

HOUSE BILL 768

D4

6lr2852
CF SB 658

By: **Delegates Simpson and Shetty**

Introduced and read first time: February 4, 2026

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 2, 2026

CHAPTER _____

1 AN ACT concerning

2 **Department of Human Services – Benefits for Children in Custody – Alterations**

3 FOR the purpose of altering certain provisions relating to the responsibilities of the
4 Department of Human Services as representative payee and fiduciary for certain
5 children committed to the custody of the Department; requiring the Secretary of
6 Human Services to establish and maintain a foster youth savings program to
7 conserve additional resources to assist youth in transitioning to independence,
8 subject to the availability of funds; and generally relating to children in the custody
9 of the Department of Human Services.

10 BY repealing and reenacting, with amendments,
11 Article – Family Law
12 Section 5–527.1
13 Annotated Code of Maryland
14 (2019 Replacement Volume and 2025 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Family Law
17 Section 5–527.1
18 Annotated Code of Maryland
19 (2019 Replacement Volume and 2025 Supplement)
20 (As enacted by Section 1 of this Act)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
22 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – Family Law

5-527.1.

(a) ~~IN THIS SECTION, “UNMET NEEDS” MEANS NEEDS BEYOND THOSE THAT THE DEPARTMENT IS REQUIRED OR AGREES TO PAY, INCLUDING:~~

~~(1) ADDITIONAL SERVICES, RESOURCES, OR EQUIPMENT RELATED TO A CHILD’S DISABILITY;~~

~~(2) HOUSING EXPENSES IF A CHILD IS PREPARING TO LEAVE THE CUSTODY OF THE DEPARTMENT FOR REASONS RELATED TO THE CHILD’S AGE;~~

~~(3) TECHNOLOGY, SPECIAL CLOTHING, INSTRUMENTS, BOOKS, OR OTHER ITEMS RELATING TO A CHILD’S HOBBIES AND INTERESTS;~~

~~(4) TRANSPORTATION EXPENSES NOT OTHERWISE PAID BY THE DEPARTMENT; AND~~

~~(5) TUITION, TUTORING, OR TRAINING, INCLUDING APPLICATION FEES, BOOKS, EQUIPMENT, AND TESTING.~~

~~(b) This section applies to children committed to the custody of the Department.~~

~~[(b) When applying for benefits under this section for a child in the Department’s custody, the Department shall, in cooperation with the child’s attorney, identify a representative payee or fiduciary in accordance with the requirements of 20 C.F.R. §§ 404.2021 and 416.621.]~~

~~(c) IF A CHILD WAS RECEIVING U.S. DEPARTMENT OF VETERANS AFFAIRS BENEFITS, SUPPLEMENTAL SECURITY INCOME, OR SOCIAL SECURITY BENEFITS BEFORE ENTERING THE DEPARTMENT’S CUSTODY, OR IF THE DEPARTMENT APPLIES FOR BENEFITS ON BEHALF OF THE CHILD, THE DEPARTMENT SHALL:~~

~~(1) ATTEMPT TO IDENTIFY, IN CONSULTATION WITH THE CHILD AND THE CHILD’S GUARDIAN AD LITEM OR ATTORNEY, AN APPROPRIATE REPRESENTATIVE PAYEE IN ACCORDANCE WITH THE REQUIREMENTS OF 20 C.F.R. §§ 404.2021 AND 416.621;~~

~~(2) APPLY TO BECOME THE REPRESENTATIVE PAYEE ONLY IF NO OTHER SUITABLE CANDIDATE IS AVAILABLE; AND~~

~~(3) DOCUMENT ALL EFFORTS TO LOCATE A SUITABLE CANDIDATE.~~

~~(D) THE DEPARTMENT PERIODICALLY SHALL REVIEW WHETHER A PERSON OTHER THAN THE DEPARTMENT IS AVAILABLE TO APPLY TO ASSUME THE ROLE OF REPRESENTATIVE PAYEE UNDER SUBSECTION (B) OF THIS SECTION IF THE PERSON COULD BETTER SERVE THE BEST INTEREST OF THE CHILD.~~

~~[(c)] (E) (1) Consistent with federal law, when the Department serves as the representative payee or in any other fiduciary capacity for a child receiving [Veterans Administration] U.S. DEPARTMENT OF VETERANS AFFAIRS benefits, Supplemental Security Income, or Social Security benefits, the Department shall:~~

