What Personal Injury and Defense Lawyers Should Know About SSI Insurance and SSD Claims
Course Summary

This presentation explains the differences in the disability programs (Social Security Disability Insurance, which encompasses individual wage earner's benefits, auxiliary benefits, disabled adult child benefits, disabled widow's benefits and Supplemental Security Income, which is a federal welfare benefit for persons who are indigent and over 65 or disabled).

Faculty:
Sanjuanita Gonzalez, Esq
Jeffrey S. Lichtman, Esq.
What Every Attorney Needs to Know About Social Security Disability Insurance and SSI Claims
I. Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI).

The first thing that any attorney needs to understand is that the Social Security Administration is charged with administering two basic types of disability programs, Social Security Disability Insurance (typically referred to as SSD or SSDI and as DIB by persons working with and within SSA) and Supplemental Security Income (typically referred to as SSI).

Benefits from the SSDI program come from the Social Security trust funds whereas SSI benefits come from funds in the federal government's general operating budget.

While a spouse, minor children and disabled adult children of an insured wage earner are potentially eligible to receive Social Security benefits through a wage earner's earnings record and disabled children may be entitled to SSI benefits if the family financial situation is weak, these materials shall focus solely on the individual and his/her entitlement to benefits as this is intended to be more of a basic, introductory level presentation.

A. Social Security Disability Insurance (SSDI)

Social Security Disability Insurance is like any other insurance policy: to be eligible to receive a benefit under this policy of insurance, an individual must have paid a premium within a set time period. By working and paying taxes, an individual is buying long-term disability insurance with the United States government (as well as contributing to his/her Social Security retirement pension).

In 2012, earnings of $1,130 “buys” a credit with the Social Security Administration. Accordingly, earnings of only $4,520 for the year 2012 buys the maximum of four credits/quarters of coverage. In 2010 and 2011, individuals received one credit for each $1,120 of earnings, up to the maximum of four credits per year. For 2009, individuals received one credit for each $1090 of earnings. A minimum of six credits is required to receive benefits based upon one’s own earnings record regardless of an individual’s age.

As a general proposition, to be eligible to receive SSDI, an individual must be insured for SSDI. An individual over the age of 31 years needs to have worked for 10 years to have insured status at some point in time and to be currently insured, the individual needs to have worked in 5 of the past 10 years.

Example 1: Jeffrey Lawyer began working and paying Social Security and other taxes at the age of 20 and is presently 45 years old. His earnings in every year of these 25 years have been high enough to purchase four Social Security credits per year. Accordingly, he is fully insured for Social Security Disability Insurance benefits (as well as for Retirement benefits). If he stops working on December 31, 2012 and does not return to work at any point in time thereafter, he will be insured for Social Security Disability Insurance benefits through December 31, 2017 (after which he will not have 20 credits in the last 40 quarters and thus will no longer be insured for SSDI).

Example 2: Jeffrey Lawyer began working and paying Social Security and other taxes at levels high enough to purchase Social Security credits at the age of 20 and is presently 45 years old. He stopped working due to a series of injuries and restorative surgeries on December 31, 2004. The rehabilitative process took three years during which time he was unable to work. Jeffrey returned...
to work on January 1, 2008 and worked for one year. His date last insured for SSDI benefits is December 31, 2010 as the year of work in 2008 extends by one year the period in which he has had sufficient earnings so as to meet the 20 credits in the last 40 quarters rule.

(See 20 CFR Sections 404.101 through 404.133).

For more examples, please go to Social Security's website and look at FAQs.

For determining earnings requirements for persons under the age of 31 years to be “insured” for SSDI, see this link: http://ssa-custhelp.ssa.gov/app/answers/detail/a_id/379/kw/disability%20insurance%20wage%20earner%20under%20years%20old

B. Supplemental Security Income (SSI)

SSI is federal welfare, plain and simple. To be eligible, an individual must be “poor enough” to qualify for benefits. Individuals who are "poor enough" and over 65 years of age do not need to be disabled to receive SSI. However, the focus of this presentation is for individuals who are under 65 years of age and meet the financial eligibility criteria to receive SSI, and these persons must be disabled to qualify for benefits. While children with physical and/or mental disabilities can also qualify for SSI benefits if they and their families’ income and resources do not preclude receipt of benefits, children's cases are rather complicated, frequently not successful and are not being addressed in this presenter's materials.

1. To be financially eligible for SSI, a person must not have more than $2,000 in countable resources. A married couple must not have more than $3,000 in countable resources.

In the SSA's own words:

What is a resource in the Supplemental Security Income (SSI) program?

Resources are the things you own such as cash, real estate, personal belongings, bank accounts, stocks and bonds that you can use for your support.

To be eligible for SSI a person must have $2,000 or less in countable resources. A married couple must have $3,000 or less in countable resources. If you own resources over the SSI limit, you may be able to get SSI benefits while trying to sell the resources.

