



Solutions
for Special Needs Families

NAVIGATING LIFE AFTER 18

Contact Information:

SolutionsforSpecialNeedsFamilies.com

bbush@Solutionsssf.com

512-217-7468

Written and Presented by Barbara Bush, National Social Security Advisor

WHAT CHANGES HAPPEN AT 18?

- Your child is now considered an Adult
- An adult child must give parents permission to attend the IEP and ARD meetings
- Parent must have permission to talk with insurance companies or doctors.
- Legally, parents cannot decide where they can live, how money is spent or make medical decisions.
- What if the adult child cannot manage these tasks? How can you continue to support and care for the adult child?



**WHAT
OPTIONS
ARE
AVAILABLE**

Guardianship of
the person and
estate

Guardianship of
the person

Guardianship of
the estate

Limited
Guardianship

Medical Power of
Attorney and
Financial Power of
Attorney

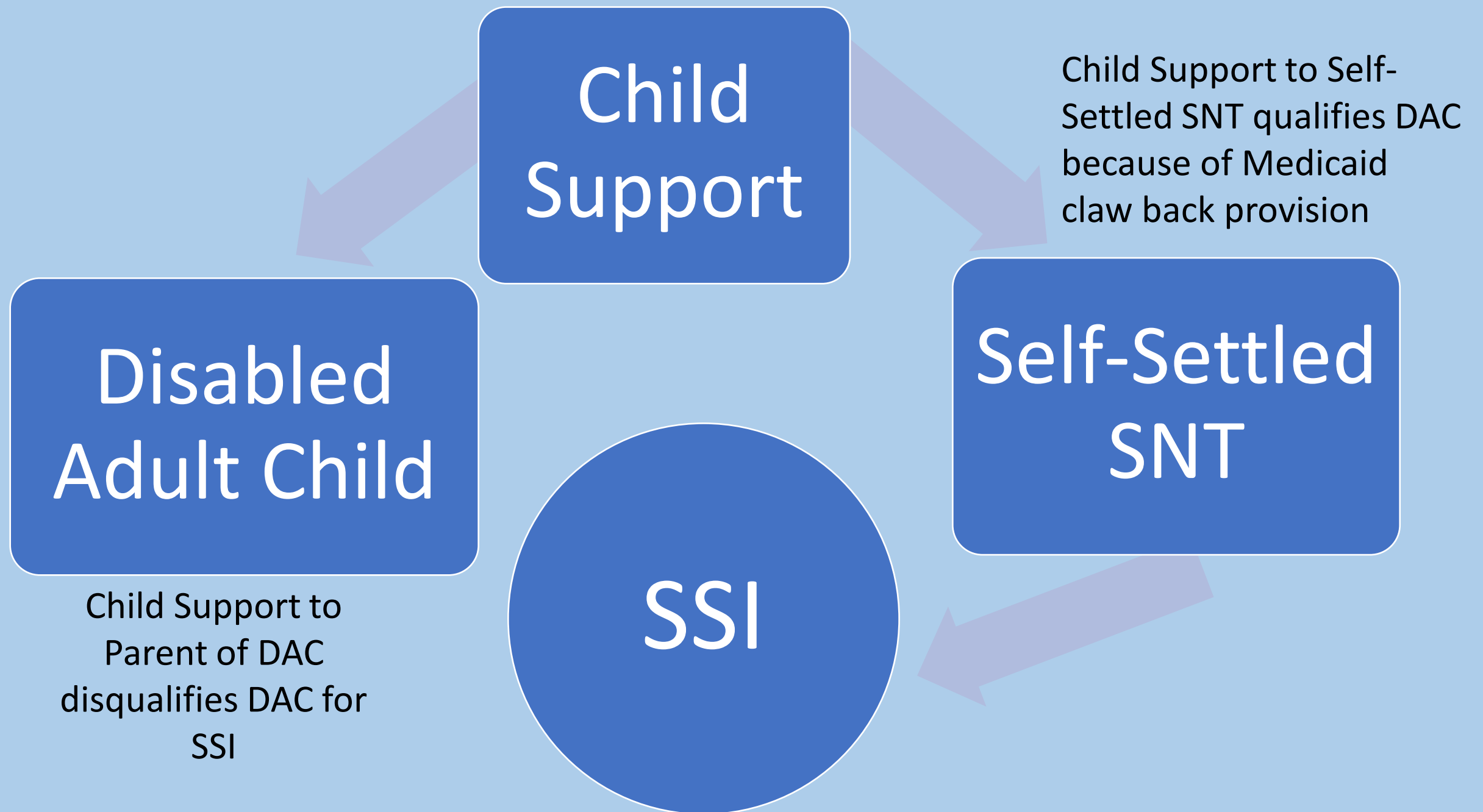
Supported
Decision Making
Agreement

GOVERNMENT BENEFITS CHANGE AFTER AGE 18

When an 18-year-old applies for SSI & Medicaid only their income is counted

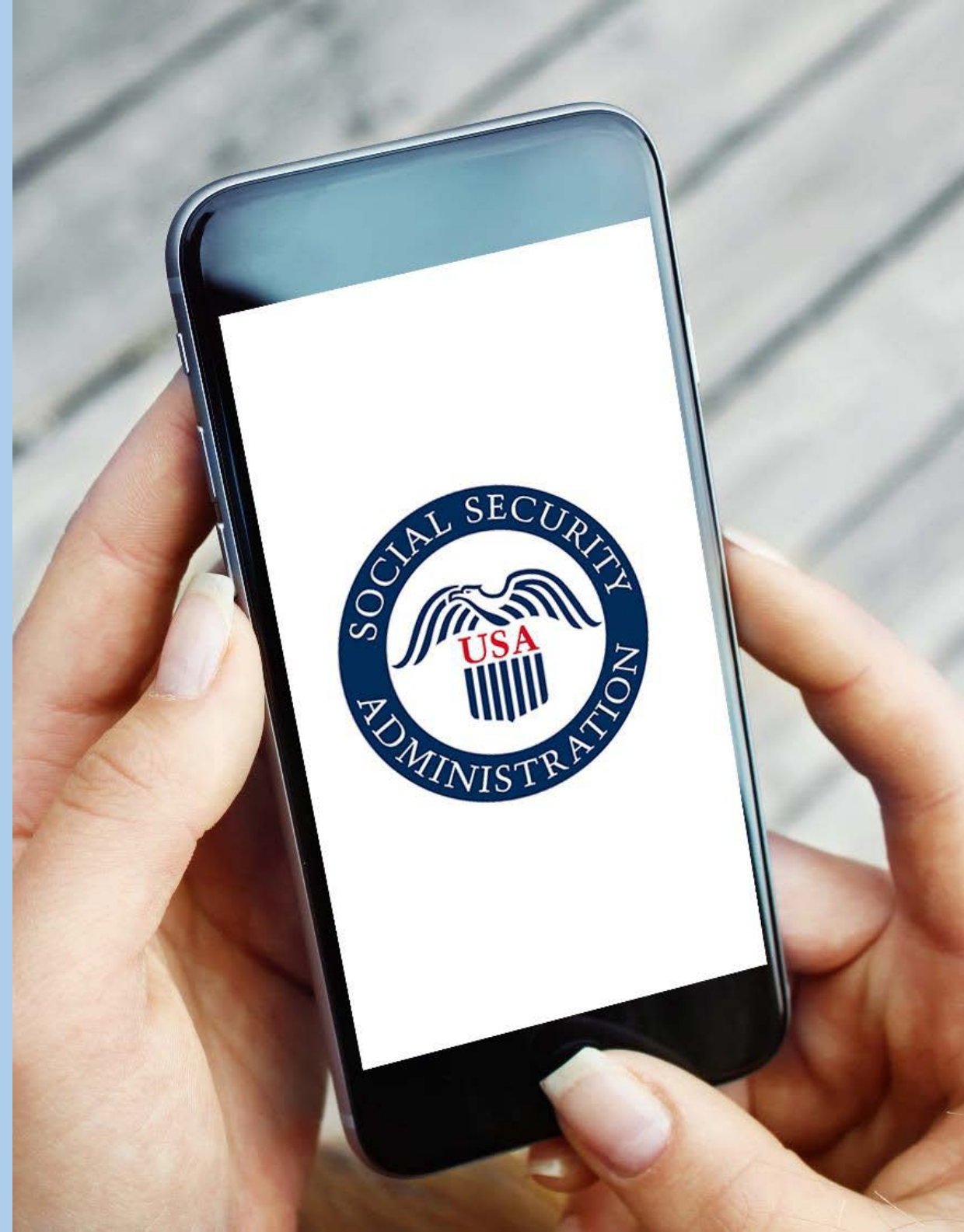
If the **child** had SSI, you must reapply again at age 18 as an **adult**

