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SSI Application Process for Children and Adults

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I. Introduction

These materials were written to provide you with a better understanding about the Social Security disability process. Perhaps a client has recently been denied benefits and wondering what to do next.

Well, you are not alone. Approximately 2/3rds of applicants are denied at the initial level after carefully completing all requested forms. Only about 48% of claimants who appeal (two times in most states) and attend a hearing will be awarded benefits.¹ In the last fifteen to twenty years hearing offices are awarding benefits at a dramatically lower rate nationwide.² Individuals with quality legal representation can still fare significantly better, however.

The lesson of these statistics is that persistence pays off. If you pursue benefits through the hearing level with a knowledgeable disability attorney, you have a good chance of being awarded benefits.

These materials contain information and suggestions to help win a disability claim. These guidelines are based on many years of experience helping individuals who have had a claim denied navigate through a confusing administrative process.

Two disability programs

The Social Security Administration (SSA) administers two federal disability programs designed to help individuals (and their families) who are unable to work due to severe or permanent disabilities: the Social Security Disability Insurance (SSDI) program and the Supplemental Security Income (SSI) program. SSA pays cash benefits to people who are unable to work for a year or more because of a disability. Benefits continue until a person is able to work again on a regular basis or reaches the age of retirement.

Social Security Disability Insurance (SSDI). Most people have FICA taxes withheld from their pay checks.³ A small part of that federal withholding goes to fund the SSDI program. SSA has a work credit system whereby you are automatically covered under the SSDI program if you have held a regular job and worked at least five out of the last ten years at the time your disability began.⁴ It is a bit complicated, but individuals get one quarter of coverage for each \$1,470 earned during a calendar year (for 2021; it was \$1,410 for 2020).⁵ An individual can only earn up to four (4) quarters of coverage during any calendar year.

¹ Latest data available (FY 2020 ending 10/31/20). Prepared by SSA, ODPI (Office of Disability Program Management Information). Initial application decisional data obtained from SSA State Agency Operations Report. Hearing data obtained from SSA Office of Hearing Operations (OHO).

² In 2002 the Houston hearing offices awarded disability benefits in approximately 58% of cases decided on the merits. *Houston Chronicle*, July 14, 2002, page 1. SSA published data indicates the Houston judges now (data through 10/30/2020) award benefits on an average of approximately 44%. A decline of 14%. www.socialsecurity.gov/appeals/DataSets/03_ALJ_Disposition_Data.html.

³ "FICA" means the Federal Insurance Contributions Act.

⁴ SSA alters the formula slightly for individuals who become disabled prior to turning age 30 so that not as many quarters of coverage are required.

⁵ [SSA.gov/oact/COLA/QC.html](https://ssa.gov/oact/COLA/QC.html). Even if an individual earned \$5,880 (i.e. 4 x \$1,470) in one week or one month, he or she still gets credit for 4 quarters of coverage. That is all the coverage they can obtain in any calendar year. Note

To calculate the amount of an individual's benefit, the SSA reviews his or her lifetime average earnings covered by SSA (selecting the highest 35 years). Note the earnings of most public school employees are not covered by SSA. Likewise, even if someone worked, but failed to pay taxes for some of those years; those earnings will not count towards SSA retirement or disability benefit. The average monthly benefit amount paid in December 2020 was \$1,277.⁶

Individuals who qualify for SSDI automatically qualify for Medicare insurance. However, such coverage does not usually begin until approximately two and a half years after the date SSA finds that an individual became disabled.

Supplemental Security Income (SSI). Even if someone has not worked, worked recently, or worked enough to obtain the number of credits to be covered under SSDI, they may still obtain disability benefits under SSI. SSI is a welfare benefit. To qualify for SSI an individual must earn less than a specified income level, have very limited resources available, be a United States citizen or be here legally (with a few exceptions); and meet the definition of disability. In 2021 the SSI full payment is \$794.

What counts as a "resource" for SSI purposes can be tricky. For example, most homesteads are exempt. However, an undivided (non-homestead) parcel of real estate -- even if someone derives no financial benefit -- is a resource.

SSA does not count all income when deciding whether you qualify for SSI. For example, SSA does not count Food Stamps, shelter provided by private nonprofit organizations, Section 8 housing from the federal government, or most home energy assistance.

Individuals who qualify for SSI automatically qualify for Medicaid insurance.

that not all jobs contribute FICA taxes. Most school districts do not contribute to Social Security, they only contribute to Medicare. Such individuals could file a claim for Medicare benefits, but will not qualify for SSDI even if found disabled. (Medicare Qualified Federal Employee (MQFE)).

⁶ [SSA.gov/oact/STATS/dib-g3.html](https://ssa.gov/oact/STATS/dib-g3.html).

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