



## OVERVIEW OF WORK INCENTIVES PHASES FOR TITLE II BENEFICIARIES

**Title II Benefits (SSDI, CDB, DWB):** When you go to work in the Title II disability program you get a series of work incentive phases that offer you varying degrees of protection from losing your benefits. Basically, TITLE II BENEFITS have 3 phases of work rules, each with work incentives intended to support your efforts to work.

- **Phase 1- Trial Work Period (TWP):** During this phase you can earn any amount and continue receiving your cash benefit. This phase will end when your monthly earnings are above the TWP threshold amount 9 times within 5 years. The TWP threshold is \$880/month in 2019. After that 9<sup>th</sup> TWP month is used, you will move into Phase 2, the Extended Period of Eligibility. (In 2018, TWP threshold was \$850/month.) In 2020, TWP will be \$910 per month.
- **Phase 2-Extended Period of Eligibility (EPE):** You maintain TITLE II BENEFIT eligibility *status* even if you earn so much you don't get a benefit check. That means if the TITLE II cash benefit stops as a result of work, you will not have to reapply during this phase to begin receiving a benefit check once again. You will not be due to receive a TITLE II cash benefit check when your \*countable earnings (defined below) are above the current Substantial Gainful Activity level (SGA - \$1220/month in 2019 for non-blind individuals). Should your \*countable earnings fall below SGA, you will be due TITLE II cash benefit in those months. EPE will begin the month immediately following your ninth TWP month and will stop 36 months later. (In 2018, SGA was \$1,180/month.) In 2020, SGA will be \$1,260 per month for non-blind persons.
- **Phase 3-Post EPE:** This phase begins the month after the EPE ends. During this phase, you will receive your TITLE II cash benefit if your \*countable earnings are below SGA. If \*countable earnings are above SGA, eligibility will terminate. If your benefit terminates due to work, but then within 60 months of termination your \*countable earnings fall below SGA (and you can't maintain SGA level work due to your disability) you can request Expedited Reinstatement (EXR) of benefits. Through EXR, you receive up to 6 months of provisional benefits while Social Security conducts a medical continuing disability review to see if you meet the eligibility criteria to be reinstated.

\*Countable earnings: To determine countable earnings in Phase 2 & 3, Social Security deducts from your gross monthly wages;

(1) Holiday/Vacation/Sick Pay

(2) Expenses you incur, related to your impairment, and that allow you to work—called Impairment Related Work Expenses (IRWE), and

(3) The value of reduced productivity or extra support on the job due to your disability—called a Subsidy.



## SAMPLE TWP / EPE Calculation Chart

Note: The figures in this chart are for illustration purposes only and do not reflect actual earnings. You use TWP months when you earn over \$880/month (2019). It also uses the SGA countable income as \$1220/month (2019). IN 2018, SGA was \$1180 per month and TWP was \$850 per month. The SGA will likely increase each year. Your earnings would increase yearly as well.

YEAR -2018	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Countable Earnings	\$0	\$0	\$0	\$0	\$1147	\$1147	\$1147	\$810	\$849	\$849	\$1407	\$1407
Benefit Status	SSDI cash benefit	SSDI cash benefit	SSDI cash benefit	SSDI cash benefit	TWP 1 SSDI cash benefit	TWP 2 SSDI cash benefit	TWP 3 SSDI cash benefit	SSDI cash benefit	SSDI cash benefit	SSDI cash benefit	TWP 4 SSDI cash benefit	TWP 5 SSDI cash benefit

YEAR -2019	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Countable Earnings	\$875	\$875	\$0	\$0	\$875	\$1126	\$1126	\$1516	\$1516	\$1516	\$1516	\$1516
Benefit Status	SSDI cash benefit	SSDI cash benefit	SSDI cash benefit	SSDI cash benefit	SSDI cash benefit	TWP 6 SSDI cash benefit	TWP 7 SSDI cash benefit	TWP 8 SSDI cash benefit	TWP 9 SSDI cash benefit	EPE 1 SSDI cash benefit	EPE 2 SSDI cash benefit	EPE 3 SSDI cash benefit

