FS 268 Budgeting Stable Income
Change #1-2006
April 1, 2006

268.01 RULES FOR BUDGETING STABLE INCOME

A. Stable income is earned and/or unearned income that does **not** vary by a $1 each benefit or payment period. Verify at least two full consecutive pay or benefit periods to determine if the income is stable. This is also the base period for stable income.

B. Budget all countable gross stable **earned and unearned income** using the same procedures except for contract income, countable educational assistance, annualized self-employment, and alien sponsor's income. See Section 273, Special Budgeting Procedures, for these types of income. Also, see Section 265, Variable Income, for special types of income such as bonus pay, contract income, military pay, and countable educational assistance. Exclude any money used to repay an overpayment to the same source. For Work First Family Assistance (WFFA) and Supplemental Security Income (SSI) overpayments, see Section 265, Variable Income.

C. **Convert stable income** to a monthly amount if a full month of income is expected to be received.

D. Use **actual plus projected income** when less than a full month of stable income is expected to be received at a new or changed amount. This is stable income already received **and/or** expected to be received in the month. Enter as a monthly amount. Examples include new income, terminated income, or a change in income.

E. **Round income** to the nearest whole dollar before and after each calculation. Round down amounts below $.50; round up $.50 and above. These procedures also apply to each child support payment received in the base period. The only exception to the rounding rule is with social security income. Social Security Administration s rounding procedure is used when calculating all social security income. Social security drops cents for social security benefits. When adding the Medicare premium to calculate the total social security benefit, use standard rounding procedures.

F. Determine the number of times the income was received in the base period. Remember to use the date the income was paid or made available to the food stamp unit (FSU). Consider income mailed to the FSU as received on the third postal day after the mail date. If child support is verified through ACTS, remember, the date shown in the system is the date the check was written. It is mailed on the next workday.

EXAMPLE: Date shown in ACTS is a Thursday. Check is mailed on Friday, if it is a workday. Allow three postal mail days, that is, Saturday, Monday, and Tuesday. Tuesday is the date of receipt.

NOTE: Use client statement, bank statement, etc. for verification purposes if the client states that the actual date of receipt is different from the ACTS date of receipt. This may apply when checks are mailed or when income is received via direct deposit.

G. Request that the **FSU provide verification of stable income** that is unavailable to the agency. Examples of income verification sources available to the agency include but are not limited to social security, WFFA, SSI, and UIB. Offer assistance in obtaining verification of income if the FSU requests help.

H. If it is **impossible to verify the FSU's stable income**, use a signed and dated statement from the client as the best estimate. Document in the case file why the income verifications were not available. For example, you may use the client s statement if a company has gone out of business or refuses to verify the employee s wages.

268.02 BUDGETING ONGOING STABLE INCOME EXPECTED TO CONTINUE

A. The budgeting of ongoing stable income is based on the earned or unearned income received in the prior two full consecutive pay or benefit periods, and no changes in income have occurred or are expected to occur up to the point of certification. **Refer to Manual Sections 400 through 550 and determine appropriate reporting requirements prior to determining if it is necessary to react to a change in income.**

B. A change in stable earned income is defined as:

1. A change in the rate of pay; **or**

2. An ongoing change in the number of work hours; **or**

3. A new source of income; **or**

4. A terminated source of income.

C. A change in stable unearned income is defined as:

1. A change in the award amount (increase or decrease in the number in the WFFA assistance unit; a sanction or penalty in WFFA or SSI; or the annual increase in SSA, SSI, VA, or other retirement, etc.); **or**

2. A change in the source of income; **or**

3. A change of more than $100 in gross monthly earned income; **or**

4. A change of more than $100 in gross monthly unearned income from private sources (i.e., contributions, child support); **or**

5. A new source of income; **or**

6. A terminated source of income.

NOTE: Budget child support income based on the frequency of receipt and use appropriate conversion factors. This means that child support income is budgeted in the same manner that other sources of unearned income are budgeted. This does not apply to lump-sum arrearage payments as they are considered a resource instead of income.

Other variations in income are considered fluctuations. Do not rebudget based on normal fluctuations in income.

NOTE: When WFFA reacts to any of the changes listed above, the food stamp caseworker must react to the subsequent **change** in the WFFA amount.

See 268.03 and 268.04 for procedures on budgeting stable income changes.

