

DEPARTMENT OF HUMAN SERVICES FAMILY INVESTMENT ADMINISTRATION	SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) MANUAL	
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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

The local department will not count income from certain sources when determining a household's eligibility and allotment.

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:

1. Earned income does not exceed \$30 in a calendar quarter. If the amount exceeds \$30, the full amount is counted as income; and
2. 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.

Educational assistance, which is 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:

1. Grants,
2. Scholarships,
3. Fellowships,
4. Educational loans on which payment is deferred,
5. work-study,
6. Veteran's educational benefits.

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C. Loans.

1. All loans, including loans from private individuals as well as commercial institutions.
2. A formal repayment agreement is not required; however, the intent to repay the loan must exist. The case manager may accept the household's statement regarding the repayment agreement. In questionable cases, obtain a signed statement regarding the repayment obligation from the individual making the loan.
3. 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 and Used for a Non-Household Member.

1. 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.
2. 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. Consider the household member's share, unless otherwise excluded.

EXAMPLE: A TCA child 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.

EXAMPLE: Ms. A is applying for SNAP benefits for herself only. She is the payee for her son's social security check. Her son lives in a group home. She uses the entire amount of his SSA check to pay his bills. The son's social security benefit is not counted as income for Ms. A's SNAP benefits. Reminder: If she uses part of her son's social security benefit for her own expenses, we would count that portion as income available to her household.

NOTE: If the non-household member's portion cannot be readily identified prorate the payment evenly among the intended beneficiaries. Exclude as income the non-household member's prorated portion or the actual cost of care and maintenance, whichever is less.

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E. Earned Income of a Child.

1. The earned income of 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) who are members of the household and are 17 years old or younger.
2. The student must live with his/her natural, adoptive, or stepparents or be under the parental control of a household member other than a parent.
3. 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.
4. 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. Do not exclude the earned income of an elementary or high school student who lives on his/her own.

NOTE: Count earned income in the month following the month in which the student turns 18.

F. Nonrecurring Lump Sum Payments.

1. The local department will exclude nonrecurring lump-sum payments including payments a household expects to receive during the certification period.
2. These payments include, but are not limited to:
 - (a) income tax refunds,
 - (b) rebates, or credits,
 - (c) retroactive lump-sum Social Security and SSI payments,
 - (d) SSI lump sum installment payments,
 - (e) Railroad retirement benefits or other payments,
 - (f) lump-sum insurance settlements, or

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- (g) refunds of security deposits on rental property or utilities.
- 3. Treat non-recurring lump-sum payments as a resource in the month received, unless specifically excluded by Federal statute.

G. Reimbursements for Past or Future Expenses.

- 1. To be excluded, the reimbursement must be for a specifically identified expense (other than normal living expenses) and used for the purpose intended.
- 2. Consider as income any portion for reimbursement that exceeds actual incurred expenses. A reimbursement is not considered excessive unless the provider of the payment or household indicated it was.
- 3. 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, therefore, not excludable.

NOTE: When a reimbursement covers several expenses they do not have to be separately identified unless part of the reimbursement covers normal living expenses.

- 4. Examples of excludable reimbursements are:
 - (a) Reimbursements or 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. Reimbursement for travel expenses incurred by migrant workers are also excluded.

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 section 212.

- (b) Reimbursements to volunteers for out-of-pocket expenses incurred in their work.

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- (c) Reimbursements for medical expenses or dependent care. This includes daycare and attendant care payments for services provided by a non-household member.

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- (d) Reimbursements received by households to pay for services, other than normal living expenses provided by Title XX of the Social Security Act.

H. Income In-kind.

The local department will exclude 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. Vendor Payments.

A vendor payment is money or an in-kind payment not owed to the household and paid directly to someone outside the household for a household expense. However, not all vendor payments are excludable.

1. The local department will exclude the vendor payments 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 joint TCA vendor payments made by a third party, which are issued to the household and provider, such as an EAFIC grant for a refrigerator. If the household has full access to a payment, it cannot be excluded.
 - (d) A payment by a friend or relative who is not a household member directly to the landlord for rent.
 - (e) Rent or mortgage payments to the landlord or mortgage holder funded by the Department of Housing and Urban Development (HUD).
 - (f) Payments by a government agency to a child care institution to provide care for a household member.

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- (g) Payments made under a court order or other legally binding agreement, which requires direct payment to a third party.

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Reminder: An expense covered by an excluded vendor payment (except for MEAP and EUSP payments) or an excluded reimbursement is not deductible.

2. A vendor payment is not excluded and must be counted as income under the following circumstances:

- (a) Payments made directly to the household rather than a third party.
- (b) Funds that are otherwise owed to the household, but diverted to a third party for payment of household expenses. Such funds include wages, a public assistance grant, and court-ordered support or alimony payment (or other binding written support or alimony agreement) the household is entitled to. If an employer, agency, or former spouse diverts these funds to a third party to pay a normal household expense, such as rent or utilities, the payment is included as income.

EXAMPLE: Consider as income wages that are earned by a household member and diverted by the employer to a third party for household expenses. However, if the employer pays an expense or provides shelter in addition to paying the regular wage, exclude the payment because the money was not owed to the household member as part of the regular wages.

- (c) All or part of a public assistance grant which would normally be made in a money payment to the household, but which is diverted to third parties or to a protective payee, for purposes such as managing a household's expenses.

J. **Child Support Payments Received by TCA Recipients.**

Child support payments received by TCA recipients which must be transferred to Child Support Enforcement (IV-D) to maintain TCA eligibility. This exclusion applies even if the household does not send direct child support to IV-D.

