

TRANSITION WORKS

SSI Waivers to be Available to Participants

These waivers will apply to certain Transition Works participants in Erie County, ages 14 to 25 (or older in some cases), who receive Supplemental Security Income (SSI) or a combination of SSI and Social Security Disability Insurance (SSDI) benefits.

Continuing Disability Review (CDR), Age 18 Redetermination

Following either a CDR or age 18 redetermination, the Social Security Administration (SSA) may find that an individual is no longer eligible under SSI's disability standard. In those instances, the SSI program will continue paying benefits for as long as the individual is a Transition Works participant.

The Student Earned Income Exclusion

Under current law, the SSI student earned income exclusion (SEIE) applies to students who are under age 22. The following is excluded monthly under the SEIE:

- ◆ For calendar year 2009, the first \$1,640 of gross earned income each month is not counted.
- ◆ For calendar year 2009, a maximum of \$6,660 is disregarded per year.

Under the waiver, all participants who meet school attendance requirements are entitled to the SEIE, without regard to their age.

The Three-for-Four Earned Income Exclusion

Under current law, the SSI program will exclude \$65 (or \$85 if the individual has no unearned income) and one half of the remaining earned income.

Example: TC lives with his parents, is not a student, and has gross wages of \$685 per month, with no other income. TC's SSI check will be determined as follows.

Step 1:	$\begin{array}{r} \$685 \\ - \quad 85 \\ \hline \$600 \end{array}$	Gross monthly wages Deducted	Step 3:	$\begin{array}{r} \$697 \\ - \quad 300 \\ \hline \$397 \end{array}$	SSI base rate (2009) Countable income SSI check
Step 2:	$\begin{array}{r} \$600 \\ \div \quad 2 \\ \hline \$300 \end{array}$	50 percent deduction Countable income			

Under the waiver, the SSI program will exclude \$65 (or \$85) and three fourths of remaining earned income.

Example: Here is how TC's SSI check will be determined under the waiver.

Step 1:	$\begin{array}{r} \$685 \\ - \quad 85 \\ \hline \$600 \end{array}$	Gross monthly wages Deducted	Step 3:	$\begin{array}{r} \$600 \\ - \quad 450 \\ \hline \$150 \end{array}$	Deduction Countable income
Step 2:	$\begin{array}{r} \$600 \\ \times \quad .75 \\ \hline \$450 \end{array}$	75 percent deduction Amount of income deducted	Step 4:	$\begin{array}{r} \$697 \\ - \quad 150 \\ \hline \$547 \end{array}$	SSI base rate (2009) Countable income SSI check

With the three-for-four waiver, TC is able to keep \$150 more of his SSI check each month!

SSI's Plan for Achieving Self Support (PASS)

Under the current law, a PASS must specify an employment goal, which refers to getting a particular kind of job or starting a particular business. Income that an individual uses for PASS expenses does not count when SSA determines SSI eligibility and payment amount. Assets that an individual uses for PASS expenses do not count as resources when SSA determines SSI eligibility.

Under the waiver, SSA will approve an otherwise satisfactory PASS that has either

- ◆ A goal of career exploration; or
- ◆ A goal of postsecondary education.
- ◆ If the goal is postsecondary education, the PASS must provide for developing a work goal at least one year prior to the completion of degree requirements.

SSI's Treatment of Individual Development Accounts (IDAs)

An IDA is a trust-like savings account. Except for certain emergencies, funds in a federally supported IDA can be used only for going to college, buying a first home, or starting a business. The individual makes deposits from his or her earned income. The individual's contributions are matched, at rates that can vary from 1:1 to 8:1 depending on the availability of funding.

Under current SSI law, federally supported IDAs enjoy special treatment:

- ◆ The IDA account is excluded when determining countable resources.
- ◆ Matching contributions are excluded when determining countable income.
- ◆ The individual's own deposits are excluded from countable income.

Non-federally supported IDAs or IDA-like programs have emerged in a number of states. These programs usually permit an individual to save for one or more purposes, such as transportation expenses, in addition to the three mentioned above. The special SSI exclusions that apply to federally supported IDAs normally do not extend to these programs.

Under the IDA waiver, the special exclusions allowed for federally supported IDA funds and deposits to IDA accounts will also apply to IDAs that do not involve federal funds.

Note: As this is written, there is only one known IDA available in Western New York. This IDA, run through the State Office of Mental Retardation and Developmental Disabilities (OMRDD) is available to certain applicants as a means to save for a home purchase.