

SOCIAL SECURITY DISABILITY INSURANCE (SSDI) WHEN SELF-EMPLOYED

2018 FACTSHEET

There are a number of things an individual interested in becoming self-employed should know about SSDI benefits as the Social Security Administration rules for SSDI differ for self-employment. Some topics with important differences are referenced below:

- **Net Earnings from Self-Employment (NESE) Calculation** – This is the calculation to determine your income level from self-employment. It is your gross receipts minus your business expenses, multiplied by 0.9235. With this calculation - not all of your net earnings from self-employment will be counted as income.
- **Substantial Gainful Activity (SGA) Determination** – If you are self-employed, there are three methods that might be used to determine whether your work is Substantial Gainful Activity. You will be determined to be working at SGA if:
 - o you render significant services and your income is over SGA level, and
 - o your work is comparable to work of persons without disabilities in similar businesses, or
 - o you have earnings over the SGA level in terms of benefit to the business.
- **Trial Work Period (TWP)** – While self-employed, a month will count toward your Trial Work Period if your NESE calculation is more than \$850, or you work at least 80 hours relative to the self-employment in the given month.
- **Unpaid for business expenses or services** – If you receive items or services at no cost, then you can deduct the value of those things from your NESE when calculating income level.
- **Plan for Achieving Self-Support (PASS)** – Having a PASS in place can help you plan for your business if you want to be self-employed. Having a PASS with a business plan approved by the SSA is a good way to set goals for success that you can work toward and achieve.

See our other Factsheets for more information, or contact the Nevada Disability Advocacy & Law Center (NDALC) WIPA coordinator at 877-890-5082.

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