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# Suspending SNAP Cases Receiving UC to Reduce Burden on Eligibility Workers and Facilitate Access for Households

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The CARES Act has offered unprecedented relief to the over 25 million plus Americans out of work due to the COVID-19 pandemic. Many unemployed individuals will receive a weekly $600 increase (FPUC) while gig workers and others who wouldn't qualify for Unemployment Compensation (UC) (and would normally turn to SNAP when losing work) will be eligible for Pandemic Unemployment Assistance (PUA). However, these benefits are relatively short-lived. The FPUC increase expires after the week ending July 25, and most PUA beneficiaries will become ineligible as they and their family members recover from COVID-19 and the economy reopens.

An analysis by the Congressional Budget Office (CBO) projects that unemployment will remain above the peak seen during the Great Recession well into 2021. This means that many households may see their unemployment benefits run out before they are able to achieve stable employment. SNAP (and other benefits) will be a critical lifeline during the recovery.

Fortunately, there are steps that State SNAP agencies can take now to facilitate access to SNAP for households and reduce the burden on eligibility workers as unemployment benefits decrease or run out. This will be particularly important at the end of July when the FPUC expires. Nationally, assuming 20% of SNAP households that had been working prior to the pandemic become long-term unemployed[1] and reapply for SNAP in August, this will equal 1.3 million new applications[2] on top of those who seek SNAP for the first time. To better manage this surge, State agencies can pursue these strategies where they are not already in place:

1. Ensure that households that qualify for a $0 benefit are suspended rather than terminated;
2. Adopt broad-based categorical eligibility and increase the SNAP gross income limit to 200% FPG and eliminate the resource limit to cover more households under a $0 benefit suspension policy;
3. Seek a waiver to extend suspensions to SNAP households that would otherwise be terminated under existing regulations;
4. Reinstate SNAP households recently terminated solely for receipt of increased unemployment benefits; and
5. Obtain data from the State UC agency to automate reinstating SNAP issuance for households as their unemployment benefits are reduced or terminated.

Together, these actions can facilitate the return to SNAP for many households as their FPUC and PUA benefits end. Additionally, for each household that is suspended rather than terminated, eligibility workers could save upward of an hour and a half, assuming that interview requirements are reinstated later this summer.[3] Put another way, states will need over 10,000 full-time eligibility workers in the month of August to process the 1.3M applications discussed above in a timely manner.

**Suspend households that qualify for a $0 SNAP benefit due to unemployment benefits.**

Some of the current caseload will still be eligible even with the temporary increases to unemployment benefits. However, most who do still qualify may qualify for a $0 benefit. Instead of terminating, the state could instead suspend these cases and convert them back to issuance when their unemployment benefits are reduced or terminated [7 CFR 273.10(e)(2)(iii)]. This has the immediate advantage to both the household and eligibility workers of requiring neither a new application (and related verification requirements) nor another eligibility interview [7 CFR 273.10(e)(2)(iii)(B)] if and when the household does qualify for a benefit again, e.g. if unemployment benefits are reduced or terminated before sufficient replacement wages are obtained.

**Adopt broad-based categorical eligibility with a gross income limit of 200% FPG and no resource limit.**

Even more SNAP households could benefit under a policy to suspend cases by increasing the gross income limit to 200% FPG and eliminating the resource test for [7 CFR 273.2(j)(2)(i)(C)]. Under the standard gross income limit of 130% of FPG, in general, households with fewer than seven members will become ineligible (and no household with fewer than four members will qualify).[4] At 200% FPG, this shifts to households generally remaining eligible unless they have fewer than four members.

In states that experienced delays in paying out unemployment benefits, some households may receive back payments for thousands of dollars. While these back payments will certainly go toward paying off overdue expenses, timing and general confusion may lead eligibility workers to count the back payment as a resource. Eliminating the resource test can help mitigate this by removing the burden on eligibility workers and households to determine the household's resource situation. States may also find it beneficial to remind eligibility workers that nonrecurring lump-sum payments, such as unemployment back payments, are not counted as income [7 CFR 273.10(c)(2)(i)].

