

Indiana	ICES Program Policy Manual	DFR
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## **2600.00.00 RESOURCES**

This chapter presents requirements for determining eligibility based on resources. The chapter contains the following main sections:

Principles of Resources (Section 2605);

Resource Limits (Section 2610);

Types and Value of Personal Property Resources (Section 2615);

Types and Value of Real Property Resources (Section 2620);

Plan for Achieving Self-Support (Section 2625);

Resources Exempted Under Federal Law (Section 2630);

Resource Eligibility Determination (Section 2635);

Transfer of Property (Section 2640); and

Footnotes for Chapter 2600 (Section 2699)

## **2605.00.00 PRINCIPLES OF RESOURCES**

The resources owned by specific individuals must be identified and evaluated according to the requirements of each program. A distinction between resources and income must always be made so that proper consideration is given to each. Section 2605 outlines principles which apply to the consideration of resources in the determination of eligibility for assistance.

All property not specifically exempted in the following sections are countable as a resource or, in the case of real property, may be required to be offered for sale or

rent, according to the requirements of the particular program.

#### **2605.05.00            DEFINITION OF RESOURCES**

Resources are real or personal property that is owned solely or jointly by an individual.

Real property is land, including buildings or immovable objects attached permanently to the land. Real property also includes life estates, remainder interests, and mineral rights. (Refer to Sections 2605.25.10 and 2620.00.00)

Personal property includes all property that is not real property. The eligibility system resource screens identify the following types of personal property as liquid resources:

- cash on hand (including balances on a pay card);
- checking accounts;
- savings accounts, including Christmas Club;
- savings certificates;
- trust funds;
- individual retirement accounts;
- Keogh plans;
- credit union accounts;
- prepaid funeral agreements;
- stocks;
- bonds;
- nursing home accounts.

#### **2605.10.00            OWNERSHIP OF RESOURCES**

The owner of a resource is any individual who has the ability to liquidate or dispose of the resource. A resource can be solely or jointly owned.

#### **2605.10.05            Joint Ownership of Resources**

Joint ownership of resources, consisting of real or personal property, exists when the right to liquidate or dispose of the property is shared by more than one individual. When the resource is jointly owned by a married couple, one half (1/2) of the resource is to be attributed to each spouse; otherwise, the percentage of ownership is to be assigned as described below.



When any type of account held in a financial institution is jointly owned, the caseworker is to presume that all of the funds belong to each owner. The individuals are to be advised of this presumption and given the opportunity to rebut it. If an applicant/recipient rebuts, he is responsible for providing proof of ownership of the funds, which includes a record of deposits and withdrawals from the account. Following a successful rebuttal, the funds must be separated and placed in separate accounts. Only the funds actually belonging to the applicant/recipient will then be counted as a resource to him. This procedure applies whether or not the joint owners are all applying for or receiving assistance. If the funds are not separated, the balance is counted in its entirety by each joint owner.

In addition to bank accounts, other real and personal property may be jointly owned. If an applicant/recipient owns real property or non-liquid personal property with another applicant/recipient of any assistance program the eligibility system ERRP is to be completed for each owner. Then proportionate shares of the property are to be assigned to the joint owners in the eligibility system. The percentage amount of the share owned by each individual is counted as a resource. Refer to Section 2605.10.10 regarding the availability determination for jointly-owned vehicles.

When a non-recipient is one of the joint owners of real or personal property, the availability of the applicant's/recipient's proportionate share must be determined. If the individual has the unrestricted right, authority or legal ability to liquidate or dispose of the property or his share of it, his proportionate share is available to him. If the joint owners do not have unrestricted rights to sell their interest in real property according to the title or other legal document, statements must be obtained from all joint owners to determine if they are all willing to sell the property. If all joint owners are willing to sell, then the property will be considered available.

#### **2605.10.10            Joint Ownership of Vehicles**

This section addresses the determination of "availability" of jointly owned vehicles. A jointly owned vehicle is considered an available resource to the Assistance Group (AG) when:

It is jointly owned with another, (one or more) applicant/recipient who may or may not be in the same AG, or living at the same address;

It is jointly owned with a non-recipient who lives with the AG and either owner has physical possession and/or use of the vehicle and the non-recipient owner agrees to sell the vehicle;

It is jointly owned with a non-recipient who does not reside with the AG but the AG has physical possession or use of the vehicle and the non-recipient owner agrees to sell the vehicle;

It is jointly owned with a non-recipient who does not live with the AG and the AG does not have physical possession or use of the vehicle but, the joint-owner is willing to sell the vehicle, thus enabling the client to obtain his share of the vehicle's value.

If the client cannot legally sell the vehicle or take action to remove his name from the title (for example a pending lawsuit prohibits this action) the vehicle will not be considered to be available even in the situations listed above. The client must provide proof that the vehicle is not legally available by presenting court or BMV documents.

Therefore, when a vehicle is found to be jointly owned with a non-recipient, the AG must be asked if the non-recipient is willing to sell the vehicle. If the non-recipient is not willing to sell, verification of the non-recipient's statement must be obtained. The recipient must cooperate in locating and obtaining verification from the non-recipient.

#### **2605.15.00            AVAILABILITY OF RESOURCES**

Resources are available if the owner has the unrestricted right, authority, or legal ability to liquidate or dispose of the property or his share of the property. Resources must be available in order to be counted in the eligibility determination. Refer to Section 2605.10.10 regarding the availability determination of jointly-owned vehicles.

## **2605.15.05            Insignificant Resources (S)**

Resources are exempt if the AG is unable to sell the resources for any significant return because the AG's interest is relatively slight or because the cost of selling the AG's interest would be relatively great. This exclusion applies only to non-liquid resources such as; vehicles and real or personal property. It does not apply to liquid resources such as; stocks and bonds. An example of this exemption is real property which is worth little on the market or which would be very difficult to sell because of the location or condition of the property.

The insignificant return determination for real and personal property must be calculated off-line and the result entered in the 'INSIG RTN?' field on AERRP. If the sale of the real or personal property would result in an insignificant return the property will be exempt and its value will not be counted as a resource.

The insignificant return determination for vehicles is completed by the eligibility system based on the information entered. If the sale of a vehicle would result in an insignificant return, the vehicle will be exempt and its value will not be included. There is no limit to the number of vehicles that a household can have determined as insignificant resources. Therefore, all vehicles should be checked to determine if they meet the standards for insignificant resources. A jointly owned vehicle is determined to be an insignificant resource using the entire value of the vehicle instead of the proportionate value.

Significant return for real and personal property is considered to be a profit realized from the sale of at least \$1500.

Significant return for vehicles is a profit from the sale after expenses are deducted, of at least \$1,500.

Verification of a significant return is required to determine if a resource is exempt or countable. Verification of the Fair Market Value (FMV) and all expenses necessary to complete the sale must be obtained to calculate if a significant return is likely.

## **2605.20.00            RESOURCE ELIGIBILITY DATES**

The specific time when a resource is evaluated for the eligibility determination depends on the program to which the determination applies and whether an application is being processed or a redetermination is being conducted, as explained in the following sections.

### **2605.20.05            Resource Eligibility Date (S)**

For applicants, the resource eligibility determination is based on the available countable resources as of the date of the interview. ICES does not support this policy and uses the first day of the month to determine resource eligibility. Since it is rare for the resources to differ enough to cause the AG to be ineligible for the month of application due to this variance, a fiat must be done under this circumstance.

For open AGs, the projected value of resources for the first day of the recurring month is counted in determining resource eligibility. The projected value is based on the current value plus any new amounts which can reasonably be anticipated to be received and any subtractions that can reasonably be anticipated to occur, by the first of the month.

If the AG reports a resource change during the certification period which exceeds the allowable resource limit, the AG should be given an opportunity to update its entire resource statement. If it declines to do so or the resource value still exceeds the limit, the AG will be closed.

### **2605.20.10            Resource Eligibility Date (C)**

The resource eligibility determination is based on resources owned as of the first day of a month. The first day of the month means the first moment of the first day. Therefore, a financial transaction occurring on the first day does not affect the first of the month resource amount.

For retroactive months, resources must be verified as of the first day of each retroactive month and the month of application. For the budget month, verification of the most current value of resources must be obtained. The value is then used to project resource eligibility for the following month.

## **2605.25.00 DETERMINING RESOURCE VALUE**

The value of a resource must be determined in order to establish the amount that must be counted toward the resource limit. With a few exceptions, the amount of any resource to be counted is the equity value. Equity value is the current fair market value minus the total amount of liens against the property. (f4) The exceptions to this procedure are vehicles (Section 2605.25.05) and, in certain instances, real property (Section 2605.25.10).

### **2605.25.05 Vehicle Valuations**

The fair market value of a vehicle is the lowest "wholesale" value as listed in publications written for the purpose of providing guidance to automobile dealers and loan companies. The National Automobile Dealers Association's (NADA) used car guide book or the Red Book published by National Market Reports, Inc. may be used. If these publications are not available, any publication which provides guidance to automobile dealers and loan companies may be used provided they have been updated within the last six months. If the applicant/recipient disputes the "book value" a written statement must be obtained from a licensed automobile dealer.

The AG should be asked to acquire verification of the value of antique, custom made, or classic vehicles, if the eligibility worker is unable to make an accurate appraisal.

If a vehicle is especially equipped with apparatus for the handicapped, the book value is to be assigned as if the vehicle were not so equipped.

If a vehicle is no longer listed in a book due to the age of the vehicle, the AG's estimate of the value of vehicle is to be accepted, unless there is reason to believe that the estimate is incorrect. A written statement must be obtained from a licensed automobile dealer.

Vehicle verification must include verification of the following:

- ownership;
- License status;
- fair market value and
- amount owed.

Eligibility workers must keep in mind that equity value will increase with each monthly loan payment. Also, the fair market value may decrease whenever the publication used to establish the value is published. For those recipients who are very close to the resource limit, the value of nonexempt vehicles may have to be verified monthly to ensure that the recipient does not have excess resources as of the first day of a month.

#### **2605.25.10 Real Property Value**

Fair market value is the reasonable price that real property can be expected to sell for on the open market in the particular geographic area involved. (Refer to 2605.05.00 for definition of real property and to 2620.00.00)

The fair market (FMV) value of real property can be obtained through tax records or from an estimate by a knowledgeable source. When tax records are used, the most recent property tax assessment must be obtained. The fair market value is the assessed value divided by the assessment ratio. The tax assessment cannot be used if:

- It is more than one year old;
- It is under appeal;
- It is based on a fixed rate per acre method; or
- The taxing authority does not provide an assessment ratio, or only provides a range, for example, between 50% and 75%.

