

# SSA Work Incentives 101 - Introduction to Subsidies

**What is a Subsidy?** – A Subsidy is a Social Security work incentive related to on the job supports or accommodations provided by an employer. These could include more time to complete tasks, providing extra breaks, or adjusting tasks to a different expectation level of other co-workers performing the same job.

**How can they help?** - Subsidies can reduce the amount of countable income considered by Social Security when calculating whether a Title II (SSDI / CDB) cash benefit will be issued for a given month.

**When do they apply?** – Subsidies can be utilized with Title II benefits (SSDI / SSCDB) following an employee’s [Trial Work Period](#). They can also be utilized during the SSI application process to determine if a person is working below the current [Substantial Gainful Activity \(SGA\)](#) rate (changes annually). Subsidies will not impact SSI cash benefit calculations.

## How to Establish a Subsidy with Social Security



Step 1:

Have a conversation with the employer about what a subsidy is, how it will benefit the employee, and how subsidy amounts are determined. For many people an Employment Support professional may take the lead with this step.

It’s important to share that a subsidy percentage does not reflect the value that an employee brings to their employer or workplace. It is simply a reflection of a person’s need for accommodation as compared to their colleagues and coworkers in similar roles.



Step 2:

Documentation is drafted in the form of a letter by the employer, job coach, or teacher with information about how the employees duties are a little different than their co-workers, or what extra supports or considerations they might receive on the job.

In some situations, Social Security may also request an [Employee Work Activity Questionnaire](#) to be completed by a support professional or the employer.



Step 3:

Documentation will then be submitted to the local Social Security office via fax, mail, or in-person for review. When submitting, be sure to keep a copy of the documentation for your records and a confirmation of receipt by the Social Security office.



Step 4:

Once submitted, follow up with the local Social Security office to ensure that the work incentive has been approved and applied to the beneficiary’s case. It can sometimes take a few weeks to a few months to be approved.

## Let's Look at a Subsidy Example:

John is a valued employee at his job but he receives extra breaks and fewer duties to accommodate his needs. Because of this, he completes about 40% of what others do in the same amount of time. Generally, his gross earnings are about \$2000/month.

Earning this much would put John above what's called SGA, a monthly limit on earnings that determines whether someone will get a Title II cash benefit for the month. Therefore, he wouldn't get a check that month.



I also get SSDI, a Title II cash benefit.



But here's how a 60% subsidy would change that.

This means once established, SSA would only consider 40% of John's income as 'countable' towards SGA. 60% is excluded.



So, 40% of \$2000 is \$800 in countable income. That's well below the SGA limit, so John will likely be able to keep his full Title II check for the month!



That's great news! And it sounds like I may be able to work more and still get my SSDI check too?



As long as your gross income is below SGA after you apply the 60% subsidy, that's right!

## Bee Aware's Subsidy Pro-Tips



- Always keep copies and records related to what and when information is submitted to Social Security.
- Contact SSA approximately 10 days after submitting the documentation to ensure that it has been received
- Subsidies can be applied retroactively. Consider the full scope of employment when completing paperwork for submission.
- Check in with the local Social Security office on an annual basis to confirm that the Work Incentive is still in place.
- If there is a promotion, change of job, or change in duties, this may impact your Work Incentive. Be sure to update Social Security in these situations.

For additional information on Subsidies, other disability benefit related topics, or to see if you qualify for individualized benefit planning services, please visit [www.benefitu.org](http://www.benefitu.org)