

The following information was extracted from Social Security Administration fact sheets to help SBP counselors understand Supplemental Security Income and its relationship with the SBP. Additional information on SSI can be obtained by calling the Social Security Administration at 1-800-772-1213.

What Is SSI?

SSI is short for Supplemental Security Income. It is a program administered by the Federal government which pays monthly benefits to people who are 65 or older or those who have a disability, AND who have limited income and resources. SSI provides cash to meet basic needs of food, clothing, and shelter, and isn't just for adults. It can provide benefits to disabled children, too.

Who decides if a child is “disabled” for SSI purposes?

While a local SSA office decides if the child's income and resources are within the SSI limit, all documents and evidence pertaining to the disability are sent to a state office, usually called a Disability Determination Service, or DDS. There, a team, consisting of a disability evaluation specialist and a medical or psychological consultant, reviews the child's case to decide if he/she meets the definition of “disabled”.

What definition of “disabled” is used for children under 18?

The law states that a child will be considered disabled if he/she has a physical or mental condition (or a combination of conditions) that results in “marked and severe functional limitations.” The DDS looks at how the child's disability affects their everyday life by comparing his/her functioning to that of children the same age who don't have impairments. A finding of disability will not be based solely on the fact that the child is enrolled in special education classes. DDS may also obtain evidence from a variety of sources (e.g., doctors and other health professionals who treat the child, teachers, counselors, therapists, social workers, etc.). The condition must last or be expected to last at least 12 months or be expected to result in the child's death. And, the child must not be working at a job that the SSA considers to be substantial work. SSA has more information on what they consider “substantial” work.

Disability re-determination at age 18:

Under the law, children who are eligible for SSI benefits must have their eligibility re-determined in the months before they turn age 18. SSA uses the rules for adults filing new claims when making this redetermination.

How SSA decides if an “adult child” is disabled:

SSA will evaluate the disability of an adult child (age 18 or older) who is undergoing a redetermination, by using adult disability criteria. To qualify for disability, an adult must have a physical or mental impairment (or a combination of impairments) that is expected to keep him or her from doing any “substantial” work for at least a year or is expected to result in death. SSA has more for information on what they consider “substantial” work.

How much SSI can a disabled child receive?

The amount of a person's countable income and resources are used to determine both eligibility for, and the amount of, his/her SSI benefit; however, the amount of the SSI benefit payable also depends on where he/she lives. The basic SSI amount is the same nationwide, but many states add money to the basic benefit. SSA has more information on the amount for a specific state). Generally, the more income and resources one has, the lower the SSI benefit. A person with too much income and resources is not eligible for SSI benefits.

Whose income and resources are counted when determining SSI eligibility for a child?

When a child is younger than 18, the income and resources of the parents are considered when deciding if the child qualifies for SSI. This applies to children who live at home, or who are away at school but return home occasionally and are subject to parental control. When a child turns age 18, SSA no longer considers the parent's income and resources when deciding if the child gets SSI. A child who was not eligible for SSI before his/her 18th birthday because the parent's income or resources were too high, may become eligible at 18; however, if a disabled child getting SSI turns 18 and continues to live with his/her parents, but does not pay for food or shelter, a lower SSI payment rate may apply.

What is considered "income" when determining "limited income"?

For SSI purposes, "income" includes wages from a job. It also includes income that is "unearned" such as Social Security benefits, workers' and unemployment compensations, welfare payments based on need involving Federal funds, VA pension and compensation payments, railroad retirement benefits, and private pensions and annuities (**including SBP**). Also *typically* counted as unearned income are some life insurance proceeds, death benefits, gifts and inheritances, dividends and interest.

Notes:

- (1) Not all wages nor unearned income are countable income for SSI purposes.
- (2) SSA has more information on countable income.
- (3) The income limit may vary by state because it may be supplemented by individual states.
- (4) **If a child is eligible for a government benefit such as SBP, it must be applied for in order to retain eligibility for SSI payments. That is to say, the child may not elect NOT to receive the SBP annuity in order to hide or prevent the payable SBP annuity amount from affecting the income limit so as to qualify for SSI.**

What is considered a "resource" when determining "limited resources"?

For SSI purposes, a "resource" is cash or other liquid assets and any other real or personal property that an individual owns and could convert to cash to obtain support and maintenance. Among *typical* liquid resources are: savings and checking accounts; stocks; bonds; mutual funds; promissory notes; and certain types of life insurance (with a cash surrender value, which the individual owns). *Typical* non-liquid resources are those which cannot be converted to cash within 20 working days, to include both real and personal property. Equity value is the price for which an item can reasonably be

expected to sell on the open market in the particular geographic area minus any encumbrances.

Notes:

- (1) Not all resources are countable for SSI purposes.
- (2) SSA has more information on countable resources.
- (3) This limit may vary by state because it may be supplemented by individual states.

Residents of public institutions:

There are specific rules regarding receipt of SSI for those who are residents of public institutions. State health agencies (social services offices) have information on specific guidelines.

Medicaid:

Medicaid is a health care program administered by the state for people with low incomes and limited resources. Medicaid helps pay doctor and hospital bills. In most states, children who get SSI benefits qualify for Medicaid. In many states, Medicaid comes automatically with SSI eligibility. In other states, they must sign up for it. And some children can get Medicaid coverage even if they don't qualify for SSI. Check with your local Social Security office or state or county social services office for more information.

SBP annuity paid directly to a trust:

The FY15 National Defense Authorization Act authorized military members and retirees to direct payment of a disabled dependent child Survivor Benefit Plan (SBP) annuity directly to a Special Needs Trust, or SNT.

What is a Special Needs Trust, or SNT? A SNT is a legal instrument specifically designed solely for the benefit of a person with a disability by providing a set of instructions for managing money set aside to help a disabled person. Once a SNT is established, it is irrevocable. Parents of a disabled child will need to contact an attorney to inquire on the establishment of and rules regarding a SNT for their child.

Should a member with a disabled child elect SBP for the child?

The SBP counselor should advise parents of a disabled child that, in addition to becoming well-informed on SBP's basics (costs and benefits), they would be wise to contact the state in which they plan to reside to inquire whether receipt of an SBP annuity by the child could negatively impact SSI or related government benefits. In cases where the benefits would be impacted, the parents should seek the advice of an attorney to determine if a SNT is an option in that state. With all of this in consideration, they should make their SBP decision accordingly. Note: The parents may add the SNT option to child coverage at any time.