STATE OF RHODE ISLAND
DEPARTMENT OF HUMAN SERVICES

PUBLIC NOTICE OF PROPOSED RULE-MAKING

In accordance Rhode Island General Laws (RIGL) 42-35, notice is hereby given that the Department of Human Services proposes to amend the following DHS rules:

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)
SECTION 1008: FINANCIAL CRITERIA- INCOME

This amended rule reflects revised language to clarify that SNAP applicants will have their monthly gross income compared to the 185% gross income level solely to determine eligibility for a TANF-funded services and not eligibility for SNAP benefits. The rules also now clarify that households that are categorically eligible households due to receipt of a TANF-funded service must meet the net income standards in order to determine benefit amount. However, one and two person households that are categorically eligible do not have to meet the net income standard in order to be eligible for the minimum monthly benefit.

In the development of these rules, consideration was given to the following: (1) alternative approaches; and (2) overlap or duplication with other statutory and regulatory provisions. No alternative approach or duplication or overlap was identified based upon available information.

This proposed rule is accessible on the R.I. Secretary of State website (http://www.sec.state.ri.us/ProposedRules/) and the DHS website (www.dhs.ri.gov) or available in hard copy upon request (401 462-2018 or RI Relay, dial 711). Interested persons should submit data, views or written comments by Monday, September 7, 2010 to Kimberly Merolla-Brito, Office of Policy Development, Department of Human Services, Louis Pasteur Building, Bldg. 57, Howard Avenue, Cranston, RI 02920.

In Accordance with RIGL 42-35-3, an oral hearing will be granted if requested by twenty-five (25) persons, by an agency or by an association having at least twenty-five (25) members. A request for an oral hearing must be made within thirty (30) days of this notice.

The Department of Human Services does not discriminate against individuals based on race, color, national origin, sex, gender identity or expression, sexual orientation, religious belief, political belief or handicap in acceptance for or provision of services or employment in its programs or activities.

Gary D. Alexander, Director

1008 FINANCIAL CRITERIA - INCOME

1008.05 INCOME

REV: ~~07/2009~~10/2010

The Food Stamp Act requires that participation be "limited to those households whose income and other financial resources, held singly or in joint ownership, are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet." The standards are established by law and apply to all households applying for SNAP~~Program~~ benefits.

Household income means all income from whatever source excluding only the items specified in 1008.10. The income considered is that received over the period of certification. As this is generally a future period, the income considered is usually that anticipated by the household. Section 1010 discusses how to determine Supplemental Nutrition Assistance Program (SNAP)~~, previously called the Food Stamp Program~~) income.

Households that contain an elderly or disabled member must meet the net income eligibility standards for the Supplemental Nutrition Assistance Program.

Households that do not contain an elderly or disabled member must meet both the gross income eligibility standards and the net income eligibility standards for the Supplemental Nutrition Assistance Program.

Households that are categorically eligible because they are recipients of RIW cash assistance and/or SSI do not have to meet either the gross or net income eligibility standards. The gross and net income eligibility standards are based on the Federal income poverty levels established as provided in Section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902 (2)).

SNAP-only categorically eligible households that are recipients of a TANF-funded Service (the RI Department of Human Services TANF Information Publication) must meet the 185% gross income standard solely to determine eligibility for expanded categorical eligibility, and must meet the net income standards in ~~Section 1038.25~~order to determine benefit amount. One and two person households that are categorically eligible do not have to meet the net income standard in order to be eligible for the minimum monthly benefit.

The gross income eligibility standards for the Supplemental Nutrition Assistance Program for the contiguous 48 states, the District of Columbia, the Virgin Islands and Guam is one hundred thirty (130) percent of the Federal income poverty level~~s for the 48 states and the District of Columbia.~~

The net income eligibility standards for the Supplemental Nutrition Assistance Program for the contiguous 48 states, the District of Columbia, the Virgin Islands and Guam is one hundred (100) percent of

the Federal income poverty level~~s for the 48 states and the District of Columbia~~.

The income eligibility limits are revised each October 1 to reflect the annual adjustment to the Federal income poverty guidelines for the 48 states and the District of Columbia.

The annual income poverty guidelines are divided by twelve (12) to determine the monthly gross income standards, rounding the results upward as necessary. For households greater than eight (8) persons, the increment in the Federal income poverty guidelines is multiplied by appropriate federal poverty level percentage, divided by twelve (12), and the results rounded upward, if necessary.

The annual income poverty guidelines are divided by twelve (12) to determine the monthly net income eligibility standards, rounding the results upward, as necessary. For households greater than eight persons, the increment in the Federal income poverty guidelines is divided by twelve (12), and the results rounded upward, if necessary. The income eligibility standards are listed in Section 1038.25.

1008.10 TYPES OF EXCLUDED INCOME

REV: 07/1986

In the Food Stamp Act of 1977,as amended, Congress has specified the types of income which are excluded for Food Assistance~~Stamp~~ Program purposes. Only the types of income listed in Sections 1008.10.15 through 1008.10.90 are excluded from household income, and no other income is excluded.

1008.10.05 In-Kind Income

REV: 07/1986

Any gain or benefit, not in the form of money, payable directly to the household such as non-monetary or in-kind benefits. ~~For example, meals, clothing, public housing, or produce from a garden.~~ Money payments that are not payable directly to the household, but are paid to a third party for a household expense, are vendor payments and are excluded as discussed in 1008.10.10.

1008.10.10 Vendor Payments

REV: 11/2000

A payment made in money on behalf of a household is considered a vendor payment whenever a person or organization outside the household uses its own funds to make a direct payment to either a household's creditors or a person or organization providing a service to the household.

~~For example, if a relative or friend who is not a household member pays the household's rent directly to the landlord from their own funds, the payment is considered a vendor payment and is not counted as income to the household.~~

The following types of payments may be excluded as vendor payments:

* An employer pays a household's rent directly to the landlord in addition to paying the household regular wages;
* An employer provides free housing to an employee;
* A RIW~~FIP~~, SSI, or GPA payment which is not made directly to the household, but paid to a third party on behalf of the household to pay a household expense, are vendor payments and not counted as income to the household if such payment is for:
    * Medical assistance;
    * Child care assistance;
    * A payment or allowance as described in Section 1008.10.75;
    * Assistance provided by a State or local housing authority;
    * Emergency assistance for migrant or seasonal farmworker households during the time the household is in the job stream (this assistance may include, but is not limited to, emergency vendor payments for housing or transportation); or
    * Housing assistance made to a third party on behalf of the household residing in transitional housing for the homeless.

Third Party Energy Assistance Payments:

Energy Assistance Payments - For purposes of Sec. 1008.10.75, a payment made under a State law to provide energy assistance to a household shall be considered money payable to the household.

Energy assistance expenses - For purposes of calculating the shelter expense, as outlined in Section 1010.25, an expense paid on behalf of a household under a State law to provide energy assistance shall be considered an out-of-pocket expense incurred and paid by the household.

Payments Not Excluded as Vendor Payments

Certain payments which are paid directly to the household or diverted from the household are not considered vendor payments and are included as income (See 1008.15.)

1008.10.10.05 HUD Vendor Payments

REV: 01/1988

Rent or mortgage payments paid to a landlord or mortgage~~e~~ by the Housing and Urban Development (HUD), State or local housing authorities are vendor payments and are excluded. HUD Community Development Block Grant Funds used for rehabilitation of the individual's residence are also excluded as vendor payments.

1008.10.10.10 Grants, Support or Alimony Payments

REV: 01/1988

If an employer, agency, former spouse or other person makes payments for household expenses to a third party from funds not owed to the household, these payments are excluded as vendor payments.

