

SNAP CERTIFICATION MANUAL – SECTION 6000

6100 Deductions – Summary

Deductions

6100 Deductions – Summary

SNAP Manual 11/01/1101/01/2021

When calculating a Supplemental Nutrition Assistance Program (SNAP) budget, a certified case-eligibility worker must determine which deductions will be used in that budget. There is one (1) deduction that is uniformly used in every budget calculated. This is the standard deduction.

The standard deduction is used in every budget calculated. The amount of the standard deduction is dependent on the household size.

The earned income deduction is applied in every budget when the household contains a member with earnings.

The farm loss deduction is applied only when a household has a member engaged in a farming operation and that operation sustains a loss.

Dependent care deductions apply when there are payments for the care of a child or an incapacitated adult, so that a household member can work or attend training preparatory to prepare for work.

~~An excess medical deduction is allowed only for aged and/or disabled household members. Medical costs for aged and/or disabled members that exceed \$35 per month per household will be deducted or the household may elect to use the standard medical deduction. Households that include a person aged sixty (60) or older or individuals living with a disability are allowed an excess medical deduction. These eligible individuals with medical costs that exceed thirty-five dollars (\$35.00), but less than one-hundred thirty-eight dollars (\$138) per month per household, will be assigned the standard medical deduction.~~

A child support deduction is allowed for legally obligated child support paid by a household member to an individual who is not a household member.

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Excess shelter cost deductions are allowed when any household's monthly costs for rent or house payment, real estate taxes, insurance on the home, and utilities exceed ~~fifty percent (50%) percent~~ of the household's income following all other deductions. There is no limit to the amount of excess shelter cost deductions for households containing a person aged sixty (60) or older or individuals living with a disability~~an aged or disabled member~~. All other households have a limit. ~~See for the current limit.~~

These are the only deductions that can be used when calculating a SNAP budget.

Deductions are applied after the gross income has been calculated. The gross income is calculated by determining the total gross amount of all income after all exclusions.

See SNAP 5400 (for an explanation of explaining income exclusions).

See SNAP 5500-5700 (for an explanation of explaining countable income).

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See SNAP 7000 (~~for an explanation of calculating~~ explaining calculation of gross income prospectively).

Each deduction is discussed in the order ~~of application~~ that it is applied when calculating a SNAP budget.

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6200 The Earned Income Deduction

6200 The Earned Income Deduction

6200 The Earned Income Deduction

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~~In the process of calculating~~When calculating a SNAP budget, the earned income deduction is applied first. The earned income deduction is a percentage of the gross earned income and is designed to cover mandatory deductions and work-related expenses. See ~~Appendix D: Appendix D: Current Standards~~Appendix D: Current Standards ~~Standards for the current percentage used in the earned income deduction.~~ Gross earned income, (including ~~self-employment~~self-employment income after all exclusions,) is multiplied by the current percentage to determine the earned income deduction. The resulting figure is the earned income deduction. The earned income deduction will be rounded up or down to the nearest dollar and subtracted from the gross earned income to obtain net earned income.

~~As of 10/1/00, the percentage of the gross earned income used as the earned income deduction was 20%. If a household's gross earned income was \$724, then the earned income deduction would be \$145 ($\$724 \times 20\% = \144.80 rounded to \$145).~~

Households with only unearned income are not entitled to this deduction. It is not applied to any excluded income such as the earnings of a child or irregular income. All earned income is totaled before the earned income deduction is calculated.

When earned income tax credits are paid as part of a household's earned income, the earned income tax credit will be excluded from the gross income before the earned income deduction is allowed.

6210 Farm Loss Deduction

SNAP Manual ~~12/01/95~~01/01/2021

The losses from a farming enterprise operated by a household member may be deducted from the household's other countable income. See SNAP 5670 ~~(contains instructions for applying the Farm Loss deduction).~~

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6300 The Standard Deduction

Standard Deduction

6300 The Standard Deduction

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A standard deduction is applied to all SNAP households. The standard deduction is based on the household size. See [Appendix D: Current Standards](#).

The deduction is a preset amount that is not required to be entered into the system.

~~The standard deduction is applied in the following manner when there is both earned and unearned income in the household:~~

~~Calculate the net earned income by applying the earned income deduction as described in [SNAP 6200](#) above.~~

~~Total all unearned income.~~

~~Calculate gross income by adding together net earned income and total unearned income.~~

~~Subtract the standard deduction from the gross income. The resulting figure is the adjusted gross income.~~

~~_____ There are five household members. The household has one member with gross earnings of \$795. Two members each receive TEA cash assistance of \$162. The calculations are based on deduction amounts in effect 10-01-10~~

~~Therefore:~~

~~**Calculate net earned income:** Gross earned income \$795 x 20% = \$159 earned income deduction.
\$795 gross earned income – \$159 earned income deduction
= \$636 net earned income.~~

~~**Calculate total unearned income:** \$162 TEA cash assistance + \$162 TEA cash assistance = \$324~~

~~**Calculate total gross income:** \$636 net earned income + \$324 total unearned income = \$960 gross income.~~

~~**Subtract the standard deduction:** \$960 total gross income – \$179 standard deduction = \$781 adjusted gross income.~~

~~When there is only earned income in the SNAP budget, the gross income will consist of the amount calculated as the net earned income.~~

~~_____ The household reports only earned income of \$795. The worker calculates the earned income deduction as \$159 and \$636 as the net earned income. \$636 will be entered as the total income and the \$179 standard deduction will be subtracted from this figure (\$636 – \$179 = \$457) to obtain the adjusted gross income.~~

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~~When there is only unearned income in the SNAP budget, the gross income will consist of the amount calculated as the total unearned income.~~

~~There are six household members. The household reports only unearned income of two TEA cash assistance checks. They total \$324. \$324 will be entered as the gross income and the \$205 standard deduction will be subtracted from this figure ($\$324 - \$205 = \$119$) to obtain the adjusted gross income.~~

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6400 The Dependent Care Deduction

6410 Documentation and Verification of Dependent Care Costs

6400 The Dependent Care Deduction

SNAP Manual ~~1001/01/08~~2021

Dependent care costs are payments for the actual care of a child or other dependent person, for example, –(e.g.– an incapacitated adult). Payments are deductible only when necessary for a household member to:

1. Accept or continue employment; ~~or~~
 2. Pursue education preparatory for employment; ~~or~~
 3. Comply with the SNAP Employment and Training (E & T) Program requirements;
- OR
4. Seek employment.

The dependent care deduction will include costs such as baby-sitter or day care fees, or the cost of an attendant for an incapacitated adult. The amount of the deduction will be the total cost of dependent care, ~~– there~~ There is no maximum deduction amount. Another responsible household member being present in the home will not impact whether the deduction is allowed.

~~A household reports that a member is employed. This member pays \$45 per week per child to a day care center for two children.~~

~~Calculated prospectively, dependent care costs would be
\$45 x 4.334 = \$195 per child
\$195 x 2 = \$390 total dependent care costs.~~

Child care expenses that are reimbursed or paid by the Division of Child Care and Early Childhood Education (DCCECE), TEA Program, or other similar programs are not deductible. A ~~deduction–~~ deduction will be allowed only for the portion of child care expenses not paid or reimbursed by such a program.

Any reimbursements made by the ~~Division of Child Care~~DCCECE, ~~the Transitional Employment Assistance (TEA) Program,~~ or other similar ~~program–to program to~~ the household will not be counted as income. See SNAP 5411.

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~~At a minimum, the following documentation of the dependent care deduction must show the following:~~

- ~~1. The amount of the dependent care payment;~~
- ~~2. The frequency of the expense/bill – i.e. weekly, bi-weekly or monthly; and~~
- ~~3. The name, address and telephone number of the dependent care provider.~~

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6410 Documentation and Verification of Dependent Care Costs

~~At any case action, dependent care costs need be verified only if information regarding these costs is questionable. If verification is requested the case worker will also document:~~

- ~~1. The reason the payment was considered questionable; and~~
- ~~2. The source of the verification (example—phone call to Kiddie Kare Director, Mrs. John Smith, verified the amount billed as \$50 per week).~~

~~If~~worker~~If~~ the household does not supply the requested verification of dependent care costs within the specified time frames, the case action, such as ~~(application approval, or change processing, etc.)~~ will not be delayed solely to obtain this verification. The case will be processed without including the declared dependent care costs.

—
If at the time of application, eligibility is dependent upon the inclusion of dependent care costs, the application may continue to be held for up to sixty (60) days awaiting this verification.

If the verification is later provided, the dependent care costs will be included in the household's budget. This action will be handled as a change and will be processed in accordance with the timeliness standards in SNAP 11410. The date upon which the verification was supplied will be considered the date the change was reported.

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Allowable medical costs listed in SNAP 6510 incurred by a person aged sixty (60) or older or individuals living with a disability~~an aged and/or disabled household member~~ are deductible. See the Glossary definition of “Aged or Disabled.” Only allowable medical costs in excess of thirty-five dollars (\$35.00) per month are deductible. The thirty-five dollars (\$35.00) per month disregard applies to the entire household and not individual members.

~~Aged / Disabled households~~Households with an eligible individual may choose to verify actual medical expenses or elect a medical standard deduction (~~See SNAP 6520~~) when an aged ~~and/or~~ disabled household member incurs at least thirty-five dollars and one cent (\$35.01) per month in allowable medical expenses and provides verification of the expenses. See SNAP 6520. This is a household standard and not an individual standard. One (1) medical standard deduction per household is allowed. The individual will remain eligible at each subsequent case action for the standard medical deduction as long as if he or she declares attests on the application, to medical expenses that exceed thirty-five dollars (\$35.00) per month. An attestation is a verbal statement, written statement, or appropriate response to a question supplied on a form. No further verification is required.

