

**FOOD AND NUTRITION SERVICES CERTIFICATION
INCOME
Determining Benefit Levels**

**FNS 285 Determining Benefit Levels
Change # 5-2011
October 1, 2011**

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 and Nutrition Services Unit Size	SUA	BUA	TUA
1	\$281	\$188	\$27
2	\$309	\$207	\$27
3 to 4	\$340	\$228	\$27
5 or more	\$371	\$249	\$27

Roomers, boarders and foster children who are not included in the FNS unit and ineligible students are not included in the unit size for calculation of the standard allowance for utilities.

B. Standard Deduction

A standard deduction is allowed each Food and Nutrition Services unit (FNSU) each month according to household size. Only eligible FNSU members are included in the household size for calculation of the standard deduction. The amount is automatically calculated by the FSIS System.

Effective October 1, 2011:

Household Size	Standard Deduction
1	147
2	147
3	147
4	155
5	181
6+	208

C. Earned Income Deduction

Twenty percent of earned income is deducted.

D. Maximum Allowable Resource Limits for Non-Categorically Eligible households

1. \$3,250 for FNSU's with a member age 60 or older or disabled.
2. \$2,000 for all FNSU's.

E. Dependent Care Deduction

Allow as a deduction any dependent care expenses incurred and payable for a dependent child or adult. Follow policy in Section 280.04 for dependent care deductions.

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F. Excess Shelter Deduction

The maximum excess deduction for FNSU's without a specified person is \$459 each month. There is no limit for FNSU'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, 2011

Food and Nutrition Services Unit Size	200% Maximum Allowable Gross Income Limit	130% Maximum Allowable Gross Income Limit	Maximum Allowable Net Income
1	\$1815	\$1180	\$ 908
2	2452	1594	1226
3	3089	2008	1545
4	3725	2422	1863
5	4362	2836	2181
6	4999	3249	2500
7	5635	3663	2818
8	6272	4077	3136

Each additional member (+) \$ 637 (+) \$ 414 (+) \$ 319

B. Maximum Allotment - Effective October 1, 2009

Food and Nutrition Services Unit Size	Maximum Allotment
1	\$ 200
2	367
3	526
4	668
5	793
6	952
7	1052
8	1202

Each additional member (+) \$ 150

285.03 INCOME STANDARDS FOR SEPARATE FOOD AND NUTRITION SERVICES UNIT STATUS

Certain elderly and disabled persons may be granted separate FNSU 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, 2011

Food and Nutrition Services Unit Size	Gross Monthly Income
1	\$1498
2	2023
3	2548
4	3074
5	3599
6	4124
7	4649
8	5175

Each additional member (+) \$ 526

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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 FNSU. These standards are based on the monthly countable income of the FNSU and are shown in 285.02, A.

1. FNSU's without a specified member are subject to the gross and net income eligibility standards.
2. FNSU's with a specified person as defined in Section 210, Household Concept, are subject only to the net income eligibility standard.
3. Categorically eligible FNSU'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.
 - d. Rounding of SSA payments for mass change. Drop the cents and use standard rounding when adding back the Medicare premium.

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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. Instructions for completing DSS-1700

1. Determine gross countable monthly earned income. See Section 263, Sources of Income. (Lines 1-4)
2. Add any non-excluded income received from educational aid. See Section 265, Variable Income. (Lines 5-8)
3. Add gross monthly unearned income. See Sections 263 and 265. (Line 9)
4. Determine countable monthly income for households **paying** legally obligated child support. (Lines 10-13)
5. **RESULT:** Gross monthly income. Except for FNSU'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 6. (Line 14)
6. Multiply 1., gross monthly earned income, by 20%, the earned income deduction. See 285.01, C.
7. Subtract the result in 6 from the total in 5. (Line 15)
8. Subtract the monthly standard deduction based on the FNSU household size. See 285.01, B. (Line 16)
9. If applicable, subtract allowable medical expenses. See Section 280. (Line 19)
10. Subtract allowable dependent care expenses. See Section 280. (Line 20)
11. Subtract legally obligated child support. See Section 280. (Line 21)
12. **RESULT:** Net monthly income after all allowable deductions except shelter expenses. (Line 23)

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13. Total housing and utility expenses. See Section 280. (Line 24)
14. Subtract one-half of 12 from 13. (Line 25)
15. **RESULT:** Excess shelter expenses. (Line 26)
16. Subtract 15 from 12.
17. **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 18. (Line 27)
18. Subtract 30% of 17 from the maximum allotment for the appropriate FNSU size. See 285.02, B.
19. **RESULT:** Food and Nutrition Services allotment. Prorate according to 285.04, F., if applicable, for initial applications and reapplications. (Line 30)

All one and two-person FNSU's must receive a minimum monthly allotment of \$16 before proration of the initial monthly allotment.

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

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

F. Proration of Initial Month's 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 FNSU.
 - b. A migrant or seasonal FNSU participated in the Food and Nutrition Services 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 FNSU 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 FNSU delay, reopen the application if the FNSU 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 FNSU's date of application is the 18th and the monthly allotment is \$256. The computation is:

$$\frac{(31 - 18) \times 256}{30}$$

31	256	
<u>-18</u>	<u>x13</u>	3328 Divided by 30 = 110.93
13	3328	= 111.00 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.