Welcome and Introduction

Social Security Disability Insurance
The Good, the Bad and the Ugly

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National Spinal Cord Injury Association Webinar Series
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Overview

Today we will:
1. Review the history and intended functions of Social Security Disability Insurance (SSDI)
2. Describe Supplemental Security Income (SSI)
3. Describe the Ticket to Work program
4. Identify resources
5. Provide contact information
SSDI Matters to:

United Spinal Association
- CORE BELIEF 2 – Independent living, employment and self-sufficiency
- CORE BELIEF 4 – Preservation of Social Security benefits

Social Security beneficiaries
- About 1 out of 6 Americans—57 million people receive Social Security benefits.
- Social Security keeps 22 million people of all ages out of poverty.
- Without any changes to the program, Social Security benefits will have to be reduced across the board by about 25 percent beginning in 2033.

SSDI beneficiaries (and potential beneficiaries)
- Average age is 53.
- Men represent about 53 percent.
- Musculoskeletal system and connective tissue disorders was the diagnosis for about a third.
- Average monthly benefit in 2014 is $1,148 for an individual and $1,943 for a disabled worker with a family.
- SSA’s Board of Trustees project SSDI fund depletion of reserves by 2016.

Veterans
- Wounded Warrior and 100 percent Permanent & Total VA rating programs.
- From 4 to 16 percent of the nearly four million veterans who receive VA disability compensation also receive SSDI benefits.

About SSDI

- Established in August 1956.
- Payroll tax-funded, federal insurance program. It provides income to people unable to work because of a disability.
- FICA taxes include 6.2% for Social Security, a small portion of which is allocated to SSDI.
- To qualify, you must be both “currently insured” and “fully insured”—that is you have earned 20 “work credits” in the last 10 years. Usually, if you have worked five out of the last 10 years you are currently insured.
- If you are under age 31 when you become disabled, it is possible to be currently insured with less than 20 quarters of coverage.
- SSDI is not “means-based.”
Benefits of SSDI- “The Good”

- **Monthly Income**: A regular monthly payment based on your lifetime earnings, adjusted annually for cost-of-living. A portion may be tax-free. Average benefit in 2014 is $1,148 for an individual and $1,943 for a disabled worker with a family.

- **Medical Benefits**: 24 months after date of your SSDI cash entitlement, you qualify for Medicare. This includes Medicare Advantage, often a better option for those with disabilities.

- **Drug Coverage**: Medicare coverage includes Part D.

- **COBRA Extension**: If you receive SSDI, you may be able to extend your COBRA benefit coverage an additional 11 months.
Benefits of SSDI—"The Good"

- **Protected Retirement Benefits:** SSDI “freezes” your Social Security earnings record during the disability period. These years aren’t counted when computing future benefits, so your retirement benefit may be higher.

- **Return-to-Work Incentives:** Social Security will provide opportunities to return to work while still paying your disability benefits.

- **Protecting other income benefits:** Most long-term disability (LTD) policies require claimants to apply for SSDI. If you do not, your LTD benefits often are suspended, resulting in a reduction in income.

- **Dependent SSDI Coverage:** Dependents under the age of 18 typically also qualify for SSDI.
Return to Work Incentives

• **9-Month Trial Work Period**
  - Individual has the opportunity to attempt to return to work FT for 9 months in a 60-month period. If successful, benefits cease. If unsuccessful, benefits continue with no disruption, no termination.
  - The monthly earnings amount used to determine if a month counts is $770.

• **Ticket-to-Work**
  - Allows you to keep cash benefits and Medicare or Medicaid while you test your ability to work.

• **Working Part-Time/Substantial Gainful Activity** threshold
  - Level of earnings SSA uses when evaluating work activity for disability entitlement purposes. It is $1,070 for 2014.
SSDI Eligibility

The SSA defines a person as disabled if:
- A physical or mental impairment prevents you from engaging in any substantial gainful work.
- Your condition is expected to last 12 months or longer or result in death.

To qualify:
- You meet the criteria above.
- You have worked (and paid FICA taxes) 5 out of the last 10 years (in most cases).
- You have not reached retirement age (65-67).
  - Over 21 years of age and less than retirement age
- You have medical proof of disability.
Supplemental Security Income (SSI)

- Supplemental Security Income (SSI) is a welfare, or social assistance, program.

- Provides monthly income to people who are 65 or older, disabled, or blind (including children under 18) and have little/no work history.

- Funded through general tax revenues.

