



## State of New Jersey

PHILIP D. MURPHY  
*Governor*

DEPARTMENT OF HUMAN SERVICES  
DIVISION OF FAMILY DEVELOPMENT  
PO BOX 716

SARAH ADELMAN  
*Commissioner*

TAHESHA L. WAY  
*Lt. Governor*

TRENTON, NJ 08625-0716

NATASHA JOHNSON  
*Assistant Commissioner*

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 **10151-24 N.M.**

AGENCY DKT. NO. **C155643006 (CUMBERLAND COUNTY BD OF SOC SVCS.)**

Petitioner appeals from the Respondent Agency's termination of monthly Supplemental Nutrition Assistance Program ("SNAP") benefits. The Agency terminated Petitioner's SNAP benefits, contending that Petitioner's countable 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 September 4, 2024, the Honorable Robert D. Herman, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, and took testimony. The record remained open for the Agency to submit a copy of Petitioner's SNAP benefits application from November 2023, and upon receipt of same, documents proffered by the Agency were admitted into evidence and the record then closed. On September 12, 2024, the ALJ issued an Initial Decision, affirming the Agency's determination.

No Exceptions to the Initial Decision were filed.

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 ADOPTED, and the Agency determination is AFFIRMED, based on the discussion below.

Regulatory authority applicable to SNAP benefit 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, and annuity payments. 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.

Gross income is determined by adding together the household's monthly earned and unearned income, minus any earned income exclusions. See N.J.A.C. 10:87-6.16(b), (b)(1). That total gross income amount is then utilized to determine a household's SNAP eligibility in accordance with N.J.A.C. 10:87-6.16(d)(1) and (2).

N.J.A.C. 10:87-6.16 outlines the procedures used to calculate net income and benefit levels for SNAP recipients. 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. 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, the documentary evidence in this matter shows that, at the time of Petitioner's application for SNAP benefits in November 2023, Petitioner was unemployed. See Exhibit R-2. On June 6, 2024, the Agency received wage verification from Petitioner's employer. See Exhibit R-1 at 12-13. As a result of the wage information received, the Agency calculated Petitioner's monthly earned income to be \$2,490. Id. at 13. The record further reflects that Petitioner's household income includes unearned income in the form of a recurring monthly annuity payment from a personal injury settlement received by Petitioner's spouse. Id. at 14-16. Using the monthly earned income amount, and combined with the household's unearned income, the Agency recalculated Petitioner's SNAP benefits eligibility. Id. at 8, 11. After applying the standard deduction, and the Heating and Cooling Standard Utility Allowance, the household's net income was calculated to be \$3,691. Id. at 11; see also DFD Instruction ("DFDI") 23-09-01 at 12. As the maximum allowable net income for a household of four persons is \$2,500, the Agency terminated Petitioner's SNAP benefits effective July 1, 2024. See DFDI 23-09-01 at 12; see also Exhibit R-1 at 2. Based on the testimony and documentary evidence presented in this matter, the ALJ issued a thorough and comprehensive Initial Decision, applying law to fact, and concluding that the monthly annuity payment was unearned income, not subject to any exclusion from income consideration for SNAP benefits eligibility. See Initial Decision at 3-8. Based on the foregoing, the ALJ concluded that the Agency's inclusion of the monthly recurring annuity payment in the SNAP benefits calculation was correct, and as a result, Petitioner's calculated net income, for SNAP benefits eligibility, exceeded the maximum allowable limit for the household size, and the termination of Petitioner's SNAP benefits, effective July 1, 2024, was proper and must stand. Id. at 8. Based upon an independent review of the record, I agree.

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

Officially approved final version.

October 08, 2024

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Natasha Johnson

Assistant Commissioner

