

CASE STUDY 4 INTERVIEW INFORMATION

The 6/25/2008 application by the Martin family listed the following individuals:

| <i>Name</i> | <i>Relationship to Head of Household</i> | <i>Age</i> |
|-----------------|--|------------|
| Joe Martin | Head of H/H | 45 |
| Brenda Martin | Spouse | 32 |
| Patricia Martin | Daughter | 20 |
| Tony Martin | Son | 19 |
| Martha Martin | Mother | 65 |
| Melinda Martin | Granddaughter | 8 mos |
| William Martin | Brother | 39 |
| Wendy Martin | Sister-in-Law | 24 |

- All members share meals. The household resides off-reservation in an approved service area and it is verified that Brenda is an enrolled member of the Forest County Potawatomi Community of Wisconsin.
- Joe works for XYZ Corporation and provided pay-stubs showing gross earnings of \$1,000 every two weeks. He makes court ordered payments totaling \$800 every month to his ex-wife for the general support of their 16 year old son (\$350); for his son's health insurance (\$100 is his son's prorated share of premiums); and for temporary alimony (\$350) until his ex-wife completes dental hygienist training and obtains full-time employment.
- Joe reports \$10,000 in his Individual Retirement Account; total household savings of \$2,650; and combined checking accounts totaling \$250.
- Brenda is unemployed but receives \$300 in per-capita income every month from tribal gaming enterprises. The Tribal Council passed a resolution at the beginning of the year prohibiting per capita income from counting against recipient's eligibility for all Tribal services including FDPIR.
- Patricia is Joe's daughter from his first marriage and moved back in with Joe while she attends community college. Patricia earns gross income of \$800 a month through a college work study program funded under Title IV of the Higher Education Act. Patricia also receives food vouchers valued at \$200 each month for her daughter Melinda under the USDA Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Program. Patricia pays her grandmother (Martha) \$100 per month to watch Melinda two evenings per week while she attends evening classes. Patricia receives no child support from Melinda's father.
- Tony is Joe's son from his first marriage. Tony and Patricia each inherited \$10,000 from their maternal grandparents, but the money is in a trust fund that they will not receive until their 21st birthdays. Patricia will turn 21 in September 2008. Tony is currently unemployed.
- Joe's mother, Martha receives Social Security. Her 2008 award letter states that her gross benefit is \$550 per month. However, \$96.40 of this amount is deducted each month for the Medicare Part B Insurance Premiums.
- Joe's brother William and his wife Wendy moved in with Joe and his family after their home was destroyed by floods. They lived in an area designated by the President as a major disaster. They plan to stay with Joe for at least the next 10 months while their home is being repaired. William and Wendy are retired millionaire movie producers and earn over \$100,000 per year from residuals.

FDPIR ELIGIBILITY WORKSHEET - Case 4

Case Name: Joe Martin

Date of Application: 6/25/2008

I. NONFINANCIAL ELIGIBILITY (✓ if applicable)

1. Household resides on reservation: _____
2. Household resides in approved near/service area: ✓
- a. Is at least one household member recognized as a member of a federally recognized tribe? Yes ✓ No
- b. Name of household member: Brenda Martin
- c. Tribe: Forest County Potawatomi Community of WI

II. NONEXCLUDED RESOURCES (✓)

Applicable Resource Standard:

\$3,000 (2 or more members & at least one is 60 or over) ✓
 \$1,750 (all other households) _____

| | | |
|------------------|----------------|----------------|
| Cash on Hand | \$ _____ | Resources are: |
| Checking Account | \$250 | Over _____ |
| Savings Account | \$2,650 | Under <u>✓</u> |
| Cert of Deposit | \$ _____ | |
| I.I.M. Accounts | \$ _____ | |
| Other | \$ _____ | |
| TOTAL: | \$2,900 | |

III. NONEXCLUDED INCOME

To calculate gross monthly income for earned and unearned income for all household members:

- ♦ Multiply bi-weekly income by 2.15
- ♦ Multiply weekly income by 4.3
- ♦ Multiply monthly income by 1
- ♦ Multiply income received twice a month by 2

A. Earned Income: All wages, work/training allowances, etc.

| Household Member | Employer | Gross Earnings | Gross Amount | Verified | Type of Verification |
|------------------|----------|-----------------|--------------|----------|----------------------|
| Joe Martin | XYZ Corp | \$ 1,000 x 2.15 | = \$2,150 | Yes | 2 paystubs |
| | | \$ x | = \$ | | |
| | | \$ x | = \$ | | |
| | | \$ x | = \$ | | |

