

# Social Security Benefits

**Presented by:**

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# SSA Programs

- Title II: Retirement and Disability Insurance
- Title XVI: Supplemental Security Income (SSI)
- Title XVIII: Medicare
- Title XIX: Medicaid

# Title II: Retirement Insurance Benefits (RIB)

- Must have reached retirement age as determined by SSA
  - Age 62 for Early Retirement
  - Full Retirement Age is based on Birth Date

# Title II: Survivor and Dependent Benefits

- Widow or widower or divorced spouse age 60 or over
- If divorced, must have been married 10 years or more and not remarried
- Widow or widower who has a minor child of the deceased worker
- Disabled widow or widower or disabled divorced spouse age 50 - 59

# Survivor and Dependent Benefits continued

- Surviving dependent child under the age of 18 (or 19 if still in high school)
- Dependent parent of deceased worker who is over age 62
- Disabled Adult Child (DAC) over age 19 who was disabled prior to the age of 22 (in some cases may be stepchild or grandchild)

# Disabled Adult Child Benefit (DAC)

Also known as Childhood Disability Benefit (CDB)

- Child must be able to show s/he was disabled prior to 22
- Child must be single (or married to another person receiving SSDI)  
(Note: marriage to someone receiving SSI does not qualify for the exception)
- Child must be continuously incapable of SGA

# DAC Benefit continued

- Parent must have paid into SSA
- Payment is based on working history of parent, not the child
- Parent must be retired, disabled or deceased
- Child receives 50% if parent is retired or disabled
- Child receives 75% if parent is deceased

# DAC Benefit continued

- Child receives benefits from one parent only even if both paid into SSA
- Parent must be fully insured
  - 40 quarters (10 years)
  - 10 quarters if 31 or younger
  - Disabled worker must be 'currently insured'
    - 20 of the 40 quarters must have been in the most recent 10 years



# DAC Benefit Continued

- Eligibility is not needs based
  - no limit on resources or on unearned income
  - if child earns in excess of SGA for 9 months in a 5 year period s/he will lose his/her CDB
- Receives Medicare after receiving DAC benefits for two years

# CDB Amounts may be reduced by Family Maximum Benefit (FMB)

- CDB is up to 50% of the insured parent's SSA when the parent is alive
- CDB is up to 75% of the insured parent's SSA when the parent dies
- If there are 2 siblings and a Spouse receiving benefits based on the insured worker, the amount for each may be reduced by FMB.
- The insured worker receives his/her full Primary Insurance Amount (PIA)

# Family Maximum Benefit continued

- To determine FMB, go to [socialsecurity.gov](https://www.socialsecurity.gov) and set up a SS account
- Request an earnings statement
- The earnings statement will show PIA and your FMB
- Note: a divorced spouse who is entitled to benefits are paid outside the FMB and do not reduce the amount being paid to other dependents with the FMB
- A divorced spouse is eligible for survivor benefits if s/he was married to the insured worker for 10 years or more.

# Disability Insurance Benefits (DIB)

- Worker must prove s/he is disabled
- Benefit check is based on disabled worker's own work history
  - may be reduced if receiving other government regulated disability benefits (workers comp)

# Disability Insurance Benefits Continued

- Disabled worker must be currently insured
  - i.e. 20 of the 40 quarters must have been in the most recent 10 years
- No limit on resources and unearned income
- Receives Medicare after receiving DIB for two years

# Title XVI Benefits: Supplemental Security Income (SSI)

- SSI is a needs based benefit for persons who are disabled
  - must meet all the technical requirements
  - must meet income and resource requirements
  - must be disabled



# SSI Continued

- Maximum Federal Benefit Rate (FBR) for 2020
  - \$783 for an eligible individual
  - \$1,175 for an eligible individual with an eligible spouse
  - may be reduced if receiving earned income, unearned income or In-kind Support and Maintenance (ISM)
  - in most states (but not all), if you receive \$1. of SSI, you will receive Medicaid Health Insurance

