

How Work Affects SSI and SSDI



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3 Questions

- How does work affect SSI and/or SSDI benefits?
- If a recipient loses SSI and/or SSDI due to work, will the recipient also lose Medicaid or Medicare?
- What can recipients do to avoid a problem with SSI or SSDI benefits when working?



SSI Benefits and Work

- SSI is a “needs-based” benefit.
- SSA must consider countable monthly income for ongoing SSI eligibility
- SSA must also consider countable “resources” for ongoing SSI eligibility.



SSI Benefits and Work Effect of Wages

- For SSI recipients the main work incentive is the earned income deduction.
- For SSI, wages count when **paid**.
- For working SSI recipients, the question is:
 - How much of my wages will count to reduce my SSI benefit?



SSI Benefits and Work Effect of Wages

- For employees, SSA considers gross monthly wages when paid.
- To compute countable monthly wages, deduct \$65 plus $\frac{1}{2}$ of the remainder.
 - 20 CFR 416.1112(c)(5)&(7).
- A good estimate of countable wages is $\frac{1}{2}$ of gross monthly wages.



SSI Benefits and Work Effect of Wages

- SSI recipients may also deduct the \$20 “general income disregard” from wages, if not used on “unearned” income.
 - 20 CFR 416.1112(c)(4)
- Unearned income includes SSDI, interest, pensions, worker’s compensation, alimony and other income that is not wages.



SSI Benefits and Work

Effect of Wages – Example 1

- Carmen receives \$943 in SSI & \$114.39 SSP in Mass. for disability in 2024 (\$1057.29).
- She takes a job paying \$1185 in gross wages per month.
- Will Carmen remain eligible for SSI with these wages?
- What should Carmen do when she takes this job?



SSI Benefits and Work

Effect of Wages – Example 1

- SSA will count \$550 of the wages
[$\$1185 - 85 (\$65 + \$20)$ divided by 2
= \$500].
- Her new benefit amount will be
\$507.39 ($\$943 - \$550 = \393 SSI +
\$114.39 SSP = \$507.39)
- Total gross monthly income will be
\$1692.39 ($\$1185 + \507.39). It was
\$1057.39 before she had earnings.



SSI Benefits and Work

Effect of Wages – Example 2

- Joe receives \$620 in SSDI, \$343 in SSI & \$114.39 in SSP benefits based on disability per month in 2024.
- He also takes a job paying \$1185 per month in gross wages.
- These wages make him SSI ineligible.
- What should Joe do when he takes this job?



SSI Benefits and Work

Effect of Wages – Example 2

- $\$620 \text{ SSDI} - \$20 = \$600$ countable SSDI
- $\$1185$ gross wages - $\$65 = \1120
 $\$1120$ divided by 2 = $\$560$ countable wages.
- $\$600 + 560 = \1160 , in countable income for SSI/SSP purposes – too much for SSI/SSP eligibility.
- Joe's new total gross monthly income is $\$1805$. ($\$1185 + \620) It was ($\1077.30 before he had earnings).



SSI Benefits and Work Self Employment Income

- For SSI recipients who are self-employed, SSA counts **net** self employment income against the amount of SSI the individual would otherwise be eligible to receive.
- 20 CFR 416.1111



SSI Benefits and Work IRWE Deductions

- Impairment related work expenses (IRWEs) may be deducted to determine countable gross monthly wages and countable net self-employment income.
- IRWE deductions are in addition to other permitted earned income deductions.
 - 20 CFR 416.1112(c)(6), POMS DI 10520.000 et seq.



SSI Benefits and Work IRWE Deductions

- IRWEs are:
 - impairment related items and services
 - needed in order to work
 - that the individual pays for and that are not covered or reimbursed by any source, i.e., the individual must pay for them out of pocket.



SSI Benefits and Work

Examples of IRWEs

- Attendant care services provided at work or at home to prepare for work.
- Transportation costs required because of disability. POMS DI 10520.000
- Durable medical equipment, work assistive equipment, and prostheses.



SSI Benefits and Work

Examples of IRWEs, cont'd

- Medical treatment necessary to or control or improve a condition to permit work
- Expendable medical supplies
- Medical devices and appliances
- Non-medical devices and appliances where verified as essential for control of a condition, e.g., an air cleaner for a severe respiratory condition



SSI Benefits and Work BWE Deductions

- Blind Work Expense (BWE) deductions are available to SSI recipients eligible on the basis of legal blindness.
- BWEs are in addition to other permitted earned income deductions.
- 20 CFR 416.1112(c)(8), POMS SI 00820.535



SSI Benefits and Work BWE Deductions

- Examples of BWEs:
 - service animal expenses;
 - transportation to and from work;
 - taxes;
 - attendant care services;
 - visual aids;
 - translation of materials into Braille;
 - lunches;
 - professional association dues.

