

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES  
BISMARCK, NORTH DAKOTA  
August 28, 2020**

**IM 5407**

**TO:** Human Service Zones  
Economic Assistance Policy Division

**FROM:** Michele Gee, Director, Economic Assistance

**SUBJECT:** SNAP Annual COLA changes

**PROGRAMS:** Supplemental Nutrition Assistance Program

**EFFECTIVE:** October 1, 2020

**SECTIONS  
AFFECTED:** 430-05-30-30 Companion Households  
430-05-50-10-03 200% Gross Income Limits  
430-05-50-10-05 130% Gross Income Limits  
430-05-50-10-10 100% Net Income Limits  
430-05-55-05 Deductions  
430-05-55-40 Shelter Costs  
430-05-60-05 Calculating Income and Benefit Level  
430-05-60-10 Initial Month Proration  
430-05-95 Federally Mandated Reduction, Suspension or  
Cancellation of Benefits

SNAP 2021 Cost of Living Adjustments (COLA) are effective October 1, 2020. SNAP case in TECS will be unauthorized for the benefit month of October 2020 to reflect these mass changes. A FYI will be sent out in the future for processing guidance for SPACES SNAP cases. The benefit month of October 2020 will be displaying beginning August 12, 2020. Adequate notice will be provided.

**Companion Household 430-05-30-30**

An elderly **and** disabled individual living with another household because they are unable to purchase and prepare their own meals may be granted separate household status. The companion household is the household the elderly and disabled household member lives with.

### **Gross Monthly Income Limits for Companion Households**

Verification of monthly gross income for both the companion household and the elderly and disabled household member must be verified. The gross income of the companion household must meet the following gross income limits for their appropriate household size without regard to the elderly and disabled household member. If the gross income of the companion household is within the gross income limits, eligibility and level of benefits is based solely on the elderly and disabled household members income and assets.

#### **Example:**

An elderly and disabled individual lives with another household consisting of mom, dad and two children. In determining eligibility for the elderly and disabled individual the worker must verify the gross monthly income of dad, mom and two children and compare that to the gross income limit for a family of four based on the table (~~\$3,541~~3,603). If gross monthly income for the family of four is ~~\$3,541~~3,603 or less, then eligibility and level of benefits for the elderly and disabled individual is based solely on the elderly and disabled individual's income and assets.

<b><u>HH Size</u></b>	<b><u>Maximum Income</u></b>	<b><u>HH Size</u></b>	<b><u>Maximum Income</u></b>
1	<del>\$1,718</del> <u>1,755</u>	5	<del>\$4,149</del> <u>4,219</u>
2	<del>2,326</del> <u>2,371</u>	6	<del>4,757</del> <u>4,835</u>
3	<del>2,933</del> <u>2,987</u>	7	<del>5,364</del> <u>5,451</u>
4	<del>3,541</del> <u>3,603</u>	8	<del>5,972</del> <u>6,067</u>
Each Additional Member			<del>+608</del> <u>616</u>

### **200% Gross Income Limits 430-05-50-10-03**

The following gross income limits reflect 200% of the Federal income poverty levels.

<b><u>HH Size</u></b>	<b><u>Maximum Income</u></b>
1	\$ 2,082 <del>2,128</del>
2	2,820 <del>2,874</del>
3	3,556 <del>3,620</del>
4	4,292 <del>4,368</del>
5	5,030 <del>5,114</del>
6	5,766 <del>5,860</del>
7	6,502 <del>6,608</del>
8	7,240 <del>7,354</del>
9	7,978 <del>8,102</del>
<b>Each additional member</b>	<b>\$738<del>748</del></b>

Gross monthly income is arrived at by adding the total countable gross monthly earned income of all household members to the total countable monthly unearned income of all household members.

### **130% Gross Income Limits 430-05-50-10-05**

The following gross income eligibility standards reflect 130% of the Federal income poverty levels.

<b><u>HH Size</u></b>	<b><u>Maximum Income</u></b>
1	<del>\$1,354</del> <u>1,383</u>
2	<del>1,832</del> <u>1,868</u>
3	<del>2,311</del> <u>2,353</u>
4	<del>2,790</del> <u>2,839</u>
5	<del>3,269</del> <u>3,324</u>
6	<del>3,748</del> <u>3,809</u>
7	<del>4,227</del> <u>4,295</u>
8	<del>4,705</del> <u>4,780</u>
9	<del>5,184</del> <u>5,266</u>
<b>Each additional member</b>	<del>\$479</del> <u>486</u>

Gross monthly income is arrived at by adding the total countable gross monthly earned income of all household members to the total countable monthly unearned income of all household members.

