

### Introduction

Tennessee Department of Human Services (TDHS) shall consider the amount of income available to a SNAP household in determining eligibility and allotment for a household.

### Scope

The purpose of this policy is to provide guidance in determining the amount of income that must be considered when determining Supplemental Nutrition Assistance Program (SNAP) eligibility and benefit.

### Policy

#### A. Income Eligibility Standards

Income eligibility standards are based upon a household's classification; a regular household, elderly/disabled household, or categorically eligible household.

1. A regular household must meet both the net income eligibility standards and the gross income eligibility standards.
2. An elderly or disabled household must meet only the net income eligibility standards.
3. A categorically eligible household does not have to meet either the gross or net income eligibility standards.

SNAP Gross Monthly Income Standard (GIS) is used only as an eligibility limiting factor; it is not used to determine the actual amount of the allotment. This standard does not apply to households that contain elderly or disabled household members.

1. If the household's gross monthly income (before deductions) exceeds the gross income standard for the number of people in the household, the household is not eligible for SNAP.
2. If the household's gross monthly income (before deductions) is equal to or less than

the gross income standard for the number of people in the household, the SNAP net monthly income standard would be evaluated.

SNAP Net Monthly Income Standard is used to determine whether a household is eligible. It is not used to determine the actual amount of the SNAP allotment.

1. If a household's available income (after exclusions and deductions) exceeds the net monthly income standard for the number of people in the household, a household is not eligible for SNAP.
2. If a household's available income (after exclusions and deductions) equals or is less than the appropriate net monthly income standard for the number of people in the household, the household may be eligible for SNAP.

#### B. Income Requirements

All sources of income must be explored and the gross countable income from all sources must be verified before approval or continuation of benefits, except when a SNAP household qualifies for expedited services. The applicant has the primary responsibility for providing acceptable income verification. If they are unable to provide acceptable verification, the Eligibility Counselor will provide assistance verifying income if the household requests assistance.

Income is classified as earned income or unearned income. The household is required to report earned and unearned income for all household members at the time of application and re-application.

Earned and unearned income for all household members which is received or expected to be received during a SNAP Certification period is considered available with the following exceptions:

1. when income is excluded or disregarded as defined; or
2. when income is so infrequent or irregular that it cannot be reasonably anticipated and does not exceed \$30 per quarter.

### C. Earned Income

Earned income is income received in exchange for an individual's physical or mental labor. It includes pay received from jury duty, bonuses, vacation pay, maternity leave pay, and sick pay received by an individual while still employed. Garnished or diverted wages are also considered to be earned income.

1. Compensation for services performed, including wages, salaries, commissions, tips, bonuses, or the sale of blood or plasma
2. Payments received from odd jobs such as babysitting, mowing lawns, or shoveling snow
3. Income from self-employment enterprises. Total gains of any capital goods or equipment related to the business, excluding the cost of doing business (Staff shall also refer to supporting document [SNAP Income and Budgeting Procedures](#))
4. Allowances from vocational and rehabilitative programs sponsored by federal, state, or local governments unless the allowances are excluded as reimbursements
5. Income received for vacation leave, sick leave, maternity leave, short-term disability, or any bonuses to an individual that is still employed. When the payment is received in a lump sum, the household has the option to count the payment in the month received or have it averaged over the certification period (Refer to Unearned Income Section for payments received after employment is terminated)
6. Income received from Jury Duty
7. Pay and allowances of a member of a uniformed service (Staff can also refer to supporting document [Military Pay for SNAP Determination](#) for different types of military pay and how it is determined for SNAP income)
8. Payments received through the Work Innovation Opportunity Act (WIOA), AmeriCorps, and YouthBuild On-The-Job Training Programs, unless the participant is

under the age of 19 and under the parental control of another adult household member. (See the Excluded Income Section below for certain On-The-Job Training Programs that are excluded)

### D. Unearned Income

Unearned income is any income that does not meet the definition of earned income. No earned income exclusions or work expense deductions may be applied to unearned income as defined. The following payments are considered unearned income (this list is not all-inclusive):

