

Special Needs Answers

a community resource provided by the  Academy Of
Special Needs Planners

Search for More Articles:

Go

 [Print This Page](#)  [Email to Friend](#)

SSI v. SSDI -- What's the Difference?

LAST UPDATED: 4/2/2008

Parents of a child with special needs are often daunted by the different government programs that fall under the general definition of "disability benefits." To make matters worse, two of the most common benefit programs available also have very similar abbreviated names -- SSI (Supplemental Security Income) and SSDI (Social Security Disability Insurance). However, these two important programs, both of which are administered by the Social Security Administration, offer very different benefits and have different rules for determining who qualifies for them. Here's an overview of the key differences between the two programs.

The major distinction between SSI and SSDI is that SSI is a "needs-based program" and SSDI is an "entitlement program." SSI is a monthly stipend provided to elderly, blind, or disabled persons based on financial need. It is only available to disabled individuals who have very limited income and assets. SSDI, on the other hand, has no income or asset limits. However, in order to receive SSDI benefits, a worker generally must have worked and paid into the Social Security system for at least 10 years prior to her disability. The rules are different if the individual can prove that she became disabled at or before the age of 22, in which case her benefits will be based on her parents' work records.

Another main difference between the two programs is the size of the benefit received and the way that benefit is calculated. The SSI benefit is a fixed amount. For 2008, the maximum federal benefit for an individual is \$637 a month, although this differs somewhat from state to state based on the state's contribution. The benefit is reduced dollar for dollar for any other income the beneficiary may receive. This means that once an SSI beneficiary's income reaches a certain level, his SSI benefit will come to an end. An SSDI benefit, on the other hand, is based on the beneficiary's previous income, his family size, and the amount he (or his parents) paid into the Social Security system before becoming disabled. Unlike SSI, an SSDI benefit is not affected by the beneficiary's other income.

Both SSI and SSDI recipients may receive government-funded health care based on their disability. SSI beneficiaries automatically get health care coverage through the Medicaid system immediately upon qualifying for SSI. In general, Medicaid covers all of the beneficiary's health care requirements. SSDI recipients obtain health care through the Medicare program, which does not offer the same range of services as Medicaid. Furthermore, SSDI beneficiaries must wait two years from the date they became eligible for SSDI before they will begin to be covered by Medicare. Those SSDI beneficiaries whose incomes are below the SSI benefit amount can also qualify for SSI and receive both Medicare and Medicaid health coverage.

Finally, while a parent's income and assets will affect the eligibility for SSI of a child under age 18, upon reaching 18 years of age an individual with special needs may qualify for SSI based on his own resources and income without regard to those of his parents, even if he's still living with them.

Also, not all parents are aware that if they become disabled, their non-disabled children under the age of 18 may be able to receive SSDI benefits based on the parent's work record. Adults with disabilities may also begin to receive SSDI payments when their parents retire and begin to collect Social Security. Thus, a beneficiary who has been receiving SSI benefits may later become eligible for SSDI instead.

There is one important similarity between SSI and SSDI. *Both programs use the same evaluation* to determine if an individual is disabled in the first place. This evaluation focuses on whether an individual is capable of being gainfully employed. (Although the criteria are far too detailed to be described here, generally speaking a disabled recipient must earn less than \$940 a month from work.) It is vital to understand that unless an individual meets the test for disability, she will not qualify for SSI or SSDI benefits for herself.

For more information, go to the Social Security Administration's excellent Web site at

<http://www.ssa.gov/d&s1.htm>

To find an attorney near you whose practice focuses on planning for those with special needs, [click here](#).

[<< Previous Article](#) | [Next Article >>](#)

 [Print This Page](#)
 [Email to Friend](#)