

Changes to SSI In-Kind Support and Maintenance Rules as of September 30, 2024

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As of September 30, 2024, food no longer is considered “In-Kind Support and Maintenance” (ISM) under Supplemental Security Income (SSI) rules.

SSI Background and the Impact of ISM

SSI supports individuals with limited income and resources who are disabled, blind, or over 65, with a maximum monthly benefit of \$943 for an individual and \$1,415 for a couple (in 2024). ISM has traditionally affected the benefit amount if someone else provided food or shelter, as the value of these contributions would reduce monthly payments.

Updated Definition of ISM

Previously, ISM covered direct assistance with both food and shelter. If an SSI recipient lived rent-free or someone else paid for their meals, they would see a reduction in their benefits. Now, with food excluded from ISM, only outside help with shelter will reduce benefits. Shelter expenses still include items such as rent, mortgage payments, property taxes, utilities, and similar costs, per the Social Security Administration (SSA).

Can Supplemental Needs Trusts Now Cover Groceries?

Previously, SSI rules prevented using funds from a Supplemental Needs Trust to pay for food for an SSI recipient without risking a reduction in benefits. However, with this new change, food is no longer treated as ISM for SSI purposes. This means that trust funds can now be used for a beneficiary's groceries or meals without affecting their SSI benefits.

Why the Change?

The SSA has aimed to make the SSI program fairer and easier to navigate. Removing food from ISM simplifies the reporting process for SSI recipients and their families, addressing common issues around food insecurity among this vulnerable population. Previously, complex ISM rules often led to confusion and unintentional benefit reductions.

Now, trustees of Supplemental Needs Trusts can pay for a beneficiary's food without the risk of misreporting or causing benefit cuts. For SSI recipients and their families, these changes should make the application and reporting process clearer and help ensure appropriate benefit levels.

While these changes mark an important shift in how SSI benefits are calculated, understanding and navigating SSA rules and requirements remains complex. Consulting a qualified attorney who specializes in special needs planning can be invaluable. An experienced professional can help interpret new regulations, ensure compliance with reporting requirements, and guide trustees in making decisions that support the well-being of SSI recipients without compromising their benefits. Seeking expert advice can provide peace of mind and help maximize the financial support available to those who need it most.

The information contained in this article is not intended to make you an expert on estate planning nor is this article intended to replace the need for the advice of a professional.

Rather, this article is simply intended to provide a basic understanding of why estate planning is important for everybody and a basic understanding of some of the more common estate planning tools. This article does not constitute legal advice.