



Understanding Social Security Benefit Programs

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About Adriane S. Grace



- Attorney
 - 13+ years devoted to Social Security law
 - Former Attorney-Advisor to SSA Chief Administrative Appeals Judge
- Practice Areas
 - Estate Planning (Wills & Trusts & POAs, Special Needs Planning)
 - Probate & Estate Administration
 - Social Security Applications & Appeals
 - Guardianship and Counseling on Alternatives, Supports & Services, and Public Benefits

What are we learning today?

- The different types of Social Security programs.
- Eligibility basics for each Social Security program.
- Federal healthcare benefits available to Social Security recipients.



Social Security Program: Title 2

- Title II of the Social Security Act (T2)
 - Retirement (RSI)
 - Survivors
 - Disability Insurance (DIB/SSDI)
 - Family benefits for “Auxiliaries”
 - Spousal benefits (retirement & survivors ONLY)
 - Minor Children (ALL T2 benefits)
 - Adult Disabled Children (ALL T2 benefits)
 - Widows/Widowers who are at least 50 (Disability Insurance)

Social Security Program: Title 16

- Title XVI of the Social Security Act (T16)
 - Supplemental Security Income (SSI)
 - Disabled children under the age of 18
 - Parent/Step-Parent Income & Resource Deeming Rules Apply
 - » Child support counts (1/3 excluded)
 - Disabled adults with limited or no work history
 - Adult citizens age 65 or older (do not have to prove disability)
 - Limited Income & Resources



How to Become Insured for SS

- Insured status is based on credits earned for each quarter worked
 - Retirement: 40 credits/quarters of coverage
 - Disability for 31 years old and older: 20 quarters of coverage or “credits” in the 40 quarters prior to your disability date (i.e. 5 out of 10 years of reporting income to the IRS and paying taxes)
- 1 credit earned per quarter with earnings of at least **\$1,730 in 2024**
- Not all jobs result in credits, for example:
 - Unreported self-employment income or unreported cash wages
 - State employees paying into an exempted retirement system (e.g. TRS, NTTA, ERS)

Who is Eligible for Title 2 SS?

- U.S. citizens or permanent residents and some “qualified aliens” under SSI
 - Retired “Insured” Workers
 - 62 early retirement
 - 66 FRA for DOB 1944 to 1955
 - 67 FRA for DOB 1960 and after
 - Spouses of Retired Workers and Widow/er(s) of Deceased Workers
 - Must be 50 y/o, not remarried, disability onset within 7 yrs of spouse’s death
 - Disabled “Insured” Worker
 - Individuals who stopped working full time due to disability and who are “insured”
 - Disabled Adult Child who
 - Has a parent who is deceased, or is receiving disability or retirement benefits;
 - Has a disability that began prior to the age of 22 (during the “developmental period”);
- AND
- Is unmarried.

Special Rules RE: Divorced Spouses

- Married 10 full years to Ex-spouse
- You did not re-marry prior to the age of 60
- Ex-spouse deceased or entitled to Title II Benefit (retirement or disability)
- Types of Benefits
 - Retirement
 - Disability (starting at age 50)
- Dual eligibility allowed, but NO stacking benefits!
- Born after 1954? Must apply for all available benefits when you reach FRA. Cannot defer your own and apply only on ex-spouse's record at FRA.

Title II Survivors Benefits Overview

What are survivors benefits?

A one-time payment of \$255 and a monthly payment to eligible family members of a deceased worker.



Who is Eligible?

- Spouses
- Divorced Spouses
- Children
- Parents

When to Apply?

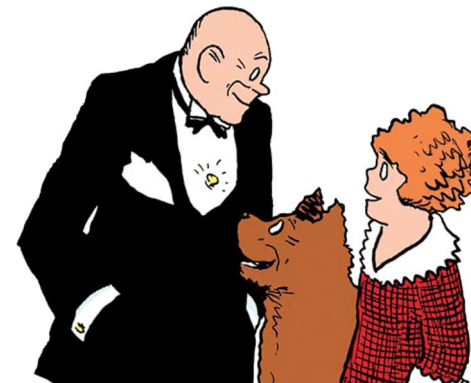
After the death reported to vital statistics but not later than 6 months after death.

How to Apply?