If the eligibility worker questions an estimate from a knowledgeable source, one or more additional estimates are to be obtained and averaged in order to establish the fair market value.

If the lesser value is accepted, it must be entered on screen AERRP in the EQUITY field. Since ICES calculates the equity based on the worker entered FMV of property, the equity override (EO) field must be answered "Y" to enable the lesser equity to be entered and used by the system in the eligibility determination.

#### **2605.25.10.05 Life Estate/Remainder Value**

Life Estate: A life estate conveys to an individual certain rights in property for his lifetime. The owner of a life estate generally has the right of possession and use

of the property, as well as the right to obtain profits from the property and to sell his life estate interest.

Remainder Interest: When an individual conveys property to one person for life (life estate holder) and to a second person (the remainderman) upon the death of the life estate holder, both a life estate interest and a remainder interest are created in the property. A remainderman cannot sell his interest in the property while the life estate holder is alive unless otherwise specified in the deed. At the death of the life estate holder, the remainderman will hold full title.

The fair market value of a life estate or remainder interest is determined as follows:

Determine the fair market value of the property (Section 2605.25.10) in the usual manner;

Refer to the Life Estate and Remainder Interest Tables in Section 2605.25.10.10; and

using the individual's age as of his last birthday, multiply the figure in the Life Estate or Remainder Interest column for that age by the fair market value of the property to obtain the value of the life estate or remainder interest.

Advise the individual or person acting on his behalf of the presumed value of the life estate obtained from the table and provide that individual the opportunity to submit documentation of a lesser value. Such documentation will be acceptable only if it is provided by a knowledgeable source based on an evaluation of the specific life estate in question.

If the lesser value is accepted, it must be entered on screen AERRP in the EQUITY field. Since ICES calculates the equity based on the worker entered FMV of property, the equity override (EO) field must be answered "Y" to enable the lesser equity to be entered and used by the system in the eligibility determination.

**2605.25.10.10 Life Estate/Remainder Tables**

<u>AGE</u>	<u>LIFE ESTATE</u>	<u>REMAINDER</u>
0	.97188	.02812

1	.98988	.01012
2	.99017	.00983
3	.99008	.00992
4	.98981	.01019
5	.98938	.01062
6	.98884	.01116
7	.98822	.01178
8	.98748	.01252
9	.98663	.01337
10	.98565	.01435
11	.98453	.01547
12	.98329	.01671
13	.98198	.01802
14	.98066	.01934
15	.97937	.02063
16	.97815	.02185
17	.97700	.02300
18	.97590	.02410
19	.97480	.02520
20	.97365	.02635
21	.97245	.02755
22	.97120	.02880
23	.96986	.03014
24	.96841	.03159
25	.96678	.03322
26	.96495	.03505
27	.96290	.03710
28	.96062	.03938
29	.95813	.04187
30	.95543	.04457
31	.95254	.04746
32	.94942	.05058
33	.94608	.05392
34	.94250	.05750
35	.93868	.06132
36	.93460	.06540
37	.93026	.06974
38	.92567	.07433
39	.92083	.07917



40	.91571	.08429
41	.91030	.08970
42	.90457	.09543
43	.89855	.10145
44	.89221	.10779
45	.88558	.11442
46	.87863	.12137
47	.87137	.12863
48	.86374	.13626
49	.85578	.14422
50	.84743	.15257
51	.83674	.16126
52	.82969	.17031
53	.82028	.17972
54	.81054	.18946
55	.80046	.19954
56	.79006	.20994
57	.77931	.22069
58	.76822	.23178
59	.75675	.24325
60	.74491	.25509
61	.73267	.26733
62	.72002	.27998
63	.70696	.29304
64	.69352	.30648
65	.67970	.32030
66	.66551	.33449
67	.65098	.34902
68	.63610	.36390
69	.62086	.37914
70	.60522	.39478
71	.58914	.41086
72	.57261	.42739
73	.55571	.44429
74	.53862	.46138
75	.52149	.47851
76	.50441	.49559
77	.48742	.51258
78	.47049	.52951
79	.45357	.54643

80	.43659	.56341
81	.41967	.58033
82	.40295	.59705
83	.38642	.61358
84	.36998	.63002
85	.35359	.64641
86	.33764	.66236
87	.32262	.67738
88	.30859	.69141
89	.29526	.70474
90	.28221	.71779
91	.26955	.73045
92	.25771	.74229
93	.24692	.75308
94	.23728	.76272
95	.22887	.77113
96	.22181	.77819
97	.21550	.78450
98	.21000	.79000
99	.20486	.79514
100	.19975	.80025
101	.19532	.80468
102	.19054	.80946
103	.18437	.81563
104	.17856	.82144
105	.16962	.83038
106	.15488	.84512
107	.13409	.86591
108	.10068	.89932
109	.04545	.95455

#### **2605.25.10.15 Mineral Rights Value**

A mineral right is an ownership interest in certain natural resources such as coal, sulphur, petroleum, sand, natural gas, and others which are usually obtained from the ground. If the individual owns the land to which the mineral rights pertain, the fair market value of the land can be assumed to include the value of the mineral rights. If the individual does not own the land to which the mineral rights pertain, a fair market value must be obtained from a knowledgeable source such as:

The Bureau of Land Management;  
The U. S. Geological Survey or  
any mining company that holds leases.

#### **2605.30.00            CONVERSION OF RESOURCES**

Whenever a resource is sold or converted from one form to another, the proceeds remain a resource rather than income. Verification concerning the new resource must be obtained.

One exception is the on-going payments received from the sale of personal property. These payments are counted as income. Another exception is the on-going payments from land sales contracts [see Sections 2615.55.05 (S) and 2615.55.10 (C)]. These payments are counted as income.

#### **2605.35.00            VERIFICATION OF RESOURCES**

All verification of resources must be obtained from the source (for example, by the bank where the account is held) or through a source document. Verification of resources is required in all programs; however, the individual's signed statement as to the amount of cash on hand is sufficient. (Refer to Section 2615.05.00) When resources are jointly owned, the portion belonging to the individual must be identified and verified.

#### **2605.40.00            MONITORING OF RESOURCES**

Each applicant/recipient must be advised of the resource limits of the assistance programs and his responsibility to report any changes in his resource amounts which may affect his eligibility for assistance.

Resources are verified at each redetermination and must be monitored more frequently if changes are anticipated or resources are close to the limit. When payments are being made on real property or vehicles, the equity value may require monitoring as each payment will increase the property's equity.

Special emphasis must be placed on the need for the recipient to keep his resources within the program's limits in order for assistance to continue. Additionally, eligibility workers are responsible for monitoring resources between redeterminations.

In cases where resources are close to the resource limits, the eligibility worker should check resources frequently or on a monthly basis when necessary. Monthly monitoring of the value of resources would not be required for SNAP assistance groups that are subject to simplified reporting. Refer to Section 2215.05.00.

**2610.00.00            RESOURCE LIMITS**

The resource limit is the maximum value of nonexempt resources which the AG may retain without affecting eligibility. It is dependent on the composition and living arrangement of the AG and the specific rules that govern each program. An AG with countable resources in excess of the applicable resource limit is ineligible for benefits. Refer to Section 3005.00.00 for the specific resource limits.

**2615.00.00            TYPES AND VALUE OF PERSONAL PROPERTY  
RESOURCES**

This section describes the policy for determining the value of personal property resources. The different types of such resources and their consideration are discussed.

**2615.05.00            CASH**

Cash which is not part of a current month's income is counted as a resource. Cash includes money the individual owns, no matter where it is located. Cash on hand includes:

- Amounts carried by the individual;
- Amounts the individual has at home and
- Amounts held for the individual elsewhere.

A signed statement from the individual owning the cash is sufficient verification.

**2615.10.00            BANK AND OTHER ACCOUNTS**

Bank accounts refer to funds in a bank, credit union, savings and loan association, or any other financial institution, which are usually payable on demand. Bank accounts may be solely or jointly owned. Joint ownership exists when the right to liquidate the account is shared by more than one individual.

This section provides information on:

Checking and savings accounts;  
time deposits, including IRAs and Keogh Plans; and  
guardianship accounts.

#### **2615.10.05 Savings and Checking Accounts**

It is assumed that all of the funds in a savings or checking account are owned by and available to the individual designated as owner in the account title.

If the account is jointly owned, it is to be presumed that all of the funds belong to each owner. The individuals are to be advised of this presumption and given the opportunity to rebut it. If an applicant/recipient rebuts, he is responsible for providing proof of ownership of the funds, which includes a record of deposits and withdrawals from the account. Following a successful rebuttal, the funds must be separated and placed in separate accounts. Only the funds actually belonging to the applicant/recipient will then be counted as a resource to him.

The resource value of savings and checking accounts is the balance in the account on the date on which eligibility is established, according to the requirements of the specific program. (Refer to Section 2605.20.00) However, when determining the balance of a checking account for resource eligibility purposes, any checks which have not cleared the bank as of the date on which eligibility is determined, are to be subtracted from the balance. The eligibility worker should also subtract any current month's income which has been deposited in the account before entering the amount in the eligibility system. This includes the "direct deposit" benefit check which is sometimes recorded by the bank at the end of one month instead of early in the next month, when it would normally be received. For example, a "direct deposit" RSDI (Social Security) check shown as a deposit on May 31, but which is truly the June check, will be considered as income for the month of June and will not become a resource until July.

The total value of all bank accounts must be verified at the time of application and at each redetermination. Bank accounts must be verified by documentation obtained directly from the financial institution. In addition to using a bank collateral form, monthly account statements can be utilized to verify bank account balances.

#### **2615.10.05.05 Business Accounts (S)**

When funds are in a bank account which has been properly identified as a business account, it is assumed that the funds are being used for the operation of the business and are not counted as a resource. If a business account is not clearly distinguishable from personal resources, such funds must be considered personal resources when determining resource eligibility.

#### **2615.10.10 Time Deposits**

Time deposits held by financial institutions may be solely or jointly owned. If a time deposit is solely owned, the availability of funds is the deciding factor in determining if the time deposit is a resource. A time deposit such as a savings certificate or certificate of deposit usually is available to the individual and is counted as a resource. Verification is to be obtained from the financial institution involved.

When a time deposit is jointly owned and available, the eligibility worker is to presume that all of the funds belong to each owner. The individuals are to be advised of this presumption and given the opportunity to rebut it. If an individual rebuts, he is responsible for providing proof of ownership of the funds, which includes a record of deposits and withdrawals from the time deposit account. Immediately following a successful rebuttal, the funds must be separated and placed in separate accounts. Only the funds actually belonging to the individual will then be counted as a resource to him. If funds are not separated, the balance is counted in its entirety by each joint owner.

