

PART XIII ELIGIBILITY DETERMINATIONS AND BENEFIT LEVELS

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A. DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS (7 CFR 273.10(a))

Eligibility and the level of SNAP benefits for households submitting an initial application, reapplication or recertification must be based on circumstances reasonably anticipated for the months of eligibility.

Applicant households consisting of residents of a public institution who apply jointly for SSI and SNAP benefits prior to release from the institution will have their eligibility determined for the month in which the applicant was released from the institution.

Because of anticipated changes, a household may be eligible for the month of application, but ineligible in the subsequent month. The household is entitled to benefits for the month of application even if the processing of its application results in the benefits being issued in a subsequent month. Similarly, a household may be ineligible for the month of application, but eligible in a subsequent month due to anticipated changes in circumstances. Even though denied for the month of application, the household does not have to reapply in the subsequent month. [The same application must be used for the denial for the month of application and the determination of eligibility for subsequent months, within the timeliness standards in Part II.F.]

As a result of anticipating changes, the amount of SNAP benefits for a household for the month of application may differ from the benefit amount in subsequent months. The BPS must establish a certification period for the longest possible period as allowed by Part IV.A.2 over which changes in the household's circumstances can be reasonably determined. The household's benefit amount may vary month to month within the certification period to reflect changes determined at the time of certification. Benefits for the initial month or a subsequent month must be prorated from the day of application, the day the household provides the last verification or takes the final action, or the day the household establishes eligibility according to Part XIII.D.

1. Household Composition

A household's membership for eligibility determination and benefit level is assessed as of the application date for the month of application or the first day of the month following entry or attachment to the household for ongoing eligibility. See Part VI for guidelines in determining household composition.

If any household member is included in another active SNAP case for the month of application, reapplication or recertification, eligibility for the remaining household members must be determined. The household member included in another case is added to the current case as soon as administratively possible.

The BPS must add the individual to the gaining household for the earliest possible month after the move. However, if the person cannot be removed from the old household effective the following month, the person cannot be added to the new household until the person is deleted from the old one. For example, a member moves on June 28 and there is insufficient time to send advance notice effective July 1, so the deletion is effective August 1. A new member cannot be added to the household until the individual's income and resources have been determined and eligibility determined.

If the individual's move coincides with the gaining household's recertification, the new member is added in the same timeframes as though the change occurred during the certification period. The new member is added for the earliest possible month, and depending on the dates involved, the recertification may be processed without the new member being immediately included.

NOTE: Participation in more than one household in a month is prohibited except as noted in Part VII for people who leave a household containing a person who abused them and enter a shelter for individuals fleeing domestic violence.

When a household reports the loss of a member, the individual is deleted as soon as administratively possible. The BPS has a maximum of 10 days to act on the change. A 10-day advance notice period must be provided if the deletion results in negative action.

When an individual is deleted from a household, the income and deductible expenses of the person must be deleted effective the same month, unless the provisions for considering income and expenses of ineligible or disqualified members are applicable.

2. Special Circumstances

The BPS must evaluate issues related to changes in the age of household members if the change occurs in the month of application or the month following the application filing date. The BPS should factor in age changes when assigning the certification period as related to issues such as income exclusions and work requirement exemptions. The BPS must evaluate any age changes that occur during the certification period at recertification/renewal. Except for the allowance of medical expenses, issues related to changes in age must be reflected the month after the household member's birthday.

3. Income and Deductions (7CFR 273.10(c))

The BPS must calculate the allotment using the household members' anticipated income and deductible expenses.

The provisions of this chapter do not generally apply to households with self-employment or contract income. Household members whose income is from self-employment (Part XII.A) or a contract (Part XII.F) will have these types of income averaged as described in the chapters cited. The income is assigned to the months over which it is averaged. If a household member's status as a self-employed person or contract employee changes, the last month to consider income from those sources is the month the change in status occurs.

