

## MLRI information: SNAP overpayments and collections

### SNAP overpayments occur in three ways:

1. **Agency Error (AE).** DTA made a mistake that caused client to get incorrect amount of SNAP.
2. **Recipient Error (UPV).** Unintentional client mistakes, such as confusion over rules or when to report changes.
3. **Recipient Fraud (IPV).** Willful misreporting/withholding of information in order to get SNAP. Administrative Disqualification Hearing required.

Federal SNAP law requires states to address overpayments by collecting them or writing them off. When states collect on overpayments, federal SNAP law allows them to keep 0% of money from agency errors, 20% from UPVs and 35% of money from IPVs.

**Federal law is clear about how states are allowed to collect on overpayments.** States collect overpayments from current SNAP recipients by taking 10% or \$10 of their monthly benefit, whichever is higher (20% or \$20 for fraud overpayments). Collecting from active SNAP cases accounted for about 40% of the money DTA collected in FY 2015. SNAP is already woefully low for most households, so any reduction is often a hardship.

States can collect overpayments from former recipients in 2 core ways – through a repayment plan (client sends money to DTA) or, more often, through the federal Treasury Offset Program (TOP). TOP most often involves intercepting federal tax refunds or Social Security (up to 15%, not below \$750/mo). About 45% of the money DTA collected from overpayments in FY 2015 was intercepted through TOP. Because of the amount of money intercepted, TOP recovery can be catastrophic for low income households. DTA cannot intercept SSI.

**Reducing or dropping overpayments:** Federal SNAP law gives states the discretion to reduce or drop (entirely waive) overpayments. States can reduce or drop claims where there is economic hardship or collection defeats the purpose of the program. DTA has the following policies for Agency Errors:

- For active cases where all household members are 67 or older: Waive 100% of the AE
- For active cases where household members are below 67: Waive 50% of the AE (decrease by half)

DTA does not currently have a policy to reduce non-Agency Error claims.

**DTA pursues all overpayments - agency error, recipient error, and fraud cases – that are over a certain amount.** DTA will not create an overpayment if the claim is for less than \$600 for an AE case, or less than \$125 for a UPV or IPV. DTA will also not pursue AE or UPV overpayments that happened over a year before DTA realized there was an overpayment.

### Resources and more information:

1. State SNAP regulations [106 CMR 367](#) and federal SNAP regulations [7 CFR 273.18](#). In some areas federal SNAP law is more expansive or explicit than state regulations.
2. MLRI SNAP Advocacy Guide Questions 113 to 121.
3. Contact Vicky Negus or Pat Baker with questions: [vnegus@mlri.org](mailto:vnegus@mlri.org), [pbaker@mlri.org](mailto:pbaker@mlri.org)