

The Substantial Gainful Activity Rule

SSDI's Trial Work Period, Extended Period of Eligibility, and Expedited Reinstatement Rules

These Work Incentives Minimize Impact of SGA Rules As Beneficiary Pursues a Work Goal

The Substantial Gainful Activity (SGA) Rule

- ◆ Countable wages of \$1,170 per month (\$1,950 if statutorily blind) amount to SGA in 2017.
- ◆ Applies to both Social Security Disability Insurance (SSDI) and SSI applicants. If average countable wages are more than the SGA amount, the application will ordinarily be denied.
- ◆ The SGA rule does not apply to SSI beneficiaries.
- ◆ The SGA rule does apply to SSDI beneficiaries.

SSDI's Trial Work Period (TWP) and Extended Period of Eligibility (EPE)

- ◆ During a nine-month TWP, benefits will continue even if wages are above the SGA level.
- ◆ Following the ninth TWP month a 36-month EPE begins.
- ◆ The first time a person earns at the SGA level, during the EPE, benefits will continue for that month and two more months (the "three-month grace period").
- ◆ During the remainder of the EPE: person will receive SSDI payment each month that countable wages are below SGA level; will not get SSDI for months when countable wages are more than SGA level.
- ◆ The first time a person performs SGA following the EPE, SSDI benefits will be terminated.

SSDI's Expedited Reinstatement (EXR) Provisions

- ◆ Following a termination of benefits due to SGA, benefits can be reinstated, in some cases, if the person stops earning wages at the SGA level.
- ◆ The person who stops working or has wages reduced below the SGA level must apply for EXR within 60 months of the last EPE month (see above), or within 60 months of the last month he or she received SSDI benefits - - whichever occurs later.
 - ◆ If EXR benefits are paid for at least 24 months, the person is entitled to a new TWP and EPE.
 - ◆ For more detail, see our "Expedited Reinstatement At-a-Glance."

Reducing Countable Monthly Earnings Below the SGA Level

Countable Earnings are Reduced by Any Paid Time Off

- ◆ Holiday pay (full day or half day) is not counted when measuring wages against the SGA level.
- ◆ Pay received for a vacation or personal day (or part of a day) is not counted.
- ◆ Pay received for a sick day (or part of a day) is not counted.

Countable Earnings are Reduced by Any Impairment Related Work Expense

- ◆ Impairment related work expenses (IRWEs) are expenses for disability-related items that allow an individual to work.
- ◆ The expense must be paid by the person with a disability.
- ◆ The expense must be related to the person's disability or medical condition for which they are receiving treatment.
- ◆ If the person did not incur the expense and receive the item or service in question, the person would not be able to work.
- ◆ For more detail, see our "Impairment Related Work Expenses At-a-Glance."

Countable Earnings are Reduced by Any Subsidies

- ◆ A subsidy occurs when an employer pays a worker more in wages than the person has actually earned through their labor.
- ◆ A subsidy may also occur when the worker receives special supports, such as job coaching assistance, to allow the person to perform a job despite a severe disability.
- ◆ For more detail, including examples see our "Subsidies At-a-Glance."

Additional Resources on this Topic

- ◆ http://www.nymakesworkpay.org/docs/MIG_Newsletter_3.2/Newsletter_SSDI_3.2_4-12-12.pdf (issue of "Working" newsletter on SSDI, Medicare and Work)
- ◆ <http://www.nymakesworkpay.org/docs/SSDI%20Brief-2.0.pdf> (policy-to-practice brief on SSDI, Medicaid and Work)

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