

**STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES**

**IN THE MATTER OF:**

██████████  
██████████  
██████████

Reg. No.: 2014 22726  
Issue No(s): 3001  
Case No.: ██████████  
Hearing Date: January 10, 2014  
County: Wayne (18)

**ADMINISTRATIVE LAW JUDGE:** Lynn M. Ferris

**HEARING DECISION**

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on January 10, 2014, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ ES.

**ISSUE**

Due to excess income, did the Department properly  deny the Claimant's application  close Claimant's case  determine the amount of income received by Claimant when calculating Claimant's Food Assistance (FAP) allotment?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Claimant  applied for  received:  
 FIP  FAP  MA  AMP  SDA  CDC  
benefits.
2. On January 1, 2014, the Department approved the Claimant for \$15 in FAP benefits based on income from his military pension of \$1909. Exhibit 3.
3. The Department issued an Unearned Income Notice to the Claimant indicating that his annual income for 2012 was \$13,110 as reported by the Defense Department Finance and Accounting. Exhibit 4.

4. The Claimant's Retiree Account Statement notes taxable income of one half of the gross pay with taxable income reported as \$949. Exhibit 2
5. On December 13, 2013, the Department sent Claimant/Claimant's Authorized Representative (AR) its decision.
6. On January 9, 2014, Claimant/Claimant's Authorized Hearing Representative (AHR) filed a hearing request, protesting the Department's actions.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services Reference Tables Manual (RFT).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food Stamp Act of 1977, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 271.1 to 285.5. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10 and Mich Admin Code, R 400.3001 to .3015.

Additionally, the issue is whether the Department properly included as part of the Claimant's gross unearned income his ex-wife's income which she receives directly from his military pension. Based on the Department's Unearned Income Notice it sent to the Claimant based upon information it received from Defense Finance and Account, the gross distribution for the Claimant for 2012 was \$13,110. Exhibit 4. When it calculated the Claimant's FAP benefits, the Department used \$1909 as the gross unearned income amount in error when calculating the Claimant's FAP benefits as that portion paid by the pension to his ex-wife is deemed not to be his taxable income and therefore should not be included as part of his gross income. Exhibit 4 and Exhibit 2. BEM 500 (1/1/14)

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department

did not act in accordance with Department policy when it calculated the Claimant's FAP benefits using unearned income of \$1909, rather than the Claimant's gross income which is \$949. Exhibit 2

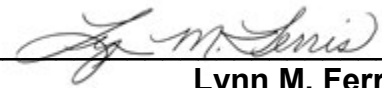
### **DECISION AND ORDER**

Accordingly, the Department's decision is

REVERSED.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. The Department shall recalculate the Claimant's FAP benefits for January 2014 and shall include as gross unearned income the amount of \$949 based upon the account statement provided by the Department (Exhibit 2) or any updated information regarding the Claimant's unearned income in accordance with this Decision.
2. The Department shall issue a FAP supplement to the Claimant, if any is due, in accordance with Department policy.



**Lynn M. Ferris**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: February 19, 2014

Date Mailed: February 19, 2014

**NOTICE OF APPEAL:** The claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely Request for Rehearing or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

Michigan Administrative Hearing System (MAHS) may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. MAHS will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request (60 days for FAP cases).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

2014-22726/LMF

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-07322

LMF/cl

cc:

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]