

MY CHILD HAS MONEY: NOW
WHAT? GIFTS, INHERITANCES,
WAGES, WORKING ON SSI AND
MEDICAID



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OPTIONS FOR OBTAINING MEDICAID ELIGIBILITY

- SUPPLEMENTAL SECURITY INCOME (“SSI”)
- ABD MEDICAID (Aged, Blind, Disabled)
- WORKABILITY
- DISABLED ADULT CHILD (“DAC”)



SUPPLEMENTAL SECURITY INCOME

- Eligibility Criteria For SSI

- Individual With A Disability

- Unable to Engage in Substantial Gainful Activity (“SGA”)
 - SGA = \$1,260/MONTH

- Income Limit = Approximately \$800 / month

- Asset Limit = \$2,000

- Individual over the age of 18, income and asset limits are based on the individual only

- Individuals under the age of 18, income and assets limits include parents



SSI AND MEDICAID

- In New Jersey, an individual who qualifies for SSI benefits also qualifies for Medicaid
- There is no additional application or paperwork to complete



ABD MEDICAID

- Individual with a disability
- Income limit – approximately \$1,064/month
- Asset limit = \$4,000
- Apply to the County Board of Social Services



WORKABILITY

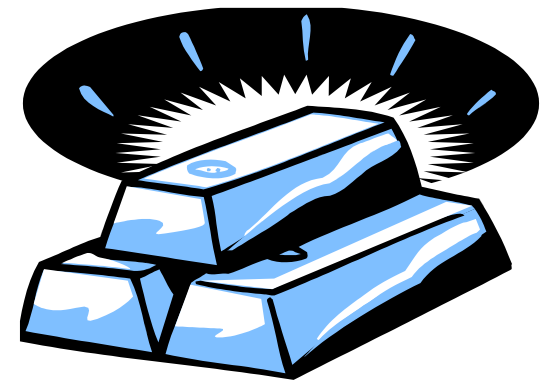
- Individual with a disability between the ages of 16 and 64
- Working full or part time
- Earning no more than \$60,000 per year approximately
- Unearned income of no more than approximately \$1,064 per month
- Practical considerations, shortcomings and pitfalls



WORKABILITY

(continued)

- **Less than \$20,000 in liquid assets**
- **Liquid assets do **not** include:**
 - Social Security Disability Benefits on the individual's work history
 - The individual's Railroad Retirement System Benefits
 - Qualified Retirement Accounts
 - Value of a home
 - Value of a car



DISABLED ADULT CHILD (“DAC”) CRITERIA

- An individual can receive benefits based on parent’s work history
- When a parent collects a disability benefit or a retirement benefit from SSA
- To be a DAC, the individual must be at least 18 years old
- Disability manifest before age 22
- Individual received SSI
- Lost SSI due to receipt of an SSA benefit on a parent’s work history



SOCIAL SECURITY BENEFITS AND MEDICARE

- SSA benefits typically provide a higher monthly benefit to the individual than SSI benefits
- Once an individual receives SSA benefits for a period of 24 month the individual will receive Medicare
- Often once an individual begins receiving SSA
 - The individual may lose SSI benefits
 - And Medicaid benefits
 - Unless the individual qualifies as a Disabled Adult Child (“DAC”) for Medicaid



SOCIAL SECURITY DISABILITY INSURANCE (“SSDI”)

- SSDI is a benefit paid to a disabled individual who has worked and paid into the Social Security System
- The amount of the benefit is based on the individual’s work history
- Individuals who receive SSDI benefits are eligible for Medicare
- An individual can receive SSI and SSDI at the same time



CAN AN INDIVIDUAL WORK WHILE RECEIVING SSI?

- Yes...
 - but earned income will effect the amount of an individual's SSI benefit
 - Unearned income will also effect the amount of an individual's SSI benefit
 - Does that mean the individual should not work?
 - No ... it means you need to know the rules



HOW DOES SSDI EFFECT SSI?

