



CBPP SNAP Academy

Webinar 4: The Role of Deductions

December 17, 2014

Agenda

- Introduce CBPP SNAP Team and Hunger Free Vermont
- Key Deductions & How They Work
- Deductions' Role in Benefit Calculations
- Questions

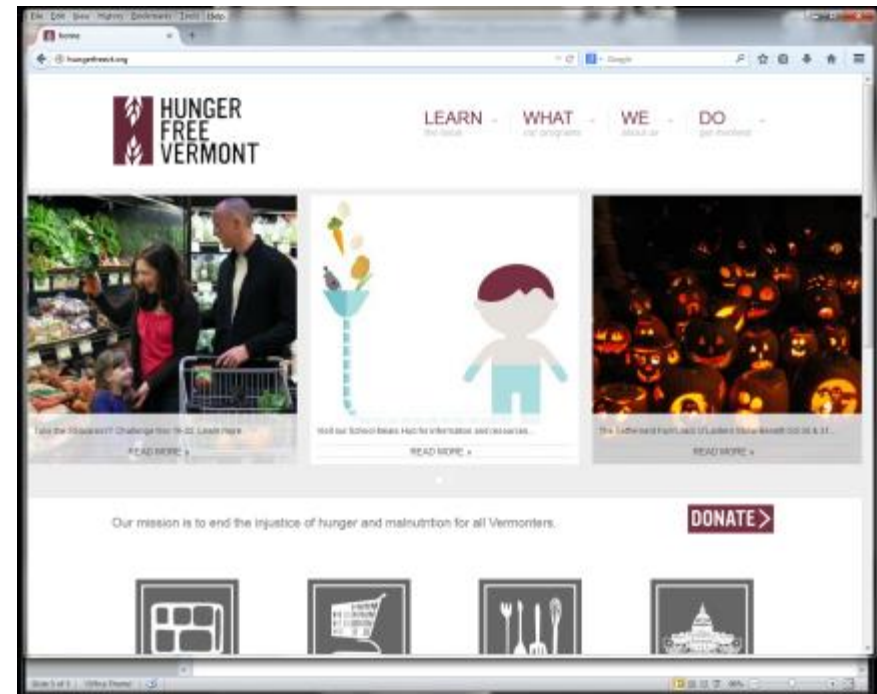
Guest Presenters



Angela Smith-Dieng



Faye Conte



SNAP Income Framework

Family One



- 3 member household
- Gross income = \$1500
- Receives child care subsidy and rental assistance.
- Net income = \$1000
- Estimated SNAP amount = \$211

Family Two



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

The importance of deductions

- The question: “Why are deductions important?”
- The answer: “Deductions determine net income.”
- The lower the net income, the higher the benefit.
- Many SNAP households do not claim all their allowable expenses.
- You can help!

Basic SNAP Deductions in every state



Earned
Income



Standard



Dependent
Care



Medical
Expense



Shelter



Earned Income Deduction

- 20% deduction from household's earned income.
- All households with earnings qualify.

