

Calculating Rent for Social Security Recipients Living in the Family Home

Supplemental Security Income and Rent Calculations

When adults with developmental disabilities first apply for Social Security benefits, they are often deemed eligible for the Supplemental Security Income (SSI) program. That will change over time if they work themselves and are able to get other benefits based upon their work record, and/or when their parents claim their own Social Security benefits or pass away. The SSI program is designed to cover basic needs, most notably rent and utility costs. Note that as of 2024, SSI recipients may receive family assistance with covering most food costs without penalty. For more information on initial applications to Social Security or moving between benefit programs, please see the end of this handout.

Using Presumed Maximum Value to Calculate Rent

The maximum SSI benefit amount in 2025 is \$967/month, and a recipient must be spending at least current Presumed Maximum Value (PMV) on rent and utilities to avoid a penalty, or reduction in benefits. This rule only applies if you're living in another person's household (e.g., family member) where you receive shelter from other household members (e.g., family), and you pay for at least one meal a week on your own, with the receipt kept. In 2025, PMV is \$342.33, so SSI recipients must be spending at least that amount on rent to avoid a benefits reduction of 1/3. Keep in mind that PMV amount increases annually, so leases should take that into account. The individual must also have a lease in place, even if living in the family home, that explains the monthly rental fee, when it is due, to whom, etc. It should be signed by the person with a disability (or their legal guardian, if they have one) and the landlord (e.g., the parent, even if they are also the guardian). Monthly rental receipts should be kept. You can find a link to a sample rental agreement in the resource list at the end of this handout. The rental agreement can begin the month the person applies for Social Security, since their SSI benefits will be backdated to the date of application when they are approved, which can take many months. You could adjust your rental agreement or add an additional signed statement that says though rent began the month the person applied for Social Security, as a one time courtesy, you are allowing that rent to be paid upon receipt of Social Security back payments.

Three Alternate Options to Calculate Rent

It can feel confusing to calculate rent for your adult child, especially if you are not in the habit of renting out parts of your home. The key is to either charge the current PMV (see above, \$342.33/month in 2025, noting this will increase annually per Social Security rules) OR to come up with a methodology that can be demonstrated to be "fair market," meaning the same amount anyone else renting a room in your home would expect to pay for the same benefit. The PMV option is simpler, but if you'd rather calculate rent otherwise, these are ideas on how to do that. You can use another method that has logic and data you can show to Social Security if that works better for you.

1. **Find a Comparable Rent Online-** You can find a room for rent online at roommates.com, craigslist.org, NextDoor, your neighborhood newsletter, etc. Look for places in your general area for the best comparison. If you find a room at a rental rate that the Social Security recipient can pay, print it out as a good comparison to show Social Security. If the rooms near you are higher in rent, but offer more features or amenities than the room the person with a disability is renting, explain that and use it as a justification for adjusting the rent. For example, if a room down the street is renting for \$900/month, but it has a private kitchenette and entrance, you may decide to charge \$700/month since the room being rented has neither a private entrance or kitchen.
2. **Use a Division of Household Costs and Residents-** Calculate total month house expenses for costs like rent/mortgage, utilities, and Internet. Divide that number by the number of people in the home. You can submit that cost breakdown and division to Social Security as justification for the rent you charge. As in #1 above, you can explain any variances. For example, the smallest bedroom in the house may be charged a certain amount less for monthly rent than equal value since the primary bedroom that is larger and has a private bath would reasonably be worth more.
3. **Calculate Rent by Bedroom Size-** Alternatively, you could use total household costs for rent/mortgage, utilities, and Internet and divide that by the total square footage of all the bedrooms in the house to get a monthly amount per square foot of bedroom. That would look like this in a three-bedroom home:
Monthly expenses for the household/(Square footage of bedroom 1+bedroom 2+bedroom 3)= total cost per square footage of bedroom each month. Then multiply that amount by the square footage of the bedroom the SSI recipient is renting to get the cost to rent that room. That would look like this:
Total from first calculation x bedroom #3 square footage= rental amount

More Resources

- For more information on initial applications to Social Security or moving between benefit programs, please see the end of this handout. visit <https://thearcofnova.org/resource-library/#social-security> and <https://www.youtube.com/user/VideosatTheArcofNoVA>
- You can find a residential lease template at <https://thearcofnova.org/resource-library/#housing>
- To find more information on housing and other benefit options for people with developmental disabilities in Virginia, visit <https://thearcofnova.org/programs/transition/finding-home-adults-disabilities/>
- To ask a question of The Arc of Northern Virginia, visit www.thearcofnova.org/answers