Each household member is evaluated individually for entitlement to the medical deduction. The Spouses-spouse of a person aged sixty (60) or older or individuals living with a disability are aged/disabled members not entitled to a medical deduction unless they are also aged or disabled and eligible individual. The medical expenses of household members receiving benefits as dependents of an a Supplemental Security Income (SSI), Social Security, or Veterans Benefits Administration (VBA) recipient are not deductible, unless the dependent is also aged or disabled and eligible individual.

~~Mr. Carter, age 45, receives Social Security disability benefits. His wife, age 40, receives a Social Security check as the mother of his three children ages 17, 14, and 12. Mrs. Carter also receives a Social Security check as the payee for her children. Neither Mrs. Carter nor any of the three children are disabled.~~

~~However, there is a two year old grandchild in the home who is disabled. Mrs. Carter is the payee for an SSI check for this child. Only medical expenses for Mr. Carter and the grandchild are deductible.~~ Entitlement to a medical deduction begins either in the month that an individual turns age sixty (60) or in the month that a disabled individual begins receiving a disability payment or Medicaid benefits.

A medical expense incurred for an aged or disabled eligible individual who was a household member immediately before entering a hospital or nursing home is allowable if the household is responsible for

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the bills. This also applies to medical expenses incurred for an ~~aged or disabled individual~~ eligible household who was a household member at the time of his or her death. (This includes ~~aged or disabled~~ eligible individuals who die while in a hospital or nursing home if they were a household member immediately before entering the hospital or nursing home.)

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6510 Allowable Medical Costs

~~Mr. Smith, age 75, was included in his daughter's SNAP case prior to entering the nursing home. He is covered by Medicaid, but his daughter must buy three prescriptions for him each month. They total \$45.00. His daughter is allowed to deduct medical costs each month even though she is neither aged nor disabled.~~

Households may be assigned a certification period longer than twelve (12) months if all members are eligible ~~and each member is either aged or disabled~~ for SNAP and each member is a person aged sixty (60) or older or individuals living with a disability. ~~At the end of each 12-month period, these households are subject to an annual review. This review includes a full reassessment of the household's medical expenses if the household chooses a medical deduction based on actual medical expenses. See SNAP 11345 for instructions.~~

6510 Allowable Medical Costs

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Each category of allowable medical costs is explained below.

1. Attendants, home health aides, disabled child care services attendant attendants for children living with a disability, or homemakers: These costs are deductible when such services are necessary due to the age, disability, or illness of a person aged sixty (60) or older or individuals living with a disability.
 - In addition to salary costs, an amount equal to the maximum SNAP benefit amount for one (1) person will be deducted if the household provides the attendant (or attendants) with more than fifty 50% percent (50%) of the meals served in the household in a month. For example, two (2) attendants come each day. Therefore, the household is providing a meal to an attendant at each meal time. The full SNAP allotment for one (1) person will be deducted even though neither attendant takes more than fifty (50)% percent (50%) of his or her meals in this home in a month's time.
 - The amount of the meal related deduction is the maximum SNAP benefit amount for one (1) person that is in effect at the time of the household's certification or recertification. If a new basis of issuance (NBI) occurs, the ~~case worker~~eligibility worker is not required to update this deduction until the next scheduled recertification or annual review.
 - When the costs of an attendant could either be deducted as a dependent care expense or as a medical expense, the costs will be handled as a medical expense. If a mother pays dependent care costs for two (2) or more children, but not all the children are ~~disabled~~living with a disability, only the portion of the expense paid for the care of the ~~disabled~~eligible child or children will be allowed as a medical expense.

When the amount paid for the care of the ~~disabled~~eligible child or children is not identifiable, the entire expense will be allowed as a dependent care deduction. See SNAP 6400.

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6510 Allowable Medical Costs

2. Corrective Devices: Corrective devices are items such as, but not limited to, the following:
 - Dentures; full or partial;
 - Braces worn on the teeth for orthodontic purposes;
 - Eye glasses and contact lenses prescribed by a physician skilled in eye diseases or by an optometrist;
 - Hearing aids (including batteries for the operation of the hearing aid);
 - Prosthesis;
 - Corrective braces worn on the limbs; and
 - Corrective shoes and orthotics when prescribed by a doctor or other health care professional.
3. Hospital and nursing home care: This includes costs incurred during confinement or out-patient care in a medical facility such as a hospital, out-patient facility, or nursing home recognized by the State. Such costs include, but are not limited to:
 - Room and board charges;
 - Nursing care;
 - Drugs and medical supplies;
 - Therapy;
 - Surgery; and
 - Tests.

____ Non-medical charges such as television rental fees are not allowed.

~~Costs incurred for an aged/disabled individual who was a household member immediately before he or she entered the hospital or nursing home are allowable if the household is responsible for the costs.~~

4. Insurance - Health-Death and Hospitalization Policy Premiums: This includes payments for aged/disabled a person aged sixty (60) or older or individuals living with a disability members for health and hospitalization policy premiums such as, but not limited to, the following:
 - Medical and hospital insurance;
 - Nursing home insurance;
 - Cancer and intensive care insurances;
 - Health insurance premiums deducted from paychecks;
 - Dental insurance; and

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- Prescription drug insurance including “prescription drug cards” purchased by a household member that pays part of certain prescription costs.

Some health insurance policies cover household members who are not entitled to a medical deduction as well as those who are. When the portion of the premium paid ~~for the for aged/disabled a person aged sixty (60) or older or individuals living with a disability~~ members cannot be determined, the premium will be prorated among all members included on the policy. The pro rata amount for one (1) member will be multiplied by the number of ~~aged/disabled~~ eligible members. The resulting amount will be considered a medical cost.

~~Do not allow health and accident policies such as those payable in lump sum settlements for death or dismemberment. Do not allow income maintenance policies such as those which continue mortgage or loan payments while the beneficiary is disabled.~~

~~5. Medicaid Cost Sharing: These are medical expenses incurred by an aged/disabled eligible individual who is not covered by Medicaid. Medicaid recipients which are not covered by Medicaid.~~

~~6.5. Medicaid recipients are allowed to obtain a certain number of prescriptions free of charge each month. Additional prescription costs incurred by a Medicaid recipient are allowed as a medical expense if the Medicaid recipient is aged or disabled.~~

~~7.6. Medical and Dental Care: This includes a dentist’s or a physician’s charges for:~~

- Office calls;
- Hospital visits;
- Nursing home visits;
- House calls;
- Special treatments;
- Tests; and
- Other medical procedures.

This also includes other services provided by a licensed practitioner or other qualified health practitioner such as:

- Psychotherapy;
- Rehabilitative services; and
- Chiropractic services.

~~8.7. Medical Equipment and Supplies: This includes costs such as:~~

- Needles and syringes used for the injection of insulin or prescription medication;

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6511 Allowable Medical Deductions in Alphabetical Order

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- Costs for the purchase of sickroom supplies such as bandages and gauze for a surgical patient or bed pads and protective linens for bedfast patients;
- Costs for the lease or purchase of medical equipment such as crutches, wheelchairs, wheelchair ramps, hospital beds, ~~and or~~ portable oxygen tanks;
- Costs for the purchase, maintenance, and training of seeing-eye dogs for the blind, and service dogs for people with mobility disabilities. This includes the cost of food and veterinarian's bills for the dog. If a deaf person is aged sixty (60) or older or individuals living with a disability ~~otherwise aged or disabled~~, the costs of the purchase, maintenance, and training of a dog used to "hear" for the deaf person are also considered a medical expense; ~~and-~~
- Costs for the purchase and maintenance of a "lifeline" service intended to be used by an elderly or disabled eligible individual to call for assistance in the case of an emergency. Related telephone costs are not allowable since they ~~would~~ bear covered by the telephone standard.

9.8. Medicare Premiums: These are premiums deducted from Social Security checks or paid by certain Railroad Retirement, ~~VBA~~ Veterans Benefits Administration, and Social Security recipients for Medicare coverage under Title XVIII of the Social Security Act.

10.9. Prescription Drugs: This includes: P

- Drugs prescribed by a licensed practitioner, such as a ~~e.g.,~~ doctor, dentist, or chiropractor; and
- Over-the-counter medication recommended or approved by a licensed practitioner. This includes over-the-counter medications such as, but not limited to, insulin for diabetics, aspirin for arthritics, herbal supplements, and vitamins. Food supplements prescribed by a physician or other health care professional may be allowed as an over-the-counter medication, if the food supplement cannot be purchased with SNAP benefits. ~~(If information is needed~~ about a food supplement, the worker must ~~contact~~ see the ~~Supplemental Nutrition Assistance Program~~ SNAP Section.)

11.10. Transportation and lodging: - ~~This is a~~ These are reasonable costs for transportation and ~~or~~ lodging incurred to obtain medical treatment. T

- Transportation and lodging costs are determined on a case-by-case basis.

