Consolidated Planning Group

Managing Wealth and Protecting Tomorrow

# Government Benefits 101

Special Needs Planning

# Who We Are and What We Do

### Compassionate, Specialized Expertise

A holistic Special Needs Financial Planning firm dedicated to providing compassionate guidance to families across the U.S. We truly understand the unique challenges you face.

### Experience You Can Trust

You can feel confident knowing we bring over 30 years of experience in fully licensed Insurance and Financial Services to your family's plan.

### Highly Trained Professionals

We are dedicated professionals who go the extra mile. Our advisors are Chartered Special Needs Consultants (ChSNC), members of the Special Needs Planning Academy, and Nationally Certified Social Security Advisors—all focused on your family's unique situation.

# Comprehensive Help for Your Family's Future

### We Partner With You On:

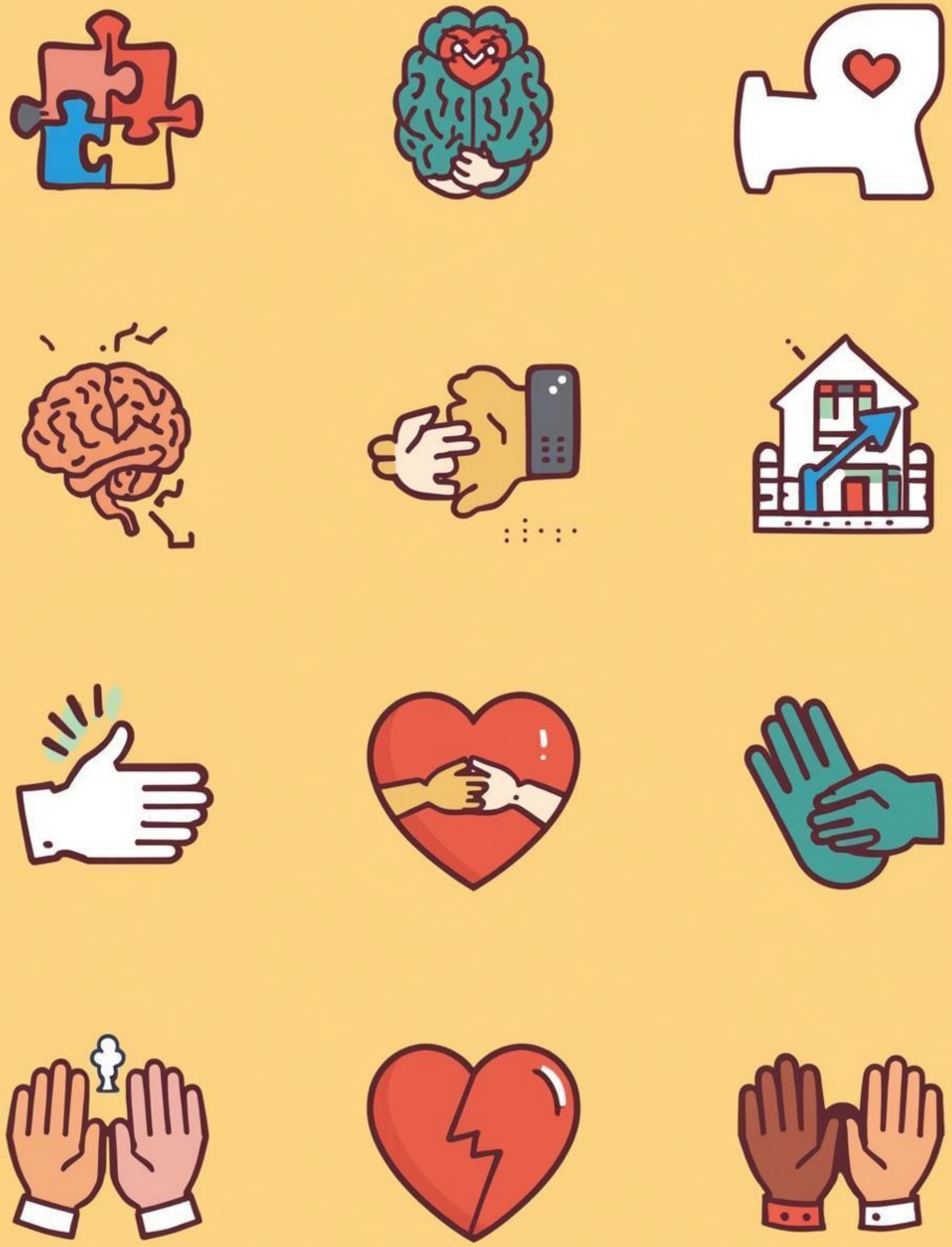
- Lifetime Care and Protection Plans
- Transition Planning and ABLE Account Strategy
- Future Cost of Care Estimation
- State and Federal Benefits and Local Resources
- Dedicated to Advocating for and Educating Families

**We Are Rare Experts:** Fewer than 0.1% of all U.S. financial advisors specialize in Special Needs Planning.

# Developing a future care plan answers critical questions today.

## Key Concepts for Supporting Your Child

- Explore Options Early: Research post-high school educational and vocational paths now.
- Tour Opportunities: Visit transition programs and residential communities. Waiting lists can be long—plan early!
- Name Caregivers Thoughtfully: Carefully consider the implications before naming siblings as future caregivers.