**Cessation and Grace**

YEAR -2020	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Countable Earnings	\$1516	\$1516	\$1516	\$1516	\$1516	\$1516	\$1516	\$1625	\$1625	\$1625	\$1855	\$1855
Benefit Status	EPE 4	EPE 5	EPE 6	EPE 7	EPE 8	EPE 9	EPE 10	EPE 11	EPE 12	EPE 13	EPE 14	EPE 15

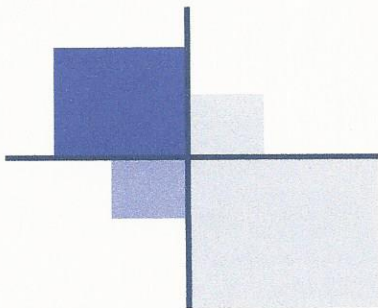
YEAR - 2021	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Countable Earnings	\$1855	\$1855	\$1855	\$1855	\$1855	\$1201	\$1201	\$1201	\$1201	\$1201	\$1201	\$1201
Benefit Status	EPE 16	EPE 17	EPE 18	EPE 19	EPE 20	EPE 21 SSDI cash benefit	EPE 22 SSDI cash benefit	EPE 23 SSDI cash benefit	EPE 24 SSDI cash benefit	EPE 25 SSDI cash benefit	EPE 26 SSDI cash benefit	EPE 27 SSDI cash benefit

YEAR - 2022	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Countable Earnings	\$1855	\$1855	\$1855	\$1855	\$1855	\$1855	\$1855	\$1855	\$1855	\$1855	\$1855	\$1855
Benefit Status	EPE 28	EPE 29	EPE 30	EPE 31	EPE 32	EPE 33	EPE 34	EPE 35	EPE 36	Expedited Reinstatement of Benefits (EXR) available as a safety net if you decide to maintain SGA level employment.		

TWP – Phase 1  
EPE – Phase 2  
EXR – Phase 3

CESSATION AND GRACE Period Months – When you consistently work over SGA, Social Security will use a tool called Cessation and Grace to allow you to receive your SSDI cash benefits for another three months. It is important to track your TWP months and earnings over SGA so you know when they may decide to apply the Cessation and Grace period months. They sometimes do this retroactively. That means you may continue to receive your check but if you are aware and are tracking your earnings, you can save this money to return to Social Security and avoid an overpayment situation.





# Subsidies or Special Conditions

## 2019 Fact Sheet on Work Incentives

**Subsidy and Special Conditions are supports that an individual receives on the job. These supports may result in the individual receiving more pay than the actual value of the services they perform. This may mean that the employer is providing extra support or supervision to the person, or that the person is producing less than coworkers who are performing the same work; and the person is receiving the same hourly wage for the work accomplished. Often, the support of a job coach is a special condition that is subsidized.**

### How It Helps You:

After you have completed the Trial Work Period, a Subsidy or Special Condition may help to keep your earnings below Substantial Gainful Activity (SGA). Some examples of Subsidy are:

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

Social Security considers the value of this extra support as a benefit to you and evaluates this support to take into consideration the amount you are earning.

### How It Works:

To develop an employer subsidy, your employer is requested to submit information to Social Security to document the value of your work and services. The amount of the subsidy is determined by comparing your work in the amounts of time, skills, and responsibilities with that of non-disabled individuals doing similar work. Some possible examples to determine a subsidy include:

- Extra supervision,
- Allowances for extra time to perform duties,
- Special accommodations, or
- Adjusted work schedule or duties.

Social Security has a questionnaire to help employers determine how much they subsidize your work activity. A Community Work Incentives Coordinator can help you and your employer or job coach complete the required documentation to submit to Social Security for a Subsidy. Remember, you must have completed the Trial Work Period to use this work incentive.

