

# Demystifying Disability Benefits: Practical Knowledge

---

State Council on Developmental Disabilities

[www.scdd.ca.gov](http://www.scdd.ca.gov)

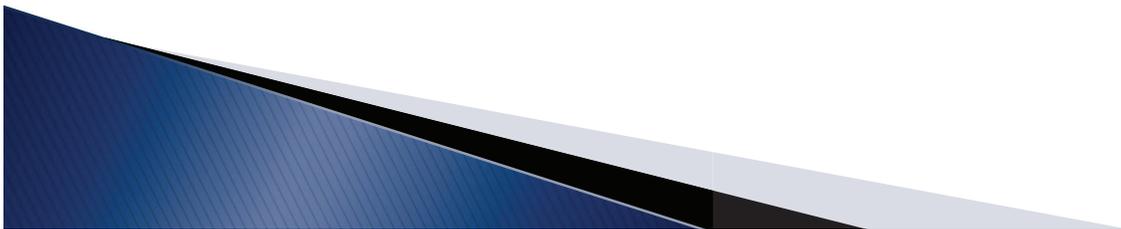


# Disability Benefits for Adults

Supplemental Security Income (SSI)  
Social Security Disability Insurance (SSDI)  
Childhood Disability Benefits (CDB)

# Learning Objectives

- ▶ Increase understanding of the disability benefits evaluation and calculation process
- ▶ Learn about factors that impact disability benefits and programs that allow students to work more and save more
- ▶ Become knowledgeable in resources and referrals to help students navigate the disability benefits system



# What College Professionals Need to Know

- ▶ Many students with disabilities, and their families, are deeply concerned that working will automatically cause them to lose benefits. This fear often leads students to limit their work hours, turn down job opportunities, or avoid employment altogether, even when working would actually improve their financial stability and independence.
- ▶ By understanding the disability benefits, and work incentives, you can help students make informed decisions rather than fear-based ones. This knowledge supports students in pursuing employment experiences that align with their education and career goals.



# Things to keep in mind...

- ▶ Yes, pursue education and work!
- ▶ Department of Rehabilitation and Regional Centers can help
- ▶ Break the cycle of SSI poverty – save \$\$ in an ABLE Account
- ▶ And most importantly, a person can WORK and collect benefits and keep their Medi-Cal insurance (work incentives)





# Definition of Disability

There are two types of Social Security Administration (SSA) benefits:

1. Title XVI – Supplemental Security Income (SSI)
2. Title II – Social Security Disabled Adult Child (aka Child Disability Benefits) and Social Security Disability Insurance (SSDI)

The law defines disability as the **inability to engage in any substantial gainful activity (SGA) because of a physical or mental impairment(s)** expected to last at least 12 months or result in death.

At the time of the initial application, if the person makes more than the \$1,690/month as a non-blind individual or \$2,830/month as a blind individual, they are not eligible for benefits.

