

Extended Period of Eligibility

Fact Sheet 2023

What is Extended Period of Eligibility?

Extended Period of Eligibility (EPE) is the second work incentive phase that provides an additional three years (36 months) of protection for a Social Security Disability Insurance (SSDI) beneficiary's case. It begins the month after Trial Work Period (TWP) ends and continues for the next 36 consecutive months, whether the beneficiary is working or not.

Note: Social Security will not close the case during EPE, unless the SSDI beneficiary medically recovers.

What are the general rules of EPE?

During each month of EPE, Social Security will evaluate whether countable gross earnings are at or above Substantial Gainful Activity (SGA). In 2023, SGA is \$1,470 per month, or \$2,460 for beneficiaries who are statutorily blind. SGA annual figures from previous years are available on page 2 of this document.

Generally, if earnings fall *below* SGA, the SSDI beneficiary will be entitled to their SSDI cash benefit for that month. When earnings are *at or above* SGA, the beneficiary will not be entitled to their SSDI cash benefit for those months.

Is there an exception to the SGA rule?

Yes. The one exception to this rule is the Grace Period. The Grace Period begins the first month Social Security determines the SSDI beneficiary is consistently at or above SGA. This month is known as the Cessation month and the next two months are the Grace Period months. The SSDI beneficiary will be entitled to their SSDI cash benefits for all three consecutive months (i.e., in

a row), regardless of earnings. Thereafter, the SGA rule applies for the rest of EPE.

What happens after EPE has ended?

This will depend on earnings and whether the Cessation and Grace Period months have been used during EPE. Here are four scenarios.

Scenario 1: Never reaching SGA after TWP

If you never reach SGA during or after EPE.

Result: You could continue receiving SSDI cash benefits until you reach your Social Security full retirement age, which is based on your year of birth.

Scenario 2: Grace Period not used during EPE

If you have not used your Grace Period during EPE, then you will be entitled to it when you reach SGA, after your EPE ends.

Result: Your SSDI case **will close** when you reach SGA after your Grace Period and EPE. Or your case **will remain open** if you never reach SGA after your Grace Period.

Scenario 3: Grace Period used and under SGA

If you have already used your Cessation and Grace Period months during EPE, but do not reach SGA after your EPE ends.

Result: You could continue receiving SSDI cash benefits until you reach your Social Security full retirement age, which is based on year of birth.

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Scenario 4: Grace Period used during EPE/ reaching SGA

If you have already used your Grace Period during EPE, and you continue to reach SGA after EPE ends.

Result: Your SSDI case will likely be **closed** the first month you reach SGA, after EPE ends.

Other incentives that can be used during EPE

When Social Security makes SGA determinations during and after EPE, there are work incentives (described below) that, if applicable, may help reduce countable earnings below the SGA level. They can also help preserve SSDI eligibility after EPE.

Impairment Related Work Expense (IRWE):

If the beneficiary incurs costs that are related to their disability and are needed to work, then the full cost of these expenses may be deducted from their countable earnings.

Employer Subsidy: An employer can “subsidize” the earnings of an employee who is receiving SSDI, when gross monthly earnings are at or above SGA. This occurs when reasonable accommodations (e.g., extra breaks and/or supervision, modified work tasks) are provided. Social Security regards this as “subsidized earnings,” which may then be deducted from your gross monthly earnings to potentially reduce your earnings below SGA, allowing you to keep your SSDI cash benefit.

Special Conditions: Special Conditions are a type of subsidy where work-related items and/or services are paid by a third party, not by the employer or the SSDI beneficiary.

Income Averaging: If the SSDI beneficiary is a seasonal worker or their hours fluctuate greatly, Social Security may average their annual work earnings and distribute them over the calendar year. This could possibly lower countable earnings for the months worked.

Unsuccessful Work Attempt (UWA): If the SSDI beneficiary reached SGA, but within 6 months earnings fell below SGA due to their disability (whether they stopped working or reduced their hours), Social Security can declare this job a UWA. When this happens, Social Security will not count any of the income from that job. It is like the job never happened!

What to do during and after EPE?

It is recommended that a calendar be used to record earnings and keep track of SGA months. Be sure to report gross monthly earnings to Social Security by the 10th of every month.

Annual SGA Monthly Thresholds		
Year	SGA/Disabled	SGA/Blind
2016	\$1,130	\$1,820
2017	\$1,170	\$1,950
2018	\$1,180	\$1,970
2019	\$1,220	\$2,040
2020	\$1,260	\$2,110
2021	\$1,310	\$2,190
2022	\$1,350	\$2,260
2023	\$1,470	\$2,460

For more information about
Work Without Limits Benefits Counseling
call toll-free
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