The Substantial Gainful Activity (SGA) Project helps state vocational rehabilitation (VR) agencies build their capacity so that more consumers can find meaningful employment. Two of our participating states, Kentucky and Minnesota, have made changes to their state VR program that have led to substantial gainful employment for their clients. This series includes some of the key resources that VR and financial professionals implementing the SGA project utilized.

Beneficiaries receiving Social Security Disability Insurance (SSDI) face a daunting obstacle to working above the substantial gainful activity level, or SGA: the infamous "cash cliff."

Here's how it happens. Let's say Angela receives SSDI, and keeps her earnings below SGA. In that case, she can keep the full SSDI benefit. However, if Angela starts working at or above the SGA level, then after a trial work period and grace period, her SSDI benefit stops. This is known as the "cash cliff," because once earnings reach SGA, Angela's entire SSDI benefit stops, rather than just being reduced.

This sudden and precipitous drop in income discourages people on SSDI from working at the SGA level.

The SGA Project sought to overcome this disincentive by providing early and intensive counseling on the impact of earnings on SSDI and other public benefits. Work incentives counselors stressed two key points:

1. With high enough earnings, participants could have higher net incomes working full time without SSDI than working part time (below SGA) and keeping SSDI.
2. A variety of safety nets known as "work incentives" provide layers of protection for benefits. Work incentives:
   a. Enable SSDI beneficiaries to keep SSDI for a period of time (typically 12 months), regardless of how much they earn.
   b. Subtract certain amounts from wages (disability-related expenses paid by workers, and allowances for reduced productivity or extra help received on the job) to enable workers to earn more while staying below SGA and keeping SSDI.
   c. Enable individuals who have lost SSDI due to SGA-level work to regain SSDI payments quickly and easily if their earnings later drop or stop.
   d. Protect Medicare eligibility for years after participants have worked their way off SSDI cash benefits.

Both states in which the project operated (Kentucky and Minnesota) provided work incentives counseling to participants starting soon after their VR cases were opened, generally as part of the coordinated employment support team. Counselors helped participants select earnings goals based on their approaches to SSDI and other benefits they received.

While some participants chose to keep their earnings below SGA to preserve SSDI payments, others decided to work full time at the SGA level. Counselors helped the latter group identify earnings goals that would make it financially worthwhile to work full time without SSDI, rather than working part time and keeping SSDI.

Given these earnings targets, VR counselors and job placement specialists were able to focus their efforts on jobs and careers that would support individuals' goals.

Kentucky and Minnesota used somewhat different approaches to delivering work incentives counseling. Kentucky employed three certified Community Work Incentives Coordinators (CWICs), whom they dubbed "Kentucky Work Incentives Coordinators," or KWICs, to provide counseling to all participants in the treatment group.

The KWICs had received intensive training and national certification from Virginia Commonwealth University, as well as project-specific training and technical assistance from ICI. These coordinators developed written work incentives analyses for all individuals they served. The analyses explained the basic impact of selected earnings levels on SSDI and other benefits, and highlighted the protections offered by work incentives. KWICs helped participants interact with Social Security to access work incentives for which they were eligible.

Minnesota recruited nine financial specialists to provide counseling to participants. These were staff who received substantial training and technical assistance on work incentives through the project, but were not trained as intensively as CWICs, and were not certified as benefits experts.

The financial specialists used software called "Disability Benefits 101" (or DB 101) to explain work incentives and examine the impact of earnings levels on public benefits and net incomes. About 10% of participants with more complex benefits that could not be adequately accommodated by financial specialists and DB 101 received written work incentives analyses from CWICs employed by the state's Disability Linkage Line (recently renamed the "Disability Hub").

The CWICs also provided technical assistance to financial specialists when needed. Like Kentucky's KWICs, the financial specialists and CWICs in Minnesota also helped participants use work incentives.

Kentucky's CWICs and Minnesota's financial specialists also incorporated information about other financial resources into their guidance to participants. Resources included:

- Financial education
- Budget planning
- Credit counseling
- Free tax preparation
- Consumer protection
- Individual development accounts (IDAs: matched savings accounts to help participants reach goals such as small business development, homeownership, or higher education)
- ABLE accounts (special investment accounts that do not count against the asset limits for Medicaid and other public benefits)
- Car purchase programs for low-income workers
- Homeownership programs
- Low-interest loans to buy assistive technology
- Small business assistance

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