1. Unemployment and Workmen's Compensation
2. Strike Benefits (Strikers are eligible to participate in the program if they meet all eligibility requirements of the strike.) As defined in [24.20 SNAP Strikers](#).
3. Vacation, sick, maternity, short term disability, or any bonus payments received in installments by an individual whose employment has ended
4. Severance pay when received after termination of employment
5. Rental Income unless it meets criteria for earned income in the supporting document [Consideration of Self-Employment and Contract Employees for SNAP](#)
6. Interest payments, dividends, and royalty's income and all other such direct money payments that can be for gain or benefit
7. Annuities, pensions, retirement, VA benefits, Social Security benefits, military, and Job Corps allotments, and other such pensions and benefits
8. Child support or alimony payments from non-household members made directly to the household (Staff can also refer to supporting document [Child Support and Pass-through Payment](#) for SNAP Income)
9. Regular cash contributions or gifts made to the household unless otherwise exempt based on Excluded income
10. Monies withdrawn or dividends received from trust funds when the trust fund has been excluded as a resource shall be considered

unearned income in the month received or otherwise became available to the household

11. Consider general assistance payments (Families First or SSI) or other countable needs-based assistance payments, unless excluded, as unearned income (See also [Penalty for SNAP due to Failure to Comply](#))

### E. Excluded Income

Certain payments and benefits which might ordinarily be considered income are excluded under federal law or regulation from consideration as income for eligibility purposes.

1. Relocation payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970
2. Funds held in Trust for Members of Indian tribes under Indian Tribal Judgment Funds Use or Distribution Act (Public Law {P.L.} 93-134), Distribution of Judgment Funds (P.L. 92-254) or A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Grand River Band of Ottawa Indians in Indian Claims Commission Docket numbered 40-K, and for other purposes (P.L. 94-540)
3. Payments received under the Alaska Native Claims Settlement Act (P.L. 92-203, §21a), payments by the Indian Claims Commission to the Confederate Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalera Reservation (P.L. 94-443), payments to the Passamaquoddy Tribe and the Penobscot Nation or any of their members received according to the Maine Indian Claims Settlement Act of 1980 (P.L. 96-420, §5) and payments of relocation assistance to members of the Navajo and Hopi Tribes (P.L. 93-531)
4. Receipts distributed to members of certain Indian tribes referred to in Indian Tribes—Submarginal Lands (P.L. 94-114)
5. Benefits received from Programs under the Older Americans Act of 1965, including:
  - a. Payments from the Senior Community Service Employment Programs (Title V)
  - b. Payments from the Nutrition Programs for the Elderly (Title VII)
6. The value of supplemental food assistance received under the Child Nutrition Act of 1966,
  7. Program for Women, Infants, and Children (WIC), as amended, and the special food service program for children under the National School Lunch Act, as amended
  8. Payments under the Domestic Volunteer Service Act of 1973
    - a. Payments to volunteers under Title I of the Domestic Volunteer Service Act of 1973 (P.L. 93-113 as amended) will be excluded when the volunteers meet either of the following conditions:
      - i. the individuals were receiving SNAP or FF at the time they joined the Title I program; or
      - ii. the individuals were receiving the Title I subsistence allowance before March 1, 1979. This exclusion will apply for the length of the volunteer contract in effect as of March 1, 1979.
    - b. Payments to volunteers under Title II of the Domestic Volunteer Service Act of 1973 (P.L. 91-113, as amended) are excluded.
  9. Work Innovation Opportunity Act (WIOA) income
    - a. Earnings for WIOA on-the-job training programs are excluded only for individuals under age 19 who are under the parental control of an adult household member.
 

**Note:** On-the-job training payments received under the Summer Youth Employment and Training Program are excluded.
    - b. Other WIOA Programs: All income (earned or unearned) from other WIOA programs is excluded.
  10. Payments made under annual contribution contracts entered into before January 1, 1975, under Section 23 of the U.S. Housing Act of 1973, as amended.
  11. Payments to individuals because of their status as victims of Nazi persecution.
  12. All educational income. The income may be from Title IV, non-Title IV, Bureau of Indian Education

(BIE), or federal grants, as well as private sources and college work-study programs.

13. Payments or allowances under any federal laws for energy assistance. These payments or allowances must be identified clearly as energy assistance by the legislative body authorizing the program or providing the funds. Among the federal payments are energy assistance payments provided through:
  - a. Department of Health and Human Services' Low-Income Energy Assistance Program
  - b. Community Services Administration's Energy Crisis Assistance and Crisis Intervention Programs
  - c. HUD; or
  - d. Farmers Home Administration.

