

SSDI AND SELF-EMPLOYMENT WEBINAR

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SSDI, Trial Work Period and Benefits

1. When does SSDI turn to regular Social Security benefits, as I am turning 65 this year? Would that affect in my benefits at Full Retirement Age (FRA)? Answer: FRA is dependent on your birth date. For most people, FRA is 67.
2. What if the Deaf person is placed in a wrong category, SSI, and due to medical reason, realized it is wrong? He can stop having SSI, but want to keep medical insurance for health purpose? He should be placed in SSDI, not SSI. He stopped working at 48 years due to disability. Answer: A person can be eligible for Title 2 or SSI or both. If a person is no longer eligible for SSI, there are different ways to keep Medicaid, including using the state's Medicaid Buy-In if the state has one.
3. Can adults be receiving Childhood Disability Benefits? If so, is that indefinitely if not working? Answer: A CDB is eligible if they are 18, became disabled prior to the age of 22 and has a parent worker who is deceased, disabled or retired.
4. If you make \$5,000 over in one month, would that count as one month or several months? Answer: That would be one month of a TWP for someone who worked for only one month.
5. Could you please give an example of a work incentive that doesn't apply during the TWP? IRWE? Answer: The TWP stands alone. There are no other work incentives during the TWP. IRWE, Subsidy, Special Condition, Unpaid Work Attempt and Income Averaging do not apply during the TWP. These are SGA tools and you don't use SGA during the TWP.
6. What happens when they switch you to SSDI? Answer: If you are switched from SSI to SSDI, you may no longer qualify for SSI or have a small amount of SSI. Either way, a person can continue to qualify for Medicaid.

Earnings, SGA and Reporting

7. What if you win a grant or your business pays you rent? This is unearned income; does it count? Answer: A grant to a business is not counted as earned income for Title 2. It is unearned income. If a business you run gets paid for a service that you/your business provide, those are earnings. SSA looks at your Net Earnings from Self-Employment.
8. What's the net earnings calculation again? Answer: NESE = Earnings minus deductions. Deductions include IRS-deductible expenses and then SSA will multiply what's left by 0.9235. What is left is NESE.

- 9.** I recently spoke to someone about my SSDI: I went over the SSDI amount and was told I wouldn't have to pay it back because I was still within the 36 months. Can you explain the repayment? Answer: If you are working under SGA during the 36-month re-entitlement period, you receive your benefits.
- 10.** What if their Cessation month is still available following the 36-month re-entitlement period? Answer: The first month of SGA work is your Termination and Cessation month.
- 11.** Does self-employment hours worked have any impact on SGA, like TWP? Or are they only looking at earnings during EPE? Answer: The TWP is determined either by looking at NESE or hours worked. During the RP, they are looking at NESE and any SSA work incentives that brings down NESE to below SGA.
- 12.** I'm a 1099 employee and don't get paid right away when I work. I may work in January but don't get paid until March. Do I report my wages before I actually get paid or do I report my wages as they come in, waiting until March? Answer: SSA will want to know when you earned the money—in this case, when you did the work.
- 13.** Can you remind us how clients need to report self-reported income to SSA? Does it need to be reported monthly since it likely changes month to month? Answer: You can provide an estimate. Once you file tax returns, those should be reported to Social Security by April 15th each year.
- 14.** What happens after the 36 month program? I'm 62 right now. Answer: The first month that earnings are above SGA, your benefits terminate. If you work under SGA, benefits continue and convert to retirement at your full retirement age.
- 15.** Would the SGA be just income, or does that include the 80 hours per month too? Answer: The TWP is determined either by looking at NESE or hours worked. During the RP, they are looking at NESE and any SSA work incentives that brings down NESE to below SGA.
- 16.** I'm confused; what's the difference between TPA and SGA? Answer: TWP and SGA are two different numbers for two different phases of the work rules.
- 17.** In order to get SSDI, are phone calls the only way to schedule an appointment at SSA? If so, which is the best phone number to call them? Answer: You can schedule a phone appointment by calling or online. You'll need a MySSA account to make an online appointment.
- 18.** Can we have the POMS for the Christmas bonus not being seen as earned income? Answer: See the POMS DI 10505.010 D.
- 19.** What are the benefits of being in TWP? If you are earning below TWP can you just keep those earnings without any loss of SSDI? Answer: It's a work incentive for someone who wants to earn more. Yes, you can work and earn less than the TWP level while getting SSDI indefinitely.
- 20.** How can one prove an unsuccessful work attempt if the business is closed? Answer: Locate a manager/office manager/supervisor who can provide a statement.

