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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 **05329-25 E.P.**

AGENCY DKT. NO. **C125811008 (GLOUCESTER COUNTY DIV. OF SOC. SVCS.)**

Petitioner appeals from the Respondent Agency's termination of Supplemental Nutrition Assistance Program ("SNAP") benefits. The Agency terminated Petitioner's SNAP benefits, contending that Petitioner's 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. This matter was scheduled, and postponed, a total of six times beginning in May, 2025, prior to the hearing being held. On October 3, 2025, the Honorable Tama B. Hughes, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, took testimony, admitted documents into evidence, and the record then closed. On October 10, 2025, the ALJ issued an Initial Decision, reversing 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's determination is REVERSED, and the matter is REMANDED to the Agency for further action, 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. "Earned income" is defined, in pertinent part, as "[a]ll wages and salaries received as compensation for services performed as an employee[.]" See N.J.A.C. 10:87-5.4(a)(1).

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). The maximum allowable gross income for a household of seven persons, at the time of Petitioner's recertification application for SNAP benefits, was \$5,129. See DFD Instruction ("DFDI") 24-10-04 at 13.



Here, the record reveals that Petitioner completed and returned her SNAP benefits recertification application on December 20, 2024. See Initial Decision at 2; see also Exhibit R-1 at 10. On that same date, the Agency sent a Request for Verification seeking, among other documentation, Petitioner's husband's paystubs for the prior thirty days, which were submitted to the Agency on January 13, 2025. See Initial Decision at 2; see also Exhibit R-1 at 11, 33. Upon receipt of the paystubs, the Agency calculated the household's gross income to be \$8,698.50, and the Agency terminated Petitioner's SNAP benefits on the basis that her household's monthly gross income exceeded the allowable maximum gross income amount for the household size. See Initial Decision at 2; see also Exhibit R-1 at 33, and DFDI 24-10-04 at 13. There is no indication in the record that any household member is handicapped, disabled or elderly, and as such, the household must meet both the gross and net income tests for SNAP eligibility. See N.J.A.C. 10:87-2.34(a)(1), (2), and N.J.A.C. 10:87-6.16(d)(1), (2).

Thereafter, Petitioner submitted a letter from her husband's employer, stating that his total earnings as indicated on his paystub were not reflective of his actual annual gross earnings of \$67,934. See Initial Decision at 2. However, the Agency determined, based upon the aggregate of gross pays included on the paystub that the total gross income was accurate. Id. at 2-3; see also Exhibit R-2. As such, on January 29, 2025, the Agency, in reliance on an earlier Final Agency Decision ("FAD") of January 6, 2022, sent Petitioner notice that her SNAP benefits would terminate effective February 1, 2025. See Initial Decision at 3; see also Exhibits R-1 at 4-9, R-3.

At the time of the hearing, the Agency representative testified that the Agency did not review the Petitioner's tax return when making its determination, but rather, relied heavily on the prior favorable FAD of January 6, 2022. See Initial Decision at 3; see also Exhibit R-3. Additionally, at the time of the hearing, Petitioner presented a witness to testify from the human resources and payroll department of her husband, who explained, in depth, the employee paystub and the benefits and payments therein. See Initial Decision at 3. Further, the witness indicated that Petitioner's husband has a base salary of \$67,934, which is reflected upon his W-2, and that certain "credits" reflected on the paystub are related to healthcare credits rather than any income. See Initial Decision at 3-4; see also Exhibit R-2.

Based on the foregoing, the ALJ in this matter found that the sole source of income for Petitioner's household is her husband's salary, and that, at the time of the recertification application, his base salary was \$67,934 (consisting of biweekly gross income of \$2,830.58). See Initial Decision at 5. Further, the ALJ thoroughly included a breakdown of the paystub "credits" included, finding that the heading of "Total gross" on the paystub is not actually reflective of Petitioner's husband's gross pay, but rather the aggregate value of the healthcare "credits" plus gross pay. See Initial Decision at 5-6; see also Exhibits R-1 at 21, R-2. As to the prior FAD, the ALJ found that Petitioner was the only individual who testified at the prior hearing and that, without a witness from her husband's employer, the ALJ who heard the previous matter found documentation from her husband's employer to be hearsay. See Initial Decision at 7. In the current matter, the ALJ indicated that a representative from Petitioner's husband's employer testified credibly and explained the gross biweekly pay amount, as well as how the healthcare "credits" are included on employee paystubs. Ibid. Further, the ALJ noted that the Agency never reviewed Petitioner's tax return as part of the recertification for SNAP benefits. See Initial Decision at 8. Based upon the documentary and testimonial evidence presented in this case, the ALJ in this matter found that the Agency's termination of SNAP benefits, based on excess income over the gross income threshold, was improper and must be reconsidered with the matter remanded to the Agency for a redetermination of eligibility for SNAP benefits. See Initial Decision at 8. I agree, but am modifying the Initial Decision in this matter, based on the discussion below, with respect to the application of specific to Delaware law in relation to Petitioner's husband's pay stubs.

Typically, when determining SNAP benefits eligibility, the Agency shall review applicant/beneficiary paystubs to determine the gross amount of pay, as outlined above and within the applicable regulations. See N.J.A.C. 10:87-6.16. In this matter, a review of the paystubs paid by Petitioner's husband's employer in Delaware indicate a non-traditional breakdown in gross income payment. See Exhibit R-1. Further review of relevant Delaware law, specifically 16 Del. Admin. Code § 9000-9059, stipulates that, rather than analyzing the federal withholding gross amount, the "DE gross" amount should be used for purposes of SNAP benefits calculation. Ibid. The Delaware regulatory language regarding treatment of income exclusions differs slightly from the income exclusions outlined in New Jersey, at N.J.A.C. 10:87-5.9, which excludes vendor payments, or alternatively, reimbursements for past or future expenses. The language for treatment of income exclusions outlined within Delaware's regulatory language, at 16 Del. Admin. Code § 9000-9059, excludes vendor payments, reimbursements, as well as certain employer benefits, specifically "Incentive or Flex benefits" including "Credits available to employees to use to buy health insurance, annual leave, sick leave or life insurance. The employee cannot elect to receive a cash payment and loses the credits if not used. The amount shows up on the pay stub when used." Based upon this unique provision within Delaware law, the amount Petitioner's husband received for "Flex benefits" should not have been included as gross income when the Agency performed income calculations for SNAP benefits, and as such, this matter is remanded for recalculation and eligibility determination. If Petitioner is found eligible for any retroactive SNAP benefits in accordance with the above analysis, the Agency is directed to issue same. See N.J.A.C. 10:87-8.18.



By way of comment, the last paystubs in the record are from December, 2024. As a substantial amount of time has elapsed since submission of same, Petitioner shall submit updated paystubs, as necessary, in order for the Agency to determine continued eligibility for benefits, as well as to perform the proper calculations regarding retroactive and/or prospective benefits payments. Additionally, the Agency is advised that the University of Delaware Human Resources webpage indicates that the university transitioned to a self-funded health insurance plan for employees effective July 1, 2025, which should be taken into consideration in calculating eligibility for benefits from that date prospectively, as appropriate, if deemed to effect said benefits.

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

Officially approved final version. March 12, 2026

Natasha Johnson
Assistant Commissioner