Standard Deduction

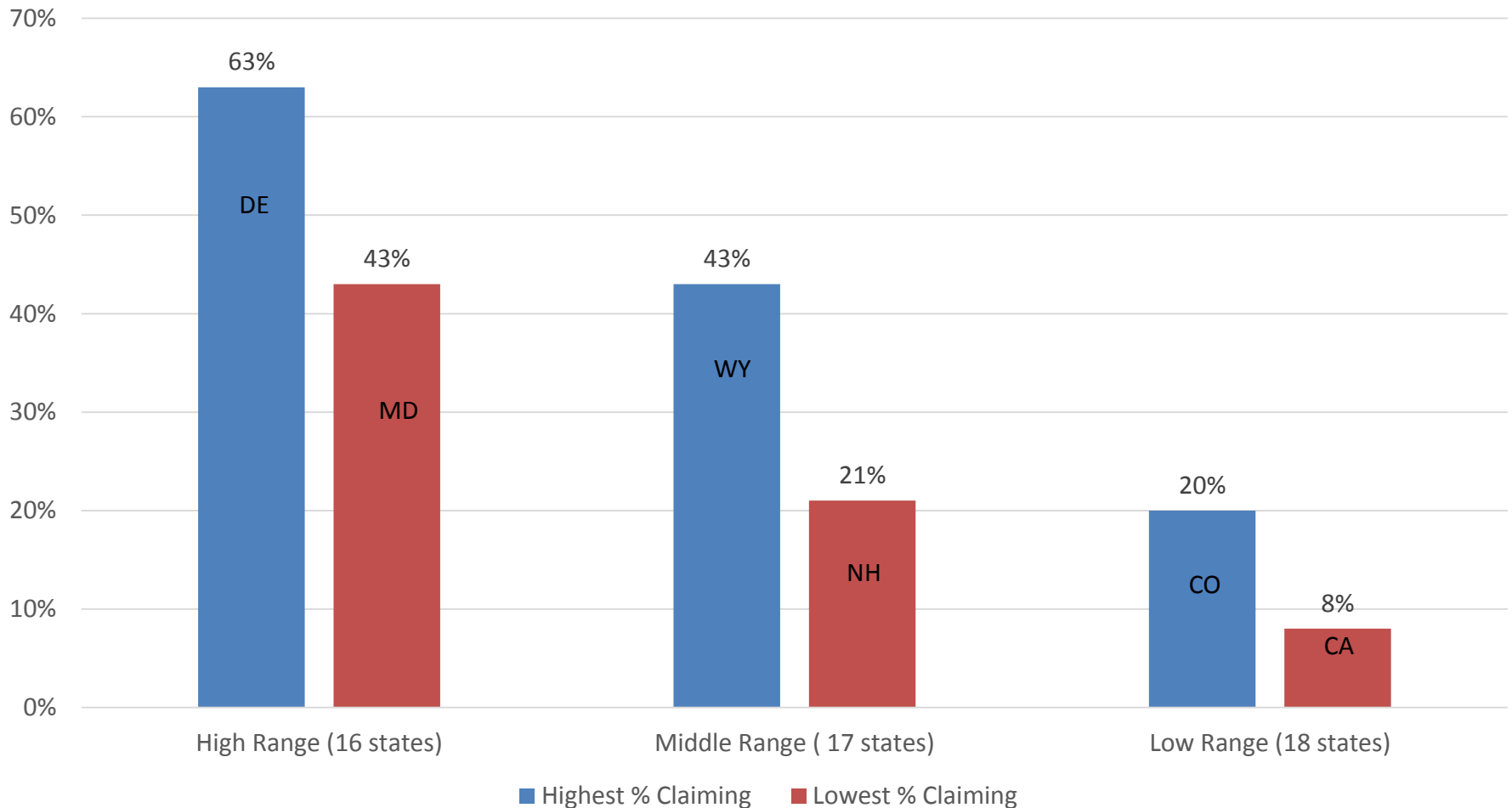
- All SNAP households are eligible.
- Indexed and adjusted for inflation each year.

Household Size	Standard Deduction
1-3	\$155
4	\$165
5	\$193
6+	\$221

Dependent Care Deduction

- Deduction is for households where care of a dependent is needed.
- Many types of care qualify.
- A variety of expenses may be claimed.
- State agencies have flexibility with household claiming actual expenses.

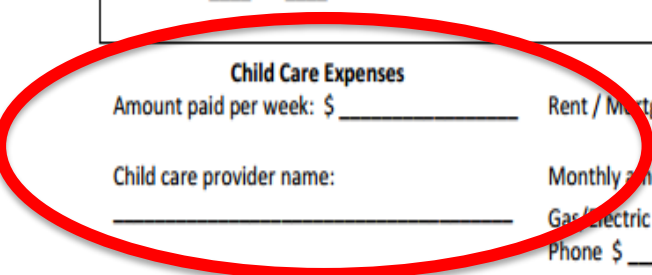
Percentage of Likely Eligible Families Claiming Dependent Care Deduction



