

## How will working affect my SSDI?



SSDI encourages you to return to work by offering incentives. These work incentives allow you to explore working while keeping SSDI and Medicare. In Washington State, you also have options to continue your Medicaid coverage.

### Trial Work Period

The first work incentive is the Trial Work Period (TWP). The trial work period allows you to test your ability to work for at least nine months with no risk of losing your cash benefit.

During this time, any month that you work and earn more than the 'Trial Work Amount' you use up one of your Trial Work Period months. You have nine Trial Work Months that do not necessarily need to be all at once, but they do need to fall within a five-year period. In the Trial Work Period, you can earn as much as you like with no maximum limit and still get your SSDI check!

The Trial Work Period counts months in a five-year "rolling time frame". This means starting the first month your earnings are over the TWP amount, you have five years to use all nine of your Trial Work Period months. When you complete the 9 months, look back five years to see if all nine occurred within that five-year timeframe. If not all the months are used within the last five years, only the months used count towards your Trial Work Period limit. It could result in your having extra months left in your Trial Work Period. However, you are only entitled to one Trial Work Period per period of disability, so once all 9 months are used, you have used all of this work incentive.

### Extended Period of Eligibility

The month right after your ninth Trial Work Period month starts the Extended Period of Eligibility (EPE), which is another SSDI work incentive.

The Extended Period of Eligibility (EPE) starts the month after your Trial Work Period ends.

During the 36-month Extended Period of Eligibility (EPE), you should get your SSDI check for months when your earnings or work activities are below the **Substantial Gainful Activity (SGA)** limit. The current threshold is \$1,170 (or \$1,950 if statutorily blind).

You are not eligible for a SSDI check in months that your earnings or work activities are over the SGA limit. When your earnings are below SGA and you are reporting your gross earnings to SSA each month, your SSDI check should start again. No new application or disability determination is needed.

### **Cessation of Benefits and Grace Period**

The first time you work over SGA and have used all nine of your Trial Work Period (TWP) months, you should get your SSDI check for that month (your cessation month) and the two months after. This is called your **grace period**.

### **After the Extended Period of Eligibility**

Your cash benefits will likely end, if you earn Substantial Gainful Activity (SGA) or higher after the Extended Period of Eligibility. If you are eligible for your SSDI check in the first month after the end of the EPE, you should keep getting your benefits until you either work a month at SGA or you medically recover from your disability. If this is the first time you've earned SGA, you will still get your cash benefits for the three month grace period *before cash benefits end*.

### **Tracking Progress with Work Incentives**

Please use the worksheets explaining the Trial Work Period and Extended Period of Eligibility, to help you track your progress with these work incentives. Knowing where you stand with TWP and EPE can help you plan for your future.

\*\* Ask a Community Work Incentives Coordinator, your DVR counselor, or a Benefits Planner (if you receive county services) for more specific information about work incentives.

## **Extended Period of Eligibility (EPE) chart:**

The month right after your final Trial Work Period month starts the **Extended Period of Eligibility**, another SSDI work incentive. The Extended Period of Eligibility is a 36-month period in which you may be eligible for your SSDI check any month you earn below Substantial Gainful Activity (SGA). When you earn over SGA during this 36-month period, you will not get an SSDI check. During the Extended Period of Eligibility, the first month that you earn SGA or more, your cash payment benefit will be considered "**ceased**" by SSA. You will still receive a SSDI check for your "**cessation month**", and for the following two months, which are considered "**grace period**" months. For those three months you can keep both your earnings and your SSDI check without having an overpayment. However, as stated above, after those three months, you will not receive an SSDI check for any month that you earn SGA or more.

## **Additional SSDI Work Incentives**

When reviewing your earnings to see if they are at or above the Substantial Gainful Activity (SGA) limits, Social Security may not count all of the income you earn. Several work incentives can be used to lower your countable income for SSDI and could allow you to earn more and still get your check. These additional SSDI work incentives can only be used **after** you complete your Trial Work Period:

## **Impairment-Related Work Expense (IRWE)**

An IRWE is any out-of-pocket expense that is:

1. Related to your disability,
2. Needed for employment, and
3. Can't be paid under any another program.

An IRWE must be requested and approved from SSA. An IRWE is deducted from gross earnings when figuring total countable income. An IRWE can lower your countable income below the Substantial Gainful Activity amount so you keep getting your SSDI check.

Examples of IRWE might include transportation costs, attendant care services, medical or prosthetic devices, changes made to your home for people working at home, assistive technology, medications, or medical supplies. Lists of approved IRWEs are online in the [SSA Red Book](#).

