

UNITED STATES DEPARTMENT OF AGRICULTURE
FOOD AND NUTRITION SERVICE
 ALEXANDRIA, VA 22302-1500

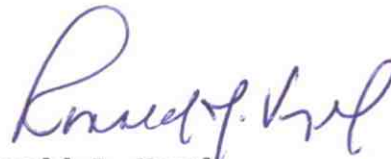
CHANGE TRANSMITTAL	
CHANGE NUMBER: 5	DIRECTIVE IDENTIFICATION AND NUMBER: FNS Handbook 501
DIRECTIVE TITLE: The Food Distribution Program on Indian Reservations	

This change issues the net monthly income standards for the Food Distribution Program on Indian Reservations (Exhibit M-3, effective June 1, 2007).

This change also adds reference to Exhibit M-3 wherever "Exhibit-M" appears in FNS Handbook 501.

PAGE CONTROL CHART

Remove Pages	Dated	Insert Pages	Dated
---	---	Exhibit M-3	5/2007
Page iii	8/2005	Page iii	5/2007
Page 4-1	8/2005	Page 4-1	5/2007
Page 4-8	8/2005	Page 4-8	5/2007
Page 4-15	3/2006	Page 4-15	5/2007



Ronald J. Vogel
 Associate Deputy Administrator
 Special Nutrition Programs

Attachment

DISTRIBUTION: AD, F2, I	MANUAL MAINTENANCE INSTRUCTIONS: Retain and file Change Transmittal in front of directive until further notice. Remove and insert page(s) if applicable.	OPI: FDD-200	6/27/07
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**FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS
NET MONTHLY INCOME STANDARDS FOR ALASKA
(Effective June 1, 2007)**

<u>Household Size</u>	<u>Income Limit</u>
1	\$ 1,250
2	1,604
3	1,959
4	2,313
5	2,667
6	3,024
7	3,378
8	3,732

Each additional member + \$355

Computation of Income Eligibility Standards - The income eligibility limits for each household size are based on the sum of the Food Stamp Program net monthly income limits and the food stamp standard deduction amounts used for Alaska.

Income Deductions - see 7 CFR 253.6(f)

Dependent Care Deduction - The current maximum allowable dependent care deduction is \$200 for each dependent child under 2 years of age, and \$175 for all other dependents.

Earned Income Deduction - Households with earned income are allowed a deduction of 20 percent of their earned income.

Medicare Part B Medical Insurance and Part D Prescription Drug Coverage Premiums - Households that incur the cost of Medicare Part B medical insurance and/or Part D prescription drug coverage premiums are allowed a deduction for the monthly cost of the premiums.

Child Support Deduction - Households that incur the cost of legally required child support to or for a non-household member are allowed a deduction for the amount of monthly child support paid.

EXHIBITS

- A Food Distribution Program on Indian Reservations Plan of Operation Guidance
- B Sample Copy of Form FNS-74
- B-1 Sample Copy of Form AD-1049
- C Sample Copy of SF-269
- C-1 Sample Copy of SF-269A
- D (Reserved)
- E Sample Copy of Form FNS-101
- F (Reserved)
- G Sample Copy of Form FNS-152
- H Principles for Determining Costs Applicable to Administration of the Food Distribution Program on Indian Reservations
- I Sample Copy of SF-424
- J (Reserved)
- K (Reserved)
- L (Reserved)
- M Food Distribution Program on Indian Reservations Net Monthly Income Standards for the Contiguous United States
- M-1 Food Distribution Program Sample Worksheet to Determine Household Claim
- M-2 Sample Demand Letter for Overissuance
- M-3 Food Distribution Program on Indian Reservations Net Monthly Income Standards for Alaska
- N Sample Copy of Form FNS-7
- O Food Distribution Program on Indian Reservations Monthly Distribution Guide Rates by Household Size
- P (Reserved)
- Q Sample Copy of Form FNS-52
- Q-1 Sample Copy of Form FNS-53
- R (Reserved)
- S Sample Copy of Form FNS-57
- T Sample Copy of Form KC-269-A
- U (Reserved)
- V-1 Stacking - Example No. 1
- V-2 Stacking - Example No. 2
- W Identification Card for USDA Donated Foods
- X Sample Issuance Receipt Card for USDA Donated Foods
- Y 7 CFR Part 277
- Z 7 CFR Part 3016

CHAPTER IV ELIGIBILITY CRITERIA

SECTION 1 - DETERMINING HOUSEHOLD ELIGIBILITY

4100 DETERMINING HOUSEHOLD ELIGIBILITY

The following steps will lead to the final eligibility determination of a household.