Source: FY2012 USDA Quality Control data



State Application Example

<p>List any household <u>RESOURCES</u> (cash, checking, savings, or other bank accounts, certificates of deposit, stocks, bonds, mutual funds, retirement accounts, trust funds, annuities, or other liquid assets)</p> <p>Type: _____ Value: \$ _____ Type: _____ Value: \$ _____</p> <p>Type: _____ Value: \$ _____ Type: _____ Value: \$ _____</p>	<p>Enter information about your household's <u>INCOME</u> in the boxes below. Income includes but is not limited to employment, self-employment, alimony, child support, disability benefits, Social Security/SSI, Worker's Compensation, Unemployment benefits, pensions, stipends, and interest income</p>												
<p>Federal and/or State Convictions:</p> <p>Have you or anyone in your household been found guilty of receiving TANF (cash benefits) or Food Stamp benefits from two or more states at the same time? Yes ___ No ___</p> <p>Are you or anyone in your household a fleeing felon? Yes ___ No ___</p> <p>Do you or anyone in your household have parole or probation violations? Yes ___ No ___</p> <p>Have you or anyone in your household been found guilty of a drug related felony that was committed after August 22, 1996? Yes ___ No ___</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Person with Income</th> <th style="width: 40%;">Source of income (such as job, Social Security, child support)</th> <th style="width: 35%;">Monthly amount before taxes/expenses</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	Person with Income	Source of income (such as job, Social Security, child support)	Monthly amount before taxes/expenses									
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<p>Child Care Expenses</p> <p>Amount paid per week: \$ _____</p> <p>Child care provider name: _____</p>	<p>Shelter Costs</p> <p>Rent / Mortgage (circle one)</p> <p>Monthly amount: \$ _____</p> <p>Gas/electric \$ _____ per month</p> <p>Phone \$ _____ per month</p>	<p>Medical Expenses</p> <p>List recurring medical expenses like prescriptions or insurance premiums. These can help you get more Food Stamps if you're elderly or disabled.</p> <p>Type: _____ \$ _____ per month</p> <p>Type: _____ \$ _____ per month</p>	<p>Child Support Paid</p> <p>If you <u>pay</u> child support to a child or children who don't live with you, enter it here:</p> <p>Child: _____ \$ _____ per month</p> <p>Child: _____ \$ _____ per month</p>
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State Application Example

P. Dependent Care Expenses and Court-Ordered Support  

Do you need more pages? Yes No

1. Does anyone in work, school, or training pay for the care of a child, family member with disabilities?
 Yes ▶ Complete the table below (DO NOT include amounts paid by DHS or anyone else). No

Person paying	Amount paid	How often	Name of person(s) receiving care
	\$ _____	<input type="checkbox"/> Weekly <input type="checkbox"/> Every two weeks <input type="checkbox"/> Twice a month <input type="checkbox"/> Monthly <input type="checkbox"/> Other	
	\$ _____	<input type="checkbox"/> Weekly <input type="checkbox"/> Every two weeks <input type="checkbox"/> Twice a month <input type="checkbox"/> Monthly <input type="checkbox"/> Other	
	\$ _____	<input type="checkbox"/> Weekly <input type="checkbox"/> Every two weeks <input type="checkbox"/> Twice a month <input type="checkbox"/> Monthly <input type="checkbox"/> Other	

2. Does anyone in your household pay court-ordered child support spousal support/alimony?
 Yes ▶ If either of the boxes are checked above, complete the table below. No

Person paying	Court-order/docket number and county of order	Order amount	Amount paid per	For whom
		\$ _____	\$ _____ <input type="checkbox"/> Week <input type="checkbox"/> Month <input type="checkbox"/> Other	
		\$ _____	\$ _____ <input type="checkbox"/> Week <input type="checkbox"/> Month <input type="checkbox"/> Other	
		\$ _____	\$ _____ <input type="checkbox"/> Week <input type="checkbox"/> Month <input type="checkbox"/> Other	

VT – State Application Example

37. Does anyone have expenses related to child or adult day care?

DCEX

Yes No

List each child or adult separately.

