

FOOD STAMP QUESTIONS AND ANSWERS

Income/Budgeting

1. Q: Some employers offer flexible or “cafeteria” benefit credits to employees. For example, an employer will pay up to \$80 a week for an employee toward the health insurance plan of the employee’s choice, with the employee paying any costs over \$80. The employee may opt for no insurance and instead receive \$20 per week in his paycheck. How are these credits treated?

A: Only the value of the credit that is actually obligated to the employee is counted as income. In this example, the \$20 per week is included as earned income in the food stamp (FS) budget.

2. Q: An employer withholds a weekly amount from employees’ pay, to deposit in 401(k) accounts. Is the withheld amount excluded as income?

A: No, the withheld amount must be counted in the gross income budgeted for FS. Any matching amount contributed by the employer is not counted. The accumulated cash value of the 401 (k) account is excluded as a resource.

3. Q: A FS recipient is self-employed and claims one-fourth of her rent, heat, utilities and telephone on her income tax returns as business-related expenses. How are these expenses treated for FS?

A: When a self-employment enterprise is operated from home, a portion of the expenses may be deducted from income as allowable costs of doing business. Allowable costs of producing self-employment income include, but are not limited to, the identifiable costs of labor; stock; raw material; seed and fertilizer; interest paid to purchase income-producing property; insurance premiums; and taxes paid on income-producing property. Recent amendments in federal rules now also allow payments on the principal of the purchase price of income-producing real estate and capital assets, equipment, machinery, and other durable goods as costs of producing self-employment income. If the costs of doing business are not separately identifiable, e.g., separately metered utilities, then a pro-rata portion of the shared costs is deductible from income. As long as the household incurs personal heating and cooling expenses, it is entitled to the HT/AC SUA. If it can be verified that the household’s prorated personal share of the heating / cooling expense exceeds the standard, the household may elect to have the actual expenses used in computing the shelter deduction.

4. Q: How is anticipated income determined? What if this income fluctuates?

A: If household income in the certification period will differ from income in the previous 30 days, the anticipated income will be used to determine eligibility. In cases where the receipt of income is reasonably certain, but the monthly amount may fluctuate, the household may elect to income average. If income fluctuates to the extent that a 30-day period alone cannot provide an accurate indication of anticipated income, a longer period of past time may be used if it will provide a more accurate indication of anticipated fluctuations in future income. Districts are reminded that income can not be counted if the date and amount of receipt can not reasonably be anticipated.

5. Q: How are the Work Support Program payments treated for food stamps?

A: Work Support Program provides payments for work-related expenses, such as transportation, uniforms and tools, to employed households that voluntarily close their TA case. These payments are excluded as food stamp income as reimbursements, to the extent that they are not intended for normal living expenses such as rent, and do not exceed the expenses.

6. Q: Are the disbursements from a Supplemental Needs Trust (SNT) budgetable as income?

A: Neither the trust principal nor interest accruing to the trust, would be countable as income or resources for food stamps. Cash disbursements, however, must be evaluated under normal FS budgeting rules. Disbursements may be excluded from income if they are reimbursements for past or future expenses that do not exceed actual expenses and are not a gain or benefit to the household. SNT disbursements that are not payable to the household, but are directed to a third party would be excluded from countable income as a vendor payment. Please refer to 01 INF- 8 for more information about FS treatment of SNTs.

7. Q: If the monthly payment from a reverse annuity mortgage is used to pay a mortgage, is there a shelter expense?

A: Yes. Mortgage payments would be considered a shelter expense.

General

8. Q: When may an individual file a FS application?

A: Districts are required to accept all applications during their regular business hours. Applications may be submitted in person or by mail, or by facsimile if the district has facsimile equipment. In addition, individuals can not be required to attend orientation prior to filing an application.

9. Q: What information is required on an application for food stamp benefits before it is accepted by DSS for filing?

A: An application for food stamp benefits must be accepted for filing if it contains (at a minimum) a person's name, address (if they have one) and signature. This will hold the filing date. The application must be completed for eligibility to be determined.

10. Q: Do all public assistance and non-public assistance food stamp applications need to be screened for expedited processing?

