

SSI INCOME & RESOURCE EXCLUSION RULES

If you receive Supplemental Security Income (SSI), your check will be stopped during any time you have resources worth more than \$2,000 (or \$3,000 for couples). However, if you spend the money or the asset on one of the following items (before the first of the month after the month in which you receive it), it will not be counted against your SSI benefits. There are also special rules for certain types of payments. The following is a list of the most common excluded items and payments:

SSI AND SSDI BACK PAYMENTS

Any amount of back payment that you receive from an SSI or SSA award will be excluded for nine months following the month in which you receive it. After nine months, any amount that you have not “spent down” will be counted as a resource (for SSI recipients only).

HOME

The home you live in does not count toward the \$2,000 limit regardless of its value. In addition, your home remains excludable if you move out so long as you intend to return to live in it or if a dependent relative continues to live there. If you sell your home, the proceeds will remain excludable so long as you buy another home within three months. If you receive a lump sum of money, that money will be excludable if you use it to make repairs to your home during the month after the receipt of the money. A home can be a mobile home, apartment, condominium or a free-standing house.

HOUSEHOLD GOODS

Household goods, including furnishings and equipment usually found in a home, are excludable up to \$2,000 in value.

AUTOMOBILE

One automobile is excluded regardless of its value.

SPECIAL NEEDS TRUST

Money will be excluded by Social Security Administration if it is properly placed in a special needs trust. A special needs trust is controlled by someone other than yourself and the money can only be paid out for your specific needs that are not paid for by public benefits. It is difficult to set up a special needs trust properly, so an attorney with experience in the area should be consulted.

LIFE INSURANCE POLICIES

If the cash surrender value of all of your life insurance policies is less than \$1,500, no part of the value will be counted as a resource. If the cash surrender value is above \$1,500, the entire amount will count as a resource.

REPLACEMENT OF LOST, DAMAGED OR STOLEN PROPERTY

Cash received for the purpose of repairing or replacing an excluded resource on this list that is lost, damaged or stolen is also excluded as a resource. This exclusion only applies if the cash is used to replace the item within nine months of its receipt.

BURIAL SPACES AND CERTAIN FUNDS SET ASIDE FOR BURIAL EXPENSES

The value of a burial space for yourself or a member of your immediate family will not be counted towards your resource limit. Additionally, you can exclude \$1,500 of burial expenses for each member of your family.

STUDENT LOANS

Any portion of a grant, scholarship or fellowship used for paying tuition, fees, or other necessary educational expenses will not be counted as a resource. However, any portion of a student loan that is set aside or used for food, clothing or shelter will be counted as income.

OTHER EXCLUDABLE RESOURCES

Property of a trade or business which is essential to means of self-support, non-business property that is essential to the means of self-support, most federal housing assistance, major disaster assistance, state or local relocation payments and payments received as compensation for losses suffered as a result of a crime.

This is not an exhaustive list. For more information, visit:

https://www.ssa.gov/oact/ssir/SSI21/V_B_Exclusions.html#39817

If you have any questions regarding this information, call our Health Intake Line at (408) 280-2420.

WARNING: This information sheet is intended to provide accurate, general information regarding legal rights. It is not legal advice. Because laws and legal processes are frequently change and can be interpreted differently, the Law Foundation of Silicon Valley cannot guarantee that the information in this sheet is current. The Law Foundation of Silicon Valley cannot be responsible for what anyone does with this information. Do not rely on this information without consulting an attorney or the appropriate agency about your rights in your particular situation.

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