

# New SSI Income and Resource Rules

## *At-A-Glance*



In 2004, the Social Security Administration announced a number of changes to “simplify” the process of determining financial eligibility for Supplemental Security Income (SSI). In March 2004, the Social Security Protection Act of 2003 was signed into law. The new rules and legislation include a number of significant changes, including changes in SSI income and resource rules.

NOTE: Although these “new” rules are more than seven years old, many advocates continue to be unaware of these rules.

### **SSI Income Changes:**

- ◆ Will no longer include clothing in the definition of income.
- ◆ The exclusion of irregular or infrequent income and certain interest or dividend income was increased from \$20 per month for unearned income to \$60 per quarter.
- ◆ The exclusion of irregular or infrequent income increased from \$10 per month for earned income to \$30 per quarter.
- ◆ All interest and dividend income on countable resources, such as checking and savings accounts, are now excluded.
- ◆ Until March 2004, a person only had six months to “spend down” retroactive SSI and Social Security Disability Insurance (SSDI) benefits. Now, that time period has been increased to nine full calendar months.
- ◆ Until March 2005, nonrecurring income received in the first month of eligibility for SSI was counted against the first three months of benefits. Effective March 2005, the nonrecurring income is counted as income in the first month only.
- ◆ Effective June 2004, cash gifts received that are used for paying tuition or educational expenses are excluded from income.
- ◆ Effective March 2005, the student earned income exclusion was extended to married students and those who are heads of households.

### **SSI Resource Changes:**

- ◆ SSI no longer limits the value of household goods and personal effects.
- ◆ One automobile is excluded, if it is used for the transportation needs of the person on SSI or a family member.
- ◆ Cash gifts that are to be used for tuition or educational expenses are excluded if used within nine months.