- Must meet SSA’s disability criteria AND have limited income and resources (needs based).
Supplemental Security Income (SSI)

- Federal SSI rates monthly maximum in 2014 = $721/individual. $1,082/couple.

- States have option of providing Medicaid.

- Must pass screening threshold of household income and resources. Limit = $2,000/individual or $3,000/couple.
  - Resources that **do not count** include a home where a person lives and one car (usually).
  - Resources that **do count** include bank accounts, stocks & bonds, 401(k), CDs (certificates of deposit), more than one vehicle.
SSDI and SSI

- Supplemental Security Income payments were another source of income for about one out of six disabled beneficiaries and one out of eight SSDI beneficiaries.

- Individuals who file for SSDI and SSI concurrently experience lower initial and hearing level allowance rates.

SSA Claimant Diagnoses

**Percentage of claimants, by body system**
(based on a representative sample of claims from 1997-2004)

Source: SSA, Outcome Variation in the Social Security Disability Insurance Program: The Role of Primary Diagnoses. 2013
The SSDI Process

- Consists of 5 levels within application process.
- Majority of individuals who file get frustrated with denial percentages and never continue with the process.
- Appeals process allows individual to request additional consideration at the hearing level.
- Most hearings involve a representative.
Level 1 – Initial Application

- Application completed by claimant with SSA district office (or with representative).

**Mandatory wait period for benefits is 5 months after date of onset.**

- District office prepares evidence for state-level Disability Determination Services (DDS).

- DDS compiles medical evidence, sends questionnaire, orders consultative exam.

- DDS determines if claimant should be awarded or denied.

- SSA reports time at this level = 107 days in 2013.

- Approximately 67% of claims are denied at this level.
Level 2 – Reconsideration

• If claimant is not awarded at first level, seeks appeal with the SSA District Office.

• Claimant has 60 days to file and submit an appeal.

• District Office submits evidence to DDS.

• DDS compiles medical evidence, sends questionnaire, orders consultative exam.

• DDS determines if claimant should be awarded or denied.

• Reconsideration level typically takes 3-5 months.

• Approximately 89 percent of claims are denied at this level.
“Skip”/Redesign States

• New SSA policy adopted in 1999 that enables the disabled individual to skip the “reconsideration” and move straight to the hearing.

• Two offices in California (LA N 00057 and LA W 00056)

• “Skip states” include AL, AK, CO, LA, MI, MO, NH, NY, PA
Level 3 – Hearing with ALJ

- Claimant files appeal with SSA District Office.

- District Office forwards request to Office of Disability Adjudication and Review (ODAR).

- Administrative law judge (ALJ) determines if claim can be awarded on the record or if it requires hearing.

- If hearing required, (ALJ) conducts hearing with claimant.

- Typically takes a year to get a hearing and wait times are growing. National average = 382 days in 2013, now taking 414 days for a hearing.

- Approximately 48 percent of claims are awarded at this level (2013), a huge decline from 62 percent in 2010.
Level 4 – Appeals Council

- Claimant files appeal with Appeals Council.
- District Office forwards file to Appeals Council for review.
- Typically lasts about one year.
- Appeals Council awards, remands or affirms ALJ’s denial
  - Remands = case should be reviewed again by ALJ
  - Awarded moves forward in process
  - Approximately 98% are denied
Level 5 – Federal District Court

- Requires formal representation by attorney who will file civil suit in Federal District Court.

- Typically lasts 12 months.

- 98% of claims are denied at this level.
Disability Backlog—“The Bad”

Five states with the largest backlogs of pending hearings are Florida, California, New York, Pennsylvania and Texas.

To see entire list, click here.
Why People Need Help—"The Ugly"

- More individuals applying for SSDI
- Process is complicated and intimidating
- Nearly 30 percent denied for technical reasons, including "Failure to Cooperate"
- Most individuals have representation at the hearing level.
- Fewer resources at SSA to handle incoming requests
- Most individuals do not have enough savings/income to sustain them through the months- to years-long process.
Difficulties Going it Alone—“The Ugly”

Please provide details on what difficulties you experienced when handling the SSDI process on your own.

- Completing the forms: 180 (61%)
- Reading or understanding the forms: 142 (48%)
- Waiting on the phone: 129 (44%)
- Illness: 87 (29%)
- Searching for forms: 68 (23%)
- Waiting in line: 66 (22%)
- There were no barriers; I could apply on my own OK: 51 (17%)
- Other: 48 (16%)
- Getting access to a computer/problems using a computer: 28 (9%)
- Hospitalization: 26 (9%)
- Finding transportation: 22 (7%)

Note: respondents could select more than one
Did you face repercussions during the time period before you received your SSDI award, and if so, what were they? (Please select all that apply.)