~~[(1)] (I) use THE BENEFITS FOR THE CHILD'S CURRENT UNMET NEEDS IN ACCORDANCE WITH ITEM (IV)4 OF THIS PARAGRAPH or conserve the benefits in the child's best interest, including using the benefits for services for special needs not otherwise provided by the Department or conserving the benefits for the child's reasonably foreseeable future needs;~~

~~[(2)] (II) ensure that when the child [attains the age of 14 years] ENTERS THE CARE OF THE DEPARTMENT and until the Department no longer serves as the representative payee or fiduciary, [a minimum percentage of] the child's benefits are not used to reimburse the State for the costs of care for the child and are used or conserved in accordance with items [(3) and (4)] (III) AND (IV) of this [subsection, as follows:~~

- ~~(i) from age 14 through age 15, at least 40%;~~
- ~~(ii) from age 16 through age 17, at least 80%; and~~
- ~~(iii) from age 18 through age 20, 100%] PARAGRAPH;~~

~~[(3)] (III) for the child's benefits or resources that are below or not subject to any federal asset or resource limit, exercise discretion in accordance with federal law and in the best interest of the child to [conserve the funds or] use the funds for [services for special needs not otherwise provided by the Department] THE CHILD'S CURRENT UNMET NEEDS IN ACCORDANCE WITH ITEM (IV)5 OF THIS PARAGRAPH OR CONSERVE THE FUNDS, including BY choosing one or more of the options listed under item [(4)] (IV) of this [subsection] PARAGRAPH;~~

~~[(4)] (IV) appropriately monitor any federal asset or resource limits for the benefits and ensure that the child's best interest is served by using or conserving the benefits in a way that avoids violating any federal asset or resource limits that would affect the child's eligibility to receive the benefits, including:~~

~~[(i)] 1. applying to the Social Security Administration to establish a Plan for Achieving Self-Support (PASS) account for the child under the Social Security~~

1 ~~Act and determining whether it is in the best interest of the child to conserve all or part of~~
2 ~~the benefits in the PASS account;~~

3 ~~[(ii)] 2. establishing a 529A plan for the child and conserving the~~
4 ~~child's benefits in that account in a manner that appropriately avoids any federal asset or~~
5 ~~resource limits;~~

6 ~~[(iii)] 3. establishing an individual development account for the~~
7 ~~child and conserving the child's benefits in that account in a manner that appropriately~~
8 ~~avoids any federal asset or resource limits;~~

9 ~~[(iv)] 4. establishing a special needs trust for the child and~~
10 ~~conserving the child's benefits in the trust in a manner that is consistent with federal~~
11 ~~requirements for special needs trusts and that appropriately avoids any federal asset or~~
12 ~~resource limits;~~

13 ~~[(v)] if the Department determines that using the benefits for services~~
14 ~~for current special needs not already provided by the Department is in the best interests of~~
15 ~~the child, using the benefits for those services;]~~

16 ~~5. USING THE BENEFITS IN A MANNER THAT IS IN THE~~
17 ~~BEST INTEREST OF THE CHILD FOR THE CHILD'S CURRENT UNMET NEEDS, AS~~
18 ~~DETERMINED IN CONSULTATION WITH THE CHILD AND THE ATTORNEY FOR THE~~
19 ~~CHILD, FOR COSTS NOT PAID BY THE DEPARTMENT AS PART OF THE CHILD'S CARE~~
20 ~~OR BY THE HEALTH INSURANCE OF THE CHILD;~~

21 ~~[(vi)] 6. if federal law requires certain back payments of benefits~~
22 ~~to be placed in a dedicated account, complying with the requirements for dedicated accounts~~
23 ~~under 20 C.F.R. § 416.640(c); and~~

24 ~~[(vii)] 7. applying any other exclusions from federal asset or~~
25 ~~resource limits available under federal law and using or conserving the child's benefits in~~
26 ~~a manner that appropriately avoids any federal asset or resource limits;~~

27 ~~[(5)] (v) provide an annual accounting to the child and the child's~~
28 ~~attorney of how the child's resources, including [Veterans Administration] U.S.~~
29 ~~DEPARTMENT OF VETERANS AFFAIRS benefits, Supplemental Security Income, and~~
30 ~~Social Security benefits, have been used or conserved in accordance with this section; [and]~~

