

**SENIOR BULLETIN: SSI/GAU**

**Some things family and friends can give  
to SSI recipients that won't reduce their SSI**

Sometimes, family members or friends are able to, and would like to, give some financial help to someone on SSI. But cash gifts received by an SSI recipient will be treated as income by the Social Security Administration and will usually result in a corresponding decrease in SSI benefits.<sup>2</sup> This bulletin gives some examples of permitted gifts that will not be treated as income and will not result in a decreased SSI benefit.

In reading this bulletin, it is important to keep in mind the special way the words "income" and "resources" are used in connection with the SSI program. Funds or things that can be converted to cash are counted as "income" in the month when they are received; income still held in a month after it was received is counted as a "resource." So, in any given month, a particular dollar may be either income (if received this month) or a resource (if received before this month and kept into this month) but never both. And a dollar that is counted as part of my income this month will count as part of my resources next month if I still have it next month.

It is also important to remember that certain kinds of income and resources are *excluded* – in other words, they are not counted – when determining SSI benefits.

What kinds of things can be given to SSI recipients without adverse effects? In general, a gift of an item that is not cash, food or shelter, and that would be treated as an *excluded resource* if kept by the SSI recipient after the month of receipt is not treated as income when received, and will

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<sup>1</sup> This is a revised and updated version of a bulletin initially published in September 1999.

<sup>2</sup> Certain small gifts of cash may be excluded. Specifically, income of up to \$60 in a calendar quarter may be excluded from countable income if it is infrequent or irregular. Income will not be conserved infrequent if it is received from the same source within a month before or after the income at issue. 20 C.F.R. §416.1124(6). It still must be reported.

not result in any decrease in SSI benefits.<sup>3</sup> (These gifts must still be reported to the Social Security Administration.)

Examples of non-cash items that can be given without reducing a recipient's SSI benefits include:

- *Household goods, clothing and personal effects that would be excluded resources if retained by the SSI recipient.* An SSI recipient, or a couple in which either spouse receives SSI, is permitted to retain certain household goods that are used on a regular basis and certain personal effects that are worn by the a recipient or spouse or that “have an intimate relationship” to one of them. Household goods include “[f]urniture, appliances, electronic equipment such as personal computers and television sets, carpets, cooking and eating utensils, and dishes” Personal effects include “[p]ersonal jewelry including wedding rings and engagement rings, personal care items, prosthetic devices, and educational or recreational items such as books or musical instruments.” Items acquired or held for their value as an investment and not worn or used are likely to be treated as countable resources. The exclusion of household goods and personal effects is governed by 20 C.F.R. § 416.1216. A copy of that regulation is appended at the end of this bulletin.
- *An automobile that would be an excluded resource if retained by the SSI recipient.* An SSI recipient, or a couple in which one or both spouses receive SSI, is permitted one automobile if it is used for transportation of the SSI recipient or another household member. 20 C.F.R. § 416.123<sup>4</sup>18(b)(1).
- *Money paid to a third party (such as a service station or insurance company) for the maintenance or fueling of an SSI recipient's car or for insurance will not affect SSI benefits, as long as the SSI recipient has no access to the money.* (The maintenance or fueling purchased with the money is not food or shelter.) However, money given to the SSI recipient for the purpose of paying for car maintenance *would* count as income (since the money *could* be used for other purposes).
- *A ticket for domestic travel (for example, an airline ticket) that is received as a gift and is not converted to cash is excluded from*

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<sup>3</sup> See generally 20 C.F.R. § 416.1103(j)(“Receipt of certain noncash items”).

<sup>4</sup> POMS SI 00815.400.

*income,<sup>5</sup> and is not counted as a resource.<sup>6</sup> Domestic travel includes travel within the United States, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. A ticket for *domestic* travel is excluded from income and is not counted as a resource as long as it *is not* converted to cash. A ticket for *non-domestic* travel is not excluded unless it *cannot* be converted to cash.<sup>7</sup>*

- *A gift of a home is treated differently from other gifts.* A gift of a home – a place where the SSI recipient is living or will live – involves a gift of shelter, so the gift is not excluded from income in the same way as, for example, a gift of a car may be. However, SSI rules have a special method for placing a value of gifts of shelter (or what is sometimes called “supplied shelter”). Instead of counting the actual value of the home as income in the month of the gift, the SSA will count only a presumed shelter value in the month of the gift, which it calculates as approximately one-third of the federal part of the monthly benefit rate.<sup>8</sup> After the month of the receipt, the home will be considered an excluded resource, which will not affect the recipient’s SSI benefit. (Of course, if the gift is a gift of a house that the recipient will not use as a principal place of residence, then it will be treated as a non-excluded resource and make the recipient ineligible for SSI.)

It is important to remember that gifts should be reported to the Social Security Administration, even if they will not be counted as income.

### **A related point to consider: housing assistance**

This bulletin focuses on tangible items that may be given to an SSI recipient, including a home. Some kinds of housing assistance other than gifts of a home may also be provided, but that subject is more complicated. It is addressed in the Columbia Legal Services senior bulletin entitled “Supplied shelter or food and its effect on SSI.”

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<sup>5</sup> POMS SI 00830.521.

<sup>6</sup> POMS SI 01120.150.

<sup>7</sup> POMS SI 00830.521 (B)(3); SI 01120.150(A)(2).

<sup>8</sup> 20 C.F.R. § 416.1140.

## Appendix

### **20 C.F.R. §416.1216 Exclusion of household goods and personal effects.**

(a) Household goods.

(1) We do not count household goods as a resource to an individual (and spouse, if any) if they are:

(i) Items of personal property, found in or near the home, that are used on a regular basis; or

(ii) Items needed by the householder for maintenance, use and occupancy of the premises as a home.

(2) Such items include but are not limited to: Furniture, appliances, electronic equipment such as personal computers and television sets, carpets, cooking and eating utensils, and dishes.

(b) Personal effects.

(1) We do not count personal effects as resources to an individual (and spouse, if any) if they are:

(i) Items of personal property ordinarily worn or carried by the individual; or

(ii) Articles otherwise having an intimate relation to the individual.

(2) Such items include but are not limited to: Personal jewelry including wedding and engagement rings, personal care items, prosthetic devices, and educational or recreational items such as books or musical instruments. We also do not count as resources items of cultural or religious significance to an individual and items required because of an individual's impairment. However, we do count items that were acquired or are held for their value or as an investment because we do not consider these to be personal effects. Such items can include but are not limited to: Gems, jewelry that is not worn or held for family significance, or collectibles. Such items will be subject to the limits in §416.1205.