

Trial Work Period (TWP)

2020 Fact Sheet on Self-Employment Work Incentives

This fact sheet explains one of the many work incentives available to people on Title II Social Security disability benefits.

Examples of Title II disability benefits are: Social Security Disability Insurance (SSDI), Disabled Widow(er) Benefit (DWB), and Childhood Disability Benefits (also known as Disabled Adult Child or DAC benefits).

For More Information
Or to Request Services
Please Contact:



Benefits Counseling Services

Dept. of Vocational Services
22 Bramhall Street
Portland, ME 04102-3175

Toll-free in ME: 1-888-208-8700

Maine Relay Service Dial 711

Fax: 207-662-6789

www.benefitsandworkinme.org

How does Social Security count self-employment income?

Only earned income can affect Title II disability benefits, so the Social Security Administration must first determine if your work activity counts as self-employment (earned income) or a hobby (unearned income). If Social Security decides you have self-employment income, they will only count your **Net Earnings from Self-Employment (NESE)**. NESE is your gross business income minus your business expenses multiplied by 0.9235. The Social Security Administration allows you to deduct any business expense that is allowed by the Internal Revenue Service (IRS) and reported on your federal income tax return.

What is the Trial Work Period (TWP)?

The Trial Work Period, sometimes known as the “TWP,” lets you test your ability to work to your fullest potential. The TWP lets you work with no limit on how much you earn for 9 months; you can earn as much as you can and still receive your full Title II payment.

Trial Work Period (9 months)
Receive full benefit while working

How Does the TWP Work?

The 9 TWP months don't have to be used a row. In fact, you can use them over a 60-month (5-year) rolling period. In 2020, a TWP month happens any month you have NESE of **\$910 or more** **OR** spend **80 hours** or more engaged in your business. The earnings amount for the TWP usually changes each year.

Do I Need to Tell Social Security that I'm Working?

Yes. You must report your NESE and the total number of hours worked to the Social Security Administration *every month you work until your TWP ends*. You also want to give Social Security a copy of your completed federal income tax return each year. Once your TWP is over, you do not have to track the hours you work each month, but you need to continue to track and report your NESE to Social Security.

What Happens After the TWP Ends?

At the end of your TWP, Social Security may contact you to review your work activity. This is called a Continuing Disability Review. When your TWP is over, you will enter a 3-year Extended Period of Eligibility (for details see the fact sheet about this work incentive).