Unemployment, welfare, and Social Security Disability/SSI benefits: How they affect one another

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Unemployment, Welfare, and Social Security Disability/SSI Benefits: How They Affect One Another

This article will help you understand the requirements of Unemployment (UI), Welfare (TANF/GA), and Social Security Disability (SSI/SSDI). Finding the program that is right for you will save time and help you get the most help possible. This article includes:

- An overview of all three programs, with information about eligibility and benefit amounts;
- A short discussion of how disability and work affect each program; and
- An explanation of how each program affects the other, with advice on how to handle common issues you might face.

I. UNEMPLOYMENT COMPENSATION (UI)

New Jersey's Unemployment Insurance Program (UI) gives cash benefits to people who have lost their jobs through no fault of their own. In order to be eligible, you must have consistently worked during the past year. The program is run by the New Jersey Department of Labor and Workforce Development, Unemployment Insurance Division.

What are the basic eligibility requirements for UI?

In order to be eligible for UI, you must:

- Have worked on a job covered by the State Unemployment Compensation Law. If you have questions about whether your job is covered, call the Unemployment Insurance Division at one of the call centers listed below.
- Have earned at least $6,200 in covered employment or worked 20 weeks (earning at least $123/week) in a 52-week period.
- File an application for unemployment benefits.
- State that you are able to work.
- Register for work at a State Employment Services or One-Stop Office. Check the blue pages of your local phone book or contact one of the call centers below to find your local office.
- Actively seek employment and periodically report job search efforts (unless you are attending a full-time training program approved in advance by the Department).
- Be available for work and willing to accept a suitable job offer (unless you are in an approved training program).
- Have lost your job through no fault of your own, or for minor offenses that would not be considered "gross misconduct." Voluntarily quitting a job without good cause will disqualify you from receiving benefits.

You can file an unemployment benefit application online at ***www.njuifile.net*** or by phone at one of three call centers: Union City (201-601-4100), Freehold (732-761-2020), or Cumberland (856-507-2340). They will also answer your questions. More information is available online at ***www.nj.gov/labor/ui/uiindex.html***.

How much will I get in unemployment?
Usually you will get 60% of your average weekly income, but no more than $521 per week. Your benefits will be paid to you once a week. Benefits are paid up to 26 weeks. If you worked less than what is required, you may get less than 26 weeks of benefits. If you are in an approved training program, benefits beyond 26 weeks may be available. Training programs are usually available for high-demand jobs, and are designed to improve your marketable work skills and earning power. Find out more by contacting one of the call centers mentioned above.

What if my doctor limits the work I can do or says that I can't work at all?
Be sure to think through your ability to work when you apply for unemployment benefits. If a doctor has placed limitations on your ability to work, you should be ready to provide documentation of your work limitations. If you are unable to do work of any kind, you should consider applying for Welfare (TANF/GA) and/or Social Security Disability (SSI/SSDI), rather than Unemployment. The various programs can and will share information when determining eligibility, so it is best to provide all information up front and apply for the program(s) that best fit your circumstances.

Are there other unemployment programs and resources that can help me?
Other programs are also available through the Unemployment Insurance Division. If you were eligible for unemployment benefits, but became disabled *after* becoming unemployed, you may be eligible to receive benefits from the *Disability During Unemployment Program*. If you are employed but have become temporarily unable to work due to an illness or injury not caused by the job, you may be eligible to receive benefits through the *Temporary Disability Insurance Program*. If you think you may be eligible for one of these programs, you should contact your local unemployment office.

If you have a disability or work limitations, the New Jersey Division of Vocational Rehabilitation Services (609-292-5987) can recommend what jobs or programs would be a good match for you. There is usually no charge for this service.

II. WELFARE (TANF/GA)

Welfare (Work First New Jersey, or WFNJ) gives cash assistance to very low-income single adults (General Assistance, or GA) and families with minor children (Temporary Assistance to Needy Families, or TANF). Additional support services may be available for childcare, work transportation, work expenses, emergency housing, shelter, and utility assistance.

