
SSDI Free Guide



Table of Contents

Social Security Disability Insurance 101	04
Who is eligible for SSDI?	05
SSDI Benefits for Spouses and Dependents	10
SSDI “Child” Benefits	13
SSDI for Service Members	16
How much can you receive in SSDI benefits?	18
The SSDI Application Process	24
How to Check the Status of Your SSDI Application	29
SSDI Disability Determination Process	33
SSDI Denial and Appeal	37
Participating in the SSDI Program	40

SSDI and Taxes **45**

How Working Impacts Your SSDI Benefits **49**

Ticket to Work Program **54**

SSDI and Medicare **59**

SSDI Fraud **65**

Social Security Disability Insurance 101

Social Security Disability Insurance is a Social Security Administration (SSA) program that helps individuals who can no longer work due to a severe disability, as well as their families. Only those who cannot achieve Substantial Gainful Activity (SGA) can qualify for SSDI.

If you qualify for SSDI, then you can receive financial assistance based on your average earnings over the qualifying years you worked.

How SSDI Works

SSDI is funded by the Social Security taxes all workers pay. In order to qualify for SSDI, a worker must be so severely disabled as to no longer be able to work. The SSA also requires an SSDI applicant to have worked a certain number of years in order to receive benefits.

Who is eligible for SSDI?

You must be fully unable to do any substantial work because of your medical condition.

Proving this will require details on your previous work, your acquired skills and your education, as well as your medical details from your doctors.

Your medical condition must be expected to last for at least one year or it must have already lasted at least one year. Another factor used in this case is whether or not your medical condition is expected to end in your death.

Click [here](#) for detailed information on each type of impairment approved by SSA as a qualifying disability for SSDI.

The list of qualifying impairments for children is available [here](#).

Maintaining Eligibility

You will retain your eligibility for SSDI as long as you are still considered to be disabled and

incapable of performing substantial work. Your case will be reviewed periodically, based on an initial assessment of your medical condition when you apply.

- ✓ If your medical condition is expected to improve, then you will likely be reviewed for continued eligibility within six to 18 months after you begin receiving benefits.
- ✓ If it is considered possible for your medical condition to improve, then your case will likely not be reviewed for at least three years after you start receiving benefits.
- ✓ If improvement in your medical condition is not expected at all, then your case likely will not be reviewed for at least seven years.

If you begin working while receiving SSDI, which is permitted, then the SSA will review your Substantial Gainful Activity (SGA) to determine whether you are able to meet their standards.

About Work Credits

Work credits track how long you worked at a job while contributing to Social Security and the total earnings you received. When you work, you earn credits, with a maximum of four credits applied for each full year of work.

Generally, you need 40 credits earned over 10 years in order to qualify for Social Security retirement benefits.

These work credits are calculated by the earnings you received. For example, in 2018, you would have earned one work credit for every \$1,320 you earned in wages or in self-employment income.

For younger workers seeking SSDI, the following credits are required:

- ✓ **Younger than 24 years of age:** If you earned six credits in the three-year period leading up to your disability, then you might qualify.
- ✓ **24 to 31 years of age:** If you earned credits for working at least half of the time between

when you were 21 years old and when you became disabled, then you could qualify.

- ✓ **31 through 42 years of age:** You must have earned 20 credits.
- ✓ **43 through 61 years of age:** Beginning when you turn 43 years old, add one credit per year on top of the base 20 credits.
- ✓ **62 years of age and older:** You must have earned 40 credits to qualify for SSDI at this point.

Alternative Options for Eligibility

- ✓ **If you have never worked** because you were financially supported by a spouse or parent and you are disabled, then you might still be able to qualify for SSDI benefits.
- ✓ If you are **at least 62 years of age** and your spouse is receiving disability benefits, then you can also qualify.
- ✓ Even if you are divorced, **if you were married** for at least 10 years and your ex-spouse has been receiving disability benefits, then you might also qualify.

Review the exact qualifications [here](#).

-
- ✓ If you are a **surviving spouse**, then you might also qualify to receive benefits based on your spouse's work credits. Review the full details [here](#).

Other Details Affecting Eligibility

You cannot be eligible to receive benefits until the mandatory five-month waiting period ends after your date of disability.

If the SSA finds that you were entitled to payments prior to your application, then you can receive up to 12 months of back payments.

There is a cap to what you can earn while still receiving benefits. In 2018, that cap was \$1,180 per month. If you are completing a Trial Work Period, then that cap is \$850 per month.

You must report any and all earnings to the SSA. Any earnings you receive will be compared with the current cap at that time.

SSDI Benefits for Spouses and Dependents

SSDI Benefits for Spouses

When a spouse also applies for benefits, he or she will have to supply details on the date of the current marriage and any previous marriages. A marriage certificate might be required as proof. A family member is generally allowed to collect up to 50 percent of your benefit amount.

