



**DATE:** October 16, 2025

**OPERATIONS MEMORANDUM #25-10-01**

**SUBJECT:** Changes to Automatic Eligibility for the Heating Standard Utility Allowance (HSUA) Based on a Household Receiving Low-Income Home Energy Assistance Program (LIHEAP) Benefits and Energy Assistance Payments Counting as Unearned Income

**TO:** Executive Directors

**FROM:** Robert Hixson  
Director  
Bureau of Operations

**PURPOSE**

To provide information and direction on changes to automatic eligibility for receipt of the HSUA based on LIHEAP, most frequently received through Heat and Eat (H&E), and a new unearned income type for Energy Assistance payments caused by H.R. 1, an Act to provide for reconciliation pursuant to title II of H. Con. Res 14.

**SUMMARY AND CHANGE**

Old Policy	New Policy
All households that receive a LIHEAP grant (including H&E) are automatically eligible for the HSUA.	A household must have an elderly (age 60 or older) or disabled member to automatically qualify for the HSUA based on LIHEAP benefits.
All households except the following are eligible for H&E: <ul style="list-style-type: none"><li>• Any household currently receiving the HSUA.</li><li>• Any household that received LIHEAP in the current season</li><li>• Any household that has zero net income.</li><li>• Households receiving Nursing Home Care.</li><li>• Homeless households.</li></ul>	In addition to the other exclusions, households that do not have an elderly or disabled household member are not eligible to receive the H&E benefit.  A household without an elderly or disabled member may still qualify for the HSUA but would need to notify the County Assistance Office (CAO) of their heating or cooling responsibility. Verification should only be required if the information provided is questionable.

<ul style="list-style-type: none"> <li>• Households receiving extended Supplemental Nutrition Assistance Program (SNAP) (FS43).</li> <li>• Households with a facility code other than 17, 18, 19 and 39.</li> </ul>	
<b>Old Process</b>	<b>New Process</b>
The system reviews for the criteria above and issues benefits accordingly.	The system will be modified to add a check for a qualifying elderly or disabled member in the SNAP household during the evaluation of HSUA eligibility based on receiving a LIHEAP benefit.

## **BACKGROUND**

On July 4, 2025, President Trump signed House of Representatives 1 (H.R. 1), also known as the One Big Beautiful Bill Act, which limited a SNAP household's automatic eligibility for the HSUA based on receiving LIHEAP to only SNAP households with an elderly or disabled member. H.R. 1 also requires SNAP agencies to consider energy assistance payments made on behalf of a SNAP household as unearned income for households that do not have an elderly or disabled member.

## **DISCUSSION**

Under H.R. 1, LIHEAP eligibility no longer grants a household automatic eligibility for the HSUA. H&E is an initiative that issues a nominal LIHEAP (cash) benefit to SNAP households that do not report a heating responsibility, which grants the HSUA to eligible households currently receiving SNAP. Under H.R. 1, H&E is now limited only to SNAP households with an elderly or disabled member. An elderly member is defined as someone aged 60 or over. A disabled member is defined as someone with the SNAP disability codes 01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 11, 12, or 13.

Effective October 27, 2025, the Pennsylvania Department of Human Services will no longer issue the H&E cash payment to eligible SNAP households unless the SNAP household contains an elderly or disabled member. If a SNAP household that does not contain an elderly or disabled member has an existing H&E cash issuance balance on their Electronic Benefits Transfer card, the payment will remain on the card until it is used, or it will be expunged after 270 days of inactivity.

In addition to H&E changes, effective October 27, 2025, only households that have an elderly or disabled member will continue to qualify for the automatic HSUA eligibility through receipt of LIHEAP funds. Previously, if a household received a LIHEAP Cash or Crisis benefit during the Federal Fiscal Year (October 1 through September 30), the household was automatically granted the HSUA even if they did not have a verified heating responsibility when the SNAP eligibility was determined.

Finally, prior to these changes, if a household received a LIHEAP Cash or Crisis benefit and moved during the Federal Fiscal Year (October 1 through September 30), the LIHEAP benefit issued at the old address granted HSUA eligibility at the new address, regardless of actual heating responsibility. Effective October 27, 2025, households in this situation will only be granted HSUA eligibility for the HSUA if the household has an elderly or disabled member.

**REMINDER:** A household without an elderly or disabled member may still qualify for the HSUA but would need to notify the CAO of their heating or cooling responsibility. Verification should only be required if the information provided is questionable.

### **Third Party Energy Assistance Payments**

Under H.R. 1, payments made to provide energy assistance (not including LIHEAP) to a household without an elderly or disabled member will be considered unearned income for that household in the month that the payment was made.

Exclusions include:

- LIHEAP
- Assistance to a third party that was provided on behalf of a SNAP household under a state or local general assistance program and if, under state law, no assistance under that program may be provided directly to the household in the form of a cash payment.
- Home energy assistance benefits excluded for the Temporary Assistance for Needy Families program. See Cash Policy Handbook Section 150.5, #28 for more information.

