

**Background:** Social Security benefits protect a young or adult child with a disability when a parent's **work income changes due to a disability, retirement or death**. Planning for a child's long term financial future includes knowing when and how to apply for the child's income and health insurance coverage from Social Security.

As a parent or caregiver with a child with a long term disabling condition, you can get benefits to replace a portion of lost parental income and health insurance coverage from a job. This short description introduces the types of help available. Parents reading this brief description will need to get more specific information and advice from both a trained benefits counselor and a financial advisor.

**Supplemental Security Income (SSI):** This monthly cash and health insurance benefit is available in WI if a person has limited income and assets and is either at least 65 years old or if younger has a disabling condition.

Children under age 18 qualify if family income and assets are low enough.

At age 18 to 65 only the income and assets of the eligible individual or couple are used to calculate financial eligibility.

**Social Security:** This monthly cash benefit is available for a worker and certain family members if the worker stopped working due to retirement, a disabling condition or death. There is no asset test for this benefit.

**Disabled Adult Child (DAC):** If a child of a Social Security beneficiary has a qualifying disabling condition that started before age 22, a lifelong monthly cash and health insurance benefit from the parent's record is available.

**Benefits Counseling Helps Long Term Care & Retirement Planning:** Most financial planners understand the multiple Social Security options for the older adults but are not familiar with SSI or DAC benefit options. A prudent step is to get a good Benefits Counselor who knows Social Security benefits before getting advice from a financial planner.

**When To Apply for Social Security:** Two of the three long term Social Security monthly benefits start when death or disability occur. Choosing the best retirement benefit start date is the option that requires the most thoughtful consideration.

If you have not created a personal [my](#) Social Security account and do not receive Social Security benefits, SSA will mail a paper *Statement* to you 3 months before your 60th birthday. This Statement has the estimated benefit amounts for retirement, disability and survivor benefits. You can also register with Social Security to view it online at this link: <https://secure.ssa.gov/RIL/SiView.action>

Eligible children and a spouse of a retired or disabled worker qualify for 50% of the worker's amount. Survivors qualify for 75% of the deceased worker's full retirement benefit.

Retirement benefits for widow(er)s can start as early as age 50 if they are disabled or age 60 based solely on age. Everyone else is eligible no sooner than age 62.

Options exist to delay the start of retirement benefits up to age 70 and thereby increase the lifelong monthly benefit amount. Here is Social Security's explanation of the options and the effect on the monthly benefit amounts: <http://bit.ly/2a3peqZ>

**Steps to Consider:**

Starting an SSI disability benefit for a child with a disability *before age 22* helps establish a disability medical determination. This is important because a parent may not apply for retirement benefits until their adult child is 40 or 45 years old. Getting sufficient medical records for a Social Security disability determination more than 20 years in the past can be a problem. The DAC medical determination at age 40 or 45 can use the SSI disability determination before age 22 to meet some of this requirement without a need to get 20 year old medical records. By having an SSI medical determination of a disability the process can move more efficiently.

Starting a parent's retirement benefits before Full Retirement Age will reduce the 75% benefit amounts for a surviving DAC or widow or widower. The maximum survivors benefit is limited to the amount the deceased parent would receive if they were still alive. Social Security's information is at: <http://bit.ly/2a6uWfF>

An application for a Survivor or Disability benefit automatically asks about a potential DAC benefit. A DAC benefit cannot begin until a parent becomes eligible for disability or dies. Whenever a parent starts their Social Security retirement benefits, at age 62, 65, 67 or 70, the DAC benefit then can begin.

A DAC benefit can start on one parent's record and then at a later date transfer to the other parent's record if the benefit amount is higher.

Unlike other Social Security Disability benefits, there is no waiting period to begin payments as a DAC beneficiary. Payments start when the DAC application is filed and can be started up to six months in the past if the parent's retirement application is in payment status already.

**Summary:** A parent with a child with a disability is best served with a thorough benefits counseling before seeking a financial planner's advice. Knowing the Social Security options ensures a more comprehensive understanding of the child's long term financial benefits.

Prepared by: Ron Konkol 608-335-1859 [KonkolDisabilityHelp@gmail.com](mailto:KonkolDisabilityHelp@gmail.com)