



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

The adult SSI benefit amount you qualify for can be reduced by wages from work. Social Security can also reduce it by one-third if you live with family or friends and don't pay your share of household expenses. Social Security calls this the “One-Third Reduction” and it will greatly reduce your benefit. For example, the 2023 maximum SSI benefit is \$914; a one-third reduction would mean about \$300 less in your payment!

*For the current SSI maximum see: www.ssa.gov/oact/cola/SSI.html

If you are living with a parent or other adult, you need to submit a simple statement to Social Security (at the time you apply or undergo the Age-18 redetermination) 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 plan to pay must be under the current SSI rate. Otherwise, Social Security will decide you can't afford it and will reduce your SSI by one-third.

Steps to avoid the one-third reduction in SSI: Prepare a statement for Social Security

The fair share method: Add up the monthly household expenses: food, rent or mortgage, and utilities (electricity, water, and sewer). The family you live with must be prepared to prove these expenses to Social Security.

Then divide the total monthly expenses by the number of people in your household.

Example: if the household expenses come to \$2000/month and there are 4 people living in the home, then your fair share = \$2000 divided by 4 which is \$500. As long as you intend to pay your fair share you should receive the full SSI payment. If not, then it will be reduced by 1/3. If the “fair share” calculation is greater than the maximum SSI rate in effect consider using the “flat rate rental method”.

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 maximum SSI rate in effect.

Prepare a statement explaining the method you plan to use and submit it to Social Security. It can be typed or handwritten and must be signed by adult receiving the benefit or their representative payee. Remember, it is best to submit this when you apply or undergo an Age -18 redetermination. If Social Security denies this you can appeal. This is considered a non-medical appeal because it is a separate matter unrelated to the disability determination. To begin your appeal of a non-medical denial go to:

<https://secure.ssa.gov/iAppINMD/start>

TIPS: For more in depth information about your SSI benefit, your living arrangement and the one-third reduction go to: <https://www.ssa.gov/ssi/text-living-ussi.htm>