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Special Needs Planning: Insights & Updates October 2026 – Not All Social Security Disability Benefits Are the Same

The Social Security Administration (SSA) oversees three different programs that provide monthly income to adults with a disability. Each of these programs requires a finding that the individual cannot perform substantial gainful activity (SGA) because of a medically determinable condition that has lasted at least 12 months or that is expected to last at least 12 months or to result in death. In 2026, SGA is defined as the ability to earn \$1,690 per month (\$2,830 per month for a person who is blind). Additional eligibility requirements and payment structures vary for each program, making it critically important to understand what benefit your loved one is receiving and what the rules are for that program.

Supplemental Security Income

Supplemental Security Income (SSI) is a federal needs-based program that has asset and income limits but does not require prior employment. In 2026, the maximum federal benefit for SSI is \$994 per month for a single adult (\$1,491 for a married couple), scheduled to increase to \$1,029 for an individual in 2027. Some states add a supplemental payment. The actual payment is reduced by the disabled person's other countable income. The first \$20 of monthly income from any source is not countable. For disabled adults who are working, the first \$65 of monthly earnings is not countable and the SSI benefit is reduced by one-half of the remaining employment earnings. Exclusions, such as the student earned income exclusion and work incentives, may apply. Unearned income such as cash gifts, child support, Social Security Disability Insurance (SSDI), and pensions will result in a dollar-for-dollar reduction in SSI benefit.

The SSI resource limit is \$2,000 for an individual (\$3,000 for a married couple) of countable assets including cash, bank accounts, investments, bonds, and other property that can be converted to cash. Common exclusions include the home in which the person lives, one vehicle used for transportation, household goods and personal effects, certain burial arrangements, qualifying special needs trusts, and up to \$100,000 in an ABLE account.

SSDI Using the Beneficiary Work Record

SSDI is an insurance benefit under Title II of the Social Security Act. The beneficiary must have recent work credits covered by Social Security. SSDI is an entitlement program and therefore has no asset or resource limit and is not affected by other sources of unearned income. The monthly SSDI amount is based on the beneficiary's own covered earnings history, not on financial need. A person with a limited earnings history may receive a relatively small SSDI benefit, while a person with a longer or higher-paid work history will receive more.

Disabled Adult Child Benefits Using the Parent Work Record

Disabled Adult Child (DAC) benefits, formally called Childhood Disability Benefits, are a Title II child's insurance benefit paid on a qualifying parent's Social Security earnings record. A DAC must be age 18 or older, not married (unless married to another DAC), and have a disability that began before age 22. The parent must be receiving Social Security retirement or disability benefits, or must have died after earning sufficient Social Security coverage. The DAC does not need to have worked, and as with SSDI, there are no asset or resource limits and no unearned income limit.

The DAC benefit payment is derived from the parent's earnings record. A DAC may receive up to 50% of the parent's full retirement or disability benefit while the parent is collecting Social Security and up to 75% of a deceased parent's benefit. There is a family maximum, which may reduce the amount when several family members receive benefits on the same work record.

Working While Collecting SSI, SSDI, or DAC Benefits

An individual collecting SSI will have their SSI benefit reduced by \$1 for every \$2 of earned employment after the first \$65 earned is disregarded. An individual on SSDI or DAC benefits can work and still collect the full benefit provided they remain incapable of SGA—the ability to earn, in 2026, gross earnings of \$1,690 per month (or \$2,830 per month for a person who is blind). Various work incentive programs and impairment-related work expenses may reduce an individual's countable gross earnings in a month. The beneficiary will receive the full SSDI/DAC payment during the trial work period, which allows the beneficiary to earn a threshold amount (in 2026, gross earnings of \$1,210) for nine nonconsecutive months during a 60-month period. After earning in excess of the threshold amount, the beneficiary enters a 36-month period of extended eligibility, during which they receive benefits for any month in which they are below countable SGA earnings yet do not receive any SSDI payments for a month in excess of SGA earnings, with an applicable grace period and work incentives. Please refer to the SSA's Red Book for more details on work incentives for individuals collecting Social Security disability benefits.

Benefits Can Change Over Time

A person may move from one benefit structure to another as work histories and family circumstances change. An adult with a lifelong disability may begin with SSI if neither that adult nor the qualifying parent has triggered eligibility for a Title II benefit. The same adult may later earn enough credits for SSDI on the adult's own record or may become eligible for DAC when a parent retires, becomes disabled, or dies.

Receiving SSDI or DAC does not always end SSI. If the SSDI/DAC benefit is low enough and the person continues to meet SSI's income and resource rules, SSI may provide a partial payment. Social Security generally counts the Title II benefit as unearned income after applying the \$20 general income exclusion. If the SSDI or DAC payment amount is high enough, the SSI cash payment will terminate. Families should therefore review the person's eligibility whenever the person works or when a parent claims Social Security benefits or dies.

This article provides general information as of October 2026. Social Security rules are fact-specific and dollar amounts may change annually.

Comparison Chart

Feature	SSI	SSDI on Own Record	DAC or Childhood Disability Benefit
Program type	Needs-based benefit under Title XVI	Social Security insurance benefit under Title II	Child's insurance benefit under Title II
Work record used	No prior work required	Beneficiary's own work record	Qualifying parent's work record
Core eligibility	Disability, blindness, age 65+	Disability plus recent work credits	Age 18+, unmarried (or married to a DAC), disabled prior to age 22, parent collecting Social Security or deceased

Asset limit	\$2,000 individual or \$3,000 couple in countable resources	No asset limit	No asset limit
Benefit amount	\$994 maximum federal benefit (\$1,029 in 2027)	Based on beneficiary's own covered earnings history	50% of parent's full retirement/disability benefit, 75% of deceased parent's basic benefit
Unearned income effect	Benefit reduced \$ for \$, excluding first \$20	Workers' compensation may cause an offset	Ordinary unearned income does not reduce DAC
Earned income effect	Benefit reduced \$1 for each \$2 earned, excluding first \$65	Disqualified with earnings above SGA limit, with exceptions	Disqualified with earnings above SGA limit
Other reduction or loss	In-kind support and maintenance if not paying rent/shelter	Medical improvement	Family maximum, dual entitlement, marriage, medical improvement
Common trigger for review	Changes in income, resources, living arrangement, or marital status	Work activity, completion of trial work period, or medical improvement	Parent claims benefits or dies; beneficiary marries, works, or medically improves

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