

February 13, 2026

**GENERAL LETTER NO. 7-E-126**

ISSUED BY: Bureau of Financial, Food, and Work Supports  
Division of Community Access and Eligibility

SUBJECT: Employees' Manual, Title 7, Chapter E, **SNAP Income** , 1, 8, 10-12, 18, 20, 31, 35, 38, 42 and 43, 48, 52, 54 and 55, 57, revised.

**Summary**

This chapter is revised to

- Update IAC and CFR citations
- Update the 10/1 changes in standard medical deduction, standard deduction, maximum shelter deduction, homeless deduction, and standard utility deductions

**Effective Date**

Upon receipt.

**Material Superseded**

Remove the following pages from Employees' Manual, Title 7, Chapter E, and destroy them:

<b>Page</b>	<b>Date</b>
1, 8, 10-12, 18, 20, 31, 35, 38, 42 and 43, 48, 52, 54 and 55, 57	September 27, 2024

**Additional Information**

Refer questions about this general letter to your eligibility determinations manager.

---

---

## **Overview**

This chapter describes:

- [Income verification requirements.](#)
- [Types of income that are counted for SNAP.](#)
- [Deductions allowed from the income.](#)

Use this chapter in conjunction with [7-F, Budgeting](#) and [7-I, Specific Households and Participants](#) to determine eligibility and benefit levels.

## **Income Verification Requirements**

Legal reference: 7 CFR 273.2(f)

Households must verify all gross countable income except Family Investment Program (FIP) grants. Types of verification include:

- [Form 470-2844](#) or [470-2844\(S\), Employer's Statement of Earnings](#)
- Wage stubs
- Statements from the employer
- Award letters
- Self-employment records or tax forms
- Legal documents
- Bank statements
- Household's records of tip income

NOTE: Do not use WAGE screens as verification. Past quarterly income cannot be used to determine a monthly amount for a projection.

Verify gross countable income:

- At application,
- At recertification,
- When new income is reported, and
- When income changes.

When a source other than a household member fails to cooperate in supplying needed verification and no other source is available, determine the amount of income based on client-provided information. Do this only as a last resort. Document verification or why information was not verified. See [7-B, Verification](#) for a list of people who are considered part of the household for verification purposes.

**Contract Income  
(Cont.)**

Household members who own a business can work under contract to customers of their business. This contract income is self-employment. See [7-I, Self-Employed Households](#).

Some employers may call their employees subcontractors to reduce expenses or the demand for benefits. This income is treated as wages. See [Wages](#).

For property sold on contract see, [7-I, Self-Employed Households: Income: Property Sold on Contract](#).

**Corporation Income**

See [7-I, Corporations](#).

**Costs Withheld  
from Unearned  
Income**  
(Excluded)  
Public Law 107-171

Exclude any reasonable income-producing costs withheld from gross unearned income. "Costs" are the amount actually spent to produce the income, rather than the amount owed. The net amount remaining after deducting these costs is counted as unearned income. This includes, but is not limited to:

- Agency fees withheld from child support or alimony payments, and
- Attorney fees withheld from workers' compensation.

**Crime Victim  
Payments**  
(Excluded)  
273.9(c)(10)  
Public Law 103-322

Exclude payments received from a crime victim compensation program that is funded by the Crime Victims fund under Public Law 103-322.

**Debts Owed to a  
Household**  
(Excluded)  
7 CFR 273.9(b)

Do **not** count the principal portion of payments made to the SNAP household to repay a loan or promissory note. See [Interest Income](#) if the household is getting an interest payment.

**Disability Benefits**  
(Unearned or  
Earned)  
7 CFR 273.9(b)(1)  
and (2)

Count an employee's disability benefits as unearned income, excluding any costs or taxes withheld, when the payment comes from an insurance company.

Count an employee's sick leave or disability payments as earned income when they are paid out of the employer's funds.

