

Supplemental Security Income Work Incentive 1619 (a) and (b)

1619 (a) and (b) are work incentives for recipients of Supplemental Security Income (SSI). These incentives enable SSI recipients to earn more than Substantial Gainful Activity¹ (SGA), up to certain levels, while maintaining SSI and Medicaid benefits. Progression through the 1619 statuses doesn't have to be sequential, i.e. the SSI recipient doesn't have to enter (a) before entering (b). Eligibility for SSI and Medicaid must exist prior to 1619 (a) (b) status.

1619 (a) allows a working SSI recipient to earn over the SGA limit while receiving an SSI check and Medicaid coverage with no spenddown. 1619 (a) status applies when the SSI recipient's total income is greater than SGA but less than the "break-even point." The break-even point is the amount of total gross income (which includes earned and unearned income, e.g. SSDI²) that reduces the SSI cash benefit to zero.³

While in 1619 (a), the recipient receives a monthly SSI check⁴, in decreasing amounts, until he or she reaches the break-even point and the benefit check is reduced to zero. It is possible that a recipient with no unearned income can

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The SSI recipient enters 1619 (b) status when income equals or exceeds the break-even point. There is no cash benefit although the recipient retains Medicaid with no spenddown.

have earnings totaling \$1,503 per month and still receive an SSI check for \$1!^{5,6}

The SSI recipient enters **1619 (b)** status when income equals or exceeds the break-even point. **There is no cash benefit although the recipient retains SSI eligibility and Medicaid with no spenddown.** SSA uses the income reported for the first 1619 (b) month to project earnings for a 12-month time period. At the end of this 12-month period, a 1619 (b) redetermination is conducted to verify earnings and to compare annual gross earned income to either a charted threshold (\$35,160 in Ohio for 2013) or an individualized threshold. An individualized threshold may be used if there are Impairment Related or Blind Work Expenses, a Plan for Achieving Self-Support (PASS), publicly funded attendant or personal care, or excessive medical expenses. The recipient should check with the Social Security Administration (SSA) to determine if he or she qualifies for an individualized threshold.

¹Substantial Gainful Activity (SGA) is the level of earnings per month at which SSA considers a person to be gainfully employed. SGA for the year 2013 is \$1,740/month for people who are blind and \$1040/month for people with disabilities other than blindness.

²Social Security Disability Insurance

³To calculate total gross income which will result in achieving the break-even point, use one of the following formulas.

• For a working SSI recipient with no unearned income:
(SSI Federal Benefit Rate X 2) + (Earned Income and General Income Exclusions). In the year 2013, the calculation would be (\$710

x 2) + (\$65 + \$20) = \$1,505.

• For a working SSI recipient with unearned income, e.g. SSDI:
Unearned Income + {[SSI Federal Benefit Rate - (Unearned Income - General Income Exclusion)] x 2 + Earned Income Exclusion}.

For example, the formula for someone receiving \$300 SSDI would be: \$300 + {[\$674 - (\$300 - \$20)] x 2 + \$65} = \$1153.

⁴The SSI Federal Benefit Rate for the year 2013 is \$710 for an individual and \$1,066 for a couple.

⁵Dollar figures are valid for 2013; all earnings mentioned are gross earnings.

⁶\$710 - [(\$1,503 - \$85) / 2] = \$1

If the earned income amount is less than the threshold amount, the recipient remains eligible for 1619 (b). If the recipient's earned income is equal to or greater than the threshold amount, 1619 (b) status terminates and SSI eligibility is suspended. At this point, Medicaid protection is lost. Medicaid may or may not continue depending on medical expenses, and spenddown may be incurred. The recipient should contact the County Department of Job and Family Services about continuing Medicaid. If SSI eligibility is suspended for 12 consecutive months without reinstatement to regular 1611 benefits or 1619 (a) or (b), SSI eligibility is terminated.

SSA, and only SSA, determines 1619 (a) and (b) status. SSA administers the Medicaid use test to determine 1619 (b) eligibility. The initial Medicaid use determination is made at the time the individual reports earnings which will cause ineligibility for cash payments. To be eligible for 1619 (b), a recipient must depend on Medicaid coverage to continue working. A recipient depends on Medicaid if he/she:

