



United States
Department of
Agriculture

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Food and
Nutrition
Service

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SUBJECT: Clarifications of the American Recovery and Reinvestment Act of 2009
Certification Provisions – ABAWDs, Temporary Increase in Benefits and
Work Pay Tax Credit: Questions and Answers #2

TO: Regional Directors
Supplemental Nutrition Assistance Program (SNAP)
All Regions

Attached are questions and answers in response to issues raised by the States, through various discussions, concerning SNAP provisions of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), which was enacted on February 17, 2009.

Please direct any questions to the appropriate regional contact in the Certification Policy Branch.


Arthur T. Foley
Director
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Attachment

Supplemental Nutrition Assistance Program (SNAP) and the American Recovery and Reinvestment Act of 2009 (ARRA)

ABAWDs, Temporary Increase in Benefits and Making Work Pay Tax Credit

Questions and Answers

Section 101(e) Treatment of Jobless Workers (ABAWDs)

Question 1. Will States that do not offer a program under Section 6(o)(2)(B) or (C) of the Food and Nutrition Act of 2008 (FNA) or that suspend a program currently offered have to apply the ABAWD time-limit?

Answer No. Under the American Recovery and Reinvestment Act of 2009 (ARRA), States that chose not to offer a program under Section 6(o)(2)(B) or (C) or that suspend such programs cannot apply the Able-Bodied Adults Without Dependent(s) (ABAWDs) time limit. Individuals in these States cannot be disqualified because they have exceeded the 3 in 36 months SNAP participation. ARRA provides for disqualification only for individuals who have failed to comply with an offered work or workfare program.

Section 101(a)(1) – Temporary Increase in Benefits under SNAP

Question 1. Does the Thrifty Food Plan increase apply to the Disaster SNAP (D-SNAP) program?

Answer Yes, effective April 1, 2009, the maximum allotments under D-SNAP will be the same as under regular SNAP reflecting the 13.6 percent adjustment.

Question 2. Will changes in the standard deduction and excess shelter cap still be made?

Answer Yes, the standard deduction and excess shelter cap were not affected by ARRA. FNS will continue to make standard cost of living adjustments as required, including annual adjustments to the income eligibility standards, standard deductions, and maximum shelter deductions.

Question 3. Will States have to continue to re-factor their standard utility allowances each year?

Answer Yes, State agencies will continue to adjust their standard utility allowances, although the effective dates of these adjustments may or may

not coincide with the Cost of Living Adjustments (COLAs) that go into effect each fiscal year.

Question 4. When will FNS provide the new tables?

Answer: The new tables are currently available and posted on the SNAP web page at this link: <http://www.fns.usda.gov/snap/rules/Memo/09/021809.pdf>.

Question 5. Will the minimum allotment be affected?

Answer: Yes, it was raised to \$16 (from \$14).

Question 6. Are States required to apply the higher ARRA Thrifty Food Plan (TFP) amounts to determine changes in the boarder status of all individuals living in households containing boarders effective April 1, 2009, or the next time the case is handled or recertified at state option?

Answer: State agencies can redetermine boarder status at the next opportunity, either when a case is handled or at redetermination. ARRA could affect the boarder status of a relatively small number of individuals, since boarder status is determined based on "reasonable compensation" for meals, which is calculated using the maximum SNAP allotment amounts. Under ARRA, States would continue to determine "reasonable compensation" in the same manner as with past October TFP increases. This change does not affect benefit amounts for all eligible households and could not be implemented as a mass change on April 1, 2009. For new applicants, the new TFP amounts should be used as of April 1.

Question 7. Minnesota has a special program – MFIP – that combines cash and food. Will the food portion go up?

Answer: Yes, the food portion will go up in the same manner as prior October adjustments.

Question 8. Do Transitional Benefit Alternative (TBA) household allotments need to be adjusted as of April 1, 2009?

Answer: This is a State option. State agencies may adjust TBA household allotments to reflect the benefit increase effective April 1, 2009 but they are not required to do so. In keeping with the intent of ARRA to provide all SNAP households with an increase in benefits, FNS recommends that States increase TBA household benefit levels consistent with the ARRA.

Making Work Pay Tax Credit

Question 1. How will SNAP handle the Making Work Pay tax credit?

Answer We have received several inquiries on the SNAP treatment of the new Making Work Pay Tax Credit established by the ARRA (P.L. 111-5). The IRS issued this release that links to new withholding tables:

<http://www.irs.gov/newsroom/article/0,,id=204521,00.html>

This is consistent with our prior understanding that this credit (aimed at lower-income workers) will reduce tax withholding and give workers higher take-home pay but not increase gross income (the basis for SNAP income). Thus, there will be no need to separately identify or track this credit since it will not increase gross income in determining SNAP eligibility.