

# TEXAS PASS NETWORK

## Consumer Factsheet

### Understanding the Social Security Work Incentive Plans for Achieving Self-Support (PASS)

Daniel Scarborough

The Plans for Self-Support (PASS) are work incentive provisions included as a part of the original Supplemental Security Income (SSI) program enacted by Congress in 1972.

The legislative history surrounding the passage of the SSI program clearly shows that Congress intended to provide assistance to people with disabilities in the United States in two ways. First, there was a clear commitment to provide a minimum level of support through monthly SSI checks for people with disabilities who could not support themselves because of the severity of their disability. Second- and just as significant- was a clear mandate to "... provide every opportunity and encouragement to the blind and disabled to return to employment" and try to eliminate the need for government income support.

Congress included the PASS provisions in the original SSI statute and directed that the provisions "...**be liberally construed**" if necessary to accomplish the objective" of helping people work their way off SSI without penalizing them for their efforts by reducing their benefits prematurely before they become self-supporting."

Unfortunately, although it has been nearly 24 years since the SSI program was enacted, the Social Security Administration (SSA) has not met its Congressional mandate. Today most people with disabilities and the professionals

who provide rehabilitation services for them are not aware of the PASS provisions and how well the PASS can provide funding for assistive technology, job training, and educational opportunities. Many people with disabilities are still reluctant to try work because they mistakenly assume that they will lose their SSI benefits as they attempt to be self-supportive.

### What is SSI?

Supplemental Security Income (SSI) is an income support program enacted by Congress for people who are over the age of 65, or blind, or disabled with little income and resources. SSI also provides medical coverage under the State administered Medicaid programs. The term "disabled" for SSI benefit purposes means that the person is unable to do any substantial work because of the severity of a physical and/ or mental impairment for more than 12 months.

Because SSI eligibility is based on the financial need of a person with a disability, income and resources are considered in determining eligibility. The amount of income can also affect how much the monthly SSI check will be. Essentially, the SSI payment is calculated by subtracting a person's other earned and unearned income (less deductions authorized by the Congress) from the federal SSI benefit rate (\$484 per-month in 1996). However, not all income a person has is counted when calculating the amount of the SSI payment. For example, if a person who receives SSI goes to work, only half their earnings are counted. Thus, it is possible for a person with disabilities to work and still receive some SSI. Many people mistakenly assume that just beginning work causes all SSI payments to be discontinued.

## What is a PASS ?

A Plan for Achieving Self Support or PASS is a self-directed vocational plan for an individual who is disabled or blind for their future prospective self-support.

The individual decides what their goal is and how they will pursue it.

## Isn't PASS a new program?

PASS is a provision of the SSI statute passed in 1972 — some 24 years ago.

There were no public documents on the PASS and its use until 1988 — some 16 years after the SSI program was enacted.

## What is the role of the Social Security Administration in identifying and informing potential PASS participants?

SSA should...”initiate a discussion with anyone who is a likely candidate”.

SI E00870.003 A1

## Who are likely candidates for a PASS

Individuals who are blind or disabled who interested in rehabilitation and in becoming self-supporting and :

- Are age 15-65. Individuals over age 65 can have a PASS if they are eligible for SSI because of disability in the month before turning 65.
- Are already receiving rehab services from TRC or TCB, other public agencies (VA), or private agencies (UCP, The Arc, Easter Seals)
- Are in college (UT, A&M, Austin Community College) or vocational training programs (TSTI, Supported Employment)
- Would otherwise have initial SSI denied, continued, suspended or terminated solely due to excess income (including SSDI) and/or excess resources.
- Has income other than SSI to set aside for planned PASS expenditures.

SI E00870.003B1, B2

## It is improper for a SSA representative to comment:

- “ PASS is not for people who are mentally retarded.”
- “This is only for higher functioning individuals.”
- “PASS is only for people on SSI. “

## How about people who receive SSDI?

Despite what consumers are told in many SSA offices, individuals can exclude SSDI (unearned Income ) to fund a PASS and thereby increase their current SSI payment, if they are concurrently eligible or establish eligibility for SSI by reducing their countable unearned income.

*Note: The PASS does not suspend the trail-work-period and other SSDI related work incentives. If the individual loses eligibility for SSDI used for funding the plan, then the plan should be modified to reflect the loss of that unearned income as a funding source.*

## Who can have a PASS?

Any individual who meets the statutory definition of disability and currently is not self-supporting and has income ( earned and unearned) to purchase goods and services needed to fulfill a feasible approved plan.