Name of child or adult in day care	Name of person paying for day care	Amount paid per week after subsidy	Weekly round-trip mileage to and from provider	Reason for day care
		\$		<input checked="" type="checkbox"/> Working <input type="checkbox"/> Looking for work <input type="checkbox"/> Going to school
		\$		<input type="checkbox"/> Working <input type="checkbox"/> Looking for work <input type="checkbox"/> Going to school
		\$		<input type="checkbox"/> Working <input type="checkbox"/> Looking for work <input type="checkbox"/> Going to school
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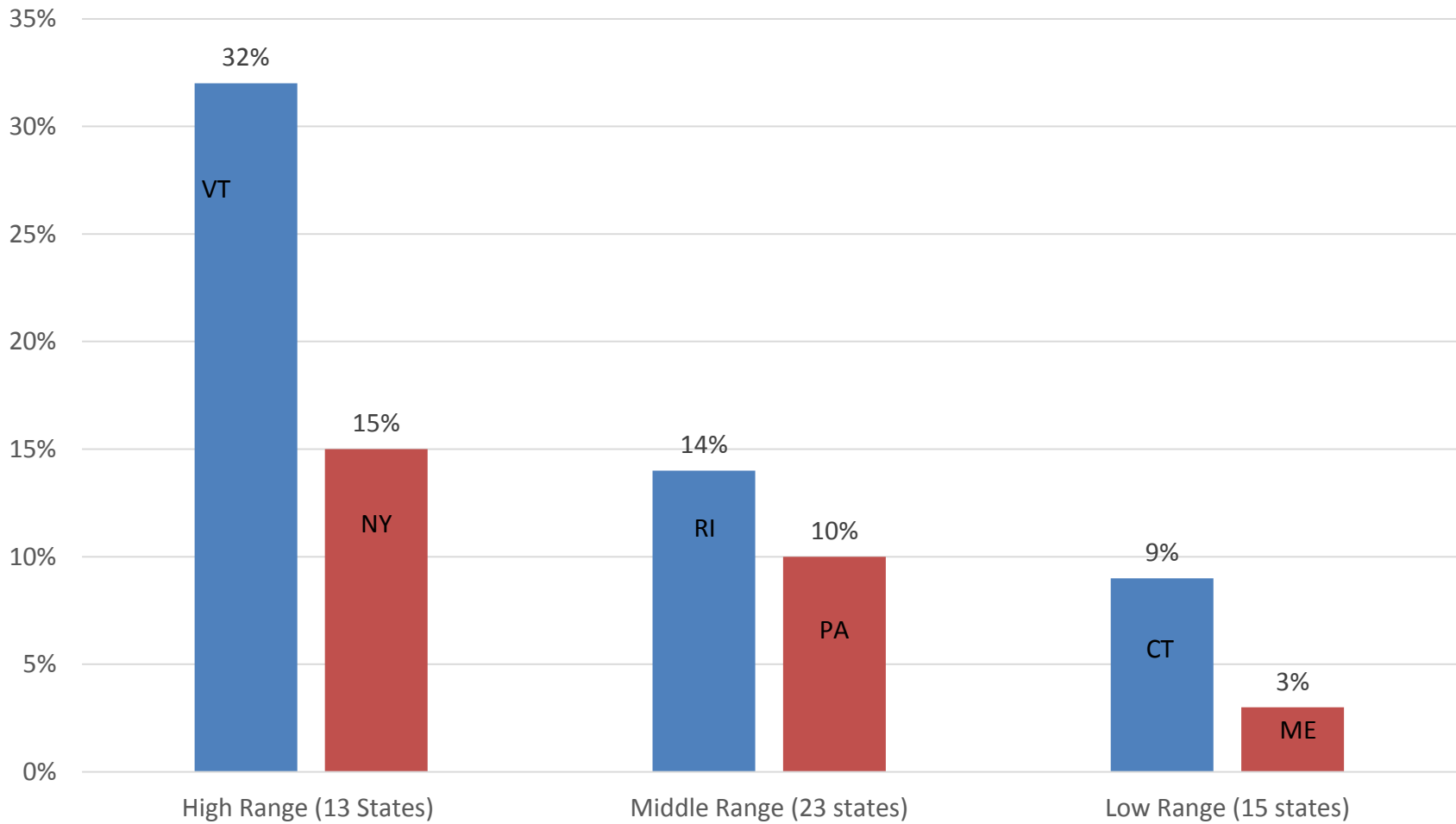
Medical Expense Deduction

- For people age 60 and over and people with disabilities.
- These household members can claim out of pocket medical expenses over \$35 per month.
- A broad range of expenses may be claimed.
- All expenses being claimed must be documented.

