

**August 25, 2006**

SUBJECT: FSP – Farm Bill Questions and Answers – Set No. 5

TO: All Regional Food Stamp Program Directors

Attached is the fifth set of questions and answers in response to issues raised by States since the issuance of our four earlier sets of questions and answers, clarifying the certification provisions of the Farm Security and Rural Investment Act of 2002, Public Law 107-171, (Farm Bill), which was enacted on May 13, 2002.

Please direct any questions to the contact for your Regional Office in the Certification Policy Branch.

/s/ Patrick Waldron for

Arthur T. Foley  
Director  
Program Development Division  
Food Stamp Program

## **Simplified Reporting and Changes:**

**Question 4109-26:** When a household reports new income, does the State deal with the possibility of a new household member?

**Answer:** Yes. As part of its normal handling of the new information the State would determine whose income it was, whether the income should be counted, and if benefits are affected. In making these determinations the State would inevitably learn whether the income belongs to a new member of the household.

**Question 4109-27:** It is our understanding that any income that belongs to the new household member would not be countable for the original FS household; therefore the household would not be required to report the income. Is our understanding correct?

**Answer:** No, this understanding is not correct. When Simplified Reporting was first implemented some States suggested addressing the issue of the income of new household members by providing the household a chart with the gross income limit of various household sizes. FNS expects households to report when their income exceeds the gross income limits for the household size; however, we do not expect households to know who is a household member and who is not. This is the job of the eligibility worker. Accordingly, we said that the better approach would be to provide the household with the gross income limit for the current household size. Households should be advised to total up the income at the end of the month. If new individuals are present, their income must be included. If individuals have left, their income is not included. If the income of all those present exceeds the original reporting amount, then the household has a duty to report. It is the State agency's responsibility to determine:

- If the new individual is a household member (taking into account that some individuals may require special treatment under 7 CFR 273.11); and
- If the income countable, determine the new household size and new reporting threshold, if the household remains eligible; and
- If the new individual is not a household member, then there's no action for the State agency to take.

There was never any stated or implied policy that the income of new individuals would not be considered until the next redetermination.

**Question 4109-28:** What if the income of the new household member isn't countable? What would the State do when the income has been reported?

**Answer:** Because the State agency is aware that the income that has been reported is from a new household member, the State must act because the addition of the new household member would result in an increase in the food stamp household's benefits.

**Question 4109-29:** What if a Simplified Reporting food stamp household moves into another household that has income? Would a Simplified Reporting household have to report if the household's income exceeds the 130 percent threshold?

**Answer:** Yes. Of course, if the State agency finds that the two households are purchasing and preparing meals separately and that there are no mandatory household members to add to the current food stamp household, no action would be taken.

**Question 4109-30:** We have a State agency that received a wage match that a household member was working and the income exceeded the 130 percent threshold. The State has a waiver to act on all changes. The State agency subsequently discovered that the household member who had been working had moved out of the home and hadn't started working until after he had moved. What, if anything, should the household have reported in this case?

**Answer:** Nothing. Households under Simplified Reporting have no obligation to report the income of those individuals who are no longer part of the household, even if the former household member is still technically receiving benefits. Also, Simplified Reporting households do not have to report changes in household composition. In this case, because the State agency has a waiver to act on all changes, it would remove the household member who no longer lived in the home.

**Question 4109-31:** We have a case where the client got married and didn't report it. The husband's income would have put the household over the 130 percent gross income for the original household size. Since the client is not obligated to report the new household member, can we require the client to report the new household member's income?

**Answer:** Yes. See Question/Answer 4109-27 above.