

How to Document a Young Adult's Living Expenses for Full SSI At Age 18 or Older

Background

When a child reaches age 18 and applies for adult SSI benefits it is necessary to set up a formal living arrangement so the SSI program can determine the proper payment level. There are various levels of benefit payments based on how the young adult shares expenses from their own funds. Also, to get the additional SSI-E WI State Supplement (i.e., \$95.99) the SSI recipient must be receiving the full payment level from the federal SSI determination. This factsheet will help you decide which payment level is appropriate for your young adult.

Living in the household of another – the “B” living arrangement

If there is no formal or informal rental or expense sharing arrangement, the SSI rules will define the situation as “living in the household of another”. This reduces the federal portion of the SSI payment about 33%. The benefit from this arrangement is that there is no documentation or paperwork to manage. The loss is that the SSI payment is less than the full payment and the additional SSI-E WI State Supplement is not payable.

Paying a Fair Share of Household Expenses – the “A” living arrangement

All household expenses are tabulated and an equal share is determined for the number of people living in the household. If the young adult is paying at least their fair share of the household expenses, they are determined to be in a sharing arrangement. The benefit from this arrangement is they receive the full federal SSI payment and are eligible to file for the SSI-E WI State Supplement benefit. The loss is that expenses must be recorded, reported and receipts saved to ensure ongoing full payments.

Flat Fee Rental Arrangement – the “A” living arrangement

A third way to establish a formal living arrangement that requires less paperwork is a flat fee agreement. If the young adult pays a monthly rental fee at least equal to 34% of the federal benefit plus \$20.00 per month (e.g., in 2010 this is $\$674.00 \times .34 = \$229.16 + \$20.00 = \249.16), the SSI rules allow the full federal SSI payment. The benefit is less paperwork and also eligibility to apply for the SSI-E WI State Supplement payment. There is no loss in using this arrangement. The young adult begins using a portion of their own funds to support themselves, even if they remain in their parent's house hold.

Summary

At age 18 a young adult's parent's income and assets are no longer counted in determining SSI eligibility. However, SSI payment levels rise or fall depending on the type of financial arrangements for paying of household expenses. Choose the type of arrangement listed above that best fits your situation. Make the arrangements and if possible put them in writing. Begin using this arrangement as a household business practice at least one month before applying for SSI.

Reference: Social Security Administration's Policy Manual - [SI 00835.120 Rental Liability as Living Arrangement Basis](#) -

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