Shelter Deduction Clarification effective 07/2014

Case Scenario 1:
Person A is the only name on the lease or rental agreement with Landlord A. Rent is $500 per month. Person B moves in with Person A. Person B’s name is not on the lease or rental agreement with Landlord A.
Person A charges Person B $300 to live there.
Person A pays Landlord A $500 for rent.
Person A and Person B are SNAP recipients but are certified separately because they purchase and prepare separately.

- Is the living arrangement of Person A and Person B a shared rent (living expense) arrangement? Yes.
- Is the $300 Person A receives from Person B counted as income? No. The rent payment a SNAP unit receives from and uses on behalf of a third-party, i.e. a rent payment that passes through is excluded income.
- Is Person A allowed $500 as a shelter deduction? No. Person A is allowed $200 as a shelter deduction because $300 of the $500 rent amount is being paid by Person B.
- Is Person B allowed $300 as a shelter deduction? Yes.

Note: If Person A states he/she is really responsible for $500 rent and insists on getting the $500 shelter deduction, not $200, then count the $300 payment Person A receives from Person B as roomer income and allow a shelter deduction of $500.

Case Scenario 2:
Parent and 23 year old child live together. Both are SNAP recipients but are certified separately because they purchase and prepare separately. Both the parent and child are named on the lease or rental agreement with Landlord B. Rent is $600 a month. Parent and child decided to split (share) the $600 rent 50/50. Parent pays $300 directly to Landlord B and the child pays $300 directly to Landlord B.

- Is the living arrangement of the parent and adult child a shared rent (living expense) arrangement? Yes.
- Is the parent allowed $600 or $300 as a shelter deduction? $300, the continuing charge of the parent’s incurred share of the shelter expense.
- Is the child allowed $600 or $300 as a shelter deduction? $300, the continuing charge of the child’s incurred share of the shelter expense.
Case Scenario 3:
Adult A and Adult B live together. Both are SNAP recipients but are certified separately because they purchase and prepare separately. Both are named on the lease or rental agreement with Landlord C. Rent is $1000 a month. Adult A and Adult B decided to share the $1000 rent 60/40. Adult A is paying $600, and Adult B is paying $400. Landlord C will only accept one check for payment of the monthly rent. Adult B gives $400 for his/her monthly rent to Adult A. Adult A writes a check to Landlord B for $1000.

- Is the living arrangement of the parent and adult child a shared rent (living expense) arrangement? Yes.

- Is Adult A allowed $1000 or $600 as a shelter deduction? $600, the continuing charge of Adult A’s incurred share of the shelter expense.

- Is Adult B allowed $1000 or $400 as a shelter deduction? $400, the continuing charge of Adult B’s incurred share of the shelter expense.

Case Scenario 4:
Client A has a rental apartment for which the incurred rent is $116. Client A shares the apartment with Client B. Client A charges Client B $200 to share the apartment. Both are SNAP recipients but are certified separately because they purchase and prepare separately. It is not clear if the difference between the $200 and the rent of $116 is for utilities.

- Is the living arrangement of Client A and Client B a shared rent (living expense) arrangement? No. This case scenario is a roomer arrangement due to the gain Client A receives for charging Client B more than the incurred rent amount of $116.

- Is the $200 Client A receives from Client B counted as income? Yes. Count the $200 as roomer income.

- Is Client A allowed $116 as a shelter deduction? Yes, because $116 is the continuing charge of Client A’s incurred shelter expense.

- Is Client B allowed $200 as a shelter deduction? Yes, because $200 is the continuing charge of Client B’s incurred shelter expense.