Any interest penalties imposed for withdrawing the time deposit funds prior to maturity are deducted from the total amount when determining the value of the time deposit resource. Interest penalties may involve a reduction in the interest rate and/or loss of interest for a short period of time.

In rare instances time deposits cannot be withdrawn prior to maturity under any circumstances. Funds in this type of account are not included as an asset until they reach maturity and become available.

Verification of a time deposit certificate from the financial institution must include information on when the

funds can be withdrawn and any penalties for early withdrawal.

**2615.10.15 Safety Deposit Box**

The applicant/recipient must present to the eligibility worker a signed statement listing all of the contents of a safety deposit box. The contents must then be evaluated in terms of their countability as a resource.

**2615.10.20 Commingled Funds (S)**

Exempt resources that are kept in a separate account and not commingled in an account with other nonexempt funds shall remain exempt indefinitely.

Resources of students and persons who are self-employed that are exempt as mentioned in Section 2615.90.00 and is commingled in an account with other nonexempt funds shall remain exempt over the period they have been prorated as income.

All other exempt resources that are commingled in an account with other nonexempt funds shall remain exempt for six months from the date they are commingled. After the six months all funds in the commingled account must be counted as a resource.

**2615.10.25 College Savings Accounts**

College Savings Accounts, such as 529 College Savings Plans, are exempt as resources.

**2615.10.30 Coverdell Educational Accounts**

Coverdell Educational Accounts are exempt as resources.

**2615.10.35 ABLE Accounts**

ABLE (Achieving a Better Life Experience) accounts, tax-favored savings accounts established to provide secure funding for disability related expenses on behalf of designated beneficiaries deemed disabled before age 26, are exempt as resources.

**2615.15.00 RETIREMENT ACCOUNTS**

Retirement accounts are financial plans for providing income when employment ends. They may be in the form of Individual Retirement Accounts (IRAs), Keogh Plans, 401K Plans, pensions, annuities and work related plans. Also, some profit sharing plans may qualify as retirement accounts. Savings accounts, checking accounts and certificates of deposits held at banks or credit unions are not retirement accounts.

**2615.15.05 Retirement Accounts (S)**

Retirement accounts with tax-preferred status are exempt as resources for SNAP. Other retirement accounts (such as through a financial institution) should be evaluated for availability. Once the account is available for withdrawal, the account is considered as a resource unless otherwise exempt.

The following types of retirement accounts are excluded from consideration as resources regardless of availability (as of Oct. 1, 2008):



IRS Code	Plan	What is it?
Section 401	Traditional Defined-Benefit Plan	Employer-based retirement plan that promises retirees a certain benefit upon retirement, regardless investment performance.
Section 401(a)	Cash Balance Plan	Employer-based "hybrid" plan that combines features of defined benefit and defined contribution plans. Each employee is allocated a hypothetical account, but account balances accrue at a specified rate, rather than depending on investment performance.
Section 401(a)	Employee Stock Ownership Plan	Similar to a profit-sharing plan that must be primarily invested in the employer's stock and under which distributed benefits must be offered in the form of the employer's stock.
Section 401(a)	Keogh Plan	"Informal" term for retirement plans available to self-employed people.
Section 401(a)	Money Purchase Pension Plan	Employer-based defined contribution plan under which annual contributions are fixed by a set formula.
Section 401(a)	Profit-Sharing Plan	Employer-based defined contribution plan under which employer contributions may, but need not be, linked to profits. Usually refers to non-matching employer contributions
Section 401(a)	Simple 401(k)	401(k)-type plans available only to small businesses: exempt from certain restrictions and subject to some limitations on employer contributions.

Section 401(a)	401(k)	Defined contribution plan that allows employees to defer receiving compensation in order to have the amount contributed to the plan. Commonly referred to as a "cash or deferred arrangement" (CODA). Some 401(k) plans allow after-tax Roth 401(k) Contributions.
Section 403(a)	403(a)	Plans that are similar to 401(a) plans but Are funded through annuity insurance.
Section 403(b)	403(b)	Tax-sheltered annuity or custodial account plan offered by tax-exempt section 501(c) organizations or public schools. Many are funded by employee contributions that resemble 401(k)s.
Section 408	IRA	Mechanism for tax-deferred retirement savings controlled by individuals rather than employers.
Section 408(p)	Simple retirement account IRA.	Employer-based IRA (to which employers and employees contribute) available only to small businesses.
Section 408(k)	Simplified Employee Pension Plan (SEP)	Employer-sponsored plan available only to small businesses; allows employer to contribute to employee accounts that function as IRAs and are subject mostly to IRA rules. Generally ceased to apply in 1996.

Section 408A	Roth IRA	Same as IRA, except that qualified distributions are tax exempt.
Section 408 A	myRA	Same as IRA, except that qualified distributions are tax exempt
Section 457(b)	Eligible 457(b) Plan	Funded plan offered by state and local governments or unfunded plan offered by nonprofit organizations.
Section 501(c)	501(c)18 Plan	Plan offered mostly by unions. Had to be set by June 1959 and are now largely obsolete.
Section 8439 of Title 5 USC	Federal Thrift Savings Plan	Plan offered by the federal government to its employees.

### 2615.15.10 Retirement Accounts (C)

A retirement account is an available resource to an individual if he has the option of withdrawing an amount for any reason, even though he is not yet eligible for periodic payments. However, a retirement account is **not** considered an available resource if an individual must terminate employment in order to obtain any payment.

The value of a retirement account is the amount that the individual can currently withdraw less any penalty for early withdrawal. Taxes due are not deducted from the retirement account's value. Verification is to be obtained from the administrator of the retirement plan.

Another type of retirement account is intended for self-employed individuals and is often referred to as a Keogh plan. Funds on deposit in Keogh Plans are counted as

resources if the plan does not involve a contractual obligation with anyone who is not an AG member. If the plan includes a contractual obligation with a non-AG member, the money may not be accessible to the AG member and, therefore, is an unavailable resource. The value is the total amount of the Keogh less any withdrawal penalty.

#### **2615.20.00 BURIAL RELATED RESOURCES**

Burial related resources include various methods for reserving funds for burial such as prepaid funeral agreements, funeral trusts, life insurance, and burial accounts on deposit in financial institutions. Each assistance program has specific requirements in regard to burial related resources.

#### **2615.20.10 Funeral Planning Programs (S)**

There are various methods by which an individual may reserve funds for burial, such as burial accounts, prepaid funeral agreements, funeral trusts, and life insurance. In evaluating any of these entities as resources, eligibility workers must carefully apply resource eligibility principles applicable to each program. In most situations, the determination of availability of funds reserved by any type of prepaid funeral arrangement will be based on whether the contract is revocable or irrevocable. However, a prepaid funeral agreement does not become irrevocable until 30 days after the contract is signed by the purchaser and seller, unless the 30-day period is waived as described below. (f6) During the 30 day waiting period the contract can be revoked, and a revocable contract is a countable resource except in the circumstances explained in Section 2615.20.10.05. If the funeral agreement was established on or after July 1, 1997 and includes a waiver of the 30-day waiting period or similar language making the trust immediately irrevocable, the funds in the trust are unavailable and exempt beginning on the date the agreement is signed. When necessary, the attorney for the Local Office should be consulted.

**EXAMPLE :**

Client signs a prepaid funeral agreement on 7/12. The contract is revocable for 30 days, so the value of the agreement is a countable resource for 8/1. The contract becomes irrevocable 30 days after signing, so the value is unavailable and, therefore, not a countable resource for 9/1.

When an irrevocable assignment of life insurance (an action which eliminates the owner's right to obtain the cash surrender value) is involved as a means of funding an irrevocable funeral trust, the eligibility worker must verify two dates:

The date of the assignment; and

The date the insurance company accepted the assignment.

The date of a legally executed irrevocable assignment of a life insurance policy which will fund a funeral trust is the date that the cash surrender value is considered to be unavailable, provided that the home office of the insurance company subsequently accepts the assignment.

**2615.20.10.05 Prepaid Funeral Agreements (S)**

The cash value of a prepaid funeral agreement with a funeral home is exempt as a resource, up to a maximum of \$1500. One such exemption is allowable for each member of the AG. The amount of cash value exceeding \$1500 must be counted as a resource.

However, any prepaid funeral agreement must be reviewed to verify not only its value, but its terms. A determination must be made as to whether the agreement is revocable or irrevocable. Per Indiana statute, a prepaid funeral agreement does not become irrevocable until 30 days after the contract is signed by the purchaser and seller. (f8) During the 30 day waiting period the contract can be revoked. The Local Office attorney may be consulted in the determination of revocable or irrevocable. The value of any type of prepaid funeral agreement is considered available to the individual if the contract is revocable; however, the \$1500 exemption explained above is applicable. Refer to Section 2615.20.15 for information regarding funeral trusts.

Funds set aside in a financial institution and designated for burial are counted as a resource to the individual.

#### **2615.20.15 Funeral Trusts**

A valid irrevocable Indiana funeral trust is an exempt resource regardless of the value of the trust.

Indiana's funeral trust statute is found at I.C. 30-2-10 et seq. and applies to funeral trusts established on or after July 1, 1982. I.C. 30-2-9 et seq. is applicable to funeral trusts established after June 30, 1978, but before July 1, 1982. The DFR must determine that an Indiana funeral trust is valid and irrevocable in accordance with the criteria specified in the applicable statute. The value of the trust must also be verified.

Interest earned on an irrevocable trust is also exempt if the interest accrues to the principal of the trust. Irrevocable funeral trusts may be reviewed by the DFR attorney if necessary.

A funeral trust established in a state other than Indiana must be evaluated in terms of that state's laws. Such a trust may or may not be irrevocable.

#### **2615.20.20 Burial Plots (S)**

A burial space that is purchased for the burial of an AG member is exempt. Only one burial space is allowed per AG member. (f10)

#### **2615.20.20.05 Burial Plots (C)**

A burial plot for each participating member of the AG is exempt. This includes a conventional gravesite, crypt, mausoleum, urn or any other type of repository. (f11)

#### **2615.25.00 INSURANCE**

Insurance policies owned by an individual may affect his eligibility and must be identified and evaluated. Some types of insurance that may be taken into consideration are:

Life Insurance;

Casualty Insurance; and

## Indiana Long Term Care Insurance

Sections 2615.25.05.05 through 2615.25.15 discuss how these types of insurance are treated in the eligibility determinations for the different assistance programs.

