For people with disabilities, employment is essential to living and thriving in the community. This is especially true for people with psychological and intellectual disabilities because of the stigma towards people with those disabilities.

Yet people with disabilities remain outside the mainstream of employment. According to the Bureau of Labor Statistic (BLS), in 2018, the last year for which data is available, 30.4% of people with disabilities were in the workforce (in employment or actively seeking work) compared to 75% of people without a disability. Of those in the workforce, the unemployment rate for people with a disability stood at 8.0% compared to 3.7% for people without a disability.

For people with disabilities on Social Security Disability Insurance (SSDI) or Supplemental Security Insurance (SSI), there are policies within those programs aimed at facilitating employment.

**Impairment Related Work Expenses (IRWE)**

SSDI & SSI -- SSA will deduct from earnings the cost of certain impairment-related expenses needed to work. Examples of impairment-related expenses are a wheelchair, certain transportation costs, and specialized work-related equipment.

**Subsidies and Special Conditions**

SSI & SSDI -- "Subsidies" and "Special Conditions" refer to supports received on the job that could result in receiving more pay than the actual value of the services performed. SSA deducts the value of subsidies and special conditions from earnings to decide whether a beneficiary is working at the SGA level.

Following are examples of subsidies and special conditions:

1. A beneficiary receives more supervision than other workers doing the same or a similar job for the same pay.
2. A beneficiary has fewer or simpler tasks to complete than other workers who are doing the same job for the same pay.
3. A beneficiary has a job coach or mentor who helps perform some work.

SSI — SSA does not deduct subsidies or special conditions when figuring the SSI payment amount.

**Unincurred Business Expense**

SSI & SSDI -- "Unincurred business expenses" refers to self-employment business support that someone provides at no cost. In deciding whether a beneficiary is working at the SGA level, SSA will deduct unincurred business expenses from 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 in 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 -- SSA does not deduct unincurred business expenses from earnings when figuring the 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 SSA calculates SSI payment amounts.

**Continued Payment Under a Vocational Rehabilitation Program**

SSDI & SSI -- If a beneficiary medically recovers and no longer meet SSA’s definition of disability, monthly payments can continue if the beneficiary is actively participating in an approved VR program that is expected to help them become self-supporting. The monthly SSDI and/or SSI Payments can continue until the program is completed.

**Plan to Achieve Self-Support (PASS)**

SSDI & SSI -- A PASS allows a beneficiary to use income and/or things they own to reach a work goal. For example, they can set aside money to go back to school, get specialized training for a job, or start a business. The goal should be earnings high enough to reduce or eliminate the need for SSDI and SSI benefits. SSA doesn't count the money or resources set aside under an approved PASS when deciding initial or continuing eligibility for SSI. Having a PASS may help a person qualify for SSI or may increase the amount of the SSI payment.

---

Paul J. Seifert, policy expert on employment for people with disabilities

(301) 219-4719 • paulseifert42@gmail.com  * https://www.linkedin.com/in/paul-seifert-2705bb9
Trial Work Period
SSDI -- The trial work period allows a beneficiary to test their ability to work for at least 9 months. During the trial work period, full disability benefit will continue regardless of how much is earned as long as work activity has been reported and there continues to be a disabling impairment. The 9 months does not need to be consecutive and the trial work period will last until 9 months have accumulated within a rolling 60-month period.

Extended Period of Eligibility
SSDI -- If disability benefits stop after successfully completing the trial work period because of work at the substantial gainful activity (SGA) level, SSA can automatically reinstate benefits without a new application for any months in which earnings drop below the SGA level. This reinstatement period lasts for 36 consecutive months following the end of the trial work period. A beneficiary 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 (7 years and 9 months) of Hospital (Part A); Supplemental Medical Insurance (Part B), if enrolled; and Prescription Drug coverage (Part D), if enrolled. There is no premium for Part A. Cash benefits may cease due to work, continued health insurance is assured.

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. The state Health and Human Services agency makes the determination about qualifications for this help.

Earned Income Exclusion
SSI- SSA does not count the first $65 of the earnings received in a month, plus one-half of the remaining earnings. This means that SSA counts less than one-half of earnings when they figure SSI payment amounts. SSA applies this exclusion in addition to the $20 general income exclusion. The $20 general income exclusion is first applied to any unearned income.

Student Earned Income Exclusion
SSI- If a beneficiary is under age 22 and regularly attending school, SSA does not count up to $1,870 of earned income per month when they figure the SSI payment amount. The maximum yearly exclusion is $7,550. These amounts are for the year 2019; they may be adjusted each year based on the cost-of-living.

Special SSI Payments for People Who Work
SSI -- SSI cash payments can be received even when earned income (gross wages and/or net earnings from self-employment) is at the SGA level. A beneficiary must have been eligible for an SSI payment in the month before starting work at the SGA level, still be disabled, and meet all other eligibility rules, to qualify under this provision.

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

Reinstating Eligibility Without a New Application
SSI -- If a beneficiary has not been eligible for an SSI benefit for 12 months or less, they do not have to file a new application to reinstate SSI cash payments or Medicaid coverage.

ABLE Accounts
SSI and Medicaid -- ABLE accounts are set up in the name of the person with a disability. ABLE savings accounts will largely not affect eligibility for SSI, Medicaid and other public benefits.

Contributions to the account, which can be made by any person (the account beneficiary, family and friends), must be made using post-tax dollars and will not be tax deductible for purposes of federal taxes, however, some states may allow for state income tax deductions for contributions made to an ABLE account.

As with any financial investment, it is wise to consult a financial planner first. For more information on ABLE accounts, the ABLE Resource Center is a good place to start.

Paul J. Seifert, policy expert on employment for people with disabilities
(301) 219-4719 • paulseifert42@gmail.com * https://www.linkedin.com/in/paul-seifert-2705bb9