

# September 21, 2022

## Inaugural HDAP Monthly Meeting

### Agenda:

- Focus Topic of the Month:  
Spending Down Assets to  
Gain SSI Eligibility
- Open Question & Answer
- Reminder: Benefits Helpline!



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PARTNERING TO STRENGTHEN COMMUNITY SYSTEMS

## Focus Topic of the Month:

# Spending Down Resources to Gain SSI Eligibility

1. Refresher: Resource Rules for SSI
2. When to spend
3. What to buy
4. What not to do



## Resource Rules for SSI

- An SSI-Eligible Client may have up to \$2,000 in “countable” resources (\$3,000 if married)
- What is a resources:
  - Something that Client owns
  - Has the right or authority to convert to cash
  - Is not legal restricted from using for own support and maintenance
- What Resources are not “countable”
  - Client’s home (regardless of value)
  - One (1) car, of any value, if used for transportation (does not increase if married)
  - Household goods & personal effects
  - A More Complete List is in your Desk Guide (Pgs. 37-38, end of Section 1)

## When to Spend?

- Alternatives to spending down:
  - Trusts
    - Special needs trusts
      - Complicated, costly, requires lawyer and trust admin.
    - CalABLE
      - Must be disabled before age 26
  - Structured payments
  - Resources payable in-kind or in a non-countable form
    - Ex: Client is on a game show, doesn't own a car, and gets offered a grand prize of either a car or cash. Take the car!
- When none of these apply, its time to SPEND!

## Timing a Spend Down

### Back payment of SSI or SSDI Award:

- Often paid in installments
- Nine months to spend down each installment

### All other types of award:

- Must be spent within the month received
  - Note: NOT within 30 days! Ex: If received any time in February, must be spent before March
- Typically: inheritance, lawsuit judgment in client's favor, incentives for participation (e.g. payment to be on a panel, or point in time count)



# What to Buy

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Tier 1: Life Improvers	Home: <ul style="list-style-type: none"><li>Any value, must live in</li><li>House, condo, or mobile home</li><li>Rental deposit/ moving costs</li></ul>		Automobile: <ul style="list-style-type: none"><li>Any value, but only <u>one</u> (does not increase if married)</li><li>Must be used for daily transit</li><li>Includes repairs or retrofits</li></ul>	
Tier 2: Daily Necessities	Household Goods: <ul style="list-style-type: none"><li>Groceries, cleaning supplies, pots &amp; pans, furniture, clothes, diapers and other childcare items.</li><li>Prioritize shelf-stable, non-CalFresh items.</li></ul>			Utilities: Water, phone, internet, electricity, etc.
Tier 3: Medication	Any medical treatments/ devices not covered by MediCal		Dental or eye related expenses not covered by MediCal	
Tier 4: Estate Plans	Burial space or plot (any value/ no limit)	Other arrangements, <u>NOT</u> to exceed \$1,500 each: <ul style="list-style-type: none"><li>Burial contract (e.g. pre-paid funeral)</li><li>Whole life insurance (\$1,500 cash-in value)</li><li>Burial fund (\$1,500 or less set for burial)</li></ul>		
Tier 5: Others	Trips / Experiences: No restriction on visiting friends, family, or tourism.	Personal items: No restriction for things like books, hobby supplies, or instruments		Pets: No restriction on animals or animal care (incl. vet bills)
Tier 6: Debt	Can pay back debts, but most SSI clients collection proof – usually do not recommend			

## Do's and Don'ts of Spending Down

### DO:

- Keep receipts!
- Inform SSA of excess assets/ spend down plan (use form SSA 795)
- Be prepared for disruption in benefits (if spend down to take more than one month)

### DO NOT:

- Give assets away to friends or family
  - Resources sold to meet eligibility must be sold for fair market value
  - Cannot just remove someone from title to gain eligibility
- Hide unreported resources or cash



Hiding or misreporting resources on purpose could result in a 36 month bar from SSI, and/or criminal penalties



## Questions about Spending Down?

**Please identify yourself: name, county, program**

**Do NOT identify the client: no full names or identifying health info**

**Remember: This is a judgment free zone, there are no bad questions!**







## General Questions!

**Please identify yourself: name, county, program**

**Do NOT identify the client: no full names or identifying health info**

**Remember: This is a judgment free zone, there are no bad questions!**



# Asking for Help

ICLC is here to help with your specific questions about SSI/SSDI and CAPI Benefits Advocacy.



Please visit:

<http://www.changewellproject.com/benefits-helpline>

# Next Month

Next Month:

October 19, 2022 at 2:00 pm

How to be a Scary Good  
Advocate - Adult Function  
Report with a Focus on  
Questions 5 & 6, SSA-3373



*Thank you and see you next week!*