31 ~~[(6)] (vi) provide the child with financial literacy training when the child~~
32 ~~has attained the age of 14 years; AND~~

33 ~~(vii) WHEN THE CHILD HAS ATTAINED THE AGE OF 16 YEARS AND~~
34 ~~6 MONTHS, PROVIDE THE CHILD WITH INFORMATION REGARDING;~~

1 ~~1. ACCESSING, USING, AND MAINTAINING BENEFITS;~~

2 ~~2. TRANSITION PLANS;~~

3 ~~3. WHEN THE BENEFITS ARE SCHEDULED TO END; AND~~

4 ~~4. ELIGIBILITY FOR BENEFITS AFTER LEAVING THE~~
5 ~~CARE OF THE DEPARTMENT.~~

6 ~~(2) (I) A BENEFICIARY WHO IS AT LEAST 18 YEARS OLD MAY~~
7 ~~REQUEST THE COURT TO ALLOW THE BENEFICIARY'S BENEFITS TO BE USED FOR~~
8 ~~CURRENT UNMET NEEDS.~~

9 ~~(H) IF THE COURT DETERMINES THAT IT IS IN THE BEST~~
10 ~~INTEREST OF THE BENEFICIARY TO USE THE BENEFITS FOR CURRENT UNMET~~
11 ~~NEEDS, THE COURT SHALL GRANT A REQUEST MADE UNDER THIS PARAGRAPH.~~

12 ~~(F) THE DEPARTMENT SHALL:~~

13 ~~(1) WITHIN 60 DAYS AFTER A CHILD ENTERS THE CARE OF THE~~
14 ~~DEPARTMENT, AND EACH YEAR THEREAFTER, DETERMINE THE CHILD'S~~
15 ~~ELIGIBILITY FOR U.S. DEPARTMENT OF VETERANS AFFAIRS BENEFITS,~~
16 ~~SUPPLEMENTAL SOCIAL SECURITY INCOME, AND SOCIAL SECURITY BENEFITS;~~

17 ~~(2) SEEK COVERAGE FOR THE COST OF THE SCREENING REQUIRED~~
18 ~~UNDER ITEM (1) OF THIS SUBSECTION THROUGH THE EARLY AND PERIODIC~~
19 ~~SCREENING, DIAGNOSTIC, AND TREATMENT BENEFIT; AND~~

20 ~~(3) APPLY FOR BENEFITS ON BEHALF OF THE CHILD, IF THE~~
21 ~~DEPARTMENT DETERMINES THAT A CHILD MIGHT BE ELIGIBLE FOR THE BENEFITS.~~

22 ~~[(d)](G) (1) The Department shall immediately notify the child through the~~
23 ~~child's attorney of:~~

24 ~~(i) any application for [Veterans Administration] U.S.~~
25 ~~DEPARTMENT OF VETERANS AFFAIRS benefits, Supplemental Security Income, or~~
26 ~~Social Security benefits made on the child's behalf or any application to become~~
27 ~~representative payee for those benefits on the child's behalf;~~

28 ~~(ii) any decisions or communications from the [Veterans~~
29 ~~Administration] U.S. DEPARTMENT OF VETERANS AFFAIRS or the Social Security~~
30 ~~Administration regarding an application for benefits described under item (i) of this~~
31 ~~paragraph; and~~

~~(iii) any appeal or other action requested by the Department regarding an application for benefits described under item (i) of this paragraph.~~

~~(2) IF THE BENEFITS UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION ARE DENIED AND THE DEPARTMENT DETERMINES AN APPEAL IS IN THE BEST INTEREST OF THE CHILD, THE DEPARTMENT SHALL CONSULT WITH THE CHILD'S ATTORNEY AND APPEAL THE DENIAL.~~

~~(3) When the Department serves as the representative payee or otherwise receives [Veterans Administration] U.S. DEPARTMENT OF VETERANS AFFAIRS benefits, Supplemental Security Income, or Social Security benefits on the child's behalf, the Department shall provide notice to the child through the child's attorney of the following before each juvenile court hearing regarding the child:~~

~~(i) the dates and the amount of benefit funds received on the child's behalf since any prior notification to the child's attorney; and~~

~~(ii) information regarding all the child's assets and resources, including the child's benefits, insurance, cash assets, trust accounts, earnings, and other resources.~~

~~[(e)] (H) This section may not be construed to affect any additional notice required by a State court.~~

(a) This section applies to children committed to the custody of the Department.

