

# MEDICAID DISABILITY MANUAL

person who does simple tasks under close and constant supervision), only the part of the pay which is actually "earned" is considered. An employer may set a specific amount as a subsidy after figuring the reasonable value of the employee's services. If the employer does not set the amount of the subsidy, a decision by the agency shall be made as to the reasonable value of the work.

- (c) **Earnings at a monthly rate in excess of \$1000** - An individual whose average monthly earnings from work activities are more than \$1000 shall be deemed to demonstrate the ability to engage in substantial gainful activity in the absence of evidence to the contrary. Effective January 1, 2010, the SGA level was increased from \$980 to \$1000. Federal regulations provide for an annual automatic cost of living adjustment (COLA) to this amount. An individual is generally considered not to be engaged in substantial gainful activity (SGA) if his/her earnings are less than the SGA level, unless there is evidence to the contrary.
- (d) **Factors considered when an individual is self-employed** - The earnings or losses of a self-employed individual often reflect factors other than the individual's work activities in carrying on his/her business. For example, a business may have a small income or may even operate at a loss even though the individual performs sufficient work to constitute substantial gainful activity. Thus, less weight shall be given to such small income or losses in determining a self-employed individual's ability to engage in substantial gainful activity and greater weight shall be given to such factors as the extent of his/her activities and the supervisory, managerial, or advisory services rendered by the individual.
- (e) **Impairment-related work expenses** – Impairment related work expenses which, due to an individual's impairment(s), are expended to enable the individual to work shall be deducted in determining an individual's countable earned income and in deciding if s/he has done substantial gainful activity. These expenses must be paid by the disabled individual. No deduction will be allowed to the extent that payment has been or will be made by another source. The costs are deductible even though the items and services are also needed to carry out daily living functions unrelated to work.