

8 Critical Factors That Could Impact an SSDI Award

Once the Social Security Administration (SSA) has determined that a claimant meets the medical requirements for Social Security Disability Insurance (SSDI) benefits, there are additional non-medical factors that must be reviewed prior to benefits being calculated and payments released. Despite being medically approved for SSDI benefits, payments may be reduced, delayed, or stopped completely for a variety of reasons. We have created this resource to highlight the most critical factors that may affect an SSDI award.

1 Some conditions or impairments might require the use of a representative payee.

When a medical determination is made affirming a claimant's eligibility for SSDI benefits, the determining party – the disability examiner (DE) or Administrative Law Judge (ALJ) – must decide if the claimant will be responsible for handling their own payments. Certain conditions or impairments, such as cognitive impairments, may lead the DE or ALJ to suggest establishing a representative payee who can handle the beneficiary's payments to be sure they are used for his or her best interest. This payee can be a friend, family member, or even an institution designated to receive payments on a beneficiary's behalf. Once the suggestion of using a payee has been made, the field office handling the claim is responsible for seeing the representative payee designation through and ensuring that benefits will not be released until the payee is established or it has been determined that this designation is not medically necessary.

2 Supplemental Security Income will impact SSDI benefits received.

When beginning their SSDI application, or at any time during the application process, claimants may also choose to file for Supplemental Security Income (SSI) benefits, an income-based disability benefit. If these benefits are filed for and ultimately awarded, they may reduce how much beneficiaries will receive in SSDI payments. Once approved, beneficiaries are unable to receive both their full SSI and SSDI payments for the same timeframe. The total amount of benefits owed to them for both SSDI and SSI will be calculated, at which time SSA will take the appropriate steps to reduce one benefit for the other. If awarded prior to the approval of their SSDI application, SSI benefits previously paid will reduce the total amount of SSDI past-due benefits released to the beneficiary.

3 Receipt of Workers' Compensation or Public Disability Benefits may reduce SSDI payments.

If claimants are hurt on the job, they may be eligible to receive Workers' Compensation payments. These benefits, along with Public Disability Benefits paid from a variety of states including California, New York, Hawaii, and Rhode Island, are among the most common sources of income for which Social Security can offset SSDI benefits. In most cases, Social Security can – and will – reduce the amount they are paying beneficiaries in SSDI benefits if they also receive Workers' Compensation or Public Disability Benefits or both.

4 Receiving more than one Social Security benefit will impact SSDI benefits received.

In addition to disability benefits, SSA issues retirement and survivor benefits to eligible recipients. For SSDI beneficiaries, receiving additional Social Security benefits may reduce how much they will ultimately receive in SSDI benefits, as SSA cannot pay two or more benefits at the same time, without reducing at least one. If a beneficiary is eligible to receive payments from someone else's record, such as dependent or widow(er)s benefits, SSA will pay them the amount they are eligible to receive based on their own work prior to paying any additional benefits from another person's record. If benefits from another record were received prior to the SSDI benefits being awarded, beneficiaries will see a reduction in the past-due benefit check they receive.

5 Lack of lawful presence or citizenship status prevents benefits from being paid.

SSDI beneficiaries are not required to reside in the United States to receive benefit payments. With only a handful of exceptions, benefits may be paid to an individual living in nearly any country. Beneficiaries, however, must be United States citizens – birthright or naturalized – or legal residents to qualify to receive payments. For any months during which citizenship or residency cannot be proven, benefits will not be paid.

6 Imprisonment can cause benefits to be suspended.

SSA cannot pay benefits for any months in which beneficiaries have been convicted of a criminal offense and are confined to a correctional institution. Beneficiaries must be confined for at least 30 days before SSA will retroactively implement a suspension on their benefits. Assuming beneficiaries remain medically disabled and unable to work, once they are released from the institution, SSA can remove the suspension and release their ongoing payments.

7 Returning to work may disqualify claimants from being eligible for SSDI benefit payments.

To qualify for SSDI benefits, a claimant must be out of work for at least twelve months or have a health condition(s) that is expected to end in death. In many cases, beneficiaries may be able to go back to work and do not need to receive benefits on a long-term, ongoing basis. If, however, a return to substantial gainful work occurs before a claimant has been out of work for twelve months, Social Security may deny a pending application or even revoke the award on an approved claim, due to the individual's failure to meet the basic duration requirement for receiving SSDI benefits.

8 Claimants must have the appropriate number of work credits to receive benefits.

It is important for claimants to know their work history and how long they have paid FICA taxes prior to filing for SSDI benefits. Typically, to be eligible for SSDI benefits, claimants must have worked and paid FICA taxes for at least five out of the last ten years. This ensures that they have actively paid into the Social Security system and are therefore considered "insured." If applicants are found disabled outside of the time period for which they are considered fully insured by Social Security, they may be deemed medically eligible for benefits, but not qualify for payments as they have not paid enough FICA taxes.