Self-Employment and Social Security Disability Insurance (SSDI)

How Work Incentives for Self Employment Help You:

When calculating your earnings from self-employment, the Social Security Administration (SSA) counts Net Earnings from Self Employment (NESE). This is your gross receipts minus your business expenses multiplied by 0.9235. In addition, self-employed SSDI beneficiaries need to be aware of several work incentives that can help you meet your specific, long-term work goals:

- **Trial Work Period**— In 2016, NESE of $810 in a month (or 80 hours or more of work in self-employment in a month) counts as a TWP service month.

- **What happens After the TWP?** - When the TWP ends, you enter an Extended Period of Eligibility and SSA decides whether your work is Substantial Gainful Activity (SGA). In 2016, SGA is countable earnings of $1,130 or more per month ($1,820 per month if you are blind). To determine if your self-employment is SGA, SSA averages your NESE over a period of work activity and considers your activities and the value of these activities to your business. They also consider market conditions, investments, and services of others who help you, as well as your profit distribution. In addition, SSA deducts the cost of Impairment-related work expenses and the value of Unincurred Business Expenses and/or Unpaid Help from your NESE to determine your countable earnings in self-employment.

- **Impairment-Related Work Expenses (IRWE)** — Reasonable expenses for items and services that are related to your disability, necessary for you to work, paid for out of pocket in the months you are working and not reimbursed by another source, can be deducted from your NESE and may result in countable earnings below SGA. This work incentive may apply in some limited circumstances if you are unable to deduct it as a business expense. *(See the separate fact sheets for more information about these work incentives.)*

- **Unincurred Business Expenses** — The value of business support given to you at no cost can be deducted from your NESE in determining when you have reached SGA. Services or equipment you need in self-employment that Vocational Rehabilitation pays for is an example.

- **Unpaid Help** — The fair labor cost of unpaid assistance provided by friends, relatives, professionals or others in performing business-related tasks, may be deducted from your NESE in determining whether you have engaged in SGA.

- **Extended Period of Eligibility** — The EPE begins immediately after you use your 9th Trial Work month and it lasts 36 months in a row. During the EPE, you are paid SSDI benefits for any month your countable earnings are below SGA, without having to file a new application. Just contact SSA to let them know your earnings have changed. It is equally important to let SSA know when your countable earnings go above the SGA level again. If your countable earnings are below SGA at the end of the 36 months, you continue to receive your SSDI check until your countable earnings are at or above the SGA level.

- **Other Considerations** — If you receive other state or federal assistance, you need to understand the impact of self-employment on these benefits and entitlements. The Work Incentives Planning & Assistance Program helps you understand how self-employment affects your other state or federal assistance.

**NOTE:** It is very important to report your earnings and the hours you work each month to SSA when you are self-employed.

For more information and support on your work incentives, contact Granite State Independent Living Employment Services at:

- benefits@gsil.org
- 1-877-809-7028

© GSIL 2015 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.