1572

**Lewiston CareerCenter**
5 Mollison Way
Lewiston, ME 04240-5805
Phone: 753-9000 or 1-800-741-2991

**Springvale CareerCenter**
9 Bodwell Court
Springvale, ME 04083-1801
Phone: 324-5460 or 1-800-343-0151

**Machias CareerCenter**
53 Prescott Drive, Suite 1
Machias, ME 04654-9752
Phone: 255-1900 or 1-800-292-8929

**Wilton CareerCenter**
865 US Route 2E
Wilton, ME 04294-6649
Phone: 645-5800 or 1-800-982-4311

Limited services are also available in: Belfast, Biddeford, Dexter, Dover-Foxcroft, East Millinocket, Ellsworth, Houlton, Rumford, South Paris, and Sullivan.
Department of Health & Human Services (Office of Family Independence)

Below is a list of all the DHHS offices in Maine that determines who is eligible for MaineCare, Medicare Savings Program, Food Stamps, and TANF.

Augusta DHHS
35 Anthony Avenue, SHS 11
Augusta, ME 04333-0011
Phone: 207-624-8000 or 1-800-452-1926

Bangor DHHS
396 Griffin Road
Bangor, ME 04401
Phone: 207-561-4100 or 1-800-432-7825

Biddeford DHHS
208 Graham Street
Biddeford, ME 04005
Phone: 207-286-2400 or 1-800-322-1919

Calais DHHS
392 South Street
Calais, ME 04619
Phone: 207-454-9000 or 1-800-622-1400

Caribou DHHS
30 Skyway Drive, Unit 100
Caribou, ME 04736
Phone: 207-493-4000 or 1-800-432-7366

Ellsworth DHHS
17 Eastward Lane
Ellsworth, ME 04605
Phone: 207-667-1600 or 1-800-432-7823

Farmington DHHS
114 Corn Shop Lane
Farmington, ME 04938
Phone: 207-778-8400 or 1-800-442-6382

Fort Kent DHHS
137 Market Street
Fort Kent, ME 04743-1447
Phone: 207- 834-7700 or 1-800-432-7340

Houlton DHHS
11 High Street
Houlton, ME 04730
Phone: 207- 532-5000 or 1-800-432-7338

Lewiston DHHS
200 Main Street
Lewiston, ME 04240
Phone: 207-795-4394 or 1-800-482-7517

Machias DHHS
13 Prescott Drive
Machias, ME 04654
Phone: 207- 255-2000 or 1-800-432-7846

Portland DHHS
161 Marginal Way
Portland, ME 04101
Phone: 207- 822-2000 or 1-800-482-7520

Rockland DHHS
91 Camden Street, Suite 103
Rockland, ME 04841
Phone: 207- 596-4200 or 1-800-432-7802

Sanford DHHS
890 Main Street, Suite 208
Sanford, ME 04073
Phone: 207- 490-5400 or 1-800-482-0790

Skowhegan DHHS
98 North Avenue Suite 10
Skowhegan, ME 04976
Phone: 207-474-4800 or 1-800-452-4602

South Paris
243 Main Street, Suite 6
South Paris, ME 04281
Phone:207- 744-1250 or 1-888-593-9775
Social Security Administration

These are all the Social Security offices that serve Maine beneficiaries. **Note:** Each office now has a toll-free number that makes it possible for Social Security to take calls in the order received. The old phone numbers could not handle more than a few callers at a time, and so beneficiaries would often get a busy signal and have to keep re-dialing until they got through. We recommend calling your local office instead of the national Social Security number (1-800-772-1213) and asking to speak to the Claims Representative currently assigned to your case.

<table>
<thead>
<tr>
<th>Social Security</th>
<th>Address</th>
<th>Phone</th>
<th>TTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auburn Social Security</td>
<td>PO Box 740, 600 Turner Street, Suite 5, Auburn, ME 04212-0740</td>
<td>1-866-627-6996</td>
<td>207-783-3870</td>
</tr>
<tr>
<td>Presque Isle Social Security</td>
<td>365 Main Street, Presque Isle, ME 04769</td>
<td>1-866-837-2719</td>
<td>207-764-2925</td>
</tr>
<tr>
<td>Augusta Social Security</td>
<td>330 Civic Center Drive, Suite 4, Augusta, ME 04330</td>
<td>1-866-931-9169</td>
<td>207-623-4190</td>
</tr>
<tr>
<td>Rockland Social Security</td>
<td>231A Park Street, Rockland, ME 04841</td>
<td>1-855-269-9179</td>
<td>207-594-4984</td>
</tr>
<tr>
<td>Bangor Social Security</td>
<td>202 Harlow Street, Bangor, ME 04401</td>
<td>1-877-405-1448</td>
<td>1-800-325-0778</td>
</tr>
<tr>
<td>Saco Social Security</td>
<td>110 Main Street, Suite 1450, Saco, ME 04072</td>
<td>1-877-252-4715</td>
<td>207-282-6404</td>
</tr>
<tr>
<td>Portland Social Security</td>
<td>550 Forest Ave., Suite 150, Portland, ME 04101</td>
<td>1-877-319-3076</td>
<td>1-800-325-0778</td>
</tr>
<tr>
<td>Waterville Social Security</td>
<td>14 Colby Street, Waterville, ME 04901</td>
<td>1-866-931-9169</td>
<td>207-773-3981</td>
</tr>
<tr>
<td>Portsmouth Social Security</td>
<td>80 Daniel Street, Room 200, Portsmouth, NH 03801</td>
<td>1-888-397-9796</td>
<td>603-436-3086</td>
</tr>
</tbody>
</table>
Ticket to Work

Many people with disabilities want to work, but have a hard time finding a job on their own. Ticket to Work is a program that lets you get free employment services from a Social Security approved provider. These providers are called “Employment Networks” or ENs for short.