Work & SSI Benefits- Student Earned Income Deduction



- The student earned income deduction is for SSI recipients who:
 - are under age 22, and
 - are regularly attending school.
- 20 CFR 416.1112(c)(3), POMS SI 00820.510.

Work SSI & SSI Benefits- Student Earned Income Deduction



- Regularly attending school means:
 - For grades 7-12, attending at least 12 hrs per week;
 - For college or vocational program, attending at least 8 hrs per week.

SSI Benefits & Work - Student Earned Income Deduction



- In 2024, the student earned income deduction is \$2290 p/mo. up to a maximum of \$9230 p/calendar year. This amount is indexed to the yearly cost of living increase.
 - In 2023, \$2220 p/mo, up to \$8950 p/calendar year.
- This deduction is in addition to other permitted earned income deductions.



Federal Educational Assistance

- All student financial assistance received under Title IV of the Higher Education Act of 1965, or under BIA Student Assistance Programs, is excluded from income and resources, regardless of use. Title IV programs include: Pell Grants; federal work study programs; Upward Bound, and others specified in [POMS SI 00830.455](#)



Other Educational Assistance

- Any portion of a grant, scholarship, or fellowship used for paying tuition, fees, or other necessary education expenses is not countable income
- Any grant scholarship, fellowship, or gift for the cost of tuition or fees does not count as a resource for nine months.
 - 20 CFR 416.1124(c)(3).



Plan to Achieve Self-Support (PASS)

- Set aside income and resources to use to achieve an occupational goal.
- Occupational goal must be feasible.
- PASS must be in writing and include budget (& business plan if self-empl.).
- If PASS is followed, income and resources don't count for SSI.
- POMS SI 00870.000



SSI and Medicaid “MassHealth”

- In Massachusetts, the Medicaid program is called MassHealth.
- Medicaid is a needs–based health coverage program.
- In Massachusetts, all SSI recipient are automatically eligible for MassHealth.



Keeping MassHealth While Working - Loss of SSI

- Will SSI recipients lose MassHealth coverage if they make too much money to receive SSI benefits, even with all the deductions they can take?
- Probably not – they should be eligible for “1619b Medicaid” or MassHealth CommonHealth.



SSI Benefits and Work 1619b Medicaid

- 1619b Medicaid is continued Medicaid for SSI recipients who make too much money to be eligible for an SSI cash payment
- These individuals can be “deemed” eligible for MassHealth - if they continue to meet all other SSI eligibility criteria, including the asset limit, AND if they meet the “**Medicaid Test.**”
- POMS SI 02302.000 et seq.



SSI Benefits and Work 1619b “Medicaid Test”

- The individual must:
 - have been eligible for SSI for at least 1 month;
 - remain medically disabled;
 - need MassHealth in order to work; and
 - have insufficient annual income to replace Medicaid and SSI.
 - \$44,965 in Mass. in 2024.



SSI Benefits and Work 1619b Medicaid

- The beauty of 1619b Medicaid is that individuals can move back and forth between SSI cash eligibility and 1619b Medicaid as the ability to fluctuate – as long as they remain medically disabled – without having to reapply for SSI.



SSI Benefits and Work 1619b Medicaid

- The bad news is having to continue to meet the SSI asset test – which can be hard while working.
- \$2,000 for individual
- \$3,000 for couples



SSI Benefits and Work

MassHealth CommonHealth

- MassHealth CommonHealth is available for those who lose SSI cash eligibility due to income from work and who do not meet the 1619b Medicaid Test – most often those people who do not meet the SSI asset test.



SSI Benefits and Work

MassHealth CommonHealth

- To be eligible for MassHealth CommonHealth, an individual must:
 - Meet a one-time deductible; OR
 - Meet the SSI disability standard, except for the inability to work at the substantial gainful activity level; and
 - Work an average of 40 hrs per month (or 240 hrs over a 6 month period); and
 - Pay a premium based on income and family size
- 130 CMR 505.004



How Do SSI Recipients Avoid Problems When Working?

- Be ready:
 - Understand the SSI income counting rules and their likely impact on SSI benefit
 - Provide SSA with verifications for all income deductions which appear to be applicable.



How Do I Avoid Problems with SSI When I Work?

