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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 **02629-22 E.I.**

AGENCY DKT. NO. **C061725017 (SALEM COUNTY BOARD OF SOC. SVCS.)**

Petitioner appeals from the Respondent Agency's denial of Supplemental Nutrition Assistance Program ("SNAP") benefits. The Agency denied Petitioner 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 April 25, 2022, the Honorable Tama B. Hughes, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, took testimony and admitted documents into evidence. On April 29, 2022, the ALJ issued an Initial Decision, affirming the Agency's determination.

No Exceptions to the Initial Decision were received.

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 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. See N.J.A.C. 10:87-5.5(a)(2).

In order to determine an applicant's eligibility for SNAP benefits, 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(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's SNAP household is comprised of two persons. See Initial Decision at 2, 3; see also Exhibit R-1 at 7. The record further reflects that Petitioner receives monthly Retirement, Survivors and Disability Insurance ("RSDI") benefits in the amount of \$1,876.00, and the other adult in the household, D.N., receives monthly Supplemental Security Income ("SSI") benefits, in the amount of \$872 per month for a household total of \$2,748 in unearned income. See Initial Decision at 2; see also Exhibit R-1 at 7 and N.J.A.C. 10:87-6.16(b)(3). As Petitioner is 60 years of age or older, Petitioner is considered elderly for SNAP benefits purposes, and the household must meet only the net income test for SNAP eligibility, with the household's gross income not subject to a threshold restriction. See Exhibit R-1 at 7, 11; see also N.J.A.C. 10:87-2.34(a) (1) and N.J.A.C. 10:87-6.16(b)(1).

Continuing with the calculations to determine the household's net income for SNAP eligibility, the record reflects that the household has no earned income. See Exhibit R-1 at 7. After applying the standard deduction of \$177 for a household of two persons, and a medical deduction for the amount in excess of \$35, (\$170 - \$35) or \$135, Petitioner's income is reduced to \$2,436. See N.J.A.C. 10:87-6.16(b)(4), (5); see also DFD Instruction ("DFDI") 21-09-01 at 13. Next, is to determine if Petitioner receives a shelter deduction and if so, how much. Petitioner's shelter costs total \$600, plus the Heating and Cooling Standard Utility Allowance ("HCSUA") of \$583, which equals \$1,183. See N.J.A.C. 10:87-6.16(b)(8); see also DFDI 21-09-01 at 13. Subtracted from that amount is 50% of Petitioner's income after the above deductions, or half of \$2,436, which is \$1,218, (\$1,183 - \$1,218), resulting in a negative number, and therefore, no excess shelter deduction is permissible and a zero amount is applied. See N.J.A.C. 10:87-6.16(b)(8). This amount is then subtracted from Petitioner's income minus the deductions ((\$2,748 - \$177 - \$135) - \$0), resulting in a net monthly SNAP income of \$2,436. See N.J.A.C. 10:87-6.16(b)(9); see also Exhibit R-1 at 7. For SNAP benefits eligibility, the current maximum net income level for a household of two persons is \$1,452. See Initial Decision at 4; see also DFDI 21-09-01 at 14. As Petitioner's calculated net income of \$2,436 exceeds the maximum income eligibility amount of \$1,452, Petitioner is not eligible for SNAP benefits. Ibid. Based on the foregoing, I agree with the ALJ's final conclusion in this matter that the Agency's February 2, 2022, denial of Petitioner's application



for SNAP benefits, for excess income over the net income eligibility standard, was proper and must stand. See Initial Decision at 5-6; see also Exhibit R-1 at 3.

The ALJ's Initial Decision, however, is modified to correct an inaccuracy. The Initial Decision states that Petitioner qualified for SNAP benefits on a gross income basis. This statement is incorrect, as, in fact, Petitioner's gross income, which is the sum of the household's unearned income of \$1,876 RSDI and \$872 SSI, or \$2,748, is over the maximum gross income threshold for a household of two persons of \$2,686. See DFDI 21-09-01 at 15. However, as referenced above, the household in this matter includes someone who is considered elderly, for SNAP benefits purposes, as well as someone who collects SSI benefits income, and therefore, only the net income test must be met. See Exhibit R-1 at 7, 11, 18; see also N.J.A.C. 10:87-2.34(a)(1), (2) and N.J.A.C. 10:87-6.16(b)(1). The Initial Decision is modified to reflect these findings.

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

Officially approved final version.

May 11, 2022

Natasha Johnson
Assistant Commissioner