- A. Establish household composition (membership).
- B. Establish the household's residency on the reservation or status as an Indian Tribal household, if living in a near area.
- C. Determine if the household automatically meets the financial eligibility criteria requirements without testing resources and income (PA, GA, and SSI households).
- D. Determine if the nonassistance household meets financial eligibility criteria requirements:
 1. Test the household's net food distribution resources against the resources standards in paragraph 4400, below.
 2. Test the household's net food distribution income against the food distribution income standards (see Exhibit M for the contiguous United States and Exhibit M-3 for Alaska, attached) for the appropriate household size.

4101 Determining Eligibility and Benefit Level for Households with a Disqualified Member(s)

The disqualified member is not included when determining the household's size for purposes of assigning the level of commodities to be received by the household, or for purposes of comparing the household's net monthly income with the income eligibility standards. See paragraph 4730 for instructions on the handling of the income and resources of a disqualified household member.

SECTION 5 - INCOME**4500 INCOME**

This section defines nonexcluded and excluded income and allowable deductions.

Household income includes all income from whatever source, except for the exclusions listed in paragraph 4540, below. Income is categorized as earned or unearned. The ITO/State agency must count nonexcluded that is reasonably anticipated to be received over the proposed certification period.

4510 BASIS OF NATIONAL INCOME ELIGIBILITY STANDARDS

In accordance with 7 CFR 253.6(e), the income eligibility standards for the Food Distribution Program are the net monthly eligibility standards for the Food Stamp Program, increased by the amount of the applicable standard deduction. The income eligibility standards are adjusted each October 1, as necessary, to reflect changes in the Food Stamp Program income eligibility limits and standard deductions. The income eligibility standards are listed in Exhibit M and Exhibit M-3 of this handbook. Revised exhibits will be provided annually by the appropriate FNS Regional Office.

4511 Income Eligibility Standards for Nonassistance Households

The ITO/State agency must apply the uniform national income eligibility standards for the Food Distribution Program to nonassistance households. Households that are categorically eligible are treated in accordance with the provisions in paragraphs 4310 and 4320, above.

4520 EARNED INCOME

The following types of income are considered earned:

- A. Wages. All wages and salaries of an applicant household. The portion of wages that is garnished for court-ordered support or alimony is considered income (see paragraph 4542.1, below).
- B. Self-employment. The gross income from a self-employment enterprise, including the net profit from the sale of any capital goods or equipment related to the business. Payments from roomers and returns on rental property are considered self-employment income (see paragraph 4720, below).
- C. Training Allowances. Training allowances from vocational and rehabilitative programs sponsored by Federal, State, or local governments to the extent they are not a reimbursement.
- D. Work Study Earnings. College work study earnings are considered earned income, unless excluded by law. Work study programs authorized by Title IV of the Higher Educational Act (20 U.S.C. 1087uu) are excluded; however, some Federal work study programs are not Title IV programs.

4552 Dependent Care

Payments for the actual cost of care for a child or other dependent when necessary for a household member to search for, accept, or continue employment or to attend training or pursue education that is preparatory to employment. This deduction must not exceed the maximum allowable deduction for dependent care costs allowable under the Food Stamp Program in the forty-eight States and the District of Columbia. The allowable dependent care cost per dependent is provided in Exhibit M and Exhibit M-3 of this handbook and will be updated as needed.

Dependent care expenses are only deductible if the service is provided by a non-household member and the household makes a money payment for the service. For example, a deduction is not allowed if another household member provides the care, or compensation for the care is provided in the form of an in-kind benefit such as food.

4553 Child Support

Legally required child support payments paid by a household member to or for a nonhousehold member, including payments made to a third party on behalf of the nonhousehold member (vendor payments). The ITO/State agency must allow a deduction for amounts paid towards overdue child support (arrearages). Alimony payments made to or for a nonhousehold member can not be included in the child support deduction. See paragraph 3539A, above, on verification requirements for the child support deduction.

4554 Medicare Part B Medical Insurance and Part D Prescription Drug Coverage Premiums

- A. The full amount of the Medicare Part B Medical Insurance premium that is withheld from the monthly Federal retirement or disability payment of a household member, or is paid by a household member directly to Medicare. The amount of the Part B premium is adjusted January 1 of each year by Medicare. The current Part B premium amount is available at http://questions.medicare.gov/cgi-bin/medicare.cfg/php/enduser/std_alp.php.
- B. The monthly amount of the Medicare Part D Prescription Drug Coverage premium paid by the household member. The Part D premiums will vary based on the plan selected by the household member. Most Food Distribution Program recipients will pay no premium because of their low incomes.
- C. An income deduction for the Part B or Part D premiums is not allowed in situations where the household member is not required to pay a premium. In some instances, the premiums are paid on behalf of the Medicare beneficiary. Also, a household member may not be a Medicare beneficiary because they receive their health care through the Indian Health Service.
- D. See paragraph 3539B, above, on verification requirements for the Medicare Part B and Part D premiums.