## How does PASS work?

The PASS permits the exclusion [deduction] from countable income / resources the costs needed to fund an approved PASS.

The PASS is in effect a rebate program that returns to the individual the costs of pursuing a self-directed rehabilitation plan so that the individual has sufficient income for support while pursuing that plan.

## What is the purpose of a PASS?

A PASS is an individual's written plan for increasing their prospect and capability for

self-support. The expected outcome of a PASS is that an individual will produce additional earned income to eliminate - or significantly reduce-SSI payments within a reasonable period of time.

SI E00870.006C1.

### What does self-support mean?

Self support is an individual's capacity to provide for his/her own welfare by their own efforts or output.

SI E00870.002B.12.

In other words, the individual will not need Social Security disability because of their higher earnings.

Under the new rules issued through the Program Operations Manual System (POMS) in April, 1996, the kinds allowable expenditures of have been changed from any costs needed to reach an to "start-up costs" for an entry level position.

### EXCEPTION:

A PASS that seeks a work goal beyond an entry level position may be approved, if the earnings expected at the entry level would be insufficient to pay those expenses he/she would incur by working as well as their other financial obligations.

SI E00870.006C.1.

### Ms. Gomez example :

Ms. Gomez has monthly attendant care costs of \$1,000 and monthly household expenses of \$550. She would not be restricted to an entry level position if the expected earnings (plus other income) would yield only \$1,500 because it would not provide for her ongoing monthly living expenses.

### What are start-up costs?

Start-up costs reflect those expenses the person incurs in order to begin working or conducting [a] business in the occupational goal.

### What are some examples of the types approval start-up expenditures that can be excluded from an individual's countable income/ resources under a PASS?

- Attendent care
- Basic living skills in conjunction with pursuing an [occupational] goal
- Child care
- Costs incurred for room and board [away from an individual's principle place of residency] when attending educational, training, employment, trade, or business activities
- Dues, subscriptions for publications for academic or professional purposes
- Equipment, supplies, operating capital and inventory required to establish and carry on a trade or business
- Equipment, tools either specific to the individual's condition or designed for general use (i.e. for a non-disabled person)
- Meals consumed during work hours
- Operational or access modifications to buildings, vehicles, etc. to accommodate buildings
- Tuition, books, supplies, and all fees and costs imposed by or in connection with an educational or occupational training facility including tutoring, testing, counseling, etc.
- Uniforms, specialized clothing, safety equipment, and appropriate attire (suits and dresses) for job interviews in an office or professional setting
- Maintenance costs for any of the above
- Transportation:
  - hire of private/ commercial carriers
  - lease, rental or down payment on plus registration fees and initial costs of insurance premiums
- Job coaching/ counseling services
- Job search or relocation expenses
- Preparation fees for developing a PASS
- Taxes and government imposed user fees (permits, licenses) connected with any of the above finance and service charges connected with obtaining any of the above.

SI E00870.025C.4.g.

Remember: “a PASS must be “tailored for the individual’s circumstances”.

SI E00870.6A.3.

## **THAT MEANS SOME ITEMS OR SERVICES THAT THE INDIVIDUAL NEEDS MAY NOT BE ON SSA’S LIST.**

I ask the question:

### **What happens if the individual does not have this item or service?**

*If the answer is that they cannot start their occupational goal, then I assume that the item or service should be included in a PASS. If the cost is reasonable; the item or service is necessary to achieve the individual’s stated occupational goal and ; the individual has the desire and sufficient countable income to cover the expense, do not hesitate to develop a PASS to assist an individual.*

### **What are some examples of the types non-approvable expenditures?**

- Expenses paid for by another party ( e.g. TRC is already paying for van modification).
- Expenses in existence before the PASS start date. It should be noted that the start date is when the individual starts the occupational goal and not when SSA finally gets around to approving the PASS.
- Expenses approved under a previous PASS that did not result in self-support, unless a satisfactory explanation is given as to why the expense is necessary.
- Have already been used to reduce countable income/ resources. For example, the cost of an item that is used to reduce net-earnings for self-employment.
- Expenses incurred after reaching the occupational goal unless they are approved as part of the PASS and are still be paid when the job is being performed.