- Stress on family: 187 (63%)
- My illness became worse: 156 (53%)
- Stress on marriage: 114 (39%)
- Drained retirement/savings (401K, etc.): 103 (35%)
- Missed other payments (non-mortgage): 93 (31%)
- Lost health insurance: 72 (24%)
- Other: 56 (19%)
- Missed mortgage payments: 40 (14%)
- I did not have any problems: 37 (12%)
- Utilities turned off: 26 (9%)
- Lost asset (car/appliance): 22 (7%)
- House foreclosure: 18 (6%)
- Filed for bankruptcy: 15 (5%)
- Homelessness: 14 (5%)

Note: respondents could select more than one
Experiences While Waiting—"The Ugly"

### Table 1
Four Impairments Most Frequently Denied by DDSs and Subsequently Allowed at the Hearing Level

<table>
<thead>
<tr>
<th>Impairment</th>
<th>Number of DDS Denials</th>
<th>DDS Denial Rate</th>
<th>Number of Hearing Level Allowances</th>
<th>Hearing Level Allowance Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disorders of Back</td>
<td>744,602</td>
<td>78%</td>
<td>238,903</td>
<td>70%</td>
</tr>
<tr>
<td>Osteoarthritis and Allied Disorders</td>
<td>204,652</td>
<td>58%</td>
<td>61,118</td>
<td>70%</td>
</tr>
<tr>
<td>Diabetes Mellitus</td>
<td>165,411</td>
<td>81%</td>
<td>38,174</td>
<td>67%</td>
</tr>
<tr>
<td>Disorders of Muscle, Ligament, and Fascia</td>
<td>138,905</td>
<td>80%</td>
<td>34,693</td>
<td>65%</td>
</tr>
</tbody>
</table>

### Table 8
Impairments with 80 Percent or Greater Hearing Level Allowance Rates

<table>
<thead>
<tr>
<th>Impairment</th>
<th>Number of DDS Determinations</th>
<th>DDS Denial Rate</th>
<th>Hearing Level Allowance Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disease</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple Sclerosis</td>
<td>42,614</td>
<td>47%</td>
<td>84%</td>
</tr>
</tbody>
</table>

“If claimants....had representatives earlier in the disability process, some of them may have received an allowance decision at the DDS level, saving them time and SSA money.

First, the claimants may not have had to go to the hearing level if they had representatives to assist them with completing SSA’s forms and providing the necessary evidence at the DDS level.

This could have saved some claimants about 500 days in receiving an allowance decision.”
How Much Does it Cost?

- Fees regulated by the federal government and are contingency based.

- **Flat rate** if awarded at level 1 (determined by SSA) **OR**

- **25%** of retro payment if claim goes through appeal process---capped at $6,000.

- Clients should ask if representative charges for out-of-pocket expenses, such as medical records, phone calls, travel, etc.
“For millions of working age adults with disabilities, a dependence on public benefits for income, health care, food, and housing becomes a trap that requires limiting income to remain eligible.”---National Disability Institute
Why Work?

Disability is a natural part of the human experience and in no way diminishes the right of individuals to:

(A) live independently;
(B) enjoy self-determination;
(C) make choices;
(D) contribute to society;
(E) pursue meaningful careers; and
(F) enjoy full inclusion and integration in the economic, political, social, cultural, and educational mainstream of American society.

From the Federal Rehabilitation Act of 1973
Why Work?

“Living with a disability, such as a spinal cord injury or disorder should not prevent talented and qualified people from pursuing meaningful careers.”
- United Spinal Association

• SSDI is an important resource for former workers, but monthly cash benefits are usually much less than previous wages.

• Employment affords the opportunity to build on previous work experience and grow professionally and personally.

• Advances in technology, training and supportive mechanisms have evolved, allowing people with significant disabilities to adapt and ultimately re-enter the economy.

• With the right opportunities and supports, many people can earn a higher standard of living by going to work.
Ticket to Work

- Social Security’s Ticket to Work program supports career development for people with disabilities by providing choices, opportunities and supports needed to become and stay employed.

- Ticket to Work holders are SSDI beneficiaries who would like to improve their earning potential and who are committed to preparing for long-term success in the workforce.

