

# Living Arrangements and the Supplemental Security Income Program



The SSI program is intended to assist with an individual's food, clothing, and shelter expenses. Changes in living arrangements and support received from others directly affect a recipient's SSI benefit amount. In-kind support and maintenance (ISM) is the way that the Social Security Administration (SSA) counts the food, shelter, or both, that an SSI recipient receives from someone living inside or outside the recipient's household. A recipient who benefits from food, shelter, or both, and does not pay for it, may have countable ISM. Cash that a recipient receives is never counted as ISM.

For example, Mary is receiving SSI and a friend pays Mary's rent directly to her landlord for the months of July through September. Mary is charged with outside ISM for each month because she is receiving shelter from a friend not living in the household.

## What is the Legal Authority?

The basis for charging ISM is found in Section 1612(a)(2)(A) of the Social Security Act. The law provides that support and maintenance furnished in-kind is unearned income. Usually, countable unearned income reduces a recipient's benefit dollar-for-dollar. However, the law further requires SSA to reduce an individual's benefit amount by one-third when he or she is *living in another person's household* and receiving support and maintenance. Regulations at 20 CFR 416.1130 complement the statutory mandate and establish that, in all other situations when an individual receives ISM, we will count the actual value up to the presumed maximum value (equal to one-third of the federal benefit rate plus \$20).

## How Do Living Arrangements Interact with ISM?

There are four Federal Living Arrangements (FLA) under the SSI program that help to define more clearly whether a recipient is subject to ISM and, if so, whether we value the ISM using the Presumed Maximum Value (PMV) rule or the One-Third Reduction (VTR) rule. For those reasons, SSI recipients are required to report changes in their living situations as soon as they occur so that we may pay benefits accurately.

Living Arrangement	Description	ISM Rule
A	SSI recipient lives alone, owns or rents, lives in public assistance household, separately consumes/purchases food, pays pro rata share, is earmarking, is homeless, is transient, or in non-institutional care	PMV
B	SSI recipient lives in another person's household throughout a month and receives both food and shelter from the household	VTR
C	SSI recipient is under age 18 and lives with one or both parents ( <b>NOTE: also subject to deeming of parental income and resources</b> )	PMV
D	SSI recipient lives in a medical treatment facility throughout a month where Medicaid pays more than 50% of the cost of care	ISM does not apply

## What are the Rules we use to Calculate ISM?

We calculate in-kind support and maintenance using the PMV rule or VTR rule, as follows:

**Presumed Maximum Value (PMV)** (\$264.33/month in 2016 or *actual value* of support received)

- The PMV is a limit on the amount of ISM SSA charges for receipt of food and shelter, or both. It is equal to one-third of the Federal Benefit Rate (FBR) plus \$20.
- If a recipient can show that the food and shelter he or she received is less than the PMV, then we charge them the *actual value* of the food and shelter received.

**Value of the One-third Reduction (VTR)** (\$244.33/month in 2016)

- The VTR applies when a recipient lives throughout a month in another person's household and receives *both food and shelter* from others living in the household. The VTR is equal to one-third of the federal benefit rate or FBR.
- When determining whether to apply the VTR, we consider whether the recipient contributes his or her fair share to the household expenses. If he or she contributes his fair share, then we do not apply the VTR because we determine that the recipient is *not* receiving both food and shelter from others living in the household.

For more information about ISM and Living Arrangements please see the Spotlight on Living Arrangements at <https://www.ssa.gov/ssi/spotlights/spot-living-arrangements.htm>