

# **Part I Chapter 4 – Understanding Plans to Achieve Self-Support (PASS)**



# Contents

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Chapter 4 – Understanding Plans to Achieve Self- Support (PASS).....	1
Learning Objectives.....	1
List of Acronyms .....	1
What is a Plan to Achieve Self-Support (PASS)?.....	2
PASS Requirements .....	3
Individuals Who May Benefit from a PASS .....	7
Developing a PASS.....	10
Things to Know Once the PASS is Approved .....	11
Next Steps.....	13



# **Chapter 4 – Understanding Plans to Achieve Self- Support (PASS)**

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## **Learning Objectives**

After you have read this chapter and completed the associated lectures and activities during WIPA Initial Training, you should be able to:

1. Describe the Plan to Achieve Self-Support (PASS) work incentive and how it benefits individuals with disabilities;
2. Describe the PASS requirements for work goals and earnings;
3. Describe the requirements for PASS expenses;
4. Describe the requirements for income and/or resources set aside to fund the PASS;
5. Identify characteristics of a likely PASS candidate; and
6. Identify under what circumstances Social Security suspends or terminates a PASS.

## **List of Acronyms**

- CWIC – Community Work Incentives Coordinator
- FBR – Federal Benefit Rate
- POMS – Program Operations Manual System
- SGA – Substantial Gainful Activity
- SSDI – Social Security Disability Insurance
- SSI – Supplemental Security Income
- POMS – Program Operations Manual System
- RMA – Retrospective Monthly Accounting
- SEIE – Student Earned Income Exclusion

- SSP – State Supplemental Payment
- VTR – Value of the One-third Reduction

## **What is a Plan to Achieve Self-Support (PASS)?**

A Plan to Achieve Self-Support (PASS) is a work incentive that allows a person with a disability to set aside income and/or resources for a period of time in order to pay for items or services needed to achieve a work goal. Under an approved PASS an individual may set aside income or resources to pay for education or training, counseling, job coaching or other support services, transportation, job-related items, equipment needed to start a business, or just about anything else that will help them meet their goal.

Social Security does not count income or resources set aside under an approved PASS. For someone who is already eligible for Supplemental Security Income (SSI), this means a PASS might help that person get a higher monthly SSI payment. For example, someone who had a reduced SSI cash payment because they received Social Security Disability Insurance (SSDI) could set aside the countable part of the SSDI to pay for the goods or services they outline in their PASS. Once approved, Social Security would disregard the set aside funds, and increase their SSI to replace the amount committed to the PASS up to the applicable Federal Benefit Rate (FBR).

PASS can also help someone establish or maintain SSI eligibility. For example, if a disabled individual received too much income to be eligible for SSI, they could commit part or all of that income to the PASS. If they met all other SSI entitlement requirements, they could become entitled to SSI. In most states, even receiving \$1.00 in SSI would also entitle them to Medicaid; something we will cover in the next chapter. Social Security does not require that an individual already receive SSI to qualify for a PASS. If the goal is both reasonable and feasible, the person could set aside some or all of their SSDI and meet the SSI income requirements.

A PASS is a detailed written plan that describes an individual's career goal, identifies specific items or services they need to achieve the career goal, identifies sources of income or resources to be set aside to

pay PASS expenses, and includes steps that person will take to achieve the career goal with timeframes. Individuals submit the completed plan to Social Security for approval. Social Security employees called PASS Specialists review the plan, help the beneficiary refine the plan (if needed), then monitor the individual's progress on implementing the steps in the approved plan.

During WIPA Initial Training, your instructors will provide you with numerous examples of how PASS applies using the SSI Calculation Sheet. These examples will illustrate how to determine the amount to set aside in a PASS and how setting aside that income (or resource) affects a person's eligibility for SSI and/or the SSI cash payment.

