



California's Protection & Advocacy System

SSI Applicants and Recipients: Learn About In-Kind Support and Maintenance (ISM)

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What is In-Kind Support and Maintenance?

In-Kind Support and Maintenance (ISM) is unearned income in the form of food and/or shelter. ISM occurs when someone else pays for, or gives you, food and/or shelter. ISM includes non-cash items that can be sold or traded to get food and/or shelter.

Outside ISM is food and/or shelter provided to the household by someone outside of the household. Inside ISM is food and shelter provided to you by someone in the household. There are special rules for placing a value on things considered to be ISM.

Why is it important to know about ISM?

ISM can lower your SSI benefit amount. Since your SSI benefit is meant to pay for food and shelter, the Social Security Administration (SSA) needs to know if there are other ways you get food and/or shelter. SSA uses your income to decide if you can get SSI and how much your check will be. SSA looks at earned income (work) and unearned income (sources other than work). The more earned or unearned income you get, the less your SSI check will be. In-kind income is a form of unearned income, which can reduce the amount of SSI you get.

What can happen if I don't report ISM?

Not reporting ISM means SSA may pay you more than you are supposed to get. This can cause an overpayment. If an overpayment occurs, SSA will ask you to repay the amount you were not supposed to get.

How can I avoid ISM or an overpayment due to ISM?

You can avoid ISM or an overpayment by paying your fair share of household expenses.

How does Social Security know if I get ISM?

SSA uses your living arrangement to determine if you get ISM and the value of the ISM. SSA will determine if you are living in your own household, the household of another, or not living in a household for ISM purposes.

- **Living in your own household:** If you live alone, have an ownership interest in your home, pay rent to live in a home, or pay your fair share of household expenses, SSA considers you to live in your own household.
- **Living in the household of another:** If you live with others and do not own the home, do not pay rent to live in the home, or do not pay your fair share of the household expenses, SSA considers you to be living in the household of another.
- **Not living in a household:** If you are transient, homeless, or live in an institution, SSA does not consider you to be living in a household.

How do I determine my fair share of household expenses?

Add the monthly food and shelter expenses and divide by the number of people living in the house. In determining the number of people living in the house, the age of the other people does not matter. Shelter includes rent, mortgage payments (not equity lines of credit), real property taxes, property insurance required by the mortgage holder, heating fuel, gas, water, electricity, and garbage fees (not phone bill). Food includes what you eat and drink, but does not include many things bought in the grocery store. For example: paper products, soap, and pet food.

Example of how to calculate and pay your fair share to avoid ISM:

- Your monthly SSI benefit amount for 2019 is \$931.72
- You live in a home with 4 people (3 others plus you)
- Food and shelter expenses total \$3,000 for the household per month
- Your fair share is \$750 (1/4 of \$3000)
- If you pay your fair share using your SSI benefit of \$931.72, you do not have ISM, should continue to get \$931.72 each month, and SSA will consider you to be living in your own household.

Example of not paying your fair share because you are getting ISM:

If your fair share is \$750 per month, and you pay anything less than \$750, you are not paying your fair share. This also happens if your fair share is more than your monthly SSI benefit. SSA will place a value on your ISM. SSA will also consider you to be living in the household of another.

How does SSA value ISM?

The value of ISM received in a month is based on your permanent living arrangement as of the 1st of that month. There are two rules SSA uses to place a value on ISM:

- The Value of the One-Third Reduction Rule (VTR). The VTR is sometimes called “living in the household of another.”
- The Presumed Maximum Value Rule (PMV)

Value of the One-Third Reduction Rule (VTR)

The VTR applies when you receive food and shelter from inside the household and you do not pay your fair share of food and shelter expenses to the household.

SSA places a value on this ISM which is 1/3 of the SSI federal benefit rate (FBR). This affects the amount of SSI you get. The FBR for 2019 is \$771. The FBR for 2019 is \$771. The federal part of your SSI check will be reduced by 1/3. In California, the state supplements the federal SSI payment. If you are under the VTR, or are “living in the household of another,” your SSI benefit is \$678.24 per month in 2019.

Other information about the VTR

- If the VTR applies, SSA does not count the value of any other ISM you receive.
- If the VTR applies, even if the difference between what you pay and your pro rata share is for example, only \$40, you will be subject to the full one-third reduction.
- If you are a transient, homeless, or live in an institution, the VTR does not apply because SSA does not consider you to be living in a household. ISM is valued using the PMV rule.

- If you live alone, the VTR will not apply because there are no other household members to give you ISM. Any ISM you get from outside the household is valued using the PMV rule.

Presumed Maximum Value Rule (PMV)

PMV is used when VTR does not apply to determine the value of ISM received. For example, when you receive food or shelter (but not both) from someone. PMV is 1/3 of the Federal benefit rate plus \$20. However, if you can show your ISM is less than the PMV, SSA will count the lower value of PMV as unearned income. If your ISM is lower than the PMV, the ISM can be valued at the current market rate, or the actual value, whichever is less.

