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A QUICK GUIDE TO SNAP ELIGIBILITY AND BENEFITS

Most families and individuals who meet the program's income guidelines are eligible for the Supplemental Nutrition Assistance Program (SNAP — formerly the Food Stamp Program.) The size of a family's SNAP benefit is based on its income and certain expenses. This paper provides a short summary of SNAP eligibility and benefit calculation rules.

Determining Eligibility

Under federal rules, to be eligible for benefits a household's¹ income and resources must meet three tests:²

- Its *gross monthly income* — that is, its income before any of the program's deductions are applied — generally must be at or below 130 percent of the poverty line. For a family of three, the poverty line in federal fiscal year 2012 is \$1,545 a month. Thus, 130 percent of the poverty line for a three-person family is \$2,008 a month, or \$24,096 a year. The poverty level is higher for bigger families and lower for smaller families.³
- Its *net income*, or income after deductions are applied, must be at or below the poverty line.
- Its *assets* must fall below certain limits: households without an elderly or disabled member must have assets of \$2,000 or less, and households with an elderly or disabled member must have assets of \$3,000 or less.⁴

¹ A "household" for SNAP consists of individuals who live together in the same residence and who purchase and prepare food together.

² This paper presents the rules for 48 states and the District of Columbia. Alaska, Hawaii, Guam, and the Virgin Islands participate in SNAP but are subject to somewhat different eligibility, benefit, and deduction levels. Puerto Rico does not participate in the regular program but instead receives a block grant for nutrition assistance. Many program rules are adjusted annually for inflation; for the current fiscal year's levels, see www.fns.usda.gov/snap/government/cola.htm.

³ Households with elderly or disabled members and households that are "categorically eligible" for SNAP because they receive public assistance — such as Temporary Assistance for Needy Families (TANF) or Supplemental Security Income (SSI) — are not subject to the gross income test.

⁴ These asset limits will, in the future, be raised to account for inflation. In addition, the income and asset limits do not apply to households that are categorically eligible for SNAP. See <http://www.fns.usda.gov/snap/rules/Memo/BBCE.pdf> for a list of states that have lifted the income and asset tests for most of the caseload by expanding categorical eligibility.

What counts as income? SNAP counts cash income from all sources, including earned income (before payroll taxes are deducted) and unearned income, such as cash assistance, Social Security, unemployment insurance, and child support.

What counts as an asset? Generally, amounts that could be available to the household to purchase food, such as amounts in bank accounts, count as assets. Items that are not accessible, such as the household's home, personal property, and retirement savings, do not count. Most automobiles do not count.⁵ States have the option to relax the asset limits, and many have done so.

Who is not eligible? Some categories of people are not eligible for SNAP regardless of their income or assets, such as individuals who are on strike, all undocumented immigrants, and certain legal immigrants.⁶ Unemployed childless adults who do not have disabilities are limited to three months of SNAP benefits every three years in many areas of the country, though this time limit currently is temporarily waived in most states because of high unemployment.

Calculating Benefit Amounts

SNAP expects families receiving benefits to spend 30 percent of their net income on food. Families with no net income receive the maximum benefit, which equals the cost of the USDA Thrifty Food Plan (a diet plan intended to provide adequate nutrition at a minimal cost). For all other households, the monthly SNAP benefit equals the maximum benefit for that household size minus the household's expected contribution.

Maximum SNAP Benefits by Household Size		Average Monthly Benefit
Household Size	Maximum Monthly SNAP Benefit, 2012	Average Monthly Benefit, FY 10
1	\$200	\$152
2	\$367	\$277
3	\$526	\$401
4	\$668	\$496
5	\$793	\$581
6	\$952	\$702
7	\$1052	\$719
Each Additional Person	\$150	

The table shows the maximum SNAP benefit levels in fiscal year 2012 for households of different sizes. Beginning in April 2009, the American Reinvestment and Recovery Act (ARRA) temporarily raised the maximum benefit levels to 13.6 percent above the 2009 Thrifty Food Plan.⁷ Take as an example a family of three: if that family had no income, it would receive the maximum benefit of

⁵ Federal SNAP rules count the market value of most vehicles above a dollar threshold (currently \$4,650) toward the asset limit, but states have significant flexibility to apply less restrictive vehicle asset rules and every state has adopted this flexibility.

⁶ In general, legal immigrant children, refugees and asylees, and qualified legal immigrant adults who have been in the United States for at least five years are eligible for food stamps. In some cases the income and resources of the immigrant's sponsor count toward the immigrant's eligibility. For detailed information on legal immigrants' eligibility for SNAP, see http://www.fns.usda.gov/snap/government/non_citizen_guidance.htm.

