

Reporting Your Earnings to Avoid Overpayments: Strategies for Navigating the Income Reporting Process

Part of the series “Your Path to Success: Answers to your work questions from NYS PROMISE”

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<http://www.nyspromise.org>

This document is an accessible, 508-compliant version of the original brochure.

In This Guide

The Purpose of this guide is to educate New Yorkers with disabilities who work to avoid overpayments and when faced with an overpayment strategies for handling the situation. Specifically, this guide covers:

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This booklet is part of a series of Path to Success publications that help New Yorkers with disabilities plan a path to employment.

Why Do Overpayments Occur?

Many overpayments occur because information about wages and other events affecting Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) payments are either not reported in a timely manner or not reported in a fashion that ensures a timely determination of SSI payment amounts or continuing eligibility for SSDI benefits. To avoid these unnecessary overpayments (and underpayments as well), you should report your wages and additional income on a monthly basis to the Social Security Administration (SSA). In addition, benefits and work incentives practitioners and advocates could enter into discussions with SSA field offices on your behalf to establish a good and easy process for reporting changes in income and other information.

Timely Reporting of Earned Income

Earned income should be reported monthly, unless there is a prearranged agreement with a local SSA office to only report wages when the monthly amount increases or decreases. Timely reporting of earned income will also enable SSA staff to track use of Trial Work Period (TWP) and Extended Period of Eligibility (EPE) months for SSDI beneficiaries.

Many SSI recipients are dually entitled to both SSI and SSDI benefits. Most SSA offices have one group of claims representatives handling SSI cases and another group handling SSDI cases. Separate reports to the different claims representative may be needed. If you are dually eligible, you need to make sure that you have contact information for both claims representatives so that your earnings and other income information is reporting across both systems.

A potential challenge with SSI, for example, is that after the initial two months of eligibility, SSI payments in a given month are determined by income received two months earlier. The SSI program refers to this as retrospective monthly accounting (RMA). The June SSI payment is based on April's income, July is based on May's income, and so forth.

Keep in mind, however, that since SSI income is counted in the month it is received, individuals who work and are paid every two weeks will experience a three-paycheck month twice per year.

Regulations require that income received in a month should be reported by the tenth of the following month in order to ensure that the

SSI payment amount that is based on that income is properly calculated and paid under the RMA system. You should mark your calendar to make sure that by the 10th of each month you have provided your income information to the SSA.

Tip For SSI Recipients Who Work

When an SSI recipient expects to have fluctuating wages, a great strategy that has been employed by some beneficiaries and their advocates is to provide SSA with future wage estimates that are somewhat higher than what the individual expects to earn. The advantage to beneficiaries is they avoid overpayments and often receive small supplements to their SSI payment to make up for any

underpayment. Many SSA offices have embraced this strategy, as it takes much less time to issue a periodic underpayment supplement than it does to process an overpayment determination and then collect it from future payments, and they do not have to devote staff time to dealing with requests for reconsideration of the overpayment or waiver of the overpayment.

Timely Reporting of Unearned Income

Most unearned income will come in equal amounts every month. For example, SSDI benefits, Veterans Administration benefits, private disability benefits, and pension benefits most frequently do not change from month to month. Subject to any different arrangement that your local SAA office may prefer, it is usually enough to only report changes in the monthly payment amounts to SSA.

Sometimes unearned income may be temporary. It can also vary from month to month. For example, unemployment insurance benefits will be available to many working beneficiaries who lose their jobs. Typically, unemployment benefits will continue for no more than six months. If the individual returns to work part-time while receiving unemployment benefits, the unemployment check may be reduced accordingly. This unearned income must be reported to the SSA on a weekly basis.

Timely Reporting of Other Changes

SSI payments and payment rates can be affected by many circumstances. For example, in 2017 an individual living alone in New York State receives \$822 a month in SSI – \$735 in federal SSI and a separate \$87 state supplement payment. If they move in with someone else, their SSI benefit will be reduced to \$758 a month – \$735 in federal SSI and a separate \$23 state supplement payment. Since a change in living arrangements can affect the SSI payment amount, it should be reported promptly. Additionally, any receipt of a non-excluded resource which might place a person's resources above SSI's \$2,000 limit for an individual (or \$3,000 for a married couple) must be reported immediately. Reporting these changes on a timely basis will go a long way toward avoiding an overpayment notice in the future.

Timely Reporting of Any Unexpected SSA Benefits

Sometimes an SSI or SSDI beneficiary receives a payment from SSA with an amount that is much larger than usual, or an unexpected extra payment. Whenever the beneficiary receives an unexpected larger payment. Whenever the beneficiary receives an unexpected larger payment or an extra payment, it is always best to review any correspondence from SSA that either arrives at the time of the direct deposit payment or was received before that payment, to see if there is an explanation for the extra money. If there is no correspondence from SSA, or the correspondence is unclear, it is always best to contact the local SSA office about why the larger payment or extra payment was sent. Pending any final word from SSA about the extra money, the beneficiary should be advised not to spend the extra money until SSAZ makes it clear that the payment was sent correctly and can be spent.

Timely Reporting of Any Unexpected Benefits From Another Government Program

Sometimes an SSDI recipient receives an award of Worker's Compensation or there is a change to the amount of Worker's Compensation received. Either of these changes must be reported. Additionally, if an SSI recipient receives an award of Worker's Compensation, depending on the amount, it will often make the SSI recipient either ineligible for an SSI payment or eligible for a reduced SSI payment. Thus, reporting to SSA about receiving these types of benefits on a timely basis is crucial.

What is Timely Reporting?

According to SSA policy, an SSDI or SSI beneficiary is expected to report changes that affect their eligibility in any way within 10 days of the change. That would include changes to income, both earned and unearned.

What if I Have Questions About How My Benefits Will Be Affected by Going Back to Work?

If you have any questions about how your benefits will be impacted by going back to work, you can contact specialists to assist you toll-free at 1-888-224-3272 voice/ 1-888-224-3272 TDD. The hotline is available during business hours Monday through Friday, except on holidays. Every effort will be made to return calls the same day or within one business day.

Additionally, SSA has contracted with local organizations to provide work incentive planning and assistance services for individuals who receive Supplemental Security Income and Social Security Disability Insurance. The Work Incentive Planning Assistance (WIPA) agencies have people who have been specially trained to help individuals with disabilities considering returning to work or returning to work. You can get a list of the WIPA's in New York at: <http://www.chooseworkttw.net/findhelp/> (search for New York; then select WIPA and search).

Finally, the New York Makes Work Pay Initiative has established a certified network of work incentives specialists throughout New York State who can also assist you in understanding how your benefits will be impacted by earnings. The purpose of the Work Incentives Information Network is to assist beneficiaries in gaining access to the information they need to make decisions about work and earnings and also provide the tools to build assets. You can locate a certified practitioner and other resources to support developing your path to work by going online at: <http://www.newyorkmakesworkpay.org>

Questions about how earnings impact your disability benefits? Call us toll-free at 1-888-224-3272

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