

Walkthrough of the VA Income and Benefits Calculator

Policy Research Associates, Inc. (PRA) developed the VA Income and Benefit Calculators in 2018 to help encourage individuals to utilize SSA work incentives to maximize their income. Providers are encouraged to use the [VA Income and Benefit Calculators](#) when working with Veterans who are exploring how to maximize their income while receiving SSI or SSDI.

- There are separate calculators for SSI and SSDI beneficiaries, which provide a visual and calculated representation of how increasing income from employment and/or VA disability benefits will affect their overall income.
- These tools can provide a powerful example of how Veterans can maximize their income using a number of sources, while dispelling myths about losing disability benefits when returning to work.

The calculators are user-friendly Excel tools that can be used with both Veterans and non-Veterans.

New to Using Excel?

Some people may be unfamiliar with using Microsoft Excel, or may have had past experiences with it that were confusing. These calculators don't require any specialized expertise. The formula cells are locked so that you can't accidentally change a formula or enter information into the wrong box. The calculators simply won't let you do that.

To use the calculators, you will enter information that you receive from the Veteran into a couple of clearly marked boxes. That's all you need to do and then the calculators will do the work for you.

These tools are intended as a conversation starter about employment and benefits, and we encourage you to use them to explore different options.

- What would happen to my benefits if I work a few extra hours per week?
- What about taking a higher paying job?
- Is it really true that if I try to work, my benefits will end and I'll be worse off? (This one is a myth that you can help bust!)

The calculators allow us to explore these questions and provide a clear visual that you can print off and provide to the Veteran to keep.

Let's walk through features of the calculators!

Getting Started with the VA Income and Benefits Calculator

As you get started with the Calculator, it can be helpful to review the first tab *Introduction and Definitions*.

This tab outlines the key terms used in the calculator and reminds users that estimates provided in this calculator are for informational purposes only. This tool is not a replacement for individual benefits planning assistance from SSA.

To begin, determine which SSA disability benefit(s) the Veteran is receiving: SSI or SSDI, or both. In the event that the Veteran doesn't know which benefit(s) he or she is receiving, you can find that information on the award letter or through contacting SSA.

Definitions

General Terms

Earned Income is all income from paid employment. The SSI calculator will provide assistance in estimating gross monthly wages.

Unearned Income is all income that is not earned, such as VA benefits, pensions, state disability payments, unemployment benefits, interest income, and cash from friends and relatives.

Substantial Gainful Activity (SGA): When determining eligibility for disability benefits, SSA will evaluate if an individual is able to work at a substantial, gainful level, which is quantified by a monetary amount that changes each year. In 2018, SGA is \$1,180 per month in gross wages.

SSA Disability Benefit Programs

Supplemental Security Income (SSI) is a needs-based program for individuals who are age 65 or over, blind, or disabled, and who have limited resources and income. The Federal Benefit Rate (FBR) for SSI is the maximum monthly amount of SSI Federal cash benefits someone can receive; some states provide a cash supplement in addition to the FBR amount.

Social Security Disability Insurance (SSDI) provides benefits to individuals and certain family members who are insured by Social Security through contributions made through payroll taxes. Eligible individuals cannot work at a substantial gainful level due to a disabling condition. SSDI eligibility does not take into account assets or resources.

Calculator Instructions

The next tab has instructions on how to use the SSI calculator and the two calculators for SSDI recipients. It can be helpful to refer back to these instructions often as you become familiar with how the tools work!

Calculator Instructions

Veterans who work or receive VA disability benefits may also qualify to receive SSA benefits. For cash benefits, the receipt of VA benefits or income from work will affect SSI and SSDI differently. The following instructions provide a guide for using the calculators to estimate monthly income.

SSI Calculator: Employment and Unearned Income

Overview

Since SSI is a needs-based program, additional income from employment or VA benefits will affect the cash benefit amount. SSA classifies VA benefits as "unearned income," since it does not come from paid employment. As such, it will be deducted dollar for dollar from the SSI federal payment amount, after a general exclusion of \$20. All SSI recipients are eligible for this exclusion, in which the first \$20 of earned or unearned income is not counted against their SSI payment. For earned income, SSA will count \$1 for every \$2 earned after other deductions, such as

Using the Calculator

Calculator for SSI Beneficiaries

For this calculator, there will be two main places where you will enter information, highlighted in orange in the calculator.

If the Veteran needs assistance in calculating his or her gross monthly wages based on rate of pay and hours worked, fill out the table in the upper right-hand corner of the calculator. This can also be helpful to see how working additional hours would affect overall income.

\$0.00	Hourly Pay
0.00	Hours Worked (monthly)
\$0.00	Gross Monthly Wages (pre-tax)

	Unearned Income (VA or state benefits, etc.)
	Gross Monthly Wages (before taxes)
	Plan to Achieve Self-Support (PASS)
	Impairment Related Work Expenses (IRWEs)

Then, fill in the orange box in the upper left-hand corner of the calculator, including any gross monthly wages (from step 1 or from the Veteran's paycheck) and any

unearned income (Unearned income could include VA benefits or SSDI benefits).

- This will also be the place where you can insert information about SSA work incentives the Veteran may have documented with SSA.
- Definitions and examples of the PASS and IRWE are in the “definitions” tab.
- If the Veteran has an established PASS or documented IRWE, include those as positive values in this table.

Finally, double check if the correct SSI Federal Benefit Rate is listed in the “Calculating SSI Benefit Amount” box. You can find the current rate here:

<https://www.ssa.gov/oact/cola/SSI.html>.

