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Brian J. Wing
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Administrative Directive

Section 1

Transmittal:	02 ADM 1
To:	Local District Commissioners
Issuing Division/Office:	Temporary Assistance
Date:	February 7, 2002
Subject:	Food Stamp Treatment of Individual Development Accounts
Suggested Distribution:	Temporary Assistance Directors Food Stamp Directors CAP Coordinators Staff Development Coordinators
Contact Person(s):	Food Stamp Policy - Eastern Regional Team at 800-343-8859, extension 3-1469 Temporary Assistance Policy - Central Regional Team at 800-343-8859, extension 4-9344
Attachments:	None
Attachment Available On – Line:	<input type="checkbox"/>

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
			Assets for Independence Act (P.L. 105-285); P.L. 106-554		

Section 2

I. Purpose

This directive explains the effect of recent federal legislation on food stamp policy regarding certain Individual Development Accounts (IDAs).

II. Background

The Assets for Independence Act (AFIA: Public Law 105-285) established IDAs as a way to encourage low-income workers to build assets and promote the attainment of self-sufficiency. These accounts are designed primarily to create a habit of saving and to establish a credit history. IDAs under the AFIA provide Federal funds that are combined with state or local funds to match the amount of earnings that low-income working individuals and families put into savings for a first home, post-secondary education, or to start a new business. IDA programs are operated by non-profit organizations that obtain matching funds from state, local or private sources. In an ongoing effort to encourage low-income families to achieve self-sufficiency, Congress amended the AFIA, in P.L. 106-554, to address the food stamp treatment of IDAs established under the AFIA.

III. Program Implications

Included in P.L. 106-554 is one provision that affects the Food Stamp Program. This provision excludes any funds deposited or interest earned on the deposits in an IDA operated under AFIA from being considered as income or a resource when determining food stamp eligibility and benefits. This provision became effective December 21, 2000. This exclusion does not apply to non-AFIA IDAs.

IV. Required Action

IDAs are emerging and evolving under various authorities and funding sources. Districts must be aware of the authority under which an IDA was sponsored, so that they may budget for Food Stamp purposes accordingly.

V. Systems Implications

None

VI. Additional Information (Optional)

None

VII. Effective Date

The exclusion of AFIA IDA funds from food stamp eligibility determinations is effective October 1, 2001, retroactive to December 21, 2000.

Issued By

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