

on which the requirements of paragraphs (a)(1) and (a)(2) of this section are met.

Subpart H—Employment Network Payment Systems

§411.500 Definitions of terms used in this subpart.

(a) *Payment calculation base* means for any calendar year—

(1) In connection with a title II disability beneficiary (including a concurrent title II/title XVI disability beneficiary), the average monthly disability insurance benefit payable under section 223 of the Act for months during the preceding calendar year to all beneficiaries who are in current pay status for the month for which the benefit is payable; and

(2) In connection with a title XVI disability beneficiary (who is not concurrently a title II disability beneficiary), the average monthly payment of Supplemental Security Income (SSI) benefits based on disability payable under title XVI (excluding State supplementation) for months during the preceding calendar year to all beneficiaries who—

(i) Have attained age 18 but have not attained age 65;

(ii) Are not concurrent title II/title XVI beneficiaries; and

(iii) Are in current pay status for the month for which the payment is made.

(b) *Outcome payment period* means a period of 36 months for a title II disability beneficiary or a period of 60 months for a title XVI disability beneficiary who is not concurrently a title II disability beneficiary, not necessarily consecutive, for which Social Security disability benefits and Federal SSI cash benefits are not payable to the beneficiary because of the performance of substantial gainful activity (SGA) or by reason of earnings from work activity. The outcome payment period begins with the first month, ending after the date on which the ticket was first assigned to an EN (or to a State VR agency acting as an EN), for which such benefits are not payable to the beneficiary because of SGA or by reason of earnings from work activity. The outcome payment period ends as follows:

(1) For a title II disability beneficiary (including a concurrent title II/title XVI disability beneficiary), the outcome payment period ends with the 36th month, consecutive or otherwise, ending after the date on which the ticket was first assigned to an EN (or to a State VR agency acting as an EN), for which Social Security disability benefits and Federal SSI cash benefits are not payable to the beneficiary because of earnings from work activity (except as provided for in §411.551).

(2) For a title XVI disability beneficiary who is not concurrently a title II disability beneficiary, the outcome payment period ends with the 60th month, consecutive or otherwise, ending after the date on which the ticket was first assigned to an EN (or to a State VR agency acting as an EN), for which Federal SSI cash benefits are not payable to the beneficiary by reason of earnings from work activity (except as provided for in §411.551).

(c) *Outcome payment system* is a system providing a schedule of payments to an EN (or a State VR agency acting as an EN) for each month, during an individual's outcome payment period, for which Social Security disability benefits and Federal SSI cash benefits are not payable to the individual because of work or earnings.

(d) *Outcome payment* means the payment for an outcome payment month.

(e) *Outcome payment month* means a month, during the beneficiary's outcome payment period, for which Social Security disability benefits and Federal SSI cash benefits are not payable to the beneficiary because of work or earnings.

(f) *Outcome-milestone payment system* is a system providing a schedule of payments to an EN (or State VR agency acting as an EN) that includes, in addition to any outcome payments which may be made during the individual's outcome payment period, payments for completion by a title II or title XVI disability beneficiary of up to four Phase 1 milestones; and up to eleven Phase 2 milestones for a title II disability beneficiary or a concurrent beneficiary or up to eighteen Phase 2 milestones for a title XVI disability beneficiary who is not a concurrent title II disability beneficiary.

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(1) *Phase 1 milestones* are based on the beneficiary achieving a level of earnings that reflects initial efforts at self-supporting employment. They are based on the earnings threshold that we use to establish a trial work period service month as defined in § 404.1592(b) of this chapter. We use this threshold amount as defined in § 404.1592(b) of this chapter in order to measure whether the beneficiary's earnings level meets the milestone objective.

(2) *Phase 2 milestones* are based on the beneficiary achieving a level of earnings that reflects substantial efforts at self-supporting employment. They are based on the earnings threshold that we use to determine if work activity is SGA. We use the SGA earnings threshold amount in § 404.1574(b)(2) of this chapter. We use the SGA threshold amounts in order to measure whether the beneficiary's gross earnings level meets the milestone objective.

(g) *Transition case* is a case where milestones or outcomes had been attained before July 21, 2008 (that is, the work required to meet such a milestone or outcome had been completed by that date). Section 411.551 explains how subsequent payments will be made to the EN (or State VR agency acting as an EN) on a transition case.

(h) *Reconciliation payment* is a final payment equal to the milestone payments that are unpaid when the beneficiary enters the outcome payment period before all the milestone payments are paid (see §§ 411.525(c) and 411.536).

[66 FR 67420, Dec. 28, 2001, as amended at 73 FR 29345, May 20, 2008]

§ 411.505 How is an EN paid?

An EN (including a State VR agency acting as an EN) can elect to be paid under either the outcome payment system or the outcome-milestone payment system. The EN will elect a payment system at the time the EN enters into an agreement with us. (For State VR agencies, see § 411.365.) The EN (or State VR agency) may periodically change its elected EN payment system as described in § 411.515.

[73 FR 29346, May 20, 2008]

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§ 411.510 How is the State VR agency paid under the Ticket to Work program?

(a) The State VR agency's payment choices are described in § 411.355.

(b) The State VR agency's decision to serve the beneficiary must be communicated to the program manager (PM). (See § 411.115(k) for a definition of the PM.) At the same time, the State VR agency must notify the PM of its selected payment system for that beneficiary.

(c) If a beneficiary who is receiving services from the State VR agency under an existing IPE becomes eligible for a ticket that is available for assignment, the State VR agency is limited to the cost reimbursement payment system, unless both the beneficiary and the State VR agency agree to have the ticket assigned to the State VR agency (see § 411.390).

[66 FR 67420, Dec. 28, 2001, as amended at 73 FR 29346, May 20, 2008]

§ 411.515 Can the EN change its elected payment system?

(a) Yes. Any change by an EN in its elected EN payment system will apply to beneficiaries who assign their ticket to the EN after the EN's change in election becomes effective. A change in the EN's election will become effective with the first day of the month following the month in which the EN notifies us of the change. For beneficiaries who already assigned their ticket to the EN under the EN's earlier elected payment system, the EN's earlier elected payment system will continue to apply. These rules also apply to a change by a State VR agency in its elected EN payment system for cases in which the State VR agency serves a beneficiary as an EN.

(b) After an EN (or a State VR agency) first elects an EN payment system, the EN (or State VR agency) can choose to make one change in its elected payment system in each calendar year (January–December) thereafter. The first EN payment system election constitutes the only election an EN may make for that calendar year.

[66 FR 67420, Dec. 28, 2001, as amended at 73 FR 29346, May 20, 2008]