

Department of Social and Health Services
Olympia, Washington
EAZ Manual

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Category Lottery or Gambling Disqualification for Basic Food
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Summary

Created New [EAZ Chapter](#) with Clarifying Information and Worker Responsibilities for WAC 388-483-0005, effective 1/20/2020 as a result of new federal regulation prohibiting SNAP benefits to those that receive a substantial lottery or gambling win.

See below for edited text:



Lottery or Gambling Disqualification for Basic Food

Created January 20, 2020

Purpose:

This section shows who is disqualified from Basic Food due to a substantial lottery or gambling win and when they can regain eligibility for Basic Food.

[WAC 388-483-0005](#) – Do I qualify for food assistance if I have a substantial lottery or gambling win?

- [Clarifying Information and Worker Responsibilities](#)
-

Reporting the Win:

1. Defining Cash Prize:

- a. A “substantial lottery/gambling” win is a cash prize of at least \$3,500, before taxes or withholdings, regardless of whether the household is considered disabled/elderly. The substantial lottery/gambling limit matches the basic food “elderly or disabled resource limit.” This lottery/gambling limit adjusts annually and matches the amount indicated in [WAC 388-470-0005\(8\)\(a\)](#).
- b. Do not consider prizes such as goods, vehicles, etc., a cash prize.
- c. A cash prize equaling \$3,500 or more must be won in one bet (e.g. one “hit” on a machine, one ticket, or one raffle). Households are not required to report multiple wins that equate to the \$3,500 limit.
- d. Only count the amount allocated to the household member when the household member shared in the purchase of the “ticket” with other persons.

Example: Than and family attend a charity event. At the event, there is a raffle with a cash grand prize of \$5,000. Than wins the raffle and receives a check the following week on 3/16. Than **does** have to report the win by the 10th of the following month, 4/10. Than and family lose eligibility for Basic Food with a paid thru date of 4/30.

Example: Randy wins \$2,000 on one bet at a casino. He takes a portion of his winning and wins an additional \$3,000. He left the casino with a total of \$5,000. Randy **does not** have to report his winnings, as neither win was the result of one bet that totaled the \$3,500 reportable bet.

Example: Angel was part of a lottery pool at work. They win \$30,000 in their pool. As the group contains 15 coworkers, they equally split the winnings between each of them. As Angel shared in the purchase of the ticket with other persons, we only count Angel’s portion of winnings, which totals \$2,000. Angel **does not** have to report the win.

Example: Hortencia and her daughter receive Basic Food together. They bought a raffle ticket for \$10, splitting the cost of the ticket. Together they won \$4,000 and equally split the money. Even though all of the winnings belong to the assistance unit, each individual won \$2,000. Hortencia and her daughter **do not** have to report the win.

2. Impacts to cash programs:

- a. A client may remain active on cash assistance and be disqualified from Basic Food if the win results in resources under the resource limit for cash programs. See [Lump Sum Cash Assistance and TANF/SFA-Related Medical Assistance](#).

A household that wins an amount over the TANF resource limit is not eligible for Transitional Food Assistance (TFA) when TANF closes. See [WAC 388-489-0005\(5\)\(b\)](#).

- b. See [Worker Responsibilities](#) below for information on how to enter winnings and impacts to other programs.
3. Overpayments:
 - a. A household may incur an overpayment if they do not report a lottery or gambling win timely, according to change reporting rules. See [Effective Date – Change of Circumstances](#).

Regaining eligibility:

1. After disqualification, the household must reapply to establish eligibility for Basic Food. The disqualified household is not categorical eligibility (CE). Under regular Basic Food rules:
 - a. The household must meet the Basic Food resource and income limits when they reapply, regardless of whether they spend all their winnings.
 - b. The household remains non-CE during the new certification. They may be considered CE again at recertification or if they are terminated and then reapply.