IRWE

- 21.** What is the length of IRWE? Answer: There is no time limit for the use of an IRWE.
- 22.** Are those that no longer receive SSA benefits still eligible for IRWE? Answer: IRWEs can help bring countable earnings to below SGA. If you have no earnings over SGA, IRWEs are not helpful.
- 23.** Can transportation be an IRWE even if the need is not tied to the disability? Would the full cost of Uber be considered an IRWE? What about car payments? Answer: No. Transportation must be related to the disability and necessary to work.
- 24.** Speaking of IRWE deduction, is this something CPA should know this when time come for tax return? or how it works? I paid out of my pocket to run a business, such as webcam, a big monitor, software and more. Answer: CPAs don't necessarily know SSA Title 2 work rules.
- 25.** Can IRWE be a vehicle monthly payment, vehicle insurance, vehicle gas, vehicle maintenance/repairs? Answer: SSA uses the IRS mileage allowance multiplied by the number of miles driven for work.
- 26.** If you use an IRWE, can you not use it with the IRS also? Answer: You cannot claim an item or service as a business expense and an IRWE.
- 27.** How is an Uber approved? What about gas to and from work? For someone self-employed who doesn't drive, does transportation to trade shows or fairs where we are a vendor count for IRWE? Answer: Yes, transportation can be an IRWE if it is 1) related to the impairment 2) needed to work and 3) paid for by the worker.
- 28.** Can IRWE be used for nonprofit owners? Answer: IRWEs can be used by both a worker or a self-employed person.
- 29.** If a person has SSDI and SSI, and an approved IRWE, will it impact both of the benefits SGA? Answer: IRWEs can be used for both Title 2 and SSI simultaneously. Make sure to report the IRWE for both programs.
- 30.** Does the individual keep their Medicaid benefits with the trial work period Answer: In most states, yes, if they have the Medicaid Buy-In or Expanded Medicaid. Get to know your state's Medicaid programs.
- 31.** Is there a way to help businesses understand that subsidies or special conditions do not open them to legal challenges? Most seem skeptical of admitting it openly. This seems especially true with the ID/DD population. Answer: Build relationships and educate employers.
- 32.** Can IRWE's help to indicate where vocational rehabilitation can support accommodations so working can be made obtainable and sustainable? Answer: Maybe. But if VR pays for the items/service, it's not an IRWE. It could be a Special Condition.
- 33.** Is every IRS deduction for self-employed single-member LLC owner counted toward NESE? hearing conflicting things? home office and utilities for ex. Answer: A tax expert is the best person to answer questions about business IRS deductions.

Reporting

- 34.** Does SSA harvest self-employment income data from personal tax returns—do we have to report income and make sure the form we submit reconciles exactly with the business income on our tax return? Answer: SSA uses Payroll Information Exchange for workers with employers. It is not used for those that are self-employed. If you report an estimated NESE, then you can reconcile changes with your tax returns.
- 35.** I have a SCORE coach—does this count as unpaid help? Answer: Most coaches help with start-up activities, not with running a business. But, if they are providing free help to your business, yes, that can be unpaid help.
- 36.** Can you repeat what is required to record? Answer: For unpaid help: the person providing the help, the relationship to that person, the type and amount of services provided and an estimate of the reasonable value of the services provided.
- 37.** For special conditions job coaching, is it just a form to fill out with the job coach's or employee's information (person, job role, estimate wage), and signature? Answer: The employer can provide this information in a letter or a form (SSA-3033). Or the actual job coach can provide the information.
- 38.** Who can help us keep our records and with reporting to Social Security? Answer: You can hire an accountant who is also versed in Social Security.
- 39.** Is there any incentive for employers to apply subsidies? Answer: Diverse workforce, maintaining long-term valuable employees.
- 40.** Does this mean that I could be paid even though I'm working for free? Answer: Free assistance to a business is given a value. The worker can reduce NESE to below SGA using the value of unpaid help.
- 41.** For self-employed making different amounts, how do we determine the value of unpaid help? Answer: Free assistance to a business is given a value. The worker can reduce NESE to below SGA using the value of unpaid help.
- 42.** With unpaid help, do I have to collect SSN and other info? Answer: No. That is not required.
- 43.** Do you get another 9-month trial period when you get back on SSDI with EXR? Answer: Yes, after receiving 24 months of benefits during EXR.
- 44.** Could retroactive application of incentives prevent termination and allow benefits to continue if approved? For example, if a subsidy is identified and the client is in the same employment effort when the SGA decision was made? The subsidy would begin on their start date and continue until changes are made and/or the work stops. Answer: Yes, work incentives can be applied retroactively by SSA.
- 45.** If you are 62 now and will be 65 after the RP would you be entitled to the EXR? Or will you age out the system to SS? Answer: At Full Retirement Age (FRA). FRA is dependent on your birthdate. For most people FRA is 67.
- 46.** You said that EXR starts with a month of termination. What if a person ended EPE without working above the SGA, when will EXR start? Answer: The EXR can't start

until benefits Terminate. If a person never works over SGA past the RP, then Termination doesn't happen.