AFFECT OF CHILD SUPPORT ON DISABLED ADULT CHILD



Supplemental Security Income (SSI)

- Provides money for food and shelter (\$914/mo in 2023).
- Requirements:
 - Blind, disabled, or age 65 or over.
 - Unearned income \geq \$934, earned income of \geq \$1,000, limited resources.
- Qualification for SSI is an automatic qualification for Medicaid in most states.

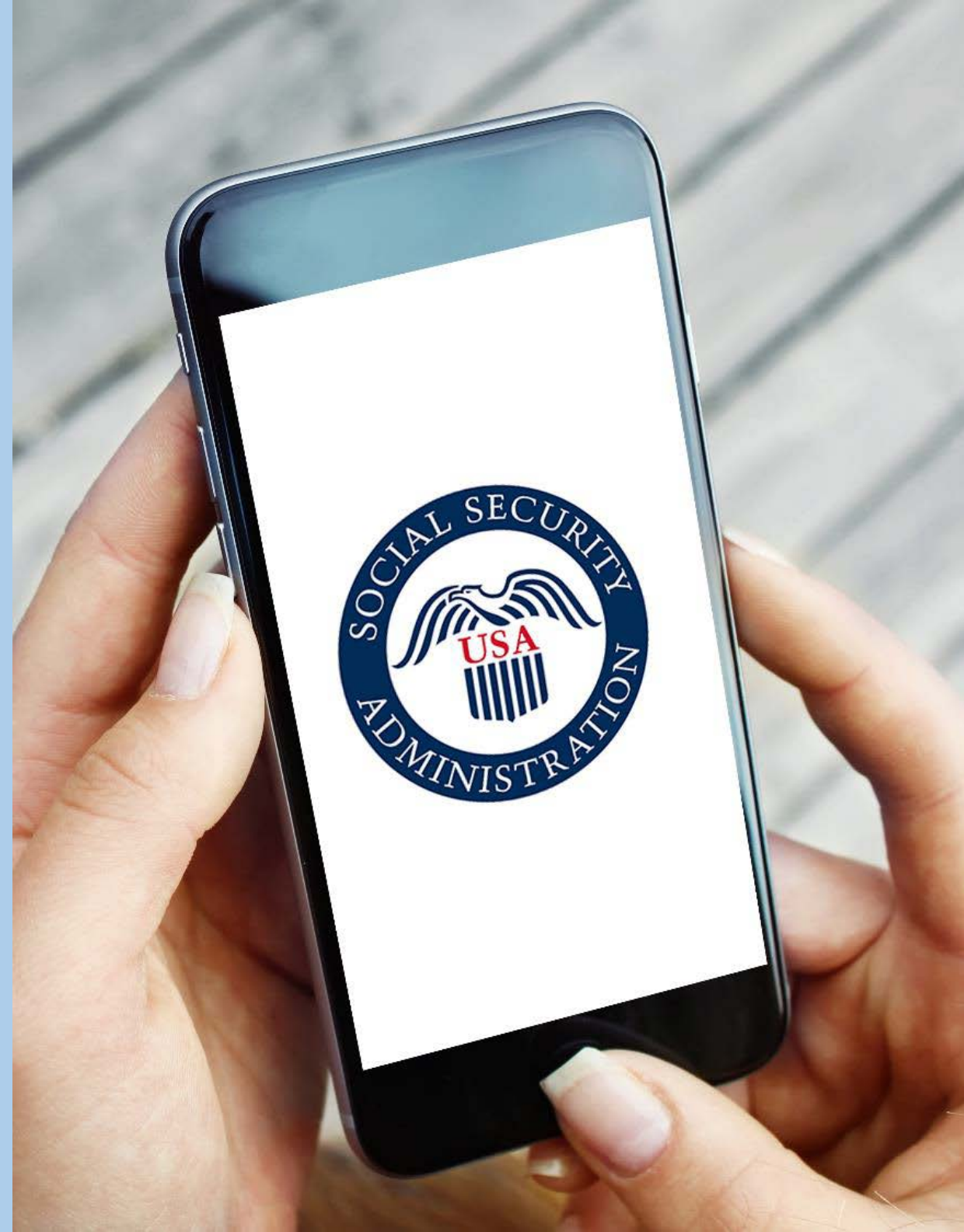


MEDICAID INSURANCE

- When an individual qualifies for SSI, they automatically receive Medicaid