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6511 Allowable Medical Deductions in Alphabetical Order

- Transportation costs are based upon the type of transportation used. If ~~the aged or disabled member~~ a person aged sixty (60) or older or individuals living with a disability uses his or her own vehicle, the current ~~State-state-employee-reimbursement~~ employee reimbursement rate will be allowed. If the member ~~used~~ uses public ~~transportation, the~~ transportation, the actual cost of the transportation will be allowed. If the member pays a non - household member for transportation, the amount charged by the individual ~~will be~~ will be allowed. Verification of the cost must be obtained. The type of ~~transportation-~~ transportation used and the reason for the trip must be documented.
- Lodging may be allowed if ~~the aged/disabled~~ a person aged sixty (60) or older or individuals living with a disability member is required to spend the

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6511 Allowable Medical Deductions in Alphabetical Order

night away from home to receive medical services. The reason the lodging ~~was~~is necessary must be documented in the case record. Verification that medical treatment did occur, as well as receipts to verify the lodging expense must be obtained.

- Lodging expenses are allowable for the parent or parents of a ~~disabled~~ child living with a disability who is hospitalized or receiving treatment at a site that requires the parent or parents to obtain lodging. The cost of lodging does not include the cost of meals or other incidentals.

6511 Allowable Medical Deductions in Alphabetical Order

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1. Ambulance costs
2. Attendants, home health aides, care of a ~~disabled~~ child living with a disability, homemakers, etc.
3. Braces, corrective, for limbs
4. Braces, orthodontic
5. Chiropractic services
6. Contact lenses
7. Corrective shoes and orthotics
8. Crutches
9. Dental services
10. Dentures
11. Dogs (including the cost of food and other costs) trained to assist blind, deaf, or physically impaired
12. Drugs, prescription
13. Drugs, over the counter when prescribed by a licensed practitioner
14. Eye glasses
15. Hearing aids and batteries
16. Hospital care
17. Hospital beds
18. Incontinence supplies
19. Insurance, ~~cancer~~cancer, and intensive care
20. Insurance, medical, and hospitalization
21. Insurance, Medicare
22. Insurance, Medipak
23. Lease costs for medical equipment

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6520 Medical Standard or Actual Expenses

24. “Lifeline” service but not related phone costs
25. Lifts
26. Lodging when needed to receive medical treatment
27. Medicaid cost sharing
28. Needles and syringes used for insulin or other prescription drugs
29. Nursing home care
30. Oxygen
31. Physician’s charges
32. Prosthesis
33. Psychotherapy
34. Rehabilitative services
35. Surgery
36. Surgical dressing supplies
37. Telephonic aids used by persons with a disability
38. Tests, medical
39. Therapy
40. Transportation to medical facility
41. Wheel chairs
42. Wheel chair ramps

6520 Medical Standard or Actual Expenses

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Households with allowable medical expenses may claim the ~~\$138.00~~ medical standard deduction or elect to deduct actual medical expenses. The medical standard is a predetermined deduction that an eligible household may elect to use in the SNAP budget to calculate total medical costs.

Standard Medical Deduction

~~An aged/disabled household with medical expenses of at least \$35.01 has the option to verify and claim all their medical expenses or claim the standard medical deduction.~~ Households with allowable medical expenses who wish to claim medical deductions may claim the medical deduction if they have medical expenses of at least thirty-five dollars and one cent (\$35.01). If expenses are less than one hundred thirty-eight dollars (\$138), the medical standard will be assigned, if they choose to claim and verify all their medical expenses. If medical expenses are greater than one-hundred and thirty-eight dollars (\$138), the household may choose either the

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6520 Medical Standard or Actual Expenses

medical standard or their actual medical expenses. If a household chooses to claim their actual expenses, the household will need to supply verification of all costs.

To be eligible for the standard medical deduction of one hundred and thirty-eight dollars (\$138), the following conditions must be met at initial and subsequent case actions:

- ~~• The standard medical deduction is not mandatory if qualifying medical expenses exceed~~
- ~~• \$138.00 but it can still be offered as a beneficial option to a qualifying household.~~
- ~~• To be eligible for the standard medical deduction of \$138.00, the following stipulations must be met at initial and subsequent case actions:~~
- Households must verify, at each initial application, that they have incurred more than \$35.00 (i.e. thirty-five dollars and one cent (\$35.01)) a month in qualifying medical expenses.

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6521 Factor One: How Often is the Expense Incurred?

- Households must **declare attest** at each **re-certification** and subsequent case action that they still have medical expenses **in excess of more than thirty-five dollars (\$35.00)**. **Declaration—An attestation** is a verbal statement, written statement, or appropriate response to a question supplied on a form. No further verification is required.
- **Previously unreported medical expenses reported after initial application must be verified. Verification of these previously unreported medical expenses only need to show that the household incurred a medical expense more than thirty-five dollars (\$35.00).**

~~3. Enter medical expenses totaling \$138.00 in ANSWER and the system will automatically deduct the \$35.00 benchmark.~~

~~NOTE: When actual medical costs exceed the standard, the worker may recommend that the household use actual costs for the medical deduction, but should be mindful of the verification requirements. The household should be informed of the requirement to verify medical expenses if actual expenses are elected.~~

Actual Medical Deduction

For households choosing actual medical expenses, the ~~case worker~~eligibility worker should obtain the best estimate from the household at certification and subsequent case actions to anticipate medical expenses based on the best information available. The household is under no obligation to report changes in medical expenses, but is allowed to do so. The worker will act on any reported changes in medical expenses.

The worker must consider several factors when anticipating medical expenses:

1. How often is the expense incurred? See [SNAP 6521](#).
2. Will the expense be reimbursed? See [SNAP 6522](#).
3. Is the expense past due? See [SNAP 6523](#).

~~See [SNAP 11640](#) for special instructions on handling cases certified for longer than 12 months.~~

6521 Factor One: How Often is the Expense Incurred?

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6521 Factor One: How Often is the Expense Incurred?

6521.1 Expenses Incurred Each Month

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Monthly rental payments on medical equipment, visits to a physician made at least once per month, and Medicare premiums are all types of monthly medical expenses. ~~(Any medical expense the household expects to incur at least once per month is classified as a monthly medical expense.)~~

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6521 Factor One: How Often is the Expense Incurred?

~~—Mrs. Casey, age 61, declares the following medical expenses:~~

- ~~1. A prescription drug filled twice per month at \$22.40 per bottle.~~
- ~~2. A monthly visit to the doctor at \$20.00 per visit and taxi fare of \$10.00 for the round trip.~~
- ~~3. A blood test done once per month at \$25.00 per test.~~
- ~~4. Hospitalization insurance premium paid once per month at \$47.50 per month.~~

~~Mrs. Casey provided receipts indicating that she has incurred these expenses for the last six months and stated that she expects to continue paying these expenses each month. Her expenses are calculated as follows:~~

\$22.40 x 2 =	\$ 44.80	for drugs
\$ 20.00	_____	for the doctor's visit
\$ 10.00	_____	for taxi fare to the doctor's office
\$ 25.00	_____	for the blood test
\$ 47.50	_____	insurance premium
\$147.30	_____	Total Monthly Medical Expenses

6521.2 Expenses Incurred Periodically

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Medical expenses not incurred every month may be allowed in the SNAP budget if they are:

- Regularly recurring (expenses such as medication purchased every other month or insurance paid quarterly); and
 - Reasonably anticipated (the customer expects to continue incurring these costs on a basis less, often than once per month).
- ~~often than once per month).~~

The household may choose to average these expenses or to have them deducted in the month the household is billed for the cost.

~~—Mr. Smith pays a premium for hospital insurance once every six months. The total premium is \$146. He chooses to have this cost averaged.~~

~~\$146 premium / 6 months = \$24.33 cost per month.~~

~~Mrs. Jones returns to the chiropractor every three months for treatment. The cost is \$50 per treatment. She chooses to have the cost deducted when she is billed because she has no other medical expenses. Her period of certification is~~

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6522 Factor Two: Will the Expense be Reimbursed?

~~_set for June 2001 to May 2002. On August 26, 2001, she reports a \$50 cost on August 19, 2001. Her budget is adjusted for the month of September, 2001 only.~~

~~or~~

6521.3 One-Time Medical Expenses

SNAP Manual ~~1101/01/112021~~

One-time medical expenses are those that are not expected to recur. Examples of medical expenses that may be incurred on a one-time basis are hospital costs, the cost of purchasing medical equipment, such as crutches, visits to the doctor when no additional visits ~~and/or~~ treatments are required, and glasses or dentures.

One-time medical expenses not paid in installments are allowable at initial application for ~~aged/disabled households~~ eligible individuals, if the expense is incurred within thirty (30) calendar days prior to the date of application, ~~or if payment will otherwise become due~~ during the month of application.

~~— Mr. and Mrs. Scott, both aged 60, apply for SNAP for the first time on March 29. They report that they both got new prescription glasses on March 15. The total cost paid on March 15 was \$300. They also report that on February 3, Mr. Scott got a new hearing aid. The total cost paid on February 3 for the hearing aid was \$125. The cost of the glasses is allowable. The cost of the hearing aid is not allowable.~~

A one-time medical expense may either be averaged forward over the period of certification or deducted in the month incurred.

One-time medical expenses are allowed at the time of the ~~annual review~~ semi-annual report if the expense is incurred or payment otherwise becomes due in the month of the ~~annual review~~ semi-annual report or the month prior to the ~~annual review~~ semi-annual report. These expenses will be allowed in the first month following the review or averaged over the second segment of the certification period. This is the household's option.

