

How DSHS Treats Lump Sum Payments

What is a lump sum payment?

A lump sum payment is any money you receive that you do not expect to receive on a regular basis. It could be a settlement from a court case, an insurance claim, or a retroactive payment of benefits you are owed (such as from Social Security or L&I).

If I am receiving cash, food, or medical assistance, do I have to report receipt of a lump sum payment to DSHS?

Yes. You must report the receipt of the money by the tenth day of the following month. For example, you receive a \$5,000 settlement on May 20th. You must report it to DSHS by June 10th.

How will receipt of a lump sum affect my assistance?

That depends on what kind of assistance you are receiving and what kind of lump sum payment you receive.

For food assistance, a lump sum payment for a previous period counts as a resource. A lump sum for current or future months counts as income.

For cash and family medical, a lump sum payment is counted as a resource if it was awarded for wrongful death, personal injury, damage or loss of property. A lump sum received for any other reason is counted as income.

But for cash and family medical, if the lump sum is to replace lost, stolen or damaged property or to pay medical bills, the funds are not counted as income or resources for 60 days. The 60-day period starts the month after you receive the payment. Money left over after the 60 days is treated as a resource. As a TANF recipient, you may have up to \$3,000 in a savings account, a home, household furnishings, and a vehicle worth up to \$5,000 (the entire value of one vehicle is excluded if it is used to transport a physically disabled member of your household). These are “exempt resources”. You can still be eligible for TANF if your assets that are not exempt do not exceed \$1,000 in value.

◆ Important Note: Only a TANF recipient may have up to \$3,000 in savings. This exemption does not apply to an applicant for TANF.

Can I still get medical assistance, even if receiving a lump sum makes me ineligible for cash and food assistance?

Possibly—some medical programs have no resource limits and some have higher income limits than TANF does. Depending on your individual situation, you and your family may qualify for other medical assistance. You should be sure to ask that you be considered for all available medical programs.

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