### **2615.25.05 Life Insurance**

The following definitions are pertinent in the consideration of life insurance as a resource:

The insured is the individual whose life is covered by the policy.

The beneficiary is the individual or entity named in the contract to receive the proceeds of the policy upon the death of the insured.

The owner is the individual who has all rights and privileges of the contract and has the absolute right to liquidate the policy, exercise policy loans, change beneficiary, elect settlement options, determine the manner in which dividends will be treated, or any other rights and privileges granted in the policy.

The face value is the amount stated as such on the face of the policy.

The cash surrender value (CSV) is the amount which the insurer will pay upon cancellation of the policy before death or maturity. This value usually increases as more premiums are paid toward the policy.

There are various types of life insurance. However, not all types of life insurance have cash value (for example, term insurance). Policies which have no cash value prior to payment of the death benefit are not counted in the resource determination.

The CSV of insurance is available to the owner unless assigned or in some other manner actually transferred on the records of the insurance company to the insured or another person. Therefore, insurance is to be considered a resource to the owner and not to the insured, if the specific assistance program takes the CSV into consideration.

### **2615.25.05.05 Life Insurance (S)**

The cash surrender value of life insurance policies is exempt. No verification is required. Once cashed, the amount obtained is a countable resource. (f13)

#### **2615.25.05.10 Life Insurance (C)**

The CSV of a life insurance policy is counted as a resource if the owner is the applicant/recipient or a person whose resources are deemed to the AG.

The owner of a life insurance policy may be indicated on the policy; however, verification of the CSV must be obtained from the insurance company. As this will usually take several weeks, the eligibility worker must be sure to follow up and, whenever possible, should enlist the assistance of the applicant/recipient and the local insurance office or agent. Awaiting verification of the cash surrender value is a valid extenuating circumstance for pending a case beyond the time standard. If there is no possibility that the CSV will cause excess resources (for example, the policy has been in force a short time and the person's other resources are minimal), the application can be approved prior to receipt of verification of the CSV. Efforts to obtain the CSV, however, must be continued.

The CSV must be verified at each redetermination. In cases where resources are close to the resource limits the eligibility worker should check resources frequently - at a minimum, on a monthly basis. It is recommended that, at the time of application, eligibility workers request that the insurance company verify future cash surrender values as well as the current CSV.

#### **2615.25.10 Casualty Insurance (C)**

The proceeds (including interest earned) of casualty insurance received as a result of damage, destruction, loss, or theft of exempt real or personal property are not to be counted as a resource if the applicant/recipient demonstrates that the proceeds are being used to repair or replace the property. (f15)

#### **2615.30.00 HOUSEHOLD GOODS AND PERSONAL EFFECTS**

Household goods and personal effects are exempt as resources. (f16) Household goods are items of personal property customarily found in the home and used in



connection with the maintenance and occupancy of the home. They include (but are not limited to) furniture, appliances, kitchen utensils, linens, and television sets.

Personal effects are those items of personal property which are worn or carried by an individual. Some examples are clothing, jewelry, and hobby items.

#### **2615.35.00            INCOME PRODUCING PERSONAL PROPERTY**

Income producing personal property consists of items such as farm machinery, livestock, tools, equipment, a vehicle used in a business, business inventory, and furnishings and appliances included with a rental unit.

Such personal property may be solely or jointly owned. If an applicant/recipient jointly owns personal property with another applicant/recipient of any assistance group (AG), for any program, proportionate shares of the property are to be assigned to the joint owners and considered as a resource in accordance with the program requirements. (Refer to Section 2605.10.05)

When a non-recipient is one of the joint owners of real or personal property, the availability of the applicant's/recipient's proportionate share must be determined. If the applicant's/recipient's proportionate share is available to him, it is to be considered a resource as required by the specific assistance category, as discussed in the following sections.

#### **2615.35.05            Income Producing Personal Property (S)**

Work related equipment, such as the tools of a tradesman or the machinery of a farmer, which is essential to the employment or self-employment of an AG member, is exempt. (f17)

The equipment of a farmer remains exempt for one year after termination of the farm self-employment.

The entire value of any licensed vehicle such as, but not limited to, a taxi, tractor, or fishing boat, is excluded if one of the following apply:

The vehicle is used primarily (over 50% of the time the vehicle is used) for income producing purposes. Vehicles owned by farmers meeting this criterion remain exempt as a resource for one year from the date self-employment from farming is terminated.

The vehicle annually produces income consistent with its fair market value, even if used only on a seasonal basis; or

the vehicle is necessary for long distance travel, other than daily commuting, that is essential to the employment of an AG member; for example, the vehicle of a traveling salesperson or a migrant farm worker following the work stream.

The exemptions will also apply during temporary periods of unemployment when the vehicle is not in use; for example, if a taxi driver is ill or if a fishing boat is frozen in the harbor.

#### **2615.35.10           Income Producing Personal Property (C)**

The equity value of farm or business equipment is a countable resource.

#### **2615.40.00           PERSONAL PROPERTY USED TO PRODUCE FOOD (C)**

Personal property necessary for the production of food for home consumption is also exempt as a resource. (f19) This would include such things as garden equipment, farm implements, chickens, and livestock.

#### **2615.45.00           STOCKS, BONDS, AND MUTUAL FUND SHARES**

Stocks, mutual fund shares, and bonds may be solely or jointly owned. If jointly owned, refer to Section 2605.10.05 for instructions regarding personal property. Stocks, mutual fund shares, and bonds are considered in the eligibility determination as follows:

##### Stocks and Mutual Fund Shares

The current market value of shares of stock and mutual fund shares can be verified by reviewing the closing or "bid" price listed in the financial section of the newspaper, or by contacting a brokerage firm. The value to be

considered as a resource is the current market value less the legitimate expenses related to the sale of the shares.

#### Municipal, Corporate, and Government Bonds

A bond is a written obligation to pay a sum of money at a future specified date. It is a negotiable instrument and is transferable.

The eligibility worker must verify the current market value of bonds by contacting a securities dealer. As with stocks and mutual fund shares, expenses related to the sale of a bond must be deducted from the current market value in order to determine the cash value to be counted as a resource.

#### United States Savings Bonds

A United States Savings Bond is an obligation of the federal government but, unlike other government bonds, it is not transferable in that it can only be sold back to the government.

Although many bonds have a table of values on the reverse side of the bond, it is often inaccurate because the interest rate may have changed since the bond was issued. Therefore, the eligibility worker should contact a bank to verify the current value. Also the Department of Treasury's web site can be used to calculate the value of bonds. [www.publicdebt.treas.gov/](http://www.publicdebt.treas.gov/)

### **2615.50.00            MORTGAGES, LOANS, AND PROMISSORY NOTES**

A negotiable mortgage, loan, or promissory note held by an individual is a countable resource. Such items are negotiable when they can be sold (there is no legal barrier to the transfer of ownership). The value counted as a resource is the amount of the outstanding principal balance. Also, any payment received on the principal is a resource. The interest portion of any such payment is unearned income.

If the mortgage, loan, or note is non-negotiable, it is not a resource. In that case total payments received, whether principal or interest, are unearned income.

A mortgage, loan, or promissory note should be reviewed to resolve questions of negotiability. If the worker is unsure, management should be consulted. If necessary, the issue can be sent to Policy via a Policy Answer Line (PAL). Policy will then consult with legal if needed.

#### **2615.55.00           LAND SALES CONTRACT**

A land contract must be evaluated according to the requirements of each assistance category. Property which is being sold on contract is to be entered in the eligibility system.

#### **2615.55.05           Land Sales Contract (S)**

Sales contracts for the sale of land or buildings are not counted as resources to the owner of the contract if it is producing income consistent with its fair market value.  
(f20)

#### **2615.55.10           Land Sales Contract (C)**

When an applicant/recipient is the owner of a contract for the sale of real property, the equity value of the contract is counted toward the resource limit of the AG.

The equity value is equal to the principal balance remaining to be paid on the contract, which is referred to as a land contract or installment contract.

**EXAMPLE :**

A TANF applicant contracted to sell a piece of real estate for \$15,000. To date, \$8700 has been paid on the principal. The remainder, \$6300, is considered a resource to the applicant.

The equity value of a contract is to be considered a resource except when the contract contains a clause that prohibits the owner from selling or transferring the contract. In such an instance, the equity value is exempt. However, the portion of the periodic payment that represents payment toward the principal is counted as a resource.

## **2615.60.00        VEHICLES**

Each assistance program has different requirements for considering vehicles. Requirements may differ between the categories. The following sections describe how to determine the resource value of vehicles.

### **2615.60.05        Definition of Vehicle**

A vehicle is any conveyance that provides transportation or conveyance of persons or goods from place to place. Automobiles, trucks, vans, motorcycles, mopeds, boats, snowmobiles, and so forth are classified as vehicles.

### **2615.60.10        Exempt Vehicles (S)**

Federal regulations allow States to align vehicle exemptions with other programs. In Indiana, SNAP rules match the Child Care Program guidelines in determining values for vehicles. All vehicles are basically considered as exempt if used for or intended to be used for household transportation. Therefore, most vehicles should be coded as household transportation unless the AG claims the vehicle is specifically used for another purpose. For example: an AG states the car is a classic and only used to take to car shows.

Some vehicles are totally exempt as a resource for other reasons. The entire value of any licensed vehicle is excluded if one of the following applies: (f21)

The vehicle is used primarily (over 50% of the time the vehicle is used) for income producing purposes. Vehicles that meet these criteria and are owned by farmers remain exempt as a resource for one year from the date that self-employment from farming is terminated.

The vehicle annually produces income consistent with its fair market value, even if used only on a seasonal basis.

The exemptions will also apply during temporary periods of unemployment when the vehicle is not in use; for example, if a taxi driver is ill or if a fishing boat is frozen in the harbor.

The vehicle is necessary for long distance travel, other than daily commuting, that is essential to the employment of an AG member, such as the vehicle of a traveling salesperson or a migrant farm worker following the work stream.

The vehicle is used as the AG's home.

If the AG has a disabled member requiring transportation, that AG is entitled to vehicle exclusion. The exemption is limited to one vehicle per physically disabled member.

A member is considered to be disabled if the individual meets the criteria in Section 3210.10.25.05. A member is also considered to be disabled if the eligibility worker determines that the individual has a permanent or temporary physical disability. If the person appears to be disabled, no further verification is required. If the person does not appear to be disabled and a physical disability is claimed, then the AG shall be required to provide a statement from a physician.

