

Solutions for Adult Interdependent Living



SAILing Lessons Finances and Cash Flow

November 09, 2022

SAILing Lesson – November 09, 2022

Agenda



1

Welcome

2

Call to Action

3

Keynote Speaker - Christie Kay

4

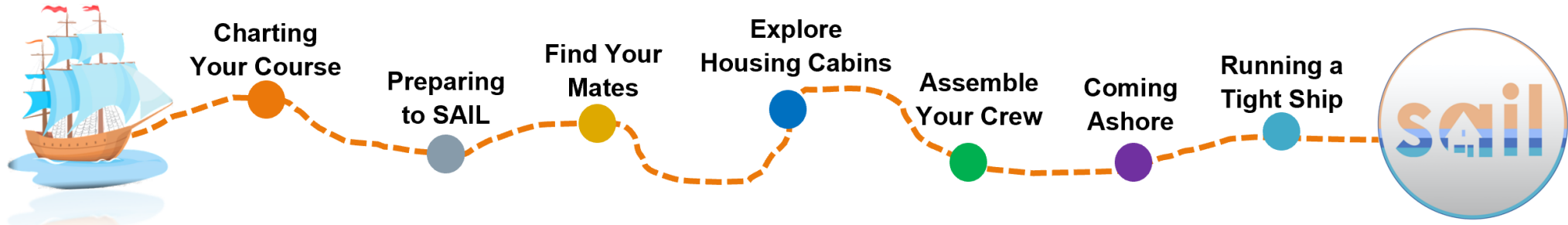
Questions & Discussions

5

Adjourn



SAILing Lessons for the Year



- 1** Sept. 14, 2022 **Understanding the Needs of the Individual**
 - Person Centered Planning | Individualized Plan of Service | Supports Intensity Scale

- 2** Nov. 09, 2022 **Finances and Cash Flow**
 - Supplemental Security Income | Social Security Disability Income | FAP

- 3** Jan. 11, 2023 **Assemble Your Crew**
 - Employer of Record | Staffing Agency | Direct Care Giver | Community Builder

- 4** March 08, 2023 **Finding Your Mates and Coming Ashore**
 - Common Housing Vision | Compatibility | House Guidelines

- 5** May 10, 2023 **Running a Tight Ship**
 - Managing the Home | Guardianship | Meetings with Partner Families

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1

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Financial Supports for Independence

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Who We Are



The Arc of Oakland County is a 501(c)(3) non-profit that advocates for the rights and full participation of all children and adults with intellectual and developmental disabilities (IDD). We strive to improve systems of supports and services; connect families; inspire our community and influence public policy.

We proudly serve individuals and families throughout Oakland County as a local affiliated chapter of The Arc Michigan and The Arc of the United States.

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Tonight's Agenda:

- ▶ We will discuss the tapestry of financial supports that can be woven together to support an independent life
- ▶ Financial elements: SSI/SSDI, Food Assistance, MiABLE
- ▶ Brief overview of how wages may impact benefits
- ▶ Medicaid/Medicare, Adult Home Help (AHH)
- ▶ Community Living Supports
- ▶ Personal Budget example



Social Security Income (SSI)

- ▶ Monthly payments to adults and children with a disability or blindness who have income and resources below specific financial limits
 - ▶ SSI payments are also made to people aged 65 and older without disabilities who meet the financial qualifications.

Basic Requirements

- ▶ Can't have liquid assets over **\$2,000** (Does not include house or car)
- ▶ Must have a disability severe enough so that the person cannot perform "*substantial gainful activity*," that is, competitive employment

SSI Rates (eff: January 1, 2023)

<u>Living Situations</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
Household of Another	\$609.34	<u>\$9.33*</u>	\$618.67
Sharing/Independent	\$914	<u>\$14.00*</u>	\$928
Couple-House of Another	\$914	<u>\$13.96*</u>	\$927.96
Couple-Independent	\$1,371	<u>\$21.00*</u>	\$1,392

*The payment of the state supplement to SSI is sent on a quarterly basis by the Michigan government for these situations. A benefit check or a direct deposit is provided about the 10th of March, June, September and December.

Working While Receiving SSI (1619b)



- ▶ Section 1619b is a special provision of the Social Security Act that allows qualified SSI recipients to continue receiving benefits even though they earn wages higher than their SSI check amount.
 - ▶ In general, SSI benefits go down 50 cents for every dollar earned income goes up.
 - ▶ If the individual's income is too high to receive any SSI, they can remain connected with SSI to maintain Medicaid and resume SSI payments if their income decreases.
- ▶ **Work Incentive Planning and Assistance – WIPA**
 - ▶ SSA program that provides in depth counseling about benefits and the effect of work on those benefits.

Social Security Disability Insurance (SSDI)

- ▶ The SSDI program pays benefits to you and certain family members if you are “insured.”
 - ▶ Insured means that the person worked long enough – and recently enough – and paid Social Security taxes on their earnings.
 - ▶ Qualified family members **include spouse, divorced spouse, children, adult children disabled before age 22**

There are four ways to receive SSDI

1. Work and pay into the Social Security Administration (SSA) system through F.I.C.A. over a period of time known as “credits” or formerly, “quarters of earnings.”
2. Insured parent through SSA is disabled.
3. Insured parent through SSA is retired, over 62, and receiving SSA pension.
4. Insured parent is deceased.

Working While Receiving SSDI

For most people, SSDI's work incentives function like a three-stage process that starts at the same time SSDI benefits begin:

1. During the **Trial Work Period** (TWP), the individual can work and get SSDI benefits at the same time, no matter how much you earn.
2. After the Trial Work Period, the three-year **Extended Period of Eligibility** (EPE) lets the individual work and get benefits for every month that their earnings are at or below the **Substantial Gainful Activity** (SGA) level (\$1,350 in 2022; \$2,260 if you're blind).
3. For the first five years after the individual stops getting benefits, **Expedited Reinstatement** (EXR) means that if their earned income drops below the SGA level, they can quickly get back on SSDI benefits without having to completely reapply.