Payments specified by a court order or other legally binding agreement to go directly to the third party rather than to the household and support payments not required by a court order or other legally binding agreement (including payments in excess of the amount specified in a court order or written agreement) which are paid to a third party rather than the household, are excluded as a vendor payment, even if the household agrees to the arrangement.

1008.10.10.15 Child Care Payments

REV: 01/1988

Payments by a government agency to a child care institution to provide child care for a household member are excluded as vendor payments.

1008.10.15 Income Excluded by Law (Part 1)

REV: 10/2008

Do not count any income that is specifically excluded by any Federal, or local statute from consideration as income for the purpose of determining eligibility for the SNAP~~Food Stamp~~ Program.

The following laws provide such exclusion:

* ~~P. L.~~PL 102-325, the Higher Education Amendments of 1992, contain two separate provisions that affect the treatment of payments made under the Higher Education Act. In regard to Title IV -- Student Assistance, Part F, Section 479B provides that:

  Student financial assistance received under Title IV, or under Bureau of Indian Affairs student assistance programs, shall not be counted in the determination of eligibility of any person for benefits or assistance, or the amount of such benefits or assistance, under any Federal, State, or local program financed in whole or in part with Federal funds.

  These changes apply to determinations of need for award years beginning on or after July 1, 1993. ~~For example, if a student was awarded a Title IV grant for a school period of June, July, and August of 1993, the provision (for the exclusion of the grant in its entirety) would not apply.~~ The period of the award is the determining factor, not when the money is paid.

  Educational assistance authorized under Title IV includes the following:
  - o Basic Educational Opportunity Grants (BEOG or Pell Grants);
  - O Presidential Access Scholarships (Super Pell Grants);
  - O Federal Supplemental Educational Opportunity Grants (FSEOG);
  - o State Student Incentive Grants (SSIG);
  - o Robert C. Byrd Honors Scholarship Program;
  - o Federal Work Study Funds (Note: Not all Federal work

study funds come under Title IV of the Higher Education Act);

- Federal Family Education Loan Program~~ (Formerly GSL)~~:
  - Supplemental Loans for students,
  - PLUS loans for parents,
  - Robert T. Stafford Student Loans;
- Federal Perkins Loan Program- Direct loans to students in institutions of higher education (Perkins Loans, formerly NDSL);
- TRIO Grants (Go to organizations or institutions for students from disadvantaged backgrounds);
- Robert C. Byrd Honors Scholarship Program;
- High School Equivalency Program; and
- National Early Intervention Scholarship and Partnership Program.

* Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970.

* Under ~~P. L.~~PL 93-113, the Domestic Volunteer Services Act of 1973, Titles I and II, as amended, payments under Title I of that Act (including payments for such Title I programs as VISTA, University Year for Action, and Urban Crime Prevention Program) to volunteers must be excluded for those individuals receiving food ~~stamps~~ or public assistance at the time they joined the Title I program, except that households which were receiving an income exclusion for a VISTA or other Title I subsistence allowance at the time of conversion to the Food Stamp Act of 1977 must continue to receive an income exclusion for VISTA for the length of their volunteer contract in effect at the time of conversion. Temporary interruptions in SNAP~~food stamp~~ participation do not alter the exclusion once an initial determination has been made. New applicants who were not receiving food or public assistance ~~or food stamps~~ at the time they joined VISTA shall have these volunteer payments included as earned income.

  Payments under Title II including the Retired Senior Volunteer Program (RSVP), Foster Grandparents, and Senior Companion Program are also excluded.

* Income received by individuals age fifty-five (55) and older, under the Senior Community Service Employment Program (SCSEP) authorized under the Title V of the Older Americans Act. These funds are excluded by Public Law 100-175 as income for ~~FSP~~SNAP purposes.

* The Job Training Partnership Act (JTPA). Training allowances paid to individuals participating in programs under JTPA are excluded as income with the exception of earnings paid to an individual age nineteen (19) or over, participating in an on-the-job training program under the Workforce Investment Act. Earnings include monies paid under the Workforce Investment Act and monies paid by the employer.

~~P. L.~~PL 101-610, Section 117(d), 11/16/90, National and Community Service Act (NCSA) of 1990, provides that Section 142(b) of the JTPA applies to projects conducted under Title I of the National and Community Services Act of 1990 as if such projects were conducted under the JTPA. Title I includes three Acts: 1) Serve-America: The Community Service, Schools and Service-Learning Act of 1990, 2) the American Conservation and Youth Service Corps Act of 1990, and 3) the National and Community Service Act. There are about 47 NCSA programs and they vary by State. Most of the payments are made as a weekly stipend or for educational assistance. The Higher-Education Service-Learning program and the AmeriCorps umbrella program some under this Title. The National Civilian Community Corps (NCCC) is a federally managed AmeriCorps program.

* Under ~~P. L.~~PL 101-508, Federal earned income tax credit (EITC) payments received either as a lump sum payment or an advance payment included as part of the paycheck (or as a reduction in taxes that would otherwise have been paid at the end of the year);

* Payments made under ~~P. L.~~PL 99-425, Section(e), the Low-Income Home Energy Assistance Act, 9/30/86; in determining any excess shelter deduction, the full amount of such payments shall be deemed to be expended by the recipient household for heating or cooling costs.

* Under provisions of ~~P. L.~~PL 89-642, the value of assistance to children under the Child Nutrition Act;

* As provided in ~~P. L.~~PL 100-435, under WIC demonstration projects, coupons which can be exchanged for food at farmers' markets;

* Under ~~P. L.~~PL 100-485, the value of any child care payments made under Title IV-A , including transitional child care payments are excluded;
* "At-risk" block grant child care payments made under Section 5801 of ~~P. L.~~PL101-508; no deduction may be allowed for any expense covered by such payments;

* Under ~~P. L.~~PL 102-586, the value of any child care provided or any reimbursement for costs incurred under the Child Care and Development Block Grant is excluded from income from any other federal or federally assisted program in which eligibility, or amount of benefits, is based on need.

* The mandatory salary reduction amount for military service personnel that is used to fund the G. I. Bill;

* Payments made under the provisions of P~~ublic~~ L~~aw~~ 100-383, entitled "Wartime Relocation of Civilians", to certain United States citizens of Japanese ancestry, resident Japanese aliens and certain eligible Aleuts (natives of the Aleutian Islands.)

* All payments from the Agent Orange Settlement fund or any other fund established pursuant to the settlement in the Agent Orange product liability litigation retroactive to January 1, 1989. The disabled veteran will receive yearly payments; survivors of the deceased disabled veterans will receive a lump-sum payment. ~~These payments were disbursed by the Aetna Insurance Company.~~ Note: Veterans' benefits were authorized under provisions of ~~P. L.~~PL 102-4, Agent Orange Act of 1991, to some veterans with service connected disabilities resulting from exposure to Agent Orange. These VA payments are not excluded by law.

  ~~P. L.~~PL 101-239 also excluded payments made from the Agent Orange settlement fund or any other fund established pursuant to the settlement in the In re Agent Orange product liability litigation, M.D. L/ No. 381 (E.D.N.Y.).

* Utility reimbursements made by HUD directly to the household or via a two-party check payable to both the household and the utility provider are excluded from income and are not allowable shelter costs.

* Under ~~P. L.~~PL110-246, combat-related military pay is excluded from consideration as income when determining Food Stamp eligibility and benefit levels if the additional pay is the result of deployment to or service in a combat zone and was not received immediately prior to serving In a combat zone.

* Any monetary allowances paid by the Veterans Administration under ~~P.L.~~PL 104-204, Section 1805(d), to a child of a Vietnam Veteran for any disability resulting from Spina Bifida suffered by such child.