For your spouse to qualify, he or she must be at least 62 years of age. If you are caring for the child of an SSDI beneficiary, then there is no age limit for you to receive benefits.

If the retirement pension that you can receive is not through Social Security, then your benefits amount as a spouse will be reduced accordingly. Any spouse benefits you receive will not impact or take away from the amount your SSDI beneficiary spouse is entitled to receive.

SSDI Benefits for Children

Benefits for children typically end when they turn 18 years of age unless they are studying full time in grade school school, in which case benefits can continue until they turn 19 years of age. Another exception to benefits ending is if the adult child is disabled and became disabled before turning 22 years of age.

A child application will require a birth certificate as proof of age and relation to the beneficiary. As per the SSDI standards, a child can be a biological child, a stepchild, an adopted child or even a grandchild or step-grandchild.

SSDI Benefits for Divorced Spouses

Ex-spouses could be entitled to benefits under the following circumstances:

- ✓ The marriage must have lasted at least 10 years or your ex cannot claim any benefits at all.
- ✓ The ex-spouse cannot have remarried if he or she wants to claim benefits.
 - The only exception for this is if the subsequent marriage has ended by death, divorce or annulment.

-
- ✓ The ex-spouse must be at least 62 years of age.

An ex-spouse can receive up to 50 percent of the disability benefit. Whether or not an ex-spouse receives benefits based on your SSDI beneficiary status, there is no impact or reduction of your benefits. Your family total limit will also not be impacted by an ex-spouse receiving any benefits.

SSDI Survivors or Widows Benefits

To claim survivor benefits, the deceased family member must have earned work credits before dying.

If you are a widow or widower with a disability, then you might be eligible to obtain benefits based on your deceased spouse's Social Security record for earnings. You must be between 50 and 60 years of age and your medical condition must meet the SSA definition of a qualifying disability, and that disability must have begun before or within seven years of your spouse's death.

SSDI “Child” Benefits

The Social Security Disability Insurance program includes Child Benefits for adults who became disabled before turning 22 years of age. These benefits are paid through the parent’s Social Security earnings. The SSDI Child Benefit can only be paid when the parent is drawing Social Security retirement or disability benefits.

How does the Child Benefit work?

If you have a child who is younger than 18 years of age, then that child’s disability status does not impact his or her status as your dependent. However, once that child turns 18 years of age, those dependent benefits will stop unless the child is a full-time student and the benefits can then continue until 19 years of age instead.

If your child is disabled and will be cut off as your dependent upon turning 18 years of age,

then you must make the transition to an SSDI Child Benefit for your child.

What qualifies as a disability for an adult child?

The adult list of impairments set by the SSA will be applied to your child, so be sure to review those options [here](#) and see if your child's medical condition or conditions are included within the list.

Maintaining Eligibility

To maintain eligibility, the qualifying disability must still impede the child's ability to complete substantial work.

An SSDI beneficiary is allowed to work, but there is a maximum cap to monthly earnings. For 2018, that cap was \$1,180 for most beneficiaries. Beneficiaries must report any and all work they complete.

If an SSDI Child Benefit recipient gets married, then this can affect his or eligibility to receive

benefits. The marriage might not impact eligibility if the spouse is also receiving Social Security benefits due to disability. It is best to consult with the local Social Security office directly for advice in this situation.

The Amount You Might Receive

Disability Insurance benefits are based on your Social Security record of earnings. You can receive up to 80 percent of your SS earnings in benefits. Each family member is potentially eligible to receive up to 50 percent of your disability benefit amount.

While the exact amount will vary, typically your family can receive between 150 and 180 percent of your disability benefit. If your total benefits amount exceeds your permitted family limit, then the benefits of your family members will be reduced as needed.

SSDI for Service Members

Veterans who receive Veterans Affairs disability benefits may receive SSDI along with their VA pay.

How do I qualify for SSDI?

Service members must meet the same eligibility requirements as civilians to receive SSDI benefits.

Can I get VA disability payments and SSDI at the same time?

The Social Security Disability Insurance program is separate from the Department of Veterans Affairs disability program. Veterans must apply to each program separately.

How Tricare Affects Medicare for SSDI Recipients

Veterans who receive SSDI benefits are also eligible for TRICARE and Medicare. TRICARE

is the U.S. health care program for qualifying military personnel, their families and retirees.

Medicare, on the other hand, is a U.S. health care program for individuals who meet certain age and disability requirements.

Active Duty Service Members

Active duty service personnel who are also entitled to Medicare Part A and Medicare Part B must use TRICARE as the primary payer for medical bills.

Retired Service Members

Retired service members who are eligible for Medicare Part A and Medicare Part B must use Medicare as the primary payer for their medical bills.

Does my spouse or child qualify to receive SSDI benefits?