Households receiving monthly or semi-monthly income, such as state or federal assistance payments, or semi-monthly pay checks, must have the income assigned to the normal month of receipt, even if mailing cycles, weekends or holidays cause the income to be received in a different month.

For the online systems used to verify child support or unemployment benefits, mailing and processing days must be added to the payment dates shown to reflect the period of receipt properly for SNAP purposes. Checks are prepared and mailed on the business day following

the APECS disbursement date or the VEC warrant date. Allow two mail days to determine the payment date and month of receipt. Allow two business days for electronic funds transfer payments to reach the designated debit card or bank account to determine the payment date and month of receipt.

The BPS must:

- Consider the income already received by the household during the application process.
- Consider any anticipated income the household and the BPS are reasonably certain will be received during the months of certification.
  - If the amount of income or when it will be received, is uncertain, that portion of the household's income that is uncertain must not be counted.
  - If the total amount of the income is unknown, the portion that the BPS can anticipate with reasonable certainty is countable as income.
  - Do not automatically project amounts of past income or assume that current income will continue without exploring the situation with the household.
- Consider work patterns or patterns of receiving income in determining income or in determining whether to average several monthly amounts to project future income more accurately. In discussions with the household, consider:
  - the number of days and hours normally worked;
  - whether overtime pay is available or likely;
  - whether the job is subject to external forces, such as weather; or
  - the number of days usually missed and if pay is affected.

For migrant and seasonal farm workers:

- Be reasonably certain that income is likely to be received based on formal or informal commitments for work for individual instead of the general availability of work in an area.
- Do not base income on an assumption of optimum weather or field conditions

For new income sources, the BPS must determine:

- rate of pay,
- the number of hours expected, and
- pay date, including the pay period and date of receipt.

Complete information must be known before counting the income. Estimating amounts by using the rate of pay multiplied by the expected number of hours is acceptable if representative pay stubs are not available. After the initial pay cycles are established, pay stubs or payroll records must be used to project the income unless the BPS documents that the information is not representative and why an estimate should be used.

For all application types, generally evaluate income received during the 30-day period before the application filing date. If the income for this period does not reflect the amount the household expects to receive during the certification period, the BPS must work with the household to determine a more appropriate amount.

The BPS must establish the onset and termination of income. If income amounts change by \$25 or more from one pay period to the next, amounts from additional periods may be needed to determine a more representative amount to use.

If income fluctuates so much that the prior 30-day period does not accurately reflect the income, a longer period may be used if it provides a more accurate indication of fluctuations in future income. The length of time used to create a reasonably accurate amount anticipated does not need to equal the same number of months in the certification period.

If the household's income fluctuates seasonally, it may be appropriate to use the most recent season comparable to the certification period instead of the 30-day period before the application date as an indicator of future income. Use caution however, in using income from a past season as an indicator of current income since the income may fluctuate between the same seasons of different years.

Past income may not be used as an indicator of future income when changes in income can be anticipated.

Whenever income is anticipated for every pay period in a month and it is received on a weekly or biweekly basis, the BPS must convert the income to a monthly amount by multiplying weekly amounts by 4.3 and biweekly amounts by 2.15. If the household will receive less than a full month's pay, or if less than a full month's pay is to be counted for SNAP purposes, either the exact amount of income, if it can be anticipated, or an average per pay period times the actual number of pays, can be used.

Pay received daily must be converted to a weekly or biweekly amount and then converted to a monthly amount by multiplying the weekly amounts by 4.3 and the biweekly amounts by 2.15.

The BPS must document:

- Decisions made regarding averaging;
- the exclusion or inclusion of certain amounts,
- reasons for using a wider time period to average/anticipate amount
- reasons why amounts are not representative.

## B. EVALUATING EXPENSES (7CFR 273.10(d))

An expense is defined as a service provided by someone outside of the SNAP household for which a money payment is made. If a deductible expense is covered by an excluded reimbursement, as defined in Part XI.F.6, or is paid by a vendor payment, as defined in Part XI.F.3, no deductions will be given except for certain energy assistance payments, as described in Part X.A, and any payments that are also personal loans.