Concurrent Benefits – SSI and SSDI

Some people may receive both SSI and SSDI if they meet all the eligibility criteria for both.

- ▶ SSDI payments are considered income and will be factored in when calculating SSI payments.
- ▶ Receives both MEDICAID and MEDICARE coverage.



Food Assistance Program (FAP)

- ▶ FAP is monies provided in order to purchase eligible food items at any Food and Nutrition Service-authorized retail food store or approved meal provider
- ▶ Eligible items include: 1) Any food or beverage product intended for human consumption except alcoholic beverages, tobacco, and hot foods or foods ready for immediate consumption, and 2) Seeds and plants for use in gardens to produce food for the personal consumption of the eligible household
- ▶ Checking/Savings accounts balances cannot exceed \$2,001 to be eligible
- ▶ Annual household income cannot exceed: \$17,667
- ▶ FAP is applied for online using the Michigan Bridges online application portal



*Information from [benefits.gov](https://www.benefits.gov)

ABLE Account

- ▶ Achieving a Better Life Experience (ABLE) Act is a tax-advantaged savings program that allows for people with disabilities to save and invest without losing eligibility to public benefits.
- ▶ Saving money in an ABLE account will not affect the person's SSI benefits unless the account exceeds \$100,000

Eligibility

- ▶ Your disability was present before the age of 26

AND

- ▶ One of the following is true:
 - ▶ You are eligible for SSI or SSDI because of a disability
 - ▶ You experience blindness as determined by the Social Security Act; OR
 - ▶ You have a similarly severe disability with a written diagnosis from a licensed physician that can be produced if requested.

NOTE: Eligibility for the account must be re-certified annually

Important Info:

- ▶ ABLE account balances that exceed \$100,000 could cause a reduction or suspension of Supplemental Security Income benefits
- ▶ ABLE account owners who earn income may contribute additional funds beyond the annual \$16,000 contribution limit.
 - ▶ The additional annual contribution amount is equal to the federal poverty level for a one-person household (in your state of residence) or the account owner's gross wages, whichever is less.

Who can open an ABLE account?

- ▶ The person with a disability
- ▶ Power of attorney
- ▶ A conservator or legal guardian
- ▶ Spouse
- ▶ Parent
- ▶ Sibling
- ▶ Grandparent
- ▶ A representative payee appointed for the person with a disability by the Social Security Administration

Qualified Disability Expenses:

A Qualified Disability Expense is:

1. An expense you incurred when you were an Eligible Individual.
2. The expense relates to your disability.
3. The expense helps you maintain or improve your health, independence, or quality of life.
4. Any expenses related to the eligible individual's blindness or disability that are made for the benefit of the eligible individual who is the designated beneficiary

When savings is used for non-qualified expenses:

- The earnings portion of the withdrawal will be treated as income
- Taxed at your tax rate
- Subject to a 10% federal tax penalty and applicable state taxes.

Medicaid

- ▶ Medicaid is a health insurance program for low-income adults and children
- ▶ In Michigan, everyone receiving SSI is automatically enrolled in Medicaid
- ▶ Services covered by Medicaid are offered through what is called fee-for-service or through Medicaid Health Plans
 - ▶ Fee-for-service is the term for Medicaid paid services that are not provided through a health plan. This means that Medicaid pays for the service.
 - ▶ Most people must join a health plan. The health plan pays for most of the services.
 - ▶ Medicaid eligibility is necessary in order to receive services through Oakland Community Health Network

Medicare

- ▶ Medicare is a health insurance program for people aged 65 or older.
 - ▶ Certain people younger than age 65 can qualify for Medicare too, including those with disabilities.
- ▶ Medicare coverage begins two years after receiving SSDI.



Community Living Supports:

- ▶ **Medicaid** covered service that provides caregiving supports to a person with a developmental or intellectual disability
- ▶ Can be provided for up to 24 hours per day; amount of CLS authorized is dependent on the person's medically necessary needs
- ▶ Allows individuals to reside in their own home while being provided the supports necessary to remain safe and engage in daily living activities with the assistance of a caregiver
- ▶ When provided in a personal residence setting, this support is commonly shared among individuals living together



Adult Home Help (AHH) Services:

- ▶ Formerly known as 'chore services'
- ▶ The Home Help program is administered by the Michigan Department of Health and Human Services (MDHHS) and provides personal care services to individuals who need hands-on assistance with Activities of Daily Living (ADLs) and assistance with Instrumental Activities of Daily Living (IADLs).
- ▶ The goal of the Home Help program is to provide the supports necessary to maintain the individual's ability to reside in their own home
- ▶ AHH is used in conjunction with Community Living Supports
- ▶ Example: an individual requiring 24-hour care receives 3 hours per day in AHH services; CLS will be authorized for 21 hours per day in order to provide 24 hours per day care

Personal Budget Example:

Income:

- ▶ SSI: \$914/month
- ▶ Food Assistance Program (FAP): \$260/month
- ▶ TOTAL: \$1,174



*This budget is based on a shared living scenario where three individuals are splitting rent & utility costs.

Expenses:

- ✓ Rent: \$400/month
- ✓ Utilities: \$75/month (not including cable)
- ✓ Groceries: \$120/wk, \$504/month minus food assistance=\$244
- ✓ TOTAL: \$719
- ✓ Remaining finances: \$455/month
 - ✓ The remaining funds would be budgeted for toiletries, paper products, household cleaning supplies, clothing, healthcare, social/recreational, etc



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