The same eligibility requirements apply to veteran and civilian spouses and children.

How much can you receive in SSDI benefits?

The SSA looks at a person's work history to determine if he or she has enough work credits to qualify for a benefit payment.

Next, the SSA calculates the average monthly earnings the individual has earned before the onset of his or her disability. Generally, the longer the work history, the higher the benefit amount.

Work Credits and SSDI

A person earns work credits based on the amount of money they earn each year. In 2018, the SSA awarded one credit for each \$1,320 of earnings. The maximum credits a person can earn per year is four.

How Work Credits Affect SSDI Payments

Workers need to have earned enough credits to qualify for a disability payment. If a person does

not have enough credits, then he or she does not qualify for SSDI.

How do I earn work credits?

The individual must have worked for an employer that participated in the Social Security program and withheld the required amount of Social Security taxes for the employee.

Self-Employed Individuals

Self-employed individuals earn work credits the same as employees do, meaning they receive one credit for every \$1,320 earned. These self-employed individuals may not earn more than four credits per year.

Service Members

Service members also earn credits in the same manner as a civilian. The SSA may record extra earnings for certain periods of active duty:

- ✓ Service from **1957 to 1977** = additional \$300 in earnings

-
- ✓ Service from **1978 through 2001** = additional \$100 pay for every \$300 of earnings

How many work credits do I need to get SSDI?

The number of credits needed to get disability payments depends on how old a beneficiary is when he or she becomes disabled.

- ✓ Anyone who becomes disabled **before 24 years of age** needs one-and-a-half years of work and six credits to qualify. The credits must be earned in the three years before becoming disabled
- ✓ Anyone who becomes disabled **between 24 and 30 years of age** must have earned credits for half of the time between 21 and the time they became disabled.
- ✓ Individuals who become disabled at **31 years of age or older** needs at least 20 credits to get benefits. The credits must be earned in the 10 years immediately before they became disabled.

Getting Disability Payments if You Do Not Have Enough Work Credits

Those who do not have enough credits may get benefits through the [Supplemental Security Income](#) program.

How much will I get in SSDI benefits?

The exact amount differs depending on your Average Indexed Monthly Earnings (AIME). The SSA uses the AIME to calculate your Primary Insurance Amount (PIA). The PIA represents the amount a person receives in benefits.

Getting an Estimate of SSDI Payments

Potential beneficiaries have three methods for obtaining an estimate of how much they might receive:

- ✓ Retirement Estimator tool found [here](#)
- ✓ Online calculator found [here](#)
- ✓ A downloadable SSA calculator found [here](#).

Disability Payments for Qualifying Family Members

The maximum benefit amount for family members is **150 to 180 percent** of the beneficiary's SSDI payment.

Will my other disability payments affect the amount I get for SSDI?

Payments That Do Not Affect Disability Benefits

Individuals who receive Veteran's Affairs benefits, state and local government benefits or Supplemental Security Income will receive the full amount of their other disability payment along with the full amount of their SSDI payment.

Payments That Do Affect Disability Benefits

Workers' compensation or other public disability payments can affect your SSDI benefit amount if the amount **exceeds 80 percent** of their average current earnings. Any dollar amount exceeding 80 percent will be deducted from your SSDI benefit amount.

The SSDI Benefits Payment Schedule

There is a five-month waiting period before the SSA begins making payments to a beneficiary. SSDI benefits are paid monthly. The payment received reflects the amount due for the prior month.

The SSDI Application Process

How to Apply for SSDI

Anyone interested in applying for SSDI must do so immediately after becoming disabled.

Applicants may apply online, by telephone or in person.

Applicants must provide birth records, military service records, if applicable, and information on prior employment.

Also, each person must provide medical records related to the disability.

When should I apply for SSDI?

The SSA recommends individuals apply immediately after becoming disabled.

Individuals should not wait until they have all medical records in their possession to apply. The SSA will contact the medical sources listed to request the information required.

What information do I need to apply?

✓ **Applicant and Family**

- Personal information about yourself and your family, including financial details.

✓ **Birth Information**

- Date and place of birth.
- Non-citizens must provide their Permanent Resident Card number.

✓ **Marriage and Divorce**

- Name and Social Security Number of your current spouse.
- Information for an ex-spouse should be provided if the marriage lasted longer than 10 years.

✓ **Children**

- Names and dates of birth for children who:
 - Became disabled before 22 years of age.

-
- Are younger than 18 years of age and unmarried
 - Are 19 years of age or younger and still attending school full time.

✓ **Military Service**

- Dates of service and branch in which you served.

✓ **Employment**

- Name of your former employers for the last two years
- Earnings from each employer
- Self-employed individuals should provide information on their business type and the net income earned.

