
Income

At initial application, expenses paid during previous months are not used. Expenses paid or due during the month of application are used. In some situations, expenses from previous months are used to anticipate ongoing expenses.

In addition, any SNAP AG may choose to have fluctuating expenses averaged, except for educational expenses. Expenses are averaged by dividing the expenses over the number of months they are intended to cover. When expenses are prorated, they are prorated over the certification period, or the remainder of the certification period, as appropriate.

Expenses regularly billed as a single monthly payment and which are used as a deduction, are used in the month the expense is intended to cover. An expense does not have to be paid to be a deduction.

The following are the only allowable disregards and deductions for the SNAP Program. They apply to the income of the AG members and any individual sanctioned/penalized due to enumeration, IPV, failure to comply with a work requirement or disqualified by law. See **Deeming below**.

1. Earned Income Disregard

Twenty percent (20%) of gross non-excluded earned income, including gross profit from self-employment, is disregarded. This disregard is applied to the combined earnings of all members of the AG and to those persons whose income is counted or deemed. It is intended to cover those expenses incidental to employment or training, such as transportation, meals away from home, special clothing and payroll deductions.

2. Standard Deduction

A Standard Deduction is applied to the total non-excluded income counted for the AG, after application of the Earned Income Disregard. The amount of the Standard Deduction is found in Appendix B.

3. Dependent Care Deduction

A deduction is allowed for payment for the care of a child or other dependent, when the expense is necessary for an Income Group member to accept, continue or seek employment or training, or pursue education which is preparatory to employment. Persons enrolled in an institution of post-secondary education, in a course of study designed to lead to any degree, are considered to be pursuing education which is preparatory to employment. Persons taking only elective classes or some specialized classes, or who do not have a declared major do not qualify for this deduction.

Dependent care expenses are deducted from educational funds to the extent that they are earmarked and/or used for such expenses. See **Educational Income below**. Dependent care expenses deducted from educational funds are deducted from these funds last, after all other allowable educational expenses, so that the client may then use any excess dependent care expenses as a Dependent Care Deduction.

NOTE: When third party payments are made for dependent care, no deduction is given for the amount paid by the third party.

4. Child Support Deduction

A deduction is allowed for legally obligated child support actually paid by an AG member or disqualified individual to an individual not residing in the same household.

In West Virginia, legally obligated means the child support is the result of a circuit or magistrate court order, an order issued by administrative process, or a legally enforceable separation agreement. For orders issued in other states, any order that would be upheld by a Judge in a court of law is considered legally obligated.

Legally obligated child support includes cash or in-kind payments, payments on arrearage and payment for medical insurance premiums to cover the dependent child. If the dependent child is included in the parent's medical coverage at no extra cost, no deduction is allowed. If the parent must also enroll in order to cover the child, the total premium amount is used as a deduction. Alimony, spousal support and payments made in accordance with a property settlement are not deducted.

A deduction is allowed based only on payments actually made, not the legally obligated amount, and may not exceed the legal obligation.

NOTE: Child Support paid to a child support agency and retained by the agency is deducted, even when the individual who pays the support resides with the person to whom the payment would customarily be paid. When the AG member pays the support to the agency and it is forwarded back to an individual who resides in the same household, a deduction is not given.

EXAMPLE: An AG member has a court order to pay \$150 per month child support and he verifies only \$50 per month in payments. His child support deduction is \$50.

EXAMPLE: An AG member has a court order to pay \$100 per month child support and to provide medical coverage available through his employer. He did not make a payment for 10 months and owes \$1,000 in arrearage. His employer deducts \$100 per month child support, \$50 arrearage and \$25 per month for medical insurance for the child. His child support deduction is \$175.

EXAMPLE: Same situation as above, except the order requires \$50 per month alimony and \$100 per month rent to his ex-wife's landlord, which the court order stipulates is part of his child support obligation. The child support deduction is \$275. No deduction is given for the alimony.

When the child support amount paid each month varies, a minimum 3-month total is averaged to project over the certification period.

When the payment record is less than 3 months, the deduction is based on anticipated payments, including arrearage.

For child support paid by disqualified individuals, see **Deeming below**.

5. Homeless Shelter Standard Deduction

This deduction may be applied when a homeless AG incurs any shelter/utility expenses for the month. Homeless AG's which receive free housing and utilities throughout the month are not eligible for the deduction. However, if they incur any shelter or utility expense, regardless of the amount, any time during the month, or if they can reasonably be expected to have such expenses, they qualify for the Homeless Shelter Standard deduction. See Appendix B.