# Agenda - Government Benefits 101

01

State Waiver Programs

02

SSI & SSDI- What's the Difference?

03

How and When to Apply

04

ABLE Accounts

# Timeline

**Diagnosis**

Work with your doctor to be sure everything is documented

**Waiver Programs**

Apply for State Waiver Programs as soon as you know there's a need

**SSI**

Most children will not qualify for SSI until they are 18 years old

**SSDI**

When the PARENT turns on Soc. Sec. benefits, the child will also get a benefit

# How to get on the State Waiver Wait List

## Do this ASAP!

- MDCP, CLASS, and DBMD: **Call: 1-877-438-5658** or apply online
- HCS, TxHmL, and CFC: **Call 2-1-1** Contact your local intellectual and developmental disability authority (LIDDA) ****You MUST call****
- Star Plus: Call: 1-877-782-6440 or online

**To find out who your local authority is, call 211 or go to: https://resources.hhs.texas.gov/directories/lidda**

**Online-YourTexasBenefits.com**

# Texas Waivers - General

### CLASS

Home- and community-based services to people with related conditions as a cost-effective alternative to placement in an intermediate care facility for individuals with an intellectual disability or a related condition. A related condition is a disability, other than an intellectual disability, that originated before age 22 and that affects a person's ability to function in daily life.

### HCS

Home and Community-based Services (HCS): gives services and supports to children and adults with an intellectual disability (ID) or a related condition who live with their families, in their own homes, or in small group homes with no more than 4 people.

### CFC

Community First Choice (CFC): provide home and community-based attendant services and supports to Medicaid recipients with disabilities. Help with activities of daily living and health-related tasks through hands-on assistance. Services offered through an MCO-Managed Care Organization.

### TxHmL

Texas Home Living (TxHmL): gives services to children and adults with an intellectual disability (ID) or a related condition who live in their own home or their family’s home.

# Texas Waivers - Specialized

**DBMD**

Deaf Blind with Multiple Disabilities (DBMD): gives services for children and adults who are deaf-blind or have a related condition that leads to deaf-blindness, and who have another disability.

**MDCP**

Medically Dependent Children Program (MDCP): gives services to children and adults who are 20 and younger who are medically fragile as an alternative to receiving services in a nursing facility.

**YES**

Youth Empowerment Services (YES): a 1915(c) Medicaid program that gives home and community-based services to children under the age of 19 with serious mental, emotional and behavioral difficulties.

**Star +**

STAR+PLUS Home and Community-based Services (HCBS): gives services to adults over the age of 21 to keep them in their community and not in a nursing home facility.

# SSI VS. SSDI

## 💰 SSI Benefits: Key Facts

- **Supplemental Security Income**
- **Funded by Taxes:** SSI is a public assistance program funded by U.S. General Tax Revenues (not the Social Security Trust Fund).
- **Needs-Based:** Eligibility is based on financial need; it does not require any prior work history or payment of FICA taxes.
- **Income & Asset Tested:** Pays monthly benefits to disabled, blind, or elderly individuals who have limited income and limited resources.
- **Strict Resource Limit:** The maximum countable resource limit for an individual is $2,000 (or $3,000 for a couple). Crucial planning component.

# SSI VS. SSDI

## 💡 SSDI Benefits: Key Facts

- **Earned Insurance:** SSDI is an insurance program funded by payroll taxes (FICA). Workers must earn enough work credits to be "insured" for eligibility.
- **Disability & Work History:** Eligibility requires meeting the strict SSA definition of disability and having a sufficient work history.
- **Not Needs-Based:** Qualification is not dependent on the recipient's personal income or assets (unlike SSI).
- **Includes DAC:** Provides benefits for disabled workers and Adults Disabled Since Childhood (DAC) based on a parent's work record.

