Work Incentives and SSI Recipients with Intellectual Disabilities

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Congress has enacted a number of work incentive programs for Supplemental Security Income (SSI) recipients with disabilities after concluding additional incentives were necessary to help individuals become self-supporting. Moreover, Congress has noted that individuals who could work outside of sheltered workshops might have been discouraged from doing so by the fear of losing their benefits before they had established for themselves the capability for continued self-support. In this Data Note, we explore the degree to which SSI recipients with Intellectual Disabilities (ID) work and participate in these incentive programs.

Over one-fifth of all SSI recipients with disabilities ages 18-64 in 2007 (21%) were individuals with an Intellectual Disability. Next to individuals classified as having other mental disorders, this is the largest disability subgroup among SSI recipients. SSI recipients with ID have had relative success with employment outcomes compared to recipients who do not have ID. In 2007 the rate at which SSI recipients with ID worked was more than double that of SSI recipients without ID (15.1% versus 6.17%).

Selected Work Incentive Programs for SSI Recipients with Disabilities

Section 1619(a): Allows people with disabilities to continue receiving SSI income even if their earned income is at Substantial Gainful Activity (SGA) levels, i.e. the amount that would normally make them ineligible for SSI.

Section 1619(b): Allows individuals to continue receiving Medicaid benefits if their earnings disqualify them from eligibility for SSI cash payments but are not enough to afford medical insurance.

Impairment-Related Work Expenses (IRWE): Deducts the costs of items and services needed to work that are paid for by the individual from overall earnings when determining SSI payments.

Looking at the table below, we see SSI recipients with ID participate in the 1619(a) and 1619(b) work incentive programs at lower rates than SSI recipients with other disabilities. SSI recipients with ID participate in the IRWE program at slightly higher rates than recipients with other disabilities. The observation that SSI recipients with ID have better employment outcomes than their counterparts with other disabilities while at the same time participating in certain work incentive programs at much lower rates is an interesting one. It is likely there are a number of factors that explain this. Analysis of other data sources, e.g., the Rehabilitation Services Administration 911, has shown that people with ID often work fewer hours and earn less than individuals from other disability subgroups. If this is the case for SSI recipients with ID, the lower participation in 1619(a) and (b) work incentives could be due to the fact that the individuals do not have earnings close to SGA and are not likely to lose benefits because of earnings.

The low rates of participation should not overshadow the overall impact of the program. For instance, in 2007 section 1619(b) benefits allowed more than 27,000 individuals with ID to continue working and receiving Medicaid benefits. Better explanations of incentives and more encouragement to participate in incentive programs by employment and disability services professionals could lead to better employment for individuals receiving SSI.

Employment Outcomes and Participation in Work Incentives for SSI Recipients with Disabilities

	Intellectual disability	All other disabilities
Percentage of all SSI recipients with disabilities who work	15.1%	6.17%
Percentage of all SSI recipients with disabilities who work and participate in 1619(a)	3.80%	5.62%
Percentage of all SSI recipients with disabilities who work and participate in 1619(b)	19.83%	32.84%
Percentage of all SSI recipients with disabilities who work and participate in IRWE	1.91%	1.25%

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