

**FOOD STAMP CERTIFICATION
INCOME
Determining Benefit Levels**

**FS 285 Determining Benefit Levels
Change #1-2006
April 1, 2006**

285.01 DEDUCTIONS AND MAXIMUM ALLOWABLE RESOURCES

A. Standard Allowance For Utilities

1. Heating and Cooling Standard Utility Allowance (SUA)
2. Non-Heating/Non-Cooling Basic Utility Allowance (BUA)
3. Telephone Utility Allowance (TUA)

Current SUA, BUA, and TUA Amounts			
Food Stamp Unit Size	SUA	BUA	TUA
1	\$ <u>266</u>	\$ <u>164</u>	\$ <u>22</u>
2	\$ <u>292</u>	\$ <u>180</u>	\$ <u>22</u>
3 to 4	\$ <u>321</u>	\$ <u>198</u>	\$ <u>22</u>
5 or more	\$ <u>350</u>	\$ <u>216</u>	\$ <u>22</u>

B. Standard Deduction

A standard deduction is allowed each food stamp unit (FSU) each month according to household size. All FSU members will be included in the calculation of the standard deduction whether eligible or ineligible FSU members. The amount is automatically calculated by the FSIS System.

Effective October 1, 2005:

Household Size	Standard Deduction
1	134
2	134
3	134
4	134
5	157
6+	179

C. Earned Income Deduction

Twenty percent of earned income is deducted.

D. Maximum Allowable Resource Limits

1. \$3,000 for FSU s with a member age 60 or older or disabled.
2. \$2,000 for all FSU s.

E. Dependent Care Deduction

The maximum dependent care deduction is:

1. \$200 monthly per dependent under age two, **and**
2. \$175 monthly per dependent age two and over.

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F. Excess Shelter Deduction

The maximum excess deduction for FSU s without a specified person is \$400 each month. There is no limit for FSU s with a specified person as defined in Section 210, Household Concept.

285.02 MAXIMUM MONTHLY INCOME AND ALLOTMENT

A. Maximum Monthly Income - Effective October 1, 2005

Food Stamp Unit Size	Maximum Allowable Gross Income	Maximum Allowable Net Income
1	\$1037	\$ 798
2	1390	1070
3	1744	1341
4	2097	1613
5	2450	1885
6	2803	2156
7	3156	2428
8	3509	2700

Each additional member (+) \$354 (+) \$272

B. Maximum Allotment - Effective October 1, 2005

Food Stamp Unit Size	Maximum Allotment
1	\$152
2	278
3	399
4	506
5	601
6	722
7	798
8	912

Each additional member (+) \$114

285.03 INCOME STANDARDS FOR SEPARATE FOOD STAMP UNIT STATUS

Certain elderly and disabled persons may be granted separate FSU status when living with others, if the income of the people with whom they reside does not exceed the maximum allowable monthly amounts shown below. Refer to Section 210, Household Concept, for further instructions.

Effective October 1, 2005

Food Stamp Unit Size	Gross Monthly Income
1	\$1316
2	1765
3	2213
4	2661
5	3109
6	3558
7	4006
8	4454

Each additional member (+) \$449

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285.04 CALCULATION OF BENEFIT LEVEL

A. General Policy

1. The Food Stamp Information System (FSIS) calculates the net income and benefit levels based on entries on the DSS-8590, Client Record.
 - a. Round all countable income and deduction entries according to 285.04, C.
 - b. If appropriate, convert entries to a monthly amount according to 285.04, D.
2. Use the DSS-1700, Application Worksheet, to manually determine the monthly allotment:
 - a. When there is a system failure; **or**
 - b. To prepare a trial budget. See DSS-1700 instructions in 285.04 E.

B. Income Eligibility Standards

Use the gross and net income eligibility standards to determine the eligibility of the FSU. These standards are based on the monthly countable income of the FSU and are shown in 285.02 A.

1. FSU s without a specified member are subject to the gross and net income eligibility standards.
2. FSU s with a specified person as defined in Section 210, Household Concept, are subject only to the net income eligibility standard.
3. Categorically eligible FSU s are not subject to the gross or net income eligibility standards.

C. Rounding

Round income and expenses to the nearest whole dollar before and after each calculation.

1. Round up amounts of 50 cents and above.
2. Round down amounts of 49 cents and below.
3. Exceptions:
 - a. Add all allowable shelter costs using actual dollars and cents. Round the total.
 - b. Add all allowable medical costs using actual dollars and cents. Round the total.
 - c. In the allotment calculation, compute the benefit reduction by multiplying the monthly income by 30 percent. Round up the result, and subtract it from the maximum allotment.

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- d. Rounding of SSA payments for mass change. Drop the cents and use standard rounding when adding back the Medicare premium.

D. Conversion

- 1. When appropriate, convert income and expenses to a monthly amount if the income is received or the expense is billed:
 - a. More frequently than monthly, such as weekly or every two weeks; **and**
 - b. They are expected to continue for the entire month.
- 2. Convert the income and/or expenses to a monthly amount by multiplying:
 - a. Weekly amounts by 4.3; **or**
 - b. Bi-weekly (every 2 weeks) amounts by 2.15; **or**
 - c. Semi-monthly (twice per month) amounts by 2.