***Note: expenses that occur after the individual attains the goal may qualify as BWE’s or IRWE’s, if those are related to the individual’s disability and are needed***

***to do their job. IRWEs and BWEs last for as long as the individual has their impairment.***

### **When does A PASS Start ?**

A PASS begins in the month that SSA receives the plan unless the individual defines another month — either in the past or a future date.

A PASS can start with the actual month that the individual begins pursuing their occupational goal (i.e. saving, incurring expenses, or working).

An individual who submits a PASS to SSA, for example, in October, 1996 but they had already begun their job and setting aside expenses in February, 1996 should indicate the starting date of their PASS was February, 1996. To backdate a PASS an individual should submit receipts as documentation for those the expenses that were incurred.

### **Backdating a PASS to fund the start-up of a PASS**

Sometimes an individual has no income to start a PASS. For an individual already receiving SSI, the PASS can be backdated to provide a source of funds to start their PASS.

SI E00870. 007B4

This is possible through what SSA calls the “retrospective monthly accounting cycle” or RMA. RMA reflects the 2-month lag time for payment of SSI. SSI payments for October, 1996, for example, will not be reflected until the SSI check received in December, 1996.

### **Mr. Clark Example:**

Mr. Clark submits a PASS to the local SSA office in October, 1996. He has been working in a sheltered workshop but has a chance to begin a competitive job in November, 1996.

His PASS excludes his SSDI, but he can not begin until he has the funds to purchase the

services of a job coach. He is in a real Catch -22. He has to use his use his SSDI for living expenses, but he has to spend them before he can receive the higher SSI that a PASS provides. He can not start his PASS.

Recognizing that he needs the increased SSI to pay his job coach to start his PASS in November, Mr. Clark should indicate that his PASS start date is September, 1996 to accommodate the RMA.

Mr. Clark (assuming that SSA does their job and approves the PASS promptly) will begin his job in November with an increased SSI check from the SSI back payments for September and October. This will give him the funds he needs to start his new job and pay his job coach.

### **For how long can a PASS be developed?**

As of January1, 1995, Section 203 of the *Social Security Independence and Program Improvements Act of 1994* (Public Law 103-296) requires that the time limits for a PASS take into account “ the length of time that an individual needs to achieve his/ her employment goal.”

- a PASS should specify anticipated beginning and ending dates and should include target dates and the corresponding time frame for each step for reaching milestones or steps toward reaching the PASS goal.

SI E00870.006D.3..

### **Billy Mason Example:**

Mr. Mason’s occupational goal is to attend the University of Texas and become self-supporting as a Special Education Teacher.

Generally to become a teacher and individual in Texas would:

- graduate from secondary school.
- apply for admission to a university.
- pass all courses to maintain student status

- complete their student teaching
- graduate with degree
- get certification from Texas Education Agency(TEA)
- apply for a Special education position
- be hired as a Special Education teacher

### **When does a PASS end?**

- ✓ When the occupational goal is reached
- ✓ When the specified time limit is reached
- ✓ When the individual is no longer in compliance with his/her plan
- ✓ When the individual abandons their plan

### **What are SSA’s policy principles for a successful PASS?**

- ✓ be writing (use SSA form)
- ✓ contain the anticipated period of time (including interval steps) for reaching the goal ;
- ✓ specify a feasible occupational objective
- ✓ indicate a specific savings and planned disbursements for toward the occupational objective that identifies:
  - what money and other resources will be used to reach the work goal;
  - what expenses for goods and services will incur;
  - how the goods and services are necessary to meet their occupational goal;
  - how the individual will disburse their monthly expenses or savings

SI E00870.006E.1

- ✓ how the individual will keep the set aside income identifiable from other funds (bank account)
- ✓ be expected to increase the individual’s prospect for self support.

SI E00870.001C

### **If the PASS meets these criteria, the plan must be approved.**

### **Isn’t the PASS a time-limited program?**

*The PASS is designed to help people who are disabled or blind to become self-*

*supporting . Sometimes this means the individual, like people without disabilities, will not succeed in their first efforts. Under the PASS provisions there is no penalty for failure. Every encouragement should be made to find an occupational goal that provides the individual with capability for self-support-no matter how long and how many PASSes it takes.*

*Daniel Scarborough*

### **Where do I submit a PASS?**

A PASS should be submitted to your local Social Security office. The local office is responsible for developing the plan for submission to the SSA Central Office for approval.

### **Who approves or disapproves a PASS?**

The Commissioner of SSA has given the final decision making authority on a plan with a "cadre of specialists" in SSA's Central Office in Baltimore, Maryland.