409.1 Purpose

This section identifies which households must have their eligibility determined using the gross and net income standards, and which households have their eligibility determined using only the net income standard. It also describes the process for calculating net income and allotment level.

409.2 General Policy

A. Determining a household's eligibility for Supplemental Nutrition Assistance Program (SNAP) benefits is a two-step process:

   1. Determining eligibility to participate; and

   2. If eligible, determine the amount of the allotment.

B. The determination of eligibility involves three questions:

   1. Does the household meet all of the non-financial and resource criteria?

   2. Does the gross income exceed the gross income limit of 200% of the Federal Poverty Level if categorically eligible or 130% of the Federal Poverty Level if not?

      (a) Gross income is a household's total, non-excluded income before any deductions are given.

      (b) Categorically eligible Public Assistance or Supplemental Security Income (SSI) households are described in Section 115 of this manual.

   3. Is the net income after all deductions less than the net limit in Section 600 Column B (100% of the Federal poverty level)?

      (a) Net income is the gross income minus the program's allowable deductions.

409.3 Calculation of Net Monthly Income

Follow the procedures described below to determine a three-person household's net income:

A. Compute total countable monthly income.

Example: Household's income is:

Self-employment (SE)	$200
Earnings	$500
SSI	$400
Total Income	$1,100

B. Subtract 50 percent of the gross self-employment income as a deduction for cost-to-produce as described in Section 104.7.

Example: SE $200x.50=$100
Countable SE income is $100 ($200-$100)

C. Subtract an earned income deduction of 20 percent of gross monthly earned income.

Example:

Countable SE	$100
Earnings	$500
Total	$600

Earned income deduction is $120 (600x.20)
Earned and SE income is $480 ($600-$120)

D. Subtract a standard deduction in the amount of $157.

Example:

Total countable income	$880 (SSI $400+$480)
Minus Standard Deduction for the household size (see Section 600)	$157
	$723

E. Subtract medical expenses in excess of $35 per month incurred by a household member who is elderly or disabled as described in Section 212.8.

Example: Monthly medical expense is $50. The allowable deduction is $15 ($50-$35=$15).
Income after medical deduction: $ 723- $ 15 = $ 708

409.3 Calculation of Net Monthly Income (continued)

F. Subtract payments for the actual cost paid by the household to someone outside the household for the care of a child or other dependent as described in Section 212.7.

Example: Child Care for child age 4 = $50/month
Income after child care: $ 708- $ 50 = $ 658

G. Subtract payments for child support for a person living outside the home as described in Section 212.11.

Example: Court-ordered child support is $80/month.
$658-$80=$578

H. Subtract a homeless shelter allowance as described in Section 212.10.

I. Subtract any excess shelter cost.

1. Excess shelter cost is the amount of the shelter cost, as described in Section 212.9, that exceeds 50 percent of the amount of income remaining after the deductions in Sections A – G above.

   Example: Shelter cost total $600
   $600-289 (578x.50)=$311 (uncapped because of SSI member)

2. Subtract the excess shelter cost (not to exceed the maximum in Section 600).

   Example: Net income $267 ($578-$311)

3. If the household contains an elderly or disabled member as described in Section 212.3A, subtract the total amount of the excess shelter cost.

J. Households are **not entitled to both an excess shelter deduction and a homeless shelter allowance**.

409.4 Determining Benefit Level

A. The household's monthly allotment is equal to the Thrifty Food Plan (maximum SNAP allotment) for the household's size reduced by 30 percent of the household's net monthly income as calculated in Section 409.3 above.

409.4 Determining Benefit Level (continued)

Example: Household size is 3
TFP (maximum allotment) is $511
SNAP allotment is $431
$267x.30=$80.10
$511-$80=$431

B. The local department will round up:

1. The product of 30 percent times the household's net income to the next whole dollar if it ends in 1 through 99 cents; and

2. To $2, $4, or $6, respectively if an allotment of $1, $3, or $5 results.

C. The Eligibility and Enrollment (E&E) system will prorate SNAP benefits for an initial month as described in this manual's Section 412. If the calculation of the initial monthly allotment yields an allotment of less than $10 for the household, E&E will not issue a benefit for the initial month.

D. **Except** during an initial month, **all eligible one- and two-person households** will receive a **minimum monthly allotment of $25**, and all eligible households with three or more members that are entitled to $1, $3, or $5 allotments will receive allotments of $2, $4, or $6, respectively.

E. A **one- or two-person categorically eligible household** will always receive **at least a $25 allotment**, regardless of how high the net income is.

F. Maryland Human Services Article §5–501 requires that if a household includes an individual who is at least 60 years old and receives a federally funded Supplemental Nutrition Assistance Program benefit in an amount less than $50 per month, the State shall provide a supplement to increase the total benefit to $40 per month.

1. This benefit is known as the Minimum State Supplement.

2. The benefit will automatically post as cash to the household's EBT account.

G. Categorically eligible households of three or more persons will receive the allotment listed for the net income based on the Issuance Table. Some categorically eligible households of three or more members may not receive an allotment even when eligible for SNAP benefits according to the standards. There is no minimum benefit for households of three or more. The E&E system will automatically close or deny the case.

H. For households that are not categorically eligible, the local department will deny eligible households with three or more members that are entitled to no benefits because net income exceeds the standard.

Exception: Do not deny a household that is program eligible but benefit ineligible in the initial month due to the proration of benefits.

I. A household that files a joint public assistance-SNAP benefit application and is categorically eligible after being denied SNAP benefits will have its SNAP benefits for the initial month prorated from the later of:

1. The date from which the local department determines that the household is eligible for public assistance; or

2. The date of the original SNAP application.

409.5 Change of Eligibility Standard

When a household's circumstances change, and it becomes entitled to a different income eligibility standard, the E&E system will apply the different standard at the next recertification, or when the agency changes the household's eligibility, benefit level, or certification period, whichever occurs first.

Example: When a household member turns sixty years old, the household is subject only to the net income standard and is eligible for an uncapped shelter cost deduction.