



How to Avoid the “One-Third Reduction” to SSI– Pay your way!!

Social Security will reduce an adult SSI benefit by one-third if you live with family or friends and don't assist with household expenses. This is called the “One-Third Reduction” and it will greatly reduce your monthly benefit. For example, in 2020, the maximum SSI benefit is \$783*. A one-third reduction would mean about \$258 less in your pocket or only \$516! *[See the current SSI maximum benefit.](#)

If you are living with a parent or other adult, you need to submit a simple statement to Social Security stating you will pay your “fair share” of household expenses or you will rent space in the home at a “flat rate”. Either way, the amount you pay must be under the maximum SSI rate, otherwise, Social Security will decide you cannot afford to assist and will reduce your SSI by one-third.

Methods to Avoid the One-third Reduction in SSI

The fair share method: Add up the monthly household expenses: food, rent or mortgage, and utilities (electricity, water, and sewer). Then divide the total monthly expenses by the number of people in your household and that amount is your “fair share”. If your “fair share” comes to over the maximum SSI rate, consider using the “flat rate rental method” instead. Keep in mind the family you live with must be prepared to prove these household expenses to Social Security.



The flat rate rental method: Rent space in the home at a fair and flat rate. For example, a bedroom and bathroom with access to kitchen and laundry could be worth \$500/month. The amount must be affordable and, therefore, under the current maximum SSI rate.

Tell Social Security of your Intent to Assist with Family Expenses

Give a signed statement (typed or handwritten) to Social Security informing them of your intent to pay your fair share or flat rate. You should submit this when you undergo the age 18 re-determination or when you are apply for the first time as an adult. If Social Security denies this you can ask to appeal.