HOW PERSONS WITH DISABILITIES ARE PREVENTED FROM WORKING THEIR WAY OFF GOVERNMENT BENEFITS

PREPARED BY:
The Center for Career Freedom
Summer, 2009

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Employment Outcomes for Persons with Disabilities

<table>
<thead>
<tr>
<th>NOT Working</th>
<th>Working</th>
<th>Left SSI*</th>
<th>NOT Working</th>
<th>Working</th>
<th>Left SSDI*</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSI</td>
<td>5,900,000</td>
<td>357,300</td>
<td>SSDI</td>
<td>6,800,000</td>
<td>408,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33,387</td>
</tr>
</tbody>
</table>

Source: SSA.gov/Annual Statistical Reports, 2007

*Successful Return to Work

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THE ISSUE:  
The Social Security Administration recently released data that shows less than one percent of the twelve million persons with disabilities in the United States ever return to successful, self-sustaining employment*

THE PRIORITY:  
“Americans with disabilities are an essential and underutilized part of our workforce. As President, I will work hard to help you achieve full equality – in the workplace, in education, and in all aspects of life. I don’t have to tell you the dismal statistics – an employment rate 40 points below that of working-age individuals without disabilities and a federal failure to meet the disability employment targets of Executive Order 13173. This must change – and I know that it can. Because I know that we can change it.”  
President Barak Obama  
October, 2008

EXPERT OPINION:  
“Unfortunately, vocational and mental health services over most of the U.S. continue to be dominated by antiquated models, financing systems that do not align with evidence-based practices, institutional resistances to change, and poor outcomes.”  
Professors Drake & Bond  
Spring, 2008

THE PROMISES GETS BETTER:  
“The General Accounting Office (GAO) has pointed out that the estimated lifetime savings for removing an additional one percent of the disabled beneficiaries from the rolls of the Disability Insurance (DI) and the Supplemental Security Income (SSI) programs each year will ultimately reach three billion dollars.”  
Joann Sim, SSA, 1999

“---if the number of beneficiaries who returned to full-time employment increased by only one-half of 1 percent, there would be a $3.5 billion in savings to the Social Security Trust Funds and the general fund of the Treasury”  
Sue Suter, SSA May, 2009

*Annual Statistical Report, 2007 (see appendix)
Average Monthly Government Benefits for Persons with Disabilities

Westchester County, NY, 2009

**SSI**
- Supported Housing**:  $1145
- Social Security Disability: $761
- Food Stamps: $200
- Medicaid*: $170
- Bus Fare: $40

$2,316 mo.  
$27,792 yr.

**SSDI**
- Supported Housing**:  $1073
- Social Security Disability: $1,000
- Medicare*: $225
- Bus Fare: $40
- Medications & Co-pay

$2,338 mo.  
$28,056 yr.

*Medications & Co-pay

**One Bedroom; $1,373/mo. Avg.

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As recipient/survivors with a long and varied work history ourselves, we knew from experience we had to have sufficient, marketable skills to get beyond a high turnover, minimum wage entry-level job to a satisfying, economically viable career.

The economics of recovery dictate giving up $761./$1000/mo.+ in SSA disability cash benefits, over $1000/mo. in HUD rent subsidy, (Section8/Shelter Plus) and $170/$225/Mo. for just co-pays and prescription drugs.

The cost to replace these benefits averages over $2300/mo. about $28,000/yr. We estimated we would have to acquire sufficient skills to earn $17/hr., in order gross $35,000/yr. and, the stamina to work thirty-five hours plus per week.

Job market research and labor statistics for Westchester County showed employers would pay this rate for persons proficient in MS Word, Excel, PowerPoint plus 45 wpm in keyboard skills. Proficiency in QuickBooks and medical billing would pay more.

The average time for our students to acquire these skills and become Microsoft Certified is about two years.

However, if you are lucky enough to live at home and enjoy free room and board, you would only have to earn half this amount or about $18,000/yr. That’s about $10. an hour.
A tracking study of over five-hundred persons with psychiatric disabilities at the Center for Career Freedom found persons who receive Social Security Disability Income (SSDI) are four times as likely to return to competitive employment as persons who receive Social Security Income (SSI) or Public Assistance (PA).

We learned that by plotting our student’s earnings over time, then, overlaying key events in their lives to explain it, we were able to unlock the dynamics of our disability in a new way. Our level of functioning could be viewed as related to our level of earnings. Age and income history are objective data and readily available (SSA Form 7005).

While our MS Certified SSDI recipients, can earn up to $980/mo. in 2009 without penalty and are therefore able to work their way off their benefits, our certified SSI recipients faced an impossible hurdle. The sharp reductions in benefits due to their increased earnings results in a net loss of almost $200/mo. All of their incremental income is eaten up by the earnings penalties stipulated by the SSA & HUD government programs plus the usual work-related expenses and taxes.

The SSI recipient profile generated by the data and powerfully illustrated by the chart paints a grim picture. We have found the earlier illness onset and more severe impairments correlate with less years of education, less years of competitive employment and less lifetime earnings.

What is not plotted on this chart are the overwhelming majority of recipients who chose not to pursue Microsoft Office Certification and competitive employment, at this time. They would be represented by a flat line.
THE ECONOMICS OF RECOVERY
Why Joanne Can't Achieve Self-Sufficiency
($8/hr, one 7hr day/wk = $224/mo.*)

Work Related Expenses
- Transp. (4 round trips @ $2) = $8
- Food/Bev's (4 days @ $5/day) = $20
- Personal ($8/wk) = $32
- Taxes (21%) = $47
TOTAL = $107

UNFAIR

Government Deductions
- SSI: 1/2 over $85 \( \frac{(224 - 85)}{2} \) = $69
- HUD: 30% = $67
- Food Stamps: (from $200 to $103) = $97
TOTAL = $233

Total Expenses + Deductions = $340/mo. (A loss of $116/mo.)

