MEPD and TW Bulletin 26-16

Date: Sept. 16, 2026

To: State and Regional Operations Supervisors and Staff
Program Managers
Regional Directors
Policy Attorneys
Hearings Officers

From: Access and Eligibility Services Program Policy
State Office 2106

Subject:
1. **TANF Maximum Grant Amounts**
2. **FY 27 SNAP Cost of Living Updates**
3. **Lottery and Gambling Winnings**

The information in this bulletin will be included in a future handbook revision. Until the handbook is updated, staff must use the information in this bulletin. If you have any questions regarding the policy information in this bulletin, follow regional procedures.

Active bulletins are posted on the following websites:

- Medicaid for the Elderly and People with Disabilities Handbook (MEPDH) at https://hhs.texas.gov/handbooks/medicaid-elderly-people-disabilities-handbook/mepd-policy-bulletins;
- Texas Works Handbook (TWH) at https://hhs.texas.gov/handbooks/texas-works-handbook/twh-policy-bulletins.

1. TANF Maximum Grants Amounts

Background

State law requires the monthly Temporary Assistance for Needy Families (TANF) maximum grant amounts be adjusted to 17 percent of the current federal poverty level (FPL). Effective Oct. 1, 2026, Texas HHSC revised the annual TANF maximum grant to reflect the FPL increase.

Current Policy

TANF

Staff must use the TANF Budgetary Allowances chart effective Oct. 1, 2025, to determine the maximum grant amount for TANF eligibility determination groups (EDGs). (TWH C-111, Income Limits)

New Policy

TANF

Effective Oct. 1, 2026, staff must use the chart below to determine the maximum grant amount for TANF EDGs. There are no changes in the budgetary or recognizable needs amounts for these eligibility tests.

TANF Maximum Grants (Effective Oct. 1, 2026)

Family Size	Non-caretaker Cases	Caretaker Cases Without Second Parent	Caretaker Cases with Second Parent
1	$132	$162	---
2	$191	$336	$257
3	$267	$388	$425
4	$319	$466	$477
5	$409	$517	$553
6	$442	$595	$606
7	$551	$646	$680
8	$605	$735	$733
9	$694	$788	$822
10	$748	$877	$875
11	$837	$930	$964
12	$890	$1,019	$1,018
13	$979	$1,073	$1,107
14	$1,033	$1,162	$1,160
15	$1,121	$1,215	$1,249

Each additional person	+ $89	+ $89	+ $89

Policy for EDGs Processed After September Mass Update

For the benefit month of:	Use the:
September 2026 or earlier,	**Previous** maximum grant amount.
October 2026 or later,	**Updated** maximum grant amount.

Automation

The eligibility system will update all active TANF EDGs on Sept. 5, 2026. The updated TANF grant amounts are budgeted in the eligibility system for benefit month October 2026 and ongoing. The system converts the benefit amount for TANF EDGs in ongoing status without an override designation and generates a combined Form TF0001, Notice of Case Action, for any SNAP, TANF, or Medical Assistance (MA) EDGs with a benefit change.

Note: An exception report for EDGs not included in the mass update is distributed for staff action. EDGs not updated will receive an explanation of the October cost-of-living adjustment (COLA) on the next Form TF0001 produced for that EDG.

Correspondence

The following language will be included on Form TF0001 for TANF households with an increased allotment:

> *Benefit amounts for many people have changed. This is due to new federal and state laws or rules. Changes go into effect Oct. 1, 2026.*

Handbook

Updates to the MEPDH are not required.

The TWH is currently scheduled to be updated in the October 2026 revision.

Training

Training is not required.

Effective Date

The policy is effective beginning with the October 2026 benefit month.

2. FY 27 SNAP Cost of Living Updates

Background

The allotments, deductions, and income limit amounts for the Supplemental Nutrition Assistance Program (SNAP) are updated as an annual cost-of-living adjustment (COLA) to reflect changes in the federal poverty level (FPL).