* Any monetary allowances paid by the Veterans Administration under ~~P.L.~~PL 106-419, Section 1815 (a), to any individual with one or more covered birth defects if he or she is a child of a female Vietnam veteran.
* Under ~~P.L.~~PL 103-322, Section 230202, dated 9/13/94, amended Section of the Crime Act of 1984 (42 U.S.C. 10602), compensation paid by a eligible crime victim compensation program is excluded as income to the household

1008.10.16 Income Excluded by Law (Part 2)

REV: 03/1994

* Under ~~P. L.~~PL 93-288, Section 312(d), the Disaster Relief Act of 1974, as amended, payments precipitated by a an emergency or major disaster as defined in the Act, as amended; this exclusion applies to Federal assistance provided to persons directly affected and to comparable disaster assistance provided by States, local governments, and disaster relief organizations.
  ~~A major disaster is any natural catastrophe such as a hurricane or drought, or regardless of cause, any fire, flood, or explosion, which the President determines causes damage of~~

~~sufficient severity and magnitude to warrant major disaster assistance to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.~~
~~An emergency is any occasion or instance for which the President determines that Federal assistance is needed to supplant State and local efforts and capabilities to save lives, and to protect property and public health and safety, or to lessen or avert the threat of a catastrophe.~~

Most Federal Emergency Management Assistance (FEMA) funds are excluded; however, some payments made to homeless people to pay for rent, mortgage, food, and utility assistance when there is no major disaster or emergency is not excluded under this provision.

* Funds paid under ~~P. L.~~PL 101-426, Section 6(h)(2), the Radiation Exposure Compensation Act, 10/15/90;

* Per capita payments of under $2,000 made under the provisions of ~~P. L.~~PL 93-134, the Judg~~e~~ment Award Authorization Act, as amended by ~~P. L.~~PL 97-458 and ~~P. L.~~PL 98-64; the exclusion applies to each payment made to each individual;

* Payments received under ~~P. L.~~PL 92-203, Section 29, 1/2/76, the Alaska Native Claims Settlement Act;

* Payments of relocation assistance to members of the Navajo and Hopi Tribes under Public Law 93-531.

* Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (~~P. L.~~PL 94-114);

* Income derived from the disposition of funds to the Grand River Band of Ottowa Indians (~~P. L.~~PL 94-540);

* Payments by the Indian Claims Commission to the Confederated Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation under ~~P. L.~~PL 95-433;

* Payments to the Passamaquoddy Tribe and the Penobscot Nation or any of their members received pursuant to the Maine Indian Claims Settlement Act of 1980 (~~P. L.~~PL 96-420, section 9(c));

* ~~P. L.~~PL 97-403 - Payments to the Turtle Mountain Band of Chippewas, Arizona;

* ~~P. L.~~PL 97-408 - Payments to the Blackfeet, Grosventre, and Assiniboine tribes, Montana and the Papago, Arizona;

* Per capita and interest payments under ~~P. L.~~PL 98-123 made to the Red Lake Band of Chippewas;

* Per capita and interest payments under ~~P. L.~~PL 98-124 to the Assiniboine tribe of the Fort Belknap Indian Community and the

Assiniboine Tribe of the Fort Peck Indian Reservation, Montana;

* Payments under the Old Age Assistance Claims Settlement Act (~~P. L.~~PL 98-500, Section 8) made to heirs of deceased Indians except for per capita shares in excess of $2,000;

* Funds distributed for members of the Chippewas of Lake Superior under ~~P. L.~~PL 99-146, Section 6(b);

* Moneys paid pursuant to ~~P. L.~~PL 99-264, White Earth Reservation Land Settlement Act of 1985;

* Disbursements made under ~~P. L.~~PL 99-346 to the Saginaw Chippewa Indian Tribe of Michigan; and

* Per capita payments to the Chippewas of Mississippi (~~P. L.~~PL 99-377).

* ~~P. L.~~PL 101-41, the Puyallup Tribe of Indians Settlement Act, provides that none of the funds, assets, or income from the trust fund established in section 6(b) shall at any time be used as a basis for denying or reducing funds to the Tribe under any Federal, State, or local program.

* ~~P. L.~~PL 101-503, Seneca Nation Settlement Act provides that none of the payments, funds, or distributions authorized, established, or directed by this Act, and none of the income therefrom, shall affect the eligibility of the Seneca Nation or its members or be used as a basis for denying or reducing funds under any federal program.

1008.10.20 Reimbursements

REV: 11/2000

Reimbursements are excluded as income for past or future expenses to the extent they do not exceed actual expenses and do not represent a gain or benefit to the household.

Reimbursements for normal living expenses of the household are not excluded. ~~For example, reimbursements such as rent or mortgage, personal clothing, or food eaten at home, are a gain or benefit and, therefore, are not excluded.~~ To be excluded, such payments must be provided specifically for an identified expense, other than normal living expenses, and used for the purpose intended.

Payments made to a disabled household member for attendant care services are considered to be reimbursements for expenses and are excludable income. If attendant care services are provided by a household member, the payment for these services is considered earned income (see Section 1008.15.05) of the care giver.

Reimbursements for Multiple Expenses

When a reimbursement, including a flat allowance, covers multiple expenses, each expense does not have to be separately identified as

long as none of the reimbursement covers normal living expenses. (Reimbursements for normal living expenses are not excluded.)

Reimbursements Exceeding Expenses

The amount by which a reimbursement exceeds the actual incurred expense must be counted as income. However, reimbursements are not considered to exceed actual expenses, unless the provider or the household indicates the amount is excessive.

1008.10.20.05 Examples of Excludable Reimbursements

REV: 01/2002

The following are considered excludable reimbursements:

* Reimbursements or flat allowances for job or training-related expenses such as travel, per diem, uniforms~~,~~ and transportation to and from the job or training site. Reimbursements which are provided over and above basic wages for these expenses are excluded. However, these expenses, if not reimbursed, are not otherwise deductible. Reimbursements for the travel expenses of migrant workers are also excluded.

* Reimbursements for out-of-pocket expenses of volunteers incurred in the course of their work.

* Medical or dependent care reimbursements, including payments made to a disabled individual for attendant care.

* Non-federal reimbursements or allowances to students for specific educational expenses, such as travel or books, but not allowances for normal living expenses such as food, rent, or clothing. Portions of a general grant or scholarship must be specifically earmarked by the grantor for education expenses rather than for living expenses to be excluded as a reimbursement, ~~(See~~refer to Section 1008.10.25~~)~~.

* Reimbursements received by households to pay for services provided by the Social Services Block Grant.

* Reimbursements for per diem transportation allowances under the ~~FS~~ SNAP E&T or Rhode Island Work's ~~Family Independence~~ Program's education, training, and job search components.

1008.10.20.10 Reimbursements Not Excluded as Income

REV: 03/1994

The following are not considered to be excludable reimbursements under this provision:

* No portion of any Federal educational grant, scholarship, fellowship, veterans' benefit and the like to the extent it provides income assistance beyond that used for tuition and mandatory school fees, is considered excludable under this

provision. This provision does not apply to educational assistance provided by a program funded in whole or in part under Title IV of the Higher Education Act or the Carl D. Perkins Vocational Education Act.

* No portion of any non-Federal, ~~i.e.,~~ State, local, or private educational grant, scholarship, fellowship, veterans' benefit and the like that is provided for living expenses is considered excludable under this provision. Thus, to be excludable, such assistance must be specifically earmarked by the grantor for education expenses, such as travel or books, but not for living expenses, such as food, rent, or clothing.

