**MLRI information: SNAP overpayments and collections**

**SNAP overpayments occur in three ways:**

1. **Agency Error (AE)**. DTA made a mistake that caused client to get incorrect amount of benefits.
2. **Recipient Error (UPV)**. Unintentional client mistakes – eg. confusion over rules or when to report changes
3. **Recipient Fraud (IPV)**. Willful misreporting/withholding of information, Administrative Disqualification Hearing required

Federal SNAP law requires states to address overpayments by collecting them or writing them off. When states collect on overpayments, federal SNAP law allows them to keep 0% of money from agency errors, 20% from UPVs and 35% of money from IPVs.

**Federal law is clear about how states are allowed to collect on overpayments.** States collect overpayments from current SNAP recipients by taking 10% or $10 of their monthly benefit, whichever is higher (20% or $20 for fraud overpayments). Collecting from active SNAP cases accounted for about 40% of the money DTA collected in FY 2015. SNAP is already woefully low for most households, so any reduction is often a hardship.

States can collect overpayments from former recipients in 2 core ways – through a repayment plan (client sends money to DTA) or, more often, through the federal Treasury Offset Program (TOP). TOP most often involves intercepting federal tax refunds or Social Security (up to 15%, not below $750/mo). About 45% of the money DTA collected from overpayments in FY 2015 was intercepted through TOP. Because of the amount of money intercepted, TOP recovery can be catastrophic for low income households. DTA cannot intercept SSI.

**Reducing or dropping overpayments.** Federal SNAP law gives states the discretion to reduce or drop (entirely waive) overpayments. States can reduce or drop claims where there is economic hardship or collection defeats the purpose of the program. Some states use the SSA Supplemental Security Income (SSI) program model to waive overpayments that cause economic hardship. DTA currently does not have criteria or protocol in place for compromising or waiving claims.

**DTA currently pursues all overpayments - agency error, recipient error, and fraud cases**. In some situations DTA will not create an overpayment for former recipients if the claim is for less than $125. DTA will also not pursue AE or UPV overpayment amounts that happened over a year before DTA realized there was an overpayment.

**Resources and more information:**

1. State SNAP regulations [106 CMR 367](http://www.mass.gov/eohhs/docs/dta/regs/snap/367.pdf) and federal SNAP regulations [7 CFR 273.18](https://www.law.cornell.edu/cfr/text/7/273.18). In some areas federal SNAP law is more expansive or explicit than state regulations.
2. MLRI SNAP Advocacy Guide Questions 113 to 121.
3. Contact Vicky Negus or Pat Baker with questions: [vnegus@mlri.org](mailto:vnegus@mlri.org), [pbaker@mlri.org](mailto:pbaker@mlri.org)