### **100% Net Income Limits 430-05-50-10-10**

The following net income eligibility standards reflect 100% of the Federal income poverty levels.

<b><u>HH Size</u></b>	<b><u>Maximum Income</u></b>
1	<del>\$ 1,041</del> <u>1,064</u>
2	<del>1,410</del> <u>1,437</u>

3	<del>1,778</del> <u>1,810</u>
4	<del>2,146</del> <u>2,184</u>
5	<del>2,515</del> <u>2,557</u>
6	<del>2,883</del> <u>2,930</u>
7	<del>3,251</del> <u>3,304</u>
8	<del>3,620</del> <u>3,677</u>
9	<del>3,989</del> <u>4,051</u>
<b>Each additional member</b>	<del>\$369</del> <u>374</u>

Net monthly income is arrived at by determining gross monthly income and then subtracting the following:

1. 20% of earned income.
2. Standard deduction based on counting only eligible household members in determining household size as follows:
3. 1 through 3 person household - \$167.00
4. 4 person household - ~~\$178.00~~181.00
5. 5 person household - ~~\$209.00~~212.00
6. 6+ person household - ~~\$240.00~~243.00
7. Allowable medical deductions in excess of \$35 for elderly or disabled household members.
8. Childcare and [dependent care costs](#).
9. [Child support](#) paid.
10. Shelter costs in excess of 50% of net adjusted income. Shelter costs deducted cannot exceed ~~\$569.00~~586.00.

**Exception:**

**Households containing one or more eligible elderly or disabled members are not subject to the shelter deduction maximum of ~~\$569.00~~586.00. Households in which the only elderly or disabled members are excluded are subject to the shelter deduction maximum.**

## **Deductions 430-05-55-05**

Deductions are automatically allowed by TECS.

### **Standard Deduction**

Standard deduction based on counting eligible household members in determining household size is as follows:

- 1 through 3 person household - \$167.00
- 4 person household - ~~\$178.00~~181.00
- 5 person household - ~~\$209.00~~212.00
- 6+ person household - ~~\$240.00~~243.00

### **Earned Income Deduction**

A twenty percent (20%) deduction is allowed from **gross** earned income.

## **Shelter Costs 430-05-55-40**

Monthly shelter costs in excess of 50% of net adjusted income after all other deductions are allowed, not to exceed ~~\$569~~586.

### **Exception:**

**Households containing one or more eligible elderly or disabled members are not subject to the shelter deduction maximum of ~~\$569~~586. Households in which the only elderly or disabled members are excluded are subject to the shelter deduction maximum.**

**Only the most current bills can be used for verification of shelter costs. Past due amounts are not an allowable expense. Only the billed amount can be allowed as a deduction.**

**Example:**

Households monthly mortgage payment is \$500 per month. The household is paying \$600 a month to pay the mortgage off sooner. Only the \$500 billed amount can be allowed as a shelter cost deduction.

Expenses need not be in the household's name, but must be incurred by the household and the household must be expected to pay the expense.

If a non-household member pays the household's shelter costs directly to the provider on behalf of the household, the eligibility worker must determine if the payment is a loan.

If the payment is a loan, it is excluded from income and the expense is allowed as a shelter deduction.

If the payment is not a loan, it is excluded from income and the shelter deduction is not allowed.

**Example:**

Tom owns his own home with a mortgage payment of \$700. Bill is Tom's roommate and is claiming separate household status from Tom. Bill pays \$300 for his share of the housing costs directly to the mortgage company. The \$300 is not counted as income to Tom. Tom's allowable shelter expense for the mortgage is \$400.

When **separate** households share shelter expenses and one receives a payment for shelter expenses from the other, the payment is **not** counted as income. Each household is entitled to its actual share of the shelter costs as a deductible expense.

**Example:**

Tom and Bill are roommates claiming separate household status. Bill pays Tom \$200 a month for his share of the rent and Tom pays the landlord the \$400 monthly rent. The \$200 paid to Tom is not counted as income and each is allowed their share of the rent (\$200) as a deductible expense.