1008.10.25 Educational Assistance

REV: 03/1994

Exclude as income any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits and the like to the extent that they are used for or made available ~~(i.e., earmarked)~~ by a school, institution, program, or other grantor for tuition and mandatory fees, books, supplies, transportation, and miscellaneous personal expenses (other than living expenses) of the student incidental to attending the school, institution, or program. (Remember that financial aid received under Title IV of the Higher Education Act or the Bureau of Indian Affairs student assistance programs is excluded in its entirety), refer to~~. See~~ Section~~.~~ 1008.10.15.) If the educational assistance is provided by a program funded in whole or in part under the Carl D. Perkins Vocational and Applied Technology Act, refer to~~see~~ the provisions of 1008.10.30 for determining exclusion of those payments.

The student must be enrolled at a recognized institution of post-secondary education, at a school for the handicapped, in a vocational education program, or in a program that provides for completion of a secondary school diploma or obtaining the equivalent thereof. For the purpose of this provision, "institution of post-secondary education" means any public or private educational institution which either normally requires for enrollment a high school diploma or equivalency certificate or admits persons who are beyond the age of compulsory school attendance (age 16 in Rhode Island) without a high school diploma.

The institution must be legally authorized and recognized by the State to provide an educational program of training to prepare students for gainful employment.

Educational assistance is excluded based on the amounts earmarked by the institution, school, program, or other grantor as made available for the specific costs of tuition, mandatory fees, books, supplies, transportation, and miscellaneous personal expenses (other than living expenses). If the institution, school, program, or other grantor does not earmark amounts made available for the allowable costs involved, the student may verify the use of the educational assistance for allowable costs and thus receive an exclusion. Students may also provide verification of amounts used for allowable costs in excess of the amounts earmarked by the school or grantor to obtain an exclusion.

However, excludable expenses claimed by the student must not exceed the amount of the educational assistance.

Origination fees and insurance premiums on student loans are excludable charges. Only the amount of the loan after these charges have been excluded is to be considered income.

1008.10.25.05 Mandatory Fees

REV: 03/1994

Mandatory fees encompass those charges to students including the rental or purchase of any equipment, materials, and supplies which are related to the pursuit of the course of study involved.~~ For example, uniforms, lab fees, or equipment charged to students in order to enroll in a chemistry course would be excluded. However, transportation, supplies, and textbook expenses are not uniformly charged to students and, therefore, would not be excluded as mandatory fees.~~ Tuition and mandatory fees paid from earnings, resources, or any source other than grants, deferred loans, etc. are not excluded.

1008.10.30 Financial Aid under the Carl D. Perkins Act

REV: 03/1994

Financial assistance, such as grants, loans, reimbursements or allowances, under the Carl D. Perkins Vocational and Applied Technology Act must be for tuition, mandatory school fees, books, supplies, transportation, and miscellaneous personal expenses with the additional exclusion of payments made for dependent care expenses; room and board expenses are not excluded under Carl D. Perkins.

In order to qualify for this exclusion, the student must be attending an institution of post-secondary education on at least a half-time basis and be eligible to participate in the SNAP~~Food Stamp~~ Program in accordance with the student eligibility requirements in 1014.20. The student is responsible for providing the agency with information to verify that:

* The institution considers the student to be attending the institution on at least a half-time basis;
* The educational assistance received is from a program funded in whole or in part under the Carl D. Perkins Act.

1008.10.30.05 Carl D. Perkins Act Programs

REV: 03/1994

The following are examples of programs funded under the Carl D. Perkins Vocational and Applied Technology Act.~~ (A more complete listing is available in the Policy office.)~~

* Program for Single Parents, Displaced Homemakers, and Single Pregnant Women;
* Secondary School Vocational Education Program; and
* Postsecondary and Adult Vocational Education Program.

1008.10.30.10 Perkins Allowable Expenses and Verification

REV: 03/1994

For financial assistance awarded under the Carl Perkins Act, exclude the amounts claimed for tuition, mandatory school fees, books, supplies, transportation, and miscellaneous personal expenses that are related to the cost of attendance at the educational institution. Under Carl Perkins, dependent care expenses are also considered excludable.

Excludable expenses claimed by the student must not exceed the value of the total amount of educational assistance granted from the Carl Perkins Vocational Education Act.

Until such time as the appropriate verification is presented to the agency, assistance received from a program funded in whole or in part under Carl Perkins is subject to the provisions of 1008.10.25.

1008.10.35 Monies Received for Third Parties

REV: 10/1987

Exclude as income monies which are received and used for the care and maintenance of a third-party beneficiary who is not a household member. If the intended beneficiaries of a single payment are both household and non-household members, any identifiable portion of the payment intended and used for the care and maintenance of the non-household member is excluded. If the non-household member's portion cannot be readily identified, the payment is prorated among intended beneficiaries and the exclusion applied to the non-household member's pro-rata share or the amount actually used for the non-household member's care and maintenance, whichever is less.

1008.10.40 Earnings of Children

REV: 01/1997

Disregard the earned income of children who are members of the household if they are elementary or high school students at least half-time and are not yet eighteen (18) years of age. Their income is also excluded during temporary interruptions in school attendance due to semester or vacation breaks, provided the child's enrollment will resume following the break. If the child's earnings or the amount of work performed cannot be differentiated from that of the other household members, the total earnings must be prorated equally among the working members and the child's pro-rata share excluded. Individuals are considered children for this exclusion if they are under eighteen (18) and under the parental control of another household member.

1008.10.45 Cash Donations

REV: 09/1988

Cash donations, based on need, which a household receives from one or more private, nonprofit charitable organizations, are excluded as income. This exclusion cannot exceed three hundred dollars ($300) in a

quarter. For purposes of this exclusion, a quarter is defined as the Federal fiscal year quarters. These are:

October, November, December	-	1st quarter
January, February, March	-	2nd quarter
April, May, June	-	3rd quarter
July, August, September	-	4th quarter

~~Example:~~
~~A household receives cash donations because of need of $125 in April and $100 in May from the Salvation Army. In June, the household receives $150 from a local church. For FSP purposes the April and May amounts plus $75 of the June amount are excluded. $75 of the June amount is counted as unearned income.~~

1008.10.50 Loans

REV: 09/1988

All loans on which repayment is deferred, including loans from private individuals as well as commercial institutions, other than educational loans, are excluded as income for ~~FSP~~SNAP purposes.

Federal deferred payment educational loans, to the extent that they provide income assistance beyond that used for tuition and mandatory fees as set forth in 1008.10.30, are not excludable under this provision. If the deferred educational loan is provided by a program funded in whole or in part under Title IV of the Higher Education Act, see the provisions in 1008.10.25 to determine an income exclusion for portions of such loan. Portions of non-Federal (State, local or private) deferred payment educational loans are excludable under this provision only to the extent that the lender specifically earmarks portions or all of such loan to provide for educational expenses such as travel or books, but not for living expenses such as rent, mortgage, personal clothing or food eaten at home.

1008.10.55 Irregular Income

REV: 09/1988

Any income in the certification period which is received too infrequently or irregularly to be reasonably anticipated but not in excess of thirty dollars ($30) in a quarter, is excluded as income for ~~FSP~~SNAP purposes.

1008.10.60 Nonrecurring Lump Sum Payments

REV: 09/1988

Exclude as income money received in the form of a nonrecurring lump sum payment, including but not limited to, income tax refunds, rebates or credits; retroactive lump sum social security, SSI, public assistance, railroad retirement benefits or other payments; lump sum insurance settlements; or refunds of security deposits on rental property or utilities. These payments are counted as resources in the month received unless specifically excluded from consideration as a resource by other Federal laws.