■ Report

- Report to SSA anything that might affect your SSI eligibility, e.g., new job, change in pay, bonus, loss of job, etc.
- Report within 10 days of the end of the month in which the change occurs.
- Report in person at your local SSA office if at all possible.
- Ask SSA about telephone and mobile wage reporting.
- Sign up for My Social Security.

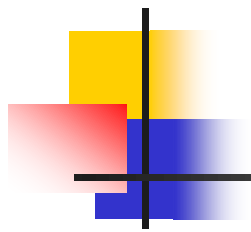
How Do I Avoid Problems with SSI When I Work?



- Keep records/copies
 - of everything you provide to SSA
 - of your notices
 - of when, where & to whom you spoke and/or provided records.

Telephone and Electronic Wage Reporting-

- Telephone and mobile wage reporting.
POMS SI 00820.143
 - Applies only to certain SSI wage reporting
 - Requires training by SSA.
- Electronic Wage Reporting
 - Through My Social Security Account
 - Applies to both SSI and SSDI wage reports
 - Can only report wages, no IRWE, etc., deductions



SSDI and Work

What is SSDI

(Social Security Disability Insurance)?

- SSDI is a Social Security **insurance** program that pays a monthly cash benefit to people who are:
 - **Disabled** = same definition of disability as with SSI (for adults), AND
 - **Insured** = worked and earned enough Social Security credits by paying FICA taxes. For most adults, this means working for about 5 of the last 10 years before becoming disabled.
- SSDI has no income or asset limits.



Earning Credits to Become Insured for SSDI

- Earn 1 credit for every \$1730 earned in 2024. \$6920 earned = 4 credits.
 - \$1810 per credit, \$7240 p/yr in 2025.
- Maximum of 4 credits/year.
- Must pay FICA taxes. No credits for “under the table” work.
- Special SSDI Rule for Young Adults:
 - To be insured for SSDI, adults under 24 years old only need to earn 6 credits in the 3 years before they become disabled.



More About SSDI

- The SSDI benefit amount depends on how much you earned. Average is @ \$1537, but it could be much lower or higher. Maximum is \$3822 in 2024.
- Certain dependents of the wage earner may be eligible for benefits on SSDI recipient's wage record.
- SSDI recipients receive Medicare after 24 months of eligibility (Recipients with ALS do not have to wait 24 months.) SSDI recipients may also qualify for Medicaid, but need to apply for it.

How Does Work Affect SSDI ?



The rules for SSDI and work are completely different than for SSI. It's like being on another planet.

Picture shows Saturn & other planets orbiting in space.



SSDI Work Incentive Scheme

9 Month Trial Work Period

**Extended Period of Eligibility -
36 Month Re-entitlement Period**

**The Cliff:
Benefit Termination if over SGA**



What Recipients Need to Know

- Have I completed my 9-month **Trial Work Period**? If so when?
- If yes, when does/did my 3-year **Extended Period of Eligibility** end?
- Are my countable earnings above the **Substantial Gainful Activity** level?



Trial Work Period

- 9 service months in **any 60-month period**
- SSDI benefits payable no matter how much earned as long as recipient remains medically disabled
- ONLY 1 Trial Work Period per period of disability
 - 20 CFR 404.1592.



Trial Work Period

- A trial work month used if “services” performed, meaning:
 - Earn more than \$1110 in gross wages per month in 2024. (\$1060 in 2025)
 - If self-employed, earn more than \$1110 p/mo in 2024 or work more than 80 hours/month.
 - Not just training or therapy.
- No deductions for IRWEs or subsidy and no averaging earnings during TWP.

Trial Work Period – Example



- Joe went back to work for the first time after qualifying for SSDI. His gross earnings were:
 - \$950 in January 2024
 - \$1000 in February 2024
 - \$1200 in May 2024
 - \$1050 in June 2024
- How many trial work months did he use?
- Should he get his SSDI for all these months?



Example of Effect of Rolling 60 Month Period

- TWP 1 - June 2017
- TWP 2 – July 2017
- TWP 3 - February 2018
- TWP 4 - March 2018
- TWP 5 - April 2018
- TWP 6 - May 2018
- TWP 7 - June 2018
- **TWP 1 - August 2024 (more than 60-mo. to 6/2018)**
- **TWP 2 – September 2024**
- **TWP 3 - October 2024**
- **TWP 4 - November 2024**

The Extended Period of Eligibility – An All or Nothing Deal

- The EPE starts the month after the 9th Trial Work month.
- The Re-entitlement Period portion of the EPE is the first 36 months.
- Get SSDI in months where countable gross earnings are under substantial gainful activity (SGA) level, as long as remain medically disabled.
- SSDI not payable in months earnings are at or over SGA level.