When a homeowner is renting a part of their home to another individual, the payment the homeowner receives is countable unearned income. The homeowner is entitled to the full mortgage payment as a shelter expense.

**Example:**

Sarah is renting a room in her home to Bonnie. Bonnie is paying \$350 to Sarah. Sarah has a monthly mortgage of \$816. The \$350 is countable unearned income to Sarah and the \$816 is allowed as a mortgage expense. Bonnie is allowed a rent expense of \$350.

Shelter costs covered by an excludable reimbursement or vendor payment are not allowable deductions.

**Exception:****LIHEAP payments.****Example:**

The portion of rent paid by HUD is not allowed.

Shelter costs include only the following:

1. Rent. Is allowed only if the household is responsible to make a money payment to someone outside of the household. If there is a separate identifiable rental fee for a garage, appliances, furniture, etc., it is not allowed.



**Exceptions:**

- 1. If an individual works in exchange for rent with no option to be paid, no income is counted and no rent expense is allowed.**
- 2. If an individual works off part of the rent with no option to be paid, the amount that is worked off is not counted as income and the remaining amount is allowed as a rent expense.**
- 3. If the household does not have the option to pay the rental fee for a garage, appliances, furniture, renter's insurance, etc., the expense is allowable.**

The portion of rent paid by Housing Assistance Program (HAP) is not considered part of a household's shelter expense.

If a certified group home resident has a single payment for room and meals, the amount of the payment that exceeds the Thrifty Food Plan (TFP) is a shelter expense. If a resident has a separate identifiable payment for room charges, that amount is used for the shelter deduction. If the separate identifiable payment for room charge is for incidental costs (household supplies, van lease, etc.) they are not allowable.

2. Mortgage Payment (including both first and second mortgages). Payments on second mortgages and home equity loans are allowable shelter costs regardless of why the money was obtained or how it was used.

Mortgage insurance is an allowable deduction as long as the lender requires it.

When the Farm Service Agency (FSA) has placed a moratorium on a household's mortgage payment, the deduction for a FSA mortgage payment is not allowed during the moratorium period. After the moratorium has ended, the recalculated amount is allowed.

3. The shelter costs of an unoccupied home can be claimed if:
  - The home is unoccupied due to employment or training away from home, illness or abandonment caused by a natural disaster or casualty loss, **and**

- The household intends to return to the home, **and**
- The current occupants, if any, are not claiming the shelter costs for SNAP purposes, **and**
- The home is not leased or rented during the absence of the household.

**Exception:**

**A household is not entitled to any utility expenses for an unoccupied home.**

4. Condominium and association fees.
5. Mobile home lot rent.
6. Property taxes, State and local assessments (if not included in the mortgage payment), and permit taxes for mobile homes. The most current year's incurred amount must be verified. Always use the full amount regardless of when the taxes are paid or if taxes are discounted due to early payment. Taxes need not be paid. Penalties or past due taxes from prior years are not allowable.

Property taxes that are billed yearly must be allowed as a one-time payment or averaged over 12 months.

Property taxes are allowed for the lot the home is on. City Assessors or Township Assessors are able to provide information on assessments including separating assessments if they are for multiple lots.

7. Homeowner Insurance (if not included in the mortgage payment). The most current year's amount must be verified. Always use the full amount regardless if the insurance is discounted such as bundled insurance covering contents, liability and structure or discounts due to annual payments, etc. Insurance need not be paid, only incurred.

If the bill separates contents, liability and structure costs, only the amount for the structure can be allowed. If the bill does not separate these costs, the entire amount is allowed.

Coverage for vehicles and other items that may be bundled into the full amount cannot be used and an itemized bill must be obtained.

Service fees charged by the insurance company for households who choose to pay their insurance other than yearly are an allowable deduction. Late fees are not an allowable deduction.

Renter insurance is not an allowable expense unless the household does not have the option to not have this type of insurance.

Flood insurance is an allowable expense.

Homeowners insurance billed yearly must be allowed as a one-time payment or averaged over 12 months.

8. Utility expenses. Households cannot claim actual utility expenses and are entitled to only one of the mandatory utility standards. A household is not entitled to any utility expenses for an unoccupied home.

