

CATEGORICAL FACTORS**EMPLOYMENT SUBSIDIES**

Description: An employer may subsidize the earnings of an individual with a disability by paying more in wages than the reasonable value of the actual services performed.

Policy: When determining whether or not subsidized employment constitutes Substantial Gainful Activity (SGA), only the real value of the work is considered. When determining financial eligibility for Medicaid, the entire income from subsidized employment is considered.

References: ADMs 87 ADM-44
83 ADM-65

Disability Manual

GIS 99 MA/014

When to Verify:

- (a) When an apparently disabled individual is earning over the Substantial Gainful Activity (SGA) figure (**see page 33**);
- (b) When an individual's pay may not reflect the actual level of productivity;
- (c) When the A/R's employment is sheltered;
- (d) When a childhood disability is involved; or
- (e) When a mental impairment is involved.