

WORKING WHILE COLLECTING SOCIAL SECURITY DISABILITY

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Many people who are collecting disability benefits under either Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) would like to attempt to do some work. Working can provide a supplement to income, but, more importantly, working improves the spirit and can help alleviate the depression that often accompanies total disability.

For persons with HCV symptoms, there are days when some work is possible even though it may not be eight hours, five days a week. Many people, however, are hesitant to try any type of employment out of fear that it may jeopardize their Social Security benefits.

Both SSDI and SSI have programs that permit some work to be done without losing benefits. However, it is important before starting to earn any wages that you thoroughly understand Social Security's rules about work. Mistakes and misunderstandings can result in overpayments that must be paid back to Social Security as well as the possible loss of benefits.

The limits that Social Security puts on work are totally different between SSDI and SSI. If you are receiving both SSDI and SSI, both sets of rules apply which can really complicate the process.

Before going into the rules of the two plans, there are some important points to be aware of that apply to both plans:

- ◆ **Consider a “Dry Run.”** Before attempting to do any type of regular work for wages, make sure you can physically and emotionally handle a regular schedule. A person who has not had to maintain a regular schedule in some time may find that the stress and physical demands can quickly overwhelm a fragile health status. Start with a volunteer project, doing anything as long as it involves some regular hours and no wages. It may be at a child care center, stuffing envelopes for a candidate, or whatever you may feel capable of doing for one to four hours a day. The important issue is the schedule, not the work. See how you react to having to get up every morning and go somewhere for a few hours, five days a week. Two or three weeks of this will give you a good idea of how well you might handle some employment.
- ◆ **Keep careful records of income and hours worked.** Once you start working for wages, keep all paycheck stubs. Also, maintain records of your work hours. Make sure that the records show not only gross pay, but also net pay, hours worked, and time period when the wages were earned.
While you may think that Social Security will have all it needs with the records of payroll taxes being paid, keep in mind that the records that Social Security receives only show gross pay and what tax year they were paid in. Plus, Social Security is approximately two years behind in posting them to your Social Security account.
- ◆ **Keep receipts and records of any additional expenses you incur due to working and your disability.** Social Security allows you to subtract from your earnings any expenses you incur that are necessary for you to work. This can include the cost of special transportation to and from work, prostheses and assistive devices, even medical expenses such as acupuncture, massage therapy or chiropractic treatments.
- ◆ **Tell Social Security of your plans to work.** Unless you are going to be earning very small amounts, you should notify Social Security of your plans to attempt to do some work. To preserve a record of your notification, either mail them a certified letter, keeping a copy, or personally deliver a letter outlining your plans to your local office and get a signed receipt for it.
- ◆ **Some people are afraid to tell Social Security about working because they fear that it will**

trigger a review of their disabled status. While that may seem like a rational concern, it does not work out to be the case. The time for the next Continuing Disability Review is set at the time one is completed. Social Security is much too overloaded with work to track and compare people trying to work with their Disability Review date.

- ◆ **Don't follow the wage maximums too closely, however.** If your wages are just below the maximum limits on a consistent basis month after month, then sooner or later, Social Security will become "curious" to determine if your limited work is really due to your medical condition or if you are intentionally keeping your income low to qualify for benefits.
- ◆ **Do some more research on Social Security and Work before actually starting to earn wages.** The rules regarding working while collecting disability benefits are too complicated to give in one short article. The Social Security website at ssa.gov has a wealth of information about working while collecting benefits:

- *Working While Disabled* at <http://www.ssa.gov/pubs/10095.html>
- *2002 Red Book on Employment Support* at <http://www.ssa.gov/work/ResourcesToolkit/redbook.pdf>

How your wages impact your disability benefits depends on whether you are collecting SSDI or SSI benefits. Both look at what is called "Countable Income." That is the gross amount of your earnings **after** any expenses necessary to keep you working and less any subsidized earnings provided by your employer. See www.ssa.gov or the periodicals listed above for more on Countable Income or Earnings.

Social Security Disability Insurance (SSDI) – Work and SSDI is an all or nothing type of program. You can collect your full SSDI benefits and earn all you are able to earn for nine months. These nine months are called the *Trial Work Period*.

Any month that you have Countable Income of \$540 (amount for 2002) or more will count as one month in the Trial Work Period. That means that you can earn \$5,000 per month or more for nine months and still receive your full SSDI benefits for each month. The Trial Work Months do not have to be consecutive.

It also means that if you earn less than \$540 (amount for 2002) in a month, then it does not count as a Trial Work Month. If you earn \$500 per month every month, you will continue to receive your full SSDI benefits without any particular time limit.

Once you have used all nine months of the Trial Work Period, you will still receive your full SSDI benefits as long as your income does not exceed what Social Security calls *Substantial Gainful Activity*. In 2002, Substantial Gainful Activity is Countable Income that exceeds \$780 per month.

Note to Self-Employed persons: For a self-employed person, Social Security considers any month that you work over 80 hours in the month as exceeding *Substantial Gainful Activity*, regardless of your Countable Income. Also, regular business expenses are subtracted from earnings to arrive at Countable Income.

Supplemental Security Income (SSI) – SSI treats wages from work more as an ongoing possibility where SSDI considers it to be part of a progression back to full-time employment.

SSI looks at your wages each month and computes your SSI benefit for the month based on how much you earned (your Countable Income) in that month. This is one reason for the importance of keeping your own records.

SSI will let you keep the first \$65 of your Countable Income. Any earnings above \$65 will be used to reduce your SSI payment for that month, reducing the SSI benefit \$1 for every \$2 that you earn above \$65. To compute this, ½ of the remainder is subtracted from your SSI payment.

For example, assume SSI is paying you \$545 (the federal amount for 2002). Assume you had Countable

Earnings of \$365.

- ◆ \$365 less \$65 leaves \$300.
- ◆ $\$300 \times .5 = \150 .
- ◆ $\$545$ (normal SSI) – $\$150 = \395 which will be the SSI payment for that month.
- ◆ $\$395$ (SSI) + $\$365$ (wages) = $\$760$ which is total income for that month.

Obviously, Social Security does not have the ability to do this calculation before they send out each month's payment. These calculations are all done some time later, so it is very important that you maintain your own records and set aside any money that was an overpayment, because eventually Social Security will be asking for it back. At least it can earn interest while you have it.

As you can see, the rules for working while collecting disability are fairly complicated and the repercussions for not following them can be expensive. If you feel well enough to attempt some type of employment, it can help you financially and, more importantly, emotionally. However, it is important that you understand the process well before attempting it.

Confused about applying for disability? [Click here](#)

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