Not all of your resources count toward the SSI resource limit. For example:

• The home you live in and the land it's on do not count.
• Your personal effects and household goods do not count.
• Life insurance policies may not count, depending on their value.
• Your car usually does not count.
• Burial plots for you and members of your immediate family do not count.
• Up to $1,500 in burial funds for you and up to $1,500 in burial funds for your spouse may not count.

• If you are blind or have a disability, some items may not count if you plan to use them to work or earn extra income.

Source: http://ssa-custhelp.ssa.gov/app/answers/detail/a_id/412/~/definition-of-a-resource-for-the-ssi-program

2. Financial eligibility for SSI is not only based upon "resources." Individual and household income is also a determinative factor in ascertaining financial eligibility for SSI. Assuming that the potential client and spouse (if applicable) do not have resources that would preclude eligibility for SSI, you need to know whether or not the individual and/or spouse have income from either work or other sources (pensions, state or private disability benefits, and workers compensation are the most common examples of unearned income). Please see the SSA document entitled "Update 2012" appended to these materials for detailed information about amounts of wages and unearned income that impact financial eligibility for SSI (as well as other information regarding Social Security retirement and disability benefits and Medicare health insurance benefits and premiums).

C. Do Cases Involve SSDI and SSI?

Yes. People often pursue both SSDI and SSI concurrently, and the SSA indeed does refer to these as "concurrent claims." If a wage earner's SSDI benefit amount is less than the maximum SSI benefit amount, $698 per month in 2012, the individual can receive also SSI so that the combined benefit amount totals up to $718 per month.

D. Are Persons Who Are Not US Citizens Potentially Eligible for SSDI and/or SSI?

The short answer is that any person legally admitted into the United States who works and pays taxes so as to become insured for Social Security Retirement and SSDI can be eligible to receive SSDI benefits as well as SSI.

For non-citizens who have not worked enough to be eligible for Social Security and can only look to SSI, it is a much more complicated matter. As a general proposition, persons who are lawfully admitted to the United States as a "resident alien" or "legal permanent resident" on or before August 22, 1996 are potentially eligible for SSI benefits. However, see SSA's information on the subject for exceptions to this general rule, such as by reviewing Supplemental Security Income (SSI) For Noncitizens, SSA Publication No. 05-11051, April 2008, ICN 480360 (http://www.socialsecurity.gov/pubs/11051.html).

II. The Definition of Disability, the Impact of Age, Education and Work Experience and the Five-Step Sequential Evaluation Process

You need to understand what disability means in a Social Security Disability Insurance or SSI claim. The basic definition of disability for persons who are not statutorily blind is set forth at 20 CFR Section 404.1505 and is the same for both the SSDI and SSI programs:

The law defines disability as the inability to do any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be
expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. To meet this definition, you must have a severe impairment or combination of impairments that make you unable to do your past relevant work (see section 404.1560(b)) or any other substantial gainful work that exists in the national economy.

A reading of the definition of disability in and of itself is pretty straightforward. If an individual has a physical or mental health problem that prevents him/her from doing any type of work that exists in the United States economy, then that individual should be deemed disabled. However, as with most things in life, it is never that simple.

A. **Age**

An individual's age will have a considerable impact upon the SSA's evaluation of the individual's disability claim. This is because the SSA acknowledges that notwithstanding laws designed to eliminate age discrimination in employment, such discrimination as well as other factors may limit an individual's ability to obtain and perform work. Accordingly, the rules change at certain ages when people enter different age categories. For example, a key age for persons who are unable to effectively speak, read and/or write in the English language is 45 years. Key ages for persons who are not illiterate or unable to communicate in English are 50, 55 and 60 years. (See 20 CFR Sections 404.1563, 404.1568).

B. **Education**

Education, whether by way of formal schooling, formal vocational training or on-the-job training learned over time is an important factor in evaluation of disability claims. Social Security categorizes educational levels into categories of illiteracy, marginal education (formal schooling at a 6th grade level or less), limited education (7th grade through 11th grade of formal education) and high school education and above. (See 20 CFR Section 404.1564).

C. **Work Experience**

Past relevant work (“PRW”) is all work done in the 15 years prior to the date the individual claims to have become disabled. Social Security looks to the skills and abilities that the individual acquired through work and training in the past 15 years; if the individual can no longer perform work that s/he has done in the last 15 years, but has skills that could be transferable to lighter work which the individual can still perform on a full time basis, this could defeat a claim for SSDI/SSI.

Social Security did promulgate Medical-Vocational Guidelines, often referred to as "the grid rules" which direct findings of “disabled” or “not disabled” depending upon an individual's physical limitations (referred to as residual functional capacity), age, education and prior work experience in the last 15 years. **Accordingly, an individual who might be able to do some jobs that exist in significant numbers in the United States economy can still be entitled to SSDI and/or SSI benefits if s/he “grids out.”** See 20 CFR,Part 404, Subpart B., Appendix 2, Section 404.1562 and discussion of the 5 step disability evaluation process, below.

D. **The Five Step Sequential Evaluation Process**

The 5 step sequential evaluation process of disability claims is set forth at 20 CFR Section 404.1520.