**Energy Assistance**  
(Excluded)  
7 CFR 273.9(c)(11)

Exclude payments or allowances made under any federal law for providing energy assistance. Examples of excluded payments are:

- The Department of Health and Human Services' Low-Income Home Energy Assistance Program. The Affordable Heating Program is one of these. See [Low-Income Home Energy Assistance Program \(LIHEAP\)](#).
- The Department of Housing and Urban Development (HUD), even if the payment is received directly by the participant.
- The Farmers Home Administration (FmHA).

**Experience Works Income**  
(Excluded)  
7 CFR 273.9(c)(10)

Exclude income received through the Experience Works program (formerly known as Green Thumb) that is funded in part through Title V of the Older Americans Act of 1965. (Experience Works program one of several program funded under this legislation. See [Income Excluded by Federal Statute](#).)

**Family Investment Program (FIP) Payments**  
(Unearned or Excluded)  
7 CFR 273.2(j)(1)(iv)

Count FIP payments as unearned income. If two FIP payments are received in one month because a holiday falls on the first of a month, count each payment for the month for which it is intended.

If the household received FIP payments **after** the month for which they were intended, exclude them as a nonrecurring lump sum. (See [Lump Sum \(Nonrecurring\)](#).)

**Family-Life Home Payments**  
(Excluded or Unearned)  
7 CFR 273.9

When an adult who is receiving a family-life home payment, is **not** included in the SNAP household, exclude the family-life home payment.

If an adult who is receiving a family-life home payment **is** included in the SNAP household, count the family-life home payment as unearned income. See [7-C, Household Composition: Family-Life Homes](#).

**Family Self-Sufficiency Grants**  
(Excluded)  
7 CFR 273.9(c)(5)

Exclude PROMISE JOBS payments through Family Self-Sufficiency Grants as reimbursements for employment related expenses.

**Family Support Subsidy**

(Unearned)  
7 CFR 273.9(b)(2)(i)

Count Iowa Family Support Subsidy payments as unearned income. The Department issues these payments to families with children who have special educational needs due to a physical disability or mental retardation.

The program is administered through the Division of Behavioral, Developmental, and Protective Services for Families, Adults, and Children.

**Financial Assistance for Education or Training**

See [7-I, Students: Income](#).

**Focus Group, Survey or Study Income**

(Earned, Unearned, or Excluded)  
7 CFR 273.9(b)(1) and (2), 273.9(c)(5)

Count as income payments received for participation in a focus group, survey, or study unless the payment is a reimbursement or paid in the form of a store-specific gift card. Gift cards that are not store-specific, such as MasterCard® or Visa® cards, can be used like cash and are therefore countable as income.

Whether it is considered earned or unearned income depends on how the payment is described by the entity providing it. (Also see [Welfare Reform Evaluation Payments](#).)

Exclude income when there is no way to predict the month it will be received. If you can predict the month income will be received but the amount is uncertain, count only the amount that is certain.

**Food Programs**

Exclude as income the value of:

- Commodities donated by the U.S. Department of Agriculture.
- Assistance to children in the School Lunch Program, the Summer Food Service Program for Children, the Commodity Distribution Program, and the Child and Adult Care Food Program provided under the National School Lunch Act.

Food Programs  
(Cont.)

- The assistance given to providers of care is counted as self-employment income. See [7-I, Self-Employed Households](#).
- Benefits received under Title III-C, Nutrition Program for the Elderly, of the Older Americans Act of 1965, such as the Congregate Meals Program administered through the Iowa Department of Elder Affairs.

**Foster Care Payments**  
(Unearned or Excluded)  
7 CFR 273.9(b)

When a foster child is included in the SNAP household, count the foster care payment as unearned income. When a foster child is **not** included in the SNAP household, exclude the foster care payment. See [7-C, Household Composition: Foster and Pre-Adoptive Children](#).

See [Preparation for Adult Living \(PAL\) Stipends](#) for children aging out of foster care.

**Gambling Winnings**  
(Unearned)  
7 CFR 273.9(b)(2)

Count winnings from gambling as unearned income. Do not offset the winnings with any amount lost.

Exclude income when there is no way to predict the month it will be received. If you can predict the month income will be received but the amount is uncertain, count only the amount that is certain.

