

<b>DEPARTMENT OF HUMAN SERVICES FAMILY INVESTMENT ADMINISTRATION</b>	<b>SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) MANUAL</b>	
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### **211.1 Purpose**

This section defines which types of income are excluded from consideration when determining the household's eligibility and benefit level for the Supplemental Nutrition Assistance Program (SNAP).

### **211.2 General Information**

- A. The local department will not count income from certain sources when determining a household's eligibility and allotment.
- B. The local department must verify excluded income when the household has no included income or very low income and the presence of the excluded income explains how the household can live without income.

### **211.3 Excluded Income**

The local department will exclude only the following types of income. Treat all other income as included income.

- A. Infrequent and Irregular Income - Any income in the certification period which is received too infrequently or irregularly to be reasonably anticipated provided:
  - a. **Earned income** does not exceed \$30 in a calendar quarter. If the amount exceeds \$30, the full amount is counted as income; and
  - b. **Unearned income** does not exceed \$200 every 6 months. If the amount exceeds the limit, the full amount is counted as income.
- B. Educational assistance awarded to a household member enrolled at a recognized institution of post secondary education, at a school for persons with disabilities, in a vocational education program, or in a program that provides for obtaining a secondary school diploma or the equivalent of a secondary school diploma. This includes but is not limited to:
  - a. Grants;
  - b. Scholarships;
  - c. Fellowships;
  - d. Educational loans on which payment is deferred;

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### 211.3 Excluded Income (continued)

- e. Work-study; and
  - f. Veterans educational benefits.
- C. All loans, including loans from private individuals as well as commercial institutions.
- a. A formal repayment agreement is not required; however, the intent to repay the loan must exist.
    - i. The customer must provide a signed statement regarding the repayment obligation from the individual making the loan.
    - ii. If the customer indicates that the source of the loan refuses to provide a signed statement for verification purposes, the case manager must attempt to reach the loan source to independently verify the information declared by the customer.
    - iii. If the source of the loan refuses to cooperate with the case manager, they may accept the household's statement regarding the repayment agreement.
  - b. Do not confuse loans with advances in income. The local department will count an income advance as income when it is received.
- D. Money received for the care and maintenance of a third-party beneficiary who is not a household member includes payments to a guardian or protective payee for care of a non-household member.
- a. If the intended beneficiaries of a single payment are both household and non-household members, exclude only that portion of the payment intended for the non-household member.

**Example 1:** A child who is a Temporary Cash Assistance (TCA) recipient is attending Maryland School for the Deaf. The child is included in the TCA grant. A pro-rata share of the TCA grant is excluded and the child is excluded from the SNAP benefit household during the school year when they do not reside in the household.

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### 211.3 Excluded Income (continued)

**Example 2:** Customer A is applying for SNAP for themselves only. They are the payee for their child's Social Security Disability Insurance (SSDI) payment but the child lives in a group home and is not part of the SNAP household. Customer A uses the entire amount of SSDI to pay the child's bills. This SSDI payment is not counted as income for Customer A's SNAP benefits.

**Note:** If Customer A uses part of the SSDI payment for their own expenses, the portion used is countable income for the SNAP household.

- b. If the non-household member's portion cannot be readily identified, prorate the payment evenly among the intended beneficiaries. Exclude the non-household member's prorated portion **or** the actual cost of care and maintenance, whichever is less.
- E. The earned income of 17 year old or younger elementary or high school students (including those who attend GED or home-school classes that are recognized, operated, or supervised by the State or the student's local school district).

**Note:** Begin counting this income in the month following the month in which the student turns 18.

- a. The student must live with their natural, adoptive, or stepparents or be under the parental control of a household member other than a parent.
- b. The student must be attending school for enough time for the State or local school district to consider the person a student regardless of the amount of time spent in class. This exclusion applies during school breaks and vacations provided the student plans to attend school when regular sessions resume.
- c. If the student's portion of earned income cannot be differentiated from that of other household members, the income is evenly prorated among all the individuals who earned the income. Do not consider the student's pro-rata share.
- d. Do not exclude the earned income of an elementary or high school student who lives on their own.