Effective Oct. 1, 2026, guidance from the Food and Nutrition Administration (FNA) directs Texas HHSC to revise the following limits and amounts:

- maximum income limits;
- standard deduction;
- maximum excess shelter deduction;
- standard utility allowance (SUA);
- basic utility allowance (BUA);
- telephone standard;
- homeless shelter deduction;
- allotment amounts; and
- change reporting requirements.

Note: The standard medical expense (SME) deduction did not change.

Current Policy

SNAP

Staff must use the SNAP income limits, deductions, and allotment amounts effective Oct. 1, 2025, to determine eligibility for SNAP eligibility determination groups (EDGs). (TWH C-121, Maximum Income Limits; TWH C-121.1, Deduction Amounts; and TWH C-1431, Whole Monthly Allotments by Household Size)

SNAP Allotment Amounts

Add $218 for each additional person to the whole monthly allotment to calculate the monthly allotment for a household with more than 10 people. (TWH C-122, How to Determine Monthly SNAP Allotments)

Reasonably Consistent Threshold

Information from a third-party income database is considered reasonably consistent if the income difference is equal to or less than $125 of the monthly pay amount reported by the household. (TWH A-1370, Verification Requirements)

Change Reporting Requirements

Streamlined and non-streamlined reporting households are required to report lottery or gambling winnings of more than $4,250. Non-streamlined reporting households are required to report changes of more than $125 in gross monthly unearned income. (TWH B-621, What to Report)

New Policy

SNAP

Effective Oct. 1, 2026, staff must use the income limits, deductions, and allotment amounts below to determine eligibility for SNAP EDGs.

Maximum SNAP Income Limits (Effective Oct. 1, 2026)

Household Size	Gross (130%)	Net (100%)	165%**
1	$1,729	$1,330	$2,195
2	$2,345	$1,804	$2,976
3	$2,960	$2,277	$3,757
4	$3,575	$2,750	$4,538
5	$4,191	$3,224	$5,319
6	$4,806	$3,697	$6,100
7	$5,421	$4,170	$6,881
8	$6,037	$4,644	$7,662
9	$6,653	$5,118	$8,443
10	$7,269	$5,592	$9,224
Each additional person	+ $616	+ $474	+ $781

**The figures in the 165% column are used to determine if an elderly person with a disability living with others may claim separate household status even though the person purchases or prepares food with the others. The figures in this column are also the gross income limits for categorically eligible households.

Standard or Maximum Deduction Amounts (Effective Oct. 1, 2026)

Use the following updated deduction amounts:

- Standard Deduction:
  - If household size is three or less — $217
  - If household size is four — $229
  - If household size is five — $268
  - If household size is six or more — $308
- SME Deduction — $170 (minus $35)
- Maximum Excess Shelter Deduction — $769
- SUA — $464
- BUA — $417
- Telephone Standard — $64
- Homeless Shelter Deduction — $205.66

SNAP Allotment Amounts (Effective Oct. 1, 2026)

Add $225 for each additional person to the whole monthly allotment to calculate the monthly allotment for a household with 10 to 17 people. Households with 18 or more people receive a maximum monthly allotment of $3,887. SNAP allotment charts providing the whole monthly allotments by household size are included as an attachment to this bulletin. The minimum monthly SNAP allotment for a one or two-person household is $25.

Reasonably Consistent Threshold (Effective Oct. 1, 2026)

Information from a third-party income database is considered reasonably consistent if the income difference is equal to or less than $150 of the monthly pay amount reported by the household.

Change Reporting Requirements (Effective Oct. 1, 2026)

Streamlined and non-streamlined reporting households are required to report lottery or gambling winnings of more than $4,750. Non-streamlined reporting households are required to report changes of more than $150 in gross monthly unearned income.

