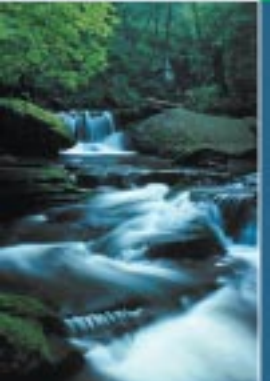


## Financial Concerns for People With AIDS/HIV



A diagnosis of HIV or AIDS will change your life. You may spend much of your time thinking about life and death and your own mortality. You might be trying to hold onto a job, if your health will allow it. You may be wondering who to tell — and who to turn to for support. You might be running from doctor to doctor getting prodded, poked and examined at every stop along the way. You may be too sick to leave your house and in need of practical help.



► Myvesta is a nonprofit consumer education organization. We provide a wide range of educational materials to assist those in financial need. Visit us on the Web at [Myvesta.org](http://Myvesta.org).

Chances are good that you're also thinking about — or more likely, worrying about — money. That's natural. You may have stopped working. Your medical bills may be sky high. You may wonder how you'll afford the drugs your doctor suggests you take.

Money worries don't arise only for those recently diagnosed with HIV or AIDS. Many people who have lived for years with the disease are no longer worried about survival — they are living longer and feeling great. You might be one of those folks, considering a return to work or trying your hand at opening your own business. You might want to apply for credit but know your credit report is filled with defaults and other negative notations.

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This publication addresses financial concerns for people living with AIDS/HIV.

## Recently Diagnosed

The first step you want to take — from a financial standpoint — is to figure out how much income you have coming in each month and the source of that income. Possible sources of income include the following:

- ▶ wages or salary
- ▶ income or dividends from investments
- ▶ payments from a pension or retirement plan
- ▶ rent payments
- ▶ royalties
- ▶ support payments from an ex-spouse
- ▶ gifts from friends or relatives
- ▶ private disability
- ▶ state disability
- ▶ Social Security disability, and
- ▶ other public benefits, such as food stamps, unemployment compensation, veteran's benefits or welfare

Next, you want to total up your monthly expenses. Be sure to include the following:

- ▶ rent or mortgage (including any second mortgage or home equity loan)
- ▶ real estate taxes and insurance
- ▶ utilities (phone, gas, electric, oil, water, garbage)
- ▶ food at home and out
- ▶ clothing
- ▶ laundry and cleaning
- ▶ transportation — both automobile and public transit
- ▶ credit card expenses
- ▶ educational expenses, and
- ▶ medical expenses

Step three is to subtract your expenses from your income. Chances are the result is a negative number. This means you need to increase your income or cut your expenses.

## If You Were to Become Disabled

Most likely, if you are disabled, you can increase your income by applying for Social Security Disability Insurance (SSDI) or Supplemental Security Income based on disability (SSI). You can visit any Social Security Administration office to apply. SSI is based on income; SSDI is based on work credits. If you qualify for SSI, your benefits will start almost immediately. If you qualify for SSDI, you may be entitled to retroactive benefits to the time that you became disabled, although it may take a few months for the benefits to start. Through the Social Security Administration office, you can also learn about medical benefits — Medicaid or Medicare.

Cutting your expenses may be a bit more difficult, especially if you are already living as frugally as possible. But still, here are a few suggestions on how you might be able to

cut your expenses or at least reduce your monthly debt burden.

- ▶ Contact your creditors, particularly your credit card issuers, and let them know that you are disabled and out of work. In many instances, the creditors will simply write off the debt and stop their collection efforts. However, your creditors may sue you and obtain a judgment against you.
- ▶ If you have student loan debts, contact the holder of your loans and ask for a disability cancellation form. You'll need to have your doctor complete the part of it that verifies your illness, but it's worth the effort. The Department of Education is fairly generous in granting disability discharges of outstanding student loans to people with HIV or AIDS.
- ▶ If you own your home and make mortgage payments, contact the mortgage holder to see about a possible re-write of your loan. You may find the mortgage holder especially willing to re-write your loan if it is backed by one of the federal mortgage lending companies — Fannie Mae or Freddie Mac.
- ▶ Contact your local utility company to see if you qualify for any low-income program. Even if you don't, if your utility bills tend to be high in the winter (heating bill) or summer (air conditioning), at least ask the company to put you on a regular monthly payment where your unusually high bills are spread out over the year.
- ▶ Ask your phone company about any low-income phone service options. Some companies offer special programs to provide very inexpensive basic service to seniors, the disabled and low-income people on fixed incomes.

- ▶ Cancel your cable, or at least the premium channels.
- ▶ To save on food expenses, ask at the Social Security Administration office if you might qualify for food stamps. Also, a local AIDS service organization can tell you about any free meal delivery or grocery programs for people with HIV or AIDS.

## Improved Health

You may be stunned even to be reading this part of the article. Perhaps it's been only a matter of months that you've felt so good. But now you are getting out daily, doing some volunteer work, playing tennis, biking or engaging in any number of other activities. And you now realize that this situation is probably not temporary. Your health has really improved.