~~A household submits its annual review on December 11. The household provides receipts for the following one time expenses with its annual review—glasses purchased on October 10, an emergency room visit on November 5, and a blood test on December 1. The cost of the emergency room visit and the blood test are allowable medical expenses. The cost of the glasses is not an allowable medical expense.~~

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6500 Medical Deduction

6522 Factor Two: Will the Expense be Reimbursed?

One-time expenses are allowed at the time of recertification, if the expense is incurred or payment otherwise becomes due in the month of recertification or the month prior to recertification. The expense will be averaged over the months in the new certification period or allowed in the first month of the new certification period. This is the household's option. ~~(For households certified for longer than twelve (12) months, the expense will be prorated over the remaining twelve (-12) months.)~~

~~A household presents the following receipts for the following one-time expenses at its recertification interview on October 10: glasses purchased September 30, denture repairs paid August 26, and a doctor bill of \$80 incurred on May 10. The household paid one doctor bill on October 3. The doctor's office states this bill was not overdue. The cost of the denture repair is not an allowable expense. The cost of the glasses is an allowable medical expense. The \$80 doctor bill is allowable.~~

~~A~~ One-time expense voluntarily reported as a change ~~are~~ is allowed if the expense was incurred or payment became due within thirty (30) days prior to the date the report was received in the county office. The expense will be averaged over the months remaining in the certification period or in the first month after the change. This is the household's option.

If the household is certified for longer than twelve (12) months, ~~and~~ the medical cost reported as a change will be prorated over the month remaining, until the next annual review or recertification is due.

~~A household is certified for the period May, 2001 to April, 2004. A change report form is submitted on September 10, 2001, reporting an aged household member has entered the nursing home. They also report this household member incurred during August, 2001 a number of medical costs before entering the nursing home. These expenses are: hospital bed \$50.00, sick room supplies \$100, prescription drugs \$225 and part-time attendant \$30 per week. They are allowable.~~

The household must verify that it has been billed for a one-time expense, but need not verify that it is making payments on this expense.

If a household reports a one-time medical expense which will be billed in monthly installments, the monthly installment amount will be allowable in the month due.

~~Mrs. Benton, age 62, reports that she owes \$1,000 on a hospital bill incurred in October. She has arranged to pay the hospital \$100 per month on this bill beginning in December. \$100 per month will be the allowable cost for the ten~~

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6500 Medical Deduction

6522 Factor Two: Will the Expense be Reimbursed?

~~month period, December through the following September, during which she will be billed for the installment payments.~~

One-time medical expenses paid with credit cards or loans are considered billed when the credit card statement is received, or the loan payment becomes due. Expenses such as interest charges or annual membership fees on credit cards are not allowable.

~~Medical expenses may only be allowed once. For example, one time medical expenses averaged over the period of certification may not be allowed again when the household actually begins making payments on the expense.~~

6522 Factor Two: Will the Expense be Reimbursed?

SNAP Manual 013/01/972021

A medical deduction will not be allowed for any portion of a medical expense that has been or will be reimbursed by an insurance company, Medicare, or Medicaid.

Regardless of how long it takes to obtain verification of the reimbursable portion of the medical expense, a deduction will not be allowed until this verification is obtained.

~~_____ Mrs. Green, age 67, incurs a hospital bill totaling \$2,500 in April, 2001. She reports this on her application dated April 26, 2001. She also reports that she has Medicare. She is certified on May 21, 2001 for April, 2001 to March 2004. No allowance is made for the hospital bill because the amount she will be reimbursed by Medicare is not yet known. On July 5, she reports and verifies that Medicare will reimburse \$2,000 of this bill. She chooses to have the \$500 prorated over remaining months until the next annual review. \$500 is divided by eight months and \$62.50 will be counted toward her household's monthly medical expense for the months of August through March.~~

Negative verification will not be required if a household states that medical expenses will not be reimbursed unless the statement is questionable. ~~For example, if a 67 year old household member declared that no reimbursement would be received on a hospital bill, this would be questionable since most people age 65 and older are covered by Medicare and/or Medicaid.~~

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6500 Medical Deduction

6524 Anticipating Monthly Prescription Drug Cost

6523 Factor Three: Is the Medical Expense Past Due?

SNAP Manual [103/01/9720](#)

Payments on past due medical expenses are not an allowable medical expense. Bills for medical expenses are considered past due for SNAP purposes when the provider indicates the bill is past due. When a household reports that a member has begun payment on a bill, the ~~case worker~~ certified eligibility worker will contact the provider to determine the status of the bill, unless the status can be determined from viewing the bill.

~~The bill has been reported timely but not deducted since the amount of the reimbursement was not yet known.~~

~~Arrangements for a payment schedule had been made before the bill was classified as past due. The expense has already been averaged over the period of certification.~~

6524 Anticipating Monthly Prescription Drug Cost

SNAP Manual [1101/01/112021](#)

Part of determining the total medical deduction is anticipating the household's monthly prescription drug cost. To complete this task successfully, the ~~case worker~~ certified eligibility worker must work with the household.

Verification of the prescription medications taken by ~~aged/disabled household a person aged sixty (60) or older or individuals living with a disability members~~ is required. Acceptable verification of prescription medications includes receipts or bills from the pharmacist. Statements or computer printouts from the pharmacy are also acceptable. If the pharmacist provides a computer printout or statement, the worker will contact the pharmacist for clarification of the contents, if necessary.

~~The printout lists two amounts for each prescription. The worker contacts the pharmacist who states the full cost of the prescription is shown on one line and the amount of reimbursement on another. The worker must subtract the amount of the reimbursement to determine the cost actually incurred by the household.~~

If the household claims that a member is taking over the counter medication recommended or approved by a licensed health practitioner, the practitioner must verify he or she has recommended or approved the medication. See [SNAP 6524.1](#) ~~if the household is using a prescription drug discount card.~~

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6500 Medical Deduction

6524 Anticipating Monthly Prescription Drug Cost

The worker will review the verification to determine the frequency of purchase. If the household states the member continues to take these medications, the worker will anticipate the current cost of each prescription as a monthly expense.

Prescriptions purchased at least once per month will be shown as a monthly cost. If a prescription is purchased more than once per month, the total cost will be shown as a monthly cost. For example, a drug is purchased two (2) times each month at a cost of ten dollars (\$10.00). The anticipated monthly cost will be twenty dollars (\$20.00).

Prescriptions purchased several times per year on a recurring basis will be anticipated as a periodic expense. See SNAP 6521.2.

Prescriptions purchased infrequently will be allowed as a one-time medical expense unless the household states the member will begin purchasing the drug more frequently. ~~(This should be verified through the physician or pharmacist.)~~

If the household cannot provide verification of past expenses or if the member's prescription costs have increased or decreased substantially, current receipts may be accepted as verification. The worker must document the household's statement about anticipated prescription costs. If the costs are exceptionally high, verification may be requested from the physician or pharmacist that the member is expected to continue taking the prescription drugs.

The method used to anticipate the monthly prescription drug cost will be fully documented in the case record along with the household's statements about anticipated changes in prescription drug costs.

Medicare-Part D

SNAP Manual ~~1101/01/112021~~

The Medicare Prescription Drug Plans is also called ~~Medicare-Part~~ Medicare Part D.

Under Part D:

- All Medicare beneficiaries are eligible for drug coverage under a Medicare prescription drug plan that they select.
- Individuals with limited income and resources may qualify for extra help with paying for Medicare Part D costs, such as insurance ~~(premiums, deductibles, or co-payments, etc.)~~ if they complete an application and qualify.

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6500 Medical Deduction

6525 Calculation of Actual Medical Expenses

- Individuals who are currently covered by Medicaid, who are in a Medicare Savings Program, or who are receiving Supplemental Security Income (SSI) are enrolled in a Medicare prescription drug plan automatically and are eligible for the extra help automatically.

If an individual is enrolled in a Medicare Part D prescription drug plan, the following prescription costs will be an allowable medical cost:

- Out-of-pocket expenses for prescription drugs, including co-pays and uncovered over-the-counter drug costs; and
- ~~If a household must pay a premium for prescription drug coverage, the monthly cost of the premium~~Monthly premiums that the household must pay for prescription drug coverage.

The Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 contained a specific provision that prevents ~~the Supplemental Nutrition Assistance Program~~SNAP and other assistance programs from reducing benefits because of the Medicare Discount Drug Card. However, the Medicare Prescription Drug Improvement and Modernization Act (MMA)MMA contained no similar provision for the new Medicare Part D Program. As a result, no standards or prorated credit amounts will be included in the household's SNAP budget. See SNAP 6524.2 ~~for instructions on handling the medical expenses of households that were using a Medicare-Approved Drug Discount card.~~

6524.2 Medicare Approved Drug Discount Cards

SNAP Manual ~~11/01/11~~01/01/2021

This section of policy has been deleted effective 11/01/11.

6525 Calculation of Actual Medical Expenses

SNAP Manual ~~11/01/11~~01/01/2021

To calculate a medical deduction, the ~~case worker~~eligibility worker must anticipate the household's actual monthly medical costs through a series of steps. Each individual declared cost ~~declared~~ must be anticipated separately.