The value of vehicles necessary to carry the primary source of fuel for heating or water for home use is exempt. This exception is only allowed when it is anticipated that the transported fuel or water will be the AG's primary source of fuel or water during the certification period. The AG should not be required to provide verification of the use of the vehicle unless the basis for the exclusion is questionable.

The value of vehicles used for household transportation regardless of the value, license or mechanical condition of the vehicle, are exempt. The caseworker and the client must assign a scrap or junk value for inoperable vehicles that are not used for transportation. The book value assigned by the system must not be used for these vehicles.

#### **2615.60.10.05 Non-Exempt Vehicles (S)**

All licensed vehicles not exempted for a reason in Section 2615.60.10 shall individually be evaluated for fair market

value. See Section 2605.25.05 for instructions in determining the fair market value of vehicles.

All non-exempt licensed vehicles which are not used for transportation shall be assigned both a fair market value in excess of \$4650 and an equity value. Equity value is fair market value (FMV) minus any liens. The greater of the two amounts is counted as a resource.

#### **2615.60.10.10 Unlicensed Vehicles (S)**

An unlicensed vehicle which is not exempt is to be evaluated for equity value. The equity value is counted toward the AG's resource level.

#### **2615.60.15 Treatment of Vehicles (C)**

Each AG is allowed an exclusion of \$5000 of the equity in one vehicle. (f21a) Equity is the vehicle's fair market value less any liens.

If more than one vehicle is owned, the equity in each vehicle is to be determined. Since the \$5000 disregard can be applied to only one vehicle, it is to be applied to the vehicle with the highest equity value. No amount is excluded from the equity value of the remaining vehicle even if the value of the first vehicle is less than the \$5000 disregard.

#### **2615.60.25 Recreational Vehicles and Equipment**

Recreational vehicles such as campers, trailers, and boats must be counted according to their current equity value. If the recreational or other vehicle serves as the AG's home, it should be evaluated according to the guidelines in Sections 2620.15.05 and 2620.15.10.

#### **2615.65.00 NON-RECURRING LUMP SUM PAYMENTS**

A lump sum payment may include retroactive benefits such as SSI, Social Security, and VA benefits. A lump sum may also be a refund of Medicare Part B premiums, an insurance settlement, an inheritance, or other such nonrecurring payment.

For TANF (f21b) and SNAP eligibility purposes, lump sum payments are considered resources except for certain

recurring lump sum payments. (See Section 2880.05.00 for income policy.)

#### **2615.65.05 Lump Sum Payments**

Non-recurring lump sum payments are considered resources. Non-recurring lump sum payments are counted as resources starting in the month received, unless specifically excluded from consideration as a resource by other federal laws. Non-recurring means this payment is not expected to be received as a lump sum again. It is a one-time only payment. At the time it is anticipated or known that a certain lump sum payment will be received more than once it is considered recurring and counted as income to the AG (see Section 2880.05.00).

If a reported lump sum added to existing resources exceeds the allowable resource limit, the AG should be given an opportunity to provide updated verification of its current resources. If it declines to do so, or the amount of resources still exceeds the limit, assistance will be discontinued. At application point, eligibility for the budget month, is determined based on resources owned on the date of the interview.

#### **2615.75.00 TRUST FUNDS**

All trusts which involve a member of the AG must be carefully evaluated to determine whether or not the trust principal will be counted as a resource.

#### **2615.75.05 Trust Funds (S)**

Any funds in a trust (or transferred to a trust), the income produced by that trust will be considered inaccessible to the AG if all four of the following criteria apply:

The trust arrangement is not likely to cease during the certification period, and no AG member has the power to revoke the trust arrangement or change the name of the beneficiary during the certification period.

The trustee administering the funds is either:



a court, or an institution, corporation, or organization which is not under the direction or ownership of any AG member; or

an individual appointed by the court who has court imposed limitations placed on his use of the funds.

Trust investments made on behalf of the trust do not directly involve or assist any business or corporation under the control, direction, or influence of an AG member.

The funds held in irrevocable trust are either:

established from the AG's own funds, if the trustee uses the funds solely to make investments on behalf of the trust or to pay the educational or medical expense of any person named by the AG creating the trust; or

established from non-AG funds by a non-AG member.

#### **2615.75.10 Trust Funds (C)**

Trust funds are normally considered available if the recipient is the creator (settlor) of a revocable trust. Questions regarding the availability of trust funds are to be referred to the DFR attorney for a decision.

#### **2615.80.00 LEGAL GUARDIANSHIP/REPRESENTATIVE PAYEE (C)**

An individual who serves as legal guardian/representative payee for another person is responsible for administering that person's funds and will be listed in bank records as having access to his bank accounts.

Resources that are managed by an individual's legal guardian, representative payee, or other person acting as an agent on behalf of the applicant/recipient are counted as resources to the individual. The resources are not counted as being available to the guardian/payee for his own use. However, the resources must be held in a form that clearly shows they belong to another individual. For example, a bank account that is held by the guardian/payee must be clearly designated as being administered by the guardian/payee on another person's behalf.

**2615.80.05            Guardianship Accounts (S)**

Any funds held by a guardian on behalf of another AG member or ineligible member shall be considered inaccessible as indicated in the court order. If the document establishing the guardianship designates that funds can be withdrawn for specific reasons (clothing, medical expenses) or a certain amount can be withdrawn each year the funds are not countable unless/until they are withdrawn.

**2615.85.00            RETROACTIVE PAYMENTS (S)**

Payments for a past period of time are always considered resources. If a retroactive payment is received in addition to a payment for a current month, only the retroactive payment is a resource; the current month payment is income. (Refer to Section 2615.65)

**2615.90.00            PRORATED INCOME**

Income that is prorated (educational income, self-employment income) cannot be counted as a resource for any month during the prorated period. (f24)

**2620.00.00            TYPES AND VALUE OF REAL PROPERTY RESOURCES**

Real property consisting of land, which includes buildings or immovable objects attached permanently to the land, is to be evaluated as a resource according to the requirements of each assistance category.

**2620.05.00            REAL PROPERTY OWNERSHIP**

Real property is to be considered as a resource according to the requirements of each assistance category and the type of ownership of the property. (Refer to Sections 2605.05.00 and 2605.25.10.) Ownership of real property can consist of an interest in the title as follows:

Sole Ownership:

When property is solely owned by one individual, only he or his legal guardian may sell the ownership interest without conditions imposed by others. He is legally entitled to all income which may be generated from the property.

Joint Ownership:

Joint ownership is the holding of property by two or more persons who have an equal interest in the whole property. At the death of one of two joint owners, the survivor usually becomes the sole owner. At the death of one of three or more joint owners, the survivors become joint owners.

If an applicant/recipient jointly owns real property with another applicant/recipient of any assistance program, proportionate shares of the property are to be assigned to the joint owners and considered as a resource in accordance with the program requirements.

When a non-recipient is one of the joint owners of real property, the availability of the applicant's/recipient's proportionate share must be determined. (Refer to Section 2605.15.00.) If the applicant's/recipient's proportionate share is available to him, it is to be considered a resource as required by the specific assistance program. If the applicant's/recipient's proportionate share is not available to him, the resource is exempt.

#### Ownership in Common:

An ownership in common is the holding by two or more persons of separate titles in the same real estate. Each owner has a divided interest in the whole property. There is no right of survivorship to an ownership in common. It is not a joint ownership.

#### Ownership by the Entirety:

Ownership by the entirety refers to property owned by a husband and wife whereby each member has ownership interest in the whole property which is indivisible. Upon the death of one, the survivor becomes sole owner. When a marriage has been legally dissolved, the former spouses become owners in common of the property.

Ownership of real property can also consist of a legal right to the use of property without having title to it, as follows:

Life Estate:

A life estate conveys to an individual certain rights in property for his lifetime. The owner of a life estate generally has the right of possession and use of the property, as well as the right to obtain profits from the property, and to sell his life estate interest. However, the deed establishing the life estate may restrict one or more rights of the individual. Ownership of a life estate interest may affect eligibility for certain assistance programs. (Refer to Section 2605.25.10.05.)

Remainder Interest:

When an individual conveys property to one person for life (life estate holder) and to a second person (the remainderman) upon the death of the life estate holder, both a life estate interest and a remainder interest are created in the property. A remainderman cannot sell his interest in the property while the life estate holder is alive, unless otherwise specified in the deed. At the death of the life estate holder, the remainderman will hold full title. (Refer to Section 2605.25.10.05.)

Reversion Interest:

When an individual owner conveys property to another person for life (life estate holder) and to himself (the reversioner) upon the death of the life estate holder, both a life estate interest and a reversion interest are created in the property. A reversioner cannot sell the property while the life estate holder is alive. At the death of the life estate holder, the reversioner will hold full title. (Refer to Section 2605.25.10.05.)

Ownership of real property can be verified from one or more of the following sources:

- deed;
- mortgage;
- property tax receipts (current only);
- county treasurer's records; or
- title search.

## **2620.15.00            EXEMPT REAL PROPERTY RESOURCES**

Certain real property is exempt from being considered as a resource. This determination is program specific so that the exemption or non-exemption of real property must be in accordance with program requirements as explained in the following passages.

### **2620.15.05            The Home**

The home occupied by the AG and surrounding property which is not separated from the home by intervening property owned by others is exempt. Public rights of way, such as roads which run through the surrounding property and separate it from the home, will not affect the exemption of the property.

Buildings on the lot, such as sheds, outbuildings, and garages are also exempt.

#### **2620.15.05.05      Temporarily Unoccupied Home**

The home and surrounding property remains exempt when temporarily unoccupied for reasons of employment, training for future employment, illness, vacation, or uninhabitable due to casualty or natural disaster. In addition, the AG must intend to return if the home is to remain exempt. If the AG does not already own a home, the value of a lot purchased for construction of a home or placement of a trailer is exempt. If the new home is partially completed, the value of it is also exempt.

#### **2620.15.10.05      Home Replacement (C)**

The proceeds from the sale of an exempt home can also be exempt from consideration under certain conditions. If, within a specified time period, the proceeds are used (or obligated to be used) to purchase a replacement home and cover the costs incurred in occupying it, the proceeds can

be disregarded. The individual must be committed to the transactions within the "home replacement period", the time period beginning with the date of the receipt of the proceeds and ending on the last day of the third full month following receipt of the funds.

#### **2620.15.15           Income Producing Real Property (S)**

Certain types of non-homestead properties are exempt as explained below:

Property is exempt which annually produces income consistent with its fair market value even if used only on a seasonal basis, such as time share property. Vacation homes which do not produce income consistent with the fair market value are not exempt.