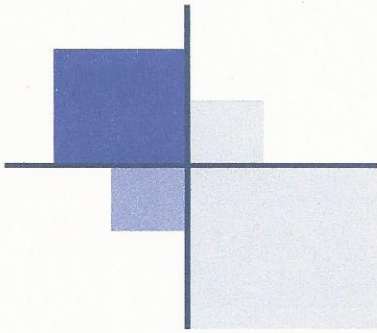
**For more information  
and support on your  
work incentives,  
contact:**

**Center for  
Accessible Living  
Louisville, KY  
888-813-8497—  
Louisville  
888-261-6194—Murray  
888-813-8652 (TTY)**

**Goodwill Industries  
of KY  
Lexington, KY  
866-336-3316 (voice)  
866-833-2976 (TTY)**

The information contained in this fact sheet has been reviewed by the Social Security Administration, Office of Employment Support Programs for Accuracy. However, the viewpoints of this fact sheet do not necessarily reflect the viewpoints of the Social Security Administration.





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

### **2019 Fact Sheet on Work Incentives**

**The Impairment-Related Work Expense (IRWE) is a work incentive available to individuals who receive SSDI. The IRWE allows a person to deduct the cost of certain items and services that they need to work from their gross wages. This helps individuals to maintain eligibility for benefits longer until they can work to a level where they are self-sufficient.**

#### How It Helps You:

If you are working and pay for extra expenses to support your work activity due to your impairments, an IRWE may help you to deduct those expenses from your gross monthly earnings. Social Security will not count those expenses when they compare your income to Substantial Gainful Activity (SGA) levels (in 2019 the SGA level is \$1,220 in gross earnings). *For individuals whose primary disability on record with the Social Security Administration is blindness, the 2019 SGA level is \$2,040 in gross earnings.* This work incentive is an added support to you once you have completed the Trial Work Period.

#### How It Works:

For an IRWE deduction to be allowable, the following five criteria must be met:

- The expenses must be related to an impairment **and**
- The expenses must help the individual work,
- The expense must be paid by the individual and not reimbursed by another source,
- The expense must be paid within a month in which the individual works, and
- The expense must be reasonable

Some examples of IRWE expenses may be Supported Employment Services, Attendant Care, Transportation Costs, Medical Devices, Prosthesis, Work-Related Equipment and Assistants, medications, therapies, etc.

To establish an IRWE, you must submit the cost of the expenses in writing to the local Social Security Office with an explanation of how the expense meets the above criteria.

A Community Work Incentive Coordinator or will help you identify what expenses may be applicable as IRWE expenses. The Social Security Administration will determine what qualifies as an IRWE.

**For more information and support on your work incentives, contact:**

**Center for Accessible Living  
Louisville, KY  
888-813-8497—  
Louisville  
888-261-6194—Murray  
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## **Extended Medicare Coverage 2019 Fact Sheet on Work Incentives**

### **How it Helps You:**

If you are a Medicare beneficiary, if you continue to have a disability as defined by the Social Security Administration, and you return to work, you can keep your Medicare coverage for at least 93 months after you return to work.

During this Extended Medicare Coverage, you will receive Part A (premium-free hospital insurance) and Part B (elected medical insurance coverage with a monthly premium), and Medicare prescription drug coverage if applicable.

### **How it Works:**

This Medicare coverage applies to you if you are:

- Just starting work,
- Using Trial Work Period months right now,
- Have used up your Trial Work Period and are currently in your 36 months Extended Period of Eligibility,
- Had not completed the 36 months Extended Period of Eligibility before 6/1/2000.

Exactly when the Extended Medicare Coverage begins and ends is determined by when you consistently reach Substantial Gainful Activity. To find out exactly how many months of Extended Medicare Coverage you will have, you may contact your local Social Security Administration claims representative.

A Community Work Incentive Coordinator can help you understand how this coverage applies to you. Your local Social Security Office can tell you exactly how many months of extended Medicare coverage are available to you.

**For more information  
and support on your  
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**Under the Ticket  
to Work and Work  
Incentives  
Improvement Act,  
working Medicare  
Beneficiaries may  
keep their  
Medicare  
coverage for at  
least 93 months  
(seven years,  
nine months)  
after they  
complete their  
Trial Work Period.**