

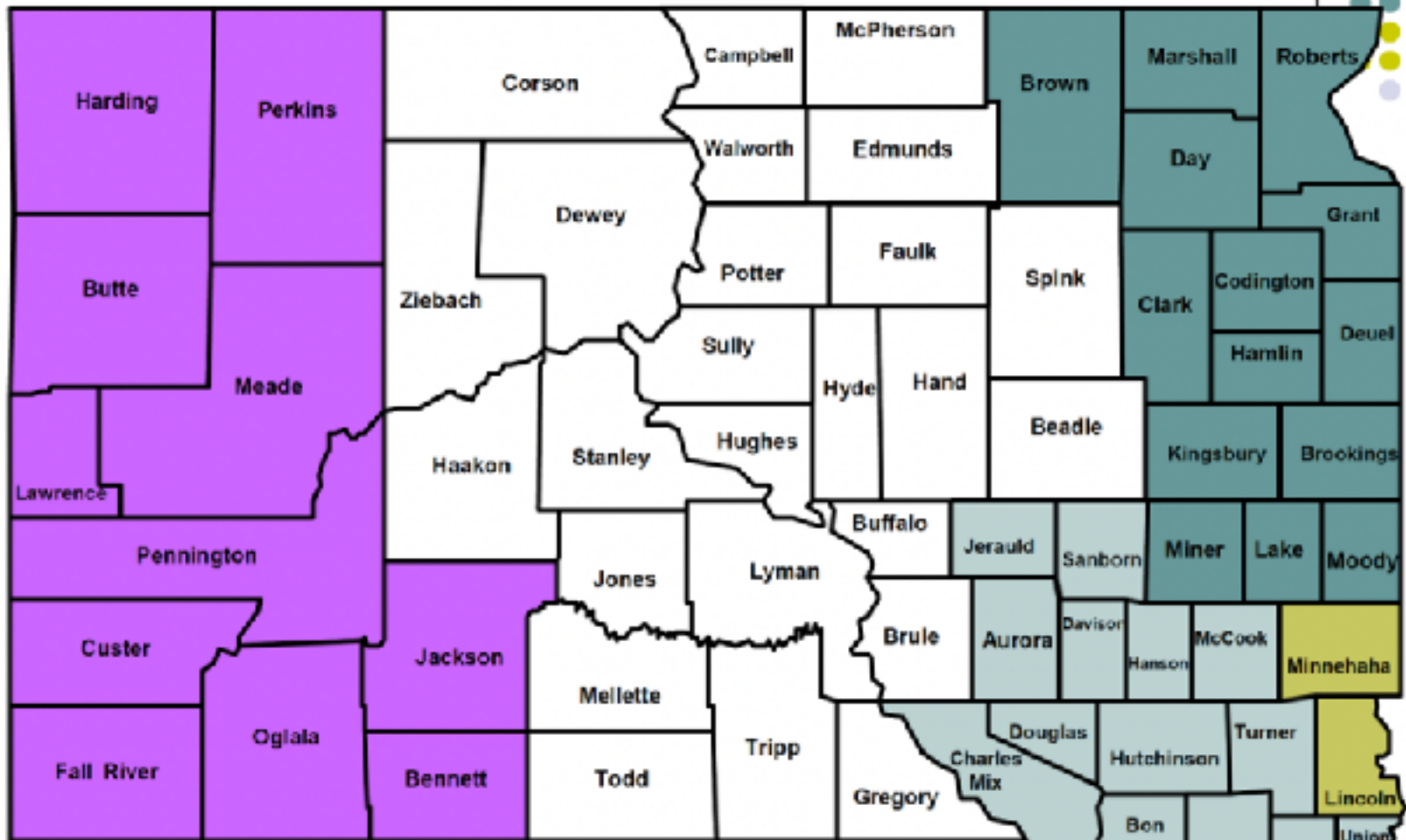
South Dakota Benefits Specialist Network

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SOUTH DAKOTA
BENEFITS SPECIALIST
— NETWORK —

SD Benefits Specialist Network Coverage



- Michelle Hosman and Barry Gravatt
- Tarra Bame
- Brad Konechne
- Bonnie Gusso
- Rhonda Erickson

BENEFIT SPECIALIST

- Assist people to understand their SSI and SSDI benefits
- Assist beneficiaries to understand how work affects benefits
- Assist with benefit issues that arise or were caused by employment income
- Assist beneficiaries to understand Medicare and Medicaid coverage
- Assist people to understand how employment affects other public benefits (housing, SNAP, Medicaid waiver programs)
- Give people basic information about other programs that a beneficiary may be eligible for in South Dakota (MAWD, Medicaid waiver programs, Medicare Savings programs, work incentives with the housing voucher program and ABLE accounts)