- To remain eligible for Medicaid, the individual must not exceed the resource limit of \$2,000
- Must receive at least \$1 from SSI

Supplemental Security Income (SSI)

- Income
 - Food and shelter, cash, and assets that can be converted to food and shelter.
 - Parents' income deemed income of child under age 18.
 - Earned and unearned income reduces SSI.



SSI PUTS INCOME INTO ONE OF TWO CATEGORIES

Unearned Income

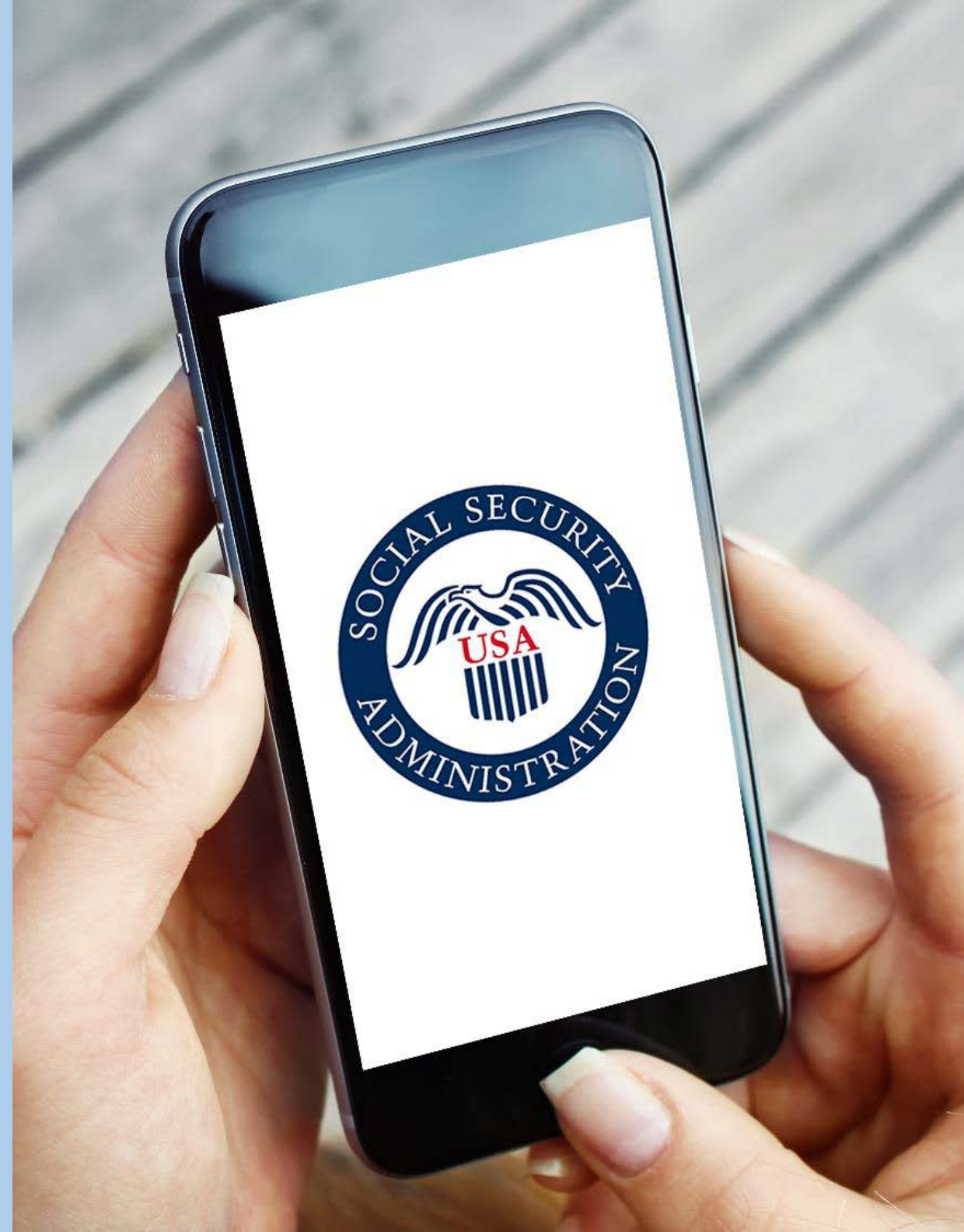
- Title II benefits
- VA Benefits
- Assets or Gifts
- Child Support age 18+