What kinds of medical expenses may be claimed?

- Premiums and co-pays,
- Over-the-counter medications and medical supplies,
- Hearing aids, eye glasses, dentures, and prosthetics,
- Home health care and medical Lifeline service,
- Transportation to the doctor, pharmacy, or any medical appointment, and
- Much more!

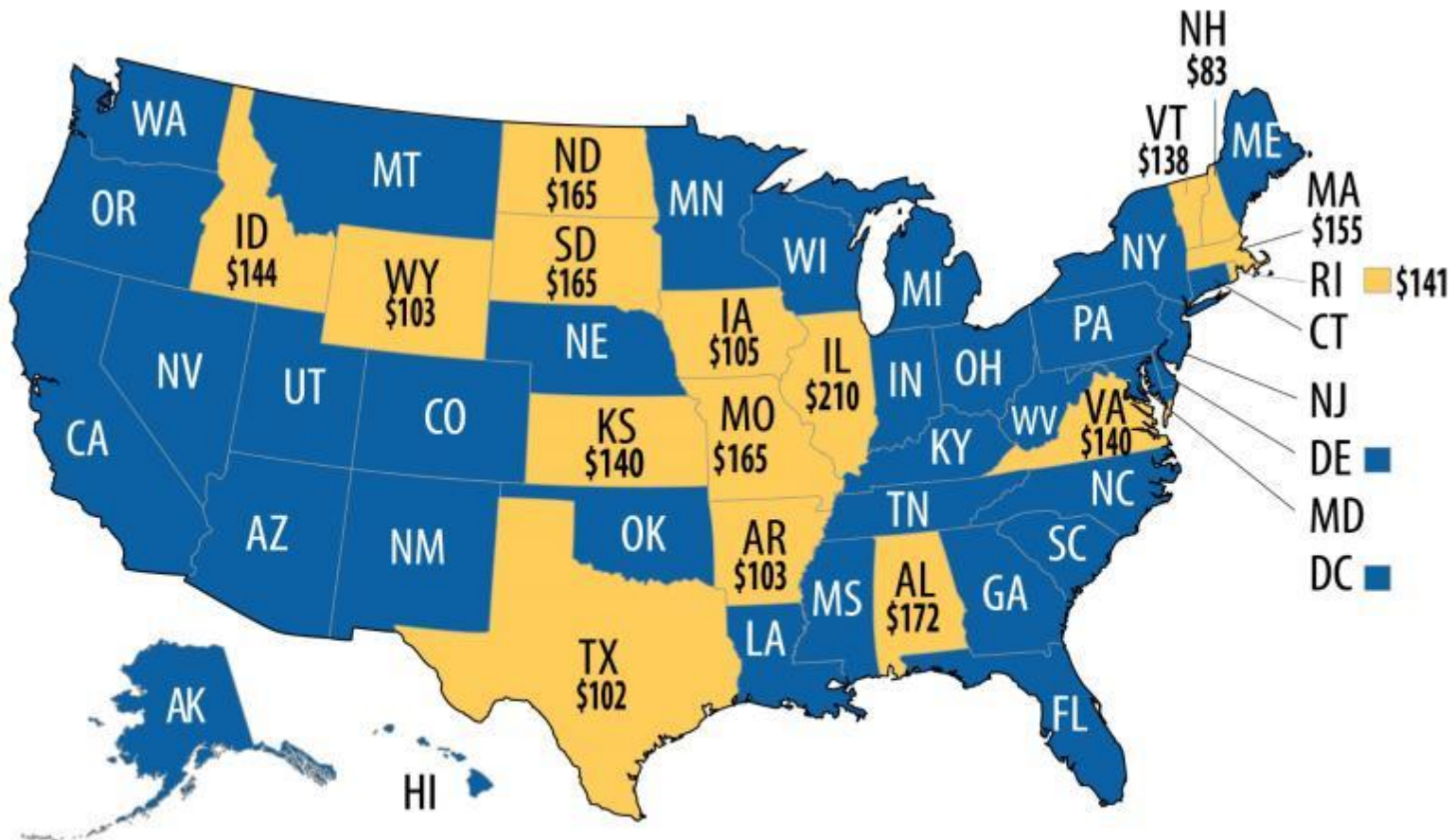
Percentage of Likely Eligible Households Claiming the Medical Expense Deduction