- **Any Unearned Income reduces an individuals SSI benefit**
 - Examples of Unearned Income are SSDI benefits, SSA benefits and child support
 - The first \$20 of unearned income is excluded and has no effect on SSI benefits
 - Every dollar of unearned income over \$20 reduces the SSI benefit by a dollar



CASE STUDY #1

- Mary receives \$700 from SSI
- The Social Security Administration notified Mary that she will begin receiving \$520/month in SSDI benefits
- What will happen to Mary's SSI benefit

- \$520 less the \$20 unearned income exclusion = \$500
- Mary's SSI benefit of \$700 will be reduced by \$500
- Mary will receive \$520/month in SSDI benefits and \$200/month from SSI



WORKING AND SSI BENEFITS

- Individuals receiving SSI benefits can work
- The SSI benefit will be reduced based on the individuals earned income
- \$65/month of earned income is excluded
- \$20/month of income whether earned or unearned is excluded
- Every remaining dollar of earned income reduces the SSI benefit by approximately .50



CASE STUDY #2

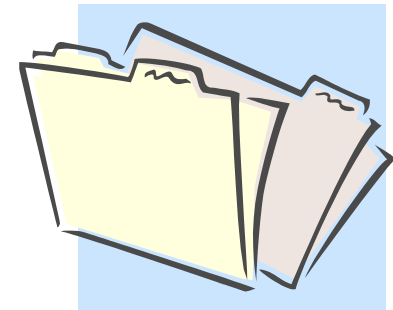


- John receives \$600/month in SSI benefits. John is currently working and earns \$285/month
- The first \$20 + \$65 of John's income is excluded
- The remaining \$200 is divided in half and deducted from his SSI benefit
- John will receive \$500/month from SSI

- If John only receives SSI – he has \$600/month
- If John works and receives SSI – he will have \$785/month (\$285 income + \$500 in SSI benefits)

CASE STUDY #3

- Jane receives \$600/month in SSI benefits. She receives \$120/month in SSDI benefits and \$165/month in income from her job.
- \$20 of the \$120 SSDI benefit will be excluded. Jane's SSI benefit will be reduced by \$100.
- \$65 of her \$165 monthly income will be excluded. Jane's SSI benefit will be reduced by \$50
- $\$600 - \$100 - \$50 = \450 Jane will receive \$450/month in SSI benefits
- Jane will receive:
 - \$120/month in SSDI
 - \$165/month in income
 - \$450/month in SSI benefits



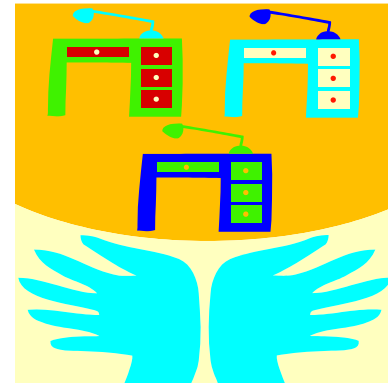
WHAT HAPPENS IF AN INDIVIDUAL ENGAGES IN SGA?

- An individual who engages in SGA is no longer considered disabled by the Social Security Administration's definition
- SGA is not determined by income amount alone
 - There are other considerations:
 - Impairment Related Work Expenses
 - Subsidy and/or Special considerations



IMPAIRMENT RELATED WORKING EXPENSES

- The cost of impairment related work expenses paid for by the individual are deducted from his/her earning before deciding whether the individual has engaged in SGA
- Examples of IRWE
 - Job coaching
 - Assistive technology devices
 - Medications
 - Special transportation services



WHAT IF THE INDIVIDUAL HAS RESOURCES?

- Funds in bank accounts
- Savings bonds
- Inheritances
- Funds from settlements



CREATE A SPECIAL NEEDS TRUST

- **Two Types**

- **Self-settled**

- **Third Party**



- **How do you create a special needs trust?**

ABLE ACCOUNTS

Achieving a Better life Experience Account

- Funds can be used for disability related expenses and housing
- Funds under \$100,000 will not effect eligibility for SSI
- Funds under \$300,000 will not effect eligibility for Medicaid
- Can only deposit 15,000 per year
- Pay back provision



Questions?

Thank you!

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