Social Security Disability Income (SSDI) Work Incentives

Trial Work Period

- During the Trial Work Period (TWP), a beneficiary is allowed unlimited earnings and may still keep their entire SSDI check.
- Any month that gross income exceeds Substantial Gainful Activity (SGA), the amount counts as one of an individual's TWP months. The SGA dollar amount is updated annually. For the current amount, visit: http://www.socialsecurity.gov/OACT/COLA/sga.html.
- The Social Security Administration (SSA) allows nine TWP months.
- The nine months do not have to be consecutive and are counted in a five-year rolling period.
- The SGA amount five years ago was much lower than today, so many people may be unaware that they have used a TWP month (or even all of their TWP months).
- If someone used a TWP month six years ago they get that month back. Exception: Once a person uses all nine TWP months, they cannot get them back unless they have a new period of SSDI entitlement (they worked off of SSDI and then were awarded benefits again).
- After all TWP months are used, if the individual continues to work below SGA all benefits remain as normal as long as the individual's earnings do not exceed SGA.

Cessation Month and Grace Period

- The cessation month is the first month of SGA after all TWP months have been used - the beneficiary will receive a check from SSDI this month.
- The grace period includes the second and third month of SGA after all TWP months have been used – the beneficiary will receive a check from SSDI each of these months.

Extended Period of Eligibility (EPE)

- The EPE begins the first month after all TWP months have been used and lasts for 36 months regardless of the individual's employment status.
- The months the individual does not reach SGA the beneficiary will receive an SSDI check. The SGA is updated annually. For the current amount, visit: http://www.socialsecurity.gov/OACT/COLA/sga.html.

Impairment-Related Work Expenses (IRWE)

- The IRWE is a work incentive for individuals who pay out-of-pocket expenses in order to work due to their disability.
- This incentive can be used when an individual's income exceeds SGA.
- Subtract approved IRWEs from the individual's gross income, decreasing total gross income.
- If an individual's gross income falls below SGA after IRWEs are subtracted, the individual will continue to receive SSDI checks.

Impairment-Related Work Expense Requirements

In order to qualify, IRWEs must be:

- Related to physical or mental impairment
- Necessary for the individual to work
- Paid out-of-pocket by the beneficiary
- A reasonable expense
- Paid for during the month the individual is working

Expedited Reinstatement

- Expedited Reinstatement (EXR) is the method for restarting SSDI payments.
- With EXR, an individual may receive up to six months of provisional SSDI benefits and Medicare while the Disability Determination Bureau makes the determination.
- If the individual is determined eligible, benefits continue.
- If the individual is not determined eligible, the EXR recipient does not owe the money back.
- After 24 payments, a new set of TWP months begin.

Expedited Reinstatement Requirements

In order to qualify for EXR, all of the following must be true:

- SSDI was terminated because earnings were above SGA
- SSDI benefits were terminated in the last five years
- Beneficiary has the same or similar disability
- Earnings no longer exceed SGA

Reapplication Process

- To reapply for services, follow the same process as used in applying for initial benefits.
- Unlike EXR, reapplication does not include provisional payments.
- If an individual reapplies within five years of termination of benefits they will not have the five month waiting period for SSDI
- If the reapplication is approved, the individual will immediately receive TWP months

Other Work Incentives

Unsuccessful Work Attempt

- Can be used to avoid the use of the cessation month (please see above).
- In order to qualify, the individual must NOT have already used their cessation month.
- This incentive is used when an individual works to earn SGA for a short time (fewer than six months,) but due to disability or loss of special conditions at the job must end employment.
- SSA will review the earnings and may elect not to consider the earnings, allowing the person's benefits to continue.

Example of an Unsuccessful Work Attempt

Four years ago, an individual had used nine TWP months but had not yet used their cessation month. They had started a new job that lasted five months, but due to a disability-related issue could no longer perform the job. Due to the nine months TWP being used before, and it being four years ago and now working the five months, this would technically start the EPE clock. In this case, the individual may ask for the five months of work they just performed to be considered an Unsuccessful Work Attempt, removing it and reinstating their benefits as if they had not worked.

Averaging

- Averaging is another work incentive that can help protect against a beneficiary using the cessation month (see above).
- Averaging applies when earnings vary from month to month - some months below SGA and some months above SGA.
- SSA will do the calculation for you.
- Averaging MAY NOT be used:
  - Over a time period when SGA changes
  - Over two separate periods of work/change in work pattern

Subsidy and Special Conditions

- Subsidy and special conditions are used to reduce earned income.
- An individual may be receiving a wage higher than the work performed.
- A subsidy occurs when an employer pays an individual the same wage, but helps the person perform the job (i.e., job coach, extra supervision, modified work schedule, modified job task, or extra breaks).
- Special conditions occur when an individual is not fully earning their wage because the work is performed under special conditions (e.g., close and continuous supervision, on-the-job-coaching, or substitution during which the job coach performs part or all of the individual's job duties). SSA must deduct that part of the individual's wages that are not "earned" by the individual from their average gross wages. This is true whether the employer or someone else provides the special (on-the-job) conditions.