**General Assistance or Relief**  
(Unearned or Excluded)  
7 CFR 273.9(c)(1)(ii)

General assistance includes assistance such as general relief, veterans assistance, and Indian relief.

- Exclude general assistance when it is a loan.
- Count general assistance paid out in cash as unearned income.
- Count a general assistance vendor payment as income unless it is for medical, child care, or energy or utility costs, including payments made under the Low Income Home Energy Assistance Program (LIHEAP).
- Exclude housing assistance for households living in temporary housing. (This applies only if the temporary housing does not have cooking or refrigeration facilities for the household.)

In-Home Health-Care Payments (Cont.)	<p>If the income of the household member receiving the care pays for part of the care (client participation):</p> <ul style="list-style-type: none"><li>▪ Count this as earned income to the household member providing the care when the person receiving the care and the person providing the care are not in the same SNAP household.</li><li>▪ Exclude this as income to the household member providing the care when the person receiving the care is in the same SNAP.</li></ul>
<b>In-Kind Benefits</b> (Excluded) 7 CFR 273.9(c)(l)	<p>Exclude any nonmonetary or in-kind gain or benefit provided directly to the household, such as meals, free rent, clothing, public housing, or produce from a garden.</p> <p>Also exclude any in-kind benefits converted to a direct cash payment, when approved by a federally authorized demonstration project. Working off rent is an in-kind benefit. Do not count the value of free rent as income, and do not allow it as a deduction.</p>
<b>Insurance Settlements</b> (Excluded) 7 CFR 273.9(c)(8)	<p>Exclude from income all money received from nonrecurring lump-sum insurance settlements.</p>
<b>Interest Income</b> (Excluded and Unearned) 7 CFR 273.9(b)(2)(v), 273.9(c)(2)	<p>When the time of receipt and the amount of the interest can be anticipated, count it as unearned income.</p> <p>If either the time of receipt or the amount of interest cannot be anticipated, do not count the portion that is uncertain.</p> <p>For most passbook accounts, the time the bank credits the interest can be anticipated, but the amount of the interest cannot be anticipated. The owner can change the amount of money in the account at any time.</p> <p>Prorate interest income that can be anticipated by dividing the amount anticipated during the certification period by the number of months in the certification period.</p>
<b>Irregular Income</b> (Excluded in part) 7 CFR 273.9(c)(2)	<p>Exclude up to \$30 of income per federal fiscal quarter when the income is received too infrequently or irregularly to be reasonably anticipated.</p>

**Kinship Caregiver Payments**

(Unearned or Excluded)  
7 CFR 273.9(b)(2)

Treat kinship caregiver payments the same as foster care payments. See [Foster Care Payments](#).

**Legally Obligated Money**

(Earned or Unearned)  
7 CFR 273.9(b) and (c)(1)(iv)

Legally obligated money includes money such as wages earned by a household member, a public assistance grant to which the household is legally entitled, and support or alimony payments that legally must be paid to a household member.

When legally obligated money is earned, count it as earned income. When it is unearned, count it as unearned income. Count legally obligated money when it is garnished or diverted by the provider of the payment to a third party for a household expense. Do **not** exclude it as a vendor payment.

Legally obligated money is different from a vendor payment because legally obligated money belongs to the household. If the money was not diverted, the household would get it. Vendor payments are made with money that does not belong to the household.

Public assistance or general assistance payments that are potentially available to all eligible households are considered legally obligated and therefore counted as income. An example is a program that has a standard, basic allowance or component.

Assistance financed by state or local funds that is provided over and above the amount available to all eligible households is considered emergency or special assistance. It is **excluded** as income if provided to a third party on behalf of the household.

Count money received through a program that is not composed of various standards, allowances, or components, but rather provides assistance on an as-needed basis. However, do not count assistance that is provided as a loan.

**Taxes Withheld from Unearned Income**  
(Excluded)  
Public Law 107-171

Do not count taxes (such as FICA, state, and federal income taxes) that are actually withheld from non-government sources of unearned income. Count the net amount of income after the taxes were withheld.

Do count taxes withheld from regular payments from a government source, such as unemployment insurance benefits and Social Security.