(b) When applying for benefits under this section for a child in the Department's custody, the Department shall, in cooperation with the child's attorney, identify a representative payee or fiduciary in accordance with the requirements of 20 C.F.R. §§ 404.2021 and 416.621.

(c) Consistent with federal law, when the Department serves as the representative payee or in any other fiduciary capacity for a child receiving [Veterans Administration] U.S. DEPARTMENT OF VETERANS AFFAIRS benefits, Supplemental Security Income, or Social Security benefits, the Department shall:

(1) use or conserve the benefits in the child's best interest, including using the benefits for services for special needs not otherwise provided by the Department or conserving the benefits for the child's reasonably foreseeable future needs;

(2) ensure that when the child attains the age of 14 years and until the Department no longer serves as the representative payee or fiduciary, a minimum percentage of the child's benefits are not used to reimburse the State for the costs of care for the child and are used or conserved in accordance with items (3) and (4) of this subsection, as follows:

1 (i) from age 14 through age 15, at least 40%;

2 (ii) from age 16 through age 17, at least 80%; and

3 (iii) from age 18 through age 20, 100%;

4 (3) for the child's benefits or resources that are below or not subject to any
5 federal asset or resource limit, exercise discretion in accordance with federal law and in the
6 best interest of the child to conserve the funds or use the funds for services for special needs
7 not otherwise provided by the Department, including choosing one or more of the options
8 listed under item (4) of this subsection;

9 (4) appropriately monitor any federal asset or resource limits for the
10 benefits and ensure that the child's best interest is served by using or conserving the
11 benefits in a way that avoids violating any federal asset or resource limits that would affect
12 the child's eligibility to receive the benefits, including:

13 (i) applying to the Social Security Administration to establish a
14 Plan for Achieving Self-Support (PASS) account for the child under the Social Security Act
15 and determining whether it is in the best interest of the child to conserve all or part of the
16 benefits in the PASS account;

17 (ii) establishing a 529A plan for the child and conserving the child's
18 benefits in that account in a manner that appropriately avoids any federal asset or resource
19 limits;

20 (iii) establishing an individual development account for the child and
21 conserving the child's benefits in that account in a manner that appropriately avoids any
22 federal asset or resource limits;

23 (iv) establishing a special needs trust for the child and conserving the
24 child's benefits in the trust in a manner that is consistent with federal requirements for
25 special needs trusts and that appropriately avoids any federal asset or resource limits;

26 (v) if the Department determines that using the benefits for services
27 for current special needs not already provided by the Department is in the best interests of
28 the child, using the benefits for those services;

29 (vi) if federal law requires certain back payments of benefits to be
30 placed in a dedicated account, complying with the requirements for dedicated accounts
31 under 20 C.F.R. § 416.640(e); and

32 (vii) applying any other exclusions from federal asset or resource
33 limits available under federal law and using or conserving the child's benefits in a manner
34 that appropriately avoids any federal asset or resource limits;

1 (5) provide an annual accounting to the child and the child's attorney of
2 how the child's resources, including [Veterans Administration] U.S. DEPARTMENT OF
3 VETERANS AFFAIRS benefits, Supplemental Security Income, and Social Security
4 benefits, have been used or conserved in accordance with this section; [and]

5 (6) provide the child with financial literacy training when the child has
6 attained the age of 14 years; AND

7 (7) BEGINNING WHEN THE CHILD HAS ATTAINED THE AGE OF 16
8 YEARS, PROVIDE THE CHILD, IF APPLICABLE, WITH INFORMATION REGARDING:

9 (I) ACCESSING, USING, AND MAINTAINING BENEFITS;

10 (II) TRANSITION PLANS;

11 (III) WHEN THE BENEFITS ARE SCHEDULED TO END; AND

12 (IV) ELIGIBILITY FOR BENEFITS AFTER LEAVING THE CARE OF
13 THE DEPARTMENT.

