What is a Dedicated Account?

When the Social Security Administration (SSA) determines that your child is disabled and eligible for Supplemental Security Income benefits (SSI), your child will start getting benefits every month. If time has passed since you first applied, your child will also get **back benefits**, or retroactive benefits. These can cover the period from the month after you applied until your child was approved. To get this money, you will have to open a *separate* bank account called a **dedicated account**. SSA will deposit your child's back benefits into this account. *This is your child's money, but there are limits on how you can spend it*. You can only use it for items and services that relate to your child's disability and benefit the child.

To set up a dedicated account, bring the notice from the SSA showing your child is entitled to back payments to the bank of your choice. Tell them that you would like to set up a dedicated account in your child's name. Remember to bring proper identification. The account must be separate from the account you use for the regular monthly benefit payments and can only be a checking, savings, or money market account. The bank will give you an account number to give to the SSA for direct deposits.

The Children's Disability Project created this Saving and Spending Workbook to help you handle your child's back benefits. This handbook will:

- Explain how you can use the money in your child's dedicated account;
- Explain how to get permission for a special purchase that will help your child; and
- Help you keep track of your purchases, receipts, and approval letters.

IMPORTANT: The information in this workbook only relates to the money in your child's *dedicated account*. It does not apply to your child's regular monthly benefits. You can use your child's monthly benefits for daily living expenses, such as food, clothing, and shelter.

Do's & Dont's of Dedicated Spending Accounts

DO:

- DO spend money on education, medical needs, and other costs related to your child's disability.
- DO get permission from the SSA office, in writing, for any purchases that aren't clearly medical or educational. You can appeal the decision if the SSA decides that you can't spend the money the way that you want.
- DO keep track of how you spend the money. Save your receipts and any letters you get from your child's doctors or teachers explaining why you made the purchase.

DON'T:

- DON'T spend the money from *this account* on ordinary living expenses—food, rent or mortgage, clothing, or furniture. You can use the money from your child's *monthly check* for these kinds of expenses.
 - Exception: if your family is in danger of becoming homeless, or in danger of being evicted, you may be able to spend money in order to rent or buy a home, but you should first check with SSA.
- DON'T mix the money in the dedicated spending account with any other money.
- DON'T throw away your receipts or any letters you get from the SSA office, your child's doctor, or your child's teachers about your request to use the money.

Keeping Back Benefits Separate

How does the money in my child's dedicated account affect my child's eligibility for benefits? SSI eligibility rules are strict about any income you have and any resources your family has access to. Money in your child's dedicated account does not count as a "resource" or income. That means your child can get benefits even if the account has more than \$2000.

Can I put other funds in the dedicated account?

The basic answer is NO. In fact, if you mix funds with your child's dedicated account, the SSA might consider the whole account, including the amount that came from the back-payment, a resource. If this brings your child's resources to the \$2,000 limit, SSA could stop your child's benefits. It is very important to keep your child's back benefits completely separate from any other money.

Are there any special cases when I can add funds to the dedicated account?

The rule is that ONLY your child's retroactive awards of SSI can be in the dedicated account. However, in some special cases, you may be able to add funds to an existing dedicated account. You may want to do this when a later SSI payment would put your child over the \$2,000 asset limit, and you cannot spend the amount right away. The only types of payments that you may be able to add to an already-established dedicated account are:

- Later underpayments or back payments from SSA. If you receive another award of back payments or an award due to underpayment, consult the SSA about whether this money can or must be put in your child's dedicated account.
- Any interest payments created by the money in the dedicated account.

You can only add these funds to a dedicated account that has already been created. Once you put this money in the account, it is subject to the same spending rules as the rest of the account.

What if I have to add money to the account to open it?

You can use a small amount of money (up to about \$25) that isn't part of the back-payment to open your child's dedicated spending account. You may have to do this if your bank needs a minimum deposit to open an account. The Social Security Administration calls this a "temporary loan." You *must* withdraw the money that you use to open the account by the end of the month *following* the month that the SSA deposits the back-payments. The money that you use to open the account *will* still count as a resource.

How to Get Permission for a Special Purchase

Money from your child's dedicated account can be used for medical treatment or education and job skills training. It can also be used for other items and services if they are related to your child's disability and benefit the child. If you are not certain that your purchase will be allowed, you should ask for approval first. You don't want to be stuck paying back the cost later!

First, put together the following information:

- What the item is, and about how much it costs (a quote can be helpful);
- How the item is related to the child's disability; and
- Letters from the child's doctor or other treatment source that can support the medical use of the item **or**
- Letters from the child's teachers or administrators at the school that can support the educational use of the item.

Next, contact your local SSA office. Explain to the claims representative that you want to buy something with money from the dedicated account. SSA might make a decision right away over the phone. If SSA does make a decision, ask for something in writing that you can keep in your files.

SSA probably won't make a decision on the phone. Instead, SSA may ask you to send them the information that you put together explaining why you need to buy the item. Send SSA a copy of the materials and keep the originals.

If the local office says that you cannot make the purchase, you have 30 days to appeal the decision. If it is denied again, you have the right to a hearing before an Administrative Law Judge and can appeal it further to a federal court. <u>If you request approval for a purchase</u>, don't spend the money until you have received approval.