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### 211.3 Excluded Income (continued)

- F. Non-recurring lump-sum payments including payments a household expects to receive during the certification period (treated as a resource in the month received, unless specifically excluded by Federal statute). Such payments include, but are not limited to:
- a. Income tax refunds;
  - b. Rebates or credits;
  - c. Retroactive Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) payments;
  - d. SSI installment payments;
  - e. Railroad retirement benefits or other payments;
  - f. Insurance settlements; or
  - g. Refunds of security deposits on rental property or utilities.
- G. Reimbursements for specifically identified past or future expenses (other than normal living expenses).
- a. To be excluded, the reimbursement must be used for the purpose intended.
  - b. Any portion of the reimbursement that exceeds actual incurred expenses is not excluded. A reimbursement is not considered excessive unless the provider of the payment or household indicated it was.
  - c. Do not exclude reimbursements that represent a gain or benefit to the household. For example, reimbursements for normal household living expenses such as rent or mortgage, personal clothing, or food eaten at home, are a gain or benefit and are not excludable.

**Note:** When a reimbursement covers several expenses, the expenses do not have to be separately identified unless part of the reimbursement covers normal living expenses.
  - d. Excludable reimbursements include, but are not limited to those for:

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### **211.3 Excluded Income (continued)**

- i. Flat allowances over the regular wage for job or training related expenses such as travel, per diem, uniforms, and transportation to and from the job or training site;
- ii. Travel expenses incurred by migrant workers;
- iii. Out-of-pocket expenses incurred by volunteers in their work;
- iv. Medical expenses or dependent care (including daycare and attendant care payments for services provided by a non-household member); or
- v. Paying for services provided by Title XX of the Social Security Act (other than normal living expenses).

**Note:** If a household incurs job or training-related expenses and is not reimbursed, those expenses cannot be deducted from the earnings. Deductions are limited to those contained in SNAP Manual Section 212 Deductions.

- H. Income In-kind: Any gain or benefit which is not in the form of money payable directly to the household, such as meals, clothing, public housing, produce from a garden, and shelter provided by an employer.
- I. Third party payments not owed to the household and paid directly to someone outside the household for a household expense. However, not all third party payments are excludable (see SNAP Manual Section 210 Income for included third party payments). Third party payments are excluded if:
  - a. The person making the payment is not a household member;
  - b. The person or organization uses its own funds to make a direct payment to pay the household's creditors or a person or organization providing a service to the household;
  - c. EAFIC payments and TCA payments are made jointly to the household and vendor. If the household has full access to a payment, it cannot be excluded;
  - d. Made by a friend or relative who is not a household member and paid directly to the landlord for rent;

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### **211.3 Excluded Income (continued)**

- e. Rent or mortgage payments to the landlord or mortgage holder funded by the Department of Housing and Urban Development (HUD);
- f. Made by a government agency to a child care institution to provide care for a household member; or
- g. Made under a court order or other legally binding agreement requiring direct payment to a third party.

**Reminder:** An expense covered by an excluded vendor payment (except for Maryland Energy Assistance Program (MEAP) and Electric Universal Service Program (EUSP) payments) or an excluded reimbursement is not deductible.