✓ **Bank Information**

- Account number and bank routing information

✓ **Medical Information**

- Contact information for all healthcare professionals involved in treatment

-
- Patient numbers
 - Exam dates for all services related to the disability

Documents Required to Apply for SSDI

✓ Applicant and Family

- Birth records
- Proof of U.S. citizenship
- U.S. military discharge papers
- W-2 form(s)
- Award letters from other temporary or disability payments

✓ Medical Records

- Lab results
- X-ray results
- Doctors reports
- Medications prescribed

Applying for SSDI Online

Claimants can start their online application by visiting the **Social Security Administration website** found [here](#). Applicants will need to provide their Social Security number to create an account to log in.

How to Apply by Telephone

must call **1-800-772-7213** from 7 a.m. to 7 p.m. Monday through Friday to schedule an appointment for a phone interview. The interview may take between one to two hours to complete.

Those with a hearing impairment may call TTY at 1-800-325-0778 to request an appointment.

Submitting an SSDI Claim in Person

Claimants may call a local field office to **request an appointment**. Applicants may locate their local office by visiting the following tool found [here](#) on the Social Security Administration website.

How to Check the Status of Your SSDI Application

The Importance of Checking Your SSDI Claim Status

- ✓ Avoid missing important updates due to incorrect contact information.
- ✓ Get updates quicker than waiting on notifications to arrive via mail.
- ✓ Quickly address items, such as missing information, that may be impeding progress on the case.

How long should I wait before checking the status of my claim?

Applicants should check the status of their claim within two weeks of applying.

How often should I check my claim's status?

Claimants can check the status of their application as often as they want.

What information do I need to check the status of my SSDI application?

You must use your confirmation number to request updates from the SSA.

How do I get a confirmation number to check on my Social Security disability application?

Anyone who uses the online system to apply will receive a confirmation number after applying. Applicants who apply by telephone or in person receive their confirmation at the end of the application interview.

What if I lose my confirmation number?

The individual must contact the Social Security Administration by phone at **1-800-772-1213** (TTY 1-800-325-0778) to speak with a representative between the hours of 7 a.m. and 7 p.m. Monday through Friday.

How to Find the Status of an SSDI Claim Online

1. Visit the [SSA website](#).
2. Click on “**Create an Account.**”
3. Agree to the Terms of Service
4. Follow the onscreen prompts to enter the information requested

Once the applicant provides the required information, he or she will be asked to choose how to receive the security code. Enter this code to complete your account setup.

Checking the Status of a Social Security Disability Claim by Phone

Claimants may contact the SSA by telephone at **1-800-772-1213**. The telephone line provides automated information regarding the applicant’s case. Anyone who wishes to speak to a representative must call Monday through Friday between the hours of 7 a.m. through 7 p.m.

Anyone who is deaf or hard of hearing must call **1-800-325-0778** between the hours of 7 a.m. and 7 p.m. Monday through Friday.

Getting a Claim Status Update in Person

Anyone who wishes to get an update in person may do so by visiting a local SSA field office. Applicants should have their claim number available when visiting.

Information Available When Requesting a Claim Status Update

- ✓ Date the application was filed
- ✓ Servicing office location
- ✓ Scheduled hearing date and time
- ✓ Claim or appeal decision

SSDI Disability Determination Process

The Social Security Administration works in coordination with state agencies known as **Disability Determination Services**. The two organizations gather information related to the case, evaluate the information and request additional evidence, as required.

Role of SSA Field Offices in Processing SSDI Claims

Field offices accept applications from those seeking SSDI benefits. The information the field office verifies includes the following:

- ✓ Age
- ✓ Marital status
- ✓ Employer information
- ✓ Payments from other disability sources

Once the Social Security Administration verifies the non-medical information, the case is forwarded to the DDS for further review.

Role of DDS in Processing SSDI Claims

Disability Determination reviews the information contained in medical reports provided by the claimant and third-party medical examinations. After the DDS evaluates the information, the agency makes a final determination.

The decision is given to the SSA field offices. If the claim is approved, then the field office processes the claim for payment. If the claim is not approved, then the field office retains the case in the event the applicant files an appeal.

How does the Social Security Administration evaluate SSDI claims?

Per SSA guidelines, the impairment must be one that can be verified with medical evidence, such as medical reports, laboratory results or other diagnostic techniques. Disability Determination Services may also obtain

medical information by requesting it from the claimant's healthcare professionals.

In some cases, DDS may request the claimant undergo a medical examination by an objective third-party medical professional. This medical examination is free to the applicant.

How long does it take to get a determination letter?

The entire determination process could take several months, depending on your supporting documentation.

Common Issues That Slowdown the Process

Providing inaccurate information causes SSA to spend additional time correcting the error.

Failing to provide any medical evidence, such as test results, can also slow down the process.

Quick Disability Decision (QDD)

Social Security Administration identifies certain cases for QDD in which the applicant is severely disabled and presents all medical evidence to support the claim.