EXAMPLE: A homeless family applies for SNAP benefits. They have been living in their car until the Department paid for them to stay in a motel for a week. Now they reside at a homeless shelter. This family does not qualify for the deduction because none of its own money was used for shelter.

EXAMPLE: A family becomes homeless while receiving SNAP benefits. They are living first with one relative and then another, paying a token amount for their keep. This family qualifies for the deduction because it has incurred expenses for shelter.

If the AG incurs, or reasonably expects to incur, shelter and/or utility costs in excess of the homeless shelter standard deduction amount, the AG may use the actual shelter and/or the appropriate utility standard, if eligible. An AG must not receive the homeless shelter standard deduction and a deduction for actual shelter costs and the SUA in the same month. See **Shelter/Utility Deduction below** for allowable expenses.

6. Medical Expenses

Medical expenses in excess of \$35 must be allowed as a medical deduction. Only the medical expenses of AG members who are elderly, which is at least age 60, or disabled, as defined in Section 12.15,B, are considered. Once the medical expenses of all such AG members have been totaled, the amount of the total in excess of \$35 is used as a medical deduction. There is no maximum dollar limit for the amount of a medical deduction. Thirty-five dollars (\$35) is deducted from the total amount of expenses for the AG, not \$35 from each person's expenses.

NOTE: A licensed practitioner's statement is not required at each redetermination if circumstances have not changed.

EXAMPLE: A licensed practitioner writes a statement that adult disposable underwear is necessary for an AG member. The AG member is aged and is in deteriorating health. At each redetermination, it is not necessary to obtain a statement from a licensed practitioner the adult disposable underwear is necessary. The Worker must verify the expense at each redetermination.

a. Allowable Expenses

- Medical and dental care including psychotherapy and rehabilitation services provided by a qualified health professional.
- Prescription and over-the-counter drugs, if prescribed by a qualified health professional. This includes postage and handling costs paid for mail-order prescription drugs.
- Fee paid by AG members for the member's enrollment in the Medicare Approved Drug Discount Program.

both occupied and unoccupied homes may use the obligations for both homes as a deduction.

NOTE: When the client claims expenses for his home as a self-employment expense, the deduction can be either a shelter deduction or a cost of doing business, but the total deduction given must not exceed the actual expense. See **Ineligibility For The HCS** below.

a. Shelter Costs

Items considered in arriving at shelter costs are the continuing amounts of:

- Rent. Security or damage deposits are not a shelter expense.
- Mortgage payments. This includes second mortgages and home equity loans and any other loans for which the dwelling is used as collateral.
- Interest on mortgage payments
- Condominium and association fees, regardless of purpose for the fees.
- Payments paid to an escrow account that has been established to pay property taxes and homeowner's insurance.
- Property taxes and special tax assessments on the structure and lot required by State or local law. This does not include assessments such as police and fire fees, unless the fee is based on property valuation.
- Insurance on the structure and lot. This does not include insurance on furniture or personal belongings.

If the insurance cost on the structure and the cost on the personal belongings/furniture cannot be identified separately, the entire insurance payment is allowed.

- Cost of repairing the home which was damaged or destroyed due to a natural disaster or misfortune including, but not limited to, fire, flood or freezing temperatures. This does not include charges that will be or have been reimbursed from any source such as insurance, private agency, etc.

c. Categorically Eligible, Retroactive SSI Approvals

When all of the following conditions are met, the AG must have benefits restored to compensate the client for the uncapped shelter/utility deduction he did not receive:

- The AG becomes Categorically Eligible due to retroactive approval of SSI benefits;
- The AG qualifies for the uncapped shelter/utility deduction and did not receive it; and
- The client started receiving SNAP benefits prior to being found eligible for SSI. Benefits must be restored for the period for which the individual is authorized to receive SSI benefits or the date of the SNAP application, whichever is later.

C. DETERMINING ELIGIBILITY AND BENEFIT LEVEL

The following information describes situations encountered in determining eligibility for most AG's. However, there are situations which require special treatment. See Section 10.4.

The process of determining eligibility and the amount of the benefit differs when an AG member is elderly or disabled.

1. Determining Eligibility

- When at least one AG member is elderly, which is at least age 60, or disabled as specified in Section 12.15, eligibility is determined by comparing the countable income to the maximum net monthly income found in Appendix A. There is no gross income test.
- When no AG member is elderly or disabled, the gross income must be equal to or less than the gross income limit in Appendix A. If so, the AG qualifies for the disregards and deductions in Section 10.4,B. If the gross income exceeds the amount in Appendix A, the AG is ineligible.