Celebrating is in order, but you may not feel like celebrating. You may be confused — seriously confused. Part of you wants to go back to work. Another part of you is afraid of losing the benefits you receive. And you might be asking yourself if you should bother.

You know that your credit is shot from defaulting on the bills you couldn't pay when you were sick. Now you wonder if a regular paycheck would mean financial freedom or would be a reminder of your past financial failures.

## Disability Benefits

If you receive disability, you may not necessarily lose it, or all of it, by returning to work. Here are some specific rules. Be sure to check with the Social Security Administration or the carrier of any private plan for complete details.

- ▶ If you receive SSDI (Social Security Disability Insurance) or SSI (Supplemental Security Income) and

you return to work, you can generally continue to receive your benefits as long as you earn under \$740\* per month. So if you want to try your hand working part time or a few days a week, you might have nothing to lose. (\*This amount is adjusted periodically. Check with the Social Security Administration to verify the latest amounts.)

- ▶ If you receive SSDI and you want to return to work to earn more than \$740 per month, you can do so for a nine-month trial work period in which you can both work and receive your benefits. If, at the end of the nine months, the Social Security Administration concludes that you are able to work and earn more than \$740 per month, your benefits will end after another three months. So in other words, if you want to return to work, you can do so and still receive your SSDI for a year.
- ▶ If your SSDI or SSI benefits stop because you have returned to work and are earning over \$740 per month, you will receive special benefit protection for the first 36 months that you return to work and receive no Social Security payments. During this time, you can receive your SSDI or SSI benefit for any month in which your income drops below \$740.
- ▶ If your SSDI benefits stop because you have returned to work, and within five years of when your benefits stopped you become unable to work again because of your disability, you can receive SSDI again within a month of when you stop working. You don't have to wait out another Social Security waiting period, although you will have to file a new application.
- ▶ If you incur any special costs because of your disability when you return to

work, the Social Security Administration may deduct those expenses from your earnings before figuring out if your earnings exceed the SSDI or SSI \$740 limit. These expenses include prescription drugs, transportation to and from work (under certain conditions), a wheelchair or any specialized work equipment.

- ▶ If you receive payments from a private disability plan, your disability policy governs all terms and questions like whether or not you can work and receive some benefits, how long you can work before your benefits completely stop and whether or not you can re-qualify for benefits if you become disabled again with AIDS. Be sure to read your policies carefully and consult with an agent at the insurance company.

### **Medical Benefits**

- ▶ If you receive Medicare and you return to work, your Medicare coverage may continue for at least 39 months after the 9-month trial work period. After that, you may purchase the coverage by paying a monthly premium.
- ▶ If you receive Medicaid and you return to work, your Medicaid coverage will usually continue even if you earn over the SSI limits, as long as you cannot afford similar medical care and depend on Medicaid to work.
- ▶ Your right to receive private medical benefits, or the cost of, should not be affected by your return to work.

### **Cleaning Up Your Credit File**

If you've been out of work and on a limited income for a while, there's a good chance that you let certain bills slide. You may have charged to the hilt on your credit cards and then defaulted, not having (or expecting to have) the ability to repay the debts. You might have even filed for bankruptcy.

Now you want to go back to work and re-enter the credit world, but your credit file isn't cooperating.

The first thing to know is that your situation isn't hopeless. Millions of people, some who have been ill and others not, have tarnished credit records. The good news is that no one's credit is too bad to be fixed. You can find all the information you need to clean up your credit report in *Myvesta's Do-It-Yourself Guide to Credit Reports*.

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After you follow the tips in the credit repair guide, your credit report should contain accurate information (even if negative) and recent information (all positive). That's because the basic approach to credit repair is to make sure nothing in your credit file is incorrect, out of date or misleading. Then you can get a credit card - secured, if necessary - and use it to get positive information into your credit file.

Eventually, you may be in a position to apply for a car loan or home mortgage. The lender will review your credit report and see the old negative notations and the recent positive ones. Most lenders simply rely on the recent information and give little weight to the old negative stuff. That doesn't mean the creditors will ignore it completely; you might qualify for a loan but with terms not quite as good as they would have been had your credit been in tip-top shape. This means you might be charged a higher interest rate or be required to make a larger down payment than someone with better long-term credit.

You may be inclined to offer an explanation as to why your credit was bad and now it's getting better. This isn't necessary. Creditors see millions of people whose credit has gone from bad to good. Rarely do those creditors

care why. What they want to see is improvement. If you are pushed to provide an explanation, simply state that you were ill and you are now better. You cannot be forced to disclose the nature of your illness, and given the prejudice and misinformation that still exists about HIV and AIDS, you're better off keeping quiet.

## About Myvesta...

Myvesta<sup>sm</sup> is dedicated to helping people create healthy financial lives. The organization provides a wide range of materials to inspire and inform people so they can break down their barriers to financial and personal success. For more information visit [Myvesta.org](http://Myvesta.org) online.

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