

Did You Know?

SSI's Impairment Related Work Expenses and Blind Work Expenses

IRWEs and BWEs Can Fund AT to Support a Work Goal

The Supplemental Security Income (SSI) program provides cash benefits to individuals with disabilities with limited income and resources. Two SSI work incentives, impairment related work expenses (IRWEs) and blind work expenses (BWEs) are earned income exclusions and can be used to fund assistive technology (AT).

Benefit Calculation Formula: SSI payments are based on the SSI base rate or federal benefit rate (FBR) plus state supplement (if any). The 2012 FBR is \$698 per month. If an individual works, the SSI program excludes the first \$65 per month of gross earned income (\$85 if there is no unearned income) and an additional 50 percent. Countable income is deducted from the base rate to determine the monthly SSI payment.

Example. Jose receives SSI of \$698 per month in a state that does not supplement the FBR. He goes to work and earns \$1,085 gross per month. He has no unearned income. The SSI program disregards the first \$85 of earnings and 50 percent of the remainder ($\$1,085 - 85 = \$1,000 \div 2 = \$500$). His countable earned income is deducted from the SSI base rate ($\$698 - 500$) and Jose now receives a monthly SSI payment of \$198. Jose will qualify for automatic Medicaid if he lives in one of 39 states or the District of Columbia which provide automatic Medicaid for SSI beneficiaries.

How IRWEs Work: The IRWE rules allow an individual to reduce countable earnings when they pay for goods or services that allow them to work despite a disability. To qualify as an IRWE an expense must: 1) be paid by the SSI beneficiary and not by a third party; 2) be related to the disability or a condition for which the person receives treatment; and 3) be necessary to allow the person to work or sustain a level of work (i.e., he or she could not work at this level without the goods or services).

Examples of potential IRWEs include: transportation to work, including costs related to modified vehicles, operating a vehicle, or paying a driver or transportation company; attendant care services at home (to get a person ready for work) or at the job; medical devices (e.g., wheelchairs, inhalators, pacemakers) and prosthetic devices (e.g., artificial arms or legs); residential modifications for persons who work away from home or in the home; and prescription drugs and medical services. The full payment or co-payments can be deducted as IRWEs if paid by the individual.

Example: Jose, in the example above, has cerebral palsy and must have hand controls in his vehicle. He pays \$260 per month as loan payments for hand controls that were installed on his vehicle. He also pays \$40 in monthly copayments for two prescription drugs (one to control spasms, the second to control seizures). These expenses meet the three-part test for an IRWE and can be deducted from gross income as follows:

- $\$1,085 - 300 \text{ IRWEs} - 85 = \$700 \div 2 = \$350$ (revised countable income)
- $\$698 - 350 = \348 New SSI payment
- SSI check increased by \$150 (or half the IRWE expenses)

How BWEs Work: If an individual meets statutory blindness criteria, the SSI program will deduct all expenses related to working (not only those that relate to the blindness).

Examples of potential BWEs include: federal, state and local income taxes; Social Security and Medicare taxes (FICA); meals consumed during work hours; training to use impairment-related item or item which is reasonably attributable to work (e.g., cane travel, Braille, computer course for computer operator); a guide dog (cost of purchase and all associated expenses, including food, licenses, and veterinary services); transportation to and from work; attendant care services (during work, to get a person to and from work and, in some cases, in the home); structural modifications to get a person to and from work; and medical devices, medical supplies and therapy.

Example: Claudia has multiple sclerosis, is statutorily blind, and earns \$2,285 gross per month as a writer for a newspaper. As an employee, she works in the newspaper offices, does interviews in the field, and works in the field and at home with her laptop computer. She has BWEs totaling \$484 per month: state/federal income taxes - \$95, FICA - \$175, union dues - \$15, guide dog expense - \$45, and meals during work hours - \$154. Her monthly SSI check will be \$82 based on countable income of \$616 ($\$2,285 - 85 = 2,200 \div 2 = \$1,100 - 484 = \$616$) subtracted from the SSI base rate ($\$698 - 616 = \82).

Claudia has a wheelchair ramp installed at her home, at a cost of \$3,000, opting to spread out this cost at \$250 per month for 12 months. She also borrows \$3,600 on an 18-month interest-free loan (\$200 per month payments) to purchase computer equipment to accommodate her blindness and do some work at home, including a laptop, software for voice input and output, Braille printer, and scanner. The additional \$450 per month increases her BWEs from \$484 to \$934 per month. Her revised SSI payment will be \$532 per month ($\$698 - 166$). She will continue to get automatic Medicaid in most states. The BWEs have allowed Claudia to purchase equipment to work at home to supplement the equipment her employer provides at work and to install a ramp to allow her to safely come and go from the home to do her job. Since the BWEs are deducted from countable income at the end of the calculation, rather than at the beginning in the case of IRWEs, Claudia's SSI check increases by the amount of her additional BWEs. This means that the BWEs have funded the full cost of her work related-AT.

Additional Resources on IRWEs and BWEs:

- *Special SSDI and SSI Rules for Individuals with Statutory Blindness*, available at www.nymakesworkpay.org/docs/MIG_Newsletter_5.pdf.
- *Work Incentives and Assistive Technology: Using the SSDI, SSI, Medicare and Medicaid Work Incentives to Fund AT or Leverage Funding for AT*, available at www.nymakesworkpay.org/docs/WorkIncentives_AT_121310.pdf.

Always Consider State VR Agency Funding: In both Jose's and Claudia's cases, the state vocational rehabilitation (VR) agency might be a source of funding for any of the items discussed (e.g., as post-employment services). Keep in mind, however, that there may be any number of reasons why either of these individuals is not presently eligible for VR agency services. Unlike VR agency funding, IRWEs and BWEs will always continue to be available after the individual has achieved his or her work goal.

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