Compassionate Allowances (CAL)

CAL helps reduce waiting times for the most severely disabled applicants. A full list of conditions that are eligible for CAL can be found [here](#).

How long does it take to process a QDD or CAL claim?

These claims are often processed in a few weeks rather than months.

SSDI Waiting Period

Anyone awarded SSDI benefits must undergo a five-month waiting period before benefits may begin.

SSDI Denial and Appeal

Possible Reasons for Denial of SSDI Benefits

- ✓ Lack of medical evidence
- ✓ Previous SSDI denial
- ✓ Income of more than \$850 per month
- ✓ Failure to follow treatment as prescribe by a doctor
- ✓ Failure to Cooperate with SSA agents

The SSDI Appeals Process

Those who are denied benefits have up to 60 days from the date on the denial letter to file an appeal with the SSA. The appeals process has four tiers.

Reconsideration

Reconsiderations review the initial decision that was made, but none of the personnel involved in that first decision take part in the reconsideration process. All the same evidence

used in the initial application is taken into account along with any new information that may be added.

Reconsideration appeals come in either [medical](#) or [non-medical](#) versions. You can start either appeal online using a My Social Security account, which you can create [here](#).

Hearing with an Administrative Law Judge

The judge presiding over these hearings is not involved in the initial decision or reconsideration. Hearings take place within 75 miles from the home of the appellant. These hearings serve both [medical](#) and [non-medical](#) denials.

The forms you need to request a hearing are located [here](#).

Appeals Council Review

The Appeals Council will only grant a request if it feels that the Social Security laws and regulations were not followed properly. The

Appeals Council may rule on a case itself or send it back to an administrative judge for another adjudication. You can request an Appeals Council review [here](#).

Federal Court Review

There is no online method to initiate this appeals process. The procedures to file a civil suit in a federal district court can be found [here](#).

Filing appeals is also possible over the phone by calling **1-800-772-1213** (TTY 1-800-325-0778) or you can contact your [local Social Security office](#).

Participating in the SSDI Program

SSDI Disability Reviews

SSDI recipients must undergo periodic reviews for the SSA to determine if recipients still meet the eligibility guidelines.

The Two Types of Continuing Disability Reviews (CDR) for SSDI

- ✓ **Work review** – The SSA verifies that recipients do not earn more than the limits for eligibility, known as substantial gainful activity (SGA).
- ✓ **Medical review** – This determination is based on whether there is marked medical improvement in the condition of the individual being reviewed.
 - The Medical Improvement Review Standard (MIRS) prevents any SSDI benefits from being terminated as a result of any modifications to the criteria for SSA eligibility.

CDR Exemptions

SSDI may be exempt from a CDR under the following circumstances:

- ✓ The beneficiary has received disability payments for at least 24 months.
- ✓ He or she actively participating in the Ticket to Work program.

SSDI recipients must still submit to the medical CDR when required.

How Often Must One Receive a CDR?

The frequency of these reviews depends on how the SSA classifies your likelihood of recovery. These classifications are as follows:

- ✓ **Expected** – If you have a medical condition that is expected to improve to the point that you can engage in SGA, your review will typically occur anywhere **between six and 18 months** from the time you first start receiving your SSDI benefits payments.

-
- ✓ **Possible** – If your condition is categorized as possible to recover from, the CDR takes place about **three years** after your SSDI initiate.
 - ✓ **Not expected** – If no medical recovery is reasonably expected, a CDR will not take place before five to seven years from the start of SSDI payments.

There is currently a backlog of 1.3 million CDR cases. As such, those who may be in line for a CDR may be given what is called a **Disability Update Report questionnaire** instead.

This questionnaire requires beneficiaries to update a variety of information including medical care and status, any new developments in employment or any current or scheduled training. Any notification of medical improvements may trigger a formal medical CDR. If a beneficiary fails to complete and return a questionnaire, it may trigger a full medical review.

Reviews Resulting in Termination of Benefits

For a CDR to trigger a termination of SSDI benefits, at least one of the following criteria must be met:

- ✓ There is significant medical improvement, and the beneficiary is able to start substantial gainful activity (SGA).
- ✓ New and/or improved diagnostic techniques reveal that the beneficiary's condition is no longer ruled serious or debilitating, allowing the beneficiary to once again engage in SGA.
- ✓ An earlier determination on a medical status was made in error, as proved with new information or evidence.
- ✓ Advancements in medical or vocational therapies or technology permits the beneficiary to engage in SGA.
- ✓ There is participation in SGA.
- ✓ The beneficiary refuses medical advice and treatment.

-
- ✓ A prior determination was obtained via fraudulent means.
 - ✓ A beneficiary cannot be located or refuses to cooperate with a CDR.

