



Government
Benefits Breakdown

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Navigating government benefits available to an individual with special needs can be difficult. The wide array of requirements and qualifications can be overwhelming. However, the benefits provided can serve as an invaluable piece of a plan for an individual with special needs. One of the most important of these government benefits are those administered by the Social Security Administration (SSA).

Regardless of age, if a person has a medical disability that prevents him/her from working, he/she may be able to claim either Social Security Disability Insurance (SSDI) – available only to disabled people who have already worked for a certain number of years; or Supplemental Security Income (SSI) – available to disabled or elderly people whose incomes and assets are very low. These income assistance programs are two of the largest, and it is possible to receive support from both at the same time, if eligible.

Social Security Disability Insurance (SSDI)

To be eligible for SSDI, a recipient must be disabled and have contributed previously to Social Security over a sufficient work history period. After collecting SSDI benefits for 24 months, the recipient may become eligible for Medicare, regardless of age.

In certain circumstances, a disabled individual can collect SSDI if their parent is receiving SS retirement benefits or SSDI. SSDI has no additional or ongoing income or resource tests to determine eligibility amounts in general.

Supplemental Security Income (SSI)

SSI is a cooperative program between the SSA and the recipient's state government. SSI provides income benefits to an individual with qualifying special needs or disabilities if they fall below a certain income level. For SSI eligibility, the recipient must have a low monthly income and resources (assets) with a value less than \$2,000 or \$3,000 for a couple. Certain resources may be excluded, such as a car or home, but cash, bank accounts, stocks, and U.S. Savings bonds are counted for eligibility determination.

If the application is approved, SSI benefits may be reduced by cash payments (certain deductions exist for earned income) and in-kind support and maintenance received by the recipient. States may supplement the prescribed federal SSI benefit amount with an additional payment called the State Supplementary Payment.

Once a recipient is approved for SSI, he/she automatically becomes eligible for Medicaid in most states.

Earned income

Income earned by an SSI recipient reduces his/her SSI payment; however, as discussed above, a deduction is permitted when computing the payment reduction for an amount of the earned income. An income deduction of \$65 of earned income is permitted, along with another \$20 for either earned or unearned income, and one-half (½) of the remaining earned income. Income remaining after these deductions directly reduce the SSI payment.

Direct distributions and in-kind support and maintenance

Cash or gift cards (from an individual or trust) provided directly to an SSI recipient (for any purpose) are considered unearned income, and every dollar of unearned income received reduces the SSI benefit payment for that month.

Trusts to protect SSI eligibility

The SSA usually counts the assets held in a trust when determining SSI eligibility. For example, all assets held in a revocable living trust created by the applicant would be counted against him/her in an eligibility determination; however, for irrevocable trusts, only the portion of the trust that could be used to make payments to an individual would be counted.

Fortunately, a special needs trust (SNT) may be created for or by an individual to aid or protect a person's eligibility for public benefit programs. An SNT is a specific type of trust drafted to conform and use the exceptions provided under the law to maintain eligibility and negate or mitigate benefit reductions under public benefit programs for a person with special needs.

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