

SENIOR BULLETIN: SSI/GAU

**SSI income and resource rules change for clothing,
household goods, personal effects and cars**

On March 9, 2005 changes in Supplemental Security Income (SSI) income and resource rules took effect. Under amended income rules, clothing received as a gift is no longer considered income to the recipient. Under amended resource rules, one automobile, regardless of value, is excluded from resources if it is used for transportation of the SSI recipient or another household member. (In the past, a \$4,500 limit applied to the automobile exclusion, although there were significant exceptions to the limit.) Household goods and personal effects are also excluded regardless of value. (In the past, these were subject to a \$2,000 limit.)

The new income and resource rules are intended to simplify the SSI eligibility determination process, saving agency time and administrative costs while making it “less intrusive and more protective of the dignity of applicants and recipients.” According to the explanation provided when the rules were first proposed, a year ago, the changes are expected to “have minimal effect on the outcome of SSI eligibility determinations.”

Eliminating the reference to “clothing,” the amended regulation entitled “What is income?” now begins: “Income is anything you receive in cash or in kind that you can use to meet your needs for food and shelter.” (20 C.F.R. § 416.1102.) In the past, the regulation referred to “needs for food, clothing and shelter.”

The amended regulation entitled “Exclusion of the Automobile” now includes the following language: “One automobile is totally excluded regardless of value if it is used for transportation for the individual or a member of the individual’s household.” (20 C.F.R. § 12318(b)(1).) The

amended regulation relating to household goods and personal effects is a little more complicated, so it is set forth in full below:

20 C.F.R. § 416.1216 Exclusion of household goods and personal effects

(a) Household goods.

(1) We do not count household goods as a resource to an individual (and spouse, if any) if they are:

- (i) Items of personal property, found in or near the home, that are used on a regular basis; or
- (ii) Items needed by the householder for maintenance, use and occupancy of the premises as a home.

(2) Such items include, but are not limited to: Furniture, appliances, electronic equipment such as personal computers and television sets, carpets, cooking and eating utensils, and dishes.

(b) Personal effects.

(1) We do not count personal effects as resources to an individual (and spouse, if any) if they are:

- (i) Items of personal property ordinarily worn or carried by the individual; or
- (ii) Articles otherwise having an intimate relation to the individual.

(2) Such items include but are not limited to: Personal jewelry including wedding rings and engagement rings, personal care items, prosthetic devices, and educational or recreational items such as books or musical instruments. We also do not count as resources items of cultural or religious significance to an individual and items required because of an individual's impairment. However, we do count items that were acquired or are held for their value or as an investment because we do not consider these to be personal effects. Such items can include, but are not limited to: Gems, jewelry that is not worn or held for family significance, or collectibles. Such items will be subject to the limits in Sec. 416.1205.

The new SSI rules will also set the standards for Medicaid for individuals who are 65 or older or blind or disabled.