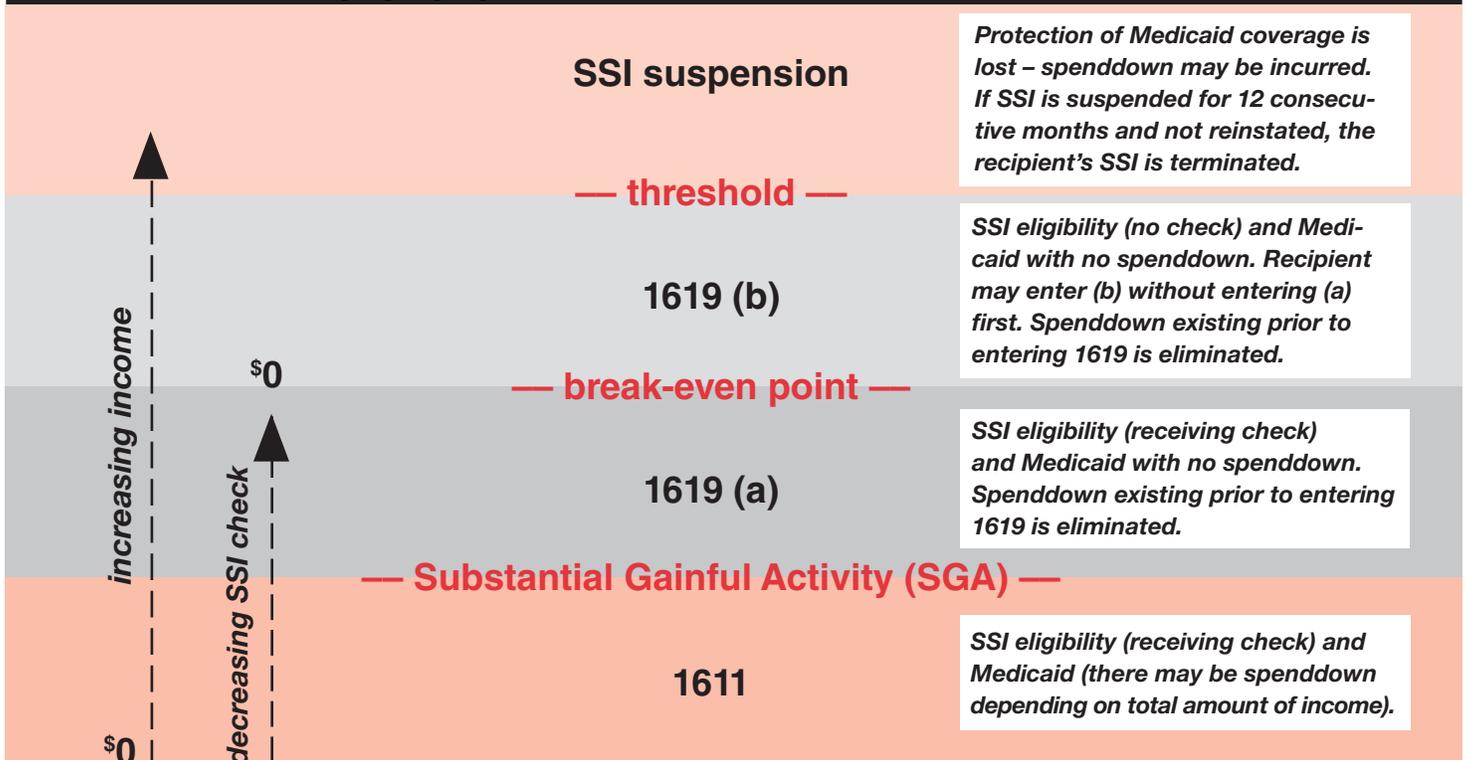
For smooth transition between statuses, the recipient should report earnings on a monthly basis to SSA.

- 1) used Medicaid coverage within the past 12 months; **or**
- 2) expects to use Medicaid coverage in the next 12 months; **or**
- 3) would be unable to pay unexpected medical bills in the next 12 months without Medicaid coverage.

SSI recipients have these reinstatement rights:

- 1) Recipients in 1619 (a) are reinstated to regular 1611 cash benefits when gross earned income drops below SGA at any time prior to termination of SSI eligibility and all other eligibility criteria are met;
- 2) Recipients in 1619 (b) are reinstated to cash benefit status [1611 or 1619 (a)] when total earned and unearned income drops below the break-even point and all other eligibility criteria are met;

SSI 1619 (a) (b) flow chart



SSA sends the recipient a letter each time SSI status changes.

- 3) Recipients whose SSI eligibility is suspended for less than 12 months may be reinstated to cash benefits [1611 or 1619 (a)] or 1619 (b) status without a new application or new disability determination; and
- 4) Reinstatement is possible at all times unless the recipient's eligibility is terminated.

Movement among 1611, 1619 (a) and (b), and suspension does not require special forms or applications. It's not unusual for an SSI recipient's income to vary month-to-month, and his or her stay in 1619 may be indefinite and/or long-term. The recipient should monitor his or her income and be alert to 1619 opportunities. Officially, when SSI status changes for any reason, SSA sends a benefit letter to the recipient about the change. However, sometimes the recipient may need to request that SSA review his or her 1619 status and provide a letter specifically stating that status. The recipient can share this letter with the County Department of Job and Family Services to prove 1619 status and continue Medicaid without a spenddown.