You can read more general information about what a PASS is and how this work incentive can help individuals with disabilities by reading the **"The Redbook – A Guide to Employment Supports" (Publication No.64-030)** on Social Security's website (<http://www.ssa.gov/redbook>). You can also find a helpful brochure entitled **"Working While Disabled—A Guide to Plan to Achieve Self-Support"** that describes PASS in easy-to-understand terms on Social Security's website ([www.ssa.gov/pubs/EN-05-11017.pdf](http://www.ssa.gov/pubs/EN-05-11017.pdf)).

## **PASS Requirements**

For Social Security to approve a PASS, the individual must include the following information in their plan:

### **A Specific Work Goal**

A PASS must include a specific employment goal for the plan to be approved. For example, basic living skills or homemaking skills are not occupational goals, but Social Security can approve training in such skills if the individual needs them to achieve a work goal. Buying a car is also not a work or employment goal. It may be a means to achieving employment, but in and of itself, it is not an employment goal. The work goal contained in the PASS must meet several requirements:

- Each PASS must specify and clearly describe a single work goal. The work goal must be the earliest point on the person's chosen career path that would generate earnings sufficient to be self-supporting. This means that the expected income is anticipated to be enough to cover all living expenses, all out-of-pocket medical expenses, and all work-related expenses.
- The work goal must be "feasible." This means that the individual must have a reasonable chance of performing the work associated with the occupational goal, considering the limitations of their impairment, their age, and the individual's strengths and abilities.
- For Social Security to approve a PASS, the agency must expect the individual's plan to result in a level of earnings that will decrease the individual's dependence on Social Security benefits. This level will vary depending on the individual's benefits status before using the PASS work incentive. For a person who was already eligible for SSI before the PASS, the work goal must result in enough earnings to substantially reduce or eliminate the SSI cash payment. The reduction must occur in a reasonable amount of time based on the specific milestones and timeframe outlined in the PASS application. If someone becomes entitled to SSI by committing their Title II disability benefit to fund the PASS, the work goal must be expected to result in earnings of more than the current Substantial Gainful Activity (SGA) level.
- Social Security only permits one PASS per work goal. If an individual had a previous PASS with a goal, and the person was not successful in meeting that goal, it is not possible to develop another PASS for that same goal.

### **A Viable Plan for Achieving the Work Goal**

Social Security will judge whether the plan is viable by considering the individual's education and training needs, any assistive technology required, and the interval steps necessary to achieve the work goal. These interval steps or milestones should include timeframes and be



described in enough detail that Social Security can measure the individual's progress toward achieving the work goal. When deciding if the plan is viable, Social Security will also check to make sure the individual will have sufficient funds to cover PASS expenses, living expenses, and other necessary expenses.

### **Specific and Reasonable Expenses for Items or Services Necessary to Achieve the Work Goal**

PASS is a work incentive intended for people who need help paying for items or to achieve a work goal. To be allowable, an expense must be directly related to the work goal and the PASS should include clear explanations as to why the goods and services are necessary. In addition, expenses must:

- Be itemized with costs indicated;
- Not have been paid before the individual began activities to achieve the work goal. Sometimes expenses can predate submission of the PASS and SSI eligibility. This is only true if the expense relates clearly to the work goal;
- Be of a reasonable cost. This means the price should reflect the usual cost for the item in the marketplace. Any cost estimates for items or services included in the PASS must show how the cost estimate was calculated; and
- Reflect start-up costs. Start-up costs refer to the expenses associated with someone first getting a job or starting a business. PASS expenses are limited to the start-up costs for the work goal.

Some examples of possible PASS expenditures include, but are not limited to:

- Equipment, supplies, operating capital, and inventory required to start a business;
- Supported employment services including job development and job coaching;
- Costs associated with educational or vocational training, including tuition, books, fees, tutoring, counseling, etc.;

- Dues and publications for academic or professional purposes;
- Attendant care;
- Certain transportation costs;
- Childcare;
- Equipment or tools either specific to the individual's condition or designed for general use, e.g., similar to what persons without disabilities would use for work;
- Interview clothing, Uniforms or other specialized clothing, safety equipment;
- Modifications to buildings or vehicles to accommodate disability; or
- Licenses, certifications, and permits necessary for employment.

