

Policy Clarifications - Food Stamps

PFS14446550

Submitted:10/27/08

Agency:CAOs

Citations:

Subject: Interest Income Exclusion and Expanded Categorical Eligibility

With the recent exclusion of resources for most food stamp households, the following question arises: Is interest income earned on bank accounts, such as regular checking and savings accounts, countable as income for the Food Stamp Program? FSH 550.3, when enumerating unearned income, contains this statement: "Note: Interest is no longer considered income. It is excluded in the month of receipt and counted as a resource there after." However, this statement appears after the bullet for royalties. The income chapter does not indicate that interest income is exempt. Could you please clarify the treatment of interest income and, if countable, the verification requirements for it for the Food Stamp Program?

Response By:Denise Hoffman

Date:10/27/08

Interest income from savings bonds and other checking and savings accounts continues to be excluded as income in the month of receipt. It is also excluded as a resource in the month of receipt. Please refer to [OPS 060305](#).

Interest that remains in the account after the month of receipt is considered a resource. However, beginning October 2008, the resource test will be eliminated for almost all food stamp cases due to the expansion of Categorical Eligibility. See [OPS 080905](#).

Interest on savings bonds and other checking and savings accounts will not affect eligibility as either income or resources for most food stamp cases.

The "Note" in FSH 550.3 will be reviewed for clarity.