Some types of unearned income may be taxable but do not have taxes withheld. Do not allow a deduction when taxes are not withheld.

**Tips**  
(Earned)  
7 CFR 273.9(b)(1)

Count tip income as earned income. Household members should keep a calendar record of all tips they receive.

Accept verification such as:

- Pay stubs
- Employer's statement
- Employee's statement

**Training Allowances**  
(Earned or Excluded)  
7 CFR 273.9(b)(1)(iii)

Count training allowances from vocational and rehabilitative programs recognized by federal, state, or local governments as earned income, as long as they are not a reimbursement. (Reimbursements are excluded.)

**Tribal TANF Payments**  
(Unearned or Excluded)  
7 CFR 273.9(b)(2)

Count Tribal TANF payments as unearned income. Exclude any retroactive payments as a nonrecurring lump sum. See [Lump Sum \(Nonrecurring\)](#). See [7-A, Definitions](#) for information about other policies that apply to recipients of Tribal TANF payments.

**Trust Income**  
(Excluded or Unearned)  
7 CFR 273.9(b)(2)(vi)

If a trust is inaccessible to the household and therefore excluded as a resource, count any money withdrawn from that trust as unearned income.

If trust income is used to pay expenses like rent or mortgage directly to a third-party on behalf of the household, count the payment as unearned income. Do not exclude it as a vendor payment. If such payments cover what would otherwise be a deductible expense, allow the household a deduction since you are counting the payment as income.

If the payment from a trust that is inaccessible and therefore excluded as a resource is a reimbursement, exclude the money that is a reimbursement. See [Reimbursements](#).

**Workforce  
Innovation and  
Opportunity Act**

(Earned or Excluded)  
7 CFR 273.9(b)(1)(iii)  
and 373.9(b)(1)(v)  
DPL 00-04 Att 6

The Workforce Innovation and Opportunity Act (WIOA) was formerly known as the Workforce Investment Act (WIA) and the Job Training Partnership Act (JTPA). Payments include:

- On-the-job training earnings (**Earned**)

Count WIOA on-the-job training earnings received as earned income. These earnings include monies paid by WIOA and monies paid by the employer. WIOA sets the definition of these programs.

EXCEPTION: Exclude WIOA on-the-job-training earnings of household members under age 19 who are under the parental control of an adult household member. Apply this exclusion regardless of school attendance or enrollment.

- Other WIOA allowances (**Excluded**)

Exclude all payments for living allowances, education, or other purposes that participants get for participating in WIOA programs.

## **Deductions**

This section deals with the expenses a household can deduct from its countable income. Allow deductions only for the household expenses listed in this section.

The following sections explain:

- [Deduction verification requirements](#)
- [Handling deductions](#)
- [Child and dependent care deduction](#)
- [Child support payment deduction](#)
- [Earned income deduction](#)
- [Medical expense deduction](#)
- [Shelter deduction](#)
- [Standard deduction](#)
- [Standard utility allowance](#)

### **Deduction Verification Requirements**

Legal reference: 7 CFR 273.2(f)

Households must verify deductible expenses in order to receive the deduction. These include:

- Child and dependent care expenses
- Child support payments

### **Averaging Expenses**

Legal reference: 7 CFR 273.10(d)(3), (4), and (5)

Households may choose to have fluctuating expenses averaged. If a household chooses to do this, average expenses as follows:

- **One-time expenses.** Households can choose to have one-time-only expenses used once or averaged over the entire certification period in which they are billed.

A local assessment is a one-time only expense. A household certified for January, February, and March that receives a local assessment in January may elect to have that bill averaged over the three-month certification period.

- **Ongoing expenses.** When expenses are billed less often than monthly but have regularly scheduled billings or a regularly scheduled due date, average them forward over the interval between the billings.

Mr. T is billed \$600 every six months for property taxes. Allow a deduction of \$100 per month ( $\$600 \div 6$  months).

When there is no scheduled interval between the billings, average the expense forward over the period of time the expense is intended to cover. This may be a longer period of time than the certification period.

