



Supplemental Security Income (SSI) and Asset Transfers

Q.) What is Supplemental Security Income (SSI)?

A.) SSI is a cash benefit program that is run by the Social Security Administration. It is designed to help low-income people who are 65 or older, blind or disabled. The SSI program has income and asset limits. In 2018, the income limits are \$750 for an individual and \$1,125 for a couple. The asset limits are \$2,000 for an individual and \$3,000 for a couple. Certain assets, like a home and a car that is worth less than \$4,500, or a car of any value if Social Security determines that you need it, are not counted.

Q.) Can I give away my assets to get SSI benefits?

A.) In most cases, you cannot give away assets and get SSI. There are no penalties for transfers made between July 1, 1988 and December 13, 1999. However, any gifts made on or after December 14, 1999 may be penalized. When you first apply for SSI, or when Social Security reviews your record to make sure you are still eligible for SSI, you will be asked if you gave away any resources.

Q.) What is a transfer of assets?

A.) "Transfer of assets" is a term the program uses to describe giving away something for less than full value. A gift of an asset is a transfer. Taking your name off the title to an asset, or adding someone else's name to the title as an owner of the property, can also be a transfer. For example, adding a child's name to the title of your home can be a gift. Selling an asset for less than it is worth might also be an improper transfer.

Q.) Are there any special problems that some people on SSI might not know about?

A.) Yes, some cultures may pool resources to support their families. They may add the name of an elderly parent who is on SSI to the title of a home to qualify for a mortgage or to pass the house to the parent if the adult child dies. Even though the elderly parent may not think the home belongs to them, they can lose their SSI if the adult child sells the home and does not give the parent some of the proceeds, or removes the parent's name from the title for some other reason.

Q.) What is the penalty?

A.) A transfer or gift of an asset can make you ineligible for SSI benefits for a period of time. The more you give away, the longer you will be ineligible for SSI benefits. In simple terms, Social Security divides the amount of the gift by the monthly SSI benefit amount (the income limits listed above) to determine how long you will be ineligible. However, you cannot be kept off the SSI program for more than thirty six (36) months because of an asset transfer.

Q.) Are there any transfers that are not penalized?

A.) Yes, one of the exceptions is for certain transfers of your home. Remember, adding someone else's name to the title to your home can be a transfer. Social Security will not penalize you if the transfer is made to one of the following people:

- a spouse, including a spouse you are separated from;
- a child under 21;
- a child of any age who is blind or disabled;
- a sibling who has an ownership interest in the home and who lived in the home for at least one (1) year before you went to a nursing home; or
- a child who lived with you for at least two (2) years and who provided care that kept you out of a nursing home.

Q.) Are there other exceptions?

A.) Yes, there is no penalty if you give an asset, other than your house, to your spouse or to a child who is blind or disabled. You can also transfer assets to certain trusts if the trust only benefits a child who is blind or disabled, or another person who under age 65 and who is blind or disabled.

Q.) Are there other situations when the penalty would not be applied?

A.) Yes, the penalty would not be applied to you in these situations:

- the assets were transferred exclusively for a reason other than to get SSI benefits;
- you intended to get fair market value for the asset;
- all gifted assets have been returned to you; or
- the denial of SSI benefits would be an "undue hardship" for you.

Q.) What is "undue hardship?"

A.) "Undue hardship" means that the failure to receive SSI benefits would deprive you of food and shelter and your total available funds (income and liquid resources) are less than the SSI benefit standard. As stated earlier, the benefit standard (income limit) for an individual in 2018 is \$750. The standard for a couple is \$1,125. You might not meet the requirements for undue hardship if you have savings, however, you may qualify after your savings have been used to meet your needs. Social Security will only consider undue hardship if none of the exceptions to the penalty rule apply. This article provides general information. If you need SSI, do not give away any assets without getting legal advice. Updated: November 2018

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