

## Understanding Work Incentives

Kelli Crane, Center for Transition & Career Innovation, University of Maryland

Jade Gingerich

Maryland Department of Disabilities

The Promoting the Readiness of Minors in Supplemental Security Income (PROMISE) project is a 5-year, two-group, randomized controlled trial funded by the U.S. Department of Education in October 2013. Six sites were awarded funding to test the effectiveness of a multicomponent experimental intervention for improving academic, career, and financial outcomes for youth with disabilities receiving supplemental security income (SSI) benefits and their families. Awardees include Arkansas, ASPIRE (a consortium of six western states), California, Maryland, New York, and Wisconsin.

Families often fear losing benefits if additional income comes into the household. As a result, many families may hesitate to have their children participate in work experiences that lead to paying jobs.

Central to promoting paid work for youth who receive SSI benefits is understanding that when youth work they can make more money on a monthly basis even if their SSI ends up being reduced. Why is this the case? Special rules, called work incentives, make it possible for youth receiving SSI to work and still receive monthly cash payments and healthcare. Benefits specialists, trained professionals, can help youth and families navigate this process and determine what work incentives may be appropriate, how to access them, and the impact of outside earnings on benefits received.

### Overview

Work experiences, especially paid work, during high school put youth on the path to a full and financially independent life. While helping to make the connection between education and careers, these experiences prepare youth for adulthood by teaching independence, responsibility, and confidence as well as specific occupational skills. However, for youth who receive Supplemental Security Income (SSI) there is a perception that earnings from paid work may negatively affect their cash benefits.

### Maryland PROMISE

MD PROMISE, a five-year model demonstration project, delivered services to improve the academic, employment, and financial outcomes of youth who receive Supplemental Security Income. A key feature of the model was for each participating youth to have at least one paid employment experience. This goal was the source of some anxiety for participating youth and their families. Many parents/guardians were worried that paid work for their son or

---

daughter could jeopardize their cash payments. To address this concern proactively, benefits counseling and financial education were core services of the MD PROMISE intervention. In particular, a benefits specialist was part of the MD PROMISE intervention team, which also included a family employment specialist, case manager, and school personnel. Once the youth and families were connected to their intervention team and especially as they were actively pursuing work, they were encouraged and supported to meet with a benefits specialist. It was the responsibility of the benefits specialist to provide the family with information and counseling on work incentives, eligibility requirements of various programs, earnings rules, and financial planning. Establishing trusting relationships with families was critical to this process. MD PROMISE case managers facilitated a referral to the benefits specialist by attending the first few meetings between the youth and their family and helping families to compile the information needed.

Of the 997 youth participating in MD PROMISE 81% received some sort of benefits services which may have included specific information related to that family's circumstance, on-going counseling on SSA work incentives, and financial coaching, counseling and planning. Of those MD PROMISE youth, 63% took advantage of the Student Earned Income Exclusion (SEIE) work incentive. (See explanation of SEIE in table 1.)

### **Promising Practices**

---

Because benefits program rules can be complicated, MD PROMISE worked hard to connect every youth and their family to a benefits specialist, especially as the youth

started earning wages. The primary goal was to help families navigate public benefits programs while youth gained valuable work experiences. Below we offer practices for transition professionals, such as teachers, case managers, and specialists, to consider as youth plan for and gain paid employment.

### **Help families and youth access necessary information and support services**

- Become familiar with resources in your community in order to connect youth and their families to appropriate guidance on managing benefits when youth earn wages. Local SSA offices offer introductory resources on SSI and work incentives.
- Proactively connect youth to a benefits specialist once they start planning for work. Benefits specialists can support youth in navigating work incentives and circumstances unique to them. Youth have access to benefits specialists if they are connected to vocational rehabilitation services through Maryland's Division of Rehabilitation Services (DORS) or pre-employment transition services (pre-ETS). Maryland's Work Incentive Program Assistance (WIPA) is also available for assistance.
- Be aware of state work requirements for youth, including requirements for a government-issued I.D., needed for youth to be able to apply for jobs.
- Learn about and access support services that can help with the job development and placement process, e.g., vocational rehabilitation services, (in Maryland, DORS), community rehabilitation providers, and American Job Centers.
- Connect youth and families to financial education, especially when they reach employment, to help establish money management skills.

---

### **Educate and connect youth and families on the basics of SSI work incentives**

- Once youth and families are connected to a benefits specialist, follow up with the youth and family to make certain they have the necessary documents and attend scheduled meetings—even consider attending meetings with them.
- Support the youth and family to maintain continuous benefits services until a stable work environment is established and the youth and/or family is able to manage their benefits and income.
- Support family and youth in reporting changes in earnings to your local SSA office.