1. Total: \$2,150
 2. **TOTAL SECTION A** (line 1 minus 20%, or multiply line 1 by .80) **\$1,720**

B. Unearned Income: Social Security; SSI; TANF; general assistance; foster care payments; child support; interest on savings, stocks, bonds; unemployment; veteran's benefits; per capita payments; etc.

| Household Member | Type of Payment | Amount | Gross Amount | Verified | Type of Verification |
|------------------|-----------------|------------|--------------|----------|----------------------|
| Brenda Martin | per capita | \$ 300 x 1 | = \$300 | Yes | Tribal award letter |
| Martha Martin | Social Security | \$ 550 x 1 | = \$550 | Yes | SS award letter |
| | | \$ x | = \$ | | |
| | | \$ x | = \$ | | |

TOTAL SECTION B **\$850**

C. Student Grants, Scholarships and Loans:

| Household Member | Type of Payment Grant/Loan etc. | Period of Time Funds Intended to Cover (semester/ school year etc.) | Amount | Verified | Type of Verification |
|------------------|---------------------------------|---|----------|----------|----------------------|
| Patricia Martin | work study earnings | to | excluded | Yes | Title IV letter |

1. Tuition and mandatory fees \$
 2. Adjusted Total (Subtract line 1 from amount above) \$
 3. Divide line 2 by the total number of months payment is intended to cover \$
TOTAL SECTION C* **\$0**

* Apply calculation above to other student grants, scholarships and loans and show on attached sheet.

D. Self-Employment: If household has self-employment income, use last year's tax records if available and complete attached self-employment worksheet. Use the following tax schedules (Sch.), as applicable: Sch. C for business income, Sch. F for farm income, Sch. E for rental income & Form 4835 for farm rental income. Otherwise use other proof of self-employment costs and income and enter amounts on attached worksheet under "Other self-employment Income". Complete Self-Employment Section D. If negative amount, enter 0.

| | |
|---|--------------------------------------|
| 1. Total Gross Income | \$ _____ |
| From Self-Employment Worksheet. | |
| 2. Earned Income Deduction (Multiply line 1 x .80) | \$ _____ |
| 3. Net Monthly Self-Employment Income (Divide line 2 by the number of months income is intended to cover to arrive at monthly figure. # of months = _____) | TOTAL SECTION D \$ <u>N/A</u> |

IV. MONTHLY NET INCOME CALCULATION:

| | |
|--|---------------------|
| 1. Earned Income (Total Section A) | \$1,720 |
| 2. Unearned Income (Total Section B) | + \$850 |
| 3. Student Income (Total Section C) | + \$0 |
| 4. Self-Employment Income (Total Section D) | + \$0 |
| 5. Total Income (Add lines 1-4) | = \$2,570 |
| 6. Dependent Care Paid by Household | - \$0 |
| 7. Child Support Paid by Household | - \$450 |
| 8. Medicare Part B&D Premiums Paid by Household | - \$96.40 |
| 9. Household's Monthly Net Income (Subtract lines 6-8 from line 5) | = \$2,023.60 |

V. HOUSEHOLD DETERMINATION: (√)

DENIED - REASON: _____

APPROVED

Categorically eligible

Expedited service

Meets income/resource guidelines

Household not participating in Food Stamp Program

Verified by: Ms. Jones, Jackson County FSP, 6/26/08

Application signed and dated

Household informed of rights and responsibilities

VI. MONTHLY INCOME STANDARDS:

| | |
|---|----------------|
| 1 | \$985 |
| 2 | \$1,275 |
| 3 | \$1,565 |
| 4 | \$1,864 |
| 5 | \$2,178 |
| 6 | \$2,492 |
| 7 | \$2,782 |
| 8 | \$3,072 |

For each additional member add \$290

Household Size: 6

Certification Period: June 2008 to August 2008

Certifier's Signature: Jane Doe 6/27/2008
(date)

Notes: William and Wendy Martin qualify for separate household status because they are evacuees from
a Presidentially declared disaster

Three month certification period due to anticipated change in household circumstances - Patricia
Martin will inherit \$10,000 in September 2008

FDPIR SELF-EMPLOYMENT WORKSHEET
(sample form)

1. Farm Income (Schedule F)

| | |
|---|-------------------|
| a. Line 36 (Net farm profit) | _____ |
| b. Lines 7a & 7c (Loans) | - _____ |
| ¹ c. Lines 8b & 8d (Crop insurance proceeds/disaster payments) | - _____ |
| d. Line 10 (Federal & state gas or fuel tax credit or refund) | - _____ |
| e. Line 16 (Depreciation) | + _____ |
| f. TOTAL Farm Income * | = \$ _____ |