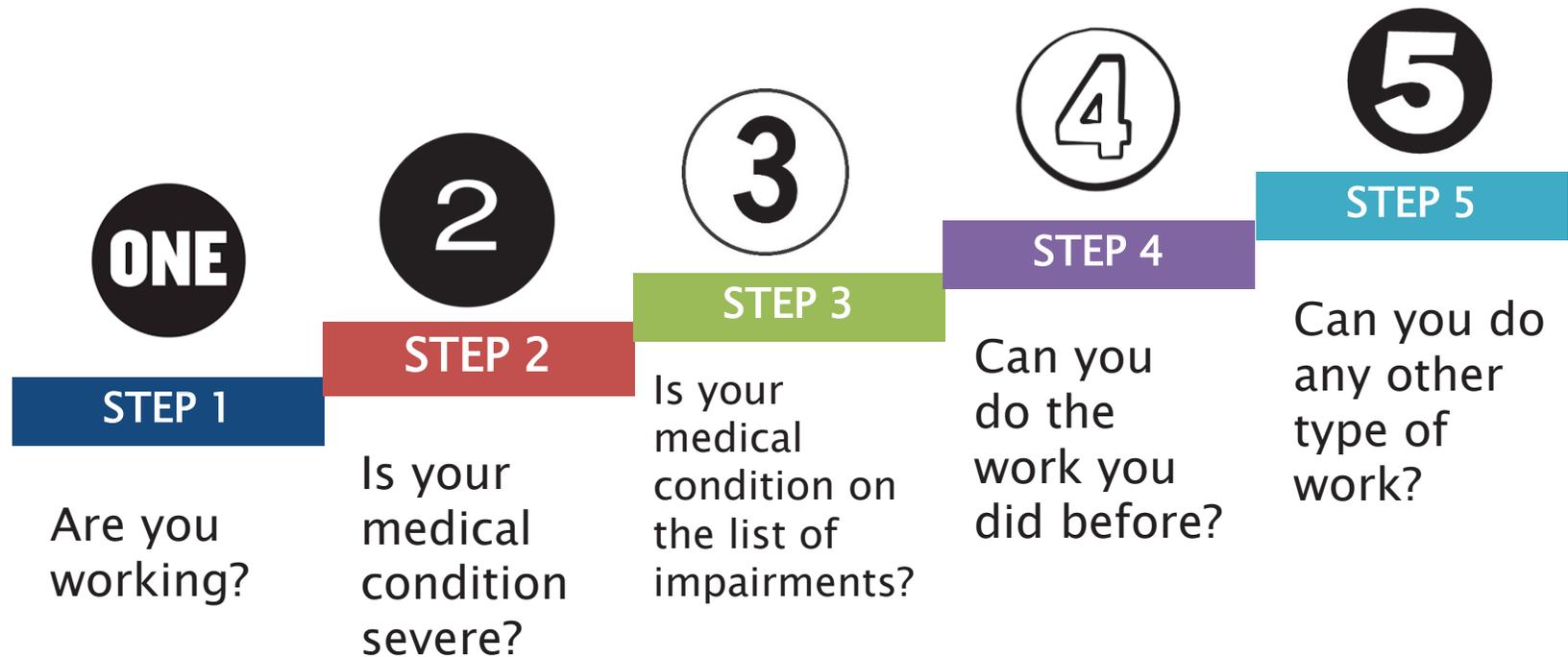


# Five-Step Sequential Evaluation Process

**SSA established a five- step sequential evaluation process for determining whether an individual is disabled, pursuant to 20 CFR 416.920(a).**

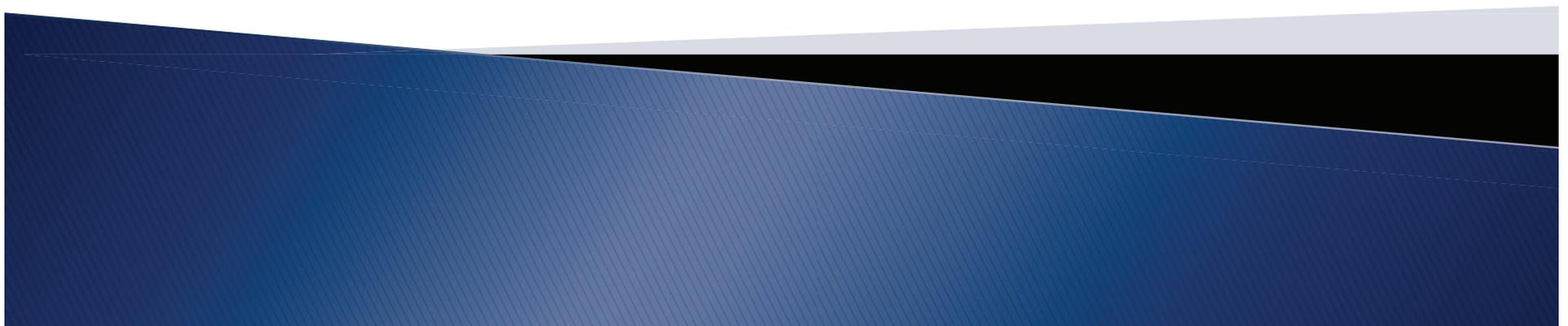
- The steps are followed in order.
- If it is determined that the individual is not disabled at a step of the evaluation process, the evaluation will not go onto the next step.