A shortened version of the 5 steps is stated as:
1) Is the individual working at substantial gainful activity levels?
2) Does the individual have a severe medically determinable physical or mental impairment(s) which has lasted or is expected to last at least one year or result in death?
3) Does the individual’s severe impairment(s) meet or equal a listing for disability?
4) Does the individual have the ability to perform work s/he has done in the past 15 years?
5) If the individual cannot do his/her past work, can s/he make an adjustment to other work that exists in significant numbers in the United States economy?

a) Substantial Gainful Activity (SGA)

SGA is defined at 20 CFR Section 404.1572. SGA means work that involves significant physical or mental activity that is either typically done or usually done for pay or profit, even if the individual is not receiving remuneration for doing such work activity. For example, an accountant who volunteers his time doing accounting or bookkeeping work for an organization without seeking remuneration can be performing SGA.

SGA is assigned a valuation in dollars every year. **The amount of income from earnings that is deemed SGA in 2012 is $1,010.00 per month.** SGA is a bottom-line amount. Unless an individual can show that the work being done is not “substantial” (meaning not worth the money being paid for the work by the payor) or that the individual has impairment related work expenses that would reduce the earnings to below $1,010 per month, [gross] earnings of $1,010.00 per month whether from full-time or part-time work activity is going to preclude an individual from being found disabled and entitled to benefits no matter how severe the physical or mental health problems the individual experiences.

See, e.g., [http://www.socialsecurity.gov/redbook/eng/overview-disability.htm](http://www.socialsecurity.gov/redbook/eng/overview-disability.htm) and 20 CFR Sections 404.1572-404.1576.

b) Severe Impairment

An impairment is severe if it has a significant (interpreted as more than a minimal) impact upon an individual's ability to do basic work activity. See 20 CFR Section 404.1520(c). As a general proposition, almost any significant health problem for which an individual receives treatment is likely to be deemed a severe impairment. In this author's experience, very few Administrative Law Judges decide cases unfavorably at step two because of the strong likelihood of a reversal on appeal because of the liberal treatment of the term "severe impairment."

c) The Listings for Disability

The listings for disability are contained in Appendix 1 of Subpart P of Part 404, 20 CFR. If an individual is not working at SGA levels and a listing is met, the person is entitled to a finding of disability. Meeting or equaling a listing is like playing Monopoly, passing go and collecting $200. The listings have been described as going to a restaurant and ordering "the special" where you have two items from column A and two items from column B. If all of the medical requirements of a listing are present, the listing is met.

Unfortunately, not all health impairments are “listed” and so it can be important to request that an adjudicator/ALJ obtain the opinion of a medical expert as to whether an individual's severe impairment(s) is/are individually or in combination functionally equal in severity to a listed impairment. A finding of equivalence cannot be made by an adjudicator at any level without corroboration from an SSA approved medical source [so a client’s physician’s opinion on
equivalence is not going to be given controlling weight on this issue]. See Social Security Ruling (“SSR”) 96-6p and 20 CFR Section 404.1526.

d) Past Relevant Work (PRW)

PRW is all work done in the 15 years before the individual became disabled. The work can be skilled, semi-skilled or unskilled. An individual’s age, education, PRW and residual functional capacity will be the operative factors in whether or not the case can be approved by use of the grid rules. If the individual cannot perform his/her past work, but has skills transferable to lighter work, the claimant's disability claim can be denied.

e) Are There Any Jobs the Individual Can Perform?

Step five is where most cases for persons below age 50 are adjudicated, favorably or unfavorably. This is the step most consistent with the definition of disability at Section 404.1505. If a claimant's physical and/or mental impairments would prevent him/her from working eight hours per day, five days per week at even the simplest, most routine, and physically least demanding jobs, then s/he should be found disabled. See SSRs 85-15, 96-9p. The SSA has the burden of proof to show that there are jobs that an individual can perform despite his or her health related limitations (what the individual is capable of doing physically and/or mentally is the individual's residual functional capacity or “RFC”) and typically this is done at hearings through vocational expert testimony by way of hypothetical questions. For example, “Assume an individual of the same age, education and work experience of the claimant who is limited to standing two hours in an eight hour day, sitting six hours in an eight hour day, lifting not greater than 10 pounds occasionally and up to 5 pounds frequently throughout the workday, who is only able to remember and complete simple, routine tasks, with not greater than occasional contact with co-workers and supervisors, and has no direct contact with the public. Could such an individual do claimant's past relevant work and, if not, would there be other jobs that can be performed given that residual functional capacity?” If the vocational expert's answer is no, a finding of disability should be issued. If the answer is yes, expect a listing of jobs and the numbers in which such jobs exist in the national and regional economies.

III. Considerations for Plaintiff's Attorneys

A. What type of benefit is your client receiving or potentially going to receive from the Social Security Administration?

1) an individual is already receiving or is potentially eligible to receive SSDI benefits, potential receipt of personal injury case proceeds is not going to have any impact upon the individual’s entitlement to continuing benefits. This is because SSDI is not a needs-based program. Simply stated, if you have paid in and are found disabled, you are entitled to collect regardless as to how wealthy you are or generally how much income you have from other sources. The qualifier of "generally" is used because there can be offset of SSDI benefits in certain, limited situations, e.g., where Workers Compensation benefits are received.

