

Medicaid Disability Manual

in a substantial gainful activity, whether or not such work in itself constitutes substantial gainful activity.

(4) **Time spent in work** - The amount of time spent in work is important but shall not be the sole basis for determining whether an individual is able to do substantial gainful activity. Evaluation as to whether the work is substantial and gainful is made regardless of whether the individual spends more or less time at the job than workers who are not impaired and are doing similar work as a regular means of livelihood.

(5) **Earnings from work**

(a) **General** - The amount of gross earnings from work activities (minus appropriate impairment-related work expenses as set forth in Section E.1.b.(5)(e)) may establish that the individual has the ability to engage in substantial gainful activity. Generally, activities which result in substantial earnings would show that the individual is able to do substantial gainful activity. However, the fact that the earnings are not substantial does not necessarily show that an individual is not able to do substantial gainful activity. Where an individual is forced to discontinue work activities after a short time due to an impairment, the earnings from such work do not demonstrate ability to engage in substantial gainful activity.

(b) **Subsidized earnings** - If an individual's earnings are being subsidized, the amount of the subsidy is not counted when determining whether or not work is substantial gainful activity. Where work is done under special conditions (e.g., an impaired person who does simple tasks under close and constant supervision), only the part of the pay which is actually "earned" is considered. An employer may set a specific amount as a subsidy after figuring the reasonable value of the employee's services. If the employer does not set the amount of the subsidy, a decision by the agency shall be made as to the reasonable value of the work.

(c) **Earnings at a monthly rate in excess of \$1,550 for non-blind individuals and \$2,590 for blind individuals** - An individual whose average monthly earnings from work activities are more than \$1,550 for non-blind individuals and \$2,590 for blind individuals shall be deemed to demonstrate the ability to engage in substantial gainful activity in the absence of evidence to the contrary. Effective January 1, 2024 the SGA level was increased from \$1,470 to \$1,550 for non-blind individuals and from \$2,460 to \$2,590 for blind individuals. Federal regulations provide for an annual automatic cost of living adjustment (COLA) to

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this amount. An individual is generally considered not to be engaged in SGA if his/her earnings are less than the SGA level, unless there is evidence to the contrary.

(d) **Factors considered when an individual is self-employed** - The earnings or losses of a self-employed individual often reflect factors other than the individual's work activities in carrying on his/her business. For example, a business may have a small income or may even operate at a loss even though the individual performs sufficient work to constitute substantial gainful activity. Thus, less weight shall be given to such small income or losses in determining a self-employed individual's ability to engage in substantial gainful activity and greater weight shall be given to such factors as the extent of his/her activities and the supervisory, managerial, or advisory services rendered by the individual.

(e) **Impairment-related work expenses** – Impairment-related work expenses which, due to an individual's impairment(s), are expended to enable the individual to work shall be deducted in determining an individual's countable earned income and in deciding if he/she has done substantial gainful activity. These expenses must be paid by the disabled individual. No deduction will be allowed to the extent that payment has been or will be made by another source. The costs are deductible even though the items and services are also needed to carry out daily living functions unrelated to work.

The following are deductible impairment-related work expenses:

- (i) Assistance in traveling to and from work or, while at work, assistance with personal functions (e.g. eating, toileting), or with work-related functions (e.g., reading, communicating),
- (ii) Assistance at home with personal functions, (e.g., dressing, administering medications) in preparation for going to and returning from work. Payments made to a family member for attendant care services may be deducted only if such family member, in order to perform the services, incurs an economic loss by terminating his/her employment or by reducing the number of his/her work hours
- (iii) Medical devices such as wheelchairs, hemodialysis equipment, canes, crutches, inhalators, and pacemakers
- (iv) Prosthetic devices, such as artificial replacements of arms, legs and other parts of the body