# SSI Continued

- Technical Requirements (non-financial)
  - Citizen or lawful resident
  - Cannot have an unsatisfied felony arrest warrant for escape or flight
  - Cannot be in prison or jail
  - Cannot be absent from the U.S. for a full calendar month or for 30 consecutive days or more
  - No work history required



# SSI Continued

- Resource (Asset) Principles:
  - Limit of \$2,000 for an individual
  - Limit of \$3,000 if married
  - Measured on the first day of every month

# SSI Continued

- Resource includes anything owned by the individual that can be converted to cash (bonds, stocks, ownership interest in non residence real estate) if claimant has the right, authority or power to liquidate property
- Deeming principles apply
  - parent to minor child if living together
  - spouse to spouse if living together
  - sponsor to Alien(PRUCOL)

# SSI Continued

- Excluded Resources
  - home if living in it
  - household goods and personal effects
  - burial spaces and burial funds (\$1,500 or less)
  - life insurance with a face value of \$1,500 or less

# SSI Continued

## Excluded Resources Continued

- one vehicle of any value
- retroactive SSI payments up to 9 months after receipt
- Clothing
- grants and scholarships
- ABLE Accounts up to \$100,000
- Special Needs Trusts (if funded and managed correctly)

# SSI Continued

## Income Principles

- Federal benefits are reduced by countable income
- Excludes \$20 of all income
- Excludes first \$65 of earned income
- Excludes cost of Impairment Related Work Expenses (IRWE)
- Deems 50% of remaining earned income minus the \$65 disregard and cost of IRWEs

# SSI Continued

## Income Principles continued

- All unearned income is deemed except
  - 1/3rd of child support if child is under age 18
  - WWII war reparation payments
  - Unearned income includes
    - SSDI
    - DAC
    - Pension
    - RIB benefits
    - Cash gifts
    - Interest
    - Spending money provided by any source (trust or individual)

# SSI Continued

## Income Principles continued

### Earned Income example:

- John is I.D. and works at Publix
- John earns \$500 per month
- less \$20 income from any source exclusion
- less \$65 (earned income set aside)
- less \$300 for IRWE (special transportation to and from work)

# SSI Continued

Monthly Income:	\$500
Income Set Aside:	-\$ 20
Earned Income Set Aside:	-\$ 65
Cost of IRWE:	<u>-\$300</u>
Countable earned income is now only:	\$115

- SSI deems 1/2 of countable earned income
  - 1/2 of \$115 in countable earned income is \$57.50



# SSI Continued

Maximum FBR = \$783

Less countable earned income = \$57

Total SSI check = \$726

# SSI Continued

John's SSI is only reduced by \$57 due to:

- \$20 income set aside
- \$65 earned income set aside
- \$300 IRWE

# SSI Continued

## Income example for UNEARNED Income

- John is I.D. and does not work.
- His parents are not yet retired, disabled nor diseased.
- John's parents give him \$500 per month to help him out.

# SSI Continued

Income example for UNEARNED Income continued:

Unearned income =	\$500
Less general income disregard	<u>- \$20</u>
Total countable unearned income =	\$480

# SSI Continued

Income example for UNEARNED income continued:

Maximum FBR:	\$783
Less countable unearned income:	<u>- \$480</u>
Total SSI check:	\$303

- Note the same would result if the \$500 was from SSDI or DAC Benefits

# SSI Continued

## In-Kind Support and Maintenance Deduction (ISM)

- food and shelter items include rent or mortgage, if there is a mortgage, homeowners insurance
- real estate taxes,
- heating fuel, electric, water, sewer and garbage pickup
- food

# SSI Continued

## ISM Continued

- One Third Reduction Rule:
  - If claimant lives in the home of another and does not pay for his/her fair share of household expenses listed on slide 37, he is deemed as receiving in-kind support and maintenance (ISM) in the home of the other.
  - The SSI check will be reduced by one third of the FBR regardless of the value of the benefit

# SSI Continued

## ISM Continued

- Presumed Maximum Value Rule:

If a 3rd party pays for the food and shelter expenses of the claimant, the claimant's SSI check will be reduced by one third - \$20



# SSI Continued

## ISM Continued

### How to Use an ABLE Account to avoid the loss of 1/3rd of SSI

- ABLE Act - allows a disabled individual who was disabled prior to the age of 26 to save funds in an account modeled after a 529 account
- An ABLE Account can have up to \$100,000 without being deemed an asset by SSI
- The individual or anyone else can contribute up to \$15,000 to an ABLE Account each year.

