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STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

FINAL DECISION

OAL DKT. NO. HPW **02411-25 C.W.**

AGENCY DKT. NO. **C180677020 (UNION COUNTY DIVISION OF SOC. SVCS.)**

Petitioner appeals from the Respondent Agency's termination of Work First New Jersey/Temporary Assistance for Needy Families ("WFNJ/TANF") and Emergency Assistance ("EA") benefits, and challenges the correctness of the Agency's reduction of her monthly Supplemental Nutrition Assistance Program ("SNAP") benefit amount. The Agency terminated Petitioner's WFNJ/TANF benefits because her household income was over the maximum income level for her household size, and terminated Petitioner's EA benefits because she was no longer a WFNJ/TANF benefits recipient. Petitioner's SNAP benefits were reduced due to a change in her household income. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law for a hearing. The hearing in this matter was initially scheduled for May 30, 2025, at which time Petitioner requested an adjournment. The matter was rescheduled for June 9, 2025, at which time Petitioner requested an additional adjournment to obtain counsel. On June 17, 2025, the Honorable Patrice E. Hobbs, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, took testimony, and admitted documents. On June 27, 2025, the ALJ issued an Initial Decision, affirming the Agency's determinations.

No Exceptions to the Initial Decision were received.

As Assistant Commissioner, Division of Family Development ("DFD"), Department of Human Services, I have considered the ALJ's Initial Decision, and following an independent review of the record, I hereby MODIFY the ALJ's Initial Decision and AFFIRM the Agency's determinations, based on the discussion below.

Pursuant to N.J.A.C. 10:90-3.1(c), once initial financial eligibility for WFNJ/TANF is found to exist, financial eligibility continues to exist so long as the total countable income of the WFNJ/TANF, AU (with benefit of the appropriate disregards at N.J.A.C. 10:90-3.8 for earned income) is less than the maximum benefit payment level for the appropriate eligible AU size in accordance with Schedule II at N.J.A.C. 10:90-3.3(b). For an assistance unit of three, the maximum allowable benefit level is \$559. *Ibid.*; see also DFD Informational Transmittal ("DFD IT") No. 19-21.

Only WFNJ cash assistance recipients and Supplemental Security Income ("SSI") recipients are eligible for EA benefits. See N.J.A.C. 10:90-6.2(a).

Here, Petitioner applied for WFNJ/TANF, EA, and SNAP benefits, on behalf of her assistance unit ("AU"), and was approved by the Agency for same on August 1, 2024. See Initial Decision at 2; see also Exhibit R-1. On or about September 6, 2024, D.H., a member of Petitioner's household, began employment. See Initial Decision at 2; see also Exhibit P-1. The Agency thereafter obtained paystubs for D.H. from September, 2024 through December, 2024 which evidenced a gross income of \$3,039 per month, which exceeded the maximum benefit level for WFNJ/TANF benefits of \$559, for an AU of three persons. See Initial Decision at 2-3; see also Exhibit R-1, N.J.A.C. 10:90-3.1(c), -3.3(b),



-3.8(b), and DFD IT No. 19-21. Here, even after applying the applicable income disregard, Petitioner's income exceeds the maximum allowable income level for continued WFNJ/TANF eligibility. Thus, Petitioner is no longer WFNJ/TANF eligible and as a result, she is not eligible for EA benefits because she is not a WFNJ recipient, and as such, the Agency terminated Petitioner's WFNJ/TANF and EA benefits. See Initial Decision at 3; see also Exhibit R-1 and N.J.A.C. 10:90-6.2(a).

Based on the foregoing, the ALJ in this matter concluded that Petitioner is ineligible for WFNJ/TANF benefits because her household income exceeds the maximum benefit level, and that Petitioner is ineligible for EA benefits because she is no longer a WFNJ benefits recipient. See Initial Decision at 3-4; see also N.J.A.C. 10:90-3.3(b), -3.8(b), -6.2(a). Accordingly, the ALJ concluded that the Agency's termination of Petitioner's WFNJ/TANF and EA benefits were proper and must stand. See Initial Decision at 3-4; see also Exhibits R-1. I agree, but modify the Initial Decision to reflect that, as Petitioner was already receiving WFNJ/TANF benefits at the time that D.H. became employed, it is the maximum allowable benefit level standard which is applied, rather than the maximum allowable income standard as stated by the ALJ, which is applied at the time of the assistance unit's initial application for WFNJ/TANF benefits.

As to the SNAP reduction in benefits amount, regulatory authority applicable to SNAP benefits cases, defines income as "all income from whatever source unless such income is specifically excluded." See N.J.A.C. 10:87-5.3.

In order to determine an applicant's eligibility for SNAP, the applicant's income and resources must be below a certain threshold. In accordance with N.J.A.C. 10:87-6.16(d)(1), households which contain an elderly or permanently disabled individual, as defined by N.J.A.C. 10:87-2.34, must meet the net income test for SNAP eligibility. N.J.A.C. 10:87-6.16(d)(2), states that households that do not contain an elderly or permanently disabled household member must meet both the gross income test, as well as the net income test, meaning that the respective income amounts must be below the established standards. See also N.J.A.C. 10:87-12.3, -12.4.

Further, N.J.A.C. 10:87-6.16(b) outlines the procedures used to calculate both gross and net income for SNAP benefits purposes, and the applicable benefit levels, if eligible. The regulation provides that the applicant's monthly net income is determined by adding together all earned and unearned income, then subtracting all income exclusions. Then, the standard deduction, based upon the size of the household, is subtracted from the income.

Thereafter, the household is evaluated to determine if a medical deduction is appropriate, which is if the household has medical expenses that exceed \$35.00. If the household is entitled to a medical deduction, then the amount in excess of \$35.00 is subtracted from the applicant's income. Then, the applicant is evaluated for an excess shelter deduction. Such a deduction is permitted when the individual's shelter costs exceed 50% of their net income. If this deduction is allowable, then the difference between the shelter costs and the 50% net income, or up to the maximum allowable amount, is subtracted from the individual's income. The remaining figure is Petitioner's net income for SNAP benefits purposes. This net income is then compared against the maximum allowable net income amount for the household's size, as outlined at N.J.A.C. 10:87-12.3, to determine eligibility. If eligible, the household's monthly SNAP allotment shall be equal to the maximum food stamp allotment for the household's size, reduced by 30 percent of the household's net monthly income. See N.J.A.C. 10:87-12.6(a)(1).

In this case, following receipt of D.H.'s paystubs, the Agency performed a recalculation of the benefits allotment amount, which resulted in a reduction in benefits from \$744 per month to \$156 per month based upon the household size of three persons. See Initial Decision at 3-4; see also Exhibit R-1 at 28-29 and N.J.A.C. 10:87-6.9. It should be further noted that, when a household's income increases, while all other amounts in the SNAP benefits allotment calculation remain the same (such as shelter costs, utility allowance, standard deduction), the SNAP benefits allotment will decrease. Accordingly, the ALJ found that the Agency's reduction of Petitioner's SNAP benefits allotment in this matter was proper and must stand. See Initial Decision at 4. I agree.

Accordingly, the Initial Decision is hereby MODIFIED, and the Agency's determination is AFFIRMED, as outlined above.

Officially approved final version. July 18, 2025

Natasha Johnson
Assistant Commissioner