Source: FY2012 USDA Quality Control data

■ Highest % Claiming ■ Lowest % Claiming

Standard Medical Expense Deduction



Standard medical deduction (16 states)
 No standard medical deduction (37 states)

Shelter Deduction

- Targeted to households with high shelter costs relative to income.
- Deduction is a calculation: Adjusted gross income minus shelter costs in excess of 50% of that income.
- Allowable expenses include rent, mortgage, taxes, insurance, etc. *plus* Standard Utility Allowance (SUA).
- \$490 cap for most households. No cap for households with a senior/disabled member.
- Can be self-declared unless questionable.

Optional SNAP Deductions

1. Self-employment standard deduction
 - Simplifies the calculation of self-employment.
2. Child support deduction
 - A deduction for child support that is both court ordered and paid.
3. Homeless household standard deduction
 - for homeless households who have no traditional shelter costs.

The Green Family



Molly and Jeff live with their daughter Katie in Vermont. Both parents work, earning \$2,500 a month, while Katie goes to a child care center. They own their own home.

Calculating the Green Family's SNAP Benefits – Step 1

Gross income = \$2,500

Earned Income Deduction = \$500

Standard Deduction = \$155

Medical Expense Deduction = N/A

Dependent Care Deduction = \$215

Pre-shelter net income = \$1,630

Calculating the Green Family's SNAP Benefits – Step 2

Pre-shelter net income =
\$1,630

Shelter Deduction Calculation

1) Take 50% of household net income after earned, standard and dependent care deductions:

$$\$1,630 \div 2 = \$815$$

2) Determine shelter expenses (mortgage, insurance, utilities):

$$\text{Total shelter expenses} = \$1200$$

3) Subtract 50% of net income from total shelter expenses to get excess shelter deduction:

$$\$1200 - \$815 = \underline{\$385}$$

Excess Shelter Deduction =
\$385

Final net income =
\$1,245

Calculating the Green Family's SNAP Benefits – Step 3

$$\left(\text{Gross Monthly Income} \right) - \left(\text{Deductions} \right) = \text{Net Income}$$

$$\left(\begin{array}{c} \$2,500 \\ \text{Gross Monthly Income} \end{array} \right) - \left(\begin{array}{c} \$1,255 \\ \text{All deductions} \end{array} \right) = \begin{array}{c} \$1,245 \\ \text{Final net Income} \end{array}$$

Calculating the Green Family's SNAP Benefits – Step 4

$$\left(\begin{array}{l} \text{Maximum SNAP} \\ \text{Benefit for Household} \\ \text{Size} \end{array} \right) - \left(\begin{array}{l} \text{30\% of} \\ \text{net} \\ \text{income} \end{array} \right) = \text{SNAP Amount}$$

$$\left(\begin{array}{l} \text{\$511} \\ \text{Household of 3} \end{array} \right) - \left(\begin{array}{l} \text{\$373.50} \\ \text{30\% of final net} \\ \text{income of \$1245} \end{array} \right) = \text{\$137} \\ \text{SNAP Amount}$$

Impact of Deductions

- If Molly drives Katie 2 miles from home to child care....
 - 4 miles/day, 5 days/week, federal mileage rate of \$.585/mi.
- The dependent care expenses are **\$50.31** higher due to transport.
- Which increases their SNAP benefit to **\$160**.
- That's a **\$23 increase**, and more food in the grocery bag!

The Teal Family



William and Kate are both 67 and retired. William has diabetes and arthritis. Both receive Medicare.