## **Subsidy and Special Conditions**

"Subsidies" and "Special Conditions" refer to support you receive on the job that could result in your getting more pay than the actual value of the work you do. SSA deducts the value of subsidies and special conditions from your earnings when they decide whether you are working at the Substantial Gainful Activity (SGA) limit. .

Following are examples of subsidies and special conditions:

- You get more supervision than other workers who do the same or a similar job for the same pay.
- You have fewer or simpler tasks to complete than other workers who are doing the same job for the same pay.
- You have a job coach or mentor who helps you perform some of your work.

## **How will working affect my Medicare?**

**There are four parts to Medicare:**

**Part A:** Hospital coverage, free

**Part B:** Doctor visits, monthly premium

**Part C:** Medicare Advantage plans; provide Part A and Part B coverage and sometimes Part D. Costs for items, services, and choice of provider vary by plan.

**Part D:** Prescriptions; monthly premium varies depending on plan chosen.

Most people with disabilities have parts A, B, and D. Depending on your income, you may qualify for help paying your Part B and D premiums. You can apply for help at your local DSHS Community Services office.

## **How long will I keep my Medicare?**

Most individuals with disabilities who work will continue to receive at least 93 consecutive months of Medicare. The 93-months start the month after the last month of your Trial Work Period (TWP) and continue through your Extended Period of Eligibility. Although your cash benefits may cease due to work over Substantial Gainful Activity (SGA) during the Extended Period of Eligibility (EPE), your Medicare health insurance will continue. You should contact Social Security Administration the first month you work over SGA after your Trial Work Period to find out exactly how long your Medicare coverage will continue.

## **I have other insurance coverage—do I have to accept Medicare?**

As long as you have “**comparable coverage**” you can decline Medicare coverage without being penalized with a higher premium if you ever need to get back on Medicare benefits. Medicare Part A is free, but there are costs involved with Part B and Part D.

### **What is “comparable coverage”?**

- Employer insurance
- Coverage on spouse’s insurance
- Private insurance

It is important to make sure that Medicare approves of your coverage as “comparable.”

### **What happens if I no longer have other insurance coverage?**

If your other medical insurance is no longer available, you will need to reapply for Medicare Part B (doctor coverage) and Part D (prescription coverage) Contact Social Security right away

### **Whom do I contact for more information?**

**Social Security**  
1-800-772-1213

**Medicare**  
1-800-MEDICARE; or 1-800-633-4227

## **Expedited Reinstatement of Benefits**

### ***Help! My benefits were stopped. How do I get them back?***

If *within five years of being terminated* from Social Security benefits, you are ***no longer able to work at or above the Substantial Gainful Activity (SGA)*** level because of your disability, you can start getting your cash benefit right away without having to reapply. You may do this because of another work incentive, the Expedited Reinstatement of Benefits (EXR).

All you need to do is call Social Security at 1-800-772-1213, or the local Social Security office, and **request** this work incentive be applied to your situation.

Expedited Reinstatement of Benefits allows Social Security to start your benefits for a six-month period while they do a medical review of your disability. During the six-month review period, you will receive your cash benefit.

If Social Security determines that you do **not** meet the eligibility requirements, including disability, your benefits will be stopped. The benefits paid to you will **not be considered an overpayment**. If you do meet all requirements, you will continue to receive your cash benefit.

If your SSDI starts again under Expedited Reinstatement, you may have a new Trial Work Period after 24 months.

## **What should I do when I start working?**

### **1. Let Social Security know you started working.**

When you begin working, you will need to report your start of work to your Social Security claims representative. You can report your start of work in one of the following ways:

- Contact the local Social Security office and ask for your claims representative.
- Send a letter to your claims representative telling them where you are working, how many hours you work per week, your hourly wage, and when you receive your paycheck, example: the last day of the month, 10<sup>th</sup> and 25<sup>th</sup> of month, or every other Monday or Friday.
- Call Social Security at 1-800-772-1213 between the hours of 7:00 a.m. and 7:00 p.m. If you are hearing impaired, call 1-800-325-0778.

### ***Did you know making an appointment with Social Security is easy!***

Call one of the numbers above between 7:00 a.m. and 7:00 pm and ask for an appointment with your claims representative. For directions to your local office online, go to [SSA Office Locator](#) and enter your ZIP code.

## 2. **Send copies of your paycheck stubs to Social Security.**

**If you receive SSI:** You will need to send copies of ALL your paycheck stubs to your claims representative each month you work.

**If you receive SSDI:** You only need to send monthly paycheck stubs, if you earn gross income over the Trial Work Period amount, or the Substantial Gainful Activity amount, if you've already completed your Trial Work Period.

