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HOW TO OBTAIN THE MAXIMUM AMOUNT OF SUPPLEMENTAL SECURITY INCOME (SSI) BY CHARGING RENT TO YOUR DISABLED CHILD

Effective January 2015, the maximum SSI payment for an eligible individual is \$733 per month.

If your child lives rent free in your home, then the SSI payment will be reduced by 1/3rd. The current living arrangements of the developmentally disabled person will be a factor in determining the amount of his or her SSI monthly payment. The developmentally disabled person can get up to the maximum payment if he or she is living in someone else's household (i.e., parents) as long as he or she pays for his or her food and shelter costs. If the developmentally disabled person is living in someone else's household and does not pay his or her food and shelter costs or pay only part of their food and shelter costs, then the SSI monthly benefit may be reduced up to 1/3rd the maximum amount.

There are 2 different ways ("Fair Share" or "Rent as a Tenant") to get the full amount of SSI benefits and you need to understand both approaches. My experience is that in most situations, the amount of "fair share" exceeds the SSI payment and accordingly will not work and the "rent" approach is the preferred manner.

Fair Share: To determine whether or not you are paying your fair share of your household's expenses, SSI officials will require you to itemize your household's expenses and divide those expenses by the number of people living in the home. Household expenses include total monthly expenditures for food, rent, mortgage, property taxes, heating fuel, gas, electricity, water, sewerage and garbage collection. If the amount of expenses divided by the number of people in the home is less than an amount you are capable of paying from your own income, SSI will allow you to keep your whole SSI check. If the amount is greater than the amount you receive in earnings and SSI benefits (even if only over by a few dollars), SSI will deem this excess amount as a voluntary contribution toward your support, and will reduce the SSI check by 1/3rd.

Rent as a Tenant: You will need to charge rent to your child in an amount which you

would charge anyone else for renting a room in your house. For example, if the going rate to rent a room in your neighborhood is \$350 per month, then you charge your child \$350 per month. Your child is a separate household living in your household. You do not provide free food to your child as he or she is responsible to pay their rent and pay for their food.

Sometimes a parent asks, "How can you charge rent if the person has no money?" One way to answer that question is that the child owes you.

If your child is currently receiving SSI with a 1/3rd reduction, you can always contact Social Security and inform them that there has been a change in circumstances and that you are now charging your child rent.

Although the issue of "fair share" and "rent" has been discussed, you need to remember that generally, to get SSI, the countable resources or assets must not be worth more than \$2,000 for an individual. Resources are cash and things the person own and can turn into cash. Examples of resources are bank accounts, property, stocks and bonds.

If your child has more than \$2,000 in their own name, then please contact Attorney Robert H. Farley, Jr. and we can discuss about transferring the funds into a unique Special Needs Trust in order to qualify for government benefits.