Unincurred Business Expenses

What are Work Incentives?
Social Security Work Incentives can help eligible people with disabilities transition to the workplace. Whether you’re looking for a job for the first time or returning to work after an injury or illness, Work Incentives can help you through the transition to work and towards financial independence.

What is an unincurred business expense?
Unincurred Business Expenses is the name of a Work Incentive that’s available to people who receive Social Security Disability Insurance (SSDI) and are opening or already own their own business. An unincurred business expense is any non-monetary contribution that someone else makes to your self-employment effort that you don’t have to pay for. Social Security deducts the cost of this contribution from your earnings when they determine if you’re engaging in substantial gainful activity (SGA), even though you didn’t have to pay for it.

How does Social Security count unincurred business expenses in my earnings from self-employment?
Once you start to work, Social Security will determine if you are engaging in substantial gainful activity (SGA), or earning enough income to affect your eligibility for disability benefits. If you receive SSDI, Social Security will deduct the cost of the unincurred business expense from your Net Earnings from Self-Employment (NESE) when they determine if you have worked at SGA levels. The formula for determining your NESE is gross income from your business minus business expenses, multiplied by .9235. Thus, only a portion of your net earnings is counted in determining your self-employment income.

What is an example of an unincurred business expense?
You may be interested in opening a restaurant and talk to your State Vocational Rehabilitation (VR) agency about your idea. Your State VR agency may provide you with a computer to use for your business so you can develop menus, track the business’s finances and complete food and supply orders. The computer is provided at no cost to you, but would be considered a business expense had you paid for it. An unincurred business expense may also refer to work that a family member or friend does for you without pay. You may have a friend who helps you do accounting each month, or a family member might help you hire and train staff. While you’re not paying for their help, their hours of work are considered an unincurred business expense because you’d otherwise have to pay for that labor.

Still unsure about what qualifies as an unincurred business expense? For an item to qualify, it must...
To find a Ticket program service provider, call the Ticket to Work Help Line at 1-866-968-7842 or 1-866-833-2967 (TTY) 8 a.m. – 8 p.m. ET, Monday through Friday. Ask a representative to send you a list of service providers or you can search for providers on your own using the Find Help tool at choosework.ssa.gov/findhelp.

Follow the Ticket program’s Choose Work on social media!

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