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*assumes 4 wks/mo.
Joanne is diagnosed with Schizophrenia. She receives $761/Mo. in Social Security Disability Income (SSI), $200/Mo. in Food Stamps, she has her own apartment thru Supported Housing (Section 8), Medicaid and a half-fare bus pass.

She applied for a part-time cashiers’ position at A&P across town, she’ll earn $8/Hr. and work seven hours on Saturday’s.

Joanne and her Caseworker are estimating her monthly budget. Their shocked to learn the work related expenses come to $107/Mo. – that’s almost half of her estimated gross salary of $224/Mo. But, if Joanne brings her own sandwich and water from home, she estimates she could cut her expenses by $20/Mo.

However, the earnings penalties from three of Joanne’s’ Government Benefit Programs; disability income, housing & food are substantial; they total $233/Mo. together with her $107. working related expenses, they wipe away any financial reason for her to return to work.

Her Caseworker then remembers SSAs’ Red Book that said if a person on SSI applied for various work incentives, like Ticket-To-Work and Pass Plan, they could return to self-sustaining work. They clicked on ssa.gov/work incentives.
Demystifying Government Work Incentives

**Ticket to Work and Self-Sufficiency Program**

*What it does:* Allows beneficiaries to attempt to work above SGA ($700/Mo.) without fear of triggering a review of their disability status (CDR) for a period of five years.

*Restrictions:* Must earn at least $670/mo. for three months in year two, for six months in year three and for nine months in year four & five, to maintain (CDR) exemption. Must continue to meet earned income caps: $980/mo. for SSDI (no resource cap) and $1,640/mo. for SSI Recipients; $2,000 resource cap.

*Eligibility:* Adult SSI & SSDI Recipients (18-64)

*Current # of Enrollees:* One tenth of one percent (2008)

**Pass Plan**

*What it does:* Allows SSI beneficiaries to set aside earned income which will reduce their dependence on SSI, e.g. education, job training, a computer, a car, etc. and, not have these monies count as SGA income or resources.

*Restrictions:* Funds can only be used for the specified services or items. Detailed records and receipts must be kept. Some expenditures may be denied.

*Eligibility:* SSI Recipients

*Current # of Enrollees:* Less than one percent. None in NYS

**1619 (B) Extended Medicaid Coverage**

*What it does:* Extends Medicaid coverage beyond the break-even point ($1640/Mo.) up to the threshold amount ($43,636/Yr. in NYS). "It does not help a working recipient keep more of his/her SSI cash payment".

*Eligibility:* SSI Recipients who earn at least $1,640/Mo. ($19,680/Yr.)

*Restrictions:* "Individuals who are utilizing the Section 1619 (b) work incentive provision do not receive SSI payments - because their income is over the "Break-Even Point" ($1,640/Mo.)."

*Current # of Enrollees:* One percent of the almost six million SSI Recipients

**Medicaid Buy-In**

*What it does:* Allows SSI Recipients to earn up to $55,188/yr. and retain up to $13,800 in resources and avoid the Medicaid spend-down and, still keep all their Medicaid benefits. Current moratorium on premiums.

*Eligibility:* Medicaid Recipients who are working

*Current # of Enrollees:* 6,000 in ‘08

**Impairment Related Work Expenses**

*What it does:* Reduces countable earnings (thereby increasing the monthly SSI benefit) for work related expenses, e.g. attendant care, transportation, drugs and medical services, physical therapy, etc.

*Restrictions:* Must be work related, paid by recipient and not reimbursable by Medicaid, Medicare, family, etc. No time limit.

*Current # of Enrollees:* 2% of all SSI Enrollees

**Work Opportunity Tax Credit**

*What it does:* A federal tax credit of up to $2,400 for employers who hire workers with disabilities.

*Current # of Enrollees:* 2009 Redbook

**Subsidies**

*What it does:* The employer pays more in wages than the value of the services performed, e.g. a higher pay scale, shorter hours, fewer or easier job duties, extra job supports, OJT training, less or lower quality work, frequently absent, etc.

*Eligibility:* SSI & SSDI Recipients. Any type of employment, sheltered, supported or private

*Current # of Enrollees:* 2009 Redbook

**HUD Earned Income Disallowance**

*What it does:* Excludes earned income from HUD’s 30% rent increase rule; 100% in year one, 50% in year two.

*Current # of Enrollees:* 2009 Redbook

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Joanne consults SSAs’ Ticket-To-Work booklet, (05-10060), and learns that the only benefit for her to enroll would be to avoid triggering a disability review, (CDR) if she ever makes over $700/Mo. SGA. The Ticket-To-Work will not solve her problem of how to keep more of her $224/Mo. gross salary.

She then explores SSAs’ Pass Plan (05-11017), and learns this is a savings plan. This won’t help her either because there is no money left over for her to save.

Her Caseworker has heard 1619(b) will let her earn over forty thousand dollars a year and enable her to keep her Medicaid. But, this won’t help Joanne, her problem is much smaller. Same story with the Medicaid Buy-In; she can only dream of making more than $19,000/Yr.

After reviewing the various Impairment Related Work Expenses (IRWE’s), only “transportation”; consisting of an unreimbursed medically prescribed car service might apply. But, it still wouldn’t solve her problem by helping her keep more of her salary.

The $2,400. Work Opportunity Tax Credit would only help her employer, not her. And she knows A&P wouldn’t go for a Subsidy.

Out of the eight work incentives, only one; HUDs’ Earned Income Disallowance would actually help Joanne. If she could save the $67/Mo. Section 8 rent deduction for the first year ($33/Mo. for the 2nd) – she could reduce her total Government deductions to $166. However, these deductions and, the $107. in work related expenses, a total of $273/Mo., would still result in a net monthly loss for Joanne of forty-nine dollars.