See 42 USC Section 424a

Receipt of Workers Compensation benefits is the leading offset of SSDI benefits. As a disincentive for people to sit back and reap a windfall by collecting Workers Compensation and SSDI at the same time, the rule is that Workers Compensation benefits plus Social Security Disability Insurance benefits combined cannot amount to
greater than 80% of what an individual was earning prior to his cessation of work.
(Note: annual cost-of-living increases are not subject to the 80% rule after the first year
of disability).

2) If an individual is already receiving or potentially eligible to receive SSI
benefits,

the individual's receipt of the proceeds of a personal injury claim in excess of $2,000 (or
$3,000 for a couple) can render an individual financially ineligible for ongoing SSI and
Medicaid health insurance benefits for any and all months in which the individual has
available to him/her "excess resources." Accordingly, it is wise for the plaintiff's
attorney to counsel the plaintiff/claimant of the potential loss of medical insurance and
cash benefits prior to settling a claim. While prompt and creative use of settlement or
verdict proceeds (such as pre-payment of rent or purchasing a house or an exempt
vehicle) can render an individual again eligible for cash and medical benefits in the
month after receipt and spend down of settlement or verdict proceeds, attorneys need to
be able to recommend that their clients speak with an estate planning attorney to
discuss the potential benefits and costs of creating a Medicaid trust, often referred to as
a "Special Needs Trust", particularly where there is going to be a very substantial
amount of money available to the plaintiff/claimant and such money will not last long if
the individual loses health insurance benefits.

B. What type of doctors should the plaintiff/claimant see?

1) Preferably good doctors, who are MDs and DOs, whose records do not look like
the same empty boilerplate again and again and again. If an individual is
significantly impaired, the presence in the medical records of reasonably objective
physical findings such as motor strength, muscle atrophy, reflexes, sensation, ranges
of motion, presence of muscle spasm and results of other basic clinical testing
procedures are extremely helpful to the claimant for SSDI and/or SSI benefits.
Remember, SSDI and SSI claims do not utilize live physician testimony; medical
records are submitted. Accordingly, if records do not show that a physician is
reporting objective findings, the records and thus the opinions of the physician
regarding an individual's limitations are going to be afforded less weight by the SSA
adjudicator/judge. [FEEL FREE TO POINT THIS OUT TO PHYSICIANS TO
WHOM YOU REFER YOUR CLIENTS!!].

2) Consider whether or not an individual has sustained a closed head injury/traumatic
brain injury in the accident for which the individual is being represented. All too
frequently, persons with closed head injuries are not being diagnosed early enough
to provide for the opportunity to receive proper treatment and therapies. Not only
does this lack of evaluation potentialy bring down the financial value of the
personal injury claim, but it can adversely impact the balance of the individual's life.
If the individual did sustain a whiplash injury or otherwise struck his or her head
and the individual or persons close to him/her have noticed changes in cognitive
ability, changes in personality and changes in moods, do not be shy about referring
him or her to him/her to a neuropsychologist for a neuropsychological evaluation!
3) Under Social Security's regulations, physicians’ offering opinions that individuals are disabled are not helpful as this is an issue reserved to the Commissioner of Social Security. See 20 CFR Section 404.1527(e). On the other hand, physicians offering opinions as to physical and/or mental limitations based upon their treatment experience with a patient can be entitled to great weight. 20 CFR Section 404.1527(d). However, not all treating source opinions are created equally. Acceptable medical sources are:

- licensed physicians (medical or osteopathic doctors);

- licensed or certified psychologists including school psychologists (and other licensed or certified individuals with other titles who perform the same function as school psychologists in a school setting) only for purposes of establishing mental retardation, learning disabilities, and borderline intellectual functioning;

- licensed optometrists only for purposes of establishing visual disorders (except in the U.S. Virgin Islands where licensed optometrists are acceptable medical sources only for the measurement of visual acuity and visual fields);

- licensed podiatrists only for purposes of establishing impairments of the foot, or foot and the ankle, depending on whether the State in which the podiatrist practices permits the practice of podiatry on the foot only, or the foot and the ankle; and

- qualified speech-language pathologists only for purposes of establishing speech or language impairments. For this source, “qualified” means that the speech-language pathologist must be licensed by the State education agency in the State in which he or she practices, or hold a Certificate of Clinical Competence from the American Speech-Language-Hearing Association.