D. Calculate the income from **each source separately** using the following steps.

1. Verify all stable income received in the two consecutive pay or benefit periods **prior** to the:

a. Month of **initial application or reapplication**; **or**

b. The last month of the certification period for **applications for recertification.**

2. Enter the stable amount in the Food Stamp Information System (FSIS).

3. FSIS converts the stable income to a monthly amount according to the frequency of receipt:

a. Weekly income x 4.3;

b. Biweekly income x 2.15; **or**

c. Semi-monthly income x 2.

4. If a member has more than one source of income, calculate and convert each source to a monthly amount separately. Total these two amounts, and enter in FSIS as a monthly amount.

NOTE: If the stable income is received on a monthly basis, no conversion is required.

5. Budget the stable income until the next recertification or reported change.

6. Enter the stable **earned** income amount in field 80-F on the DSS-8590. Select the code that represents the frequency of receipt, i.e., weekly, biweekly, semi-monthly, or monthly. FSIS will convert the income to a monthly amount.

7. Enter the stable **unearned** income amount in field 80-J on the DSS-8590. Select the code that represents the frequency of receipt, i.e., weekly, biweekly, semi-monthly, or monthly. FSIS will convert the income to a monthly amount.

268.03 BUDGETING NEW OR CHANGED STABLE INCOME

A. Initial Application/Reapplication

/reapplicationduring the certification period, determine and document the best estimate of the new monthly income.

1**.** To determine and document the best estimate for the new source or change in stable income reported at **initial application/reapplication**, take the following steps.

a. Use any available earned or unearned income already received if the FSU has received at least two **full** payments. Use **only** full pay or benefit periods to project the stable income.

b. If the **earned** income received by the FSU is a partial payment or the new/changed stable earned income has not been received, verify the anticipated income. Request the FSU member's hourly pay rate, expected number of work hours per pay period, the pay dates, and frequency of receipt to determine the new/changed income.

c. If the **unearned** income received by the FSU is a partial payment or the new/changed stable unearned income has not been received, verify the new/changed income with the source.

d. Use actual plus projected income in any month the FSU will **not** receive a full month's stable income at the new or changed amount. Enter as a monthly amount. Use the appropriate monthly code in field 80-F for actual stable **earned** income. Use the appropriate monthly code in field 80-J for stable **unearned** income.

e. Use converted monthly income if a full month of income is expected to be received.

f. Budget this stable income until the next recertification or reported change.

2. Enter the stable **earned** income amount in field 80-F on the DSS-8590. Select the code that represents the frequency of receipt, i.e., weekly, biweekly, semi-monthly, or monthly. FSIS will convert the income to a monthly amount.

3. Enter the stable **unearned** income amount in field 80-J on the DSS-8590. Select the code that represents the frequency of receipt, i.e., weekly, biweekly, semi-monthly, or monthly. FSIS will convert the income to a monthly amount.

B. During The Certification Period

If the FSU reports new/changed stable income during the certification period, determine and document the best estimate of the new/changed income. **Refer to Manual Sections 400 through 550 and determine appropriate reporting requirements prior to determining if it is necessary to react to a change in income.**

1. To determine and document the best estimate for the new source or change in stable income reported **during the certification period,** take the following steps.

a. Use any available earned or unearned income already received if the FSU has received at least two **full** payments. Use **only** full pay or benefit periods to project the stable income.

b. If the **earned** income received by the FSU is a partial payment or the new/changed stable earned income has not been received, verify the anticipated income. Request the FSU member's hourly pay rate, expected number of work hours per pay period, the pay dates, and frequency of receipt to determine the new/changed income.

c. If the **unearned** income received by the FSU is a partial payment or the new/changed stable unearned income has not been received, verify the new/changed income

EXCEPTION: Attempt to contact the employer or source if the change in income decreases benefits. If information cannot be verified timely, accept the FSU's statement of income until the next recertification.

d. Use the two full payments received to project the stable income or best estimate of the stable income. Convert the stable income to a monthly amount for the month following the expiration of the Notice of Adverse Action, DSS-8553.

e. Budget this stable income until the next recertification or reported change.

2. Enter the stable **earned** income amount in field 80-F on the DSS-8590. Select the code that represents the frequency of receipt, i.e., weekly, biweekly, semi-monthly, or monthly. FSIS will convert the income to a monthly amount.

