(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.

(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]