Policy for EDGs Processed After September Mass Update

For the benefit month of…	determine eligibility using the…
September 2026 or earlier,	**Previous** income limits, standard deduction amount, maximum excess shelter deduction, SUA and BUA, telephone standard, homeless shelter deduction, allotment amounts, reasonably consistent threshold, and change reporting requirements to determine that month’s benefits.
October 2026 and ongoing,	**Updated** income limits, standard deduction amounts, maximum excess shelter deduction, SUA and BUA, telephone standard, homeless shelter deduction, allotment amounts, reasonably consistent threshold, and change reporting requirements to determine that month's benefits. This includes households applying after Sept. 15, 2026, who meet the combined allotment eligibility criteria. The updated 165% FPL amounts and change reporting requirements are used to notify households of their reporting requirements at

	application, recertification, or incomplete review when the action is disposed on or after Oct. 1, 2026.*

*The eligibility system automatically uses the correct amounts for each month.

Automation

The eligibility system will update all active SNAP EDGs on Sept. 5, 2026. The updated income limits, deductions, and allotments are budgeted in TIERS for benefit month October 2025 and ongoing. The appropriate income limits, deductions, and allotments are automatically applied for each benefit month, whether the benefit month is before or after the October COLA, including combined allotment situations. The system converts the benefit amount for SNAP EDGs in ongoing status without an override designation and generates a combined Form TF0001, Notice of Case Action, for any SNAP, TANF, or Medical Assistance (MA) EDG with a benefit change.

Note: An exception report for EDGs not included in the mass update is distributed for staff action. EDGs not updated will receive an explanation of the October COLA on the next Form TF0001 produced for that EDG.

Correspondence

The following language will be included on the Form TF0001 for SNAP households with an increased or decreased allotment:

> *Benefit amounts for many people have changed. This is due to new federal and state laws or rules. Changes go into effect Oct. 1, 2026.*

Changes to Form H1019, Report of Change, will be implemented Sept. 5, 2026.

Handbook

Updates to the MEPDH are not required.

The TWH is currently scheduled to be updated in the October 2026 revision.

Training

Training is not required.

Effective Date

The policy is effective beginning with the October 2026 benefit month.

Lottery and Gambling Winnings

Background

Federal law requires state agencies to consider lottery and gambling winnings when determining eligibility for certain assistance programs. HHSC is modifying how qualified lottery and gambling payments are counted for Medicaid and CHIP using Modified Adjusted Gross Income (MAGI) methodologies to align with federal statute in 42 U.S.C. § 1396a(e)(14)(K). HHSC is also determining how substantial lottery and gambling winnings are counted for SNAP households, including possible disqualification, to align with federal regulations in 7 CFR 273.11(r).

Current Policy

All Programs

Count the gross amount of winnings as unearned income in the month received, regardless of the frequency of pay. (TWH A-1326.28, Texas Lottery Commission, and MEPDH E-3390, Texas Lottery Commission)

MAGI Medicaid and CHIP

Recipients are required to report changes in income, including sources of income. (TWH B-621, What to Report, and MEPDH C-8000, Responsibility to Provide Information and Report Changes)

SNAP

Streamlined and non-streamlined reporting households are required to report lottery or gambling winnings of more than $4,250. Recipients with substantial lottery winnings are not disqualified. (TWH B-621, and A-232.2, Disqualified Persons)

New Policy

MAGI Medicaid and CHIP

Households must report qualified lottery or gambling winnings of more than $80,000. Qualified lottery and gambling winnings are winnings from sweepstakes, lotteries, betting pools, wagers placed with bookmakers, slot machines, roulette wheels, dice tables, bolita or numbers games, or chance games. Lottery or gambling winnings that do not meet the qualified winnings threshold of $80,000 continue to be treated as income and resources under existing policy. Special budgeting rules apply to qualified lottery and gambling lump-sum winnings that exceed the $80,000 qualified winnings threshold.

Count lump sum or installment winnings for the budget group member who received the winnings. Do not count lump sum or installment winnings as income for any other budget group member. If the winnings cause the Eligibility Determination Group (EDG) to exceed the income limit:

- At application or redetermination, send Form TF0001, Notice of Case Action, to deny the EDG for being over the income limit.