3. Enter the stable **unearned** income amount in field 80-J on the DSS-8590. Select the code that represents the frequency of receipt, i.e., weekly, biweekly, semi-monthly, or monthly. FSIS will convert the income to a monthly amount.

C. At Recertification

1. Determine and document the best estimate of new or changed monthly income if the FSU reports new/changed stable income received or expected to be received:

   a. In the base period; **or**

   b. In the month the application for recertification is due; **or**

   c. During the new certification period.

2. To determine and document the best estimate for the new source or change in stable income reported **at recertification, take the following steps.**

   a. Use any available earned or unearned income already received if the FSU has received at least two **full** payments. Use **only** full pay or benefit periods to project the stable income.

   b. If the **earned** income received by the FSU is a partial payment or the new/changed stable earned income has not been received, verify the anticipated income. Request the FSU member's hourly pay rate, expected number of work hours per pay period, the pay dates, and frequency of receipt to determine the new/changed income.

   c. If the **unearned** income received by the FSU is a partial payment or the new/changed stable unearned income has not been received, verify the new/changed income with the source.

   d. Use actual plus projected income in any month the FSU will **not** receive a full month's stable income at the new or changed amount. Enter as a monthly amount. Use the appropriate monthly code in field 80-F for stable **earned** income. Use the appropriate monthly code in field 80-J for stable **unearned** income.

   e. Use converted monthly income if a full month of income is expected to be received.

   f. Budget this stable income until the next recertification or reported change.

3. Enter the stable **earned** income amount in field 80-F on the DSS-8590. Select the code that represents the frequency of receipt, i.e., weekly, biweekly, semi-monthly, or monthly. FSIS will convert the income to a monthly amount.

4. Enter the stable **unearned** income amount in field 80-J on the DSS-8590. Select the code that represents the frequency of receipt, i.e., weekly, biweekly, semi-monthly, or monthly. FSIS will convert the income to a monthly amount.

268.04 BUDGETING TERMINATED STABLE INCOME

A. Initial Application/Reapplication

To determine countable income when a FSU reports terminated stable income (income terminating in the month of application or the following month) **at initial application/ reapplication,** take the following steps.

1. For stable **earned or unearned income**, verify the FSU member's terminated income for the month of application and the following month.

2. Count the actual plus projected income received in or expected in the month of termination if this is the last month the stable income will be received **and** a full month of income is **not** expected. Enter as a monthly amount. **Do not convert the income.**

3. Convert income to a monthly amount if a full month is expected to be received in the month of termination.

4. If the stable income will not terminate until the month following the month of application and a full month is expected in the initial month, convert the income for the initial month.

5. If the stable income will not terminate until the month following the month of application but a full month of income is **not** expected in the initial month, count actual plus projected income for the initial month. Enter as a monthly amount. Do not convert the income.

6. Do not count terminated income in any month after the month the stable income is last received.

7. Enter the stable **earned** income amount in field 80-F on the DSS-8590. Select the code that represents the frequency of receipt, i.e., weekly, biweekly, semi-monthly, or monthly. FSIS will convert the income to a monthly amount.

8. Enter the stable **unearned** income amount in field 80-J on the DSS-8590. Select the code that represents the frequency of receipt, i.e., weekly, biweekly, semi-monthly, or monthly. FSIS will convert the income to a monthly amount.

B. During The Certification Period

To determine countable income when a FSU reports terminated stable income during the certification period, take the following steps. **Refer to Manual Sections 400 through 550 and determine appropriate reporting requirements prior to determining if it is necessary to react to a change in income.**

1. For stable **earned** or **unearned** income, verify when the FSU member's income terminates.

2. Count actual plus projected income to be received in the following month when a full month of terminated income is **not** expected. Enter as a monthly amount.

3. Continue to count converted income in the following month if a full month of stable income is expected to be received.

4. Do not count terminated income in any month after the month the stable income is last received.

C. At Recertification

To determine countable income when a FSU reports terminated stable income at recertification, take the following steps.

1. For stable **earned** or **unearned** income, verify when the FSU member's income terminates.

2. Count actual plus projected income in the first month of the new certification period if a full month of income is **not** expected to be received from the terminated source. Enter as a monthly amount.

3. Count converted income in the first month of the new certification period if a full month of stable income is expected to be received.

4. Do not count terminated income in any month after the month the stable income is last received.