~~**Step 1:** Determine if the household member declaring the medical cost is allowed to claim a medical deduction. See If no, stop. If yes, go to Step 2.~~

~~**Step 2:** Determine if the cost is classified as an allowable medical expense. contains a full explanation of~~

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6500 Medical Deduction

6525 Calculation of Actual Medical Expenses

~~these costs. If the cost is not an allowable medical expense, stop. If the cost is allowable, go to Step 3.~~

~~**Step 3:** Determine if the cost is classified by the provider as past due. See Disallow past due bills.~~

~~If the cost is classified as past due, stop. If not, go to step 4.~~

~~**Step 4:** Determine how much, if any, of the cost will be reimbursed. Disallow any portion of the cost that will be reimbursed.~~

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6525 Calculation of Actual Medical Expenses

~~If all of the cost will be reimbursed, stop. If any of the household's allowable medical expenses will not be reimbursed, go to step 5.~~

~~**Step 5:** Determine how often the household incurs the cost.~~

~~If incurred monthly, go to item~~

~~If incurred periodically, go to item B. If incurred on a one-time basis, go to item C.~~

Item A: Monthly Expenses – [See SNAP 6521.1.](#)

These are the medical costs the household expects to have each month during the upcoming certification period. In the case of an annual review or a reported change, these are the medical costs the household expects to have each month during the remaining months of the certification period.

~~The worker must work with each household to anticipate its monthly expenses. See for special instructions on anticipating monthly prescription costs.~~

Item B: Periodically Recurring Expenses – [See SNAP 6521.2.](#)

~~Periodic expenses are those expenses paid by the household less often than monthly. Examples – blood tests taken every six months or doctor visits that occur quarterly. Regularly recurring medical expenses may either be averaged or deducted in the month the household is billed for the cost. The household makes this decision.~~

Item C: One-Time Expenses – [See SNAP 6521.3.](#)

One-time expenses are those that are not anticipated to recur. Examples are dentures, hearing aids, and hospital stays. (Costs like prescription drugs are not normally considered to be one-time expenses.) One-time expenses not being paid in installments may either be averaged forward over the period of certification or deducted in the month incurred. The household makes this decision.

If a one-time expense is being paid in installments, the amount of the installment will be

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6525 Calculation of Actual Medical Expenses

considered a monthly expense and handled as such. Take care not to allow one-time expenses in the budget twice.

~~Step 6: Calculate the anticipated monthly expense by adding together all monthly costs and all averaged periodic or one-time expenses. If the household has opted to allow periodic or one-time expenses in month incurred, prepare a variable budget as instructed in~~

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~~DO NOT REQUIRE A \$35 BENCHMARK FOR EACH INDIVIDUAL HOUSEHOLD MEMBER CLAIMING MEDICAL EXPENSES. THE BENCHMARK IS ONLY REQUIRED ONCE PER HOUSEHOLD.~~

6526 Changes in Medical Costs

SNAP Manual ~~1101/01/112021~~

Households are allowed, but not required, to report changes in actual medical costs. If the household does not voluntarily report a change in medical expenses, the change cannot be made retroactively. For example, a one-time expense is incurred in July. The household reports the expense on its annual review in October. The expense is not allowable.

Many households with members entitled to a medical deduction are certified for longer than twelve (12) months ~~and subject to an annual review every 12th month of their certification period.~~ One-time expenses voluntarily reported during the first twelve (12) months of an extended certification period will be allowed during ~~the first 12 months of~~ the certification period. The household will determine if the expense is averaged over twelve (12) months or deducted in the month it occurred. (See SNAP 6521.3. ~~for an explanation of explaining when one-time expenses are allowedable).~~)

~~At the time of the annual review, the household must report and verify all current medical expenses if they have not elected the medical standard deduction. When an annual review is conducted, the worker must work with the household to calculate the current costs. This includes one-time or periodic expenses incurred in the month of the annual review or the month prior to the annual review. Any one-time or periodic expenses voluntarily reported after the annual review will be prorated over the months remaining in the certification period.~~

6527 Verification of Medical Expenses

SNAP Manual ~~1101/01/112021~~

At initial application and ~~(for households assigned an extended certification period in excess of 12 months)~~ at the annual review at the time or a reported change, the amount of any deductible medical expenses, ~~(including the amount of reimbursements,)~~ must be verified if the household has elected to use actual medical expenses. Verification of other factors such as allowable services provided or the entitlement of a household member to claim a medical expense will be required if the factor is questionable.

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For households electing to claim actual medical expenses, at recertification and at a reported change, previously unreported medical expenses and total recurring medical expenses that have changed by more than twenty-five dollars (\$25.00) must be verified. Medical expenses that are unchanged or changed by twenty-five dollars (\$25.00) or less will not be verified unless information regarding these expenses is in

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~~in~~complete, inaccurate, inconsistent, or outdated. If the household declares a medical expense that must be ~~verified, but, verified but~~ chooses not to verify it at any case action, this decision must be documented in the case record. Households that have elected the medical standard must declare that they still have at least thirty-five dollars and one cent (\$35.01) in allowable medical expenses to remain eligible for it.

An initial application, or an application for recertification ~~or an annual review~~ will not be held beyond the time allowed for normal processing solely for the purpose of obtaining required verification of medical expenses if the household is otherwise eligible. The household will be advised that the case was processed without the medical expense and that it may furnish this required verification at a later date. When the household does provide verification of the medical expense, the expense will be deducted, and the SNAP benefit amount will be adjusted according to the timeliness standards for a reported change.

See SNAP 8500 (~~for~~ processing standards for initial applications).

See SNAP 10600 (~~for~~ processing standards for timely filed recertifications).

See SNAP 10700 (~~for~~ processing standards for untimely recertifications).

See SNAP 11410 (~~for~~ processing standards for changes reported independent of periodic reporting).

Suggested sources of verification of medical expenses are:

- Bills, receipts, ~~and/or~~ statements received by the household;
- Collateral contacts with providers including letters, ~~and/or~~ telephone calls; and
- Insurance policies ~~and/or~~ benefit cards.

6528 Documentation of Medical Deductions

SNAP Manual ~~1101/01/112021~~

All medical deductions will be documented in enough detail so that a reviewer can determine exactly how the deduction was calculated. Documentation should be retained in the electronic case file if the household is using actual medical costs. ~~Additional required documentation may be entered in the ANSWER narrative tab.~~ At a minimum, the following information should be documented.:

- The name of the member who incurred the expense.
- The type of expense, such as ~~—i.e.,~~ prescription drugs, transportation costs, or doctor's

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visits, etc.

1. Identifying information about the specific expense and the verification obtained for the expense.

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- If a medical expense is verified at recertification or at the time of a reported change, document why the verification was required.
- ~~Whether or not the expenses are reimbursable.~~ If the expense is reimbursable, state approximately when the household expects reimbursement.
- ~~NOTE: Do not allow any portion of the expense that will be reimbursed until the reimbursement is received. See~~
- ~~2.~~ The figures used in the calculation of the medical deduction; Identify any averaged expenses and indicate the figures used to calculate the averaged expense.
- ~~3. EXAMPLE: Bill dated July 1, Dr. Smith dentures \$300 ÷ 6 months = \$50.~~
- ~~4.~~
- ~~5.~~ Also identify monthly and periodically incurred expenses and indicate why they were allowed. For example, e.g., attached attaching copies of bills that were used as an indication of medical expenses that the household expects ~~expected by the household~~ to continue through the period of certification.
- Also verify the fact that the household chooses not to verify medical expenses or to delay verification until after certification, if this option is chosen.

6550 Child Support Deductions

SNAP Manual 016/01/982021

A deduction will be allowed for legally obligated child support payments made by a household member to an individual who is not a household member. A legal obligation may be a court order that would be has been upheld by a judge in a court of law, an order issued through an administrative process, or a legally enforceable separation agreement. Amounts paid out of the household's current income to make up for months in which the household did not meet its child support obligation will be deductible. Payments for child support arrearages will be allowed only if the household was legally obligated to pay the amount in arrears. The value of legally binding child support that is provided in-kind, such as payment of rent directly to the landlord, will be deductible. Payments a non-custodial parent is legally obligated to make to obtain health insurance coverage for a child or children are deductible. This also includes dental insurance, cancer insurance, or intensive care insurance if the parent is legally obligated to furnish this coverage. When the child is covered on a family plan and the amount paid per person cannot be determined, divide the total premium by the number of people covered. Only the portion paid to maintain coverage for a child or children under the terms of the legal obligation will be counted.

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Payments for alimony are not deductible. Child support payments made voluntarily are not deductible. This includes milk and ~~diapers~~ ~~pampers~~ purchased for a child unless the parent is legally obligated to make these purchases. Child support payments for a child who is included in the SNAP household are deductible ~~so long as if~~ the parent is legally obligated to pay child support and it is paid to someone living outside of the household. Child support payments that are above and beyond the obligated amount are not deductible. Child support intercepted from a state or federal income tax refund is not deductible.

6551 Determining Amount of Child Support Deduction

SNAP Manual 016/01/~~98~~2021

The child support deduction must reflect the child support the household expects to pay during the certification period rather than the obligated amount. Exception: Child support paid on a basis less frequently than monthly, ~~such as (e.g. annually or quarterly)~~ may be averaged forward ~~over~~ for the period the payment is intended to cover.

The amount of the child support deduction will be based on the average amount paid ~~so long as if~~ the average amount does not exceed the obligated amount. If the court has ordered a change in the obligated amount, this change must be ~~taken into account~~ considered when establishing the child support deduction. For example, if a recent court order has increased the child support from twenty-five dollars (\$25.00) to fifty dollars (\$50.00) per week and the household states they will meet this new obligation, fifty dollars (\$50.00) per week will be anticipated as the child support payment.

For households submitting an initial application, the average must be based on at least three (3) months' payments unless there is less than three (3) ~~month~~ month's history. If there is less than three (3) month's history, the average will be based on the payments made to date. If there is no payment history, the child support deduction will be anticipated based on the amount the household is obligated to pay plus the household's statement of what it intends to pay.