**Note:** Payments made through state or local funding are not excluded.

14. Agent Orange Settlement Payments are excluded as income and resources. Payments are for veterans who are eligible under the program to receive disability payments each year they are disabled during the life of the program. Lump-sum payments are made to survivors of deceased veterans.
15. Earned Income Tax Credits. (See [24.12 SNAP Resources](#) on how tax credits are counted as a resource)
16. Compensation received under Crime Act of 1984 to crime victims as stated in Section 230202 of P.L. 103-322
17. The earned income of a household member under age eighteen (18) if:
  - a. that person is a student at least half-time in elementary, high school or classes to obtain a High School Equivalency Diploma; **and**
  - b. lives with a natural parent, adoptive parent, or step-parent; or is under the control of a household member other than a parent.

Continue to apply this exclusion during temporary interruptions in school attendance (i.e., semester or vacation breaks), provided the child will return to school following the break.

**Note:** If the child's earnings or the amount of work performed cannot be differentiated from that of other household members, prorate the

total earnings among the working members. Do not count the child's pro-rata share.

18. The allowable cost of producing self-employment income. (Staff shall refer to [SNAP Income and budgeting Procedures](#))
19. Any income received too infrequently or irregularly to be reasonably anticipated. The amount must not exceed \$30 in a three-month period.
20. Loans, including loans from private individuals, as well as commercial institutions. This does not include educational loans on which repayment is deferred. To be considered excludable income from a loan:
  - a. There must be a document signed by both parties with an agreement to repay
  - b. The obligation to repay the amount is unconditional
  - c. The lending party can be an individual or an institution
  - d. The document does not need to be notarized; and
  - e. The worker does not need to verify if actually being paid.
21. Income of Non-Household Members
  - a. The income of non-household members who have not been disqualified; this includes ineligible students, live-in attendants, and roomers and boarders who are not considered household members.
    - i. If a non-household member receives SSA, SSI, or VA benefits on behalf of an eligible HH member, consider the income as available to the eligible HH member(s).
    - ii. If a non-household member receives child support payments for the support of children who are eligible HH members, count the support payment as available to the children, if the children are identified in the court order. If the court order does not stipulate for which children the child support is being paid, consider the income as belonging to the payee, and not the children.
  - b. Do not count monies received and used for the care and maintenance of a third party

who is a non-household member. If the intended beneficiaries of a single payment are both HH and non-household, do not count any identifiable portion of the payment intended and used for the care and maintenance of the non-household member. If the non-household member's portion cannot be readily identifiable, prorate the payment evenly among intended beneficiaries.

22. Non-Recurring Lump Sum Payments, this includes but is not limited to; income tax refunds, rebates, or credits; retroactive lump sum Social Security, SSI, Cash Assistance, railroad retirement pensions, or other payments; retroactive lump sum insurance settlements, or refunds of security deposits on rental property or utilities. Count these payments as resources in the month received unless specifically excluded as a resource by other federal laws. Also included is the Veterans Administration Disability Pension Payment Annual Adjustment. VA does not consider this as a medical reimbursement.
23. Recoupments. Any portion of the household's income that is either withheld by the provider or returned to the provider by the recipient to repay a prior overpayment. This would include Social Security and SSI. If the repayment is to pay for an overpayment in that particular program, the net income would be counted. Exceptions:
- monies withheld from assistance payments (Families First) to repay an overpayment caused by intentionally failing to comply with the other Program's requirements
  - monies withheld for bankruptcy (such as a wage earner's plan); or
  - monies withheld either voluntarily or involuntarily, for any purposes, except to repay a prior overpayment. Example: Social Security and/or SSI repayment benefits that are due to an overpayment in another program (such as a school loan or tax debt) would be counted as income.
24. Reimbursements for past or future expenses other than normal living costs to the extent they do not exceed actual expenses and do not represent a gain or benefit to the household. When a reimbursement, including a flat allowance, covers multiple expenses, each

expense does have to be separately identified as long as none of the reimbursements cover normal living expenses.

