



## State of New Jersey

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The following Decision is distributed for your information. This Decision has been made in consideration of the specific facts of this case. This Decision is not to be interpreted as establishing any new mandatory policy or procedure otherwise officially promulgated.

STATE OF NEW JERSEY  
DEPARTMENT OF HUMAN SERVICES

FINAL DECISION

OAL DKT. NO. HPW **09185-23 E.H.**

AGENCY DKT. NO. **S480332014 (MORRIS CO. OFFICE OF TEMP ASSISTANCE)**

Petitioner appeals from the Respondent Agency's termination of Supplemental Nutrition Assistance Program ("SNAP") benefits. The Agency terminated Petitioner's SNAP benefits because Petitioner's combined household income exceeded the maximum permissible level for receipt of said benefits. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law for a hearing. On October 24, 2023, the Honorable Andrew M. Baron, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, took testimony, and admitted documents into evidence. On December 6, 2023, the ALJ issued an Initial Decision, reversing the Agency's termination.

Exceptions to the Initial Decision were received from the Agency on December 14, 2023.

As Assistant Commissioner, Division of Family Development ("DFD"), Department of Human Services, I have considered the ALJ's Initial Decision and following an independent review of the record, the ALJ's Initial Decision is hereby MODIFIED, and the Agency determination is AFFIRMED, based on the discussion below.

Regulatory authority applicable to SNAP benefits cases, defines income as "all income from whatever source unless such income is specifically excluded." See N.J.A.C. 10:87-5.3. Additionally, for SNAP benefits cases, unearned income includes survivors, disability, and Social Security benefits for both adults and children in the household. See N.J.A.C. 10:87-5.5(a)(2).

In order to determine an applicant's eligibility for SNAP, the applicant's income and resources must be below a certain threshold. In accordance with N.J.A.C. 10:87-6.16(d)(1), households which contain an elderly or permanently disabled individual, as defined by N.J.A.C. 10:87-2.34, must meet the net income test for SNAP eligibility. N.J.A.C. 10:87-6.16(d)(2), states that households that do not contain an elderly or permanently disabled household member must meet both the gross income test, as well as the net income test, meaning that the respective income amounts must be below the established standards. See also N.J.A.C. 10:87-12.3, -12.4. N.J.A.C. 10:87-6.16(b) further outlines the procedures used to calculate both gross and net income for SNAP benefits purposes, and the applicable benefit levels, if eligible. The regulation provides that the applicant's monthly net income is determined by



adding together all earned and unearned income, then subtracting all income exclusions. Then, the standard deduction, based upon the size of the household, is subtracted from the income.

Thereafter, the household is evaluated to determine if a medical deduction is appropriate, which is if the household has medical expenses that exceed \$35.00. If the household is entitled to a medical deduction, then the amount in excess of \$35.00 is subtracted from the applicant's income. Then, the applicant is evaluated for an excess shelter deduction. Such a deduction is permitted when the individual's shelter costs exceed 50% of their net income. If this deduction is allowable, then the difference between the shelter costs and the 50% net income, or up to the maximum allowable amount, is subtracted from the individual's income. The remaining figure is Petitioner's net income for SNAP benefits purposes. This net income is then compared against the maximum allowable net income amount for the household's size, as outlined at N.J.A.C. 10:87-12.3, to determine eligibility. If eligible, the household's monthly SNAP allotment shall be equal to the maximum food stamp allotment for the household's size, reduced by 30 percent of the household's net monthly income. See N.J.A.C. 10:87-12.6(a)(1).

