

Social Security Disability Benefits: What Teachers Need to Know

VCU Center on Transition Innovations

Introduction

The Social Security Administration (SSA) provides various benefits to certain eligible individuals who experience significant disabilities – including children and adolescents. These benefit programs provide monthly cash payments and in some cases health insurance such as Medicaid and/or Medicare. These programs also include work incentives designed to help beneficiaries become employed and increase earnings over time.

Teachers who work with children and adolescents with disabilities need to have a basic understanding of the Social Security disability benefit programs for several important reasons:

1. It is important for teachers to be aware of how the Social Security benefit programs can play a part in the transition process. Certain aspects of the Social Security disability programs can facilitate successful transition to adult life.
2. Teachers can provide important information to students and families about how to apply for Social Security benefits and explain the basics of program eligibility.
3. Students and families often ask teachers questions about the Social Security disability programs – especially about how paid employment might affect them.

Social Security Benefits Available to Children and Adolescents

One of the most confusing things about the Social Security disability programs is that multiple benefits are available and each has its own set of eligibility requirements, operational rules, and work incentives. To complicate matters even more, some young people receive more than one type of benefit at the same time.

There are basically three different types of benefits provided to children and adolescents by Social Security:

1. Supplemental Security Income (SSI)

SSI is the most common benefit provided to children and adolescents with disabilities. SSI is a federal program that gives monthly payments to people who are age 65 and older, or to people of any age who have a severe disability and who have little income and few resources. When determining eligibility, SSI income and resource limits are very low and strict. To qualify, children must have a significant disability and the parents must have income and resources below annually established limits. Some states provide an additional cash supplement for SSI recipients in addition to the federal cash payments and most states provide full Medicaid eligibility to individuals who qualify for SSI (SSA, 2020).

2. Child's Benefits

Child's benefits are the second most common form of Social Security benefits received by children and adolescents and they have nothing to do with the child's disability status. To qualify for child's benefits, a child must have a parent who has a disability or is retired and collecting Social Security benefits, or a parent who died after having worked long enough and paid enough into the Social Security trust fund to establish "insured status". The child must also be unmarried and younger than age 18 or up to 19 years and 2 months but still in high school. Unfortunately, child's benefits do not automatically come with any health insurance coverage such as Medicaid or Medicare.

3. Title II Disability Benefits (SSDI and CDB)

Title II disability benefits are the least common Social Security benefits received by children or adolescents. Social Security Disability Insurance (SSDI) is provided to individuals with severe disabilities who have worked, paid into the Social Security trust fund, and earned enough credits to establish "insured status". There is no minimum age to qualify for this benefit so it is possible for young people to qualify for SSDI, but it is uncommon since most adolescents don't have enough work history to establish insured status.

The Childhood Disability Benefits (CDB) program is a more common way for young people to qualify for a Social Security benefit based on disability. To qualify for CDB, an individual must have a parent who has a disability or is retired and collecting Social Security benefits, or a parent who died after having worked long enough and paid enough into the Social Security trust fund to establish "insured status". The individual must also be unmarried, at least 18 years of age, and meet Social Security's definition of disability prior to the age of 22. The CDB program provides a monthly cash payment and Medicare eligibility after a 24 month qualifying period has been served.

Understanding How Children Become Eligible for Social Security Disability Benefits

It is important to understand that not all children with disabilities, even the most severe disabilities, will be found eligible for a benefit from Social Security. To receive a disability benefit of any kind, a child must first meet Social Security's medical definition of disability and this definition is very stringent. In addition, in the SSI program, children must have countable income and resources below certain limits, which are quite low. Because some parental income and resources count against children under age 18, a great many young persons with severe disabilities fail to qualify for SSI. Once an individual turns 18, the parents' income and resources are no longer counted so it may be possible to qualify for SSI at that time when it was not possible before.

Understanding the Age 18 Redetermination Process in the SSI Program

In the SSI program there is a different definition of disability for children than there is for adults, with the childhood definition being less stringent. Because of this, all SSI recipients who turn 18 are required to have their eligibility reviewed under the adult disability standard without consideration of any previous disability determination. This is known as the age 18 redetermination process (SSA, 2020). Because the age 18 redetermination uses a different disability standard than the one used for children it is possible for an individual to be found ineligible for SSI as an adult even though no change has occurred in medical condition or ability to function since being found eligible for childhood SSI benefits.

The age 18 redetermination is generally conducted at some point during the individual's 18th year. If the person is found eligible for SSI as an adult, the monthly benefit check and Medicaid coverage continue uninterrupted. If the individual is determined ineligible for SSI under the adult standard, benefits will be payable for two more months after the notice of ineligibility is received and then will stop. At this point the individual would be considered ineligible for SSI cash payments and SSI related Medicaid coverage.

How Paid Employment Affects SSI Benefits

When an SSI recipient goes to work, the SSI check gradually reduces as wages go up. Social Security only considers what is called "countable earned income", which is not the same as gross wages. Social Security starts with the **gross** monthly earnings (the pay before taxes and FICA are taken out). They subtract a \$20 general income exclusion plus an additional \$65 earned income exclusion. They also look to see if any other special earned income deductions can be subtracted. Once all the applicable deductions have been subtracted, Social Security takes what is left of the earnings and divides it in half. What is left is how much they will subtract from the base SSI rate. This means that less than half of gross wages are deducted from the SSI cash payment (SSA, 2021). The important thing to know is that SSI recipients always come out ahead financially by working!

Conclusion

The Social Security Administration provides benefits to eligible children and adolescents with significant disabilities. Developing a basic knowledge of the SSA disability benefit programs enables teachers to help students and families understand how to apply for benefits, how eligibility is determined, and how paid employment affects benefits. This information should be integrated into the planning process as students transition to adult life.

References

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