Joanne and her Caseworker conclude these work incentives don’t address her basic financial needs and decide not to pursue employment.

According to the SSAs’ statistics, these incentives offer benefits that don’t apply to ninety-nine percent of the almost twelve million persons with disabilities.
The Constellation of Recovery

- Medical Care & Medication
- Gov't Programs & Benefits SSA/DSS /HUD/DOL/VR
- Family & Friends
- CDT/IPRT/ILC Outpatient Programs
- Case Management
- Club Houses & Drop-ins
- Supported Housing
- Hospitalization
- Education/Vocational Training/Employment
- Talk & Physical Therapy

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CONCLUSION:

In spite of the hundreds of billions of dollars spent in the United States for the recovery and rehabilitation of persons with disabilities; health care, housing, education/VR, community supports, job development and more, we are unable to help more than one-half of one percent achieve self-sustaining employment. Denial of this fact doesn’t solve the problem.

This failure affects everyone of the over twelve million persons with physical and mental disabilities; it is a waste of their lives and talents, an enormous loss to the economy, an unnecessary burden to the taxpayer and a drain on the Social Security Trust Fund.

America cannot afford to continue this colossal waste of life and resources. It is time for change. It is time to act. We don’t need another study, SSA has already provided the data.

Whatever the answer, it will require President Obama’s and Congress’s leadership and bi-partisan coordination. History has demonstrated it won’t be solved by SSA and the Academics.

We envision a series of public-private partnerships, with business persons leading the way. These pilot studies could include a variety of scenarios:

- European style integrated on-site employer-caregiver programs
- Progressive incentivized task training based on demonstrated ability/performance & Government earnings restrictions
- Parity SSA return-to-work regulations for SSI & SSDI populations
- Outsource transition-to-work programs from SSA/VR to DOL & Manpower, Goodwill Industries or?
APPENDIX

TESTIMONY BEFORE THE SUBCOMMITTEE ON SOCIAL SECURITY
OF THE HOUSE COMMITTEE ON WAYS AND MEANS, JUNE, 2009

SOCIAL SECURITY ADMINISTRATION’S
ANNUAL STATISTICAL REPORT, 2007

ECONOMICS OF RECOVERY 2009 WORKSHEET
EARNINGS SCENERIOS

2009 CASE MANAGER’S GUIDE TO GOVERNMENT BENEFITS

ABOUT THE CENTER
Mr. Chairman and Members of the Subcommittee:

The Center for Career Freedom is a 501 (c) (3) with a mission of recovery and rehabilitation of persons with severe & persistent mental illness leading to competitive employment. The Center is the only non-profit in New York State that is a NYS Department of Education Licensed Business School, a Microsoft © Certified Office Specialist Training Center, an SSA Employment Network and, recipient run. We have served over fifteen hundred recipients of SSI & SSDI since our founding in 1998.

Our analysis of the recipients’ economics of recovery and the Governments' Work Incentives have lead us to the conclusion that SSI recipients, except under rare circumstances, cannot work their way off their benefits to self-sustaining employment.

To document this conclusion, we respectfully submit to the Committee the following five points:

1. **In spite of the millions SSA has spent for Employment Support Programs these past ten years, they have had no appreciable effect in returning recipients to self-sustaining employment.**

   According to SSA, less than one percent (545 out of 5.9 million) of the SSI recipients successfully returned to work (Annual Statistical Reports, 2007, Table 43 for SSI, Table 53 for DI).

2. **For most recipients, the cost to replace their benefits outweighs the advantages of returning to work.**

   The average monthly dollar value of typical Government benefits for persons with disabilities in NYS is over two thousand, three hundred dollars or about twenty-eight thousand dollars per year. A person would have to gross about thirty-five thousand dollars a year to replace these benefits. The operational definition of recovery at the Center is: “Our students must acquire sufficient skills to earn seventeen dollars an hour and the stamina to work thirty-five plus hours per week.”
3. **Persons on SSI suffer from the earlier onset of their illness and more severe work-related impairments.**

By definition, recipients of SSI do not have ten or more years of work (40 Qtrs.) Our studies of over five-hundred recipients found this correlated with fewer years of education, fewer years of competitive employment & consequentially, less lifetime earnings. We have reaffirmed that the best predictor of future job success, is past success. Recipients of SSI require many more job supports than SSA offers.

4. **SSAs’ (& other Government Agency) work deductions, together with ordinary work related expenses, prevents recipients from returning to work.**

A typical SSI recipient receiving $761/Mo. disability income plus $200./Mo. Food Stamps, Medicaid, Section 8 rental assistance and half price bus pass would have over two-hundred thirty-three dollars deducted from their monthly benefits if they attempted to work just one seven hour day a week, at eight dollars an hour ($224/Mo. gross salary). Their average work related expenses, taxes, transportation, personal, food, etc. would be about one hundred seven dollars per month. Even if they bring all their own food, snacks & beverages and take advantage of HUDs’ Earned Income Disallowance, they will still lose forty-nine dollars a month. This is why Recipients stop working – it does not pay.

5. **SSAs’ Work Incentives do not work for ninety-nine percent of the almost twelve million persons with disabilities.**

As an EN, we have found that while **Ticket-to-Work** offers our students sixty months of avoiding a CDR, in return, they will have to earn at least $670. a month for three months in year two, again, for six months in year three and again, for nine months in years four & five - - to maintain this “protection.”

In order to increase the payments to the EN, SSA has simply raised the bar on the recipients. They have shifted the cost of the new rate structure to the recipient. We predict it won’t be effective for the reasons cited above. Indeed, Mathematica Policy Research, Inc. one of SSAs’ research vendors has so stated (www.mathematica.mpr.com/). According to SSA, the ‘08 Ticket-to-Work enrollment is about one-tenth of one percent.
The **Pass Plan** currently has no enrollees in New York State (less than one percent nationally) for the simple reason that persons on SSI, after benefit and expense deductions, have no money left over to save.

