

# Roadmap to government benefits for special needs financial planning

And how to incorporate those benefits into your overall strategy



A man with a beard and a young child are working together on a bicycle wheel. The man is on the left, looking at the wheel, and the child is on the right, using a wrench to adjust the spokes. The background is a bright, sunny outdoor setting with a house visible in the distance.

# Guide to government benefits

Navigating government benefits for special needs financial planning can be intimidating, but you are not alone. Your financial advisor can help guide you through the process — helping you avoid the most common pitfalls.

The first step is to understand the federal and/or state benefits available to your loved one with special needs. These benefits can include assistance with:



**Income benefits**



**Medical and healthcare benefits**



**Residential and housing solutions**



**Educational and vocational training**

Continue reading to learn more about the government benefits you should consider in the process of planning a lifetime of support and care for your loved one with special needs.



Supplemental Security Income (SSI) and Social Security Disability Income (SSDI) are the largest federal programs designed to provide income assistance for your loved one with special needs or disabilities. While these programs share many similarities, they also have differences.

## Supplemental Security Income

SSI is a needs-based, means-based or entitlement cash benefit for those with special needs or disabilities that have little to no income. SSI offers a stream of income starting at \$733 a month for individuals and \$1,103 for couples, which can be used to meet your loved one's basic needs for food, clothing and shelter. The exact benefit amount depends on the state and whether the beneficiary receives income or housing from other sources.

Although SSI payments alone may not significantly impact your loved one's future, eligibility typically comes with Medicaid access and may transition into group housing services and vocational training.

### SSI eligibility

- Your loved one must have a disability and be unable to engage in substantial gainful activity.
- They must meet the income requirements and have less than \$2,000 in assets.

## Social Security Disability Insurance

SSDI pays a monthly benefit to individuals with special needs. Children or dependents who qualify for SSDI receive payments based on the earnings of the parent along with other eligibility requirements. After your loved one with special needs has received SSDI for two years, they may be eligible for Medicare — a substantial benefit. Social Security Disability Insurance benefits are payable for life.

### SSDI eligibility for dependents

A dependant who has a special need or disability before age 22 can collect SSDI based on the caregiver's work record:

- If the caregiver has worked enough to collect Social Security,
- If the caregiver is already receiving Social Security benefits, or
- If the caregiver receiving benefits is deceased.



Did you know your loved one with special needs can receive both SSI and SSDI at the same time?



If you care for a loved one with disabilities or special needs, the impact of medical bills can be overwhelming. However, Medicare and Medicaid are two different government-operated programs designed to help cover all or a portion of the healthcare costs incurred.

## Medicare

Medicare is a federal health insurance program for people with disabilities, those 65 and older as well as those with End-Stage Renal Disease. Since Medicare is a federal program, the rules are the same regardless of your state. The most essential Medicare coverages include:

- **Medicare (Part A) hospital insurance** offers basic coverage for hospital stays, post hospital nursing facility and home health care.
- **Medicare (Part B) medical insurance** pays basic doctor and laboratory costs. It also covers some outpatient medical services, such as home health care, medical supplies and equipment as well as the cost of prescription medications.
- **Medicare (Part C) advantage plans** are a type of plan offered by a private company contracted through Medicare to provide participants with their Part A and Part B.
- **Medicare (Part D) prescription coverage** offers and pays some cost of prescription medications.

