

# Brief Overview of the Social Security System

# The Social Security Administration

- Administers two cash programs for persons with disabilities.
- Also handles enormous Retirement Income System.

# Cash Benefits Programs for People With Disabilities

- Social Security Disability Insurance
- Supplemental Security Income
- Same definition of disability used to qualify for both programs.
- SSA determines what, if any, program a person qualifies for and how much the cash benefit will be.

# Social Security Disability Insurance

- Insurance system.
- Individual must have relevant work history or be related to somebody (child, spouse, former spouse, parent) who is disabled, retired or deceased with work history.
- Benefit amount will vary depending on when relevant work income earned and the amount earned.

## More on the SSDI Benefit.....

- Assets and amount of unearned income are irrelevant.
- Can vary in amount enormously.
- For SSDI on own account, first check begins on 6<sup>th</sup> month of disability and SSA can award benefits retroactively for up to 12 months prior to application.
- Work counts in month earned.

## Types of Social Security Benefits (Title II) for People with Disabilities

- SSDI on own account
- Disabled Adult Child/Childhood Disability Beneficiary (collecting on parent's account)
- Disabled Widow / Widower Benefit

# SSDI on Own Account

- Individual worked and paid into the system.
- Individual earned sufficient amount in a sufficient amount of quarters at the relevant time.
- Criteria differ depending on age.
- Minor children or spouse can receive a dependent benefit.

# Disabled Adult Child/Childhood Disability Beneficiary

- 18 or older
- Disabled by SSA's definition before the age of 22
- Child of insured workers who are either disabled, retired or deceased
- If adult child marries, benefits will cease unless marriage is to another SSA beneficiary.



# Disabled Widow / Widower

- Must be widow / widower or surviving divorced spouse
- Must be found disabled before a prescribed period of time
- Payments are not payable prior to age 50

# SSDI Beneficiary: Medicare

- SSDI beneficiaries are eligible for Medicare after 24 month waiting period.
- Waiting period begins with first month in which person is eligible for check.
- Many have already passed waiting period when they receive first check because case was pending for so long.

# SSDI Beneficiary: Medicare

- Medicare A is Hospital, is usually free, and has cost sharing.
- Medicare B is Doctor has a premium and co-payments.
- Medicare C are private plans that take the place of A,B and maybe D.
- Medicare D is prescription drug coverage and has a premium and co-payments.
- All parts have programs that can help with cost sharing if you are low-income and low asset.

# Social Security Disability Insurance and Medicaid

- Medicaid rules and eligibility vary by state and is run in Arizona by Arizona Health Care Cost Containment System (AHCCCS)
- In Arizona, SSDI beneficiaries can also receive Medicaid (and, obviously, your SSDI beneficiaries do).
- SSDI beneficiaries who work can qualify for Medicaid through the Freedom to Work Program and receive **THE SAME MEDICAID BENEFITS.**

# Supplemental Security Income

- Needs based program. Not an insurance program.
- Strict asset and income guidelines.
- Countable income includes both earned and unearned income. Any money coming in could count, even gifts!
- Also considers the income of other relatives in certain cases (deeming).

# Why Two Cash Systems?

- SSDI is only for people who paid into the system or related to somebody who paid.
- What about those with same exact disability who were not able to pay into the system or have the “right” relative who is retired/disabled/deceased?
- SSI system was created later and fills in this gap.

## SSI fills in this gap, but.....

- SSI is very different from SSDI in key aspects.
- SSI is best thought of as a “payer of last resort”.
- It will pay when nobody else will.
- So, everything you receive or have could potential count against the SSI check.

# Supplemental Security Income

- Federal Benefit Rate - standard amount of SSI in 2010 is \$674 for individual and \$1011 for couple.
- May vary if there has been an overpayment or other income is being counted.
- Usually received on the 1<sup>st</sup> of the month.
- Can supplement a low SSDI check
- There is both children's SSI and adult SSI.



# Supplemental Security Income—Resource Rules

- Asset limit is \$2000 for single, \$3000 for couple
- Home in which person resides does not count.
- One Car does not count.
- Long list of other exceptions in the Program Operating Manual System (POMS).

# Supplemental Security Income—Medicaid (AHCCCS)

- In Arizona, an individual is eligible for Medicaid when eligible for SSI, even if it is only \$1 of SSI.
- Within certain federal guidelines, Medicaid programs vary from state to state. All programs cover various medical and prescription drug services.
- As earned income increases, certain incentives allowing individuals to keep Medicaid are in place.

## Now that benefits are coming in....any other hurdles?

- Once an individual qualifies for benefits, it is not a lifetime thing.
- SSA does Medical Continuing Disability Reviews (CDR).
- The standard in this review is “medical improvement.”
- There are regularly scheduled review periods (diary) or events that can trigger a review.