1008.10.65 Costs of Self-Employment

REV: 09/1988

Exclude as income the cost of producing self-employment income.

Refer to Section 1016.15.20 for the procedures on computing the cost of producing self-employment income. Refer to Section 1016.15.35 for the procedures on computing the cost of producing self-employment income from a farm enterprise.

1008.10.70 Income of Nonhousehold Members

REV: 09/1988

The income of a non-household member who has been disqualified, such as a roomer, is not considered available to the household, ~~. (~~rRefer to Section 1016.25.~~)~~

1008.10.75 Energy Assistance

REV: 10/1996

Any payments or allowances made for the purpose of providing energy assistance under any Federal law (other than Title IV-A of the Social Security Act), or a one-time payment or allowance made under a Federal or State law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device are excluded.

1008.10.80 Payments Which Are Not Considered Income

REV: 02/1989

Exclude as income monies withheld from an assistance payment, earned income, or other income source, or monies received from any income source which are voluntarily or involuntarily returned to repay a prior overpayment received from that income source, provided that the overpayment is not excluded under another paragraph in this subsection.

However, monies withheld from an assistance program, for purposes of recouping from a household an overpayment which resulted from the household's intentional failure to comply with that program's requirements, must be included as income.

1008.10.85 Child Support Payments

REV: 11/2000

Exclude as income child support payments received by ~~FIP~~ RIW recipients which must be transferred to the IV-D Agency to maintain ~~FIP~~ RIW eligibility.

1008.10.90 Foster Care and/or Guardianship Payments

REV: 02/1989

Exclude as income for the household, foster care and/or guardianship payments for children or adults for whom the household provides care, unless the household elects to include the foster child or adult as a member of the SNAP~~food stamp~~ household.

1008.10.95 PASS Accounts

REV: 10/1992

Exclude as income amounts necessary for the fulfillment of a Plan to Achieve Self-Support (PASS) of a household member under Title XVI of the Social Security Act (SSI).

1008.15 TYPES OF COUNTABLE INCOME

REV: 10/1987

Except for the exclusions listed in 1008.10, all payments received by household members are income for food assistance~~stamp~~ purposes.

Income is categorized as either earned or unearned.

1008.15.05 Earned Income

REV: 11/2000

The following types of income are considered earned income:

1. Wages

   All wages and salaries for services performed as an employee, including payments to individuals for providing attendant care services.

   However, the term "earned income" does not include any portion of the income earned under a work supplementation or support program that is attributable to public assistance.

2. Self-Employment

   The total gross income from a self-employment enterprise, including the total gain from the sale of any capital goods or equipment related to the business, excluding the costs of doing business (Refer to Section 1016.15.20.) Ownership of rental property is considered self-employment. However, income derived from the rental property is considered earned income only if a member of the household is actively engaged in management of the property at least an average of twenty (20) hours per week. Payments from a roomer or boarder and returns on rental property are also self-employment income. (Refer to Section 1016.15.50 for boarder income and Section 1016.15.10 for income from rentals.)

3. Training Allowances

   Training allowances from vocational and rehabilitative programs sponsored by Federal, State, or local governments, to the extent they are not a reimbursement, except for

allowances received through programs authorized by the Job Training Partnership Act (JTPA) or its successor, the Workforce Investment Act (WIA) and the federal Welfare to Work (WTW) Program.

4. Title I

Certain Payments under Title I (VISTA, University Year for Action (UYA), etc.) of the Domestic Volunteer Service Act of 1973, as amended, must be considered earned income and subject to the earned income deduction described in 1038.07 and excluding any payments made on behalf of households specified under 1008.10.10 ("Vendor Payments").

5. WIA (Workforce Investment Act) On-the-Job-Training

Earnings paid to an individual who is participating in an on-the-job (OJT) training program under the Workforce Investment Act of 1998 (the successor to the Jobs Training and Partnership Act - JTPA). This provision does not apply to a household member, who is under nineteen (19) years of age and under the parental control of an adult household member, regardless of school attendance and/or enrollment as discussed in Section 1008.10.40.

1008.15.10 Unearned Income

REV: 01/2009

The following types of income are considered unearned: (This list is not inclusive.)

* Assistance Payments
* Pensions, Social Security
* Support and Alimony
* Educational Loans and Grants
* Managed Income
* Garnishments
* Grants, Interest Payments
* Income from Excluded Household Members
* Certain Rental Income
* Certain "Vendor" Payments
* Trust Withdrawals
* Deemed Income from an Alien's Sponsor
* Income of Individuals Disqualified for an IPV
* Foster Care/Guardianship Payments

1008.15.10.05 Assistance Payments

REV: 11/2000

Assistance payments from Federal or federally aided public assistance programs, such as Supplemental Security Income (SSI), ~~Family Independence Program (FIP)~~Rhode Island Works Program (RIW), General Public Assistance (GPA) or other assistance programs based on need, are considered to be unearned income even if provided in the form of a vendor payment (provided to a third party on behalf of the household),

unless the vendor payment is specifically exempt under the provisions of 1008.10.10. Assistance payments from programs which require as a condition of eligibility the actual performance of work without compensation other than the assistance payments themselves are considered unearned income.

1008.15.10.10 Pensions, Social Security

REV: 02/1989

Include as income annuities, pensions, retirement, Veteran's or disability benefits, Worker's or Unemployment Compensation, Social Security benefits, including the SMI amount, or strike benefits.

1008.15.10.15 Support and Alimony

REV: 11/2000

Any support or alimony payments made directly to the household from non-household members is counted as income. Money deducted or diverted from a court-ordered support of alimony agreement to a third party to pay the household's expenses are also included as income to the household. However, payments specified by the court order or other legally binding agreement to go directly to the third party rather than the household are excluded as vendor payments.

Support payments not required by a court order or other legally binding agreement (including payments in excess of the amount specified in a court order or written agreement) that are paid to a third party rather than the household even if the household agrees to the arrangement are also excluded as a vendor payment.

Any~~The~~ Child Support ~~Bonus~~ paid to RIW~~FIP~~ recipients through Child Support Services (CSS) must be counted as unearned income for food assistance~~stamp~~ purposes.

1008.15.10.20 Educational Loans and Grants

REV: 02/1989

Include as income educational loans on which payment is deferred, scholarships, fellowships, educational grants, veteran's educational benefits and the like in excess of amounts excluded under the provisions in Sections 1008.10.20, 1008.10.25, and 1008.10.30.

Also, educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits and the like which are provided to a third party on behalf of a household for living expenses, such as rent or mortgage, clothing, or food eaten at home must be treated as money payable directly to the household (unearned income) and are not excludable as a vendor payment.

1008.15.10.25 Managed Income

REV: 01/2001

Any or part of a public assistance grant that is diverted to a third party or to a protective payee for purposes such as but not limited to,

managing a household's expenses, is considered income to the household and not excluded as a vendor payment except as provided in 1008.10.10. Assistance financed by State or local funds (GPA) which is provided over and above the normal ~~FIP~~ RIW or GPA payment, or is not normally provided as part of such payment, is considered emergency or special assistance and is excluded if provided to a third party on behalf of the household.

1008.15.10.30 Garnishments

REV: 02/1989

Include as income wages earned by a household member that are garnished or diverted by an employer, and paid to a third party for a household's expenses, such as rent, are considered income.

However, if the employer pays a household's rent directly to the landlord, in addition to paying the household its regular wages, this rent payment is excluded as a vendor payment. In addition, if the employer provides housing to an employee, the value of the housing is not counted as income.

