

## **USDA Discrimination Financial Assistance Awards and Public Benefits**

The information below is for the farmers and ranchers who applied for and received a one-time, lump-sum payment/award from the United States Department of Agriculture (USDA) under the USDA Discrimination Financial Assistance Program (DFAP). DFAP was created to address the consequences of prior discrimination by USDA in USDA farm lending. This general information will help people who receive these USDA awards understand the potential impact of that money on other public benefits.

**THE USDA AWARD MAY AFFECT YOUR ELIGIBILITY FOR PUBLIC BENEFITS. EVERYONE'S SITUATION IS DIFFERENT. BE SURE TO CONSULT AN ATTORNEY OR ADVOCATE KNOWLEDGEABLE IN YOUR STATE FOR SPECIFIC ADVICE. See below for a list of resources.**

### **1. Which public benefits ARE NOT affected by the USDA DFAP award I receive?**

Your USDA DFAP award will not affect your eligibility for public benefits that have no income or asset tests. Most Medicare plans and Social Security (with the exception of Supplemental Security Income benefits) have no income or asset tests. DFAP awards will not affect most people on Medicare or receiving Social Security disability or retirement benefits.

In Illinois, a DFAP award will affect almost no SNAP recipients. If you also receive other public benefits, keep reading to learn if those benefits may be affected by your DFAP award.

### **2. Which benefits MAY BE affected by the USDA DFAP award?**

USDA DFAP awards *may* affect any benefits you receive that are based on your household income or assets. These include benefits such as Supplemental Security Income (SSI), Medicaid, VA Pension Benefits, and housing subsidies (e.g. Section 8 or other rent below market value).

### **3. What is income?**

Unless a particular program exempts a kind of payment, any money a person receives in a month is considered income for that month. After the month the money is received, remaining money is usually considered a resource. For some programs your DFAP award is considered income.

### **4. What is an asset or resource?**

Any cash, including money in the bank, and some property that can be converted to cash, if the person is not legally restricted from using it. Your home and one car along with household goods and personal items do not count as assets or resources. Your DFAP award will generally be counted as a resource to the extent that you have any left in the month after the month you receive it.

This is true even if you receive the money at the very end of a month: if you get a DFAP award on August 31, it is a resource to the extent any is left on September 1.

### **5. Do I need to report the DFAP award to anyone?**

Yes. If you receive benefits based on having limited income or assets you should report the amount of the USDA DFAP award. You should report to Social security if you receive SSI benefits, and to the Illinois Department of Human Services. Contact the Illinois Department of Human services at: 1-800-843-6154 · 1-866-324-5553 TTY or access your own benefits case through Manage My Case at <https://abe.illinois.gov/abe/access/>. If you do not report the award, you may have to pay back benefits or face other penalties.

In addition, the USDA DFAP is taxable income, so you must include it in your 2024 annual tax return. See <https://extension.usu.edu/ruraltax/dfap> for more details.

### **6. Where can I find out more about specific benefits?**

#### **Social Security Retirement**

The USDA DFAP award does not affect Social Security retirement benefits.

#### **Social Security Disability Insurance (SSDI)**

The USDA DFAP award does not affect SSDI payments.

#### **Basic Medicare: (including Medicare Advantage)**

The USDA DFAP award does not affect Basic Medicare or Medicare Advantage eligibility or benefits. But Medicare premium assistance through Medicare Part B and drug coverage through Medicare Part D may be affected by your income.

#### **Supplemental Security Income (SSI)**

A USDA DFAP award may affect SSI benefits. SSI is paid by the Social Security Administration to older adults and persons with a disability who have limited income and assets and limited work history. If you get SSI benefits, and the DFAP award pushes your assets above the applicable limit (\$2,000 for an individual, \$3,000 for a couple, and \$5,000 for a couple with a child on SSI). If you have more resources than allowed, you will lose your SSI.

You can avoid becoming ineligible for SSI if you spend the DFAP award on allowable expenses. **DO NOT GIVE THE MONEY AWAY.** More information about the impact of the USDA DFAP award on SSI benefits is coming soon.

#### **Medicaid**

The USDA DFAP awards may affect Medicaid benefits. Medicaid provides health coverage, including help paying Medicare premiums, for people who have limited income. Some people have both Medicare and Medicaid coverage. Most people who get an SSI check also get Medicaid.

Medicaid has income limits and the USDA DFAP award will be counted as income for Medicaid. Medicaid also has asset limits for those who are disabled and receiving Social Security Disability or SSI benefits or are over age 65. If a DFAP award pushes your assets above the applicable limit, you can avoid becoming ineligible for Medicaid by spending the DFAP award on allowable expenses. **DO NOT GIVE THE MONEY AWAY.** Medicaid rules differ by state. More information about the impact of the USDA DFAP award on Medicaid benefits in Illinois click [here](#).

We recommend you reach out for free legal help (see below) if you are 65 or older, receive Social Security Disability or SSI benefits, or are (or have) a spouse living in a nursing home that Medicaid is paying for, because the income and asset rules for these programs are complex and failing to know them could result in your benefits ending or you owing money to the benefits agency.

### **Supplemental Nutrition Assistance Program (SNAP, EBT or Food Stamps)**

The USDA DFAP award may affect SNAP benefits, but only for a very small number of people in Illinois. See [link](#). Most Illinoisans receiving a DFAP award who also have SNAP will not see their SNAP benefits impacted by the award at all.

#### **7. Where can I get more information or help related to how the USDA DFAP award affects my benefits?**

You can call the Legal Council for Health Justice at (312) 427-8990 for free advice on any benefits issue.

- You can also look up a local Legal Aid agency at <https://www.lsc.gov/about-lsc/what-legal-aid/i-need-legal-help> and if you meet their income limits, they can also give you free advice.

For questions about the USDA DFAP award itself call the USDA DFAP Call Center at 1-800-721-0970.