To help ensure smooth transition between statuses, the recipient should report earnings on a monthly basis to SSA. Monthly reporting is to the recipient's advantage and avoids complications due to overtime and extra paydays. Ultimately, it may prevent SSI over- or under-payments. Some SSA field offices have Monthly Wage Reporting. This consists of the recipient mailing in the original pay stub(s) at the end of the month. SSA records the pay stub information and mails the pay stub(s) and an envelope for the next month back to the recipient.

The SSI recipient should also report resources in excess of \$2,000 for an individual and \$3,000 for a couple. As long as a recipient is in 1619 (a) or (b), he or she is income- and resource-eligible for Medicaid. However, if a recipient exceeds SSI resource limits, the SSI cash payment and/or eligibility is suspended and Medicaid protection is lost. If a recipient is in non-pay status for 12 consecutive months due to exceeding resource limits, SSI is terminated. Unless the recipient is able to spend earnings on everyday living

expenses or to set aside as an Impairment Related Work Expense or in a PASS, the accumulation of excess resources will lead to SSI and Medicaid termination. The recipient who doesn't report excess resources runs the risk of an over-payment and having to repay money to SSA.

While SSA determines 1619 status, it is the County Department of Job and Family Services that determines eligibility for Medicaid.

1619 and Medicaid

While SSA determines 1619 status, it is the County Department of Job and Family Services (DJFS) that determines eligibility for Medicaid. To be eligible for Medicaid during 1619 (a) or (b), the SSI recipient must have been eligible for Medicaid the month prior to the first month of the most recent period of 1619 (a) or (b) status. (Initial Medicaid eligibility in Ohio is based on stricter income and resource standards than are used for SSI. The 2013 income standards are \$622/individual and \$1,066/couple. The 2013 resource standards are \$1500/individual and \$2250/couple. If income standards are exceeded, spenddown is incurred until the income standards are reached, at which time eligibility is possible.) Upon entering 1619 (b) and any other time that SSI status changes, the recipient should provide copies of benefit letters to his or her county DJFS caseworker. The recipient should automatically plan to take the SSA benefit letter verifying 1619 (b) status when

There is no Medicaid spenddown under SSI 1619 (a) or (b).

Medicaid Eligibility Manual (MEM) O.A.C. 5101:1-39-02.3.

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If one spouse is eligible for 1619 and the other spouse is not, spenddown does not apply to either one.

visiting with his or her county DJFS caseworker. If needed, county DJFS caseworkers may contact SSA to obtain verbal confirmation of the beginning date of 1619 eligibility.

The SSI recipient can help ensure continuity in SSI and Medicaid benefits by keeping good records and reporting information as required or needed by SSA and County DJFS staff. In particular, the SSI recipient should:

- maintain a file for pay stubs, letters received from SSA and DJFS, copies of letters sent to SSA and DJFS, and notes about telephone or face-to-face conversations with SSA or DJFS staff;
- monitor income and be alert to 1619 opportunities;
- report earnings to SSA on a monthly basis, and report resources in excess of \$2,000/individual or \$3,000/couple;
- provide copies of SSA benefit letters to County DJFS caseworker; and
- check with County DJFS caseworker when SSI cash benefit stops, to ensure continuing Medicaid coverage in 1619 (b) status.

Reality is that there will be situations in which the recipient will disagree with decisions made by SSA and County DJFS. With the proper research, information, and problem-solving, some of these situations may be resolved. When this fails, the recipient has the right to appeal SSA and County DJFS decisions.

If the SSI recipient feels that the County DJFS caseworker is not acknowledging 1619 (a) or (b) status as determined by SSA, the recipient has the right to request a hearing (if possible, first seek resolution via the caseworker's supervisor). A hearing can be requested through the caseworker or by calling the Ohio Department of Job and Family Services Bureau of State Hearings, **614. 728. 9574** or **1. 866. 635. 3748**.

Additional resources include the Medicaid consumer hotline at **1. 800. 324. 8680** voice or **1. 800. 292. 3572** TTY. Or call the Ohio Legal Services Association **1. 866. 529. 6446** for county Legal Aid phone numbers.

Ohio | Opportunities for Ohioans with Disabilities

The Opportunities for Ohioans with Disabilities Agency partners with individuals with disabilities to achieve quality employment, independence and disability determination outcomes through integrated services, partnerships and innovation.

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The annual review and update of this fact sheet is coordinated by **James Gears**, program specialist, Opportunities for Ohioans with Disabilities Agency, and published by the OOD Office of Communications.

Every attempt has been made to provide accurate information in this fact sheet; however, it should not be construed as legal advice. Unique circumstances may necessitate that the SSI recipient or advocate clarify certain statements or seek more information. Suggestions for future revision of this fact sheet may be sent to James Gears, Opportunities for Ohioans

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