Teresa S. Sampleton, CFP®, CPA
Vice President
Sampleton Wealth Management

230 Park Ave. West
12th Floor
New York, NY 10169

(888) 336-6884

teresa.sampleton@SampletonWealth.com
www.sampletonwealth.com

Disabled Adult Children

By Elaine Floyd, CFP®

For some families, dependent benefits for children with disabilities are an important factor in the Social Security claiming equation. Here's what you need to know.

Children with disabilities such as Down syndrome, autism, or some other type of disability generally do not qualify for Social Security benefits. In order to receive Supplemental Security Income (SSI), the entire household must meet rather strict income and resource limits. Income must be under the SSI federal benefit rate, currently $967 per month, and assets are limited to $2,000.

Once a disabled child turns 18, the income and resources of family members are no longer considered. This means your disabled child(ren) may qualify for SSI and Medicaid. If you think this applies to you, talk to your financial advisor, who can help you find other resources.

WHO IS ELIGIBLE

Once a parent becomes eligible for Social Security retirement benefits, a disabled child—even if the child is now an adult—may start receiving Social Security Disability benefits (SSDI) based on the parent's work record. The benefit is 50% of the parent's primary insurance amount (PIA), subject to the maximum family benefit, which is about 180% of the worker's PIA. If the parent is deceased, the child may qualify for a survivor benefit of 75% of the parent's PIA, also subject to the maximum family benefit. Benefits may continue for as long as the child is disabled. A spouse caring for a disabled child or an adult child whose disability occurred before age 22 may receive a mother's (or father's) benefit. This benefit may likewise continue for as long as the child is disabled.

In order for an adult "child" (SSA refers to a disabled adult child as a "child") to qualify for SSDI benefits on a parent's work record, the child must have acquired the disability before age 22 and must now meet the adult definition of disability. Basically, it means that he cannot do any work at all (except for trial work) and the disability is expected to last at least a year or result in death.

SHOULD I APPLY EARLY?

As with all dependent benefits, in order for the child to receive benefits, the parent on whose record the child is claiming must have filed for his or her own benefit. If this would mean the parent would have to take a permanent reduction in benefits by applying before FRA, you need to do some calculations. Breakeven age is around 81 or 82, meaning that if you live longer than that you would have received more lifetime benefits by waiting. Also, early claiming would cause your spouse's survivor benefit to be reduced.

If the parent is under FRA and still working, all or most of the child's benefit may be withheld for the earnings test and would not be made up later, so there's really no point in the parent applying if this is the case. In most cases it's better for the parent to wait until full retirement age (FRA) when the earnings test does not apply.

However, it might make sense for the lower-earning spouse to apply for benefits before FRA to entitle the child to an SSDI benefit based on that work record. If the child is already receiving SSI when a parent becomes eligible for retirement benefits, you'll have to look at the amounts to see if it would make sense to switch over from SSI to SSDI. The federal SSI payment in 2025 is $967 per month; states may add to this amount. Fifty percent of a low-earning spouse's PIA might be less than the monthly SSI payment. In that case it may not make sense for the low-earning parent to apply for early reduced benefits because it won't help the child anyway.

It should be noted that if the adult child has done some work in his life, he might qualify for disability benefits based on his own record. Fewer credits are needed if the disability occurred in early adulthood—as little as 1.5 years of work if the disability occurred during the ages of 21 and 24.

A disabled adult child who has received SSDI for 24 months may qualify for Medicare.

There are a lot of considerations that go into deciding when to start claiming Social Security. For parents of adult children with disabilities, it might be worthwhile to claim earlier in order to receive benefits for the child. All of this needs to be discussed with a financial advisor who can run analyses using financial planning software.

Elaine Floyd, CFP® is Director of Retirement and Life Planning for Horsesmouth, LLC, where she helps people understand the practical and technical aspects of retirement income planning.