What are the basic eligibility requirements for TANF/GA?

In order to be eligible for TANF/GA, you must:

- Meet income eligibility requirements, which are based on the number of people in your household and household income (earned or unearned).
- Meet WFNJ resource (asset) requirements. Usually this will mean less than $2,000 in countable assets. Certain assets are not counted, such as some vehicles, personal items, life insurance, the home that you live in, and some others.
- Provide necessary documentation and personal identification, including a Social Security Number, for all household members.
- Be a U.S. citizen or qualify as an "eligible alien."

If otherwise eligible, you must also comply with all of the following requirements in order to continue receiving benefits:

- Register for work at a New Jersey One-Stop Career Center. You will have to cooperate with work requirements or obtain a deferral. If you have a disability, are over 60, or pregnant and in your third trimester, you are eligible for a deferral. A deferral may also be available if you are the sole caregiver for a disabled child or adult.
- Apply for all other types of benefits that might be available to you.
- Cooperate with child support obligations.
- Sign an agreement to repay benefits if additional income or resources are received.
- Sign an *Individual Responsibility Plan*, which outlines your plan for obtaining employment, education, and/or training.

Your benefits may be reduced or ended if you are jailed, voluntarily quit your job without good cause, commit a drug-related offense, or make false or misleading statements to get benefits.

You can apply for benefits at your local County Board of Social Services. More information is available by phone at 1-800-792-9773 and online at ***www.state.nj.us/humanservices/workfirstnj.html***.

How much will I get in benefits?

If you are an employable single adult on GA, you will get no more than $140 per month. If you have a work deferral, you will get no more than $210 per month. TANF benefit amounts depend on how many people are in the assistance unit. An assistance unit is a group of people living together who are related by blood or some other legal relationship (adoption, guardianship, marriage). For one person, the maximum monthly benefit would be $162. For two people it would be $322, and $424 for three.

Do I have to register for work if I'm collecting welfare?

Applicants who can work must register for work and cooperate with TANF/GA work requirements. Work program participation is required for up to 35 hours per week.

What if I'm unable to work?

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If you cannot work, you may obtain a deferral and will be required to file for any applicable SSI/SSDI benefits. Legal Services of New Jersey's SSI Project helps GA and TANF beneficiaries who have been medically deferred from work with their SSI/SSDI claims. To contact the SSI Project, call the number at the end of this article.

III. THE SOCIAL SECURITY DISABILITY PROGRAMS (SSDI/SSI)

There are two Social Security Disability Programs, Social Security Disability Income (SSDI) and Supplemental Security Income (SSI). The Social Security Administration (SSA) runs both. SSDI and SSI have the same requirements for determining disability, but work history and income requirements, benefit amounts, and health care coverage are different.

Social Security Disability Insurance (SSDI)

SSDI is an insurance program that provides cash assistance and health care benefits (Medicare) to you and eligible family members if you become disabled. In order to be eligible, you must have worked enough and paid Social Security taxes (F.I.C.A.). You must also meet Social Security's definition of being disabled. If you are not eligible based on your work history, you should apply for SSI instead.

Disability claims are reviewed in three-, five-, or seven-year increments, depending upon the type of condition you have. This review, called a *Continuing Disability Review (CDR)*, is an important part of the SSDI program and is experienced by *all* SSI and SSDI recipients.

What are the basic SSDI eligibility requirements and benefits?

- Monthly cash benefits are based on your earnings record. Social Security sends out statements periodically to let you know what your benefit would be if you were to become disabled. You can also visit a Social Security office to find out.
- Dependents (spouses and minor children) may be entitled to monthly payments in addition to the benefits paid to the worker. However, a separate application is needed for eligible dependents.
- There is a waiting period for Medicare benefits for people receiving SSDI. Medicare benefits will begin after 24 monthly benefit checks have been received.