# 20 CFR §416.920



Evaluation of disability of adults  
Five-step sequential evaluation process

# Supplemental Security Income (SSI)



# When the Student Reaches Age 18

- ▶ Students with disabilities may qualify for Supplemental Security Income (SSI) at age 18
  - Cash benefit to provide for current needs (food, clothing, shelter)
  - Once SSI eligible, immediate Medi-Cal eligibility for health insurance
- ▶ This means that they can get access to healthcare coverage plus financial assistance while they pursue their education
- ▶ Students may also be able to receive other benefits such as CalFresh to help purchase food.



# SSI Snapshot

- ▶ Benefits based on need / Financed by General Revenues
  - ▶ Limited income – In 2026, SGA for a non-blind individual is \$1,690/month. SGA for blind individual is \$2,830/month
  - ▶ Limited resources – Must be under the resource limit (\$2,000 for an individual or \$3,000 for a couple).
  - ▶ Automatically receive Medi-Cal
  - ▶ Must report any work wages, changes to employment, living situation, etc.
- 



# Limited Income & Resources

## What is NOT counted as resources:

- The house in which you live
- One vehicle, used for transportation
- Burial plan/plot
- The first \$20 a month of most income you receive
- The first \$65 a month you earn from working and half the amount over \$65 (for every \$2 earned, \$1 will be deducted from your SSI check)

## What IS counted as resources:

- Property other than where you live
  - All other vehicles (second car)
  - Liquid assets, bank accounts, investments
  - 401k and retirement accounts
- 

# How work affects SSI benefits?

- ▶ For SSI, Social Security will use the person's gross (before taxes) monthly work earnings to calculate their SSI payment. SSI pays two months later, so what the person earns in July affects their September's SSI payment.
- ▶ Social Security will not count the first \$85 (\$20 general income exclusion + \$65 earned income exclusion). After that, for every \$2 earned, \$1 is deducted from the SSI check.



Example: John is 20 years old and earns \$1,300 per month in gross income working at a pet store. He rents a room from his parents in their home and pays for his own expenses.

\$1300 John's gross wages

-\$20 general income exclusion

-\$65 earned income exclusion

-----

\$1,215 - divide by 2 to determine countable earned income

= \$607.50 countable income

\$1,233.94 --- Maximum CA SSI benefit for 2026 (for adult independent living)

-\$607.50 countable income

= **\$626.44 SSI payment**

+\$1,100 approximate pay after taxes

**=\$1,726.44 total income wages + SSI**

**\$1,726.44 income w/ wages versus  
\$1,233.94 w/o wages (SSI only)**

**\*\*After current needs paid, can save \$\$\$ in  
CalABLE\*\***

**\*\*Retains Medi-Cal Insurance\*\***



# Basic SSI formula

- ▶ Cornell University Yang-Tan Institute on Employment and Disability
- ▶ <https://www.ytionline.org/ssi-calculation-worksheet>
- ▶ California DB101
- ▶ [https://ca.db101.org/ca/programs/income\\_support/ssi/program2b.htm](https://ca.db101.org/ca/programs/income_support/ssi/program2b.htm)



# Work Incentives – SSA Red Book

## Work incentives for SSI

1. Impairment Related Work Expenses
2. Unincurred Business Expenses
3. Unsuccessful Work Attempts
4. Continued Payments Under a Vocational Rehabilitation Program (Section 301 Payments)
5. Expedited Reinstatement (EXR)
6. Blind Work Expenses
7. Earned Income Exclusion
8. Student Earned Income Exclusion
9. Plan to Achieving Self-Support
10. Medicaid While Working Section 1619(b)
11. Reinstating Eligibility Without a New Application

## Work incentives for Title II (SSDI/CDB)

1. Impairment Related Work Expenses
2. Subsidies and Special Conditions
3. Uninured Business Expenses
4. Unsuccessful Work Attempts
5. Continued Payments Under a VR Program (Section 301 Payments)
6. Expedited Reinstatement (EXR)
7. Trial Work Period
8. Extended Period of Eligibility
9. Continuation of Medicare coverage
10. Medicare for People With Disabilities who Work
11. Protection From Medical Continuing Disability Reviews