NOTE: FSIS will automatically convert weekly, bi-weekly, and semi-monthly income to a monthly amount based on the code entered on the DSS-8590. Refer to Sections 268, Budgeting Stable Income, and 270, Budgeting Fluctuating Income, for budgeting procedures.

E. DSS-1700 Instructions

- 1. Determine gross countable monthly earned income. See Section 263, Sources of Income.
- 2. Add any non-excluded income received from educational aid. See Section 265, Variable Income.
- 3. Add gross monthly unearned income. See Sections 263 and 265.
- 4. **RESULT:** Gross monthly income. Except for FSU s with a specified person as defined in Section 210, Household Concept, if this amount is more than the gross income eligibility limit, deny or terminate the case. If less than the limit, continue on to 5.
- 5. Multiply 1., gross monthly earned income, by 20%, the earned income deduction. See 285.01 C.
- 6. Subtract the result in 5. from the total in 4.
- 7. Subtract the monthly standard deduction based on the FSU household size. See 285.01, B.
- 8. If applicable, subtract allowable medical expenses. See Section 280.
- 9. Subtract allowable dependent care expenses. See Section 280.
- 10. Subtract legally obligated child support. See Section 280.
- 11. **RESULT:** Net monthly income after all allowable deductions except shelter expenses.

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12. Total housing and utility expenses. See Section 280.
13. Subtract one-half of 11 from 12.
14. **RESULT:** Excess shelter expenses.
15. Subtract 14 from 11.
16. **RESULT:** Net monthly income after all allowable deductions. If this amount is more than the net income eligibility limit, deny or terminate the case. If less than the limit, continue on to 17.
17. Subtract 30% of 16 from the maximum allotment for the appropriate FSU size. See 285.02 B.

NOTE: Coupon Issuance Tables may be used instead. A copy of the Coupon Issuance Tables is available in your agency.
18. **RESULT:** Food stamp allotment. Prorate according to 285.04 F., if applicable, for initial applications and reapplications.

Refer to Figure 285-1a for an example of a completed DSS-1700, Application Worksheet. Refer to Figure 285-1b for a blank DSS-1700.

F. Proration of Initial Months Benefits

1. FSIS automatically prorates from the date of application. In some instances, proration is not applicable. To prevent automatic proration, enter a code N in field 40 of the DSS-8590. The first month's benefits are not prorated when:
 - a. Adding a new member to a participating FSU.
 - b. A migrant or seasonal FSU participated in the Food Stamp Program within 30 days prior to the date of application.
 - c. An application for recertification is reopened because it is determined that information was provided within the first 30 days.
2. For manual calculations, use the formula in 285.04 F. 3.
 - a. Use a standard 30-day calendar month. A FSU applying on the 31st of a month is treated as though it applied on the 30th.
 - b. When an application is denied because of a FSU delay, reopen the application if the FSU takes the required action within 30 days of the denial. Consider the month that the application is reopened the initial month. For proration purposes, change the date of application to the date the information is received.
3. Determine manually the amount of the prorated allotment using the following formula.

$$\frac{(31 - \text{Date of Application}) \times \text{Full Month's Benefits}}{30} = \text{Prorated Allotment}$$

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- a. Subtract the date of application from 31.
- b. Multiply the result by the full monthly allotment.
- c. Divide the product by 30. **Round down** to the nearest dollar.

EXAMPLE: A FSU s date of application is the 18th and the monthly allotment is \$256. The computation is:

$$\frac{(31 - 18) \times 259}{30}$$

31	259		
<u>-18</u>	<u>x13</u>	3367	Divided by 30 = 112.23
13	3367	=	112.00 Prorated Allotment

4. If the prorated allotment is less than \$10, issue no benefits for the initial month. If the allotment prorates to zero, **do not deny** the application.

285.05 COUPON ISSUANCE TABLES

The coupon issuance tables are used to manually calculate food stamp benefits for FSU s up to ten persons. These tables are available in paper version only, and one copy will be provided for your agency. FSIS will calculate monthly benefits upon entry of information onto the DSS-8590 screen. The tables are arranged by net monthly income and FSU size. If the FSU consists of more than ten persons, use the procedures shown below to determine benefits.

NOTE: These tables are extended to meet the needs of certain categorically eligible FSU s. Therefore, the amounts shown on the tables are higher than the net income limits for some FSU sizes. FSU s that are not categorically eligible for food stamp benefits cannot receive benefits if their net income is higher than the amounts shown in Section 285.02. All one and two-person FSU s that are categorically eligible must receive benefits of at least \$10 even if the tables do not show a benefit amount at their income level.

A. Maximum Allotment (Value of the Thrifty Food Plan)

For each person in excess of 8, add \$114 to the maximum allotment for an eight-person FSU. This is the coupon allotment for the \$0-0 net income grouping.

B. Benefit Determination Without the Tables

To determine the benefit the FSU must receive:

1. Multiply the FSU s net monthly income by 30% and **round up** if the number ends in 1 through 99 cents.
2. Subtract the result obtained in Step 1. from the maximum allotment (Thrifty Food Plan) for that size FSU.

NOTE: Allotments of \$1, \$3, and \$5 are **rounded up** to \$2, \$4, and \$6, respectively, for issuance purposes.

3. All one and two-person FSU s must receive a minimum monthly allotment of \$10 before proration of the initial month allotment.

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