THE BASICS

- Social Security benefits are very confusing
- There are a lot of misconceptions
- Beneficiaries receive incorrect information from friends/relatives/or organizations
- Individuals compare themselves to another person's situation
- Benefit Specialist can help individuals understand the basic information that **THEY** need to know



TODAY'S TOPICS

- Different types of benefits that a student may be receiving
- Age 18 redetermination
- How income affects SNAP and housing benefits for families of students
- Student Earned Income Exclusion
- ABLE accounts

Types of Cash Benefits a child could be receiving from SSA

CHILD BENEFIT

- Not based on disability
- Any child under the age of 18 can get this benefit if a parent is drawing SSDI, retirement or has passed away
- Unearned income, assets, money in the bank does not affect this benefit
- The amount that a child gets depends on the parents work record and how many children under age 18 are receiving it.

SSI (SUPPLEMENTAL SECURITY INCOME)

- Based on disability and household income must be low
- Based on need
- Looks at many different things to decide if you “need” it and how much you “need”
 - Money in the bank, assets, if you are paying your share of the household expenses, earnings from a job, gifts, where you live, spouses or parent's income etc.

Child benefit

- The child will get the check if the parent gets a check (if the parent is getting SSDI or retirement)
- If the student has earning under \$18,990 in a year, the check will not change
- This check stops at age 18 (when they graduate or when they turn 19)
- If the child has a disability, they must apply for social security disability benefits in order to continue getting this check

Supplementary Security Income/SSI

- Based on need
- Looks at everything to decide eligibility!
- The most that a child can get is \$841 a month but can get less.



— WE WORK —
— TOGETHER —
— TO MAKE —
— A DIFFERENCE —

Supplementary Security Income/SSI

- Resources affect eligibility
- SSA excludes \$2000 for a single parent, \$3000 for a couple. An additional \$2000 for each child that receives SSI.
- Resources are money in the bank, retirement accounts, most life insurance policies, savings bonds and assets (land, cattle, any item that requires a title etc.)
- SSA excludes one car and one house

Supplementary Security Income/SSI

- Unearned income (child support, child benefit) reduces an SSI check
- Parent's income will/could affect a student's SSI check
- Student's income can affect the youth's SSI check

Supplementary Security Income/ SSI

- **IF THE CHILD STARTS WORKING, BOTH PARENT'S AND THE CHILD'S INCOME WILL AFFECT THE SSI CHECK.**
- **IF CHILD'S SSI CHECK DECREASES TO \$0 BECAUSE OF PARENTS' INCOME, THE CHILD DOES NOT KEEP MEDICAID. CHILD MAY QUALIFY FOR CHIP INSTEAD.**
- **IF CHILD'S INCOME DECREASES SSI CHECK TO \$0, THE CHILD KEEPS MEDICAID!**
- **IF THE CHILD IS A FULL-TIME STUDENT, THEY CAN USE THE STUDENT EARNED INCOME EXCLUSION. CHILDS INCOME WILL NOT REDUCE CHECK.**
- **PARENTS AND STUDENT MUST SUBMIT PAYSTUBS TO SSA EACH MONTH.**



What happens when the student turns 18?

- If the student is getting a child benefit, that check will stop unless they apply for disability benefits.
- If the student is getting SSI, they will need to go through the Age 18 redetermination process.

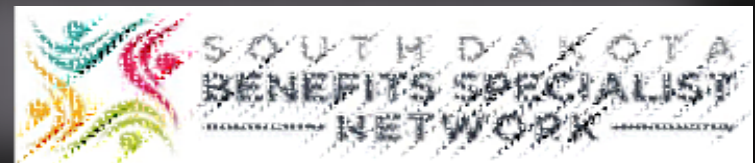


AGE 18 REDETERMINATION

- **Adult medical criteria is much more difficult**
- **Child SSI requires the impairments result in marked functional limitations**
- **Adult SSI requires that the person have a severe impairment**
- **Approximately half of all youth do not meet the Adult criteria and do not continue to receive an SSI payment**