Supplemental Security Income (SSI)

SSI is a federal welfare program that provides cash assistance and health care coverage (Medicaid) to people 65 or older and people who are blind or disabled. You do not need to have a work history, but you must meet income and resource (asset) requirements. SSI benefits are only paid to the applicant, not to any dependents. SSI recipients are enrolled in the Medicaid program rather than Medicare, and insurance is effective immediately (once approved, it is retroactive to the date of the application), without the waiting period for those receiving SSDI.

What are the basic SSI eligibility requirements and benefits?

- You must be over 65, blind, or disabled in accordance with the Social Security definitions (same as for SSDI).

- Your income must be under SSI limits.
- Certain types of income are not counted for SSI purposes.
- You must have countable resources in an amount below the current resource levels. A single individual is allowed $2,000 in countable resources. A married couple is allowed $3,000 in countable resources. Certain resources, such as the home that the recipient lives in, will not be counted.
- You must complete an application for SSI.
- The federal benefit amount for 2006 is $603 per month (in January 2007, it will be raised to $623), and the state supplements this amount by $31.25 monthly for single people living alone. The total SSI benefit is $634.25. These maximum SSI benefit amounts can be reduced based on existing household income, living arrangements, and other factors.

How does disability/work status affect an SSI/SSDI claim?
You must meet a specific disability definition in order to be approved for benefits. You must be unable to engage in "substantial gainful work activity" because of a mental and/or physical disability that has lasted, or will last, for at least 12 months. With some limited exceptions, you normally cannot do substantial work during the first 12 months that you claim you were disabled.

Once you are receiving SSI or SSDI benefits, if you want to try to return to work, there are work incentive programs. These programs sometimes allow you to keep getting benefits for a time while you test your ability to work. Other programs allow you to receive free vocational rehabilitation services, or keep Medicare/Medicaid coverage even after you have returned to work and stopped getting cash benefits. Confidential and free benefits planning services are available to explain these programs and how work might affect your benefits. Call NJWINS (1-877-659-4672) or visit their Web site, ***www.njwins.org***. This service can provide you with important information about your ability to work and receive benefits.

You can file an application for SSDI or SSI benefits at the local Social Security office or by telephone at 1-800-772-1213 (TTY 1-800-325-0778). You can file an SSDI application online at ***www.socialsecurity.gov***.

IV. HOW DOES ONE PROGRAM AFFECT THE OTHERS?

If You are Receiving Unemployment and SSDI/SSI

Medical considerations. The Social Security Administration and the Unemployment office can and will share information when they determine eligibility. If you apply for both, you must be ready to explain how you will be able to comply with unemployment's work requirements while also claiming a disability.

Examples of situations where it might make sense to file both claims include:

- If you become disabled after becoming unemployed, or become unable to work while employed due to an illness or injury not caused by the job;

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- If you are unsure whether you can hold a job, you might apply for both programs, with the intention of dropping one once your disability status is clear. Applying for both would protect your rights with both programs, since benefits sometimes only begin with the date of application (not when you actually became unemployed or disabled).
- If you think you can do some part-time, sheltered, or accommodated work that is less than what Social Security considers "substantial and gainful," you might apply for both programs.

Financial considerations. There are no financial requirements for SSDI, so unemployment benefits will have no financial impact on the receipt of SSDI. For SSI recipients, however, there are important considerations. SSI will consider unemployment benefits to be unearned income. All unearned income over $20 will be counted against your SSI check. This means that your SSI benefit will be reduced by one dollar for every dollar you receive in unearned income.

As with welfare, SSI recipients are required by law to apply for any other benefit for which they might be eligible. If there is any question about your ability to work, you may also be required to file an application for unemployment benefits.

If You are Receiving General Assistance and SSI

GA benefits are temporary and for people who are planning to return to work or are unable to work. If you are unable to work, GA can bridge the gap while your SSI claim is pending. When you apply for GA, you must sign a "contract" with the State of New Jersey, in which you agree to repay the benefits if your SSI application is approved. These benefits are called *Interim Assistance Benefits*, and will cover the gap between the time of your SSI application and the time you begin to receive SSI benefits. These benefits will be repaid once your SSI benefits begin. The SSA will send your retroactive benefit check directly to the State. The State will then take the amount of benefits paid to you and send you any remaining SSI funds. The State can only take the amount of GA benefits that was paid during the time that you were also entitled to SSI benefits.

