

SSA Work Incentives 101 - Introduction to Impairment-Related Work Expenses (IRWE's)



What is an IRWE?

An Impairment Related Work Expense (IRWE) is a [work incentive](#) offered by the Social Security Administration that can help with disability related expenses that enables a person to work. Utilizing an IRWE can allow some out-of-pocket expenses to be deducted to lower the monthly countable income. SSA must approve any IRWEs before they can be used.

How can they help?

If receiving **SSDI**, the cost of these approved expenses would be subtracted from gross wages when comparing countable income to [Substantial Gainful Activity \(SGA\)](#).

If receiving **SSI**, the cost of the expense can be excluded from gross income for the month when calculating an SSI cash benefit.

When do they apply?

If receiving **SSDI**, IRWE's can be utilized following an employee's [Trial Work Period](#).

If receiving **SSI**, IRWE's can be utilized right away when SSA figures an individual's monthly [SSI check amount](#).

A few examples of IRWE's include:

- Attendant Care Services
- Medical Devices and prosthesis
- Work Related Equipment or accommodations not paid for by an employer
- Residential or Vehicle Modifications such as ramps
- Prescription or Over the Counter Medications
- Transportation Costs* - [in very specific circumstances](#)

Please see this more detailed list of [Examples of Deductible and Non-Deductible IRWE's](#)

How to Establish an IRWE with Social Security

Social Security is looking for specific criteria when deducting an IRWE:

- The expense is required to assist the individual to work;
- The item(s) or services are related to a physical or mental impairment;
- The item(s) or services are paid for out of pocket – and not reimbursed by another source;
- The cost is reasonable for the area the individual lives in;
- Generally, the individual is working in the month the IRWE is deducted.

Step 1:

To establish an IRWE with Social Security, documentation of the out-of-pocket expense and how it enables a person to successfully work needs to be submitted to the local SSA office via fax, mail, or in person for review. This can be done in the form of a letter listing the expenses and how they qualify as an IRWE. When submitting, be sure to include receipts and keep a copy of the documentation for your records and a confirmation of acceptance by the Social Security office.

Step 2:

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 couple SSDI IRWE Examples:

IRWE's can assist an individual on SSDI to bring their earnings below SGA for a given month.

For example, Robert qualifies for **SSDI** and has out-of-pocket expenses he needs to be successful at work. This includes medicines such as co-pays on diabetes medication and related supplies and over the counter medications he buys for his ongoing allergy treatment. These expenses can be tracked, and information submitted to SSA as IRWE expenses. If approved, expense costs may be excluded from the countable gross wages when comparing it to Substantial Gainful Activity. These considerations may make the difference between staying under or going over SGA for the month.

There are also situations in which a larger IRWE expense, such as special equipment or durable items, can be allocated over a 12-month period to bring earnings below SGA.

Mary is also on **SSDI** in this case. She decides to invest in Braille note taker to assist in advancement at her workplace. Mary pays for this expense out of pocket and is not reimbursed by any other source. This cost is \$3,500.00 and was paid for in one payment.

| Payment Type | Amount |
|--------------|------------------------------|
| Jan 2022 | \$3,500.00 |
| | $\$3,500.00 / 12 = \291.67 |

Mary can submit documentation to Social Security, request to have this looked at as an IRWE, and include the request to have this IRWE spread out over twelve consecutive months, lowering her countable earnings for those twelve months by \$291.67.

IRWE 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
- IRWE's 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.

For additional information on IRWE's, other disability benefit related topics, or to see if you qualify for individualized benefit planning services, please visit www.benefitu.org