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United States
Department of
Agriculture

SUBJECT: Categorical Eligibility Questions and Answers

Food and
Nutrition
Service

TO: Regional Directors
Supplemental Nutrition Assistance Program
All Regions

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Attached are questions and answers on the implementation of categorical eligibility and the reporting requirements for categorically eligible households. These questions are in response to inquiries from the States.

As explained in previous memos, there are three types of categorical eligibility. *Broad-based categorical eligibility* refers to the policy that makes most, if not all, households categorically eligible for SNAP because they receive non-cash TANF/MOE funded benefit or service, such as an informational pamphlet or 800-number. *Narrow categorical eligibility* describes the policy that makes a smaller number of households categorically eligible for SNAP because they receive a TANF/MOE funded benefit such as child care or counseling. Both narrow and broad-based categorical eligibility are non-cash categorical eligibility. *Traditional categorical eligibility* refers to the mandatory policy that makes households categorically eligible for SNAP because the household receives TANF, SSI, or general assistance cash benefits.

If you have any questions, please contact Moira Johnston or Sasha Gersten-Paal.

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Attachment

Questions and Answers

Implementation of Broad-Based Categorical Eligibility

Question 1: Can States that wish to implement broad-based categorical eligibility still require a resource limit?

Answer1: SNAP law and regulations require States to deem resources for categorically eligible households. However, if the TANF-funded program used to confer categorical eligibility has a resource limit there is in effect a de facto resource limit for SNAP. The State cannot require a resource limit if the program used to confer categorical eligibility does not have a resource limit.

Question 2: When implementing broad-based categorical eligibility, are States able to change both the gross income limit and asset limit? Are States able to change just one limit?

Answer: SNAP regulations require a State to deem gross income and assets for categorically eligible households. Through broad-based categorical eligibility, if the TANF-funded program used to confer categorical eligibility has a gross income limit or asset limit different from the regular SNAP rules there is in effect a de facto gross income and asset limit. The program used to confer categorical eligibility, if it is used to further purposes 3 or 4 of the TANF block grant, can have a gross income limit up to 200% of the Federal Poverty Guidelines and may have an asset limit or may eliminate the asset limit entirely.

Question 3: If a State confers categorical eligibility with a program that furthers TANF purposes 1 or 2, can the State impose a gross income limit?

Answer: The State may confer categorical eligibility with a TANF funded program that furthers purpose 1 or 2 and has a gross income limit, but the State may not impose a gross income limit for SNAP purposes. The TANF program must have the gross income limit. Under categorical eligibility regulations, States must deem the gross income of the TANF program to SNAP. States should note that Purpose 1 and Purpose 2 of the TANF block grant both describe funds spent on *needy families*. Therefore, the TANF program that furthers Purposes 1 or 2 must target needy households with children.

Question 4: May an elderly or disabled household with a gross income limit above the TANF program's gross income limit, be considered categorically eligible and therefore not subject to an asset test?

Answer: No, a household cannot be categorically eligible for SNAP, and therefore not subject to an asset test, if it has a gross income above that of the TANF program.

Question 5: What is the benefit of using a TANF-funded program to confer categorical eligibility that has a gross income limit of 200% of the Federal Poverty Guidelines (FPG), instead of a lower percentage of FPG?

Answer: Families with gross incomes above 130% of FPG could still receive a meaningful SNAP benefit if they have substantial deductions, such as high shelter costs, high medical costs, or high dependent care expenses. For example, a three-person household with a gross income at 150% and high shelter costs (\$1,050/month) would receive \$80 in SNAP benefits. Many households with gross incomes above 165% of FPG may qualify for little or no benefits. For example, the same 3 person household at 165% of FPG with the same shelter costs would receive no SNAP benefits. Households with one or two people will still receive the minimum benefit, unless the TANF program has a net income test at the FPG. States may want to consider using a TANF-funded program that has a limit around 165% to make sure that eligible households receive a meaningful benefit and to reduce the State workload associated with removing those eligible for zero benefits from the SNAP rolls.

Question 6: If a State confers categorical eligibility by providing a brochure funded with TANF/MOE money, is there a requirement regarding how the State has to document that? Does the State need to provide a narrative to show that the eligibility worker gave the household a pamphlet or may a State have its eligibility workers input a code?

Answer: States have discretion regarding how they document that a household is categorically eligible. The case file may provide a narrative to demonstrate that the eligibility worker gave a pamphlet or brochure to a household. Or, the eligibility worker may enter a code to show that he or she gave the pamphlet/brochure.

Disqualification of SNAP Recipients in Categorically Eligible Households

Question 8: If a member of a household becomes a student in an institution of higher learning, can the household maintain categorical eligibility?

Answer: Yes, the household can maintain categorical eligibility because the student is not considered a member of the household.

Question 9: If a member of a household begins receiving SSI benefits in a cash-out State, is the household still categorically eligible for SNAP?

Answer: Yes, the household can maintain categorical eligibility because the SSI recipient in a cash-out State is not considered a member of the household.

Question 10: If a member of a categorically eligible household has an intentional program violation (IPV), can the households maintain categorical eligibility?

Answer: The entire household is no longer categorically eligible for SNAP. For these households, the non-disqualified members cannot maintain categorical eligibility, but can participate in SNAP if they meet the regular SNAP eligibility requirements. Therefore, the traditional resource and income requirements still apply to the non-disqualified members.

