

SSDI Benefits & Related Work Incentives

Fact Sheet 2025

Basics of SSDI Eligibility & Work:

- SSDI (Social Security Disability Insurance) cash benefits are paid to those who have been determined to be disabled by Social Security.
- Monthly cash benefits are based on years worked, and the amount paid into both Social Security and Medicare taxes.
- Generally, SSDI cash benefits are paid any day but the first of the month.
- SSDI is an “all or nothing program.” Depending on earnings, either the full monthly SSDI cash benefit is received or nothing.

SSDI Program-based Work Incentives:

All SSDI beneficiaries are eligible for the following work incentives, which are designed to encourage beneficiaries to work and become self-sufficient. These work incentives can only be used once per entitlement.

Trial Work Period (TWP):

- TWP allows SSDI beneficiaries to earn an unlimited amount of money for 9 months, while receiving their full SSDI cash benefit.
- In 2025, if gross monthly earnings are a minimum of \$1,160 or more, then 1 TWP month will be used. Any month earnings are below \$1,160 will not count as a TWP month.
- The TWP will end when 9 TWP months are completed within a 5-year (60 month) window.
- The duration of a TWP varies for each SSDI beneficiary. Some never start, some never finish, others finish after 9 months, and others can take up to 5 years to complete their TWP.

Extended Period of Eligibility (EPE):

- EPE automatically begins the month following the final (9th) TWP month and lasts for 36 consecutive months (3 years), whether the beneficiary is working or not.
- During this 3 year safety net, Social Security will compare gross monthly earnings and work pattern to decide if the work performed is "Substantial Gainful Activity" (SGA). In 2025, the monthly SGA threshold amounts are \$1,620 (disabled), or \$2,700 (statutorily blind). **Other TWP and SGA annual figures available on page 3.*
- The beneficiary receives a 3 month Grace Period the first month SGA is performed *after* TWP, (This is known as the Cessation month, and the following two months are known as Grace Period months.) During these 3 consecutive months, the SSDI beneficiary will be entitled to their full SSDI cash benefit, regardless of earnings. After the Grace Period, Social Security will suspend payments for months SGA is performed.
- Generally, if gross monthly earnings are at or above SGA, the beneficiary will not be entitled their SSDI cash benefit. However, if gross monthly earnings are below SGA, then the beneficiary will receive their SSDI cash benefit.
- During EPE, if earnings fall below SGA, the beneficiary does not have to reapply for benefits. Social Security will start the cash benefits again once the beneficiary reports the change and Social Security updates their work record.

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SSDI Criteria-based Work Incentives:

- After TWP, the beneficiary may be eligible for additional work incentives (e.g., Impairment Related Work Expenses, Income Averaging, Special Conditions, Employer Subsidies).

These work incentives could potentially lower countable gross monthly earnings below SGA, making the beneficiary eligible for a monthly SSDI cash benefit.

Note: Social Security may request a Work Activity Report (Form SSA-821) be completed. This helps Social Security determine if work incentives are available to the beneficiary, before deciding if the beneficiary is performing SGA. [To review this form, visit www.ssa.gov](http://www.ssa.gov).

Post-Extended Period of Eligibility:

- When EPE ends, Social Security will continue to compare the beneficiary's gross monthly earnings to that year's SGA threshold.
- If the Grace Period occurred during EPE, then the beneficiary's SSDI case will be terminated the first time earnings are at or above SGA *after* EPE.
- If SGA did not occur during EPE, the beneficiary will be entitled to a Grace Period the first time SGA is performed *after* EPE.

Work & Medicare:

If the SSDI beneficiary starts working and earns enough to begin TWP, Medicare will be preserved throughout. When TWP is completed, Medicare will continue for at least 93 months, due to a work incentive called the Extended Period of Medicare Coverage (EPMC).

Note: SSDI beneficiaries can continue using EPMC as long as they pay their Medicare premiums and continue to meet Social Security's disability standards.

Social Security is the only agency that can give a definitive date when Medicare eligibility will stop. Contact the local Social Security office shortly after TWP for more information.

Tips for Reporting to Social Security:

- SSDI beneficiaries must report earnings to their local Social Security office by the 10th day of the month, following the month of earnings. Copies of paystubs can be submitted to the local Social Security office by either postal mail, fax or online. If mailing or faxing paystubs, it is advisable to call the local Social Security office 1-2 weeks after to confirm the information was received and entered into their system.
- Report immediately to Social Security any changes in employment (e.g., starting or stopping a job, increased work hours, job promotions, increased earnings), and any life changes (e.g., change of address, change in bank account).

Note: SSDI beneficiaries must report earnings for hours worked on the job. Do not report paid vacation and paid sick days. Keep a record of hours and earnings in order to track TWP months.

Receiving a Bonus on SSDI: The beneficiary is required to report the bonus to Social Security and inform them that the bonus represents work performed for the applicable number of months. For example, if the bonus is for 12 months,

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Social Security will likely divide the bonus amount by 12, then add that amount to each of the 12 months of gross earnings.

Tax Information

Federal:

- Up to 50 percent of SSDI benefits are taxable each year. The amount is determined by adding **one-half** of your SSDI benefits to **all** of your other income sources. Taxes are owed on any amount above \$25,000 for individuals and \$32,000 for couples filing jointly.
- Up to 85% of your benefits, if your income is more than \$34,000

State:

- Massachusetts does not tax Social Security disability benefits.

For more information about

**Work Without Limits
Benefits Counseling**

call toll-free

1-877-YES-WORK

(1-877-937-9675)

or visit

workwithoutlimits.org

Annual SSDI Monthly Thresholds

Year	TWP	SGA/Disabled	SGA/Blind
2015	\$780	\$1,090	\$1,820
2016	\$810	\$1,130	\$1,820
2017	\$840	\$1,170	\$1,950
2018	\$850	\$1,180	\$1,970
2019	\$880	\$1,220	\$2,040
2020	\$910	\$1,260	\$2,110
2021	\$940	\$1,310	\$2,190
2022	\$970	\$1,350	\$2,260
2023	\$1,050	\$1,470	\$2,460
2024	\$1,110	\$1,550	\$2,590