The PASS provisions prohibit certain types of expenses. A PASS expense that is not allowed is one that:

- Is not purchased by the individual;
- Is for items or services that the individual can readily obtain for free;
- Is for items or services for which the individual will be reimbursed; or
- Reflects an outstanding debt unrelated to the current PASS.

### **A Source of Income and /or Resources to Fund the PASS**

To qualify for a PASS the individual must have some sort of income or resource to set aside that would otherwise cause a reduction in the SSI cash payment or cause ineligibility for SSI. The income or resource must be monetary. It is not possible to set aside an object or real property to fund a PASS.

If an individual has no countable resources that would cause ineligibility for SSI, and has no source of income other than SSI, a PASS is not possible. Social Security does not allow beneficiaries to set aside SSI

benefits to fund a PASS. Some types of income or resources individuals may use to fund a PASS include:

- Countable resources in excess of the current resource limits;
- Countable unearned income such as Social Security benefits, pension payments, rental income, child support, etc.;
- In-kind support and maintenance (ISM) valued under the Presumed Maximum Value (PMV) rule. If a beneficiary has ISM and the Value of the One-third Reduction (VTR) rule is being applied, it is not a form of unearned income. ISM valued under the VTR rule cannot be used to fund a PASS;
- Countable earned income after all exclusions and work incentives have been applied; or
- Deemed income from an ineligible spouse, parent(s), or sponsor.

The information contained in this chapter is a general summary of the PASS requirements. There are more details that PASS Specialists consider when they review a PASS. You can read more about the PASS requirements in Social Security's Program Operations Manual System (POMS) at **SI 00870.006 Elements of a PASS** (<https://secure.ssa.gov/apps10/poms.nsf/lnx/0500870006>).

## **Individuals Who May Benefit from a PASS**

To qualify for a PASS, a person must meet the following criteria:

- Be under age 65, or be previously entitled to an SSI benefit based on blindness or disability the month prior to reaching age 65;
- Meet Social Security's definition of disability or blindness;
- Meet all SSI eligibility criteria with the exception of the income and resources test; and
- Have earned income, unearned income, deemed income, in-kind support, or countable resources to set aside in the PASS.

## **Likely PASS Candidates**

Not everyone who could be eligible for a PASS is actually a good candidate for using this complex work incentive. Like all work incentives, PASS is not intended to be a “one size fits all” solution to every problem or to meet the employment support needs of every beneficiary. A likely PASS candidate would typically have one or more of the following characteristics:

- Eligible for or already receiving rehabilitation services from a State Vocational Rehabilitation (VR) agency, a state agency for the blind, other public agency (e.g., Department of Veterans Affairs) or a private agency (e.g., Employment Network, United Cerebral Palsy, Goodwill Industries, etc.);
- Be enrolled in school or other training program, or interested in obtaining post-secondary education or occupational skill training of some type;
- Currently working, seeking employment, or interested in pursuing employment or self-employment;
- Interested in becoming self-supporting;
- In need of services or items in order to achieve a desired work or self-employment goal; or
- Social Security would otherwise deny initial SSI eligibility or suspend or terminate continued eligibility solely due to excess income or resources, or Social Security would otherwise reduce SSI benefits due to some form of countable income.

## **Unlikely PASS Candidates**

Some individuals with disabilities may not qualify for a PASS. Others might qualify, but simply would not benefit from developing a PASS. Unlikely PASS candidates would include those who:

- Already secured the needed items and services under a previous PASS and have not tried to seek employment in the work goal for which they obtained the required items or services that they identified as being sufficient to make them employable;

- Are ineligible for SSI benefits for any reason other than excess income or resources;
- Are under age 15 or over full retirement age (with some exceptions);
- Do not have any income or resources to set aside in the PASS or are unwilling to use set aside funds strictly for the PASS; and
- Do not require any additional items or services to meet a specific career goal, or are not interested in working or decreasing dependency on public benefits.

