

## **Removing Barriers and Disincentives to Meaningful Employment for People with Disabilities Receiving Social Security Benefits**

People who are blind or have significant disabilities face numerous challenges and barriers to meaningful and full employment, not the least of which are institutional roadblocks and disincentives as a result of current government policies. Among the government-imposed barriers is the SSDI “benefits cliff”, which are extremely low (sub-poverty) limitations on earned income beyond which people on SSDI lose their SSDI entirely. As a result, there are a significant number of people with disabilities who do not go to work, or turn down promotions, additional hours and increased pay because they will lose, or fear they will lose, their SSDI benefits. Many people with disabilities also fear they will lose their medical coverage by going to work because their state does not have a Medicaid buy-in program, or they do not know about the Medicaid buy-in program, or because the limits or disincentives associated with that program are too great.

Congress acted last year to ensure the solvency of the Social Security Disability Insurance (SSDI) Trust Fund. Beyond this important step, lawmakers must ensure the fund’s long-term sustainability by providing incentives for SSDI recipients to return to work following the onset of disability while maintaining benefits and assuring a rapid return to benefits in situations where they lose employment.

Congress has held many hearings in recent years on solutions around SSDI, including the need to remove the tremendous barrier to going back to work which is caused by the so-called “benefits cliff”. Rather than SSDI benefits stepping down as earned income steps up, the “benefits cliff” causes SSDI recipients to lose 100% of their SSDI benefit at the point they earn as little as \$1,131 per month for nine months (or \$1,820 if an individual is blind). Fear of the “benefits cliff”, complex challenges with reinstatement, and other complications combine to create profound disincentives for SSDI recipients to return to meaningful participation in work.

Congress needs to seriously consider, with urgency, a benefit offset or other strategies that incentivize SSDI recipients to work and fairly reduce their dependence on SSDI payments as they return to work or expand their hours worked and income earned. Congress should move beyond hearings and demonstration programs to real action. At the very least, all current SSDI beneficiaries should be able to “opt in” to existing benefit offset demonstration projects. This would also put the SSDI program in sync with the current offset that has been in place for many years for SSI beneficiaries. Congress should also explore other benefits-related strategies for encouraging expansion of employment opportunities for people with disabilities, such as a national Medicaid buy-in program.

Fear of losing SSDI and SSI benefits is one of the most significant barriers to employment, and is widespread among people with disabilities and their families. Not only is income assurance that the program provides important, but the added reality of eligibility for Medicaid coverage for Social Security recipients is a major incentive for maintaining Social Security eligibility status by

limiting or avoiding work all together. Congress had enacted many Social Security Work Incentives Programs, which make it possible for people to work without losing access to benefits, but they are complicated and not well understood by recipients, their families, or the professionals influencing decision-making. These problems must be urgently fixed and a more desirable solution would be to build into SSDI reform, real incentives to work that are not add-on's to a system built on an assumption that people cannot work.

The Work Incentives Planning and Assistance Program (WIPA) is administered by the Social Security Administration (SSA), Office of Research, Demonstration, and Employment Support Title. Funded at \$20 Million per year, it is insufficient to address the benefits education and counseling needs of the millions of Americans with disabilities who remain out of work. For example, the program is currently operated with specific service priorities. Individuals already working or those actively pursuing work are prioritized most, while transition-age youth are fourth in terms of priority service, despite the fact that Congress prioritized this same population of job seekers with disabilities in the Workforce Investment and Opportunity Act of 2014. Additionally, potential job candidates with the most significant barriers to employment are a low priority for WIPA services. In too many states, people wishing to become certified work incentives counselors cannot access the training and wait years to get qualified, leaving people with disabilities who need work incentive education and counseling unserved for months and in some cases, years.

WIPA has the potential to provide a significant return on investment to the federal government if properly funded. We urge the Advisory Committee to recommend to Congress at least an annual two-fold increase in WIPA funding, paid for by returned vocational rehabilitation funds, and add prioritization of individuals who need the service to make the decision to begin their effort to work. Congress also should direct the SSA to work with their approved vendor(s) for training, certification and continuing education of certified work incentive counselors to increase training, certification and continuing education capacity to meet the increased demand as a result of WIOA and other federal legislation and regulation promoting employment first. We also urge Congress to seek an independent evaluation and analysis of the program, including a measurement of return on investment.