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DIVISION: Office Medicaid Management

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TO: All Local District Commissioners

FROM: Donna B. Farlow, Deputy Director
Office of Medicaid Management

SUBJECT: Increase in Level of Substantial Gainful Activity (SGA) to \$700

EFFECTIVE DATE: July 1, 1999

CONTACT PERSON: Ellen Bayewitz (518) 473-5458

The Social Security Administration has issued regulations which increase the substantial gainful activity (SGA) threshold amount from \$500 to \$700. The threshold amount is the average monthly earnings guideline used to determine whether work done by an applicant for Supplemental Security Income (SSI) or Social Security Disability benefits is SGA. SGA means work activity that involves significant physical or mental effort and that is usually done for pay or profit. Generally, individuals who are working and earning income at the SGA level cannot be found disabled.

This amount is also used in the Medicaid program to determine if an individual with earnings can be considered disabled. Local districts must use the \$700 amount effective July 1, 1999, when determining whether an individual is performing SGA. The Medicaid Disability Manual has a further explanation of SGA and how this determination is made. It includes consideration of the nature of the work performed, the adequacy of the individual's performance, special employment conditions and amount of time spent in work. It also provides for deduction of employer subsidies and impairment-related work expenses when comparing earnings to the SGA level.

If there are any questions, please contact Ellen Bayewitz at (518) 473-5458 or call your local district representative.