Webinar 3: Income and Budgeting

November 19, 2014
Agenda

• Introduce CBPP SNAP Team and Center for Civil Justice
• SNAP Income Framework
• Income Rules
• SNAP Budgeting
• Questions
CBPP– SNAP Team

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The Center for Civil Justice (CCJ) advocates for people in Michigan who need help meeting their basic needs. CCJ uses legal expertise, informed by the experiences of low income people, to monitor and improve public policy and access to governmental programs and services.
SNAP Income Framework

Family One
- 3 member household.
- Gross income = $1500
- Doesn’t receive child care or rental assistance.
- Net income = $700
- Estimated SNAP amount = $301

Family Two
- 3 member household
- Gross income = $1500
- Receives child care subsidy and rental assistance.
- Net income = $1000
- Estimated SNAP amount = $211
# SNAP Income Eligibility Standards

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Gross monthly income (130 percent of poverty)</th>
<th>Net monthly income (100 percent of poverty)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$1,265</td>
<td>$973</td>
</tr>
<tr>
<td>2</td>
<td>1,705</td>
<td>1,311</td>
</tr>
<tr>
<td>3</td>
<td>2,144</td>
<td>1,650</td>
</tr>
<tr>
<td>4</td>
<td>2,584</td>
<td>1,988</td>
</tr>
<tr>
<td>5</td>
<td>3,024</td>
<td>2,326</td>
</tr>
<tr>
<td>6</td>
<td>3,464</td>
<td>2,665</td>
</tr>
<tr>
<td>7</td>
<td>3,904</td>
<td>3,003</td>
</tr>
<tr>
<td>8</td>
<td>4,344</td>
<td>3,341</td>
</tr>
<tr>
<td>Each additional member</td>
<td>+440</td>
<td>+339</td>
</tr>
</tbody>
</table>

SNAP Income Eligibility Standards October 1, 2014 – September 30, 2015
What is Income?

- Income is:

  - Household income from all sources excluding certain income;
  
  - Calculated on a monthly basis, and;
  
  - Can be “earned” or “unearned.”
## Countable Income – Earned

1. **Job or self-employment earnings for adults 18 and older**
2. **Training Allowances from vocational and rehabilitative programs**
3. **Educational Assistance with a work requirement (work study, fellowships)**
4. **On-the-job training program earnings**
5. **Any other “earned” income as defined in rules**
## Countable Income – Unearned

<table>
<thead>
<tr>
<th>Social Security/SSI, Pension, Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>State public assistance payments (disability, TANF, veterans)</td>
</tr>
<tr>
<td>Unemployment Compensation</td>
</tr>
<tr>
<td>Child Support or Alimony Payments</td>
</tr>
<tr>
<td>Rental Income</td>
</tr>
<tr>
<td>All other unearned income</td>
</tr>
</tbody>
</table>
Examples of Excluded Income

- Irregular or infrequent income less than $30 a quarter
- Education Assistance (grants, scholarships, some work study)
- Earned income of a minor
- Adoption Subsidies
- Loans
- EITC
- In-kind benefit and vendor payments
- Non-recurring lump sum (tax refunds, etc.)
Income of Ineligible Household Members

**Count Income**
- IPV & Work Disqualified
- Fleeing Felons & Drug Felons*
- Undocumented Immigrants*

**Prorate Income**
- Ineligible non-citizen*
- Ineligible ABAWDs
- SSN Disqualified

**Don’t Count Income**
- College Students
- Foster Children

* State option for counting income
The Importance of Income in SNAP

Family’s Net Income

Impacts Household’s Ability to Purchase Food

SNAP Responds

Higher SNAP Benefits
SNAP Benefit Calculation Process

1. **Determine Household Size**
2. **Count Household Income**
3. **Calculate & Subtract Deductions**
4. **Net Income $ \times 30\%$**
5. **Determine SNAP Benefit Amount**

Net income determined = money available to purchase food.
Step 1: Determine Household Size

Household members are:

– Those who purchase and prepare food together, and

– Are not excluded from the SNAP household for other reasons.
Step 2 – Determine Income

Count all income – earned and unearned of household members.

- $1200/Biweekly
- $600/Weekly
- $8.90/Hourly
Step 3: Calculate & Subtract Deductions

- Earned Income
- Standard
- Dependent Care
- Medical Expenses
- Shelter Expenses
Step 4: Determine Net Income

\[
\text{Gross Monthly Income} - \text{Deductions} = \text{Net Income}
\]

Example:

\[
$1000 - $400 = $600
\]
Step 5: Determine SNAP Amount

Maximum SNAP Benefit for Household Size - 30% of net income = SNAP Amount

Example:

$511 (Household of 3) - $180 (30% of net income of $600) = $331 (SNAP Amount)
The Return of the Blue Family

Marcy lives with her 2 children, James 19 years old and Lisa 15 years old. Marcy earns $1500 a month. James attends college part-time and works part-time earning $400 a month.

How many household members? How much in SNAP benefits would they receive?
Calculating the Blue Family’s SNAP Benefits – Step 1

Gross income = $1,900

Earned Income Deduction = $380

Standard Deduction = $155

Medical Expense Deduction = N/A

Dependent Care Deduction = $35

Pre-shelter net income = $1,330
Calculating the Blue Family’s SNAP Benefits – Step 2

Pre-shelter net income = $1,330

Shelter Deduction Calculation

1) Take 50% of household net income after earned, standard and dependent care deductions:
   $1,330 ÷ 2 = $665

2) Determine shelter expenses (rent, insurance, utilities):
   Total shelter expenses = $1000

3) Subtract 50% of net income from total shelter expenses to get excess shelter deduction:
   $1000 - $665 = $335

Excess Shelter Deduction = $335

Final net income = $995
Calculating the Blue Family’s SNAP Benefits – Step 3

Gross Monthly Income: $1,900

Deductions: $905

Net Income: $995
Calculating the Blue Family’s SNAP Benefits – Step 4

Maximum SNAP Benefit for Household Size

$511 (Household of 3)

less

30% of final net income

$298 (30% of final net income of $995)

SNAP Amount

$213
Second Look at Blue Family

Gross Income: $1,900

Net Income: $995

Deductible Expenses: $905

30% of net income ($298)
SNAP Meeting Need

$511
Household of 3 Need

$298
Family Contribution

$213
SNAP Amount
Next SNAP Academy Webinars

- Deductions – 12/17/14
- Applications – 1/21/15
- Renewing Benefits/Recertification – 2/18/15

You can register for upcoming webinars at:
http://www.cbpp.org/research/index.cfm?fa=topic&id=154
Special Topic Webinars

• Discussion of ABAWDs (Able-bodied adults without dependents)
  – December
National Resources

CBPP Food Assistance Webpage:  http://www.cbpp.org/
- A Quick Guide To SNAP Eligibility and Benefits
  http://www.cbpp.org/cms/index.cfm?fa=view&id=1269
- SNAP Policy Basics
  http://www.cbpp.org/cms/index.cfm?fa=view&id=2226

Additional Resources
- The Food and Nutrition Service (FNS)
- Food Research and Action Center (FRAC)
  - http://www.frac.org
Partner Resources

- Alameda County Community Food Bank:
  - [www.accfb.org](http://www.accfb.org)

- Center for Civil Justice:

- Hunger Free Vermont
  - [http://www.hungerfreevt.org/](http://www.hungerfreevt.org/)

- Massachusetts Law Reform Institute
  - [http://mlri.org/](http://mlri.org/)

- Ohio Association of Food Banks
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