Earned Income

- Food & Shelter in lieu of wages
- Wages

Retirement, Survivor, Disability Insurance (RSDI)

- Benefits:
 - Benefit is equal to 50% of the parent's benefit (if living) or 75% if parent is deceased.
 - After receiving benefits for 2 years, the individual qualifies to receive Medicare.
 - Dual-eligible for Medicare and Medicaid.



SSI REDUCTION FOR EARNED INCOME



	EARNED INCOME
\$585.00	Gross Earned Income
(\$65.00)	Earned Income Exclusion - SSA does not count the first \$65 of Earned Income plus the General Income Exclusion if not used of \$20
\$520.00	Divide total by 2
\$260.00	Countable Earned Income

SSI REDUCTION FOR UNEARNED INCOME

	UNEARNED INCOME
\$220.00	Unearned Income
(\$20.00)	General Income Exclusion
\$200.00	Countable Unearned Income



SSI REDUCTION FOR IN-KIND SUPPORT

\$914.00	Maximum SSI Benefit
(\$305.00)	Deduction for In-Kind Support
\$609.00	Adjust SSI Benefit

- **In-Kind Support**

When the SSI recipient is not paying for room and board, the SSA considers this income to the person.

HOW SSA CALCULATES THE SSI BENEFIT

\$220.00	UNEARNED INCOME
\$585.00	EARNED INCOME – WORK INCOME
(\$ 65.00) (\$ 20.00)	EARNED INCOME EXCLUSION GENERAL INCOME EXCLUSION
\$520.00	EARNED INCOME AMOUNT
2	DIVIDE BY 2
\$260.00	COUNTABLE EARNED INCOME
\$200.00	COUNTABLE UNEARNED INCOME
\$914.00	MAXIMUM FEDERAL BENEFIT RATE (2023)
(\$305.00)	LESS IN-KIND SUPPORT AND MAINTENANCE
(\$460.00)	ADJUSTED TOTAL COUNTABLE INCOME
\$149.00	ADJUSTED SSI PAYMENT