**1619(b)** kicks-in when the SSI recipients earn over nineteen thousand dollars a year. The odds of that happening are one in a hundred thousand.

**Medicaid Buy-In;** for the less than one-half of one percent of the SSI Recipients who earn over $1,640/Mo., the Medicaid Buy-In allows them to avoid the “spend-down”; an extra medical service fee than can equal all of their gross earnings

Of the **IRWE’s**, only medically prescribed transportation would apply to our population.

We have seen **Subsidies** work when the recipient works for a family-run business – but there are few of these situations.

**Work Opportunity Tax Credits** don’t help the recipient keep more of their salary.

SSAs’ subcommittee testimony is almost identical for 1999 & 2009. They would have us believe that their incentives would be effective in returning recipients to self-sufficient work if only more people knew about them. They talk of demonstrations & studies that will prove their effectiveness in years to come if the Committee will only be patient. SSAs’ requests are always the same; “give us more time & money”.

**Conclusion**
In spite of the hundreds of billions spent in the United States for the recovery and rehabilitation of persons with disabilities; health care, housing, education/VR, community supports, job development and more, we are unable to help more than one-half of one percent achieve self-sustaining employment. Denial of this fact doesn’t solve the problem.

This failure affects every one of the over twelve million persons with physical and mental disabilities; it is a waste of their lives and talents, an enormous loss to the economy, an unnecessary burden to the taxpayer and a drain on the Social Security Trust Fund.

America cannot afford to continue this colossal waste of life and resources. It is time for change. It is time to act. We don’t need another study, SSA has already provided the data.
Whatever the answer, it will require The Committees’ leadership and bi-partisan coordination. History has demonstrated it won’t be solved by SSA and the Academics.

We envision a series of public-private partnerships, with business persons leading the way. These pilot studies could include a variety of scenarios:

- European style integrated on-site employer-caregiver programs
- Progressive incentivized task training based on demonstrated ability/performance & Government earnings restrictions
- Parity SSA return-to-work regulations for SSI & SSDI populations
- Outsource transition-to-work programs from SSA/VR to DOL & Manpower, Goodwill Industries or?

In light of this evidence, it is our recommendation that the Committee postpone reauthorization of WIPA & PABSS, until a thorough review of the Economics of Recovery can be conducted for both SSI & DI recipients.

Thank you for your time and consideration.

Respectfully submitted.

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Executive Director

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Table 43.
Blind and disabled recipients in December 2006, by program status and earnings in December 2007

<table>
<thead>
<tr>
<th>Program status in December 2006</th>
<th>Receiving payments in December 2007</th>
<th>Not receiving payments in December 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Section 1619(a)</td>
</tr>
<tr>
<td>All blind and disabled recipients</td>
<td>6,079,581</td>
<td>16,091</td>
</tr>
<tr>
<td>Receiving payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section 1619(a)</td>
<td>17,411</td>
<td>6,224</td>
</tr>
<tr>
<td>Have earnings</td>
<td>243,108</td>
<td>3,014</td>
</tr>
<tr>
<td>No earnings</td>
<td>5,729,688</td>
<td>5,306</td>
</tr>
<tr>
<td>Not receiving payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section 1619(b)</td>
<td>89,393</td>
<td>1,547</td>
</tr>
</tbody>
</table>

SOURCE: Social Security Administration. Supplemental Security Record (Characteristic Extract Record format). 100 percent data.

CONTACT: Clark Pickett (410) 965-9016 or ssi.asr@ssa.gov.

The closest we can come to providing the number of recipients who "Left SSI" due to earnings can be obtained from Table 43. In it, we follow a cohort of SSI recipients who were either receiving payments or were Section 1619(b) participants in December 2006, and compare that with their status in December 2007. Look under the heading "Not receiving payments in December 2007" to the subheading "Ineligible because of earned income" to the sub-subheading "Reasons no longer eligible". Only the numbers in the three columns there have truly "left SSI" as we would define that term. Thus, 338 + 72 + 135 = 545 is the correct total for your purposes.

Please let me know if you need anything else.

Clark Pickett
SSI Statistics Team Leader
SSA/ORDP/ORES/DSSA
(410) 965-9016
clark.pickett@ssa.gov

## Table 53.
Distribution of workers with benefits terminated because of successful return to work, by diagnostic group and age, 2007