~~To calculate an average amount, the case worker must:~~

- ~~• Figure the total child support paid during each month of the selected period. (Do not use a conversion factor.)~~
- ~~• Add together the amounts calculated for each month~~
- ~~• Divide this figure by the number of months in the selected period.~~

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For example, a household submits an initial application in September, a household member makes legally obligated child support payments. To calculate the child support deduction, complete the following steps.

1. Calculate monthly totals. Do not use a conversion factor.

June		July		August	
Date	P	Date	P	Date	P
6/2	25	7/7	25	8/4	25
6/9	25	7/14	25	8/11	25
6/16	25	7/21	25	8/18	25
6/23	25	7/28	25	8/25	25
6/30	25				
	T		T		T

2. Add together the monthly totals.

June: _____ \$125
 July: _____ \$100 August:
 _____ \$100

 \$325

3. Divide by three.

$\$325 \div 3 = \108.33 rounded to \$108.

~~When child support payments are anticipated based solely upon the obligated amount and the household's statement (see paragraph 3 of this section), weekly and bi-weekly payments must be converted. See~~

If the household states it will pay less than the obligated amount, the lesser amount will be deducted. In no instance will the amount deducted exceed the obligated amount.

For households submitting a subsequent application, the average will be based on the child support paid during the previous certification period with appropriate adjustments for any change in the amount of obligation.

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6500 Medical Deduction

6552 Verification of Child Support Payments

See [SNAP 1622.9](#), [1623.1](#), and [1623.2](#) for instructions on calculating the child support deduction for households with disqualified members.

6552 Verification of Child Support Payments

SNAP Manual ~~1001/01/20213~~

At initial application, both the obligation to pay child support and the amount of deductible child support paid must be verified. The household will be the primary source of verification of the legal obligation to pay child support, the amount of the obligation, and the amount paid. Any document that verifies the obligation to pay child support, such as a court order, administrative order, or legally enforceable separation agreement, would be sufficient verification of the obligation and obligated amount.

Documents used to verify the household's legal obligation to pay child support will not be acceptable verification of the household's actual payment. Acceptable verification of amounts paid would include canceled checks, wage withholding statements, verification of withholding from unemployment compensation, and statements from the custodial parent regarding direct payments, or payments that the non-custodial parent pays or expects to pay on behalf of the custodial parent. Payments made through the Office of Child Support Enforcement (OCSE) may be verified through OCSE screens.

Payments for child support arrearages must be verified. Both the legal obligation to pay arrearages and the amount of payment must be verified. Arrearages can be verified through the person receiving the child support, through each person's attorney, through OCSE, through private collection agencies, or through any other documentary evidence, such as (e.g., court orders).

At each recertification, and when a semi-annual report is processed, the amount of child support paid must be verified. The obligation to pay child support must be verified again only if the household reports a change in the obligated amount. If the household reports a change in the obligation to pay child support, both the obligation and the amount of child support paid must be verified.

An initial application or an application for recertification will not be held beyond the time allowed for normal processing solely to obtain required verification of deductible child support payments, if the household is otherwise eligible. The household will be notified that its case was processed without the child support deduction and that verification of child support may be supplied at a later date later. When the household does provide verification of the child support payment, the expense will be deducted, and the SNAP benefit amount will be adjusted according to the timeliness standards for a change reported outside of the reporting period. See [SNAP 11410](#).

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6500 Medical Deduction

6622 Choosing Between the Utility Standard and Actual Utilities

6600 The Excess Shelter Deduction

SNAP Manual ~~1201/01/99~~2021

The excess shelter deduction is the amount of the household's allowable shelter costs in excess of fifty percent (50%) ~~percent~~ of the household's adjusted SNAP income. The household's adjusted SNAP income is their income after all other allowable deductions, such as earned income, standard, dependent care, child support, and medical.

Unless the household contains ~~an aged or disabled member~~ a person aged sixty (60) or older or individuals living with a disability, the shelter deduction cannot exceed a maximum allowable figure. See the Standards Appendix (Appendix D) for this figure. See the Glossary definition of "Aged or Disabled-". Households with ~~an aged or disabled~~ a person aged sixty (60) or older or individuals living with a disability ~~member~~ may deduct all shelter costs in excess of fifty percent (50%) ~~percent~~ of its adjusted SNAP income.

6610 Allowable Shelter Costs

SNAP Manual 017/01/~~2021~~3

A shelter is defined as a household's principal place of residence. Allowable shelter costs are listed below:

1. Continuing charges for the shelter occupied by the household.

The cost of rent or continuing charges leading to the ownership of the shelter are allowable when ~~such costs are incurred by the household~~ the household incurs such costs. This includes, but is not limited to, the cost of mortgage payments, condominium or association fees, payments of liens against the property (e.g. second mortgages made to repair the home or personal loans made using the property as collateral), or payments on loans for the purchase of a mobile home. Interest on all such payments will also be an allowable cost. When a household moves into a new residence and incurs the cost of the "first and last month's rent," both months' rent will be allowed as a shelter cost in the month in which the household is billed for the two (2) months of rent.

2. Property taxes on the household's shelter.

The cost of state and local assessments and voluntary road or other improvement taxes will be allowed when incurred by the household. The cost of identifiable personal property or real estate taxes on mobile homes used as a permanent residence will also be allowed when incurred by the household. ~~{Personal property taxes other than those on mobile homes used as a permanent residence are not allowable.}~~

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6500 Medical Deduction

6622 Choosing Between the Utility Standard and Actual Utilities

Under Arkansas Code Annotated § 26-26-1118, the Homestead Tax Act, households in some counties may be reimbursed for part or all of their receive a tax credit reducing real property estate taxes if the property is a homestead. Since the date of receipt or the amount of reimbursement cannot be anticipated,†The full cost incurred for real estate taxes will be allowed as a shelter deduction.

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6500 Medical Deduction

6622 Choosing Between the Utility Standard and Actual Utilities

~~Under an Arkansas law passed in 2000, homeowners who have owned their home for at least six months who claim a homestead tax credit receive are allowed up to a three hundred seventy-five-dollar (\$300 credit 375.00) credit on their real estate for the assessment year tax beginning with the tax bills issued April 2001. (These bills must be have been paid on or before October 15th of each year, 2001.) unless the household moves, changes in shelter costs are not required to be reported. Therefore, the county office worker will not adjust the household's real estate tax bill to reflect this credit until the household's next recertification unless the household moves and reports a change in shelter costs or otherwise reports a change in the tax bill. At that time, the household will be asked to furnish proof of the household's current real estate tax bill. This bill should reflect the amount of real estate taxes after the credit was allowed.~~

If the household's real estate taxes are included in the household's mortgage payment, the ~~work~~ county office worker will not attempt to adjust the amount of the household's mortgage payment to allow for the tax credit. Instead, the county office worker will continue to use the cost incurred for the current mortgage payment in the budget. After the tax credit is allowed, the mortgage company should adjust the amount of the mortgage payment to reflect the tax credit.

However, since the household is not required to report changes in shelter costs unless the household moves, the change in the mortgage cost will most likely be reported at the next recertification.

3. Insurance on the household's shelter.

The cost of insurance on the structure itself, but not separate costs for insuring furniture or personal belongings, are allowable when incurred by the household. If homeowner's insurance is sold as a "package" and the company does not identify the cost incurred for coverage on the contents of the home, the entire premium is allowable. The case record must contain documentation to this effect. Membership charges paid to organizations offering insurance to members are not an allowable shelter cost.

4. Utility costs.

~~Allowable utility costs include any amount the household incurs for:~~ The following utility expenses will be considered when determining eligibility for a utility standard:

- The cost of cooking fuel;
- The cost of heating fuel;
- The cost of cooling (*a verifiable utility expense relating to the operation of air conditioning systems, room air conditioners, or evaporative water coolers*);
- The cost of electricity;

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- Water and sewer costs;
- Well installation and maintenance;
- Septic tank installation and maintenance;
- Garbage and trash collection fees; and
- ~~For households that incur expense for any type of telephone service, a standard cost of \$25 regardless of the number or type of telephones used by the household or~~
- Fees charged by the utility provider for initial installation of the utility.

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~~One-time deposits on any utility are not considered installation costs and will not be included as a shelter cost. The standard cost of \$25.00 for a telephone expense will apply across the board to all areas of the state. No more or no less will be allowed for telephone costs regardless of the household's actual costs.~~

5. Shelter costs for a home temporarily unoccupied by its owners.

Shelter costs will be allowed for those homes that are temporarily unoccupied by the owners because of employment or training away from home, illness, or abandonment caused by a natural disaster or casualty loss.

In order to include the costs of a home temporarily unoccupied by the owners, all four (4) of the following criteria must be met:

- The household must be incurring these shelter costs.
- The household must intend to return to the home.
- The home must not be leased or rented during the absence of the owners.
- If there are occupants currently in the home, these occupants must not be claiming the shelter costs for SNAP purposes.

Verification: If a household claims expenses for a temporarily unoccupied home, the worker will verify the household's actual utility expenses for the unoccupied home in every case and will not use the standard utility allowance.

6. Charges for Repair of Home.

Charges for the repair of the home which was damaged or destroyed due to a natural disaster such as, but not limited to, a fire or a flood are deductible when such charges are billed or otherwise become due. Shelter costs will not include charges for repair of the home that have been or will be reimbursed by private or public relief agencies, insurance companies, or from any other source.

6620 Utility Expenses

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At initial application, utility expenses will be verified to determine the type of utility allowance the household will receive. At recertification, a reported change, or at the time of the semi-annual report, utility costs will be verified if the source has changed, as when the household has moved, or the household becomes ineligible for the current utility allowance.

