

HEALTH CARE ADVOCACY

Advocating for quality health care for people with intellectual and developmental disabilities

WHAT IS A DAC?

A Section 1634 “Disabled Adult Child” or “DAC” is a designation under the Social Security Administration (SSA) whereby an adult individual with blindness or a disability, who previously received Supplemental Security Income (SSI), is eligible to receive Medicaid as long as the individual is determined blind or disabled. If the individual receives income from another source or exceeds resource limits, the individual could lose Medicaid coverage.

WHO IS ELIGIBLE?

An individual who was receiving SSI benefits and:
Is at least 18 years old;

- Has blindness or a disability that began prior to age 22;
- Has been receiving SSI based off blindness or disability; and
- Has lost SSI due to receipt of Social Security benefits from a parent’s work record resulting from a parent’s retirement, disability, or death.



FREQUENTLY ASKED QUESTION (FAQS) ABOUT SECTION 1634 DISABLED ADULT CHILD (DAC)

HOW IS DAC STATUS INITIATED?

When a parent retires or becomes disabled and starts collecting Social Security benefits, or the parent passes away, the adult child eventually begins receipt of a monthly SSDI or disability benefit (a Survivor’s Benefit, if the parent passed away) based upon the parent’s work record. The child could receive a monthly benefit that is equivalent to 50% of the monthly benefit amount that the parent receives.

WHEN DOES THE CHILD RECEIVE SSDI AFTER THE PARENT STARTS COLLECTING SOCIAL SECURITY BENEFITS?

The child does not necessarily receive SSDI and DAC status immediately after a parent begins collecting Social Security benefits. There can be a delay of months or even years. At some point, Social Security will contact you about completing a new application for your child to receive SSDI and be considered a DAC. In the meantime, the child’s current benefits would continue as long as they remain eligible.

DOES MY CHILD RECEIVING SSDI AFFECT MY SOCIAL SECURITY BENEFITS?

No, if a parent retires or becomes disabled and starts collecting Social Security benefits, the benefit amount is not affected by the child receiving SSDI benefits based on the parent’s work record.



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WHAT IF MY CHILD IS ALREADY RECEIVING SSI AND THEN I START COLLECTING SOCIAL SECURITY BENEFITS?

If the parent only has a small work record and is not receiving a large Social Security benefit, then the DAC may be able to keep their SSI while receiving SSDI. For most individuals, however, the SSDI amount from the parent is too high to also keep SSI, resulting in SSI termination. If the DAC has Medicaid through SSI, then Medicaid will also terminate. The DAC may continue to receive Medicaid, however, but will need to fill out a request for information (RFI) packet from either the Division of Developmental Disabilities (DDD) or the local County Board of Social Services. This flyer has more information about the DAC process and renewing eligibility with Medicaid.

WHAT IF MY CHILD IS ALREADY WORKING AND RECEIVING HIS OR HER OWN SSDI?

When a child is working and receiving SSDI upon his or her own work record, and a parent retires, the individual can only receive one form of SSDI. If the SSDI benefit under the parent is higher, the child will receive that benefit. If the child's SSDI benefit is higher than the amount under the parent, the child will remain on their SSDI benefit. Either way, a new application with Social Security is required.

WHAT IF MY CHILD IS RECEIVING AN SSDI BENEFIT UNDER MY WORK RECORD BUT THEN MY SPOUSE RETIRES AND STARTS COLLECTING A HIGHER BENEFIT AMOUNT?

The child can receive the higher SSDI benefit amount, but a new application with Social Security is required.

HOW DO I KNOW THE OPTIMAL AGE TO RETIRE IN ORDER TO RECEIVE THE MAXIMUM SOCIAL SECURITY BENEFIT FOR MYSELF AND MY CHILD?

You can get a personalized retirement benefit estimate on the SSA website if you have a my Social Security account. The SSA website has a wealth of information about planning for retirement. Maximize my Social Security is another website that helps calculate the optimal age of retirement to start collecting benefits (this website does charge a fee).

IF MY CHILD STARTS RECEIVING AN SSDI AMOUNT THAT IS EQUAL TO OR EXCEEDS \$2,000 A MONTH, WHAT HAPPENS?

When a child is considered a DAC, the SSDI benefit amount from the parent's work record is disregarded. But, NJ Medicaid has a \$2,000/month resource limit, so it may be prudent to utilize an ABLE account and/or Special Needs Trust (SNT) if the child is receiving a higher SSDI amount and there are difficulties in keeping under the \$2,000 monthly resource limit.

For More Information:



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