

November 18, 2008

A QUICK GUIDE TO FOOD STAMP ELIGIBILITY AND BENEFITS¹

Most families and individuals who meet the program's income guidelines are eligible for food stamps. The size of a family's food stamp benefit is based on its income and certain expenses. This paper provides a short summary of eligibility and benefit calculation rules.

Determining Eligibility

To be eligible for benefits, a household's² income and resources must meet three tests:³

- 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 2009 is \$1,467 a month. Thus, 130 percent of the poverty line for a three-person family is \$1,907 a month, or about \$22,900 a year. The poverty level is higher for bigger families and lower for smaller families.⁴

HOW TO FIND OUT IF YOU CAN GET HELP FROM FOOD STAMPS

If you would like help from the Food Stamp Program, contact your local human services office. The staff there will work with you to find out if you qualify.

- You can find the telephone number for your state's office here:
http://www.fns.usda.gov/fsp/contact_info/hotlines.htm
- You can find out quickly if you may qualify here:
<http://www.foodstamps-step1.usda.gov/fns/>

Note: The Food Stamp Program has a new name — the Supplemental Nutrition Assistance Program (SNAP). Your state may use a different name.

¹ Effective October 1, 2008, the 2007 farm bill renamed the Food Stamp Program the Supplemental Nutrition Assistance Program (SNAP), though some states use another name. The program rules are substantially the same (with improvements from the farm bill). This paper uses the term "food stamps," since the new name is not yet widely known.

² A "food stamp household" consists of individuals who live together in the same residence and who purchase and prepare food together.

³ This paper presents the rules for 48 states and the District of Columbia. Alaska, Hawaii, Guam, and the Virgin Islands participate in the Food Stamp Program but are subject to somewhat different eligibility and deduction levels. Puerto Rico does not participate in the regular Food Stamp 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 <http://www.fns.usda.gov/snap/government/cola.htm>.

⁴ Households with elderly or disabled members and households that are "categorically eligible" for food stamps 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.

- 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.⁵

What counts as income? The Food Stamp Program 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, are counted as an asset. Items that are not accessible, such as the household's home, personal property, and retirement savings, are not counted. Most automobiles are not counted.⁶

Who is not eligible? Some categories of people are not eligible for food stamps regardless of their income or assets, such as individuals who are on strike, all undocumented immigrants, and certain legal immigrants.⁷ Unemployed childless adults are limited to three months of food stamps every three years in many areas of the country.

Calculating Benefit Amounts

The Food Stamp Program expects families receiving food stamps to spend 30 percent of their net income on food. Families with no net income receive the maximum food stamp 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 food stamp benefit equals the maximum benefit for that household size minus the household's expected contribution.

The table below shows the maximum food stamp benefit levels in fiscal year 2009 for households of different sizes. Take as an example a family of three. If that family has no income, it would receive the maximum benefit: \$463 per month. Another family of three that has \$600 in net monthly income would receive the maximum benefit (\$463) minus 30 percent of its net income (30 percent of \$600 is \$180), or \$283.

⁵ These asset limits will, in the future, be raised to account for inflation. The limits do not apply to households that are categorically eligible for food stamps.

⁶ Federal food stamp rules count the market value of most vehicles above a threshold (currently \$4,650) toward the asset limit, but the Food Stamp Program grants states significant flexibility to apply less restrictive vehicle asset rules and every state has adopted this flexibility. (For more information on the Food Stamp Program's treatment of vehicles as assets, see "States' Vehicle Asset Policies in the Food Stamp Program," Center on Budget and Policy Priorities, revised July 1, 2008, <http://www.cbpp.org/7-30-01fa.htm>.)

⁷ In general, legal immigrant children, refugees and asylees, and qualified legal immigrant adults who have been in the United States for five years are eligible for food stamps. In some cases the income and resources of the immigrant's sponsor is counted toward the immigrant's eligibility. For detailed information on legal immigrants' eligibility for food stamps, see Stacy Dean and Dorothy Rosenbaum, "Implementing New Changes to the Food Stamp Program: A Provision by Provision Analysis of the 2002 Farm Bill," Center on Budget and Policy Priorities, August 2002, <http://www.cbpp.org/8-27-02fa.pdf>, pp. 17-20.

Deductions play an important role in the Food Stamp Program. 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 the 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 \$446 in 2009 unless at least one member of the household is elderly or disabled.¹¹

Maximum Food Stamp Benefits by Household Size	
Household Size	Maximum Monthly Food Stamp Benefit, 2009
1	\$176
2	\$323
3	\$463
4	\$588
5	\$698
6	\$838
7	\$926
Each Additional Person	\$132

All food stamp households can receive the standard deduction. Over half (70 percent) of all households claim the shelter deduction, while almost one-third 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 food stamp households (5 percent, 2 percent, and 4 percent, respectively).¹²

⁸ The standard deduction varies by household size. In 2009 it is \$144 for households of one to three members and \$147, \$172, and \$197 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 food stamp calculations, states are permitted to add a "standard utility allowance" to a household's rent 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 food stamp 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 Source: Center on Budget and Policy Priorities analysis of food stamp Quality Control data for fiscal year 2007. Some households that claim deductions do not benefit from them. For example, 14 percent of households have no gross income and therefore receive the maximum food stamp benefit regardless of any deductions they have claimed. In other

Example: Calculating a Household's Monthly Food Stamp Benefits

Consider a family of three with one full-time, minimum wage worker, two children, dependent care costs of \$75 a month, and shelter costs of \$670 per month.¹³

- **Step 1 – Gross Income:** The minimum wage for 2009 is \$6.55 per hour. Full-time work (52 weeks at 40 hours per week) at this level yields annual earnings of \$13,624, or monthly earnings of \$1,135.
- **Step 2 – Net Income for Shelter Deduction:** Begin with the gross monthly earnings of \$1,135. Subtract the standard deduction for a three-person household (\$144), the earnings deduction (20 percent times \$1,135, or \$227), and the child care deduction (\$75). The result is \$689 (Countable Income A).
- **Step 3 – Shelter Deduction:** Begin with the shelter costs of \$670. Subtract half of Countable Income A (half of \$689 is \$344) for a result of \$326.
- **Step 4 – Net Income:** Subtract the shelter deduction (\$326) from Countable Income A (\$689) for a result of \$363.
- **Step 5 – Family's Expected Contribution Toward Food:** 30 percent of the household's net income (\$363) is \$109.
- **Step 6 – Food Stamp Benefit:** The maximum benefit in 2009 for a family of three is \$463. The maximum benefit minus the household contribution (\$463 minus \$109) equals \$354.

The family's monthly food stamp benefit is \$354.

cases, the standard deduction by itself may be enough to give a household the maximum benefit level, so other deductions become superfluous.

¹³ The dependent care costs in this example represent the median co-payment that states required in their child care assistance programs in 2008 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 2008," available at <http://www.nwlc.org/pdf/StateChildCareAssistancePoliciesReport08.pdf>. The assumption of \$670 for shelter costs represents typical shelter expenses in 2009 for working families with three or four members based on CBPP analysis of the 2007 Food Stamp Quality Control data.