1008.15.10.35 Grants, Interest Payments

REV: 02/1989

Include as income payments from government-sponsored programs, dividends, interest, royalties, and all other direct money payments from any source which can be construed to be a gain or benefit.

1008.15.10.40 Income from Excluded Household Members

REV: 02/1989

The earned and/or unearned income of an individual excluded from the household for failure to comply with the requirement to provide a Social Security Number, or of an individual determined to be an ineligible alien, must be counted as income, less the pro rata share for the individual, ~~. (~~r~~R~~efer to Section 1016.20.~~)~~

1008.15.10.45 Certain Rental Income

REV: 02/1989

Include as income the gross income, minus the cost of doing business, derived from rental property if a household member is not actively engaged in management of the property at least twenty (20) hours a week.

1008.15.10.50 Certain "Vendor" Payments

REV: 02/1989

Include as income monies which are legally obligated and otherwise payable to the household, but which are diverted by the provider of the payment to a third party for household expenses, are counted as income and not excluded as a vendor payment. The distinction is whether the person or organization making the payment on behalf of a household is

using funds that are otherwise payable to the household. Such funds include wages earned by a household member and owed to the household, a public assistance grant to which a household is legally entitled, and support or alimony payments in amounts which legally must be paid to a household member. If an employer, agency, or former spouse who owes these funds to a household diverts them instead to a third party to pay for a household expense, these payments are still counted as income to the household. However, if an employer, agency, former spouse or other person makes payments for household expenses to a third party from funds that are not owed to the household, these payments are excluded as vendor payments, ~~. (~~r~~R~~efer to 1008.10.10.~~)~~

1008.15.10.55 Trust Withdrawals

REV: 02/1989

Include as income monies that are withdrawn or dividends that are or could be received by a household from trust funds considered to be excludable resources, in accordance with 1006.15.35. Such trust withdrawals must be considered income in the month received, unless otherwise exempt under the provisions of 1008.10. Dividends that the household has the option of either receiving as income or reinvesting in the trust are considered as income in the month they become available to the household, unless otherwise exempt.

1008.15.10.60 Deemed Income from an Alien's Sponsor

REV: 07/2009

The income and resources of a legal permanent resident's sponsor (and the sponsor's spouse) who has signed a legally binding affidavit of support on or after December 17, 1997 are required to be counted as belonging to the immigrant (or deemed), regardless of actual availability, when determining the sponsored immigrant's eligibility and benefit amount for SNAP benefits unless the immigrant is exempted from sponsorship deeming. Section 1014.55.15.05 outlines exemptions from sponsor deeming. If the immigrant is categorically eligible due to receipt of a TANF-funded service/publication, the resources of the immigrant's sponsor (and the sponsor's spouse) are not counted when determining eligibility for SNAP benefits.

Refer to~~See~~ Sections 1014.55.10 and 1014.55.15 for instructions for calculating the amounts of income and resources to be deemed.

If the sponsor signs an affidavit of support for more than one immigrant, the sponsor's income is pro-rated among the sponsored immigrants.

Actual money paid to the alien by the sponsor or the sponsor's spouse is not considered income to the alien unless the amount paid exceeds the amount attributed (deemed). In such case, the amount paid that actually exceeded the amount deemed would be considered income to the alien in addition to the amount deemed to the alien.

1008.15.10.65 Income of Individuals Disqualified for IPV

REV: 02/1989

The earned and/or unearned income of an individual disqualified from the household for an intentional program violation must continue to be attributed in its entirety to the remaining household members, ~~.~~ ~~(~~r~~R~~efer to Section 1016.20.05.~~)~~

1008.15.10.70 Foster Care and/or Guardianship Payments

REV: 01/2009

Include as income foster care and/or guardianship payments for children or adults who are considered members of the SNAP~~Food Stamp~~ household (see Section 1002.30 for provisions regarding including boarders in the household providing the board).

1008.15.15 Verification of Income

REV: 05/1986

Gross non-exempt income must be verified for all households prior to certification. However, where all attempts to verify income have been unsuccessful because the income provider fails to cooperate with the household and the agency representative, and because all other sources of verification are unavailable, the agency representative must determine an amount to be used, based on the best available information.

The agency representative must verify if monies received by households are loans.

1008.15.15.05 Methods of Verifying Income

REV: 05/1986

The agency representative must use documentary evidence as the primary source of verification. If other types of verification are used, the agency representative documents the case record as to why an alternate source was used.

When verifying that income is exempt as a loan, a legally binding agreement is not required. A simple statement signed by both parties that indicates that the payment is a loan and must be repaid is sufficient verification. However, if the household receives payments on a recurrent or regular basis from the same source, but claims the payments are loans, the agency representative must also require that the provider of the loan sign an affidavit indicating that repayments are being made or that payments will be made in accordance with an established repayment schedule.

1008.15.15.10 Verification of Earned Income

REV: 05/1986

The following are documents which can be used to verify earned income:

From Applicant/Recipient
* Pay stubs
* Pay envelope
* Employee's W-2 form

* Wage tax receipts
* State or federal income tax return
* Self-employment bookkeeping records
* Sales and expenditure records

From Others
* Employer's wage records
* Statement from employer
* Employment Security Office
* State Income Tax Bureau

1008.15.15.15 Verification of Other Income

REV: 01/2001

In verifying other income to the household, the following documents or records are generally available.

From Applicant/Recipient
* Social Security award letter (changes in benefits are not always reflected)
* Benefit payment check
* Unemployment compensation award letter
* Pension award notice
* Veterans Administration award notice
* Correspondence on benefits
* Income tax records
* Railroad Retirement award letter
* Support and alimony payments evidenced by court order, divorce or separation papers, contribution check

From Others
* Social Security (IEVS System ~~--~~ refer to ~~See~~ Section 1082)
* Department of Labor and Training (IEVS system or AP-152)
* Bank clearance (AP-91)
* Employer's records (AP-50B)
* Union records
* Worker's compensation records
* Veterans Administration (AP-150)
* Insurance company records
* Tax records
* Railroad Retirement Board records

1008.15.15.20 Standard-Unreported Income

REV: 05/1986

In addition to verifying reported income, the agency representative may have occasion to explore the possibilities of unreported income. When the applicant states that s/he has no earnings or other income, and the applicant is employable, or it appears s/he may be eligible for other benefits such as Social Security, unemployment compensation, or assistance payments, it is necessary to verify that s/he is not receiving income from such sources. Additional situations in which the possibility of unreported income are investigated are difficulty in finding the head of the household at home, seasonal employment in the

area which is at its peak, shelter costs higher than reported income, or similar questionable situations.

1008.15.15.25 Expenses Exceeding Income

REV: 05/1986

A household's report of expenses which exceed its income are grounds for a determination that further verification is required. However, this circumstance is not, in and of itself, grounds for a denial. The agency representative, instead, explores with the household how it is managing its finances, whether the household receives excluded income or has resources, and how long the household has managed under these circumstances.

1008.20 Deductions from Income

REV: 05/2005

The ~~Food Stamp~~SNAP Program allows five (5) deductions from a household's gross income. These deductions are:

* the earned income deduction;
* the standard deduction;
* the excess medical expense deduction;
* the dependent care deduction; and
* the excess shelter deduction.

1008.20.05 Standard Deduction

REV: 01/1988

Effective October 1, 1987, and each October 1 thereafter, the standard deduction is adjusted to reflect changes in the CPI-U for items other than food for the twelve (12) months ending the previous June 30.

These adjustments are based on the previous unrounded numbers, and the result rounded down to the nearest lower dollar increment.

The current standard deduction is located in Section 1038.05 for each household regardless of its income.