What is not considered ISM?

- When someone else pays your telephone bill, auto insurance, vet bills, newspaper, or cable TV subscriptions.
- Value of food stamps. As of June 1, 2019, people on SSI may be eligible for food stamps (called CalFresh in California). Your food stamps do not affect your SSI benefit amount. For more information on how SSI recipients may apply for CalFresh Food benefits, visit CalFreshFood.org
- Services and goods traded for food or shelter.
- Income that meets the criteria for infrequent or irregular unearned income. Example: Thanksgiving dinner with your family.
- Income that has no current market value. Example: discarded food or shelter in a closet or another place not intended to live in.
- Income provided under a government medical or social services program. Example: housing assistance payments.
- You live in a household with someone whose income can be deemed, like a parent or spouse.
- You live in a household where all members of the household receive some kind of public income maintenance payments (even if you do not contribute money towards household expenses).
- Money specifically excluded by federal law. Example: money received under the Disaster Relief Act or emergency assistance.
- Money received as replacement of a lost, damaged, or stolen resource (includes temporary housing).
- Money excluded under an approved plan for self-support (PASS Plan).
- Food and shelter received during a temporary absence from the household.
- Room and board provided during a medical confinement.
- Bona fide loans in the form of food and/or shelter that you have to repay.

How can I show that food or shelter is not ISM?

- If you are applying for SSI and living with others, you may not have the income to pay your share of household expenses. But, you may be able to pay once you get SSI. Ask the people you live to loan you the value of your fair share under a bona fide loan agreement. If you do not have an agreement, and are not paying your share while your SSI application is being processed, the back benefits you could receive between the time you applied to the time you get SSI could be reduced.
- Bona fide Loan Agreement: Food and shelter you get under a valid bona fide loan agreement is not counted as ISM. Instead of someone giving you money for food and/or shelter, they loan you the value of the food and/or shelter. To be valid, a loan agreement between you and the loaner must be made before you get the value of the food and shelter. The loan agreement must be unconditional. This means you would still owe the loaner the value of food/or shelter even if you don't get eligible for SSI or an increase in SSI benefits. The agreement must say you will repay the loan and have a plan for repayment. You must be able to repay the loan using your own resources or income, and not be dependent upon SSI eligibility or an SSI benefit increase. For example, \$5 per month from recycling cans and bottles, employment, or an inheritance.
- If your fair share is \$750 and you pay \$550 towards your share and pay someone in the household's \$200 car payment.
- Economic reasons for renting a room at a lower rate than normal. For PMV, show that the value of renting a room is less for some reason. Example: you have to share a bathroom, or part of the room is used as storage by other household members. Use the local paper or look online for room rental rates in your area.

Can an ABLE account help me pay for food and shelter?

Yes. An ABLE account is a new savings option if you became disabled before age 26. An ABLE account lets you save money in a tax-advantaged account, without affecting your ability to get or keep your SSI. You can use money from your ABLE account to pay for food and/or shelter.

Is food or shelter paid by funds from an ABLE account considered ISM?

No, you can pay for food or shelter out of your ABLE account, and it will not be considered ISM if you pay your fair share of household expenses. For example:

- If someone pays \$1,000 per month directly to your landlord for rent, it is considered ISM. Your SSI check will be reduced to \$678.24 per month in 2019.
- But, if someone contributes \$1,000 per month into your ABLE account, and you use funds from your ABLE account to pay rent, it is not ISM. Your SSI check will be \$931.72 per month in 2019.
- **Important:** If you withdraw money from your ABLE account to use for rent, you must pay the money to your household or landlord by the end of the same month. As long as you do not hold the rent money you withdrew from one month to the next, the money will not affect your SSI benefit.

Food and shelter paid by an ABLE account is not ISM because the funds in your ABLE account is your money. Someone else can put money into your ABLE account. That money is considered a contribution to your ABLE account and not a contribution to your food and shelter.

For more information about ABLE accounts, go to the CalABLE website:

<https://calable.ca.gov/>

What can I do if SSA determines I have an overpayment due to ISM?

You can appeal or ask SSA to waive the overpayment. If you are unsuccessful, SSA will take money from your monthly SSI check for repayment. The most SSA can take from your check is 10% of the Federal amount (\$93.17 in 2019). But, if you are unable to pay for your basic needs, you can ask SSA to take less each month.

For more information on overpayments, see our publication SSI Overpayments, found here: <https://www.disabilityrightsca.org/publications/ssi-overpayments>

Where can I find laws and information about ISM?

The Federal Regulations on In-Kind Support and Maintenance are at: 20 Code of Federal Regulations 416.1130-.1157.

Program Operations Manual System (POMS) are instructions used by Social Security Administration employees to carry out the regulations, laws and rules. POMS concerning In-Kind Support and Maintenance are at: SI 00835.000-.901

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