Households with a separate utility meter, even if the utility bill is not in their name, are entitled to one of the mandatory utility standards as long as they are expected to pay the utility bill.

**Example:**

A household is renting a home and is responsible for the heating costs; however, the bill is in the landlord's name. The landlord in turn gives the bill to the household each month for payment. As the household is incurring the bill and there is a separate meter, the household is entitled to the standard utility allowance.

Households that are billed by their landlord on the basis of individual usage or are charged a flat rate for utility costs separately from their rent are entitled to the appropriate standard.

**Examples:**

1. An individual lives in an apartment where there is a separate meter for heating costs. The utility bill is not in the SNAP household's name, but the household incurs these expenses and is expected to pay the bill. The household is entitled to the standard utility allowance.

2. An individual lives in a side-by-side duplex and there is only one meter for heating costs. The owner of the duplex lives in one side and a SNAP household lives in the other side. The landlord bills the SNAP household a flat rate of \$200.00 per month separately from the rent for the heating costs. The household is entitled to the standard utility allowance.

HUD and FSA utility subsidies are excluded from income for SNAP. Additionally, when a household receives a utility subsidy, the household is not entitled to the appropriate mandatory utility standard unless their actual utility costs exceed the utility subsidy. Current verification of the utility subsidy must be used in this calculation and must not be averaged.

Utility subsidies are defined as a deduction for the estimated value of utilities and charges for other housing services payable directly by the family. In most cases, the utility allowance involves no direct payment to the household. The payment is issued to the landlord and is used to reduce the household's shelter costs.

- If the utility allowance exceeds the rent, the excess is paid in the form of a utility reimbursement or rebate to the household. The household's actual utility costs must exceed the utility reimbursement or rebate in order to receive the appropriate mandatory utility standard.
- If the utility allowance does not exceed the rent, no money is returned to the household. The household is entitled to a rental expense for their out-of-pocket costs and the appropriate mandatory utility standard based on the utility expenses incurred.

**Examples (Households are not in receipt of LIHEAP):**

1. Monthly rent is \$50. The household is responsible for heating costs and the HUD utility allowance is \$60. Because the utility allowance exceeds the rent, the excess of \$10 is paid in the form of a utility subsidy to the household. Allow no rent in this case. The household's actual utility bill must exceed the utility subsidy of \$10 before the household is entitled to the HL SU.

2. Monthly rent is \$65. The household is responsible for electricity and telephone costs (not incurring heating or cooling costs) and the HUD utility allowance is \$75. The excess utility allowance is paid to the household in the form of a utility subsidy. Allow no rent and the household's actual utility bill must exceed the utility subsidy of (\$10) before the household is entitled to the LU SA.

The household's actual electricity bill is \$26 and actual telephone bill is \$42.50. The maximum allowed for telephone is the \$33 telephone standard. Since the actual utility bills exceed the utility subsidy, the household is entitled to the LU SA.

3. Monthly rent is \$437. The household is responsible for heating costs and the HUD utility allowance is \$42. Since the utility allowance does not exceed the rent, the allowance is used to offset the household's rent expense resulting in an out-of-pocket rent expense of \$395.00. The \$395 is allowed as rent expense. If the household incurs an out-of-pocket cost for heating/cooling, the household is entitled to the HL SU.

If a non-household or ineligible household member shares utility costs with eligible household members, the eligible household members are entitled to the appropriate standard.

If two or more separate households live together and share utility costs, each household is entitled to the appropriate standard.

**Example:**

A household consists of three single individuals who purchase and prepare meals separately. One of the three individuals applies for benefits. All utility costs are shared. The SNAP household is entitled to the appropriate standard.

- a. Standard Utility Allowance (HLSU):

The following households are entitled to the Standard Utility Allowance of ~~\$611.00~~ 616.00 which includes all utility expenses:

- Households responsible for heating/cooling costs. Receipt of LIHEAP and Tribal LIHEAP based on incurring heating costs verifies entitlement to the HL SU.
- Households who are no longer incurring heating/cooling costs but have received LIHEAP benefits greater than \$20 in the current or prior 12 months, remain eligible for the standard deduction. Receipt of LIHEAP benefits of greater than \$20 must be verified and documented.
- Households that include the head of household of the LIHEAP case who have received LIHEAP renter/heat paid benefits greater than \$20 in the current or prior 12 months. Receipt of LIHEAP renter/heat paid benefits of greater than \$20 must be verified and documented. Other members of the LIHEAP household are not entitled to the HLSU in their own SNAP case based on receiving LIHEAP payments of greater than \$20 in the current or prior 12 months.