# SSI Continued

## ISM Continued

- ABLE allows payment of Housing Expenses as a Qualified Disability Expense
- Distribution from an ABLE Account for shelter will not result in a 1/3rd loss of SSI
- Parents, other relatives, friends or 1st or 3rd party SNT Trustee can deposit up to \$15,000
- An ABLE Account may expand residential options as it provides funds to supplement cost of housing without reducing SSI

# Medicare

- Federal Health Insurance Program for people age 65 or over
- Individuals who receive SSDI or DAC benefits for 24 consecutive months are also entitled to Medicare
- A disabled individual can receive Medicare immediately if s/he has chronic renal disease, needs a kidney transplant or dialysis or has Lou Gehrig's disease (MLS)



# Medicare Continued

Medicare has two components:

- Part A - Hospital Insurance (HI)
  - pays for inpatient care, care in a skilled nursing facility, home health care and hospice care
- Part B - Supplemental Medical Insurance (SMI)
  - pays for outpatient hospital services

# Medicare Continued

## Limitations on Medicare

- Does not protect the claimant from the high cost of health care
- Provides limited coverage of long term care
- Provides limited coverage for catastrophic health care
- Provides less than half of the total health care received by individuals with disabilities

# Medicaid

At a minimum Medicaid provides:

- Inpatient hospital services
- Outpatient hospital services
- Laboratory and x-ray services
- Skilled Nursing facilities (SNF) for persons over 21



# Medicaid continued

- Home health services for individuals
- Medical diagnosis and treatments for persons under 21
- Family planning services and supplies
- Physician services
- Prescriptions

# Medicaid Waiver Programs

- Started in 1981, Medicaid Waiver Programs offer more flexibility to paying only for traditionally Medicaid funded services
- Home and Community Based Medicaid Waiver programs can pay for:
  - Case management
  - Homemaker services
  - Home health aid
  - Personal care
  - Adult day care
  - Habilitation
  - Respite care
  - Other services differ from state to state.



# Other Government Programs

## SNAP - Supplemental Nutrition Assistance Program

- Provides assistance with food purchases for low income persons
- If disabled, maximum gross income is 130% of the poverty level
- If disabled, maximum assets = \$3,500
- As with SSI, some assets are exempt
- SNAP is a poverty program and not a disability program.



# Other Government Programs Continued

## Section 8

- Program through HUD that pays the difference between 30% of the person's income and the HUD 'Fair Market Value' (FMV)
- If the landlord charges more than FMV, a person can pay up to 40% of their income
- Section 8 is a poverty program and not a disability program. Eligibility is based on the income of all those who live in the household.



# Other Government Programs Continued

## Section 8 continued

- Income of a caregiver is exempt
- Under an accommodation to a disability, a disabled individual is allowed to rent a home/apartment from a family member. Generally a Section 8 recipient is not allowed to rent from an immediate family member.

# Definition of Disability

"Inability to engage in any substantial gainful activity (\$1,160 for non blind and \$2,110 for blind individuals n 2020) by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months (SSA S223(d)(1); 20 CFR S404.1505)

# Resources

- Supplemental Security Income: [www.ssa.gov/ssi](http://www.ssa.gov/ssi)
- Social Security Disability Income: <http://www.ssa.gov/benefits/disability>
- Section 8:  
[http://www.hud.gov/topics/housing choice voucher program section 8](http://www.hud.gov/topics/housing_choice_voucher_program_section_8)
- SNAP: [www.usda.gov](http://www.usda.gov)
- ABLE National Resource Center: [www.ablerc.org](http://www.ablerc.org)

# Thank you.

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