

CAN I SAVE MY TAX REFUND AND KEEP MY BENEFITS?

YES! But you need to know the rules about how savings can affect your benefits

- #1. Your tax refund does **not** count as *income* when determining whether you or your family qualifies for a benefit like CHIP, Medicaid, Food Stamps, or TANF.
- #2. If you put your tax refund in a savings or checking account, it **will** count as a “*resource*” when determining whether you or your family qualifies for benefits. **But**, it will only cause you to lose your benefits **if you go over the limit** allowed for that program. The limits on how much savings you can have are different for each program.

	Maximum Savings Allowed
TANF	\$1,000
Food Stamps	\$5,000
Medicaid	\$2,000 (\$3,000 if your family includes an elderly or disabled member) Note: There is no limit on savings for pregnant women or children under the age of 1.
CHIP	\$10,000. Note: There is no limit on savings for families with income above 150% of poverty (more than \$26,500/year for a family of 3)
Child Care	There is no limit on savings

- #3. The following savings accounts do **NOT** count against you when determining whether you or your family qualifies for benefits:
 - Individual Development Accounts (IDAs)
 - 401K plans offered by your employer
 - Texas Tomorrow Funds (available beginning in September 2008)
 - **For CHIP only:** 529 plans (education savings accounts), IRAs, SEP IRAs, and Keogh Plans (IRAs for self-employed people).
- #4. If you are worried about saving your tax refund, or have any questions about the rules, ask your Tax Preparer or contact your local benefits office. For free legal advice, contact Texas Rural Legal Aid at 1-888-988-9996.

This flyer was prepared by the Center for Public Policy Priorities. Please contact Celia Hagert at (512) 320-0222 x110 or hagert@cphp.org if you have any questions.