- J. Child Support payments received by TCA recipients which must be transferred to the Child Support Administration (CSA) to maintain TCA eligibility. This exclusion applies even if the household does not send direct child support to IV-D.
- K. Income that is specifically excluded by Federal statute. The following laws provide an exclusion:
  - a. The National School Lunch Act;
  - b. The Child Nutrition Act of 1966;
  - c. Veterans' Benefits Improvement and Health Care Authorization Act of 1986;
  - d. The Disaster Relief Act of 1974, including:
    - i. Disaster Relief employment funded under national emergency grants; and
    - ii. Disaster unemployment assistance;
  - e. Section 204(b)(1)(C) or section 264(c)(1)(A) of the Workforce Investment Act (except for the earnings of a household member who is under 19 years old under parental control of another adult member;

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### **211.3 Excluded Income (continued)**

- f. The Low-Income Home Energy Assistance Act of 1986;
- g. The Higher Education Amendments of 1992;
- h. The Housing and Community Development Act of 1987;
- i. The Child Care and Development Block Grant Act;
- j. Public Law 103-286 (Payments made to individuals because of their status as victims of Nazi persecution);
- k. The Crime Act of 1984;
- l. Public Law 104-204 (A monthly allowance paid to a child of a Vietnam veteran born with spina bifida);
- m. The Uniform Relocation Assistance and Real-Property Acquisition Policy Act of 1970;
- n. The Civil Liberties Act of 1988 (Wartime Relocation of Civilians);
- o. Agent Orange Compensation Exclusion Act of 1989;
- p. Radiation Exposure Compensation Act of 1990;
- q. Military Combat Pay;
- r. The National and Community Service Trust Act of 1993. AmeriCorps payments fall under this act;
- s. Cranston-Gonzalez National Affordable Housing Act of 1990;
- t. Housing and Community Development Act of 1992 (YouthBuild Program). Treat payments received under this Act like JTPA payments as described in section 211.3(J)(5);
- u. Alaskan Native Claims Settlement Act;
- v. Title II (RSVP, Foster Grandparents, Senior Companion Program, and others) of the Domestic Volunteer Services Act of 1973, as amended. Payments under Title I of the Act (including payments from such Title I programs as VISTA, University Year for Action, and Urban Crime Prevention Program) to volunteers

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### **211.3 Excluded Income (continued)**

- are excluded if the volunteer was receiving SNAP benefits or public assistance at the time they joined the Title I program. Temporary interruptions in SNAP participation will not affect the exclusion once an initial determination is made;
- w. Income from certain sub-marginal land that is held in trust for certain Indian Tribes (P.L. 94-114, Section 6);
  - x. The interests on an individual Indian's trusts or restricted lands (an excluded resource), and up to \$2,000 per year derived from such interests and received by individual Indians (P.L. 93-134);
  - y. Income of an SSI recipient that is necessary for the fulfillment of a Plan for Achieving Self Support (PASS) which has been approved by the Social Security Administration. This income may be spent in accordance with an approved PASS or deposited into a PASS savings account;
  - z. All student financial assistance that is funded in whole or in part under Title IV or Part E of Title XVII of the Higher Education Act or under a Bureau of Indian Affairs student assistance program.
  - aa. The Carl D. Perkins Vocational Education Act of 1990 which includes the following:
    - i. Model Program of Regional Training for Skilled Trades;
    - ii. Demonstration Projects for the Integration of Vocational and Academic Programs;
    - iii. Indian Vocational Education Program;
    - iv. Native Hawaiian Vocational Education Program;
    - v. State Vocational and Applied Technology Education Program which includes the following:
      1. State Program and State Leadership Activities;
      2. Program for Single Parents, Displaced Homemakers and Single Pregnant Women;

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### **211.3 Excluded Income (continued)**

3. Sex Equity Program;
4. Programs for Criminal Offenders;
5. Secondary School Vocational Education Program;
6. Post-Secondary and Adult Vocational Education Program;
7. State Assistance for Vocational Education Support programs for Community-Based Organizations;
8. Consumer and Homemaking Education Program;
9. Comprehensive Career Guidance and Counseling Program;
10. Business-Labor-Education Partnership for Training Program;
11. National Tech-Prep Education Program;
12. State-administered Tech-Prep Education Program;
13. Supplemental State Grants for Facilities and Equipment and other Program Activities;
14. Community Education Employment Centers Program;
15. Vocational Education Lighthouse Schools Programs;
16. Tribally Controlled Post-Secondary Vocational Institutions Program;
17. Vocational Education Research Program;
18. National Network for Curriculum Coordination in Vocational and Technical Education;
19. National Center for Research in Vocational Education;
20. Materials Development in Telecommunications Program;
21. Demonstration Centers for the Training of Dislocated Workers Program;
22. Vocational Education Training and Study Grants Program;