**NOTE:** Receipt of LIHEAP is considered known information to the county. Workers are required to monitor when a household that includes the head of household of the LIHEAP case receives renter/heat paid benefits greater than \$20 in the current or prior twelve months that would entitle the household to the HL SU.

### **Examples:**

1. Household applies for SNAP on May 1. Worker verifies a member of the SNAP household has been receiving LIHEAP renter/heat paid benefits as the LIHEAP head of household of \$35 per month since October 1. The household is entitled to the HL SU.
2. Mom, Dad and two kids apply for SNAP and LIHEAP with Dad as the head of household on May 1. The household is only eligible for one LIHEAP renter/heat paid benefit of \$11 which is paid on May 20. The worker approves the SNAP application May 27. The household is not entitled to the HL SU because they have not received at least \$20 in renter/heat paid benefits.

3. Mom, Dad and two kids apply for SNAP and LIHEAP with Mom as the head of household on May 1. Worker determines the household is eligible for renter/heat paid benefits from October 1st through May 31. LIHEAP benefits of \$280 are paid to the household on May 20th.

The SNAP application is approved for May and June on May 15th and the household is certified for six months. The household is not entitled to the HL SU for May or June. Once the LIHEAP payment has been paid, the household is entitled to the HL SU, and SNAP benefits must be increased for June.

(Processing a SNAP application should not be delayed pending receipt of a LIHEAP payment).

4. Household moves from a residence where they were incurring heating costs and were receiving LIHEAP benefits. They move to an apartment where heat is now included in their rent and they are on housing, therefore not eligible for LIHEAP. If the LIHEAP head of household remains in SNAP case, the household continues to be eligible for the HL SU because they have received LIHEAP payments greater than \$20 in the past twelve months.
5. Household receiving SNAP and LIHEAP renter/heat paid benefits with girlfriend as the primary individual for SNAP and boyfriend as head of household for LIHEAP. Household is entitled to the HL SU based on receiving LIHEAP payments greater than \$20 in the past twelve months. During the review period, girlfriend reports boyfriend moved out. Since the LIHEAP head of household was removed from the SNAP case, the household is no longer entitled to the HL SU based on receipt of LIHEAP greater than \$20. The change must be acted on.

The worker must send the Request for Verification.

If verification is provided within the 10-day period and benefits increase, the worker must act on the change within 10 days and send the household the appropriate notice.

If the reported change would result in an increase in benefits and the household fails to respond or refuses to provide the requested verification within the 10-day period, the worker must send the Failure to Provide Information. A 10-day advance notice is required.

If verification is provided within the 10-day period and benefits decrease or case closure results, a 10-day advance notice is required. If the change was reported in writing and signed by the household, adequate notice is required.

If the reported change would result in a decrease in benefits and the household fails to respond or refuses to provide the requested verification within the 10-day period, the change must be acted on using what the household initially reported and a 10-day advance notice is required unless the change was reported in writing and signed by the household adequate notice is required.

If boyfriend applies for SNAP, he is entitled to the HL SU based on receiving LIHEAP benefits of greater than \$20 in the past twelve months as the LIHEAP head of household.

Any households that have central utility meters and are charged only for excess heating or cooling costs are entitled to the HL SU year round.

Households that are charged only for excess heating or cooling costs are entitled to the HL SU year round.

Households that are only charged for the air conditioning unit itself or for the installation of an air conditioner are not entitled to the HL SU.

b. Limited Utility Allowance (LU SA):



Households not entitled to the HL SU that incur at least **two** of the following utility expenses are entitled to the Limited Utility Allowance of ~~\$233.00~~ 236.00.

Water

Sewer

Garbage

Electricity

Telephone - the household must incur the basic service fee for one telephone to be entitled to the telephone deduction. The cost of telephone service for a land-line, cellular service or voice over Internet protocol entitles the household to the telephone standard. Cellular service that entitles the household to the standard includes monthly service fees or pre-paid service cards. A statement with monthly service fees or a receipt for pre-paid service cards will serve as verification.