<https://www.ssa.gov/redbook/>

# Work Early!

## Student Earned Income Exclusion

- ▶ This work incentive allows a person who is under age 22 and regularly attending school to exclude a specified amount of gross earned income per month up to a maximum annual exclusion.
- ▶ “Regularly attending school” means
  - In a college or university for at least 8 hours a week.
  - In grades 7–12 for at least 12 hours a week.
  - In a training course to prepare for employment for at least 12 hours a week (15 hours/week if the course involves shop practice)
  - For less time than indicated above for reasons beyond the student’s control, such as illness
- ▶ In January 2026, the amount SSA will exclude is \$2,410 monthly up to a yearly maximum of \$9,730.



# JIM – SEIE

Jim is a college student attending school 12 hours/week. He works part-time and earns \$900/month during school months and picks up extra hours in the summer months of June, July and August earning \$2410. Jim rents a room from his parents’ home and since he pays rent, receives the independent living SSI rate of \$1233.94.

Month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Work Wages</b>	\$900	\$900	\$900	\$900	\$900	\$2410	\$2410	\$2410	\$900	\$900	\$900	\$900
<b>Benefit</b>	Full SSI SEIE	SEIE Remaining \$410 SSI= \$276.44	SSI \$826.44 NO MORE SEIE/USED YEARLY MAX									
<b>Financial Outcome using gross wages</b>	\$2133.94	\$2133.94	\$2133.94	\$2133.94	\$2133.94	\$3643.94	\$3643.94	\$2686.44	\$1726.44	\$1726.44	\$1726.44	\$1726.44

In January 2026, the amount SSA will exclude is \$2,410 monthly up to a yearly maximum of \$9,730.

# SEIE

- ▶ SEIE allows students to test their ability to work without having any reduction in the monthly SSI check.
- ▶ Work Wages + SSI Benefit + Job Experience + Skills Enhancement = SUCCESS!
- ▶ **Connect Transition–Aged Youth (ages 16–21) with Dept of Rehabilitation for student services!**

<https://www.dor.ca.gov/Home/StudentServices>



# Plan to Achieve Self-Support (PASS)

- ▶ A PASS Plan can help pay for things needed to reach a work goal. The money set aside in the PASS does affect SSI payment.

## Example 1 – Wages Being Excluded under an approved PASS

- Billy wants to go to school to become a social worker. He works part time and earns \$665 per month.
- SSA determines Billy's countable income using the earned income formula.  $\$665 - \$20 \text{ (GIE)} = \$645 - \$65 \text{ (EIE)} = \$580$ .
- $\$580/2 = \$290$  in countable income.

Billy's income reduces his SSI benefit by \$290 per month.

However, he agrees to spend the \$290 in countable income on education and SSA approves PASS Plan.

By setting up a PASS, you can keep your SSI benefits to pay for basic living expenses, while you set aside money to achieve your work-related goals.