# SSI Eligibility

For 2026, Substantial Gainful Amount is $1,690
For blind applicants- $2,830

- Considered “Disabled” by SSA
- Under $2,000 in assets
- Working less than SGA
- 1 car and 1 house are allowed

# SSI: Timing and Application Date

- **File for SSI:** Apply in the month following their 18th birthday to establish the earliest possible protective filing date.
- **Tip:** Schedule the required interview a few months in advance for a date after the 18th birthday.
- **Backdating:** Applying promptly (even completing just the online Adult Disability Report) saves the application date and ensures benefits are backdated to the earliest possible eligibility month (usually the month after the 18th birthday).
- **Online Link: ssa.gov/ssi/start.html**

# SSI: Key Eligibility Documentation

- **DAC/CDB Evidence:** Gather medical and educational records proving the disability began before age 22. This is required to qualify for Childhood Disability Benefits (CDB/DAC) on a parent's record (if applicable).
- **Medical History:** Collect names, addresses, phone numbers, and dates for all physicians, hospitals, diagnoses, and medications.
- **Financials:** Have the last 3 months of bank statements and any employer/earnings information (even if limited).

# Preparation and Review

- **PCP Review:** Consult with the Primary Care Physician (PCP) first to review and ensure their records accurately reflect the adult definition of disability (inability to engage in Substantial Gainful Activity).
- **Consult the Social Security Blue Book** for medical criteria
- **Authorization:** Be prepared for your child to sign an authorization (like an SSA-1696) allowing the SSA to discuss the case with you, as they are now an adult.

# What to expect when you apply for SSI

| | |
|---|---|
| 1 | A decision typically takes up to one year (sometimes longer) unless you have a "presumptive disability". Also called Compassionate Allowance |
| 2 | You may receive a denial letter SSDI promptly- This is typical and no need to worry. The letter doesn't mention that they are still processing the SSI application. |
| 3 | After your local office has finalized your application, it is sent to DDS-Disability Determination Services. |
| 4 | DDS will request and review your loved one's medical records looking for evidence of a disability. |
| 5 | You can call DDS to check that they have received the file, find out who it's been assigned to your case, and find out which medical records have been received and which ones are outstanding. |

# What benefits will I receive from SSI?

**Benefits for 2026**

- Maximum monthly monetary benefit- $994
- For a married couple- $1,491
- SSI comes with Medicaid

# Things that can impact the amount you receive from SSI - Working

Remember, you can earn up to $1,690 per month ($2,830 if you're blind) but your SSI benefit will be reduced.

- $1200.00 gross monthly earned income (-$20 general exclusion and -$65 earned income exclusion)
- $1115.00 divided by 2 = $557.50 countable income
- $994.00 - $557.50 = **$436.50** payable in SSI benefits

# Things that can impact the amount you receive from SSI - Working

## Student Earned Income Exclusion

If your loved one is under age 22 and regularly attending school, SSA does not count up to $2,410 of their earned income per month when they figure the SSI payment amount. The maximum yearly exclusion for 2026 is $9,730

**"Regularly Attending School" means:**

- in a college or university for at least 8 hours a week
- **OR** in grades 7-12 for at least 12 hours a week
- **OR** in a training course to prepare for employment for at least 12 hours a week (15 hours a week if the course involves shop practice), or for less time than indicated above for reasons beyond the student's control, such as illness
- **OR** home schooling, if instructed in grades 7-12 for at least 12 hours a week.

**You must ask the Social Security Administration to Apply the SEIE; it is NOT ever automatically applied!**

# Things that can impact the amount you receive from SSI - Child Support

## The Income Problem

- Counted as Income: Once a child with a disability turns 18 and applies for Adult SSI, any Child Support payments received by the adult child are generally counted as unearned income dollar-for-dollar.
- SSI Reduction: This income will significantly reduce the adult child's monthly SSI benefit, often making them ineligible for any payment and, critically, potentially losing their Medicaid eligibility.

## The Solution: Redirecting Payments

- Special Needs Trust (SNT): To preserve the adult child's SSI and Medicaid, Child Support payments must be legally redirected to a First-Party Special Needs Trust (SNT).
- Trust Benefit: Funds deposited into an SNT are not counted as the adult child's income or assets, thus protecting their public benefits.

## The Legal Requirement

- Court Order is Mandatory: This redirection requires a new, binding Court Order or modification of the existing divorce/support decree.
- Recommendation: Work immediately with a qualified special needs or family law attorney to draft and secure this order.
- Proactive Planning: If a couple is currently going through a divorce or separation, address this SNT redirection requirement on the front end within the final orders to prevent complicated modifications later.

# Social Security Benefits for Disabled Adult Children (CDB/SSDI)

| Benefit Trigger | CDB/Auxiliary Benefit Amount | Key Details |
|---|---|---|
| **Parent receives Retirement/Disability** (Title II) | Up to 50% of the parent's Primary Insurance Amount (PIA). | The disabled adult child must have become disabled before age 22. The 50% benefit is subject to the **Family Maximum**. |
| Parent passes away (Survivor Benefit) | Up to 75% of the deceased parent's PIA. | This is an increased rate for survivor benefits. Also subject to the **Family Maximum**. |

# CDB/SSDI Benefits

To get these benefits, a person must:

- Be 18 years of age or older
- Have a disability that began before age 22
- Be the dependent of an "insured worker" parent
- Remain unmarried
- Have not previously performed Substantial Gainful Activity ($1,690 per month)

When you start receiving SSDI, your SSI benefit will typically end. They'll be eligible for the higher of the two.

