




OFFICE OF POLICY, PROCEDURES, AND TRAINING

James K. Whelan, Executive Deputy Commissioner

Stephen Fisher, Assistant Deputy Commissioner
Office of Procedures

POLICY BULLETIN #16-07-ELI

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) BUDGETING OF INITIAL AND VARIABLE EMPLOYMENT INCOME

Date: January 13, 2016	Subtopic(s): Budgeting Income
<p> This procedure can now be accessed on the FIAweb.</p> <p>Averaging Income</p>	<p>The purpose of this policy bulletin is to provide Non-Cash Assistance (NCA) Supplemental Nutrition Assistance Program (SNAP) Center staff with information regarding the budgeting of employment income when it is initially reported and when the pay varies.</p> <p>Employment income is budgeted prospectively. Prospective budgeting is done in one of two ways. One is averaging the income over a period of time. The other is using current pay information to determine future income.</p> <p>Averaging is used for both application and recertification cases that have at least four weeks of pay without a significant change in the pay amount. When using this method, the Worker will average the applicant's/participant's last four weeks of pay after discarding any temporarily high or low weeks.</p> <p>Note: Unless the applicant/participant has started his/her job in the month of the application/recertification interview or there has been a significant change, the Worker must average the four weeks of pay prior to the application/recertification interview.</p> <p>Examples of significant changes in pay amount are:</p> <ul style="list-style-type: none"> • A pay raise; • An increase or decrease in work hours; • Taking a second job; • Going from being a part-time to a full-time or visa-versa and; • Loss of employment.

HAVE QUESTIONS ABOUT THIS PROCEDURE?
Call 718-557-1313 then press 3 at the prompt followed by 1 or
send an e-mail to *FIA Call Center Fax* or fax to: (917) 639-0298

To average the income the Worker should:

- Add the pay amounts for the last four weeks, then divide the result by four to determine the weekly average; and
- Multiply the weekly average by 4.333 to find out the monthly pay.

Automatic Averaging
done by POS

Note: When calculating the budget in SNAP **Paperless Operating System (POS)**, the averaging is done automatically by the system once the Worker has entered all the income information and the frequency code.

Whenever the averaging method is used to determine the amount of income that must be counted in the budget, and the applicant's/participant's pay for the past four weeks is significantly higher or lower because of unusual circumstances which are not expected to continue/last for more than 30 days, the Worker should discard the unusual pay week(s). The Worker should average the remaining weeks and multiply the average by 4.333.

Unusual Circumstance

Examples of unusual circumstances include:

- Missing a week of work due to illness;
- Overtime that is not expected to last; and
- Temporary closing of a workplace

If more than two weeks of pay have to be discarded, the determination of how much income to include in the budget must be done using the current pay information method rather than the averaging method. If pay weeks are discarded, the Worker must note the reason in the case record.

Most current pay
information

The most current pay information method is used in all cases which do not have at least four weeks of pay or cases which have a permanent change in pay. The Worker must verify the hourly pay rate and the number of hours the applicant/participant worked or is expected to work. Once verified, the Worker will multiply the hourly pay rate by the number of hours worked/expected to work to determine the weekly average. Next, the Worker will multiply the weekly average amount by 4.333 to arrive at the monthly amount.

Weekly pay example

An example of most current pay method for an applicant/participant who is paid weekly is the following:

Sally begins to work as a tutor in a tutoring chain on August 4, 2015. The job has a varying weekly 35-hour work schedule. The pay rate is nine dollars (\$9.00) per hour.

Since Sally started her job in the middle of the week, her first paycheck will be on August 14, 2015. This pay will be for 28 hours and in the amount of two hundred and fifty-two dollars (\$252.00). One week of pay was held in abeyance. Sally timely reports her income to her Worker on August 19, 2015. Even though Sally's first paycheck only covered 28 hours, the Worker will calculate the budget based on a 35-hour week at \$9.00 per hour.

Using the above example, the Worker must manually determine the weekly pay amount, based on a 35-hour week by multiplying 35 hours times \$9.00. The Worker would enter \$315.00 in the pay amount, enter the frequency code for weekly pay and SNAP POS will automatically determine the weekly income and will convert it to a monthly amount.

Converting non-weekly wages to monthly income

To convert non-weekly wages, other than monthly, to an average monthly income, use the following conversion factors:

- Bi-weekly wages – multiply by 2.166
- Semi-monthly wages – multiply by 2
- Contractual wages – divide the contractual wage by the number of pay weeks in the contract and multiply by 4.333

Bi-weekly pay example

An example of most current pay method for an applicant/participant who is paid bi-weekly is the following:

Bethany starts working as a cashier at the local coffee shop. She starts working on November 9, 2015. Bethany will work 50 hours bi-weekly and her pay rate will be \$9.00 per hour. Bethany timely reports her income to her Worker when she receives her first paycheck on November 20, 2015. On November 27, 2015 the Worker asks her to submit proof of her income. Bethany submits her paystub on December 2, 2015. Bethany only has one paystub to submit. The pay total is \$450.00.

To calculate Bethany's monthly income, the Worker will multiply Bethany's bi-weekly wages of \$450.00 times 2.166. The total monthly income will be \$974.70. The Worker would enter the pay amount in SNAP POS and indicate bi-weekly in the frequency code.

Variable income

When the applicant/participant indicates that the weekly work hours will vary significantly, the Worker must request a letter from the applicant's/participant's employer. The letter should indicate, to the best of employer's ability, how many hours a month, on average, the employer expects the applicant/participant to work.

Variable income example

An example of the above situation is the following:

Peter starts a job as a pet groomer at ten dollars (\$10.00) an hour. He works 40 hours the first week and 60 hours the second week. At the end of the second week he is paid for the first week and told that he will not be needed for the following week (third week). Peter is told that he will be contacted if work comes up for the week after (fourth week). After Peter initially reports his income, his Worker asks him to provide a letter from his employer stating the number of hours Peter is expected to work. Peter submits a letter from his employer indicating that he can expect to work about 140 hours a month.

In the preceding example the Worker must manually determine the monthly income by multiplying the hourly rate (\$10.00) by 140 hours. The monthly income is entered in the salary field. In the salary frequency field the Worker must indicate that the income is monthly.

Effective Immediately

References:

93 ADM 09


95 INF 19

Supplemental Nutrition Assistance Program (SNAP) Source Book, Section 13(2)(a), page 301

Related Item:

[PD #15-27-ELI](#)

Budgeting Earned Income on Cash Assistance Cases

 Please use Print on Demand to obtain copies of forms.