K. **Income Excluded by Federal Statute.**

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Income that is specifically excluded by Federal statute as income for SNAP purposes. The following laws provide an exclusion:

1. The National School Lunch Act

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2. The Child Nutrition Act of 1966
3. Veterans' Benefits Improvement and Health Care Authorization Act of 1986
4. The Disaster Relief Act of 1974 including:
 - (a) Disaster Relief employment funded under national emergency grants
 - (b) Disaster unemployment assistance
5. Earnings under section 204(b)(1)(C) or section 264(c)(1)(A) of the Workforce Investment Act are counted except for the earnings of a household member who is less than 19 years old under parental control of another adult member.
6. The Low-Income Home Energy Assistance Act of 1986
7. The Higher Education Amendments of 1992 (See Section 211.3)
8. The Housing and Community Development Act of 1987
9. The Child Care and Development Block Grant Act
10. Public Law 103-286 (Payments made to individuals because of their status as victims of Nazi persecution.)
11. The Crime Act of 1984
12. Public Law 104-204 (A monthly allowance paid to a child of a Vietnam veteran born with spina bifida.)
13. The Uniform Relocation Assistance and Real-Property Acquisition Policy Act of 1970.
14. The Civil Liberties Act of 1988 (Wartime Relocation of Civilians).
15. Agent Orange Compensation Exclusion Act of 1989.
16. Radiation Exposure Compensation Act of 1990.
17. Military Combat Pay.
18. The National and Community Service Trust Act of 1993. AmeriCorps payments fall under this act.

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19. Cranston-Gonzales National Affordable Housing Act of 1990.
20. 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).
21. Payments received under the Alaskan Native Claims Settlement Act.
22. Any payment to volunteers under 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 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.
23. Income from certain sub-marginal land that is held in trust for certain Indian Tribes (P.L. 94-114, Section 6).
24. 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).
25. 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.
26. All student financial assistance 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.
27. The Carl D. Perkins Vocational Education Act of 1990 which includes the following:
 - (a) Model Program of Regional Training for Skilled Trades
 - (b) Demonstration Projects for the Integration of Vocational and Academic Programs
 - (c) Indian Vocational Education Program
 - (d) Native Hawaiian Vocational Education Program

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(e) State Vocational and Applied Technology Education Program which includes the following:

- State Program and State Leadership Activities
- Program for Single Parents, Displaced Homemakers and Single Pregnant Women
- Sex Equity Program
- Programs for Criminal Offenders
- Secondary School Vocational Education Program
- Post-Secondary and Adult Vocational Education Program
- State Assistance for Vocational Education Support programs for Community-Based Organizations
- Consumer and Homemaking Education Program
- Comprehensive Career Guidance and Counseling Program
- Business-Labor-Education Partnership for Training Program
- National Tech-Prep Education Program
- State-administered Tech-Prep Education Program
- Supplemental State Grants for Facilities and Equipment and other Program Activities
- Community Education Employment Centers Program
- Vocational Education Lighthouse Schools Programs
- Tribally Controlled Post-Secondary Vocational Institutions Program
- Vocational Education Research Program
- National Network for Curriculum Coordination in Vocational and Technical Education
- National Center for Research in Vocational Education
- Materials Development in Telecommunications Program
- Demonstration Centers for the Training of Dislocated Workers Program
- Vocational Education Training and Study Grants Program
- Vocational Education Leadership Development Awards Program
- Vocational Educator Training Fellowships Program
- Internships for Gifted and Talented Vocational Education Students Program
- Business and Education Standards Program
- Blue Ribbon Vocational Education Program
- Educational Programs for Federal Corrections Institutions
- Vocational Education Dropout Prevention Program
- Cooperative Demonstration Programs
- Bilingual Vocational Training Program

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- Bilingual Vocational Instructor Training Program
- Bilingual Materials, Methods and Techniques Program

28. Veterans' Benefits Improvement and Health-Care Authorization Act of 1986

29. Income from programs supported by the Older Americans Act (Title V) which address the needs of older or disabled adults and their caregivers:

- Programs for Older Adults, such as assistance with transportation, in-home care, community-based services such as adult daycare.
- Programs for People with Disabilities such as education and assistive technology
- Combined Aging and Disability Programs such as access to long-term services and supports.

30. Wartime Relocation of Civilians

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

32. 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.

Cash donations or contributions based on need from one or more private organizations.

Count donations that are not from a nonprofit charitable organization as unearned income.

M. Earned Income Tax Credits (EITC).

Earned income tax credit payments received either as a lump sum or as advance payments of EITC received as part of the paycheck or as a reduction in taxes that would have been paid at the end of the year.

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N. Repayments.

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.

NOTE: This exclusion does not apply to means-tested public assistance income sources when the overpayment was intentionally (IPV) caused by the household. 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.

Count the amount recouped from TCA benefits for intentionally caused household overpayments.

O. Reverse Mortgages.

A reverse mortgage that requires repayment from the estate is a loan.

P. HUD Utility Reimbursement.

Exclude utility reimbursements or allowances paid by Housing and Urban Development directly to a household.

Q. Interest Earned on Bank Accounts.

This exclusion applies only to the interest earned on bank accounts, such as checking, money market, or savings accounts. Interest on any other type of account is countable.

R. The Cost of Producing Self-employment Income

Except for farmers, fishermen, and watermen, the cost-to-produce is 50 percent of the gross receipts from the self-employment enterprise.

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211.4 Verification

Because excluded income does not affect household eligibility verification is not ordinarily required. However, in cases where a household is unable to provide sufficient information to enable the worker to determine whether it is excludable, the worker may request verification. If only a portion of the income is excluded, verification of the income would be required as outlined in Section 408, Verification.

Narrate excluded income and the reasons for the exclusion thoroughly.