14 (D) THE DEPARTMENT SHALL:

15 (1) DETERMINE THE ELIGIBILITY FOR U.S. DEPARTMENT OF
16 VETERANS AFFAIRS BENEFITS, SUPPLEMENTAL SOCIAL SECURITY INCOME, AND
17 SOCIAL SECURITY BENEFITS OF A CHILD WHO IS PLACED IN THE CARE AND
18 CUSTODY OF THE DEPARTMENT WITHIN 60 DAYS:

19 (I) AFTER THE CHILD ENTERS THE CARE AND CUSTODY OF THE
20 DEPARTMENT;

21 (II) AFTER THE DEPARTMENT RECEIVES NOTICE FROM THE
22 CHILD'S ATTORNEY OF A MATERIAL CHANGE OF CIRCUMSTANCES THAT IS LIKELY
23 TO AFFECT THE CHILD'S ELIGIBILITY FOR BENEFITS;

24 (III) AFTER THE CHILD REACHES THE AGE OF 17 YEARS AND 6
25 MONTHS; AND

26 (IV) AFTER THE CHILD REACHES THE AGE OF 20 YEARS AND 6
27 MONTHS;

28 (2) APPLY FOR BENEFITS ON BEHALF OF THE CHILD, IF THE
29 DEPARTMENT DETERMINES THAT A CHILD MIGHT BE ELIGIBLE FOR ANY BENEFITS;
30 AND

1 **(3) IF THE DEPARTMENT IS IDENTIFIED AS THE REPRESENTATIVE**
2 **PAYEE UNDER SUBSECTION (B) OF THIS SECTION, APPLY TO SERVE AS**
3 **REPRESENTATIVE PAYEE.**

4 **[(d)] (E)** (1) The Department shall immediately notify the child through the
5 child's attorney of:

6 (i) any application for [Veterans Administration] U.S.
7 **DEPARTMENT OF VETERANS AFFAIRS** benefits, Supplemental Security Income, or
8 Social Security benefits made on the child's behalf or any application to become
9 representative payee for those benefits on the child's behalf;

10 (ii) any decisions or communications from the [Veterans
11 **Administration] U.S. DEPARTMENT OF VETERANS AFFAIRS** or the Social Security
12 Administration regarding an application for benefits described under item (i) of this
13 paragraph; and

14 (iii) any appeal or other action requested by the Department
15 regarding an application for benefits described under item (i) of this paragraph.

16 **(2) IF THE BENEFITS UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION**
17 **ARE DENIED AND THE DEPARTMENT DETERMINES AN APPEAL IS IN THE BEST**
18 **INTEREST OF THE CHILD, THE DEPARTMENT SHALL CONSULT WITH THE CHILD'S**
19 **ATTORNEY TO DETERMINE WHETHER TO APPEAL THE DENIAL.**

20 **(3)** When the Department serves as the representative payee or otherwise
21 receives [Veterans Administration] U.S. DEPARTMENT OF VETERANS AFFAIRS
22 benefits, Supplemental Security Income, or Social Security benefits on the child's behalf,
23 the Department shall provide notice to the child through the child's attorney of the
24 following before each juvenile court hearing regarding the child:

25 (i) the dates and the amount of benefit funds received on the child's
26 behalf since any prior notification to the child's attorney; and

27 (ii) information regarding all the child's assets and resources,
28 including the child's benefits, insurance, cash assets, trust accounts, earnings, and other
29 resources.

30 **(F) SUBJECT TO THE AVAILABILITY OF FUNDS, THE SECRETARY SHALL**
31 **ESTABLISH AND MAINTAIN A FOSTER YOUTH SAVINGS PROGRAM TO CONSERVE**
32 **ADDITIONAL RESOURCES TO ASSIST YOUTH IN TRANSITIONING TO INDEPENDENCE.**

33 **(G) THE SECRETARY SHALL ADOPT REGULATIONS AND POLICIES TO**
34 **IMPLEMENT THE PROVISIONS OF THIS SECTION.**

1 [(e)] (H) This section may not be construed to affect any additional notice
2 required by a State court.

3 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
4 as follows:

5 Article – Family Law

6 5–527.1.

7 (a) This section applies to children committed to the custody of the Department.

