



**MRC Learn To Earn |
Cliff Effects Project
Runway to Careers Pilot
January 29 2024**





Benefits Cliff Work

What is the benefits cliff?

The benefits cliff is a **sharp decline in benefits as income increases**, creating a financial disincentive to pursue further employment and a fear of benefit loss that deters individuals from seeking higher earning, long-term employment.

Both SSDI and SSI beneficiaries can experience the benefits cliff, but the rate at which their benefits are reduced is different.

- *SSDI beneficiaries typically face a steep benefit cliff when their income surpasses the Sustainable Gainful Activity (SGA) level, following the Trial to Work Period and Grace Period.*
- *SSI beneficiaries typically experience a gradual reduction in benefits as they return to work or increase earnings. This effect is compounded when taking into consideration the other benefits consumers receive (i.e. SNAP, TANF, housing, healthcare).*

Background

In 2020, MRC joined an ongoing multi-secretariat "Learn to Earn" effort to address the "**benefits cliff**" that often deters residents who have been receiving federal and state benefits from seeking, obtaining, and retaining work.

Previous Work

In 2021, MRC conducted **field research** with the goal of identifying programs and policies that support **SSDI / SSI beneficiaries** in transitioning off benefits to full time work. At the end of this work, MRC developed a **pilot proposal** to create runways to livable wage jobs that will support beneficiaries in jumping, navigating, or avoiding the benefits cliff.



MassAblity LTE Project Vision

MRC envisions a future in which beneficiaries are empowered to get good jobs and earn livable wages

Problem Statement

Individuals with disabilities avoid working up to their highest abilities due to the "benefits cliff" caused by SSA benefits structures and other disincentives.



MRC Project Goals

Align policies and MRC operations to empower SSA beneficiaries to get good jobs that leverage their capabilities and enable self-reliance.



Pilot Strategy

Implement enhanced MRC practices and SSA policy reform to help people with disabilities "jump", navigate, or avoid the benefits cliff.



Massachusetts Runway to Careers Pilot Overview

A new work incentive that allows beneficiaries to retain full benefits and earnings while gaining skills

Goals:

- 1) Leverage best VR practices and business partnerships to create a runway to careers with livable wages;
- 2) Incentivize beneficiary participation through supportive policy reform

Core Pillars of Massachusetts Runway to Careers Pilot

Coordinated Team Approach

- All beneficiaries in the program are supported by a Coordinated Team (CT)
- CT consists of a VR counselor, Benefits Counselor / Financial Planner, Wrap Around Services Coordinator, Career Coach
- Structured, recurring team meetings and consistent inclusion of all team members from the start of a beneficiary's enrollment in the program

Skill Building Opportunities

- Identify high-demand industries within Massachusetts
- Leverage and expand partnerships with identified companies in high-demand industries
- Create skill building opportunities (e.g., apprenticeship, internship, practicum) with partners for people with disabilities
- Ensure livable wage jobs are targeted

SSA Policy

- Test SSA policy reform that allows beneficiaries to keep benefits while earning wages from skill building opportunities (e.g., apprenticeship, internship, practicum)
- Proposed enabling policies:
 - Exclude earnings from counting towards SGA limit if earned via a skill building opportunity for up to 24 months
 - Extend Trial Work Period to 24 months

Post Employment Support

- Expand upon existing effective relationships with Employment Networks
- Partner with Employment Networks for support and follow up post successful employment outcome to assist with job retention
- Propose 50-50% sharing of the post-employment Ticket To Work payments



Next Phase of Work

MRC launching **implementation phase** in February 2024 with the objective of achieving the following:

1. Explore **all opportunities** that can provide beneficiaries with **safety and a longer runway** to participate in skill building opportunities without risking losing benefits or reducing their monthly resources
 1. Federal regulations
 2. State law and regulations
 3. Grant funding
 4. Other avenues
2. Gain **stakeholder awareness / support** for pilot
3. Design **pilot program implementation / evaluation plan** and detailed proposal
4. Create **communication materials** for web / social to promote awareness of MRC efforts