Homeless households who incur shelter or utility expenses related to their living arrangement, but who opt to receive the homeless standard deduction are not required to provide verification of those costs.

### **Child and Dependent Care**

Legal reference: 7 CFR 273.9(d)(4), 273.10(d)(1)(ii)

Deduct child or dependent care costs that allow a household member to:

- Look for work.
- Attend training or education to prepare the person for work.
- Accept a job or continue working. (It does not matter if the income from that job is counted or excluded.)

Do not allow a child care expense if:

- Another household member provides the care.
- The care is paid for by some in-kind benefit, such as food.
- The expense is covered by an excluded reimbursement or excluded vendor payment. This includes reimbursement by an employment and training program.

### **Standard Medical Deduction**

Legal reference: 7 CFR 273.9(d)

Households choosing the standard medical deduction will receive a deduction of \$175. To be eligible for the standard medical deduction:

- At initial application, the household must **verify** that it has qualifying medical expenses in excess of \$35 per month.
- At recertification, the household must **declare** that it still has medical expenses in excess of \$35 per month. Declaration is a verbal statement, or written statement on a desk RRED, and no further verification is required. Document the household's statement in the case file.

Although the standard medical deduction is not mandatory, households with qualifying medical expenses between \$35.01 and \$210 monthly are likely to choose the standard due to the ease of verification. Any household that chooses the standard and verifies \$35.01 in monthly qualifying expenses will receive the \$175 deduction.

Households with medical expenses in excess of \$210 have the option of verifying and claiming actual medical expenses or taking the standard deduction.

It is important that households understand that the more deductions they have, the more benefits they will receive. However, some households may still choose the standard due to the ease of the verification process. Work with households to ensure that they receive the most beneficial medical expense deduction for their situation.

Document in the case file the household's choice of actual medical expenses or the standard medical deduction. This is especially important in cases where the standard is chosen even though verification of actual expenses would entitle the household to more benefits.

Households may switch between using actual expenses or the standard medical deduction at any time. Although not required to report changes in medical expenses during the certification period, a household may report new medical expenses that would make them eligible for the standard or make the use of actual expenses more beneficial. When this happens, act on the changes.

1. Household A applies for SNAP on October 15. A disabled member of the household has medical expenses of \$33 per month. Since the expenses do not exceed \$35, no medical expense deduction is allowed.  
  
In December, Household A calls and reports that the disabled member now has monthly prescriptions costs of \$50. As long as the household provides verification that the monthly expenses are at least \$35.01, the household can receive the standard medical deduction for the remainder of the certification period.
2. Household B applies for SNAP on December 10. A disabled member of the household has medical expenses of \$75 per month. Since the expenses exceed \$35, the household chooses to receive the standard medical deduction of \$175.  
  
In February, Household B reports that the disabled member now has monthly medical expenses of \$275. If the household verifies this information, the household can receive a deduction for actual expenses of \$240 (\$275 - \$35) for the remainder of the certification period.

### **Allowable Medical Expenses**

Legal reference: 7 CFR 273.9(d)

Allow the following medical expenses:

- Medicare premiums, Medicaid premiums, and any cost-sharing or spenddown expenses incurred by Medicaid members.
- Medical and dental care, including psychotherapy, rehabilitation services, and acupuncture provided by a licensed practitioner authorized by state law or another qualified health professional.
- Hospitalization or outpatient treatment, nursing care, and nursing home care provided by a facility recognized by the state.
- Prescription drugs when prescribed by a licensed practitioner authorized under state law. Use an average of anticipated cost, a per-dose method, or other reliable method to determine the cost of prescription drugs. Be sure to document the method you used in the case file.
- Mailing costs associated with the filling of prescriptions.
- Over-the-counter medication (including insulin and vitamins) that cannot be purchased with SNAP, when approved by a licensed practitioner or another qualified health professional.
- Medical supplies and prescribed equipment (including rental equipment).
- Dentures, hearing aids, and prosthetics.
- Eyeglasses prescribed by a physician skilled in eye disease or by an optometrist.

