



GOVERNMENT BENEFITS PLANNING: WHAT CLAIMANTS NEED TO KNOW

“I’m on Medicare. Will my settlement award affect my eligibility?”

“My family relies on Medicaid and Supplemental Security Income to meet our needs. How will a settlement award affect us?”

IF YOU RECEIVE ASSISTANCE FROM GOVERNMENT BENEFIT PROGRAMS LIKE SSI, MEDI-CAL, CALFRESH, AND/OR SECTION 8, PLEASE READ THIS DOCUMENT.

There are two main types of public assistance benefits: **NEEDS-BASED** benefits and **EARNED** benefits.

NEEDS-BASED BENEFITS have strict income and/or asset tests. These benefits could be interrupted or terminated if your income and/or assets exceed a certain amount after you receive your settlement payment. “Assets” means the amount of money or countable property you have available. “Countable property” does not include your primary home, your personal property, and one vehicle.

If your settlement payment is \$2,000 or less, it might not affect your needs-based benefits at all. In some cases, depending on the benefits you get, it could have a small impact in the month you cash your check, but it shouldn't cause long-term changes unless you still have over \$2,000 total at the beginning of the following month.

EARNED BENEFITS do not have an income and/or asset test and will not be affected by the settlement payment you receive in this case.

If you have questions, contact the Claimant Advocacy Group (CAG) for guidance on preserving your benefits. You do not have to pay for this consultation.



800 - 683 - 4872



CAG@claimantadvocacy.com



www.claimantadvocacy.com

Please note: CAG is not a tax advisor and cannot provide tax advice.



NEEDS-BASED BENEFITS

Needs-Based benefits that may be affected by your settlement payment include: Supplemental Security Income (SSI) linked with Medi-CAL (California Medicaid), Medi-CAL only (no SSI), In-Home Care / Long Term Care, Food Stamps (WIC, SNAP, CALFRESH), Subsidized Housing (Section 8 / HUD), Children's Health Insurance Program (CHIP), and Dual Beneficiary Medicaid Programs such as QMB or "Extra Help."

Below are examples of how your settlement payment could affect your Needs-Based benefits:

Supplemental Security Income (SSI) - This program counts both income and assets. You must have less than \$2,000 in assets.

- If you are receiving less than \$2,000 from the settlement, your SSI should NOT be affected long-term as long as you have less than \$2,000 by the end of the month you receive your settlement payment.
- You must still report the income received, and SSI may discontinue one month of SSI in that month.

Section 8 - This program subsidizes your housing costs by lowering your rent payments. Rent is based on income and asset limits apply.

- If you are receiving less than \$2,000 from the settlement, your Section 8 should NOT be affected, or if impacted, very minimally.
- Net Family Assets over \$100,000 - Starting in 2024, if your "net family assets," which includes cash from a settlement, are over \$100,000, you will be removed from the Section 8 program.

Medi-CAL Only – Medi-CAL (California Medicaid) does not have asset limits and only counts certain types of income when determining eligibility.

- Your non-taxable reimbursement portion should not be counted toward "income."

TWO important reminders for all needs-based benefit programs:

1. **You must report** - You are required to report any changes to assets and income. You can find information about how and when to report on the eligibility letters you receive from your needs-based benefit program.
2. **You must use the settlement payment for yourself** - Giving money away, putting your money in someone else's account or possession, or buying things for other people puts you at risk for loss of benefits. If you spend your settlement payment on others, the needs-based programs may discontinue benefits.

EARNED BENEFITS

Earned benefits that will **NOT** be interrupted by the settlement payment you receive in this case include: Medicare Part A or B; Medicare Part C; Social Security Retirement (SSR); Social Security Survivor Benefits (SSA); Social Security Disability Benefits (SSDI); and Veterans Compensations Benefits.

**For more information and advice on preserving your benefits, call CAG at 800-683-4872.
You do not have to pay a fee for this call.**