SECTION 301

- IF SSA FINDS THE INDIVIDUAL HAS MEDICALLY RECOVERED DURING A CONTINUING DISABILITY REVIEW (CDR) OR **AGE-18 REDETERMINATION**, ALLOWS AN INDIVIDUAL TO CONTINUE RECEIVING BENEFITS UNTIL THEY REACH THEIR EMPLOYMENT GOAL.
- VOCATIONAL REHABILITATION, TICKET TO WORK, PASS, OR IEP OR OTHER SUPPORT SERVICES
- PROVIDES TEMPORARY BENEFITS – AT THE END OF PROGRAM PARTICIPATION, SECTION 301 PROTECTION STOPS AND BENEFITS ARE TERMINATED
- GOAL OF SECTION 301: INVESTMENT IN BENEFICIARY'S FUTURE – ALLOWS AN INDIVIDUAL TIME TO RECEIVE THE TRAINING AND SERVICES NECESSARY FOR *PERMANENT REMOVAL* FROM SSI OR DI



Benefits after age 18

- **A Child benefit switches to Childhood Disability Benefit and the work rules change**
- **A student could qualify for Social Security Disability Benefits from their own work record**
- **If the child is getting SSI, parent's income and resources no longer affect the check, their income will still affect the SSI check amount. Their resources will still affect eligibility**



A PERSON'S BENEFIT CAN CHANGE, SOMETIMES SEVERAL TIMES IN A PERSON'S LIFETIME.

FOLLOWING RULES FOR A BENEFIT YOU DO NOT GET WILL RESULT IN ISSUES OR OVERPAYMENTS.



“My student’s parent does not want them to work because it will affect SNAP and income-based rent.”



Student income will not affect SNAP and income-based housing

IF A CHILD IS IN SCHOOL AND UNDER AGE 18,
THEIR INCOME IS EXCLUDED WHEN
DETERMINING SNAP AND INCOME-BASED
RENT!



STUDENT EARNED INCOME EXCLUSION

- **WORK INCENTIVE FOR PEOPLE WHO ARE 22 YEARS OR YOUNGER AND REGULARLY ATTENDING SCHOOL**
- **ATTEND 12 HOURS PER WEEK FOR HIGH SCHOOL STUDENTS AND 8 HOURS FOR COLLEGE STUDENTS**
- **YOUTH CAN EXCLUDE UP TO \$2,040 (2022) PER MONTH OR UP TO \$8,230 PER YEAR**
- **SEIE CAN BE APPLIED DURING SUMMER MONTHS IF THE STUDENT IS PLANNING ON ATTENDING AGAIN IN THE FALL**



SOMETIMES STUDENTS AND PARENTS ARE TOLD....."PROJECT SKILLS MONEY DOES NOT AFFECT YOUR SSI"

- **THE EXCLUSION IS TIED TO "STUDENT STATUS"**
- **THE STUDENT MUST REPORT ALL INCOME TO SSA**
- **THE STUDENT MUST ALSO PROVIDE DETAIL ABOUT THE SCHOOL AND CLASSES THAT THEY ARE TAKING**
- **SSA WILL THEN DECIDE IF THE STUDENT QUALIFIES FOR THIS WORK INCENTIVE**



Transitional students

- **Do not always qualify as full-time students**
- **Most transitional curriculum teaches life skills instead of regular high school classes**
- **Even if the student does not qualify for the SEIE and when the SSI check is reduced, the student will still have more money when they work.**



Supplementary Security Income/SSI

Working Part Time

Gross income	\$800
General exclusion	\$20
Income exclusion	\$65
Total	\$715
Divide by 2	\$357.50
SSI base rate	\$841.00
Subtract countable	\$357.50
SSI check	\$483.50

SUPPLEMENTARY SECURITY INCOME/ SSI

Reduced SSI check	\$483.50
Income from job	\$800.00
Total Financial outcome	\$1283.50

Over \$400 extra each month!

“I want to save money but if I do that, it will affect my SSI and Medicaid”



What is an ABLE account?

Achieving a Better Life Experience Act of 2013 or The ABLE Act amends Section 529 of the Internal Revenue Service Code of 1986 to create tax-free savings accounts for individuals with disabilities. The bill aims to ease financial strains faced by individuals with disabilities by making tax-free savings accounts available to cover qualified expenses such as education, housing, and transportation. The bill supplements, but does not supplant (replace), benefits provided through private insurances, the Medicaid program, the Supplemental Security Income program, the beneficiary's employment, and other sources.

What is an ABLE account (cont.)

A "QUALIFIED ABLE PROGRAM" IS A PROGRAM ESTABLISHED AND MAINTAINED BY A STATE AGENCY UNDER WHICH A PERSON MAY MAKE CONTRIBUTIONS TO AN ABLE ACCOUNT ESTABLISHED TO PAY FOR QUALIFIED DISABILITY EXPENSES.