How to Keep Track of Your Spending

Every year, SSA will ask you to fill out a report on how you used the money from your child's dedicated account. It is very important that you keep track of how you spend the money. Always keep receipts from the purchase and all bank statements. You should also keep any letters from SSA approving a purchase and any letters from doctors or teachers that say why the purchase is necessary. Also keep copies of approval notices. SSA recommends keeping records for at least **two years**.

Use checks or a debit card (sometimes called a check card).

If you use checks, the canceled check will be proof of how you spent the money. If you use a debit card, your bank statement will say how much you spent and where you spent it.

Track each purchase in an account register or your check register.

An account register is a simple way to track your spending. If you record all your purchases at the time you spend the money, it will be easier to explain each purchase later. We provided an account register for you to record each purchase. You may want to make copies before you use it so you don't run out of pages.

Balance the accounts each month.

Check the account register against your monthly bank statement. If you use a debit card or checks, each transaction will appear on your bank statement.

Examples of Purchases That May be Allowed

- Hearing aids and other aids to help the child learn or talk with others
- Wheelchairs and other items to help the child move around
- Special class books for deaf or blind students, and other special educational material
- Special foods, if the child needs them because of the disability
- Clothing that the child needs because of the disability, such as:
 - Orthopedic shoes
 - Special pants for incontinent children
- Cost of gas and electricity to use special equipment the child needs
- Special day care or helpful activities like the Special Olympics and summer camps for disabled children
- Food and veterinary care for a guide dog or another animal that helps the child
- Repair/replacement bills for walls, carpets or furniture that have been broken by a disabled child
- Counseling, crisis intervention services, respite care, and therapeutic foster care, if health insurance doesn't cover it
- Repayment of debt, even repayment of debt to the parent or representative payee for items that you bought to help the child with his or her impairment
- Attorney fees related to the child's disability claim
- Special appliances, services, or furniture for the child's disability, such as:
 - o Air conditioning for a child with asthma
 - o A washing machine for an incontinent child
 - o A phone line to make sure you have access to a service you need
- Household renovations needed for the child's health, such as:
 - o Insulating a home for a child who can't handle very warm or cold temperatures
 - o A separate bedroom needed for a child with emotional disabilities
- Special toys related to the child's disability
- Computers, accessories and educational software that can help the child learn or develop other skills
- Cost to get the child to training classes, therapy sessions, doctors' appointments, etc.
 - o Bus or cab fare
 - o The purchase of a car or van, if needed

Remember, you should always keep records of how purchases are related to your child's disability.

Examples from Actual Requests

- The owner of an apartment wanted to evict a family because the autistic child made noisy outbursts. The SSA let the family use money from the dedicated account to rent a house, because the outbursts were part of the child's disability.
- A child who used a wheelchair needed to get to therapy sessions every week. The SSA approved the cost of a van that could carry the wheelchair because the doctor said the child would need to go to therapy for a long time. The SSA did not let the family buy a special van, because a regular van would work.
- A disabled child needed new shoes. The SSA denied the request because the shoes weren't related to the child's disability.
- A family with a disabled child was living in a home with lead based paint and dirty water. The health department said the family had to leave. The SSA let the family use money from the dedicated account for the closing costs and a down payment on a used trailer and a lot.
 - Even if the family isn't about to be homeless, the SSA might approve the costs for a new home if the current home is in such bad shape that it is bad for the child's health.
- A child's family had to pay for medications and transportation to hospitals or clinics before the SSA approved the child's claim for SSI. The SSA let the parent use funds from the dedicated account to make up for the past expenses.
- A parent needed to go out for a short time to shop and take care of personal business. The SSA approved the cost for child care, but not the costs of shopping, a movie, or other expenses that the parent had.
- A child had tuition costs for a private school. The SSA approved the tuition cost because it is an educational expense.
- A child's school helped the family pick out a computer and software that would help the child learn. It wasn't the cheapest computer, but the school explained that it was the cheapest one that could run all of the software and last a long time. The SSA approved the purchase because it was an educational expense and the computer they chose was a reasonable price.

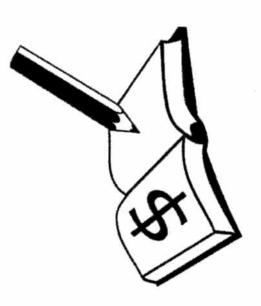
Dedicated Spending Account Account Register

Keep track of your spending

Provided by the Children's Disability Project



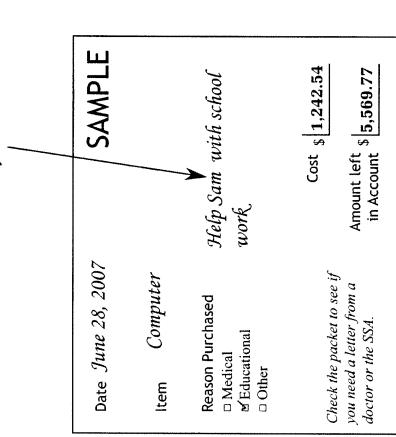
Last updated by Quinten Steenhuis



How to use this account register

Use this account register every time that you spend money from your child's dedicated spending account. You should save your receipts. Also, remember to save copies of any letters from doctors or teachers that explain the purchases you made.

Using your own words, explain why you bought the item. Remember, it needs to be related to the child's disability or education.



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