Methods of evaluating expenses are described below.

1. As billed - Expenses considered in determining shelter or dependent care costs are allowed only for the month the expense is billed or otherwise becomes due, regardless of when the household intends to pay or pays the expense. Expenses paid in advance are allowed in the month the expense would have been due. Amounts carried forward from past billing periods cannot be allowed as a part of the cost of shelter or dependent care even if included with the most recent bill.

Expenses incurred more frequently than monthly must be converted to a monthly amount by considering 4.3 weeks in a month or by considering the actual amount billed during the month.

Example

A household buys coal by the bag every 3 days, at \$3.00 per bag. By considering 4.3 weeks in a month, the expense is computed as follows:  $7 \div 3 = 2.33$  bags per week  $\times 4.3 = 10.02$  bags per month  $\times \$3 = \$30.06$ .

By considering the actual amount billed during the month, the expense is computed as follows: 10 bags purchased  $\times \$3 = \$30.00$ .

2. Averaged - Expenses which fluctuate from month to month and those which are billed less frequently than monthly may be averaged over the period the expense is intended to cover and reflected in the allotment calculation for those months. The certification period assigned would have no effect on the months in which the allowance is given. A one-time only expense may be averaged over the entire certification period.

Example

A household presents an oil bill of \$250. The oil was received in December and is expected to last until February. The expense of \$250 is averaged over 3 months, and \$83.33 is assigned to the months of December, January, and February and reflected in the allotment calculations for those months.

The household must be given the opportunity to choose between having expenses averaged or counted as billed.

3. Anticipated - Expenses for which the household anticipates being billed during the certification period are allowed. These expenses will be treated as billed or averaged over the period the bill will cover. For example, if a household anticipates a bill for property tax during the certification period, it may be allowed as a deductible expense in the month billed or averaged over the number of months the tax bill will cover. Another example is utility expenses that fluctuate month to month for households that opt to use actual utility costs. The BPS may evaluate changes in the amount billed monthly by evaluating the previous year's bills for the same months in question, updated by overall price increases. If a recent bill amount is the only information available, the BPS may use the utility company's estimate.

Example

The household presents all oil bills received the past winter. The household expects the amount of oil to be the same this winter. The oil vendor gives the BPS the current price per gallon. The BPS may use the information to project the household's costs for the current season.

The BPS may not average prior expenses to determine the expenses without considering whether the averaged amount reflects anticipated expenses.

4. Medical Expenses - Households that incur and verify medical expenses of more than \$35 a month are allowed the medical standard deduction. Households that incur and verify allowable medical expenses of \$235 or more per month may opt to use actual expenses instead of the medical standard deduction. The provisions of this chapter apply only to households with medical expenses of \$235 or more per month.

At the time of certification, households must report and verify allowable medical expenses or, at recertification, report changes in expenses previously reported. Households may also report allowable medical expenses that the household expects to incur during the certification period.

Because of the different ways in which individual medical expenses are incurred, the method for counting each bill must be considered individually. Any portion of a medical expense that is reimbursable by insurance policies will not be given as a deduction until the household verifies the portion of the cost that is its responsibility. The portion of the cost that is not reimbursable will be allowed as a deduction at the time the reimbursement is received or otherwise becomes known, even though this may be in a later certification period.

When determining the monthly medical deduction, the BPS must consider each of the methods described below for each expense.

For a household comprised of elderly or disabled members who have a 24-month certification period, the BPS must review the household's eligibility before the twelfth month. If the household reports a one-time medical expense incurred during the first 12 months, the BPS must give the household the option of deducting the expense for one month, averaging the expense over the remaining months of the first 12 months or averaging the expense over the remaining months of the certification period. If the household reports a one-time expense after the twelfth month, the household may elect to deduct the expense in one month or over the remaining months of the certification period.

