

February 13, 2026

GENERAL LETTER NO. 7-F-104

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

SUBJECT: Employees' Manual, Title 7, Chapter F, **SNAP Budgeting**, 2-4, 7 and 8, 11, 13-17, revised.

Summary

This chapter is revised to

- Update IAC and CFR citations
- Update the gross and net income limits effective 10/1/25
- Update the SNAP maximum benefit allotment effective 10/1/25

Effective Date

Immediately.

Material Superseded

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

Page	Date
2-4, 7 and 8, 11, 13-17	September 27, 2024

Additional Information

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

Income in the Month Received

Legal reference: 7 CFR 273.10(c)(2) and 273.11(a); 441 IAC 65.9(234)

Policy: Only count income for a month when you can reasonably anticipate that it will be received.

Procedure: When there are one-time variations in the normal receipt date, count the payment for the month for which it is intended. Examples:

- Mailing cycles for monthly payments like Family Investment Program (FIP) benefits, Supplemental Security Income (SSI) benefits, and Retirement, Survivors and Disability Insurance (RSDI) payments can occasionally cause households to receive two checks in a month.
- An employer may issue checks early when the normal payday falls on a weekend or holiday.

A household has a member who is in the military. They chose to receive the military pay on the first of each month. The worker knows they will receive two checks in December because a holiday falls on January 1. The check that will be issued at the end of December is considered as received on January 1.

If the employee asks the employer to hold back wages, you must count the wages as income in the month in which the wages would normally be received. If an employer holds wages without the consent of the employee, do not count the wages as income unless the household anticipates that it will:

- ask for and receive a wage advance; or
- receive wages previously held by the employer and the wages have not previously been counted as income.

Count wage advances only when you can reasonably expect them to be received.

Comment: Never count income as a resource for the same month that you used it to calculate SNAP benefits. For determining countable resources, see [7-D, What Resources to Count](#).

Income in the Application Month

Legal reference: 273.10(c)(1)(i), and (ii)

Policy: Use the household's income for the entire calendar month in which the application was filed to determine their eligibility and benefits for the month of application.

Procedure: To determine income for the month of application, use:

- The actual income the household received up to the date of interview, and
- Any other income you receive verification for before you process the case, and
- The income you and the household estimate will be received in the remaining pay periods in the application month.

If the application month income includes weekly or biweekly income and there is a third or fifth check in the month, see [Conversion of Weekly and Biweekly Income](#).

Anticipated Changes at Application

Legal reference: 7 CFR 273.10(a)(3), 273.10(c)

Policy: Because of anticipated changes, a household may be eligible for the month of application, but ineligible for subsequent months. They are entitled to benefits for the month of application even if the benefits are approved and issued in a subsequent month.

Conversely, because of anticipated changes a household may be ineligible for the month of application, but eligible for subsequent months. The same application **must** be used for the denial for the month of application and the determination of eligibility for subsequent months.

A household applies in October. The household has received October benefits in another state so is ineligible in Iowa for the month of application. The household meets all eligibility requirements and is eligible for November benefits in Iowa.

The worker denies October benefits because the household already received benefits in another state for the month of application and determines eligibility for November and subsequent months.

Past 30 Days' Income

Legal reference: 441 IAC 65.6(234) and 65.9(234), 7 CFR 273.10(c)(1)(ii) and 273.10(c)(3)(i)

Policy: Use income received in the past 30 days to project income for future months unless changes have occurred or are anticipated. If changes have occurred or are anticipated, make a reasonable estimate of anticipated income based on verified information and the household's additional statements.

If the household provides verification that covers more than the 30-day period, this verification may be used if it is indicative.

If the income source is new, follow policies for [New Income Source](#). Be sure to document the income used and why it was used.

Procedure: For initial applications, use income received in the 30 days before the interview to estimate income for the certification period, unless changes have occurred or are anticipated.

For recertifications, use the 30-day period of income the household provides with the *Review/Recertification Eligibility Document (RRED)* when the household has indicated on the RRED that their income will stay about the same and you determine that is reasonable based on their circumstances.