A: Yes. To identify households eligible for expedited processing, districts must use a receptionist or other agency employee to screen all temporary assistance and non-temporary assistance FS applications as they are filed or as individuals come in to apply. The "Expedited FS Screening Sheet" (DSS-3938) must be used during this screening process, and the form must be filed in the case record upon completion.

11. Q: Must all TA applications be screened for eligibility for expedited processing for food stamps?

A: Yes. All applications for ongoing TA are presumed to also be applications for food stamps. As such, the applicants must be screened on the day of application to determine whether they qualify for expedited processing of their food stamp application and, if TA is denied, a separate determination of FS eligibility must be made. As stated above, the "Expedited FS Screening Sheet" (DSS-3938) must be used in the screening process and the completed form must be filed in the case record.

12. Q: When the screening process identifies a household as eligible for expedited processing of its FS application, when must benefits be made available?

A: The district must interview the household, determine the household's eligibility for food stamp benefits and, if the household is determined eligible for FS benefits, make such benefits available to the household no later than five calendar days following the day the application was filed.

13. Q: If a client is determined eligible for FS benefits using expedited processing standards, is a notice required when initial benefits are issued?

A: Yes. "The Action Taken on Your Food Stamp Case" (DSS-3152) notice must be issued. The notice must contain the certification period, the benefit amount and, if verification has been pended, that eligibility documentation is still outstanding. The notice also must inform the household that future benefits will be changed when TA benefits are determined and, if necessary, when the pended verification is returned. In addition, the notice must state that no further benefits will be issued if the pended verification is not returned.

14. Q: When can a FS application be denied if an applicant fails to appear for a scheduled eligibility interview?

A: Local districts must allow 30 days from the application date before denying the application of a household that has failed to appear for an interview and has not contacted the local district to reschedule the missed interview. Districts are encouraged to send the “Request for Contact/Missed Interview” (LDSS-4753) notice to households that miss their application interview, informing them that it is their responsibility to reschedule. For a TA/FS applicant who misses the joint eligibility interview, the FS application must be held for 30 days from the date of application. If a TA application is denied the applicant must be informed that the FS notice will be provided separately.

15. Q: Is timely notice required to reduce food stamps on a TA/FS case at recert?

A: No. Timely notice is not required to reduce FS benefits at recertification. An adequate “Action Taken” notice must be provided to inform the household of the new benefit amount for the first month of the household’s new certification period, and for subsequent months if the amount will change.

16. Q: When a new member joins a household, must this member submit an application and be interviewed?

A: No. When a new member joins a household and the household reports and verifies it, they are added into the case for the month following the SSD’s receipt of the verification. A new application is not required.

17. Q: Under what circumstances is income excluded if it is being withheld to repay prior overpayments?

A: Monies withheld from a publicly-funded, means-tested Federal, State or local assistance program to repay prior overpayments from that income source are excluded as FS income. Earned or unearned income from any source that is voluntarily or involuntarily returned to repay a previous overpayment from the same income source also is excluded. There are two exceptions, however:

- monies withheld due to the household’s intentional failure to comply with the other program’s requirements must be counted. This would include PA IPV recoupments. SSI, however, is not considered a means-tested program for this purpose; a SSI fraud recoupment *is* excluded as income for food stamps.
- money withheld to repay assistance that already was excluded as FS income when it was paid. This would include recoupments of TA payments advanced to prevent eviction.

18. Q: Are Districts required to pay the return postage on client mailers and change report forms?

A: Yes, Districts are required to pay the return postage on client mailers and change report forms. This can be accomplished by providing the client with some postage paid return envelopes at recertification.

19. Q: If agency mail is returned as undeliverable from a food stamp household, what action should the district take?

A: The local district must first issue the "Request for Contact/Missed Interview Notice" (LDSS-4753). If the household fails to contact the agency, then the district must issue a timely notice of adverse action to close the case. However, before doing so, the district should try to locate the household in another way, such as a telephone call, since the notices will probably not reach the household.

Resources

20. Q: Are districts required to request additional resource information for FS eligibility aside from what is requested on the FS application?

A: No, all the necessary resource questions are included in the application and therefore no additional resource checklists or questionnaires should be requested of food stamp-only applicants.

21. Q: If an applicant transfers a vehicle to qualify for Family Assistance, will this also disqualify the household from participation in the Food Stamp Program?

