

Ask the

Insurance Advocate

Myths and Truths About Social Security Disability Income

by Gerald B. Kagan

Although most people know about Social Security retirement benefits, far fewer know that people with disabilities – those who can no longer work because of illness or injury – may also qualify for Social Security benefits regardless of their age. The process of obtaining such benefits can be confusing, and as a result there are many misunderstandings.



Certain benefits, known as Supplemental Security Income (SSI), are available to the very poor (those with less than \$2,000 in total assets and a minimum monthly income threshold that changes annually – currently \$640 per month). SSI benefits are not discussed further in this article, and you should call the Social Security Administration (SSA) if you think that you may qualify for such benefits.

Other benefits, known as Social Security Disability Income (SSDI), have different standards than SSI and are more broadly available. Below are the truths about some of the common myths regarding SSDI benefits.

MYTH:

If I am disabled, I automatically get Social Security Disability Income benefits.

TRUTH:

Not necessarily so. To be eligible, you must have enough “credits,” accrued based on the number of quarters that you have worked and paid FICA (Social Security) tax. You should call the SSA to see if you are eligible. Such

information is contained in the trifold summary of Social Security benefits sent to you periodically by the SSA.

MYTH:

If I am disabled, it is easy to obtain SSDI benefits.

TRUTH:

Actually, it can be a difficult and frustrating procedure. Initially, you must be interviewed by a Social Security employee in your area, either in person or by telephone. In some cases you can apply via the Internet. The majority of applications are turned down upon initial application. However, chances of approval increase when you file an appeal. Appeals take different forms in different states, so you must talk to the Social Security office in your area.

MYTH:

Once approved, my benefits are retroactive to my date of disability.

TRUTH:

That is not the case. You do not qualify for SSDI benefits until 5 months after

your disability begins. If your benefit application is approved, your benefits are retroactive to the date 5 months after you became disabled or 1 year prior to the application date, whichever is sooner. Therefore, as long as you apply within 17 months of your disability date, you should receive 100 percent of the benefits to which you are entitled.

MYTH:

Once I start receiving SSDI benefits, I cannot work or I will lose my benefits.

TRUTH:

You can work and also receive benefits for a certain period because the SSA wants to encourage benefit recipients to attempt to return to work. As long as you remain medically eligible, you can work at any rate of compensation for up to 9 months (during a 60-month rolling period) after your SSDI benefits are awarded. This is called a Trial Work Period or "TWP." The months in the TWP will not have any effect on your SSDI benefits. Any month in which you earn an annually adjusted amount of income that the SSA uses to deem whether you are engaged in what it calls substantial gainful activity, or "SGA," counts as a month of your TWP. The current amount is about \$1,000. Thus, if you work in one month and earn \$250, it does NOT count as a TWP month. But if you work in one month and earn \$5,000, it counts as one, but only one, month in your TWP.

After expiration of the TWP, an SSDI recipient begins an extended period of eligibility, or "EPE." During the EPE, you would continue to receive your full benefits regardless of your compensation level. For

the last 33 months of the EPE, you only receive your benefits for a month in which you earn less than the SGA amount and you receive no benefits if you earn more than the SGA amount. If at the end of the EPE you continue to earn above the SGA amount, your benefits are terminated.

However, if within 5 years of the termination of your benefits, you become unable to perform SGA because of the same medical condition that led to your first SSDI benefits, you can get expedited treatment in obtaining reinstatement of SSDI benefits.

MYTH:

SSDI benefits and Medicare benefits are unrelated.

TRUTH:

Once you have received SSDI benefits for 24 months, you qualify for Medicare benefits (Part A hospital and Part B doctor) regardless of age. Once you enroll, you will retain your Medicare benefits even if your SGA income results in a loss of your SSDI benefits. In most cases, you would receive at least 93 months of Medicare eligibility starting the month after the last month of your TWP, as long as you are still not medically improved.

These rules sound complicated – and they are. If you become disabled and have been in the workforce, you should seek assistance to determine whether you are eligible for SSDI benefits and to assist you in applying for them and following the requirements for maintaining them. ■

Note: This article is intended for educational purposes only. For specific insurance and Medicare advice, contact an insurance or Medicare professional.