8 (b) When applying for benefits under this section for a child in the Department’s
9 custody, the Department shall, in cooperation with the child’s attorney, identify a
10 representative payee or fiduciary in accordance with the requirements of 20 C.F.R. §§
11 404.2021 and 416.621.]

12 (B) IF A CHILD WAS RECEIVING U.S. DEPARTMENT OF VETERANS AFFAIRS
13 BENEFITS, SUPPLEMENTAL SECURITY INCOME, OR SOCIAL SECURITY BENEFITS
14 BEFORE ENTERING THE DEPARTMENT’S CUSTODY, OR IF THE DEPARTMENT
15 APPLIES FOR BENEFITS ON BEHALF OF THE CHILD, THE DEPARTMENT SHALL:

16 (1) ATTEMPT TO IDENTIFY, IN CONSULTATION WITH THE CHILD’S
17 ATTORNEY, AN APPROPRIATE REPRESENTATIVE PAYEE IN ACCORDANCE WITH THE
18 REQUIREMENTS OF 20 C.F.R. §§ 404.2021 AND 416.621;

19 (2) IF THE DEPARTMENT IS IDENTIFIED, APPLY TO BECOME THE
20 REPRESENTATIVE PAYEE; AND

21 (3) DOCUMENT ALL EFFORTS TO LOCATE AN APPROPRIATE
22 REPRESENTATIVE PAYEE.

23 (C) IF A CHILD IS IN THE CUSTODY OF THE DEPARTMENT AND IS RECEIVING
24 U.S. DEPARTMENT OF VETERANS AFFAIRS BENEFITS, SUPPLEMENTAL SECURITY
25 INCOME, OR SOCIAL SECURITY BENEFITS, AFTER A CHANGE TO A CHILD’S
26 PERMANENCY PLAN, THE DEPARTMENT SHALL:

27 (1) REVIEW THE IDENTIFICATION OF THE REPRESENTATIVE PAYEE
28 UNDER SUBSECTION (B) OF THIS SECTION IN CONSULTATION WITH THE CHILD’S
29 ATTORNEY; AND

30 (2) IF APPLICABLE, APPLY FOR A CHANGE TO THE REPRESENTATIVE
31 PAYEE.

1 [(c)] (D) Consistent with federal law, when the Department serves as the
2 representative payee or in any other fiduciary capacity for a child receiving U.S.
3 Department of Veterans Affairs benefits, Supplemental Security Income, or Social Security
4 benefits, the Department shall:

5 (1) CONSERVE ANY FEDERAL BENEFITS RECEIVED ON BEHALF OF
6 THE CHILD;

7 (2) [use or] conserve the benefits in the child's best interest, including
8 using the benefits for services for special needs not otherwise provided by the Department
9 or conserving the benefits for the child's reasonably foreseeable future needs;

10 [(2) ensure that when the child attains the age of 14 years and until the
11 Department no longer serves as the representative payee or fiduciary, a minimum
12 percentage of the child's benefits are not used to reimburse the State for the costs of care
13 for the child and are used or conserved in accordance with items (3) and (4) of this
14 subsection, as follows:

15 (i) from age 14 through age 15, at least 40%;

16 (ii) from age 16 through age 17, at least 80%; and

17 (iii) from age 18 through age 20, 100%;]

18 (3) for the child's benefits or resources that are below or not subject to any
19 federal asset or resource limit, exercise discretion in accordance with federal law and in the
20 best interest of the child to [conserve the funds or] use the funds [for services for special
21 needs not otherwise provided by the Department] OR CONSERVE THE FUNDS, including
22 BY choosing one or more of the options listed under item (4) of this subsection;

23 (4) appropriately monitor any federal asset or resource limits for the
24 benefits and ensure that the child's best interest is served by using or conserving the
25 benefits in a way that avoids violating any federal asset or resource limits that would affect
26 the child's eligibility to receive the benefits, including:

27 (i) applying to the Social Security Administration to establish a
28 Plan for Achieving Self-Support (PASS) account for the child under the Social Security Act
29 and determining whether it is in the best interest of the child to conserve all or part of the
30 benefits in the PASS account;

31 (ii) establishing a 529A plan for the child and conserving the child's
32 benefits in that account in a manner that appropriately avoids any federal asset or resource
33 limits;

1 (iii) establishing an individual development account for the child and
2 conserving the child's benefits in that account in a manner that appropriately avoids any
3 federal asset or resource limits;