2. Business Income (Schedule C)

| | |
|--|-------------------|
| a. Line 31 (Net profit) | _____ |
| b. Line 6 (Federal and state gas or fuel tax credit or refund) | - _____ |
| c. Line 13 (Depreciation) | + _____ |
| d. TOTAL Business Income * | = \$ _____ |

3. Supplemental Income (Schedule E)

| | |
|---|-------------------|
| ² a. Line 3 (Rents received) | _____ |
| b. Line 19 (Only expenses related to rental income) | - _____ |
| c. Line 20 (Depreciation) | + _____ |
| d. TOTAL Supplemental Income * | = \$ _____ |

4. Farm Rental Income/Expenses (Form 4835)

Note: Only refer to Form 4835 IF income is reported on Schedule E, line 39)

| | |
|---|-------------------|
| a. Line 32 (Net farm rental income) | _____ |
| b. Lines 4a & 4c (Loans) | - _____ |
| ¹ c. Lines 5b & 5d (Crop insurance proceeds/disaster payments) | - _____ |
| d. Line 6 (Federal and state gas or fuel tax credit or refund) | - _____ |
| e. Line 12 (Depreciation) | + _____ |
| f. TOTAL Farm Rental Income * | = \$ _____ |

5. Other Self-Employment Income (No tax forms submitted)

| | |
|--|-------------------|
| a. Gross Income | _____ |
| b. Expenses | - _____ |
| c. Depreciation | + _____ |
| ³ d. Other | + _____ |
| e. TOTAL Other Self-Employment Income * | = \$ _____ |

TOTAL SELF-EMPLOYMENT INCOME

(Add lines 1f, 2d, 3d, 4f and 5e. Enter total on Section D, line 1.) \$ _____

Footnotes:

- 1 Crop insurance proceeds are excluded from income if they are paid as a nonrecurring lump-sum payment. If paid in installments, proceeds are counted as income.
- 2 If royalty income is reported on line 4, it should be considered unearned income and averaged over a 12-month period.
- 3 Other unallowable expenses include payments on principal of purchase price of income-producing real estate, capital assets, equipment etc., net losses from previous periods, federal/state/local income taxes, money set aside for retirement purposes, and other work-related personal expenses, such as transportation to and from work.

* If total is a negative amount, enter -0-

CASE STUDY 4 MARTIN SOLUTION NOTES

Categorical Eligibility: No

Expedited Service: No

Household Composition: 6-person household

- William and Wendy Martin may be considered a separate household in accordance with FNS Policy Memo FD-063 (dated December 4, 2006), which states that evacuees of a Presidential declared disaster may choose to reside with a host family until they can return to their own homes. These evacuees may be considered separate households for the purpose of determining eligibility for FDPIR benefits. The host family must separately meet eligibility requirements in order to receive program benefits.
- While no household may participate simultaneously in both the Food Stamp Program and FDPIR, regulations do not prohibit participation in other FNS programs such as WIC. Therefore, Patricia may participate in both WIC and FDPIR.

Resources:

- Joe's \$10,000 Individual Retirement Account (IRA) is excluded per paragraph 4431 of FNS Handbook 501, which excludes the cash value of pension funds, including IRAs, as long as the funds remain in the pension plan.
- All of William and Wendy's assets are excluded since they are considered a separate household.
- Tony's and Patricia's inheritance would not be counted as a resource until the money is received.

Income:

- Joe's gross monthly income is \$2,150 per month ($\1000×2.15).
- Patricia's work study earnings are excluded per paragraph 4520 of FNS Handbook 501 because her work study is authorized by Title IV of the Higher Education Act.
- Brenda's \$300 per capita monthly income is counted as unearned income. The national income, resource, and non-financial eligibility criteria for applicants in FDPIR are set by FNS and cannot be changed by a Tribe or State.

Deductions:

- The dependent care paid by Patricia to Martha is not deductible since it is paid to another household member (FNS Handbook 501, paragraph 4552).
- The household is allowed to take a child support deduction of \$450 per month for the \$350 in general child support and the \$100 for health care premiums paid by Joe to his ex-wife. The alimony payments of \$350 per month are not allowable deductions per FNS Handbook 501, paragraph 4553.
- FNS Handbook 501, paragraph 4554, allows a deduction for Medicare Part B premiums that are withheld monthly from Social Security payments. Therefore, the household gets a Medicare Part B Premium deduction of \$96.40.

Eligibility Determination and Certification Period:

- The household is eligible as a household size of 6.
- Patricia will receive her \$10,000 inheritance in September 2008. Also, Tony's employment status may change. So a 3-month certification period would be appropriate for this household.