<table>
<thead>
<tr>
<th>Diagnostic group</th>
<th>Total</th>
<th>Under 30</th>
<th>30–39</th>
<th>40–49</th>
<th>50–59</th>
<th>60–FRA</th>
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<tr>
<td><strong>Number</strong></td>
<td>33,381</td>
<td>3,010</td>
<td>7,057</td>
<td>11,387</td>
<td>9,160</td>
<td>2,767</td>
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<tr>
<td>Congenital anomalies</td>
<td>121</td>
<td>41</td>
<td>39</td>
<td>25</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>Endocrine, nutritional, and metabolic diseases</td>
<td>996</td>
<td>42</td>
<td>121</td>
<td>324</td>
<td>382</td>
<td>127</td>
</tr>
<tr>
<td>Infectious and parasitic diseases</td>
<td>1,258</td>
<td>21</td>
<td>228</td>
<td>666</td>
<td>311</td>
<td>32</td>
</tr>
<tr>
<td>Injuries</td>
<td>1,840</td>
<td>160</td>
<td>447</td>
<td>581</td>
<td>479</td>
<td>173</td>
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<tr>
<td>Mental disorders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retardation</td>
<td>2,484</td>
<td>665</td>
<td>869</td>
<td>654</td>
<td>255</td>
<td>41</td>
</tr>
<tr>
<td>Other</td>
<td>11,122</td>
<td>983</td>
<td>2,654</td>
<td>4,076</td>
<td>2,859</td>
<td>550</td>
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<tr>
<td>Neoplasms</td>
<td>1,489</td>
<td>113</td>
<td>238</td>
<td>411</td>
<td>545</td>
<td>182</td>
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<tr>
<td>Diseases of the—</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blood and blood-forming organs</td>
<td>253</td>
<td>57</td>
<td>91</td>
<td>66</td>
<td>32</td>
<td>7</td>
</tr>
<tr>
<td>Circulatory system</td>
<td>1,317</td>
<td>40</td>
<td>125</td>
<td>311</td>
<td>531</td>
<td>310</td>
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<tr>
<td>Digestive system</td>
<td>546</td>
<td>24</td>
<td>95</td>
<td>169</td>
<td>200</td>
<td>58</td>
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<tr>
<td>Genitourinary system</td>
<td>1,105</td>
<td>92</td>
<td>311</td>
<td>378</td>
<td>275</td>
<td>49</td>
</tr>
<tr>
<td>Musculoskeletal system and connective tissue</td>
<td>5,709</td>
<td>125</td>
<td>634</td>
<td>1,964</td>
<td>2,105</td>
<td>881</td>
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<tr>
<td>Nervous system and sense organs</td>
<td>3,937</td>
<td>562</td>
<td>994</td>
<td>1,363</td>
<td>810</td>
<td>208</td>
</tr>
<tr>
<td>Respiratory system</td>
<td>385</td>
<td>19</td>
<td>47</td>
<td>126</td>
<td>138</td>
<td>65</td>
</tr>
<tr>
<td>Skin and subcutaneous tissue</td>
<td>86</td>
<td>5</td>
<td>19</td>
<td>35</td>
<td>20</td>
<td>7</td>
</tr>
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<td>Other</td>
<td>91</td>
<td>13</td>
<td>23</td>
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<tr>
<td>Unknown</td>
<td>632</td>
<td>48</td>
<td>122</td>
<td>213</td>
<td>179</td>
<td>70</td>
</tr>
<tr>
<td><strong>Percent</strong></td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
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</tr>
<tr>
<td>Congenital anomalies</td>
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<td>0.6</td>
<td>0.2</td>
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<td>0.1</td>
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<tr>
<td>Endocrine, nutritional, and metabolic diseases</td>
<td>3.0</td>
<td>1.4</td>
<td>1.7</td>
<td>2.8</td>
<td>4.2</td>
<td>4.6</td>
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<tr>
<td>Infectious and parasitic diseases</td>
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<td>3.2</td>
<td>5.8</td>
<td>3.4</td>
<td>1.2</td>
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<tr>
<td>Injuries</td>
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<td>5.3</td>
<td>6.3</td>
<td>5.1</td>
<td>5.2</td>
<td>6.3</td>
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<tr>
<td>Mental disorders</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Retardation</td>
<td>7.4</td>
<td>22.1</td>
<td>12.3</td>
<td>5.7</td>
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<td>1.5</td>
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<tr>
<td>Other</td>
<td>33.3</td>
<td>32.7</td>
<td>37.6</td>
<td>35.8</td>
<td>31.2</td>
<td>19.9</td>
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<tr>
<td>Neoplasms</td>
<td>4.5</td>
<td>3.8</td>
<td>3.4</td>
<td>3.6</td>
<td>5.9</td>
<td>6.6</td>
</tr>
<tr>
<td>Diseases of the—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blood and blood-forming organs</td>
<td>0.8</td>
<td>1.9</td>
<td>1.3</td>
<td>0.6</td>
<td>0.3</td>
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<tr>
<td>Circulatory system</td>
<td>3.9</td>
<td>1.3</td>
<td>1.8</td>
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<td>5.8</td>
<td>11.2</td>
</tr>
<tr>
<td>Digestive system</td>
<td>1.6</td>
<td>0.8</td>
<td>1.3</td>
<td>1.5</td>
<td>2.2</td>
<td>2.1</td>
</tr>
<tr>
<td>Genitourinary system</td>
<td>3.3</td>
<td>3.1</td>
<td>4.4</td>
<td>3.3</td>
<td>3.0</td>
<td>1.8</td>
</tr>
<tr>
<td>Musculoskeletal system and connective tissue</td>
<td>17.1</td>
<td>4.2</td>
<td>9.0</td>
<td>17.2</td>
<td>23.0</td>
<td>31.8</td>
</tr>
<tr>
<td>Nervous system and sense organs</td>
<td>11.8</td>
<td>18.7</td>
<td>14.1</td>
<td>12.0</td>
<td>8.8</td>
<td>7.5</td>
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<td>Respiratory system</td>
<td>1.2</td>
<td>0.6</td>
<td>0.7</td>
<td>1.1</td>
<td>1.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Skin and subcutaneous tissue</td>
<td>0.3</td>
<td>0.2</td>
<td>0.3</td>
<td>0.3</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Other</td>
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<td>0.4</td>
<td>0.3</td>
<td>0.2</td>
<td>0.3</td>
<td>0.1</td>
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<td>Unknown</td>
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<td>1.6</td>
<td>1.7</td>
<td>1.9</td>
<td>2.0</td>
<td>2.5</td>
</tr>
</tbody>
</table>

**Source:** Social Security Administration, Annual Award and Termination Transaction file, 100 percent data.

**Note:** FRA = full retirement age.

**Contact:** Hazel P. Jenkins (410) 965-0164 or di.asr@ssa.gov.
THE ECONOMICS OF RECOVERY

BACK-TO-WORK BUDGET

This Budget Worksheet will help you calculate how much money you will have left over after you pay all of your work-related expenses and Government deductions. To begin, how much would you estimate you will earn per hour? $_____ /hr. and, how many days and hours per week will you work? # days __________ # hours __________.

