



## SNAP 602-2 Deductions (earned, Standard, Dependent Care and Child Support)

<b>References:</b>	7 CFR 273.9(d)(1) through (6); 7 CFR 273.10(d)
<b>Overview:</b>	<p><b>GENERAL RULE</b> -- The following deductions are detailed in this manual section:</p> <ol style="list-style-type: none"><li>1. Earned income deduction;</li><li>2. Standard deduction;</li><li>3. Dependent care deduction; and,</li><li>4. Child support deduction.</li></ol> <p>The dependent care and child support expenses must be anticipated to be incurred by the household or one of its members. The household's expenses are based on the expense amount the household expects to be billed. Anticipating the expense is based on the most recent month's bills unless the household is reasonably certain a change will occur. The household may choose to have fluctuating expenses averaged. The household may also choose to average expenses billed less often than monthly over the period the expenses are intended to cover. Expenses that are billed or otherwise become due weekly or bi-weekly are factored (SNAP 601-1) (e.g., dependent care or child support expenses). These deductions are allowed until the next recertification or until a change is reported or discovered and is acted on by the OPA Case Manager according to the household's reporting requirements (SNAP 1501-3 and 1501-4).</p>
<b>Policy:</b>	<p><b>EARNED INCOME DEDUCTION</b></p> <p>A deduction equal to 20% of the total <u>gross</u> earned income is allowed for <u>each household</u>. This deduction covers work expenses and mandatory wage deductions. The deduction is not allowed for excluded earned income.</p>
	<p><b>LOSS OF EARNED INCOME DISREGARD</b></p> <p>The earned income deduction is <u>not</u> allowed when:</p> <ol style="list-style-type: none"><li>1. Determining an over issuance due to the household (intentionally or inadvertently) not reporting earned income timely according to its reporting requirements. Only the <u>amount</u> of earned income that is not reported timely according to the household's reporting requirements is subject to the loss of the disregard.</li><li>2. Income is received from another state's work supplement or support program. The earned income deduction is not allowed for any portion of income earned under a work supplement or support program attributable to public assistance.</li></ol>
	<p><b>STANDARD DEDUCTION</b></p> <p>The standard deduction for a household size of six or more is <b>\$226</b>; the standard deduction for a household size five is <b>\$197</b>; the standard deduction for a household size of 4 is <b>\$168</b>; and, the standard deduction for a household size of 3 or less is <b>\$155</b>. Ineligible or disqualified members are not used to determine the household size for purposes of the standard deduction.</p>
	<p><b>DEPENDENT CARE DEDUCTION</b></p> <p>Dependent care expense is recorded using <u>client statement</u> unless the information is questionable (incomplete, inaccurate, inconsistent, or outdated). If the client reports dependent care expense at application and/or recertification but doesn't</p>



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include the actual amount of the expense, the CSC must include a request for this information in the Request for Verification notice.

The dependent care deduction is allowed for each dependent that is included in the same filing unit as the individual billed for the care. The dependent care deduction is allowed for a child through the month of their 16th birthday. If the expense also qualifies as a medical expense deduction for the elderly or disabled, it must be used as a medical expense instead of as a dependent care expense (e.g., home health care for an elderly or disabled household member is a medical expense deduction and cannot be used as a dependent care deduction). Dependent care costs are allowed when it is necessary for a household member to:

1. Accept or continue employment;
2. Seek employment;
3. Attend training or schooling preparatory to employment; or,
4. Comply with employment and training requirements (SNAP 700).
  - a. Reasonable costs to transport a dependent to or from care is an allowable dependent care expense, and,
  - b. All Family Investment Agreement (FIA) activities for TANF or Individual Family Plan activities for Tribal TANF are considered employment and training activities. Childcare co-payments for all FIA or IFP activities are an allowable deduction.

Allow dependent care costs ONLY if the following are met:

1. Someone outside the SNAP household filing unit provides this service. The individual can be living in the same residence but not be required in the SNAP filing unit; and
2. The household is obligated to pay for this service. When a portion of the dependent care expense is reimbursed or paid for by another publicly funded entity or other third party, only the amount of the dependent care expense in excess of these payments is allowable as the deduction.

### **CHILD SUPPORT DEDUCTION**

Members of a household making legally obligated child support payments TO an individual living outside of the SNAP household FOR a child living in or out of the SNAP household are allowed an expense for the amount of the child support payments paid. The expense is allowed regardless of whether the payment is for the current period or is for arrearage. **EXCEPTION:** If the payment is sent to someone outside the home who returns the payment to a member of the SNAP household, the child support deduction is not allowed.

Legally obligated means the household has a legal obligation to pay the support (e.g., court order, administrative order, legally enforceable separation agreement, etc.). The legally obligated child support amount must be verified but cannot be used as verification of the actual child support payment. The actual child support paid must also be verified. Legally obligated payments made to a third party on behalf of the non-household member are also allowed as a deduction. The payment must be a legal obligation and verification of the order and the amount



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	must be obtained. Examples of third party payments are rent payments paid to a landlord, payments of health insurance premiums, etc.
	<b>BUDGETING CHILD SUPPORT EXPENSE</b> The OPA Case Manager must review and evaluate the payment history of the household member with the expense to determine the prospectively budgeted amount. If the individual has paid several monthly payments, an average of the past months' payments can be used to prospectively budget if anticipated to be the same for the prospective period. If the individual does not have a stable payment history, the prospected amount is based on the amount the individual anticipates paying until a stable history can be determined. If payments are paid by garnishment of wages and the individual is paid weekly or bi-weekly, the deduction amount can be determined by using the factoring method. Likewise, if the garnishment is from wages paid monthly and there is no payment history, the deduction amount can be determined by using the rate/unit/frequency. If the household pays a legally obligated child support payment in advance, the child support expense could be averaged over the period it is intended to cover if the household chooses this method of budgeting. Child support taken from tax intercepts is not allowed as a deduction.
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