- During the certification period, send Form TF0001 to deny an EDG with non-continuous eligibility. Do not deny an EDG with continuous eligibility.

<u>Special budgeting rule for Installment winnings exceeding $80,000</u>

For installment winnings, count payments as ongoing income in the month received.

<u>Special budgeting rule for Lump Sum winnings exceeding $80,000</u>

Beginning with the month that it is received, apply lump-sum winnings over consecutive months, using the following methodology:

- Count winnings less than $80,000as income in the month received.
- Count winnings between $80,000 and less than $90,000 as income over two months with an equal amount counted in each month.
- Count winnings between $90,000 and less than $100,000 as income over three months with an equal amount counted in each month.
- For each additional $10,000:
  - add one month to the countable period;
  - count the winnings as income; and
  - divide the total winnings into equal amounts over the total period.

For winnings more than $1,260,000, do not count qualified winnings for more than 120 months.

Counting Lottery Winning by Month

Winning Range	Months
$0 - $79,999	1
$80,000 - $90,000	2
$90,000 - $99,999	3
$100,000 - $109,999	4
$110,000 - $119,999	5

Winning Range	Months
$130,000 - $139,999	7
$140,000 - $149,999	8
$150,000 - $159,999	9
$160,000 - $169,999	10
$170,000 - $179,999	11

Winning Range	Months
$190,000 - $199,999	13
$200,000 - $209,999	14
$210,000 - $219,999	15
$220,000 - $229,999	16
$230,000 - $239,999	17

$120,000 - $129,999	6		$180,000 - $189,999	12		$240,000 - $249,999	18

SNAP

Streamlined and non-streamlined reporting households must report substantial lottery or gambling winnings, which means total winnings of more than $4,750 whether from a single ticket, multiple scratch-offs under one game, or combined winnings before taxes or other withholdings.

If lottery or gambling winnings are verified for any household member as substantial, the household is immediately disqualified. Send Form TF0001 to deny the EDG. Households will remain ineligible until they meet the allowable resource and income eligibility limits. A household may reapply at any time, and there is no fixed disqualification period. However, the earliest a household could regain eligibility is the first day of the month after denial.

To determine whether lottery or gambling winnings disqualify the household:

- Do not consider winnings received prior to the file date.
- Consider only winnings received during the certification period.
- If the prize is split among multiple people, consider only the Household's share of winnings, before taxes or deductions.

SNAP, Medicaid and CHIP

Verify lottery or gambling winnings when the reported or electronically obtained information is questionable or inconsistent. Send Form H1020, Request for Information or Action, to request additional verification. Deny the applicable EDG(s) for failure to provide when the requested information is not received by the H1020 due date.

Acceptable verification sources may include, but are not limited to:

- Bank records showing the deposit;
- Casino payout documentation;
- Data Broker;
- IRS Form W-2G;
- Official statement from a lottery commission or gaming entity; or
- Other documentation from the issuing entity.

Automation

Changes to TIERS and YourTexasBenefits.com were implemented with TIERS Release 123.0 on July 25, 2026.

Correspondence

Changes to the following forms were implemented on July 25, 2026:

- Form H0011, Texas Simplified Application Project (TSAP) for SNAP Food Benefits;
- Form H0011-R, Texas Simplified Application Project (TSAP) for SNAP Food Benefits Renewal;
- Form H1010, Texas Works Application for Assistance – Your Texas Benefits; Form H1010-R, Your Texas Works Benefits – Renewal Form; and
- Form H1205, Texas Streamlined Application,
- Form TF0001, Notice of Case Action.

Handbook

The MEPDH is currently scheduled to be updated in the March 2027 revision.

The TWH is currently scheduled to be updated in the April 2027 revision.

Training

Training was made available in PALMS titled R123 General Info Release on July 16, 2026.

Effective Date

This policy is effective for applications, redeterminations, and changes received on or after Aug. 31, 2026.