To get your monthly salary, multiply your hourly rate by your weekly hours, by 4 weeks: $__________/ (for example, if you estimate you will earn $8/hr. and work one 7 hour day per week, your monthly salary would be $224 ($8 x 7 hr. x 4 wks.).

Please check off which benefits you currently receive:

SSI ( ) SSDI ( ) SEC.8/SHELTER PLUS ( ) FOOD STAMPS ( ) ½ BUS FARE ( )

<table>
<thead>
<tr>
<th>WORK RELATED EXPENSES</th>
<th>SSI</th>
<th>SSDI</th>
<th>NEITHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Transportation:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># Round Trips/mo. _____ x $____ = $____</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Lunch &amp; Breaks:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># Days _____ x $____ =</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3) Personal:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$____ week x 4 weeks =</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4) Taxes:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21% x monthly salary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5) Sub Total Expenses</td>
<td>$____</td>
<td>$____</td>
<td>$____</td>
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</table>

GOVERNMENT BENEFIT DEDUCTIONS

<table>
<thead>
<tr>
<th></th>
<th>SSI</th>
<th>SSDI</th>
<th>NEITHER</th>
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</thead>
<tbody>
<tr>
<td>6) Social Security:</td>
<td></td>
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<td></td>
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<tr>
<td>½ of Monthly Salary Over $85.</td>
<td>$____</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>7) Supported Housing:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30% of Monthly Salary</td>
<td>$____</td>
<td>$____</td>
<td>$____</td>
</tr>
</tbody>
</table>
# THE ECONOMICS OF RECOVERY

## BACK-TO-WORK BUDGET

<table>
<thead>
<tr>
<th></th>
<th>SSI</th>
<th>SSDI</th>
<th>NEITHER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>8) Food Stamps:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consult DSS</td>
<td>$_____</td>
<td>N/A</td>
<td>$_____</td>
</tr>
<tr>
<td><strong>9) Other Deductions:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$_____</td>
<td>$_____</td>
<td>$_____</td>
</tr>
<tr>
<td><strong>10) Sub Total Grant Deductions</strong></td>
<td>$_____</td>
<td>$_____</td>
<td>$_____</td>
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</tbody>
</table>

**TOTAL EXPENSES & DEDUCTIONS (5 & 10)**

<table>
<thead>
<tr>
<th></th>
<th>SSI</th>
<th>SSDI</th>
<th>NEITHER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$_____</td>
<td>$_____</td>
<td>$_____</td>
</tr>
</tbody>
</table>

**DIFFERENCE**

(Income Less Expenses Above)

<table>
<thead>
<tr>
<th></th>
<th>SSI</th>
<th>SSDI</th>
<th>NEITHER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$_____</td>
<td>$_____</td>
<td>$_____</td>
</tr>
</tbody>
</table>

## BUDGET NOTES:

1) ½ price bus fare; $1.00 each way
2) Assumes you bring lunch half the time, beverages, & snack allowance
   - $10. for a six-hour day, $5. for a three hour day
3) Ongoing expenses for shoes, hair care, makeup, panty hose, cleaning, etc.
4) Westchester County; 21%
5) SSA deducts ½ gross salary, after $85., each month for SSI Recipients.
   - Earnings cap for SSDI Recipients is $980/mo.
6) HUD adds 30% of your gross salary to your monthly rent share. HUDs' disregard policy
   is 100% of earned income in year one & 50% in year two. Varies by local Section 8 Offices
7) Assumes maximum allowance of $200./mo.
9) Medicaid spend down may apply

## TO MAXIMIZE THEIR TAKE HOME PAY, SOME RECIPIENTS:

- Live with family and pay minimum room and board
- Work off the books or at cash jobs; cleaning, dog walking, elder care, handyman, caddying, etc.
- Work close to home; to avoid transportation and meal expense
- Work for family & friends
- Don’t report employment to SSA or Section 8 or DSS

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Determining Eligibility for Benefits

Has the person been diagnosed with a mental/physical disability?

YES

Apply for Temporary Assistance (Welfare)
Typical benefits include:
- Up to $200/mo. personal needs allowance
- Medicaid and Van
- Drop-In / Shelter / Housing
- Up to $200/mo. in food stamps
- Job skills training and placement

NO

Has the person worked a total of 10 years (40 Qtrs) or more in their lifetime?

And, at least 5 out of the last 10 yrs?

YES

Apply for SSI
Typical benefits include:
- $761/mo. disability income
- Medicaid
- Sec.8 / Shelter Plus housing
- Up to $200/mo. in food stamps
- 1/2 price bus, train and subway fare
- Job skills training, placement and supports
- Supported education

NO

Apply for SSDI
Typical benefits include:
- $1000/month disability income (average)
- Medicare (24 mos. after disability start date)
- Prescription Drug Plan (Part D)
- Sec. 8 / Shelter Plus housing
- Half-price bus, train and subway fare
- Job skills training, placement and supports
- Supported education

Demystifying Government Work Incentives

The eight work incentive programs summarized below focus on single adults (18-64), living alone. Though the Social Security Administration continues to claim these incentives are effective, less than one-half of one percent of the over twelve million SSI & SSDI Recipients ever work their way off their benefits. (SSA, 2007, Annual Statistical Report)

Ticket to Work And Self-Sufficiency Program
What it does: Allows beneficiaries to attempt to work above SGA ($700/mo.) without fear of triggering a review of their disability status (CDR) for a period of five years.
Eligibility: Adult SSI & SSDI Recipients (18-64)
Restrictions: Must earn at least $570/mo. for three months in year two, for six months in year three and for nine months in year four & five, to maintain (CDR) exemption. Must continue to meet earned income caps, $980/mo. for SSDI (no resource cap) and $1,640/mo. for SSI Recipients, $2,000 resource cap.
Current # of Enrollees: One tenth of one percent (2008)
Reference: SSA.Gov; Publication No. 05-10061, January 2009

