



State of New Jersey

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DEPARTMENT OF HUMAN SERVICES
DIVISION OF FAMILY DEVELOPMENT
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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 **07338-21 L.G.**

AGENCY DKT. NO. **S502321012 (MIDDLESEX COUNTY BD. OF SOC. SVCS.)**

Petitioner appeals from the Respondent Agency's reduction of Work First New Jersey/Temporary Assistance for Needy Families ("WFNJ/TANF"), and the increase in her Emergency Assistance/Temporary Rental Assistance ("EA/TRA") thirty percent (30%) Voluntary Rental Contribution ("VRC") amount. The Agency reduced Petitioner's WFNJ/TANF benefits, and increased her VRC amount, contending that she had earned rebate income. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law for a hearing. A plenary hearing was initially begun on September 21, 2021, before the Honorable Joseph A. Ascione, Administrative Law Judge ("ALJ"), and during which, the ALJ requested legal submissions. Oral argument on the presented legal issues was heard by the ALJ on November 19, 2021. Additional submissions were received by the ALJ on November 30, 2021, and the record then closed. On December 9, 2021, the ALJ issued an Initial Decision, reversing the Agency's determination, and remanding the matter to the Agency for recalculation.

Exceptions to the Initial Decision were filed by Legal Services, on behalf of Petitioner, on December 16, 2021.

As Assistant Commissioner, Division of Family Development, Department of Human Services, I have reviewed the ALJ's Initial Decision and the record, and I hereby MODIFY the ALJ's Initial Decision, REVERSE the Agency's determination, and REMAND the matter to the Agency, based on the discussion below.

Here, the Agency reduced Petitioner's WFNJ/TANF benefits, and increased her VCR amount, claiming that Petitioner had \$80.00 in earned income rebates stemming from having performed services in the form of providing a product survey, required to receive said rebate. See Initial Decision at 2-4; see also Exhibits R-1, R-3, R-4, R-5, R-EA-9, and N.J.A.C. 10:90-3.8, -3.19. However, the ALJ found that no such product survey was required in order for Petitioner to receive the rebate, that the rebate was simply a return of funds already paid for the product, and that the Agency had failed to provide evidence to support its claim that said rebates were to be treated at income. See Initial Decision at 4-5. Further, the ALJ found that the Internal Revenue Service, as well as the courts, have determined that rebates



are a return of the purchase price and not income. Ibid. Therefore, the ALJ found that the Agency cannot include the rebate as income in its calculation of Petitioner's WFNJ/TANF benefits amount or in its calculation of Petitioner's VRC amount. Id. at 5. Based on the foregoing, the ALJ concluded that the Agency improperly calculated Petitioner's benefits due to the inclusion of the rebates as income, and as such, reversed the Agency's determinations, and remanded the matter back to the Agency to recalculate Petitioner's SNAP benefits and VRC obligation for the month of June 2021. Id. at 4-6; see also Exhibits R-4, R-EA-9. I agree.

Additionally, although the reduction of Petitioner's WFNJ/TANF benefits was a transmitted issue, the ALJ failed to clearly address the miscalculation of Petitioner's WFNJ/TANF benefits in the Initial Decision and in the conclusion of this matter. See Initial Decision at 2-6. Therefore, based on an independent review of the record, I find that the Agency's reduction of Petitioner's WFNJ/TANF benefits was improper, and also remand that issue to the Agency to recalculate Petitioner WFNJ/TANF benefits for the month of June 2021. See Initial Decision at 2-5; see also Exhibits R-3, R-4, R-5. The Initial Decision is modified to reflect this finding.

Further, while not a transmitted issue, it appears from the record that Petitioner's Supplemental Nutrition Assistance Program ("SNAP") benefits were also reduced due to the addition of rebate funds being considered income, and included into the recalculation of Petitioner's SNAP benefits eligibility amount. See Initial Decision at 2-4; see also Exhibit R-4, and N.J.A.C. 10:87-5.4, -5.5, -5.9. Therefore, the ALJ considered the SNAP reduction issue and determined that said rebate funds, as discussed above, should not have been included in the Agency's recalculation of Petitioner's SNAP benefits amount, resulting in the reduction of said SNAP benefits. See Initial Decision at 4-5. Accordingly, the ALJ reversed the Agency's reduction of Petitioner's SNAP benefits, and remanded the matter to the Agency to recalculate Petitioner's SNAP benefit amount, minus the \$80.00 rebate funds. Id. at 5-6. I also agree.

Accordingly, the Initial Decision is hereby MODIFIED, the Agency's determinations are REVERSED, and the matter is REMANDED to the Agency for further action, as outlined above.

Officially approved final version.

January 11, 2022

Natasha Johnson
Assistant Commissioner