If You are Receiving General Assistance and SSDI

Since SSDI is not a needs-based benefit, SSA will not send a retroactive check to the welfare office. GA may try to collect reimbursement directly from you, since the same contract was signed and remains in effect. Also, SSDI monthly payments are considered "countable income" by GA. If you are no longer income-eligible, you may be terminated from GA.

If You are Receiving Temporary Assistance to Needy Families (TANF) and SSI/SSDI

TANF recipients are not required to repay benefits in the same way that GA recipients are. However, once benefits begin, SSI recipients are removed from the TANF grant.

Overall income is generally increased in a TANF household when a member qualifies for SSI. The TANF household benefits are lowered slightly because the person getting SSI is removed from the TANF grant. However, the total of the two benefits (TANF + SSI) will generally be higher than what the household received before, even though the SSI is paid at a reduced rate (two-thirds).

SSDI benefits may have a significant impact on TANF benefits. How your TANF is affected depends on who in the household is receiving SSDI. If you are the head of the household and receive SSDI, your children may be eligible to receive SSDI dependent benefits. Children may also receive dependent benefits based on someone else's work record. This will usually mean that your household income will substantially increase. This may make you and your family no longer eligible to receive TANF. It may also mean that you may lose Medicaid benefits for you and/or your children. It is important to remember that SSDI recipients will not get Medicare benefits until SSDI benefits have been received for 24 months. It is also important to know that Medicare coverage is different from Medicaid coverage. For more information on the differences between the two programs, go to ***www.LSNJLAW.org*** and click on the health care icon. It is also very important to speak with your caseworker to make sure that your children are enrolled in NJFamily Care for continued coverage and to determine if you would also be eligible. NJ FamilyCare provides free or low-cost health care coverage to certain children and low-income parents who would otherwise be uninsured. More information is available by calling 1-800-701-0710 or online at ***www.njfamilycare.org***. If you have other questions, or are concerned that you are going to lose your health care coverage, you can call the Health Care Access Project at Legal Services of New Jersey by contacting the number at the end of this article.

If you, or another family member, have become eligible for SSDI, it is important to contact the New Jersey Work First office for redetermination purposes.

If You are Receiving Unemployment and Welfare

If you recently lost a job, and have very low income and few resources, you may qualify for both unemployment and welfare benefits. If you are approved for unemployment, welfare will count the unemployment benefits as "unearned" income, and the benefit will count against your welfare benefits.

Both unemployment and welfare require you to look for work. Welfare can grant a deferral from the work requirement (as explained earlier) if you are unable to work, but the unemployment agency will deny your claim if you are unable to work. The exception to this is if you became disabled *after* becoming eligible for unemployment, or if you were disabled due to an illness or injury not caused by your job (see the unemployment section above).

General Requirements for Benefits in New Jersey

	Unemployment Compensation	Welfare TANF/GA	SSI	SSDI
Do you need to have a disability?	No	No	Yes*	Yes
Are you required to work?	Yes	No**	No	No
Are there resource (asset) and income limits?	No	Yes	Yes	No
Must you have worked in the past?	Yes	No	No	Yes***

Table Footnotes and Exceptions:

*If you are 65 or older you do not need to prove disability to collect SSI.

**TANF/GA generally requires people to register for work and cooperate with program work requirements. You might be able to receive a deferral if you cannot work.

***Not all SSDI recipients have an earnings test. Some children, husbands, wives, or disabled widows don't need to have worked in the past to collect SSDI.

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The benefit descriptions provided in this article are general descriptions intended to provide a basic understanding. There are additional rules and exceptions. For more information on any of these programs, please contact Legal Services of New Jersey by calling LSNJ-LAW™, New Jersey's statewide, toll-free legal hotline 1-888-LSNJ-LAW (1-888-576-5529) Monday through Friday between the hours of 8:00 a.m. and 5:30 p.m.