From the Hotline

If you have any questions on this column or other policy and procedural material, please have your Hotline designee call the **Policy Hotline at 617-348-8478**.

Q. 1. I did not ask my SNAP client for asset information, but he volunteered information on his pension balance. Since he is part of a categorically eligible household, do I need to follow up on this client's information?

A. 1. While no follow up is required for asset purposes on categorically eligible households, remember that any pension withdrawals that are more frequent than a one-time withdrawal must be counted as unearned income in SNAP. The same is true for any other type of retirement savings account that was formerly considered an inaccessible asset, such as traditional defined-benefit plans, 401(k)s, 501(c)(18)s, 403(b)s, 457s, Federal Employee Thrift Savings plans, Keogh plans, Individual Retirement Accounts (IRAs), Simplified Employer plans, Profit Sharing plans and Cash Balance plans. See 106 CMR 363.140(B) for details.

Note: A one-time withdrawal from a SNAP client's pension fund may be considered a lump sum payment. See 106 CMR 363.230(I) for more information on nonrecurring lump sum payments in SNAP.

Q. 2. If my categorically eligible SNAP client is making random withdrawals from his savings account to meet his unmet household expenses, are these withdrawals considered countable unearned income?

A. 2. No. Unlike retirement accounts, this type of asset draw down from a regular savings account is considered <u>non</u>countable income in SNAP.

Q. 3. Should I be asking SNAP clients about their assets, if they are members of categorically eligible households?

A. 3. It depends. Some assets generate interest income while others do not. Interest income is countable unearned income in SNAP so it would be appropriate to ask your clients about any asset that generates interest income. Remember to provide your clients with examples. Interest income may be derived from a client's pension payments, dividends, or annuities. SNAP is only concerned with the interest income, and not the value of the asset, in categorically eligible households.

Note: In the TAFDC and EAEDC Programs, interest income is also considered countable unearned income. For more information on countable unearned income in the TAFDC Program, see 106 CMR 204.210(B). For more information on countable unearned income in the EAEDC Program, see 106 CMR 321.210(B).

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Q. 4. If the client described in **Q.1.** was also receiving TAFDC, how would I treat his pension holdings?

A. 4. For TAFDC purposes, pension funds are counted as an asset, in their entirety, less the amount of any penalty for early withdrawal. A one-time withdrawal from a TAFDC client's pension fund may be considered lump sum income. For more information on one-time lump sum withdrawals, see 106 CMR 204.240. For more information on retirement and pension assets in the TAFDC Program, see 106 CMR 204.120(C).

Note: For EAEDC purposes, pension funds are also counted as an asset, in their entirety, less the amount of penalty for early withdrawal. A one-time withdrawal from an EAEDC client's pension fund may be considered lump sum income. For more information on one-time lump sum withdrawals in the EAEDC Program, see 106 CMR 321.240. For more information on retirement and pension assets in the EAEDC Program, see 106 CMR 321.120(C).

Q. 5. When TAFDC and EAEDC clients remain under their asset limit, but begin making random withdrawals from their bank account to meet unmet household expenses, are these withdrawals considered countable unearned income?

A. 5. No. This type of asset draw down is considered noncountable income in both the TAFDC and EAEDC Programs.

Diversity Quote

If we cannot now end our differences, at least we can help make the world safe for diversity.

John Fitzgerald Kennedy