- a. Lump sum deduction. The household may get a deduction for medical expenses as a lump sum in the month the expense is billed or become due or, for items such as drugs that have no billing, the month the household incurs the expense. If the household cannot establish a due date for an expense, the due date will be the month after the original billing date or incurred date.
- b. Averaging. One-time medical bills may be averaged over the certification period in which they are billed or become due. At certification, it will be the household's option whether to count a one-time bill as a lump sum or to average it. If the household reports a one-time bill during a certification period, the household may have the deduction as a lump sum, if possible, or averaged over the remainder of the certification period and reflected as an expense for those months.

#### Example

A household with an elderly or disabled member reports a one-time only medical expense of \$325.00 on March 5. The household's certification

period is February 1 through July 31. The household may choose to take the entire deduction in April, the month the change would be effective, or have the expense averaged over the remainder of the certification period.

Lump Sum Deduction:

\$325.00	one-time only medical expense
<u>-35.00</u>	
\$290.00	medical deduction for April

Averaged Deduction:

\$325.00 ÷ 4 months (April through July)	\$81.25
	<u>-35.00</u>
Monthly Medical deduction	\$46.25

For recurring medical expenses for which a bill is not customarily issued, a monthly amount can be determined by averaging costs for a past period that is long enough to include all the expenses. These recurring expenses include prescriptions, transportation costs to obtain medical services or pet food for an attendant animal. The averaged amount will serve as the medical expense.

Example

A client has 4 regular prescriptions. One is refilled every 6 weeks, one is refilled every 2 months, one is refilled every 3 weeks, and one is refilled as needed, usually once every four months. Prescription expenses from the prior 4 months include each of the expenses at least once. The total is \$180. \$180/4 months = \$45 average monthly expense.

- c. Expected rate of payment. Many persons make regular payments on large medical bills over a period of months or years. If regular payments on medical bills are arranged before the bill is overdue these may be allowed as medical deductions in the month the installment payment is due.

Example

In January, a new applicant reports an ongoing medical expense of \$50.00 per month. This is a payment on a hospital bill of \$1,000.00 that was incurred six months earlier. The client arranged the \$50 per month installment payment before the bill was considered past due. A balance of \$700.00 remains due. The expected rate of pay of \$50 per month may be allowed.

- d. Anticipated expenses

Allowable medical expenses which the household expects to incur during the certification period may be deducted. Reasonable estimates of the expected expense will be allowed for the certification period. The household is not required to report or

verify further the actual expenses when it is incurred. An anticipated expense, for which adequate verification has been provided at certification, may be averaged over the certification period or allowed as a one-time expense.

### C. COMPUTATION OF NET INCOME AND BENEFIT LEVEL

All households, except elderly and disabled households as described in Part XI.A, must pass gross income prescreening. All households must meet net income eligibility standards.

Monthly gross and net income amounts are determined in the following manner:

- Step 1 Assess the income of each household. Exclude all allowable income sources and amounts, including amounts for legally obligated child support payments made by the household. Do not exceed the legally obligated amount unless a portion covers a legally obligated amount that is in arrears. (Part XI.F.17)
- Step 2 List the household's total gross earned income. Include the total net income from self-employment enterprises (gross income from self-employment minus the allowable costs of doing business).

Note: Farm and fishing self-employment losses may be offset against other income. Subtract the farm or fishing loss from non-farm/fishing self-employment income. If the non-farm/fishing gain is greater than the farm or fishing loss, offsetting is complete. Apply this result toward the gross income total.

If the farm or fishing loss is greater than the non-farm/fishing gain, or if there was no non-farm/fishing self-employment income in the household, the negative balance of the calculation gain minus loss, or the farm or fishing loss will be applied against the adjusted gross earned and unearned income total.