### **Support youth in taking advantage of all opportunities to that promote work.**

- Connect with vocational rehabilitation services and America’s Job Centers, who often sponsor summer youth employment programs, to help facilitate and plan for work experiences and paid employment, if the youth is eligible for those services.
- Encourage youth and their family to attend Individualized Education Plan (IEP) or 504 meetings to ensure they learn about and take advantage of all the opportunities available to develop work skills while in school and have a plan for what they will do after they exit school.

### **Provide opportunities for youth to practice independence when working**

- Allow youth, when working, to be responsible for all communication with their employer.
- Assist youth in their decision on whether or not to disclose a disability to an employer.
- Facilitate financial literacy awareness and skills by connecting youth with financial literacy resources.

- Assist youth in securing a bank account and depositing paychecks they earn from working.
- Help youth practice asking for necessary work accommodations, if necessary.
- Support youth in reporting their earnings to the Social Security Administration.

### **Conclusion**

---

Professionals supporting transition-aged youth and their families need to be prepared to make the case for work. It is important to be familiar with information and resources to show paid work is possible. Likewise, these transition professionals need to be prepared to address any fears or concerns youth or families may express as reasons why work is not for them. Once their specific concerns are known transition professionals can better connect them to get the detailed information and support needed to get them on the path to employment.

Understanding how work and earning a paycheck impacts public income can be confusing! Work rules can be complex and appropriate use of these incentives should be individualized for every youth receiving SSI. Importantly, families and youth can get help, at no cost to them. Transition professionals need to proactively connect youth to benefits specialists who can explain the impact of income when youth go to work. Additionally, benefits specialists can help families apply for work incentives that benefit youth. Having a plan and action steps to manage youth benefits can result in more money coming into the household.

**Table 1: Work Incentives**

Work incentives are Federal rules to help protect SSI benefits while youth work. Families need to understand that cash benefits can continue with a certain level of earnings and if earnings are high enough to stop cash benefits, they can resume easily if work later ends. In short, work incentives may help generate more money each month for the family when a youth works.

<b>Work Incentive</b>	<b>Description</b>
Blind Work Expenses (BWEs)	BWEs are available only to SSI recipients whose primary diagnosis is blindness. This incentive allows eligible youth to deduct many work-related expenses when declaring income for SSI. This results in a lower countable income, which in turn results in a higher SSI benefit.
Impairment Related Work Expenses (IRWEs)	IRWEs provide a deduction from “total” earned income to reduce that amount to “countable” earned income. IRWEs are expenses incurred from the purchase or payment related to special equipment, training, or anything else directly related to the ability to perform work with the impairment.
Plan to Achieve Self-Support (PASS Plan )	PASS Plans allow SSI recipients to save money to pay for expenses that are necessary to reach a stated career goal by excluding earned income, unearned income, and resources now or in the future for approved expenses related to a career goal.
Section 1619	Section 1619 continues Medicaid eligibility for anyone whose earned income reduces their monthly SSI cash benefit.
Section 301	Section 301 allows benefits and healthcare to continue despite the denial of disability if the SSI recipient is making progress and cooperating in a vocational or educational plan and SSA determines that completing the plan will likely result in benefits no longer being needed. A vocational plan will need to be considered by SSA. Educational plans will need to be reviewed as well, however, an IEP will be assumed to meet the requirements of SECTION 301 for all IEPs covering students from age 18 – 21.
Student Earned Income Exclusion (SEIE)	SEIE allows students under the age of 22, who are regularly attending school, to take advantage of the Student Earned Income Exclusion (SEIE) while working during the summer and during the school year to exclude a specified amount of gross earned income per month up to a maximum annual exclusion.

---

## For More Information or to Request Benefits Counseling Services Contact:

### **Division of Rehabilitation Services (DORS)**

DORS provides benefits counseling services to beneficiaries who are receiving DORS services. Please contact your DORS counselor to request benefits counseling services from DORS.

<http://dors.maryland.gov/>

### **Maryland Work Incentives Network (MD-WIN)**

MD-WIN is a Social Security funded benefits counseling program that seeks to help beneficiaries obtain financial independence.

<http://www.md-win.org/>

### **Maryland Employment Network (MD-EN)**

MD-EN is an Employment Network that takes part in Social Security's Ticket to Work Program. The MD-EN connects Social Security beneficiaries with the services they need to go to work, including benefits counseling, so that beneficiaries can obtain financial independence.

<http://www.ticket2workmd.org>