

Demystifying Social Security's Childhood Disability Benefit

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What Is The Childhood Disability Benefit (CDB)?

The Social Security benefit paid on a parent's work record.

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The Acronyms

TITLE XVI - Needs-based	TITLE II - Earnings-record insurance					
SSI Supplemental Security Income Means-tested cash benefit for aged, blind, or disabled individuals. \$994/month 2026 federal individual maximum	RSDI Retirement, Survivors, and Disability Insurance. The umbrella Title II program. <table><tr><td>SSDI / DIB Social Security Disability Insurance / Disability Insurance Benefits Worker disability benefit.</td><td>CDB Childhood Disability Benefit Adult disabled child on a parent's work record.</td></tr><tr><td>RIB Retirement Insurance Benefits Worker retirement benefit.</td><td></td></tr></table>		SSDI / DIB Social Security Disability Insurance / Disability Insurance Benefits Worker disability benefit.	CDB Childhood Disability Benefit Adult disabled child on a parent's work record.	RIB Retirement Insurance Benefits Worker retirement benefit.	
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CDB Is Not SSI

	TITLE II - INSURANCE-BASED Childhood Disability Benefit	TITLE XVI - NEEDS-BASED Supplemental Security Income
Funding source	Paid from a parent's insured status	Needs-based federal benefit
Resources	No resource limit or unearned income limit	\$2,000 individual resource limit in 2026; Income limits
Benefit amount	Benefit tied to parent's PIA	Federal maximum is \$994/month in 2026
Health coverage	Medicare + Possibly Medicaid	Medicaid

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CDB vs. DAC – What Term Should I Use?

CORRECT TERM

CDB

Childhood Disability Benefit

The current SSA term — try to always use this.

STILL USED IN PRACTICE

DAC

Disabled Adult Child

Still used in certain SSA publications and by many state Medicaid agencies.

DAC describes the person, not the benefit — and isn't person-centered. Know it anyway: it's still in use.

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One Benefit Unlocks Three Crucial Programs

\$

Cash Benefit

A non-means tested Social Security benefit based on a parent's earnings record.



Medicare

Medicare generally follows after the 24-month entitlement period.



Medicaid

Prior SSI eligibility can preserve Medicaid despite higher CDB income.

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Wealth Does Not Block CDB

No limit on the child's wealth - Child of a billionaire - Large inheritance - Litigation settlement - Any other substantial assets	YET	CDB still pays ✓ Cash benefit ✓ Medicare ? Medicaid
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No special needs trust is required for CDB – but one may still be needed to protect Medicaid.

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Who Qualifies And When

Two clocks: the child's disability and the parent's claim.

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The Initial Questions

- 1 Is the adult child **unmarried and age 18 or older**?
- 2 Has a parent **retired, become disabled, or died insured**?
- 3 Did the disability begin **before age 22**?
- 4 Does the child currently meet the **adult disability test**?
- 5 Has **work or marriage** created an **eligibility trap**?

The same facts in a different order can produce a very different result.

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Parents Drive Benefit Timing

No Qualifying Parent Event → No CDB Benefit.

Retirement

Parent claims retirement benefits.

Disability

Parent becomes entitled to disability benefits.

Death

Parent dies while insured.

The adult child need not have their own work record to qualify on the parent's record.

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Qualifying Disability Begins **BEFORE 22**

Often the real fight is when disability began.

PROVE ONSET

Before 22

Qualifying disability

22nd Birthday Deadline

PROVE CONTINUITY

Waiting for parent to claim

Continuous disability - No SGA that breaks continuity

Parent claims

= First CDB payment

Duration unknown — the wait may last years

Practice tip: An SSI award before age 22 provides strong evidence that disability began before age 22. One of several reasons to advise clients on the importance of SSI!

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Honest Work Discussions Required!

Work discussions may also impact when parents claim.

BEFORE ENTITLEMENT

Must meet disability test continuously.

AFTER ENTITLEMENT

Work incentives can now apply.

Avoid Substantial Gainful Activity that breaks continuity.
2026 SGA: \$1,690/month (\$2,830 if blind)

SSA's five-step disability test

1
SGA

2
Severity

3
Listed impairment

4
Past relevant work

5
Other work

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How Do I Tell If A Client Is Receiving CDB Benefits?