Here, an independent review of the record reflects that Petitioner had been receiving SNAP benefits for a household of one person, and receives unearned income in the form of monthly Retirement, Survivors and Disability Benefits ("RSDI"). See Exhibit R-4 (for the sake of simplicity and clarity, the foregoing analysis shall refer to the exhibit notations as shown in the upper right-hand corner of the Agency exhibits R-1, R-2, etc. through R-10). The record further shows that Petitioner submitted an Interim Reporting Form ("IRF") in late February, 2023, indicating that Petitioner had obtained part-time employment. See Exhibit R-1. As a result of the change in household income as reported on the IRF, on June 7, 2023, the Agency requested that Petitioner provide paystubs from her employment in order to determine continued eligibility for SNAP benefits. See Exhibit R-2. As Petitioner's household contains a permanently disabled person, only the net income standard must be met for continued SNAP eligibility. See N.J.A.C. 10:87-6.16(d)(1); see also N.J.A.C. 10:87-2.34(b)(2) (defining a disabled household member as one who received Social Security benefits, including those under Title II, known as RSDI benefits). In response to the Agency's inquiry, Petitioner submitted two consecutive biweekly paystubs, dated 5/26/23 and 6/9/23, which were then used to reevaluate Petitioner for continued SNAP eligibility. See Exhibit R-3. The record contains the calculations completed on June 30, 2023, which show that, the gross income from Petitioner's two provided paystubs was added together and then divided by two to get an average bi-weekly income ( $\$682.06 + \$435.32 = \$1,117.38 / 2 = \$558.69$ ), which was then multiplied by the appropriate multiplier, 2.167, to reach an average monthly income amount of \$1,210.68, rounded up to \$1,211.00. See N.J.A.C. 10:87-6.9(d)(1). Next, 80% of Petitioner's earned income amount, \$968.80, is added to the household unearned income amount, of \$1,456, bringing the household's income to \$2,424.80. See N.J.A.C. 10:87-6.16(b)(2),(3). After subtracting the standard deduction of \$193 for a household of one, and medical expenses exceeding \$35, ( $\$164.90 - \$35 = \$129.90$ ), Petitioner's income is reduced to \$2,101.90. See N.J.A.C. 10:87-6.16(b)(4), (5); see also DFDI Instruction ("DFDI") 22-09-02 at 12. Next, is to determine if Petitioner receives a shelter deduction and if so, how much. The record shows Petitioner's rent as \$640, plus the Heating and Cooling Standard Utility Allowance ("HCSUA") of \$730, bringing Petitioner's total shelter costs to \$1,370. See N.J.A.C. 10:87-6.16(b)(8); see also DFDI 22-09-02 at 12. Subtracted from that amount is 50% of Petitioner's income after the above deductions, or half of \$2,101.90, which is \$1,050.95, ( $\$1,370 - \$1,050.95$ ), resulting in an excess shelter deduction of \$319.05. See N.J.A.C. 10:87-6.16(b)(8). This amount is then subtracted from Petitioner's income minus the deductions ( $\$2424.80 - \$193 - \$129.90 - \$319.05$ ), resulting in a net monthly SNAP income of \$1,782.85. See N.J.A.C. 10:87-6.16(b)(9); see also Exhibit R-5. For SNAP benefits eligibility, the maximum net income level for a household of one person is \$1,133. See DFDI 22-09-02 at 13. As Petitioner's calculated net income of \$1,782.85 exceeds the maximum income eligibility amount of \$1,133, Petitioner is no longer eligible for SNAP benefits. Ibid. Thereafter, Petitioner provided subsequent paystubs, with reduced earned income, but



the result was the same, with the calculated net income exceeding the maximum allowable income level for the household size. See Exhibits R-7, R-8.

The ALJ in this matter did not properly follow the calculations as outlined in the regulations, specifically, not properly calculating the excess shelter deduction. See Initial Decision at 2. Had the ALJ followed the calculations outlined in the regulations, as discussed above, the proper result would have been reached. As such, based on the above analysis, I find that the Agency's termination of Petitioner's SNAP benefits was proper and must stand. See Exhibit R-10. The Initial Decision in this matter is hereby modified to reflect the above analysis and findings.

By way of comment, if Petitioner's circumstances have changed since the time of the SNAP benefits termination, Petitioner is without prejudice to reapply for SNAP benefits.

Accordingly, the Initial Decision in this matter is hereby MODIFIED, and the Agency's determination is AFFIRMED, as outlined above.

Officially approved final version. January 10, 2024

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Natasha Johnson  
Assistant Commissioner