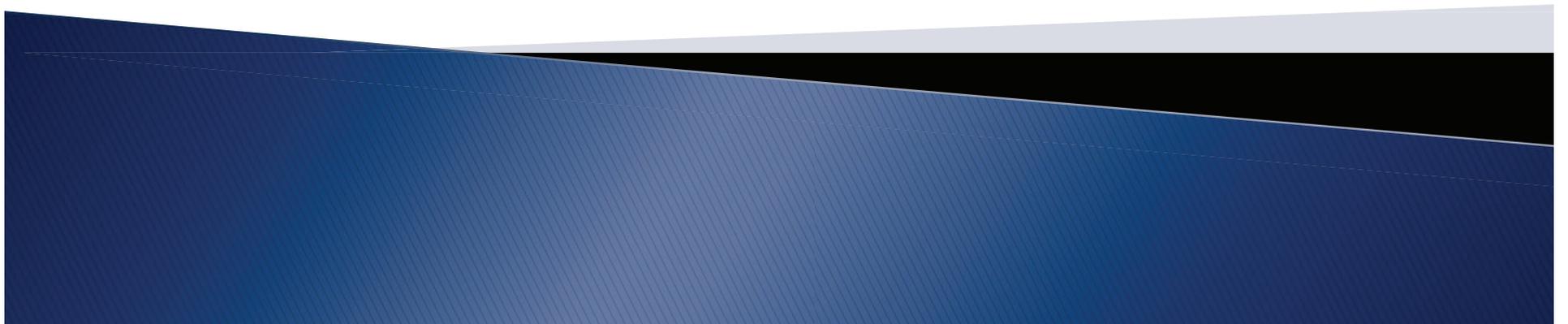


# Medicaid While Working Section 1619(b)

- ▶ Many people who receive SSI worry that if they go to work, they might lose their Medicaid coverage. Section 1619(b) of the Social Security Act helps protect Medicaid for people who work.
  - ▶ To keep Medi-Cal coverage, a person must:
    - Have been eligible for an SSI cash payment for at least 1 month;
    - Still meet the disability requirement;
    - Is under the resource limit
    - Need Medi-Cal to keep working
    - Earn less than **\$66,078 per year** (or **\$68,103 per year if blind**), meaning their income is not enough to replace SSI, Medi-Cal, and publicly funded care services
- 

Social Security Disability Insurance  
(SSDI)

Childhood Disability Benefits (CDB)



# Title II Benefits Snapshot

## Social Security Disability Insurance (SSDI)

- SSDI benefits are paid to people who have worked and paid into Social Security and have earned enough work credits.
- Earned benefit and the amount is based on person's own work record
- The individual is unable to earn SGA due to their disability

## Childhood Disability Benefits (CDB) aka Disabled Adult Child (DAC) benefits

- ▶ Earned benefit for an adult child with disabilities whose parent is retired, disabled, or deceased, provided that the parent earned enough work credits
- ▶ Paid on the parent's work record
- ▶ Adult child must be unmarried, age 18 or older, and have a disability that started before age 22

\*\*After 2 years of receiving Title II benefits, the person will be eligible for Medicare\*\*

# Things to keep in mind...

- ▶ Working allows the person to receive benefits based on their own work history (transitioning from SSI benefits to SSDI)
- ▶ There is no resource limit for those on SSDI/CDB benefits; however, some of the person's other means-tested benefits may have a resource limit.
  - Medi-Cal Asset Limit – This is the maximum amount of money or assets you can have and still qualify for Medi-Cal. For one person, the limit is \$130,000.



# Subsidies & Special Conditions

- ▶ Social Security can only count the money the person earns on their own, without support from others.
- ▶ A subsidy is support provided by the employer that includes, but is not limited to:
  - Fewer/reduced tasks (lower productivity or adjusted duties)
  - Extra, more frequent, or longer breaks
  - Extra supervision
  - “Job carving”
- ▶ A special condition are items or support from someone other than the employer.
  - Job coach paid by Dept. of Rehabilitation or Regional Center
  - The value of the job coach is deducted from the gross wages.



- ▶ Applying the value of a special condition can be used to possibly bring the worker's countable gross income down below the SGA level, thus entitling them to a benefit!

# of hours person worked in the month	<del>×</del>	hourly wages of person served \$	=	Gross Earned Income
# of job coaching hours in the month	<del>×</del>	hourly wage of Person served \$	=	Subsidy Value
				Countable Earned Income

Note: There are some instances when SSA will not deduct an amount equal to the total time a job coach spends with the individual depending on the level of support provided. SSA POMS: DI 10505.010

SSA will also use SSA-3033 Employee Work Activity Questionnaire to determine subsidies.



# Example

- ▶ Jane works in a restaurant earning \$18/hour and worked 100 hours last month, making her monthly gross wages \$1,800 which is over SGA for 2026.
- ▶ Regional Center pays for Jane's job coach who works with her 20 hours/month. When SSA determines the value of Jane's job coach special condition, SSA multiplies the number of hours Jane worked with the job coach by Jane's hourly wage.

# of hours person worked in the month	100	hourly wages of person served \$	\$18	Gross Earned Income	\$1800
# of job coaching hours in the month	20	hourly wage of Person served \$	\$18	Subsidy Value	\$360
				Countable Earned Income	\$1800 - \$360 = \$1,440

Countable income of \$1,440 is less than the SGA for 2026 of \$1,690.  
Jane will receive her Title II benefit.