Look at SSA Verification Letter Claim Numbers

123-45-6789 C1 Benefits paid on a parent's record. Confirm it's CDB, not a minor-child benefit.	987-65-4321 A Benefits on the person's own record. A disabled worker usually shows HA.
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When is it paid?	SSI: usually 1st. Social Security Disability: 2nd / 3rd / 4th Wednesday based on the parent's birth date.
Is there Medicare?	SSI does not include Medicare.
How much?	2026 federal SSI max: \$994 / month, individual. Higher + federal SSI (excluding state supplements)

These three don't guarantee CDB.
It could still be based on the beneficiary's own work history.

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Calculating The Childhood Disability Benefit

How the parent's record sets the amount.

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A Parent's Primary Insurance Amount (PIA) Sets The CDB Cash Assistance

PIA = Primary Insurance Amount — the monthly benefit the parent's own earnings record would pay at full retirement age.

EXAMPLE Parent's PIA = \$2,000	PARENT ALIVE & ENTITLED	50% of the parent's PIA = \$1,000 per month to the child
	PARENT DECEASED	75% of the parent's PIA = \$1,500 per month to the child

Before family maximum adjustments.

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Calculating Primary Insurance Amount (PIA)

Three steps turn a parent's lifetime earnings into the PIA.

1

AIME

Average Indexed Monthly Earnings — the parent's highest 35 years of wage-indexed earnings, averaged to a monthly figure.

2

Bend points

2026 formula applied to AIME:

90% of the first \$1,286

32% of \$1,286 - \$7,749

15% above \$7,749 — Cap

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Primary Insurance Amount at Full Retirement Age (67)

That PIA is the base and the CDB benefit pays 50% of it while the parent is alive and entitled and 75% if the parent is deceased.

Oversimplified: the actual computation involves further adjustments.

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The Parent's Claiming Age Doesn't Change the CDB

Illustration: a living parent with a \$2,000 PIA and FRA 67 — the same PIA used on the previous slides.

	Claim at 62 Early	Claim at 67 FRA	Claim at 70 Late
Parent's retirement check	\$1,400	\$2,000	\$2,480
CDB base benefit	\$1,000	\$1,000	\$1,000

UNCHANGED AT EVERY CLAIMING AGE

Parent receives Disability Insurance Benefits (DIB)? The CDB calculation still starts with the parent's PIA.

The family maximum can still reduce what is actually payable when other dependents draw on the same record.

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The Family Maximum Can Compress the Family's Shares

Illustration: a living parent drawing retirement benefits, PIA \$2,000. The retirement family maximum is set by its own formula (here about 172% of PIA).

Family maximum

\$3,435.50

from the bend-point formula

Worker's own benefit not reduced

– \$2,000

paid first, never reduced

Room for the family

\$1,435.50

split among the auxiliaries

CHILD WITH A DISABILITY ONLY

Benefit due: \$1,000. Room: \$1,435.50.

\$1,000 the full 50% of PIA — nothing is cut

SPOUSE + CHILD WITH A DISABILITY

Benefit due: \$2,000. Room: \$1,435.50.

\$717 each — \$1,435.50 ÷ 2 = \$717.75, rounded down

Deceased parent? No worker benefit is paid, so the full family maximum is available to the survivors.

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Claim Social Security Earlier Or Wait?

- Special Considerations Because Of CDB

REASONS TO CLAIM EARLIER	REASONS TO WAIT
☐ CDB cash sooner Claiming earlier allows CDB beneficiaries (and potentially others) to draw down on cash benefits sooner.	☐ Bigger parent check Waiting can increase retirement income, up to age 70.
☐ Medicare starts sooner The CDB beneficiary gets Medicare sooner.	☐ SSI-first planning As will be discussed, it is often crucial to get SSI before CDB. But once a parent claims, getting SSI is usually foreclosed.
☐ Safer attempt at work The beneficiary can more safely attempt to go to work without jeopardizing CDB benefits forever.	
☐ Off means-tested Social Security Moving off SSI sheds its income and asset limits.	

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Don't Overlook The Child-In-Care Benefit

WORKER ENTITLED
Retirement
or disability

⇒

ADULT CHILD
Gets CDB
on worker's record

⇒

OTHER PARENT
May qualify if...

