

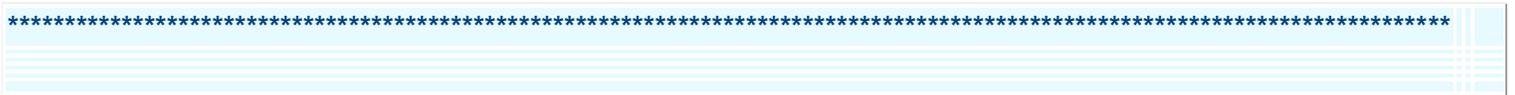
Department of Social and Health Services
Olympia, Washington
EAZ Manual

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Category Lottery or Gambling Disqualification for Basic Food
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Summary

Updated clarifying Information and worker responsibilities under [WAC 388-483-0005](#) to clarify the impact of household changes on reapplication for basic food after lottery/gambling disqualification. Also made minor cosmetic changes (e.g., correcting numbers, plain talk, and spacing).

See below for edited text:



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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](#)

Clarifying Information - [WAC 388-483-0005](#)

Reporting the Win:

1. Defining Cash Prize:

- a. A “substantial lottery/gambling” win is a cash prize of at least [\\$3,7504,250](#), 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 [\\$3,7504,250](#) 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 [\\$3,7504,250](#) 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 not 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 [\\$3,7504,250](#) reportable bet.

Example: Angel was part of a lottery pool at work. They win \$30,000 in their pool. The group includes 15 coworkers and they equally split the winnings. 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](#).
- b. 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\(5\)\(b\)](#).
- c. 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 [considered](#) categorical eligibility (CE) [at reapplication](#). 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~~[\\$2,200](#) in her accounts. The worker enters the balances of her accounts and the vehicle. [Because of the disqualification](#), 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 ~~\$2,500~~[\\$2,750](#).

Example: Paul was disqualified after winning at a card room and spent all his winnings on back rent. When Paul reapplies he has 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. [Eight months later](#), Paul is fired from the job 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. When someone who is disqualified for lottery/gambling winnings is later added to an active food AU, the household is no longer Categorical Eligible \(CE\). \[Note: the disqualification will show in ACES on the Sanctions page.\] To re-qualify, the](#)

household must have income under 130% FPL and resources under the applicable resource standard.

b.c. Consider a household CE again if the AU reapplying has a different household composition than the AU that received the substantial win. disqualified individual is no longer part of the household.

Example: While receiving Basic Food, Ariana wins \$20,000 from the lottery. Ariana calls to report the win by the 10th of the following month and is disqualified. Ariana reapplies effective the first of the following month and is denied because she is over the resource limit using non-CE rules.

Ariana then marries Demi. Demi is receiving Basic Food (the couple lives together). Demi calls to report the marriage and add Ariana to her case. Due to Ariana's lottery/gambling disqualification the household must meet non-CE eligibility during the add person case action. Demi's case is terminated as Ariana's liquid resources are over the resource limit and Ariana is a mandatory household member.

After the case action to terminate benefits and apply the sanction, Demi and Ariana could reapply and have eligibility determined using CE rules.

Example: Tom and Jerry receive Basic Food. Tom wins \$6,000 on a scratch ticket. Tom reports the win and the case is closed 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.

Example: Milda receives Basic Food for herself. On 03/25 Milda receives a lottery winning of \$50,000. On 04/04 Milda gives birth to Tallulah. On 04/10 Milda calls to report both her lottery winning and the birth of her daughter. During the add-a-person case action, the lottery winnings are entered and Milda is disqualified.

After the disqualification was committed, Milda could reapply for Basic Food with an effective date of 05/01. Milda and Tallulah could then be approved under CE rules as the household composition of the previously disqualified AU has changed.

Worker Responsibilities - WAC 388-483-0005

1. Entering the win:

- a. Accept the client's statement of gross winning over the \$3,7504,250 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.
- ~~b. Provide clients with substantial winnings with advance notice of termination, except at MCR, including notice of the lottery/gambling disqualification. Give the client advance notice of the termination of Basic Food.~~

e.b. Advise the client they can reapply if they choose to in the future.

2. Impacts to other programs:

- a. Determine if the information is a reporting requirement for any active cash and medical programs.
- b. Treat reported winnings as indicated in [Lump Sum Cash Assistance and TANF/SFA-Related Medical Assistance in the EAZ Manual for cash programs](#).
- c. Treat reported winnings as indicated in [Resources Overview Worker Responsibilities](#) in the HCA Manual for medical programs.

3. Add a Person: Adding a client with a lottery/gambling disqualification to an existing AU (original AU with the substantial win already closed)

- a. Determine if the client received the winnings as a lump sum (resource) or recurring income and code appropriately.
- b. 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.
- c. When an individual disqualified for a substantial win reapplies in an AU with different household members, manually remove the lottery/gambling disqualification and process the case with standard CE rules.
- d. When members of an AU terminated due to a substantial win reapply without the individual who was disqualified due to the substantial win, process the case with standard CE rules.

3.4. Regaining Eligibility

- a. Accept a new application from the same AU the received the substantial win (a one person household or multiple person household with all of the same household members).
- b. When a disqualified AU has spent all of the winnings prior to the end of the month, they must still reapply and have their eligibility re-determined.
- c. 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.
- d. Determine if the client received the winnings as a lump sum (resource) or recurring income and code appropriately.

e. [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 \(e.g. checking, savings balance\)](#)

~~1-2.~~ [Request verification of the use of the winnings only when questionable.](#)

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

Example: Candice reports her ~~\$4,000~~[\\$5,000](#) 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~~[\\$2,500](#) per month. They come back to reapply for Basic Food. Upon application, the worker enters ~~both vehicles totaling a value of \$5,000~~[the new vehicle](#), verifies the amount remaining in their checking/savings as \$150, and enters their earned income totaling ~~\$2,000~~[\\$2,500](#). The household is denied, ~~using non-CE rules, as their earned income is over the 130% FPL for their family size and over income as their resources (i.e. vehicles and checking/savings) are over the \$2,500 limit for Basic Food.~~ ~~and earned income is over the 130% FPL for their family size.~~