1. Get verification of the past 30 days' income. See [7-E, Income Verification Requirements](#) for what is acceptable as verification. Estimate future income from tips using verification provided as stated in [7-E, Tips](#).
2. If the household reports the income they verified is not expected to stay the same, discuss with them why the verified information is not indicative of future income. Make a reasonable estimate of anticipated income based on the verified information and their additional statements. If, for any reason, a household disagrees with the anticipated prospective income calculation, additional verification should be requested. If you find the anticipated income questionable while discussing the anticipated prospective income with them, additional verification may be requested. Clearly document the income determination in a manner that supports the reasonableness and accuracy of the determination.
3. If the past 30 days' income includes a third or fifth check, see [Conversion of Weekly and Biweekly Income](#) to estimate a monthly amount.
4. The household may provide verification more recent than 30 days before the interview or with the RRED. If this happens, use a new 30-day period that includes the more recent verification if it is indicative of future income.
5. When income fluctuates seasonally, use the most recent season's income as an indicator of income for the same months of the new certification period. If the seasonal income changed or a change is anticipated, determine income using the best information available. For example, people who are employed by lawn care or snow removal businesses are seasonally employed.

1. At his May application interview, Doug says that he expects to receive \$600 in the month of August for working at the State Fair. Because he is certain he will be working again and he will earn at least \$600, that amount is used to determine August eligibility and benefits.

7. Leslie's RRED is received on February 2 and includes three paystubs from her retail job (received January 2, 16, and 30). January 2 shows almost 40 hours/week, but the other checks show approximately 25 hours/week. She says she worked extra hours in December because of the holidays and that is why the January 2 count is higher, but is back to her regular schedule of about 25 hours/week.

Verification in the case file shows she was hired to work 20-30 hours/week and all previous paystubs are in that range. Since this is a retail job, the explanation for the temporary increase is reasonable. The January 2 check should be excluded from the projection, unless you find it questionable for some other reason. Make sure to thoroughly document the case regarding your determination.

Averaging Fluctuating Income

Legal reference: 441 IAC 65.9(234), 7 CFR 273.10(c)(1)(ii) and 273.10(c)(3)(i)

Policy: Average fluctuating income to determine future income when it is reasonably certain the income will be received. When income fluctuates to the extent that the past 30 days does not provide a reasonable basis to anticipate future income, use the period of time that is most appropriate, such as a:

- shorter period of income, (see [New Income Source](#))
- longer period of income, or
- different 30-day period.

Procedure: Use whatever period of time you believe is necessary to reasonably project future income accurately.

1. Accept the household's statement as to the period of time that is a good indicator of future income; or, if they are not sure what period to use, get an income estimate from the source of the income.
2. Determine the number of times the household expects to receive income in that period. (See [Income in the Month Received](#).)
3. If income is received weekly or biweekly, add the checks together and then divide that total by the number of checks that were added together to calculate the average weekly or biweekly amount. Then see Step 3 of [Conversion of Weekly and Biweekly Income](#) to get a monthly amount.
4. Clearly document the income used to determine benefits. Show calculations in the case record and explain why you used a different period than the last 30 days to estimate income.

Comment: Use this method to estimate future income when the income varies from month to month due to:

- Fluctuating hours of work,
- Instability of the amount of work when they are paid on a per-job basis, or
- Irregular income from the same source.

People who work for temporary employment or spot-labor agencies often have income that varies from month to month. Use this policy to estimate this kind of income.

Reasonably Anticipated Income

Legal reference: 441 IAC 65.9(234), 7 CFR 273.10(c)(1)(ii) and 273.10(c)(3)(i)

Policy: Estimate income that is reasonably anticipated to be received during the certification period. Consider income that is both:

- verified as received by the household, and
- reasonably anticipated to be received from that source in the future.

Procedure: See below for different situations and how to handle

Application, Interview RRED, or Report of Change

Discuss with the household the 30 days of income verification they provided and/or any income verification you will be requesting from them. If verification they provided with their application is indicative of their future income, and no adjustments are necessary, use that income to determine their eligibility. If verification they provided, or will provide, is not indicative of future income, discuss with them the reasons why is not indicative.

If the verification is or will not be indicative because the income is ending, you must follow procedures for verifying ending income.

If verification is not indicative because of a different kind of change (e.g., pay rate or change in hours, etc.), determine if the household's explanation of the differences between the verification and what they anticipate happening in the future is reasonable. If the explanation is reasonable, project ongoing income based on their explanation. If the explanation is not reasonable, get verification of the changes. See [Unreasonable or Questionable Explanations](#).

NOTE: Verification is required for ending employment, leaves of absence, and beginning employment if the client has not received 30 days of income yet.