EXCEPTION: When the AG is Categorically Eligible as defined in Chapter 1, the gross income test is presumed to be met.

a. Determining Gross Income

NOTE: Gross income includes the net proceeds from the sale of capital goods or equipment.

The method used to determine monthly gross income from self-employment varies with the nature of the enterprise. It is necessary to determine which of the following types of self-employment applies to the client's situation. Once the pattern of self-employment has been determined, this is used to determine how the income is counted.

(1) Person Receiving Regular Income

These persons receive income as profit on a more or less regular schedule (weekly, monthly, etc.), or receive a specific amount from the business each week or month and/or receive the balance of profit from the enterprise at the end of the business year.

The income of the people in this situation is converted to a monthly amount, according to **Budgeting Method** above.

Business expenses may be computed on a monthly basis or prorated over a 12-month period, at the client's option.

(2) Persons Receiving Irregular Income

Many persons derive income from short-term seasonal self-employment. This seasonal enterprise may be the major source of income for the year, or the income may be only for the period of time the person is actually engaged in this enterprise, with other sources of income being available during the remainder of the year. Persons who are seasonally self-employed include vendors of seasonal commodities (produce, Christmas trees, etc.), or other seasonal farmers.

Cash-crop farmers and other persons similarly self-employed receive their annual income from self-employment in a short period of time and budget their money to meet their living expenses for the next twelve (12) months.

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must be considered according to the provisions in Section 10.3,CC.

- Stock and supplies
- Raw material
- Seed
- Fertilizers
- Repair and maintenance of machinery and/or property
- Cost of rental space used for conducting the business
- Payments on the principal and interest of the purchase price of income-producing real estate and capital assets, equipment, machinery and other durable goods
- Insurance premiums and taxes paid on the business and income-producing property
- The utilities, principal, interest and taxes for the client's residence which is used in part to produce income. This is applicable only if the costs on the portion of the home used in the self-employment enterprise can be identified separately. See **Shelter/Utility Deduction** above. The total deduction given for shelter and/or cost of doing business must not exceed the actual cost.
- Advertising costs
- Utilities
- Office expenses, such as stamps, stationery, etc.
- Legal costs
- Net Loss from self-employment farming. See item 4 below.

Do not deduct the following:

- Federal, State or local income taxes

The gross income test is passed.

5. Migrant Farm Laborers With Seasonal Employment

See **Special Situations above.**

6. Annual Contract Employment

This section applies to any person employed under a yearly contract, such as school employees, including bus drivers, cooks, janitors, aides and professional staff.

These individuals have their annual income prorated over a 12-month period. Additional earnings, such as for summer work, are added to the prorated amount during the time additional earnings are received.

Although a person may not have signed a new annual contract, he is still considered employed under an annual contract when the contract is automatically renewable, or when he has implied renewal rights. Implied renewal rights are most commonly associated with school contracts.

NOTE: This item does not apply during strike and disaster situations when the other party to the contract cannot fulfill it; or when labor disputes interrupt the flow of earnings specified in the contract. This item also does not apply to migrant workers or substitute employees.

7. Educational Income

All student financial assistance is excluded in its entirety.

NOTE: Income such as stipends is not always considered financial assistance. Income from stipends must be evaluated on a case-by-case basis.

Excluded educational assistance includes, but is not limited to:

- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- Guaranteed Student Loans, including William D. Ford Federal Direct Loan Program and Federal Direct PLUS loans and Supplemental Loans for Students, Federal Family Education Loan (FFEL) Program
- Leveraging Educational Assistance Partnership (LEAP) and Special Leveraging Educational Assistance Partnership (SLEAP) Programs, formerly known as State Student Incentive Grants

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The shelter expense is calculated as follows:

Step 1: $\$250 \div 5 = \50 Pro rata rent share for each person

Step 2: $\$250$ Rent paid by father
 $\underline{- 50}$ Father's pro rata share
 $\$200$ Used as shelter expense for AG

(2) Disqualified Individuals

The income of the following disqualified and excluded individual(s) is counted as if he were a member of the AG.

- An individual who is in a SNAP penalty for failure to comply with SNAP work requirements. See Section 13.6.
- An individual who is excluded by law. See Section 9.1.
- An individual who has been found guilty of an Intentional Program Violation (IPV). See Section 9.1.

Add the determined amount to the current non-excluded income of the non-striking AG members. Eligibility and benefit level are determined as for any other AG and all appropriate deductions apply.

NOTE: Eligible strikers are subject to the work registration requirements detailed in Chapter 13, unless exempt for some reason other than employment.