**Seek a waiver to extend suspension to additional households.**

Even if State agencies increase the gross income and resource limits, many households, particularly those with one or two members, will not be eligible for suspension under federal regulations despite the need for it. Given current economic projections, unless Congress extends unemployment benefits, it is likely that unemployment benefits will be reduced well before the need for assistance ends. If this happens, it is reasonable to anticipate a very large increase in SNAP applications, especially when FPUC ends in July, if State agencies are not permitted to suspend rather than terminate these households.

Current regulations allow State SNAP agencies to suspend cases for one month due to a temporary increase in income that would otherwise make the household ineligible [7 CFR 273.12 (c)(2)(ii)]. Further, FNS may waive regulatory provisions where "extraordinary temporary situations" require, with a sudden increase in caseload used as a specific example, and where it would result in "more effective and efficient administration" [7 CFR 272.3(c)(1)]. This waiver authority could be used to extend the existing regulations beyond the current one-month suspension allowance. Thus, State agencies could seek a waiver to suspend rather than terminate all households that become ineligible only as a result of receipt of unemployment benefits.

**Reinstate SNAP households terminated solely for increased unemployment benefits.**

It will take time to implement the recommendations in this memo, and many SNAP households that begin receiving unemployment benefits may be terminated in the interim. State agencies can mitigate this by reinstating and suspending all cases that were terminated solely due to receipt of unemployment benefits. This action may necessitate a waiver from FNS, and 7 CFR 272.3(c)(1) may again be a source of legal justification for taking such an action.

**Leverage State UC agency data to automate ending SNAP suspensions and issuing benefits.**

The process of converting households with reduced or terminated unemployment benefits back to issuance could be largely automated. Because Unemployment Insurance Benefit information in the Income Eligibility Verification System (IEVS) is considered verified upon receipt (unless questionable) [7 CFR 273.2(f)(9)(iii)], the state could automatically act on those changes as a suspended household's unemployment benefits are reduced or eliminated.

States have broad latitude on the data State UC agencies can share through IEVS to help determine eligibility and benefit amount [20 CFR 603.22; 20 CFR 603.2(a)(2)(ii)]. Therefore, State SNAP agencies could work with their UC agency counterparts to obtain not only the unemployment benefit amount but also information that could aid in an automatic reinstatement of SNAP benefits such as the reason for claimant's loss of benefits. For example, if a claimant exhausted benefits or no longer met a PUA eligibility category, benefits could be reinstated without further verification from the household. Whereas, if a claimant's unemployment benefits ended due to obtaining employment, the State SNAP agency could obtain this information from the UC agency or follow up with the household if the UC agency doesn't have sufficient information and then take appropriate action on the case.

**For more information:**
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## About Benefits Data Trust

*Benefits Data Trust (BDT) is a national nonprofit that helps people live healthier, more independent lives by creating smarter ways to access essential benefits and services. Each year, BDT helps tens of thousands of people receive critical supports using data, technology, targeted outreach, and policy change. Since inception in 2005, BDT has screened more than one million households and secured over $7.5 billion in benefits and services. BDT employs more than 180 people and provides enrollment assistance to individuals in six states and policy assistance to states nationwide. For more information, visit www.bdtrust.org.*

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[1] With CBO projecting 16% unemployment across all groups and a McKinsey analysis that estimates that 86% of current layoffs are among lower-income jobs (https://www.mckinsey.com/industries/public-sector/our-insights/lives-and-livelihoods-assessing-the-near-term-impact-of-covid-19-on-us-workers), this is a very conservative estimate.

[2] Based on a BDT analysis of FY18 SNAP QC data.

[3] Based on processing a new application, conducting an interview, and processing verifications at the OMB-approved estimate of time burden: https://www.reginfo.gov/public/do/DownloadDocument?objectID=69743701

[4] This is based on the national average weekly UC benefit in March of $273 plus the $600 FPUC increase: https://oui.doleta.gov/unemploy/5159report.asp