HOW TO DETERMINE WHAT IS IN-KIND-SUPPORT

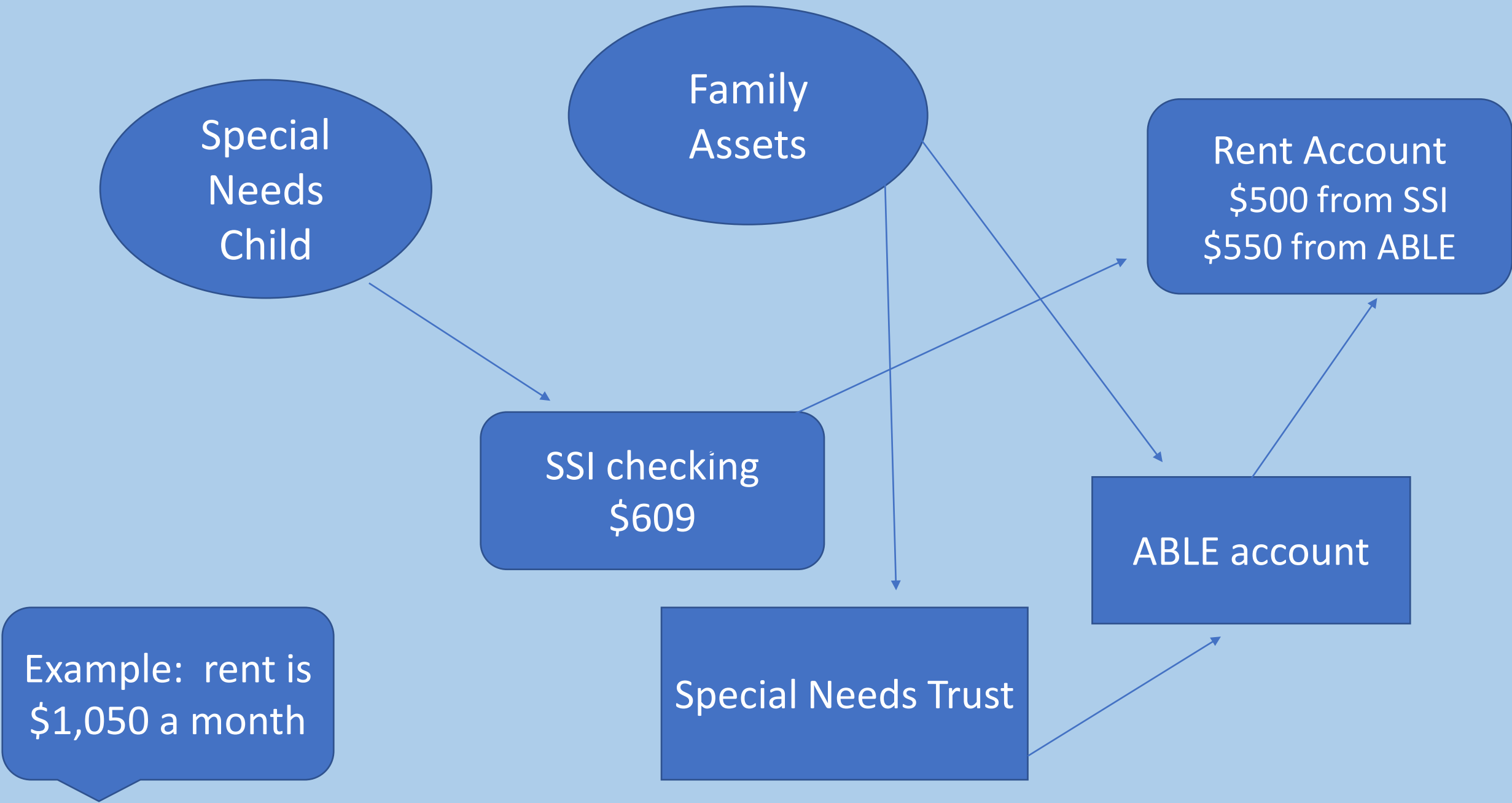
This example assumes the person is living at home with Mom and Dad and a sibling. The mortgage, insurance and taxes is \$3,000. The average monthly bills are \$300 for electricity, water and sewer, and \$800 for food. The total monthly expenses are \$4,200. Because there are 4 people in the household, the individual's fair-share of the expenses is \$1,050 per month.



HOW AN ABLE ACCOUNT OVER COMES IN- KIND SUPPORT

1. After the SSI payment is received, the representative payee sends a check for \$500 to the individual's parents for room and board.
2. Trustee of the Special Needs Trust or the individual's parents contributes \$550 on the first of each month to the ABLE account.
3. The ABLE administrator withdraws \$550 from the ABLE account as a Qualified Disability Expenditure for housing and sends a check or electronic funds transfer to Mom and Dad for monthly rent.