We recognize that this situation can be problematic for States that have implemented broad-based categorical eligibility with a TANF program that has no asset limit. The non-IPV household members will be penalized due to IPV's actions. In addition, in a State that has no asset test due to categorical eligibility, eligibility workers will be unfamiliar with SNAP asset rules. We are considering allowing a waiver that would not disqualify the entire household from being categorically eligible. We would like to emphasize that no household could receive any more benefits under such a waiver than the household would without broad-based categorical eligibility.

Question 11: If a member of a categorically eligible household fails to comply with work registration, job search, voluntary quit, workfare, or monthly reporting requirements, can the household maintain categorical eligibility?

Answer: The entire household is no longer categorically eligible for SNAP. The household members that were not disqualified may still participate in SNAP if they meet the regular SNAP eligibility requirements. The regular SNAP asset and income limits would continue to apply to the non-disqualified members.

We recognize that this situation can be problematic for States that have implemented broad-based categorical eligibility with a TANF program that has no asset limit. The non-disqualified household members will be penalized due to household member's failure to comply with work requirements. In addition, in a State that has no asset test due to categorical eligibility, eligibility workers will be unfamiliar with SNAP asset rules. We are considering a waiver that would not disqualify the entire household from being categorically eligible. We would like to emphasize that no household could receive any more benefits under such a waiver than the household would without broad-based categorical eligibility.

Reporting Requirements for Categorically Eligible Households:

Question 12: In States with simplified reporting, are households categorically eligible for SNAP required to report when their income goes above 130% of FPG? Do States have the ability to require these households to continue to report gross income over 130% of FPG in future months?

Answer: Categorical eligibility does not exonerate reporting requirements. We would expect, however, that the TANF program used to confer categorical eligibility would require households to report when their income exceeds the income threshold for the TANF program.

In States with simplified reporting, categorically eligible households with gross income over the gross income limit (130% of FPG) have no reporting requirements until they recertify or file a periodic report, whichever comes first. States with simplified reporting can choose to require categorically eligible households to report when their gross income rises above 130% of FPG. States may choose to require categorically eligible households to report each time their gross income increases during the certification or when their gross income exceeds the income limits of the program that confers categorical eligibility.

Question 13: Are States with simplified reporting required to have categorically eligible households report changes to resources?

Answer: Categorically eligible households in States with simplified reporting are not required to report changes in resources. On April 13, 2009, FNS issued a waiver to allow all States with simplified reporting to suspend resource reporting requirements for categorically eligible households.

Question 14: If a categorically eligible household reports going over 130% of FPG, is their categorical eligibility status changed?

Answer: No, categorically eligible households remain categorically eligible unless they become ineligible for the program that originally conferred their categorical eligibility status.

Question 15: If a categorically eligible household loses eligibility for the program that conferred their eligibility for SNAP, is the household still eligible for SNAP?

Answer: The household would lose its categorical eligibility status. The State cannot terminate the household. The State must re-evaluate the household in accordance with regular SNAP program rules. If the household qualifies under the regular program rules, then the household would be able to continue receiving SNAP benefits.

Question 16: May a State with simplified reporting require a categorically eligible household to report when its income exceeds the income limit of the TANF program used to confer broad-based categorical eligibility? May the State make this reporting requirement a TANF reporting requirement? May the State make this reporting requirement a SNAP reporting requirement? Does the State need to inform FNS of the additional reporting requirements?

Answer: Yes, a State with simplified reporting has the discretion to require a categorically eligible household to report when its income exceeds the income limit of the TANF program used to confer categorical eligibility. This would be a SNAP reporting requirement. When designing the TANF program, the State may require recipients to report when their income exceeds a percentage of FPG. This would be a TANF reporting requirement.

The State must inform FNS if it requires categorically eligible households to report when their income exceeds the income limit of the TANF program used to confer categorical eligibility.

Question 17: How does the State treat a categorically eligible household that fails to report a change that would make the household ineligible for the TANF program that confers categorical eligibility?

Answer: If the State requires a recipient to report a change when an increase in their gross income makes them ineligible for the TANF program, and a household fails to report this change, the State should use the same procedures it would use under the regular SNAP rules when a household fails to report a change.

Additional Questions:

Question 18: Households are categorically eligible for SNAP if they receive or are authorized to receive public assistance, general assistance, or SSI. What does authorized to receive mean?

Answer: Authorized to receive means that an individual has been determined eligible for benefits (e.g. public assistance or SSI) and the individual has been notified of their eligibility. The benefits may have been authorized but not received, authorized but not accessed, suspended or recouped, or not paid because they are less than a minimum amount.

Question 19: How is the participation rate decided if the TANF-funded program used to confer broad-based categorical eligibility has an income limit above 130% of FPG? For example, if the State uses a TANF-funded program to confer categorical eligibility with an income limit of 185% of FPG, are those households between 130% and 185% of FPG, who are now eligible for SNAP but not participating, included in the participation rate?

Answer: Currently, FNS excludes households that are eligible for SNAP because of broad-based categorical eligibility from the participation rate. Therefore, if a State implements broad-based categorical eligibility with a TANF-funded program that has an income limit of 185% of FPG, FNS will exclude households that are between 130% and 185% of FPG from both the numerator and denominator. This method of calculating the participation rate may change.

Question 20: Would the Food and Nutrition Service (FNS) provide States interested in implementing broad-based categorical eligibility, a list of what other States are using to trigger categorical eligibility?

Answer: Yes, FNS will provide interested States with listings of how other States have interpreted broad-based categorical eligibility. Please contact your regional office for more information.