

Self-Employment and SSDI

2025 Fact Sheet on Work Incentives



What it is:

- For Social Security Disability Insurance (SSDI) beneficiaries who engage in self-employment, the Social Security Administration (SSA) offers some work incentives that can be useful in starting and maintaining a business.
- This fact sheet briefly overviews Self-Employment and Work Incentives for SSDI. You should contact your local SSA office and trained Benefits Counselor to help you understand the specifics of self-employment and work incentives and how they apply to you.

How it helps:

When calculating your earnings from self-employment, the SSA counts Net Earnings from Self Employment (NESE). This is your gross receipts minus your business expenses multiplied by .9235 (92.35%). This way, a portion of your net earnings are counted in determining your income from self-employment. SSDI beneficiaries need to be aware of several important work incentives. These include:

- **Trial Work Period (TWP):** For self-employment, TWP months count when NESE is over \$1,160 (in 2025) or when you work for 80 hours or more in the self-employment venture. It is important to report your earnings and your monthly work hours to SSA when you are self-employed.
- **Extended Period of Eligibility (EPE):** SSA will average your NESE over a period of work activity, determining whether you are earning Substantial Gainful Activity (SGA). In 2025, this amount is \$1,620 gross/month for non-blind individuals and \$2700 gross/month for blind individuals. SSA will consider your activities in your business and the value of these activities to your business. They also consider market conditions, investments, and services of others who help you and your profit distribution in determining SGA.
- **Impairment-Related Work Expenses (IRWE):** If you have reasonable expenses for items and services that are related to your disability, that are necessary for you to work, that you pay out of pocket in the months you are working and are not reimbursed by another source, an IRWE may help you during self-employment in keeping your NESE below the SGA level. This work incentive may apply to you in some limited circumstances if you cannot claim these items as a business expense.
- **Unincurred Business Expenses:** If business support is given to you at no cost, for example, Vocational Rehabilitation pays for services or equipment you need in self-employment, this support is deducted from your net earnings when determining if you have reached SGA.
- **Unpaid Help:** If you receive help from friends, relatives, professionals, or others in performing business-related tasks, and they are not paid for this assistance, the fair labor cost of this assistance is deducted from your net earnings in determining whether you have engaged in SGA.

How to find more information and help:

Disability Benefits 101

ky.db101.org

Ticket to Work Helpline

1-866-968-7842

Work Incentives Planning & Assistance (WIPA)

Center for Accessible Living

844-689-6620 (voice)

888-813-8652 (TTY)

wipa@calky.org

Work Incentives Planning & Assistance (WIPA)

Goodwill Industries of KY

866-336-3316 (voice)

866-833-2976 (TTY)

workincentives@goodwillky.org

This fact sheet has been prepared under the guidance of a certified Community Partner Work Incentives Counselor through training authorized by the Social Security Administration. This is not a Social Security Administration document.