Conversion of Weekly and Biweekly Income

Legal reference: 441 IAC 65.9(234)

Policy: Convert weekly or biweekly income to monthly amounts using the same method as FIP.

Procedure:

1. Total the income being used to make the projection.
2. Divide the total by the number of payments you used in Step 1.
3. Multiply the result in Step 2:
 - By four if the income is weekly, or
 - By two if the income is biweekly.
4. The total of Step 3 is the monthly amount to use for the household's SNAP eligibility and benefits.

Josie is paid biweekly. During the 30 days before her interview, she received three paychecks. Her projected income is calculated below:

\$ 653.45	August 3 pay
+ 628.89	August 17 pay
+ <u>637.44</u>	August 31 pay
\$ 1,919.78	Total income for the 30-day period
÷ <u>3</u>	Total number of payments
\$ 639.92	Average biweekly pay
x <u>2</u>	Number of times she is normally paid each month
\$ 1,279.84	Projected monthly income

Her income is converted to a monthly amount of \$1,279.84 to be used for each month of her certification period.

New Income Source

Legal reference: 7 CFR 273.10(c)(1)(i) and 273.2(f)

Policy: Get the best estimate of future income directly from the income source when the income is from a new source.

EXCEPTIONS:

- If someone leaves or joins the household after the application is received, use the household composition as of the date of interview to determine eligibility and benefits.
- Resources available as of the date of interview are countable, even if different than what was reported on the application form.

See [7-G](#) for how to treat household composition and resources at time of recertification.

Gross Income Limit

Legal reference: 7 CFR 273.10(e)(1)(i)(a) and 273.10(e)(2)

Policy: Determine the gross monthly income. Gross income includes all income before any deductions.

Procedure:

1. Add the total countable gross monthly earnings of all household members and people whose income is considered. See [7-I, Ineligible Household Members](#). Include all income before any deductions.
2. Count cents in all calculations. Drop the third digit after the decimal point.
3. For households that do not have an elderly or disabled member or are not categorically eligible, compare the household's total gross monthly income to the maximum allowable for the household size. Do not include ineligible members when determining household size.

The maximum gross monthly income amounts are updated every October 1.

<u>Household Size</u>	<u>Maximum Gross Monthly Income</u>
1	\$1,696
2	\$2,292
3	\$2,888
4	\$3,483
5	\$4,079
6	\$4,675
7	\$5,271
8	\$5,867
For each additional person, add \$596	

4. Go on to compare income to the net income limit if the household has:
 - income that is equal to or less than the gross income limit, or
 - an elderly or disabled member.

If neither of these conditions is met, the household is ineligible.

Deductions

Legal reference: 441 IAC 65.9(234)

Policy: For policies on handling deductions, see [7-E, Deductions](#).

Procedure:

1. Estimate monthly expenses for each month of the certification period.
2. If expenses that are billed on a weekly or biweekly basis, convert them to a monthly amount. To convert the expenses, follow the same method as you do to convert weekly or biweekly income. See [Conversion of Weekly and Biweekly Income](#).

Net Income Limit

Legal reference: 7 CFR 273.10(e)(1)(ii) and (2) and 273.9(a)

Policy: Determine net monthly income. Count cents in all calculations. Drop the third digit to the right of the decimal point.

Procedure: To calculate net monthly income:

1. Gross earned income
Start with the household's gross earned income.
2. Earned income deduction
Multiply the total gross earned income by 20% and subtract that amount from Step 1, or multiply the total gross earned income by 80%.
3. Unearned income
Add to the result of Step 2 the total nonexcluded unearned income from all household members and people whose income is considered.
4. Standard deduction
Subtract the standard deduction (listed under [7-E, Standard Deduction](#)) from the total in Step 3.
5. Medical expenses
Total the allowable medical expenses (see [7-E, Medical Expenses of Elderly or Disabled Household Members](#)) and subtract this from the result in Step 4.

6. Child support payment deduction

Total the allowable child support payments and subtract from the result in Step 5. See [7-E, Child Support Payment](#).

7. Dependent care costs

Total the allowable dependent care costs, and subtract the amount from the result in Step 6. See [7-E, Child and Dependent Care](#).

8. Homeless standard deduction

If a homeless household chooses the homeless standard deduction instead of shelter costs, subtract the standard amount from the result in Step 7. See [7-E, Homeless Standard Deduction](#). If a household gets this deduction, skip Step 9 below. They are not eligible for both deductions.