### **Title II Disability Beneficiaries as PASS Candidates**

While PASS is known as an SSI work incentive, there is no rule prohibiting Title II disability beneficiaries from developing a PASS. Remember that the SSI program views Title II disability benefits as a form of unearned income. Because many Title II disability beneficiaries receive more than the current SSI FBR in monthly payments, they often have too much countable unearned income to qualify for SSI. By setting the Title II disability payment aside under an approved PASS, the SSI program disregards this income when determining eligibility for SSI. If Social Security approves the PASS, the Title II payment continues, and the beneficiary sets it aside in the PASS to pay for the items or services needed to achieve their occupational goal. In return, the individual will receive SSI cash payments during the life of the PASS.

When working with a Title II disability beneficiary who is interested in pursuing a PASS, keep in mind that the individual must meet all other SSI eligibility criteria for the PASS to be approved. It is also important to keep in mind that if a Title II disability beneficiary uses the PASS to establish eligibility for SSI and sets aside Social Security disability benefits, the work goal must be likely to result in work above the SGA level and lead to the eventual loss of the Social Security disability benefit.

There are many things to consider when counseling beneficiaries about PASS since not everyone who may want to develop a plan is a good candidate for having a PASS approved. To help determine if a

beneficiary is a good PASS candidate, you can use the **PASS Candidate Checklist** on the NTDC website (<https://vcu-ntdc.org/resources/viewContent.cfm?contentID=58>).

## Developing a PASS

An individual may develop and submit a PASS to Social Security at any time. The agency requires individuals to submit their plans in writing. Applicants may use **a standardized form, SSA-545-BK, or any format as long as it contains all of the information required on the SSA-545-BK found on Social Security's website in PDF format** (<https://www.ssa.gov/forms/ssa-545.html>).

Individuals who develop a PASS but who do not yet receive SSI will have to apply for SSI and submit the completed PASS form at the same time. For Social Security to award the application, in addition to meeting the medical requirements, the person must meet the income and resource requirements once Social Security excludes the PASS set-aside amounts. In addition, if the person is not yet eligible for SSI, they may not be performing SGA at the time of application.

### PASS Specialists

When a beneficiary submits a PASS to the local Social Security field office, the PASS is sent to the regional PASS Cadre. The PASS Cadre members are Social Security employees, referred to as "PASS Specialists" or sometimes "PASS Experts" who specialize in reviewing and approving PASS applications. The PASS Cadre has contact with any claimant filing for a PASS when the applicant submits the PASS. In addition, the PASS Specialist must conduct periodic progress reviews to ensure the beneficiary is fulfilling PASS requirements as outlined in the plan. In most cases, Social Security prefers that a beneficiary submit his or her plans directly to the PASS Cadre that covers the area in which the individual resides. You can find a **listing of PASS Specialists with service areas and contact information** on Social Security's website (<http://www.socialsecurity.gov/disabilityresearch/wi/passcadre.htm>).

### Getting Help with Developing a PASS

Social Security allows beneficiaries to get help with developing a PASS and may even include fees paid for PASS preparation in the plan. A

PASS Specialist, a Community Work Incentives Coordinator (CWIC), a vocational rehabilitation counselor, other professionals providing benefits counseling, or anyone else may help with developing a PASS. Assisting someone with a PASS is an important part of your role as a CWIC providing WIPA services. CWICs who work in WIPA programs may not charge beneficiaries for PASS preparation.

## **Things to Know Once the PASS is Approved**

Once Social Security has approved the PASS, the agency will continue to monitor the beneficiary's progress by conducting periodic progress checks. The PASS Specialist generally makes an initial progress check within 30-60 days of approval, or by the first milestone, if earlier. A brief telephone call to check on progress may be sufficient. After this initial progress check, the PASS Specialist will set up a schedule of subsequent progress checks based on the circumstances of each PASS. The PASS Specialist will schedule regular progress reviews on factors including:

- Critical milestones;
- Six-month intervals during which the beneficiary will be accumulating but not disbursing funds for PASS expenses;
- When the individual files a self-employment tax return;
- When the individual expects to achieve his or her work goal; and
- Any other factor the PASS Specialist considers appropriate (e.g., the end of every semester – to check grades and the next schedule of classes).