## **Shelter Expenses**

Legal reference: 7 CFR 273.9(d)(6)

Households receive a deduction for monthly shelter costs that are more than 50% of their income after all other deductions. The maximum monthly shelter deduction, including utilities, is \$744 for households that do not include an elderly or disabled member. If a household includes an elderly or disabled member, there is no maximum amount.

The Automated Benefit Calculation (ABC) system allows the appropriate shelter deduction based on coding entered on the TD02 screen, SNAP TEST field. Enter code "N" if the household includes at least one elderly or disabled member. When code "N" is entered, ABC does not limit the amount of monthly shelter deduction.

See [7-I, Income and Deductions of Ineligible Household Members](#) for how to treat shelter costs for households whose only elderly or disabled person is an ineligible member. When a client is living in a residential care facility and the facility can separate out the charges for room cost, allow this cost as a shelter expense. If the facility cannot separate out the room cost, subtract the maximum SNAP allotment from the facility's total monthly charge for that household. Allow the difference as the household's monthly shelter cost.

If a shelter expense is covered by reimbursement or vendor payment that is excluded as income, do not allow the expense as a shelter deduction. If the reimbursement or vendor payment excluded as income is only for a portion of the shelter expense, allow the portion not covered by the payment as a shelter expense.

The following sections discuss allowable shelter deductions related to maintaining the dwelling. This includes information on the homeless standard deduction, available to households in which all members are homeless. (The utility component of shelter costs is discussed under [Standard Utility Allowances](#).) They include:

- [Tax and insurance costs.](#)
- [Rent, mortgages, and continuing charges.](#)
- [Condominium or association fees.](#)
- [Repair or replacement costs.](#)
- [Shelter costs for two residences.](#)
- [Costs of an unoccupied home.](#)
- [Separate costs for a shared living arrangement.](#)
- [Homeless standard deduction](#)

See [7-I, Self-Employed Households: Deductions](#) for information on shelter deductions for self-employed households.

- No one else living there is claiming shelter costs for SNAP purposes.
- The household plans to return to the home.
- The home is not leased or rented during the household's absence.

If a household claims expenses for an unoccupied home and a current home, allow the highest applicable utility standard for the expenses at either home.

### **Shared Living Arrangements**

Legal reference: 7 CFR 273.9(d)(6)

When separate SNAP households share rent, and one household gives its share of the rent to the other who then pays the landlord, give each household a deduction for its part of the rent. Do not count the pass-through rent payment as income unless the payment is more than the full rent charged for the residence. Any excess would be considered unearned income to the household receiving the payment.

Aaron and Ben share rent and are two different SNAP households. Total rent is \$500, each pays \$250 and each gets a \$250 shelter deduction.

Aaron gives Ben his \$250 to turn in to the landlord for him. Aaron's \$250 is not countable as income to Ben.

### **Homeless Standard Deduction**

Legal reference: 7 CFR 273.9(d)(6)(i)

A household in which all members are homeless, as defined in [7-A](#), is eligible for a homeless standard deduction. A household is not entitled to this deduction if they are receiving free shelter throughout the month. To be eligible for the homeless standard, the household must be responsible for shelter or utility expenses related to their current living arrangement. A household that chooses the homeless standard deduction:

- Is not required to verify their shelter-related expenses
- Is not also eligible to receive a shelter or utility deduction

The homeless standard deduction is \$198.99. The homeless standard is treated differently than a shelter expense deduction when calculating benefits. It is a standard amount directly deducted from net income, unlike shelter and utility deductions which are only realized if costs exceed 50% of net income. See [7-F, Net Income Limit](#).

Homeless households that have qualifying shelter expenses must be made aware of their option to choose between the standard deduction and actual shelter expenses.

4. Julie is homeless and stays with friends. They do not charge her any rent, but she must pay half of the utility bill (including heat). Since this is an expense of residing with her friends, she is entitled to choose between the homeless standard or the big SUA. Julie has some income, and SPAD shows that use of the big SUA as a utility deduction would result in slightly higher benefits than the homeless standard. Julie states she wants to use actual expenses, so you request verification of the utilities she is responsible for.