Note that chiropractors are not deemed acceptable medical sources and thus their opinions, like opinions of physical therapists and even nurse practitioners, are not necessarily going to be given much weight by the SSA adjudicator/judge. See Social Security Ruling 06-03p at http://www.ssa.gov/OP_Home/rulings/di/01/SSR2006-03-di-01.html

IV. Considerations for Defense Attorneys

As this is the final part of these materials, it is appropriate that it is the easiest. Defense attorneys contact Social Security Disability-SSI representatives seeking copies of medical records and other documentation from claimants’ Social Security files. It is this author's position that all medical records and other documentation from the Social Security file are confidential, privileged and subject to the federal Privacy Act of 1974 and can only be disclosed to a party other than the SSA by the representative if the representative is provided with a HIPAA compliant authorization signed by the claimant specifically allowing for release of all records of mental and physical impairments and all other documentation submitted to and generated by the Social Security Administration in connection with the individual's disability claim. See, e.g., Form SSA-827 (page 2 of 2) appended to these materials.
Hypotheticals - SSD and SSI Claims
SSD and SSI Claims
Sanjuanita González, Esquire

HYPOTHETICAL 1

You represent Roberto Martinez, a 47 year old Spanish speaking man who sustained severe personal injuries, when he was rear ended by a pick up truck driven by Max Smith. Although you took Spanish in high school, somehow it has been difficult to communicate with your client, and you have been relying on your receptionist who speaks some Spanish to communicate with Roberto. Up until the time of the accident, Roberto had been working cleaning auto parts at ABC Auto Parts, a local company. He had been working there for about 5 months and was earning $400 per week without overtime; and about $600 per week with overtime. Roberto was well regarded at his job and he sensed that he was going to be promoted and receive a higher base salary.

When the accident occurred, Roberto was transported via ambulance to the ER at Albert Einstein Medical Center and was admitted with multiple fractures to his legs. While at Albert Einstein, he underwent numerous surgeries and was released from the hospital with a cast on each leg. For the first 6 weeks following his release, Roberto was transported in a wheelchair. After his casts were removed, he used crutches, a walker and was finally able to walk slowly with the use of a cane.

Roberto is supporting himself with Social Security Disability benefits.

Although there is no question about liability in this case, the carrier for the defendant driver has not made a meaningful offer. You filed a Complaint in the Philadelphia Court of Common Pleas and one of the major local law firms is representing Max Smith.

During Roberto’s deposition, being conducted with the assistance of a Spanish/English interpreter provided by the defense attorney, he revealed that prior to and while he was working at ABC auto parts, he was receiving Social Security Disability benefits. Roberto insists that he called the Social Security Administration’s 1-800 number and reported that he had started working. His disability benefits continued even after he reported his earnings and while he was working up to the present time and he thought he was entitled to them.

You are on the eve of trial and the defense attorney has filed a Motion in Limine asking that Roberto be prohibited from introducing any evidence of lost wages in light of the obvious “perpetration of fraud against the United States government and all taxpayers who fund the Social Security system”. The defense attorney has further told you that he intends to contact the Inspector General’s Office to request that Roberto be investigated for defrauding the government. Roberto is getting very nervous and does not want to get into trouble. He wants you to drop the case.

You are in a daze. How did this straight forward, clear liability case become such a nightmare; and why didn’t your client tell you that he had been receiving SS disability...
benefits while he was working? You have contacted the Social Security Administration at
the 1-800 phone number advertised to provide world class service and no one will talk to
you about Roberto’s case until you file SS form 1696. What should you do?
Mary Martin is your client. She suffered a back injury when she slipped and fell at the local supermarket while grocery shopping. Although she went to the ER on the day of her fall, she did not seek treatment until three weeks later. She tells you the reason why she had no treatment during that time was a lack of insurance. Mary was not working at the time of her injury. She is 38 years old and is unemployed. She has been receiving Social Security disability benefits for 2 years. She is getting $500 per month on Social Security disability and $198 per month on SSI disability benefits. She tells you that her disability is based on depression and anxiety since the sudden death of her husband who suffered a heart attack 3 years ago. Prior to that, she worked as a sewing machine operator and she was just thinking of going back to work because she was feeling better. However, this injury will not allow her to go back to work.

You have filed a Complaint on behalf of Mary in the Philadelphia Court of Common Pleas. During discovery, Mary signs releases for the defense attorney to obtain her medical records and her file from the Social Security Administration. During her deposition, Mary testifies that she has never had any problems with her back. She reiterates that she was approved for SSD and SSI disability benefits based on her emotional state following her husband’s death. The defense attorney produces a Disability Report signed by Mary from the Social Security Administration in which it is reported that she cannot work for the following reasons:

“My back and neck hurt and I cannot stand and walk for too long. When I sit, I have to constantly change positions. I feel depressed because I cannot do the things I used to do. Also, my husband died and I now have anxiety.”

A Function Report signed by Mary states that sometimes, she has to lay down several hours a day to get any relief from her back pain. There is also a report of a doctor who examined Mary regarding her disability claim and noted her complaints of severe back and neck pain.

Confronted with this information, Mary says she did not complete the disability forms. Her niece completed them for her because her reading and writing are not very good.

You are somewhat perplexed because Mary showed you the Administrative Law Judge’s decision from the Social Security Administration which clearly showed that she was disabled because of depression and anxiety.

