How Can Work Incentives Help You Receive Supplemental Security Income (SSI) and Medicaid While Working?

How can work incentives help you keep your SSI payments and Medicaid while working?

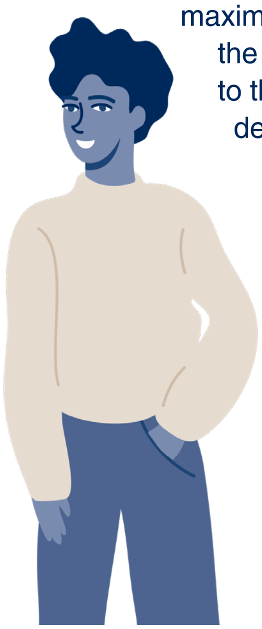
- Some work incentives allow us to exclude some of your income or resources when we determine your eligibility for SSI and payment amount.
- Other work incentives let you continue to receive Medicaid coverage if you stop receiving SSI.

You may take advantage of more than one work incentive. The income we may not count and your SSI payment may change each month depending on the types and amounts of your other income.
It is important you tell us when your income changes and that you know the amount of your income we can set aside.

Work Incentive Examples

Student Earned Income Exclusion (SEIE)

The SEIE helps a person under age 22 who regularly attends school by excluding some of their earnings before we calculate their SSI payment. In 2026, the maximum monthly SEIE is $2,410, and the yearly limit is $9,730. Earnings up to these limits may not count when determining SSI payments.



Example: Chayton is a student on summer break who works at a local recreation center. He earns $2,410 a month in June, July, and August 2026; Due to SEIE, none of these earnings count when we calculate his SSI payment, so his SSI will not go down in the summer. In September, Chayton will go back to school and will keep working part-time. His September and October also do not count until he reaches the $9,730 yearly SEIE limit. After that, his earnings count when we calculate his SSI payment, so his SSI payment may be lower in November and December.

Impairment Related Work Expenses (IRWE)

Some people who receive SSI have disability-related work expenses needed to help them work, these are called IRWE. When we calculate SSI payments, we do not count certain IRWEs, this can lower the amount of income we count for SSI.

Example: Asia receives SSI payments and is self-employed. She sells pictures at a local art co-op. Her earnings and SSI payments are her only income. In a typical month, she earns $1,025. Due to her disability, Asia uses a motorized wheelchair and a special transportation service to get to and from work. In 2026, Asia's work expenses are:

- $250 a month for art co-op dues and insurance,
- $100 a month in printing costs, and
- $250 a month for special transportation service.

Only the $250 transportation cost is an IRWE because it is related to her disability and needed for work. We do not count her transportation costs when we determine the amount of her SSI payment:

$1,025 – $20 (general exclusion) = $1,005

$1,005 – $65 (earned income exclusion) = $940

$940 – $250 (IRWE) = $690

$690 / 2 = $345 (we only count part of your earnings so we cut them in half)

$345 = Asia's countable earnings

The countable earnings $345 are deducted from the Federal Benefit Rate (FBR) of $994

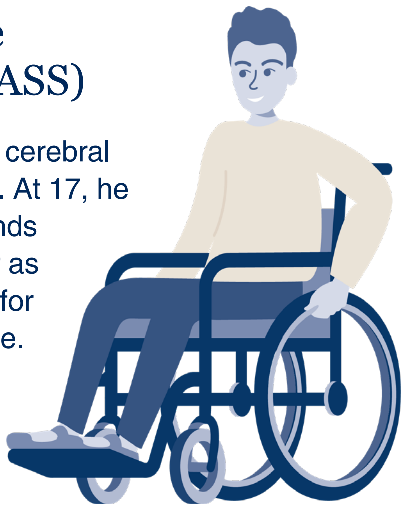
$994 FBR - $345 countable earnings = $649

Asia's SSI payment for the month is $649

The cost of public transportation is not typically an IRWE.

Note: You must report your monthly wages and changes in other income to get accurate monthly SSI payments. Not reporting monthly wages accurately and timely can result in an overpayment. Timely reporting is especially important for self-employed people whose earnings often change month to month. We will work with you to apply the special earnings rules for self-employment.

Plan To Achieve Self-Support (PASS)



Example: Roberto has cerebral palsy and receives SSI. At 17, he started working weekends and during the summer as an assistant to a writer for an online tech magazine. Roberto wants to take journalism classes at the local community college when he graduates from high school in June.

Roberto's case manager is on his Individualized Education Plan (IEP) team. His case manager told him he could apply for a PASS that would allow him to set aside money for his education to achieve his goal of becoming a journalist. The case manager connected Roberto with a benefits counselor at the local Work Incentives, Planning, and Assistance (WIPA) project. The benefits counselor helped Roberto write and submit the plan to the local Social Security PASS Specialist. Once Social Security approves his plan, he will set aside $50 each paycheck through next fall. That money will help pay for two journalism classes during his first semester.

After earning an associate degree, Roberto plans to apply for full-time journalist positions in the online tech magazine industry.

Note: It is unlikely Social Security will approve Roberto's plan without details about how he intends to fund the rest of his education.

We will exclude earnings Roberto sets aside each month for his PASS as income when determining his SSI payment amount. Also, we will not count money in his PASS savings account toward the resource limit. He will need to track his savings in a separate bank account and keep payment receipts for his classes. We will ask to see Roberto's receipts and proof of his deposits into his PASS account.

For more information, ***visit www.ssa.gov/disabilityresearch/workincentives.htm*** and ***www.ssa.gov/redbook***.

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