- The Ticket program and its work incentives allow individuals to keep their SSDI benefits while they explore employment.
Benefits for Ticket to Work Participants

1. Allowed a trial work period without losing SSDI benefits.
2. Extended and Expedited reinstatement of benefits.
3. Continuation of Medicare coverage.
4. Exclusion from medical continuing disability reviews.
5. Return to work & explore potential to increase income and reach self-sufficiency.
Provider Resources

- Employment Network (EN)
- State Vocational Rehabilitation Agency (VR)
- Work Incentives Planning and Assistance (WIPA)
- Protection and Advocacy for Beneficiaries of Social Security (PABSS)
Provider Descriptions

**Employment Network (EN)**
- Contracts with Social Security to provide **free** services to beneficiaries.
- Helps you develop an Individual Work Plan (IWP).
  - Defines employment goals.
  - Describes specialized services the EN will provide.
- Provides career counseling, job placement, and ongoing support services. Some provide additional services.
- You can “shop around” for an EN that best suits your needs.

**Your state’s Vocational Rehabilitation agency (VR)**
- Will work with you to develop an individual employment plan.
- Often provide more rehabilitation or training services compared to an EN.
  - Evaluation
  - Counseling
  - Job Training
  - School – college, technical, trade
Provider Descriptions

Work Incentives Planning and Assistance (WIPA)
• Community-based organizations.
• Support working beneficiaries to make a successful transition to financial independence.
• Community Work Incentives Coordinator will work with you one-on-one to provide in-depth counseling about benefits and the effect of work on those benefits.

Protection and Advocacy for Beneficiaries of Social Security (PABSS)
• Nation's largest provider of legally based advocacy service for people with disabilities.
• Advocates help remove barriers to employment including:
  • Securing services from community agencies, including employment networks.
  • Understanding issues with disability benefits and work incentives for people who are already entitled to benefits.
  • Protecting beneficiaries' rights regarding conditions of employment.
  • Obtaining vocational rehabilitation and employment preparation services and supports.
  • Understanding and protecting rights, responsibilities, and reasonable accommodations under the Americans with Disabilities Act.
Meeting the “Ticket to Work Challenge”

Challenge: You are eligible for Ticket to Work only after you are awarded SSDI benefits.

By the time someone asks if you would like to try to work, you have invested months or years providing evidence of your inability to work in order to receive SSDI benefits. The process can take two to three years. By that time, many individuals are likely to have become more isolated, lost critical work capacity and have a diminished desire to work.
Meeting the “Ticket to Work Challenge”

Challenge: You are eligible for Ticket to Work only after you are awarded SSDI benefits.

Solution:
- Familiarize yourself with the Ticket to Work program upon initial application for SSDI benefits
Section 503

Section 503 Regulations of the Rehabilitation Act of 1973 Changes the Landscape of Recruitment for Employers.

- Section 503 details specific actions federal contractors must take in the areas of recruitment of individuals with disabilities.
- Hiring goal is that 7% of each job group in the workforce is qualified individuals with disabilities.
- Between 500,000 and 600,000 new jobs will be created for people with disabilities.*

Allsup’s research shows:

- Employers that are not federal contractors do not want to be left behind and are expanding their workforce diversity programs to stay competitive.

*According to the U.S. Department of Labor and the American Association of People with Disabilities
Meeting the “Ticket to Work Challenge”

If you are currently receiving SSDI, remember:

- Ticket to Work allows you to test your ability to work for at least nine months. During your trial work period (TWP), you will receive full SSDI benefits no matter how much you earn as long as your work activity is reported and you have a disabling impairment.

- You will have access to vocational rehabilitation and employment that best fit your needs. Services and supports can also be used to help you become self-employed or start your own business.

- You can continue to be eligible for Medicare coverage for at least 93 months after the last month of your Trial Work Period—more than seven and half years.

- You are exempt from continuing disability reviews while you are participating in the program.

- If your benefits stop because of your earnings level, you can request to have your benefits reinstated without having to complete a new application. While Social Security determines your benefits reinstatement, you are eligible to receive temporary benefits for up to six months.
Additional Resources

- Free SSDI Eligibility Screening
- Personal Story Videos
- Allsup’s Online Guide to Personal Finance
- Financial Planning for Family Caregivers
- Financial Planning Calculators
- Veterans Disability Overview
- Disability and Earned Income Tax Credit
- Individual Development Accounts
- Family Self-Sufficiency Program
- Plan to Achieve Self-Support (PASS)
- ChooseWork.net
- Medicare Extra Help
Connect with Allsup


- Disability Evaluation Center – Free SSDI evaluation at (888) 841-2126

- Tai Venuti, [t.venuti@allsupinc.com](mailto:t.venuti@allsupinc.com), (618) 236-8573

As mentioned in

[Social Security for Dummies](#)