



Food and Nutrition Service
1320 Braddock Place
Alexandria VA, 22314

DATE: March 12, 2021
SUBJECT: Supplemental Nutrition Assistance Program (SNAP) – SNAP Provisions in the American Rescue Plan Act of 2021
TO: All SNAP State Agencies
All Regions

On March 11, 2021, President Joseph R. Biden signed into law the American Rescue Plan Act of 2021 (the Act). Enclosed is an implementation memorandum describing the provisions of the Act that affect Supplemental Nutrition Assistance Program (SNAP).

Regional Offices should ensure that their States are apprised of these changes and should keep the National Office informed with progress concerning the implementation of these provisions.

State agencies with questions regarding these adjustments should contact their respective Regional Office representatives. Regional Office staff with questions should contact the appropriate person listed on the chart below.

Section	Title	Contact
Sec. 1101(a); 1103; 9011; 9013; 9016; 9601; 9611	Sasha Gersten-Paal	sasha.gersten-paal@usda.gov
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Enclosure

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The American Rescue Plan Act of 2021 (the Act) was recently signed into law. The Act contains changes that extend the temporary increase to SNAP benefit maximum allotments, allocate new administrative funding, and provide support for SNAP online purchasing. The Act also provides additional funding for the Nutrition Assistance Programs in Puerto Rico, American Samoa, and the Commonwealth of the Northern Mariana Islands.

In addition, the Act includes provisions that may affect SNAP eligibility and benefit allotments, including extended unemployment assistance, additional recovery rebates, and changes to the Child Tax Credit for 2021.

Subtitle B, Nutrition

TITLE I— Committee on Agriculture, Nutrition, and Forestry, Subtitle B—Nutrition

Section 1101(a) – Value of Benefits

This section provides that SNAP benefits will continue to be calculated using 115 percent of the June 2020 value of the Thrifty Food Plan (TFP) through September 30, 2021. This extends the provision enacted in Section 702(a) of the Consolidated Appropriations Act, 2021, which would have expired after June 30, 2021. FNS will reissue the memorandum entitled [SNAP – Temporary Increase in Maximum Allotments due to COVID-19](#), originally issued December 28, 2020, to reflect this change.

Section 1101(b) – SNAP Administrative Expenses

The Act allocates \$1.150 billion for State administrative expenses associated with carrying out Section 1101(b) and administering SNAP established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 20 et seq.). The \$1.150 billion will remain available until September 30, 2023, with amounts to be obligated for each of the fiscal years 2021, 2022, and 2023. The appropriated funds will be distributed as follows: \$15 million shall be for necessary expenses of the Secretary of Agriculture for management and oversight of the program, and \$1.135 billion shall be provided as grants to State agencies for each of the fiscal years.

In each of the fiscal years 2021 and 2022, FNS will allocate \$445 million to State agencies. FNS will allocate \$245 million to State agencies in fiscal year 2023. As required by the Act, for each fiscal year, 75 percent is allocated based on each State's respective share of households that participate in SNAP for the most recent 12-month period for which data are available. The remaining 25 percent is allocated based on the increase in the number of households that participate over the most recent 12-month period for which data are available. These allocations will be adjusted for participation in disaster SNAP programs as specified by the Act. Specific State allocations will be provided under separate cover.

State agencies will need to track the Act's administrative expenditures separately. State agencies will be required to submit a FNS-529, Grant Award Document, as part of the grants award process. State agencies do not have to revise the FNS-366A for the current fiscal year.

Additionally, State agencies should report the Act expenditures on a separate SF-425/778, which FNS will make available within the Food Program Reporting System (FPRS), and should follow normal SNAP administrative expense regulations at 7 CFR 272.2(c). This allows FNS to monitor State administrative costs and the expenditures associated with these funds and properly close the grant award at the end of the period of performance.