Calculating the Teal Family's SNAP Benefits – Step 1

Gross income = \$2,100

Earned Income Deduction = N/A

Standard Deduction = \$155

Medical Expense Deduction = \$523

Dependent Care Deduction = N/A

Part B premium = \$210 (\$104.90 each deducted from SSA benefits, rounded)

Part D Premium = \$68 (\$34 each)

Prescriptions = \$100

Co-pays = \$100

Over-the-counter drugs = \$40

Transportation = \$40

Pre-shelter net income = \$1,422

Calculating the Teal Family's SNAP Benefits – Step 2

Pre-shelter net income =
\$1,422

Shelter Deduction Calculation

1) Take 50% of household net income after earned, standard and dependent care deductions:

$$\text{\$1,422} \div 2 = \text{\$711}$$

2) Determine shelter expenses (rent, insurance, utilities):

$$\text{Total shelter expenses} = \text{\$1800}$$

3) Subtract 50% of net income from total shelter expenses to get excess shelter deduction:

$$\text{\$1800} - \text{\$711} = \text{\$1089}$$

Excess Shelter Deduction =
\$1089

Final net income = \$333

Calculating the Teal Family's SNAP Benefits – Step 3

$$\left(\text{Gross Monthly Income} \right) - \left(\text{Deductions} \right) = \text{Net Income}$$

$$\left(\begin{array}{c} \$2,100 \\ \text{Gross Monthly Income} \end{array} \right) - \left(\begin{array}{c} \$1,767 \\ \text{All deductions} \end{array} \right) = \begin{array}{c} \$333 \\ \text{Final net Income} \end{array}$$

Calculating the Teal Family's SNAP Benefits – Step 4

$$\left(\begin{array}{l} \text{Maximum SNAP} \\ \text{Benefit for Household} \\ \text{Size} \end{array} \right) - \left(\begin{array}{l} \text{30\% of} \\ \text{net} \\ \text{income} \end{array} \right) = \text{SNAP Amount}$$

$$\left(\begin{array}{l} \text{\$357} \\ \text{Household of 2} \end{array} \right) - \left(\begin{array}{l} \text{\$99.90} \\ \text{30\% of final net} \\ \text{income of \$333} \end{array} \right) = \text{\$257 SNAP Amount}$$

Online Calculators & Worksheets

- VT: www.vermontfoodhelp.com (*click “how much can I get?”*)
- MA: Mass. Legal Services SNAP Calculator
<http://www.masslegalservices.org/content/food-stamps-snap-calculator>
- National Council on Aging (NCOA):
<https://www.benefitscheckup.org/>



Additional Resources on Deductions

- [CBPP Shelter Expense Deduction Paper](#)
- [CBPP Dependent Care Deduction Paper](#)
- [CBPP Homeless Shelter Deduction Paper](#)
- [CBPP Medical Expense Deduction Paper](#)
- [FNS SUA Chart](#)

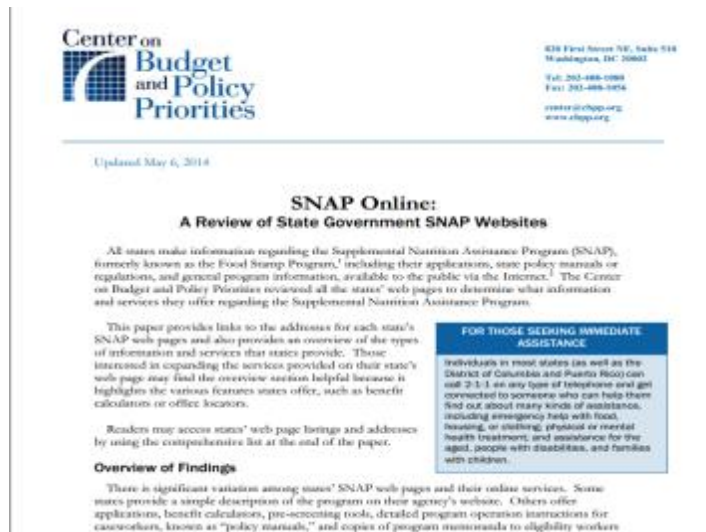
Next SNAP Academy Webinars

- Applications – 1/21/15
- Renewing Benefits/Recertification – 2/18/15



National Resources

CBPP Food Assistance Webpage



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Updated May 6, 2014

SNAP Online: A Review of State Government SNAP Websites

All states make information regarding the Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, including their applications, state policy manuals or regulations, and general program information, available to the public via the Internet.¹ The Center on Budget and Policy Priorities reviewed all the states' web pages to determine what information and services they offer regarding the Supplemental Nutrition Assistance Program.