After consulting with Mary, you are now considering accepting the $10,000 offer which you initially thought was laughable. Mary has told you that she will accept it so long as it does not affect her medical coverage because she has to take medicine every day. Also, she wants to be sure that her 17 year old son’s SSI benefits are not affected. How do you advise her?
Social Security Forms
This update provides important Social Security information for 2012. By law, some numbers change automatically each year to keep the program up to date with price and wage levels. For 2012, the law extended the 2 percent reduction in the employee’s share of the Social Security payroll tax. Employers still contribute the same tax rate as before.

Information for people who are working

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<th>Social Security and Medicare taxes</th>
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<th>2012</th>
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<tr>
<td><strong>Social Security taxes</strong></td>
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<tr>
<td>Employee</td>
<td>4.2% on earnings up to $106,800</td>
<td>4.2% on earnings up to $110,100</td>
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<tr>
<td>Employer</td>
<td>6.2% on earnings up to $106,800</td>
<td>6.2% on earnings up to $110,100</td>
</tr>
<tr>
<td>Self-employed</td>
<td>10.4%* on earnings up to $106,800</td>
<td>10.4%* on earnings up to $110,100</td>
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<tr>
<td>*Can be offset by income tax provisions</td>
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<tr>
<th><strong>Medicare taxes</strong></th>
<th>2011</th>
<th>2012</th>
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<td>Employee/employer (each)</td>
<td>1.45% on all earnings</td>
<td>1.45% on all earnings</td>
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<tr>
<td>Self-employed</td>
<td>2.9%* on all earnings</td>
<td>2.9%* on all earnings</td>
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<tr>
<td>*Can be offset by income tax provisions</td>
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**Work credits**—When you work, you earn credits toward Social Security benefits. You need a certain number of credits to be eligible for Social Security benefits. The number you need depends on your age and the type of benefit for which you are applying. You can earn a maximum of four credits each year. Most people need 40 credits to qualify for retirement benefits.

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<th>2011</th>
<th>2012</th>
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<tr>
<td>$1,120 earns one credit</td>
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<td>$1,130 earns one credit</td>
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Information for people who receive Social Security benefits

**Earnings limits**
Under federal law, people who are receiving Social Security benefits who have not reached full retirement age are entitled to receive all of their benefits as long as their earnings are under the limits indicated below. For people born in 1943 through 1954, the full retirement age is 66. The full retirement age will increase gradually each year until it reaches age 67 for people born in 1960 or later.

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<tr>
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<th>2011</th>
<th>2012</th>
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<tr>
<td>At full retirement age or older</td>
<td>No limit on earnings</td>
<td>No limit on earnings</td>
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<td>Under full retirement age</td>
<td>$14,160</td>
<td>$14,640</td>
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<tr>
<td></td>
<td>For every $2 over the limit,</td>
<td>For every $2 over the limit,</td>
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<td></td>
<td>$1 is withheld from benefits.</td>
<td>$1 is withheld from benefits.</td>
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<tr>
<td>In the year you reach full</td>
<td>$37,680</td>
<td>$38,880</td>
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<td>retirement age</td>
<td>For every $3 over the limit,</td>
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<td>$1 is withheld from benefits</td>
<td>$1 is withheld from benefits</td>
</tr>
<tr>
<td></td>
<td>until the month you reach</td>
<td>until the month you reach</td>
</tr>
<tr>
<td></td>
<td>full retirement age.</td>
<td>full retirement age.</td>
</tr>
</tbody>
</table>

**Disability beneficiaries’ earnings limits:** If you work while receiving disability benefits, you must tell us about your earnings no matter how little you earn. You may have unlimited earnings during a trial work period of up to nine months (not necessarily in a row) and still receive full benefits. Once you have completed your nine-month trial work period, we will determine if you are still entitled to disability benefits. You also may be eligible for other work incentives to help you make the transition back to work.

<table>
<thead>
<tr>
<th></th>
<th>2011 per month</th>
<th>2012 per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substantial Gainful Activity</td>
<td>$1,000</td>
<td>$1,010</td>
</tr>
<tr>
<td>(non-blind)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substantial Gainful Activity</td>
<td>$1,640</td>
<td>$1,690</td>
</tr>
<tr>
<td>(blind)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trial work period</td>
<td>$720</td>
<td>$720</td>
</tr>
<tr>
<td>month</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

www.socialsecurity.gov

Update 2012
## Information for people who receive Supplemental Security Income (SSI)

<table>
<thead>
<tr>
<th>Monthly federal SSI payment (maximum)</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>$674</td>
<td>$698</td>
</tr>
<tr>
<td>Couple</td>
<td>$1,011</td>
<td>$1,048</td>
</tr>
</tbody>
</table>

### Monthly income limits

<table>
<thead>
<tr>
<th>Monthly income limits</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual whose income is only from wages</td>
<td>$1,433</td>
<td>$1,481</td>
</tr>
<tr>
<td>Individual whose income is not from wages</td>
<td>$694</td>
<td>$718</td>
</tr>
<tr>
<td>Couple whose income is only from wages</td>
<td>$2,107</td>
<td>$2,181</td>
</tr>
<tr>
<td>Couple whose income is not from wages</td>
<td>$1,031</td>
<td>$1,068</td>
</tr>
</tbody>
</table>

**NOTE:** If you have income, your monthly benefit generally will be lower than the maximum federal SSI payment. Remember, you must report all of your income to us. Some states add money to the federal SSI payment. If you live in one of these states, you may qualify for a higher payment. Your income can be greater than the limits indicated and you still may qualify.

