

Social Security Work Incentives

Read more, including the source for this information, at <https://www.ssa.gov/disabilityresearch/workincentives.htm>

Our state's (free!) work incentives coordinator is <https://endependence.org/services/benefits-counseling/>

Impairment Related Work Expenses (IRWE)

SSDI & SSI – Social Security can deduct the cost of certain impairment-related expenses that you need in order to work from your earnings when they determine you are performing substantial work. Examples of impairment-related expenses are things such as a wheelchairs, certain transportation costs and specialized work-related equipment.

SSI – Social Security will also exclude IRWE from your earned income when they determine your monthly SSI payment amount.

Subsidies and Special Conditions

SSI & SSDI - "Subsidies" and "Special Conditions" refer to support you receive on the job that could result in your receiving more pay than the actual value of the services you performed. Social Security deducts the value of subsidies and special conditions from your earnings when they decide whether you are working at the Substantial Gainful Activity (SGA) level.

Following are examples of subsidies and special conditions:

- You receive more supervision than other workers doing the same or a similar job for the same pay.
- You have fewer or simpler tasks to complete than other workers who are doing the same job for the same pay.
- You have a job coach or mentor who helps you perform some of your work.

SSI- Social Security does not deduct subsidies or special conditions when they determine your SSI payment amount.

Unincurred Business Expense

SSI & SSDI - "Unincurred business expenses" refers to self-employment business support that someone provides to you at no cost. In deciding whether you are working at the SGA level, Social Security deducts unincurred business expenses from your net earnings from self-employment. Examples of unincurred business expenses are (1) a Vocational rehabilitation agency gives you a computer that is used in a graphic arts business; and (2) a friend works for your business as unpaid help.

For an item or service to qualify as an unincurred business expense, it must be an item or service that the IRS would allow as a legitimate business expense if you had paid for it; and someone other than you must have paid for it.

SSI- Social Security does not deduct unincurred business expenses from earnings when they determine your SSI payment amount.

Unsuccessful Work Attempt

SSDI & SSI - An unsuccessful work attempt is an effort by a disabled individual to do substantial work that either stopped or produced earnings below the Substantial Gainful Activity level after 6 months or less because of the individual's disability, or elimination of the special services or assistance that the individual needed in order to work.

SSI - Unsuccessful work attempts are not a factor when calculating your SSI payment amount.

Continued Payment Under a Vocational Rehabilitation Program

(also known as Section 301 Payments)

SSDI & SSI - If you medically recover and no longer meet SSA's definition of disability, your monthly payments can continue if you are actively participating in an approved VR program that is expected to help you become self-supporting. Your monthly SSDI and/or SSI Payments can continue until you complete the program.

Trial Work Period

SSDI - The trial work period allows you to test your ability to work for at least 9 months. During your trial work period, you will receive your full disability benefit regardless of how much you earn as long as your work activity has been reported and you continue to have a disabling impairment. The 9 months does not need to be consecutive and your trial work period will last until you accumulate 9 months within a rolling 60-month period. Certain other rules apply.

Extended Period of Eligibility

SSDI - If your disability benefits stop after successfully completing the trial work period because you worked at the Substantial Gainful Activity (SGA) level, Social Security can automatically reinstate your benefits without a new application for any months in which your earnings drop below the SGA level. This reinstatement period lasts for 36 consecutive months following the end of the trial work period. You must continue to have a disabling impairment in addition to having earnings below the SGA level for that month.

Earned Income Exclusion

SSI- Social Security does not count the first \$65 of the earnings you receive in a month, plus one-half of the remaining earnings. This means that they count less than one-half of your earnings when determining your SSI payment amount. They apply this exclusion in addition to the \$20 general income exclusion. The \$20 general income exclusion is first applied to any unearned income that you may receive.

Student Earned Income Exclusion

SSI- If you are under age 22 and regularly attending school, Social Security does not count up to \$2,290 of earned income per month when determining your SSI payment amount. The maximum yearly exclusion is \$9,30. These amounts are for the year 2024; they may be adjusted each year based on the cost-of-living.

Plan to Achieve Self-Support (PASS)

SSI - A plan to achieve self-support allows you to use your income and/or things you own to reach a work goal. For example, you can set aside money to go back to school, or to get specialized training for a job or to start a business. Your goal should be a job that allows you to earn enough to reduce or eliminate your need for benefits provided under the Social Security and Supplemental Security Income programs. Social Security does not count the money or resources you set aside under an approved PASS when deciding your initial or continuing eligibility for SSI. Having a PASS may help you qualify for SSI or may increase the amount of your SSI payment.

Property Essential to Self-Support (PESS)

SSI – Social Security does not count some resources that you need to be self-supporting when deciding if you are eligible for SSI. For example, they don't count property such as tools or equipment that you use for work, or inventory.

Special SSI Payments for People Who Work

SSI - You can receive SSI cash payments even when your earned income (gross wages and/or net earnings from self-employment) is at the SGA level. To qualify under this provision, you must have been eligible for an SSI payment in the month before you started working at the SGA level, still be disabled, and meet all other eligibility rules.

Continued Medicaid Eligibility (Section 1619 (b))

SSI - Your Medicaid coverage can continue even if your earnings along with your other income become too high for an SSI cash payment. In addition to the qualification requirements for Section 1619(a) below, you must need Medicaid in order to work and meet certain income restrictions.

Reinstating Eligibility Without a New Application

SSI - If you have not been eligible for an SSI benefit for 12 months or less, you do not have to file a new application to reinstate your SSI cash payments or Medicaid coverage.