1619 (B) Extended Medicaid Coverage
What it does: Extends Medicaid coverage beyond the break-even point ($1640/mo.) up to the threshold amount ($43,635/Yr. in NYS). "It does not help a working recipient keep more of his/her SSI cash payment"
Eligibility: SSI Recipients who earn at least $1,940/mo. ($16,880/Yr.)
Restrictions: "Individuals who are utilizing the Section 1619 (b) work incentive provision do not receive SSI payments - because their income is over the "Break-Even Point" ($1,460/mo.)"
Current # of Enrollees: One percent of the approximately 6 million SSI Recipients
Reference: SSA.Gov; Publication No. 05-10095, January 2009

Pass Plan
What it does: Allows SSI beneficiaries to set aside earned income which will reduce their dependence on SSI, e.g. education, job training, a computer, a car, etc. and not have these monies count as SSI income or resources.
Eligibility: SSI Recipients
Restrictions: Funds can only be used for the specified services or items. Detailed records and receipts must be kept. Some expenditures may be denied
Current # of Enrollees: Less than one percent. None in NYS
Reference: SSA.Gov; Publication No. 05-11017, January 2009

Impairment Related Work Expenses
What it does: Reduces countable earnings (thereby increasing the monthly SSI benefit) for work related expenses, e.g. attendant care, transportation, drugs and medical services, physical therapy, etc.
Restrictions: Must be work related, paid by recipient and not reimbursable by Medicaid, Medicare, family, etc. No time limit
Current # of Enrollees: 2% of all SSI Enrollees
Reference: SSA, 2009 Redbook

Subsidies
What it does: The employer pays more in wages than the value of the services performed, e.g. a higher pay scale, shorter hours, fewer or easier job duties, extra job supports, CUI training, less or lower quality work, frequently absent, etc.
Eligibility: SSI & SSDI Recipients. Any type of employment, sheltered, supported or private
Reference: SSA.Gov, 2009 Redbook

Medicaid Buy-In
What it does: Allows SSI Recipients to earn up to $55,188/yr. and retain up to $13,800 in resources and avoid the Medicaid spend-down and, still keep all their Medicaid benefits. Current moratorium on premiums.
Eligibility: Medicaid Recipients who are working
Current # of Enrollees: 5,000 in '09
Reference: www.health.state.ny.us/medicaid buy-in

Work Opportunity Tax Credit
What it does: Federal tax credit of up to $2,400 for employers who hire workers with disabilities
Reference: www.dol.gov

HUD Earned Income Disallowance
What it does: Excludes earned income from HUD's 30% rent increase rule; 100% in year one, 50% in year two
Reference: www.hud.gov/housing choice voucher program

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Consult the appropriate Web site, benefits counselor or attorney for specifics. This data – verified as of 4/09 – has been compiled for the convenience of the user. The accuracy is the sole responsibility of the appropriate Web site.
### SSDI
**Social Security Disability Insurance**
*Disability and 10 Years or more of Lifetime Wages*

- **Eligibility:** A medical disability that prevents you from engaging in competitive employment for the next twelve months and, where you have forty quarters or more of work history. Other restrictions may apply.
  - Go to: www.ssa.gov; then print out form: SSA-3368-BK
  - Call 1-800-772-1213 for an appointment.
  - Most applications are denied and must be appealed; see “Legal” below.

- **Wage Limit:** $960/Mo. No limit for 1st twelve months; No Resource Limit
  - Average award: $1000/Mo.

- **Medical:** Medicare/HMO; covers inpatient, outpatient and drug plan
  (up to $2700/Yr) Co-pays. Application included in SSA-3368BK.
  - 24-month wait
  - Call Medicare @ 1-800-333-4227 with questions

- **Psychiatric Emergencies:** Police/Fire: 911
  - Mobile Crisis Team: 914-493-7075 • Suicide Prevention Hotline: 914-347-6400

- **Education, Job Training and Employment:**
  - VESID: 946-1313 • NYS Department of Labor: 995-3910
  - One-Stop Employment Center: 995-3910 • Also: www.craigslist.org

- **Food:** See “Food Pantries” in phone book
  - SSDI recipients are usually not eligible for Food Stamps

- **Transportation:** Disabled $ Fare Card: 995-2956
  - $ Fare, MTA Train/Subway/Bus Pass; 1-800-METROCARD
  - Para Trans: 995-7272

- **Housing:**
  - **Drop-in:** no wait, no cost, call DSS @ 995-5000
  - **Shelter:** no wait, must sign over SSI/SSDI checks, call DSS @ 995-5000
  - **YM’S/YW’S:** $450-695/Mo. • See phone book
  - **Supported:** homeless and psychiatric disability call DCMH @ 995-5220
    - Also see Case Managers Housing Guide at: www.economicsofrecovery.org
  - **Utilities:** Con Ed “Special Service” 1-800-752-6633

- **Legal:** SSA appeals; Legal Services of the Hudson Valley; 1-877-574-8529
  - Legal Aid Society; 1-888-218-6974 • Law Schools; see phone book

- **Forms:** Available @ www.economicsofrecovery.org/form-link
- **Updates:** Go to www.westchester.gov

### SSI
**Supplemental Security Income**
*Disability and Less than 10 Years Lifetime Wages*

- **Eligibility:** A medical disability that prevents you from engaging in competitive employment for the next twelve months and, where you have less than ten years of work history. Other restrictions may apply.
  - Go to: www.ssa.gov; then print out form: SSA-3368BK
  - Call 1-800-772-1213 for an appointment.
  - Most applications are denied and must be appealed; see “Legal” below.