An example of an Energy Assistance payment would be money received, or bill paid by Catholic Charities or similar private organization.

If the energy assistance is received as a non-recurring lump sum, it should be treated as a resource, in accordance with SNAP Policy Handbook Section 550.59. Lump Sum energy assistance payments made by a third party on behalf of the household are considered a resource in the month they are made and **are not counted as income**. They are excluded as a countable resource under FSH 540.510 and should not be considered when determining eligibility.

Additionally, if the household receives a rate reduction through a heating provider-offered Customer Assistance Program or other similar low-income program offered by the heating provider and there is no money being provided to the vendor on

behalf of the household, the assistance does not count as an energy assistance payment.

**REMINDER: Utility rebates or reimbursements that a household receives from the Department of Housing and Urban Development or any public housing authority (also known as utility allowances) are not countable income. See the SNAP Handbook 550.521.**

## **PROCEDURES**

When a household reports that they receive utility assistance from a third party, the CAO must verify if the assistance is ongoing or a one-time payment. Workers should verify the amount and source following SNAP Handbook Chapter 578. Non-recurring lump sum payments are considered resources, and the CAO must exclude them from income (FSH 550.59). If the household verifies that the utility assistance is ongoing, workers will enter it into the Electronic Client Information System as unearned income when calculating the benefit amount.

When a household reports that they receive ongoing utility assistance from a third party, that information should be entered on the unearned income screen using the Energy Assistance (SNAP only) code 45.

The system will count the amount entered on the screen only for SNAP benefits. The exclusion field will populate exemption code 12 (Exempt for CASH and Medical Assistance).

If the user enters in the income as a one-time payment, the system will count the income toward the benefit. As noted in the previous section, if the energy assistance is received as a non-recurring lump sum, it should be treated as a resource, in accordance with SNAP Policy Handbook Section 550.59.

The screenshot shows the 'Income | Unearned' screen in the eCIS system. The top navigation bar includes 'Income | Unearned', a help icon, and 'eCISstance'. Below the bar, there are buttons for 'Previous' and 'Next'. The main area is titled 'Unearned'. It contains the following fields:

- Last Update:** [Text input]
- By:** [Text input]
- Update Authorized By:** [Text input]
- Authorized By:** [Text input] with a search icon
- \*Individual Name:** [Text input] with a dropdown menu 'Select...'
- First Pay Date:** [Text input] with a calendar icon
- \*Income Code:** [Text input] with a dropdown menu 'Energy Assistance (SNAP Only) 45'
- \*Source:** [Text input]
- Does the individual have court ordered Child Support?** [Text input] with a dropdown menu
- If so, then is it DPW assigned?** [Text input] with a dropdown menu 'N - No'

**Income/Expenses For Aug 2025**

Last Update:	By:	Update Authorized By:	Authorized By: <input type="text"/>	<input type="button" value="Search"/>
<b>Representative Month?:</b> <input type="checkbox"/>				
<b>*Frequency:</b> <input type="text"/>	<b>*Verification:</b> <input type="text"/>	<b>*Verification Date:</b> <input type="text" value="08/06/2025"/> <input type="button" value="Calendar"/>		
<b>Pass Thru:</b> <input type="text"/>	<b>Exemption Code:</b> <input type="text" value="Exempt for Cash and MA"/> <input type="button" value="12"/>			
Rep	Received Date	Status	Gross Amount	Delete
<input type="radio"/>	<input type="text"/> <input type="button" value="Calendar"/>	<input type="text"/>	\$ <input type="text"/>	<input type="button" value="Delete"/>
<input type="radio"/>	<input type="text"/> <input type="button" value="Calendar"/>	<input type="text"/>	\$ <input type="text"/>	<input type="button" value="Delete"/>
<input type="radio"/>	<input type="text"/> <input type="button" value="Calendar"/>	<input type="text"/>	\$ <input type="text"/>	<input type="button" value="Delete"/>
<input type="radio"/>	<input type="text"/> <input type="button" value="Calendar"/>	<input type="text"/>	\$ <input type="text"/>	<input type="button" value="Delete"/>
<input type="radio"/>	<input type="text"/> <input type="button" value="Calendar"/>	<input type="text"/>	\$ <input type="text"/>	<input type="button" value="Delete"/>
<input type="radio"/>	<input type="text"/> <input type="button" value="Calendar"/>	<input type="text"/>	\$ <input type="text"/>	<input type="button" value="Delete"/>

**NOTE:** Lump sum energy assistance payments made by a third party on behalf of the household are considered a resource in the month they are made. However, they are excluded as a countable resource under FSH 540.510 and should not be considered when determining eligibility.

### **NEXT STEPS**

1. Share and review this information with appropriate staff members.
2. Direct questions regarding this Operations Memorandum (Ops Memo) to your Area Manager.
3. This Ops Memo will become obsolete when the changes to procedures are updated in the handbooks.