Self-Employment and SSI

2026 Fact Sheet on Work Incentives

What it is:

- For Supplemental Security Income (SSI) beneficiary recipients who engage in self-employment, the Social Security Administration (SSA) offers some work incentives that can be useful in starting and maintaining a business.
- These work incentives offer a "financial cushion" during the start-up and throughout the life of the business and are designed to help individuals reach self-sufficiency through self-employment.
- This fact sheet briefly overviews Self-Employment and Work Incentives for SSI. 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 assessing how much you earn in 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.

For self-employment, SSA will work with you to project your average earnings over an entire calendar year. Based on these projections, your monthly SSI payment will be adjusted based on what you and the SSA project will be your annual NESE. It is very important to get a good estimate of what you expect your annual earnings from your NESE will be because SSA will retroactively adjust your SSI payment over the entire calendar year. You may incur an overpayment or an underpayment in your SSI payment if you have inaccurate projections.

When your annual NESE is determined, SSA will use a countable income formula to determine your SSI monthly payment amount. The General Income Exclusion of $20 per month (if not already applied to unearned income) and the Earned Income Exclusion of $65 per month is applied. Then, the remainder of your earnings are divided by 2. When figuring out your SSI payment amount, SSA counts less than 1/2 of your earnings.

SSI recipients need to be aware of several important work incentives. These include:

- **Property Essential to Self-Support (PESS):** PESS excludes some resources essential to your means of self-support when your eligibility for SSI is determined. SSA does not count property that you use in a trade or business. To use this exclusion, inform SSA of these types of resources.
- **Student Earned Income Exclusion**: This is a special exclusion for individuals under age 22 who regularly attend school and earn income. The amount of the exclusion allowed is $2,410 per month or a maximum of $9,730 in 2026.
- **Impairment-Related Work Expenses (IRWE)**: In some limited circumstances, this work incentive may help you during self-employment 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.
- **Blind Work Expense (BWE)**: Suppose your primary disability on record with SSA is blindness. In that case, SSA will not count any earned income you use to meet expenses needed to earn that income in deciding your SSI eligibility and payment amount. Those even include taxes that you pay for your business. You may contact a benefits counselor or SSA to learn about the allowable deductions.

- **Plan for Achieving Self Support (PASS):** A PASS allows you to set aside income (other than your SSI payment) and/or resources for a specified time for a work goal. A PASS can help establish or maintain SSI eligibility and increase your SSI payment amount. SSA does not count the income and/or resources you set aside under a PASS when your SSI eligibility and payment amount are determined. A PASS should be submitted on form SSA-545 and must be approved by SSA. A PASS with a self-employment work goal must include a business plan. You may contact a Community Work Incentives Coordinator or SSA to learn about PASS.

How to find more information and help:

Kentucky Disability Benefits 101

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

WIPA Goodwill Industries of Kentucky
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 (CPWIC) through training authorized by the Social Security Administration. This is not a Social Security Administration document.