Effects of IRWE on Benefits

The cost of certain impairment-related items and services required by individuals in order to work are deducted from gross earnings in calculating SGA, even if these items and services are also needed for non-work activities. The purpose of the IRWE is to allow Title II beneficiaries to reduce income below SGA levels until they can work at a level of self-sufficiency, which decreases reliance on benefits.

For Social Security beneficiaries, deducting an IRWE may keep monthly gross earnings below SGA, thus enabling them to maintain Social Security eligibility. The cost of IRWE expenses can also be deducted from gross earnings during initial application processes, enabling individuals to meet the SGA requirement.

For an IRWE deduction to be allowable, the following criteria must be met:

- Expenses must be directly related to the person’s impairment(s) listed in their SSA disability file or other impairment for which they receive medical treatment;
- Individuals, because of a severe physical or mental impairments, must need the items or services to work;
- Costs must be paid by the individuals and not be reimbursable from other sources;
- Expenses must be paid in a month in which the individuals are, or were, working; and
- Expenses must be reasonable (represents the typical cost for item or services in the persons community).

The SSA list of allowable expenditures under IRWE is extensive and includes costs of adaptive equipment or specialized devices, attendant care, special transportation costs, as well as the cost of job coach services. Documentation of costs is submitted to the SSA claims representatives who are responsible for making the IRWE determination. Under some circumstances, IRWE payment for durable goods made during the 11-month period preceding the month work started can be deducted. Expenses incurred in a month of work but paid for after work stopped also can be considered.

Supported Employment Services

Payments made by Social Security beneficiaries to purchase supported employment services necessary for individuals to obtain and / or maintain competitive employment may be allowable deductible expenses.
Not Deductible:
- Individuals employed outside the home — modifications to interior of home (i.e., lowering kitchen / bathroom cabinets, widening doorways); and/or
- Individuals employed in home — expenses previously deducted as business expenses in determining SGA.

**Routine Drugs / Medical Services**

Deductible:
- Costs of visits to doctor’s office to obtain regularly prescribed medical treatment / therapy to attempt to control the disabling condition; and/or
- Costs of regularly prescribed medical treatment / therapy which is necessary to control the disabling condition (i.e., anticonvulsant drugs, blood level monitoring, anti-depressant drugs, chemotherapy).

**Diagnostic Procedures**

Deductible:
- Costs of procedures related to evaluation, control, or treatment of disabling condition (i.e., brain scan).

Not Deductible:
- Costs of procedures not paid for by beneficiaries.

**Nonmedical Appliances and Devices**

Deductible:
- Appliances/devices prescribed by physicians as essential for controlling the disabling conditions at home or work (i.e., electronic air cleaner for individuals with severe respiratory conditions).

Not Deductible:
- Appliances/devices used at home or at the office which the beneficiaries do not have a verified work-related need (i.e., air conditioner, humidifier).

**Similar Items and Services**

Deductible:
- Cost of expendable medical supplies (i.e., elastic stockings, incontinence pads, catheters); and/or
- Costs of guide dogs, dog food, dog licenses, and veterinarian services.

Not Deductible:
- Costs of appliances/devices used primarily for physical fitness, which are not prescribed by a physician (i.e., exercise bike).