

From the Hotline

If you have any questions on this column or other policy and procedural material, please have your Hotline designee call the **Policy Hotline at 617-348-8478**.

- Q.** My TAFDC client reported receiving a lump sum payment. He was in a car accident and his insurance company reimbursed him for his totaled vehicle. Is this reimbursement amount considered lump sum income?
- A.** No. Lump sum amounts that are received as reimbursement for a specified item cannot be included or considered as part of the countable lump sum. Instead, these reimbursements are considered noncountable assets. See 106 CMR 204.240(A) for more information on what is considered lump sum income in the TAFDC Program. Also, see 106 CMR 321.240(A) for more information on what is considered lump sum income in the EAEDC Program.
- Q.** My TAFDC client who recently reported a lump sum payment for his damaged car also received a separate lump sum insurance payment of \$2,100 that is intended to cover expenses incurred while he was absent from work. Since the \$2,100 payment amount is not reimbursement for a specified item and is considered lump sum income, I need to perform a calculation to determine whether or not the client remains eligible for cash assistance. If the client is ineligible, I would need to determine the period of ineligibility. Before I completed the lump sum calculation, my client explained that he used a portion of the \$2,100 to cover his rent arrearage. Is this portion of the payment considered an exclusion?
- A.** No. According to the regulations, rental payments are not considered a day-to-day living expense and therefore do not qualify as an acceptable lump sum exclusion. See 106 CMR 204.240(B) for a complete listing of acceptable lump sum exclusions in the TAFDC Program and 106 CMR 321.240(B) for a complete listing of lump sum exclusions in the EAEDC Program.
- Q.** My EAEDC applicant had been in a car accident. Three months ago, she received an insurance check for almost \$11,000. The payment was intended to cover expenses during the applicant's absence and eventual lay off from work. She explained that during her period of unemployment, she accrued a large amount of debt and that the \$11,000 insurance payment was used to cover a portion of this debt. Can I count this applicant's lump sum income after applying any acceptable exclusions?
- A.** No. While ongoing EAEDC and TAFDC clients who report lump sum income must have a lump sum calculation performed on their payment, lump sum payments are not considered income for applicants in the EAEDC or TAFDC Programs.

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However, if this client has retained or saved any portion of her lump sum payment, it may be considered a countable asset. For more information, see 106 CMR 204.120 on countable assets in the TAFDC Program and 106 CMR 321.120 on countable assets in the EAEDC Program.

NOTE: In the SNAP Program, nonrecurring lump sum payments are noncountable as income but considered assets in the month received. For categorically eligible households, lump sum payments are disregarded for income and asset purposes due to the asset exclusion that applies to these households. For non-categorically eligible households, when a lump sum payment exceeds the asset limit, the household must be given the opportunity to update its asset statement to determine the most current and accurate asset values. See 106 CMR 363.130(D), and 106 CMR 363.230(I) for more information on nonrecurring lump sum payments in SNAP.

From the Forms File

New Brochure

Community Information - How may we help you?

25-670-0310-05

25-671-0310-05 (S)

CI_DTA (3/2010)

The *Community Information - How may we help you?* brochure provides information about the Department of Transitional Assistance's programs and also list helpful telephone numbers. This brochure is available in English and Spanish and will soon also be available in other languages.

Diversity Quote

“I do not want my house to be walled in on all sides and my windows to be stifled. I want all the cultures of all lands to be blown about my house as freely as possible. But I refuse to be blown off my feet by any.”

Mohandas K. Gandhi

Cultural Communication

Each month, the Diversity Council offers tips about communicating with people of different cultures.

This month's tip:

In Portuguese culture, it is considered rude to call someone over with the index finger.