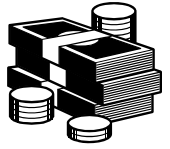


## Calculating income for SNAP



On new applications, always look at income *prospectively*. Consider what has happened up to the filing date and what is expected to happen in the remainder of the month. It is important to work with the client to determine a reasonable anticipation of income – there is no overpayment if the income is anticipated incorrectly when all the available information is used.

Depending on how often the client is paid and what type of income they receive, there are different ways to anticipate countable income.

**Income that must be annualized** includes periodic income, self-employment and income that is received in less than a 12-month period, but is intended to cover a full year. If the past income is not representative of anticipated future income, work with the client to determine what is representative and use that number to annualize their income.

### *Example:*

*Periodic income:* Barbara receives \$45 interest quarterly from a money market account.  $\$45 \times 4 = \$180$  per year  $\div 12 = \$15$ .

*Self employment income:* Joe is a landscaper who only works in April, May, June, July and August when he earns \$5000 per month. He has no income the other months of the year.  $\$5000 \times 5$  months =  $\$25,000 \div 12 = \$2,083.33$ .

*Income intended to cover a full year:* Ginny is a teacher's aide who earns \$18,000 a year. She has a 12-month contract, but has opted to be paid in 9 monthly paychecks from September through May.  $\$18,000 \div 12 = \$1,500$ .

**Educational income** is income designated specifically for educational expenses. Much of this income is excluded (refer to Counting Client Assets). If anything remains after subtracting the allowable deductions, the remainder is prorated over the months it is intended to cover regardless of when it is received.

### *Example:*

Phil works and attends college. He receives a \$5000 scholarship from his employer, \$800 of which is countable student income. The scholarship is intended for the entire school year.  $\$800 \div 12 = \$66.67$  countable income.

Anna received a private scholarship for Winter term in the amount \$400. All of the income is countable.  $\$400 \div 3$  months =  $\$133.33$  countable income.

**Temporary income** is income that is not expected to be ongoing.

***Example:***

Margie received \$500 for the last 2 months from her parents to help with her living expenses. Margie is not expected to receive any income from her parents next month. \$0.00 is counted prospectively.

Vince's church has been helping him financially following a house fire. For the last four months, he has received \$350 each month. Vince provides a note from his minister stating they will not be able to continue the payment, but might help again in the future, if needed. \$0.00 is counted prospectively.

**Variable income** is income that is usually different each time it is received.

***Example:***

*Variable income paid hourly:* Sharon works on an on-call basis. She works 10-30 hours a week at \$10/hour. 20 hours per week x \$10 = \$200 x 4.3 weeks.

*Variable income not paid hourly:* Henry works for a clothing store and is paid a different amount each week, depending on the number of hours he works and his total sales. Henry's income for the last two months was \$1,100 and \$850 and he expects \$1,050 this month. He does not know what his income will be in the next three months, but has no reason to believe it will be any different.  $\$1,100 + \$850 + \$1,050 = \$3,000 \div 3 = \$1,000$

**Stable income** is income that is the same every time it is received.

***Example:***

Carla is paid \$250 per week.  $\$250 \times 4.3 \text{ weeks} = \$1,075$ .

Robert receives a monthly salary of \$800 paid on the 5th of the month.  $\$800 \times 1 = \$800$ .

After calculating income, consider sending the DHS 7294 *Notice of Reported Income*. This form will help the client understand how the Food Stamp benefits are being calculated.

Refer to the Food Stamp manual section F, Multiple Program Worker Guide #22 and Counting Client Assets for more information. For additional help, contact the Food Stamp Policy Analysts.