**Example:**

A household is renting an apartment and is responsible for electricity and telephone costs (no heating/cooling costs). As the household is incurring these expenses, the household is entitled to the Limited Utility Standard (LU SA).

c. Minimum Utility Standard (MU):

Households not entitled to the HLSU or LUSA that incur at least **one** of the following utility expenses are entitled to the Minimum Utility Standard of ~~202.00~~ 204.00.

Water

Sewer

Garbage

Electricity

**Example:**

A household is renting an apartment and is responsible for electricity only (no heating/cooling costs). As the household is

incurring these expenses, the household is entitled to the Minimum Utility Standard (MU).

d. Telephone Standard (TL):

Household not entitled to the HLSU, the LUSA, or MU that incur telephone expenses only are entitled to the Telephone Standard of \$32.00. The cost of telephone service for a land-line, cellular service or voice over internet protocol entitles the household to the telephone standard. Cellular service that entitles the household to the standard includes monthly service fees or pre-paid service cards. A statement with monthly service fees or a receipt for pre-paid service cards will serve as verification.

9. Charges for repair of a home that was substantially damaged or destroyed due to a natural disaster such as fire or flood that are not reimbursable.
10. If a household is using a motor home as their home the following expenses can be allowed:
  - Payment on the motor home
  - The portion of the insurance that covers the motor home
  - Space rent (lot rent)
  - Appropriate Utility Standard
11. If a household is using another type of camper as their home such as a fifth wheel type, pull type or slide in generally a vehicle is required to pull them or transport them. The following expenses can be allowed:
  - Payment on the camper
  - The portion of insurance that covers the camper
  - Space rent (lot rent)
  - Appropriate Utility Standard
12. If a household is living in their car the following expenses can be allowed:
  - Payment on the car

- The portion of insurance that covers the car

## **Calculating Income and Benefit Level 430-05-60-05**

### **Calculating Income**

To determine the household's total countable income add the monthly countable gross earned income (including self-employment income) of all household members, minus the 20% deduction, to the monthly unearned income of all household members.

### **Calculating Net Adjusted Income**

To determine a household's net adjusted income subtract the allowable deductions from the total countable income. The following deductions are allowed:

- Farm loss offset
- Standard deduction based on counting only eligible household members in determining household size.
  - 1 through 3 person household - \$167.00
  - 4 person household - ~~\$178.00~~ 181.00
  - 5 person household - ~~\$209.00~~ 212.00
  - 6+ person household - ~~\$240.00~~ 243.00
- Medical costs over \$35 for elderly/disabled household members.
- Dependent care costs
- Child support paid to a non-household member
- Excess shelter costs

### **Calculating Benefit Level**

To determine the household's benefit level, subtract 30% of the net adjusted income from the Thrifty Food Plan for the appropriate household size.

#### **THRIFTY FOOD PLAN**

<b><u>H.H. Size</u></b>	<b><u>Amount</u></b>	<b><u>H.H. Size</u></b>	<b><u>Amount</u></b>
1	\$ <del>194</del> <u>204</u>	5	\$ <del>768</del> <u>807</u>
2	\$ <del>355</del> <u>374</u>	6	\$ <del>921</del> <u>969</u>
3	\$ <del>509</del> <u>535</u>	7	\$ <del>1,018</del> <u>1,071</u>
4	\$ <del>646</del> <u>680</u>	8	\$ <del>1,164</del> <u>1,224</u>
<b>Each Additional Member</b>			<b>+\$<del>146</del><u>153</u></b>

### **Initial Month Proration 430-05-60-10**

A household's benefit for the initial month of certification will be based on the day of the month the household applies for benefits. Using the exact number of days in a month, households will receive benefits prorated from the day of application to the end of the month.