How can an Employment Network help me?
The Employment Network can work with you to develop a job goal, write a resume, learn interviewing skills, help you apply for jobs, and help you keep your job. Another benefit of the Ticket to Work program is Social Security will not do a medical review if you are working with an EN and making progress toward your job goal.

How does the program work?
When you sign up for the Ticket to Work program, you are agreeing to work with an EN to find a job earning at least $750 a month, and eventually $1,040 a month or more. Social Security pays the EN when your earnings reach these amounts for a certain length of time.

Will the EN accept my TTW?
ENs are not required to accept your TTW. An EN will usually decide based on whether or not you plan to work at a level that will trigger payments from Social Security to the EN.

Will the EN help me go back to school?
The EN receives payments from Social Security only when you’re working. ENs usually do not assist with school plans. But other resources might be available such as PASS, a Family Development Account, Federal Student Aid, and/or State Vocational Rehabilitation.

What if an EN will not accept my TTW?
If you cannot find an Employment Network to help you, you can still receive services through your local Career Center or the State Vocational Rehabilitation Agency.

Maine Employment Networks

Katahdin Friends Inc.
Provides services statewide
Contact: Jeff Hooke
175 Exchange Street
Bangor, ME 04401
Phone: (207)945-9828 or 1-877-376-2289
Email: jobs@kfimaine.org

Maine Medical Center
Dept. of Vocational Services
Serves York & Cumberland County only
Contact: Teresa Brake
22 Bramhall Street
Portland, ME 04102
Phone: (207) 662-4303 or 1-888-208-8700
Email: braket@mmc.org

Maine CareerCenters
Provides services statewide
Click here to find the CareerCenter nearest you.
Ask to speak to the “Ticket to Work” staff person.

Maine Division of Vocational Rehabilitation (DVR)
Provides services statewide
Click here to find a Vocational Rehabilitation office nearest you. Call to set up an appointment if you want to apply for VR services.
**Vocational Rehabilitation**

The Division of Vocational Rehabilitation, also known as “VR” is a Department of Labor program that helps people who have disabilities to find and keep a job. VR helps people who have physical, mental or emotional disabilities.

**Who is Eligible for VR Services?**

To be eligible for VR, you must apply for services and:
- Have a disability that keeps you from getting or keeping a job; and
- Need VR services to find or keep a job.

VR has 60 days to determine if you are eligible for their services, but eligibility is usually done in a much shorter period of time.

**How Do I Apply?**

To apply for VR, you need to call one of the offices to request an application. This needs to be completed along with release of information forms which allow the VR counselor to gather information about your disability. Applications can be returned to your local VR office.

**Augusta**

21 Enterprise Dr., Suite 2
Augusta, ME 04333-0073
624-5120 or 1-800-760-1573

**Bangor**

45 Oak Street, Suite 1
Bangor, ME 04401-6589
561-4000 or 1-888-545-8811

**Houlton**

91 Military Street, Suite 3
Houlton, ME 04730-2421
532-5300 or 1-800-691-0033

**Lewiston**

5 Mollison Way
Lewiston, ME 04240
753-9000 or 1-800-741-2991

**Machias**

15 Prescott Drive, Suite 2
Machias, ME 04654-9751
255-1926 or 1-800-770-7774

**Portland (includes York County)**

185 Lancaster Street
Portland, ME 04101-2453
771-5627 or 1-800-315-1192

**Presque Isle**

66 Spruce Street, Suite 3
Presque Isle, ME 04769
760-6300 or 1-800-635-0357

**Rockland**

91 Camden Street, Ste 202
Rockland, ME 04841-2421
596-2641 or 1-877-421-7916

**Skowhegan**

98 North Avenue, Suite 16
Skowhegan, ME 04976
474-4958 or 1-800-760-1572

**What about My Employment Goals?**

A VR counselor will work with you to help make informed choices about jobs and careers. Good planning includes: skills and abilities you have, types of jobs you want to consider, where you are willing to work and live, and what transportation is available. The more flexible you can be, the more likely you are to find a job. You and your VR counselor need to work together to develop a plan that will lead to a job.
What Services Does VR Provide?
Every person’s rehabilitation plan is different because every person’s vocational needs are different. VR will consider any service you need to reach the agreed up job goal. VR will help you explore different career opportunities by finding out your interests and aptitudes. As you identify careers, VR can provide information about the skills and training you need.

VR has labor market information to help you see what type of work is available. If you need training, VR can locate or develop specific training programs with special accommodations for you. VR may buy tools, uniforms, or basic equipment needed to start a job. VR may buy a lot of job-related things you may need to find or keep a job. VR can also help with re-training or education needed to get a new job. Sometimes, VR can assist with payment for some medical/psychological services.

Some people use a job developer in looking for work, others may use a job coach who gives close supervision and support on the job until the person learns all the job skills. Generally services end 90 days after a person gets a job.

How Much Will This Cost?
It does not cost you anything to apply for services. There is no charge for diagnostic services, vocational evaluation, counseling, or job placement assistance. If you are eligible for services, your counselor will ask you about your income and expenses. Depending on your income, you may be asked to contribute to the cost of VR services. VR cannot pay for any services you received before you applied to VR.