



**NEW YORK STATE**  
**OFFICE OF TEMPORARY AND DISABILITY**  
**ASSISTANCE**  
 40 NORTH PEARL STREET  
 ALBANY, NY 12243-0001  
**Andrew M. Cuomo**  
*Governor*

**Informational Letter**

**Section 1**

<b>Transmittal:</b>	12-INF-08
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office:</b>	Center for Employment and Economic Supports
<b>Date:</b>	June 22, 2012
<b>Subject:</b>	The Treatment of Subsidized Employment as Earned Income for the Food Stamp Program
<b>Suggested Distribution:</b>	FS Directors, TA Directors, Staff Development Coordinators, Employment Coordinators
<b>Contact Person(s):</b>	Bureau of Employment and Advancement Services at 518-486-6106 Temporary Assistance Bureau at 1-800-343-8859, extension 4-9344 Food Stamp Bureau at 1-800-343-8859, ext. 3-1469
<b>Attachments:</b>	
<b>Attachment Available On – Line:</b>	<input type="checkbox"/>

**Filing References**

<b>Previous ADMs/INFs</b>	<b>Releases Cancelled</b>	<b>Dept. Regs.</b>	<b>Soc. Serv. Law &amp; Other Legal Ref.</b>	<b>Manual Ref.</b>	<b>Misc. Ref.</b>
09 ADM 11 09 INF 24			March 2010 USDA Regional Letter		ABEL Transmittal 12-1, Info #3 WMS Memo, March 16,2012 to IM/Financial Directors

## Section 2

### I. Purpose

This is to provide recent clarification concerning the treatment of income from subsidized employment for Food Stamp Program purposes [Note: The New York State Food Stamp Program will, as of August 30, 2012 be known as the Supplemental Nutrition Assistance Program]. **In ABEL Transmittal 12-1, local social services districts were instructed to treat all subsidized employment income as earned income for the Food Stamp Program beginning 5/01/12.**

### II. Background

Historically, federal food stamp policy has been to treat subsidized employment income as unearned income. The FNS has reviewed its policy and determined that subsidized employment income constitutes earned income. This policy applies to all subsidized employment where an employer and employee relationship exists and the income paid to Food Stamp program clients or applicants is in the form of wages, regardless of the source of funding that reimburses the employer for all or part of the wages paid.

### III. Program Implications

Local social services districts must begin treating **all subsidized employment income (including TEAP (Transitional Employment Advancement Program), Transitional Jobs Program, Health Care Jobs Program and Green Jobs Corp Program)** as earned income for the Food Stamp Program for FS budgets starting 5/1/12.

The number of affected cases is small in New York State and includes food stamp (both TA-FS and NTA-FS) households enrolled in TEAP (09 ADM 11) as well as the programs mentioned above. TEAP allows districts the opportunity to divert the TA (Temporary Assistance) grant to employers to support subsidized employment positions for individuals in receipt of TA. **The TEAP income in the TA budget remains earned income for TA eligibility purposes.** Treating the TEAP income source as earned income for food stamps and applying the 20% earned income deduction will likely result in an increase in food stamps to the household.

Districts were mailed a list of TEAP cases on March 19, 2012 with instructions to adjust all FS cases by first storing a new TA budget and then storing the new FS budget with the TEAP income as an earned income source. The income source code "31- Earnings From Subsidized Private or Public Employment," has been automatically adjusted in ABEL to convert to earned income for FS. Instructions are included in ABEL Transmittal 12-1 and a WMS Memo to IM/Financial Directors dated March 16, 2012. Further WMS and ABEL instructions are included in Section IV of this INF.

### IV. Systems Implications:

#### Upstate ABEL Implications:

Effective **3/18/12**, when earned income source **"31- Earnings From Subsidized Private or Public Employment,"** is entered in calculating a TA budget with a **FROM DATE of 5/1/12 or**

**later**, and the FS budget is subsequently accessed using SF8; the source 31 income will be displayed as **earned income** on the FS Input screen. Treating the income source as earned and thereby applying the 20% earned income deduction will likely result in an increase in food stamps to the household.

On 3/19/12, districts were mailed a list of existing TA cases with budgets that have earned income source “31” entered. These cases were required to be worker rebudgeted for TA and FS with an effective From Date of 5/1/12 so that the FS budget will be corrected to treat income source “31” as earned income for food stamps.

Districts are also reminded that when a TA household with earned income source “31” calculates out to a zero TA deficit, the TA income and the source “31” **earned income** will need to be worker removed when calculating the associated TBA (Transitional Benefit Alternative) FS budget. Previously when calculating such TBA FS budgets the source “31” income that needed to be worker removed was **unearned**.

**Downstate WMS Implications - NYC:**

Income Source Code 37 is budgeted as Earned Income for both TA and FS. If the client is eligible for FS TBA (per our agreement in the Walker lawsuit), the income source should be input with a Program Indicator = P. Once the TBA period ends, the income should be budgeted with Program Indicator = B for TA/FS.

**Issued By**

**Name: Phyllis Morris**

**Title: Acting Deputy Commissioner**

**Division/Office: Center for Employment and Economic Supports**