When it is necessary to determine if property is producing income consistent with its fair market value, the worker may contact local realtors, local tax assessors, the Small Business Administration, Farmers Home Administration, or other similar sources to determine the prevailing rate of return, e.g., square foot rental for similar usage or real property in the area.

Property such as farm land and rental homes which is essential to the employment or the self-employment of an AG member is exempt.

Property exempt for the self-employment of a farmer remains exempt for one year after the termination of the self-employment.

Rental homes which are used by AGs for vacation purposes at some time during the year which annually produce income consistent with their fair market value are exempt.

Installment contracts for the sale of land or buildings (if the contract or agreement is producing income consistent with its market value) are exempt. The value of the property sold under the installment contract or held as security in exchange for a purchase price consistent with the fair market value of that property is also exempt.

#### **2620.20.00           TREATMENT OF NON-EXEMPT REAL PROPERTY**

Real property that is not classified as exempt is taken into consideration in the resource eligibility determination. Nonexempt real property must be considered under the requirements of each assistance program as explained in the following passages.

#### **2620.20.05            Counting Nonexempt Real Property (S)**

The equity value (fair market value minus liens) of nonexempt real property is to be counted as a resource. However, real property that the AG is making a good faith effort to sell at a reasonable price is exempt as a resource. The eligibility worker must verify that the property is for sale and that a reasonable offer for the property has not been refused. Verification may be obtained through a collateral contact, a newspaper ad, or a real estate broker.

#### **2620.20.15            Exemption of Real Property (C)**

The equity value of any real property other than the home is a resource and must be counted toward the resource limitation. If the AG has excess resources due to the equity value of nonexempt real property, the property can be exempted for one six month period if the owner is willing to offer it for sale and agrees to repay Cash Assistance received during the period that the property is exempted.

If the applicant/recipient is unwilling to offer the property for sale, the case is to be denied/discontinued due to excess resources.

If the applicant/recipient chooses to comply, or if the property is already up for sale, State Form 37588/FI-0118, Agreement to Offer Property for Sale and Repay Public Assistance, must be signed. The signature on the form must be witnessed by an eligibility worker. The date that the agreement was signed must be entered in the eligibility system. State Form 37588/FI-0118 is a twofold agreement. First, the owner of the property must agree to offer it for sale. Second, there is an agreement to repay assistance that was received during the disposal period.

Assistance can be awarded upon the signing of the Form 118, if all other eligibility factors are met. The property

must be offered for sale within 30 days of the date the Local Office mails the notice of eligibility or of the date the Form 118 is signed, whichever is later. The eligibility system will monitor the 30 day period that is allowed to actually offer the property for sale or rent and will issue an alert. The owner must list the property with a realtor or place a sign in a conspicuous location on the property. The sign must clearly indicate the property is for sale and provide instructions for contacting the seller. The selling price should be a reasonable figure reflecting the true value of the property on the market.

Within the 30 day limit, the eligibility worker must verify and document in the case record that the property has been offered for sale. Use of Form 118A, Report on Property for Sale or Rent, is suggested, but not mandatory. The eligibility worker must also stress to the recipient his responsibility to notify the caseworker when the property is sold.

When the Form 118 is signed and the property is offered for sale, the equity value of the property is exempted as a resource for up to six months. The six month disposal period begins on the date Form 118 is signed. It ends on the last day of the sixth month.

The AG is entitled to only one six month disposal period. (f30) This total can be accumulated during one unbroken six month period or in increments, if there is intermittent assistance.

#### **2620.20.15.05 Property Not Marketed Within 30 Days (C)**

If an applicant/recipient signs Form 118 but does not then offer the property for sale within 30 days, the case must be discontinued. (Refer to Section 2620.20.15.) Timely notice must be issued early enough to allow an effective date for the action which is the first of the month after the expiration of the 30 day marketing period. The reason for discontinuance would be excess resources. Cash benefits paid during this period are overpayments.

#### **2620.20.15.10 Overpayment Calculation after Property Sale (C)**

In the event the exempted property sells, there must be a determination of the net proceeds to the recipient. Net proceeds are defined as the gross selling price minus all



expenses relating to the sale of the property, for example, realtor and/or attorney fees, taxes, liens, closing costs paid by the seller, and so forth. If the net proceeds, combined with all other resources from the original resource determination, are within the resource limit, no overpayment would exist. Continuing eligibility must be determined.

**2620.20.15.15 Property Unsold After Six Months (C)**

If the exempted property is marketed for six months and fails to sell, its equity value must, at that point, be counted toward the resource limitation. Eligibility for continuing payments ceases, unless the recipient no longer has excess resources due to the disposal of resources other than the property. If assistance is to be discontinued, timely notice must be issued so as to make the effective date of discontinuance the first of the month after the six month disposal period ends. If the AG becomes ineligible for other reasons during the disposal period, the case is to be discontinued in the usual manner.

Regardless of whether ineligibility occurs during the six month period or afterwards, the amount of the resulting overpayment may not be calculated nor may recovery be initiated until the property is sold. The situation must be monitored regarding a continuing good faith effort to dispose of the property. When the property is sold, recovery of the overpayment should be initiated.

If the net proceeds, together with all other resources from the original resource determination, exceed the resource limit, there is an overpayment. The amount to be recovered, however, cannot exceed the net proceeds from the sale of the property. Continuing eligibility based on current resources and all other factors must be determined.

The recovery of any overpayments unrelated to the sale of the property and the conditional payment agreement, such as an overpayment resulting from unreported earnings, would not be delayed pending the sale of the property.

**2625.05.00 PLAN FOR ACHIEVING SELF-SUPPORT (S)**

Resources necessary for the fulfillment of a Plan for Achieving Self-Support (PASS) under SSI are exempt.

**2627.00.00 HEALTH SAVINGS ACCOUNTS**

Health Savings Accounts are exempt as a resource if the account is restricted to use for qualified medical expenses only. The terms of the Health Savings Account are required to be verified to determine if the account can be used for purposes other than qualified medical expenses.

**2630.00.00 RESOURCES EXEMPTED UNDER FEDERAL LAW**

Each program has specific resources which are exempt by federal law. These exemptions are discussed in the following sections.

**2630.05.00 BENEFITS UNDER FEDERAL NUTRITION PROGRAM**

Certain benefits which are intended to meet the nutritional needs of low income individuals are exempt. (f35)

**2630.05.05 WIC Benefits**

Benefits received through the Women's, Infant's, and Children's (WIC) Program are exempt. (f36) These payments are usually made through vouchers and can be used to purchase specific items for pregnant or nursing women and young children.

**2630.05.10 Older Americans Act (C)**

Benefits received under Title VII, Nutrition Program for the Elderly of the Older Americans Act of 1965, as amended, are exempt. (f37)

**2630.05.15 Child Nutrition Act (C)**

The value of supplemental food assistance received under the Child Nutrition Act of 1966, as amended, is exempt.

**2630.05.20 National School Lunch Act (C)**

The special food service program for children under the National School Lunch Act, as amended, is exempt.

**2630.05.25 SNAP BENEFITS/Commodities**

The value of SNAP benefits and the value of United States Department of Agriculture donated foods (surplus commodities), are exempt.

**2630.10.00 HUD ASSISTANCE**

Housing assistance paid directly or indirectly by HUD under the following is exempt:

the Housing Authorization Act of 1976 with respect to a dwelling unit under the United States Housing Act of 1937, as amended (Sections 8, 10, and 23 and the Experimental Housing Allowance Program);

The National Housing Act (loans for housing renovation, mortgage insurance, and investment insurance);

Title V of the Housing Act of 1949 (loans to elderly individuals, farmers, and developers for the construction, improvement, or replacement of farm homes and other buildings); and

Section 101 of the Housing and Urban Development Act of 1965 (payments to certain mortgagors on behalf of tenants with low income who are displaced by government action, age 62 or over, physically handicapped, living in substandard housing, present or past tenants of dwellings damaged or destroyed by disaster, or whose head of the household is on active duty) with the armed forces). (f41)

**2630.15.00 RELOCATION ASSISTANCE ACT PAYMENTS**

Relocation assistance provided under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is exempt. (f42)

**2630.20.00 HOME ENERGY ASSISTANCE PAYMENTS**

Payments received through the Home Energy Assistance Program (EAP) are exempt. (f43)

**2630.25.00 ASSISTANCE FOR CERTAIN INDIAN TRIBES/ALASKAN NATIVES**

The following Section discusses federal law pertaining to Indian tribes and Alaska natives.

P.L. 92-203, section 29, dated 1/2/76, the Alaska Native Claims Settlement Act, and Section 15 of P.L. 100-241, 2/3/88, the Alaska Native Claims Settlement Act Amendments of 1987 - All compensation (including cash, stock, partnership interest, land, interest in land, and other benefits) received under this Act are excluded from income and resources.

P.L. 93-134, the Judgment Award Authorization Act, as amended by P.L. 97-458, Section 1407, 11/12/83 and P.L. 98-64, 8/2/83, the Per Capita Distribution Act. P.L. 97-458 required the exclusion of per capita payments under the Indian Judgment Fund Act (judgment awards) of \$2000 or less from income and resources. The exclusion applies to each payment made to each individual. Initial purchases made with exempt payments distributed between 1/1/82 and 1/12/83 is excluded from resources to the extent that excluded funds were used. P.L. 98-64 extended the exclusion to cover per capita payments from funds which are held in trust by the Secretary of Interior (trust fund distributions).

P.L. 93-531, Section 22 - Relocation assistance payments to members of the Navajo and Hopi Tribes are excluded from income and resources.

P.L. 94-114, Section 6 - Income derived from certain sub marginal land held in trust for certain Indian tribes is excluded from income and resources. The tribes that may benefit are:

- Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin
- Blackfeet Tribe
- Cherokee Nation of Oklahoma
- Cheyenne River Sioux Tribe
- Crow Creek Sioux Tribe
- Lower Brule Sioux Tribe
- Devils Lake Sioux Tribe
- Fort Belknap Indian Community
- Assiniboine and Sioux Tribes
- Lac Courte Oreilles Band of Lake Superior Chippewa Indians
- Keweenaw Bay Indian Community
- Minnesota Chippewa Tribe
- Navajo Tribe

P.L. 94-189, Section 6, 12/31/75 - Funds distributed per capita to the Sac and Fox Indians or held in trust are excluded from income and resources. The funds are divided between members of the Sac and Fox Tribe of the Mississippi in Iowa. The judgments were awarded in Indian Claims Commission dockets numbered 219, 153, 135, 158, 231, 83, and 95.