1008.20.15 Excess Medical Deduction

REV: 07/2000

An excess medical deduction is that portion of total medical expenses in excess of thirty-five dollars ($35) per month, excluding special diets, incurred by all household members who are elderly or disabled (Including disabled veterans or surviving disabled spouses/children of veterans.) A spouse or other person receiving benefits as a dependent of the SSI or disability and blindness recipient is not eligible to receive this deduction, but persons receiving emergency SSI benefits based on presumptive eligibility are eligible for this deduction. Allowable medical costs are:

* Medical and dental care, including psychotherapy and rehabilitation services, provided by a licensed practitioner authorized by state law or other qualified health

professional.

* Hospitalization, outpatient treatment, nursing care, and nursing home care, including payments by the household for an individual who was a household member immediately prior to entering a hospital or nursing home provided by a facility recognized by the state.

* Prescription drugs when prescribed by a licensed practitioner authorized under state law, and other over-the-counter medication (including insulin), when approved by a licensed practitioner or other qualified health professional; in addition, costs of medical supplies, sick room equipment (including rental) or other prescribed equipment are deductible.

* Health and hospitalization insurance policy premiums. The costs of health and accident policies, such as those payable in lump sum settlements for death or dismemberment, or income maintenance policies, such as those which continue mortgage or loan payments while the beneficiary is disabled, are not deductible.

* Medicare premiums, and any cost-sharing or spend-down expenses incurred by Medical Assistance recipients.
* Repayments made on a loan when the loan is used to pay a one-time only medical expense. Loan expenses, such as interest, are not allowable as part of the medical expense. If a second mortgage is obtained for medical expenses, repayment is treated as a shelter expense and not as a medical expense.

* Dentures, hearing aids, and prosthetics.

* Securing and maintaining a seeing eye or hearing dog, including the cost of dog food and veterinarian bills.

* Eye glasses prescribed by a physician skilled in eye disease, or by an optometrist.

* Reasonable cost of transportation and lodging to obtain medical treatment or services.

* Maintaining an attendant homemaker, home health aide, or child care services necessary due to age, infirmity, or illness. In addition, an amount equal to the one-person ~~coupon~~ benifit allotment is deducted if the household furnishes the majority of the attendant's meals. The allotment is that which is in effect at the time of initial certification. The allotment amount is updated at the next scheduled recertification. If a household incurs attendant care costs that could qualify under both the medical deduction and dependent care deduction, the cost is treated as a medical expense.

1008.20.15.05 Medicare Drug Subsidy Deduction

REV: 01/2005

The Medicare Prescription Drug Improvement and Modernization Act of 2003 authorized the Medicare Prescription Discount Drug Card which provides Medicare beneficiaries with negotiated lower priced prescription drugs. Additionally, Medicare beneficiaries who do not have any other prescription drug coverage and whose income is at or below one hundred thirty-five (135) percent (135%) of the federal poverty level may be eligible for a subsidy.~~can receive an annual $600 subsidy for each of the calendar years of 2004 and 2005.~~
The discounts and subsidies, received through the Medicare Prescription Discount Drug Card Program, are not considered as countable income to determine eligibility for, and the amount of, food assistance~~stamp~~ benefits. Instead, these discounts and subsidies are treated as standard medical expenses. A fifty dollar ($50) monthly subsidy medical expense deduction is allowed to the cardholder both at certification and recertification. This fifty dollar ($50) deduction continues until the full value of the annual subsidies has been depleted.
~~EXAMPLE:~~

~~A household receiving the 2004 six hundred dollar ($600) subsidy is certified in July 2004 for twelve (12) months. A fifty dollar ($50) monthly medical expense would be budgeted for July 2004 through June 2005. This would account for the 2004 subsidy. If this same household then receives the six hundred dollar ($600) subsidy again in 2005, the fifty dollar ($50) monthly medical expense would be budgeted for July 2005 through June 2006.~~

1008.20.15.10 Medicare Drug Subsidy Standard Expense Allow

REV: 01/2005

A Medicare Prescription Discount Drug Card standard medical expense of twenty-three dollars ($23) per month is credited to each cardholder participating in the ~~Food Stamp~~SNAP Program in order to accommodate the cardholder for any loss of out-of-pocket expenses resulting from the drug card discounts.

This expense is in addition to the fifty dollar ($50) per month subsidy medical expense deduction awarded to cardholders who receive the six hundred dollar ($600) annual subsidy.

If they so choose, ~~Food Stamp~~SNAP recipients must be permitted to claim the actual amount of the out-of-pocket prescription expenses they incurred before using the Medicare drug discount card if those previous expenses exceed the total of their current out-of-pocket expenses plus the amount of all allowances the household receives. Recipients must request this additional expense.

In order to claim these pre-discount prescription costs, cardholders are required to provide documentation of their prior prescription drug expenses. Some items of documentation are:

1. Computer Print-outs from a pharmacy;
2. Pharmacy receipts;
3. Documentation already held in an active SNAP~~food~~

~~stamp~~ participant's case file.

If a cardholder has not previously participated in the SNAP~~Food Stamp~~ Program and cannot document their actual past prescription expenses, the pre-discount cost of the cardholder's prescription expenses should be determined by multiplying the cardholder's current out-of-pocket expenses by the discount factor of 1.25.

Households who pay an annual fee (up to thirty dollars ($30) per year) for the prescription drug card must be allowed an additional medical expense for the cost of the card.

1008.20.20 Dependent Care Deduction

REV: 10/2008

Payments for the actual cost for the care of a child or other dependent when necessary for a household member to accept or continue employment, comply with the employment and training requirements as specified in 1004.25 (or an equivalent effort by those not subject to those requirements), or attend training or education preparatory to employment.

1008.20.22 Child Support Income Exclusion

REV: 05/2005

Legally obligated child support payments made by a household member to or for a nonhousehold member are an income exclusion.

Allowable payments include those child support payments made to a third party on behalf of the nonhousehold member (vendor payments). Payments toward a current arrearage order(s) also count toward this deduction. Any child support payments made in excess of the amount a household member is legally obligated to pay are not allowable as a deduction.

1008.20.25 Shelter Expense Deduction

REV: 04/2005

~~1008.20.25 Shelter Expense Deduction~~
~~REV:04/2005~~ Monthly shelter costs in excess of fifty percent (50%) of the household's income after all the above deductions have been allowed. The shelter deduction must not exceed the maximum provided in Section 1038.15 unless the household contains a member who is elderly or disabled as defined in Section 1010.30.05 (includes a disabled veteran or a surviving disabled spouse/child(ren) of a veteran). Such households receive an excess shelter deduction for the monthly cost that exceeds fifty percent (50%) of the household's monthly income after all other applicable deductions. The maximum shelter cost deduction is subject to change annually.

Shelter costs include only the following:
* A standard shelter expense estimate for all homeless households where all members are homeless and are not receiving free shelter throughout the calendar month.

All homeless households which incur or reasonably expect to incur shelter costs in a month shall be eligible for the estimate unless higher costs are verified, at which point the household may use actual shelter costs rather than the estimate. Homeless households which incur no shelter costs shall not be eligible for the standard estimate. The homeless household shelter estimate is located in Section 1038.17.

* Continuing charges for the shelter occupied by the household, including rent, mortgage, or other continuing charges leading to the ownership of shelter, such as loan repayments for the purchase of a mobile home, including interest on such payments. Payments on second mortgages and home equity loans are allowable shelter costs. Payments on personal loans that are not secured by a lien on the property are not allowable costs even if the bank is listed as a beneficiary on the homeowner's insurance policy. If a household owns a home and lot and later purchases a connecting piece of property, the mortgage payments on the new property can only be allowed as shelter costs if the new property was financed by a second mortgage or other loan secured by the home and lot.