Preparing for a CDR

- ✓ Ensure that you receive your proper and regular ongoing care from a qualified doctor and that they keep detailed medical records for use when the time for a CDR does arrive.
- ✓ Keep copies of all your medical records so you may provide them to the SSA when they request additional information.
- ✓ Follow all your prescribed therapies and medications as instructed by your physician.
- ✓ Maintain copies of all your original documentation from your initial disability application along with any other correspondence with the SSA with regards to your disability.

SSDI and Taxes

Taxes on Social Security Disability

Social Security disability benefits are taxable. The IRS will not assess taxes against your SSDI in excess of 85 percent of the total amount of the benefits you received in any given year. The exact amount of tax owed on any SSDI benefits in any year depend on the income earned during that particular year in addition to any tax deductions.

How to Calculate Your SSDI Taxes

In order to determine whether you owe taxes on any of your benefits, you may use the base amount of your tax filing status versus the total of:

- ✓ One half of your benefits
- ✓ The total amount of all your other income, including tax-exempt interest

The various tax filing situations under which you may submit your tax returns, along with their base amounts, are as follows:

- ✓ \$25,000 if you are filing single, head of household, or as a qualifying widow(er)
- ✓ \$25,000 if you are filing married but separately, and lived apart from your spouse for the entire year
- ✓ \$32,000 if you are married and filing jointly
- ✓ \$0 if you file married and separately and lived with your spouse at any time during the year

If you are married and filing jointly, you must combine the income for both you and your spouse on your tax returns in addition to combining both Social Security benefits amounts in order to come up with the amount of the benefits you receive that are taxable.

To find out your tax burden on Social Security disability benefits payments, you must add your spouse's income to that of your own even if your spouse did not receive any benefits. Actual

taxable SSDI payment amounts may be determined using the following resources:

- ✓ [Instructions for Form 1040](#)
- ✓ [Instructions for Form 1040A](#)
- ✓ [Publication 915; Social Security and Equivalent Railroad Retirement Benefits](#)
- ✓ [Publication 54, Tax Guide for U.S. Citizens and Resident Aliens Abroad](#)

You may also hire a tax professional to assist you.

There is also a [tax guide for seniors](#).

How Back Pay Affects Your Taxes

Back pay refers to the benefits the SSA pays you while waiting for your SSDI benefits application to be approved. The back pay is calculated using the date when you became disabled.

In many cases you may receive your SSDI back pay in a lump sum, which may nudge you into a higher tax bracket.

If you have back payments that span multiple years, you should consider hiring a professional accountant.

SSDI and State Taxes

There are some states that collect income taxes on SSDI benefits. You should inquire about how your state handles taxing SSDI benefits income to find out what your liability may be.

How Working Impacts Your SSDI Benefits

Working on Social Security Disability

Those who are collecting SSDI benefits, or are applying to do so, may not engage in what is called substantial gainful activity, or SGA. SGA is any work activity that brings in more than \$1,180 per month

Note: Blind SSDI recipients have an SGA limit of \$1,970 per month.

SGA can also pertain to **owning your own business**. The SSA applies the following criteria to determine this:

- ✓ Do you provide significant services and derive significant income from your activity in your business?
- ✓ Is the work you provide comparable to that of other non-disabled persons in your local area who are also engaged in a similar business?

-
- ✓ Is the work you perform worth more than \$1,180 per month to the business in terms of value or by way of saving that much per month on having to hire an employee to do the work?

In addition, there is something called a [trial work period](#). The SSA allows beneficiaries to reenter the workforce for a period of time where they can earn money in excess of the limitations stated above and still collect the full amount of their benefits.

The SSA considers any month where wages exceed \$850 to be a trial work month. If you happen to be self-employed, any month in which you work for more than 80 hours is a trial work month. A trial work period may last up to nine months. At the end of those nine months, if you are able to continue working and make more than the SSDI benefits provide, you will no longer receive SSDI payments. However, you may receive SSDI payments again if your earnings fall below the SGA limits during the 36-month period that follows.

If your SSDI benefits have stopped because your income is greater than allowed, the SSA provides a 5-year window in which benefits may be reinstated through what is termed expedited reinstatement if at any time you must stop working again due to your disability.

How Impairment-Related Work Expenses Affect Working on SSDI

Impairment-Related Work Expenses, or IRWEs, are goods or services that assist you so that you may work with your disability. These items are deductible from the formula used to calculate your eligibility for SSDI benefits. IRWEs must meet the following criteria:

- ✓ The item or service must be necessary due to some sort of mental or physical incapacitation.
- ✓ The item or service must be necessary in order to carry out your work functions.
- ✓ The cost of the item or service must be comparable to what the item or service generally costs in your area.

-
- ✓ The cost of the item or service is not being reimbursed through some other means.

IWREs can also include costs associated with maintaining a service animal.

