

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES  
BISMARCK, NORTH DAKOTA  
January 5, 2021**

**IM 5423**

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

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

**SUBJECT:** SNAP 15% Temporary Benefit Allotment Increase

**PROGRAMS:** Supplemental Nutrition Assistance Program

**EFFECTIVE:** January 1, 2021 through June 30, 2021

**SECTIONS  
AFFECTED:** 430-05-20-80 Categorical Eligibility  
430-05-60-05 Calculating Income and Benefit Level  
430-05-60-10 Initial Month Proration  
430-05-60-15 Minimum Benefit  
430-05-95 Federally Mandated Reduction, Suspension or  
Cancellation of Benefits

On December 27, 2020 the President signed into law the Consolidated Appropriations Act, 2021. The new appropriation allows a temporary 15% increase in the minimum and maximum allotments that a household may be eligible to receive for the benefit months of January, February, March, April, May and June. These changes temporarily replace the COLA changes that were effective on October 1, 2020. The temporary increase will expire on June 30<sup>th</sup> and the minimum and maximum allotments will revert back to the October 1, 2020 amounts effective with the July benefit month.

The Act also prohibits these increases to be considered when establishing a SNAP overpayment.

Policy is being updated to temporarily reflect the temporary increases.

A FYI will be issued with additional details regarding these increases in SPACES, as well as details on establishing overpayments.

## **Categorical Eligibility 430-05-20-80**

The following households are categorically eligible:

1. Any household in which ALL members receive TANF, including Diversion Assistance, Transition Assistance and Kinship Care. A TANF household remains categorically eligible if the only reason a child is not included in the monthly TANF grant is because of a benefit cap.

### **Exception:**

**For TANF Pay After Performance, since the Pay After Performance individual's needs are deducted from the grant, the individual is not considered categorically eligible based on receipt of TANF.**

2. Any household in which ALL members receive SSI, including SSI presumptive eligibility benefits or 1619b.
3. Any household in which ALL members receive TANF and/or SSI.

### **Exception:**

**A TANF household remains categorically eligible if the only reason a child is not included in the monthly TANF grant is because of a benefit cap.**

Receipt of TANF and SSI benefits is defined as:

- a. a benefit that was authorized, but not received, or
- b. a benefit that was suspended, or
- c. a benefit that was recouped, or
- d. a benefit not paid because it was less than a minimum amount.

## **Automatic Asset and Income Test**

Households in which ALL household members are in receipt of TANF, SSI, or a combination of TANF and SSI are categorically eligible and will automatically pass all asset and income tests.

**Exception:**

**When an individual in a SNAP household reports they have received lottery and/or gambling winnings equal to or greater than \$3,500, we must close or deny the SNAP case and the household will not be considered categorically eligible.**

All eligible one and two person households are entitled to the minimum \$16~~16~~<sup>19</sup> monthly allotment.

**Exception:**

**If due to proration during the initial month, the benefit is less than \$10, no benefit is issued.**

When a household's net income exceeds the level at which benefits are provided, the worker must deny the application using the Notice of Eligibility with the zero benefit information documented.

**Non-Categorically Eligible Households**

Households in which all members receive TANF and/or SSI that also include a member that is disqualified for fraud cannot be categorically eligible. The household will automatically pass the asset test but is subject to the 130% gross income test and 100% net income test.

**Exception:**

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**When an individual in a SNAP household reports they have received lottery and/or gambling winnings equal to or greater than \$3,500, we must close or deny the SNAP case.**

**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 - \$181.00
  - 5 person household - \$212.00
  - 6+ person household - \$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**

<u>H.H. Size</u>	<u>Amount</u>	<u>H.H. Size</u>	<u>Amount</u>
1	\$ <del>204</del> <u>234</u>	5	\$ <del>807</del> <u>929</u>
2	\$ <del>374</del> <u>430</u>	6	\$ <del>969</del> <u>1,114</u>
3	\$ <del>535</del> <u>616</u>	7	\$ <del>1,071</del> <u>1,232</u>
4	\$ <del>680</del> <u>782</u>	8	\$ <del>1,224</del> <u>1,408</u>
<b>Each Additional Member</b>			<b>+\$<del>153</del><u>176</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.

To determine the amount of benefits during the initial month, use the following chart:

<u>Date</u> <u>Application</u> <u>Filed</u>	<u>Multiply by</u> <u>This Amt. For</u> <u>28-day Months</u>	<u>Multiply by</u> <u>This Amt. For</u> <u>30-day Months</u>	<u>Multiply by</u> <u>This Amt. For</u> <u>31-day Months</u>
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.

<u>Income and Deductions</u>			<u>Benefit Determination</u>	
1.	Earned Income	\$506.42	1. Thrifty Food Plan	<del>\$807.00</del> <u>929.00</u>
2.	Unearned Income	0.00	2. Net SNAP Income x 30%=	0.00
3.	Line 1 times 80%	405.14	3. SNAP Benefit	<del>\$807.00</del> <u>929.00</u>
4.	Total Income	405.14		
5.	Farm Loss Offset	-297.92		
6.	Standard Deduction	-212.00		
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>\$680.00</del> <b>782.00</b>
2.	Unearned Income	0.00	2. Net SNAP Income	371.80
3.	Line 1 times 80%	1014.20	3. Line 2 x 30%	111.54
4.	Total Income	1014.20	4. SNAP Benefit	<del>568.00</del> <b>670.00</b>
5.	Standard Deduction	-181.00		
6.	Line 4 minus Line 5	833.20	<u>Excess Shelter Computation</u>	
7.	Dependent Care	-126.00		
8.	Line 6 minus line 7	707.20	1. Total shelter costs	\$689.00
9.	Excess Shelter costs	-331.90	2. 50% of line 8	353.60
10.	Net SNAP Income	371.80	3. Line 1 – Line 2	335.40

### 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	\$374.00 <b>430.00</b>
2. Unearned Income	\$652.00	2. Net SNAP Income	266.30
3. Total Income	652.00	3. Line 2 x 30%	79.89
4. Standard Deduction	-167.00	4. SNAP Benefit	294.00 <b>350.00</b>
5. Line 3 minus line 4	485.00	Medical Deduction	
6. Medical Deductions	-140.00	Total Medical	\$195.80
7. Line 5 minus line 6	345.00	Minus \$35	160.80
8. Excess shelter costs	-77.20	Household Chooses Standard Medical Expense Deduction	\$175.00
9. Net SNAP Income	266.30		

Excess Shelter Computation

1.	Total shelter costs	\$251.20
2.	50% of line 7	-172.50
3.	Line 1 minus line 2	78.70

## **Minimum Benefit 430-05-60-15**

### **One and Two Person Households**

Eligible one and two person households are eligible for a minimum \$16<sup>19</sup> benefit.

#### **Exception:**

**If during the initial month due to proration the benefit is less than \$10, a zero benefit is authorized.**

### **Households with Three or More Members**

Eligible households with three or more members may be eligible for a benefit of less than \$15.

#### **Exception:**

**If during the initial month due to proration the benefit is less than \$10, a zero benefit is authorized.**

## **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 \$~~16~~<sup>19</sup> must be made for all eligible 1- and 2-person households. The minimum \$~~16~~<sup>19</sup> 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 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.