47. Where do I find information on the medical improvement standards? Answer: POMS DI 28010.001
48. What happens if EXR is denied, but my disability has not improved? Answer: Appeal.
49. For EXR, if someone is in the EPE and if they were working over SGA and not receiving a cash benefit, if there was 24 months working over SGA and after benefits terminate, in EXR, if 24 months then they have a clean TWP? Answer: A person on EXR gets benefits reinstated. After receiving 24 non-consecutive months of benefits, they get a new TWP. After the 9th TWP, they enter the EPE.
50. What's the Red Book? Answer: An SSA publication. Google SSA Red Book to find it.
51. How's EXR different from the 1619(b)? Answer: 1619(b) is an SSI work incentive.
52. Can an IRWE be paid for using an HSA or FSA? Answer: Yes, those accounts belong to the individual, so they are paying for their own care.
53. Can a person who is already self-employed apply for a PASS plan? Answer: Maybe. They may be able to use it to purchase items or services needed to make their business a success and work over SGA.
54. With self-employment, are SSDI benefits included in your net income? Answer: No. SSA looks at earnings from work.
55. What is the benefit of being in TWP? If you are earning below TWP can you just keep those earnings without any loss of SSDI? Answer: It's a work incentive that allows a person to test their ability to work.
56. Retroactive wage adjustments: if a wage increase occurred because of ratified wages due to union contract, but the increase was not seen right away, let's say the increase happened in January but the wage payment was not seen until March paycheck and caused wages to be over SGA, can SSA distribute that over different months? Answer: They will apply it to the corresponding period of work activity. SSA wants to know what you get paid for the work that you do.
57. If not found eligible for EXR, will the Medicare coverage continue due to the decision? Answer: No.
58. Completed a Trial Work Period in 2021, but not sure if it would count as SGA? Answer: TWP and SGA are 2 different numbers for 2 different phases of the work rules.
59. How do I report the beginning of starting a business (even if I have no income yet)? Answer: You want to report estimated NESE and hours of business activity to SSA.
60. IRWE question: If I need an expensive assistive device and decide to lease the item, will the monthly lease payments be counted as an IRWE? Answer: Yes.
61. Am I required to report about my small business? Because I do not apply for any of these you mentioned. Only I am filing tax return with my CPA. Answer: Changes in earnings should be reported to SSA.

- 62.** Is it correct that SSA 820 or 821 must be sent monthly to SSA? Answer: No.
- 63.** Where and when do you report monthly income? Answer: Workers can report monthly earnings using their MySSA account.
- 64.** If you get more than SGA and are taken off of EXR, can you be put on EXR if your payment goes down? Answer: After you request EXR, you are in an Initial Reinstatement Period (IRP) and will get SSDI any time countable income is not more than SGA. If payments drop below SGA after a period of SGA-level work, IRP payments can start again. After 24 IRP payments, the person gets a new TWP/RP.
- 65.** Do you have to sign up for trial work if you will make under the SGA? Answer: You must report wages to SSA. They will conduct a work review to determine TWP months used.
- 66.** If a client sells art and sales vary, how should they report to SSA? Answer: They can report estimated earnings for the year and then get tax returns done and report tax returns.
- 67.** If I go over SGA one time after EXR does that exclude me from getting another 9-month trial work period, or can I still go 24 months under SGA and get another 9-month trial work period? Answer: You must accumulate 24 month of benefit payments to get a new TWP.

Work Incentives

- 68.** How do you find a work incentive planner? Answer: You can locate your local WIPA or an EN or VR that has a work incentives planner on staff: choosework.ssa.gov.
- 69.** Is trial work the same as Ticket to Work program? Answer: No.
- 70.** I have a DVR client who just started working in the last two months. She reports that she went into the local SSA office last week with all of her copies of her pay stubs to have her work history reported. The Claims Representative informed her that she did not have to report her earnings monthly any longer, as they would be accessing her income reported by her employer to the IRS. Does this sound like something that SSA staff will do instead of her reporting to them in person with her pay stubs monthly? Answer: SSA uses Payroll Information Exchange for workers with participating employers. She should work with a work incentives planner to determine future changes to her Title 2 benefits and whether she should be reporting any work incentives (IRWEs, subsidy, etc.).
- 71.** I file wage reports online each month, but earnings are showing up on the SSI site, not SSDI. Is there some way to report to SSDI? Answer: SSDI will do a work activity review by sending you SSA-820 or SSA-821. Or you can find the form online and submit it so SSA does a work review sooner.
- 72.** Can the Ticket to Work program also help you with getting a planner to help you make sure that you keep track well, etc.? Answer: Many VR and Employment Networks have work incentive planners on staff.
- 73.** Can you have an SSA account if you work for free? Is it possible that SSA can think you actually make money when you don't? Answer: Anybody can open a MySSA

account. SSA can make mistakes. This is one good reason to open your MySSA account.

- 74.** Do different business structures like LLC, S-Corp and C-corp treat income differently, and which is typically more beneficial in regard to countable income?
Answer: SSA will want to know if income is paid by the corporation to the Title 2 beneficiary. Income from a corporation may be wages, self-employment or dividends paid to a shareholder.
- 75.** What do you recommend for documentation when reporting and frequency?
Answer: For wage earners, report new job, employer, hourly wage and hours. Report monthly or use the Work Activity Report (SSA-821) For self-employed workers, report new business and estimated NESE. Report by completing the Work Activity Report and attach tax returns.
- 76.** Do you report if you don't go over SGA? Answer: Report, report, report. Monthly earnings should be reported.