

Government Benefits for Children with Special Needs

Do you have a child with special needs who receives government benefits? Have you applied for all the programs and services he or she may be eligible to receive? The federal government has many programs to help improve the quality of life for your family.

What's available?

It's best to educate yourself about what's available, then work with a Social Security Administration (SSA) representative who can provide further explanation and ensure you apply for everything your child may be eligible to receive. The SSA website, www.ssa.gov, is teeming with information about programs. Here's a list with brief descriptions¹.

Social Security retirement benefits

You may be eligible for a monthly benefit when you reach retirement age. A benefit may also be made to eligible spouses (including ex-spouses) and children. A one-time payment may also be made to qualifying spouses and children when you die, whether or not you were receiving retirement benefits at the time of death.

Medicare

This health insurance program is for individuals age 65 or older and individuals who've been getting Social Security disability benefits for at least two years. (Certain disabilities may allow for immediate eligibility.)

Medicare survivor payments

After a Medicare recipient dies, his or her spouse (including ex-spouses), children (including adopted and step-children), and dependent parents who meet eligibility guidelines may qualify to receive Medicare benefits.

Medicaid

This health care program is for people with low incomes and limited resources. Benefits and eligibility vary by state.

Social Security Disability Insurance (SSDI)

A monthly benefit (based on the recipient's earnings) is paid to individuals who meet the SSA definition of "disabled" and meet other eligibility criteria. Children who qualify for SSDI receive a payment based on a parent's earnings and other eligibility requirements.

Supplemental Security Income (SSI)

This program provides a monthly benefit to individuals with low income and limited resources who are 65 or older, blind, or "disabled." Some states supplement the federal payment. Children with special needs (including adopted and dependent stepchildren) whose parents have little income or resources may also be eligible. In some cases, a child could be eligible for benefits on a grandparent's earnings.

Other health care services

Children who receive SSI benefits (and some who aren't) may qualify for health care services at clinics, private offices, and hospitals managed by state health agencies. Ask about the Social Security Act's "Children with Special Health Care Needs" provision.

Extra Help prescription program

Individuals who participate in Medicare's prescription drug program may qualify for help in paying monthly premiums, annual deductibles, and co-payments for medical care.

State Child Health Insurance Program (SCHIP)

This program provides coverage for prescriptions, vision, hearing, and mental health services for families with income too high to qualify for Medicaid, but too low to afford private health insurance.

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Employment benefits

The SSA offers some programs to help individuals who receive SSI or SSDI who want to work. Earning limitations and other guidelines apply.

Where to find information

Here are some helpful websites.

www.ssa.gov/kids/

A page within SSA's website that's devoted to programs specifically for children with special needs.

www.ssa.gov/dibplan/dqualify5.htm

Five questions to determine if your child is "disabled" by SSA definition.

www.benefits.gov/ssa

The Benefit Eligibility Screening Tool found here helps you determine which benefits your child may be eligible to receive.

www.socialsecurity.gov/disability/disability_starter_kits.htm

A tool to help you prepare for a disability interview or apply online.

www.insurekidsnow.gov

Information about the State Child Health Insurance Program (CHIP).

How Special Care Planners help

Work with a financial professional who knows the issues you face are different from those of a typical family, and who knows how to address them. Lori Ann Scime, who has earned the Chartered Special Needs Consultant (ChSNC)² designation and is a Special Care Planner with The Buffalo Agency in Amherst, New York, a general agency of Massachusetts Mutual Life Insurance Company (MassMutual), explains. "When we meet with families, we want to help them create a strategy that will achieve three things. First, if a parent or child is receiving government benefits, we want to protect those benefits. Second, we want to help them meet the current financial needs of all family members and prepare for future needs. And finally, we want to help prepare parents bequeath their assets to their children in ways that are smart and equitable."

Protect your child's government benefits

Under age 18 – A child's eligibility for government benefits is determined by parental resources and income. "Strategies we develop are framed by the child's current or future eligibility for programs," explains Scime, "and we recognize they must make sense for tomorrow as much as today. A supplemental needs trust is a tool often utilized to protect current and future benefits."



Often the type of trust selected is a third party trust, which can be set up now (a living trust for use now and/or later) or at the time of the grantor's death (a testamentary trust). The trust can help maintain the child's quality of life and protect the child's eligibility for government benefits.