~~TECS automatically prorates the initial month.~~ To determine the amount of benefits during the initial month, use the following chart:

<b>Date Application Filed</b>	<b>Multiply by This Amt. For <u>28-day Months</u></b>	<b>Multiply by This Amt. For <u>30-day Months</u></b>	<b>Multiply by This Amt. For <u>31-day Months</u></b>
1	1.0000	1.0000	1.0000
2	.9642	.9666	.9677
3	.9285	.9333	.9354
4	.8928	.9000	.9032
5	.8571	.8666	.8709
6	.8214	.8333	.8387
7	.7857	.8000	.8064
8	.7500	.7666	.7741
9	.7142	.7333	.7419
10	.6785	.7000	.7096
11	.6428	.6666	.6774
12	.6071	.6333	.6451
13	.5714	.6000	.6129
14	.5357	.5666	.5806
15	.5000	.5333	.5483
16	.4642	.5000	.5161
17	.4285	.4666	.4838
18	.3928	.4333	.4516
19	.3571	.4000	.4193
20	.3214	.3666	.3870
21	.2857	.3333	.3548

22	.2500	.3000	.3225
23	.2142	.2666	.2903
24	.1785	.2333	.2580
25	.1428	.2000	.2258
26	.1071	.1666	.1935
27	.0714	.1333	.1612
28	.0357	.1000	.1290
29	---	.0666	.0967
30	---	.0333	.0645
31	---	----	.0322

After arriving at the prorated benefit amount round **down** to the nearest whole dollar.

**Example:**

**\$20.49 and \$20.51 both round to \$20.**

For all households, including one and two person households, the initial month must be processed and authorized. If the benefit computation results in a benefit of less than \$10, **no issuance** is made for the initial month. Subsequent months are authorized if the household remains eligible.

**Example:**

A household applies on April 27, is found eligible for \$27 in monthly benefits, however, there are no benefits issued for April because the initial month's prorated benefit is \$3 ( $27 \times .13 = 3.51$ , rounded to 3). If otherwise eligible, benefits of \$27 are issued for the following month.

The following are three examples calculating net income and benefit level for a household with a farm loss offset, a regular household, and a special household:

### **Farm Loss Offset**

A married couple and their three children are self-employed in farming and their net income is based on their tax return. Using a loss of \$3575 and dividing by 12 months equals \$297.92 monthly net loss. One of the spouses is also employed and her monthly gross income is \$506.42.

<b><u>Income and Deductions</u></b>			<b><u>Benefit Determination</u></b>	
1.	Earned Income	\$506.42	1. Thrifty Food Plan	<del>\$762.00</del> <b><u>807.00</u></b>
2.	Unearned Income	0.00	2. Net SNAP Income x 30%=	0.00
3.	Line 1 times 80%	405.14	3. SNAP Benefit	<del>\$762.00</del> <b><u>807.00</u></b>
4.	Total Income	405.14		
5.	Farm Loss Offset	-297.92		
6.	Standard Deduction	- <del>204.00</del> <b><u>212.00</u></b>		
7.	Net SNAP Income	0.00		

## Regular Household

Household consists of a married couple and their two children. One of the spouses is employed full time and earns \$1000 per month. The other spouse is employed part time with gross earnings of \$267.75 per month. Anticipated child care is \$126.00. They pay rent of \$689.00 and utilities are included in their rent.

<u>Income and Deductions</u>			<u>Benefit Determination</u>	
1.	Earned Income	\$1267.75	1. Thrifty Food Plan	<del>\$642.00</del> <u>680.00</u>
2.	Unearned Income	0.00	2. Net SNAP Income	<del>382.30</del> <u>371.80</u>
3.	Line 1 times 80%	1014.20	3. Line 2 x 30%	<del>114.49</del> <u>111.54</u>
4.	Total Income	1014.20	4. SNAP Benefit	<del>527.00</del> <u>568.00</u>
5.	Standard Deduction	- <del>174.00</del> <u>181.00</u>		
6.	Line 4 minus Line 5	<del>840.20</del> <u>833.20</u>	<u>Excess Shelter Computation</u>	
7.	Dependent Care	-126.00		
8.	Line 6 minus line 7	<del>714.20</del> <u>707.20</u>	1. Total shelter costs	\$689.00
9.	Excess Shelter costs	-331.90	2. 50% of line 8	<del>357.10</del> <u>353.60</u>
10.	Net SNAP Income	<del>382.30</del> <u>371.80</u>	3. Line 1 – Line 2	<del>331.90</del> <u>335.40</u>



### Special Household

Household consists of an elderly married couple who receive \$652.00 per month from SSA. There is no other income. Their total medical expenses are \$195.80 per month.