6620 Explanation of the Utility Standard

SNAP Manual 12/01/99

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~~The utility standard is a predetermined amount. Eligible households may elect to use the utility standard in the SNAP budget to calculate total shelter costs. When the utility standard is used in the budget, no actual utility costs are considered regardless of whether the costs are more or less than the standard amount. The \$25.00 telephone standard will never be used in combination with the utility standard because the utility standard already contains a telephone cost component.~~

The utility allowances are predetermined amounts assigned to eligible households based on the utility expenses incurred by the household. Actual utility costs are not allowable even if the expenses are higher than the standard. At application, a household will be assigned one (1) of the following:

- Basic Utility Allowance (BUA), if eligible;
- Standard Utility Allowance (SUA,) if eligible;
- Homeless Living Allowance (HLA), if eligible; or
- Telephone Standard.

Households may change standards at any point during the certification, no matter the length of the certification period.

If the Basic Utility Allowance (BUA), Standard Utility Allowance (SUA,) Homeless Living Allowance (HLA), or the Telephone Standard is chosen for a deduction, but required verification is not furnished, the deduction will be disallowed.

All unverified utility costs will be disallowed if the household fails to provide verification by the date shown on the Request for Information or the Notice of Action. If the household wishes to claim expenses for an unoccupied home, the utility standard will be disallowed for an unoccupied home. See SNAP 4410.

6620.1 Standard Utility Allowance (SUA)

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Households must incur and be billed for or expect to incur during the next heating and cooling season, the actual cost of heating or cooling to be eligible for the Standard Utility Allowance (SUA). The household may also be eligible if the household receives or expects to receive low income energy assistance payments from the Low-Income Home Energy Assistance Program (LIHEAP) during the next heating and cooling season, whether an actual heating or cooling cost is incurred. Eligibility for LIHEAP implies out-of-pocket expenses, or the household must receive energy assistance of at least twenty dollars (\$20.00) per year under federal law. Households billed less than monthly for heating costs, such as butane or propane, are entitled to the Standard Utility Allowance between billing months. If the household reports a change in eligibility for the SUA, but still has a utility expense, the standard must be changed to the Basic Utility Allowance or Telephone

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Standard.

A household that receives reimbursement for utility expenses, or if the expense is paid through an excluded payment, such as a vendor payment from Housing and Urban Development HUD or Farmers Home Administration (FMHA), the Standard Utility Allowance may be used when the heating or cooling costs exceed the excluded payment amount. The portion of the expenses paid by an excluded reimbursement or vendor payment is not deductible. The amount left after deducting the excluded payment is deductible and includes HUD or FMHA rent, and utility payments. Expenses are only deductible if the service is provided by someone outside of the household and the household makes a monetary payment for the service.

Renters and homeowners who live in separate residences are entitled to the entire Standard Utility Allowance, if they receive a Low-Income Home Energy Assistance Program payment (LIHEAP) of at least twenty dollars (\$20.00) per year for their current residence.

The standard utility allowance must not be prorated when households who share a dwelling share utility cost. When households share a dwelling and utility costs, both SNAP households will be allowed to claim the full standard utility allowance.

~~Only certain households may elect to use the utility standard. There are restrictions on how often eligible households may switch from using the utility standard to using actual costs even if the actual costs exceed the standard amount.~~

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6620.2 Utility Expenses of Expedited Households

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There are special provisions which apply to the choice of Standard Utility Allowance (SUA) by households entitled to expedited services.

If an expedited household chooses to use the Standard Utility Allowance (SUA), but the expenses are not verified within the expedited timeframes, the household may be certified using the Basic Utility Allowance (BUA). If the verification is later provided, the household's budget may be recalculated using SUA for the following months.

In the absence of any choice by the household, it should be assumed that the household has chosen to use the Basic Utility Allowance (BUA).

6620.3 Specific Costs

SNAP Manual 01/01/2021

Heating

A household that incurs the full cost for its primary source of heating separate and apart from its rent or mortgage costs is entitled to elect the utility standard. Incurring a cost only for supplemental heating, such as, but not limited to, space heaters in bathrooms, electric blankets, heat lamps, or cook stoves, does not qualify a household for the utility standard. Incurring only a cost for an electric blower for an oil or gas furnace does not qualify a household for the utility standard.

The cost of wood is an allowable shelter cost. When wood is used as the primary heating source, the cost of purchasing wood does qualify the household for the utility standard. If a household purchases some wood and cuts the rest, that household will qualify for the utility standard. Costs associated with cutting wood such as hiring labor, the purchase of a chain saw, or the purchase of gas for running the saw are not allowable shelter costs nor do they entitle a household to elect the utility standard.

Cooling

A household that incurs the full cost of running a central air conditioning unit, a room air conditioner, or a water cooler (evaporative cooler) is entitled to elect the utility standard. Incurring only a cost for running a fan, including attic fans, does not qualify a household for the utility standard. The utility standard is based on cooling costs. Just owning an air conditioner does not qualify a household for the utility standard. The household must use the air conditioner. Use of an air conditioner on an as-needed basis will qualify a household for the utility standard.

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6622 Choosing Between the Utility Standard and Actual Utilities

6621 Which Households May Use the Utility Standard SNAP Manual 12/01/15

Generally, a household that incurs a cost for the primary source of heating or an air conditioning cost separate from the rent or mortgage payment may elect to use the utility standard. (See for further explanation). The regularity of the heating and/or air conditioning costs is not a factor in determining whether a household may elect to use the standard as long as the household has costs during the season(s) that correspond to the billed periods. In both examples below the household is entitled to elect the utility standard.

_____ A household does not have an air conditioner but incurs a cost for butane gas used for space heaters throughout the house. The space heaters are the household's primary source of heat.

_____ A household rents an apartment where all utilities are furnished except electricity and that household uses an electric powered air conditioner.

A household may also be eligible for the SUA, if the household receives a low income energy assistance payment (HEAP). A household may elect the Standard Utility Allowance if verification is provided showing that the household received a utility assistance payment of at least \$20 in the month of application or within the previous 12 months, even if the household's address has changed. This allows the SUA to be used by households that do not currently incur a separate expense for heating or cooling. Receipt of LIHEAP/HEAP payments within the previous 12 months allows a household to claim the utility standard for 12 months from the date the household received the payment.

Example 1: The household received a HEAP payment of \$20 in January 2015. Even if the household moved and incurs no separate utility costs at the new residence, they would be able to claim the standard utility deduction through January of 2016.

If the household receives a second HEAP payment of at least \$20 within the same year, it would extend the household's eligibility for the SUA.

Example 2: The same household mentioned in example 1 received a summer HEAP payment of at least \$20 in July 2015. Their eligibility for the SUA would be extended to July 2016.

Households billed only for phone, water, sewer, garbage, or any combination of these, are not entitled to elect to use the utility standard. Households not entitled to elect to use the utility standard may claim any actual utility costs incurred separately from rent or mortgage payments. (Actual costs will include the \$25.00 telephone standard if the household incurs a cost for telephone service.)

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Specific Costs

SNAP Manual 10/01/97

Heating

A household that incurs the full cost for its primary source of heating separate and apart from its rent or mortgage costs is entitled to elect the utility standard. Incurring a cost only for supplemental heating (such as, but not limited to, space heaters in bathrooms, electric blankets, heat lamps, or cook stoves) does not qualify a household for the standard. Incurring only a cost for an electric blower for an oil or gas furnace does not qualify a household for the standard.

The cost of wood is an allowable shelter cost. When wood is used as the primary heating source, the cost of purchasing wood does qualify the household for the standard. If a household purchases some wood and cuts the rest, that household will qualify for the standard. Costs associated with cutting wood such as hiring labor, the purchase of a chain saw, or the purchase of gas for running the saw are not allowable shelter costs nor do they entitle a household to elect the utility standard.

Cooling

A household that incurs the full cost of running a central air conditioning unit, a room air conditioner, or a water cooler (evaporative cooler) is entitled to elect the utility standard. Incurring only a cost for running a fan (including attic fans) does not qualify a household for the standard. Standard based on cooling costs. Just owning an air conditioner does not qualify a household for the standard. The household must use the air conditioner. Use of an air conditioner on an as-needed basis will qualify a household for the standard.

6622 Basic Utility Allowance Choosing Between the Utility Standard and Actual Utilities

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The Basic Utility Allowance (BUA) includes utility charges that a household incurs other than for heating and cooling. Households that are not eligible for the Standard Utility Allowance (SUA) are eligible for the Basic Utility Allowance (BUA).

Households only responsible for sewage, trash fees, water, garbage, and other basic service fees.

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6622 Choosing Between the Utility Standard and Actual Utilities

~~and taxes for one (1) telephone are eligible for the BUA. The costs for a telephone are included in the Basic Utility Allowance (BUA), and may not be allowed as a standalone deduction. At certification and each recertification, each household will be offered the option of using actual utility costs or the utility standard in the SNAP budget. (This applies only to households qualified for the utility standard as per SNAP 6621.) The household will be allowed to switch between the actual utility costs and the standard at recertification or once every 12 months, whichever is sooner.~~

~~If the household becomes ineligible for the utility standard during any certification period, actual utilities will be allowed for the remainder of the certification period or until the household is again eligible to elect the utility standard. Changing a household from the standard to actual when the household is no longer eligible for the standard will not be considered a “switch” since the household has no choice.~~

6624 Homeless Living Allowance

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The Homeless Living Allowance (HLA) is a predetermined amount updated annually. The homeless household must provide a statement declaring expenses. Households must meet the definition of a homeless household and cannot receive free shelter throughout the month in order to be eligible for the deduction.

