

# IN-KIND SUPPORT & MAINTENANCE (ISM) DEDUCTION FROM SSI BENEFIT

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## What is “in-kind support and maintenance?”

In-kind support and maintenance (ISM) is food or shelter that somebody else provides for you. The Social Security Administration (SSA) counts ISM as income when it determines the amount of your SSI benefits. For example, if someone else pays for your rent, mortgage, food, or utilities, SSA reduces the amount of your SSI benefits as much as \$264 (in 2021) depending on the type and value of the help you receive.

SSA’s Program Operation Manual System (POMS) has identified ten items which count as ISM:

1. Food (excluding the value of food purchased with SNAP benefits)
2. Mortgage (including property insurance required by the mortgage holder)
3. Real property taxes (less any tax rebate/credit)
4. Rent
5. Heating fuel
6. Gas
7. Electricity
8. Water
9. Sewer
10. Garbage removal

*SI 00835.465 ISM and Households - Household Costs.*

Many people are under the impression that ISM includes all basic household expenses, such as vehicle payments, cell phone plans, cable, internet, etc. **Only** the ten categories listed above are considered to be ISM. Note also that food or shelter provided by someone whose income can be “deemed” to you does not count as ISM (such as food or shelter provided by parents to a minor child receiving SSI). Also excluded from ISM are subsidies from the Department of Housing and Urban Development (HUD), and food or shelter that is provided by governmental medical social service programs or by non-profit organizations based on need.

## How does SSA value ISM?

SSA uses two different rules to calculate the value of ISM:

**The Value of the One-Third (VTR) Rule** –resulting in an automatic one-third reduction in benefits—is applied when (1) the SSI recipient resides in someone else’s household for an entire month AND (2) the recipient receives free or subsidized food and shelter from others in the household. Because of the VTR Rule, disabled adult children who live at home with their parents are often awarded \$530 instead of \$794 in monthly SSI payments (2021 amounts).

**The Presumed Maximum Value (PMV) Rule**, which applies to individuals who do not meet the conditions of the VTR rule, treats ISM as unearned income and reduces benefits by a little more than one-third . PMV is one-third of the federal benefit rate plus the \$20 unearned income disregard (\$264 +\$20 = \$284 in 2021). PMV is rebuttable. If you can demonstrate that ISM should be valued less than the PMV, your benefit reduction will be less.

### Fair Share Exception

SSA provides for two exceptions to the VTR rule and will not apply the automatic one-third reduction in benefits when (1) the SSI recipient lives in a public assistance household or (2) the SSI recipient pays his or her fair share of household expenses.

When determining “fair share” payment of household expenses, SSA divides the total ISM expenses by the number of people in the household (this includes children, elderly & non-related occupants). If the SSI recipient is contributing a pro rata fair share of the expenses, he or she will not be charged with VTR.

### Lease Agreements

A rental contract can be executed between an individual and a landlord who have agreed that the landlord will provide shelter (or room and board) in return for rent that must be paid. The contract should be in writing, signed and available for inspection by SSA. When SSI recipients have relatives as their landlords, it is critical for the relative to charge rent that is at the current market value. SSA assumes that a non-relative landlord is charging fair market rent but this assumption does not extend to landlords who are relatives. Family members should understand that rental payments may be considered income to the landlord/relative for tax purposes and may affect IRS dependency status.

### ABLE Accounts

ABLE accounts under the “Achieving a Better Life Experience” program are tax-advantaged savings accounts for individuals diagnosed with disabilities before the age of 26. SSA regulations have specifically stated that a “distribution from an ABLE account is not income but is a conversion of a resource from one form to another.” See *POMS SI 01110.600B.4*. Therefore, SSA will not count distributions from an ABLE account as income of the designated beneficiary, “regardless of whether the distributions are for a QDE [Qualified Distribution Expenses] not related to housing, for a housing expense, or for a non-qualified expense.” ABLE accounts are often used in combination with monthly SSI payments to cover the fair share of household expenses.