## Information for people on Medicare

### Most Medicare costs are increasing this year to keep up with the rise in health care costs.

<table>
<thead>
<tr>
<th>Hospital Insurance (Part A)</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>For first 60 days in a hospital, patient pays</td>
<td>$1,132</td>
<td>$1,156</td>
</tr>
<tr>
<td>For 61st through 90th days in a hospital, patient pays</td>
<td>$283 per day</td>
<td>$289 per day</td>
</tr>
<tr>
<td>Beyond 90 days in a hospital, patient pays (for up to 60 more days)</td>
<td>$566 per day</td>
<td>$578 per day</td>
</tr>
<tr>
<td>For first 20 days in a skilled nursing facility, patient pays</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>For 21st through 100th days in a skilled nursing facility, patient pays</td>
<td>$141.50 per day</td>
<td>$144.50 per day</td>
</tr>
</tbody>
</table>

**Part A Premium Buy-In:** The amount of the premium you pay to buy Medicare Part A depends on the number of Social Security credits you have earned. If you have:

<table>
<thead>
<tr>
<th>Credits</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>30-39</td>
<td>$248 per month</td>
<td>$248 per month</td>
</tr>
<tr>
<td>less than 30</td>
<td>$450 per month</td>
<td>$451 per month</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Medical Insurance (Part B)</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>$115.40 per month</td>
<td>$99.90 per month**</td>
</tr>
<tr>
<td>Deductible</td>
<td>$162 per year</td>
<td>$140 per year</td>
</tr>
</tbody>
</table>

After the patient has paid the deductible, Part B pays for 80 percent of covered services.

**NOTE:** If you get Medicare and your income is low, your state may pay your Medicare premiums and, in some cases, your deductibles and other out-of-pocket medical expenses. Contact your local medical assistance (Medicaid) agency, social services or welfare office for more information.

**Standard monthly premium is $99.90. Some people with higher incomes pay higher premiums.**
WHOSE Records to be Disclosed

NAME (First, Middle, Last)

SSN   ___   ___   ___
Birthday  ___/___/___

AUTHORIZATION TO DISCLOSE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION (SSA)

** PLEASE READ THE ENTIRE FORM, BOTH PAGES, BEFORE SIGNING BELOW **

I voluntarily authorize and request disclosure (including paper, oral, and electronic interchange):

OF WHAT  
All my medical records; also education records and other information related to my ability to perform tasks. This includes specific permission to release:

1. All records and other information regarding my treatment, hospitalization, and outpatient care for my impairment(s) including:
   • Psychological, psychiatric, or other mental impairment(s) (excludes "psychotherapy notes" as defined in 45 CFR 164.501)
   • Drug abuse, alcoholism, or other substance abuse
   • Sickle cell anemia
   • Records which may indicate the presence of a communicable or noncommunicable disease; and tests for or records of HIV/AIDS
   • Gene-related impairments (including genetic test results)

2. Information about how my impairment(s) affects my ability to complete tasks and activities of daily living, and affects my ability to work.

3. Copies of educational tests or evaluations, including Individualized Educational Programs, triennial assessments, psychological and speech evaluations, and any other records that can help evaluate function; also teachers' observations and evaluations.

4. Information created within 12 months after the date this authorization is signed, as well as past information.

FROM WHOM

All medical sources (hospitals, clinics, labs, physicians, psychologists, etc.) including mental health, correctional, addiction treatment, and VA health care facilities

All educational sources (schools, teachers, records administrators, counselors, etc.)

Social workers/rehabilitation counselors

Consulting examiners used by SSA

Employers, insurance companies, workers' compensation programs

Others who may know about my condition (family, neighbors, friends, public officials)

TO WHOM

The Social Security Administration and to the State agency authorized to process my case (usually called "disability determination services"), including contract copy services, and doctors or other professionals consulted during the process. [Also, for international claims, to the U.S. Department of State Foreign Service Post.]

PURPOSE

Determining my eligibility for SSA benefits, including looking at the combined effect of any impairments that by themselves would not meet SSA's definition of disability; and whether I can manage such benefits.

Determining whether I am capable of managing benefits ONLY (check only if this applies)

EXPIRES WHEN

This authorization is good for 12 months from the date signed (below my signature).

IF not signed by subject of disclosure, specify basis for authority to sign

INDIVIDUAL authorizing disclosure

SIGN  ▶

Date Signed

Street Address

Phone Number (with area code)

City  State  ZIP

WITNESS

I know the person signing this form or am satisfied of this person's identity:

SIGN  ▶

Phone Number (or Address)

This general and special authorization to disclose was developed to comply with the provisions regarding disclosure of medical, educational, and other information under P.L. 104-191 ("HIPAA"); 45 CFR parts 160 and 164; 42 U.S. Code section 290dd-2; 42 CFR part 2; 38 U.S. Code section 7332; 38 CFR 1.475; 20 U.S.S. Code section 1232g ("FERPA"); 34 CFR parts 99 and 300; and State law.


