



CLAIMING UNEMPLOYMENT BENEFITS WHILE RECEIVING SOCIAL SECURITY ADMINISTRATION DISABILITY PAYMENTS

While the \$600 weekly benefit increase expired on July 31, 2020, both Democrats and Republicans have proposed different, temporary benefit increases, with no resolutions to date. This brief will be updated going forward to reflect any changes to federal law.

KEY TAKEAWAYS

- SSI and SSDI participants who lost part-time work as a result of the COVID-19 pandemic are generally eligible for UI or PUA benefits, with some state exceptions for SSDI.
- Receipt of partial unemployment benefits could also affect SSI eligibility but likely would not impact SSDI eligibility.

The CARES Act greatly strengthened and expanded the dollar amount, duration, and coverage of unemployment assistance for U.S. workers. Under the CARES Act, a [wider class of workers](#), including those with limited recent formal earnings or with income from self-employment, is now eligible for unemployment benefits. These changes have also prompted questions about the implications for workers receiving disability (SSI or SSDI) benefits whose employment has been affected by the COVID-19 crisis. This brief:

- Clarifies the dollar amount and duration of benefits that unemployed workers can receive through pandemic-related changes to unemployment assistance; and

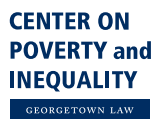
- Discusses the interaction between disability benefits and unemployment assistance, highlighting potential eligibility issues that could affect the simultaneous receipt of unemployment assistance and disability benefits.

BACKGROUND ON UNEMPLOYMENT ASSISTANCE PROGRAMS

The unemployment assistance system—which includes regular UI and the newly created emergency PUA and FPUC programs—is a pillar of the nation’s social insurance system, helping to stabilize the economy during and following downturns and providing a lifeline to un- and under-employed workers and their families.

UNEMPLOYMENT INSURANCE (UI)

Unemployment Insurance, or UI, provides critical support for involuntarily unemployed jobseekers and their families by replacing a share of lost wages while these workers search for new jobs. Eligibility and benefits vary by state. The benefit amount is typically calculated as a percentage of an individual’s earnings when they were employed, above a floor and up to a maximum limit. States and territories can differ in how they compute the benefit amount, with states using different values to represent pre-unemployment



earnings (e.g. average weekly wage, high calendar quarter wages), and some increase benefits for dependent children and other family members. The benefits are capped and these maximum weekly benefit amounts differ by state—including [\\$823 a week in Massachusetts](#), [\\$235 a week in Mississippi](#), and [\\$190 a week in Puerto Rico](#).

PARTIAL UI

In some states, workers might be eligible for [partial UI benefits](#).¹ Typically, partial UI is available for workers whose usual weekly hours and earnings have been temporarily reduced or workers who can find intermittent, part-time work while searching for full-time work. States differ in their policies for partial UI. Some states will also allow workers to file for unemployment [while seeking part-time work](#).

PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA)

Un- or under-employed workers who are not eligible for regular state UI benefits and [who are unable or unavailable to work due to one of the CARES Act's COVID-19-related reasons](#) may qualify for PUA, depending on state implementation of the CARES Act. Eligible workers include [self-employed workers, independent contractors, workers lacking the required work history to qualify for state UI benefits, workers who have exhausted regular UI, and workers seeking part-time work](#).

While the dollar amount of PUA benefits varies by state, it is equal to at least half of a state UI program's average weekly benefit amount. This will be about \$190 a week on average, and the assistance will be available for up to 39 weeks through the end of 2020.

FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION (FPUC)

Until July 26, 2020,² all unemployed workers receiving PUA or regular state UI benefits (including partial UI³) will also receive an additional \$600 per week through the federal FPUC program.

