**Section 113.107 Lump-Sum Payments and Income Tax Refunds**

a) A lump-sum payment is a one time payment such as retroactive VA, SSA or UI benefits, lottery winnings, insurance settlements, etc. If the amount of the lump-sum payment and other countable monthly income is sufficient to meet the client's needs prospectively for a period of at least one month, eligibility for assistance does not exist. However, if continued eligibility exists, the lump-sum payment is budgeted against the payment month following the month in which the lump-sum payment was received. Any amount remaining in the client's possession after the month of receipt is considered an asset subject to the appropriate asset disregard.

 AGENCY NOTE: A child's SSI lump-sum payment that is paid directly, on behalf of a child, into a dedicated account is not countable as income when received or as an asset in the month(s) following the month of receipt.

b) When a lump-sum payment is from SSI, and is not paid into a dedicated account, if continued eligibility for financial assistance does not exist, continue to provide medical assistance only. An SSI lump-sum payment paid into a dedicated account does not affect financial assistance eligibility.

c) A federal income tax refund received after December 31, 2009 and before January 1, 2013 is considered an exempt asset. All income tax refunds received on or after January 1, 2013 shall be considered available assets and are to be considered against the appropriate non-exempt asset limitation of the assistance unit. One-half of joint tax refunds shall be considered available for each payee. A client who declares that less than one-half of the joint income tax was received may claim an exception. Only the amount claimed to be received shall be considered.

d) If a client is the beneficiary of a life insurance policy any portion of those proceeds not in excess of $1500 used to pay for the funeral/burial expenses of the insured shall be exempt as income.

(Source: Amended at 35 Ill. Reg. 18756, effective October 28, 2011)