

WORK INCENTIVES CONNECTION

News and resources for Social Security Beneficiaries (SSA) in RI



March 2019

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Did You Know?

You Might be Eligible for the Earned Income Tax Credit

The Earned Income Tax Credit, EITC or EIC, is a benefit for working people with low to moderate income. To qualify, you must meet certain requirements and file a tax return, even if you do not owe any tax or are not required to file. EITC reduces the amount of tax you owe and may give you a refund.

Visit the IRS website to learn more at <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit>.

Free Tax Preparation Services Available

The VITA (Volunteer Income Tax Assistance) program offers free tax preparation and e-filing services to individuals and families with an annual household income at or below \$55,000. Most locations require an appointment. Some may offer walk-in services. Be sure to ask what identification and/or documents to bring with you to the appointment.

Download 2019 VITA Location List at <http://www.economicprogressri.org/wp-content/uploads/2019/01/2019-VITA-list-1.18.19.pdf>.

Tax Refunds DO NOT Count as Income!

Whether you receive Supplemental Security Income (SSI) or Title II benefits, such as Social Security Disability Insurance (SSDI), the Social Security Administration does not count federal or state income tax refunds as income.

The SSI program does not count federal and/or state income tax refunds as income because they have already adjusted your SSI check based on your gross income in the month it was received, without regard to taxes withheld.

Similarly, since the SSDI program uses your gross countable earned income when making determinations about your SSDI benefits, the income in your tax refund has been taken into account.

Tax Relief Act

Allows SSI recipients to save refund for 12 Months.

The Tax Relief Act was signed into law in 2010. This law excluded all federal tax refund payments received on or after January 1, 2010, from counting as resources for SSI purposes for a 12-month period. The 12-month period starts the month after the month the refund is received.

Social Security's Title II recipients (SSDI, CDB, DWB) can save their tax refund for as long as they wish with no impact on their SSDI or Medicare benefits. However, those who have SSI and Medicaid as well as SSDI, should pay attention to the 12-month resource rule described above.

IRS Resources for Workers with Disabilities

The Internal Revenue Service (IRS) offers many publications related to filing taxes. The following resources may be helpful for workers with disabilities.

Tax Highlights for Persons with Disabilities

<https://www.irs.gov/pub/irs-pdf/p907.pdf>

This document is for use in preparing 2018 tax returns. It highlights ABLE accounts, various types of income (e.g., dependent care benefits, disability pensions), medical expenses, tax credits and more.

2018 Instructions for Schedule SE (Form 1040)

<https://www.irs.gov/pub/irs-pdf/i1040sse.pdf>

Use Schedule SE (Form 1040) to figure the tax due on net earnings from self-employment. The Social Security Administration uses the information from Schedule SE to figure your benefits under the social security program. This tax applies no matter how old you are and even if you are already getting social security or Medicare benefits.

2019 Federal Poverty Guidelines

Many state programs assisting elderly and disabled individuals use the Federal Poverty Levels (FPL's) to calculate income limits for program eligibility. State Medicaid programs also use these limits, or percentages of these limits, to calculate eligibility for specific Medicaid programs. Below are the new monthly FPL's applicable in the 48 contiguous states and Washington DC. Different figures apply in Alaska and Hawaii.

Partial List of Guidelines in Effect as of January 11, 2019

1 Person Household	2 Person Household	3 Person Household
Annual - \$12,490	Annual - \$16,910	Annual - \$21,330
Monthly - \$1,041	Monthly - \$1,409	Monthly - \$1,778

To view the complete 2019 Poverty Guidelines, go to <https://aspe.hhs.gov/>. Click the "Topics" tab and select "Poverty" from the list to access the Poverty Guidelines.

Work Incentives Information Sessions

Learn how work incentives can help make it easier to reach your goals. The Sherlock Center offers Work Incentives Information Sessions monthly.

Next Session:

Saturday, February 23, 2019

Warwick, RI

View the calendar and register online at <http://www.ric.edu/sherlockcenter/wi.html>.

Sponsors

- RI Benefits Counselor Network
- Paul V. Sherlock Center on Disabilities



Join our mailing list to receive information related to Work Incentives and Benefits Counseling – <http://bit.ly/2xvYGtL>

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