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**INCOME**

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**INCOME COMPUTATIONS**

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**C. IN-KIND  
INCOME**

In-kind income is any income other than cash income. To meet the definition of income, the in-kind item received by an individual must be:

1. Food, clothing, or shelter
2. Something the individual can sell or convert to obtain food, clothing, or shelter.

If the in-kind item is neither food, clothing, nor shelter and it cannot be sold or converted to cash, it is not income.

In-kind Support and Maintenance (ISM) is an SSI policy principal that applies only to SSI-related cases such as SSI retro cases and former SSI recipient cases. Cases that use the Federal Poverty Level or Institutional income limit as the need standard for eligibility purposes do not require placing a value on any ISM received by an eligible individual or couple.

**1. Value of  
ISM**

For purposes of treating in-kind support and maintenance as income, three types of values are used:

- Current Market Value (CMV) - This is the amount for which something can be purchased locally on the open market. Depending on the type of support and maintenance received, the determination of the CMV may be based on various factors such as the assessed value from a knowledgeable source, property owner's statement, and the individual's payment.
- Actual Value (AV) is the CMV divided by the number of people receiving support and maintenance minus any payment made out of an individual's own funds. If he makes no payment, AV and CMV may be the same amount.

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- Presumed Maximum Value (PMV) is an amount equivalent to one-third of the applicable FBR plus \$20. The PMV rules apply to in-kind support and maintenance which is countable as unearned income. The PMV never applies to earned income. Use of the PMV in determining an individual's countable income is rebuttable by the individual's showing that the AV of the in-kind support and maintenance he receives is less than the PMV. The lower of the two figures is always used, but never an amount in excess of the PMV, regardless of the number of sources of such income or the variety of living arrangements during any given period.

**2. Value of  
ISM**

If an eligible individual or couple:

- lives in the household of another,
- receives rent free shelter,
- has someone else (a third party) pay for goods and services provided to the eligible, or
- receives rental subsidies

then the value of such ISM must be developed. The value of the ISM is counted as income using the lesser of the CMV, AV or PMV.

**3. State  
Office  
Clearance**

ISM is rarely included in Medicaid budgeting since Medicaid does not make a money payment for food, shelter and clothing as does the SSI Program. If there are cases where it is questionable whether ISM is countable as income in an SSI-related case, the case should be referred to the State Office for clearance.