There are many things beneficiaries need to do to keep their PASS moving forward. CWICs have a significant role to play in identifying possible PASS candidates, assisting individuals to develop their plans, and helping beneficiaries manage their plans after approval. To help you counsel beneficiaries with an approved PASS, the VCU NTDC developed a helpful resource document entitled **So, Your PASS was Approved - Now What?** that outlines all the things a beneficiary needs to do to keep their PASS on track. You can find this document on

the NTDC website (<https://vcu-ntdc.org/resources/viewContent.cfm?contentID=61>).

## **Making Changes to a PASS**

A PASS may change in several ways. Social Security offers the individual an opportunity to modify the plan before disapproving a PASS. This allows the individual to make any changes needed so that Social Security can approve the PASS. The PASS Specialist will identify and explain the needed changes.

Social Security can also “amend” an approved PASS. The types of changes that require plan amendment include the following:

- Change in the amounts of income or resources to be set aside (i.e., the amount excluded);
- Change in planned expenditures;
- Change in the scheduled attainment date for the occupational objective or the milestones leading to that work goal; or
- Modification of the work goal regarding the level of independent performance from that originally anticipated (as in a supported employment situation).

Any other substantive change in the occupational objective (i.e., a different job than stated in the original plan) requires a new plan. Social Security’s PASS Specialists must approve any amendments to an existing plan.

You can find more information about amending a PASS using the POMS citation **SI 00870.050 Plan to Achieve Self-Support (PASS)**

### **Amendments**

(<https://secure.ssa.gov/apps10/poms.nsf/lnx/0500870050>).

## **Suspending or Terminating a PASS**

Social Security will suspend a PASS when the individual has not met scheduled milestones, accounted for all PASS funds or other circumstances are present and the individual has not provided a reasonable explanation. The agency will also suspend a PASS when a beneficiary requests a new PASS with a new work goal. Social Security may suspend a PASS for up to 12 consecutive months. If the



beneficiary does not resume the PASS within 12 months, Social Security will terminate the PASS.

A suspended PASS may resume when the individual resolves the reason for the suspension and the PASS Specialist approves the individual's request, including any amendment, to pursue the PASS. At the PASS Specialist's discretion, an individual may resume a PASS that Social Security suspended for more than 12 months as long as Social Security does not terminate the individual's SSI benefits.

A PASS terminates when one of the following events occurs:

- The individual's eligibility for SSI benefits terminates; or
- Twelve consecutive months have elapsed from the date of the PASS suspension decision without the plan resuming.

Social Security does not penalize an individual if he or she does not reach his or her work goal at the end of his or her PASS if the individual:

- Followed his or her PASS steps to reach his or her work goal as approved;
- Spent the set aside income or resources as outlined in the PASS;
- Kept records of the expenses including receipt; and
- Actively sought employment at the end of the PASS.

You can read more about suspending or terminating a PASS by going to the POMS at **[SI 00870.070 Suspension, Termination Or Resumption Of A Plan to Achieve Self-Support \(PASS\)](https://secure.ssa.gov/apps10/poms.nsf/lnx/0500870070)** (<https://secure.ssa.gov/apps10/poms.nsf/lnx/0500870070>).

## **Next Steps**

PASS offers a unique opportunity for beneficiaries to achieve vocational goals, increase their available income, reduce their dependence on benefits, and improve their quality of life. While PASS is not a work incentive for everyone, it provides incredible advantages for individuals who truly want to establish a successful career that leads to economic self-sufficiency.

Facilitating use of work incentives such as PASS is a core component of a CWIC's job. PASS is complicated and the information contained in this chapter provides only an overview of PASS provisions. You will need to access additional training and technical support to facilitate PASS development. For now, the most important thing is for you to be able to recognize when a beneficiary might be a good PASS candidate. When you identify someone who could benefit from a PASS, the next step is to contact your assigned NTDC Technical Assistance (TA) Liaison for assistance. Your TA Liaison will point you to additional resource documents you can read and training sessions you can complete to gain a deeper understanding of this powerful work incentive.