I am the beneficiary of a will and am going to receive some money. How will this affect my Social Security disability benefits, health insurance, or other public benefits?

An inheritance is any amount of money or assets left to you in someone’s will. In addition, an inheritance may include life insurance proceeds or retirement accounts that name you as the beneficiary. Receiving an inheritance may have an impact on your benefits and health insurance depending on the type of benefits you receive and the amount of the inheritance. Changes in your income including an inheritance should always be reported to any agency from which you receive benefits. This article will focus on how an inheritance will affect certain types of benefits.

**SSDI**
Your SSDI will not be affected if you receive an inheritance. SSDI benefits are based solely on Social Security payroll taxes paid throughout your working career. Eligibility for SSDI benefits is based on your disability and does not take into account how much you do or do not have in money or assets.

**SSI**
An inheritance may have an effect on your SSI benefits because SSI is a “needs-based” benefit and is based in part on your financial eligibility. During the month that you receive your inheritance, Social Security will count the amount you receive as income. If the amount of your inheritance is greater than the amount of SSI you receive, then you are not eligible to receive SSI that month.

In the months after you receive the inheritance, however, it will be counted as an asset. The cash amount or value of the inheritance plus any asset you already have may not exceed $2,000 (or $3,000 for a married couple) in any given month to be eligible for SSI.

**Example:** Bob is single and receives $536 a month in SSI. In July, Bob receives a $1,000 inheritance from a deceased relative. Bob will not be eligible to receive SSI in July, the month that he received the inheritance, because the $1,000 would be counted as income, and this amount is greater than his monthly SSI amount. After July, however, Bob will continue to receive SSI since the $1,000 is now counted as an asset and below the allowable amount of $2,000 (as long as any of his other assets do not exceed $1,000 also).

Also, note that if a cash inheritance is placed into a bank account, any interest accrued on that money may be counted as income in subsequent months.
**MassHealth**
MassHealth may be affected during the month that you receive your inheritance because the inheritance will be counted as income. Your inheritance will make you ineligible for MassHealth in the month that you receive it if the amount of the inheritance places you over the income limit for your particular plan and family size. If you are ineligible for MassHealth during the month that you receive the inheritance, you may have to pay for any health coverage that your MassHealth usually pays for in that particular month.

MassHealth does not have an asset test for individuals who are under 65 and are either disabled or HIV positive. Therefore, after the first month that you receive your inheritance, your MassHealth will not be affected by the inheritance.

Under traditional MassHealth (for people over 65), an individual’s assets may not exceed $2,000 (or $3,000 for married couples).

If you receive MassHealth Standard because you receive SSI, an inheritance could affect your eligibility because it will impact your SSI as stated in the above section. If you do lose your SSI-linked MassHealth, you may be able to apply separately for MassHealth despite the inheritance.

**Medicare**
An inheritance will generally not affect Medicare. One exception to this is for people who do not receive MassHealth but receive a low-income subsidy for all or part of their Medicare Part D costs. If this is the case, then Medicare will count your inheritance as an asset, and this may affect your ongoing eligibility for the Medicare Part D low-income subsidy.

**Food Stamps**
During the month that you receive your inheritance, you will be ineligible for food stamps if the amount of the inheritance is greater than the income eligibility limits based on your family size and composition.

Your inheritance will not count as an asset in subsequent months only if your household is considered “categorically eligible”. A categorically eligible household is one in which:
- Any member is a child under the age of 19 or is comprised solely of a pregnant woman provided your household income is below 200 percent of the federal poverty level, OR
- All members receive SSI, EAEDC, or TAFDC cash assistance.

For all other households, you will not be eligible for food stamps in the months after receive your inheritance if the inheritance is greater than $2,000 ($3,000 if a household member is disabled or over the age of 60).

**EAEDC**
If you receive EAEDC, then your inheritance will be counted as a “lump sum”. If your inheritance is more than $600, you will be ineligible for EAEDC for a certain number of months.
This number of months is equal to the amount of the inheritance (the first $600 is exempt) divided by the monthly standard of need for your household size.

**Example:** Fran gets an EAEDC grant of $338 a month, which is the standard of need for her household size. Fran then inherits $5,000 from a deceased relative. The first $600 is exempt from this inheritance. Then, you divide $4,400 by $338, which is 13. Therefore, Fran is ineligible for EAEDC for 13 months.

If you have questions about an inheritance and its impact on your benefits or health insurance, please email Legal Services at legalservices@aac.org with your questions or call the Legal Services Intake Line at 617-450-1317.