* Property taxes, state and local assessments, and insurance on the structure itself, but not separate costs for insuring furniture or personal belongings.

* Charges for heating, cooling, and cooking fuel; electricity; water and sewer; garbage and trash collection fees; the basic service fee for one telephone, including tax on the basic fee; and fees charged by the utility provider for initial installation of the utility. One-time deposits are not included as shelter costs. Note that the Standard Utility Allowance must be utilized instead of actual charges if the household incurs charges for heating and/or cooling expenses; refer to~~see~~ Section 1008.20.25.05.

* The above shelter costs for the home if not actually occupied by the household because of employment away from home, illness, or abandonment of the home due to natural disaster or casualty loss. For the costs of a vacated home to be included in shelter costs, the household must intend to return to the home; the current occupants of the home, if any, must not be claiming the shelter costs during the absence of the household; and the home must not be leased or rented in the household's absence. Households claiming utility costs for unoccupied homes must verify the actual expenses; the standard utility allowance must be used if the household incurs heating and/or cooling expenses.

* Charges for the repair of the home which was substantially damaged or destroyed due to a natural disaster such as a fire or flood. Shelter costs do not include charges for repair of the home that have been or will be reimbursed by private or public relief agencies, insurance companies, or from any other source. The cost of repairs as a result of wear and tear, incidental repairs, and improvements are not allowed for homeowners, renters who work-off their rent, or other renters.

* For condominium owners, the entire condominium fee is allowable as a shelter cost.

* Adjustment of Shelter Deduction Effective October 1, 1988, and each October 1 thereafter, the maximum limit for the excess shelter expense deduction is adjusted to reflect changes in the shelter, fuel and utilities components of the housing costs in CPI-U for the twelve (12) months ending the preceding June 30.

These adjustments are based on the previous unrounded numbers, and the result rounded down to the nearest lower dollar increment.

1008.20.25.05 Standard Utility Allowance

REV: 04/2005

~~1008.20.25.05 Standard Utility Allowance REV:04/2005~~

The Standard Utility Allowance (SUA) which includes a heating or cooling component must be used by households which incur heating and/or cooling costs separately and apart from their rent or mortgage.

These households include:

* Residents of rental housing who are billed on a monthly basis by their landlords for actual usage through individual metering;

* Recipients of indirect energy assistance payments (vendor payments), made under a program other than the Low Income Home Energy Assistance Act of 1981 (LIHEAA), who also incur out-of-pocket heating or cooling expenses during any month covered by the certification period; or

* Recipients of energy assistance payments made under the Low Income Home Energy Assistance Act of 1981 (LIHEAA). These households are deemed to have incurred out-of-pocket heating or cooling costs even if heat and utilities are included in their rent. If a household received a LIHEAA payment at its current address and/or it is reasonably certain that a LIHEAA payment will be received at that address, the household is entitled to the SUA.

To qualify, the household must be billed on a regular basis for its heating or cooling costs or receive or except to receive~~have received~~ a LIHEAA payment.

A household which incurs cooling or heating fuel costs on an irregular basis, but is otherwise eligible to use the SUA~~standard utility allowance~~, continues to use the allowance between billing periods.

A cooling cost is a verifiable utility expense relating only to the operation of air conditioning systems or room air conditioners.

A household living in a public housing unit~~,~~ or other rental housing unit which has central utility meters and charges the household only for excess heating or cooling costs must use the SUA~~standard utility allowance~~.

If the household shares utility expenses with, and lives with, another individual not participating in the ~~Food Stamp~~SNAP Program, another

household participating in the ~~Food Stamp~~SNAP Program, or both, the household is entitled to the full SUA~~ Standard Utility allowance~~.

The current monthly SUA~~standard utility allowance~~ is found in Section 1038.20.05.

1008.20.25.10 Standard Telephone Allowance

REV: 04/2005

~~1008.20.25.10 Standard Telephone Allowance REV:04/2005~~

The standard telephone allowance is available to a household that is billed for the expense of a basic service charge for one telephone but is not eligible to use the standard utility allowance. If a household can demonstrate that its cost for basic service for one telephone is greater than the s~~S~~tandard t~~T~~elephone a~~A~~llowance, then the actual cost is used. If the expense is shared by separate households, each household can claim the s~~S~~tandard t~~T~~elephone a~~A~~llowance.

The current monthly standard telephone allowance is found in Section 1038.20.

1008.20.25.15 Verification for Use of the SUA

REV: 02/1993

If a household is to qualify for the standard utility allowance based on incurring heating or cooling expenses, the household must be billed on a regular basis for those costs and must provide bills for one or more of the utilities used for heating or cooling for verification. The bills should be as many as are available, but at least two; copies or other documentation used for authorizing the standard utility allowance must be included in the case record and/or CLOG.

If a household is to qualify for the standard utility allowance based on the receipt of LIHEAA, a confirmation letter from the Governor's Office of Heating Assistance is to be used for documentation.

When a household moves, its entitlement to the SUA is redetermined.

If the household incurs heating/cooling costs, and/or plans to apply for and receive a LIHEAA payment at the new address, the household qualifies for the SUA. This information is obtained when the change is reported; when the SUA is authorized because there is reasonable expectation of receipt of a LIHEAA payment, a notation to that effect must be included in the case record and/or CLOG.

1008.20.25.20 Verification of Other Utilities

REV: 04/2005

~~1008.20.25.20 Verification of Other Utilities REV: 04/2005~~

Deductible expenses are only verified when the expense claimed would actually result in a deduction and one of the following criteria is met:

* If the household's actual utility expenses cannot be verified before the thirty (30) -day processing standard, the SUA is used, provided the household is billed separately from other shelter costs for a heating or cooling utility.
* Deductible expenses, other than utility costs, are verified only if questionable and if allowing the expense would actually result in a deduction. Questionable is defined as information on the application which is inconsistent with information elsewhere on the current application, or a previous application; statements made by the applicant, or, information known to or received by the agency representative prior to certification.

If a deductible expense must be verified, and obtaining the verification may delay the household's certification, the agency representative advises the household that its eligibility and benefit level may be determined without providing a deduction for the claimed but unverified expense.

Shelter costs are computed without including the questionable and unverified components. The SUA is used if the household is entitled to claim it. If the expense cannot be verified within thirty (30) days of the date of application, the agency representative determines the household's eligibility and benefit level without providing a deduction for the unverified expense. If the household subsequently provides the missing verification, the agency representative redetermines the household's benefits, and provides increased benefits, if any, in accordance with the timeliness standards in Section 1018.05.15 on reported changes. The household is entitled to restoration of any benefits retroactive to the month of application only if the expense could not be verified within the thirty (30) -day processing standard because the agency representative failed to allow the household sufficient time, as defined in Section 1012.45 to verify the expense. If the household would be ineligible unless the expense is allowed, the household's application must be handled as provided in Section 1012.05.10.

1008.20.25.25 Shelter Costs for Unoccupied Homes

REV: 04/2005

~~1008.20.25.25 Shelter Costs for Unoccupied Homes REV:04/2005~~

A household that wishes to claim shelter costs for a home which is unoccupied because of employment, training away from the home, illness, or abandonment caused by a natural disaster or casualty loss, is responsible for providing verification of the expense if it is questionable and if the expense would result in a deduction. The agency representative is not required to assist a household in obtaining verification of this expense if the verification would have to be obtained from a source outside of the State. A household must also provide verification of actual utility costs for unoccupied homes, if the costs would result in a deduction. Actual expenses must be verified, and the SUA is allowed if the household incurs heating or cooling expenses on the home.