

(3) If the beneficiary's outcome payment period begins before the beneficiary has achieved all Phase 1 and Phase 2 milestones, then we will pay the EN a final payment in accordance with § 411.536 (reconciliation payments) to account for unpaid milestone payments that had been available when the ticket was first assigned.

(b) An EN can be paid for a milestone only if the milestone is attained after a beneficiary has assigned his or her ticket to the EN. See § 411.575 for other milestone payment criteria.

[66 FR 67420, Dec. 28, 2001, as amended at 73 FR 29347, May 20, 2008]

**§ 411.536 Under what circumstances can we make a reconciliation payment under the outcome-milestone payment system?**

When the beneficiary's outcome payment period begins before the beneficiary has attained all Phase 1 and Phase 2 milestones, we will pay the EN (or a State VR agency acting as an EN) a reconciliation payment. The reconciliation payment will equal the total amount of the milestone payments that were available with respect to that ticket, when the ticket was first assigned, but that have not yet been paid. The reconciliation payment will be based on the payment calculation base for the calendar year in which the first month of the beneficiary's outcome period occurs, rounded to the nearest whole dollar. The payment will be made after an EN has qualified for 12 outcome payments. Where multiple ENs had the ticket assigned at some time, the PM will apply the rule under § 411.560 to determine the allocation of the reconciliation payment.

[73 FR 29347, May 20, 2008]

**§ 411.540 How are the payment amounts calculated for each of the milestones?**

(a) For both title II disability beneficiaries and title XVI disability beneficiaries, the payment amount for each

of the Phase 1 milestone payments is equal to 120% of the payment calculation base for title II (as defined in § 411.500(a)(1)) for the calendar year in which the month of attainment of the milestone occurs, rounded to the nearest whole dollar.

(b) The payment amount for each of the Phase 2 milestones:

(1) For title II disability beneficiaries (including concurrent title II/title XVI disability beneficiaries) is equal to 36% of the payment calculation base as defined in § 411.500(a)(1) for the calendar year in which the month of attainment of the milestone occurs, rounded to the nearest whole dollar;

(2) For title XVI beneficiaries (who are not concurrently title II disability beneficiaries) is equal to 36% of the payment calculation base as defined in § 411.500(a)(2) for the calendar year in which the month of attainment of the milestone occurs, rounded to the nearest whole dollar.

[73 FR 29347, May 20, 2008]

**§ 411.545 How are the outcome payments calculated under the outcome-milestone payment system?**

The amount of each monthly outcome payment under the outcome-milestone payment system is calculated as follows:

(a) For title II disability beneficiaries (including concurrent title II/title XVI disability beneficiaries), an outcome payment is equal to 36 percent of the payment calculation base as defined in § 411.500(a)(1) for the calendar year in which the month occurs, rounded to the nearest whole dollar;

(b) For title XVI disability beneficiaries (who are not concurrently title II/title XVI disability beneficiaries), an outcome payment is equal to 36% of the payment calculation base as defined in § 411.500(a)(2) for the calendar year in which the month occurs, rounded to the nearest whole dollar.

(c) The following chart provides an example of how an EN could receive milestone and outcome payments:

OUTCOME-MILESTONE PAYMENT TABLE  
 CHART I—NEW OUTCOME-MILESTONE PAYMENT TABLE  
 [2008 figures for illustration only]

Payment type	Beneficiary earnings	Title II amount of payment	Title XVI amount of payment
Phase 1 (120% of Title II PCB)			
Milestone 1 .....	\$335/mo. \$670/mo. × 3 mo. work in a 6-month period.	\$1,177 .....	\$1,177
Milestone 2 .....	\$1,177 .....	\$1,177.	
Milestone 3 .....	\$670/mo. × 6 mo. work in a 12-month period.	\$1,177 .....	\$1,177
Milestone 4 .....	\$670/mo. × 9 mo. work in an 18-month period.	\$1,177 .....	\$1,177
Total Phase 1 milestones.		\$4,708 .....	\$4,708
Phase 2 (36% of PCB) .....	Gross Earnings>SGA		
Title II milestones 1-11 .....	\$353 × 11=\$3,883		
Title XVI milestones 1-18 .....	\$203 × 18 = \$3,654.		
Total Phase 1 + 2 .....	\$8,591 .....	\$8,362.	
Title II = 1-36 .....	Outcome payments (36% of PCB). Monthly cash benefit not payable due to SGA.	\$353 × 36 = \$12,708	
Title XVI = 1-60 .....	Sufficient earnings for federal cash benefits = "0".	203 × 60 = \$12,180.	
Total milestone and outcome payments.	\$21,299 .....	\$20,542.	

*Definitions and amounts:* Payment Calculation Base (PCB)—The average title II disability insurance benefit payable under section 223 of the Social Security Act for all beneficiaries for months during the preceding calendar year; and the average payment of supplemental security income benefits based on disability payable under title XVI (excluding State supplementation) for months during the preceding calendar year to all beneficiaries who have attained 18 years of age but have not attained 65 years of age. (2008 title II = \$981.17, title XVI = \$563.35).

Gross earnings requirements for Phase 1 are based on Trial Work level amounts.

For Phase 1 milestones only, the payments are calculated for both title XVI and title II beneficiaries using the higher title II payment calculation base. All other payments are based on a percentage of the Payment Calculation Base (PCB) for the respective program (title XVI or title II). See §411.535 for a discussion of the circumstances under which we will pay milestones.

- Phase 1 milestones = 120% of PCB.
- Phase 2 milestones = 36% of PCB.

Outcome payments (under the outcome-milestone payment system) = 36% of PCB Earnings used to meet the first, second, or third Phase 1 milestone may be counted again when determining if a later milestone is met, provided the earlier earnings fall within the relevant time period for meeting the later Phase 1 milestone (see 411.525(a)(2) for the relevant time period for each milestone).

[73 FR 29348, May 20, 2008]

**§411.550 How are the outcome payments calculated under the outcome payment system?**

The amount of each monthly outcome payment under the outcome payment system is calculated as follows:

- (1) For title II disability beneficiaries (including concurrent title II/title XVI disability beneficiaries), an outcome payment is equal to 67% of the payment calculation base as defined in §411.500(a)(1) for the calendar year in which the month occurs, rounded to the nearest whole dollar;
- (2) For title XVI disability beneficiaries (who are not concurrently