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SSI, SSD and Employment: What You Need to Know

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PART ONE

The Importance of and Barriers to Employment

Entering, remaining in, or returning to the workforce is an important goal for many people experiencing mental illness. In addition to the financial benefits of earning employment income, there are many other benefits to working. For many people, employment is a vital part of the recovery process.

Unfortunately, as they seek to join the workforce, some people find themselves confronted by a variety of barriers. One serious barrier is a fear of losing their

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Supplemental Security Income (SSI) or Social Security Disability (SSD) benefits. Another barrier is fear of Social Security overpayments. Overpayments occur when the Social Security Administration (Social Security) alleges they mistakenly increased a recipient's payment and then decrease that recipient's SSI or SSD payments until Social Security has been recouped, paid back for their supposed overpayment.

MFY's New Employment Initiative MFY Legal Services has provided free civil legal assistance to low-income New Yorkers for over 50 years. The Mental Health Law Project at MFY has been helping New Yorkers with mental illness with civil legal issues since 1983. At MFY, we recognize both the importance of employment for people with mental illness and the seriousness of these Social Security-related barriers to work. In response, the Mental Health Law Project started a new initiative to support the employment goals of people with mental illness. We want to encourage employment by letting people know that they can work while receiving SSI and SSD. In fact, if they do, in most cases they will end up in a better financial situation.

Additionally, our employment initiative seeks to address Social Security overpayments in two ways. First, we want to help prevent overpayments from happening in the

first place by educating people on Social Security's reporting requirements. And, for those who have already received notice of an overpayment, we want to assist them in the overpayment appeal process by helping complete the appropriate Social Security form, and when possible, helping to negotiate with Social Security and appearing at Social Security hearings.

In what follows, we hope that readers will gain an understanding of how employment affects SSI and SSD, as well as what they need to do to prevent and fight overpayments. People who receive both SSI and SSD face a more complicated situation, because they

benefits?" Social Security's rules for how employment affects SSI and SSD are very complex. However, there are some general rules to keep in mind when going back to work while receiving Social Security benefits. Employment and SSI

For people receiving SSI, Social Security adjusts their SSI checks every month that they earn work income. Here is how it works: Social Security wants to know how much money SSI recipients receive in total from work each month before taxes. Once they know this amount, they do a few things. In general, Social Security will ignore the first \$85 that an SSI recipient earns at work each

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have to deal with both sets of rules; SSI rules apply to the SSI money they receive, while SSD rules apply to the SSD money they receive.

How Employment Affects SSI and SSD

One of the most common questions we hear is, "How exactly does my work income affect my Social Security

be eligible for at least some money in their SSI check.

Example One: Let's say Ms. Smith is an SSI recipient who begins earning \$685 a month at work. Social Security will ignore the first \$85 dollars that she earns, reducing the amount of employment income it considers from \$685 to \$600. Then they will cut that \$600 in half, bringing it down to \$300. This \$300 is what they will deduct from Ms. Smith's check. So, if she receives \$808 in her SSI check before working, that amount will be lowered to \$508. The important thing to remember is that, in this example, Ms. Smith is earning \$685 and receiving an SSI check for \$508, increasing her monthly income to \$1,193.

This article has been split into two parts. In part two, we will discuss how employment earnings and SSD work together, showing in several examples how various incomes and SSD payments add up. We will also discuss preventing and fighting overpayments.

Contacting MFY
If you have any questions about how working affects SSI and SSD, or if you would like assistance appealing an existing work-related overpayment, MFY's Mental Health Law Project is here to help. Our intake line is (212) 417-3830. That line is opened Mondays, Tuesdays and Thursdays from 10:00 AM to 5:00 PM.