

Department of Social and Health Services

Olympia, Washington

EAZ Manual

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Category	How Resources Count
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Summary

Clarifying how Working Families Tax Credit will be treated for purposes of cash and food assistance eligibility.

How Resources Count

Revised January 26, 2023

Purpose:

WAC 388-470-0045 How do my resources count toward the resource limits for cash assistance?

- **Clarifying Information and Worker Responsibilities**

WAC 388-470-0055 How do my resources count toward the resource limits for Basic Food?

- **Clarifying Information**

Clarifying Information - WAC 388-470-0045

Applicants and recipients of cash benefits can have up to \$6,000 liquid resources.

Some examples of liquid resources for cash assistance programs are:

1. Cash on hand;
2. Money in checking and savings accounts;
3. Money market accounts or certificates for deposit (CD) less any withdrawal penalty;
4. Available retirement funds or pension benefits less any withdrawal penalty;
5. Stocks, bonds, annuities, or mutual funds less any early withdrawal penalty;
6. Available trusts or trust accounts;
7. Lump sum payments.

Some examples of excluded resources for cash assistance programs are:

1. Personal property of great sentimental value;
2. Bona fide loans, including student loans;
3. Benefits from the Basic Food Program;
4. Income tax returns or eEarned income tax eCredit (EITC) for up to twelve months;
- 4.5. Working Families Tax Credit (WFTC)
- 5.6. One burial plot for each AU member;
- 6.7. The income and resources of an SSI recipient; and
- 7.8. Real property that is:
 - a. Your home and surrounding property;
 - b. Indian lands held jointly with a tribe; and
 - c. Property that you are trying to sell, intend to build a home on, or produces income consistent with it's fair market value.
- 8.9. A trust fund when:
 - . A household member can't revoke the trust or change the beneficiary;
 - a. The trustee administering the funds isn't under the direction of a household member or is appointed by the court with court-imposed limitations on the use of the funds;
 - b. The funds are used solely to make investments on behalf of the trust or pay for medical or educational expenses for a specific household member; and
 - c. The investments made on behalf of the trust don't directly involve or assist any business or corporation under the control, direction, or influence of a household member.

- d. The applicant/recipient must petition the court to release part or all of a resource, including funds in blocked accounts or trusts. Review the status at each recertification/eligibility review.

9.10. Real Property

- . Public rights of way, such as roads that run through the surrounding property and separate it from the home, won't affect the exemption of the property.
 - a. Definition of a "good faith effort to sell" real property:
 - i. Listing the property with a real estate company;
 - ii. Actively showing the property;
 - iii. Placing signs on the property and ads in the newspaper; and
 - iv. Asking a price that is at or under fair market value (FMV).

Real and Personal Property Used for Self-Employment

1. For cash assistance, real and personal property used for self-employment are excluded if:
 - a. The property is necessary to restore the independence or will aid in rehabilitating the applicant/recipient or their dependents; and
 - b. The applicant/recipient has an approved self-employment plan; and
 - c. For WorkFirst participants, the self-employment enterprise is a component of the participant's approved Individual Responsibility Plan (IRP).
2. Examples of real or personal property used in a self-employment business include:
 - . Farm Land;
 - a. Farm Machinery;
 - b. Livestock;
 - c. Business Equipment; and
 - d. Business Inventory.
3. For non-WorkFirst participants, an approved self-employment plan must include:
 - . A time frame that the applicant/recipients business will produce enough income to reduce the assistance unit's need for cash assistance;
 - a. A requirement for the applicant/recipient to give the department adequate verification to verify the business' assets and expenses on a monthly basis. See: [Income - C. - Special Income Types](#); and
 - b. A statement of understanding between the applicant/recipient and the department that the real and personal property of the business will be excluded as long as there is an agreed plan.

Note: If the applicant/recipient doesn't sign an agreed plan, the value of all real and personal property of the business will count toward the assistance unit's resource limit.

Clarifying Information - WAC 388-470-0055

1. Trusts and trust accounts:

A trust fund is considered unavailable for Basic Food when:

- a. A household member cannot revoke the trust or change the beneficiary;
 - b. The trustee administering the funds is not under the direction of a household member or is appointed by the court with court-imposed limitations on the use of the funds;
 - c. The funds are used solely to make investments on behalf of the trust or pay for medical or educational expenses for a specific household member; and
 - d. The investments made on behalf of the trust do not directly involve or assist any business or corporation under the control, direction, or influence of a household member.
 - e. The client must petition the court to release part or all of a resource, including funds in blocked accounts or trusts. Review the status at each recertification/eligibility review.

2. Real Property

3. Public rights of way, such as roads that run through the surrounding property and separate it from the home, will not affect the exemption of the property.

4. Definition of a “good faith effort to sell” real property:

- . Listing the property with a real estate company;
 - a. Actively showing the property;
 - b. Placing signs on the property and ads in the newspaper; and
 - c. Asking a price that is at or under fair market value (FMV).
- We do not count livestock as a resource if they are essential for self-employment. We also exclude them if they are raised as pets or used for food.
- Retirement Accounts / Pension Plans:

Retirement funds, pension plans, and retirement accounts are excluded as a resource for Basic Food. These retain their exclusion regardless of the client’s employment status. Below are some examples of retirement funds or pension plans that we exclude for Basic Food:

1. Individual Retirement Accounts including SEP IRAs;
2. Keogh plans;
3. Federal Employee Thrift Savings plans;

4. 401(a) and 401 (k) plans (generally a cash-or-deferred arrangement that is limited to profit-making firms);
 5. 403(a) and 403(b) plans (tax-sheltered annuities provided for employees of tax-exempt organizations and State and local educational organizations);
 6. 408 and 408(a) plans (Roth IRAs);
 7. 457 plans (plans for State and local governments and other tax-exempt organizations); and
 8. Section 501(c)(18) plans (retirement plans for union members consisting of employee contributions to certain trust that must have been established before June 1959).
- Education Accounts:

Funds in an education account or plan under section 529 and 530 of the Internal Revenue Code are exempt for Basic Food. 529 plans are often referred to as prepaid tuition or college savings plans. A 530 plan is known as a Coverdell Education Savings Account and used to be called an Education IRA.
 - Some examples of lump sums for Basic Food are:
 1. Insurance settlements;
 2. Income tax refunds or rebates;
 3. Refunds of cleaning, damage, security, or utility deposits;
 4. VA Disability Pension annual adjustment payment; and
 5. Business and personal loans. We count the "payoff amount" that the bank or other financial institution wants to satisfy the loan.
 - For Basic Food, all loans, except educational loans, are considered countable resources. This also includes:
 1. Cash withdrawn from a credit card account; and
 2. The available portion of secured credit cards. To determine the available portion:
 - a. Determine that the client can actually access the funds by canceling the credit card; and
 - b. Subtract any amount owed to the credit card company for purchases.