- Reimbursements for normal living expenses of the household, such as rent or mortgage, personal clothing, or food eaten at home, that is a gain or benefit and therefore are not excluded. To be excluded, these payments must be provided specifically for an identified expense, other than normal living expenses, and used for the purpose intended. Excluded reimbursements may include the following payments:
    - Reimbursements received to pay for services provided by Title XX of the Social Security Act. (Title XX of the Social Security Act Provides for funding for social services through the Social Services Block Grant).
    - Reimbursements for out-of-pocket expenses of volunteers incurred in the course of their work.
    - Dependent care or medical reimbursements. Direct payments made to a household to cover the costs associated with the upkeep of animals specially trained to provide service to the disabled are to be excluded as medical reimbursement.
    - Non-federal reimbursements or allowances to students for specific education expenses, such as travel or books, but not allowances for normal living expenses such as food, rent, or clothing. Portions of a general grant, loan, or scholarship must be specifically earmarked by the grantor for education expenses, rather than living expenses, to be excluded as a reimbursement.
  - When the household claims that a reimbursement exceeds the actual expense, consider the amount by which it exceeds the actual incurred expense as income.
25. Support payments received by a household but transferred to the Child Support Agency.
26. Vendor payments. Money payments that are not payable directly to the household but are paid to a third party for the household's expenses are vendor payments. If any employer, agency, former spouse, or other person makes payments for household expenses to a third party from

funds that are not owed to the household, these payments must be excluded as vendor payments.

**Exception:** Monies that are legally obligated and otherwise payable to the household, but which are diverted by the provider of the payment to a third-party for a household expense are counted as income and are not excluded as vendor payments. The distinction is whether the person or organization making the payment on behalf of a household is using funds that otherwise would have to be paid to a household. These funds include any wages earned by a household member, support and alimony payments which legally must be paid to a household, educational loans on which payment is deferred, grants, scholarships, etc., which are paid to a third party for living expenses.

27. Money from any source that is deposited into a Plan for Achieving Self-Support (PASS) Account under Title XVI of the Social Security Act.
28. AmeriCorps
  - a. Earnings for AmeriCorps on-the-job training for individuals under age 19 who are under the parental control of an adult household member.
  - b. All VISTA income authorized under Domestic Volunteer Services Act. This would be treated like other VISTA income.
    - i. Payments through VISTA will be excluded for those individuals receiving FF or SNAP at the time they joined the program. Temporary interruptions in SNAP shall not alter the exclusion once the initial determination has been made.
    - ii. New applicants who were not receiving FF or SNAP at the time they joined VISTA shall have these payments included as earned income which would be subject to the earned income deduction.
  - c. All income (earned or unearned) from other AmeriCorps Programs.
29. Allowances paid to children of Vietnam Veterans
  - a. Benefits paid based upon the birth defect of spina bifida to children suffering from spina bifida if their mother or father served in Vietnam.
  - b. The Vietnam Benefits and Health Care Improvement Act of 2000 (Section 401) is

authorized to provide benefits to children with certain birth defects born to female Vietnam veterans. The payments are disregarded and were approved back to 12/1/2001.

30. SSI Lump Sum Installment Payments. Payments of large retroactive SSI benefit amounts are now required to be paid in an installment to the SSI recipient. The payments are to be paid in no more than three (3) installments and will be paid at six (6) month intervals.
31. YouthBuild Program Payments. The Housing and Community Development Act of 1992, Sec. 456(e) provides that payments made under this program are to be treated like Work Innovation Opportunity Act (WIOA) payments.
  - a. On-The-Job Training. Earnings for on-the-job training programs only for individuals under the age of 19 who are under the parental control of an adult household member.
  - b. All income (earned or unearned) from the other YouthBuild Programs.
32. Non-Cash Items. Any gain or benefits not in the form of money payable directly to the household, such as meals, clothing, garden produce, public housing, or other in-kind benefits.
33. Disaster Income
  - a. Exempt any governmental payments that are designated for the restoration of a home damaged in a disaster. If the household is subject to a legal sanction if the funds are not used as intended. Such funds include those made by the Department of Housing and Urban Development through the Individual and Family Grant Program or disaster loans or grants made by the Small Business Administration.
  - b. Payments made under the National Flood Insurance Program (NFIP) for flood mitigation activities shall not be counted as income or resources of the property owner. The Federal Emergency Management Agency awards grants to States and communities, which distribute the funds to individuals and businesses for activities that reduce the risk of repetitive flood damage.
34. Military Combat Pay. Additional pay received by military personnel as a result of deployment to a

combat zone is to be excluded from income. All other military pay is included. Staff shall refer to [Military Pay for SNAP Determination](#)