The ABLE Act requires assets in ABLE accounts to be disregarded in determining eligibility for Medicaid, SSI and other means-tested federal programs





BASIC CHARACTERISTICS OF ALL ABLE ACCOUNTS

- The individual must have acquired their disability before the age of 26.
- Individuals can enroll in any state ABLE program (if the program is accepting out of state residents).
- Individuals can deposit \$16,000 into an ABLE account (yearly limit). An additional \$12,880 if the person is working and is not participating in an employment sponsored retirement plan.
- Anyone can contribute to an individual's ABLE account.
- People can have one ABLE account.

BASIC CHARACTERISTICS OF ALL ABLE ACCOUNTS

- The individual (designated beneficiary) is the account owner. A guardian, parent, sibling, relative or rep payee can be an authorized signature authority over the account (as of November 2020).
- Assets in and distributions from the account are disregarded when determining eligibility for means tested benefits (SSI, Medicaid etc.).
- An individual can have up to \$529,000 in an ABLE account (depending on the state). If an SSI beneficiary has more than \$100,000 in an ABLE, the SSI check will be suspended (not terminated) BUT Medicaid will continue!
- ABLÉ account funds can be used for qualified disability related expenses.

WHAT IS A “QUALIFIED DISABILITY RELATED EXPENSE”?

A "qualified disability expense" is any expense related to the designated beneficiary (account holder) as a result of living a life with a disability. These may include education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, financial management and administrative services and other expenses which help improve health, independence, and/or quality of life.

THE LIST OF QUALIFIED DISABILITY RELATED EXPENSES IS BROAD!

Education-tuition, books, tutoring, meal plans

Housing-rent, mortgage, property taxes

Transportation-car payment, bus, taxi or Uber/Lyft fare, train and airplane fares

Employment training and support-Job Coach, continuing education classes

Residential-More attendant care than Medicaid provides

Assistive technology and personal support services-Dragon Dictation, iPhone, a cook, housekeeper

Health, prevention, and wellness-unreimbursed medical expenses, dietary supplements, healthcare products

Financial management and administrative services-tax preparation, financial advisor, legal guardianship

Legal fees-attorneys fees, court filing fees, trust and estate planning

Expenses for oversight and monitoring-guardianship, financial management software

Basic Living Expenses-food, housing, clothing, household supplies

Funeral and burial expenses-expenses for a funeral, casket, burial, religious or civic officer

QUALIFIED DISABILITY RELATED EXPENSE (CONT.)

- If someone is receiving SSI, Social Security will ask the beneficiary for receipts and detail of what the money was used for during yearly reviews.
- DSS will not ask for expenditure details but will ask for verification that the account is a qualified ABLE account.
- IRS will decide if the expenditures are an allowable expense. (there is a 10% penalty and taxation for any NON qualified disability related expense and the amount of the expense may affect eligibility for federally means-tested benefits)

SOME PEOPLE THINK, "ISN'T THIS A WAY FOR PEOPLE TO TAKE ADVANTAGE OF THE "SYSTEM"?"

The purpose of the ABLÉ act is to help the beneficiary “Achieve a better life Experience” during their lifetime.

Medicaid Payback Provision: Any assets remaining in the ABLÉ account when a beneficiary dies, subject to outstanding qualified disability expenses, can be used to reimburse a state for Medicaid payments made on behalf of the beneficiary after the creation of the ABLÉ account (the state would have to file a claim for those funds)

Account Disclosure Document

"I DON'T WANT TO OPEN AN ACCOUNT FOR MY CHILD BECAUSE OF THE MEDICAID PAYBACK PROVISION"

- The purpose of an ABLE account is for the person to use for a better life *during* their lifetime, not as a place for money for others to inherit.
- The ABLE is your child's safely net when you are no longer here. If there is a lot of money in an ABLE account, you want to make sure they use all of it for a better life while they are alive.
- The money in an ABLE account can be used for end-of-life expenses.
- ABLE and Special Needs trusts are the only place where people who receive needs-based SSI and Medicaid can have more than \$2000.

DIFFERENCE BETWEEN AN ABLE ACCOUNT AND A SPECIAL NEEDS TRUST?

A special needs trust:

- designed for beneficiaries with disabilities so the beneficiary can enjoy the use of property that is held in the trust for his or her benefit.
- Must be managed by a family member or trustee
- Must be drafted by a lawyer, cost approximately \$2000
- Restrictions on uses and specifics about what money can be placed in trust
- Large deposits (inheritances, assets)

ABLE accounts

- Inexpensive to set up
- Can be managed by the beneficiary
- More flexibility on use of money/ access to money
- More flexibility on who can contribute/ type of money deposited into the account
- Some ABLE accounts have additional exciting features

WHO IS THE EXPERT ON ABLE ACCOUNTS?



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