

Social Security

Official Social Security Website

Work Incentives - Detailed Information

This page highlights several of the work incentives that are available. Refer to the Red Book for additional information and definitions.

Impairment Related Work Expenses (IRWE)

SSDI & SSI -- We deduct the cost of certain impairment-related expenses that you need in order to work from your earnings when we decide if 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 -- We also exclude IRWE from your earned income when we figure 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. We deduct the value of subsidies and special conditions from your earnings when we decide whether you are working at the 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. Clarification

SSI-- We do not deduct subsidies or special conditions when we figure 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, we deduct 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.

One way to identify an unincurred business expense is that the Internal Revenue Service (IRS) does not allow you to deduct the cost for income tax purposes because someone gave you the item or services.

SSI -- We do not deduct unincurred business expenses from earnings when we figure 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 disabling condition, or
- elimination of the special services or assistance that the individual needed in order to work.

SSI -- Unsuccessful work attempts are not factors when we calculate 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, we 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.

Continuation of Medicare Coverage

SSDI- Most persons with disabilities who work will continue to receive at least 93 consecutive months of Hospital (Part A); Supplemental Medical Insurance (Part B), if enrolled; and Prescription Drug coverage (Part D), if enrolled, after the 9-month Trial Work Period. You do not pay a premium for Part A. Although cash benefits may cease due to work, you have the assurance of continued health insurance. (93 months is 7 years and 9 months.)

Medicare for People with Disabilities Who Work

SSDI- After premium-free Medicare coverage ends due to work, some persons who have returned to work may buy continued Medicare coverage, as long as they remain medically disabled. Some persons with low incomes and limited resources may be eligible for state assistance with these costs under various Medicare Savings Programs. Your state Health and Human Services agency makes the determination about whether you qualify for this help.

Earned Income Exclusion

SSI- We do not count the first \$65 of the earnings you receive in a month, plus one-half of the remaining earnings. This means that we count less than one-half of your earnings when we figure your SSI payment amount. We 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

SEIE video

SSI- If you are under age 22 and regularly attending school, we do not count up to \$1,750 of earned income per month when we figure your SSI payment amount. The maximum yearly exclusion is \$7,060. These amounts are for the year 2014; they may be adjusted each year based on the cost-of-living.

Blind Work Expenses

SSI -- Earned income that a blind individual uses to meet the expenses of working does not count when we determine SSI eligibility and payment amount. The expenses do not need to be related to blindness and include earned income used to pay income taxes, meals consumed during work hours, transportation costs or guide dog expenses.

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. We don't count the money or resources you set aside under an approved PASS when we decide 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.

Plan to Achieve Self-Support

Property Essential to Self-Support (PESS)

SSI -- We do not count some resources that you need to be self-supporting when we decide if you are eligible for SSI. For example, we don't count property such as tools or equipment that you use for work. Or, if you have a trade or business, we don't count property such as 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.

Special Benefits for People Eligible Under Section 1619 (a) or (b) Who Enter a Medical Treatment Facility

SSI -- Section 1619(a) of the Supplemental Security law permits people to continue to receive an SSI payment while they work. Under Section 1619(b), you may continue to be eligible for Medicaid coverage. If a beneficiary is eligible under section 1619, they can receive a SSI cash benefit for up to 2 months while in a Medicaid facility or a public medical or psychiatric facility.

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.