Example: Ruth was previously disqualified from Basic Food after winning \$4,000 at the race track. She spent the \$4,000 on needed repairs to her car. She decides to reapply a few months later. At the interview, she explains that she used up all her winnings fixing her car. The worker does not find the use of the winnings questionable, but asks for verification of her current balance of her checking and savings, which shows she has \$2,800 in her accounts. The worker enters the balances of her accounts and the vehicle. Ruth is not considered (CE) and must meet the Basic Food resource limit for her assistance unit. She is not elderly or disabled, she is denied resources over the Basic Food resource limit of \$2,250.

Example: Paul was disqualified after winning at a card room and spent all his winnings on back rent. Paul reapplies with no income and no resources. He is found eligible for Basic Food. Paul is certified as non-CE for the certification period. Paul gets a full time job and must report the change as he is now over 130% FPL. His case is closed due to being over income. Paul is then fired from the job 6 months later and returns to reapply. He is now eligible for CE.

2. Household Composition:
 - a. A member with a substantial win impacts the entire Basic Food household. Close the entire household with advance notice regardless of the winner.
 - b. Consider a household CE again if the disqualified individual is no longer part of the household.

Example: Tom and Jerry receive Basic Food. Tom wins \$6,000 on a scratch ticket. Tom reports the win and staff close the case with advance notice. Tom moves out of the home with his winnings. Tom and Jerry each decide to apply on their own, as they are no longer a couple. Since the household has changed, neither Tom nor Jerry are subject to the penalty and are eligible for CE. Tom's resources of \$6,000 will not impact his new Basic Food application.

Worker Responsibilities - [WAC 388-483-0005](#)

1. Entering the win:
 1. Accept the client's statement of gross winning over the \$3,500 limit in one hand/bet/ticket. If multiple people won in the same household, count only their portion over the limit and enter appropriately on the Resource Details page.
 2. Give the client advance notice of the termination of Basic Food.
 3. Advise the client they can reapply if they choose to in the future.
2. Impacts to other programs:
 1. Determine if the information is a reporting requirement for any active cash and medical programs.
 2. Treat reported winnings as indicated in [Lump Sum Cash Assistance and TANF/SFA-Related Medical Assistance](#) in the EAZ Manual for cash programs.
 3. Treat reported winnings as indicated in [Resources Overview Worker Responsibilities](#) in the HCA Manual for medical programs.
3. Regaining Eligibility
 1. Accept a new application from the client.
 1. We must close clients with substantial winnings with advance notice, except at MCR, and provide notice of their lottery/gambling disqualification. Even when they spend all of the winnings prior to the end of the month, they must reapply and have their eligibility re-determined.
 2. Screen an application received prior to the benefit end date as of the first of the following month. ACES 3G supports using a future date; do not make the client return in the following month to reapply.
 2. Determine if the client received the winnings as a lump sum (resource) or recurring income and code appropriately.
 3. Document the client's statement about what happened to the winnings and appropriately code the remaining resources, vehicles, and income. See [How Resources Affect Eligibility](#).
 1. Request verification of resources (e.g. checking, savings balance).
 2. Request verification of the use of the winnings only when questionable.

NOTE: When the client transfers resources to become eligible for Basic Food, we will to apply another penalty for transferring of property. See [Transfer of Property for Cash and Basic Food](#).

Example: Candice reports her \$4,000 win on 3/15. With advance notice, Candice's Basic Food will end on 3/31. Candice comes into the local office on 3/20 declaring she used the winnings on credit card debt. Screen in the new application as of 4/1 using the terminated AU and complete the interview with the client.

Example: Jordan and Donna are disqualified due to winning \$10,000 at a raffle. Jordan already has a vehicle, but they purchase Donna a new vehicle so they can both get to work. Together, they earn \$2,000 per month. They come back to reapply for Basic Food. Upon application, the worker enters both vehicles totaling a value of \$5,000, verifies the amount remaining in their checking/savings as \$150, and enters their earned income totaling \$2,000. The household is denied and over income as their resources (i.e. vehicles and checking/savings) are over the \$2,250 for Basic Food and earned income is over the 130% FPL for their family size.