- 1** Currently married to the worker.
- 2** Child receives CDB on that record.
- 3** Provides qualifying care.

What counts as qualifying care?
Mental/Intellectual Disability: Exercises parental control and responsibility.
Physical Disability: Personal services other than routine household services.

BENEFIT FOR THE CAREGIVING SPOUSE		
Up to 50% of the worker's PIA	At any age No age reduction even before 62	Family maximum Still applies and may reduce the amount payable

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The Importance Of SSI

Why we still care about SSI when looking at CDB benefits.

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The 42 U.S.C. § 1383c(c) Medicaid Income Disregard

Medicaid can continue with higher CDB income!

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graph LR
    A[Get SSI First And Make Sure To Keep It When CDB Eligible] --> B[Claim CDB (and Lose SSI)]
    B --> C[Medicaid can continue with the HIGHER CDB INCOME.]
  
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SSI First May Preserve Medicaid (42 U.S.C. § 1383c(c))

Preferred sequence when available

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graph LR
    A[STEP 1 Adult SSI eligibility] --> B[STEP 2 Parent entitlement event]
    B --> C[STEP 3 CDB begins]
    C --> D[RESULT CDB increase disregarded for Medicaid]
  
```

The federal protection is tied to loss of SSI caused by the CDB increase.

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Income Disregard ≠ Medicaid Asset Protection

- ◇ Other countable income and assets still count — the disregard reaches CDB only.
- ◇ Check whether your state is 209(b); its standards may be more restrictive.

Unspent CDB income becomes an asset next month.

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graph LR
    A[THIS MONTH CDB Income disregarded] --> B[Next month if unspent. ASSET]
  
```

KEY TOOLS FOR MANY CDB BENEFICIARIES TO STAY ON MEDICAID

ABLE accounts
Use when onset was before 46 and contributions stay under the annual cap.

Pooled trusts
Use when the amount exceeds the ABLE cap or onset came later in life.

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SSI Asset Eligibility

\$2,000
 Individual

\$3,000
 Couple

Exempt Assets



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Earned Income Shrinks SSI Gradually

Beneficiary earns \$1,000/month in 2026

$\$1,000 - \$20 \text{ general exclusion} - \$65 \text{ earned-income exclusion} = \$915$

$\$915 \div 2 = \$457.50 \text{ countable income}$

$\$994 - \$457.50 = \$536.50 \text{ SSI payment}$

Earned income is not counted dollar-for-dollar after exclusions.

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Unearned Income Creates a Sharper Cliff

Beneficiary receives \$1,000/month of unearned income

$\$1,000 - \$20 \text{ general exclusion} = \$980 \text{ countable income}$

$\$994 - \$980 = \$14 \text{ payable federal SSI}$

Cash from a special needs trust may count as unearned income. Other Social Security benefits are also unearned income. In-kind support rules require separate analysis.

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Trap 1: Work Issues With CDB Benefits

The issues with working and the CDB benefit.

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The Continuous Disability Trap

Disability before 22 is only the starting point.

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Gross earnings above the SGA guideline?

Gross earnings aren't always the final answer.

1 IRWE

Impairment-related work expenses

Goal: Deduct qualifying disability-related expenses

Reasonable, unreimbursed costs paid by the worker for disability-related items or services needed to work.

2 Work subsidies

Goal: Exclude the subsidized portion

Wages exceed the reasonable value of the worker's services. Exclude the subsidized portion.

3 Unsuccessful work attempt

Goal: Exclude qualifying work from the SGA finding

After a qualifying break in work, an SGA-level attempt lasts six months or less and ends or falls below SGA because of the impairment or loss of essential special conditions.

POMS: [B-10520.001](#) [B-10505.010](#) [B-10505.020](#) [B-11010.140](#) [B-124005.001](#)

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Losing CDB May Not Be the End of the World

No CDB Due To Work? → **SSDI own child's own work record may be an option**

The opportunity

Fewer work credits
Younger workers need fewer credits.

Progressive formula
Lower earnings get more weight; younger workers average fewer years.

Medicare
Generally after **24 months** of SSDI entitlement.

The tradeoffs

No CDB Medicaid Income Disregard
Own-record SSDI does not receive the DAC/CDB income disregard.

Check your state's Medicaid buy-in options.

Cash assistance may be lower
Compare projected SSDI with CDB, including the survivor benefit based on 75% of the parent's PIA.