# Trial Work Period (TWP)

- ▶ During the Trial Work Period (TWP), you can work and get SSDI benefits at the same time, no matter how much you earn.
- ▶ **The 9 Month Trial Work Period** starts the first month the individual returns to work (no work incentives apply during the TWP)
  - Benefits are paid during the TWP regardless of earnings! This is a time designed for the individual to test their ability to work.
  - In 2026, a Trial Work Month is counted any time you earn \$1,210 gross or more in the month.
  - Social Security must find 9 trial work months (non-consecutive) that fall within a 5-year period before the TWP is ended.



# Extended Period of Eligibility (EPE)

- ▶ After the Trial Work Period, the three-year [Extended Period of Eligibility](#) (EPE) lets you work and get benefits for every month that your [countable earnings](#) are below the SGA level (\$1,690 in 2026; \$2,830 if you're blind).
  - ▶ At the end of your EPE, you will keep getting benefits if your countable earnings are below the SGA level. However, once your earnings go over SGA, your SSDI benefits will stop.
  - ▶ For the first five years after you stop getting benefits, [Expedited Reinstatement](#) (EXR) means that if your [countable earned income](#) drops below the SGA level, you may be able to quickly get back on SSDI benefits without having to completely reapply.
- 

# Case Example – Jim



# Reminder – Jim

Reminder: Jim is a college student attending school 12 hours/week. He works part-time and earns \$900/month during school months and picks up extra hours in the summer months of June, July and August earning \$2410. Jim rents a room from his parents' home and since he pays rent, receives the independent living SSI rate of \$1233.94.

While he was going to college between ages 18–21 years old, working his part-time job, he maximized his SEIE work incentive. In these college years, his financial outcome looked like this, while keeping his Medi-Cal insurance.

Age 18	\$27,549.78
Age 19	\$27,549.78
Age 20	\$27,549.78
Age 21	\$27,549.78

- ▶ Jim is now 22 years old and graduated college. He no longer qualifies for SEIE since he no longer attends school and is past the age requirements. His work hours (and therefore his income) have fluctuated. Jim also started to receive job coaching support paid for by the regional center. The regional center also pays for his bus pass to get to/from work, Medi-Cal pays for his medication, so he does not have any out-of-pocket work expenses. He continues to rent a room from his parents.

Month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Work Wages</b>	\$1200	\$1200	\$1200	\$1200	\$1200	\$900	\$900	\$900	\$900	\$900	\$900	\$900
<b>Benefit</b>	SSI \$676.44	SSI \$676.44	SSI \$676.44	SSI \$676.44	SSI \$676.44	SSI \$826.44	SSI \$826.44	SSI \$826.44	SSI \$826.44	SSI \$826.44	SSI \$826.44	SSI \$826.44
<b>Financial Outcome using gross wages</b>	\$1876.44	\$1876.44	\$1876.44	\$1876.44	\$1876.44	\$1726.44	\$1726.44	\$1726.44	\$1726.44	\$1726.44	\$1726.44	\$1726.44

If Jim did not work, he would receive his SSI only at \$1233.94.  
 By working, his financial outcome is between \$1726.44 and \$1876.44 depending on his work wages for those months.

- ▶ Jim continues working at the same job for several more years. He now has enough work credits to transition from SSI benefits to Social Security Disability Insurance (SSDI), based on his own work record.
- ▶ Jim still keeps his Medi-Cal insurance and after two years receiving SSDI, Jim will also have Medicare insurance (Medi-Medi).



# Jim is now on SSDI benefits

- ▶ As mentioned, regional center is providing Jim job coaching support (work incentive = special conditions). Jim continues to enjoy his job, his paycheck, his colleagues, and continues working. His work hours continue to fluctuate based on employer needs.

Month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2026	\$1500	\$1100	\$1500	\$1100	\$1500	\$900	\$2000	\$2400	\$2000	\$1300	\$1300	\$1300
	TWP 1		TWP 2		TWP 3		TWP 4	TWP 5	TWP 6	TWP 7	TWP 8	TWP 9

During the 9-month Trial Work Period (TWP), Jim will receive his full SSDI check plus his work wages. After the TWP ends, the three-year [Extended Period of Eligibility](#) (EPE) starts and it lets you work and get benefits for every month that your countable income is below SGA (\$1,690 for not blind; \$2,830 if you're blind).



