Insight

PRIMER: The Supplemental Nutrition Assistance Program

JOHN WALKER | MAY 14, 2025

- Since 1964, the federal government has administered a food support program – originally known as the Food Stamps Program but now known as the Supplemental Nutrition Assistance Program (SNAP) – which assists households making below 130 percent of the federal poverty level by providing them with food assistance.
- In 2024, SNAP provided food assistance to more than 41.7 million people or roughly one in eight Americans, with the highest proportion of benefits going to rural households with at least one senior or child.
- This primer discusses the function and design of the SNAP program, its eligibility requirements, and its waiver and authorization process.

Introduction

The federal government has administered a food support program – originally known as the Food Stamps Program – since the 1960s. Now known as the Supplemental Nutrition Assistance Program (SNAP), it has assisted low-income households (making below 130 percent of the poverty level, or FPL) by providing them with food assistance. In 2024, this program provided food assistance to more than 41.7 million people, or roughly one in eight Americans, with the highest proportion of benefits going to rural households with at least one senior or child resident. As with Medicaid, the federal government oversees SNAP program governance and financing, while state agencies manage the day-to-day administration of the program, including screening eligibility, issuing benefits, and ensuring program integrity. This primer discusses the function and design of the SNAP program, its eligibility requirements, and its waiver and authorization process.

Financial Eligibility Requirements

To qualify for SNAP benefits, households generally must meet both a gross and net income limit. While the SNAP program is primarily designed for families, the elderly, and those with disabilities, it can also be used to support populations that may be in transition. For example, non-working able-bodied adults without dependents (ABAWD) are also able to qualify for three months of SNAP within a 36-month period. Once the three-month period elapses, ABAWDs must gain employment, or be removed from the program. While these requirements apply to most SNAP recipients, certain special rules allow specific recipients to qualify through other means. One such rule allows any household with an elderly or disabled person to void the gross monthly income requirements, requiring them only to meet the net income limit.

On top of these enrollee-specific requirements, states also conduct yearly or semi-yearly recertifications to ensure households continue to meet eligibility requirements (elderly and disabled households with no earned income are only required to recertify once every two years). If a state identifies that a household's gross or net income exceeds program requirements during a recertification, that household is then removed from the SNAP program.

Ineligible Populations

While SNAP determines an enrollee's eligibility primarily based on their finances, income is not the only consideration. The federal government also deems certain populations as ineligible due to other non-income-based factors. These ineligible populations include non-citizens, fleeing or parole-violating felons, enrollees who are unable or refuse to provide personal identification documentation, non-working ABAWDs who exceed the three-month period, those convicted of drug-related felonies, and college students. Similarly to SNAP eligibility requirements, some states also have special rules that allow certain college students, those convicted of drug-related felonies, and non-working ABAWD to waive their ineligibility.

Additionally, when a SNAP-qualifying enrollee's income exceeds the state's net and/or gross income limits, that enrollee is required to report the change no later than 10 days from the end of the month in which the income increase occurred. Once this new income is reported, enrollees' benefits are then reduced or ended, depending on the level of the enrollee's new income.

The SNAP Formula

To calculate SNAP's net and gross eligibility requirements and actual benefit allotment, the federal government created formulas for states to employ. While states can opt to alter the

implementation of certain requirements or components (more on that below), these formulas and their accompanying deductions – which are described in federal law – are the foundation of SNAP eligibility and benefit calculations:

- Gross Income (GI) Test: GI ≤ 130 percent of FPL
- Net Income (NI): NI = GI – SD – EI – CD – ME – CS – S
    - *Standard deduction (SD)* – accounts for basic living costs (and is pre-set based on the number of people in a family unit).
    - *Earned income (EI)* – accounts for work-related expenses, while also acting as a work incentive by allowing enrollees to qualify for a larger deduction if they are employed, calculated as (earned income x 20 percent).
    - *Dependent care deduction (CD)* – accounts for out-of-pocket childcare or other dependent care expenses that are necessary for a household member to work or participate in education or training.
    - *Medical expense (ME)* – accounts for all non-insurance covered medical expenses over $35 (if elderly/disabled).
    - *Child support paid (CS)* – accounts for any legally obligated child support a household must pay.
    - *Shelter deduction (S)* – accounts for housing costs, calculated as (rent + utilities – 50 percent of income after deduction)
- Net income test: NI ≤ 100 percent of FPL
- Snap benefit allotment (SB): SB = MA – X
    - MA = Maximum allotment
    - X = (Net income x 30 percent)

Household size	Gross monthly income (130 percent of FPL)	Net monthly income (100 percent of FPL)
1	$1,632	$1,255
2	$2,215	$1,704
3	$2,798	$2,152
4	$3,380	$2,600
5	$3,963	$3,049

6	$4,546	$3,497
7	$5,129	$3,945
8	$5,712	$4,394
Each Additional Member	+$583	+$449

To illustrate how the formula above works, consider the example of a household of three earning a yearly gross income slightly below the FPL at . Assuming no one in the household falls within an automatically ineligible population, this household would pass the gross income check because its monthly gross income is below 130 percent of the FPL at $2,798 per month. After applying a standard deduction of $204 (standardized for a household of three), an earned income deduction of $559.60, a shelter deduction of $520.20 (assuming the household's cost of rent and utilities is $800), a medical deduction of $75, and a dependent care deduction of $100, this household's net monthly income is $1,339.20, well below the net income requirement. Considering this household would pass all income eligibility checks, they would be allotted $366.24 per month in electronic benefit transfer (EBT) payments.

