

## **Using Subsidy and Special Conditions:**

SSA is only interested in earnings that represent the real value of the work you perform. SSA understands that support may be provided by your employer that may result in you receiving more pay than the actual value of the services you perform. They call this “subsidy”. In addition, SSA realizes that you may receive support provided by someone other than your employer - for example, a vocational rehabilitation agency. As a result of this support, you may be receiving more pay than the actual value of the services you perform. They call this type of support “special conditions”. SSA will reduce the amount of income they count by the value of the subsidy and/or the special conditions you receive when deciding if your earnings are SGA.

Subsidies exist when employers pay workers more in wages than the reasonable value of the actual services performed. To qualify, individuals must have evidence of receiving subsidies such as extra support, supervision, or documentation of lower productivity compared to unimpaired workers performing the same or similar work.

In developing subsidies, employers are requested by the SSA to submit statements documenting the actual value of workers' services. Subsidies may be either specific or non-specific. In specific subsidies, employers designate a specific dollar amount after calculating the reasonable value of workers' services. In non-specific subsidies, employers are unable to designate a specific dollar amount as the subsidy. The amount of subsidies is determined by comparing the work of individuals in terms of time, skills, and responsibilities with that of nondisabled individuals in similar work. The proportional value of the work must then be estimated according to the prevailing pay scale of this work. SSA makes this determination.

The following list of possible indicators of subsidies is not exhaustive and questions regarding a specific example should be directed to the local SSA office.

- Sheltered employment;
- Childhood disability involved;
- Mental impairment involved;
- Marked discrepancy between amount of pay and value of services;
- Claimants or someone else alleges that claimants do not earn their pay;
- Nature and severity of impairment indicates that employees receive help from others in doing the work; and/or
- Government-sponsored job training or employment programs.

- Friendship or relationship to employer;

Other factors unrelated to the performance of the worker;

- Does the employer consider the work to be worth substantially less than the amount paid? If so, what are the reasons for this view?
- If the individual is still on the payroll despite unsatisfactory work, what is the employer's reasons for retaining them?
- If the individual is no longer employed, what led to the termination of employment?