



JUL 16 2008

**United States
Department of
Agriculture**

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

SUBJECT: Implementation of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246) – Food Distribution Program on Indian Reservations (FDPIR).

On June 18, 2008, the Food, Conservation, and Energy Act of 2008 (the Farm Bill) was enacted into law. Section 4211 of the Farm Bill authorizes appropriations for FDPIR through 2012. The purpose of this memorandum is to implement the provisions of the Farm Bill that relate to FDPIR.

Pay Received by Military Personnel as a Result of Deployment to a Combat Zone

Pursuant to Public Law 110-161, the Consolidated Appropriations Act, 2008, on February 19, 2008, we issued Policy Memorandum FD-042, Pay Received by Military Personnel as Result of Deployment to a Combat Zone, which provided that most additional pay received by military personnel due to a deployment to a combat zone is excluded as income to applicant and participant households through September 30, 2008. Section 4101 of the Farm Bill makes the exclusion of such pay permanent beginning October 1, 2008. For information as to how combat pay is determined for FDPIR certification purposes, please refer to the February 19, 2008 Policy Memorandum FD-042.

Removal of Dollar Limit on Dependent Care Deduction

In accordance with FDPIR regulations at 7 CFR 253.6(f)(2) and paragraphs 3539 and 4552 and Exhibit M of FNS Handbook 501, households receive a deduction for the actual costs for the care of 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. However, such costs cannot exceed the maximum allowable deduction under the Food Stamp Program, which is currently \$200 for dependent children under 2 years of age, and \$175 for all other dependents.

Effective October 1, 2008, Section 4103 of the Farm Bill removes the cap on the maximum allowable deduction for dependent care costs under the Supplemental Nutrition Assistance Program (the renamed Food Stamp Program). Therefore, effective October 1, 2008, FDPIR households can claim the actual allowable dependent care expenses for each child or other dependent. Households can only claim dependent care expenses as a deduction if dependent care is provided by a non-household member and a money payment is made for the service.

FDPIR regulations and FNS Handbook 501 will be amended to incorporate these legislative provisions in the near future.

FDPIR Farm Bill Implementation

Page 2

Should you have any questions concerning provisions of the Farm Bill that relate to FDPIR, please contact Theresa Geldard or Nancy Theodore at (703) 305-2662.

A handwritten signature in cursive script that reads "Cathie McCullough".

Cathie McCullough

Director

Food Distribution Division