

29. Disability Based Income [W & I Code 11451.51]

Certain categories of disability income are called Disability Based Income. They include:

- State Disability Insurance (SDI)
- Private Disability Insurance (PDI) benefits
- Temporary Workers Compensation (TWC) benefits
- Temporary Disability Indemnity (TDI) benefits
- Social Security Disability Insurance (SSDI), and
- Veteran's Disability Compensation (VDC) benefits.

Disability type incomes are no longer considered earned income. Permanent Workers Compensation payments and any other types of disability income, which do not meet the above categories are considered unearned income.

The Income Disregard is applied to disability based income before it is applied to earned income. Any remainder of the Income Disregard value is applied to the earned income. Children receiving disability based income (based on their parent's disability) are eligible to receive the Income Disregard, but the Income Disregard can only be received once per family. [Refer to 28.5]

29.1 State Disability Insurance Benefits

State Disability Insurance is (SDI) paid to eligible persons under the Unemployment Insurance Code. These benefits are for persons who meet the applicable disability criteria. They are also referred to as Disability Insurance Benefits (DIB).

29.1.1 Unconditional Income

If an applicant appears to be eligible for SDI, an application for these benefits must be made. If the customer refuses or fails to do so, then there is no eligibility for that person.

29.1.2 Retroactive Payments

If the AU receives SDI for a retroactive period it is considered property for the month received and the subsequent months.



Note:

If the AU receives a lump sum payment in excess of the property limit during the SAR cycle, the AU remains eligible for the entire SAR Payment Period in accordance with the SAR rules.

29.1.3 Payment Cycle

The normal payment for SDI is biweekly. The customer must report the check on the date it is received.

29.1.4 Other Disability Payments

When an AU is receiving a disability benefit from a source other than the State Disability division, it is to be considered unearned income, unless it meets one of the other four categories.

29.1.5 Undocumented Persons

Undocumented persons are not eligible for disability benefits and shall not be instructed to apply for SDI. However, if an undocumented person has applied for and is receiving SDI, use the regular CalWORKs budgeting process.

29.1.6 Further Information

Refer to Common-Place Handbook "Disability Insurance Benefits" for the verification procedures and the benefit amounts.

29.1.7 TMC

A customer who is discontinued from CalWORKs, solely due to the receipt of disability based income, is not eligible for Transitional Medi-Cal (TMC) as it is not income from increased earnings. Eligibility for other Medi-Cal programs must be explored.

29.2 Private Disability Insurance

Private Disability Insurance is disability insurance offered by a private party or employer. It is not a state or federal insurance payment (i.e., PERS disability).

29.3 Temporary Worker's Compensation and Temporary Disability Indemnity

Temporary Worker's Compensation (TWC) and Temporary Disability Indemnity (TDI) payments are considered to be disability based income when such payments are:

- Employer funded, and
- Made to an individual who remains employed during recuperation from a temporary illness or injury pending their return to the job, and
- Specifically characterized under State law as temporary wage replacements.

29.3.1 Unconditional Income

If an applicant appears to be eligible for TWC/TDI, an application for these benefits must be made. If the customer refuses or fails to do so, then there is no eligibility for the AU or that specific individual. [Refer to “Potentially Available Income” Section 26.7 for clarification.]

29.4 Social Security Disability Insurance

Social Security Disability Insurance (SSDI) is disability insurance issued by the Social Security Administration. It is based on an individual’s disability that is expected to last for at least a year or to result in death. To qualify for SSDI an individual must have worked long enough and recently enough under Social Security.

It is not to be confused with Supplemental Security Income or the State Supplemental Program (SSI/SSP).

Retirement or Survivors benefits are not eligible for the Income Disregard; Social Security Disability benefits are entitled to the Income Disregard. Identification of benefits for:

- An adult receiving disability benefits for themselves can be verified through the Income Eligibility and Verification Systems (IEVS) or the Bendex system.
- Children receiving disability benefits can be verified with the “Social Security Information and Request Referral” (CA 810).



Example:

Mom and two children in the AU, no others in the home. Mom has no income. Each child receives \$300 SSDI based upon their father’s disability. Total income is $\$300 + \$300 = \$600$. $\$600 - \500 Income Disregard = $\$100$ to subtract from MAP for 3.



Important:

Current Income Disregard value must be used in calculation.

29.5 Veteran's Disability Compensation (VDC) Benefits

The Veterans Administration (VA) has many types of VDC benefits. The main benefit is Disability Compensation. There are some additional, special categories of supplemental VDC payment that veterans and their spouse, children, or parents may be entitled to receive depending on several different factors. Some of these additional types of VDC benefits include, but are not limited to Special Monthly Compensation and Individual Unemployability benefits. In addition to the VDC benefits paid to veterans injured as a result of their active duty status, there is another benefit type called the Title 38 U.S.C. 1151 Claim. This compensation is paid to veterans who were injured while receiving care from the VA or while in VA rehabilitation programs.



Example:

A veteran pursuing training under the VA's Chapter 31 Vocational Rehabilitation and Employment program was receiving on-the-job training as a car mechanic. During training, a jack slipped from a car, crushing the veteran's left foot. Disability compensation may be paid for the foot injury because the injury occurred while the veteran was pursuing training under a VA Vocational Rehabilitation and Employment program.

Regardless of the type of VDC benefit being paid or to whom it's being paid, counties must apply the Income Disregard if the payment is based on the veteran's disability.

29.5.1 Unconditional Income

If an applicant appears to be eligible for VDC, an application for these benefits must be made. If the customer refuses or fails to do so, then there is no eligibility for that person.

29.5.2 Retroactive Payments

If the AU receives VDC for a retroactive period it is considered property for the month received and the subsequent months.



Note:

If the AU receives a lump sum payment in excess of the property limit during the SAR cycle, the AU remains eligible for the entire SAR Payment Period in accordance with the SAR rules.