- Step 3 List the household's total gross unearned income.
- Step 4 Total the adjusted earned income amount with the unearned income amount.
- Step 5 Subtract the excess farm or fishing loss, if any, from Step 2.
- Step 6 At this point, all households, except elderly, disabled or categorically eligible ones must pass gross income eligibility limits listed in Part XI.A. For elderly, disabled and categorically eligible households and for all other households that pass gross income prescreening, continue the calculation to apply appropriate deductions to the case.
- Step 7 Subtract the earned income deduction. Compute the earned income deduction by multiplying the combined net self-employment and gross earned income figures by 20%.

- Step 8 Subtract the standard deduction appropriate for the number of eligible members in the household. (Part X.A.1)
- Step 9 Subtract dependent care costs. (Part X.A.3)
- Step 10 Subtract the shelter allowance for homeless households that incur or expect to incur shelter expenses during the month. No other shelter costs may be allowed (Step 12) if the shelter allowance is used.
- Step 11 List medical expenses of members eligible for this deduction. Compute the medical deduction by totaling the expenses and subtracting \$35. (Part X.A.5)
- Step 12 The remaining figure is the adjusted net income. To compute the shelter deduction, compare shelter expenses to half the adjusted net income. If shelter expenses exceed half the adjusted net income, the excess shelter expenses can be allowed as a deduction under these guidelines:
- a) If the household does not contain an elderly or disabled member, the excess shelter expense cannot exceed the maximum deduction for shelter (Part X.A.4);
  - b) If the household contains an elderly or disabled member, any amount of excess shelter expense can be allowed as a deduction.
- Step 13 Subtract the shelter deduction from the remaining income to determine the net income.
- Step 14 Round down to the nearest whole dollar amount if the net income amount ends in 1-49 cents. If the net income amount ends in 50-99 cents, round up to the nearest whole dollar amount.

Eligibility and benefit amounts are based on the net income. See Part XI.A for allowable net income standards and Part XXIII for the benefit amounts for each household size.

D. PRORATION OF BENEFITS (7 CFR 273.10(a))

The benefit level for the household for all applications, except timely filed recertification applications, will be based on the day of the month the household applies for benefits or, in some instances, the day the household supplies needed verifications or takes required actions. The date of application for persons in public institutions jointly applying for SSI and SNAP benefits prior to release from the institution will be the day the person is released from the institution. Using a 30-day calendar, households will receive benefits prorated from the date of application, as defined in Part II.B, the date of eligibility, or the date actions/verifications are provided to the end of the month. (A household applying on the 31st day of a month will be treated as if it applied on the 30th day of the month.)

After using either table described below to determine the benefit amount, the BPS must round the product down if it ends in \$.01 through \$.99. If this computation results in a benefit amount of less than \$10, then no issuance will be made for the initial month however, this month will count as the first month of the certification period. This policy applies to all eligible households, including one- and two-person households who otherwise would be entitled to a minimum allotment of \$23.

1. Initial Month Benefits

The initial month of application for the purposes of proration is defined as:

- a. The first month in which a household applies for benefits in a Virginia locality; or
- b. The first month in which a household files a reapplication for benefits, as defined in Definitions.

Example

- 1) A household applies on July 15. The application is denied for July but approved for August. The application is processed within the initial 30-day period. The household must be given a full month's benefits for August.
  - 2) A household's certification period ended June 30. The household reapplies on August 15. The application is approved on August 20. Benefits for August would be prorated because August is the "initial month of application" as defined above.
- c. The first month after the 30<sup>th</sup> day in which an applicant household supplies any remaining verification or finally provides required information needed to process the application.

Example

A household applies on July 15. The household fails to submit verifications or to take actions until August 20, 36 days after the application date. The household caused the processing delay so benefits must be prorated from August 20.

- d. The first month in which a household files an application for benefits following the end of the last certification period.

Example

A household's certification period ends June 30. The household files another application on July 15. If the household is determined eligible, benefits for July must be prorated.

NOTE: For migrant or seasonal farm worker households, the initial month's benefits will not be prorated if the household has received SNAP benefits anywhere within the 30 days prior to the date of application.