- **Wage Limit:** $1640/Mo. Can keep ¼ of gross earned income over $85/Mo.
  - Resource Limit: $2000/Mo. Average payment: $761/Mo.

- **Medical:** Medicaid; covers inpatient (Hospital), outpatient, drugs and dental Co-pays. Application included in SSA-3368BK
  - Call DSS @ 995-5000 with Medicaid questions

- **Psychiatric Emergencies:** Police/Fire: 911
  - Mobile Crisis Team: 914-493-7075 • Suicide Prevention Hotline: 914-347-6400

- **Education, Job Training and Employment:**
  - VESID: 946-1313 • NYS Department of Labor: 995-3910
  - One-Stop Employment Center: 995-3910 • Also: www.craigslist.org

- **Food Stamps:** Up to $200/Mo.; Form: LDSS-4826
  - Call DSS @ 995-5000

- **Transportation:** Disabled $ Fare Card: 995-2956
  - $ Fare, MTA Train/Subway/Bus Pass; 1-800-METROCARD
  - Para Trans: 995-7272 • Medicaid Van: call DSS @ 231-3676

- **Housing:**
  - **Drop-in:** no wait, no cost, call DSS @ 995-5000
  - **Shelter:** no wait, must sign over SSI/SSDI checks, call DSS @ 995-5000
  - **YM’S/YW’S:** $450-695/Mo. • See phone book
  - **Supported:** homeless and psychiatric disability call DCMH @ 995-5220
    - Also see Case Managers Housing Guide at: www.economicsofrecovery.org
  - **Utilities:** Con Ed “Special Service” 1-800-752-6633 • LifeLine: 890-1550

- **Legal:** SSA appeals; Legal Services of the Hudson Valley; 1-877-574-8529
  - Legal Aid Society; 1-888-218-6974 • Law Schools; see phone book

- **Forms:** Available @ www.economicsofrecovery.org/form-link
- **Updates:** Go to www.westchester.gov

### TA
**Welfare / Temporary Assistance**
*No Physical or Mental Disability*

- **Eligibility:** Persons in need; poverty, homeless, substance/alcohol abuse. Call DSS @ 995-5000 for app’t.
- **Wage Limit:** $90/Mo. with prior approval by DSS
  - Resource Limit: $2000/Mo. ($300 if 60+)
  - $200/Mo. max. personal needs allowance

- **Housing:**
  - **Drop-in:** no wait, no cost, call DSS @ 995-5000
  - **Shelter:** no wait, must sign over SSI/SSDI checks, call DSS @ 995-5000
  - **YM’S/YW’S:** $450-695/Mo. • See phone book
  - **Supported:** call DCMH @ 995-5220
  - Moving, furniture allowance, security deposit, call DSS @ 995-5000

- **Section 8:** County Office 995-2415, 30% of income
  - See Case Managers Housing Guide at: www.economicsofrecovery.org

- **Utilities:** Con Ed “Special Service” 1-800-752-6633

- **Food Stamps:** Up to $200/Mo.; Form: LDSS-2921 or 4826
  - Call DSS @ 995-5000

- **Transportation:** Medicaid Van: call DSS @ 231-3676

- **Emergencies:** Police/Fire: 911
  - Suicide Prevention Hotline: 914-347-6400

- **Medical:** Medicaid; covers inpatient (Hospital), outpatient, drugs and dental Co-pays. Application included in LDSS-2921
  - Call DSS @ 995-5000 with Medicaid questions

- **Education, Job Training and Employment:**
  - NYS Department of Labor: 995-3910
  - One-Stop Employment Center: 995-3910 • Also: www.craigslist.org

- **Legal:** SSA appeals; Legal Services of the Hudson Valley; 1-877-574-8529
  - Legal Aid Society; 1-888-218-6974 • Law Schools; see phone book

- **Forms:** Available @ www.economicsofrecovery.org/form-link
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Please e-mail comments to: donfitch@freecenter.org.
ABOUT THE CENTER

Founded in 1998, The Center for Career Freedom is a grass roots 501 (c) (3) non-profit corporation with a mission of rehabilitation and recovery of persons with psychiatric disabilities leading to competitive employment. The Center is the only non-profit in New York State that is a NYS Department of Education licensed Business School, a Microsoft © Certified Office Specialist Training Center, and recipient run.

All staff are survivors of mental illness and most have experience in business, counseling, and teaching. This unique blend of skills provides students and members with a caring and street-smart approach to reaching their goal of self-sufficiency.

With fourteen staff and volunteers, the Center has assisted over one-thousand five hundred men and women throughout Westchester County and NYS. Benefits and economics of recovery research is provided to thousands more through Don Fitch’s quarterly column in Mental Health News and the Center’s three websites: www.freecenter.org, www.casemanagerstoolkit.org, www.economicsofrecovery.org.

Donald Marden Fitch, MS, Founder and Executive Director

Don (69) earned his B.A.in Psychology from N.Y.U.’s College of Arts and Science, and a Masters in Counseling from L.I.U. He interned at St. Vincent’s Hospital, Westchester.

His non-profit experience includes twenty years in administration, fundraising, consultation, and direct care. Populations served include persons with mental and physical disabilities, substance abusers, children in foster care, the elderly, persons with HIV/AIDS and others.

Don also spent twenty years in the for-profit sector as a Marketing Consultant for such companies as IBM, Toyota, General Motors, Xerox, Colgate-Palmolive, Coca-Cola, KFC, J Walter Thompson, BBDO, and many others. He was a Manager in the Marketing Department of the Pepsi Cola Company in Purchase for five years and their Marketing Consultant for many years thereafter. Don is a Vietnam era Veteran, a father of three sons and a grandfather of five granddaughters.