



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 eligible for a Social Security Disability Insurance (SSDI) cash benefit and currently employed. He is a valued employee at his job, but he receives extra breaks and fewer duties to accommodate his needs. Because of this, he completes roughly 40% of what others do in the same amount of time but still gets paid the same as others working at a quicker pace. John's gross earnings from work are \$2,000 a month.

Earning this much would put John above what is called Substantial Gainful activity (SGA), a monthly limit on earnings that determines whether someone will get a Title II cash benefit for the month. Because his countable income is above the annual SGA limit, John would not receive his check for that month. But here's how applying a 60% subsidy would change that.

After completing the Social Security Work Activity Questionnaire form and supplemental letter with additional details explaining the on-site accommodations with his employer and support team, Social Security will review the information and determine whether the request is approved. Based on the information provided, Social Security accepts the request to subsidize 60% of John's gross income and will now only consider 40% of his wages when looking at whether he is earning over SGA.

So, John's countable income is now 40% of \$2000.00, or \$800.00. That is well below the SGA threshold and because of that, John will be eligible to receive his SSDI check for the month. With the subsidy in place, John now also has more wiggle room to work additional hours and continue to receive his SSDI check as long as his countable income remains below the Substantial Gainful Activity threshold.

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 additional Work Incentives, other disability benefit related topics, or to see if you qualify for individualized benefit planning services, please visit www.benefitu.org