2. Proration for Special Circumstances

SNAP benefits are generally calculated from the date of application or for an entire month. In some instances, however, it may be necessary to calculate benefits and eligibility from a date other than the application date or the first of a month. The instances in which this proration is permitted follows:

- a. The head of the household quits a job or reduces work without good cause after an application is filed but before the household is certified. Benefits must be prorated for the period between the application date and the date of the quit or reduction, if the household is otherwise eligible.

Examples

- 1) A household applies on April 12. The head of household reduces his work hours on April 21 before the household is certified. The sanction is imposed on April 21; the household may be eligible for 9 days benefits for April, i.e., April 12-20, inclusive.
  - 2) A household applies April 17. The head of household quits his job on May 4, before the household has been certified. The sanction period begins May 4. The household may be entitled to April benefits prorated from the date of application and benefits for the first 3 days of May.
- b. The head of the household quit or reduced work without good cause resulting in the ineligibility of the household. The household reapplies before the sanction period expires. (The application must be denied if the sanction period does not expire during the month of application.) Benefits must be prorated from the day after the sanction period expires through the last day of the month.

Example

A household is sanctioned for voluntary quit. The last day of the sanction period is April 12. The household files a reapplication on April 9. April's benefits are prorated from the day after the sanction period ends, i.e., April 13.

- c. A reapplication is filed for a household that lost its eligibility because of the Work Requirement. The household will regain eligibility after the application date by completing a work activity within 30 days as required by Part XV.C. Benefits must be prorated from the day after eligibility is regained through the last day of the month. (The application must be denied if eligibility is not regained during the month of application.)

Example

A one-person household, subject to the Work Requirement, received its three initial months of benefits during January, February and March. (The household was subsequently denied or it would have been denied because of the Work Requirement if an application had been filed.) A reapplication is filed on June 11 showing that the applicant started to work on May 17. It is projected that the applicant will have completed 80 work hours on June 15. Benefits must be prorated from June 16 if verification supports the claim that a minimum of 80 hours has been completed within the 30-day period.

Proration of benefits from a date other than the application date, for the situations described here, is appropriate only when an entire household is penalized through disqualification or ineligibility. Individual household members must be reconnected to the ongoing case at the beginning of the month following the end of the sanction period or the date eligibility is regained.

3. Proration Charts

CHART 1

The following formula is to be used to determine the amount of the prorated allotment. Find the date of application, the date actions/verifications are provided, or date of entitlement in Column 1. Multiply the monthly benefit amount by Column 2.

<u>Column 1</u>	<u>Column 2</u>	<u>Column 1</u>	<u>Column 2</u>	<u>Column 1</u>	<u>Column 2</u>
1	1.0	11	.6667	21	.3334
2	.9667	12	.6334	22	.3
3	.9334	13	.6	23	.2667
4	.9	14	.5667	24	.2334
5	.8667	15	.5334	25	.2
6	.8334	16	.5	26	.1667
7	.8	17	.4667	27	.1334
8	.7667	18	.4334	28	.10
9	.7334	19	.4	29	.0667
10	.7	20	.3667	30	.0334
				31	.0334

CHART 2

The following table may be used to prorate a month's benefits that are calculated based on a specific number of days of eligibility, rather than calculated from a particular date to the end of the month. Column 1 is the number of days of eligibility; column 2 is the proration factor. Multiply the full month's allotment by the proration factor for the number of days for which benefits are being provided.

<u>Column 1</u>	<u>Column 2</u>	<u>Column 1</u>	<u>Column 2</u>	<u>Column 1</u>	<u>Column 2</u>
1	.0334	11	.3667	21	.70
2	.0667	12	.40	22	.7334
3	.10	13	.4334	23	.7667
4	.1334	14	.4667	24	.80
5	.1667	15	.50	25	.8334
6	.20	16	.5334	26	.8667
7	.2334	17	.5667	27	.90
8	.2667	18	.60	28	.9334
9	.30	19	.6334	29	.9667
10	.3334	20	.6667	30	1.0
				31	1.0