The Extended Period of Eligibility – an All or Nothing Deal

- During the Re-entitlement Period portion of the EPE (first 36 months), entitlement to SSDI does not terminate with SGA.
 - Individual not payment eligible and in suspense in SGA months.
 - Can come out of suspense by verifying wages no longer over SGA.
- SGA does result in termination of entitlement with SGA after the 36th month of the Re-entitlement Period.
- 20 CFR 404.1592a



EPE Example

- Joe used his 9th trial work month in December 2021. What is the first month of his EPE?
 - Answer: January 2022.
- What months are the 36 month Re-entitlement Period portion of his EPE?
 - Answer: Jan. 2022 through Dec. 2024.
 - But his EPE does not end until the first SGA month after Dec. 2024.



Is it SGA?

- Work must be substantial and gainful.
- In 2024, work is **presumed** to be SGA if gross countable earnings are \$1550 p/mo. or higher (\$2590/mo. for SSDI eligibility for statutory blindness).
 - \$1620, \$2700 in 2025.
- The presumption of SGA may be rebutted.

Is it SGA?

Self-Employment

- Generally, 3 additional SGA tests for self-employed, based on worth of work.
 - Test One: Significant Services and Substantial Income
 - Test Two: Comparability of Work Activity
 - Test Three: Worth of Work Activity
- POMS DI 10510.000



How to Count Earnings for SSDI

- Earnings count **when they are earned**, not when the paycheck is received, unlike SSI.
- Count **gross** earnings unless self-employed.
- Only pay for work activity counts
 - Pay for sick or vacation time doesn't count
 - Bonus pay counts if based on productivity
 - Earnings put into pre-tax Cafeteria and retirement plans count
- POMS DI 10505.010.

SGA Determinations: When Earned v. When Paid

- Post-eligibility, a 2015 law allows SSA to use “when paid” information, unless “when earned” is readily available.
- SSA has created a Pay Distribution tool – but it’s not always for “when earned”.
- Where it matters, make sure SSA is using “when earned” to determine whether earnings constitute SGA.
 - POMS DI 10505.005



Is It SGA? – Deductions Available During the EPE

- Impairment Related Work Expenses
 - 20 CFR 404.1576, POMS DI 10520.000
- Subsidies
 - Employer pays more than actual value of services performed (\$ amount or % reduction)
 - 20 CFR 404.1574(a). POMS Di 10505.010.
- Special Conditions
 - E.g., close and continuous supervision; work done by job coach; frequent rest periods
 - 20 CFR 404.1573(c). POMS 10505.010.



Is it SGA? - Continued

- Unsuccessful Work Attempt (UWA)
 - Yes - If work ended or reduced below SGA within 6 months due to the impairment or removal of special conditions related to the impairment.
 - No – If work lasted more than 6 months.
 - 20 CFR 404.1574(c). POMS DI 11010.145.
 - If it's a UWA, it's not SGA.
- Unincurred Business Expenses (self-employment only) – e.g., free help.
 - POMS DI 10510.012.



Is it SGA? - Continued

- Averaging Earnings
 - Can average until first month of SGA in EPE
 - Average over entire work period unless:
 - Significant change in work patterns or earnings, or
 - Change in SGA level (e.g., yearly COLA)
 - 20 CFR 404.1575. POMS 10505.015.



SGA Example

- Carmen gets SSDI based on disability. She is in her EPE. Her gross earnings in October 2024 were \$1600.
- In October 2024 she had the following out of pocket impairment related work expenses:
 - \$10 for prescription copays
 - \$50 for therapy copays
- Should her gross wages for October 2024 be considered countable earnings for SGA purposes?



The Answer

- NO.
- IRWEs: $\$10 + \$50 = \$60$
- Gross wages of $\$1600 - \60 IRWEs = $\$1540$ countable income for SGA purposes, which is less than the 2023 presumed SGA amount of $\$1550$.

Cessation and Grace Period

- The 1st month of SGA after the 9th Trial Work month is the cessation month.
- Despite SGA, SSDI benefits are payable for the cessation month and the following 2 months.
 - 20 CFR 404.1592a(a)
- Income averaging and unsuccessful work attempt cannot be used after the cessation month.
 - 20 CFR 404.1592a(a)(3).