HOW CAN AN ABLE ACCOUNT WORK



HOW WILL SOCIAL SECURITY KNOW ABOUT THE CHANGE

- After payments have occurred for at least 2 months, the representative payee will mail bank statements from the ABLE account, the SSI checking account, the Rent agreement and SSA Form 8006 to the local SSA office. The current In-Kind Support and Maintenance charge should be dismissed and 2 months later the SSI account, recipient should receive the full payment of SSI (\$914).
 - Be sure the follow is done:
 1. There **must** be two separate accounts (ABLE account and the SSI payment account)
 2. **The SSI payment can be deposited in the ABLE account – explain**
 3. **Also, the SSI payment should not be deposited into a Special Needs Trust**
 4. **Get all documents date stamped and KEEP ALL COPIES!**
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WHO RECEIVES TITLE II BENEFITS

Title II is based on a work history and taxes paid to Social Security

A person draws from:

- Their own work record,
- Their parents' records, or
- Or a deceased parent or spouse's work record

Individuals who receive SSI, and work have different rules

QUALIFYING FOR INDIVIDUAL RETIREMENT BENEFITS

- **40 credits are needed for retirement benefits**
 - ❖ **Averages out to 10 Years of part time work**
 - ❖ **1 credit = \$1,640 FICA earnings**
 - ❖ **Maximum of 4 credits earned annually**

Unless you are disabled – then

- **6 credits are all that is needed to start receiving SSDI benefits on your own work record**

BENEFITS WHEN PARENTS RETIRE OR PASS AWAY

- When a parent applies to receive their own social security benefits, their disabled adult child (DAC) is entitled to receive 50% of the parent's benefit.
- 24 months after receiving Title II benefits, the DAC will be eligible for Medicare
- When a parent passes away the disabled adult child is entitled to **75% of the deceased parents social security.**



WHAT HAPPENS WHEN A PARENT RECEIVES SSDI



- If a parent is receiving SSDI, then their child with a disability is entitled to receive $\frac{1}{2}$ of the parents' benefit. **The child must be diagnosed with a disability prior to age 22** and may continue through the child's lifetime.
- Depending on the amount the child is receiving from RSDI, the child may also qualify for SSI and Medicaid.
- A child receiving RSDI is not eligible for Medicare until they reach age 18.

MEDICAID PROTECTION

- Medicaid may send a letter that the disabled adult child's unearned income is too high because of Retirement, Survivors and Disability Insurance (RSDI) and no longer qualifies for SSI and will lose their Medicaid. Social Security has a provision which protects the individual from losing Medicaid. Send the provision on the following slide when submitting the H1200EZ form to Medicaid.
- In non-legalize language - if the beneficiary was eligible for SSI/Medicaid prior to receiving a portion of their parent's social security benefit, then Medicaid cannot be taken away from them.

DISABLED ADULT CHILD

Disabled Adult Children (Childhood Disability Beneficiaries)

Section 1634(c) of the Act requires States to consider title II childhood disability beneficiaries (also known as disabled adult children, **DACs**, or childhood disability beneficiaries, **CDBs**) who lose SSI eligibility as if they were still SSI recipients for Medicaid purposes so long as they would have remained otherwise eligible for SSI benefits but for their entitlement to (or increase in) title II benefits on or after July 1, 1987.

SI 01715.015 Special Groups of Former SSI Recipients



Are you wondering how to manage work, family life, schools, doctors and now learn the Social Security Rules? A professional benefits advisor can help ease your burden.

HAVE QUESTIONS? WANT MORE INFORMATION?

Thank you for attending the presentation. There was not enough time to cover all aspects of obtain and keeping benefits. If you have more questions, feel free to contact me:

Barbara Bush
Solutions for Special Needs Families
bbush@solutionsnf.com
www.SolutionsforSpecialNeedsFamilies.com
512-217-7468