Section 1102 – Additional Assistance for SNAP Online Purchasing and Technology Improvements

The Act provides up to \$25 million, through Fiscal Year 2026, for the following:

- Technological improvements for the SNAP online purchasing program;
- Electronic benefit transfer modernization to support mobile payment demonstration projects and the use of mobile technologies as authorized by Section 7(h)(14) of the Food and Nutrition Act of 2008; and
- Technical assistance to educate retailers on the process and technical requirements for the acceptance of SNAP benefits online, mobile payments and electronic benefit transfer modernization initiatives.

Section 1103 – Additional Funding for Nutrition Assistance Programs

This section provides \$1 billion to Puerto Rico, American Samoa and the Commonwealth of the Northern Mariana Islands for nutrition assistance in response to a COVID-19 public health emergency, of which \$30 million shall be available to the Commonwealth of the Northern Mariana Islands. This funding will remain available through September 30, 2027. FNS will work with these territories to revise their plans of operation and memoranda of understanding as necessary to provide these additional funds.

Other Provisions Affecting SNAP

Subtitle A, Crisis Support for Unemployed Workers

Title IX – Committee on Finance, Subtitle A – Crisis Support for Unemployed Workers

Section 9011 – Extension of Pandemic Unemployment Assistance

This provision extends Pandemic Unemployment Assistance (PUA) payments through September 6, 2021. PUA provides unemployment benefits to people who do not otherwise qualify for unemployment compensation and is provided for under Section 2102 of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act; P.L. 116-136), as amended. PUA is considered unearned income for SNAP purposes.

Section 9013 – Extension of Federal Pandemic Unemployment Compensation

This provision extends Federal pandemic unemployment compensation payments (FPUC) by way of additional \$300 payments through September 6, 2021. FPUC provides additional weekly compensation on top of regular unemployment compensation provided by State law. This includes the initial payments of \$600, the additional \$300 payments, and the \$100 Federal mixed earner unemployment compensation payments, all of which are provided for by Section 2104 of the CARES Act, as amended.

The Consolidated Appropriations Act of 2021 (P.L. 116-159) excludes FPUC from consideration as income and from consideration as resources in the month of receipt and the following 9 months for the purposes of determining SNAP eligibility or calculating benefit allotments.

Section 9016 – Extension of Pandemic Emergency Unemployment Compensation

This provision extends Pandemic Emergency Unemployment Compensation (PEUC) through September 6, 2021. PEUC provides additional weeks of unemployment benefits to people who exhaust their regular unemployment compensation and is provided for under Section 2107(g) of the CARES Act, as amended. PEUC is considered unearned income for SNAP purposes.

Subtitle G, Promoting Economic Security

Title IX – Committee on Finance, Subtitle G – Promoting Economic Security

Section 9601 – 2021 Recovery Rebates to Individuals

This provision further amends the Internal Revenue Code to authorize additional \$1400 rebate payments to eligible individuals, including children, similar to those authorized under the CARES Act Section 2201 and the Consolidated Appropriations Act Section 272 and 273. Pursuant to 26 U.S.C. § 6409, these rebates are excluded from consideration as income in the month of receipt and as a resource for 12 months following receipt for SNAP purposes. Receipt of these payments could affect a household's eligibility after 12 months if the payments cause the household to exceed the resource limit.

Section 9611 – Child Tax Credit Improvements for 2021

Section 9611(a) makes the Child Tax Credit fully refundable so that it is available in full to children in families with low or no earnings, increases the maximum credit to \$3,000 per child or \$3,600 for children under the age of six, and extends the credit to 17-year-olds. These changes only apply to calendar year 2021. Section 9611(b) allows the Child Tax Credit to be provided in advance monthly payments. Pursuant to 26 U.S.C. § 6409, the Child Tax Credit, whether received as an annual credit or in the form of advance payments, is excluded from consideration as income in the month of receipt and as a resource for 12 months following receipt for SNAP purposes. A household would not be considered to have exceeded the income limit due to these payments because they are excluded, but receipt of these payments could affect a household's eligibility after 12 months if the payments cause the household to exceed the resource limit.