### Medicare eligibility

In order to qualify for Medicare, your loved one must meet the following criteria:

- If they're 65 years old or older
- Under 65 and receive SSDI for more than 24 months
- Under 65 with End-Stage Renal Disease

## Medicaid

Administered by the state, Medicaid is a federally-funded assistance program for low-income individuals, those with special needs as well as people over 65 and on Medicare. This needs-based assistance program provides vital health coverages for people with special needs, such as:

- Physician service payments
- Outpatient and inpatient hospital services
- Medical, dental and surgical services
- Nursing facility services for those 21 and older
- Family planning services and supplies
- Nursing facility (NF) services for people 21 and older
- X-rays and laboratory services
- Pediatric services
- Federally-qualified ambulatory and health center services covered under the state plan
- And more

### Medicaid eligibility

- Meet the financial eligibility rules based on the Modified Adjusted Gross Income (MAGI)
- Have a blindness or disability
- Must be a resident of the state in which they're receiving Medicaid



Dual eligibility is when your loved one simultaneously qualifies for both Medicaid and Medicare benefits.





Part of creating a lifetime of care includes having both short and long term housing solutions for your loved one. Whether your loved one requires around-the-clock care or occasional task-based assistance, there are several programs designed to provide them with the support they need. The first step in finding a residential solution is to understand the options.

## Medicaid

One component of Medicaid covers long-term care needs, including senior housing for qualified individuals. Special Medicaid-funded programs cover in-home and long-term personal care. In some states, these programs can pay for a portion of the costs of assisted living.

## Section 8

A Section 8 voucher may allow your loved one with moderate to mild special needs to live independently in a community. This housing option subsidizes rent based on a sliding scale that considers family size and income. Your loved one may be eligible for a rental certificate or voucher in conjunction with a designated housing allocation plan approved by Housing and Urban Development (HUD).

## Group homes/assisted living

Many people with more intensive special needs are best suited to live in more supportive group homes. These homes are staffed with counselors who help residents become more independent.

## Skilled nursing facility

If your loved one requires around-the-clock care assistance, and at-home care isn't feasible; they may be best suited for a skilled nursing facility. With skilled nursing facilities, your loved one will have constant supervision and care. In many instances, those with limited assets can qualify for skilled nursing facility assistance through Medicaid.





Early intervention programs offer special accommodations for your loved one's educational and vocational needs. Two of the major educational and vocational training programs are the Individuals with Disabilities Education Act (IDEA) and Section 504 Rehabilitation Act.

## Individuals with Disabilities Education Act

IDEA is a law designed to ensure appropriate educational services are delivered to children with special needs or disabilities. This federal law governs how public agencies and states provide special education and related services to children, infants and toddlers with disabilities.

Understanding your rights under IDEA can make it easier to ensure your loved one receives the assistance and support they need. IDEA covers kids from infancy through 21 or graduation of high school — whichever comes first. This legislation is broken up in two different sections:

- Part C of IDEA is for the early intervention of babies and toddlers with special needs.
- Part B of IDEA provides special education and related services to school-aged children between the ages of 3 and 22.

### Determining eligibility for IDEA

The parent or caregiver of the child and a team of qualified professionals must determine if the child needs special education. Eligibility for IDEA is based on an array of information, including:

- Achievement tests
- Aptitude tests
- Teacher recommendations
- Parent input
- Physical education
- Cultural or social background
- Adaptive behavior

## Section 504 Rehabilitation Act

Kids who are not eligible for IDEA may qualify for support through the Section 504 of the Rehabilitation Act. Under Section 504, school districts must offer students with special needs a free appropriate public education (FAPE) in their jurisdiction. This education must be delivered in a manner equivalent to the way students without disabilities are educated.

### Determining eligibility for Section 504

In contrast to IDEA, Section 504 plans have a much broader definition of a disability. Students in grades K-12 may be protected under Section 504 following an evaluation by the school if they're found to:

- Demonstrate a mental or physical impairment that significantly limits one or more life activities, such as concentrating or reading
- Have a record of such impairment
- Have an impairment or significant difficulty that is not temporary

## Notes

Although navigating government benefits can be complex, planning ahead is one of the first steps toward pursuing the quality of life you envision for your loved one with special needs. It's important to consider each government benefit, how it can impact your loved one's life and the optimum time to apply for those benefits. Please use the space below to take notes on these government benefits and discuss any questions you may have with your financial advisor.



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