This paper provides links to the addresses for each state's SNAP web pages and also provides an overview of the types of information and services that states provide. Those interested in expanding the services provided on their state's web page may find the overview section helpful because it highlights the various features states offer, such as benefit calculations or office locators.

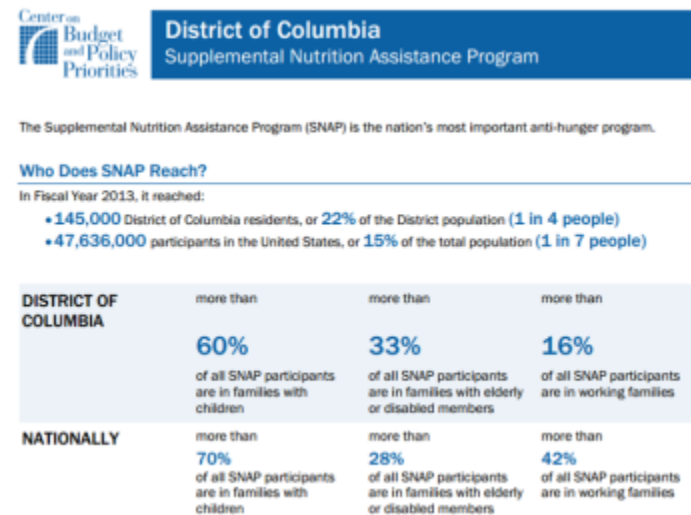
Readers may access states' web page listings and addresses by using the correspondence list at the end of the paper.

Overview of Findings

There is significant variation among states' SNAP web pages and their online services. Some states provide a simple description of the program on their agency's website. Others offer applications, benefit calculations, pre-screening tools, detailed program operation instructions for caseworkers, known as "policy manuals," and copies of program manuals to eligibility workers.

FOR THOSE SEEKING IMMEDIATE ASSISTANCE

Individuals in most states (as well as the District of Columbia and Puerto Rico) can call 2-1-1 on any type of telephone and get connected to someone who can help them find out about many kinds of assistance, including emergency help with food, housing, or clothing; physical or mental health treatment; and assistance for the aged, people with disabilities, and families with children.



Center on Budget and Policy Priorities

District of Columbia Supplemental Nutrition Assistance Program

The Supplemental Nutrition Assistance Program (SNAP) is the nation's most important anti-hunger program.

Who Does SNAP Reach?

In Fiscal Year 2013, it reached:

- **145,000** District of Columbia residents, or **22%** of the District population (**1 in 4 people**)
- **47,636,000** participants in the United States, or **15%** of the total population (**1 in 7 people**)

	more than	more than	more than
DISTRICT OF COLUMBIA	60% of all SNAP participants are in families with children	33% of all SNAP participants are in families with elderly or disabled members	16% of all SNAP participants are in working families
NATIONALLY	70% of all SNAP participants are in families with children	28% of all SNAP participants are in families with elderly or disabled members	42% of all SNAP participants are in working families

Additional Resources

- The Food and Nutrition Service (FNS)
- Food Research and Action Center (FRAC)

Partner Resources

- Alameda County Community Food Bank:
 - www.accfb.org
- Center for Civil Justice:
 - <http://www.ccj-mi.org/>
- Hunger Free Vermont
 - <http://www.hungerfreevt.org/>
- Massachusetts Law Reform Institute
 - <http://mlri.org/>
- Ohio Association of Food Banks
 - <http://www.benefits.ohiofoodbanks.org/>

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