9. Excess shelter expenses

Total the allowable shelter costs, then subtract 50% of the monthly income after allowing all previous deductions. The remaining amount, if any, is the excess shelter cost. If a household gets the homeless standard deduction, they are not eligible for excess shelter expenses.

Subtract the excess shelter costs from the result in Step 7.

- If the household is subject to the maximum shelter deduction, subtract the excess shelter cost up to the allowed maximum.
- If they are not subject to the maximum shelter deduction, subtract the total excess shelter cost. See [7-E, Shelter Expenses](#).

10. Net monthly income

This final amount is the net monthly income. For households that are not categorically eligible, compare this amount to the maximum allowable for their household size. Do not include ineligible members when determining household size.

The maximum net monthly income amounts are updated every October 1.

Household Size	Maximum Net Monthly Income
1	\$1,305
2	\$1,763
3	\$2,221
4	\$2,680
5	\$3,138
6	\$3,596
7	\$4,055
8	\$4,513
For each additional member, add \$459	

11. Continue to determine the household's households benefit level as directed under [Calculating Benefit Level](#) if the:

- household's income is equal to or less than the net income limits, or
- household is categorically eligible

If neither of these conditions is met, they are ineligible.

Changing Income Guidelines

Legal reference: 7 CFR 273.10(e)(2)(v)

Policy: When a household member turns 60 or begins receiving SSI or a disability payment or an elderly member moves out, this change may affect which income guidelines the household must meet.

Procedure: Start using the new income guidelines (gross/net) at the next recertification or whenever action is taken on the case.

Calculating Benefit Level

Legal reference: 7 CFR 273.10(e)(2) and (4)

Policy: Determine the amount of the monthly benefits based on the household's net monthly income.

Procedure:

1. Multiply the household's net monthly income by 30%.
2. Round the total up to the next whole dollar. \$.01 - \$.99 cents round up.
3. Determine the maximum SNAP allotment for the applicable household size by using the following chart. **NOTE:** the Consolidated Appropriations Act temporarily increased the maximum allotment amounts from January 2021 through June 2021*.

<u>Household Size</u>	<u>Maximum Monthly Allotment</u>
1	\$298
2	\$546
3	\$785
4	\$994
5	\$1,183
6	\$1,421
7	\$1,571
8	\$1,789
For each additional member, add \$218	

4. Subtract the Step 2 total from the Step 3 total. This is the net monthly allotment.

See [Exceptions to Benefit Level](#) for minimum benefits in certain circumstances and [Prorating Initial Month's Benefits](#) for payment for a partial month.

Exceptions to Benefit Level

Legal reference: 7 CFR 273.10(e)(2) and (4)

Policy: If the allotment is not prorated as an initial month's benefits and is \$1, \$3, or \$5, certify the household for \$2, \$4, or \$6, respectively. For an initial month's prorated benefits, see the next section.

The minimum monthly allotment for all eligible one-member and two-member households is \$23. In an initial month, prorate this minimum monthly allotment from the date of application.

When net-tested households, with three or more members, have a calculated allotment of zero, this is because their net income exceeds the minimum level for which benefits are issued. The system will automatically deny these households.

Prorating Initial Month's Benefits

Legal reference: 7 CFR 273.10(a)(1) and 273.2(h)(2), 441 IAC 65.6(234)

Policy: An "initial month" is the first month a household is certified following any break in certification. EXCEPTION: For migrant or seasonal farm worker households, "initial month" means the first month the household is certified following a break in participation of at least one month.

In the initial month of certification, prorate the amount of net monthly allotment (Step 4 of [Calculating Benefit Level](#)), from the date of application through the end of the month.

Determine the amount of the prorated allotment by using the following formula:

$$\begin{array}{r} \text{Net Monthly} \\ \text{Allotment (from} \\ \text{Step 4)} \end{array} \times \begin{array}{r} (31 - \text{date of application}) \\ \div 30 = \end{array} \begin{array}{r} \text{Initial} \\ \text{Prorated} \\ \text{Allotment} \end{array}$$

Procedure: When using the prorating formula, do the following steps:

1. Subtract the date of application from 31
2. Multiply the Step 1 total by the full month's allotment
3. Divide the Step 2 total by 30
4. Round the Step 3 total down to the whole dollar (drop the cents).