Reporting Requirements While Working on Social Security Disability

You must inform the SSA about any of the following changes:

- ✓ Changes in pay
- ✓ Dates that you start a new job or end a job
- ✓ Expenses related to your work or disability

You can report these changes in the following ways:

- ✓ **Phone** – To report your wages by telephone, you must do so by the 6th of the following month.
 - 1-800-772-2113
 - TTY 1-800-325-0778

-
- ✓ **SSI Mobile Wage Reporting app** – available in iTunes or Google Play store.
 - ✓ **Online** – using your online Social Security account.
 - ✓ **In person** – You can submit your pay stub by the 10th of the following month at any local Social Security office. You can find the location of the one nearest you [here](#).

Ticket to Work Program

This incentive program makes it easy for you to connect with an Employment Networks (EN) or a Vocational Rehabilitation (VR) agency in your state.

Benefits of Using Ticket to Work

Trial Work Period

The trial work period is a length of time when you can try your skills in the workforce without losing your SSDI. Your SSDI benefit amount will stay the same regardless of how much you earned during your trial period.

As of 2018, your total earnings from a month must be more than \$850 in order for it to count as a “work month.” Your trial work period ends once you have made more than \$850 for nine months out of a 60-month period.

Extended Eligibility Period

Having an extended period of eligibility means that you can continue working and receiving SSDI for an additional 36 months before your SSDI payments will stop. During this 36-month period, though, you cannot receive SSDI for any month where you had a “substantial” income from your job. The Social Security Administration considers earnings of more than \$1,180 (\$1,970 if you are blind) to be substantial, as of 2018.

If you happen to have a month with substantial earnings, you will not need to reapply for SSDI to have your benefits continue.

Continued Medicare Coverage

You can keep receiving free Medicare Part A coverage for at least 93 months after your trial work period is over, even if you stop receiving SSDI due to your income.

Work Expense Deductions

If you need to pay for services or items that assist you in working or getting to work, these expenses can sometimes be deducted from your income.

Expedited Reinstatement

You may find that you are unable to continue working due to your disability or you may decide to stop participating in ticket to work for any other reason. In such cases, you can restart your SSDI benefits within five years without filing a new application with the Social Security Administration.

Who is eligible for the SSDI ticket to work program?

The ticket to work program is available to SSDI and disabled Supplemental Security Income (SSI) recipients who are between 18 and 64 years of age. ENs and VRs will check your eligibility status when you go in for assistance. You can also check if you are qualified by

calling the Ticket to Work Help Line at 866-968-7842 or 866-833-2967 (TTY).

How to Find Ticket to Work Providers

You can call the help line at 866-968-7842 or 866-833-2967 (TTY) and a representative will send you a list of providers through the mail.

Alternatively, you can search for a provider online in one of two ways:

✓ [Guided search](#)

- Answer a variety of questions to help determine what types of services you need.

✓ [Direct search](#)

- Enter your zip code to find a list of providers.

The Social Security Administration also provides a [worksheet](#) that will help guide you through the process of finding a provider to work with.

What happens after signing up for ticket to work?

Once you begin earning money, you will need to report it to your EN as well as the Social Security Administration. You do not need to undergo a Continuing Disability Review (CDR) when you are using the ticket to work program **unless** you already had a CDR scheduled before enrolling in the program.

The Social Security Administration will instead conduct a “Timely Progress Review” every 12 months to ensure that you are staying on track with your employment goals. During these reviews, a representative will look at progress you have made such as getting a job, completing training or staying at a job.

SSDI and Medicare

Once you receive Social Security Disability Insurance (SSDI) for 24 months (two years) you will automatically qualify for Medicare insurance.

In most cases, Medicare coverage is required when you are on disability payments. If you already have health insurance from a former workplace, your spouse's job or the private health insurance marketplace, Medicare can work in conjunction with these plans.

Getting Health Insurance Coverage Before Medicare Disability Benefits Start

Your Medicare coverage will not start until two years after your first SSDI benefit month. You should obtain health insurance coverage during this two-year period if you do not already have insurance or if you will lose existing insurance, such as any job-based coverage you may have.

If you do not expect to have health insurance coverage during your two-year Medicare qualifying period, you may wish to [check your eligibility for Medicaid](#) and sign up for a plan if you qualify. If you are denied Medicaid coverage, you might be able to sign up for private health coverage on the [Health Insurance Marketplace](#).

SSDI Medicare Premiums

If you qualify for Medicare based on a disability, you do not need to pay a premium for Part A coverage. Receiving Part B, on the other hand, will require that you pay a monthly fee. However, your Part B premium can be deducted from your SSDI benefits automatically, meaning that you will not need to pay a separate bill.

Keep in mind that Part B coverage is optional, but you can oftentimes save on medical bills if you choose to have this coverage.

Part B premiums can vary slightly depending on your situation. In general, you will pay less as a SSDI recipient than someone who is not disabled. Keep in mind that your costs may change from one year to the next. As of 2018, the SSDI beneficiaries pay an average of \$130.