10. Irregular Income

Any income in the certification period which is received too infrequently or irregularly to be reasonably anticipated, but not in excess of \$30 per quarter, is excluded.

However, should an AG's receipt of irregular income continue over time, it must be anticipated and a determination of a countable amount be made according to the budgeting method outlined in this Section.

11. Lump Sum Payments

Recurring lump sum payments, received by an applicant in the month of application or by a recipient, are treated as unearned income and prorated over the period of time they are intended to cover.

Non-recurring lump sum payments are excluded as income, but are counted as assets. Refer to Chapter 11.

12. Withheld Income

a. From Earned Income

Earnings withheld to repay an advance payment are excluded, if they were counted in the month received. If not counted in the month received, the withheld earnings are considered income.

No other earned income is excluded from consideration just because it is withheld by the employer. This includes income garnishments, such as child support. See **Income Disregards and Deductions above** for allowable deductions.

b. From Unearned Income

Treatment of unearned income depends on the reason it is being withheld and the government program, if any, involved.

(1) Repayment

(a) Means-tested Programs

Means-tested programs include, but are not limited to, WV WORKS, SSI, HUD and PELL.

When a client's benefits under a federal or State means-tested program are reduced, due to the client's intentional misrepresentation, the amount being recouped from current benefits is counted as income.

When intentional misrepresentation cannot be documented by the means-tested program, the income is not counted. The Worker must accept the determination of the program which was reduced, suspended or terminated, as the final authority for the determination of intentional misrepresentation. If the determination is not specifically identified and documented by the other program, the policy in this section is not applied. The Worker must not make a judgment about whether or not the client's actions constitute intentional misrepresentation.

If the Worker is unable to obtain information from another program outside DHHR, the policy in this section must not be applied. The Worker must record efforts to obtain such information, with copies of

(3) Garnishment

Income that is withheld for any reason not listed above including, but not limited to, child support or legal fees is counted. See **Income Disregards and Deductions above** for allowable deductions.

EXAMPLE: The client is eligible for \$450 from RSDI, however \$50 a month is withheld by SSA and sent to BCSE to pay child support arrears. The countable income is \$450 and \$50 is given as a child support deduction.

13. Funds Diverted To A PASS

Funds diverted to a PASS account are excluded only when the PASS is established by SSA for an SSI recipient.

14. Unstated Income

There is no provision for counting unstated income.

15. Spenddown

There is no spenddown provision.

16. Unavailable Income

Income intended for the client, but received by another person with whom he does not live, when the individual receiving this income refuses to make it available, is excluded.

17. Income Received For A Non-Income Group Member

Income received by a member of the Income Group, which is intended and used for the care and maintenance of an individual whose income is not used in determining the eligibility or benefit level of the payee's AG, is excluded as income.

This includes SSI payees and other protective payees. This does not include child support payments and/or arrearages received by an AG member for a child who is not in the AG. In this situation, the child support is counted for the AG that receives the income, even when it is forwarded to and/or used for the child.

18. Income Received From Military Personnel Deployed to a Designated Combat Zone

Use the following steps to determine the amount of income to count for the AG when funds are provided by military service personnel while serving in a designated combat zone. A list of combat zones may be found at www.fns.usda.gov

NOTE: The following steps apply to applicant households as well as recipients.

Step 1: Determine the amount of the military person's pay which was actually available to the household prior to deployment to a combat zone as follows:

- If the military person was a member of the SNAP AG or Income Group prior to deployment, the amount is his net military pay.
- If the military person was not a member of the SNAP AG or Income Group prior to deployment, the amount is the amount the person actually made available to the SNAP AG prior to deployment.

Step 2: Determine the amount of military pay the person makes available to the SNAP group while deployed to a combat zone.

Step 3: If the amount in Step 2 is equal to or less than the amount determined in Step 1, the Step 2 amount is counted. If the Step 2 amount is greater than the Step 1 amount, the Step 1 amount is counted.

EXAMPLE: A member of the Air National Guard receives notice that her unit has been activated and will be deployed. This is her only source of income and increases from her traditional ANG pay of \$400 a month to her new federalized pay of \$2,000 a month. She reports this change and her SNAP benefits are adjusted accordingly. She is then deployed to a designated combat zone and is expected to be away for at least 6 months. Her husband reports this change and she is removed from the AG due to her anticipated absence from the home. He also reports that she is making her entire income available to the AG and now grosses an additional \$1,000 a month.

- Step 1 The soldier's net income before deployment was \$1,500 a month.