The Homeless Living Allowance (HLA) is for households that are considered homeless that have expenses that may include, but not limited to, hotel and motel rooms, homeless shelters, payments to relatives or friends, or the cost of laundry. This living allowance also includes telephone expenses. Individuals living in their vehicles that make payments for ownership or a portion of insurance that covers vehicle damage are eligible for this deduction.

6625 Telephone Standard

SNAP Manual 01/01/2021

The telephone standard is for households that incur expenses for any type of telephone service regardless of the number or type of telephone used by the household. The standard costs for telephone expenses will apply across the board to all areas of the state. No more or no less will be allowed for the telephone costs regardless of the household’s actual costs.

If the household is assigned the Standard Utility Allowance (SUA), Basic Utility Allowance (BUA), or the Homeless Living Allowance (HLA), a separate deduction for telephone will not be allowed because telephone expenses are included in the Standard Utility Allowance, Basic Utility Allowance, and the Homeless Living Allowance.

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6622 Choosing Between the Utility Standard and Actual Utilities

6626 Households with Utility Bills Paid by HEAP

SNAP Manual XX/XX/XX

Households that receive direct or indirect HEAP payments may elect the utility standard, without regard to the amount of out of pocket expenses. If the household received at least \$20 in HEAP payments, then they may elect the SUA (see). A direct payment is one made to the household. An indirect payment is one paid to the energy supplier such as, but limited to, a gas or electric supplier on the household's behalf.

Other Energy Assistance Payments

SNAP Manual 10/01/

Households receiving any form of energy assistance other than that provided under the HEAP program will not receive a deduction for the portion of the expense covered by the vendor payment or reimbursement. For the purpose of determining how much of the shelter expense to count, the energy assistance payments will be prorated over the entire heating or cooling season that the payment is intended to cover. The provider of the energy assistance payment will define the seasonal period for the purpose of proration. A household receiving non-HEAP energy assistance may elect to use the utility standard as long as the household continues to incur an out of pocket cost for either a heating or a cooling expense. (This includes situations where reimbursements or vendor payments cover part, but not all, of a household's heating and/or cooling expense.)

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6800 Chart

6626 Households with Utility Bills Paid by HEAP

6626 Households with HUD or FMHA Utility Reimbursements

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~~Payments or allowances made by the Department of Housing and Urban Development (HUD) and the Farmers Home Administration (FMHA) to utility providers are excluded as income (See). Utility reimbursement checks paid directly to households by HUD and FMHA are excluded as income (see).~~

~~A utility expense that is reimbursed or paid by an excluded payment, including FMHA or HUD payments, is not deductible (see). Households receiving these payments will be entitled to use the utility standard only if they incur heating or cooling costs that exceed the amount of the excluded payment during any part of the year.~~

~~See SNAP 5413, SNAP 5411, and SNAP 6700. Any portion of an allowable shelter cost covered by an excluded reimbursement will not be deductible. The worker will determine the allowable shelter costs by subtracting the HUD utility reimbursement check amount from the household's total actual utility costs.~~

~~**EXAMPLE 1:** A household lives in a privately owned house. HUD pays all the rent and sends the household a \$50 utility reimbursement check. The household pays a light bill of about \$45 and a gas bill of about \$45 per month. The household has an air conditioner and gas furnace. The household is entitled to choose the utility standard.~~

~~**EXAMPLE 2:** A household lives in a housing project, pays no rent, and only pays excess utility costs. The household gets a \$50 utility reimbursement check, but check but is not entitled to choose the utility standard. (The household pays only excess utility charges.)~~

~~**EXAMPLE 3:** A household lives in a housing project, pays no rent and gets a \$50 utility reimbursement check. The household's water and gas is are furnished. The household must pay the electricity bill. The household uses an air conditioner. The electricity bill runs about ninety dollars (\$90.00) per month. The household may choose to use the utility standard.~~

6627 Verification and Documentation of Shelter Costs

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~~At any case action, verification of charges for the shelter occupied by the household, property taxes, or insurance will be requested only when these costs are questionable. At any case action, entitlement to the utility standard needs to be verified only if the household's statements regarding the household's primary source of heating or cooling are questionable or contradictory.~~

SNAP CERTIFICATION MANUAL – SECTION 6000

6800 Chart

Deductions used in the SNAP Budget

6628 Applying the Excess Shelter Deduction

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The excess shelter deduction must be calculated after the household's adjusted SNAP income has been determined. To apply the deduction, one-half of the adjusted SNAP income must be calculated. Then, this figure is subtracted from the household's total shelter costs. The result is the household's excess shelter.

Unless the household contains an individual living with a disability or a person sixty (60) years old or older, the excess shelter deduction must not exceed the maximum allowable. The maximum amount is adjusted annually.

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SNAP CERTIFICATION MANUAL – SECTION 6000

6800 Chart

Deductions used in the SNAP Budget

6700 Determining if an Expense should be Deducted

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Dependent care costs are specified in SNAP 6400. Allowable medical expenses are specified in SNAP 6510. Allowable shelter costs are specified in SNAP 6610.

No expense is deductible unless the expense is incurred for a service provided by a non-household member, and the household has made or will make a money payment for the service.

Child support payments are deductible as specified in SNAP 6550 only if the payment is legally obligated and made by a household member to an individual who is not a household member.

Allowable expenses paid with money borrowed by a household member are deductible.

The following expenses are not allowable, even if incurred by the household:

1. Expenses paid with excluded educational income. See SNAP 1622.9.
2. Expenses covered by demonstration project cash-out funds. See SNAP 5413.1.
3. Expenses covered by an excluded reimbursement. See SNAP 5411.
4. Utility costs paid through an excluded payment or an excluded reimbursement. For example, to determine allowable shelter costs when the household receives a HUD utility reimbursement check, subtract the amount of the check from the total actual utility costs. See SNAP 6626.2.
5. Dependent care costs reimbursed or paid through the Division of Child Care, the Transitional Employment Assistance program, or similar programs. See SNAP 6400.
6. Expenses that will be covered by an excluded vendor payment. See SNAP 5413.
7. Expenses that are provided as an in-kind benefit. See SNAP 5406.

6710 Determining the Month the Deduction should be Allowed

SNAP Manual 01/01/2021

A deduction for a billed expense other than child support payments will be allowed only in the month the household is billed for the expense or the expense otherwise becomes due. This is true no matter when the household intends to pay the expense.

Recurring monthly expenses will be allowed on a monthly basis even if two (2) bills are received in the same month due to a billing cycle. Except for child support payments, amounts carried forward from past bill periods are not deductible even if included in the most recent bill and actually paid by the household. In any event, an expense may only be deducted once.

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6800 Chart

Deductions used in the SNAP Budget

Child support paid out of the household's current income to make up for months in which the household did not meet its legal obligation is deductible. See SNAP 6550-6552.

Bills that only include past due amounts are not allowable.

Rent paid "in advance" is an allowable shelter cost. The monthly rent amount that would have otherwise been incurred by the household will be allowed as a shelter cost for each month covered by the advance payment.

6720 Projecting Expenses in a Prospective Budget

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When calculating a prospective SNAP budget, the eligibility worker attempts to project the household's expenses by considering past expenses as well as the household's statements about what they expect their expenses to be. Unless the household is reasonably sure that a change will occur, the most recent month's bills may be used to anticipate expenses.

6721 Special Procedures for Projecting Medical Expenses

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Monthly medical expenses are projected for households who are eligible for a medical deduction. One-time and periodic expenses are handled. See SNAP 6521.1.

The eligibility worker must review the household's medical bills and question the household to determine:

- a. If the expense is incurred on a monthly basis, for example, a maintenance drug purchased every thirty (30) days;
- b. If the household expects to continue incurring the cost on a monthly basis such as when an eligible household member visits the doctor each month; and
- c. If the amount of the expense can be expected to increase or decrease. For example, does the household expect to continue taking the same dosage of the prescription drug?

Based on the household's most recent expenses plus any anticipated changes, an amount may be determined for the cost of monthly medical expenses.

6722 Special Procedures for Projecting Utility Expenses

SNAP Manual

NOTE: Utility usage is not to be projected by simply averaging utility bills for the last several months or the last year.

When a household is not claiming the utility standard, changes in utility expenses may be projected

SNAP CERTIFICATION MANUAL – SECTION 6000

6800 Chart

Deductions used in the SNAP Budget

~~for the upcoming period of certification based on last year's utility bills for the same period. The expense will be updated to reflect rate increases. If only the household's most recent utility bills are available, utility cost increases or decreases during the upcoming period of certification may be projected based upon utility company estimates for the type of dwelling.~~

6723 Special Procedures for Projecting Child Support Payments

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The child support deduction will be projected based on the average amount of child support paid, as long as the averaged amount does not exceed the obligated amount. See SNAP 6551.

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SNAP CERTIFICATION MANUAL – SECTION 6000

6800 Chart

Deductions used in the SNAP Budget

6730 Averaging Expenses

SNAP Manual 01/01/2021

Households may choose to average expenses that change from month to month.

Households may also choose to average irregularly, or periodically recurring expenses as specified below:

1. Expenses that are billed less often than monthly may be averaged forward over the interval between scheduled billings.
2. Expenses that are billed less often than monthly may be averaged forward over the period the expense is intended to cover if there is no scheduled interval for billing.