Calculating SSI Benefit Amount

\$771.00	SSI Federal Benefit Rate (\$771 in 2019)
\$0.00	Add an SSI State Supplement (if applicable)
\$0.00	Total Countable Income
\$771.00	SSI Benefit Check

- If the Veteran's state of residence has an SSI supplement, add that as a positive value in the highlighted cell under the SSI Federal Benefit Rate. If you are unsure if the state offers a supplement for SSI recipients, contact your local SSA office.

The calculator will use the values you have entered to estimate the Veteran's total monthly income, before taxes.

Total Monthly Income (Before Taxes)	
\$0.00	Unearned Income
\$0.00	Gross Monthly Wages
\$771.00	SSI Benefit Check
\$771.00	Total Gross Monthly Income

SSDI Calculator: The Trial Work Period

There are two calculators for SSDI recipients, reflecting the two main stages of SSA work incentives for these beneficiaries: the Trial Work Period and the Extended Period of Eligibility.

- The key thing to know here is that the Trial Work Period comes first, so it will be the first SSDI tab that you come to.

Since SSDI is an insurance program, recipients are offered a trial work period to see whether they are able to return to work.



- This allows SSDI beneficiaries to test their ability to work for at least 9 months, without affecting benefits. During the TWP, beneficiaries receive full SSDI benefits, regardless of how high their earnings are. SSA currently allows nine months of trial work, which do not need to be consecutive, within a rolling 60-month period.

To use the SSDI Trial Work Period Calculator:

1. Review the table at the top of the calculator, which shows threshold amounts for TWP months. A month of employment counts as a “TWP month” if gross earnings are over the threshold,

which changes each year. Current TWP threshold amounts can be found here:

<https://www.ssa.gov/oact/cola/twp.html>

- In the main table, for each month that the beneficiary worked, fill in the gross wages, SSDI cash benefit amount, and any unearned income received (such as from VA benefits)

TWP Month	Month/Year (mm/yyyy)	Gross Wages (before taxes)	TWP Month (Choose Yes/No)	SSDI Cash Benefit	Unearned Income	Total Income
1						\$0.00

- Based on the gross wages received for the month, use the drop down to choose “yes” or “no” if they met the threshold for it to count as a TWP month
- The calculator will provide a total estimated income that combines earned income, unearned income, and the SSDI benefit
- The box in the upper right-hand corner of the calculator will track the number of TWP months a beneficiary has used in the rolling 60-month period

Number of TWP months used: 4

Ready for the EPE? Yes

When the nine months of trial work are complete, the extended period of eligibility (EPE) begins. When the orange EPE indicator at the bottom of the table changes to

"Yes," begin tracking income using the SSDI: Extended Period of Eligibility Calculator

SSDI Calculator: The Extended Period of Eligibility

The Extended Period of Eligibility (EPE) for SSDI beneficiaries begins the first month after the TWP, even if the beneficiary is not working that month.

- The EPE is 36 consecutive months, during which beneficiaries will receive SSDI cash benefits in any month that he or she works and earns below the Substantial Gainful Activity (SGA) threshold, found here: <https://www.ssa.gov/oact/cola/sga.html>

Notes about the SSDI: Extended Period of Eligibility Calculator

- ✓ The first month in which the beneficiary works and earns over SGA in the EPE, SSA will begin counting a three month grace period after which they will cease cash benefits, the grace period includes that first month worked
- ✓ After this grace period, SSA will pay full SSDI benefits for any month in which counted earnings from work are below SGA.
- ✓ Countable income can be reduced if the beneficiary has subsidies or IRWEs

If those exclusions result in the counted income being under the SGA threshold, the beneficiary will receive their entire SSDI check for the month. As a result, it’s important to try to utilize SSA work incentives when possible, as that can be the difference between someone getting their full SSDI check or not.

EPE Month	Month/Year (mm/yyyy)	Gross Wages (before taxes)	Subsidies	IRWEs	Counted Earned Income	Above SGA (Yes/No)	SSDI Cash Benefit	Unearned Income	Total Income
1					\$0.00				\$0.00

To use the Calculator:

1. For each month of the EPE, fill in the gross wages (before tax), as well as any subsidies or IRWEs the beneficiary has
2. Check to see if the “counted earned income” is above the current year’s SGA amount. If so, check “yes.”
3. Enter the beneficiary’s current SSDI amount in the “SSDI Cash Benefit” box.
4. Add any unearned income the beneficiary may receive (such as from VA benefits) in the “Unearned Income” box
5. The calculator will provide a total estimated income that combines earned income, unearned income, and the SSDI cash benefit (if countable wages are less than SGA)

After the EPE

If the Veteran is not working above SGA and eligible for an SSDI payment on the 37th month of the EPE, SSDI benefits will continue until the beneficiary:

1. Works above SGA for one month, or
2. Medically recovers

Remember that if the beneficiary stops working due to his or her disabling conditions in the 5 years following completion of the EPE, he or she may be eligible for Expedited Reinstatement of Benefits (EXR).

Expedited Reinstatement of Benefits

For both SSI and SSDI recipients, there is a five-year period after cash benefits end due to earnings from work that allows an expedited return to cash and medical benefits if someone is unable to continue earning above SGA due to his or her disabling condition(s).

- Social Security will review the request to determine if the disabling condition is the same as, or related to, the impairment in the original claim. Applicants can receive up to six months of benefits while the decision is processed.
- These provisional benefits do not need to be repaid if the reinstatement request is denied, as long as the applicant applied in good faith, believing he or she meets SSI or SSDI criteria.

An individual can request an expedited reinstatement of benefits at their local Social Security office.