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Social Security

Subsidy & Special Conditions

This page provides clarification of our policy concerning whether assistance on the job, for example, job coaching, provided by organizations other than an individual's employer may be considered to be a "subsidy". We use only earnings that represent the real value of the work an individual performs to decide if the work is at the SGA level. A "subsidy" is the extra amount of wages an employer pays an impaired individual for services over the reasonable value of the actual services performed. We deduct the value of subsidies from earnings when we make an SGA decision.

When determining how much an individual earns, we must consider whether the work was done under special conditions, such as job coaching and like services. Although job coaching and like services are not technically a "subsidy" in the form of "extra" wages paid by an employer, such services do affect how we value the work and the determination of substantial gainful activity (SGA). Under the regulations, we must consider special conditions when we determine if the work an individual is doing or has done is SGA.

Certain special assistance on the job must be considered whether or not the individual's employer provides or pays for such assistance directly. The regulations state "We do not consider any income not directly related to your productivity when we decide whether you have done substantial gainful activity. Thus, where work is done under special conditions, we only consider the part of your pay which you actually earn." Further, the regulations state that for an individual with a disability who does simple tasks under close and continuous supervision, we would not determine that the person worked at the substantial gainful activity level based only on the amount of pay he or she received. We must count only those earnings that are attributable to an individual's own productivity in applying the substantial gainful activity earnings guidelines. When applying the earnings guidelines, we must exclude any income that is not directly related to the worker's own productivity.

If the individual is not fully earning his or her wages because the work is performed under special conditions (e.g., close and continuous supervision, on-the-job-coaching and substitution during which the job coach performs part or all of the individual's job duties), then we must deduct that part of his or her wages that are not "earned" by the individual from his/her average gross wages. This is true whether or not the employer or someone else provides the special (on-the-job) conditions.

In order to determine the amount an individual actually earns, SSA determines the value of the individual's services (i.e., work) by contacting the individual, his or her employer, supervisor(s), work peers, and the job-coach and any one else who would have this knowledge. The value of the individual's actual services may require contact with other employers or the Department of Labor to determine the wages usually paid for such services. SSA stops development when there is sufficient information to make a determination.