



Fact Sheet

SOCIAL SECURITY

Social Security Disability and Supplemental Security Income

SSA Administers Two Disability Programs, Both Include Incentives to Work

- **The Social Security Administration (SSA) pays cash benefits to people whom, due to a physical or mental disability that is expected to last more than a year or result in death, are unable to earn a substantial wage.**
 - ◆ For 2002, earnings of more than \$780 per month or more than \$1,300 per month for individuals who are blind are considered substantial earnings. These amounts are adjusted each year based on increases in national average wages.
- **SSA administers two disability programs, Social Security Disability Insurance and Supplemental Security Income (SSI).**
 - ◆ **Social Security disability benefits are an earned benefit.** Workers pay Social Security taxes into the system and earn work credits based on how much they earn. If a person becomes disabled they may be eligible to receive benefits based on their earnings.
 - The benefit amount is based on a person's average lifetime earnings. The number of work credits a person has earned determines eligibility for benefits. The number of work credits needed for disability benefits depends on the individual's age when the disabling condition begins.
 - The spouse and dependent children of a disability beneficiary may also qualify.
 - Social Security disability pays an average monthly benefit of \$815 to approximately 5.1 million workers with disabilities. In addition, some 1.6 million members of their families receive monthly benefits.
 - ◆ **SSI is a federal program that makes monthly payments to people with disabilities who have limited income and assets.** The program is administered by the Social Security Administration, but the payments are financed by the general revenue funds, not from Social Security taxes.
 - Eligibility is based on financial need. SSI eligibility depends on what people own and how much income they have. Income includes items such as wages, Social Security benefits and pensions. Income also includes non-cash items received, such as food, clothing or shelter. People who have never worked or have not worked long

enough to qualify for Social Security benefits may be eligible for SSI. People also may be eligible for both Social Security and SSI benefits.

- ❑ There are no benefit provisions for a spouse and dependent children.
- ❑ Approximately 3.8 million adults with disabilities (age 18 to 64) receive SSI. Many of these SSI beneficiaries also receive Social Security disability.
- **Health insurance is critically important to people with disabilities. The Social Security disability and SSI disability programs both offer health care coverage.**
 - ◆ **Medicare** is the Federal health insurance plan. People who receive Social Security disability benefits for 24 months are eligible for Medicare.
 - ◆ **Medicaid** is a state health benefit for people who have limited income and assets. Most SSI disability beneficiaries are eligible for Medicaid, which is administered by the states.
- **There are special rules, called work incentives, which make it possible for Social Security and SSI disability beneficiaries to work and still receive monthly payments and Medicare or Medicaid.**
 - ◆ **Social Security disability beneficiaries** may attempt to work during a trial work period. While working, they have extended eligibility for monetary benefits and may continue to receive Medicare.
 - ❑ A Trial Work Period (TWP) allows individuals to test their ability to work for at least nine months. During the TWP, beneficiaries receive full Social Security disability benefits regardless of the amount they earn. After completion of nine trial work months, SSA determines if a person has substantial earnings. If earnings are not substantial, full benefits generally continue. If earnings are more than the substantial level, cash benefits are normally suspended while Medicare continues.
 - ❑ For at least three years after a TWP, Social Security disability beneficiaries may receive a monetary benefit for any month that earnings are below the substantial earnings level. Benefits may resume without a new application.
 - ❑ Medicare coverage may continue for up to eight years and six months after beneficiaries go to work, even if they no longer receive a monetary benefit.
 - ◆ **SSI disability beneficiaries** continue to receive payments and Medicaid benefits when they return to work.
 - ❑ Working SSI disability beneficiaries may continue to receive payments even if their earnings are more than the substantial level. Other income combined with earnings may cause payments to end if total income exceeds SSI eligibility levels.
 - ❑ Medicaid coverage may continue for SSI beneficiaries who earn more than the substantial level. Medicaid continues even if a person no longer receives a monetary benefit, as long as they depend on Medicaid in order to work.

- ◆ Benefits may continue, under both programs, if a person medically recovers while participating in a vocational rehabilitation program.