A: Generally, households which have transferred resources knowingly for the purpose of qualifying for food stamp benefits must be disqualified from participation in the program. However if a household is determined eligible for Family Assistance, they would be categorically eligible to participate in the FS program.

22. Q: Are Keogh plans and Individual Retirement Accounts (IRAs) excluded resources?

A: Keogh accounts and IRAs that involve no contractual relationship with a third party are not excluded. This means that if an individual sets up his/her own retirement plan they have the ability to access it at anytime. If a Keogh or IRA is through an employer there is a contractual agreement with a third party. Under these situations an individual does not have access to this account until retirement or if they leave their place of employment, at which time the principal, if accessed, would be considered a resource.

23. Q: Does the termination of employment affect the treatment of a pension plan on food stamp eligibility?

A: No. The exclusion from resources for pension plans other than Keogh and IRAs applies regardless of whether the person is currently employed. The exclusion is lost when the recipient accesses the pension funds, either through installment payments (which would count as unearned income), or as a lump sum (which would count as a resource in the month received).

24. Q: If a non-categorical FS household receives a \$5000 lump sum on June 1, and reports and verifies it to the SSD on June 5, when does the household become ineligible for FS?

A: In this example, the household becomes ineligible on July 1, after the SSD acts on the reported change and provides timely notice. FS benefits received for June are **not** counted as overpayments.

Aliens

25. Q: Aliens with time-limited eligibility are eligible for participation in the FS program as Specially Qualified Aliens for a period of seven years after admitted or granted status. Does the seven year period of FS eligibility continue if the alien's status is adjusted to lawfully admitted for permanent residence (LAPR)?

A: Yes. Specially Qualified Aliens who adjust their status to lawfully admitted for permanent residence (LAPR) status continue to be eligible for the full seven year period.

26. Q: How can eligibility be established after the seven year period expires for aliens with time-limited eligibility for participation in the FS program?

A: After the seven year period expires, such aliens are ineligible for food stamps unless they become a United States citizen or meet the requirements of aliens lawfully admitted for permanent residence with qualifying quarters of coverage.

27. Q: What conditions must be met for a specially qualified alien to be eligible to participate in the FS program with qualifying quarters of coverage?

A: A permanent resident alien is eligible to participate in the FS program as a specially qualified alien if the alien has earned 40 qualifying quarters of coverage as defined under Title II of the Social Security Act or can be credited with such qualifying quarters. This criterion is not dependent upon the alien's date of entry into the United States.

28. Q: How are Lawfully Admitted Permanent Resident Aliens credited with 40 work quarters?

A: Qualified aliens are credited with qualifying quarters that they earned themselves. They also are credited with qualifying quarters worked by others in the following instances: their spouse during the course of their marriage as long as they are still married or separated. Qualifying quarters may not be used from a spouse if they have divorced. Qualifying quarters may be used from a deceased spouse as long as the alien was married at the time of their spouse's death. In addition, aliens under 18 may be credited with work quarters worked by both parents including quarters that the parents earned prior to the child's birth. An alien over age 18 may be credited with work quarters worked by both parents (including quarters worked prior to the child's birth) up until the alien reached 18. In addition the alien would also be credited with any qualifying quarters that they worked themselves.

29. Q: Under what circumstances would qualifying quarters be disallowed?

A: No qualifying quarters of coverage may be credited to an alien for any period after December 31, 1996 if such alien, parents or spouse received any Federal means-tested public benefit during the period for which such qualifying quarter of coverage is credited. Quarters worked after December 31, 1996 do not count as qualifying quarters if the alien received any Federal means-tested public benefits during that quarter.

30. Q: When evaluating eligibility for food stamps using expedited processing procedures, if an alien does not have immediate verification of alien status, should the district solicit and accept, pending written verification, oral information from the alien to determine if they appear otherwise eligible?

A: Yes. The district must elicit sufficient information from the client, even if it is oral and unverified, to decide whether the individual appears to be eligible. The worker should ask enough questions about the alien's status (country of origin, date of entry, status, etc.) to get the information needed, and then request (pend) verification.

31. Q: Can food stamp eligibility be denied for Lawful Permanent Residents who have lost their green cards or whose green cards have expired until they get a replacement card?

A: No. Districts can verify the status of an individual with INS without having a copy of the green card, or with an expired green card.