**Section 121.63 Deductions from Monthly Income**

a) The deductions described in this Section shall be allowed in the determination of the adjusted net monthly SNAP income.

b) Earned Income Deduction. Eighty percent of total gross earned income is considered. See Sections 121.40 through 121.54 for a description of earned income.

c) Standard Deduction. The standard deduction for a household size of one through three persons is $194. The standard deduction for a household size of four persons is $204. The standard deduction for a household size of five persons is $240. For households of six or more persons, the standard deduction is $275. Due to the Standard Medical Deduction Demonstration Project, the standard deduction will be adjusted as explained in subsection (h).

d) Dependent Care Deduction

1) The dependent care deduction consists of payments for the care of a child or other dependent when necessary for a household member to accept or continue employment or to seek employment in compliance with the job search criteria or to attend training or pursue education which is preparatory for employment (see 89 Ill. Adm. Code 112.70 through 112.83).

2) The amount of the deduction is to be determined by the actual costs for care per month for each dependent household member.

e) Shelter Costs Deduction

1) The shelter deduction is the amount of shelter costs that exceeds 50% of the household's total income after the allowable deductions in subsections (b), (c), and (d) have been made. The shelter deduction shall not exceed $672.

2) If the household contains a member who is elderly or disabled, as defined at 7 CFR 271.2 (2013) and Section 121.61, there is no limit on the amount of the excess shelter deduction.

3) Shelter costs include only the following:

A) continuing charges for the shelter occupied by the household (rent, mortgage and other charges leading to the ownership of the shelter, including interest on such charges);

B) property taxes, State and local assessments and insurance on the structure itself; and

C) utility costs, as described in subsection (g).

4) Shelter costs for a home temporarily unoccupied by the household because of employment or training away from home, illness or abandonment caused by a natural disaster or casualty loss, if:

A) the household intends to return to the home;

B) the current occupants of the home, if any, are not claiming the shelter costs for SNAP purposes; and

C) the home is not leased or rented during the absence of the household.

5) Charges for repair of a home which was damaged or destroyed due to a natural disaster. Shelter costs shall not include repair charges which have been or will be reimbursed by private or public relief agencies, insurance companies or any other source.

f) Homeless Shelter Deduction

The standard homeless shelter deduction is $179 a month for households in which all members are homeless individuals but are not receiving free shelter throughout the month. A homeless household with qualifying shelter expenses may choose to use the standard homeless shelter deduction (in lieu of the shelter deduction as described in subsection (e)), as a deduction from net income in determining SNAP eligibility and allotments. A homeless household receiving the standard homeless shelter deduction may not have its shelter expenses considered as part of the shelter deduction or the standard utility allowances. A homeless household may choose to claim actual costs under the shelter deduction instead of claiming the standard homeless shelter deduction if actual costs are higher and verified.

g) Utility Costs

1) Utility costs include:

A) the cost of heating and cooking fuel, air conditioning, electricity, water, sewerage, garbage and trash collection;

B) basic service fee for one telephone (including tax on the basic fee) of $75; and

C) fees charged by the utility provider for initial installation.

2) Utility deposits are not considered to be utility costs.

3) A standard must be used if the household is billed for utilities. Federal regulations require an annual review of the State's utility standards and approval of the utility standard amounts by Food and Nutrition Service (FNS). See subsection (e)(4) for households that claim utility expenses for an unoccupied home. Households that are billed for heating or air conditioning, or both, or heating, air conditioning and electricity, must use the air conditioning/heating standard allowance of $577. Those households that are not billed for air conditioning or heating but are billed for at least two other utilities must use the limited utility standard allowance of $386. Those households that are not billed for air conditioning or heating but are billed for a single utility, other than telephone, must use the single utility standard allowance of $62. If only a separately-billed telephone expense is claimed, the basic telephone standard allowance of $75 per month will be allowed. Households living in rental housing who are billed on a regular basis by a landlord for costs for utilities must use the appropriate standard.

4) A household that is billed less often than monthly for its costs for utilities must continue to use the appropriate standard between billing months.

5) Households in public housing or privately-owned rental units that receive a bill for over-usage are entitled to use the air conditioning/heating standard allowance. When households (as defined at 7 CFR 273.1(a) (2013)) live together, the air conditioning/heating standard allowance, the limited utility standard allowance, or the single utility standard allowance, whichever is appropriate, shall be allowed for each household that contributes toward the utility costs whether or not each household participates in the program.

6) Households whose expense for heat or electricity, or both, is covered by indirect energy assistance payments under the Low Income Home Energy Assistance Program (LIHEAP) (47 Ill. Adm. Code 100) shall be entitled to the air conditioning/heating standard allowance (7 CFR 273.9 and 273.10(d)(6) (2013)). Households who receive a LIHEAP payment of $21 or more during the month of application or the preceding 12-month period shall be allowed the air conditioning/heating standard allowance (7 CFR 273.9 (2013)). The provisions of subsection (e)(3) are applicable to households whose expenses for heating or electricity, or both, are covered by indirect energy assistance payments.

7) A household that has both an occupied home and an unoccupied home is entitled to only one standard. The appropriate utility standard may be used for the home the household chooses.

h) Excess Medical Deduction. A deduction for excess medical expenses shall be allowed for households which contain an elderly or disabled member as defined at 7 CFR 271.2 (2013) and Section 121.61. When a qualifying household member incurs medical expenses that are over $35 per month, the household will be given a standard medical deduction if the expenses will not be reimbursed by insurance or a third party. The standard medical deduction is a result of a demonstration project authorized by USDA FNS. The standard medical deduction is $450 a month for residents of group homes or supportive living facilities and $150 a month for all other eligible households. Households whose medical expenses exceed $485 and $185 a month, respectively, may opt to claim actual documented medical expenses in lieu of the standard medical deduction and the amount over $35 will be allowed as a deduction. To ensure federal costs do not increase, the standard deduction in subsection (c) will be reduced by $4 per month for all SNAP households.

(Source: Amended at 48 Ill. Reg. 2170, effective January 24, 2024)