



# State of New Jersey

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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 **16670-25 D.M.**

AGENCY DKT. NO. **C702803002 (BERGEN COUNTY BD. OF SOC. SVCS.)**

Petitioner appeals from the Respondent Agency's denial of Petitioner's application for continued Supplemental Nutrition Assistance Program ("SNAP") benefits, at recertification. The Agency denied Petitioner continued SNAP benefits at recertification, contending that Petitioner's household income exceeded the maximum permissible net income level for continued receipt of said benefits. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law ("OAL") for a hearing. On December 9, 2025, and continuing on January 20, 2026, the Honorable Sandra L. Lascari, Administrative Law Judge, held the plenary hearing, took testimony and admitted documents. The matter was then held open to allow for the submission of additional documentation and closed on February 2, 2026. On February 17, 2026, the ALJ issued an Initial Decision, affirming the Agency's determination.

Exceptions to the Initial Decision were received from Petitioner on February 23, 2026.

As Assistant Commissioner, Division of Family Development ("DFD"), Department of Human Services, I have reviewed the record in this matter and I hereby MODIFY the Initial Decision, REVERSE the Agency determination, and REMAND the matter to the Agency for further action, based on the discussion below.

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 only 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).

Additionally, since December 6, 2013, DFD has utilized a standardized self-employment deduction of 51% when determining gross income from self-employment in both Work First New Jersey (WFNJ) and SNAP cases. See DFDI Instruction ("DFDI") 13-12-01. "Gross income earned from self-employment is to be reduced by the allowable business expenses to determine the amount of countable earned income. The process of documenting all applicable allowable expenses can be a time consuming and burdensome process for both the applicant/recipient and the [Agency]. In an effort to simplify the process for all those involved DFD is establishing a simplified deduction calculation for determining the countable income earned from self-employment." Ibid. As federal regulations, 7 CFR 273.11(b)(3)(iv) permit States to: "Use the standard amount the State uses for its TANF program," the same 51% standardized self-employment deduction is also applied to SNAP cases for a self-employed household which can verify an allowable expense. Ibid.

Turning to the present case, on August 18, 2025, the Agency sent Petitioner a Request for Verification requiring that Petitioner submit documentation related to his income, expenses, and resources, in order to determine his eligibility for continued SNAP benefits. See Initial Decision at 2; see also Exhibit R-1. Petitioner submitted all of the requested documentation to the Agency. Ibid. Based upon a review of the submitted documentation, the Agency determined that Petitioner's income consisted of a monthly benefit of Retirement, Survivors, and Disability Insurance ("RSDI") in the amount of \$1,063, a monthly benefit from a foreign pension of \$469 per month, and \$1,743 per month in self-employment income, which was calculated as gross income (\$41,007) divided by 12 months (\$3,417.25), multiplied by 51% and then deducted from the monthly income. See Initial Decision at 3; see also Exhibit R-1. Petitioner additionally produced documentation to prove his shelter costs, utility costs, and medical expenses. Ibid.

The record reflects that, after using the average monthly gross income of \$3,417.25, and applying the standard deduction for the household size, together with shelter expenses, and the Heating or Cooling Standard Utility Allowance, Petitioner's net income for SNAP eligibility purposes was calculated by to be \$1,747, which exceeds the maximum allowable net income threshold, at that time, of \$1,255. See Exhibit R-1. On this basis, on September 2, 2025, the Agency denied Petitioner continued SNAP benefits at recertification. See Exhibit R-1.

As stated above, since December 6, 2013, DFD has utilized a standardized self-employment deduction of 51% when determining gross income from self-employment in both Work First New Jersey (WFNJ) and SNAP cases. See DFDI 13-12-01. This was done in the present matter, as Petitioner presented an allowable expense. See Exhibit R-1. Based upon the information provided by Petitioner, and utilized by the Agency at the time of the recertification, the formula was correctly applied to determine a monthly self-employment deduction of \$1,743, which when utilized in the SNAP benefits eligibility calculations, resulted in Petitioner's net income exceeding the maximum allowable net income threshold for receipt of SNAP benefits. See Initial Decision at 4. Accordingly, the ALJ concluded that, although Petitioner provided extensive documentation related to his self-employment in 2024, the expenses documentation provided did not match the amounts presented in his 2024 profit and loss statement, and, as such, the Agency properly denied Petitioner continued SNAP benefits at recertification. Ibid. I agree with the ALJ in that the documentation in the record does not include matching figures, which makes a proper calculation by the Agency impossible, however, the Initial Decision is modified to reflect that self-employment income may also be calculated utilizing the actual costs of self-employment to determine countable income when requested by the applicant/recipient. See DFDI 13-12-01.

Following an independent review of the record, it is noted that Page 2 of Petitioner's U.S. Income Tax Return is missing, which may or may not contain information which would impact this matter. A review of the Profit or Loss Schedule C indicates gross receipts or sales of \$41,007 for 2024, and expenses of \$40,905, which totaled to a tentative profit amount of \$102. This amount differs from that asserted by Petitioner in his correspondence of January 29, 2026, which states "my actual gross profit for 2024, which amounts of \$7929." See Exhibit P-2. Further, the documentation provided with the January 29, 2026 correspondence outlines business expenses which do not align with those included in the Profit and Loss statement, most glaringly the \$33,078 indicated on the Profit and Loss statement for "Cost of Services." See Exhibits R-1, P-2. In addition, it is noted that the Additional Income and Adjustments to Income lists a foreign pension totaling \$6,456, which would amount of \$538 per month, not the \$469 referenced in the Initial Decision.

Based upon the discrepancies noted in the record, as well as that the Petitioner was not previously afforded the opportunity to provide information regarding actual costs of self-employment to the Agency, I am remanding this matter to the Agency for further evaluation and consideration of Petitioner's self-employment income. Petitioner shall provide the Agency with any and all self-employment income documentation within fifteen days of the date of this Final Agency Decision such that the Agency may rely upon same in their review to determine if Petitioner should have been eligible



for the receipt of continued SNAP benefits. As noted above, Petitioner may elect to use actual expenses, rather than the standard 51% deduction.

By way of comment, I have reviewed Petitioner's Exceptions, and I find that the arguments made therein do not alter my decision in this matter.

Therefore, based upon the foregoing, I hereby MODIFY the Initial Decision in this matter, REVERSE the Agency determination, and REMAND the matter to the Agency, as outlined above.

Officially approved final version. May 07, 2026

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Natasha Johnson  
Assistant Commissioner

