

How much can you work while receiving Social Security Disability benefits?

Social Security defines disability as an “inability to engage in any substantial gainful activity” because of a physical or mental impairment. In short, to be disabled, you must be unable to work.

However, Social Security defines work in such a way that it’s possible to work and earn a certain amount of money and still be eligible for disability benefits. When you’re performing work, Social Security will try to determine whether you are performing substantial gainful activity (SGA). This blog post will cover generally some of the rules that govern how much you’re able to work and earn and remain eligible for disability benefits, and the special rules regarding the trial work period.

WHAT IS SUBSTANTIAL GAINFUL ACTIVITY?

If an individual is working and earning over a certain amount per month Social Security considers them to be performing substantial gainful activity (SGA). This amount changes from year to year, but the SGA amount for 2017 for non-blind individuals is \$1,170 per month before taxes. If you are working and earning under this amount that usually means that you are still eligible to receive disability benefits.

The rules are slightly different if you are self-employed. If you are self-employed, Social Security will use several different tests to determine whether your work activity is SGA. Essentially, Social Security will try to determine whether you are deliberately underpaying yourself by looking at your earnings and the amount of work you do compared to other people who do similar work.

At any point, Social Security may conduct a review of the evidence to determine whether you are still disabled. Work that you are doing may be a factor in this assessment unless you are participating in a Ticket to Work program. If Social Security determines that you have medically improved and your disability has ceased you can appeal this cessation, but be prepared to answer questions about any work you have been doing and what that work requires you to do.

TRIAL WORK PERIOD AND EXTENDED PERIOD OF ELIGIBILITY

If you are receiving disability payments (or applying for disability) it is your responsibility to report any work or changes in work activity to Social Security. Social Security has special rules in place to encourage people to test their ability to return to work. If you work and earn over a certain amount per month (\$840 for 2017) this begins a trial work period. You may earn over this amount for 9 months in a five-year period and continue to receive your disability benefits. These 9 months do not have to be consecutive – any 9 months of work in a 5-year span count as a trial work period.

Once you have exhausted these 9 months, you enter the extended period of eligibility. The extended period of eligibility lasts as long as you are not working over the SGA amount. Technically speaking, the extended period of eligibility can continue indefinitely as long as you are still disabled and earning less than the SGA amount. However special rules apply if you do return to work over the SGA amount.

The first 36 months of the extended period of eligibility are called the re-entitlement period. If your earnings go above SGA during this period, Social Security will consider your disability ceased and will stop your benefits two months after the month in which your earnings were above the SGA amount. If your earnings fall below SGA again within the re-entitlement period, Social Security will reinstate your benefits without a new application.

If you earn over the SGA amount after the 36-month entitlement period has ended, your benefits will cease. To resume your benefits, you can apply for expedited reinstatement within 5 years of your benefits ending if you meet the other requirements for disability.

SSI AND WORK

Unlike SSDI, SSI is needs-based and the amount you receive can change depending on how much income you are receiving from other sources, including work. SSI has special income eligibility rules where you are not eligible for SSI benefits if a certain amount of your income exceeds the federal benefit rate (\$735 monthly for 2017). How Social Security counts what income goes toward this amount is subject to special rules. Also, the more income you receive from other sources, the less SSI you will receive. If you are working, Social Security will reduce your SSI benefit by 50 cents for every dollar over \$65 that you earn (or \$85 if the only other income you have is earned income from work). If you are earning money over SGA, Social Security will consider you no longer disabled. Unlike SSDI there is no trial work period or extended period of eligibility for SSI recipients.

In short, for 2017, you must earn less than \$1170 per month before taxes to be eligible for disability benefits. If you earn over \$840 per month Social Security considers you to be engaging in a trial work period, and your disability benefits may cease if you earn over \$1170 after 9 months of earning at least \$840. During the 36 months after the 9-month trial work period, you can reinstate your benefits without a new application. This trial work period and extended period of eligibility only apply to SSDI and not SSI payments.

No matter what, you must report to Social Security any changes in your work status if you are receiving disability benefits. If you don't do this Social Security may find an overpayment and you may owe money back to Social Security.