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Explanation of Form SSA-827, 
"Authorization to Disclose Information to the Social Security Administration (SSA)"

We need your written authorization to help get the information required to process your claim, and to determine your capability of managing benefits. Laws and regulations require that sources of personal information have a signed authorization before releasing it to us. Also, laws require specific authorization for the release of information about certain conditions and from educational sources.

You can provide this authorization by signing a form SSA-827. Federal law permits sources with information about you to release that information if you sign a single authorization to release all your information from all your possible sources. We will make copies of it for each source. A covered entity (that is, sources of medical information about you) may not condition treatment, payment, enrollment, or eligibility for benefits on whether you sign this authorization form. A few States, and some individual sources of information, require that the authorization specifically name the source that you authorize to release personal information. In those cases, we may ask you to sign one authorization for each source and we may contact you again if we need you to sign more authorizations.

You have the right to revoke this authorization at any time, except to the extent a source of information has already relied on it to take an action. To revoke, send a written statement to any Social Security Office. If you do, also send a copy directly to any of your sources that you no longer wish to disclose information about you; SSA can tell you if we identified any sources you didn't tell us about. SSA may use information disclosed prior to revocation to decide your claim.

It is SSA's policy to provide service to people with limited English proficiency in their native language or preferred mode of communication consistent with Executive Order 13166 (August 11, 2000) and the Individuals with Disabilities Education Act. SSA makes every reasonable effort to ensure that the information in the SSA-827 is provided to you in your native or preferred language.

IMPORTANT INFORMATION, INCLUDING NOTICE REQUIRED BY THE PRIVACY ACT

All personal information collected by SSA is protected by the Privacy Act of 1974. Once medical information is disclosed to SSA, it is no longer protected by the health information privacy provisions of 45 CFR part 164 (mandated by the Health Insurance Portability and Accountability Act (HIPAA)). SSA retains personal information in strict adherence to the retention schedules established and maintained in conjunction with the National Archives and Records Administration. At the end of a record's useful life cycle, it is destroyed in accordance with the privacy provisions, as specified in 36 CFR part 1228.

SSA is authorized to collect the information on SSA-827 by sections 205(a), 223(d)(5)(A), 1614(a)(3)(II)(j), 1631(d)(1) and 1631(e)(1)(A) of the Social Security Act. We use the information obtained with this form to determine your eligibility, or continuing eligibility, for benefits, and your ability to manage any benefits received. This use usually includes review of the information by the State agency processing your case and quality control people in SSA. In some cases, your information may also be reviewed by SSA personnel that process your appeal of a decision, or by investigators to resolve allegations of fraud or abuse, and may be used in any related administrative, civil, or criminal proceedings.

Signing this form is voluntary, but failing to sign it, or revoking it before we receive necessary information, could prevent an accurate or timely decision on your claim, and could result in denial or loss of benefits. Although the information we obtain with this form is almost never used for any purpose other than those stated above, the information may be disclosed by SSA without your consent if authorized by Federal laws such as the Privacy Act and the Social Security Act. For example, SSA may disclose information:

1. To enable a third party (e.g., consulting physicians) or other government agency to assist SSA to establish rights to Social Security benefits and/or coverage;
2. Pursuant to law authorizing the release of information from Social Security records (e.g., to the Inspector General, to Federal or State benefit agencies or auditors, or to the Department of Veterans Affairs (VA));
3. For statistical research and audit activities necessary to ensure the integrity and improvement of the Social Security programs (e.g., to the Bureau of the Census and private concerns under contract with SSA).

SSA will not redisclose without proper prior written consent information: (1) relating to alcohol and/or drug abuse as covered in 42 CFR part 2, or (2) from educational records for a minor obtained under 34 CFR part 99 (Family Educational Rights and Privacy Act (FERPA)), or (3) regarding mental health, developmental disability, AIDS or HIV.

We may also use the information you give us when we match records by computer. Matching programs compare our records with those of other Federal, State, or local government agencies. Many agencies may use matching programs to find or prove that a person qualifies for benefits paid by the Federal government. The law allows us to do this even if you do not agree to it.

Explanations about possible reasons why information you provide us may be used or given out are available upon request from any Social Security Office.

PAPERWORK REDUCTION ACT

This information collection meets the requirements of 44 U.S.C. § 3507, as amended by Section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget control number. We estimate that it will take about 10 minutes to read the instructions, gather the facts, and answer the questions. SEND OR BRING IN THE COMPLETED FORM TO YOUR LOCAL SOCIAL SECURITY OFFICE. The office is listed under U.S. Government agencies in your telephone directory or you may call Social Security at 1-800-772-1213 (TTY 1-800-325-0778). You may send comments on our time estimate above to: SSA, 6401 Security Blvd., Baltimore, MD 21235-6401. Send only comments relating to our time estimate to this address, not the completed form.

Form SSA-827 (4-2009) of (04-2009)