

8 Reasons Why an SSDI Representative May Not Pursue an SSDI Claim

When filing for Social Security Disability Insurance (SSDI) benefits, claimants may seek professional representation to help increase their chances of obtaining an award. Before beginning the application process, it is important that both the claimant and representative believe doing so will provide a favorable outcome. While a claimant may feel that working with a representative is the best course of action, there are many reasons why a representative may choose not to move forward in representing a claim. We have created this resource to highlight some of the reasons SSDI representatives may choose not to pursue an SSDI claim.

1 The claimant's health condition(s) does not meet the medical severity requirements for SSDI.

Eligibility requirements for long-term disability (LTD) and SSDI benefits are unique, therefore insurance carriers may occasionally submit LTD referrals to a representative that are not likely to qualify for SSDI benefits. SSDI representatives follow a consistent screening process for all referrals received and seek to determine if the medical severity of a claimant's cited condition(s) is significant enough to qualify for SSDI benefits. For example, a claimant with a total knee replacement may be eligible to receive LTD benefits based upon their current occupation, but with a history of sedentary work, the Social Security Administration (SSA) is unlikely to determine that condition alone will render the claimant unable to work for at least one year or result in their death, thus leading to a denial of the claimant's SSDI benefit application. In such cases, the claimant's condition would not be considered medically severe enough to qualify for SSDI, and a representative will likely decline to pursue the claim.

2 The claimant has returned to work.

If a claimant wants to apply for SSDI benefits but has already gone back to work, or is planning to return before one year has passed since the onset of disability, a representative might not be able assist with an SSDI application. This is because SSA will not consider the person eligible to receive SSDI benefits on the basis that the cited disabling health condition(s) has not kept the claimant out of work for a long enough period of time. However, a professional representative will not dismiss an inquiry without first assessing the claim for the possibility of filing for a closed period award. In these cases, claimants could be eligible to receive SSDI benefits for a designated time period, during which they were unable to work, versus collecting ongoing monthly benefits.

3 The claimant is not eligible for SSDI due to age.

Representatives may decline to help claimants apply for SSDI if they are deemed ineligible for benefits due to their age. Once someone reaches full retirement age, he or she can begin to collect Social Security retirement benefits. Once the individual is of retired age, SSDI benefits are no longer payable. This certainly does not mean that individuals over the age of 66 cannot work or return to work after a period of absence, but they would only be eligible to receive Social Security retirement benefits, rather than SSDI going forward.

4 The claimant hopes to maximize their retirement benefits.

Claimants who are approved for SSDI benefits receive the full benefit amount for which SSA has deemed they are qualified. When claimants who are receiving SSDI benefits reach their "normal retirement age," their monthly benefit payments will automatically transition from SSDI to retirement benefits, with the amount they receive most likely remaining unchanged. If claimants are hoping to maximize their monthly retirement benefit amount, they may choose to wait until they reach age 70 to file for and collect Social Security benefits. As claimants cannot delay the receipt of retirement benefits that have transitioned from SSDI benefits, a representative may choose not to assist a claimant in filing for SSDI, since this course of action does not align with the claimant's wishes.

5 The claimant is already represented by another party.

While a representative can take over responsibility for an SSDI claim that is currently being managed by another party, several factors may complicate this process. Depending on how far they have moved into the SSDI application process, some claimants may not feel comfortable switching representatives while their claim is pending with SSA. If a claimant is interested in transitioning to another representative, the original representative first needs to withdraw his or her representation, which may cause gaps in communication from SSA as the change is processed. A representative may not feel there is enough time to process the change prior to a key claim milestone, for example, an administrative law hearing, and accepting the claim may put the claimant at risk.

6 The claimant has passed away.

Depending on the date of death, a representative may decline to pursue an SSDI claim for a claimant who has passed away. When an individual is approved to receive SSDI benefits, SSA pays them retroactively dating back to their "entitlement date" – which is five full months from the date his or her disability began, also known as the "onset date." If a claimant passes away within this five-month period, SSDI benefits would not be payable on the claim. If the claimant's date of death does not fall within the waiting period, however, a representative could assist the claimant's family as they file a claim on their loved one's behalf, so long as the application is filed within three months of the claimant's death. If the claim is ultimately awarded, this may provide the claimant's family with additional financial support during a difficult time.

7 SSDI benefits have already been awarded.

When an individual contacts a professional representative seeking assistance with an SSDI application, an initial screening will be done to determine if the claimant has already started the Social Security application process. If an application has been filed, and subsequently been awarded by SSA, the representative will advise the claimant that they will be unable to move forward with representation. Should an additional party be involved, such as a LTD insurer or workers' compensation carrier, the professional representative will encourage the claimant to share the Social Security award notification with them.

8 Social Security benefits are already being paid to the claimant on another record.

Representatives may discourage claimants from applying for SSDI benefits if they are receiving Social Security benefits on another record, depending on the circumstances of the claim. A common example of this is an individual who is receiving widow(er)s benefits on their late spouse's record. All widow(er)s' beneficiaries must be 60 years old to receive benefits. Depending on the work history of both the late spouse and the beneficiary, switching to receiving SSDI benefits at this point could result in a smaller benefit amount – in which case, the claimant most likely would not qualify for retroactive pay when being awarded SSDI benefits. Therefore, the claimant and his or her prospective representative should consider if the advantages of SSDI approval, such as early Medicare eligibility, outweigh the financial impact of reduced monthly income benefits.

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