Supporting Individuals Navigating Benefits Cliffs

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC OPPORTUNITY

MICHIGAN WORKFORCE DEVELOPMENT BOARD

A benefits cliff happens when a small increase in income leads to a reduction in public benefits, such as food assistance, childcare, or healthcare. This can leave people with fewer total resources in the short term. Even if folks are not facing a benefit cliff, fear of being worse off can be a barrier to taking new work opportunities.

When to Check In

Consider having a conversation about benefits and work when:

- A client is offered a new job or accepts new work
- A client's wages or hours may increase
- A client completes training for a new career

How You Might Help

You are not expected to provide definitive answers on eligibility or benefit amounts, but you can:

- Listen and acknowledge concerns
- Disrupt myths
- Provide general guidance focused on total resources (income, benefits, costs)
- Connect people to the right source for more information

Busting Myths

Myth	Suggested Response
"I will be worse off if I earn more, so I should say no to this job, raise or training."	**Acknowledge.** *"That's a real concern, and it's something a lot of people think about."* **Explain.** *"Sometimes benefits can change when income goes up, but not always. Before deciding, it may help to understand how your benefits could change."* **Next Step.** *"Let's talk through the supportive services Michigan Works! can offer along the way, and you can always connect with a benefits specialist for specific information."* **Avoid.** Directing the decision
"I did something wrong and now my benefits are lower."	**Normalize.** *"This happens because of how programs are set up."* **Clarify.** *"MDHHS or a local benefits specialist can give you a more in-depth explanation of why your benefits changed."* **Refer.** *"Let's make sure you talk to the right office."*
"I have to figure this out alone."	**Reassure.** *"You don't have to figure this out by yourself."* **Clarify.** *"I can help you think through your options and connect to you the right place for more help."*

Basic Steps to Help

- **Acknowledge.** Listen to concerns and validate without confirming outcomes.
- **Provide General Guidance.** Explain that benefits may change with income and encourage looking at the full picture and thinking long-term.
- **Connect.** When questions become specific (income limits, exact benefit changes), refer to CLIFF Tools, MDHHS or other community services.

Look Beyond Benefits Changes

When discussing benefits and work, encourage clients to consider the full picture, including:

- New skills and credentials they can earn through education and training
- Higher wages they may earn as they progress in their career
- Promotions and advancement opportunities that can lead to future growth
- Greater financial stability that can come with increased earnings
- Long-term economic mobility that can result from career advancement

Benefits are one factor in the decision-making process, but they are not the only factor.

Tools and Resources to Support Conversations

- Atlanta Fed CLIFF Snapshot

  A directional tool to help individuals and staff explore how changes in hours and wages may impact income and benefits over time.

- Work Incentive Planning and Assistance (WIPA)

  Provides information about benefits and work to individuals receiving Social Security Disability Income (SSDI) or Social Security Income (SSI).

- Michigan Department of Health and Human Services (MDHHS)

  Provides support for helping individuals navigating benefit questions and eligibility.

- Disability Benefits 101

  Provides benefits and work estimators to help with planning.

- Michigan 211

  Connects individuals to additional local resources, including support from community organizations and nonprofits, even after other benefits have ended.

Basic Benefit Program Information

This chart offers a general overview of key benefit programs, what participants should know as income rises and where to find more detailed program information and income guidelines. **This information is not comprehensive and is intended for general guidance and directional purposes only.** It is not intended for staff to interpret income thresholds or make eligibility determinations. Final eligibility and benefit decisions are determined by the administering agency.

Program	What It Is	What To Know (When Income Increases)	More Information & Income Tables
Healthcare (Medicaid)	Health coverage for low-income individuals and families.	• Coverage may continue for a period of time after earnings increase. • Children may retain Medicaid longer than adults.	• Eligibility Guidelines • 2023 Medicaid Income Table
Food Assistance (SNAP/FAP)	Monthly support to help individuals and families pay for food (also referred to as SNAP or Food Stamps).	• Benefits usually decrease gradually as income increases rather than ending immediately. • Households may notice smaller reductions over time.	• Food Assistance Benefits in Michigan • 2025-2026 Food Assistance Income Table
Childcare Assistance (CDC)	Helps pay for childcare so people can work or attend training.	• May experience increasing out-of-pocket childcare costs over time as income increases. • Childcare assistance stops at the maximum income limit.	• Childcare Assistance • 2025/2026 Childcare Assistance Income Table
Family Independance Program (FIP)	Temporary cash support for families with children.	• Benefits decrease as earnings increase.	• Cash Assistance Information • Cash Assistance Eligibility • 2024 FIP Payment Schedule
Housing Choice Voucher Program (HCV)	Rental support based on income (formerly known as Section 8).	• Out-of-pocket rent usually increases gradually with income, with clients paying ~30% of their adjusted income toward housing.	• MSHDA Information • 2025 HUD Adjusted Home Income Limits
Social Secuity Disability (SSI/SSDI)	Income support for individuals with disabilities or age 65+ that have limited income and resources.	• Individuals may work and continue receiving benefits temporarily. • Benefit reductions may happen gradually depending on earnings.	• SSI Payment Levels • SSDI Eligibility & Information • SSI Eligibility & Information
Unemployment Insurance Agency (UIA)	Temporary income support for eligible workers who lose employment through no fault of their own.	• Benefits are based on prior wages and are temporary	• Michigan Unemployment Insurance Agency • Michigan UIA Resources for Claimants