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Special Needs Planning: Insights & Updates May 2026 – Recent Changes to SSI Housing Rules Make it Easier to Qualify for Full Federal Benefits

Did you know …?

Recent changes to SSI housing rules make it easier to qualify for full federal benefits

A significant change to Supplemental Security Income (SSI) rules took effect on September 30, 2024. SSI is a needs-based federal benefits program run by the Social Security Administration (SSA) that provides monthly cash payments to individuals with limited income and resources who are aged, blind, or disabled and who have limited or no work history.

Each year, the SSA establishes the maximum federal monthly SSI benefit and adjusts it for cost-of-living expenses. For example, the 2026 maximum federal benefit is $994 per month, reflecting a 2.8% cost-of-living adjustment (COLA) increase from the 2025 maximum of $967.

Preserving an individual's SSI benefit is critically important, as it is often their primary—or only—source of income. However, actual payments may be lower than the maximum due to factors such as in-kind support and maintenance (ISM)—that is, noncash assistance with food or shelter—which SSA may treat as income for purposes of calculating benefit eligibility and payment amount.

In September 2024, the SSA expanded the *rental subsidy exception,* fundamentally changing how ISM is calculated in many family and supported housing arrangements. This change reduces penalties for providing housing support and gives parents more practical options as they plan for their child's future.

The old rule: Market value standard

Because SSI is a needs-based program, benefits can be reduced if your child receives help from others—especially help with housing. Historically, when a beneficiary did not pay their fair share of expenses or paid below-market rent (or no rent), SSA treated the difference as a rental subsidy, triggering ISM and reducing SSI benefits. In order to avoid a reduction in SSI benefits due to ISM, a beneficiary had to have a "business arrangement" whereby they paid rent equal to the current market rental value (CMRV). If rent was below market value, SSA would impute a rental subsidy and reduce the SSI monthly benefit.

The new rule: PMV

As of September 30, 2024, the new regulation states that a business arrangement exists if the rent paid equals or exceeds the presumed maximum value (PMV)—a capped amount used to value ISM. This means that a beneficiary no longer has to pay market rent or their fair share of expenses in order to maximize their SSI benefit. If rent is at least PMV, SSA will not count the discounted rent as a rental subsidy and will not reduce the SSI benefit for housing support.

It is important to note that the PMV rule for defining a business arrangement for rent existed prior to September 30, 2024, in the following seven states: Connecticut, New York, Vermont, Illinois, Indiana, Wisconsin, and Texas.

Calculating PMV

The PMV is the maximum amount SSA will count as support for housing. It is calculated as one-third of the federal SSI benefit rate plus $20.

In 2026, the federal SSI benefit rate for an individual is $994/month. The PMV is approximately **$351.33/month** (one-third of $994 + $20).

Each year the PMV should be slightly higher due to the annual COLA and needs to be calculated every year.

Consider this example

A family in Massachusetts has an adult son, Alex, who receives SSI and lives in an in-law apartment in their home. Fair market rent for a similar apartment is about $1,200/month. The parents charge Alex $500/month to keep things affordable.

Before September 30, 2024: SSA would compare the $500 rent paid to the $1,200 market rate and treat the $700 difference as a rental subsidy, reducing Alex's SSI benefit to $643 a month.

After September 30, 2024: Alex's $500 rent exceeds the PMV threshold. SSA treats this as a valid business arrangement with no rental subsidy, and therefore he receives the full $994 in SSI.

For this family, that would mean an additional $4,212 a year in SSI benefits while still allowing Alex to live at home in a stable, supportive environment.

Takeaways

The shift from a *market value* standard to a PMV standard is one of the most impactful SSI policy changes in years. It allows for more flexibility in planning for housing, better aligns SSI rules with real-world family arrangements, and should result in higher monthly benefits for many families—and more stable housing.

Even with the new rule, details still matter. To protect SSI benefits, the beneficiary should have a real rental agreement, must actually pay (and document) reasonable below-market rent, and recalculate PMV every year to ensure the rent still complies.

If your child receives SSI—or may in the future—this is a good time to review your current housing setup and see whether adjustments could improve their benefits.

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