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### **211.3 Excluded Income (continued)**

- 23. Vocational Education Leadership Development Awards Program;
- 24. Vocational Educator Training Fellowships Program;
- 25. Internships for Gifted and Talented Vocational Education Students Program;
- 26. Business and Education Standards Program;
- 27. Blue Ribbon Vocational Education Program;
- 28. Educational Programs for Federal Corrections Institutions;
- 29. Vocational Education Dropout Prevention Program;
- 30. Cooperative Demonstration Programs;
- 31. Bilingual Vocational Training Program;
- 32. Bilingual Vocational Instructor Training Program;
- 33. Bilingual Materials, Methods and Techniques Program;
- bb. Veterans' Benefits Improvement and Health-Care Authorization Act of 1986;
- cc. Income from programs supported by the Older Americans Act (Title V) which address the needs of older or disabled adults and their caregivers:
  - i. Programs for Older Adults, such as assistance with transportation, in-home care, community-based services such as adult daycare;
  - ii. Programs for People with Disabilities such as education and assistive technology;
  - iii. Combined Aging and Disability Programs such as access to long-term services and supports;
- dd. Wartime Relocation of Civilians;

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ee. Domestic Volunteers Services Act of 1973 (Titles I and II as amended);  
and

ff. Public Law 104 –193, Part A of Title IV of the Social Security Act, funds in an Individual Development Account (IDA) under the TANF block grant for any period during which such individuals maintain or make contributions into such accounts;

L. Charitable Contributions based on need from one or more private organizations;

**Note:** Donations that are not from a nonprofit charitable organization as unearned income.

M. Earned Income Tax Credits (EITC) payments received either as a lump sum, as advance payments in paycheck, or as a reduction in taxes that would have been paid at the end of the year;

N. Income withheld from an assistance payment, earned income, or other source that is voluntarily or involuntarily returned to the source to repay a prior overpayment received from that income source;

a. This exclusion does not apply to means-tested public assistance income sources when the overpayment was intentionally caused by the household.

b. SSI is not considered to be a means-tested public assistance program for this policy. Count the net amount of SSI when a portion is deducted to repay an overpayment.

c. Count the amount recouped from TCA benefits for overpayments that are the result of an Intentional Program Violation (IPV).

O. Reverse Mortgages that require repayment from the estate (because they are considered loans);

P. Utility reimbursements or allowances paid by Housing and Urban Development directly to a household;

Q. Interest Earned on checking, money market, or savings accounts (Interest on any other type of account is countable); and

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### **211.3 Excluded Income (continued)**

- R. The cost to produce (50 percent of the gross income) from a self-employment enterprise (this does not apply for farmers, fishermen, and watermen).

### **211.4 Verification**

- A. Because excluded income does not affect household eligibility, verification is not required unless the included income is not sufficient to cover the household's reported expenses.

**Example:** Customer A reports that they receive \$500 per month in Veteran's Benefits and \$500 per month in work-study income. Customer A reports that they pay \$500 per month in rent and that they are also responsible for an electric bill. Because the amount of included income (the Veteran's Benefits) does not cover the cost of the reported expenses, the case manager must request verification of the excluded income (the work-study) to determine whether the household is in a deficit budget that must be addressed.

- B. If the case manager is unable to determine whether income is excludable with the information provided, the case manager may request verification.
- C. If only a portion of the income is excluded, verification of the income is required as outlined in SNAP Manual Section 408 Verification.
- D. The case manager must narrate the existence of any excluded income and the reasons for the exclusion thoroughly.