Other SNAP Eligibility Pathways

In some states, if all members of a household already qualify for one means-tested program – e.g., temporary assistance for needy families (TANF), supplemental security income, or other state general assistance – a household can be deemed as "categorically eligible" for SNAP. While categorical eligibility automatically applies to any enrolled household that already is receiving assistance from other means-tested programs, it's important to note that a household must actively choose to enroll in SNAP to act upon this eligibility. Categorical eligibility also does not allow a state to mass-enroll every household that qualifies under a means-tested program.

States can increase their individual SNAP state-level income requirements by adopting the broad-based categorical eligibility (BBCE) rule. Currently, 44 states use BBCE and tie their SNAP income and resource limits to their respective state TANF-funded program income limits. While these limits comply with federal ceilings, states have significant leeway to raise or reduce TANF income requirements to best reflect their populations. As a result, the details of one state's financial eligibility requirement for TANF can differ vastly from another. For example, while Alabama may opt to remove outright any gross income limit and only limit the net eligibility (after deducting 30 percent of work and childcare expenses

from income) required to qualify for TANF to $344 per month for a family of three, Tennessee uses both gross and net income limits and allows a similar family of three to earn as much as $2,866 per month and continue to qualify for TANF assistance. As shown in this example, while vastly different in the details of their TANF requirements, both Alabama and Tennessee meet federal standards, and as TANF eligibility is directly tied to SNAP eligibility, both states meet federal SNAP requirements – and provide SNAP benefits to enrollee's who qualify at the given level – while using very different eligibility requirements.

How Can EBT Be Used?

As outlined in the Food Stamp Act of 1964 – the precursor to SNAP – EBT payments can be used to purchase a variety of fresh and packaged foods from qualifying grocery stores, so long as it is not sold hot at the point of sale. Federal law also prohibits beneficiaries from using EBT to purchase alcohol, tobacco, or food prepared to be eaten right away (this extends to any food other than cold prepared items intended to be prepared and consumed at home). Not only does SNAP regulate what enrollees can use EBT to purchase, but the Food and Nutrition Services (FNS) also authorizes which stores can accept EBT. To receive approval to accept EBT, stores must register with FNS and meet one of two requirements (generally based on the type and volume of food sales). Below is a table showing the most common categories of stores approved to accept EBT, their percentage of the total EBT-approved stores, and their share of total yearly EBT redemptions (based on 2021 data).

Store Category	Total EBT market share	Number of Stores	Share of EBT redemptions	Redemption Dollar Value
Convenience stores	44.24%	112,529	5%	$6,382,363,373
Supermarket, superstore, and grocery store	19.74%	50,229	82.17%	$ 103,143,145,053
Farmers market	1.17%	2,984	0.03%	$33,594,519
Other	34.32%	88,608	17.3%	$15,965,828,917

SNAP Waivers

While the federal government regulates the overall function of the SNAP program, states have some ability to customize certain aspects of its administration and eligibility through state waivers, once approved by FNS.

- **Administrative waiver** – As outlined in SNAP regulations, FNS has the authority to waive specific regulatory provisions at the request of state agencies if:

(1) the specific provision cannot be implemented due to extraordinary, temporary situations; (2) FNS determines the waiver would result in a more effective and efficient administration of the program; or (3) unique geographic or climatic conditions within a State preclude effective implementation of the specific regulatory provision and require an alternate procedure.

This waiver is the most common type of SNAP waiver requested by states and processed through FNS. For example, Arkansas and Indiana recently requested waivers to add soda and candy to their EBT-ineligible product lists.

- **Demonstration project waiver** – FNS has the authority to approve state demonstration projects. These projects are designed as "pilot[s] or experimental projects that waive requirements of the Food and Nutrition Act of 2008 and SNAP regulations to test program changes to increase efficiency and improve the delivery of benefits to eligible households." All approved demonstration projects must remain cost neutral and include an evaluation and monitoring component. One example of this waiver was Iowa's SUN Buck waiver request in 2024 to implement a summer feeding demonstration project designed to address summer food insecurity.
- **ABAWD Waiver** – Per federal law, any SNAP recipient identified as a non-working ABAWD is capped at receiving a maximum of only three months of EBT payments within a 36-month period. States can file an ABAWD waiver to extend this capped period if they can demonstrate that the location for the request waiver experiences consistently high unemployment or a lack of available jobs.
- **D-SNAP Waiver** – Under the authority granted by the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the secretary of the Department of Agriculture may operate the Disaster Supplemental Nutrition Assistance Program (D-SNAP) in specific areas that have received a presidential major disaster declaration. D-SNAP provides one month of benefits to eligible survivors and expedites further SNAP benefits for new households in disaster-affected areas that have experienced at least one disaster-related expense, such as home or business repairs, temporary shelter, evacuation or relocation costs, food loss due to flooding or power outages, or reduced, delayed, or terminated income caused by the disaster. Additionally, the Food and Nutrition Act of 2008 authorizes the secretary of Agriculture to establish temporary emergency eligibility standards for surviving households once commercial food distribution channels are restored. These channels are considered restored when

grocery stores are open and operational, supply chains are intact, and banking and electronic payment systems are functional.

Conclusion

SNAP is a federally funded, state-administered assistance program created to support low-income households by providing them with monthly resources for qualifying food purchases. One out of every eight Americans is covered by SNAP, accounting for 41.7 million total participants and $112.8 billion in total expenditures for fiscal year 2023. Families are allotted EBT amounts based on a statutory formula, and states may tweak their programs to best fit their respective populations.