<u>Income and Deductions</u>		<u>Benefit Determination</u>	
1. Earned Income	0.00	1. Thrifty Food Plan	<del>\$353.00</del> <b><u>374.00</u></b>
2. Unearned Income	\$652.00	2. Net SNAP Income	<del>270.80</del> <b><u>266.30</u></b>
3. Total Income	652.00	3. Line 2 x 30%	<del>82.00</del> <b><u>79.89</u></b>
4. Standard Deduction	- <del>164.00</del> <b><u>167.00</u></b>	4. SNAP Benefit	<del>271.00</del> <b><u>294.00</u></b>
5. Line 3 minus line 4	<del>488.00</del> <b><u>485.00</u></b>	Medical Deduction	
6. Medical Deductions	-140.00	Total Medical	\$195.80
7. Line 5 minus line 6	<del>348.00</del> <b><u>345.00</u></b>	Minus \$35	160.80
8. Excess shelter costs	-77.20	Household Chooses Standard Medical	\$175.00

## Expense Deduction

9. Net SNAP     ~~270.80~~ **266.30**  
Income

### Excess Shelter Computation

1. Total shelter costs     \$251.20
2. 50% of line 7     ~~174.00~~ **172.50**
3. Line 1 minus line 2     ~~77.20~~ **78.70**

### Federally Mandated Reduction, Suspension, or Cancellation of Benefits 430-05-95

The Food and Nutrition Act of 2008 sets limits on the amount of money that can be appropriated each year for SNAP and prohibits spending money greater than appropriated by Congress.

#### Reduction

If a benefit reduction of **less than 90%** is ordered, a revised Thrifty Food Plan will be issued and counties must recompute benefits using the reduced Thrifty Food Plan amount.

Unless the ordered reduction amount is **90% or greater**, a suspension or cancellation of benefits is ordered, a minimum issuance of \$~~15~~ **16** must be made for all eligible 1- and 2-person households. The minimum \$~~15~~ **16** issuance does not apply to households with 3 or more members.

Households that receive expedited service in months in which reductions are in effect and that are determined eligible must be issued benefits in accordance with the revised Thrifty Food Plan.

### **Suspension and Cancellation**

If FNS orders a suspension or cancellation, eligible households must have benefit levels calculated according to routine procedures including expedited services, however, the benefits are not issued.

Expedited applications and application for review must be **processed** within the 7-day time frame, however benefits must **not** be issued.

### **Lifting of Suspension**

Upon being notified by the State Office that a suspension of benefits is over, counties must act immediately to resume issuing benefits to certified households.

### **Affected Benefits**

Benefits representing [underpayments](#) or retroactive benefits for a prior month(s) when benefit reduction, suspension or cancellation has not been ordered, are not reduced, suspended or canceled, even though they are issued during an affected month.

### **Notification of Eligible Households**

Reduction, suspension or cancellation of benefits are mass changes, and a 10-day advance notice is not required, however, an adequate notice is required.

### **Underpayments**

Households whose benefits are reduced or cancelled as the result of a FNS order are not entitled to underpayments at a future date.

#### **Exception:**

**If there is a surplus of funds as a result of the reduction or cancellation, FNS may direct that affected households be promptly provided with underpayments. Underpayments are tracked and completed through the TECS [eligibility](#) system.**

### **Review Periods**

Reduction, suspension or cancellation of benefits in a given month have no effect on review periods assigned. Households whose review periods expire during a reduction, a suspension or cancellation month must be reviewed.

### **Fair Hearings**

Any household that has benefits reduced, suspended or cancelled as a result of an order issued by FNS may request a fair hearing subject to the following conditions:

1. A household believes the benefit level was computed incorrectly.
2. A household believes the provisions were misinterpreted.

Since the reduction, suspension or cancellation would be necessary to avoid an expenditure of funds beyond those appropriated by Congress, a household does not have a right to continuation of benefits pending a fair hearing.

A fair hearing will be denied to those households who are merely disputing the fact that a reduction, suspension or cancellation was ordered.

A household may receive underpayments if it is determined that benefits were reduced by more than the amount ordered in the FNS reduction.

### **Issuance Services**

Counties must have issuance services available to serve households receiving underpayments for a prior unaffected month.

### **Non-Compliance Penalties**

Noncompliance with an FNS ordered reduction, suspension, or cancellation of benefits by the State Office or any county may result in statewide cancellation of 100% of federal administrative reimbursement for the affected periods and billing for the total amount of SNAP benefits overissued during the period.