By phone: (800) 772-1213

Survivor Benefit for Minor Children

- Who can receive?
 - Child, stepchild, grandchild (50% support)
 - Under 18 and has not graduated H.S.
 - unmarried
- Need a Representative Payee
 - Consider Guardianship for guardians to secure Rep Payee Status
- Benefit for caregiving parent of a minor child < 16 years old
 - caregiver was married to the Decedent
- Max. Family benefit is 150—180% of SS Benefit
 - divided among ALL children of Decedent and eligible caregiver
- Distributions: benefit of the child
 - Can be saved; ***can be transferred to a trust!***
 - Payable to child at age 18 (get trusts approved that exceed 18)



Survivors: Possible Eligibility Issues

THE FAMILY RELATIONSHIP



- Children

- Informal family relationships where parentage is not established

- Solution 1: Apply for benefits and follow Social Security process for establishing/proving parentage (Affidavits--> *cumbersome*)
- Solution 2: Adjudication of Paternity under TEC Sec. 201.052
- Tip: See Judge King's paper from 2006 Advanced Estate Planning & Probate, *Blood Will Out: The Use of DNA Evidence in Texas Estate Proceedings*



- Spouse

- Common law marriage

- Solution: Declaratory Judgment establishing marriage

Who is Eligible for Title 16 (SSI)?

- U.S. citizens and permanent residents
- Disabled children and adults with **limited income & resources**
- Income Limit
 - “countable income” both **earned** (wages, net earnings from self-employment, royalties) and **unearned** (worker’s compensation, other SS benefits, unemployment, pensions, annuities, rent, support payments, and other unearned income)
 - Earned income only: no more than \$1,913/month for individuals (\$2,827 for couples)
 - Unearned income or mix: no more than the federal benefit rate of \$943 per month for individual (\$1,415 for couples)
 - Earned income + Unearned income = Unearned income limit
 - Deemed Income: children (parents’ income) and adults (spouse’s income)

Who is Eligible for SSI? (Resource)

- Resource Limits
 - limit of \$2,000 for single individual, \$3,000 if married
- Countable Resources
 - Resources of the individual and their spouse (if married) greater than \$2,000/\$3,000 limits
 - Countable Income that exceeds limits and isn't spent down (savings)
- Non-Countable Resources
 - Home (whether fixed or mobile) and adjacent land
 - One vehicle
 - Burial plots for the person and their immediate family and burial funds set aside of up to \$1500
 - Personal property
 - Life insurance policies with face value of \$1500 or less
 - Grants, scholarships, fellowships and tuition & fee gifts (9 mos.)

How much are the benefits?

- Title II Insurance Benefits
 - Monthly benefit is based on your personal work record (max FRA in 2024 **\$3,822**) plus up to 30% reduction for early retirement or 30% delayed benefit credits for postponing past FRA
 - Spousal benefit up to 50% of worker's retirement or disability benefit
 - Child benefit of up to 75% SS benefit for survivors and total family benefits max at 180%
- Title 16 (SSI): 2024 maximum federal amount is \$943 per month for single
- Concurrent Benefits
 - Possible to get benefits under 2 work records or 2 programs, but NO stacking allowed!

Medicaid and Medicare

- SSI Recipients
 - Medicaid eligible
 - At age 65, can also get Medicare if insured
 - DAC: Medicaid bridge to Medicare if eligibility changes to T2 program
- SSDI Recipients
 - Medicare eligible; automatic enrollment in Part A once the disabled individual has been eligible for benefits for 24 months
 - If award notice is past 24 months from onset date and after the new year, option to purchase coverage to the beginning of the year
 - Part A premium is automatically deducted from monthly SSDI benefits
 - Medicare recipients will need to apply for supplemental insurance policies to get additional coverage such as Part D, prescription benefits
 - Must purchase within 6 months of obtaining Medicare

Key Differences: SSI v. SSDI

SSI	SSDI
Max Benefit is \$943/mo.	Max Benefit >\$3K
Resource Limit is \$2,000	Unlimited Resources
Unearned Income Limits	No Unearned Income Limit
Benefits begin month following application	Retroactive benefits of up to 12 months; 5-month wait from disability onset
Reductions (ISM, Excess Income)	Reductions for Workers' Comp
Medicaid	Medicare



You did it! Questions?



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