STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

FINAL DECISION

OAL DKT. NO. HPW **06307-26 J.S.**

AGENCY DKT. NO. **S739626009** (**HUDSON COUNTY DEPT OF FAM SVCS**)

Petitioner appeals from the Respondent Agency's denial of Supplemental Nutritional Assistance Program ("SNAP") benefits. The Agency denied Petitioner SNAP benefits contending that Petitioner's countable household income exceeded the maximum permissible level for receipt of said benefits. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law for a hearing. On May 5, 2026, the Honorable Mumtaz Bari-Brown, Administrative Law Judge ("ALJ"), held a plenary hearing, took testimony and admitted documents into evidence. On May 18, 2026, the ALJ issued an Initial Decision, affirming the Agency's determination.

Exceptions to the Initial Decision were received from Petitioner's counsel on May 26, 2026.

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 Initial Decision, REVERSE the Agency's determination, and REMAND to the Agency, based on the discussion below.

Regulatory authority applicable to SNAP benefit cases, defines income as "all income from whatever source unless such income is specifically excluded." See N.J.A.C. 10:87-5.3. "Earned income" is defined, in pertinent part, as "[a]ll wages and salaries received as compensation for services performed as an employee[.]" See N.J.A.C. 10:87-5.4(a)(1). In order to determine an applicant's eligibility for SNAP, the applicant's income and resources must be below a certain threshold. 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. 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, <u>must meet the net income test only for SNAP eligibility</u>. (Emphasis added)

N.J.A.C. 10:87-6.16(b) further 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).

Gross income is determined by adding together the household's monthly earned and unearned income, minus any earned income exclusions. See N.J.A.C. 10:87-6.16(b), (b)(1). That total gross income amount is then utilized to determine a household's SNAP eligibility in accordance with N.J.A.C. 10:87-6.16(d)(1) and (2). The maximum allowable gross income level for a household of two persons for SNAP benefits eligibility, at the time of Petitioner's application, was $3,152. See DFD Instruction ("DFDI") 24-10-04 at 14.

Here, the record reflects that Petitioner applied for SNAP benefits, on behalf of himself, and his spouse, J.S., on August 4, 2025. See Initial Decision at 2; see also Exhibit R-1. The application indicated that Petitioner and J.S. hold both separate and joint bank accounts, and that both receive earned income. Ibid. On August 12, 2025, the Agency interviewed Petitioner and sent a Request for Verification form indicating that Petitioner and J.S. must submit paystubs for the prior thirty days, proof of residence, rent/mortgage receipt, and a utility bill. Ibid. Petitioner provided one paystub, from August 6, 2025, indicating he was paid $660, which the Agency utilized to calculate his monthly income to be $2,859.78 ($660 x 4.333). Ibid. J.S. provided one paystub, indicating she was paid $242, which the Agency utilized to calculate her monthly income to be $1,048.87 ($242 x 4.333). For clarity, I note that the Initial Decision later states that J.S. submitted three weekly paystubs, in the amounts of $572, $269, and $242. See Initial Decision at 6. Combining the two calculated monthly incomes, resulted in a household gross income of $3,909, which exceeded the maximum gross income threshold for a household of two persons, which was $3,152. See Initial Decision at 2; see also DFDI 24-10-04 at 14. I note that the Initial Decision in this matter incorrectly cites a higher amount gross income threshold, which went into effect on October 1, 2025, and which was not in effect at the time of Petitioner's application for SNAP benefits. Based upon the calculated household monthly gross income, the Agency thereafter denied Petitioner's application for SNAP benefits, on the basis that the household's gross income exceeded the permissible gross income threshold. See Initial Decision at 2, 6.

At the time of the hearing, Petitioner testified that both he and his spouse work fluctuating weekly hours. See Initial Decision at 3. Petitioner substantiated such testimony by submitting household income information from January, 2025 to December, 2025, a 2025 W-2 tax form, and proof of shelter expenses. Ibid.; see also Exhibits P-1, P-2. Further, Petitioner contends that the Agency did not correctly apply the standard income deduction, which would have reduced the household's earned income amounts. See Initial Decision at 3; see also Exhibit P-3.

The Agency representative testified that Petitioner's monthly income was calculated based upon the paystubs received, when thirty days of paystubs had been requested, and such calculation indicated that Petitioner was over the gross income threshold of $3,152 for receipt of SNAP benefits, as his household's gross income was determined to be $3,909. See Initial Decision at 4; see also DFDI 24-10-04 at 14.

Based on the foregoing, the ALJ found that Petitioner's household failed to meet the gross income threshold test, which ended the Agency's analysis regarding eligibility for SNAP benefits. See Initial Decision at 3-4; see also N.J.A.C. 10:87-6.16(b), (d)(2) and DFDI 24-10-04 at 14. Accordingly, the ALJ found that the Agency's August 27, 2026, denial of SNAP benefits was proper and must stand. Ibid.

Based upon an independent review of the record, I note that the ALJ in this matter references that Petitioner completed a recertification application for SNAP benefits, however, the application in this matter was an initial application, which is subject to separate regulatory requirements than a recertification application. The Initial Decision is modified to reflect this finding.

Additionally, I note that, due to Petitioner's age, he is considered elderly for SNAP benefits purposes, and therefore only needs to meet the net income test for SNAP benefits eligibility. See N.J.A.C. 10:87-2.34(a)(1) (defining "elderly" as an individual who is 60 years of age or older); see also N.J.A.C. 10:87-6.16(d)(1). Thus, the Agency's denial of SNAP benefits, on the basis that Petitioner exceeds the gross income threshold, is incorrect. However, as the Agency did not complete the full calculations, it is unclear if Petitioner's household would meet the net income threshold.

In order to determine if the household meets the net income threshold, it is necessary to first determine the household's monthly earned income. The record shows that Petitioner, and his spouse, may not have provided the Agency with thirty days of paystubs, as requested; nonetheless, complete information contained on the paystubs submitted was not fully considered when completing the income calculation for the household, and which would have been a more accurate measure of the household's monthly income. More specifically, based upon the information contained on the paystubs submitted, the “Year to Date” (“YTD”) income was indicated, which could have been utilized by the Agency to determine if the monthly earned income calculation generated by the Agency was accurate.

As such, I am remanding this matter to the Agency for evaluation and consideration of YTD income of Petitioner and his spouse, based upon the paystubs previously submitted, as well as the W-2 tax information submitted to the tribunal the time of the hearing. The Agency shall use this information to determine if the previously calculated monthly earned income was, indeed, accurate. If such recalculation, using the YTD income, and compared against the W-2 tax information, reflects the accurate monthly household earned income, then the Agency shall reevaluate whether or not Petitioner and his spouse may be eligible for SNAP benefits, from the date of application. If such eligibility is found, the Agency shall then calculate the payment of the appropriate retroactive benefits. See N.J.A.C. 10:87-8.18. If no such eligibility is found, Petitioner is without prejudice to request another fair hearing on the correctness of such calculation. The Initial Decision is further modified to reflect the above findings.

Accordingly, the Initial Decision in this matter is hereby MODIFIED and the Agency’s determination is REVERSED, and the matter REMANDED to the Agency for further action, as outlined above.

Officially approved final version. July 16, 2026

Natasha Johnson
Assistant Commissioner