P.L. 94-540 - Payments from the disposition of funds to the Grand River Band of Ottawa Indians is excluded from income and resources.

P.L. 95-433, Section 2 - Indian Claims Commission payments made pursuant to this Public Law to the Confederated Tribes and Bands of the Yakima Indian Nation and the Apache Tribe of the Mescalero Reservation are excluded from income and resources.

P.L. 96-420, Section 9(c), 10/10/80, Maine Indian Claims Settlement Act of 1980 - Payments made to the Passamaquoddy Tribe, the Penobscot Nation, and the Houlton Band of Maliseet are excluded from income and resources.

P.L. 97-403 - Payments to the Turtle Mountain Band of Chippewas, Arizona are excluded from income and resources.

P.L. 97-408 - Payments to the Blackfeet, Grosventre, and Assiniboine tribes, Montana, and the Papago, Arizona, are excluded from income and resources.

P.L. 98-123, Section 3, 10/13/83 - Funds distributed under this Act to members of the Red Lake Band of Chippewa Indians are excluded from income and resources. Funds were awarded in docket number 15-72 of the United States Court of Claims.

P.L. 98-124, Section 5 - Per capita and interest payments made to members of the Assiniboine Tribe of the Fort Belknap Indian Community, Montana, and the Assiniboine Tribe of the Fort Peck Indian Reservation, Montana, under this Act are excluded from income and resources. Funds were awarded in docket 10-81L.

P.L. 98-500, Section 8, 10/17/84, Old Age Assistance Claims Settlement Act, provides that funds made to heirs of deceased Indians under this Act shall not be considered as income or resources nor otherwise used to reduce or deny food stamp benefits except for per capita shares in excess of \$2000.

P.L. 99-146, Section 6(b), 11/11/85 - Funds distributed per capita or held in trust for members of the Chippewas of Lake Superior are excluded from income and resources. Judgments were awarded in Dockets numbered 18-S, 18-U, 18-C and 18-T. Dockets 18-S and 18-U are divided among the following reservations:

Wisconsin

- Bad River Reservation
- Lac du Flambeau Reservation
- Lac Courte Oreilles Reservation
- Sokaogon Chippewa Community
- Red Cliff Reservation
- St. Croix Reservation

Michigan

- Keweenaw Bay Indian Community (L'Anse, Lac Vieux Desert, and Ontonagon Bands)

Minnesota

- Fond du Lac Reservation
- Grand Portage Reservation
- Nett Lake Reservation (including Vermillion Lake and Deer Creek)
- White Earth Reservation

Under Dockets 18-C and 18-T funds are given to the Lac Courte Oreilles Band of the Lake Superior Bands of Chippewa Indians of the Lac Courte Oreilles Reservation of Wisconsin, the Bad River Band of the Lake Superior Tribe of Chippewa Indians of the Bad River Reservation, the Sokaogon Chippewa Community of the Mole Lake Band of Chippewa Indians, and the St. Croix Chippewa Indians of Wisconsin.

P.L. 99-264, White Earth Reservation Land Settlement Act of 1985, 3/24/86, Section 16 excludes moneys paid under this Act from income and resources. This Act involves members of the White Earth Band of Chippewa Indians in Minnesota.

P.L. 99-346, Section 6(b) (2) - Payments to the Saginaw Chippewa Indian Tribe of Michigan are excluded from income and resources.

P.L. 99-377, Section 4(b), 8/8/86 - Funds distributed per capita to the Chippewas of the Mississippi or held in trust under this Act are excluded from income and resources. The judgments were awarded in Docket Number 18-S. The funds are divided by reservation affiliation for the Mille Lac Reservation, Minnesota; White Earth Reservation, Minnesota; and Leech Lake Reservation, Minnesota.

P.L. 101-41, 6/21/89, the Puyallup Tribe of Indians Settlement Act of 1989, Section 10(b) provides that nothing in this Act shall affect the eligibility of the Tribe or any of its members for any Federal program. Section 10(c) provides that none of the funds, assets or income from the trust fund established in Section 6(b) shall at any time be used as a basis for denying or reducing funds to the Tribe or its members under any Federal, State or local program. (The Puyallup Tribe is located in the State of Washington.)

P.L. 101-277, 4/30/90, funds appropriated in satisfaction of judgments awarded to the Seminole Indians in Dockets 73, 151 and 73-A of the Indian Claims Commission are excluded from income and resources except for per capita payments in excess of \$2000. Payments were allocated to the Seminole Nation of Oklahoma, the Seminole Tribe of Florida, the Miccosukee Tribe of Indians of Florida and the independent Seminole Indians of Florida.

P.L. 101-503, Section 8(b), Seneca Nation Settlement Act of 1990, dated 11/3/90, provides that none of the payments, funds or distributions authorized, established, or directed by this Act, and none of the income derived there from, shall affect the eligibility of the Seneca Nation or its members for, or be used as a basis for denying or reducing funds under, any Federal program.

P.L. 93-134, Section 8, 10/19/73, the Indian Tribal Judgment Fund Use or Distribution Act, as amended by P.L. 103-66, Section 13736, 10/7/93, provides that interest of individual Indians in trust or restricted lands shall not be considered a resource and up to \$2000 per year of income received by individual Indians that is derived from such interests shall not be considered income in determining eligibility for assistance under the Social Security Act or any other Federal or federally assisted program.

If other types, not on this list, are encountered, contact the Central Office for guidance.

**2630.30.00            COMPENSATION TO JAPANESE/ALEUTS**

Payments made under P.L. 100-383 to U.S. citizens of Japanese ancestry and resident Japanese aliens of up to \$20,000 each, and payments to Aleuts of up to \$12,000 each, are exempt.

**2630.35.00            GERMAN REPARATION PAYMENTS (S)**

German reparation payments are payments made by the Republic of Germany to certain survivors of the Holocaust and may be received periodically or in a lump sum. They are exempt resources by federal law. (f45)

**2630.40.00            DOMESTIC VOLUNTEER SERVICE ACT COMPENSATION**

The following is exempt as a resource by federal law:



Compensation of any kind (including stipends, supportive services, remuneration for out-of-pocket expenses, and so forth) provided to individuals who are volunteers in programs administered directly or through sponsoring agencies by the United States action Agency under Titles I, II, and III of the Domestic Volunteer Service Act of 1973, is exempt. These programs include the Foster Grandparents Program, Retired Senior Volunteer Program (RSVP), Service Corps of Retired Executives (SCORE), Active Corps of Executives (ACE), Action Cooperative Volunteer Program (ACV), Senior Companion Program, Volunteers in Service to America (VISTA), and University Year for Action (UYA). (f46)

**2630.45.00            PAYMENTS TO STUDENTS**

Education grants and loans received under Title IV of the Higher Education Act or the Bureau of Indian Affairs (BIA) programs are exempt for undergraduate students for TANF. For SNAP, this is exempt for all students. (f48) These exclusions are allowed for students in high school and GED programs as well as post-secondary education. Examples include:

Basic Educational Opportunity Grants (BEOG);  
Supplemental Educational Opportunity Grants (SEOG);  
College Work Study;  
National Direct Student Loans (NDSL);  
Guaranteed Student Loans;  
Pell Grants; and  
Federal Perkins Loans.

Refer to Section 2860.05 for a comprehensive listing.

**2630.50.00            YOUTH PROJECT PAYMENTS (S)**

The payments received from the Youth Incentive Entitlement Pilot Projects, the Youth Community Conservation and Improvement Projects, and the Youth Employment and Training Programs under Title IV of the Comprehensive Employment and Training Act of 1978 (f49) are exempt resources by federal law.

**2630.55.00            DISASTER ASSISTANCE PAYMENTS**

Assistance received under the Disaster and Emergency Assistance Act of 1974 (f50) or another federal statute

because of a presidentially declared major disaster is permanently exempted as a resource.

**2630.60.00            RADIATION EXPOSURE ACT BENEFITS**

Payments made from the Radiation Exposure Compensation Trust Fund established under the Radiation Exposure Compensation Act are exempt resources. (f51)

**2630.65.00            AGENT ORANGE SETTLEMENT ACT PAYMENTS**

Payments made from the Agent Orange settlement fund or any fund established as a result of the Agent Orange product liability litigation, are exempt from resource consideration.

**2630.70.00            RESOURCES EXEMPTED BY TANF/SSI (S)**

All resources of an AG member who receives SSI or TANF are exempt for SNAP purposes. (f53)

**2630.75.00            PROPERTY SUBJECT TO LIEN (S)**

When non-liquid real or personal property has a lien against it, solely as a result of a loan for business purposes, and the security or lien agreement prohibits the sale of the property, the property is exempt as a resource. However, the lien must have been the result of a loan for business purposes for this exemption to apply. (f54)

**2630.80.00            PROPERTY NECESSARY TO VEHICLE MAINTENANCE (S)**

An exemption is applied to real or personal property necessary to the maintenance or use of a vehicle which has been exempted because it is used for specific income producing purposes or for long distance travel essential to the employment of an AG member. This exemption applies only to that portion of the property which is necessary to the maintenance or use of the exempted vehicles. (f55) An example would be a building utilized to house a vehicle which is used for employment when not in use.

**2630.85.00            FEDERAL TAX REFUND PAYMENTS**

Federal Tax refunds received after December 31, 2009 are disregarded as income in the month received and as a resource for a period of 12 months for all federal means-

tested programs including TANF and SNAP. The resource exclusion lasts for 12 months.

The federal tax refund is to be excluded as a resource by subtracting any tax refund received by the AG in the last 12 months from the AG's resources. If the difference between the resources and the amount of the federal tax refund is less than the resource limit, the AG meets the resource limit.

Example: AG applies today and has total resources of \$4000. AG verified receipt of a federal refund in the amount of \$3287 received in January of this year. This federal refund amount would need to be deducted from the total resources and the difference of \$713 would be countable as a resource.

**2630.85.05          Earned Income Tax Credit (EITC) Payments (C**

Payments from federal income taxes for earned income tax credit (EITC) are exempt as resources. (f56)

**2630.90.00          INCOME/RESOURCES/CONTRIBUTIONS OF SSI  
RECIPIENT (C)**

The income, resources, and contributions of a Supplemental Security Income (SSI) recipient are exempt as resources.