Julie does not return the verification of the utility expense by the due date. Therefore, no utility deduction is allowed. In addition, since she **chose** to use actual, she is not entitled to the homeless standard.

Two weeks later, Julie contacts you and says she was not able to get verification of the utility expense and she would rather get the homeless standard. Document this change in the case and allow the homeless standard starting with the next benefit month.

5. Rick is homeless and stays with friends. They charge him \$50 to stay on their couch. He does not have a phone or pay any utilities. Since the homeless shelter deduction is larger than his actual expenses, explain this option to him. Assuming he wants to use the standard, no further verification of his shelter costs is required. Document the case with his choice and allow the homeless standard.

**REMINDER:** A homeless person who is temporarily residing in the home of another person is only considered homeless for the first 90 days. After living with someone for more than 90 days, it is no longer considered temporary and therefore the person is not homeless ([7-A](#)). When processing an application for someone who is staying with friends, you will need to clarify that they have been there less than 90 days before allowing the homeless standard deduction. Households are not required to report address changes. However, if the situation has not changed at the next certification, the household would no longer qualify for the homeless standard deduction.

### **Standard Deduction**

Legal reference: 7 CFR 273.9(d)(1)

Allow a standard deduction for the applicable household size by using the following chart:

Household Size	Standard Deduction
1	\$209
2	\$209
3	\$209
4	\$223
5	\$261
6+	\$299

### **Standard Utility Allowances**

Legal reference: 7 CFR 273.9(d)(6)

Households who are responsible for utility expenses are eligible for a standard utility allowance. EXCEPTION: Households choosing the homeless standard deduction are not entitled to a utility allowance. There are three standard utility allowances:

- The “big” standard utility allowance (with heating or air conditioning).
- The “little” standard utility allowance (no heating or air conditioning).
- The telephone standard utility allowance.

Any one household can have only one standard utility allowance. Households may have their utility bills placed under non-household members’ names for a variety of reasons. Allow these bills as an expense to the SNAP household as long as the household verifies that it is responsible for the bills.

The following sections explain:

- [Big standard utility allowance](#)
- [Little standard utility allowance](#)
- [Telephone standard utility allowance](#)

For handling utility expenses of ineligible members, see [7-I, Deductions](#).

### **Big Standard Utility Allowance**

Legal reference: 7 CFR 273.9(d)(6)

The big standard utility allowance is \$554 per month, per household. A household can get the big standard utility allowance when the household:

- Is responsible for paying any portion of the heat or air-conditioning costs either directly to the utility provider, to a landlord, or to someone with whom the household shares these expenses (including excess or flat fees for these costs);  
or
- Receives energy assistance payments through the Low Income Home Energy Assistance Program (LIHEAP), such as the Affordable Heating Program, or
- Incurs costs during the certification period above those reimbursed by energy assistance programs other than LIHEAP.

Use this allowance for the entire year if the household is entitled to it.

3. Compare the results with the actual utility costs the household had for each month throughout that same October-through-September period.

If the actual costs exceeded the prorated amount of payment in any of those months, the household is eligible for the standard utility allowance.

### **Little Standard Utility Allowance**

Legal reference: 7 CFR 273.9(d)(6)

The little standard utility allowance is \$292 per month, per household.

A household can get the little standard utility allowance when it is responsible for paying any portion of the following utility costs either directly to the utility provider, to a landlord, or to someone with whom the household shares these expenses:

- Water
- Sewer
- Electricity for other than heating or air-conditioning
- Cooking fuel
- Garbage disposal

This includes excess or flat fees for these costs. Use this allowance for the entire year if the household is entitled to it.

### **Telephone Standard Utility Allowance**

Legal reference: 7 CFR 273.9(d)

The telephone standard utility allowance is \$36 per month, per household.

A household can get the telephone standard utility allowance when it is responsible for any portion of the basic service fee for a telephone (including cellular phone) and it is the household's only utility expense. The telephone expense is already included in the other standard utility allowances.

For cellular phones, the cost is deductible whether the household pays a monthly fee or buys a prepaid card with a certain dollar value or number of minutes.