INTERACTIONS BETWEEN UNEMPLOYMENT ASSISTANCE & DISABILITY BENEFITS

Even before the CARES Act, participants in the Social Security Administration's Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) programs have been potentially eligible for UI benefits when involuntarily separated from allowable part-time work. However, because some states require UI beneficiaries to be available for full-time work and state UI eligibility is dependent on prior engagement in a [substantial gainful activity](#), many longer-term disability participants who are unable to engage in substantial work activities may not be eligible for regular state unemployment insurance. After passage of the CARES Act, however, more disability program participants may be eligible for the new Pandemic Unemployment Assistance (PUA) program intended to reach many workers who are ineligible for UI, including workers with low earnings.

SUPPLEMENTAL SECURITY INCOME (SSI)

Unemployed SSI participants are eligible for UI and PUA, but unemployment assistance is considered countable unearned income and will reduce SSI payments dollar-for-dollar.

SSI [is a federal program that provides a modest monthly payment](#) to 8.1 million people (including 1.1 million children) with a severe disability and little to no income. In 2020, the federal maximum SSI monthly benefit is \$783 (\$1,175 for a couple). However, most states offer an additional supplement depending on whether participants are blind, elderly, or disabled.

SSI Encourages Part-Time Work

Individuals participating in SSI are allowed and encouraged to work. Indeed, [SSI rules require participants to apply for other benefits](#) like UI and PUA for which they may be eligible.

¹ For the purposes of this brief, "UI" is an umbrella term that encompasses both regular state UI and partial UI.

² Congress authorized FPUC through weeks ending on or before July 31, which is a Thursday. The last FPUC payment will be for the week ending on Saturday, July 25 for all states but New York, which ends the relevant week on Sunday, July 26.

³ The [DOL has clarified](#) that individuals receiving any amount of qualifying unemployment benefits (for example, those receiving partial UI after losing a part-time job) will receive the full \$600.

⁴ More information on what payments or services do not count as income for the SSI program can be found [here](#).

Unemployment Benefits May Impact SSI Benefits & Eligibility

SSI payments are impacted by a recipient's [countable income](#):⁴ SSI benefits decrease dollar-for-dollar based on countable income and may be unavailable if countable income is over the allowable limit. Unemployment assistance is countable income, and SSI participants must report UI and PUA income to the Social Security Administration to avoid an overpayment.

Parental Receipt of UI Can Impact Children's SSI Payments

Through the process of "deeming," a [portion of the parent's income and resources is treated as if they were available to the child](#), thus reducing the child's SSI payment amount. [UI is one of the types of income that will be considered](#), so as the UI benefit increases, so too will the amount of deemed income. In most states, a child receiving SSI benefits is also eligible for Medicaid. Increased parental income could jeopardize this eligibility. [The Families First Act includes "maintenance of effort" \(MOE\) protections](#) that prevent states from adding new eligibility restrictions to Medicaid and a "continuous coverage" provision that prevents termination of Medicaid coverage during the pandemic.

FPUC's Temporary Boost to Unemployment Benefits Complicates PUA Interactions with SSI

The additional federal FPUC payment of \$600 per week, available through July 26, 2020, complicates the interaction between unemployment assistance and SSI benefits. (We focus here on PUA, which SSI participants are far more likely to be eligible for than UI.) With FPUC in place, two issues arise: first, FPUC may effectively reduce one's SSI payments to zero (because unemployment assistance lowers one's SSI payments dollar-for-dollar); and second, the addition of FPUC may tip the countable income over the allowable limit to receive SSI.⁵ After FPUC ends, the regular PUA payment, which will be a minimum of about [\\$190 a week](#),⁶ could affect eligibility for SSI and will certainly reduce the dollar amount of SSI payments.

With FPUC (before July 26, 2020): FPUC's \$600 weekly federal payment (up to \$2,400–\$3,000 a month) could offset the entire SSI benefit depend-

ing on the number of weeks the person receives unemployment benefits in a given month. Unemployment assistance payments also count toward the \$2,000 resource limit (\$3,000 for couples).

Without FPUC (after July 26, 2020): the impact of unemployment assistance payments on SSI eligibility will depend on marital status, other sources of income and assets, and the dollar amount of unemployment assistance benefits in a particular state. In states with higher PUA benefits, unemployment payments could still offset the entire SSI benefit for single people, even without the \$600 federal supplement.