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After Entitlement, Work Has Guardrails

Trial Work Period

9 MONTHS

Within a rolling 5-year window
Months need not be consecutive

What counts as a trial work month?

over \$1,210

Gross employee wages per month (2026) count towards the nine months

Benefits do not automatically stop after the nine-month period, but that's for another seminar. For our purposes, the flexibility to test a client's ability to work goes up greatly after CDB is awarded.

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The Work Without Worry Act

2026 proposal · S. 5006 PROPOSED / NOT LAW As of October 7, 2026

Past work would no longer, by itself, bar CDB eligibility.

For otherwise eligible people with a qualifying impairment that began **before age 22**.

Would remove the continuous-disability trap.

Introduced by Senator Ron Wyden on July 15, 2026.
Source: [Congress.gov](https://www.congress.gov/119/congress/119th-congress/introduced-text), S. 5006 (119th Congress), introduced text

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Trap #2: Not Having SSI Immediately Before CDB

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SSI Timing Can Create a Medicaid Trap

For Section 1634 states (34 states plus D.C.):

SSI immediately before CDB SSI lost because CDB starts or increases.	→	CDB income excluded CDB disregarded under § 1383c(c), if otherwise eligible.
CDB Without SSI § 1383c(c) protection may be unavailable.	→	CDB income counted Possibly subject to spend-down/deductible or coverage loss, which include the possibility of no Medicare Savings Program eligibility.

Particularly penalizes beneficiaries whose parents died or became disabled young, or retired while the beneficiaries were young.

There is no good public policy reason for this.

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CDB Income Disregard: State Differences

42 U.S.C. § 1383c(c)

- **Impact differs in the 16 states using SSI criteria or 209(b) rules.**
- **Know your state—rules vary widely.**
Check local eligibility rules and administration.
- **Evaluate alternative Medicaid pathways.**
Michigan: Freedom to Work

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Childhood Disability Benefits Fairness Act
H.R. 9846

Would remove the SSI-first hurdle for Medicaid

CDB recipients would count as SSI recipients for Medicaid.

Introduced by Rep. Debbie Dingell on July 22, 2026.
Referred to House Ways and Means and Energy and Commerce.

PROPOSED / NOT LAW

Know someone affected by this gap?

Contact the Special Needs Alliance

Brian Lindberg
SNA Public Policy Advisor
blindberg@healthsperien.com

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Trap #3: Marriage

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The CDB Marriage Penalty

WHEN APPLYING
Cannot be married to get CDB.

AFTER ENTITLEMENT
Marriage usually ends CDB.
The exceptions apply if the person they marry is on certain benefits:

CDB can continue
Qualifying Title II benefits

- CDB or DIB
- Retirement or survivor benefits
- Spouse or divorced-spouse benefits
- Widow(er), mother/father, or parent benefits

CDB ends
Exception does not apply

- SSI-only recipient
- Child student beneficiary ages 18–19
- Child beneficiary under age 18

SSI = Title XVI, not Title II.

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If the Marriage Ends

Divorce does not always restore CDB.

INITIAL ENTITLEMENT Never previously entitled to child's benefits on a parent's record Divorce, death, or annulment can restore unmarried status. May seek initial entitlement.	RE-ENTITLEMENT Child's-benefit entitlement ended because of marriage Divorce or spouse's death generally bars re-entitlement on the same parent's record. Initial entitlement may remain possible on the other parent's record.
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VOID OR ANNULLED MARRIAGE
 Re-entitlement is possible.

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Ending the CDB marriage penalty

H.R. 1389, Marriage Equality for Disabled Adults Act (119th Congress)

Under H.R. 1389 Amends 42 U.S.C. § 402(d) Strikes the "unmarried" requirement and repeals § 202(d)(5) Marriage is no longer a terminating event: a CDB beneficiary may marry anyone There are other SSI-related parts of the bill too.	PROPOSED / NOT LAW Introduced Feb. 14, 2025 Rep. Panetta (D-CA) with six original cosponsors; third introduction since 2022.
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Final Takeaways

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Final Takeaways

- Integrate this knowledge into your **turning age 18 planning**.
- **Advocate for legislative changes** to eliminate the traps.
- Collaborate with a **Social Security Disability attorney**.

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