After the Re-entitlement Period of the EPE – The Cliff

- SSDI eligibility ends with the first month of SGA after the end of the EPE.
- IRWEs, subsidies and special conditions deductions continue to apply in the EPE after 36 month Re-entitlement Period.
- Averaging and Unsuccessful Work Attempt no longer apply if SGA was performed during the Re-entitlement Period.
- If SSDI terminates due to SGA after EPE, no right to continuing benefits during appeal, unlike medical Continuing Disability Review.



Getting Back on SSDI After Benefit Termination

- New Application; OR
- Expedited Reinstatement of Benefits (SSDI and SSI)
 - If benefits terminated due to earnings;
 - Unable to perform SGA in month of application;
 - Disabled due to the same or related impairments as those for which previously on benefits; and
 - Request reinstatement within 60 months from date of termination.
 - Up to 6 months of “provisional” benefits available while eligibility is decided.
- 20 CFR 404.1592b - .1592f



Extended Medicare

- Medicare continues during EPE even if not eligible for SSDI cash.
- If SSDI terminates after EPE due to SGA, Medicare continues for up to 54 additional months, if remain medically disabled.
- Must pay Medicare Part B premiums quarterly if no SSDI to deduct from.



How To Avoid Problems with SSDI When Working

- Be Ready
 - Understand the Trial Work Period, the EPE, SGA, and how Social Security counts earnings for SSDI.
 - Keep track of and keep records of the amount you earn each month, and of deductions such as IRWEs and subsidies.
 - Know if you've finished your trial work period; where you are in your EPE; if your EPE has ended.
 - Talk with a Community Work Incentive Coordinator.



How To Avoid Problems with SSDI When Working, cont'd

- Report. Report. Report.
 - Report to SSA when you go back to work, your earnings, and changes in jobs or earnings.
 - Report within 10 days of the end of the month in which the change occurs. The sooner the better.
 - Report in person at your local SSA office if at all possible, and get a receipt.

Online Wage Reporting Option for SSDI Recipients

- Starting October 2017, SSDI recipients can report wages online using the *my Social Security* account portal at www.SSA.gov .
- The recipient can save or print a receipt for the wage report.
- A limitation is that recipients cannot use this option to report IRWEs, UWAs, subsidies/special conditions.



How To Avoid Problems with SSDI When Working, cont'd

- Verify and Record
 - Provide SSA with verification of all earnings and all income deductions you think you are eligible for.
 - Keep copies of everything you give to SSA and keep a record of when, where & to whom you gave it.

Help With Understanding the Work Incentive Rules

- <https://www.ssa.gov/redbook/> SSA's Red Book on work Incentives. SSI and SSDI
- <https://www.ssa.gov/pubs/EN-64-121.pdf> What You Need to Know About Earning Money (SSI) – Youth
- <https://www.ssa.gov/pubs/EN-05-11005.pdf> What You Need To Know About Your Supplemental Security Income (SSI) When You Turn 18
- <https://www.ssa.gov/pubs/EN-64-120.pdf> How Can Work Incentives Help You Receive Supplemental Security Income (SSI) and Medicaid While Working?

Help With Understanding the Work Incentive Rules

- <https://www.ssa.gov/pubs/EN-05-10503.pdf>
Reporting Wages When You Receive Supplemental Security Income (SSI)
- <https://www.ssa.gov/pubs/EN-05-10095.pdf> Working While Disabled: How We Can Help
- <https://www.ssa.gov/pubs/EN-05-11017.pdf>
Working While Disabled—A Guide to Plan to Achieve Self Support.
- Others available at <https://www.ssa.gov/pubs/> Most are available in audio and Spanish. Some in other languages as well

Free Benefits Counseling Assistance

- Available to SSI disability and SSDI benefit recipients who:
 - Are working, or
 - Are moving into work.
- Work Incentive Planning & Assistance (WIPA) programs
 - Certified Work Incentive Counselors (CWICs).
 - Effect of work on all benefits.
 - BenePlan at Work Without Limits
 - Project Impact



Other Places to Find Information

- www.ssa.gov Social Security Admin.
- Project Impact **benefits counseling:**
<https://www.mass.gov/service-details/statewide-employment-services>
- BenePlan at Work Without Limits **benefits counseling:**
<https://workwithoutlimits.org/benefits-counseling/>
- www.hcfama.org Health Care for All



DLC Contact Information

Disability Law Center

- 11 Beacon Street, Suite, 925
- Boston, MA 02108
- 617-723-8455
- 800-872-9992
- www.dlc-ma.org