After 2 years on these benefits, they will be automatically be enrolled in Medicare. Will get to keep Medicaid but may have to reapply. (H1200 Application in TX)

# ABLE Accounts

- Tax-Advantaged savings plan
- If it can be construed as achieving a better life for an individual with a disability, you can pay for it out of an ABLE account

- Income earned in account is not taxable
- Does not jeopardize SSI, Medicaid or other public benefits

- Beneficiary is account owner
- Funds held in an ABLE account in excess of $100,000 disqualify the beneficiary for SSI benefits.

- May be rolled over to eligible family members
- States may be able to claim reimbursement for expenses paid by Medicaid.

# Key 2026 ABLE Contribution Details:

**New in 2026: Disability must have begun before age 46**

**Standard Limit:** $20,000 total per year from all sources (beneficiary, family, trusts, 529 rollovers).

**ABLE-to-Work Provision (Permanent)**: If the account owner works and isn't in a retirement plan, they can contribute an additional amount, generally up to their earned income (e.g., $15,650 in the contiguous U.S. for 2025, with figures updated yearly).

**529 Rollovers:** Funds from a 529 plan can be rolled into an ABLE account, counting toward the annual limit.

**Saver's Credit:** Contributions become eligible for a federal tax credit (up to $1,050), made permanent for 2026 and beyond

# ABLE Account VS 3rd Party Special Needs Trust

| ABLE | | SNT |
|---|---|---|
| 01 | **Limited**. Annual contribution $20,000 for 2026 total balance can not exceed $100,000. | **Unlimited**. Can hold any amount of assets without impacting SSI/Medicaid eligibility. |
| 02 | Funded with **cash**. Contributions can come from anyone, including beneficiary. | Funded with **any asset type**. Must be funded by a third party. |
| 03 | **Beneficiary** Control | **Trustee** Control |
| 04 | **Safe for Housing.** Distributions for housing/food do not reduce the beneficiary's SSI cash benefit. | **Risky for Housing**. If the trustee pays for the beneficiary's shelter or utilities, SSI cash benefit may be reduced by one-third. |
| 05 | **Tax-Advantaged.** Earnings grow tax-free, and distributions for Qualified Disability Expenses (QDEs) are tax-free. | **Taxable**. income/gains are generally taxable |
| 06 | **Subject to Payback.** Upon beneficiary's death, state can recover Medicaid costs incurred after the account was established, reducing the inheritance for residual beneficiaries. | **No Payback.** Since the trust is funded by a third party (not the beneficiary's own money), remaining assets pass to named residual beneficiaries free of any Medicaid claim. (This is a HUGE advantage.) |

VS

# Things to keep on your Radar

- How to develop a comprehensive Special Needs Care Plan
- Future Care Cost Estimates
- Texas Waivers - Interest Lists
- SSI & SSDI - Understanding the differences and knowing when to apply
- ABLE Accounts
- Beneficiary Designations
- Special Needs Trusts - How to fund them (Note: Child Support post 18 redirected to a First Party SNT)
- Start touring Residential Living Communities - waiting lists can be long
- Consider Guardianship, Alternatives to Guardianship, POA, HCPOA, and Supported Decision-Making Agreement (Guardianship process can begin 6 months before turning 18)
- Post High School Education Options

# Click for our Upcoming Webinars

**We understand the daily commitments you manage. That's why we've condensed the most vital financial planning knowledge for families with special needs into our focused, online sessions.**

**Why Pre-Register?**

- **Instant Confirmation:** You'll get the webinar link immediately, saving you a last-minute scramble.
- **Essential Reminders:** Life is busy. Pre-registration ensures you get automated reminder emails so you won't miss the live event, even if your schedule changes.
- **Submit Questions:** Send in your specific questions when you register, and we'll prioritize addressing them during the session.

# Meet the Team

Consolidated Planning Group

Managing Wealth and Protecting Tomorrow

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Top of the Table Member MDRT®

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# Introducing Our New SSI/SSDI Application Support Service!

We are excited to introduce our new Benefits Advocate, Jessica Alvarez, along with our team of experts, who specialize in helping families just like yours!

- Understand the SSI application process
- Gather medical and school records
- Organize required documents
- Prepare functional impact information
- Complete the online SSI/SSDI application
- Respond to SSA letters and requests
- Avoid common mistakes that delay or complicate the process

# Schedule your FREE Consultation

**Follow us!**

<u>**Call or email-**</u>


**281-690-1177**

**Contact@CPGCares.net**


<u>**Use the QR Code**</u>

1. Open the camera app on your phone
2. Hover over QR code
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