Age 18 – "This is a critical age when it comes to financial strategies," warns Scime. You'll no longer be able to make decisions for your child, including medical decisions, so you may want to establish yourself or another trusted individual as your child's legal guardian. Additionally, as a legal adult, your child's eligibility for government benefits will be based on his or her own resources and income. "Plan ahead and be prepared for the changes this birthday brings," suggests Scime.

Adult children with special needs may also qualify for benefits if/when a parent receives Social Security retirement, SSI, or SSDI benefits. Be sure to apply for these benefits as soon as eligibility occurs.

You'll also want to think about your child's long-term care. "As parents age or face illness, who'll manage the day-to-day financial and caregiver responsibilities?" asks Scime. "Have living arrangements and transportation issues been addressed? Plan now to accommodate future needs."

Provide for the current and future needs of all family members

"When we first meet with a family, we look at the financial strategy in place and what might be missing to meet both current and future needs," says Scime. "How might we use assets in more productive ways? How can we proactively strategize to help our clients achieve peace of mind in knowing they have taken steps to prepare for their families future needs?"

To determine future needs, Scime suggests you look at what happens in a typical day. Who does what? Next, imagine the future regarding education, employment, transportation, living independently – for all family members, but especially for your child with special needs. Decide who might contribute to helping your child and what might happen if those persons' contributions are interrupted.

Equalizing what you leave your children

"Developing a sound financial plan is the first step in addressing wealth distribution strategies between typically developing children and children with special needs." Decisions surrounding what assets may be appropriate to give to whom require an in-depth understanding of the goals a family is trying to achieve. "Asset distribution should be considered carefully to make sure that parental wishes are the actual outcome, not just the intended."

Use your team of experts

"Players may change, laws may change, situations and needs will change," says Scime. Be sure to have the right team in place – a financial professional such as a Special Care Planner, an attorney skilled in special needs, an accountant, a Social Security representative you can rely on, and others. "They'll help your family navigate through the complexities you'll face," she adds.

Lori Ann Scime is a registered representative of and offers securities, investment advisory and financial planning services through MML Investors Services, LLC, a MassMutual subsidiary, 500 Corporate Parkway, Suite 216N, Amherst, NY 14226, telephone number 716-852-1321.

1. This article is provided for your general information. Please rely on the facts you receive directly from the SSA's website or its representatives as your most accurate source. For more information regarding benefits provided by Medicare or Medicaid (Medi-CAL in California), visit www.cms.hhs.gov. Medicaid guidelines vary by state. Contact your local Medicaid office for details. For information about SSI go to <http://www.ssa.gov/ssi/>. For information about SSDI go to http://www.ssa.gov/pgm/links_disabilityt.htm. Information is available by telephone, mail, in person at an office. The toll-free number is 1-800-772-1213.

2. Chartered Special Needs Consultant – a professional designation awarded to those individuals who've completed 120 hours of academic classes in addition to previously completing the Special Care Planner certification program and has also earned at least one other advanced financial planning designation (such as ChFC, Chartered Financial Consultant). The ChSNC designation was developed by The American College in Bryn Mawr, Pennsylvania. The certification program and the professional designation evolved from MassMutual's SpecialCareSM Program.

* The Special Care Planner received advanced training and information in estate and tax planning concepts, special needs trusts, government programs, and the emotional dynamics of working with people with disabilities and other special needs and their families. The certificate program was offered by The American College in Bryn Mawr, PA, exclusively for MassMutual financial professionals. State insurance departments recognize that the Special Care Planner certificate program provides essential information on the profession of special care by granting continuing education (CE) credits (varies by state).

A Special Care Planner through MassMutual's SpecialCareSM program can assist parents in drafting Letters of Intent and can help make a difference in the quality of life for an individual with special needs, their caregiver and other family members. Through SpecialCare you will learn valuable financial strategies, identify financial strategy solutions, access vital information, and meet certified specialists who will work with you and your professional advisors – your banker, accountant or financial planner, lawyer, social workers and health care providers – to review your financial picture and offer options to fit the needs of each situation. For more details, visit MassMutual's website at <http://www.MassMutual.com/specialcare>, or call 1-(800)-272-2216.

About MassMutual

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