

The First Step - Are You Working?

There are several non-medical requirements to qualify for disability benefits. The very first is that you must not be “working.” Social Security considers you to be working if you are performing “substantial gainful activity” (SGA). If you are not self-employed, gross earnings of \$1,620 or more (in 2025, amount is adjusted annually for inflation) is SGA. Under Social Security’s rules, current SGA is inconsistent with being disabled. If you file an application while performing SGA, Social Security will deny your claim due to your work activity without considering anything related to your medical conditions. You can apply if you stop working or your earnings become less than SGA.

Self-Employment - When you are self-employed, Social Security looks at additional tests to determine whether the work is SGA. These include:

- 1) “The individual's work activity is SGA if he or she renders services that are significant to the operation of the business and if he or she receives a substantial income from the business.” Generally, if the work performed generates income that is at the SGA earnings guidelines, it will be considered SGA.
- 2) “The individual's work activity, in terms of all relevant factors such as hours, skills, energy output, efficiency, duties, and responsibilities, is comparable to that of unimpaired individuals in the same community engaged in the same or similar businesses as their means of livelihood.” If your work is comparable to others that do the same kind of work, it may be considered SGA, even if you are not showing income reflective of that effort.
- 3) “The individual's work activity, although not comparable to that of unimpaired individuals as indicated above, is, nevertheless, clearly worth more than the amount shown for the particular calendar year in the SGA Earnings Guidelines when considered in terms of its value to the business, or when compared to the salary an owner would pay to an employee for such duties in that business setting.” Perhaps another way of asking it is, “how much would you have to pay someone else to do what you do?” If it is “worth” more than the monthly SGA earnings guidelines, it is SGA.

Impairment Related Work Expenses (IRWE) - Social Security states:

Impairment-Related Work Expenses (IRWE) are costs for items or services that you need in order to work because of your disability. Social Security will deduct the costs of an IRWE from your countable income when determining your eligibility for Social Security disability benefits. An IRWE must meet all of the following criteria:

- The item(s) or service(s) enable you to work;
- You need the item or service because of a physical or mental impairment;
- You pay for the item or service yourself and are not reimbursed by another source (such as Medicare, Medicaid or a private insurance carrier); and
- The cost is “reasonable,” meaning that the cost represents the standard charge for the item or service in your community.

You can find out more information about IRWE’s at

<https://choosework.ssa.gov/Assets/cw/files/FAQ-impairment-related-work-expenses.pdf>.

A note of caution - There are no guarantees that Social Security will agree you are disabled. The decision to voluntarily stop working or reduce one’s hours should be made only after serious consideration and in consultation with your medical providers. Additionally, even if Social Security agrees you are disabled, it will take many months for them to reach that determination and to start paying you benefits. You need to have a plan to deal with numerous months (at a minimum) of no or reduced income.