35. Filipino Veteran's Equity Compensation Payments. The American Recovery and Reinvestment Act of 2009 created the "Filipino Veterans Equity Compensation Fund" for certain veterans and the spouses of veterans who served in the military of the Government of the Commonwealth of the Philippines during World War II. These payments are excluded.
36. Achieving a Better Life Experience (ABLE) accounts. Based on the Tax Increase Prevention Act of 2014 ABLE accounts should be excluded as income to determine SNAP eligibility.

The income of all household members who share a living arrangement must be explored, but all household members may or may not be considered in the determination of eligibility and level of benefit. See [Treatment of Income, Resources, and Deductible Expenses of Non-Household Members](#) and [Treatment of Income Resources, Income, and Deductible Expenses of Excluded Household Members](#) to explore the income of non-household or excluded household members.

## F. Determining Income

For SNAP, a prospective method of determining eligibility and allotment is used when considering available income for a household. At the time of application, re-application, or any change in income, a determination of the amount of income considered available for ongoing and future eligibility. Unless it is reasonably certain income will continue, if the amount or when it will be received is uncertain, the portion of the household's income that is uncertain shall not be counted.

Income received during the past thirty (30) days shall be used as an indicator of the income that is and will be available to the household during the certification period. If income fluctuates to the extent that a thirty (30) day period alone cannot provide an accurate indication of anticipated income, a longer period of past time shall be requested to provide a more accurate indication of anticipated fluctuations in future income. Similarly, if the household's income fluctuates seasonally, it may be appropriate to use the most recent season comparable to the

certification period, rather than the last thirty (30) days, as one indicator of anticipated income.

To the extent possible, any fluctuations in income are to be handled to permit the longest SNAP certification period. Past income shall not be used as an indicator of anticipated income when changes in income have occurred or can be anticipated during the certification period. See also [SNAP Income and Budgeting Procedures](#).

Income, which is received annually, or which is an integral part of annual income, will be totaled and prorated over 12 months. Such income is usually earned income and derived from farming or other self-employment enterprises. Income which, by contract or otherwise, could be generally considered as annual income, but which is received in a shorter period of time will be considered as income in the months during which it is intended to cover. An estimated average income from migrant labor, seasonal farm work, or other seasonal employment will be considered during the months' such income is received.

## Supporting Documents

[SNAP Income and Budgeting Procedures](#)

[Child Support Income and Pass-Through Payment](#)

[Consideration of Self-Employment and Contract Workers](#)

[Military Pay for SNAP Determination](#)

[Penalty for SNAP due to Failure to Comply](#)

[24.12 SNAP Resources](#)

[24.20 SNAP Strikers](#)

[Procedures for Household that Contains a Striker](#)

[Treatment of Income, Resources, and Deductible Expenses of Non-Household Members](#)

[Treatment of Income Resources, Income, and Deductible Expenses of Excluded Household Members](#)

[The Work Number and Other Third-Party Payroll Sources](#)

## Retention of Records

*RDA Summary for Policy 24.14 SNAP Income (for internal use only)*

**Definitions/Acronyms**

Term	Definition
N/A	N/A

**Supersedes**

Policy 24.14 SNAP Income, eff. date 09/01/2021

**Approval History**

Approved By	Approver Title	Approved Date	Effective Date
Cherrell Campbell-Street	Deputy Commissioner	01/04/2022	01/04/2022
Clarence H. Carter	Commissioner	08/03/2021	09/01/2021

**Revision History**

Date	Version	Location of Change	Description/Reason for Change
01/04/2022	01/04/2022	Supporting Documents	Added supporting document "The Work Number and Other Third-Party Payroll Sources"
08/03/2021	09/01/2021	N/A-new policy	N/A-new policy

<b>Approved By</b>	<i>Clarence H. Carter</i> 	<b>Approval Date</b>	01/04/2022
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