



Iowa Department of Human Services

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GENERAL LETTER NO. 7-F-87

ISSUED BY: Bureau of Financial, Health and Work Supports
Division of Adult, Children and Family Services

SUBJECT: Employees' Manual, Title 7, Chapter F, **BUDGETING**, pages 10, 12, 13,
and 14, revised.

Summary

Chapter 7-F is revised to:

- ◆ Change maximum gross monthly income limit amounts.
- ◆ Change maximum net monthly income limit amounts.
- ◆ Implement the following changes resulting from the end of the enhanced funding provided by the American Recovery and Reinvestment Act of 2009:
 - Decrease maximum net monthly allotment amounts.
 - Decrease the minimum monthly allotment for eligible one-member and two-member households.

Effective Date

The maximum gross and net monthly income limit increases were effective October 1, 2013.

The maximum and minimum monthly allotment decreases are effective November 1, 2013.

Material Superseded

This material replaces the following pages from Employees' Manual, Title 7, Chapter F:

<u>Page</u>	<u>Date</u>
10, 12	September 28, 2012
13, 14	February 27, 2009

Additional Information

Refer questions about this general letter to your area income maintenance administrator.

3. For households that do not have an elderly or disabled member or are not categorically eligible, compare the household's total gross monthly income with the maximum allowable for the applicable household size. Do not include ineligible members when determining household size.

<u>Household Size</u>	<u>Maximum Gross Monthly Income</u>
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1	\$1,245
2	\$1,681
3	\$2,116
4	\$2,552
5	\$2,987
6	\$3,423
7	\$3,858
8	\$4,294

For each additional person, add \$436

4. Go on to compare income to the net income limit if:
 - ◆ The household's income is equal to or less than the gross income limit, or
 - ◆ The household has an elderly or disabled member.

If neither of these conditions is met, the household is ineligible.

Deductions

Legal reference: 441 IAC 65.23(1)

Policy:

For policies on handling deductions, see 7-E, [DEDUCTIONS](#).

Procedure:

1. Estimate the household's monthly expenses for each month of the certification period.
2. If the household has expenses that are billed on a weekly or biweekly basis, convert them to a monthly amount. To convert the expenses, follow the same method as you do to convert weekly or biweekly income. See [Conversion of Weekly and Biweekly Income](#).

Subtract the excess shelter costs from the result in Step 7. (If the household is subject to the maximum shelter deduction, subtract the excess shelter cost up to the allowed maximum. If the household is not subject to the maximum shelter deduction, subtract the total excess shelter cost.) See 7-E, [Shelter Expenses](#).

9. Net monthly income. This final amount is the household's net monthly income. For households that are not categorically eligible, compare this amount to the maximum allowable for the applicable household size. Do not include ineligible members when determining household size.

<u>Household Size</u>	<u>Maximum Net Monthly Income</u>
1	\$ 958
2	\$1,293
3	\$1,628
4	\$1,963
5	\$2,298
6	\$2,633
7	\$2,968
8	\$3,303

For each additional member, add \$335

10. Go on to determine the household's benefit level as directed under [Calculating Benefit Level](#) if:
 - ◆ The household's income is equal to or less than the net income limits, or
 - ◆ The household is categorically eligible

If neither of these conditions is met, the household is ineligible.

Changing Income Guidelines

Legal reference: 7 CFR 273.10(e)(2)(v)

Policy:

When a household member becomes 60 or begins receiving SSI or a disability payment or an elderly member moves out, this change may affect which income guidelines the household must meet.

Procedure:

Start using the new income guidelines at the next recertification or whenever action is taken on the case.

A four-member household is certified, and eligibility is determined by using both the gross and net income guidelines. The household reports that a member now receives SSI. In the desk review that must be done to include the SSI income, the household must meet only the net monthly income standard.

Calculating Benefit Level

Legal reference: 7 CFR 273.10(e)(2) and (4)

Policy:

Determine the amount of the household's monthly benefits based on the household's net monthly income.

Procedure:

1. Multiply the household's net monthly income by 30 percent.
2. Round the answer up to the next whole dollar (1 through 99 cents round up).
3. Determine the maximum Food Assistance allotment for the applicable household size by using the following chart:

<u>Household Size</u>	<u>Maximum Net Monthly Allotment</u>
1	\$ 189
2	\$ 347
3	\$ 497
4	\$ 632
5	\$ 750
6	\$ 900
7	\$ 995
8	\$1,137

For each additional member, add \$142

4. Next, subtract the 30 percent figure (from Step 1) from the maximum net monthly allotment (from Step 2). The amount after this calculation is the net monthly allotment.

NOTE: For other than the initial month, when households with three or more members have an allotment based on their net monthly income amount that equals zero, deny the household for that month. The reason for denying households that have a zero allotment is that the household's net income exceeds the minimum level for which benefits are issued.

See [Exceptions to Benefit Level](#) for minimum benefits in certain circumstances and [Prorating Initial Month's Benefits](#) for payment for a partial month.

Exceptions to Benefit Level

Legal reference: 7 CFR 273.10(e)(2) and (4)

Policy:

If the household's allotment is not being prorated as an initial month's benefits and is \$1, \$3, or \$5, certify the household for \$2, \$4, or \$6, respectively. For an initial month's prorated benefits, see the next section.

The minimum net monthly allotment for all eligible one-member and two-member households is \$15. In an initial month, prorate this minimum net monthly allotment from the date of application.

Prorating Initial Month's Benefits

Legal reference: 7 CFR 273.10(a)(1) and 273.2(h)(2), 441 IAC 65.35(1)

Policy:

An "initial month" is the first month a household is certified following any break in certification. EXCEPTION: For migrant or seasonal farm worker households, "initial month" means the first month the household is certified following a break in participation of at least one month.

In the initial month of certification, prorate the amount of net monthly allotment (Step 4 of [Calculating Benefit Level](#)), from the date of application through the end of the month.

Determine the amount of the prorated allotment by using the following formula:

$$\begin{array}{l} \text{Net Monthly Allotment} \\ \text{(from Step 4)} \end{array} \times (31 - \text{date of application}) \div 30 = \begin{array}{l} \text{Initial Prorated} \\ \text{Allotment} \end{array}$$

Procedure:

When using the prorating formula, do the following steps:

1. Subtract the date of application from 31
2. Multiply the result of Step 1 times the full month's allotment
3. Divide the result of Step 2 by 30
4. Round the result of Step 3 down to the whole dollar (drop the cents).