**2630.95.00          INDIVIDUAL DEVELOPMENT ACCOUNT**

Individual Development Accounts (IDA) operated under the Assets for Independence Act (AFIA), Public Law 106-554, are established by or on behalf of eligible TANF recipients for the purpose of purchasing a home, attending postsecondary education or purchasing a business. Eligible individuals may receive matching funds for their IDA through a community development corporation (CDC). Any funds deposited in an IDA are exempt from being counted as a resource. (See also IPPM 2850.05.00)

**2635.00.00          RESOURCE ELIGIBILITY DETERMINATION**

Resource eligibility requirements for each assistance program must be met for eligibility to be established. The eligibility worker is responsible for obtaining and verifying all pertinent information regarding the resources

of the appropriate AG members. The consideration of resources for each assistance program will vary according to the age, marital status, and living arrangement of the AG members. The following sections explain the methods used in determining resource eligibility.

**2635.05.00 RESOURCES OF AG MEMBERS (S)**

Countable resources owned by the following individuals must be considered in the determination of the AG's resource eligibility:

All participating AG members;

IPV ineligible members;

Members ineligible due to SSN noncompliance;

Members disqualified due to noncompliance with IMPACT or Work Registration requirements;

Members who are ineligible aliens.

Resources of non-AG members, including ineligible students, are not included in the resource determination.

**2635.05.05 Resource Eligibility Determination for Aliens**

The resource eligibility determination for aliens must be established whether or not the alien has been sponsored.

**2635.05.10 Resource Deemed From Alien's Sponsor/Spouse**

Within the C category, the policy stated in this section only applies to Two-Parent TANF and Regular TANF.

In the resource evaluation for aliens, the eligibility worker must determine whether the alien has been sponsored. A sponsor is defined as any individual, or any public or private agency or organization that executed an affidavit of support or similar agreement on behalf of an alien (who is not the sponsor's spouse or child) as a condition of the

alien's entry into the United States. (f58) A sponsor cannot be considered a sponsor of his own spouse or child.

Only the resources of an individual sponsor or sponsor's spouse (living with the sponsor) are counted in the eligibility determination. Additional requirements are discussed in the following sections.

For SNAP, the deeming of sponsor's income and resources do not apply to:

Aliens who are members of their sponsor's SNAP assistance group;

Aliens who are sponsored by an organization or group as opposed to an individual;

Aliens who are not required to have a sponsor under the INA (such as a refugee, a parolee, asylee or a Cuban or a Haitian entrant);

Indigent aliens that the State has determined are unable to obtain food and shelter taking into account the alien's income plus any case, food, housing or other assistance provided by other individuals; or

Battered alien's spouse, alien parents of battered children or children of a battered alien for 12 months after the State determines that the battering is substantially connected to the need for benefits.

During the period the alien is subject to deeming, the eligible sponsored alien is responsible for obtaining the cooperation of the sponsor and for providing the State with the information and documentation necessary to calculate deemed income and resources. Until the alien provides information or verification necessary to carry out deeming, the sponsored alien is ineligible.

For SNAP, the resources and income of the sponsor and the sponsor's spouse are not included in determining the resources and income of an ineligible sponsored alien.

#### **2635.05.15 Individual Sponsor Liability (C)**

The policy stated in this section only applies to the Two-Parent TANF and Regular TANF categories of assistance.

The resources of an individual sponsor and the sponsor's spouse (if living with the spouse) are counted as available to the alien for a three year period, beginning with the alien's date of entry into the U.S., if the following conditions are met:

The alien applies for TANF for the first time on or after September 30, 1981;

The alien is not:

- Admitted into the U.S. as a conditional entrant refugee prior to April 1, 1980, under the provisions of Section 203(a) (7) of the Immigration and Nationality Act (INA);
- Admitted into the U.S. as a refugee after March 31, 1980, under the provisions of Section 207(c) of the INA;
- Paroled into the U.S. as a refugee under Section 212(d) (5) of the INA;
- Granted political asylum by the Attorney General under Section 208 of the INA;
- A Cuban or Haitian entrant, as defined in Section 501(e) of the Refugee Education Assistance Act of 1980 (f60); or
- The dependent child of the sponsor or the sponsor's spouse. (f61)

The sponsor's and sponsor's spouse's resources are deemed available to the alien regardless of whether:

The alien lives with the sponsor;  
The sponsor claims no financial responsibility; or  
The sponsor and his spouse were married after the sponsor signed an affidavit of support or similar agreement.

However, the resources of a sponsor or sponsor's spouse who receives SSI or Cash Assistance are not deemed available to the alien. (f62)

**2635.05.20            Amount Deemed From Sponsor to Alien**

Within the C category, the policy stated in this section only applies to Two-Parent TANF and Regular TANF.

The amount of resources deemed to an alien from a sponsor or the sponsor's spouse (who is living with the sponsor) is calculated as follows:

The total amounts of resources of the sponsor are determined as if the sponsor was applying for TANF and SNAP in Indiana. All resource provisions are applicable.

\$1500 is deducted from countable resources.

Any remaining amount is a countable (deemed) resource to the alien. (f63)

**EXAMPLE 1: (C)**

\$5000	-	Total Resources
- 1000	-	TANF Resource Provision
\$4000		
- 1500	-	Allowable Deduction
\$2500	-	Countable Resource

**EXAMPLE 2: (S)**

\$5000	-	Total Resources
- 1500	-	Allowable Deduction
\$3500	-	Countable Resources

When the individual is the sponsor of two or more aliens, the deemed amount of resources is divided equally among the aliens.

Resources deemed to a sponsored alien are not counted in determining the eligibility of non-sponsored members of the alien's family, except to the extent the resources are actually available. (f64)

**2640.00.00 TRANSFERS OF PROPERTY (S)**

The transfers of certain real or personal property to another individual must be considered in relation to the law and/or regulations in effect on the date that the transfer occurred.

**2640.05.00            PROPERTY TRANSFERS AFFECTING ELIGIBILITY (S)**

The intentional transfer of assets by any member of the AG may result in disqualification of the AG for up to one year from the date of discovery of the transfer: (f71)

The AG may be disqualified if the AG transferred resources within the 3 month period immediately preceding the date of the application or any time after the AG is determined eligible for benefits. The disqualification will occur when the AG transferred resources knowingly for the purpose of qualifying or attempting to qualify for SNAP benefits.

(See Section 2640.05.10 for transfers which do not result in a disqualification.)

**2640.05.05            Determining the Period for Disqualification (S)**

The countable value of the transferred resource is determined in the eligibility system. The countable value is calculated by taking the value of the transferred resource and adjusting to that amount which would be considered a resource in the eligibility determination. For vehicles, that requires an off-line determination of the countable value in excess of the FMV minus the vehicle standard.



Examples:

1. An AG transferred a vehicle with a FMV of \$6000. They also have a \$500.00 in a bank account and another car (which is used for employment) worth \$5500. There are no elderly AG members.

The countable value is:

$$\$6000 - \$4650 = \$1350 \quad (\text{transferred vehicle})$$

Total of \$1350 is entered as the countable value on AERRT.

The system will add the \$1350 to the other resources (\$500 bank account and \$850 countable value for the other vehicle) to show the total value of \$2700. Then the system subtracts the AG's resource standard of \$2000 to the resultant \$700. The \$700 is used to determine the disqualification period of 3 months.

2. The AG containing an elderly member transferred non-homestead property valued at \$5000. The AG has no other resources.

The countable value on AERRT is \$5000. The system then adds the other resources (none for this AG) and subtracts the AG's resource standard of \$3500 leaving \$1500.

The \$1500 is used to determine the period of disqualification which is 6 months.

The following is a chart which determines the period of disqualification based on the amount of resources in excess of the resource limit.

<b>Amount In Excess Of Resource Limit</b>	<b>Period Of Disqualification</b>
0 - \$ 249.99	1 month
\$ 250 - \$ 999.99	3 months
\$1000 - \$2999.99	6 months
\$3000 - \$4999.99	9 months
\$5000 - and up	12 months

**2640.05.10 Transfers Not Affecting Eligibility (S)**

The following transfers do not affect eligibility

- Resources that would not otherwise affect eligibility.
- Resources that are sold or traded at, or near, fair market value.
- Resources transferred between members of the same AG.

Resources transferred for reasons other than qualifying (or attempting to qualify) for benefits.

**2699.00.00 FOOTNOTES FOR CHAPTER 2600**

Following are the footnotes for Chapter 2600:

- (f4) 7 CFR 273.8(c)(2) - S;  
470 iAC 10.3-4-2 C;
- (f6) IC 30-2-13-12
- (f8) IC 30-2-13-12
- (f10) 7 CFR 273.8(e)(2)
- (f11) 470 IAC 10.3-4-2
- (f13) 7 CFR 273.8(e)(2)
- (f15) 405 IAC 2-3-15;  
470 IAC 10.3-4-2
- (f16) 7 CFR 273.8(e)(2) - S;  
470 IAC 10.3-4-2 - C;
- (f17) 7 CFR 273.8(e)(5)
- (f19) 470 IAC 10.3-4-2 - C;
- (f20) 7 CFR 273.8(e)(6)
- (f21) 7 CFR 273.8
- (f21a) 470 IAC 10.3-4-2
- (F21b) 470 IAC 10.3-4-5
- (f24) 7 CFR 273.8(e)(9)
- (f30) 470 IAC 10.3-4-2
- (f35) 7 CFR 273.8(e)(11);
- (f36) 7 CFR 273.8(e)(11)(iii)
- (f41) 7 CFR 273.8(e)(11)
- (f42) 7 CFR 273.8(e)(11)(ii);
- (f43) 7 CFR 273.8(e)(11)
- (f45) Section 1902(r)(1) of the Social Security Act  
as amended by OBRA-90;  
P.L. 101-508
- (f46) P.L. 93-113, Sections 404(g) and 418;

- (f48) Higher Education Amendments of 1992, P.L. 102-325)
- (f49) 7 CFR 273.8(e) (11)
- (f50) P.L. 93-288;
- (f51) P.L. 101-426 as amended by P.L. 101-510; 20 CFR 416.1236
- (f53) 7 CFR 273.8(e) (17)
- (f54) 7 CFR 273.8(e) (15)
- (f55) 7 CFR 273.8(e) (16)
- (f56) Social Security Act, Section 402(a)(7)(B) as amended by P.L. 101-508 (OBRA-90)
- (f58) 470 IAC 10.3-3-2
- (f60) P.L. 96-422
- (f61) Social Security Act, Section 415;
- (f62) 470 IAC 10.3-3-6
- (f63) Social Security Act, Section 415;  
470 IAC 10.3-3-2
- (f64) Social Security Act, Section 415;
- (f71) 7 CFR 273.8(h)