If you file taxes individually and make more than \$85,000, or file jointly and make more than \$170,000, you will pay anywhere from \$187.50 to \$428.60 based on your income level. Learn more about income-based Part B premiums [here](#).

How to Get SSDI Supplemental Medicare Insurance

In order to cover your additional medical costs, you may want to consider buying supplemental coverage known as a Medigap policy. These policies are sold by private insurance companies. Keep these considerations in mind if you are thinking about getting a Medigap policy:

-
- ✓ You need to have Medicare Parts A and B first.
 - ✓ These plans differ from [Medicare Advantage](#) (Part C) plans, which offer additional Medicare benefits not covered by Parts A and B.
 - ✓ You cannot have both Medicare Advantage and a Medigap policy. In fact, it is illegal for providers to sell you Medigap if you already have Medicare Advantage and plan on keeping it.
 - ✓ Medigap policies can be renewed regardless of whether you have gained new medical conditions.
 - ✓ A Medigap plan only covers one person per policy. Spouses must obtain their own policy.
 - ✓ Medigap does not cover prescription drugs. You must obtain [Medicare Part D](#) or certain types of Part C plans to receive this coverage.

Will working affect my SSDI and Medicare coverage?

In most cases, it is possible to continue receiving Medicare in addition to any employer health insurance plan that you may have. If you have a job, remember that Medicare will usually provide secondary coverage to reduce any hospital and medical costs that are not covered by your primary insurance.

If you participate in the [ticket to work program](#) while receiving SSDI, you can continue receiving premium-free Medicare Part A coverage during your trial work period.

After your trial work period is over, you can continue receiving Medicare Part A at no cost for an additional 93 months as long as you remain disabled and continue meeting the SSDI requirements.

Will I lose Medigap if I start working?

If you have Medigap insurance when you get a job or go back to work, you have the right to suspend your policy without losing it or facing a penalty. In the event that your group health

coverage ends for any reason, you can also get your Medigap policy back with the same benefits and premiums that you were paying before you suspended it. You cannot lose coverage or pay a higher premium even if you gained a new medical condition before reinstating your policy.

In order to get your policy back, you must contact your Medigap provider within 90 days of losing your other health insurance coverage. Your benefits will resume on the day that your other health insurance ended.

SSDI Fraud

The Office of the Inspector General (OIG) of the Social Security Administration is in charge of investigating fraud, bringing allegations to court and, in most cases, making sure that beneficiaries guilty of fraud pay restitutions.

Anyone can report fraud, including private citizens, Social Security employees, beneficiaries themselves or law enforcement professionals, among others.

Examples of SSDI Fraud, Waste and Abuse

Examples of fraud include:

- ✓ Not reporting changes in income or work.
- ✓ Doctors falsifying disability reports in order to help individuals receive funds that they have no right to benefit from.
- ✓ A person with a clean bill of health falsifying a disability in order to receive benefits.

How to Report SSDI Fraud

You can report fraud in the following ways:

- ✓ Online using the OIG [fraud reporting form](#).
- ✓ By faxing your report to 410-597-0118.
- ✓ Over the phone at 1-800-269-0271 (1-866-501-2101 TTY) from 10 a.m. to 4 p.m. EST.
- ✓ Through the mail by sending your report to:

Social Security Fraud Hotline
P.O. Box 17785
Baltimore, Maryland 21235

You can also call any Social Security office or call the Social Security Administration's toll-free number at 1-800-772-1213 from 7:00 a.m. to 7:00 p.m. if you are unable to reach a representative at the OIG fraud hotline.

Information Required for an SSDI Fraud Report

- ✓ The name, address, phone number, Social Security Number and date of birth of the perpetrator or victim
- ✓ A description of the fraudulent activity, including when and where it took place
- ✓ Why the fraud occurred and how it happened
- ✓ Information on any witnesses who may have knowledge of the violation.

If you feel that you would create problems or even be in danger by including your identity on a report, you can remain anonymous.

What do Social Security fraud investigations involve?

The OIG aims to act on every report within 45 days of receiving it. Actions may include referring the case to the Social Security Administration, giving the case to a local OIG investigative office or referring the case to another agency, such as the Department of

Health and Human Services for SSDI cases involving Medicare fraud, for example.

By law, the OIG cannot provide status updates or share records of any kind with individuals who make reports.

Penalties of SSDI Fraud

Violators can receive jail time and be ordered to pay back the money that they received under false pretenses.

A judge will sometimes withhold criminal or civil charges for practical or legal reasons. When this happens, OIG can still impose its own penalties through the Civil Monetary Penalty (CMP) program of up to \$5,000 fine for **each** infraction. If a beneficiary received a payment under false pretenses, OIG can make them pay back up to twice the amount.