# Special Conditions – Job Coaching

- ▶ Jim’s countable income...
- ▶ Jim makes \$18/hour
- ▶ Regional center paid job coaching at 20 hours/mo.
- ▶ Using the value of the job coach, \$1800 gross income minus the value of the job coach \$360 = Jim’s countable income is \$1440 (under SGA of \$1690)

Month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Hours Worked/ month	100	100	100	100	100	100	100	100	100	100	100	100
2027 Wages	\$1800	\$1800	\$1800	\$1800	\$1800	\$1800	\$1800	\$1800	\$1800	\$1800	\$1800	\$1800
	EPE 1 FULL SSDI	EPE 2 FULL SSDI	EPE 3 FULL SSDI	EPE 4 FULL SSDI	EPE 5 FULL SSDI	EPE 6 FULL SSDI	EPE 7 FULL SSDI	EPE 8 FULL SSDI	EPE 9 FULL SSDI	EPE 10 FULL SSDI	EPE 11 FULL SSDI	EPE 12 FULL SSDI

# Use WIPA! Benefits Counseling

- ▶ WIPA – Work Incentive Planning and Assistance
- ▶ A three-year grant awarded by the Social Security Administration to local organizations to provide WIPA services
- ▶ Services available to those who are working, looking for work, or thinking about working
- ▶ Provides in-depth counseling about benefits and the effect of work on those benefits
- ▶ <https://www.ssa.gov/work/documents/Update%20WIPA%20Organizations.pdf>



# Take Aways

- ▶ A person can work and receive benefits at the same time regardless if they are on SSI or SSDI benefits
- ▶ They will keep their Medi-Cal insurance while working if they earn less than \$66,078/year (or \$68,103/year if blind)
- ▶ After they pay for food, clothing, and shelter (rent), they can save money in an ABLE account up to \$100,000 without affecting their SSI.
  - CalABLE exempt from Medi-Cal estate recovery if the person passes away, money goes to designated beneficiary)
- ▶ A self-settled Special Needs Trust can also be created for those with more substantial savings over \$100,000 (Medicaid estate recovery applies).



# CalABLE as a Savings Tool

- ▶ CalABLE allows an individual to save for their future without affecting eligibility for public benefits
  - Save up to \$100,000 without the risk of losing federal or state benefits, such as SSI or Medi-Cal
  - Money can be spent on qualified disability expenses, geared toward improving health, independence, and quality of life.
- ▶ Learn more about CalABLE
  - [www.calable.ca.gov](http://www.calable.ca.gov)
  - [www.calable.ca.gov/resources](http://www.calable.ca.gov/resources)



# Why Work?

- ▶ Contribution to, and connection with, the community we live in
  - ▶ Improved financial outcomes and for some, exit off SSA benefits
  - ▶ Continuation of insurance
  - ▶ Meaningful connections with others
  - ▶ More money (for saving, spending, or both)
- 
- ▶ Encourage those we with work alongside to apply for benefits for support as they find/continue work. Benefits should never replace work, but supplement work income.



# Resources

- ▶ Social Security Administration –  
[www.ssa.gov/faqs/en/questions/KA-02053.html](http://www.ssa.gov/faqs/en/questions/KA-02053.html)
  - SSI [www.ssa.gov/pubs/EN-05-11125.pdf](http://www.ssa.gov/pubs/EN-05-11125.pdf)
  - SSDI [www.ssa.gov/pubs/EN-05-11001.pdf](http://www.ssa.gov/pubs/EN-05-11001.pdf)
- ▶ California DB 101 – <https://ca.db101.org/>
- ▶ SSI at Work Toolkit –  
<https://ssi.disabilitybenefitsatwork.org/>



# Thank You!

Scarlett K. vonThenen  
State Council on Developmental Disabilities,  
Orange County Office  
[Scarlett.vonthenen@scdd.ca.gov](mailto:Scarlett.vonthenen@scdd.ca.gov)

