

SSI vs. SSDI – How Are These Programs Different & Why Does It Matter?

Many individuals with disabilities qualify for and/or are receiving monthly income benefits from the Social Security Administration (“SSA”). That being said, much confusion remains within the disability community as to what Social Security benefits are actually available and even as to which type of benefit a given individual is receiving... and why. Even individuals who are receiving monthly income from SSA often do not know what benefit they are receiving and why they are receiving that particular benefit.

When an individual becomes disabled, he or she can potentially be eligible for two programs through which a monthly income can be received. These two programs are Social Security Disability Insurance (“SSDI”) and Supplemental Security Income (“SSI”).

“Disability” is defined under the Social Security Act as the inability to do any substantial gainful activity (“SGA”) by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. This definition applies to both the SSDI and the SSI programs.

The ability to engage in SGA is determined by examining an individual’s ability to earn income. For 2021, the monthly SGA amount for statutorily blind individuals is \$2,190; the amount for non-blind individuals is presently \$1,260. So, a non-blind individual earning over \$1,310 a month in income would be considered to be engaging in SGA and thus would not be eligible for either SSI or SSDI.

After a determination has been made that an individual is disabled as defined by the Social Security Act, it becomes necessary to determine whether that individual is eligible for SSI, SSDI or possibly for both programs.

SSDI Eligibility

SSDI is not a means-tested program. That is, the financial status of an individual is not relevant in making a determination as to whether or not that individual is eligible to receive SSDI. Rather, eligibility for this program is based upon the work history of the individual seeking to apply. Accordingly, even if an individual with a disability has substantial assets, he or she can still be eligible to receive monthly SSDI payments.

A person with a disability is entitled to receive SSDI benefits if he or she is under full retirement age, has at least 20 credits in the 40 quarter period ending with the quarter in which the

individual became disabled, is fully insured (as defined by the SSA), files an application for benefits, and establishes a waiting period of five consecutive months beginning with a month in which the individual was both insured and disabled.

Benefits through SSDI may also be available for children with disabilities if the child became disabled before the age of 22 and remained continuously disabled. These benefits will be based upon the Social Security record of a disabled, retired, or deceased parent and can continue for so long as the child remains disabled and is unmarried.

After receiving SSDI for two years, an individual is automatically eligible for Medicare health insurance benefits.

SSI Eligibility

SSI is a federal welfare program established to provide cash assistance to financially needy individuals who are age 65 or older, or blind, or disabled. This program assures such individuals a minimum level of income.

To qualify to receive SSI benefits, an individual can have no more than \$2,000 in countable assets. Additionally, an individual can own certain exempt assets such as a home place, limited household goods, a car, certain life insurance, burial spaces and a certificate of deposit worth up to \$1,500 designated for funeral expenses.

In 2021, to be eligible to SSI benefits an individual's countable income cannot exceed \$794 a month. The Social Security Administration defines income as anything an individual receives in cash or in kind that can be used to meet that individual's need for food and shelter. This definition includes gifts and inheritances, as well as any in-kind support that an individual might receive, such as free room and board. However, because many kinds of income are not counted in determining SSI eligibility, an individual may be eligible for SSI even though his or her income is somewhat higher.

An individual who is eligible for SSI benefits and who is working must report his or her employment income to the SSA. The SSA then applies a formula to determine how much of the employment income will "count" when determining the SSI benefit the individual may be eligible to receive each month.

In Georgia, individuals who receive SSI are automatically eligible to receive Medicaid benefits immediately. Oftentimes the Medicaid benefit is more important than the SSI income, as Medicaid will pay for hospital and doctor bills, as well as prescription medications.