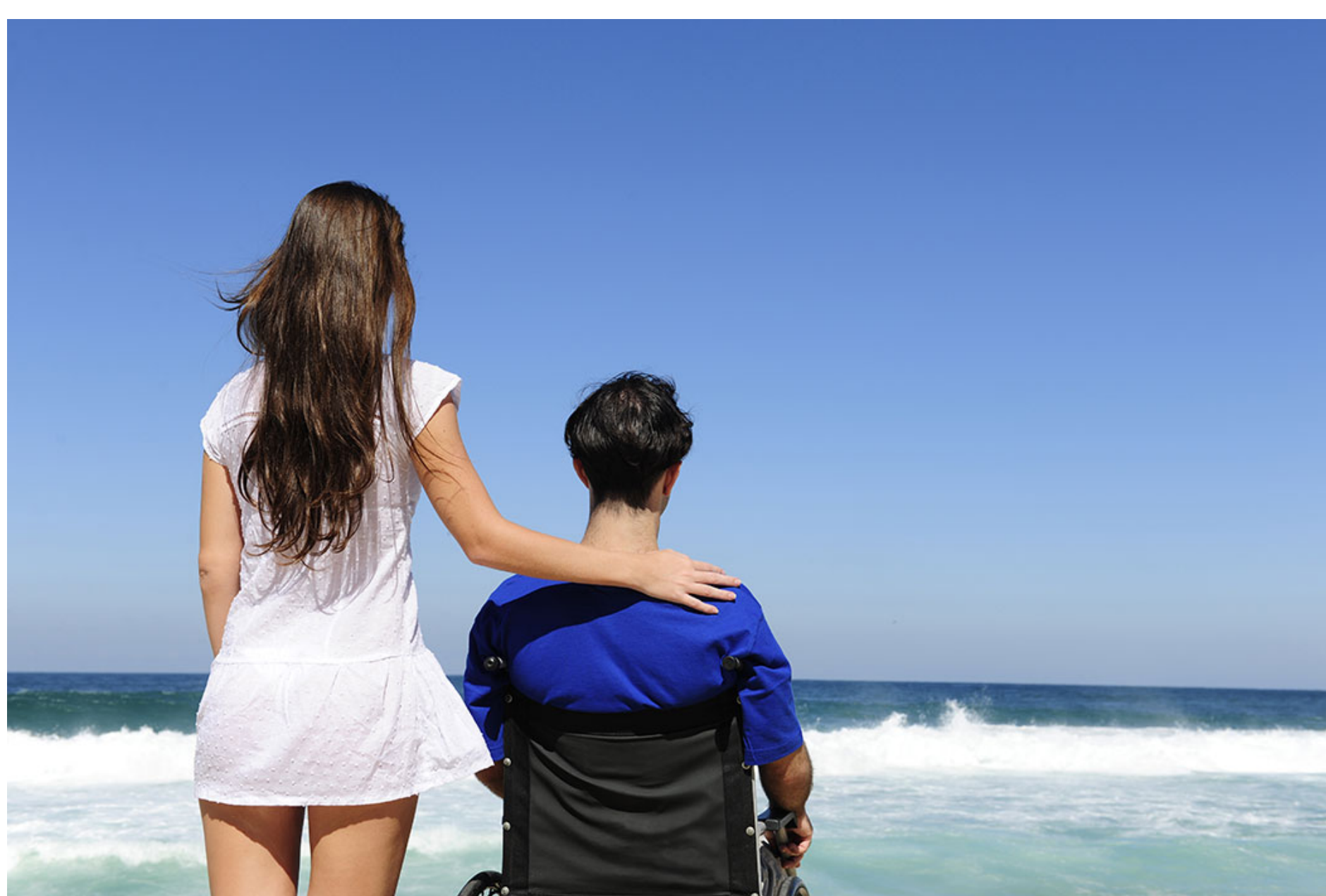


SOCIAL SECURITY DISABILITY ADVOCATES

WHAT HAPPENS TO SSDI BENEFITS WHEN I ALSO HAVE A SPECIAL NEEDS TRUST?

By SSDA USA | January 18, 2018



SSDA USA can help you navigate your special needs trust concerns.

Anyone who is collecting [Social Security benefits](#) might worry about what will happen to their benefits if they receive a sudden influx of money, such as an inheritance. This is because there may be asset or income limitations that you cannot go over. If you go over the limit, you could lose your benefits. Because of this, you might be wondering whether you need to have a special needs trust set up.

What is a special needs trust?

A Social Security beneficiary needs a special needs trust. Another person manages this for their benefit. There are two main reasons for creating a special needs trust. The first is to help protect funds in the trust from being counted as income. This ensures that their benefits won't be taken away from them.

Next, the beneficiary is not able to properly manage the money that they have due to a mental disability. In such a case, the trustee appointed will manage the money in a special needs trust for them.

Setting up a first-party special needs trust is a great thing to keep in mind. These trusts hold your assets. Only a parent, grandparent, guardian or court can set the trust up on your behalf. This is true even if you are completely capable of doing so yourself.

Do you need a special needs trust?

If you have perfect mental health, you might not think you need a special needs trust. If you're only collecting Social Security Disability Insurance (SSDI), then this may be true.

There are no limits to how many assets/how much money you can have to initially qualify for SSDI. However, you can only earn a certain amount following the date your disability took place per month as official income. There are no restrictions on unearned income, such as inheritances. This means that whether you were making \$20,000 a year or \$20 million a year, you can still qualify for SSDI.

However, it's a little different if you're also collecting [Supplemental Security Income](#) (SSI) or Medicaid. To qualify for SSI or Medicaid and to continue collecting those payments, your assets and income will have to be under \$771 a month as an individual or \$1,157 as a couple (these numbers are for 2019 and they do tend to go up every year to keep up with inflation). Because the SSA considers all types of income, including inheritances, as earned income, even a small inheritance could put you over the top. This could cost you your SSI or Medicaid benefits. In such a case, you'll want to [establish a special needs trust](#).

Even if you aren't collecting SSI and are only depending on SSDI payments, you may want to consider creating a special needs trust. This is because you may find that Medicare or insurance may not cover certain medical costs in the future, in which case you'll want to get Medicaid.

While a special needs trust isn't required if you're just collecting SSDI payments, you might want to consider establishing one. For more Social Security benefit advice, [contact us](#) at any time for a free consultation by calling [602-952-3200](#) or by using our online [LiveChat](#) feature.

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FREE CONSULTATION

First Name*

Last Name*

Phone*

Email*

Date of Birth*

Address*

City*

State

Zip Code*

Are you currently receiving social security? *

☐ Yes

☐ No

Is your condition expected to last 12 months or longer? *

☐ Yes

☐ No

Do you currently have an attorney? *

☐ Yes

☐ No

Are you currently receiving medical treatment? *

☐ Yes

☐ No

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