

# Social Security Disability Insurance

The Rules That Allow You to Try Work  
January 2025

# Cash Benefits From Social Security

- The Social Security Administration (SSA) is a federal agency that administers two different federal cash benefit programs:
  - Social Security, including Social Security Disability Insurance (SSDI) – Title II;
  - Supplemental Security Income (SSI) -Title XVI.
- Both pay benefits to those who meet SSA's disability standard.
- But each includes a different set of detailed work incentives and rules about work.
- This means it is important to be sure which benefit you receive when working.

# How to Know for Sure What Benefit You Receive

- SSDI and Social Security Dependent or Survivor benefits are paid on the Second, Third or Fourth Wednesday of the month.
  - Unless you received Social Security before May 1997, or, if you are receiving both Social Security & SSI.
  - In that case Social Security is paid on the 3rd of the month.

# How to Know for Sure What Benefit You Receive

- SSI is paid on the first day of the month.
- However, if the first of the month falls on a weekend day or a federal holiday, SSI is paid on the day of the prior month that is just before the weekend day or federal holiday.
- E.g., because January 1, 2025, was a federal holiday, the January SSI benefit was paid on Tuesday December 31, 2024.

**This presentation covers only Social Security Benefits.**

# Distinctive Features of Social Security Benefits

- The Social Security program is compulsory for most employers and workers and is based on insurance principles.
- It is designed to partially replace earnings lost due to the retirement, disability or death of a person who has had earnings on which Social Security FICA taxes were paid.
- To qualify for Social Security benefits, the disabled person must have a recent FICA work history and meet the SSA definition of disability.
- The benefit amount is based on the worker's wage history.
- There is no income or asset limit for eligibility.

# **You Earn Social Security Benefits by Working and Paying FICA Taxes**

- As you work and pay the Social Security taxes you earn quarters of coverage.
- You can earn up to a maximum of 4 work credits each year.
- The work credits are based on the amount of your wages or self-employment income during the year.
- Most need 40 quarters of coverage for Title II eligibility
- For disability eligibility there is also a requirement of recent FICA covered work (at least 20 out of the 40 quarters in the 10 years prior to disability onset.
- Lesser requirements apply if the person is under age 31.

# Overview: Social Security Disability Benefit Work Incentives

- Trial Work Period
  - Allows you to test the ability work without loss of benefits
- Extended Period of Eligibility (EPE)
  - An additional period to test your ability to work. During the first 36 months of the EPE, you receive your benefit in months when your earnings are below the substantial gainful activity (SGA) level .
- Expedited Reinstatement
  - A faster way back on benefits when SSDI terminates due to SGA
- **It is critical to report your employment and pay changes to Social Security right away so that Social Security can pay your benefits only when due and avoid large overpayments.**



# What is the Trial Work Period?

- Nine months in which to test your ability to work.
- The nine months do not have to be used in a row.
- You use a trial work month by working at a level called “services.”
  - At least \$1160 gross in wages a month if an employee (in 2025).
  - At least 80 hours in self-employment
- Until you have used the ninth trial work month, you are eligible for your benefit no matter how much money you make, as long as you continue to meet Social Security’s disability criteria.
- You get only one trial work period in a period of disability eligibility.
- The publication Working While Disabled: How We Can Help (Publication No . 05-10095) provides the monthly earnings amount that we use to determine if a month counts as a TWP month . This amount changes every year

# What Happens When TWP Ends??

- The first month of the Extended Period of Eligibility (EPE) begins the month after the TWP ends.
- The EPE is at least 36 consecutive months long.
- Eligibility for your benefit during the first 36 months of the EPE depends on whether you work at the Substantial Gainful Activity (SGA).
  - Your benefit is suspended when you work at the SGA level
  - But you may return to payment status if not performing SGA
- SGA after the 36<sup>th</sup> month of the EPE results in termination of entitlement to your benefit.

# What is SGA?

- Substantial Gainful Activity (SGA) is a term that describes
  - a level of work defined by criteria that must be used to determine initial and ongoing eligibility for Social Security disability benefits.
- SGA is work that is substantial, gainful, and involves significant duties.
- SSA uses earning guidelines to determine SGA.
- SSA presumes work is SGA when Social Security disability beneficiaries have earnings that meet or exceed these guidelines.
- The guidelines change every January with the annual COLA.

# 2025 SGA Guidelines

- For those eligible on the basis of disability, or blindness SSA uses earning guidelines to determine SGA.
- Gross earnings of \$1,620 or more in gross monthly wages for those eligible on the basis of disability
- Gross earnings of \$2700 or more in gross monthly wages for those eligible on the basis of blindness.
- If self-employed, look at net income after business deductions; value of work to business

# Countable Earnings for SGA Purposes

- Only earnings from actual work activities count for SGA purposes.
- Earnings count when earned.
- Countable earnings for SGA purposes do not include paid sick, vacation, or holidays days.
- SSA can disregard some portion of gross earnings for employment supports (work incentives) to determine countable income to compare to applicable SGA guideline.
- Some additional tests apply to self-employment.

# Employment Supports

- Employments apply to SGA and are not used in trial work months
- Employment Supports include -
- Impairment-Related Work Expenses (IRWE)
- Subsidy
- Special Conditions
- Unsuccessful Work Attempt (UWA)
- Uninsured Business Expenses (self employment only)

# After the 36<sup>th</sup> Month of the EPE

- Entitlement to SSDI terminates with the first SGA month after the end of the 36<sup>th</sup> month of the EPE.
- If you need SSDI again, you can
  - File a new application, or
  - File for Expedited Reinstatement if you still meet SSA's disability criteria for the same or closely related medical conditions.

# Expedited Reinstatement

- Eligible for EXR if the same or a related disability makes former beneficiaries unable to perform SGA within 60-months of termination due to work activity
- Must have a disability that still meets the medical improvement standard.
- Beneficiary receives up to six months of provisional payments, and Medicare entitlement while awaiting medical determination
- Some risk: Determination of medical improvement will stop benefits and Medicare, even if beneficiary is in Extended Period of Medicare Coverage



# Medicare

- Medicare continues during the TWP
- Medicare continues during the EPE
- Extended Medicare is a Work Incentive that continues coverage after an SGA termination
- Extended Medicare may provide coverage for at least 93 months after the TWP
- Note: Extended Medicare DOES NOT apply to medical terminations after a Continuing Disability Review (CDR)

# Resources

- The Red Book on Work Incentives, <https://www.ssa.gov/pubs/EN-64-030.pdf>
- Working While Disabled: How We Can Help, <https://www.ssa.gov/pubs/EN-05-10095.pdf>
- What You Need to Know When You Get Social Security Disability Insurance Benefits, <https://www.ssa.gov/pubs/EN-05-10153.pdf>
- Plan to Achieve Self-Support (PASS), <https://www.ssa.gov/disabilityresearch/wi/pass.htm>

# Resources

- Work Incentive Planning and Assistance (WIPA) Projects assist beneficiaries in making informed choices about work and earnings. WIPA services are free.
- WIPA staff have work incentive expertise and can:
- Explain SSA work incentives and how earnings affect a beneficiary's Federal, state, and local benefits, and
- Identify possible barriers that prevent beneficiaries from achieving their employment goals
- Massachusetts WIPA Programs –
  - Work Without Limits, <https://workwithoutlimits.org/benefits-counseling/wipa-home/>
  - MassAbility Benefits Counseling, <https://www.mass.gov/benefits-counseling>

# Questions?

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