

# 2008 Social Security Work Incentives Quick-Guide 2008

The Social Security disability benefit programs have rules that encourage people with disabilities to begin or return to work. Called work incentives, these rules prevent premature loss of a worker's cash and medical coverage benefits as they seek to become self-supporting.

Social Security administers two separate and distinct programs that provide supports to people with disabilities: Social Security Disability Insurance (SSDI) with Medicare coverage and Supplemental Security Income (SSI) with Medicaid coverage. Because eligibility for each of the programs is based on different criteria, the work incentives for each program and their application are different. Below is a quick consumer reference guide of the work incentives that apply to each program.

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## SSDI Work Incentives

**Trial Work Period (TWP)** A 9-month period accumulated over a "rolling 60 months" during which SSDI beneficiary can test their ability to work without losing SSDI cash payments and Medicare coverage. An individual can earn any amount of money, but monthly earnings over \$670 or 80 hours self-employment will count as a *service month* for the month in which those earnings are earned.

After 9 *service months* are accumulated, the TWP is complete and SSA will evaluate the individual to see if they continue to be disabled and thus eligible for SSDI benefits. If earnings exceed a threshold earnings level of \$940 or \$1,570 if blind (referred to as substantial gainful activity or SGA), then the beneficiary is no longer *disabled* for Social Security purposes and will lose benefits after an additional 3-month *grace period* of SSDI payments.

**Extended Period of Eligibility (EPE)** For 3 years after the TWP, a SSDI beneficiary who continues to be medically disabled can receive a SSDI check for each month they earn below the \$940 (\$1,570 if blind) SGA threshold level.

**Medicare Continuation** Medicare can continue for 39 months after successful TWP if individual is still medically disabled.

**Impairment-Related Work Expense (IRWE)** Documented expenses that the individual incurs because of their impairment that are needed in order to work. IRWEs are deducted from gross earnings to determine if individual is working at SGA levels for initial or continuing SSDI eligibility.

**Medical Recovery During Vocational Rehabilitation** SSDI eligibility continues for individuals who medically recover from their impairment but are participating in a vocational rehabilitation program that likely will lead to self-support until their participation in the program is complete

## SSI Work Incentives

**1619 A** SSI cash payments are reduced proportionally to earnings rather than losing SSI outright when earnings exceed SGA level. Allows monthly earnings up to \$1,359 in 2008 before all SSI cash payment eligibility ends.

**1619 B** Continues Medicaid eligibility if individual needs Medicaid to continue working and earnings are below a State threshold level of \$36,562 needed to replace the equivalent value of SSI/ Medicaid coverage in Idaho for the year 2008.

**Student Earned Income Exclusion** Earnings up to \$1,550 per month, to a total of \$6,240 in a year, are not counted for SSI income purposes for a student who is disabled or blind who is regularly enrolled in school and is up to age 22.

**Plan for Achieving Self-Support (PASS)** Vocational and training/ educational expenses incurred by individual can be returned to individual through higher SSI payments under an approved plan that could result in self-support. Can be used to establish or maintain SSI check and Medicaid eligibility while working by not counting earned income spent on PASS expenditures.

**Impairment Related Work Expense (IRWE)** Documented expenses that the individual with a physical or mental impairment incurs because of their impairment that are needed for work (e.g. special transportation, assistive technology). Individuals can recover costs through higher SSI payments. Can also be used to establish eligibility for initial SSI disability status.

**Blind Work Expenses (BWE)** Documented expenses that a person who is blind incurs because of their blindness that are needed to work (e.g. guide dog expenses, adaptive devices). People who are blind may be able to recover 100% of those expenses through higher SSI cash payments.