What Happens To My SSDI Benefits When I Go To Work?

This is one of the most frequently asked questions by a SSDI beneficiary who wants to work. The Social Security Administration (SSA) provides employment support/work incentive programs that can be used to assist in your work efforts.

These employment supports/work incentives can help you to keep your SSDI benefits and Medicare coverage while you work. The following is a discussion of the employment supports/work incentive programs available to a beneficiary of SSDI.

SSDI Employment Supports/Work Incentive Programs

**Trial Work Period:** As per the Social Security Act (The Act), when you receive SSDI and work, and medical recovery is not an issue, you are entitled to a 9 month Trial Work Period (TWP). The TWP is a 9 month period which allows you to test your ability to work. These 9 months do not have to be consecutive, but must occur in a 60 month “rolling” period. During the TWP, income does not count against your SSDI check (20 CFR §404.1592).

**Substantial Gainful Activity:** Substantial Gainful Activity (SGA) is work that you do, for pay or profit that involves doing significant mental or physical activity.
(20 CFR §404.1572). SGA pertains to both wages you earn from your job and earnings from self-employment. The 2016 SGA is $1,130.00 per month for a non-blind person and $1,820.00 per month for a blind person. These amounts are your gross earnings each month. That is, the amount you earn before any taxes or other deductions are taken out of your paycheck.

SSA determines SGA for self-employment in two ways:

1. Net Earnings from Self-Employment (NESE) - NESE is the yearly amount you earned from your business after allowable deductions by the Internal Revenue Service (IRS).
2. Hours Worked per Month – You have performed SGA when you put 80 hours or more into your business per month.

The SGA amount, for self-employment, is $1,130.00, for a non-Blind person, and $1,820.00, for a Blind person, each month.

*Trial Work Month (TWM) - To determine your 9-month trial work period (TWP), SSA looks at the amount you earn each month to determine whether you have used a month of the TWP. In 2016, any month you earned $810.00, or more, you have used 1 month of the 9-month TWP.

The amount of the SGA and TWP can change each year. An increase in the national Consumer Price Index (CPI-W) usually results in a corresponding increase in the SGA and TWP the next year.

**Extended Period of Eligibility:** After the TWP has ended, you enter into a 36-month extended period of eligibility (EPE). This is a period of 36 consecutive months in which earnings are compared to the SGA level to determine if you remain entitled to receive SSDI payments.

Any month, during the EPE, your gross or net earnings are at or below SGA; you are entitled to continue receiving your SSDI cash payments. If your gross or net earnings exceed SGA, you are not eligible to receive SSDI cash payments (20 CFR §404.1592a). This period is also called the “re-determination” period.
Cessation Period: The first month, after the TWP has ended, that your earnings exceed SGA you enter into your “cessation” month where benefits can be terminated (20 CFR §404.316 & §404.325). You will receive your SSDI payment in the cessation month and the next two months immediately following the cessation month. This three month period is also known as the “grace period” after which benefits can be terminated.

**Impairment Related Work Expense:** The Impairment Related Work Expense (IRWE) is an expense you incur because of your disability for goods or services that allow you to work. These expenses must be paid for by you and cannot be reimbursed by anyone else (Redbook on Employment Supports).

**Subsidy:** A subsidy is an expense for goods or services paid for by your employer that allow you to work and perform your job duties (Redbook on Employment Supports).

**Special Condition:** A special condition is an expense, for goods or services, paid for by a third party that allow you to work and/or perform your job duties (Redbook on Employment Supports).

**Unincurred Business Cost:** Unincurred business cost is support given at no cost to your business. The cost of the support given to you (the business owner) is deducted to determine whether your earnings exceed SGA (Making Self-Employment Work for People with Disabilities).

**Unpaid Help:** Unpaid help is assistance given at no cost to you, the business owner, with a disability, who receives SSDI which any other business would be expected to purchase as a business/labor expense. The fair labor cost of the assistance given to you, the owner of the business, is deducted from net earnings to determine SGA (Making Employment Work for People with Disabilities).

Under Social Security regulations, these costs (IRWE, subsidy, special condition, unincurred business expense and unpaid help) should be disregarded when calculating your monthly countable income (CI). Your countable income is then compared to the SGA to determine if you are entitled to continue to receive SSDI cash payments. This is called the “SGA test.”
Continued Medicare Coverage: With passage of the Ticket to Work and Work Incentive Improvement Act of 1999 (The Ticket), Medicare coverage was extended from 39 months to 93 months.

During this period, you will continue to retain your Medicare Part A (hospitalization), Medicare Part B (doctor visit) and Medicare Part D (prescription drug) coverage. Medicare Part A will continue to be free. However, Medicare Part B and D are optional and a monthly premium must be paid to retain them.

Medicaid Buy-in Program: “The Ticket” legislation also encouraged states to establish “Medicaid Buy-in” programs for SSDI beneficiaries who work. This “buy-in” program allows you to purchase “MediCal” coverage by paying a monthly premium. The state Medicaid “buy-in” program, the 250% California Working Disabled (250% CWD) program was implemented in April 2001.

Expedited Reinstatement: The expedited reinstatement (EXR) provision, of the Ticket to Work program makes it easier for you to get your benefits reinstated. If your earnings fall below SGA, after completion of the EPE, you can get your benefits reinstated without having to re-apply for your SSDI benefits.

The expedited reinstatement provision allows you to notify SSA that you are no longer working at SGA level and need your benefits reinstated. Your benefits can be re-started in approximately three to six weeks.

For more information on SSA employment support/work incentive programs, you can visit the Social Security website at www.socialsecurity.gov or obtain a copy of the SSA publication, Redbook on Employment Supports. You can also contact the Area Work Incentive Coordinator for SSA, the Work Incentive Planning and Assistance project in your area. You can also contact the PABSS program at 800-776-5746 or visit the Disability Rights California website at www.disabilityrightsca.org.

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