What Are SUBSTANTIAL GAMBLING/LOTTERY WINNINGS?

It is a CASH PRIZE won in a single game before taxes or other amounts are withheld that is EQUAL TO OR GREATER than the resource limit for elderly and persons with disabilities.

1 RECORD/1 PLAY

CBMS will only discontinue for Lottery or Gambling Winnings if the winnings are SUBSTANTIAl. Normal income rules still apply to income that is too low to trigger the new rule.

Food Assistance WILL TERMINATE
- If there is one CBMS Unearned Income record that meets the definition of substantial lottery or gambling winnings and;
- Send Notice of Adverse Action (NOAA) to the household.

NEW Unearned Income Type

The user will enter the amount of winnings (ONLY CASH) on the unearned income screen, under the new “Gambling/Lottery” type. Substantial Lottery or Gambling Winnings will be counted as unearned income in the month received.

$3,500 (subject to change on COLA updates)

When the user enters a Gambling/Lottery record that is EQUAL OR GREATER than $3,500, regardless of the source of verification (including client statement), Food Assistance benefits will be TERMINATED due to “Substantial Lottery or Gambling Winnings.”

Timely noticing and 21-day Adverse Action applies.

SHAREd CASH PRIZES

If multiple individuals shared in the purchase of a ticket, hand, or similar bet, then ONLY the portion of the cash prize allocated to the client of the Food Assistance household would be counted in the eligibility determination.

Take for example Phil, he currently receives Food Assistance benefits. He and his mother bought a “Scratch and Win”. They won a grand total of $6,000. Phil got $3,000. Phil’s Food Assistance benefits will NOT be terminated because HIS portion of the cash prize is LESS than the Elderly/Disabled resource limit.
MORE EXAMPLES

On 05/20/2020 Chris reported timely that he won $4,000 playing pool. One day he won $3,000 cash. Later in that same week he won $1,000 cash. The technician enters 2 unearned income records of Gambling/Lottery winnings: one for $3,000 and the other one for $1,000.

Chris’ household WILL NOT be terminated for Food Assistance benefits because BOTH records total LESS than the current Elderly/Disabled resource limit.

On 05/29/2020, Desiree reported that she placed a bet with her friends on a bowling game back in 01/15/2020. She won $4,500. The technician entered one unearned income record of Gambling/Lottery winning of $4,500 dated 01/15/2020.

Because the Gambling/Lottery winnings are OVER the current Elderly/Disabled resource limit, Desiree’s household WILL BE terminated from FA beginning 07/2020, due to timely noticing. Termination NOAA will be triggered, and a 21-Day Adverse Action will apply.

Last month, Lori went to play Bingo several times. In two separate occasions, she won a cash prize: the first time she won $3,500 and the second time she won $1,500. She immediately reported her Gambling/Lottery winnings. The technician entered 2 unearned income records for each prize that Lori won.

Lori’s household WILL BE terminated for Food Assistance benefits because ONE of the Gambling/Lottery records is EQUAL to the Elderly/Disabled resource limit.

A few days ago, William won a TV valued at $4,275. Even though the value of the TV is OVER the Elderly/Disabled resource limit, this TV WON’T COUNT as “Substantial Lottery or Gambling Winnings” because it is NOT a cash prize.