



Department of Human Resources  
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## FIA INFORMATION MEMO

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**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES  
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT  
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF**

**FROM: CHARLES E. HENRY, EXECUTIVE DIRECTOR**

**RE: EXCLUDED RESOURCES – RETIREMENT/PENSION PLANS**

**PROGRAM AFFECTED: FOOD STAMPS AND TEMPORARY CASH ASSISTANCE**

**ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS**

This information memo answers recent policy questions about whether to count various pension and retirement plans as a resource. In general, the cash value of most pension plans is not a resource, although there are certain exceptions.

The following is a list of the most common plans that are excluded resources/assets for TCA or food stamp eligibility:

- 457 Plans – plans for State and local governments and other tax exempt organizations;
- 401(k) plans – generally a cash or deferred payment arrangement, usually limited to profit making businesses;
- Federal employee Thrift Savings plan;
- Section 403(b) plans – tax sheltered annuities provided for employees of tax-exempt organizations and State and local educational organizations;
- Section 501(c)(18) plans – retirement plans for union members where employee contributions are made to certain trusts that must have been established before June 1959; and
- Keogh plans that involve a contractual obligation with someone who is not a household member.

The following retirement plans are counted as resources:

- Keogh-individual plans for self employed people that involve no contractual obligation with anyone who is not a household member;
- Individual Retirement Accounts (IRAs); and
- Simplified Employer Pension Plans (SEPs) – considered IRAs by banks and the IRS.

Count these plans as a resource when calculating a household's TCA and FS eligibility even if the customer having the account has to pay a penalty for early withdrawal of funds. Use the full amount of the cash value minus the penalty amount to determine the countable amount.

Rolling the cash value of an excluded resource into an IRA causes the cash value to become a countable resource.

### **INQUIRIES**

For food stamp policy inquiries please contact Marilyn Lorenzo at 410-767-7333. For TCA policy inquiries, contact Jo-Ann Showalter 410-767-7956.

cc: DHR Executive Staff  
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RESI