4 (iv) establishing a special needs trust for the child and conserving the
5 child's benefits in the trust in a manner that is consistent with federal requirements for
6 special needs trusts and that appropriately avoids any federal asset or resource limits;

7 (v) if the Department determines that using the benefits for services
8 for current special needs not already provided by the Department is in the best interests of
9 the child, using the benefits for those services;

10 (vi) if federal law requires certain back payments of benefits to be
11 placed in a dedicated account, complying with the requirements for dedicated accounts
12 under 20 C.F.R. § 416.640(e); and

13 (vii) applying any other exclusions from federal asset or resource
14 limits available under federal law and using or conserving the child's benefits in a manner
15 that appropriately avoids any federal asset or resource limits;

16 (5) provide an annual accounting to the child and the child's attorney of
17 how the child's resources, including U.S. Department of Veterans Affairs benefits,
18 Supplemental Security Income, and Social Security benefits, have been used or conserved
19 in accordance with this section;

20 (6) provide the child with financial literacy training when the child has
21 attained the age of 14 years; and

22 (7) beginning when the child has attained the age of 16 years, provide the
23 child, if applicable, with information regarding:

24 (i) accessing, using, and maintaining benefits;

25 (ii) transition plans;

26 (iii) when the benefits are scheduled to end; and

27 (iv) eligibility for benefits after leaving the care of the Department.

28 **[(d)] (E) The Department shall:**

29 (1) determine the eligibility for U.S. Department of Veterans Affairs
30 benefits, Supplemental Social Security Income, and Social Security benefits of a child who
31 is placed in the care and custody of the Department within 60 days:

32 (i) after the child enters the care and custody of the Department;

1 (ii) after the Department receives notice from the child's attorney of
2 a material change of circumstances that is likely to affect the child's eligibility for benefits;

3 (iii) after the child reaches the age of 17 years and 6 months; and

4 (iv) after the child reaches the age of 20 years and 6 months;

5 (2) apply for benefits on behalf of the child, if the Department determines
6 that a child might be eligible for any benefits; and

7 (3) if the Department is identified as the representative payee under
8 subsection (b) of this section, apply to serve as representative payee.

9 **[(e)] (F)** (1) The Department shall immediately notify the child through the
10 child's attorney of:

11 (i) any application for U.S. Department of Veterans Affairs benefits,
12 Supplemental Security Income, or Social Security benefits made on the child's behalf or any
13 application to become representative payee for those benefits on the child's behalf;

14 (ii) any decisions or communications from the U.S. Department of
15 Veterans Affairs or the Social Security Administration regarding an application for benefits
16 described under item (i) of this paragraph; and

17 (iii) any appeal or other action requested by the Department
18 regarding an application for benefits described under item (i) of this paragraph.

19 (2) If the benefits under paragraph (1)(i) of this subsection are denied and
20 the Department determines an appeal is in the best interest of the child, the Department
21 shall consult with the child's attorney to determine whether to appeal the denial.

22 (3) When the Department serves as the representative payee or otherwise
23 receives U.S. Department of Veterans Affairs benefits, Supplemental Security Income, or
24 Social Security benefits on the child's behalf, the Department shall provide notice to the
25 child through the child's attorney of the following before each juvenile court hearing
26 regarding the child:

27 (i) the dates and the amount of benefit funds received on the child's
28 behalf since any prior notification to the child's attorney; and

29 (ii) information regarding all the child's assets and resources,
30 including the child's benefits, insurance, cash assets, trust accounts, earnings, and other
31 resources.

32 **[(f)] (G)** Subject to the availability of funds, the Secretary shall establish and
33 maintain a foster youth savings program to conserve additional resources to assist youth
34 in transitioning to independence.

1 [(g)] (H) The Secretary shall adopt regulations and policies to implement the
2 provisions of this section.

3 [(h)] (I) This section may not be construed to affect any additional notice
4 required by a State court.

5 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
6 effect July 1, 2027.

7 SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That, except as provided in
8 Section 3 of this Act, this Act shall take effect October 1, 2026. Section 1 of this Act shall
9 remain effective for a period of 9 months and, at the end of June 30, 2027, Section 1 of this
10 Act, with no further action required by the General Assembly, shall be abrogated and of no
11 further force and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.