⁷ Originally the benefits increase was set to remain until the program's regular annual inflation adjustments overtook it. However, as a result of legislation passed in 2010, the increase will terminate in November 2013, causing a sizeable and abrupt benefit reduction for virtually all households on the program.

\$526 per month; if it had \$600 in net monthly income, it would receive the maximum benefit (\$526) minus 30 percent of its net income (30 percent of \$600 is \$180), or \$346.

Deductions play an important role in determining SNAP benefits. They reflect the fact that not all of a household's income is available for purchasing food; some must be used to meet other needs. In determining available (or net) income, the program allows the following deductions from a household's gross monthly income:

- a *standard deduction* to account for basic unavoidable costs;⁸
- an *earnings deduction* equal to 20 percent of earnings (this accounts for work-related expenses and payroll taxes, while also acting as a work incentive);
- a *dependent care deduction* for the out-of-pocket child care or other dependent care expenses that are necessary for a household member to work or participate in education or training;
- a *child support deduction* for any legally obligated child support a member of the household pays;⁹
- a *medical expense deduction* for out-of-pocket medical expenses greater than \$35 a month that an elderly or disabled household member incurs; and
- an *excess shelter deduction*, which is set at the amount by which the household's housing costs (including utilities¹⁰) exceed half of its net income after all other deductions. The excess shelter deduction is limited to \$459 in 2012 unless at least one member of the household is elderly or disabled.¹¹

All SNAP households can receive the standard deduction. Over half (70 percent) of SNAP households claim the shelter deduction, while 30 percent of households (and almost one-half of households with children) claim the earnings deduction. By contrast, the dependent care, child support, and medical expense deductions are claimed by small shares of all SNAP households (4 percent, 2 percent, and 4 percent, respectively).¹²

⁸ The standard deduction varies by household size. In 2012 it is \$147 for households of one to three members and \$155, \$181, and \$208 for households with four, five, and six or more members, respectively.

⁹ Some states have replaced the deduction for child support payments with an income exclusion in the same amount under a state option from the 2002 farm bill.

¹⁰ To simplify SNAP benefit calculations, states are permitted to add a "standard utility allowance" to a household's other housing costs and use the resulting sum when determining the family's shelter deduction, rather than requiring verification of actual utility expenses.

¹¹ For a detailed analysis of the shelter deduction, see Dorothy Rosenbaum, Daniel Tenny, Sam Elkin, "The Food Stamp Shelter Deduction: Helping Households with High Housing Burdens Meet Their Food Needs," Center on Budget and Policy Priorities, June 2002, <http://www.cbpp.org/7-1-02fs.pdf>.

¹² USDA, *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2010*, October 2011.

Example: Calculating a Household's Monthly SNAP Benefits

Consider a family of three with one full-time, minimum wage worker, two children, dependent care costs of \$77 a month, and shelter costs of \$779 per month.¹³

- **Step 1 – Gross Income:** The minimum wage for 2012 is \$7.25 per hour. Full-time work at this level yields monthly earnings of \$1,257.
- **Step 2 – Net Income for Shelter Deduction:** Begin with the gross monthly earnings of \$1,257. Subtract the standard deduction for a three-person household (\$147), the earnings deduction (20 percent times \$1,257, or \$251), and the child care deduction (\$77). The result is \$782 (Countable Income A).
- **Step 3 – Shelter Deduction:** Begin with the shelter costs of \$779. Subtract half of Countable Income A (half of \$782 is \$391) for a result of \$388.
- **Step 4 – Net Income:** Subtract the shelter deduction (\$388) from Countable Income A (\$782) for a result of \$394.
- **Step 5 – Family's Expected Contribution Towards Food:** 30 percent of the household's net income (\$394) is \$118.
- **Step 6 – SNAP Benefit:** The maximum benefit in 2012 for a family of three is \$526. The maximum benefit minus the household contribution (\$526 minus \$118) equals \$408.

The family's monthly SNAP benefit is \$408.

¹³ The dependent care costs in this example represent the median co-payment that states required in their child care assistance programs in 2009 for a family of three at the poverty line with one child in child care, according to the National Women's Law Center report "State Child Care Assistance Policies 2011," available at http://www.nwlc.org/sites/default/files/pdfs/state_child_care_assistance_policies_report2011_final.pdf. The assumption of \$779 for shelter costs represents typical shelter expenses in 2010 for working families with three members based on CBPP analysis of the 2010 SNAP Quality Control data.