On balance, FPUC's temporary boost in income through the late July should compensate for any reduction in SSI benefits. However, it is not clear how quickly the Social Security Administration can reinstate SSI benefits once unemployment assistance is reduced or terminated. There is an expedited reinstatement process that gives individuals up to five years to restart SSI benefits without having to reapply, but it is not clear how this process applies to unearned income like unemployment assistance.

Interactions with Medicaid

Individuals who are eligible for Medicaid based on SSI receipt [should not lose Medicaid](#) if they become ineligible for SSI.⁷ To continue Medicaid coverage, an individual [will likely need to share income information with Medicaid](#) if SSI stops.

SOCIAL SECURITY DISABILITY INSURANCE (SSDI)

Unemployed workers receiving SSDI are eligible for UI (including partial UI) or PUA in most states. Because additional income from unemployment benefits does not count toward SSDI income limits—which also help determine eligibility—receiving UI or PUA will not reduce SSDI benefits or affect SSDI eligibility.

[SSDI provides monthly benefits](#) to individuals who are no longer able to support themselves through work because of a disability. To qualify for SSDI, individuals must be insured (worked a quarter of their adult lives

⁵ E.g., workers could receive about \$790 total (\$190 on average through PUA, plus \$600 through FPUC) a week in unemployment assistance through July 26, 2020 under current law.

⁶ The majority of SSI participants likely would have earnings too low to qualify for state UI.

⁷ The Families First Coronavirus Response Act's Medicaid provisions allow states to provide coverage for uninsured individuals, with no income or resource limit, through the end of the public health emergency.

and for at least 5 of the past 10 years prior to the onset of a disability) and have a severe disability that prevents them from performing “substantial gainful activity,” defined in 2020 as earning \$1,260 per month (\$2,110 for blind individuals). Today, about 8.5 million people receive SSDI benefits.

SSDI Encourages Part-Time Work

[SSDI encourages people to work while claiming benefits](#) through trial work periods and job training opportunities.

Unemployment Benefits Will Not Impact SSDI Benefits or Eligibility

Because unemployment benefits are considered unearned income for SSDI purposes, [they do not count toward the substantial gainful activity income limit](#). ***For this reason, unemployment assistance benefits do not reduce SSDI benefit amounts or threaten eligibility.***

State Exceptions

UI: [Wisconsin](#) and [North Carolina](#) do not allow unemployed workers to claim UI if they received an SSDI payment in the same month. North Carolina waived this provision for the PUA program and [USDOL has since indicated that SSDI participants are still eligible for PUA under Wisconsin law](#).⁹ Similarly, [Minnesota](#) deducts 50 percent of the monthly SSDI benefit from the amount of state UI benefits in the case where SSDI benefits began after the start of the base UI period.⁸

PUA: According to [USDOL guidance](#),¹⁰ where the CARES Act and its operating instructions are silent,

states must refer to [Disaster Unemployment Assistance \(DUA\) regulations](#). Where DUA regulations are silent, states are directed to follow applicable state law for administering their regular UI programs. In cases where state laws are particularly restrictive, PUA benefits will not be accessible to as many people.

Interactions with Medicaid

Maintaining Medicaid eligibility is less clear-cut for those who receive SSDI but not SSI. Some SSDI participants may be receiving “[Medicaid for the Working Disabled](#),” which would be discontinued if the individual stops working. However, [access to Medicaid benefits](#) would continue at least until the end of the quarter after the public health emergency ends.

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⁸ An earlier interpretation disqualified SSDI participants from receiving PUA, but [Wisconsin now encourages SSDI participants whose ability to work was impacted by COVID-19 to apply for PUA benefits](#).

⁹ This is not necessarily an exhaustive list, and there may be additional state exceptions.

¹⁰ USDOL Resources and Guidance on UI during the COVID-19 outbreak can be found at <https://www.dol.gov/coronavirus/unemployment-insurance#guidance>.