**If you receive both SSI and SSDI:** You will need to send copies of ALL your paycheck stubs to both your SSI and SSDI claims representative as stated above.

***Failure to report your earnings to Social Security could result in an overpayment or sanction of your benefits.***

### **To report you can:**

- Call 1-800-772-1213 to set up an appointment with your claims representative. You can bring your paycheck stubs and ask to have them copied for your record. If possible, it is recommended you do this the first month you are working. This gives you an opportunity to meet your claims representative, discuss how best to report your wages each month, and get any other questions answered. If you are unable to make an appointment at the Social Security office, you can go to the office when you have time, **OR**
- Send a letter to your Social Security claims representative telling them where you are working, how many hours you work per week and your hourly wage. Enclose copies of your paycheck stubs. **After the first month**, you can mail your paycheck stubs each month. You do **not** need to see your Social Security representative each month.

***Make sure to get a receipt to show that you have reported.*** If you do not receive a receipt, follow up with your claims representative to make sure your paycheck stubs were received.

#### ***Where can I find the address for my Social Security office?***

You can go to [www.ssa.gov](http://www.ssa.gov) and click on "Find a Social Security Office". You can enter your zip code and the website will give the address, phone number and map to your Social Security office.

### **3. What does my payee have to do?**

You and your payee should work together to make sure your start of work is reported to Social Security and your paycheck stubs are sent every month by the tenth of the month after you earn the money. See number 2 above for more specific instructions.

### **4. Keep all letters and communications from Social Security.**

We recommend you set up a notebook for each year where you can:

- Store all letters and communications from Social Security;
- Keep copies or the originals of your paycheck stubs and letters you send to Social Security; and
- Track all phone calls to Social Security, including the date, name of the person you spoke to, what the call was about, and the solution discussed.

SOCIAL SECURITY ADMINISTRATION  
ATTN: SSDI UNIT; WAGE RECORDING  
ADDRESS: \_\_\_\_\_  
CITY: \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

## SSDI: REPORTING START OF WORK

Date Sent: \_\_\_\_\_

I started a job on \_\_\_\_\_ / \_\_\_\_\_ (month/year)  
and work for \_\_\_\_\_ (place of  
employment). I am paid \_\_\_\_\_ per hour and work \_\_\_\_\_ hours per  
week. My pay dates are \_\_\_\_\_.

Thank you.

Sincerely:

\_\_\_\_\_  
(signature)

Name (please print) \_\_\_\_\_

Social Security Number \_\_\_\_\_

Address \_\_\_\_\_

City/Zip \_\_\_\_\_

Telephone Number \_\_\_\_\_

Payee

\_\_\_\_\_ Telephone

Number \_\_\_\_\_

SOCIAL SECURITY ADMINISTRATION

ATTN: SSDI UNIT; WAGE RECORDING

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

## SSDI: REPORTING MONTHLY WAGES

Date Sent: \_\_\_\_\_

Here are copies of my pay stubs for \_\_\_\_\_ / \_\_\_\_\_ (month/year)

from \_\_\_\_\_ (place of  
employment).

Thank you.

Sincerely:

\_\_\_\_\_  
Signature

Name \_\_\_\_\_

Social Security Number \_\_\_\_\_

Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Telephone Number \_\_\_\_\_

Payee \_\_\_\_\_

Telephone Number \_\_\_\_\_

## Now That I'm Working, Should I File Taxes?

Yes, you will need to file taxes. You also may qualify for the Earned Income Tax Credit (EITC), a federal income tax credit for low-income workers who are eligible for and claim the credit.

The tax credit reduces the amount of tax you owe, and may be returned to you in the form of a refund.

### **To claim the EITC, you must meet all of the following rules:**

- Must have earned income
- Must have a valid Social Security Number
- Investment income is limited to \$3,400
- Filing status **cannot** be "married filing separately"
- Generally must be a U.S. citizen or resident alien all year
- Cannot be a qualifying child of another person
- Cannot file Form 2555 or 2555-EZ (related to foreign earned income)

You can qualify for the EITC while receiving Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI). The EITC does **not** count as earned income for either program. However, you must continue to meet other requirements and work rules for those programs. There are no requirements specifying what you should do with the Earned Income Tax Credit.

**The following are good resources for more information on EITC:**

**EITC Hotline:**                      **1-800-755-5317**                      **1-800-833-6388 TDD/TTY**

**General Information:** <http://www.irs.gov/individuals/article/0,,id=96406,00.html>

**Should I apply?** <http://www.irs.gov/individuals/article/0,,id=130102,00.html>